

TEXAS A&M RESEARCH FOUNDATION

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INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

SUPPLEMENTAL INFORMATION

AND

COMPLIANCE REPORTS

AUGUST 31, 2012 AND 2011

TEXAS A&M RESEARCH FOUNDATION
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Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Texas A&M Research Foundation
College Station, Texas

We have audited the accompanying statements of financial position of the Texas A&M Research Foundation (the "Foundation") as of August 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of August 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing,

and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements as whole. The supplemental information on pages 21-26 is presented for purposes of additional analysis and is not a required part of the financial statements of the Foundation. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, issued by the Office of the Governor of the State, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bryan, Texas
December 19, 2012

Ingaram, Walker & Company

TEXAS A&M RESEARCH FOUNDATION
Statements of Financial Position
August 31, 2012 and 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012	2011
Assets					
Cash and cash equivalents	\$ 26,690,609	\$ -	\$ -	\$ 26,690,609	\$ 25,127,217
Accounts and interest receivable, net	8,688,385	-	-	8,688,385	9,957,204
Unbilled receivable on research contracts in progress	3,695,411	-	-	3,695,411	7,602,422
Inventories and prepaid expenses	260,576	-	-	260,576	313,282
Office and technical equipment	45,625,005	-	-	45,625,005	44,680,452
Software	1,179,738	-	-	1,179,738	1,179,738
Buildings and land	1,969,897	-	-	1,969,897	1,969,897
Less accumulated amortization and depreciation	(35,602,348)	-	-	(35,602,348)	(34,146,499)
Investment in mutual funds	-	2,517	50,670	53,187	51,142
Investment in corporate stock	-	-	198,816	198,816	156,576
Other assets	13,018	-	-	13,018	84,123
Total assets	\$ 52,520,291	\$ 2,517	\$ 249,486	\$ 52,772,294	\$ 56,975,554
Liabilities and Net Assets					
Accounts payable	\$ 2,877,868	\$ -	\$ -	\$ 2,877,868	\$ 4,130,145
Accrued liabilities	83,281	-	-	83,281	290,408
Deferred revenues	8,695,224	-	-	8,695,224	8,268,031
Due to A&M University, et.al.					
Accounts payable	953,692	-	-	953,692	1,271,143
Salary and wages	11,669,019	-	-	11,669,019	13,241,457
Indirect costs	8,211,471	-	-	8,211,471	7,420,410
Accrued vacation payable	145,486	-	-	145,486	230,621
Total liabilities	32,636,041	-	-	32,636,041	34,852,215
Net Assets					
Unrestricted	19,884,250	-	-	19,884,250	21,915,621
Temporarily restricted	-	2,517	-	2,517	2,313
Permanently restricted	-	-	249,486	249,486	205,405
Total net assets	19,884,250	2,517	249,486	20,136,253	22,123,339
Total liabilities and net assets	\$ 52,520,291	\$ 2,517	\$ 249,486	\$ 52,772,294	\$ 56,975,554

The accompanying notes are an integral part of these financial statements.

TEXAS A&M RESEARCH FOUNDATION
Statements of Activities
For the Years Ended August 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted Net Assets		
Revenues and Gains		
Revenue for sponsored research	\$ 195,432,086	\$ 233,146,269
Other acquisitions	174,040	1,218,128
Investment income	513,803	490,333
Unrealized gain on investments	26,486	700,985
Proceeds from sale of real estate	-	3,600
Other revenue	-	214,260
Assets released from restrictions	<u>2,168</u>	<u>-</u>
Total Revenues and Gains	<u>196,148,583</u>	<u>235,773,575</u>
Expenses		
Supporting services	3,897,268	9,516,520
Sponsored research expense	191,049,725	218,526,237
Bad debt expense	128,432	-
Contributions	2,168	-
Disposition of equipment	320,956	1,794,114
Depreciation and amortization expense	<u>2,781,405</u>	<u>2,829,943</u>
Total Expenses	<u>198,179,954</u>	<u>232,666,814</u>
Change in unrestricted net assets	<u>(2,031,371)</u>	<u>3,106,761</u>
Temporarily Restricted Net Assets		
Investment income	2,372	2,028
Assets released from restrictions	<u>(2,168)</u>	<u>-</u>
Change in temporarily restricted net assets	<u>204</u>	<u>2,028</u>
Permanently Restricted Net Assets		
Donation	249	25,100
Unrealized gain on investments	<u>43,832</u>	<u>15,564</u>
Change in permanently restricted net assets	<u>44,081</u>	<u>40,664</u>
Change in net assets	(1,987,086)	3,149,453
Net assets at beginning of year	<u>22,123,339</u>	<u>18,973,886</u>
Net assets at end of year	<u>\$ 20,136,253</u>	<u>\$ 22,123,339</u>

The accompanying notes are an integral part of these financial statements.

TEXAS A&M RESEARCH FOUNDATION
Statements of Cash Flows
For the Years Ended August 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ (1,987,086)	\$ 3,149,453
Adjustments to reconcile change in net assets to net cash provided for operating activities:		
Other acquisitions	(174,040)	(1,218,128)
Disposition of equipment	320,956	1,794,114
Unrealized (gain) loss on mutual funds	(1,592)	(396)
Unrealized (gain) loss on investment in corporate stock	(42,240)	(15,168)
Depreciation and amortization	2,781,405	2,829,943
Net change in accounts and interest receivable	1,268,819	(1,210,775)
Net change in unbilled receivable on research accounts	3,907,011	86,437
Net change in inventories and prepaid expenses	52,706	694,785
Net change in other assets	71,105	459
Net change in deferred revenue	427,193	(1,164,908)
Net change in accounts payable	(1,252,277)	(672,251)
Net change in accrued liabilities	(207,127)	289,787
Net change in due to TAMUS	(1,098,828)	(1,037,196)
Net change in accrued vacation	(85,135)	(363,308)
Net cash provided for operating activities	<u>3,980,870</u>	<u>3,162,848</u>
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(2,417,025)	(4,402,041)
Purchase of mutual funds	(2,621)	(27,128)
Proceeds from sale of mutual funds	2,168	-
Net cash used by investing activities	<u>(2,417,478)</u>	<u>(4,429,169)</u>
Net change in cash and cash equivalents	1,563,392	(1,266,321)
Cash and cash equivalents at beginning of year	25,127,217	26,393,538
Cash and cash equivalents at end of year	<u>\$ 26,690,609</u>	<u>\$ 25,127,217</u>

The accompanying notes are an integral part of these financial statements.

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Texas A&M Research Foundation (Foundation) is a non-profit scientific research corporation organized under the laws of the State of Texas and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code). In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Code.

Financial Statements

The financial statements of the Foundation have been prepared on the accrual basis of accounting and report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Foundation is required to present a statement of cash flows.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value.

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED:

Compensated Absences

The Foundation accrues a liability for vested vacation time which employees are entitled to receive upon request or termination of employment.

Contributions

The Foundation reports gifts of cash and other assets as restricted if they are received with donor restrictions that limit the use of the donated assets. The Foundation has a restricted endowment that can be used for the benefit of the Foundation.

The Tina and Paul Gardner Reveille VII Research Fund, established to support the Texas A&M Department of Small Animal Clinical Sciences (the Department) in the College of Veterinary Medicine and Biomedical Sciences, currently exceeds \$50,000. Therefore, the income earnings will be distributed to the Department to be used exclusively for supporting proposed or on-going research projects by interns and Medicine Section residents. Income earnings are reported as temporarily restricted investments and transfer to unrestricted investments as funds become available for distribution to the Department. The donor requires the corpus to stay intact and unrealized capital gains to be added to the corpus which is carried as a restricted investment.

Concentration of Credit Risk

A significant amount of the Foundation's receivables are due from the Federal government and agencies thereof. Credit risk is based on the good standing of the Federal government.

Property, Plant and Equipment

The Foundation follows the practice of capitalizing all expenditures for property, furniture, fixtures and office equipment in excess of \$5,000. The basis of valuation of purchased items is cost and of contributed items is fair value. Depreciation or amortization of all such items is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

Furniture and equipment	5-10	years
Vehicles	5	years
Buildings and improvements	20-31.5	years
Software	5-6	years

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 2 – CASH AND INVESTMENTS:

Substantially all cash, except for working cash accounts, is deposited with the Foundation's depository bank in interest bearing accounts or is invested. The Foundation's investment policy is established by management and is designed to maximize the generation of current investment income while maintaining a liquid position through short-term investments. The policy states that funds may currently be invested in:

Certificates of Deposit, with maturities not to exceed 24 months, issued by a State or National bank and insured by the FDIC, or its successor, or secured (collateralized) by surety bond, or pledged securities. Collateral held by a third party will have a market value of not less than the principal amounts of the certificates.

Repurchase Agreements, with maturities not to exceed 7 days, secured by U.S. Treasury Securities or other government agency securities. Collateral must be held by a third party. All agreements will be in compliance with Federal Reserve Bank guidelines.

Money Market Funds must be registered with the Securities and Exchange Commission and be no-load funds. Funds may be invested or withdrawn daily. In addition, any money market fund utilized by the Foundation must meet the investment objectives listed above and may not contain in its portfolio investments in high risk investment instruments such as derivative products, venture capital, or futures contracts, etc.

Cash Concentration Pool offered by The Texas A&M University System. Investments in the Cash Concentration Pool will be limited to such investments as are eligible under The Texas A&M University System Investment Policy as adopted and amended from time to time by the Board of Regents of The Texas A&M University System.

Interest bearing bank accounts in federally insured savings and loan associations, and State and National banks. If the deposits exceed the amount insured by the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation or their successors, pledged securities must be obtained. The pledged collateral must be held by a third party, and at all times will have a market value of not less than the principal amounts deposited.

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 2 – CASH AND INVESTMENTS – CONTINUED:

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist primarily of cash and cash equivalents and investments. The Foundation has placed its cash and cash equivalents with high credit quality financial institutions and with The Texas A&M University System Treasury Office.

The Foundation's cash and cash equivalents do not represent a significant concentration of credit risk as the bank provides a surety bond for amounts in excess of FDIC coverage. Other cash and cash equivalents and investments do not represent a significant concentration of credit risk due to the diversification of the investments made by The Texas A&M University System Treasury Office and other financial institutions on behalf of the Foundation. The fair values of cash and cash equivalents approximate cost because of the immediate short term maturity of these financial instruments. Investments are stated at fair value.

The Foundation had the following cash equivalents and investments as of August 31, 2012:

	<u>Carrying Amount</u>	<u>Unrestricted Investment Return</u>	<u>Temporarily Restricted Investment Return</u>	<u>Restricted Investment Return</u>
<u>Unrestricted:</u>				
Cash Concentration Pool	\$13,643,996			
Investment income		\$493,711		
Unrealized gain		26,486		
Wells Fargo InvestAccount	1,578,678	-		
Merrill Lynch Governmental Fund	11,427,805	13,756		
Producers Cooperative		-		
<u>Temporarily Restricted:</u>				
Tina and Paul Gardner				
Reveille VII Research Fund	2,517			
Investment income			\$2,372	
<u>Permanently Restricted:</u>				
9600 Shares of General				
Electric Common Stock	198,816	6,336		
Unrealized gain				\$42,240
Tina and Paul Gardner				
Reveille VII Research Fund	50,670			
Unrealized gain				1,592

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 2 – CASH AND INVESTMENTS – CONTINUED:

The Foundation had the following cash equivalents and investments as of August 31, 2011:

	<u>Carrying Amount</u>	<u>Unrestricted Investment Return</u>	<u>Temporarily Restricted Investment Return</u>	<u>Restricted Investment Return</u>
<u>Unrestricted:</u>				
Cash Concentration Pool	\$13,182,200			
Investment income		\$467,288		
Unrealized gain		700,985		
Wells Fargo InvestAccount	1,328,531	680		
Merrill Lynch Governmental Fund	10,213,421	17,055		
Producers Cooperative		30		
<u>Temporarily Restricted:</u>				
Tina and Paul Gardner				
Reveille VII Research Fund	2,313			
Investment income			\$2,028	
<u>Permanently Restricted:</u>				
9600 Shares of General				
Electric Common Stock	156,576	5,280		
Unrealized gain				\$15,168
Tina and Paul Gardner				
Reveille VII Research Fund	48,829			
Unrealized gain				396

NOTE 3 – FAIR VALUE MEASUREMENTS:

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 3 – FAIR VALUE MEASUREMENTS -CONTINUED:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2012 and 2011.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 3 – FAIR VALUE MEASUREMENTS -CONTINUED:

The Foundation had the following assets at fair value as of August 31, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Fixed income funds	\$ -	\$ 19,679	\$ -	\$ 19,679
Equities	-	33,508	-	33,508
Total mutual funds	-	53,187	-	53,187
Common stocks:				
Consumer	198,816	-	-	198,816
Total assets at fair value	<u>\$ 198,816</u>	<u>\$ 53,187</u>	<u>\$ -</u>	<u>\$ 252,003</u>

The Foundation had the following assets at fair value as of August 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Fixed income funds	\$ -	\$ 19,977	\$ -	\$ 19,977
Equities	-	31,165	-	31,165
Total mutual funds	-	51,142	-	51,142
Common stocks:				
Consumer	156,576	-	-	156,576
Total assets at fair value	<u>\$ 156,576</u>	<u>\$ 51,142</u>	<u>\$ -</u>	<u>\$ 207,718</u>

NOTE 4 – RELATED PARTY TRANSACTIONS:

In September 2011 the Foundation began transitioning its research activity to the Office of Sponsored Research Services (OSRS), a newly created office under The Texas A&M University System (System) and an officially acknowledged System member. While the System continues to designate the Foundation as one of the central entities through which System sponsored research grants/contracts are administered, the majority of work, with sponsor approval, will eventually transfer to OSRS.

