

UNAUDITED

FINANCIAL REPORT

OF

TEXAS A&M FOREST SERVICE

FOR THE YEAR ENDED AUGUST 31, 2012

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED AUGUST 31, 2011



TOM G. BOGGUS, DIRECTOR

ROBBY DEWITT, ASSOCIATE DIRECTOR FOR FINANCE AND ADMINISTRATION

COLLEGE STATION, TEXAS

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TEXAS A&M FOREST SERVICE

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TEXAS FOREST SERVICE
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EXHIBIT III
TEXAS A&M FOREST SERVICE
BALANCE SHEET
FOR THE YEAR ENDED AUGUST 31, 2012

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|--|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Assets and Deferred Outflows | \$ | \$ |
| Current Assets: | | |
| Cash & Cash Equivalents [Schedule Three] | 72,444,359.43 | 64,697,326.24 |
| Securities Lending Collateral | | |
| Investments | | |
| Derivative Instruments | | |
| Hedging Derivative Instruments | | |
| Deferred Outflow of Resources | | |
| Restricted: | | |
| Cash & Cash Equivalents [Schedule Three] | 186,733.05 | 285,735.41 |
| Investments | | |
| Legislative Appropriations | 18,140,025.41 | (476,740.64) |
| Receivables, Net: | | |
| Federal | 2,128,129.55 | 1,942,638.16 |
| Other Intergovernmental | | |
| Interest and Dividends | | |
| Gifts, Pledges and Donations | | |
| Self-Insured Health and Dental | | |
| Student | | |
| Investment Trades | | |
| Accounts | 84,025.31 | |
| Other | 1,176.00 | 188,792.09 |
| Due From Other Agencies | 774,288.18 | 1,320,890.65 |
| Due From Other Members | 119,294.05 | 25,158.84 |
| Due From Other Funds | | 2,585,525.09 |
| Consumable Inventories | 955,568.93 | 457,461.21 |
| Merchandise Inventories | 539,921.49 | 256,009.57 |
| Deferred Charges | | |
| Loans and Contracts | 103,088.00 | 134,818.00 |
| Interfund Receivable | | |
| Other Current Assets | 16,031.49 | 126,395.98 |
| | <u> </u> | <u> </u> |
| Total Current Assets | \$ 95,492,640.89 | \$ 71,544,010.60 |
| Non-Current Assets and Deferred Outflows: | | |
| Restricted: | | |
| Cash & Cash Equivalents [Schedule Three] | \$ 526,021.33 | \$ |
| Assets Held By System Offices | | |
| Investments | | |
| Loans, Contracts and Other | | |
| Pledges Receivable | | |
| Legislative Appropriations | | |
| Loans and Contracts | 979,565.00 | 1,138,125.00 |
| Assets Held By System Offices | 12,357,968.95 | 6,674,927.50 |
| Investments | | |
| Derivative Instruments | | |
| Hedging Derivative Instruments | | |
| Deferred Outflow of Resources | | |
| Interfund Receivable | | |
| Capital Assets, Non-Depreciable [Note 2] | | |
| Land and Land Improvements | 1,840,192.91 | 1,840,192.91 |
| Construction In Progress | 162,999.41 | |
| Other Tangible Capital Assets | | |
| Land Use Rights | | |
| Other Intangible Capital Assets | | |
| Capital Assets, Depreciable [Note 2] | | |
| Buildings and Building Improvements | 1,879,667.47 | 1,879,667.47 |
| Infrastructure | | |
| Facilities and Other Improvements | | |
| Furniture and Equipment | 16,974,573.77 | 14,512,741.46 |
| Vehicles, Boats, and Aircraft | 15,024,572.63 | 13,838,032.78 |
| Other Capital Assets | | |
| Intangible Capital Assets, Amortized [Note 2] | | |
| Land Use Rights | | |
| Computer Software | | |
| Other Intangible Capital Assets | | |
| Accumulated Depreciation/Amortization | (18,326,988.55) | (16,929,271.85) |
| Assets Held In Trust | | |
| Other Non-Current Assets | | |
| | <u> </u> | <u> </u> |
| Total Non-Current Assets and Deferred Outflows | \$ 31,418,572.92 | \$ 22,954,415.27 |
| | <u> </u> | <u> </u> |
| Total Assets and Deferred Outflows | \$ 126,911,213.81 | \$ 94,498,425.87 |

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EXHIBIT III
TEXAS A&M FOREST SERVICE
BALANCE SHEET
FOR THE YEAR ENDED AUGUST 31, 2012

