

UNAUDITED

ANNUAL FINANCIAL REPORT

of

Texas A&M Research Foundation

For the Year Ended August 31, 2020

With Comparative Totals for the Year Ended August 31, 2019



Dr. Mark A. Barteau, President
Dana R. Thomas, Chief Financial Officer

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TEXAS A&M RESEARCH FOUNDATION

TABLE OF CONTENTS

<u>REFERENCE</u>	<u>EXHIBITS</u>	<u>PAGE</u>
III	Statement of Net Position	1-1
IV	Statement of Revenues, Expenses, and Changes in Net Position	2-1
IV - 1	Schedule of NACUBO Function to Natural Classification Matrix	3-1
V	Statement of Cash Flows	4-1
VI	Statement of Fiduciary Net Position	<i>Not Applicable</i> 5-1
VII	Statement of Changes in Fiduciary Net Position	<i>Not Applicable</i> 6-1
<u>SCHEDULES</u>		
THREE	Schedule of Cash & Cash Equivalents	15-1
THREE-F	Schedule of Fiduciary Cash & Cash Equivalents	<i>Not Applicable</i> 16-1
N-2	Note 2 - Capital Assets	17-1

UNAUDITED

EXHIBIT III
TEXAS A&M RESEARCH FOUNDATION
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]	\$ 2,145,312.76	\$ 2,166,328.24
Investments		
Restricted		
Cash and Cash Equivalents [Schedule Three]		
Investments		
Legislative Appropriations		
Receivables, Net [Note 24]		
Federal	862,255.50	805,769.10
Other Intergovernmental		
Interest and Dividends	102,160.43	32,348.04
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	442,959.39	209,073.92
Other	225,283.19	305,106.32
Due From Other Agencies		
Due From Other Members	15,053.17	695.94
Due From Other Funds	123,803.26	1,334,847.03
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets	96,402.39	50,676.94
Total Current Assets	\$ 4,013,230.09	\$ 4,904,845.53
Non-Current Assets		
Restricted		
Cash and Cash Equivalents [Schedule Three]	\$	\$
Assets Held By System Office		
Investments [Note 3]	135,073.64	153,588.63
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	8,568,704.17	8,029,579.11
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	82,656.72	82,656.72
Construction In Progress		
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	1,879,982.86	1,879,982.86
Infrastructure		
Facilities and Other Improvements	290,579.76	290,579.76
Furniture and Equipment	19,244,532.59	20,585,336.33
Vehicles, Boats, and Aircraft	124,309.66	74,250.16
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	5,000.00	5,000.00
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(17,709,359.10)	(18,649,258.72)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	\$ 12,621,480.30	\$ 12,451,714.85
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	\$ 16,634,710.39	\$ 17,356,560.38

UNAUDITED

EXHIBIT III
TEXAS A&M RESEARCH FOUNDATION
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	\$ 876,063.67	\$ 1,284,649.51
Payroll		
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	123,803.26	1,334,847.03
Due to Other Members	3,815,725.14	2,606,775.72
Funds Held for Investment		
Unearned Revenue	453,835.57	370,782.43
Employees' Compensable Leave		
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]		
Asset Retirement Obligations [Note 5]		
Liabilities Payable From Restricted Assets		
Other Current Liabilities	423,307.94	433,307.94
Total Current Liabilities	\$ 5,692,735.58	\$ 6,030,362.63
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
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]		
Asset Retirement Obligations [Note 5]		
Other Non-Current Liabilities		
Total Non-Current Liabilities	\$	\$
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Other Post Employment Benefits		
Split-Interest Agreements		
Total Deferred Inflows of Resources	\$	\$
Total Liabilities and Deferred Inflows	\$ 5,692,735.58	\$ 6,030,362.63
Net Position		
Net Investment In Capital Assets	\$ 3,917,702.49	\$ 4,268,547.11
Restricted for		
Debt Service		
Capital Projects		
Education	526,596.25	1,248,102.69
Endowment and Permanent Funds		
Nonexpendable	130,736.45	66,456.69
Expendable	4,340.38	3,986.97
Unrestricted	6,362,599.24	5,739,104.29
Clearing Accounts		
Total Net Position [Exhibit IV]	\$ 10,941,974.81	\$ 11,326,197.75
Total Liabilities, Deferred Inflows, and Net Position	\$ 16,634,710.39	\$ 17,356,560.38