The Foundation also operates as The Texas A&M University System Health Science Center Research Foundation and as Prairie View A&M University Research Foundation. These entities are unincorporated subsidiaries of the Foundation.

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 4 – RELATED PARTY TRANSACTIONS - CONTINUED:

Texas Transportation Research Foundation, Texas A&M Research Foundation Services, Inc. and HSC Biz, Inc. are all wholly owned subsidiaries of the Foundation. In March 2012 the Research Foundation's Board approved the dissolution of the Texas Research Foundation Services, Inc. and the Texas Transportation Research Foundation. The purposes for which these subsidiaries were created were no longer needed by the Research Foundation. The Foundation's financial statements have not been presented on a consolidated basis due to the overall immateriality of the activity of the subsidiaries.

(Continued on next page)

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 4 – RELATED PARTY TRANSACTIONS - CONTINUED:

In the following tables receipts constitute reimbursed expenses. Disbursements are comprised of salaries, direct costs and indirect cost reimbursements.

The following is a summary of transactions with the System and other related parties for the year ended August 31, 2012:

	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Receipts</u>	<u>Disbursements</u>
Texas A&M University	\$86,418	\$11,517,260	\$ 258,872	\$ 47,309,809
Texas AgriLife Research	15,713	3,509,646	16,798	13,822,872
Texas AgriLife Extension Service	-	12,670	-	72,991
Texas Transportation Institute	-	1,533,331	73,797	9,400,465
Texas Engineering Experiment Station	89,858	140,255	656,271	638,141
Prairie View A&M University	18,853	424,380	575,241	1,380,597
Texas A&M University at Galveston	-	299,906	-	1,267,876
Texas A&M University at Kingsville	-	21,659	-	26,501
Texas A&M System Administrative and General Offices	269	224,613	365,565	1,072,938
Texas Veterinary Medical Diagnostic Laboratory	-	-	-	1,710
Texas A&M University Health Science Center	889	2,827,370	17,035	20,758,323
Texas A&M University at Texarkana	-	15,287	-	63,593
Tarleton State University	-	108,323	-	196,708
Texas A&M University at Commerce	-	405	-	79,073
Texas Engineering Extension Service	-	-	-	56,118
Texas Forest Service	-	-	-	3,061
West Texas A&M University	-	24,262	-	39,515
Texas A&M International University	-	11,186	-	47,755
Texas A&M University System Office of Sponsored Research Services	649,724	87,115	-	-
Electric Power Research Institute	-	4,839	-	-
Texas A&M University at Corpus Christi	37,726	71,675	-	151,279
	<u>\$899,450</u>	<u>\$20,834,182</u>	<u>\$1,963,579</u>	<u>\$96,389,325</u>

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 4 – RELATED PARTY TRANSACTIONS - CONTINUED:

The following is a summary of transactions with the System and other related parties for the year ended August 31, 2011:

	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Receipts</u>	<u>Disbursements</u>
Texas A&M University	\$59,748	\$11,817,568	\$ 240,535	\$ 48,542,209
Texas AgriLife Research	7,853	2,620,489	82,335	10,177,917
Texas AgriLife Extension Service	-	2,802	-	26,016
Texas Transportation Institute	8,844	2,026,103	64,576	9,651,216
Texas Engineering Experiment Station	16,472	93,116	338,401	773,618
Prairie View A&M University	83,320	445,370	592,853	1,641,390
Texas A&M University at Galveston	-	408,834	-	1,137,989
Texas A&M University at Kingsville	-	2,007	-	63,100
Texas A&M System Administrative and General Offices	232,946	34,181	510,897	474,915
Texas Veterinary Medical Diagnostic Laboratory	-	-	-	24
Texas A&M University Health Science Center	-	4,284,365	-	24,261,938
Texas A&M University at Texarkana	-	10,144	-	104,917
Tarleton State University	-	37,090	-	80,423
Texas A&M University at Commerce	-	24,490	-	180,574
Texas Engineering Extension Service	-	33,889	1,567	461,198
West Texas A&M University	-	2,288	-	81,937
Texas A&M International University	-	-	-	25,000
Electric Power Research Institute	-	4,839	-	-
Texas A&M University at Corpus Christi	-	85,435	-	185,710
	<u>\$409,183</u>	<u>\$21,933,010</u>	<u>\$1,831,164</u>	<u>\$97,870,091</u>

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 5 – EMPLOYEE BENEFITS:

On September 1, 1984, the Foundation adopted a tax sheltered annuity plan covering substantially all of its employees. Under the tax sheltered annuity plan an employee may contribute up to \$16,500 of his or her gross pay or an amount determined by the maximum exclusion allowance as defined by the Internal Revenue Service tax code, which defers the employee's Federal taxable income by the salary reduction amount. To participate in the retirement plan an employee must contribute a minimum of three percent of salary. The employer contributes two percent more than the employee up to a maximum employer contribution of eight percent. The Foundation's matching payments for the year totaled \$83,232 (\$318,791 in 2011). Excess voluntary contributions may be withdrawn only if the participant has attained age 59 ½, has separated from service, or is disabled or deceased. However, the employee's contribution matched by the Foundation may not be withdrawn until the employee terminates employment, retires, or is disabled or deceased. Participants are one-third vested after one year, two-thirds vested after two years and fully vested after three years. As part of the transition to OSRS all participants were fully vested.

The Research Foundation's Board of Directors approved termination of the tax sheltered annuity plan, and, effective September 1, 2012, it was officially terminated. Employee balances will be transferred to the participant or to another plan. There will be no additional contributions made to the plan by the Foundation.

Thus far, the Foundation has elected to pay supplemental retirement benefits to employees not covered under the tax sheltered annuity plan. The voluntary payments are patterned after a state retirement system plan and payments to the former employees are periodically adjusted to reflect any changes in the state plan. The payments are made by transfers from the current fund. Payments to the former employees for the year totaled \$3,540 (\$6,237 in 2011). Benefits are payable for the life of each recipient. These payments do not constitute benefits payable from a qualified retirement plan. There is only one former employee who remains covered under this arrangement.

NOTE 6 – BUILDINGS AND FACILITIES:

The Foundation owns a building and facilities located in College Station, Texas, which are used in the Geochemical and Environmental Research Group operations. Research projects are charged an off-campus indirect cost rate in addition to a direct charge for the use of this facility that is returned to building operations in the facilities account.

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 7 – LEASED FACILITIES:

In August 2007 the Foundation relocated from the campus of Texas A&M University to an office building located in College Station, Texas. For the period September 1, 2011 through August 31, 2012, the Foundation's monthly lease payment was \$22,500. The lease agreement expired in August 2012 with a final monthly lease payment of \$22,500. The lease has been transferred to OSRS effective September 1, 2012.

The Foundation leases various pieces of document reproduction equipment with monthly payments totaling \$682 and leases expiring March 2013.

The Foundation, on behalf of The Texas A&M University System Health Science Center, leases general office space in Bryan, Texas. The lease expires August 15, 2013. The quarterly rent is \$13,886.

The following is a combined schedule of minimum future lease payments required under these leases:

2013	\$59,636
2014	-
2015	-
2016	-
2017	-
	<hr/>
	\$59,636

Rent expense for the year ended August 31, 2012 and 2011, amounted to \$341,463 and \$340,537 respectively.

NOTE 8 – COMMITMENTS AND CONTINGENCIES:

Certain costs billed to the U.S. Government are subject to audit and determination of allowance or disallowance in accordance with sponsor contract provisions. In management's opinion there would be an immaterial adverse effect as a result of any such audits.

At August 31, 2012, the Foundation had \$23,242,267 (\$23,771,812 in 2011) in sponsor owned fixed assets on its fixed asset detail records. Title to these assets remains with the sponsors and therefore the assets are not included in the Foundation's financial statements.

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 8 – COMMITMENTS AND CONTINGENCIES - CONTINUED:

The Foundation is responsible for maintaining accountability for these assets during the project's contract period. The assets are returned to the sponsor at the project's conclusion.

NOTE 9 – INTEGRATED OCEAN DRILLING PROGRAM (IODP)

Expenditures for IODP for the period ending August 31, 2012 were \$50.8 million. The current program ends September 29, 2013; however, the National Science Foundation (NSF) has approved an extension of the current program to September 30, 2014 to enable a competitive renewal process and transition to the new International Ocean Discovery Program beginning October 1, 2014. This new program will serve to advance basic research in the marine geosciences.

The NSF issued Requests for Proposals (RFPs) for Operations and Management of the Drilling Vessel JOIDES Resolution and the Science Support Office for the International Ocean Discovery Program (IODP) on October 4, 2012. The full proposals are due to NSF January 22, 2013.

NOTE 10 – DISPOSITION OF EQUIPMENT:

As a result of assets discarded, donated to Members of The Texas A&M University System, or transferred to other institutions, the Foundation's disposition of equipment for fiscal year 2012 was \$320,956 compared to \$1,794,114 for fiscal year 2011.

	<u>FY12</u>	<u>FY11</u>
Discarded	\$ 80,439	\$ 36,874
Donated/transferred	<u>240,517</u>	<u>1,757,240</u>
Disposition of equipment	<u>\$ 320,956</u>	<u>\$1,794,114</u>

NOTE 11 – FEDERAL INCOME TAXES:

On September 1, 2009, the Foundation adopted the provisions of ASC 740, *income taxes*, as amended by FASB in September 2009. The Foundation evaluates its uncertain tax positions using the provisions of ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 11 – FEDERAL INCOME TAXES – CONTINUED:

recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax provision or for all uncertain tax positions in the aggregate could differ from the amount recognized.

Interest and penalties associated with uncertain tax positions are recognized as components of federal income tax expense. As noted above, the Foundation is a tax-exempt non-profit organization; therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Foundation believes that its tax position regarding its status as a tax-exempt organization will remain significantly unchanged within the next twelve months.

While the Foundation is not aware of any tax examinations being conducted, tax years 2009 – 2011 remain subject to examination by the United States Internal Revenue Service.

NOTE 12 – EVALUATION OF SUBSEQUENT EVENTS:

The Foundation has evaluated subsequent events through December 19, 2012, the date which the financial statements were available to be issued.

NOTE 13 – TRANSITION OF THE FOUNDATION:

In the Spring of 2011 The Texas A&M University System Board of Regents (The System) adopted a new structure for managing research administration within The System. The Board of Regents consolidated research administration services and established The Texas A&M University System Office of Sponsored Research Services (OSRS) for this purpose. The consolidation of research administration services has had a significant impact on the role of the Texas A&M Research Foundation (Foundation), although it continues to operate as an independent 501(c)(3) organization. The focus of the change was to combine the operations of the Foundation into the overall operations of the OSRS. The Foundation's bylaws were revised to reflect the impact of this organizational change.

TEXAS A&M RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2012 and 2011

NOTE 13 – TRANSITION OF THE FOUNDATION - CONTINUED:

Staff from System member offices and the Foundation merged into a single office located at 400 Harvey Mitchell Parkway South, College Station, Texas. All but 16 current Foundation employees transitioned from Foundation employment to System employment. The remaining 16 employees were designated as “near retirement” and remained Foundation employees. However, it is planned that the Foundation will not have any employees after August 31, 2016.

While most proposals are currently submitted in the name of the System member, researchers will be able to use the Foundation to submit proposals in the name of the Foundation when a nonprofit organization is needed. The Foundation will function more as a financial tool within OSRS. The Foundation continues to work with sponsors to transfer active awards to the System members. It is estimated that it could take as long as three years to transition all of the research accounts currently administered by the Foundation to OSRS. Research expenditures on the Foundation books have begun to decrease as new awards are set up on the System member books. In fiscal year 2012 approximately 347 research accounts were either transferred to OSRS or terminated based on the research account’s end date.

The System expects the establishment of OSRS and the consolidation of research administration will enhance sponsored research services by applying best practices under a common management and training function housed at a central location. The full implementation is expected to reduce research administration cost at The System and position all System members for the growth of their research enterprises.

NOTE 14 – RECLASSIFICATION:

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

NOTE 15 – LITIGATION:

The Foundation is a party to pending or threatened legal proceedings. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the Foundation. The Foundation’s management believes that the ultimate outcome will not have a material adverse effect on the Foundation’s financial position.