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Liabilities and Deferred Inflows | | |
| Current Liabilities: | | |
| Payables: | | |
| Accounts | \$ 214,315,841.00 | \$ 204,533,857.11 |
| Payroll | 1,395,966.46 | 1,829,649.80 |
| Investment Trades | | |
| Self-Insured Health and Dental | | |
| Other | | |
| Interfund Payable | | |
| Due to Other Agencies | 72,160.32 | 52,143.39 |
| Due to Other Funds | | 2,585,525.09 |
| Due to Other Members | 3,925.31 | |
| Funds Held for Investment | | |
| Hedging Derivative Instruments | | |
| Deferred Inflow of Resources | | |
| Unearned Revenue | 500,929.11 | 79,394.60 |
| Employees' Compensable Leave | 124,185.00 | 157,808.00 |
| Claims and Judgments | | |
| Notes and Loans Payable | | |
| Bonds Payable | | |
| Capital Lease Obligations | | |
| Liabilities Payable From Restricted Assets | 151,287.47 | 280,228.33 |
| Funds Held for Others | | |
| Obligations/Securities Lending | | |
| Other Current Liabilities | <u>5,667.49</u> | <u>223,531.23</u> |
| Total Current Liabilities | <u>\$ 216,569,962.16</u> | <u>\$ 209,742,137.55</u> |
| Non-Current Liabilities and Deferred Inflows | | |
| Interfund Payable | \$ | \$ |
| Employees' Compensable Leave | 1,760,706.00 | 1,811,704.00 |
| Other Post Employment Benefits | | |
| Claims and Judgments | | |
| Notes and Loans Payable | | |
| Bonds Payable | | |
| Hedging Derivative Instruments | | |
| Deferred Inflow of Resources | | |
| Assets Held In Trust | | |
| Liabilities Payable From Restricted Assets | | |
| Funds Held for Others | | |
| Capital Lease Obligations | | |
| Other Non-Current Liabilities | | |
| Total Non-Current Liabilities and Deferred Inflows | <u>\$ 1,760,706.00</u> | <u>\$ 1,811,704.00</u> |
| Total Liabilities and Deferred Inflows | <u>\$ 218,330,668.16</u> | <u>\$ 211,553,841.55</u> |
| Net Assets | | |
| Invested In Capital Assets, Net of Debt | \$ 17,555,017.64 | \$ 15,141,362.77 |
| Restricted For: | | |
| Debt Service | | |
| Capital Projects | 106,449.20 | 19,584.49 |
| Education | 1,078,395.12 | 1,023,670.73 |
| Endowment and Permanent Funds: | | |
| Nonexpendable | | |
| Expendable | | |
| Unrestricted | <u>(110,159,316.31)</u> | <u>(133,240,033.67)</u> |
| Total Net Assets [Exhibit IV] | <u>\$ (91,419,454.35)</u> | <u>\$ (117,055,415.68)</u> |
| Total Liabilities & Deferred Inflows and Net Assets | <u>\$ 126,911,213.81</u> | <u>\$ 94,498,425.87</u> |

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EXHIBIT IV
 TEXAS A&M FOREST SERVICE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2012

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|--------------------------|------------------------|
| Operating Revenues | | |
| Sales of Goods and Services | | |
| Tuition and Fees-Pledged | \$ | \$ |
| Discounts and Allowances | | |
| Net Tuition and Fees - Non-Pledged | | |
| Net Professional Fees | | |
| Net Auxiliary Enterprises | | |
| Net Other Sales of Goods and Services | 3,279,536.15 | 2,503,459.74 |
| Discounts and Allowances-Sales | | |
| Total Sales of Goods and Services | \$ 3,279,536.15 | \$ 2,503,459.74 |
| Premium Revenue | | |
| Interest Revenue | | |
| Net Increase [Decrease] In Fair Value | | |
| Federal Revenue - Operating | 8,252,218.73 | 8,749,011.48 |
| Federal Pass Through Revenue | 3,244,317.64 | 4,702,839.54 |
| State Grant Revenue | | |
| State Pass Through Revenue | 75,714.00 | |
| Other Grants and Contracts - Operating | 184,836.58 | 79,325.00 |
| Other Operating Revenue | 31,480,138.74 | 30,782,212.38 |
| Total Operating Revenues | \$ 46,516,761.84 | \$ 46,816,848.14 |
| Operating Expenses | | |
| Instruction | \$ | \$ |
| Research | 1,763,227.19 | 1,891,847.55 |
| Public Service | 158,202,019.36 | 244,495,146.99 |
| Hospitals and Clinics | | |
| Academic Support | | |
| Student Services | | |
| Institutional Support | 2,637,323.44 | 2,648,169.46 |
| Operation & Maintenance of Plant | 1,575,221.26 | 1,287,951.14 |
| Scholarships & Fellowships | | |
| Auxiliary | | |
| Depreciation/Amortization | 2,569,769.72 | 2,135,064.02 |
| Total Operating Expenses [Schedule IV-1] | \$ 166,747,560.97 | \$ 252,458,179.16 |
| Total Operating Income [Loss] | \$ (120,230,799.13) | \$ (205,641,331.02) |
| Nonoperating Revenues [Expenses] | | |
| Legislative Revenue | \$ 128,035,972.76 | \$ 13,971,348.17 |
| Federal Revenue Non-Operating | | |
| Federal Pass Through Non-Operating | | |
| State Pass Through Non-Operating | | |
| Gifts | 1,005,038.93 | 619,816.48 |
| Land Income | | |
| Investment Income | 263,647.24 | 266,692.91 |
| Loan Premium/Fees On Securities Lending | | |
| Investing Activities Expense | (26,666.74) | (37,739.05) |
| Interest Expense and Fiscal Charges | | |
| Borrower Rebates and Agent Fees | | |
| Gain [Loss] On Sale or Disposal of Capital Assets | 178,738.00 | 104,900.79 |
| Net Increase [Decrease] In Fair Value | 715,195.56 | 1,165,952.18 |
| Settlement of Claims | (17,726.79) | (10,054.62) |
| Other Nonoperating Revenues | 55,841.01 | 1,293.38 |
| Other Nonoperating [Expenses] | (623,211.19) | (107,159.09) |
| Total Nonoperating Revenues [Expenses] | \$ 129,586,828.78 | \$ 15,975,051.15 |
| Income [Loss] Before Other Revenues and Transfers | \$ 9,356,029.65 | \$ (189,666,279.87) |

