

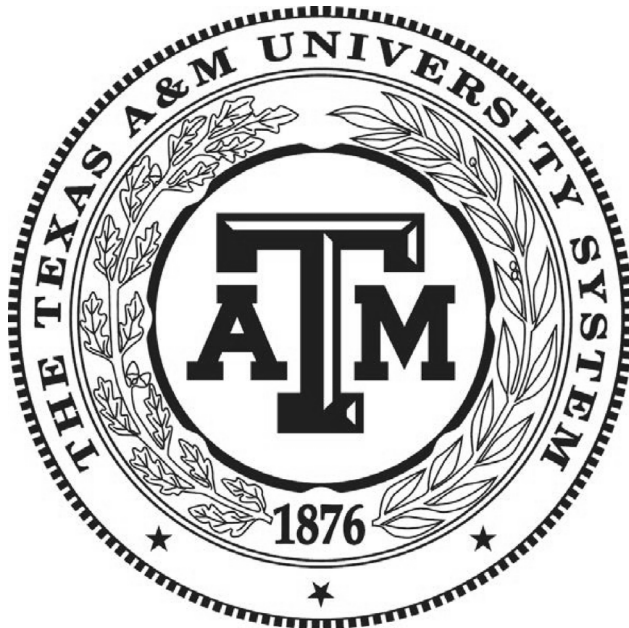
UNAUDITED

ANNUAL FINANCIAL REPORT

of

Texas A&M System Shared Services Center

*For the Year Ended August 31, 2020
with Comparative Totals for the Year Ended August 31, 2019*



John Sharp, Chancellor
Billy Hamilton, Deputy Chancellor and Chief Financial Officer

UNAUDITED

TEXAS A&M SYSTEM
SHARED SERVICES CENTER

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EXHIBIT III
TEXAS A&M SYSTEM SHARED SERVICES CENTER
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2020

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|--------------------------|------------------------|
| Assets and Deferred Outflows | | |
| Current Assets | | |
| Cash and Cash Equivalents [Schedule Three] | \$ 14,029,541.64 | \$ 8,401,640.72 |
| Investments | | |
| Restricted | | |
| Cash and Cash Equivalents [Schedule Three] | 94,633.85 | 30,079.13 |
| Investments | | |
| Legislative Appropriations | | |
| Receivables, Net [Note 24] | | |
| Federal | | |
| Other Intergovernmental | | |
| Interest and Dividends | | |
| Gifts | | |
| Self-Insured Health and Dental | | |
| Student | | |
| Investment Trades | | |
| Accounts | 3,422,528.29 | 849,253.15 |
| Other | 1,364.20 | 1,364.20 |
| Due From Other Agencies | | |
| Due From Other Members | 722,855.17 | 201,261.95 |
| Due From Other Funds | | 68,142.36 |
| Consumable Inventories | | |
| Merchandise Inventories | | |
| Loans and Contracts | | |
| Interfund Receivable [Note 12] | | |
| Other Current Assets | 349,209.50 | 349,209.50 |
| Total Current Assets | \$ 18,620,132.65 | \$ 9,900,951.01 |
| Non-Current Assets | | |
| Restricted | | |
| Cash and Cash Equivalents [Schedule Three] | \$ 28,303.85 | \$ |
| Assets Held By System Office | | |
| Investments [Note 3] | | |
| Loans, Contracts and Other | | |
| Gifts Receivable | | |
| Loans and Contracts | | |
| Assets Held By System Office | 9,154,285.85 | |
| Investments [Note 3] | | |
| Interfund Receivable [Note 12] | | |
| Capital Assets, Non-Depreciable [Note 2] | | |
| Land and Land Improvements | | |
| Construction In Progress | 1,553,637.42 | 8,826,543.94 |
| Other Tangible Capital Assets | | |
| Land Use Rights | | |
| Other Intangible Capital Assets | | |
| Capital Assets, Depreciable [Note 2] | | |
| Buildings and Building Improvements | | |
| Infrastructure | | |
| Facilities and Other Improvements | | |
| Furniture and Equipment | 5,166,173.67 | 841,817.74 |
| Vehicles, Boats, and Aircraft | 20,526.84 | 20,526.84 |
| Other Capital Assets | 33,100.00 | 33,100.00 |
| Intangible Capital Assets, Amortized [Note 2] | | |
| Land Use Rights | | |
| Computer Software | 11,637,871.35 | 6,671,285.04 |
| Other Intangible Capital Assets | | |
| Accumulated Depreciation/Amortization | (7,236,512.01) | (4,890,148.49) |
| Assets Held In Trust | | |
| Other Non-Current Assets | | |
| Total Non-Current Assets | \$ 20,357,386.97 | \$ 11,503,125.07 |
| Deferred Outflows of Resources [Note 28] | | |
| Unamortized Loss On Refunding Debt | \$ | \$ |
| Government Acquisition | | |
| Pension | | |
| Other Post Employment Benefits | | |
| Asset Retirement Obligations | | |
| Total Deferred Outflows of Resources | \$ | \$ |
| Total Assets and Deferred Outflows | \$ 38,977,519.62 | \$ 21,404,076.08 |

