ANNUAL FINANCIAL REPORT

of

Texas A&M AgriLife Extension Service

For the Year Ended August 31, 2017 With Comparative Totals for the Year Ended August 31, 2016



Douglas L. Steele, Director

TEXAS A&M AGRILIFE EXTENSION SERVICE

TABLE OF CONTENTS

EXHIBITS

REFERENCE	EXHIBITS	PAGE
Ш	Statement of Net Position	555-1-1
IV	Statement of Revenues, Expenses, and Changes in Net Position	555-2-1
IV - 1	Schedule of NACUBO Function to Natural Classification Matrix	555-3-1
V	Statement of Cash Flows	555-4-1
	SCHEDULES	
THREE	Schedule of Cash & Cash Equivalents	555-13-1
N-2	Note 2 - Capital Assets	555-14-1

EXHIBIT III TEXAS A&M AGRILIFE EXTENSION SERVICE STATEMENT OF NET POSITION FOR THE YEAR ENDED AUGUST 31, 2017

		CURRENT YEAR TOTAL		
Assets and Deferred Outflows				
Current Assets	¢	3,214,983.60	\$	4,495,170.16
Cash & Cash Equivalents [Schedule Three] Investments	à	5,214,985.00	¢	4,495,170.10
Restricted				
Cash & Cash Equivalents [Schedule Three]		178,198.60		2,538.52
Investments				
Legislative Appropriations		5,284,100.54		5,624,215.96
Receivables, Net [Note 24]		22 1 40 7 (7 42		21 101 004 70
Federal		22,149,767.43		21,181,894.70
Other Intergovernmental Interest and Dividends		568,128.04		926,881.51
Gifts				
Self-Insured Health and Dental				
Student				
Investment Trades				
Accounts		1,940,205.26		1,810,889.14
Other		410.99		2,326.38
Due From Other Agencies		2,256,232.27		2,246,445.92
Due From Other Members		700,964.21		1,110,099.41
Due From Other Funds		3,723,977.55		3,783,312.85
Consumable Inventories		24,123.00		72,679.63
Merchandise Inventories Loans and Contracts		1,074,830.43		944,605.91
Interfund Receivable [Note 12]				
Other Current Assets				
ould current risses			_	
Total Current Assets	\$	41,115,921.92	\$	42,201,060.09
			_	
Non-Current Assets				
Restricted	^		~	
Cash & Cash Equivalents [Schedule Three]	\$	1 (52 010 00	\$	205 115 52
Assets Held By System Office		1,653,818.09		285,115.73
Investments [Note 3] Loans, Contracts and Other				
Gifts Receivable				
Loans and Contracts				
Assets Held By System Office		26,259,658.44		25,713,157.77
Investments [Note 3]				,,
Interfund Receivable [Note 12]				
Capital Assets, Non-Depreciable [Note 2]				
Land and Land Improvements		1,715,200.00		394,693.64
Construction In Progress		602,632.87		
Other Tangible Capital Assets				
Land Use Rights Other Intangible Capital Assets				
Capital Assets, Depreciable [Note 2]				
Buildings and Building Improvements		5,825,704.64		2,032,067.67
Infrastructure		0,020,701101		2,002,007107
Facilities and Other Improvements				
Furniture and Equipment		5,809,518.52		5,462,919.40
Vehicles, Boats, and Aircraft		7,420,857.76		7,455,708.02
Other Capital Assets		16,192.00		16,192.00
Intangible Capital Assets, Amortized [Note 2]				
Land Use Rights				
Computer Software				
Other Intangible Capital Assets Accumulated Depreciation/Amortization		(12,214,532.86)		(10 202 420 20)
Assets Held In Trust		(12,214,332.80)		(10,303,420.20)
Other Non-Current Assets				
			_	
Total Non-Current Assets	\$	37,089,049.46	\$	31,056,434.03
	<u> </u>			
Deferred Outflows of Resources [Note 28]				
Unamortized Loss On Refunding Debt	\$		\$	
Government Acquisition				
Pensions			_	
Total Deferred Outflows of Resources	\$		\$	
Total Defetted Outflows of Resources	þ		φ	
Total Assets and Deferred Outflows	\$	78,204,971.38	\$	73,257,494.12
	Ψ	,,,, , , , ,	*	,