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EXHIBIT IV
 TEXAS A&M FOREST SERVICE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2012

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Other Revenues and Transfers | | |
| Capital Contributions | \$ 564,233.00 | \$ |
| Capital Appropriations [Higher Education Fund] | | |
| Additions to Permanent and Term Endowments | | |
| Special Items | | |
| Extraordinary Items | | |
| Transfers In | | |
| Transfers From Other State Agencies | 15,471,532.68 | 9,550,501.69 |
| Mandatory Transfers From Other Members | | |
| Nonmandatory Transfers From Other Members | 244,166.00 | 242,264.00 |
| Nonmandatory Transfers From Members/Agencies-Cap Assets | | |
| Transfers Out | | |
| Transfers to Other State Agencies | | |
| Mandatory Transfers to Other Members | | |
| Nonmandatory Transfers to Other Members | | |
| Nonmandatory Transfers to Members/Agencies - Cap Assets | | |
| Legislative Transfers - In | | |
| Legislative Transfers - Out | | |
| Legislative Appropriations Lapsed | | (87,538.04) |
| | <u> </u> | <u> </u> |
| Total Other Revenues and Transfers | \$ 16,279,931.68 | \$ 9,705,227.65 |
| | <u> </u> | <u> </u> |
| Change In Net Assets | \$ 25,635,961.33 | \$ (179,961,052.22) |
| | <u> </u> | <u> </u> |
| Beginning Net Assets, September 1, 2011 and 2010 | \$ (117,055,415.68) | \$ 56,864,752.54 |
| Restatement | | 6,040,884.00 |
| | <u> </u> | <u> </u> |
| Beginning Net Assets, September 1, 2011 and 2010 Restated | \$ (117,055,415.68) | \$ 62,905,636.54 |
| | <u> </u> | <u> </u> |
| Net Assets, August 31, 2012 and 2011 | \$ (91,419,454.35) | \$ (117,055,415.68) |
| | <u> </u> | <u> </u> |

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SCHEDULE IV-1
 TEXAS A&M FOREST SERVICE
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2012

| | <u>INSTRUCTION</u> | <u>RESEARCH</u> | <u>PUBLIC SERVICE</u> | <u>HOSPITALS & CLINICS</u> | <u>ACADEMIC SUPPORT</u> |
|-------------------------------|--------------------|------------------------|--------------------------|------------------------------------|-----------------------------|
| Natural Classification | \$ | \$ | \$ | \$ | \$ |
| Cost of Goods Sold | | | 1,093,503.51 | | |
| Salaries & Wages | | 1,128,266.20 | 17,783,323.58 | | |
| Payroll Related Costs | | 317,515.73 | 5,337,517.26 | | |
| Professional Fees & Services | | 12,240.47 | 883,741.37 | | |
| Travel | | 61,711.01 | 932,556.32 | | |
| Materials & Supplies | | 158,502.11 | 3,002,914.22 | | |
| Communication & Utilities | | 24,433.00 | 703,868.44 | | |
| Repairs & Maintenance | | 26,909.84 | 1,045,859.17 | | |
| Rentals & Leases | | 6,714.15 | 474,945.54 | | |
| Printing & Reproduction | | 297.49 | 210,624.32 | | |
| Federal Pass-Through | | | 68,140.03 | | |
| State Pass-Through | | | | | |
| Depreciation & Amortization | | | | | |
| Bad Debt Expense | | | | | |
| Interest | | 3.92 | 4,379.97 | | |
| Scholarships | | | | | |
| Claims & Losses | | | | | |
| Net Change In OPEB Obligation | | | | | |
| Other Operating Expenses | | 26,633.27 | 126,660,645.63 | | |
| Total Operating Expenses | <u>\$</u> | <u>\$ 1,763,227.19</u> | <u>\$ 158,202,019.36</u> | <u>\$</u> | <u>\$</u> |

