

UNAUDITED

ANNUAL FINANCIAL REPORT

of

Texas A&M AgriLife Extension Service

For the Year Ended August 31, 2016

With Comparative Totals for the Year Ended August 31, 2015



Douglas L. Steele, Director

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TEXAS A&M AGRILIFE EXTENSION SERVICE

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EXHIBIT III
TEXAS A&M AGRILIFE EXTENSION SERVICE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 4,495,170.16	\$ 4,121,386.65
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	2,538.52	4,068.52
Investments		
Legislative Appropriations	5,624,215.96	6,190,461.00
Receivables, Net [Note 24]		
Federal	21,181,894.70	22,283,263.62
Other Intergovernmental	926,881.51	2,575,149.43
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	1,810,889.14	1,710,249.70
Other	2,326.38	685.91
Due From Other Agencies	2,246,445.92	1,485,066.41
Due From Other Members	1,110,099.41	801,654.49
Due From Other Funds	3,783,312.85	4,294,708.70
Consumable Inventories	72,679.63	35,156.06
Merchandise Inventories	944,605.91	1,182,955.71
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
Total Current Assets	<u>\$ 42,201,060.09</u>	<u>\$ 44,684,806.20</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 285,115.73	\$
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	25,713,157.77	20,174,251.62
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	394,693.64	394,693.64
Construction In Progress		
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	2,032,067.67	2,032,067.67
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	5,462,919.40	4,909,004.00
Vehicles, Boats, and Aircraft	7,455,708.02	7,113,084.77
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	(10,303,420.20)	(10,001,244.31)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 31,056,434.03</u>	<u>\$ 24,638,049.39</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 73,257,494.12</u>	<u>\$ 69,322,855.59</u>

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EXHIBIT III
TEXAS A&M AGRILIFE EXTENSION SERVICE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 2,407,683.26	\$ 3,275,121.36
Payroll	8,700,274.75	6,719,386.59
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	8,917.60	3,405.56
Interfund Payable [Note 12]		
Due to Other Agencies	92,466.29	601,711.01
Due to Other Funds	3,783,312.85	4,294,708.70
Due to Other Members	261,087.60	275,788.36
Funds Held for Investment		
Unearned Revenue	1,836,552.44	1,759,898.23
Employees' Compensable Leave	665,675.06	867,238.44
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	2,538.52	4,068.52
Other Current Liabilities	56.42	1,420.09
Total Current Liabilities	<u>\$ 17,758,564.79</u>	<u>\$ 17,802,746.86</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	8,240,183.56	7,622,636.76
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		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 8,240,183.56</u>	<u>\$ 7,622,636.76</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 25,998,748.35</u>	<u>\$ 25,425,383.62</u>
Net Position		
Net Investment In Capital Assets	\$ 5,058,160.53	\$ 4,463,797.77
Restricted for		
Debt Service		
Capital Projects	1,002,373.54	
Education	20,490,049.24	19,237,757.66
Endowment and Permanent Funds		
Nonexpendable		
Expendable	285,115.73	
Unrestricted	20,423,046.73	20,195,916.54
Total Net Position [Exhibit IV]	<u>\$ 47,258,745.77</u>	<u>\$ 43,897,471.97</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 73,257,494.12</u>	<u>\$ 69,322,855.59</u>

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EXHIBIT IV
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	8,529,053.78	6,355,265.96
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	9,243,362.43	11,436,546.74
Federal Pass Through Revenue	7,016,864.85	2,675,954.29
State Grant Revenue	51,079.20	133,994.45
State Pass Through Revenue	3,166,282.63	2,981,038.59
Other Grants and Contracts - Operating	11,851,741.18	12,270,612.80
Other Operating Revenue	490,189.89	620,224.21
Total Operating Revenues	<u>\$ 40,348,573.96</u>	<u>\$ 36,473,637.04</u>
Operating Expenses		
Instruction	\$	\$
Research	349,601.97	709,517.76
Public Service	116,098,189.84	112,415,005.31
Academic Support		
Student Services		
Institutional Support	7,741,780.08	6,863,698.16
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	809,322.15	734,156.59
Total Operating Expenses [Schedule IV-1]	<u>\$ 124,998,894.04</u>	<u>\$ 120,722,377.82</u>
Total Operating Income [Loss]	<u>\$ (84,650,320.08)</u>	<u>\$ (84,248,740.78)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 64,930,979.25	\$ 62,688,501.70
Federal Revenue Non-Operating	18,125,462.64	17,800,881.49
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	2,515,811.37	1,645,895.43
Investment Income	1,115,276.89	(202,327.34)
Investing Activities Expense	(52,822.75)	(48,130.49)
Interest Expense	(130.03)	
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	66,345.00	48,537.82
Settlement of Claims		
Other Nonoperating Revenues	26,538.12	41,719.88
Other Nonoperating [Expenses]	(32,754.67)	(57,009.45)
Total Nonoperating Revenues [Expenses]	<u>\$ 86,694,705.82</u>	<u>\$ 81,918,069.04</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 2,044,385.74</u>	<u>\$ (2,330,671.74)</u>

