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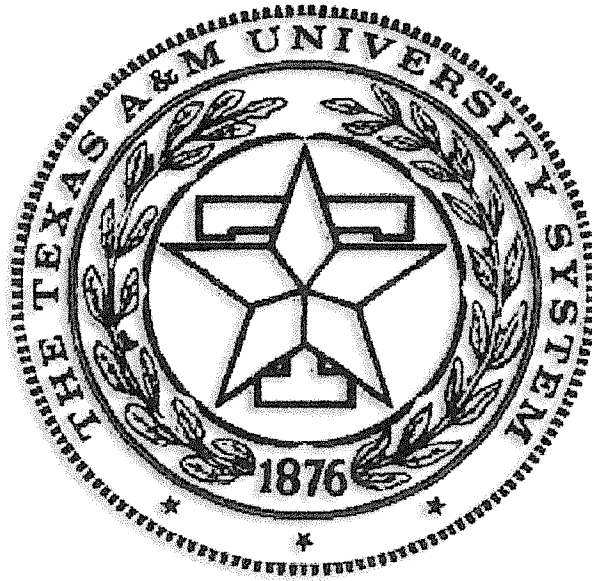
FINANCIAL REPORT

OF

TEXAS A&M UNIVERSITY

FOR THE YEAR ENDED AUGUST 31, 2013

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED AUGUST 31, 2012



DR. R. BOWEN LOFTIN, PRESIDENT

B.J. CRAIN, VICE PRESIDENT FOR FINANCE & CHIEF FINANCIAL OFFICER

COLLEGE STATION, TEXAS

UNAUDITED

TEXAS A&M UNIVERSITY

CURRENT YEAR
STUDENT ENROLLMENT DATA

| <u>TYPE OF STUDENT</u> | <u>NUMBER OF STUDENTS BY SEMESTER</u> | |
|------------------------|---------------------------------------|------------------|
| | <u>FALL 2012</u> | <u>FALL 2013</u> |
| Texas Resident | 43,135 | 45,794 |
| Out-of-State | 2,666 | 2,728 |
| Foreign | 4,426 | 4,697 |
| Total Students | <u>50,227</u> | <u>53,219</u> |

HISTORICAL
STUDENT ENROLLMENT DATA

(Fall Semester)

| <u>FISCAL YEAR</u> | <u>HEADCOUNT</u> | <u>SEMESTER CREDIT HOURS</u> |
|--------------------|------------------|------------------------------|
| 2000-01 | 44,026 | 539,153 |
| 2001-02 | 44,618 | 542,804 |
| 2002-03 | 45,083 | 546,232 |
| 2003-04 | 44,813 | 539,251 |
| 2004-05 | 44,435 | 531,661 |
| 2005-06 | 44,578 | 560,075 |
| 2006-07 | 45,380 | 565,859 |
| 2007-08 | 46,542 | 580,026 |
| 2008-09 | 48,039 | 594,837 |
| 2009-10 | 48,702 | 599,104 |
| 2010-11 | 49,129 | 602,508 |
| 2011-12 | 49,861 | 614,057 |
| 2012-13 | 50,227 | 617,387 |
| 2013-14 | 53,219 | 664,166 |

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TEXAS A&M UNIVERSITY
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EXHIBIT III
TEXAS A&M UNIVERSITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2013