NACUBO FUNCTION

| STUDENT SERVICES | INSTITUTIONAL SUPPORT | OPERATION & MAINTENANCE OF PLANT | SCHOLARSHIPS & FELLOWSHIPS | AUXILIARY | DEPRECIATION & AMORTIZATION | TOTAL | PRIOR YEAR |
|------------------|------------------------|----------------------------------|----------------------------|-----------|-----------------------------|--------------------------|--------------------------|
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | 1,776,000.57 | 178,800.60 | | | | 1,093,503.51 | 701,806.80 |
| | 402,376.74 | 33,768.22 | | | | 20,866,390.95 | 21,852,000.20 |
| | 148,027.70 | 3,605.86 | | | | 6,091,177.95 | 6,636,648.02 |
| | 36,414.54 | 2,797.84 | | | | 1,047,615.40 | 1,005,025.62 |
| | 117,247.21 | 154,267.24 | | | | 1,033,479.71 | 1,051,566.72 |
| | 56,825.21 | 186,892.94 | | | | 3,432,930.78 | 4,332,572.66 |
| | 27,955.25 | 495,656.69 | | | | 972,019.59 | 912,895.05 |
| | 5,831.27 | 255,545.79 | | | | 1,596,380.95 | 851,692.72 |
| | 11,854.24 | 182.65 | | | | 743,036.75 | 834,481.18 |
| | | | | | | 222,958.70 | 191,401.27 |
| | | | | | | 68,140.03 | 24,545.49 |
| | | | | | 2,569,769.72 | 2,569,769.72 | 2,135,064.02 |
| | .89 | 49.68 | | | | 4,434.46 | 1,898.81 |
| | | | | | | | 12,290.94 |
| | <u>54,789.82</u> | <u>263,653.75</u> | | | | <u>127,005,722.47</u> | <u>211,914,289.66</u> |
| <u>\$</u> | <u>\$ 2,637,323.44</u> | <u>\$ 1,575,221.26</u> | <u>\$</u> | <u>\$</u> | <u>\$ 2,569,769.72</u> | <u>\$ 166,747,560.97</u> | <u>\$ 252,458,179.16</u> |

[Exhibit IV]

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EXHIBIT V
 TEXAS A&M FOREST SERVICE
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2012

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|--------------------------|------------------------|
| Cash Flows From Operating Activities | \$ | \$ |
| Proceeds Received From Tuition and Fees | | |
| Proceeds Received From Customers | 3,386,192.41 | 2,389,134.83 |
| Proceeds From Sponsored Programs | 12,093,728.60 | 12,880,007.02 |
| Proceeds From Auxiliary Enterprises | | |
| Proceeds From Loan Programs | 190,290.00 | 135,786.00 |
| Proceeds From Other Revenues | 31,262,275.00 | 31,003,846.86 |
| Payments to Suppliers for Goods and Services | (103,940,689.77) | (14,771,594.75) |
| Payments to Employees - Salaries | (20,958,839.61) | (21,784,107.90) |
| Payments to Employees - Benefits | (6,517,033.63) | (6,332,682.73) |
| Payments for Loans Provided | | |
| Payments for Other Expenses | (24,271,357.94) | (29,125,396.46) |
| Net Cash Provided [Used] By Operating Activities | \$ (108,755,434.94) | \$ (25,605,007.13) |
| Cash Flows From Noncapital Financing Activities | | |
| Proceeds From State Appropriations | \$ 109,419,206.71 | \$ 14,608,656.36 |
| Proceeds From Gifts | 430,805.93 | 517,837.48 |
| Proceeds From Endowments | | |
| Proceeds - Transfers From Other Funds | 15,909,991.03 | 9,299,174.26 |
| Proceeds From Other Grant Revenue | | |
| Proceeds From Contributed Capital | | |
| Proceeds From Other Revenues | 26,015.01 | 1,293.38 |
| Payments of Interest | | |
| Payments - Transfers to Other Funds | | |
| Payments for Grant Disbursements | | |
| Payments for Other Uses | (17,726.79) | (10,054.62) |
| Other Noncapital Transfers From/To System | 44,166.00 | 42,264.00 |
| Transfers Between Fund Groups | | |
| Net Cash Provided [Used] By Noncapital Financing Activities | \$ 125,812,457.89 | \$ 24,459,170.86 |
| Cash Flows From Capital and Related Financing Activities | | |
| Proceeds From Sale of Capital Assets | \$ 189,111.10 | \$ 106,403.00 |
| Proceeds From Capital Debt Issuance | | |
| Proceeds From State Grants and Contracts | | |
| Proceeds From Federal Grants and Contracts | | |
| Proceeds From Gifts | | |
| Proceeds From Interfund Loans | | |
| Proceeds From Other Financing Activities | | |
| Payments for Additions to Capital Assets | (4,448,716.88) | (5,815,804.92) |
| Payments of Principal On Debt | | |
| Payments for Capital Leases | | |
| Payments for Interest On Capital Related Debt | | |
| Payments for Interfund Loans | | |
| Payments of Other Costs On Debt Issuance | | |
| Transfer of Capital Debt Proceeds From System [Nonmandatory] | 107,500.38 | 288,804.56 |
| Intrasystem Transfers for Capital Debt [Mandatory] | | |
| Intrasystem Transfers for Construction Proceeds [Non-Mand] | | |
| Net Cash Provided [Used] By Capital and Related Financing Act. | \$ (4,152,105.40) | \$ (5,420,597.36) |
| Cash Flows From Investing Activities | | |
| Proceeds From Sales and Maturities of Investments | \$ | \$ |
| Sales and Purchases of Investments Held By System | (5,493,867.22) | 4,905,014.46 |
| Proceeds From Interest and Investment Income | 236,980.50 | 228,953.86 |
| Payments to Acquire Investments | | |
| Net Cash Provided [Used] By Investing Activities | \$ (5,256,886.72) | \$ 5,133,968.32 |
| Increase [Decrease] In Cash and Cash Equivalents | \$ 7,648,030.83 | \$ (1,432,465.31) |
| Cash and Cash Equivalents, September 1, 2011 and 2010 Restatement | \$ 64,983,061.65 | \$ 66,415,526.96 |
| Restated Beginning Cash and Cash Equivalents | \$ 64,983,061.65 | \$ 66,415,526.96 |
| Cash and Cash Equivalents, August 31, 2012 and 2011 [Sch Three] | \$ 72,631,092.48 | \$ 64,983,061.65 |