SUPPLEMENTAL INFORMATION

TEXAS A&M RESEARCH FOUNDATION
Supplemental Schedule of Combined Statement of Activities
For the Year Ended August 31, 2012

Support and revenue:	Administrative	Service Facilities	Subtotal	Sponsored Research	Texas A&M University et al	Subtotal	Endowment	Property, Plant, and Equipment	Total
Net revenue for sponsored research	\$ -	\$ -	\$ -	\$ 166,605,427	\$ -	\$ 166,605,427	\$ -	\$ -	\$ 166,605,427
Indirect costs:									
Charges on research projects	67,653	-	67,653	-	26,061,804	26,061,804	-	-	26,129,457
Administrative fees for services	1,526,619	-	1,526,619	-	-	-	-	-	1,526,619
Charges for services and facilities provided	-	313,197	313,197	-	-	-	-	-	313,197
Administrative cost allowance	414,777	-	414,777	-	-	-	-	-	414,777
Donations	-	-	-	-	-	-	249	-	249
Investment income	513,803	-	513,803	-	-	-	2,372	-	516,175
Unrealized gain on investments	26,486	-	26,486	-	-	-	43,832	-	70,318
Insurance proceeds	161,923	-	161,923	-	-	-	-	-	161,923
Other	280,686	-	280,686	-	-	-	-	-	280,686
Assets released from restrictions	2,168	-	2,168	-	-	-	(2,168)	-	-
Total support and revenue	2,994,115	313,197	3,307,312	166,605,427	26,061,804	192,667,231	44,285	-	196,018,828
Expenses:									
Research	-	-	-	137,498,943	-	137,498,943	-	-	137,498,943
Indirect	-	-	-	27,488,978	-	27,488,978	-	-	27,488,978
Contributions	2,168	-	2,168	-	-	-	-	-	2,168
Supporting services	3,606,423	290,845	3,897,268	-	26,061,804	26,061,804	-	-	29,959,072
Bad debt expense	128,432	-	128,432	-	-	-	-	-	128,432
Depreciation and amortization	-	-	-	-	-	-	-	2,781,405	2,781,405
Total expenses and losses	3,737,023	290,845	4,027,868	164,987,921	26,061,804	191,049,725	-	2,781,405	197,838,998
Excess (deficiency) of support and revenue over (under) expenses	(742,908)	22,352	(720,556)	1,617,506	-	1,617,506	44,285	(2,781,405)	(1,840,170)
Net assets at beginning of year	5,545,229	131,843	5,677,072	2,554,961	-	2,554,961	207,718	13,683,588	22,123,339
Transfers:									
Equipment acquisition from current funds	(73,959)	-	(73,959)	(2,343,066)	-	(2,343,066)	-	2,417,025	-
Other acquisitions	-	-	-	-	-	-	-	174,040	174,040
Disposition of equipment	-	-	-	-	-	-	-	(320,956)	(320,956)
Cash	(189,002)	-	(189,002)	189,002	-	189,002	-	-	-
Net assets at end of year	4,539,360	154,195	4,693,555	2,018,403	-	2,018,403	252,003	13,172,292	20,136,253

TEXAS A&M RESEARCH FOUNDATION
Supplemental Schedule of Supporting Services
Unrestricted - Administration
For the Year Ended August 31, 2012

	General	Backlog	Reserve	Other	Total
Revenue and Gains:					
Indirect costs charged on research projects	\$ 67,653	\$ -	\$ -	\$ -	\$ 67,653
Charges for services and facilities provided	1,374,007	-	-	152,612	1,526,619
Administrative cost allowance	265,457	-	-	149,320	414,777
Investment income	-	29,592	-	484,211	513,803
Reimbursements	-	-	-	244,047	244,047
Unrealized gain on investments	-	-	-	26,486	26,486
Insurance proceeds	-	-	-	161,923	161,923
Other revenue	20,863	-	-	15,776	36,639
Assets released from restriction	-	-	-	2,168	2,168
Total revenue	<u>1,727,980</u>	<u>29,592</u>	<u>-</u>	<u>1,236,543</u>	<u>2,994,115</u>
Expenses:					
Salaries	1,182,175	-	-	(79,990)	1,102,185
Payroll taxes and insurance	451,600	-	-	713	452,313
Retirement plan contributions	83,232	-	-	437	83,669
Computer costs	272,351	-	-	-	272,351
Printing and reproduction	8,184	-	-	-	8,184
Communications	(31,058)	-	-	-	(31,058)
Supplies	10,481	(417)	-	(549)	9,515
Rent	278,569	-	-	-	278,569
Travel-administrative	6,836	-	-	4,226	11,062
Professional fees	197,705	-	-	159,028	356,733
Other services	13,726	-	-	3,202	16,928
Maintenance and repairs	28,720	-	-	2,386	31,106
Facilities maintenance	83,599	-	-	-	83,599
Insurance - general	197,904	-	-	-	197,904
Utilities	6,615	-	-	-	6,615
Shipping and postage	5,361	-	-	(3,434)	1,927
Bad debt expense	-	-	128,432	-	128,432
Project losses	-	-	186,418	-	186,418
Dues, subscriptions & training	21,131	-	-	160	21,291
Other	54,922	1,684	-	246,239	302,845
Interest expense	-	-	-	4,080	4,080
Amortization	60,813	-	-	(60,813)	-
Contributions	-	-	-	2,168	2,168
Other research support	-	-	-	210,187	210,187
Total expenses	<u>2,932,866</u>	<u>1,267</u>	<u>314,850</u>	<u>488,040</u>	<u>3,737,023</u>
Change in net assets	(1,204,886)	28,325	(314,850)	748,503	(742,908)
Net assets at beginning of year	2,252,013	766,888	336,650	2,189,678	5,545,229
Transfers:					
Equipment acquisitions transferred to property, plant and equipment	-	-	-	(73,959)	(73,959)
Cash transfers	(562,396)	-	845,108	(471,714)	(189,002)
Net assets at end of year	<u>\$ 484,731</u>	<u>\$ 795,213</u>	<u>\$ 866,908</u>	<u>\$ 2,392,508</u>	<u>\$ 4,539,360</u>

TEXAS A&M RESEARCH FOUNDATION
Supplemental Schedule of Supporting Services
Unrestricted - Service Facilities
For the Year Ended August 31, 2012

	<u>GERG Operations</u>
Revenue:	
Charges for services and facilities provided	\$ 313,197
Total revenue	<u>313,197</u>
Expenses:	
Salaries and wages	80,849
Payroll taxes and insurance	26,973
Retirement contributions	2,719
Fuel	1,000
Stores and supplies	4,289
Repairs and replacements	32,457
Insurance	10,294
Communications	2,054
Other	5,046
Indirect costs	14,870
Utilities	<u>110,294</u>
Total expenses	<u>290,845</u>
Change in net assets	22,352
Net assets at beginning of year	<u>131,843</u>
Net assets at end of year	\$ <u><u>154,195</u></u>

TEXAS A&M RESEARCH FOUNDATION
Endowments
Statement of Activity
For the Year Ended August 31, 2012

	William B. Clayton Memorial	Temporarily Restricted Tina and Paul Gardner Reveille VII Research Fund	Permanently Restricted Tina and Paul Gardner Reveille VII Research Fund	Total
Donations	\$ -	\$ -	\$ 249	\$ 249
Investment income	-	2,372	-	2,372
Unrealized gain on investments	42,240	-	1,592	43,832
Assets released from restrictions	-	(2,168)	-	(2,168)
Total revenue	<u>42,240</u>	<u>204</u>	<u>1,841</u>	<u>44,285</u>
Net assets at beginning of year	<u>156,576</u>	<u>2,313</u>	<u>48,829</u>	<u>207,718</u>
Net assets at end of year	\$ <u><u>198,816</u></u>	\$ <u><u>2,517</u></u>	\$ <u><u>50,670</u></u>	\$ <u><u>252,003</u></u>

TEXAS A&M RESEARCH FOUNDATION
Schedule of Changes in Property, Plant and Equipment
For the Year Ended August 31, 2012

Property, Plant and Equipment

	<u>August 31, 2011</u>	<u>Purchases</u>	<u>Deletions</u>	<u>Reclassifications</u>	<u>August 31, 2012</u>
Equipment	\$ 44,676,561	\$ 2,417,025	\$ 1,646,512	\$ 3,891	\$ 45,450,965
Software	1,179,738	-	-	-	1,179,738
Buildings and land	1,969,897	-	-	-	1,969,897
Total	47,826,196	2,417,025	1,646,512	3,891	48,600,600
Other acquisitions	3,891	174,040	-	(3,891)	174,040
	<u>\$ 47,830,087</u>	<u>\$ 2,591,065</u>	<u>\$ 1,646,512</u>	<u>\$ -</u>	<u>\$ 48,774,640</u>

Accumulated Amortization and Depreciation

	<u>August 31, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassifications</u>	<u>August 31, 2012</u>
Equipment	\$ 31,820,976	\$ 2,667,921	\$ 1,325,556	\$ -	\$ 33,163,341
Software	1,043,913	73,656	-	-	1,117,569
Buildings and land	1,281,610	39,828	-	-	1,321,438
	<u>\$ 34,146,499</u>	<u>\$ 2,781,405</u>	<u>\$ 1,325,556</u>	<u>\$ -</u>	<u>\$ 35,602,348</u>

COMPLIANCE REPORTS



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Texas A&M Research Foundation
College Station, Texas

We have audited the financial statements of the Texas A&M Research Foundation (the "Foundation") as of and for the year ended August 31, 2012, and have issued our report thereon dated December 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Foundation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bryan, Texas
December 19, 2012

Ingram, Wallis; Capay



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

The Board of Directors
Texas A&M Research Foundation
College Station, Texas

Compliance

We have audited the Texas A&M Research Foundation's (the "Foundation") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the Foundation's major federal and state programs for the year ended August 31, 2012. The Foundation's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal and state programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State of Texas Single Audit Circular*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Foundation's compliance with those requirements.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended August 31, 2012.

Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bryan, Texas
December 19, 2012

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Texas A&M Research Foundation
Schedule of Expenditures of Federal and State Awards
For the Year Ended August 31, 2012

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Identifying Number</u>	<u>Total Pass Through and Expenditure</u>
<i>Research and Development Cluster</i>			
<u>Department of Agriculture</u>			
Direct Program:			
Agricultural Research Basic and Applied Research	10.001		\$ 16,318.35
Plant and Animal Disease, Pest Control, and Animal Care	10.025		246,818.22
Grants for Agricultural Research-Special Research Grants	10.200		184,665.34
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210		227,370.84
1890 Institution Capacity Building Grants	10.216		72,947.24
Food Assistance and Nutrition Research Programs	10.253		84,545.56
Integrated Programs	10.303		144,620.87
International Science and Education Grants	10.305		25,412.35
Organic Agriculture Research and Extension Initiative	10.307		75,074.07
Specialty Crop Research Initiative	10.309		731,298.99
Agriculture and Food Research Initiative (AFRI)	10.310		3,840,203.36
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	10.443		27,187.61
Environmental Quality Incentives Program	10.912		55,227.73
Scientific Cooperation and Research	10.961		16,704.96
Pass Through From:			
Michigan State University			
Rosbreed: Enabling Marker Assisted Breeding in Rosaceae	10.000	61-4296H (2009-51181-05808)	46,048.37
Michigan State University			
Federal-State Marketing Improvement Program	10.156	RC064760TAMU	6,956.52
Kansas State University			
Grants for Agricultural Research-Special Research Grants	10.200	S11050	3,966.92
Prairie View A&M University			
1890 Institution Capacity Building Grants	10.216	10048	18,507.85
West Virginia State University			
1890 Institution Capacity Building Grants	10.216	CR-0645-0001(USDA 2010-38821-21476)	12,048.95
Ohio State University			
Higher Education Challenge Grants	10.217	60025469 (2010-38411-21368)	14,909.00
St. Edward's University			
Hispanic Serving Institutions Education Grants	10.223	1001151	32,380.45
Mississippi State University			
Research Innovation and Development Grants in Economic (RIDGE)	10.255	018000-321470-02	22,984.42
Colorado State University			
Integrated Programs	10.303	G-1420-5 (USDA 2009-51110-06067)	39,482.90
Kansas State University			
Integrated Programs	10.303	S11059 (2010-51110-21083)	51,442.96
Oklahoma State University			
Integrated Programs	10.303	AB-5-67490-TAMU-RF	145,219.62
University of Illinois			
Specialty Crop Research Initiative	10.309	2010-03728-01	8,140.05
Center for Research on the Changing Earth System, The			
Agriculture and Food Research Initiative (AFRI)	10.310	TAMRF-30213 (2011-657003-30213)	67,045.08
Louisiana State University			
Agriculture and Food Research Initiative (AFRI)	10.310	58396	14,733.69
Agriculture and Food Research Initiative (AFRI)	10.310	58396	56,549.51
University of California-Davis			
Agriculture and Food Research Initiative (AFRI)	10.310	201015739-02	67,022.46
University of Delaware			
Agriculture and Food Research Initiative (AFRI)	10.310	25606 (2011-67003-30342)	47,464.69
University of Florida-Gainesville			
Agriculture and Food Research Initiative (AFRI)	10.310	UF11099 (USDA 2011-68002-30185)	224,351.22
University of Georgia			
Agriculture and Food Research Initiative (AFRI)	10.310	RD317100/4784286 (2011-68003-30012)	59,391.99