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|----------------------------|----------------------------|
| | <u> </u> | <u> </u> |
| Assets and Deferred Outflows | \$ | \$ |
| Current Assets | | |
| Cash & Cash Equivalents [Schedule Three] | 124,982,257.79 | 209,979,217.23 |
| Securities Lending Collateral | | |
| Investments | | |
| Derivative Instruments | | |
| Hedging Derivative Instruments | | |
| Restricted | | |
| Cash & Cash Equivalents [Schedule Three] | 14,799,399.49 | 22,202,979.16 |
| Investments | | |
| Legislative Appropriations | 359,137.68 | 24,892.03 |
| Receivables, Net | | |
| Federal | 15,051,723.95 | 12,521,765.34 |
| Other Intergovernmental | | |
| Interest and Dividends | | |
| Pledges | | |
| Self-Insured Health and Dental | 15,107,586.66 | 20,275,784.07 |
| Student | 15,483,833.44 | 10,982,512.31 |
| Investment Trades | | |
| Accounts | 38,430,183.20 | 46,300,676.86 |
| Other | 850,232.70 | 436,132.44 |
| Due From Other Agencies | 2,726,110.71 | 2,766,721.02 |
| Due From Other Members | 97,627,304.84 | 76,988,752.65 |
| Due From Other Funds | 20,026,794.32 | 23,233,027.09 |
| Consumable Inventories | 13,725,864.94 | 13,422,535.99 |
| Merchandise Inventories | 2,342,426.51 | 2,722,277.95 |
| Loans and Contracts | 10,911,496.46 | 12,919,804.69 |
| Interfund Receivable | | |
| Other Current Assets | 53,911,961.65 | 47,303,663.47 |
| Total Current Assets | <u>\$ 426,336,314.34</u> | <u>\$ 502,080,742.30</u> |
| Non-Current Assets | | |
| Restricted | | |
| Cash & Cash Equivalents [Schedule Three] | \$ | \$ |
| Assets Held By System Offices | 441,306,867.39 | 404,841,278.23 |
| Investments | | |
| Loans, Contracts and Other | | |
| Pledges Receivable | 50,460,966.75 | 58,519,674.14 |
| Loans and Contracts | 15,626,732.60 | 18,541,009.90 |
| Assets Held By System Offices | 990,830,462.42 | 822,696,489.14 |
| Investments | | |
| Derivative Instruments | | |
| Hedging Derivative Instruments | | |
| Interfund Receivable | | |
| Capital Assets, Non-Depreciable [Note 2] | | |
| Land and Land Improvements | | |
| Construction In Progress | 31,904,595.80 | 30,737,706.69 |
| Other Tangible Capital Assets | 51,892,627.90 | 59,366,392.55 |
| Land Use Rights | 40,306,620.38 | 38,638,478.61 |
| Other Intangible Capital Assets | 47,322.00 | 2,322.00 |
| Capital Assets, Depreciable [Note 2] | | |
| Buildings and Building Improvements | 2,109,513,073.03 | 1,913,622,030.78 |
| Infrastructure | 401,712,570.74 | 372,126,479.89 |
| Facilities and Other Improvements | 175,786,960.86 | 167,970,977.55 |
| Furniture and Equipment | 270,907,429.84 | 253,785,709.15 |
| Vehicles, Boats, and Aircraft | 41,626,041.67 | 41,375,220.31 |
| Other Capital Assets | 91,751,582.85 | 78,391,730.35 |
| Intangible Capital Assets, Amortized [Note 2] | | |
| Land Use Rights | 255,457.00 | 255,457.00 |
| Computer Software | 38,441,867.22 | 39,114,818.88 |
| Other Intangible Capital Assets | | |
| Accumulated Depreciation/Amortization | (1,709,376,485.81) | (1,602,357,031.95) |
| Assets Held In Trust | | |
| Other Non-Current Assets | | |
| Total Non-Current Assets | <u>\$ 3,042,994,692.64</u> | <u>\$ 2,697,628,743.22</u> |
| Deferred Outflows of Resources | | |
| Derivative Instruments [Note 7] | \$ | \$ |
| Government Acquisition [Note 29] | 39,065,643.65 | |
| Total Deferred Outflows of Resources | <u>\$ 39,065,643.65</u> | <u>\$</u> |
| Total Assets and Deferred Outflows | <u>\$ 3,508,396,650.63</u> | <u>\$ 3,199,709,485.52</u> |

UNAUDITED

EXHIBIT III
 TEXAS A&M UNIVERSITY
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2013

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|--|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Liabilities | | |
| Current Liabilities | | |
| Payables | | |
| Accounts | \$ 26,512,753.91 | \$ 21,384,701.88 |
| Payroll | 39,932,720.12 | 42,982,674.14 |
| Investment Trades | | |
| Self-Insured Health and Dental | | |
| Other | 6,661,069.16 | 8,087,688.63 |
| Interfund Payable | 2,524,220.00 | |
| Due to Other Agencies | 136,060.16 | |
| Due to Other Funds | 20,026,794.32 | 23,233,027.09 |
| Due to Other Members | 26,387,037.03 | 26,547,731.93 |
| Funds Held for Investment | | |
| Hedging Derivative Instruments | | |
| Unearned Revenue | 287,347,544.63 | 260,037,573.18 |
| Employees' Compensable Leave | 5,719,331.25 | 3,956,321.59 |
| Claims and Judgments | | |
| Notes and Loans Payable | | |
| Bonds Payable | | |
| Capital Lease Obligations | 385,262.51 | 367,268.26 |
| Liabilities Payable From Restricted Assets | | |
| Funds Held for Others | 6,874,518.76 | 8,645,637.04 |
| Obligations/Securities Lending | | |
| Other Current Liabilities | 16,837,985.60 | 9,406,832.96 |
| Total Current Liabilities | <u>\$ 439,345,297.45</u> | <u>\$ 404,649,456.70</u> |
| Non-Current Liabilities | | |
| Interfund Payable | \$ 10,767,126.55 | \$ 2,340,088.30 |
| Employees' Compensable Leave | 40,912,359.50 | 41,607,651.10 |
| Other Post Employment Benefits | | |
| Claims and Judgments | | |
| Notes and Loans Payable | | |
| Bonds Payable | | |
| Hedging Derivative Instruments | | |
| Assets Held In Trust | | |
| Liabilities Payable From Restricted Assets | | |
| Funds Held for Others | | |
| Capital Lease Obligations | 1,497,084.26 | 1,771,737.32 |
| Other Non-Current Liabilities | 37,389,500.00 | 19,389,500.00 |
| Total Non-Current Liabilities | <u>\$ 90,566,070.31</u> | <u>\$ 65,108,976.72</u> |
| Total Liabilities | <u>\$ 529,911,367.76</u> | <u>\$ 469,758,433.42</u> |
| Net Position | | |
| Net Investment In Capital Assets | \$ 1,525,580,163.48 | \$ 1,373,840,791.81 |
| Restricted for | | |
| Debt Service | | |
| Capital Projects | 67,902,801.96 | 80,522,652.88 |
| Education | 120,912,234.43 | 112,090,992.39 |
| Endowment and Permanent Funds | | |
| Nonexpendable | 226,024,298.35 | 221,799,644.87 |
| Expendable | 88,662,729.41 | 64,955,610.27 |
| Unrestricted | 949,403,055.24 | 876,741,359.88 |
| Total Net Position [Exhibit IV] | <u>\$ 2,978,485,282.87</u> | <u>\$ 2,729,951,052.10</u> |
| Total Liabilities and Net Position | <u>\$ 3,508,396,650.63</u> | <u>\$ 3,199,709,485.52</u> |