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EXHIBIT III
TEXAS A&M SYSTEM SHARED SERVICES CENTER
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2020

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|---|--------------------------|------------------------|
| Liabilities and Deferred Inflows | | |
| Current Liabilities | | |
| Payables | | |
| Accounts | \$ 360,444.75 | \$ 427,136.21 |
| Payroll | 865,302.98 | 720,625.59 |
| Investment Trades | | |
| Self-Insured Health and Dental | | |
| Student | | |
| Other | 1,060.56 | 531.10 |
| Interfund Payable [Note 12] | | |
| Due to Other Agencies | | |
| Due to Other Funds | | 68,142.36 |
| Due to Other Members | 7,500.00 | |
| Funds Held for Investment | | |
| Unearned Revenue | | |
| Employees' Compensable Leave | 11,157.13 | 2,050.50 |
| Other Post Employment Benefits | | |
| Claims and Judgments | | |
| Notes and Loans Payable [Note 5] | | |
| Notes From Direct Borrowings [Note 5] | | |
| Bonds Payable [Note 6] | | |
| Capital Lease Obligations [Note 8] | 356,051.60 | 1,056,051.60 |
| Asset Retirement Obligations [Note 5] | | |
| Liabilities Payable From Restricted Assets | | |
| Other Current Liabilities | | |
| Total Current Liabilities | \$ 1,601,517.02 | \$ 2,274,537.36 |
| Non-Current Liabilities | | |
| Interfund Payable [Note 12] | \$ 927,535.89 | \$ 589,055.39 |
| Employees' Compensable Leave | | |
| Other Post Employment Benefits [Note 11] | | |
| Pension Liability [Note 9] | | |
| Claims and Judgments | | |
| Notes and Loans Payable [Note 5] | | |
| Notes From Direct Borrowings [Note 5] | | |
| Bonds Payable [Note 6] | | |
| Assets Held In Trust | | |
| Liabilities Payable From Restricted Assets | | |
| Capital Lease Obligations [Note 8] | 3,888.78 | 359,940.56 |
| Asset Retirement Obligations [Note 5] | | |
| Other Non-Current Liabilities | | |
| Total Non-Current Liabilities | \$ 931,424.67 | \$ 948,995.95 |
| Deferred Inflows of Resources [Note 28] | | |
| Pension | \$ | \$ |
| Other Post Employment Benefits | | |
| Split-Interest Agreements | | |
| Total Deferred Inflows of Resources | \$ | \$ |
| Total Liabilities and Deferred Inflows | \$ 2,532,941.69 | \$ 3,223,533.31 |
| Net Position | | |
| Net Investment In Capital Assets | \$ 11,174,797.27 | \$ 11,503,125.07 |
| Restricted for | | |
| Debt Service | | |
| Capital Projects | 722,855.17 | 133,119.59 |
| Education | 122,937.70 | 30,079.13 |
| Endowment and Permanent Funds | | |
| Nonexpendable | | |
| Expendable | | |
| Unrestricted | 24,423,987.79 | 6,514,218.98 |
| Clearing Accounts | | |
| Total Net Position [Exhibit IV] | \$ 36,444,577.93 | \$ 18,180,542.77 |
| Total Liabilities, Deferred Inflows, and Net Position | \$ 38,977,519.62 | \$ 21,404,076.08 |

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EXHIBIT IV
TEXAS A&M SYSTEM SHARED SERVICES CENTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2020