UNAUDITED

EXHIBIT V
 TEXAS A&M FOREST SERVICE
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2012

| | 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] | (120,230,799.13) | (205,641,331.02) |
| Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities | | |
| Depreciation and Amortization | 2,569,769.72 | 2,135,064.02 |
| Bad Debt Expense | | |
| Operating Income and Expense Classification Differences | | |
| Changes In Assets and Liabilities: | | |
| Accounts Receivable, Net | (81,900.61) | (655,254.11) |
| Due From Other Agencies/Funds | 108,144.12 | (140,028.58) |
| Due From System Members | (1,635.59) | |
| Inventory | (782,019.64) | 333,210.57 |
| Deferred Charges | | |
| Prepaid Expenses | 111,407.59 | (39,266.51) |
| Loans and Contracts | 190,290.00 | 135,786.00 |
| Other Assets | (1,043.10) | (1,536.65) |
| Payables | 9,219,359.69 | 177,972,235.63 |
| Due to Other Agencies/Funds | 20,016.93 | (34,215.63) |
| Due to System Members | 3,925.31 | |
| Unearned Revenue | 421,534.51 | 34,156.67 |
| Deposits | (217,863.74) | 221,634.48 |
| Compensated Absence Liability | (84,621.00) | 74,538.00 |
| Other Post Employment Benefits Liability | | |
| Self Insured Accrued Liability | | |
| Other Liabilities | | |
| Total Adjustments | <u>\$ 11,475,364.19</u> | <u>\$ 180,036,323.89</u> |
| Net Cash Provided [Used] By Operating Activities | <u>\$ (108,755,434.94)</u> | <u>\$ (25,605,007.13)</u> |
| Non-Cash Transactions | | |
| Nonmonetary Gifts, Including Capital Assets | \$ 574,233.00 | \$ 101,979.00 |
| Net Increase [Decrease] In Fair Value of Investments | 455,666.68 | 1,165,952.18 |
| Gain/Loss On Sale or Disposal of Capital Assets | 178,738.00 | 104,900.79 |
| Refunding of Long Term Debt | | |
| Amortization of Bond Premiums and Discounts | | |
| Other | | |

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SCHEDULE 1 - A
 TEXAS A&M FOREST SERVICE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2012

| Federal Grantor/ Pass-through Grantor/ Program Title | CFDA Number | NSE Name/ Identifying Number | Agy/ Univ No | Pass-through From | |
|---|----------------|------------------------------------|--------------------|---------------------------------------|---------------------------------|
| | | | | Agencies or Universities Amount | Non-State Entities Amount |
| U.S. Department of Agriculture | | | | | |
| <u>Direct Programs:</u> | | | | | |
| Plant and Animal Disease, Pest Control, and Animal Care | 10.025 | | | \$ | \$ |
| Cooperative Forestry Assistance | 10.664 | | | | |
| Cooperative Forestry Assistance | 10.664 | | | | |
| <i>Pass-Through To:</i> | | | | | |
| <i>Texas A&M AgriLife Extension Service</i> | | | | | |
| Cooperative Forestry Assistance | 10.664 | | | | |
| <i>Pass-Through To:</i> | | | | | |
| <i>University of Texas at Austin</i> | | | | | |
| Forest Legacy Program | 10.676 | | | | |
| Forest Stewardship Program | 10.678 | | | | |
| Forest Health Protection | 10.680 | | | | |
| Forest Health Protection | 10.680 | | | | |
| <i>Pass-Through To:</i> | | | | | |
| <i>University of Texas at Austin</i> | | | | | |
| Soil and Water Conservation | 10.902 | | | | |
| Totals - U.S. Department of Agriculture | | | | | |
| U.S. Department of Defense | | | | | |
| State Memorandum of Agreement Program for the Reimbursement of Technical Services | 12.113 | | | | |
| Totals - U.S. Department of Defense | | | | | |
| U.S. Department of the Interior | | | | | |
| National Fire Plan - Wildland Urban Interface Community Fire Assistance | 15.228 | | | | |
| Fish and Wildlife Management Assistance | 15.608 | | | | |
| Totals - U.S. Department of the Interior | | | | | |
| Environmental Protection Agency | | | | | |
| <u>Pass-Through From:</u> | | | | | |
| Nonpoint Source Implementation Grants | 66.460 | | | | |
| <i>Pass-Through From:</i> | | | | | |
| <i>Texas A&M AgriLife Extension Service</i> | | | | | |
| | | | 555 | 1635.59 | |
| Nonpoint Source Implementation Grants | 66.460 | | | | |
| <i>Pass-Through From:</i> | | | | | |
| <i>Soil and Water Conservation Board</i> | | | | | |
| | | | 592 | 120648.68 | |
| Totals - Environmental Protection Agency | | | | | |
| 122,284.27 | | | | | |
| U.S. Department of Homeland Security | | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | | | | |
| <i>Pass-Through From:</i> | | | | | |
| <i>Department of Public Safety</i> | | | | | |
| | | | 405 | 3261.5 | |
| Emergency Management Performance Grants | 97.042 | | | | |
| <i>Pass-Through From:</i> | | | | | |
| <i>Department of Public Safety</i> | | | | | |
| | | | 405 | 780126.13 | |
| Fire Management Assistance Grant | 97.046 | | | | |
| <i>Pass-Through From:</i> | | | | | |
| <i>Department of Public Safety</i> | | | | | |
| | | | 405 | 2,380,113.15 | |
| Totals - U.S. Department of Homeland Security | | | | | |
| 3,163,500.78 | | | | | |