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2013

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|--------------------------|------------------------|
| | <u> </u> | <u> </u> |
| Operating Revenues | | |
| Sales of Goods and Services | | |
| Tuition and Fees-Pledged | \$ 490,030,416.49 | \$ 478,966,485.79 |
| Discounts and Allowances | (116,196,572.31) | (102,740,894.67) |
| Net Tuition and Fees - Non-Pledged | | |
| Net Hospitals and Clinics | | |
| Net Professional Fees | | |
| Net Auxiliary Enterprises | 163,733,173.37 | 170,847,982.54 |
| Net Other Sales of Goods and Services | 123,233,808.09 | 107,100,230.18 |
| Discounts and Allowances-Sales | (10,575,464.26) | (13,944,069.57) |
| | <u> </u> | <u> </u> |
| Total Sales of Goods and Services | \$ 650,225,361.38 | \$ 640,229,734.27 |
| Interest Revenue | 730,866.44 | 1,558,301.46 |
| Federal Revenue - Operating | 71,748,064.16 | 73,350,033.11 |
| Federal Pass Through Revenue | 19,114,310.93 | 11,769,806.96 |
| State Grant Revenue | 15,429.96 | 333,703.78 |
| State Pass Through Revenue | 29,123,402.99 | 27,865,956.94 |
| Other Grants and Contracts - Operating | 107,061,942.78 | 102,322,092.43 |
| Other Operating Revenue | 25,905,928.07 | 18,828,027.27 |
| | <u> </u> | <u> </u> |
| Total Operating Revenues | \$ 903,925,306.71 | \$ 876,257,656.22 |
| Operating Expenses | | |
| Instruction | \$ 471,877,589.44 | \$ 474,556,253.92 |
| Research | 159,233,496.83 | 135,670,883.50 |
| Public Service | 25,731,470.41 | 26,935,127.78 |
| Hospitals and Clinics | | |
| Academic Support | 142,106,359.51 | 113,805,895.93 |
| Student Services | 65,301,660.38 | 60,007,226.33 |
| Institutional Support | 43,116,398.34 | 38,695,940.22 |
| Operation & Maintenance of Plant | 115,693,976.98 | 105,910,811.60 |
| Scholarships & Fellowships | 55,197,256.54 | 56,034,803.99 |
| Auxiliary | 159,142,407.71 | 180,912,032.12 |
| Depreciation/Amortization | 130,556,518.28 | 107,183,731.67 |
| | <u> </u> | <u> </u> |
| Total Operating Expenses [Schedule IV-1] | \$ 1,367,957,134.42 | \$ 1,299,712,707.06 |
| Total Operating Income [Loss] | \$ (464,031,827.71) | \$ (423,455,050.84) |
| Nonoperating Revenues [Expenses] | | |
| Legislative Revenue | \$ 281,748,838.31 | \$ 281,463,813.16 |
| Federal Revenue Non-Operating | 37,204,417.52 | 35,648,085.50 |
| Federal Pass Through Non-Operating | | |
| State Pass Through Non-Operating | | |
| Gifts | 74,908,383.58 | 73,439,179.28 |
| Land Income | 865,875.45 | 1,077,766.54 |
| Investment Income | 23,107,518.15 | 20,382,703.72 |
| Loan Premium/Fees On Securities Lending | | |
| Investing Activities Expense | (2,538,167.38) | (1,964,293.69) |
| Interest Expense and Fiscal Charges | (434,268.02) | (216,696.42) |
| Borrower Rebates and Agent Fees | | |
| Gain [Loss] On Sale or Disposal of Capital Assets | 536,091.31 | 93,840.08 |
| Net Increase [Decrease] In Fair Value | 53,864,012.73 | 29,367,253.34 |
| Settlement of Claims | (5,959.07) | (1,971.08) |
| Other Nonoperating Revenues | 14,814,259.18 | 1,033,206.57 |
| Other Nonoperating [Expenses] | (22,041,305.61) | (9,745,551.66) |
| | <u> </u> | <u> </u> |
| Total Nonoperating Revenues [Expenses] | \$ 462,029,696.15 | \$ 430,577,335.34 |
| Income [Loss] Before Other Revenues and Transfers | \$ (2,002,131.56) | \$ 7,122,284.50 |