EXHIBIT III TEXAS A&M AGRILIFE EXTENSION SERVICE STATEMENT OF NET POSITION FOR THE YEAR ENDED AUGUST 31, 2017

		CURRENT YEAR TOTAL		PRIOR YEAR TOTAL
Liabilities and Deferred Inflows				
Current Liabilities				
Payables				
Accounts	\$	2,135,993.92	\$	2,407,683.26
Payroll		6,541,718.60		8,700,274.75
Investment Trades Self-Insured Health and Dental				
Student				
Other		5,007.17		8,917.60
Interfund Payable [Note 12]		0,007.117		0,917100
Due to Other Agencies		112,667.61		92,466.29
Due to Other Funds		3,723,977.55		3,783,312.85
Due to Other Members		1,500,356.13		261,087.60
Funds Held for Investment				
Unearned Revenue		1,725,331.01		1,836,552.44
Employees' Compensable Leave		691,683.78		665,675.06
Claims and Judgments				
Notes and Loans Payable [Note 5] Bonds Payable [Note 6]				
Capital Lease Obligations [Note 8]				
Liabilities Payable From Restricted Assets				
Funds Held for Others		3,421.55		2,538.52
Other Current Liabilities		24.73		56.42
Total Current Liabilities	\$	16,440,182.05	\$	17,758,564.79
Non-Current Liabilities				
Interfund Payable [Note 12]	\$		\$	
Employees' Compensable Leave	Ŷ	7,846,807.44	Ŷ	8,240,183.56
Other Post Employment Benefits [Note 11]		.,,		.,,
Pension Liability [Note 9]				
Claims and Judgments				
Notes and Loans Payable [Note 5]				
Bonds Payable [Note 6]				
Assets Held In Trust				
Liabilities Payable From Restricted Assets				
Funds Held for Others				
Capital Lease Obligations [Note 8] Other Non-Current Liabilities				
Other Won-Current Engolities			_	
Total Non-Current Liabilities	\$	7,846,807.44	\$	8,240,183.56
	4	1,010,007111	Ψ	0,210,100100
Deferred Inflows of Resources [Note 28]				
Pension	\$		\$	
Total Deferred Inflows of Resources	\$		\$	
Total Liabilities and Deferred Inflows	\$	24,286,989.49	\$	25,998,748.35
Net Position				
Net Investment In Capital Assets	\$	9,175,572.93	\$	5,058,160.53
Restricted for		.,,		- , ,
Debt Service				
Capital Projects		429,954.82		1,002,373.54
Education		20,417,296.77		20,490,049.24
Endowment and Permanent Funds		1 222 2 (2 00		
Nonexpendable		1,322,363.90		295 115 72
Expendable Unrestricted		331,454.19		285,115.73
Unicsuluteu		22,241,339.28	_	20,423,046.73
Total Net Position [Exhibit IV]	\$	53,917,981.89	\$	47,258,745.77
Total Liabilities, Deferred Inflows, and Net Position	\$	78,204,971.38	\$	73,257,494.12
roar Enomines, Deferred millows, and ret i osition	\$	10,207,771.30	φ	13,237, 1 7,12