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SCHEDULE IV-1
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>INSTRUCTION</u>	<u>RESEARCH</u>	<u>PUBLIC SERVICE</u>	<u>ACADEMIC SUPPORT</u>	<u>STUDENT SERVICES</u>
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		137,661.52	66,086,235.86		
Payroll Related Costs		64,713.87	27,554,451.26		
Payroll Related Costs-TRS Pension					
Professional Fees & Services			3,588,859.70		
Travel			2,832,982.40		
Materials & Supplies			5,502,727.35		
Communication & Utilities			1,286,808.97		
Repairs & Maintenance			654,821.44		
Rentals & Leases			2,526,543.60		
Printing & Reproduction			1,049,097.65		
Federal Pass-Through			1,018,475.69		
State Pass-Through		147,226.58	234,184.87		
Depreciation & Amortization					
Bad Debt Expense					
Interest			1,496.98		
Scholarships			109,608.10		
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses			3,534,446.53		
Total Operating Expenses	<u>\$</u>	<u>\$ 349,601.97</u>	<u>\$ 116,098,189.84</u>	<u>\$</u>	<u>\$</u>

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION & MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS & FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION & AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$ 117,449.44	\$ 59,229.50
4,979,910.88					71,203,808.26	70,250,831.94
2,341,026.84					29,960,191.97	28,546,087.31
1,978.15					3,590,837.85	3,741,091.11
31,829.13					2,864,811.53	2,631,713.64
254,304.64					5,757,031.99	4,665,206.34
73,526.54					1,360,335.51	1,407,461.90
10,051.69					664,873.13	754,185.92
28,637.11					2,555,180.71	2,193,232.08
596.72					1,049,694.37	572,766.10
					1,018,475.69	826,605.51
					381,411.45	827,152.85
				809,322.15	809,322.15	734,156.59
12.34					1,509.32	260.39
					109,608.10	109,038.17
19,906.04					3,554,352.57	3,403,358.47
<u>\$ 7,741,780.08</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 809,322.15</u>	<u>\$ 124,998,894.04</u>	<u>\$ 120,722,377.82</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M AGRILIFE EXTENSION SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	8,525,030.18	6,461,701.68
Proceeds From Grants and Contracts	33,256,118.43	29,374,384.25
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	488,826.22	620,476.27
Payments to Suppliers for Goods and Services	(22,165,674.22)	(18,068,997.17)
Payments to Employees	(98,767,128.65)	(96,056,726.00)
Payments for Loans Provided		
Payments for Other Operating Expenses	(2,033,396.22)	(1,146,729.67)
Net Cash Provided [Used] By Operating Activities	\$ (80,696,224.26)	\$ (78,815,890.64)
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 65,497,224.29	\$ 61,523,470.02
Proceeds From Gifts	2,515,811.37	1,645,895.43
Proceeds From Endowments	300,000.00	
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts	18,125,462.64	17,800,881.49
Proceeds From Other Noncapital Financing Activities	26,538.12	38,442.26
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(20,920.95)	(380.07)
Other Noncapital Transfers From/To System	543,818.94	551,343.00
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	\$ 86,987,934.41	\$ 81,559,652.13
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 66,345.00	\$ 49,100.00
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	(1,443,979.51)	(1,170,054.77)
Payments of Principal On Debt		
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]	219,875.64	407,414.57
Intrasystem Transfers for Capital Debt [Mandatory]		
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	\$ (1,157,888.90)	\$ (713,540.20)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(5,118,972.89)	(1,269,971.93)
Proceeds From Interest and Investment Income	357,405.15	275,791.85
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	\$ (4,761,567.74)	\$ (994,180.08)
Net Increase [Decrease] In Cash and Cash Equivalents	\$ 372,253.51	\$ 1,036,041.21
Cash and Cash Equivalents, Beginning of Year	\$ 4,125,455.17	\$ 3,089,413.96
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 4,125,455.17	\$ 3,089,413.96
Cash and Cash Equivalents, End of Year [Sch Three]	\$ 4,497,708.68	\$ 4,125,455.17