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EXHIBIT IV
 TEXAS A&M UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2013

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Other Revenues and Transfers | | |
| Capital Contributions | \$ 1,372,048.47 | \$ 552,731.93 |
| Capital Appropriations [Higher Education Fund] | | |
| Additions to Permanent and Term Endowments | 1,532,569.72 | 1,415,078.60 |
| Special Items | | |
| Extraordinary Items | | |
| Transfers In | | |
| Transfers From Other State Agencies | 4,681,480.00 | 3,884,580.00 |
| Mandatory Transfers From Other Members | | |
| Nonmandatory Transfers From Other Members | 138,595,055.41 | 133,520,015.52 |
| Nonmandatory Transfers From Members/Agencies-Cap Assets | 219,996,942.19 | 290,221,180.31 |
| Transfers Out | | |
| Transfers to Other State Agencies | (4,327,106.68) | (5,030,043.94) |
| Mandatory Transfers to Other Members | (74,023,823.94) | (67,422,649.56) |
| Nonmandatory Transfers to Other Members | (31,875,237.09) | (26,998,657.73) |
| Nonmandatory Transfers to Members/Agencies - Cap Assets | (2,686,130.75) | (283,582.70) |
| Legislative Transfers - In | | |
| Legislative Transfers - Out | (2,729,435.00) | (2,730,361.00) |
| Legislative Appropriations Lapsed | | (112.86) |
| | <u> </u> | <u> </u> |
| Total Other Revenues and Transfers | \$ 250,536,362.33 | \$ 327,128,178.57 |
| Change In Net Position | \$ 248,534,230.77 | \$ 334,250,463.07 |
| Net Position, Beginning of Year | \$ 2,729,951,052.10 | \$ 2,397,025,086.96 |
| Restatement | | (1,324,497.93) |
| | <u> </u> | <u> </u> |
| Net Position, Beginning of Year, Restated | \$ 2,729,951,052.10 | \$ 2,395,700,589.03 |
| Net Position, End of Year | <u> </u> | <u> </u> |
| | \$ 2,978,485,282.87 | \$ 2,729,951,052.10 |

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SCHEDULE IV-1
 TEXAS A&M UNIVERSITY
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2013

| | INSTRUCTION | RESEARCH | PUBLIC SERVICE | HOSPITALS & CLINICS | ACADEMIC SUPPORT |
|-------------------------------|-------------------|-------------------|------------------|------------------------|---------------------|
| Natural Classification | \$ | \$ | \$ | \$ | \$ |
| Cost of Goods Sold | 79.99 | 3,212.55 | 119,149.95 | | 154,220.17 |
| Salaries & Wages | 337,180,406.26 | 90,001,555.35 | 10,106,086.83 | | 60,981,724.61 |
| Payroll Related Costs | 72,240,629.39 | 14,422,474.44 | 1,653,535.71 | | 11,437,633.53 |
| Professional Fees & Services | 14,628,894.37 | 12,971,876.71 | 2,724,591.69 | | 22,088,815.21 |
| Travel | 8,104,548.32 | 6,028,351.04 | 700,452.77 | | 3,427,924.18 |
| Materials & Supplies | 19,557,924.26 | 13,994,884.15 | 3,902,329.61 | | 28,174,379.90 |
| Communication & Utilities | 2,517,398.22 | 709,506.34 | 190,899.80 | | 1,875,906.00 |
| Repairs & Maintenance | 3,936,449.17 | 1,405,774.92 | 429,211.25 | | 2,947,851.98 |
| Rentals & Leases | 3,827,686.13 | 2,267,873.33 | 1,943,195.33 | | 2,713,308.34 |
| Printing & Reproduction | 530,300.98 | 523,416.55 | 425,323.87 | | 968,510.14 |
| Federal Pass-Through | | 1,479,038.93 | | | |
| State Pass-Through | | 14,731.05 | | | |
| Depreciation & Amortization | | | | | |
| Bad Debt Expense | | | | | |
| Interest | 1,311.77 | 1,549.52 | 519.39 | | 384.50 |
| Scholarships | 1,635,659.96 | 5,153,063.01 | 95,680.00 | | 536,314.21 |
| Claims & Losses | | | | | |
| Net Change In OPEB Obligation | | | | | |
| Other Operating Expenses | 7,716,300.62 | 10,256,188.94 | 3,440,494.21 | | 6,799,386.74 |
| Total Operating Expenses | \$ 471,877,589.44 | \$ 159,233,496.83 | \$ 25,731,470.41 | \$ | \$ 142,106,359.51 |