EXHIBIT IV TEXAS A&M AGRILIFE EXTENSION SERVICE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED AUGUST 31, 2017

	 CURRENT YEAR TOTAL		PRIOR YEAR TOTAL
Operating Revenues			
Tuition and Fees	\$	\$	
Discounts and Allowances			
Professional Fees			
Auxiliary Enterprises			
Discounts and Allowances	0.014 (00.40		0.500.050.50
Other Sales of Goods and Services	8,314,600.43		8,529,053.78
Discounts and Allowances			
Interest Revenue	0 101 710 72		0 242 262 42
Federal Revenue - Operating	8,181,718.73		9,243,362.43
Federal Pass Through Revenue State Grant Revenue	9,668,178.95		7,016,864.85
State Orant Revenue	9,427.10 2,891,251.74		51,079.20
Other Grants and Contracts - Operating	11,914,123.59		3,166,282.63 11,851,741.18
Other Operating Revenue	713,268.38		490,189.89
Other Operating Revenue	 /15,208.58	_	490,189.89
Total Operating Revenues	\$ 41,692,568.92	\$	40,348,573.96
Operating Expenses			
Instruction	\$	\$	
Research	1,107,062.21		349,601.97
Public Service	117,316,985.81		116,098,189.84
Academic Support			
Student Services			
Institutional Support	7,921,881.78		7,741,780.08
Operation & Maintenance of Plant			
Scholarships & Fellowships			
Auxiliary			
Depreciation/Amortization	 1,004,531.66		809,322.15
		_	
Total Operating Expenses [Schedule IV-1]	\$ 127,350,461.46	\$	124,998,894.04
Total Operating Income [Loss]	\$ (85,657,892.54)	\$	(84,650,320.08)
Nonoperating Revenues [Expenses]			
Legislative Revenue	\$ 66,106,590.07	\$	64,930,979.25
Federal Revenue Non-Operating	18,440,912.88		18,125,462.64
Federal Pass Through Non-Operating			
State Pass Through Non-Operating			
Gifts	1,985,206.47		2,515,811.37
Investment Income	2,670,923.57		1,115,276.89
Investing Activities Expense	(71,128.80)		(52,822.75)
Interest Expense			(130.03)
Borrower Rebates and Agent Fees			
Gain [Loss] On Sale or Disposal of Capital Assets	54,572.80		66,345.00
Settlement of Claims			
Other Nonoperating Revenues	48,175.57		26,538.12
Other Nonoperating [Expenses]	 (98,931.14)		(32,754.67)
Total Nonoperating Revenues [Expenses]	\$ 89,136,321.42	\$	86,694,705.82
Income [Loss] Before Other Revenues and Transfers	\$ 3,478,428.88	\$	2,044,385.74

EXHIBIT IV TEXAS A&M AGRILIFE EXTENSION SERVICE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL			PRIOR YEAR TOTAL
Other Revenues and Transfers				
Capital Contributions	\$	32,103.00	\$	17,500.00
Capital Appropriations [Higher Education Fund]				
Additions to Permanent and Term Endowments		1,406,962.00		300,000.00
Special Items				
Extraordinary Items				
Transfers In				
Transfers From Other State Agencies				
Mandatory Transfers From Other Members				
Nonmandatory Transfers From Other Members		233,081.72		618,356.94
Nonmandatory Transfers From Members/Agencies-Cap Assets		3,716,175.20		4,627.78
Transfers Out				
Transfers to Other State Agencies				
Mandatory Transfers to Other Members		(261,226.39)		
Nonmandatory Transfers to Other Members		(2,000,000.00)		
Nonmandatory Transfers to Members/Agencies - Cap Assets		(53,956.60)		(49,058.66)
Legislative Transfers - In		416,269.00		425,462.00
Legislative Transfers - Out				
Legislative Appropriations Lapsed		(308,600.69)		
Total Other Revenues and Transfers	\$	3,180,807.24	\$	1,316,888.06
Change In Net Position	\$	6,659,236.12	\$	3,361,273.80
Net Position, Beginning of Year Restatement	\$	47,258,745.77	\$	43,897,471.97
Net Position, Beginning of Year, Restated	<u>\$</u>	47,258,745.77	\$	43,897,471.97
Net Position, End of Year	\$	53,917,981.89	\$	47,258,745.77