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EXHIBIT V
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(84,650,320.08)	(84,248,740.78)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	809,322.15	734,156.59
Bad Debt Expense	(1,294.56)	9,121.49
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	2,648,651.49	(528,928.89)
[Increase] Decrease In Due From Other Funds	(761,379.51)	350,169.48
[Increase] Decrease In Due From System Members	(28,320.56)	(7,164.97)
[Increase] Decrease In Inventories	200,826.23	(1,161.36)
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	1,118,962.10	1,848,063.73
Increase [Decrease] In Due to Other Agencies/Funds	(509,244.72)	425,391.77
Increase [Decrease] In Due to System Members	(14,700.76)	188,809.85
Increase [Decrease] In Unearned Revenue	76,654.21	382,997.17
Increase [Decrease] In Deposits	(1,363.67)	252.06
Increase [Decrease] In Employees' Compensable Leave	415,983.42	2,031,143.22
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	\$ 3,954,095.82	\$ 5,432,850.14
Net Cash Provided [Used] By Operating Activities	\$ (80,696,224.26)	\$ (78,815,890.64)
Non-Cash Transactions		
Donation of Capital Assets	\$ 17,500.00	\$ 48,763.05
Net Change In Fair Value of Investments	525,442.77	(1,158,199.99)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(46,940.62)	(46,995.77)

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SCHEDULE N-2
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 394,693.64	\$	\$
Total Non-Depreciable/Non-Amortizable Assets	\$ 394,693.64	\$	\$
Depreciable Assets			
Buildings	\$ 2,032,067.67	\$	\$
Furniture and Equipment	4,909,004.00		
Vehicles, Boats and Aircraft	7,113,084.77		
Other Capital Assets	16,192.00		
Total Depreciable Assets at Historical Cost	\$ 14,070,348.44	\$	\$
Less Accumulated Depreciation for			
Buildings	\$ (790,605.05)	\$	\$
Furniture and Equipment	(3,374,586.51)		
Vehicles, Boats and Aircraft	(5,834,090.19)		
Other Capital Assets	(1,962.56)		
Total Accumulated Depreciation	\$ (10,001,244.31)	\$	\$
Depreciable Assets, Net	\$ 4,069,104.13	\$	\$
Capital Assets, Net	\$ 4,463,797.77	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$	\$	\$ 394,693.64
\$	\$	\$	\$	\$ 394,693.64
\$	\$	\$	\$	\$ 2,032,067.67
163,906.94	(50,960.10)	648,968.25	(207,999.69)	5,462,919.40
		815,021.00	(472,397.75)	7,455,708.02
				16,192.00
\$ 163,906.94	\$ (50,960.10)	\$ 1,463,989.25	\$ (680,397.44)	\$ 14,966,887.09
\$	\$	\$	\$	\$ (855,179.57)
(159,279.16)	1,901.44	(64,574.52)	193,281.30	(3,694,356.52)
		(355,673.59)	471,242.68	(5,751,185.59)
		(388,338.08)		(2,698.52)
		(735.96)		
\$ (159,279.16)	\$ 1,901.44	\$ (809,322.15)	\$ 664,523.98	\$ (10,303,420.20)
\$ 4,627.78	\$ (49,058.66)	\$ 654,667.10	\$ (15,873.46)	\$ 4,663,466.89
\$ 4,627.78	\$ (49,058.66)	\$ 654,667.10	\$ (15,873.46)	\$ 5,058,160.53