NACUBO FUNCTION

| STUDENT SERVICES | INSTITUTIONAL SUPPORT | OPERATION & MAINTENANCE OF PLANT | SCHOLARSHIPS & FELLOWSHIPS | AUXILIARY | DEPRECIATION & AMORTIZATION | TOTAL | PRIOR YEAR |
|-------------------------|-------------------------|----------------------------------|----------------------------|--------------------------|-----------------------------|----------------------------|----------------------------|
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | 1,417.00 | | | 3,717,456.12 | | 3,995,535.78 | 13,313,105.90 |
| 36,310,885.14 | 24,334,092.11 | 9,654,322.33 | 3,454,322.04 | 52,401,414.05 | | 624,424,808.72 | 630,371,481.17 |
| 8,370,706.10 | 4,434,403.41 | 2,357,960.57 | 219,646.13 | 9,533,381.75 | | 124,670,371.03 | 128,618,975.99 |
| 3,099,108.77 | 5,734,630.74 | 622,627.17 | 128,175.49 | 16,493,708.37 | | 78,492,428.52 | 66,385,611.28 |
| 1,623,048.82 | 271,980.73 | 65,261.87 | 163,105.82 | 4,760,718.53 | | 25,145,392.08 | 28,304,848.94 |
| 3,573,590.21 | 1,880,808.68 | 1,659,055.67 | 154,422.48 | 11,283,956.12 | | 84,181,351.08 | 81,612,462.51 |
| 540,429.60 | 1,651,663.52 | 40,416,214.54 | 11,367.51 | 16,689,756.62 | | 64,603,142.15 | 65,619,709.07 |
| 1,979,076.00 | 1,032,394.40 | 45,777,651.58 | 24,000.39 | 17,965,398.71 | | 75,497,808.40 | 50,288,018.07 |
| 2,376,782.29 | 645,328.88 | 98,850.82 | 203,761.52 | 8,774,462.56 | | 22,851,249.20 | 19,037,258.41 |
| 567,105.58 | 111,104.48 | 12,760.27 | 2,133.63 | 699,232.61 | | 3,839,888.11 | 3,962,884.83 |
| | | | | | | 1,479,038.93 | 1,065,681.91 |
| | | | | | | 14,731.05 | 80,477.49 |
| | | | | | 130,556,518.28 | 130,556,518.28 | 107,183,731.67 |
| 10,237.60 | | | | | | 10,237.60 | 42,998.00 |
| 904.19 | 3,485.16 | 215.74 | 17.61 | 1,600.84 | | 9,988.72 | 15,792.73 |
| 223,966.32 | | | 50,587,176.77 | 2,573,730.36 | | 60,805,590.63 | 59,956,619.23 |
| 6,625,819.76 | 3,015,089.23 | 15,029,056.42 | 249,127.15 | 14,247,591.07 | | 67,379,054.14 | 43,853,049.86 |
| <u>\$ 65,301,660.38</u> | <u>\$ 43,116,398.34</u> | <u>\$ 115,693,976.98</u> | <u>\$ 55,197,256.54</u> | <u>\$ 159,142,407.71</u> | <u>\$ 130,556,518.28</u> | <u>\$ 1,367,957,134.42</u> | <u>\$ 1,299,712,707.06</u> |