SCHEDULE IV-1 TEXAS A&M AGRILIFE EXTENSION SERVICE NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	 RESEARCH	Pl	JBLIC SERVICE	 ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification						
Cost of Goods Sold	\$	\$	\$	83,175.62	\$	\$
Salaries & Wages		123,787.16		66,125,260.39		
Payroll Related Costs		60,250.68		28,568,418.34		
Payroll Related Costs-TRS Pension						
Professional Fees & Services				4,671,155.97		
Travel				2,884,326.87		
Materials & Supplies				5,133,685.80		
Communication & Utilities				1,483,101.68		
Repairs & Maintenance				518,012.53		
Rentals & Leases				2,721,946.89		
Printing & Reproduction				533,757.71		
Federal Pass-Through		17,131.86		650,140.88		
State Pass-Through		773,192.74		6,660.55		
Depreciation & Amortization						
Bad Debt Expense						
Interest				1,573.60		
Scholarships				178,096.76		
Claims & Losses						
Net Change In OPEB Obligation						
Other Operating Expenses		132,699.77		3,757,672.22		
Total Operating Expenses	\$	\$ 1,107,062.21	\$	117,316,985.81	\$	\$
			_			

STITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	_	PRIOR YEAR
\$	\$	\$	\$	\$	\$ 83,175.62	\$	117,449.44
5,075,988.27					71,325,035.82		71,203,808.26
2,470,625.56					31,099,294.58		29,960,191.97
, ,					. ,,		.,
10,981.26					4,682,137.23		3,590,837.85
26,666.48					2,910,993.35		2,864,811.53
209,815.92					5,343,501.72		5,757,031.99
74,275.96					1,557,377.64		1,360,335.51
12,474.26					530,486.79		664,873.13
22,252.70					2,744,199.59		2,555,180.71
5,796.55					539,554.26		1,049,694.37
					667,272.74		1,018,475.69
					779,853.29		381,411.45
				1,004,531.66	1,004,531.66		809,322.15
3.58					1,577.18		1,509.32
					178,096.76		109,608.10
 13,001.24					 3,903,373.23	_	3,554,352.57
\$ 7,921,881.78	\$	\$	\$	\$ 1,004,531.66	\$ 127,350,461.46	\$	124,998,894.04
					[[]] [] [] [] [] [] [] [] [] [] [] [] [] []		

[Exhibit IV]