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SCHEDULE 1 - A
 TEXAS A&M FOREST SERVICE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2012

| Direct Program Amount | Total Pass Through From Direct Program | Pass-through To | | Expenditures | Total Pass Through To and Expenditures |
|-----------------------------|--|---------------------|---------------------------------------|--------------|--|
| | | Agy/ Univ No. | Agencies or Universities Amount | | |
| \$ 48,984.50 | \$ 48,984.50 | | | \$ 48,984.50 | \$ 48,984.50 |
| 5,938,399.54 | 5,938,399.54 | | | 5,938,399.54 | 5,938,399.54 |
| 6,425.31 | 6,425.31 | | | | 6,425.31 |
| | | 555 | 6,425.31 | | |
| 31,162.75 | 31,162.75 | | | | 31,162.75 |
| | | 721 | 31,162.75 | | |
| 33,435.26 | 33,435.26 | | | 33,435.26 | 33,435.26 |
| 34,209.77 | 34,209.77 | | | 34,209.77 | 34,209.77 |
| 828,137.42 | 828,137.42 | | | 828,137.42 | 828,137.42 |
| 30,551.97 | 30,551.97 | | | | 30,551.97 |
| | | 721 | 30,551.97 | | |
| 129,879.31 | 129,879.31 | | | 129,879.31 | 129,879.31 |
| 7,081,185.83 | 7,081,185.83 | | 68,140.03 | 7,013,045.80 | 7,081,185.83 |
| 67,571.25 | 67,571.25 | | | 67,571.25 | 67,571.25 |
| 67,571.25 | 67,571.25 | | | 67,571.25 | 67,571.25 |
| 2,256.87 | 2,256.87 | | | 2,256.87 | 2,256.87 |
| 30,153.32 | 30,153.32 | | | 30,153.32 | 30,153.32 |
| 32,410.19 | 32,410.19 | | | 32,410.19 | 32,410.19 |
| | 1,635.59 | | | 1,635.59 | 1,635.59 |
| | 120,648.68 | | | 120,648.68 | 120,648.68 |
| | 122,284.27 | | | 122,284.27 | 122,284.27 |
| | 3,261.50 | | | 3,261.50 | 3,261.50 |
| | 780,126.13 | | | 780,126.13 | 780,126.13 |
| | 2,380,113.15 | | | 2,380,113.15 | 2,380,113.15 |
| | 3,163,500.78 | | | 3,163,500.78 | 3,163,500.78 |

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SCHEDULE 1 - A
 TEXAS A&M FOREST SERVICE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2012

| Federal Grantor/ Pass-through Grantor/ Program Title | CFDA Number | NSE Name/ Identifying Number | Agy/ Univ No | Pass-through From | |
|---|----------------|------------------------------------|--------------------|---------------------------------------|---------------------------------|
| | | | | Agencies or Universities Amount | Non-State Entities Amount |
| Research & Development Cluster | | | | | |
| U.S. Department of Agriculture | | | | | |
| <u>Direct Programs:</u> | | | | | |
| Forestry Research | 10.652 | | | | |
| Forest Health Protection | 10.680 | | | | |
| Totals - U.S. Department of Agriculture | | | | | |
| Homeland Security Cluster | | | | | |
| U.S. Department of Homeland Security | | | | | |
| <u>Pass-Through From:</u> | | | | | |
| Homeland Security Grant Program | 97.067 | | | | |
| <u>Pass-Through From:</u> | | | | | |
| <i>Department of Public Safety</i> | | | 405 | (41,467.41) | |
| Totals - U.S. Department of Homeland Security | | | | (41,467.41) | |
| Total Expenditures of Federal Awards | | | | \$ 3,244,317.64 | \$ - |