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<i>Research and Development Cluster</i>			
University of Kentucky			
Agriculture and Food Research Initiative (AFRI)	10.310	3048081100-07-291 (2007-35600-17829)	342.70
University of Maryland			
Agriculture and Food Research Initiative (AFRI)	10.310	Z541305 (USDA 2011-85204-30046)	15,271.34
Agriculture and Food Research Initiative (AFRI)	10.310	Z541306 (USDA 2011-85204-30046)	24,586.10
University of Missouri			
Agriculture and Food Research Initiative (AFRI)	10.310	C00031587-7 (USDA 2011-68004-30214)	6,577.78
University of Nebraska			
Agriculture and Food Research Initiative (AFRI)	10.310	25-6321-0212-003 (2011-67003-30206)	106,067.85
Virginia Polytechnic Institute and State University			
Agriculture and Food Research Initiative (AFRI)	10.310	422198-19819	4,878.51
Total, Department of Agriculture			<u>6,844,766.42</u>
<u>Department of Commerce</u>			
Direct Program:			
Integrated Ocean Observing System	11.012		809,275.23
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427		106,254.22
Climate and Atmospheric Research	11.431		464,857.79
Marine Fisheries Initiative	11.433		59,902.08
Unallied Management Projects	11.454		80,253.64
Special Oceanic and Atmospheric Projects	11.460		43,679.61
Applied Meteorological Research	11.468		132,429.07
Coastal Services Center	11.473		591,097.45
Center for Sponsored Coastal Ocean Research-Coastal Ocean Program	11.478		57,840.98
Pass Through From:			
University of Texas-Austin			
South West Academy for Nanoelectronics (SWAN)	11.000	UTA06-824	76,306.77
Prince William Sound Oil Spill Recovery Institute (OSRI)			
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	11.400	052304TAMRF	11,472.92
British Petroleum			
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	08112011	86,310.34
University of Wisconsin-Madison			
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	329K453 (DOCNOAA NA10NES4400013)	29,701.56
University of Maryland			
Unallied Management Projects	11.454	CA11-17	13,565.19
University of North Florida			
Unallied Management Projects	11.454	011-004 (NA10NMF4540112 - NOAA)	12,360.86
Industrial Economics, Inc.			
Habitat Conservation	11.463	1050/DG133C006NC1729/GSA10F0224J	2,722.93
Atkins North America			
Coastal Services Center	11.473	100019824	7,781.40
Total, Department of Commerce			<u>2,585,812.04</u>
<u>Department of Defense</u>			
Direct Program:			
Discovery of Host-Based Therapeutics Targets for Biothreat Agents Using High-Throughput Screening of Mouse Embryonic Stem Cell	12.000	HDTRA1-10-C-0063	48,674.13
Discovery of Host-Based Therapeutics Targets for Biothreat Agents Using High-Throughput Screening of Mouse Embryonic Stem Cell	12.000	HDTRA1-10-C-0063 P00001	1,899,258.79
Realistic Spin-Fets and Efficient Spin-Logic Architectures for Low Power Logic Computing	12.000	N00014-11-1-0672	91,744.60
University Affiliation for Principles of Military Preventative Medicine Program of Instruction - Option Year 3	12.000	W81K04-08-D0001 0004, 01	28,340.03

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<i>Research and Development Cluster</i>			
University Affiliation for Principles of Military Preventative Medicine			
Program of Instruction - Option Year 4	12.000	W81K04-08-D0001 005, 01	21,099.13
REQ - Army Research Laboratory	12.000	W911QX-10-C-0003	11,660.55
Long-Term Monitoring of Human Impacts at McMurdo Station, Antarctica - Phase 6	12.000	W913E5-10-C-0017	(840.00)
Long-Term Monitoring of Human Impacts at McMurdo Station, Antarctica - Phase 7	12.000	W913E5-11-C-0004	99,076.06
Long-Term Monitoring of Human Impacts at McMurdo Station, Antarctica - Phase 8	12.000	W913E5-12-C-0006	183,098.49
Basic and Applied Scientific Research	12.300	N00014-06-1-0069	402.13
Basic and Applied Scientific Research	12.300	N00014-08-1-0037	9,570.07
Basic and Applied Scientific Research	12.300	N00014-08-1-0467	133,907.10
Basic and Applied Scientific Research	12.300	N00014-08-1-1113	99,165.24
Basic and Applied Scientific Research	12.300	N00014-09-1-0107	69,637.31
Basic and Applied Scientific Research	12.300	N00014-09-1-0589	177,679.40
Basic and Applied Scientific Research	12.300	N00014-10-1-0527	248,713.17
Basic and Applied Scientific Research	12.300	N00014-11-1-0154	54,823.50
Basic and Applied Scientific Research	12.300	N00014-11-1-0712	95,381.42
Basic and Applied Scientific Research	12.300	N00014-11-1-0780	10,000.00
Military Medical Research and Development	12.420	W81XWH-07-1-0244	701,201.07
Military Medical Research and Development	12.420	W81XWH-08-1-0475	6,425.41
Military Medical Research and Development	12.420	W81XWH-09-1-0188	28,749.86
Military Medical Research and Development	12.420	W81XWH-10-1-0075	238,644.59
Military Medical Research and Development	12.420	W81XWH-10-1-0147	196,710.06
Military Medical Research and Development	12.420	W81XWH-10-1-0255	530,922.98
Military Medical Research and Development	12.420	W81XWH-10-1-0612	33,900.88
Military Medical Research and Development	12.420	W81XWH-11-1-0158	32,803.03
Military Medical Research and Development	12.420	W81XWH-11-1-0194	36,588.72
Military Medical Research and Development	12.420	W81XWH-11-1-0699	77,178.63
Basic Scientific Research	12.431	W911NF-10-1-0087	12,470.06
Basic Scientific Research	12.431	W911NF-10-1-0193	16,549.75
Basic Scientific Research	12.431	W911NF-10-1-0455	50,990.00
Air Force Defense Research Sciences Program	12.800	FA9550-09-1-0424	75,772.22
Air Force Defense Research Sciences Program	12.800	FA9550-09-1-0500	216,689.05
Air Force Defense Research Sciences Program	12.800	FA9550-11-1-0223	39,220.36
Mathematical Sciences Grants Program	12.901	H98230-10-1-0215	4,162.20
Mathematical Sciences Grants Program	12.901	H98230-11-1-0130	26,516.53
Mathematical Sciences Grants Program	12.901	H98230-11-1-0167	24,795.48
Mathematical Sciences Grants Program	12.901	H98230-12-1-0258	24,715.82
Pass Through From:			
Marshall University Research Corporation			
Transportation Rates & Closure Response Research Calcasieu Lock Noblis, Inc.	12.000	MURC 210145, P1000933	4,500.16
Characterization of Chlorinated Aliphatic Hydrocarbon Degrading Lineages Within the Camp Stanley Storage Activity Bioreactor	12.000	33038	16,735.73
Science Applications International Corporation			
Science Applications International Corporation Mentor Protégé Program with Cambridge	12.000	010111883	28,872.95
Universal Technology Corporation			
High Heat Flux Removal (HHER) Systems for Aerodynamic and Aerospace Thermal Management	12.000	08-S590-0004-02-C1	30,241.56
Peaking Factor (PF) Correlation Development & Helical Wire Insert Enhancement for Thermal Management	12.000	11-S590-0004-02-C19	113,900.50
University of Texas-Austin			
Basic and Applied Scientific Research	12.300	UTA09-000726 (N00014-09-1-1054)	183,623.31
Florida A&M University			
Military Medical Research and Development	12.420	003333, C-3290	54,022.22

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<u>Research and Development Cluster</u>			
University of Texas-Health Science Center-San Antonio			
Military Medical Research and Development	12.420	127561 126994	220,608.75
Kansas State University			
Basic Scientific Research	12.431	S08020	423,793.94
University of South Carolina			
Basic Scientific Research	12.431	07-1410, 13060 FA35	58,183.59
Institute of International Education			
Basic, Applied, and Advanced Research in Science and Engineering	12.630	2009-ROTC-U634007-1-TAMU	259,436.25
INTIFIC, Inc., Inc.			
Research and Technology Development	12.910	N00014-11-C-0593	55,223.24
Total, Department of Defense			<u>7,105,540.02</u>
<u>Department of Housing and Urban Development</u>			
Pass Through From:			
Beaumont Housing Authority, City of			
Demolition and Revitalization of Severely Distressed Public Housing	14.866	01012007-04152011	1,551.76
Total, Department of Housing and Urban Development			<u>1,551.76</u>
<u>Department of Interior</u>			
Direct Program:			
B-Laboratory Analysis of Animal Tissue, Oil and Sediment Samples for Residue of Inorganic Contaminants	15.000	982107D004	25,073.96
U.S. Fish and Wildlife Service Analysis of Environmental Materials for Organic Contaminants	15.000	982108D105/F12PC00080	264,162.01
Water Conservation Field Services Program (WCFSP)	15.530		44,211.79
Migratory Bird Monitoring, Assessment and Conservation	15.655		50,444.03
Pass Through From:			
CSA International, Inc.			
Exploration and Research of Mid-Atlantic Deepwater Hard Bottom Habitats and Shipwrecks with Emphasis on Canyons and Coral	15.000	CSA JOB 2314	18,437.59
Science Museum of Minnesota - St. Croix Watershed Research Station			
Construction of a Computer Model of the St. Croix River Watershed to Address Non-Point Pollution Loads	15.000	01122009 (NPS J659005002C)	27,683.23
Texas Parks & Wildlife			
Coastal Impact Assistance Program (CIAP)	15.426	411172	223,373.73
Total, Department of Interior			<u>653,386.34</u>
<u>Department of Justice</u>			
Direct Program:			
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541		3,719.75
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		167,684.73
Total, Department of Justice			<u>171,404.48</u>
<u>Department of State</u>			
Direct Program:			
RDT&E of Vehicle Anti-Ram Barriers	19.000	S-DSASD-10-CA-201	854,895.94
Pass Through From:			
University of Nebraska			
Breeding Sorghum for Improved Resistance to Biotic and Abiotic Stresses and Enhanced End-Use Characteristics for Southern Africa	19.000	25-6805-0016-906 (TAM-102)	96,814.51
Total, Department of State			<u>951,710.45</u>

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<i>Research and Development Cluster</i>			
<u>Department of Transportation</u>			
Direct Program:			
Transportation Planning Analysis Technology Transfer and Program			
Support for the Travel Model Improvement Program (TMIP)	20.000	DTFH61-06-C-00047	73,554.92
Field Evaluation of the Effectiveness of Detection-Control System (D-CS)	20.000	DTFH61-08-C-00033	60,866.44
Development of Minimum Roadway Guidance Information	20.000	DTFH68-09-E-00105	167,733.40
Develop a Turn-Key System for Remote Traffic Monitoring for Federal Land Management Agencies	20.000	DTFH70-10-E-00020	63,228.41
Develop Traffic Counting/Monitoring Training for Federal Land Management Agencies	20.000	DTFH70-10-E-00021	117,476.74
Transportation Economics Center - Years 2 - 5	20.000	DTOS59-10-D-00504	3,958.61
Developing Safety Education Material for CMV Drivers and Pedalcyclists to Reduce CMV-Bicycle Crashes	20.000	MH10480-A&MU0000000	31,560.21
Public Transportation Research	20.514		51,435.17
University Transportation Centers Program	20.701		2,755,796.86
Pass Through From:			
American Road & Transportation Builders Association			
National Work Zone Safety Information Clearinghouse	20.000	03192007	190,871.59
Applied Research Associates, Inc.			
Work Plan for 2007 TOPR No. 6 - Task 2.2 - Highways for Life Projects	20.000	L00028.09003	37,467.42
Battelle Memorial Institute			
Motivations for Speeding	20.000	223724	189.90
Development in Weather Responsive Traffic Management (WRTM) Strategies	20.000	600112.29	16,149.28
Measuring Border Delay and Crossing Times at the US/Mexico Border	20.000	60011214	50,599.64
UPA Evaluation	20.000	600112-15	147,600.35
Urban Congestion Report Program	20.000	600112-26	19.44
Traffic Incident Management (TIM) Incident-Performance Metric Adoption Campaign	20.000	600112-30	5,320.07
Support to FHWA in the Development of Congestion Pricing Marketing Material Transportation Planning Process	20.000	600112-32	1,783.61
Support to FHWA for Developing a White Paper on How Operations	20.000	600112-35	292.43
Private Sector Data for Performance Management	20.000	600112-37	3,375.62
Integration of Weigh-in-Motion Technology- NIST's Handbook 44	20.000	600112-38	6,152.54
Bottleneck Initiative - Unique Challenges Overcome	20.000	600112-39	19,109.68
Support to FHWA in the Development of the Active Transportation and Demand Management (ATDM) Program	20.000	600112-40	51,198.83
Border-Wide Assessment of Intelligent Transportation Systems (ITS) Technology-Current and Future Concepts	20.000	600112-41	2,657.66
Exploratory Research on Technology Options for Collection of Road User Fees	20.000	600112-43	194,207.42
Signal Phase and Timing & Related Messages for Intellidrivism Applications	20.000	600112-44	313,064.15
Impacts of Exempted Vehicles on Managed Lanes	20.000	600112-45	25,084.99
Urban Congestion Report Program FY11	20.000	600112-47	78,924.19
Support to FHWA in the Development and Delivery of Workshops on Active TDM	20.000	600112-48	42,690.61
Evaluation of International Applications of ATM Lane Control Signing for Use in the United States	20.000	600112-49	71,795.32
Design and Operations Elements of Dynamic Shoulder Use	20.000	600112-50	41,253.96
Use of Technology and Data for Effective Work Zone Management	20.000	600112-51	16,419.67
High Occupancy Toll (HOT) Outreach and Marketing Support Follow-On	20.000	600112-52	5,662.44
Advanced Weather Responsive Traffic Management Strategies	20.000	600112-53	5,444.30
WZ Performance Measures Pilot Test	20.000	600112-8	3,638.45
Evaluation of Pedestrians Safety Engineering Countermeasures at Urban and Suburban Midblock Crossing Locations	20.000	601119-1	190,698.17
Improving Signing and Markings at Complex Interchanges	20.000	601119-2	98,008.80
International Border Crossing Electronic Screening System for Trucks and Buses	20.000	US001-0000276212	61,569.75
Data Needs, Availability and Opportunities for Work Zone Performance Measures	20.000	US001-600112-46	69,289.29
Cambridge Systematics			