UNAUDITED

EXHIBIT IV
TEXAS A&M RESEARCH FOUNDATION
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	(55,047.66)	(4,162.74)
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	61,416,414.67	64,397,419.07
Federal Pass Through Revenue		
State Grant Revenue		854.15
State Pass Through Revenue		
Other Grants and Contracts - Operating	279,252.14	318,317.91
Other Operating Revenue	1,956.07	13,628.60
Total Operating Revenues	\$ 61,642,575.22	\$ 64,726,056.99
Operating Expenses		
Instruction	\$	\$
Research	60,904,418.56	63,967,295.43
Public Service	448,229.40	442,054.78
Academic Support		
Student Services		(2,276.81)
Institutional Support	359,929.66	940,190.24
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	1,308,661.18	1,539,541.46
Total Operating Expenses [Schedule IV-1]	\$ 63,021,238.80	\$ 66,886,805.10
Total Operating Income [Loss]	\$ (1,378,663.58)	\$ (2,160,748.11)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$	\$
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts		
Investment Income	1,060,513.49	276,772.82
Investing Activities Expense	(24,269.21)	(22,693.77)
Interest Expense	(1,621.38)	(21,156.69)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	21,981.20	6,196.43
Settlement of Claims		(70,000.00)
Other Nonoperating Revenues	115,315.51	2,520.31
Other Nonoperating [Expenses]	(177,478.97)	(120,322.90)
Total Nonoperating Revenues [Expenses]	\$ 994,440.64	\$ 51,316.20
Income [Loss] Before Other Revenues and Transfers	\$ (384,222.94)	\$ (2,109,431.91)

EXHIBIT IV
TEXAS A&M RESEARCH FOUNDATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2020

014 - 2 - 2

UNAUDITED

SCHEDULE IV-1
TEXAS A&M RESEARCH FOUNDATION
NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
FOR THE YEAR ENDED AUGUST 31, 2020

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		8,329,268.36	260,559.01		
Payroll Related Costs		2,084,951.91	61,736.65		
Payroll Related Costs-TRS Pension					
Payroll Related Costs-OPEB					
Professional Fees & Services		40,999,960.65	4,278.97		
Travel		563,361.84			
Materials & Supplies		2,135,685.62			
Communication & Utilities		281,376.01			
Repairs & Maintenance		654,387.51			
Rentals & Leases		349,570.68			
Printing & Reproduction		641.98			
Federal Pass-Through					
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest					
Scholarships		9,433.81			
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		5,495,780.19	121,654.77		
Total Operating Expenses	\$	\$ 60,904,418.56	\$ 448,229.40	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
66,623.39					8,656,450.76	7,570,221.29
20,486.48					2,167,175.04	1,838,065.91
240,711.78					41,244,951.40	43,828,543.87
404.14					563,765.98	743,675.86
17,667.44					2,153,353.06	4,346,892.68
96,996.03					378,372.04	814,294.09
34,181.19					688,568.70	628,027.56
6,621.43					356,192.11	108,033.71
					641.98	2,237.00
				1,308,661.18	1,308,661.18	1,539,541.46
158.71					158.71	
576.99					10,010.80	11,714.70
(124,497.92)					5,492,937.04	5,455,556.97
\$ 359,929.66	\$	\$	\$	\$ 1,308,661.18	\$ 63,021,238.80	\$ 66,886,805.10