EXHIBIT V TEXAS A&M AGRILIFE EXTENSION SERVICE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AUGUST 31, 2017

		CURRENT YEAR TOTAL		PRIOR YEAR TOTAL
Cash Flows From Operating Activities				
Proceeds Received From Tuition and Fees	\$		\$	
Proceeds Received From Customers		8,461,162.31		8,525,030.18
Proceeds From Grants and Contracts		31,538,237.24		33,256,118.43
Proceeds From Auxiliary Enterprises				
Proceeds From Loan Programs				
Proceeds From Other Operating Revenues		713,236.69		488,826.22
Payments to Suppliers for Goods and Services		(21,640,936.17)		(22,165,674.22)
Payments to Employees		(104,950,253.95)		(98,767,128.65)
Payments for Loans Provided Payments for Other Operating Expenses		(1,365,782.10)		(2,033,396.22)
r ayments for Other Operating Expenses		(1,305,782.10)	_	(2,033,390.22)
Net Cash Provided [Used] By Operating Activities	\$	(87,244,335.98)	\$	(80,696,224.26)
Cash Flows From Noncapital Financing Activities				
Proceeds From State Appropriations	\$	66,138,104.80	\$	65,497,224.29
Proceeds From Gifts		1,985,206.47		2,515,811.37
Proceeds From Endowments		1,406,962.00		300,000.00
Proceeds From Transfers From Other Funds		10 440 010 00		10 105 460 64
Proceeds From Other Grant Receipts		18,440,912.88		18,125,462.64
Proceeds From Other Noncapital Financing Activities Payments of Interest		36,975.57		26,538.12
Payments for Transfers to Other Funds				
Payments for Grant Disbursements				
Payments for Other Noncapital Financing Uses		(68,275.07)		(20,920.95)
Other Noncapital Transfers From/To System		(1,550,649.28)		543,818.94
Transfers Between Fund Groups				
Net Cash Provided [Used] By Noncapital Financing Activities	\$	86,389,237.37	\$	86,987,934.41
Cash Flows From Capital and Related Financing Activities				
Proceeds From Sale of Capital Assets	\$	63,705.00	\$	66,345.00
Proceeds From Debt Issuance				
Proceeds From State Grants and Contracts				
Proceeds From Federal Grants and Contracts				
Proceeds From Gifts				
Proceeds From Interfund Payables				
Proceeds From Other Financing Activities				
Proceeds From Capital Contributions Payments for Additions to Capital Assets		(1,454,137.70)		(1,443,979.51)
Payments of Principal On Debt		(1,434,137.70)		(1,445,979.51)
Payments for Capital Leases				
Payments of Interest On Debt Issuance				(130.03)
Payments for Interfund Receivables				(/
Payments of Other Costs On Debt Issuance				
Transfer of Capital Debt Proceeds From System [Nonmandatory]		717,639.48		219,875.64
Intrasystem Transfers for Capital Debt [Mandatory]		(261,226.39)		
Intrasystem Transfers for Construction Proceeds [Non-Mand]	_			
Net Cash Provided [Used] By Capital and Related Financing Act.	\$	(934,019.61)	\$	(1,157,888.90)
Cash Flows From Investing Activities				
Proceeds From Sales of Investments	\$		\$	
Sales and Purchases of Investments Held By System		282,286.19		(5,118,972.89)
Proceeds From Interest and Investment Income		402,305.55		357,405.15
Payments to Acquire Investments	_			
Net Cash Provided [Used] By Investing Activities	\$	684,591.74	\$	(4,761,567.74)
Net Increase [Decrease] In Cash and Cash Equivalents	\$	(1,104,526.48)	\$	372,253.51
Cash and Cash Equivalents, Beginning of Year	\$	4,497,708.68	\$	4,125,455.17
Restatement	φ	т,тут,700.00	φ	т,123,433.17
Cash and Cash Equivalents, Beginning of Year, As Restated	\$	4,497,708.68	\$	4,125,455.17
Cash and Cash Equivalents, End of Year [Sch Three]	\$	3,393,182.20	\$	4,497,708.68

EXHIBIT V TEXAS A&M AGRILIFE EXTENSION SERVICE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AUGUST 31, 2017

	_	CURRENT YEAR TOTAL	_	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$		\$	
Operating Income [Loss]		(85,657,892.54)		(84,650,320.08)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities				
Amortization and Depreciation		1,004,531.66		809,322.15
Bad Debt Expense		641.46		(1,294.56)
Operating Income [Loss] and Cash Flow Categories Classification Differences				
Changes In Assets and Liabilities				
[Increase] Decrease In Receivables		(737,161.45)		2,648,651.49
[Increase] Decrease In Due From Agencies/Funds		(9,786.35)		(761,379.51)
[Increase] Decrease In Due From System Members		(108,504.28)		(28,320.56)
[Increase] Decrease In Inventories [Increase] Decrease In Prepaid Expenses [Increase] Decrease In Loans and Contracts		(81,667.89)		200,826.23
[Increase] Decrease In Other Assets				
Increase [Decrease] In Payables		(2,435,345.92)		1,118,962.10
Increase [Decrease] In Due to Other Agencies/Funds		20,201.32		(509,244.72)
Increase [Decrease] In Due to System Members		1,239,268.53		(14,700.76)
Increase [Decrease] In Unearned Revenue		(111,221.43)		76,654.21
Increase [Decrease] In Deposits		(31.69)		(1,363.67)
Increase [Decrease] In Employees' Compensable Leave		(367,367.40)		415,983.42
Increase [Decrease] In OPEB Liability				
Increase [Decrease] In Pension Liability				
Increase [Decrease] In Self Insured Accrued Liability				
Increase [Decrease] In Other Liabilities				
Total Adjustments	\$	(1,586,443.44)	\$	3,954,095.82
Net Cash Provided [Used] By Operating Activities	\$	(87,244,335.98)	\$	(80,696,224.26)
Non-Cash Transactions			^	
Donation of Capital Assets	\$	32,103.00	\$	17,500.00
Net Change In Fair Value of Investments		1,770,153.23		525,442.77
Refunding of Long Term Debt				
Amortization of Bond Premiums and Discounts				
Borrowing Under Capital Lease Purchase Other		2 (52 09(40		(46.040.62)
Other		3,653,086.40		(46,940.62)