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<i>Research and Development Cluster</i>			
Long-Distance and Rural Travel Transferable Parameters for Statewide Travel Forecasting	20.000	08488-001	8,523.29
Improving Travel Behavior Data for Alternative Fuel Vehicles	20.000	08551 TO 108	22,507.40
Assessing Alternative Methods for Measuring Regional Mobility in Metropolitan Regions	20.000	7315, TO #102	3,499.73
Mining Recovery Act Jobs Data for Opportunities to Improve the State-of-the-Practice for Overall Economic Impact and Performance	20.000	7315, TO 03	2,921.20
Traffic Analysis Framework - Developing Traffic Data Collection Format and Procedures	20.000	7877 TO 131	23,743.74
Corridor and Gateway Concepts - FHWA Transportation Planning IDIQ - DTFH61-10-D-00005 TOPR PLO116	20.000	83050 TO 40	37,651.42
Incorporating Reliability Performance Measures into the Transportation Planning and Programming Processes	20.000	8353-001	54,552.25
Data Nexus, Inc.			
An Investigation of Teen Driver Parental Involvement Programs in U.S. Economic Development Research Group	20.000	DTNH22-09-D-00134/TO0001	6,967.13
Development of Improved Economic Analysis Tools Based on Recommendations from Project CO3	20.000	SHRP2 C11	73,139.42
Gresham, Smith and Partners			
Applying Intelligent Transportation Systems to Improve Airport Traveler Access Information	20.000	ACRP A10-08	6,316.29
Institute of Transportation Engineers			
Context Sensitive Solutions Designing for Major Urban Thoroughfares for Walkable Communities	20.000	ITE 00-21.11	2,424.14
ITS Standards Training Year 1 Module Development - Task IT42-019	20.000	ITE-00-21.12.2, TO IT42-019	(3,795.58)
Task IT42-020-Traffic Signal Operations Resource Development and Self Assessment/Traffic Signal Report Card	20.000	ITE-00-21.13 TO IT42-020	1,744.48
ITS Standards Training Year 1 Module Development - Task IT42-019	20.000	ITE-00-21-12.1 TO IT42-019	3,795.58
Iowa State University			
Recommended Laboratory Test for Predicting the Initial Retroreflectivity of Pavement Markings from Glass Bead Quality	20.000	4281716(NCHRP 0438)	32,061.66
A Guidebook for Construction Manager-at-Risk Contracting for Highway Projects	20.000	ISU 428-17-19	23,921.87
ITERIS			
NHI Operations Courses (Iteris IDIQ)	20.000	22J09NHI (DOTFHWA6108D0036)	13,393.23
Kimley-Horn and Associates			
Trip-Generation Rates for Transportation Impact Analyses of Infill Developments	20.000	04/11/08 (HR 08-66)	963.44
Kittelson and Associates			
Transit Data Collection and Analysis in State DOT Transit Units and a Toolkit for Next Generation Transit Data Analysis	20.000	1	2,417.06
Transit Capacity and Quality of Service Manual, 3rd Edition	20.000	10800 TCRP A-15C	14,459.30
Incorporation of Travel Time Reliability into the Highway Capacity Manual	20.000	11000	8,359.26
Update of the Signal Timing Manual	20.000	11109	3,426.67
Evaluating the Performance of Corridors with Roundabouts	20.000	11334	43,301.90
Laborers Health & Safety Fund of North America			
Work Zone Safety Grants	20.000	06042007	22,740.81
Lee Engineering, LLC			
Real-Time Adaptive Traffic Control System Evaluation	20.000	01-422-001	3,243.68
DYNUST-VISSIM Conversion Tool Improvement	20.000	TO MS12-03 435-B	35,276.19

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<i>Research and Development Cluster</i>			
Marshall University			
Transportation Rates Research - GIWW-E, Arkansas River, Red River	20.000	MURC 211258, P1200305-1	45,887.96
Metropolitan Transportation Authority-Long Island Rail Road			
TACTICS - Crew Resource MGT Safety Training Initiative	20.000	PON6583	33,547.04
Michigan Department of Transportation			
Developing a Congestion Mitigation Toolbox	20.000	2009-0661	1,933.61
NAS-NRC-TRB-NCFRP			
Marine Highway Transport of Toxic Inhalation Hazard (TIH) Materials	20.000	HCFRP-17(001)	81,475.05
Integrating MTS Commerce Data with Multimodal Freight Transportation			
Performance Measures to Support MTS Maintenance	20.000	NAS 138, TO 17	23,340.91
NAS-NRC-TRB-Strategic Highway Research Program			
Identification of Utility Conflicts and Solutions	20.000	SHR R-15(B)	3,863.12
Effectiveness of Different Approaches to Disseminating Traveler			
Information on Travel Time Reliability	20.000	SHRP L-14	236,028.08
Using Both Infrared and High-Speed Ground Penetrating Radar for			
Uniformity Measurements on New HMA Layers	20.000	SHRP R-06(C)	78,065.69
High-Speed Nondestructive Testing Methods for Mapping Voids,			
Debonding, Delaminations, Moisture, and Other Defects	20.000	SHRP R-06G	685,573.81
National Academy of Sciences-NRC-TRB-NCHRP			
Development of Clear Recovery Area Guidelines	20.000	HR 17-11(002)	8,717.89
Enhanced Safety Prediction Methodology and Analysis Tool for Freeways			
and Interchanges	20.000	HR 17-45	161,751.54
Performance Measurement Tool Box and Reporting System for Research			
Programs and Projects	20.000	HR 20-63A	1,988.53
Testing of Cable Median Barrier in a Narrow Ditch	20.000	HR 22-14(004)	18,065.18
Properties of Foamed Asphalt for Warm Mix Asphalt Applications	20.000	HR9-53; NAS 138, TO 21	36,864.73
Improved Right-of-Way Procedures and Business Practices	20.000	NAS 128,HR-20-84, 4	50,387.55
Design Guidance for Intersection Auxiliary Lanes	20.000	NAS 138 TO 14, HR03-102	85,661.88
Guidelines for Slope Traversability	20.000	NAS 138 TO 19 / HR 17-55	11,247.73
Effective Project Scoping Practices to Improve On-Time and On-Budget			
Delivery of Highway Projects	20.000	NAS 138 TO 23 HR 08-88	17,021.52
Truck Size and Weight Research	20.000	NAS 138 TO 4 HR07(303)	25.50
Guidelines for Cost Effective Safety Treatments of Roadside Ditches	20.000	NAS 138 TO 01, HR 16-05	77,442.66
Improving the Quality of Motorcycle Travel Data Collection	20.000	NAS 138 TO13 HR08-81	164,948.85
Traffic Control Device Guidelines for Curves	20.000	NAS 138 TO22 HR 03 106	3,031.79
Developing a Long-Range Strategic Plan for the MUTCD	20.000	NAS 138, HR 20-07(323) TO 18	28,225.91
Performance-Related Specifications for Pavement Preservation			
Treatments	20.000	NAS 138, TO 05, HR 10-82	13,101.38
Performance of WMA Technologies: Stage I - Moisture Susceptibility	20.000	NAS 138, TO 06, HR 09-49	186,141.54
Long-Range Strategic Issues Affecting Preservation, Maintenance, and			
Renewal of Highway Infrastructure	20.000	NAS 138, TO 07, HR 20-83(003)	10,067.75
Guidelines for Nighttime Visibility of Overhead Guide Signs	20.000	NAS 138, TO 4, HR 05-20	298,002.78
Effective Removal of Pavement Markings	20.000	NAS 138, TO 4; HR 14-22	83,434.49
Practices to Manage Traffic Sign Retroreflectivity	20.000	NAS 138, TO 9, HR 20-05 (42-12)	1,962.27
Sustainability Performance Measures for State Departments of			
Transportation and Other Transportation Agencies	20.000	NAS 138, TO1, HR 08-74	2,057.96
Recent Geometric Design Research for Improved Safety, Operations, and			
Maintenance	20.000	NAS 138, TO8, HR14-22	13,672.00
Design Guidelines for TI-3 Through TI-5 Roadside Barrier Systems			
Placed on Mechanically Stabilized Earth (MSE) Retaining Walls	20.000	NCHRP 22-20(002)	156,802.87
Short-Term Laboratory Conditioning of Asphalt Mixtures	20.000	NCHRP 9-52	36,990.55
North Carolina-Department of Transportation			
Deployment of the Teens in the Driver Seat - Johnston County, North			
Carolina	20.000	11162010	2,984.81

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<i>Research and Development Cluster</i>			
Roadsafe LLC			
Recommended Guidelines for the Selection of Test Levels 2 Through 5			
Bridge Rails	20.000	12202010	12,054.60
Rutgers University			
Introduction to Statewide Transportation Planning TPE05-30	20.000	3854 1409855 430264	13,166.20
Science Applications International Corporation			
Increased Understanding of Driver Visibility Requirements	20.000	4400150454	26,363.07
Highway Safety Visibility Program (HSVP) Outreach, Technical Assistance, and Rulemaking	20.000	10052675 R6 T-11-002	15,927.16
Guidelines for the Use of Variable Speed Limit Signs in Wet Weather	20.000	10052675 T-11-004	6,441.28
Signalized Intersections Guide and Workshop Update	20.000	10052675 T-11-006	7,973.59
Roundabouts Peer-to-Peer Program	20.000	10052675, T-10-005	594.99
Project Management - Technical Support for Highway Safety	20.000	10052675-R1 4600006508	11,738.47
Safety Support Services - Review of States' Railway-Highway Crossing Reports and Preparation of the Draft 2011	20.000	10052675-R4, T-11-003	48,207.96
Roadway Departure Roadside Safety System Product Acceptance	20.000	10052675-T-11-005	29,803.14
Pavement Marking Concepts	20.000	4400128959; 4600006508	38,145.82
Roadway Departure Focus State Initiatives: Technical Assistance and Support	20.000	4400159334-4600006508	38,257.35
University of Colorado			
Production of the New AASHTO Practical Guide to Estimating	20.000	1546560, 0000072559	1,091.77
University of Maryland			
CITE WRTM O-Line Training Development Support	20.000	Q072102	31,524.47
University of North Carolina			
Highway Infrastructure and Operations Safety Research Needs	20.000	W005771, UNC-CH 5-43641	867.56
University of Wisconsin-Madison			
Assessing Public Benefits and Costs of Freight Transportation Projects	20.000	211K481	26,194.19
Air Cargo in the Mississippi Valley Freight Coalition Region	20.000	266K630	39,405.91
Virginia Polytechnic Institute and State University			
Development of Methodologies to Evaluate the Nighttime Safety Implications of the Roadway Visual Scene Under Varying Cognitive Task Loads	20.000	CR19819425891	252.80
WESTAT			
Best Practices for Intellidrive Interfaces	20.000	8172-S-010, TO 1	262.71
Western Research Institute			
Highway Research and Development Program	20.200	TTI000	1,331,058.47
Georgia Department of Transportation			
Highway Training and Education	20.215	CSSFT000900150, 0009150	125,405.17
Perform Tech Incorporated			
Highway Training and Education	20.215	10.2005-11.2013	8,810.35
Rutgers University			
Public Transportation Research	20.514	4165 S1418972 430264	28,603.62
Rutgers University			
University Transportation Centers Program	20.701	3592 1409853 430264	15,675.71
University of Wisconsin-Madison			
University Transportation Centers Program	20.701	258K635	11,706.23
Oklahoma State University			
Biobased Transportation Research	20.761	AB-5-61770.2.TAMRF5GANJEGUNTE	6,407.10
Sun Grant Initiative-South Central Region			
Biobased Transportation Research	20.761	AB-5-61770.2.TAMRF4YUAN	46,284.73
Total, Department of Transportation			<u>10,106,245.24</u>
<u>National Aeronautics and Space Administration</u>			
Direct Program:			
Plant Growth at Sub-Ambient Atmospheric Pressures with Control of the Partial Pressures of Constituent Gases	43.000	NNJ04HF31G	2,897.33
Analysis of Tropopause Level Clouds Using Calipso, AIRS, MIS Data	43.000	NNX07AR12G	22,575.02
Maintenance of the AMSR-F Level-3 Oceanic Precipitation Algorithm	43.000	NNX08AD30G	28,817.73
Study of the Properties and Radiative Forcing of Global Ice Clouds Using the Synergetic MODIS AIRS, and Ceres Products	43.000	NNX08AF68G	6,595.10
A Study of Tropospheric Water Vapor Using Aura MLS and TES Measurements	43.000	NNX08AR27G	156,118.18
Ocean Acidification of the Greater Caribbean Region 1999-2009	43.000	NNX08AW98G	92,729.28