UNAUDITED

SCHEDULE 1 - A
 TEXAS A&M FOREST SERVICE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2012

| Direct Program Amount | Total Pass Through From Direct Program | Agy/ Univ No. | Pass-through To | | Expenditures | Total Pass Through To and Expenditures |
|-----------------------------|--|---------------------|---------------------------------------|---------------------------------|-------------------------|--|
| | | | Agencies or Universities Amount | Non-State Entities Amount | | |
| 1,066,615.33 | 1,066,615.33 | | | | 1,066,615.33 | 1,066,615.33 |
| 4,436.13 | 4,436.13 | | | | 4,436.13 | 4,436.13 |
| 1,071,051.46 | 1,071,051.46 | | | | 1,071,051.46 | 1,071,051.46 |
| | (41,467.41) | | | | (41,467.41) | (41,467.41) |
| | (41,467.41) | | | | (41,467.41) | (41,467.41) |
| <u>\$ 8,252,218.73</u> | <u>\$ 11,496,536.37</u> | | <u>\$ 68,140.03</u> | <u>\$ -</u> | <u>\$ 11,428,396.34</u> | <u>\$ 11,496,536.37</u> |

UNAUDITED

SCHEDULE 1 - A
 TEXAS A&M FOREST SERVICE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2012

NOTE 1: NONMONETARY ASSISTANCE

Not Applicable

NOTE 2: RECONCILIATION OF REVENUES AND RECEIPTS TO EXPENDITURES
 AND DISBURSEMENTS (PASS THROUGH)

| | | |
|---|-----------------|-------------------------|
| FEDERAL REVENUES: | | |
| Federal Grants and Contracts - Operating | | \$ 8,252,218.73 |
| Federal Grants and Contracts - Non-operating | | |
| Federal Pass-Through Grants (State Agencies/Universities and TAMUS Members)-Operating | \$ 3,244,317.64 | |
| Federal Pass-Through Grants (State Agencies/Universities and TAMUS Members)-Non-Operating | | |
| LESS Reconciling Items: | | |
| Donation of Federal Surplus Property | | |
| Total Federal Pass-Through Grants | | 3,244,317.64 |
| Federal Appropriations | | |
| Total Federal Revenue per Exhibit IV | | \$ 11,496,536.37 |
| Reconciling Items: | | |
| ADD: | | |
| Non-Monetary Assistance [NOTE 1]: | | |
| Donation of Federal Surplus Property | | |
| New Loans Processed [NOTE 3]: | | |
| Federal Family Education Loans | | |
| Federal Perkins Loan Program | | |
| Federal Direct Student Loans | | |
| Health Education Assistance Loans | | |
| Health Professions Student Loans, Including Primary Care Loans / Loans for Disadvantaged Students | | |
| DEDUCT: | | |
| Federal Grants to/from TAMRF | | |
| COBRA 65% Subsidy (CFDA Number 17.151) | | |
| Total Pass Throughs and Expenditures per Federal Schedule | | <u>\$ 11,496,536.37</u> |

UNAUDITED

SCHEDULE 1 - A
 TEXAS A&M FOREST SERVICE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2012

NOTE 3: STUDENT LOANS PROCESSED AND ADMINISTRATIVE COSTS RECOVERED

Not Applicable

NOTE 4: DEPOSITORY LIBRARIES FOR GOVERNMENT PUBLICATIONS

Not Applicable

NOTE 5: UNEMPLOYMENT INSURANCE FUNDS

Not Applicable

NOTE 6: REBATES FROM THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANT AND CHILDREN (WIC)

Not Applicable

NOTE 7: FEDERAL DEFERRED REVENUE

| <u>PROGRAM NAME</u> | <u>CFDA NUMBER</u> | <u>BEGINNING BALANCE 9/1/2011</u> | <u>NET CHANGE</u> | <u>ENDING BALANCE 8/31/2012</u> |
|---------------------------------|------------------------|---|-----------------------|---|
| Cooperative Forestry Assistance | 10.664 | \$ 7,359.99 | \$ (7,359.99) | \$ - |
| Forest Legacy Program | 10.676 | | 4,361.70 | 4,361.70 |
| Forest Stewardship Program | 10.678 | | 12,641.92 | 12,641.92 |
| | | <u>\$ 7,359.99</u> | <u>\$ 9,643.63</u> | <u>\$ 17,003.62</u> |

Deferred Revenue Explanation:

Deferred revenue is the result of payroll expenditure changes made after federal funds were received and project funds drawn down completely at the beginning of the project.