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M RESEARCH FOUNDATION
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	459,775.46	444,339.43
Proceeds From Grants and Contracts	60,398,328.32	66,060,120.63
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	1,956.07	427.84
Payments to Suppliers for Goods and Services	(59,830,345.90)	(65,197,074.79)
Payments to Employees		
Payments for Loans Provided		
Payments for Pension Benefits to Plan Members		
Payments for OPEB Benefits to Plan Members		
Payments for Other Operating Expenses	(496,931.05)	(537,255.48)
Net Cash Provided [Used] By Operating Activities	\$ 532,782.90	\$ 770,557.63
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$	\$
Proceeds From Gifts		
Proceeds From Endowments		
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities		
Payments of Interest	(1,621.38)	(21,156.69)
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses		(546,692.06)
Other Noncapital Transfers From/To System		
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	\$ (1,621.38)	\$ (567,848.75)
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 21,981.20	\$ 6,196.43
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	(1,019,980.02)	(604,887.81)
Payments of Principal On Debt		
Payments for Capital Leases		
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]		
Intrasystem Transfers for Capital Debt [Mandatory]		
Intrasystem Transfers for Construction Projects [Non-Mand]		
Net Cash Provided [Used] By Capital & Related Financing Act.	\$ (997,998.82)	\$ (598,691.38)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 18,514.99	\$ 42,577.74
Sales and Purchases of Investments Held By System	377,181.78	335,865.79
Proceeds From Interest and Investment Income	50,125.05	154,838.78
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	\$ 445,821.82	\$ 533,282.31
Net Increase [Decrease] In Cash and Cash Equivalents	\$ (21,015.48)	\$ 137,299.81
Cash and Cash Equivalents, Beginning of Year	\$ 2,166,328.24	\$ 2,029,028.43
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 2,166,328.24	\$ 2,029,028.43
Cash and Cash Equivalents, End of Year [Sch Three]	\$ 2,145,312.76	\$ 2,166,328.24

EXHIBIT V
TEXAS A&M RESEARCH FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2020

014 - 4 - 2

SCHEDULE THREE
TEXAS A&M RESEARCH FOUNDATION
SCHEDULE OF CASH & CASH EQUIVALENTS
FOR THE YEAR ENDED AUGUST 31, 2020

014 - 15 - 1

UNAUDITED

SCHEDULE N-2
TEXAS A&M RESEARCH FOUNDATION
NOTE 2 - CAPITAL ASSETS
FOR THE YEAR ENDED AUGUST 31, 2020

	BALANCE 9-1-19	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 82,656.72	\$	\$
Total Non-Depreciable/Non-Amortizable Assets	\$ 82,656.72	\$	\$
Depreciable Assets			
Buildings	\$ 1,879,982.86	\$	\$
Facilities and Other Improvements	290,579.76		
Furniture and Equipment	20,585,336.33		
Vehicles, Boats and Aircraft	74,250.16		
Total Depreciable Assets at Historical Cost	\$ 22,830,149.11	\$	\$
Less Accumulated Depreciation for			
Buildings	\$ (1,616,747.07)	\$	\$
Facilities and Other Improvements			
Furniture and Equipment	(16,994,255.31)		
Vehicles, Boats and Aircraft	(33,256.34)		
Total Accumulated Depreciation	\$ (18,644,258.72)	\$	\$
Depreciable Assets, Net	\$ 4,185,890.39	\$	\$
Amortizable Assets - Intangible			
Computer Software	\$ 5,000.00	\$	\$
Total Intangible Assets at Historical Cost	\$ 5,000.00	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (5,000.00)	\$	\$
Total Accumulated Amortization	\$ (5,000.00)	\$	\$
Amortizable Assets, Net	\$	\$	\$
Capital Assets, Net	\$ 4,268,547.11	\$	\$

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-20
\$	\$	\$	\$	\$ 82,656.72
\$	\$	\$	\$	\$ 82,656.72
\$	\$	\$	\$	\$ 1,879,982.86
		1,085,236.03	(2,426,039.77)	290,579.76
		50,059.50		19,244,532.59
				124,309.66
\$	\$	\$ 1,135,295.53	\$ (2,426,039.77)	\$ 21,539,404.87
\$	\$	\$ (20,292.00)	\$	\$ (1,637,039.07)
		(14,303.76)		(14,303.76)
		(1,254,939.43)	2,248,560.80	(16,000,633.94)
		(19,125.99)		(52,382.33)
\$	\$	\$ (1,308,661.18)	\$ 2,248,560.80	\$ (17,704,359.10)
\$	\$	\$ (173,365.65)	\$ (177,478.97)	\$ 3,835,045.77
\$	\$	\$	\$	\$ 5,000.00
\$	\$	\$	\$	\$ 5,000.00
\$	\$	\$	\$	\$ (5,000.00)
\$	\$	\$	\$	\$ (5,000.00)
\$	\$	\$	\$	\$
\$	\$	\$ (173,365.65)	\$ (177,478.97)	\$ 3,917,702.49