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<i>Research and Development Cluster</i>			
Research in Light Scattering and Radiative Transfer for Improving the Retrieval of Ice Cloud Properties	43.000	NNX09AP63G	44,165.29
Participation in GPM Intersatellite Calibration and Radar Enhanced Radiometer Algorithm Working Groups	43.000	NNX10AG79G	125,146.66
TRMM Precipitation Radar Algorithm Evaluation and Model Simulator	43.000	NNX10AG89G	75,446.05
Data Analysis and Modeling Simulation in Support of NASA's Far-Infrared Spectroscopy of Troposphere (First) Project	43.000	NNX10AL53A	6,329.97
Development of an Algorithm to Retrieve the Habit and Relative Size Distribution of Ice Crystals in Cirrus Clouds	43.000	NNX10AL55G	55,776.94
Investigation of Precipitating Marine Stratocumulus Clouds in the Southeastern Pacific Using CloudSat	43.000	NNX10AM21G	53,473.92
Measurements of Cloud Radiative Impact on the Climate Using Calipso, CloudSat, and Other A-Train Sensors	43.000	NNX10AM27G	87,681.04
Midlevel Cloud Characterization Using A-Train Observations and the GISS GCM	43.000	NNX10AP06G	80,130.33
Increasing Electrocardiography (ECG) Predictive Power by Using the Random Forest Technique	43.000	NNX11AN08H	23,983.96
Science	43.001		544,536.01
Baylor College of Medicine (NSBRI)			
Team Leader - Musculoskeletal Alterations Team	43.000	NCC 9-58 42, MA01701, 3	24,415.32
PHD Training Program in Critical Areas of Space	43.000	NCC9-58-42 EO01001	149,708.19
NSBRI Website and Special Public Outreach Project Support	43.000	NCC9-58-42, A000010	6,136.91
Maintaining Musculoskeletal Health in the Lunar Environment	43.000	NCC-9-58-42, MA01602,4600575969	270,174.05
California Institute of Technology			
Directly Probing the Star-Forming and Gas Properties of High- Redshift Lyman Alpha Galaxies	43.000	RSA 1396478 NASA NMO711085	199.24
Survey of Paschen Alpha in High Redshift Galaxies	43.000	RSA 1344439	32,524.16
Ultra-Deep MIPS Imaging of the Locksman Hole	43.000	RSA 1365085	9,422.08
SEDs: The Spitzer Extended Deep Survey	43.000	RSA 1366981	1,894.80
The Great Observatories Origins Deep Survey: Far-Infrared Imaging with Herschel	43.000	RSA 1374214	31,808.58
IRS Observations of a Strongly Lensed LIRG Behind the Bullet Cluster and the Spitzer Lyman Alpha Survey	43.000	RSA 1379626	551.79
Jet Propulsion Laboratory			
Investigation of the Properties of Martian Atmospheric Dust and Its Effect on the Illumination of the Martian Surface	43.000	1242728	24,868.44
Understanding the Vertical Distribution of Water Vapor at the Phoenix Landing Site	43.000	1422184	9,850.85
Lockheed Martin Space Operations			
LMSO Storefront Property	43.000	7200005451	1,654,356.76
Malin Space Science Systems			
Atmospheric Imaging Investigation for the Mars Science Laboratory Imaging Science Team	43.000	11-0156 (NMO710846)	106,746.39
Space Telescope Science Institute			
Cosmic Assembly Near-IR Deep Extragalactic Survey (CANDELS)	43.000	HST-AR-12127.47	37,931.80
Star Cluster Dissolution in Various Environments	43.000	HST-AR-12148.01-A	45,613.09
Narrowing in on the Hubble Constant and Dark Energy	43.000	HST-GO-11570.09-A	2,273.82
Super-Group 1120-1202: A Unique Laboratory for Tracing Galaxy Evolution in an Assembling Cluster	43.000	HST-GO-12470.01-A	22,345.63

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<i>Research and Development Cluster</i>			
Measuring the Hubble Flow Hubble Constant	43.000	HST-GO-12476.06-A	24,362.26
Cosmic Assembly Near-IR Deep Extragalactic Survey (CANDELS)	43.000	HST-GO-12590.01A	17,784.71
Teledyne Brown Engineering, Inc.			
Student Intern Rates for Teledyne Brown Engineering	43.000	92259	5,595.70
United Space Alliance, LLC			
Student Intern Rates for USA	43.000	6000167439	71,304.45
University of Nebraska			
RFID & RTIS Enhancement for Inventory Management & Logistics of Space Transportation Systems	43.000	26-1111-0089-002	14,494.32
Texas Engineering Experiment Station Science	43.001	C10-00189	2,269.47
University of Wisconsin-Madison Science	43.001	301K630	28,166.90
Total, National Aeronautics and Space Administration			<u>4,001,202.52</u>
<u>National Endowment for the Arts/Humanities</u>			
Direct Program:			
Promotion of the Humanities-Professional Development	45.163		289,534.38
Total, National Endowment for the Arts/Humanities			<u>289,534.38</u>
<u>National Science Foundation</u>			
Direct Program:			
Engineering Grants	47.041		850,122.37
Mathematical and Physical Sciences	47.049		7,680,584.65
Geosciences	47.050		3,360,334.19
Computer and Information Science and Engineering	47.070		424,501.23
Biological Sciences	47.074		4,137,301.01
Social, Behavioral, and Economic Sciences	47.075		512,206.46
Education and Human Resources	47.076		1,715,395.84
Polar Programs	47.078		300,540.84
International Science and Engineering	47.079		10,325.70
Office of Cyberinfrastructure	47.080		118,397.28
Trans-NSF Recovery Act Research Support-RECOVERY	47.082		1,706,494.12
Pass Through From:			
Consortium for Ocean Leadership, Inc.			
Linking Molecular Microbiology to Geochemistry in Deep Marine Subsurface Sediments	47.000	SAF-11-03	12,397.97
Ohio State University			
Towards Spin-Preserving, Heterogeneous Spin Networks	47.000	60018555	55,418.05
University of Texas-Austin			
Development of a Motion Hydraulic Delivery Telemetry System	47.000	UTA09-000484	28,445.43
Louisiana State University			
Engineering Grants	47.041	44931	(3,181.10)
Princeton University			
Engineering Grants	47.041	00001214 EEC-0540832	84,806.25
University of California-Berkeley			
Engineering Grants	47.041	SA 5286-12210	(0.02)
University of Colorado-Denver			
Engineering Grants	47.041	12.579.003 (CCMI-1143922)	42,940.22
California Institute of Technology			
Mathematical and Physical Sciences	47.049	44E-1088029 (PHY-0919599)	292,703.18
Mathematical and Physical Sciences	47.049	68D-1086296	53,518.76
Mathematical and Physical Sciences	47.049	68D-1089182	2,293.08
Case Western Reserve			
Mathematical and Physical Sciences	47.049	RES504475; 114064 (PHY-0919261)	34,484.90
Rice University			
Mathematical and Physical Sciences	47.049	R39863 OISE-0530220	40,175.32

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<i>Research and Development Cluster</i>			
Mathematical and Physical Sciences	47.049	R3C75E	51,465.08
University of Delaware			
Mathematical and Physical Sciences	47.049	20653 (DMR-0906815)	85,317.46
University of Northern Iowa			
Mathematical and Physical Sciences	47.049	S5165A CHE-0715423	3,916.09
Consortium for Ocean Leadership, Inc			
Geosciences	47.050	JSC 4-02	50,818,010.23
Geosciences	47.050	SA 11-13	12,844.49
Geosciences	47.050	T321B13	6,922.16
Geosciences	47.050	T321C13	20,062.75
Geosciences	47.050	T323A13	1,732.36
Geosciences	47.050	T324A13	5,860.00
Geosciences	47.050	T324B13	32,272.57
Geosciences	47.050	T325A13	5,701.59
Geosciences	47.050	T329A13	2,610.03
Geosciences	47.050	T334A13	804.29
Geosciences	47.050	T336A13	31,220.33
Geosciences	47.050	T343A13	35,019.45
Regents of the University of California			
Geosciences	47.050	20091128101	129,036.09
UNAVCO: Plate Boundary Observatory			
Geosciences	47.050	EAR 0732947-05	84,595.89
University Corporation for Atmospheric Research			
Geosciences	47.050	Z11-90981	9,851.00
University of Southern California			
Geosciences	47.050	124359	19,016.83
Geosciences	47.050	129099	28,936.20
Regents of the University of California			
Biological Sciences	47.074	S-000500 (EF-1115144)	38,894.37
University of California-Davis			
Biological Sciences	47.074	II-RR 014195-TAMU	1,181.75
University of California-Los Angeles			
Biological Sciences	47.074	0980 G HF009/ EF-0623664	14,822.91
University of California-Riverside			
Biological Sciences	47.074	S-00000259 (DEB-0730616)	59,711.51
University of Texas-Austin			
Biological Sciences	47.074	UTA10-000935 (NSF IOS-1025947)	264,680.46
Colorado State University			
Social, Behavioral, and Economic Sciences	47.075	G30031	804.94
Northwestern University			
Education and Human Resources	47.076	PROJ0001653 (NSF DRL-0908130)	40,867.34
University of Wisconsin-Madison			
Education and Human Resources	47.076	X496344	44,887.13
U.S. Civilian Research & Development Foundation			
International Science and Engineering	47.079	RUB1-2996VL-11	8,138.80
University of California-Santa Cruz			
Trans-NSF Recovery Act Research Support-RECOVERY	47.082	S1083054 (NSF BCS-0912154)	5,083.95
University of Colorado			
Trans-NSF Recovery Act Research Support-RECOVERY	47.082	SPO 0000073544, CU 1546775	35,333.93
Total, National Science Foundation			<u>73,359,807.71</u>
<u>Department of Veterans Affairs</u>			
Pass Through From:			
Altarum Institute			
Evaluation of a VHA Project ARCH Pilot Program	64.000	7.1-10.31.2011	(2,551.44)
Total, Department of Veterans Affairs			<u>(2,551.44)</u>

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<i>Research and Development Cluster</i>			
<u>Environmental Protection Agency</u>			
Direct Program:			
Deployment of Nett Bluemaxtm SCR System in TXDOT's Construction Fleet	66.000	DE-83420001	105,111.74
Auxiliary Power Unit Testing for Smartway Idle Reduction Technology Verification	66.000	EP-11-H-000527	64,086.45
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		59,393.61
Gulf of Mexico Program	66.475		169,333.37
Science to Achieve Results (STAR) Research Program	66.509		156,578.95
P3 Award: National Student Design Competition for Sustainability	66.516		29,052.58
Protection of Children from Environmental Health Risks	66.609		85,760.79
Pass Through From:			
Health Effects Institute, The			
Methods to Investigate the Effects of Multiple Air Pollution Constituents	66.000	4785-FRA09-1/10-1-2	78,656.16
RTI International			
FASOMGHG Modeling of Renewable Fuels Policy	66.000	8-312-0210826 TO18 (EP-W-07-069)	86,726.37
Texas State University			
Science to Achieve Results (STAR) Research Program	66.509	8000001508.1	14,304.78
Total, Environmental Protection Agency			849,004.80
<u>Department of Energy</u>			
Direct Program:			
The Institute for High Heat Flux Removal	81.000	DE-FG02-97ER54452	154,378.10
Office of Science Financial Assistance Program	81.049		4,969,173.53
Office of Science Financial Assistance Program-RECOVERY	81.049		315,492.06
Renewable Energy Research and Development	81.087		197,356.56
Advanced Research and Projects Agency - Energy Financial Assistance Program-RECOVERY	81.135		393,697.84
Pass Through From:			
Argonne National Laboratory			
Tandem Differential Mobility Analyzer/Aerodynamic Partricle Sizer Support	81.000	0F-34561	12,053.30
Battelle Energy Alliance, LLC			
Riverine and Lacustrine Adaptations: 2010 Idaho National Laboratory (INL) Archaeological Testing Project	81.000	00106760	5,511.58
Battelle-Pacific N.W. Division			
Quantifying Protein Abundance from Mass Spectrometry Experiments Using the AMT Tag Pipeline	81.000	72845	19,339.55
Brookhaven National Laboratory			
Investigation of Cloud and Precipitation Processes Using WRF with a Two-Moment Microphysics	81.000	208018	9,650.27
Fermi National Accelerator Laboratory			
US CMS Upgrade R&D M&O Subsystem	81.000	584808	82,498.05
US CMS Endcap Muon M&O Subsystem	81.000	584823	133,296.57
Super CDMS Soudan Project	81.000	592192	90,281.32
Spectrophotometric Calibration System for the Dark Energy Survey Camera	81.000	596588	31,283.25
Postdoctoral Support from Fermi National Accelerator Laboratory	81.000	598229	26,385.32
Statement of Work for US CMS Texas A&M Research Foundation for Activities Related to the US CMS FPIX Subsystem	81.000	599464	4,880.96
Graduate Student Support from Fermi National Accelerator Laboratory	81.000	600784	4,701.18
OHEP Supplemental Distribution	81.000	602673	14,640.97
Reeves and Sons LLC			
Multi-Chamber Gas Proportional Counter for Screening Ultra-Low Background Materials & Identifying Radioactive Materials	81.000	11162007-DE-FG02-06ER86287	(60.47)