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2013

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|--|----------------------------|----------------------------|
| Cash Flows From Operating Activities | \$ | \$ |
| Proceeds Received From Tuition and Fees | 359,222,318.42 | 389,276,536.55 |
| Proceeds Received From Customers | 119,411,334.84 | 98,141,402.12 |
| Proceeds From Sponsored Programs | 236,943,578.69 | 236,302,465.57 |
| Proceeds From Auxiliary Enterprises | 152,550,982.76 | 145,839,688.44 |
| Proceeds From Loan Programs | 915,161.23 | 1,816,221.58 |
| Proceeds From Other Revenues | 69,187,938.18 | 25,230,761.54 |
| Payments to Suppliers for Goods and Services | (421,077,789.70) | (376,552,316.42) |
| Payments to Employees - Salaries | (624,425,323.14) | (635,427,621.73) |
| Payments to Employees - Benefits | (126,652,092.57) | (128,958,995.16) |
| Payments for Loans Provided | (179,485.40) | (1,362,690.93) |
| Payments for Other Expenses | (65,567,310.37) | (60,705,578.49) |
| Net Cash Provided [Used] By Operating Activities | <u>\$ (299,670,687.06)</u> | <u>\$ (306,400,126.93)</u> |
| Cash Flows From Noncapital Financing Activities | | |
| Proceeds From State Appropriations | \$ 281,414,592.66 | \$ 286,459,274.56 |
| Proceeds From Gifts | 88,414,588.99 | 94,035,706.73 |
| Proceeds From Endowments | 1,532,569.72 | 1,415,078.60 |
| Proceeds - Transfers From Other Funds | 5,585,642.78 | 3,569,962.46 |
| Proceeds From Other Grant Revenue | 33,555,867.43 | 37,048,840.68 |
| Proceeds From Contributed Capital | | |
| Proceeds From Other Revenues | 2,980,878.15 | 2,665,745.03 |
| Payments of Interest | | |
| Payments - Transfers to Other Funds | (4,676,878.78) | (5,030,043.94) |
| Payments for Grant Disbursements | | |
| Payments for Other Uses | (6,029,413.73) | (443,431.53) |
| Other Noncapital Transfers From/To System | 104,614,622.34 | 125,506,508.81 |
| Transfers Between Fund Groups | | |
| Net Cash Provided [Used] By Noncapital Financing Activities | <u>\$ 507,392,469.56</u> | <u>\$ 545,227,641.40</u> |
| Cash Flows From Capital and Related Financing Activities | | |
| Proceeds From Sale of Capital Assets | \$ 1,321,045.81 | \$ 345,693.35 |
| Proceeds From Capital Debt Issuance | | |
| Proceeds From State Grants and Contracts | | |
| Proceeds From Federal Grants and Contracts | | |
| Proceeds From Gifts | | |
| Proceeds From Interfund Loans | 12,342,244.09 | 2,340,088.30 |
| Proceeds From Other Financing Activities | 74,397.51 | 39,961.89 |
| Payments for Additions to Capital Assets | (68,907,406.62) | (57,073,892.32) |
| Payments of Principal On Debt | | |
| Payments for Capital Leases | | |
| Payments for Interest On Capital Related Debt | (434,268.02) | (216,696.42) |
| Payments for Interfund Loans | (1,390,985.84) | (282,262.74) |
| Payments of Other Costs On Debt Issuance | | |
| Transfer of Capital Debt Proceeds From System [Nonmandatory] | 1,742,144.21 | 8,579,801.51 |
| Intrasystem Transfers for Capital Debt [Mandatory] | (76,753,258.94) | (70,153,010.56) |
| Intrasystem Transfers for Construction Proceeds [Non-Mand] | (22,884,391.22) | (25,084,422.33) |
| Net Cash Provided [Used] By Capital and Related Financing Act. | <u>\$ (154,890,479.02)</u> | <u>\$ (141,504,739.32)</u> |
| Cash Flows From Investing Activities | | |
| Proceeds From Sales and Maturities of Investments | \$ | \$ |
| Sales and Purchases of Investments Held By System | (150,735,549.71) | (50,689,032.85) |
| Proceeds From Interest and Investment Income | 5,503,707.12 | 18,418,410.03 |
| Payments to Acquire Investments | | |
| Net Cash Provided [Used] By Investing Activities | <u>\$ (145,231,842.59)</u> | <u>\$ (32,270,622.82)</u> |
| Increase [Decrease] In Cash and Cash Equivalents | <u>\$ (92,400,539.11)</u> | <u>\$ 65,052,152.33</u> |
| Cash and Cash Equivalents, Beginning of Year Restatement | <u>\$ 232,182,196.39</u> | <u>\$ 167,130,044.06</u> |
| Restated Beginning Cash and Cash Equivalents | <u>\$ 232,182,196.39</u> | <u>\$ 167,130,044.06</u> |
| Cash and Cash Equivalents, End of Year [Sch Three] | <u>\$ 139,781,657.28</u> | <u>\$ 232,182,196.39</u> |

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EXHIBIT V
 TEXAS A&M UNIVERSITY
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2013