| | 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 | 9,005,621.29 | 7,043,815.21 |
| Discounts and Allowances | | |
| Interest Revenue | | |
| Federal Revenue - Operating | | |
| Federal Pass Through Revenue | | |
| State Grant Revenue | | |
| State Pass Through Revenue | | |
| Other Grants and Contracts - Operating | 6,224.82 | |
| Other Operating Revenue | 308,304.58 | 453,890.08 |
| Total Operating Revenues | \$ 9,320,150.69 | \$ 7,497,705.29 |
| Operating Expenses | | |
| Instruction | \$ 349.03 | \$ |
| Research | | |
| Public Service | | |
| Academic Support | 100,345.97 | 12,545.23 |
| Student Services | | |
| Institutional Support | 2,647,305.53 | 2,042,134.89 |
| Operation & Maintenance of Plant | 1,166,745.40 | 366,880.41 |
| Scholarships & Fellowships | | |
| Auxiliary | | |
| Depreciation/Amortization | 4,339,481.93 | 1,777,402.61 |
| Total Operating Expenses [Schedule IV-1] | \$ 8,254,227.86 | \$ 4,198,963.14 |
| Total Operating Income [Loss] | \$ 1,065,922.83 | \$ 3,298,742.15 |
| Nonoperating Revenues [Expenses] | | |
| Legislative Revenue | \$ | \$ |
| Federal Revenue Non-Operating | | |
| Federal Pass Through Non-Operating | | |
| State Pass Through Non-Operating | | |
| Gifts | 13,526.80 | |
| Investment Income | 1,314,029.70 | |
| Investing Activities Expense | | |
| Interest Expense | | |
| Borrower Rebates and Agent Fees | | |
| Gain [Loss] On Sale or Disposal of Capital Assets | | |
| Settlement of Claims | | |
| Other Nonoperating Revenues | 254,460.25 | 191,772.58 |
| Other Nonoperating [Expenses] | (531,183.63) | |
| Total Nonoperating Revenues [Expenses] | \$ 1,050,833.12 | \$ 191,772.58 |
| Income [Loss] Before Other Revenues and Transfers | \$ 2,116,755.95 | \$ 3,490,514.73 |
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EXHIBIT IV
TEXAS A&M SYSTEM SHARED SERVICES CENTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2020

708 - 2 - 2

SCHEDULE IV-1
TEXAS A&M SYSTEM SHARED SERVICES CENTER
NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
FOR THE YEAR ENDED AUGUST 31, 2020

708 - 3 - 1

| INSTITUTIONAL SUPPORT | OPERATION & MAINTENANCE OF PLANT | SCHOLARSHIPS & FELLOWSHIPS | AUXILIARY | DEPRECIATION & AMORTIZATION | TOTAL | PRIOR YEAR |
|--------------------------|--|-------------------------------|-----------|--------------------------------|-----------------|-----------------|
| \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 1,587,967.68 | 960,448.91 | | | | 2,548,416.59 | 1,324,312.42 |
| 365,690.91 | 206,296.49 | | | | 571,987.40 | 285,882.36 |
| 261,654.71 | | | | | 280,683.03 | 260,650.47 |
| 19,057.51 | | | | | 22,236.38 | 49,964.06 |
| 39,979.34 | | | | | 41,334.03 | 40,629.49 |
| 22,530.00 | | | | | 23,617.41 | 18,063.04 |
| 95,466.18 | | | | | 116,049.96 | 6,613.93 |
| 208,091.79 | | | | | 242,589.15 | 326,965.61 |
| 1,148.87 | | | | | 3,737.07 | 2,173.82 |
| | | | | 4,339,481.93 | 4,339,481.93 | 1,777,402.61 |
| 16.83 | | | | | 49.82 | |
| 45,701.71 | | | | | 64,045.09 | 106,305.33 |
| \$ 2,647,305.53 | \$ 1,166,745.40 | \$ | \$ | \$ 4,339,481.93 | \$ 8,254,227.86 | \$ 4,198,963.14 |

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M SYSTEM SHARED SERVICES CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2020

| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL |
|--|--------------------------|------------------------|
| Cash Flows From Operating Activities | | |
| Proceeds Received From Tuition and Fees | \$ | \$ |
| Proceeds Received From Customers | 8,474,686.02 | 6,854,701.36 |
| Proceeds From Grants and Contracts | 6,224.82 | |
| Proceeds From Auxiliary Enterprises | | |
| Proceeds From Loan Programs | | |
| Proceeds From Other Operating Revenues | 308,304.58 | 453,890.08 |
| Payments to Suppliers for Goods and Services | (3,416,937.03) | (1,174,365.44) |
| Payments to Employees | (2,628,139.47) | (1,077,332.53) |
| Payments for Loans Provided | | |
| Payments for Pension Benefits to Plan Members | | |
| Payments for OPEB Benefits to Plan Members | | |
| Payments for Other Operating Expenses | | |
| Net Cash Provided [Used] By Operating Activities | \$ 2,744,138.92 | \$ 5,056,893.47 |
| Cash Flows From Noncapital Financing Activities | | |
| Proceeds From State Appropriations | \$ | \$ |
| Proceeds From Gifts | 13,526.80 | |
| Proceeds From Endowments | | |
| Proceeds From Transfers From Other Funds | | |
| Proceeds From Other Grant Receipts | | |
| Proceeds From Other Noncapital Financing Activities | 254,460.25 | 191,772.58 |
| Payments of Interest | | |
| Payments for Transfers to Other Funds | | |
| Payments for Grant Disbursements | | |
| Payments for Other Noncapital Financing Uses | | |
| Other Noncapital Transfers From/To System | 14,315,311.51 | 1,843,930.38 |
| Transfers Between Fund Groups | | |
| Net Cash Provided [Used] By Noncapital Financing Activities | \$ 14,583,298.56 | \$ 2,035,702.96 |
| Cash Flows From Capital and Related Financing Activities | | |
| Proceeds From Sale of Capital Assets | \$ | \$ |
| 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 | (2,710,370.06) | (2,908,160.87) |
| Payments of Principal On Debt | | |
| Payments for Capital Leases | (1,056,051.78) | (287,630.00) |
| Payments of Interest On Debt Issuance | | |
| Payments for Interfund Receivables | | |
| Payments of Other Costs On Debt Issuance | | |
| Transfer of Capital Debt Proceeds From System [Nonmandatory] | | 714,593.81 |
| Intrasystem Transfers for Capital Debt [Mandatory] | | |
| Intrasystem Transfers for Construction Projects [Non-Mand] | | |
| Net Cash Provided [Used] By Capital & Related Financing Act. | \$ (3,766,421.84) | \$ (2,481,197.06) |
| Cash Flows From Investing Activities | | |
| Proceeds From Sales of Investments | \$ | \$ |
| Sales and Purchases of Investments Held By System | (7,868,560.00) | |
| Proceeds From Interest and Investment Income | | |
| Payments to Acquire Investments | | |
| Net Cash Provided [Used] By Investing Activities | \$ (7,868,560.00) | \$ |
| Net Increase [Decrease] In Cash and Cash Equivalents | \$ 5,692,455.64 | \$ 4,611,399.37 |
| Cash and Cash Equivalents, Beginning of Year | \$ 8,431,719.85 | \$ 3,820,320.48 |
| Restatement | | |
| Cash and Cash Equivalents, Beginning of Year, As Restated | \$ 8,431,719.85 | \$ 3,820,320.48 |
| Cash and Cash Equivalents, End of Year [Sch Three] | \$ 14,124,175.49 | \$ 8,431,719.85 |

EXHIBIT V
TEXAS A&M SYSTEM SHARED SERVICES CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2020

708 - 4 - 2

SCHEDULE THREE
TEXAS A&M SYSTEM SHARED SERVICES CENTER
SCHEDULE OF CASH & CASH EQUIVALENTS
FOR THE YEAR ENDED AUGUST 31, 2020

708 - 15 - 1

SCHEDULE N-2
TEXAS A&M SYSTEM SHARED SERVICES CENTER
NOTE 2 - CAPITAL ASSETS
FOR THE YEAR ENDED AUGUST 31, 2020

708 - 17 - 1

| INC-INTERAGENCY TRANSACTIONS | DEC-INTERAGENCY TRANSACTIONS | ADDITIONS | DELETIONS | BALANCE 8-31-20 |
|---------------------------------|---------------------------------|---|-------------------|--|
| \$ 1,827,263.40 | \$ | \$ 2,687,507.06 | \$ | \$ 1,553,637.42 |
| \$ 1,827,263.40 | \$ | \$ 2,687,507.06 | \$ | \$ 1,553,637.42 |
| \$ 5,413.16 | \$ | \$ 22,863.00 | \$ (531,183.63) | \$ 5,166,173.67 20,526.84 33,100.00 |
| \$ 5,413.16 | \$ | \$ 22,863.00 | \$ (531,183.63) | \$ 5,219,800.51 |
| \$ (708.86) | \$ | \$ (293,284.63) (6,842.28) (2,206.68) | \$ | \$ (771,871.05) (10,263.42) (5,516.70) |
| \$ (708.86) | \$ | \$ (302,333.59) | \$ | \$ (787,651.17) |
| \$ 4,704.30 | \$ | \$ (279,470.59) | \$ (531,183.63) | \$ 4,432,149.34 |
| \$ | \$ | \$ | \$ (1,993,827.27) | \$ 11,637,871.35 |
| \$ | \$ | \$ | \$ (1,993,827.27) | \$ 11,637,871.35 |
| \$ | \$ | \$ (4,037,148.34) | \$ 1,993,827.27 | \$ (6,448,860.84) |
| \$ | \$ | \$ (4,037,148.34) | \$ 1,993,827.27 | \$ (6,448,860.84) |
| \$ | \$ | \$ (4,037,148.34) | \$ | \$ 5,189,010.51 |
| \$ 1,831,967.70 | \$ | \$ (1,629,111.87) | \$ (531,183.63) | \$ 11,174,797.27 |