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<i>Research and Development Cluster</i>			
Sandia National Laboratories			
Nanoscale Characterization of Bandgap Engineered III-V Superlattices	81.000	1123033, 1	7,658.43
and Quantum Wells	81.000	942500, R1	20,368.80
Graduate Research Fellowship			
Savannah River Nuclear Solutions, LLC			
Separation of Americium from Curium by Ion Exchange	81.000	AC70059-O (DOE: DE-AC09-08SR22470)	38,440.36
Accelerator Technology Corporation			
Office of Science Financial Assistance Program	81.049	92911	32,768.91
Duke University			
Office of Science Financial Assistance Program	81.049	09112007-07-SC-NICCR-1058	15,041.92
Louisiana State University			
Office of Science Financial Assistance Program	81.049	41922	139,642.65
Office of Science Financial Assistance Program	81.049	7261 (C175635)	72,894.00
Pass Through From:			
Michigan State University			
Office of Science Financial Assistance Program	81.049	61-3242 TAM	51,930.46
University of California-Berkeley			
Office of Science Financial Assistance Program	81.049	00006785 (DE-SC0001015)	185,098.13
North Central Sun Grant Initiative			
Regional Biomass Energy Programs	81.079	3TM160 (DE-FG36-08GO88073)	77,410.38
Total, Department of Energy			<u>7,105,813.98</u>
<u>Department of Education</u>			
Direct Program:			
Undergraduate International Studies and Foreign Language Programs	84.016		46,777.82
Fund for the Improvement of Postsecondary Education	84.116		162,782.24
Education Research, Development and Dissemination	84.305		557,123.09
Research in Special Education	84.324		30,589.58
Transition to Teaching	84.350		218,773.01
School Leadership	84.363		701,989.26
Pass Through From:			
University of Texas-Austin			
Mathematics and Science Partnerships	84.366	UTA11-000232	146,735.03
Total, Department of Education			<u>1,864,770.03</u>
<u>Department of Health and Human Services</u>			
Direct Program:			
Characterization of LPHN3 Function Using a Mutant Murine Model	93.000	1R21MH097067-01	1,611.50
Fibronectin Binding MSCRAMMS	93.000	2R01AR044415-10A2	54,881.85
Regulation of Bile Duct Growth in Bile Duct Ligated Rats	93.000	2R01DK062975-05A1	229,846.04
Genetic and Molecular Study of Meiotic Transvection	93.000	2R01GM058770-06A2	6,518.18
Regulation of Circadian Transcription	93.000	2R01NS052854-05A1	299,087.49
Growth Regulation of the Intrahepatic Biliary Tree	93.000	5R01DK054811-06A2	28,371.56
Special Programs for the Aging-Title IV-and Title II-Discretionary			
Projects	93.048		2,143.18
Public Health Emergency Preparedness	93.069		396,466.37
Environmental Health	93.113		323,542.54
Oral Diseases and Disorders Research	93.121		1,966,586.15
Centers for Research and Demonstration for Health Promotion and			
Disease Prevention	93.135		1,566,205.55
Health Program for Toxic Substances and Disease Registry	93.161		276,177.40
Research Related to Deafness and Communication Disorders	93.173		573,945.11
Contraception and Infertility Research Loan Repayment Program	93.209		81,960.29
Research and Training in Complementary and Alternative Medicine	93.213		48,885.81
Research on Healthcare Costs, Quality and Outcomes	93.226		262,116.56
Mental Health Research Grants	93.242		203,429.59
Occupational Safety and Health Program	93.262		67,596.35

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<i>Research and Development Cluster</i>			
Alcohol Research Programs	93.273		1,085,763.84
Drug Abuse and Addiction Research Programs	93.279		458,612.89
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283		113,772.54
Minority Health and Health Disparities Research	93.307		1,565,569.27
Trans-NIH Research Support	93.310		1,911.24
National Center for Research Resources	93.389		1,528,051.29
Cancer Cause and Prevention Research	93.393		1,279,916.74
Cancer Treatment Research	93.395		661,673.90
Cancer Biology Research	93.396		635,334.42
Cancer Research Manpower	93.398		18,278.34
ARRA: Public Health Traineeship Program-RECOVERY	93.405		7,101.35
Affordable Care Act - Preparedness and Emergency Response Learning Centers	93.606		294,504.19
Trans-NIH Recovery Act Research Support-RECOVERY	93.701		1,453,632.54
Health Information Technology Regional Extension Centers Program-RECOVERY	93.718		1,428,615.16
Health Careers Opportunity Program	93.822		737,456.98
Cardiovascular Diseases Research	93.837		2,558,529.28
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		41,665.85
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		1,310,811.25
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		1,457,081.08
Allergy, Immunology and Transplantation Research	93.855		3,261,226.42
Biomedical Research and Research Training	93.859		7,107,573.45
Child Health and Human Development Extramural Research	93.865		447,350.20
Aging Research	93.866		847,809.66
Vision Research	93.867		713,029.62
Grants for Training in Primary Care Medicine and Dentistry	93.884		119,166.87
Public Health Traineeships	93.964		12,622.00
Pass Through From:			
American Institutes for Research			
Standardized Antibiotic Use in Long-Term Care Settings (SAUL) Study	93.000	02434.008 (HHSA2902006000191T.O.8)	191,340.15
Science Applications International Corporation			
S10-38: Delivery of Brefeldin A with Triazine Dendrimers	93.000	10XS108	44,029.15
University of California-Irvine			
Fitness Annotation of Bacterial Genomes	93.000	2010-2517	44,389.33
University of Colorado-Denver			
IHS Coordinating Center	93.000	11.001.006	22,375.46
Washington University, St. Louis			
Integrated Nanosystems for Diagnosis and Therapy	93.000	2911033P, NO.WU-11-71	613,584.33
National Council on Aging			
Special Programs for the Aging-Title IV-and Title II-Discretionary Projects-RECOVERY	93.048	8192010	91,422.39
Old Dominion University Research Foundation			
Environmental Health	93.113	10-212-396531	7,884.70
Dental Designs Dallas			
Oral Diseases and Disorders Research	93.121	2R44DE01782902A1	138,240.29
University of Mississippi Medical Center			
Oral Diseases and Disorders Research	93.121	66983 TAMU03 S0014109	15,178.97
University of Texas-Arlington			
Oral Diseases and Disorders Research	93.121	2616016162 5U01DE010713	33,938.11
Stanford University			
Research Related to Deafness and Communication Disorders	93.173	210591237668A (2R01DC00389611)	42,712.18
University of California-Los Angeles			
Mental Health Research Grants	93.242	0130GGC638	103,145.03

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<i>Research and Development Cluster</i>			
University of Texas-Health Science Center-Houston Public Health Training Centers Grant Program	93.249	0007939A (UB6HP20188)	6,370.34
University of Texas-School of Public Health-Houston Public Health Training Centers Grant Program	93.249	449833	168,991.01
University of Texas-Health Science Center-Houston Occupational Safety and Health Program	93.262	0006008A (5U50OH07541-10)	41,453.75
Public Health Research Institute Alcohol Research Programs	93.273	1015640 (NIH R01AA018365)	286,281.75
San Diego State University Foundation Alcohol Research Programs	93.273	53253FP16607809211	(6,822.57)
Alcohol Research Programs	93.273	53253HP16607809211	35,687.10
Stanford University Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283	2717749050754C	126,671.08
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283	27177490-50754-C (U01DD000489)	77,396.49
University of Texas-M.D. Anderson Cancer Center Minority Health and Health Disparities Research	93.307	31774/98017816	87,647.43
Fred Hutchinson Cancer Research Center Cancer Cause and Prevention Research	93.393	0000726091	80,523.80
Southern Illinois University Cancer Cause and Prevention Research	93.393	520354, PO95963	12,910.78
University of Texas-M.D. Anderson Cancer Center Cancer Centers Support Grants	93.397	32603/98015674	85,324.38
Texas Council for Developmental Disabilities Developmental Disabilities Basic Support and Advocacy Grants	93.630	10-577	3,556.54
Dartmouth College Trans-NIH Recovery Act Research Support-RECOVERY	93.701	643	101,653.58
Scott and White Healthcare Trans-NIH Recovery Act Research Support-RECOVERY	93.701	090651 (1RC4AG03818301)	47,753.67
University of Kentucky Trans-NIH Recovery Act Research Support-RECOVERY	93.701	3048107714-11-127	12,108.87
University of Texas-M.D. Anderson Cancer Center Trans-NIH Recovery Act Research Support-RECOVERY	93.701	32958/98013924	55,167.06
Medical University of South Carolina Cardiovascular Diseases Research	93.837	MUSC09-104	95,212.80
University of California-Davis Cardiovascular Diseases Research	93.837	503731	64,015.86
University of Florida-Gainesville Cardiovascular Diseases Research	93.837	UF10091 (R18HL087800)	10,697.47
University of Missouri Cardiovascular Diseases Research	93.837	C000161431	5,417.48
Cardiovascular Diseases Research	93.837	C00017558-1	22,637.51
University of Washington Cardiovascular Diseases Research	93.837	725280	99,198.00
Medical College of Wisconsin Blood Diseases and Resources Research	93.839	5U54HL090503-03	1,842.89
Blood Diseases and Resources Research	93.839	5U54HL090503-04	19,818.32
University of Utah Blood Diseases and Resources Research	93.839	00146090 (5R01HL08570702)	8,298.01
University of North Carolina-Chapel Hill Arthritis, Musculoskeletal and Skin Diseases Research	93.846	5-31135	50,248.18
University of Iowa Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	1000955724 (1R24DK091211-01 R)	2,779.77
University of Texas-Southwestern Medical Center Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	120501	10,689.75

Texas A&M Research Foundation
Schedule of Expenditures of Federal and State Awards
For the Year Ended August 31, 2012

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Identifying Number	Total Pass Through and Expenditure
<i>Research and Development Cluster</i>			
Washington University, St. Louis			
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	WU-11-54 PO 2910814P	79,325.65
University of California-San Francisco			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	5991SC	95,273.95
Boston University			
Allergy, Immunology and Transplantation Research	93.855	RA208356NGO	14,678.07
Cornell Univ.-Joan & Sanford I. Weill Medical College			
Allergy, Immunology and Transplantation Research	93.855	10091340 (R01AI092573)	120,324.09
Allergy, Immunology and Transplantation Research	93.855	12040466 (5R01AI092573-02)	140,397.93
Indiana University			
Allergy, Immunology and Transplantation Research	93.855	4624838, POEP391212	54,942.33
Integrated Biotherapeutics, Inc.			
Allergy, Immunology and Transplantation Research	93.855	6032010	37,597.47
University of California-Irvine			
Allergy, Immunology and Transplantation Research	93.855	20082034	869.10
Allergy, Immunology and Transplantation Research	93.855	2008-2034	65,994.01
University of Oklahoma Health Science Center			
Allergy, Immunology and Transplantation Research	93.855	RS20110200-01 (2R01AI037657-15)	116,246.57
University of Texas-Health Science Center-Houston			
Allergy, Immunology and Transplantation Research	93.855	0007356A	52,417.99
University of Texas-M.D. Anderson Cancer Center			
Allergy, Immunology and Transplantation Research	93.855	31682/98012252	4,061.53
University of Texas-Medical Branch of Galveston			
Allergy, Immunology and Transplantation Research	93.855	11-044 (5U54AI057156-08)	54,361.79
Allergy, Immunology and Transplantation Research	93.855	11-045 (5U54AI057156-08)	30,706.26
Allergy, Immunology and Transplantation Research	93.855	11-062 (UOPSPC-0000000588)	153,218.54
Baylor College of Medicine			
Microbiology and Infectious Diseases Research	93.856	4600550773	7,157.78
Colorado State University			
Microbiology and Infectious Diseases Research	93.856	G-4401-1 (P318238)	13,836.63
Dartmouth College			
Biomedical Research and Research Training	93.859	578	398,842.76
Biomedical Research and Research Training	93.859	579	86,696.25
Ohio State University Research Foundation			
Biomedical Research and Research Training	93.859	60027355 (NIH R01 GM088670)	46,188.33
SRI International			
Biomedical Research and Research Training	93.859	27-001349	36,621.69
University of Illinois			
Biomedical Research and Research Training	93.859	2009-01303-02	351,266.05
Biomedical Research and Research Training	93.859	2010-00365-04	139,000.41
Biomedical Research and Research Training	93.859	2010-00365-05	66,213.94
University of Southern California			
Biomedical Research and Research Training	93.859	H47299	3,188.68
Biomedical Research and Research Training	93.859	H50842	271,267.10
University of Florida-Gainesville			
Aging Research	93.866	UF11058 RO1AG029421	20,855.90
University of Texas-San Antonio			
Geriatric Education Centers	93.969	131949/131473/151273	31,337.15
Geriatric Education Centers	93.969	500983	901.45
Texas Department of State Health Services			
Maternal and Child Health Services Block Grant to the States	93.994	2.010034879e+012	3,661.71
Total, Department Health and Human Services			40,995,654.19