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities | \$ | \$ |
| Operating Income [Loss] | (464,031,827.71) | (423,455,050.84) |
| Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities | | |
| Depreciation and Amortization | 130,556,518.28 | 107,183,731.67 |
| Bad Debt Expense | 1,016,121.21 | (315,916.84) |
| Operating Income and Expense Classification Differences | | |
| Changes In Assets and Liabilities | | |
| Accounts Receivable, Net | 2,788,479.53 | (11,866,827.56) |
| Due From Other Agencies/Funds | (863,552.47) | 165,749.30 |
| Due From System Members | 2,609,761.69 | (25,414.31) |
| Inventory | 76,522.49 | 275,699.58 |
| Deferred Charges | | |
| Prepaid Expenses | (6,102,520.29) | (1,754,279.26) |
| Loans and Contracts | 4,912,347.93 | (668,657.86) |
| Other Assets | (24,505,777.89) | (90,479.02) |
| Payables | 153,358.23 | (8,173,271.51) |
| Due to Other Agencies/Funds | 136,060.16 | (22,615.67) |
| Due to System Members | (161,565.79) | 154,521.99 |
| Unearned Revenue | 27,309,971.45 | 31,016,683.68 |
| Deposits | 1,531,152.64 | 1,360,535.02 |
| Compensated Absence Liability | 1,067,718.06 | (184,535.30) |
| Other Post Employment Benefits Liability | | |
| Self Insured Accrued Liability | | |
| Other Liabilities | 23,836,545.42 | |
| Total Adjustments | <u>\$ 164,361,140.65</u> | <u>\$ 117,054,923.91</u> |
| Net Cash Provided [Used] By Operating Activities | <u>\$ (299,670,687.06)</u> | <u>\$ (306,400,126.93)</u> |
| Non-Cash Transactions | | |
| Nonmonetary Gifts, Including Capital Assets | \$ 1,372,048.47 | \$ |
| Net Change In Fair Value of Investments | 569,537.67 | 18,464,850.75 |
| Gain/Loss On Sale or Disposal of Capital Assets | (784,954.50) | (251,853.27) |
| Refunding of Long Term Debt | | |
| Amortization of Bond Premiums and Discounts | | |
| Other | 217,310,811.44 | 289,937,597.61 |

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SCHEDULE THREE
 TEXAS A&M UNIVERSITY
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2013

| | <u>CURRENT YEAR TOTAL</u> |
|--|-----------------------------------|
| Cash & Cash Equivalents | |
| Current Assets | |
| Cash On Hand | |
| Cashiers Account | \$ 200.00 |
| Petty Cash Department Working Fund | 211,070.99 |
| Temporary Working Fund | <u>2,208.00</u> |
| Total Cash On Hand | <u>\$ 213,478.99</u> |
| Cash In State Treasury | |
| Fund 0242 | <u>\$ 39,823,988.85</u> |
| Total Cash In State Treasury | <u>\$ 39,823,988.85</u> |
| Reimbursements Due From State Treasury | \$ 665,571.34 |
| Assets Held By System Offices-Current | <u>84,279,218.61</u> |
| Total Current Cash and Cash Equivalents [Exhibit III] | <u>\$ 124,982,257.79</u> |
| Restricted | |
| Cash On Hand | |
| Petty Cash Department Working Fund | <u>\$ 268,400.00</u> |
| Total Restricted Cash On Hand | <u>\$ 268,400.00</u> |
| Cash In Bank | <u>\$ 5,974,583.60</u> |
| Cash In State Treasury | |
| Assets Held By System Offices-Current | <u>\$ 8,556,415.89</u> |
| Total Restricted Cash and Cash Equivalents [Exhibit III] | <u>\$ 14,799,399.49</u> |
| Total Cash & Cash Equivalents [Exhibit V] | <u><u>\$ 139,781,657.28</u></u> |

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SCHEDULE N-2
 TEXAS A&M UNIVERSITY
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2013

| | BALANCE 9-1-12 | ADJUSTMENTS | COMPLETED CIP |
|---|------------------------------|-------------|----------------------------|
| Non-Depreciable/Non-Amortizable Assets | | | |
| Land and Land Improvements | \$ 30,737,706.69 | \$ | \$ 1,158,808.27 |
| Construction In Progress | 59,366,392.55 | | (264,224,275.97) |
| Other Tangible Capital Assets | 38,638,478.61 | | 15,000.00 |
| Land Use Rights | 2,322.00 | | |
| Total Non-Depreciable/Non-Amortizable Assets | \$ 128,744,899.85 | \$ | \$ (263,050,467.70) |
| Depreciable Assets | | | |
| Buildings | \$ 1,913,622,030.78 | \$ | \$ 206,071,209.73 |
| Infrastructure | 372,126,479.89 | | 21,886,651.31 |
| Facilities and Other Improvements | 167,970,977.55 | | 7,822,642.93 |
| Furniture and Equipment | 253,785,709.15 | | 26,257,690.81 |
| Vehicles, Boats and Aircraft | 41,375,220.31 | | |
| Other Capital Assets | 78,391,730.35 | | 1,012,272.92 |
| Total Depreciable Assets at Historical Cost | \$ 2,827,272,148.03 | \$ | \$ 263,050,467.70 |
| Less Accumulated Depreciation for | | | |
| Buildings | \$ (985,275,995.19) | \$ | \$ |
| Infrastructure | (191,254,484.06) | | |
| Facilities and Other Improvements | (128,131,608.30) | | |
| Furniture and Equipment | (180,471,189.03) | | |
| Vehicles, Boats and Aircraft | (31,228,869.77) | | |
| Other Capital Assets | (54,581,839.31) | | |
| Total Accumulated Depreciation | \$ (1,570,943,985.66) | \$ | \$ |
| Depreciable Assets, Net | \$ 1,256,328,162.37 | \$ | \$ 263,050,467.70 |
| Amortizable Assets - Intangible | | | |
| Land Use Rights | \$ 255,457.00 | \$ | \$ |
| Computer Software | 39,114,818.88 | | |
| Total Intangible Assets at Historical Cost | \$ 39,370,275.88 | \$ | \$ |
| Less Accumulated Amortization for | | | |
| Land Use Rights | \$ (63,864.30) | \$ | \$ |
| Computer Software | (31,349,181.99) | | |
| Total Accumulated Amortization | \$ (31,413,046.29) | \$ | \$ |
| Amortizable Assets, Net | \$ 7,957,229.59 | \$ | \$ |
| Capital Assets, Net | \$ 1,393,030,291.81 | \$ | \$ |