NOTE 8: SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Not Applicable

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SCHEDULE 1-B
 TEXAS A&M FOREST SERVICE
 SCHEDULE OF STATE GRANT PASS-THROUGHS FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2012

Pass-through From:

| <u>Program Name</u> <u>Agency Name</u> | <u>Grant ID</u> | <u>Agy #</u> | <u>Amount</u> |
|---|-----------------|--------------|-------------------------------------|
| Disaster Grants Governor - Fiscal | 300.001 | 300 | \$ 75,714.00 |
| Total Pass-Through From State Agencies | | | \$ <u>75,714.00</u> (Exhibit IV) |

Pass-through To:

| <u>Program Name</u> <u>Agency Name</u> | <u>Grant ID</u> | <u>Agy #</u> | <u>Amount</u> |
|---|-----------------|--------------|--------------------------------|
| | | | \$ - |
| Total Pass-Through To State Agencies | | | \$ <u>-</u> (Schedule IV-1) |

UNAUDITED

SCHEDULE THREE
 TEXAS A&M FOREST SERVICE
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2012

| | <u>CURRENT YEAR TOTAL</u> |
|--|-----------------------------------|
| Cash & Cash Equivalents | |
| Current Assets | |
| Cash On Hand: | |
| Petty Cash Department Working Fund | \$ 1,100.00 |
| Total Cash On Hand | <u>\$ 1,100.00</u> |
| Cash In Bank | \$ (846,435.18) |
| Cash In State Treasury: | |
| Fund 5064 | 65,508,059.41 |
| Fund 5066 | 3,660,366.77 |
| Fund 5133 | <u>5,675.86</u> |
| Total Cash In State Treasury | <u>\$ 69,174,102.04</u> |
| Reimbursements Due From State Treasury | \$ 493,733.10 |
| Assets Held By System Offices-Current | <u>3,621,859.47</u> |
| Total Current Cash and Cash Equivalents [Exhibit III] | <u>\$ 72,444,359.43</u> |
| | |
| Restricted: | |
| Cash In State Treasury: | |
| Assets Held By System Offices-Current | <u>\$ 186,733.05</u> |
| Total Restricted Cash and Cash Equivalents [Exhibit III] | <u>\$ 186,733.05</u> |
| Total Cash & Cash Equivalents [Exhibit V] | <u><u>\$ 72,631,092.48</u></u> |

UNAUDITED

SCHEDULE N-2
 TEXAS A&M FOREST SERVICE
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2012

| | BALANCE 9-1-11 | ADJUSTMENTS | COMPLETED CIP |
|--|--------------------------------|------------------|------------------|
| Non-Depreciable/Non-Amortizable Assets | | | |
| Land and Land Improvements | \$ 1,840,192.91 | \$ | \$ |
| Construction In Progress | | | |
| Total Non-Depreciable/Non-Amortizable Assets | <u>\$ 1,840,192.91</u> | <u>\$</u> | <u>\$</u> |
| Depreciable Assets | | | |
| Buildings | \$ 1,879,667.47 | \$ | \$ |
| Furniture and Equipment | 14,512,741.46 | | |
| Vehicles, Boats and Aircraft | 13,838,032.78 | | |
| Total Depreciable Assets at Historical Cost | <u>\$ 30,230,441.71</u> | <u>\$</u> | <u>\$</u> |
| Less Accumulated Depreciation For: | | | |
| Buildings | \$ (682,355.56) | \$ | \$ |
| Furniture and Equipment | (8,512,948.02) | | |
| Vehicles, Boats and Aircraft | (7,733,968.27) | | |
| Total Accumulated Depreciation | <u>\$ (16,929,271.85)</u> | <u>\$</u> | <u>\$</u> |
| Depreciable Assets, Net | <u>\$ 13,301,169.86</u> | <u>\$</u> | <u>\$</u> |
| Capital Assets, Net | <u><u>\$ 15,141,362.77</u></u> | <u><u>\$</u></u> | <u><u>\$</u></u> |

| <u>INC-INTERAGENCY TRANSACTIONS</u> | <u>DEC-INTERAGENCY TRANSACTIONS</u> | <u>ADDITIONS</u> | <u>DELETIONS</u> | <u>BALANCE 8-31-12</u> |
|---|---|--|---------------------------------|---|
| \$ | \$ | \$ 162,999.41 | \$ | \$ 1,840,192.91 162,999.41 |
| \$ | \$ | \$ 162,999.41 | \$ | \$ 2,003,192.32 |
| \$ | \$ (13,085.00) | \$ 2,855,555.40 2,024,221.07 | \$ (380,638.09) (837,681.22) | \$ 1,879,667.47 16,974,573.77 15,024,572.63 |
| \$ | \$ (13,085.00) | \$ 4,879,776.47 | \$ (1,218,319.31) | \$ 33,878,813.87 |
| \$ | \$ 13,085.00 | \$ (76,545.96) (1,211,623.41) (1,281,600.35) | \$ 348,210.29 810,757.73 | \$ (758,901.52) (9,363,276.14) (8,204,810.89) |
| \$ | \$ 13,085.00 | \$ (2,569,769.72) | \$ 1,158,968.02 | \$ (18,326,988.55) |
| \$ | \$ | \$ 2,310,006.75 | \$ (59,351.29) | \$ 15,551,825.32 |
| \$ | \$ | \$ 2,473,006.16 | \$ (59,351.29) | \$ 17,555,017.64 |