Texas A&M Research Foundation
Schedule of Expenditures of Federal and State Awards
For the Year Ended August 31, 2012

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Identifying Number	Total Pass Through and Expenditure
<i>Research and Development Cluster</i>			
<u>Department of Homeland Security</u>			
Direct Program:			
2-1-1 Texas Database Analysis for Katrina-Rita Community Needs, 2005 (Option Year 2)	97.000	HSHQDC-08-P-00161	156,956.41
Development of Multi-Component Vaccines for African Swine Fever	97.000	HSHQDC-11-C-00116	89,735.62
Assistance to Firefighters Grant	97.044		580,662.08
Pass Through From:			
Texas Southern University			
Centers for Homeland Security	97.061	DHSJOST061-TSCOE-PROJECTS	8,448.65
Total, Department of Homeland Security			<u>835,802.76</u>
<u>United States Agency for International Development</u>			
Direct Program:			
USAID Foreign Assistance for Programs Overseas	98.001		219,185.00
Pass Through From:			
Booz Allen and Hamilton, Inc			
Improve Road Design Capabilities of Local Road Design Companies			
Kosovo Private Enterprise Program	98.000	97687XSBOF, 3	12,032.31
Michigan State University			
Increasing Utilization of Beans/Cowpeas to Promote Health in Malawi and Kenya	98.000	61-2858	220,746.61
University of Nebraska			
USAID Foreign Assistance for Programs Overseas	98.001	25-6805-0010-060	35,626.04
USAID Foreign Assistance for Programs Overseas	98.001	25-6805-0016-906 (TAM 101)	91,697.83
USAID Foreign Assistance for Programs Overseas	98.001	25-6805-0016-906 (TAM 103)	17,903.94
University of Georgia			
USAID Development Partnerships for University Cooperation and Development	98.012	RC710-025/3842068	321,955.38
USAID Development Partnerships for University Cooperation and Development	98.012	RC710-025/3842438	104,449.69
Total, United States Agency for International Development			<u>1,023,596.80</u>
Total, Research and Development Cluster			<u>\$ 158,743,052.48</u>
Total, Federal Awards Expended			<u>\$ 158,743,052.48</u>
<i>State of Texas Research and Development Cluster</i>			
Cancer Prevention Research Institute of Texas	RP-100781		325,179.43
Cancer Prevention Research Institute of Texas	PP-100203		148,195.40
Cancer Prevention Research Institute of Texas	PP-110036		91,652.12
Cancer Prevention Research Institute of Texas	RF-110555		220,798.22
Total, State of Texas Awards Expended			<u>\$ 785,825.17</u>
Total, Federal and State of Texas Awards Expended			<u>\$ 159,528,877.65</u>
Summary of American Recovery and Reinvestment Act (ARRA) Funding included above:			
National Science Foundation			1,746,912.00
U.S. Department of Energy			709,189.90
U.S. Department of Health and Human Services			3,197,454.62
Total, ARRA Funding			<u>\$ 5,653,556.52</u>

Texas A&M Research Foundation
Schedule of Expenditures of Federal and State Awards
For the Year Ended August 31, 2012

Subrecipients

Federal Grantor/Pass-through Grantor Program Title	CFDA Number	Amount Provided to Subrecipients
U.S. Department of Agriculture		
Grants for Agricultural Research-Special Research Grants	10.200	\$ 7,645.43
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	12,250.02
Specialty Crop Research Initiative	10.309	589,444.60
Agriculture and Food Research Initiative (AFRI)	10.310	1,721,058.42
Total, U.S. Department of Agriculture		<u>2,330,398.47</u>
U.S. Department of Commerce		
Integrated Ocean Observing System	11.012	508,257.32
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreement Programs	11.427	4,899.49
Applied Meteorological Research	11.468	12,661.74
Coastal Services Center	11.473	213,943.51
Total, U.S. Department of Commerce		<u>739,762.06</u>
U.S. Department of Defense		
Long-Term Monitoring of Human Impacts at McMurdo Station, Antarctica - Phase 7	12.000	24,020.00
Long-Term Monitoring of Human Impacts at McMurdo Station, Antarctica - Phase 8	12.000	41,019.00
Basic and Applied Scientific Research	12.300	77,070.43
Military Medical Research and Development	12.420	355,858.51
Total, U.S. Department of Defense		<u>497,967.94</u>
U.S. Department of the Interior		
Coastal Impact Assistance Program (CIAP)	15.426	147,500.00
Total, U.S. Department of the Interior		<u>147,500.00</u>
U.S. Department of Justice		
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	100,066.36
Total, U.S. Department of Justice		<u>100,066.36</u>
U.S. Department of Transportation		
Pavement Marking Concepts	20.000	23,526.72
Enhanced Safety Prediction Methodology and Analysis Tool for Freeways and Interchanges	20.000	46,452.24
Effectiveness of Different Approaches to Disseminating Traveler Information on Travel Time Reliability	20.000	91,812.72
High-Speed Nondestructive Testing Methods for Mapping Voids, Debonding, Delaminations, Moisture, and Other Defects	20.000	387,429.59
Improved Right-of-Way Procedures and Business Practices	20.000	4,824.11
Guidelines for Cost Effective Safety Treatments of Roadside Ditches	20.000	7,247.00
Long-Range Strategic Issues Affecting Preservation, Maintenance, and Renewal of Highway Infrastructure	20.000	9,682.94
Evaluation of Pedestrians Safety Engineering Countermeasures at Urban and Suburban Midblock Crossings	20.000	25,969.00
Marine Highway Transport of Toxic Inhalation Hazard (TIH) Materials	20.000	17,179.22
Exploratory Research on Technology Options for Collection of Road User Fees	20.000	37,500.00
Guidelines for Nighttime Visibility of Overhead Guide Signs	20.000	46,036.54
Improving the Quality of Motorcycle Travel Data Collection	20.000	16,610.50
Highway Research and Development Program	20.200	473,711.21
Transportation Planning Analysis Technology Transfer and Program Support for the Travel Model		

Texas A&M Research Foundation
Schedule of Expenditures of Federal and State Awards
For the Year Ended August 31, 2012

Subrecipients

Federal Grantor/Pass-through Grantor Program Title	CFDA Number	Amount Provided to Subrecipients
Improvement Program (TMIP)	20.000	8,500.00
University Transportation Centers Program	20.701	666,114.70
Biobased Transportation Research	20.761	2,271.49
Total, U.S. Department of Transportation		1,864,867.98
National Aeronautics and Space Administration		
LMSO Storefront Property	43.000	1,392,041.69
Science	43.001	47,640.33
Total, National Aeronautics and Space Administration		1,439,682.02
National Endowment for the Arts and the Humanities		
Promotion of the Humanities-Professional Development	45.163	40,023.00
Total, National Endowment for the Arts and the Humanities		40,023.00
National Science Foundation		
Mathematical and Physical Sciences	47.049	1,098.93
Geosciences	47.050	78,600.00
Biological Sciences	47.074	108,085.00
Education and Human Resources	47.076	177,379.58
Polar Programs	47.078	10,990.23
Office of Cyberinfrastructure	47.080	18,522.13
Total, National Science Foundation		394,675.87
Environmental Protection Agency		
Methods to Investigate the Effects of Multiple Air Pollution Constituents	66.000	26,236.08
Protection of Children from Environmental Health Risks	66.609	45,780.16
Total, Environmental Protection Agency		72,016.24
U.S. Department of Energy		
Office of Science Financial Assistance Program	81.049	37,569.08
Regional Biomass Energy Programs	81.079	3,775.22
Total, U.S. Department of Energy		41,344.30
U.S. Department of Education		
Education Research, Development and Dissemination	84.305	156,215.94
Research in Special Education	84.324	(249.93)
Transition to Teaching	84.350	84,154.57
School Leadership	84.363	354,329.70
Total, U.S. Department of Education		594,450.28

Texas A&M Research Foundation
Schedule of Expenditures of Federal and State Awards
For the Year Ended August 31, 2012

Subrecipients

Federal Grantor/Pass-through Grantor Program Title	CFDA Number	Amount Provided to Subrecipients
U.S. Department of Health and Human Services		
S10-38: Delivery of Brefeldin A with Triazine Dendrimers	93.000	32,265.00
Special Programs for the Aging-Title IV-and Title II-Discretionary Projects-Recovery	93.048	6,824.76
Biomedical Research and Research Training	93.859	267,326.79
Growth Regulation of the Intrahepatic Biliary Tree	93.000	11,613.73
Public Health Emergency Preparedness	93.069	100,231.19
Environmental Health	93.113	2,026.44
Oral Diseases and Disorders Research	93.121	12,311.30
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	72,325.68
Health Program for Toxic Substances and Disease Registry	93.161	154,031.67
Research on Healthcare Costs, Quality and Outcomes	93.226	83,002.65
Mental Health Research Grants	93.242	57,361.99
Drug Abuse and Addiction Research Programs	93.279	8,961.22
Minority Health and Health Disparities Research	93.307	149,280.58
National Center for Research Resources	93.389	161,645.00
Cancer Cause and Prevention Research	93.393	6,916.68
Affordable Care Act - Preparedness and Emergency Response Learning Centers	93.606	262,198.41
Trans-NIH Recovery Act Research Support-Recovery	93.701	168,513.34
Health Information Technology Regional Extension Centers Program-Recovery	93.718	84,166.00
Cardiovascular Diseases Research	93.837	256,092.71
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	7,041.94
Allergy, Immunology and Transplantation Research	93.855	750,552.92
Biomedical Research and Research Training	93.859	1,003,603.83
Aging Research	93.866	18,438.98
Total, U.S. Department of Health and Human Services		3,676,732.81
Department of Homeland Security		
2-1-1 Texas Database Analysis for Katrina-Rita Community Needs, 2005 (Option Year 2)	97.000	63,029.41
Total, Department of Homeland Security		63,029.41
U. S. Agency for International Development		
Increasing Utilization of Beans/Cowpeas to Promote Health in Malawi and Kenya	98.000	94,773.00
USAID Foreign Assistance for Programs Overseas	98.001	67,724.70
USAID Development Partnerships for University Cooperation and Development	98.012	76,763.00
Total, U. S. Agency for International Development		239,260.70
Total Amount Provided to Subrecipients		\$ 12,241,777.44

TEXAS A&M RESEARCH FOUNDATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
YEAR ENDED AUGUST 31, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – The accompanying schedule of expenditures of federal and state awards presents all federal and state expenditures of the Texas A&M Research Foundation (the “Foundation”).

Basis of Accounting – The expenditures on the accompanying schedule of expenditures of federal and state awards are presented using the cash basis of accounting. Under the cash basis method of accounting, revenue and expense are recorded in the books of account when received and paid, respectively, without regard to the period to which they apply.

Relationship to Financial Statements – Expenditures of federal and state awards are reported in the Foundation’s financial statements on the accrual basis. Following is a reconciliation between the financial statements and the Schedule of Expenditures of Federal and State Awards as of August 31, 2012.

Sponsored research expense in Statement of Activities, August 31, 2012	\$191,049,725
Non-federal/non State of Texas expenditures	(32,851,262)
Research equipment purchased and capitalized during the year	2,417,025
Other	<u>(1,086,611)</u>
Total Expenditures per Schedule of Expenditures of Federal and State Awards, August 31, 2012	<u>\$159,528,877</u>

Relationship to Federal and State Financial Reports – Amounts reported in the accompanying schedule of expenditures of federal and state awards agree with the amounts reported in the related federal and state financial reports in all significant respects.

**TEXAS A&M RESEARCH FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2012**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: *unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐yes ☒no
- Significant deficiency(s) identified
that are not considered to be
material weaknesses? ☐yes ☒none
reported
- Noncompliance material to financial
statements noted? ☐yes ☒no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? ☐yes ☒no
- Significant deficiency(s) identified
that are not considered to be
material weaknesses? ☐yes ☒none
reported

Type of auditors' report issued on compliance for major
programs: *unqualified*

Any audit findings disclosed that
are required to be reported in
accordance with section 510(a) of Circular
A-133? ☐yes ☒no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

N/A

Research and Development Cluster

Identifying Number(s)

Name of State Program or Cluster

N/A

State of Texas Research & Development Cluster

Dollar threshold used to distinguish between
Federal type A and Federal type B programs:

\$3,000,000

Dollar threshold used to distinguish between
State type A and State type B programs:

\$300,000

Auditee qualified as low-risk auditee?

X yes

 no

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

SECTION III – FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal or State award findings and questioned costs which are required to be reported in accordance with Section 510(a) of Circular A-133 or the State of Texas Single Audit Circular.

**TEXAS A&M RESEARCH FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2012
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which were required to be reported in accordance with *Government Auditing Standards*.

FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal or State award findings and questioned costs which are required to be reported in accordance with Section 510(a) of Circular A-133 or the State of Texas Single Audit Circular.