| INC-INTERAGENCY TRANSACTIONS | DEC-INTERAGENCY TRANSACTIONS | ADDITIONS | DELETIONS | BALANCE 8-31-13 |
|---------------------------------|---------------------------------|--|---|---|
| \$ 219,775,472.49 | \$ (67,417.00) | \$ 8,080.84 37,042,455.83 1,653,141.77 45,000.00 | \$ | \$ 31,904,595.80 51,892,627.90 40,306,620.38 47,322.00 |
| <u>\$ 219,775,472.49</u> | <u>\$ (67,417.00)</u> | <u>\$ 38,748,678.44</u> | <u>\$</u> | <u>\$ 124,151,166.08</u> |
| \$ 829,598.96 107,988.38 | \$ (3,007,356.77) | \$ 1,565.32 8,137,709.71 135,796.40 18,443,231.78 2,376,425.13 12,928,115.14 | \$ (10,181,732.80) (438,270.17) (142,456.02) (25,401,444.09) (2,233,592.15) (580,535.56) | \$ 2,109,513,073.03 401,712,570.74 175,786,960.86 270,907,429.84 41,626,041.67 91,751,582.85 |
| <u>\$ 937,587.34</u> | <u>\$ (3,007,356.77)</u> | <u>\$ 42,022,843.48</u> | <u>\$ (38,978,030.79)</u> | <u>\$ 3,091,297,658.99</u> |
| \$ (621,128.90) (94,988.74) | \$ 388,643.02 | \$ (71,742,273.76) (12,798,510.43) (4,226,222.64) (27,531,345.64) (2,232,037.19) (6,957,506.90) | \$ 8,855,621.21 7,648.63 11,095,551.86 2,160,309.15 397,551.17 | \$ (1,048,162,647.74) (204,052,994.49) (132,350,182.31) (197,139,468.69) (31,395,586.55) (61,141,795.04) |
| <u>\$ (716,117.64)</u> | <u>\$ 388,643.02</u> | <u>\$ (125,487,896.56)</u> | <u>\$ 22,516,682.02</u> | <u>\$ (1,674,242,674.82)</u> |
| <u>\$ 221,469.70</u> | <u>\$ (2,618,713.75)</u> | <u>\$ (83,465,053.08)</u> | <u>\$ (16,461,348.77)</u> | <u>\$ 1,417,054,984.17</u> |
| \$ 19,020.00 | \$ | \$ 157,400.00 | \$ (849,371.66) | \$ 255,457.00 38,441,867.22 |
| <u>\$ 19,020.00</u> | <u>\$</u> | <u>\$ 157,400.00</u> | <u>\$ (849,371.66)</u> | <u>\$ 38,697,324.22</u> |
| \$ (19,020.00) | \$ | \$ (25,545.72) (4,525,570.64) | \$ 849,371.66 | \$ (89,410.02) (35,044,400.97) |
| <u>\$ (19,020.00)</u> | <u>\$</u> | <u>\$ (4,551,116.36)</u> | <u>\$ 849,371.66</u> | <u>\$ (35,133,810.99)</u> |
| <u>\$</u> | <u>\$</u> | <u>\$ (4,393,716.36)</u> | <u>\$</u> | <u>\$ 3,563,513.23</u> |
| <u>\$ 219,996,942.19</u> | <u>\$ (2,686,130.75)</u> | <u>\$ (49,110,091.00)</u> | <u>\$ (16,461,348.77)</u> | <u>\$ 1,544,769,663.48</u> |

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