SCHEDULE THREE TEXAS A&M AGRILIFE EXTENSION SERVICE SCHEDULE OF CASH & CASH EQUIVALENTS FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL			
Cash & Cash Equivalents				
Current Assets				
Cash On Hand				
Cashiers Account	\$	550.00		
Petty Cash Department Working Fund		5,000.00		
Total Cash On Hand	\$	5,550.00		
Cash In Bank	\$	13,615.02		
Cash In State Treasury				
Reimbursements Due From State Treasury		20,716.23		
Assets Held By System Offices-Current		3,175,102.35		
Total Current Cash and Cash Equivalents [Exhibit III]	\$	3,214,983.60		
Restricted	¢	179 109 (0		
Assets Held By System Offices-Current	\$	178,198.60		
Total Restricted Cash and Cash Equivalents [Exhibit III]	\$	178,198.60		
Total Cash & Cash Equivalents [Exhibit V]	\$	3,393,182.20		

SCHEDULE N-2 TEXAS A&M AGRILIFE EXTENSION SERVICE NOTE 2 - CAPITAL ASSETS FOR THE YEAR ENDED AUGUST 31, 2017

	 BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 394,693.64	\$	\$
Construction In Progress			
Total Non-Depreciable/Non-Amortizable Assets	\$ 394,693.64	\$	\$
Depreciable Assets			
Buildings	\$ 2,032,067.67	\$	\$
Facilities and Other Improvements			
Furniture and Equipment	5,462,919.40		
Vehicles, Boats and Aircraft	7,455,708.02		
Other Capital Assets	 16,192.00		
Total Depreciable Assets at Historical Cost	\$ 14,966,887.09	\$	\$
Less Accumulated Depreciation for			
Buildings	\$ (855,179.57)	\$	\$
Facilities and Other Improvements			
Furniture and Equipment	(3,694,356.52)		
Vehicles, Boats and Aircraft	(5,751,185.59)		
Other Capital Assets	 (2,698.52)		
Total Accumulated Depreciation	\$ (10,303,420.20)	\$	\$
Depreciable Assets, Net	\$ 4,663,466.89	\$	\$
Capital Assets, Net	\$ 5,058,160.53	\$	\$

INTERAGENCY	DEC-INTERAGENCY TRANSACTIONS		 ADDITIONS		DELETIONS		BALANCE 8-31-17
\$ 1,326,000.00	\$		\$ 602,632.87	\$	(5,493.64)	\$	1,715,200.00 602,632.87
\$ 1,326,000.00	\$		\$ 602,632.87	\$	(5,493.64)	\$	2,317,832.87
\$ 3,793,636.97	\$	(22,994.50) (11,200.00)	\$ 34,194.50 11,200.00	\$	(11,200.00)	\$	5,825,704.64
305,468.84		(36,314.16)	418,815.14 430,598.19		(341,370.70) (465,448.45)		5,809,518.52 7,420,857.76 16,192.00
\$ 4,099,105.81	\$	(70,508.66)	\$ 894,807.83	\$	(818,019.15)	\$	19,072,272.92
\$ (1,437,204.99)	\$	166.24 123.65	\$ (187,657.81) (123.65)	\$		\$	(2,479,876.13)
(271,725.62)		16,262.17	(382,411.90) (433,602.34) (735.96)		321,287.94 464,509.61		(4,010,943.93) (5,720,278.32) (3,434.48)
\$ (1,708,930.61)	\$	16,552.06	\$ (1,004,531.66)	\$	785,797.55	\$	(12,214,532.86)
\$ 2,390,175.20	\$	(53,956.60)	\$ (109,723.83)	\$	(32,221.60)	\$	6,857,740.06
\$ 3,716,175.20	\$	(53,956.60)	\$ 492,909.04	\$	(37,715.24)	\$	9,175,572.93