



Glenn Hegar Texas Comptroller of Public Accounts

State of Texas Comprehensive Annual Financial Report



For the Fiscal Year Ended
August 31, 2017

The spreadsheets in this publication are available
in accessible data form (Excel) for the sections below.

Management's Discussion and Analysis, pages 19-32

comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2017/analysis.xlsx

Basic Financial Statements, pages 33-176

comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2017/basic.xlsx

Required Supplementary Information other than MD&A, pages 177-196

comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2017/supplemental.xlsx

Governmental Funds, pages 197-222

comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2017/governmental.xlsx

Enterprise Funds, pages 223-252

comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2017/enterprise.xlsx

Fiduciary Funds, pages 253-270

comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2017/fiduciary.xlsx

Discretely Presented Component Units, pages 271-286

comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2017/discretely.xlsx

Statistical Section, pages 287-313

comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2017/statistical.xlsx



Section Two (continued)

Enterprise Funds

Nonmajor Enterprise Funds

The **Texas Water Development Board Funds** include water development funds, agricultural water conservation funds and water pollution control revolving funds that receive proceeds from bonds issued by the Texas Water Development Board to provide assistance to political subdivisions.

The **Texas Department of Housing and Community Affairs** issues bonds to assist in financing the purchase of homes or the construction of rental housing for families with low to moderate incomes. Loan payments and rentals provide the revenue for debt service payments.

The **Texas Transportation Commission** receives proceeds from the sale of bonds used to finance a portion of the costs of planning, designing, engineering, developing and constructing the initial phase of the Central Texas Turnpike System.

The **Veterans Land Board Loan Program Funds** receive proceeds from the sale of bonds used to administer, originate and service loans from land, housing and home improvement for those qualifying veterans.

The **Texas Department of Criminal Justice Institutional Division** accounts for the proceeds of the institutional division's commissary operations and other miscellaneous revenue.

The **Texas Prepaid Tuition Plans** include the Texas Guaranteed Tuition Plan, which is closed to new enrollment, and the Texas Tuition Promise Fund. The Texas Tuition Promise Fund allows families to prepay tuition and school-wide required fees at Texas public colleges and universities.

The **Grand Parkway Transportation Corporation**, a blended component unit of the Texas Department of Transportation, is authorized to assist and act on behalf of the agency in the development, financing, design, construction, reconstruction, expansion, operation and/or maintenance of the Grand Parkway toll project.

STATE OF TEXAS

Combining Statement of Net Position – Nonmajor Enterprise Funds

August 31, 2017 (Amounts in Thousands)

	Texas Water Development Board Funds	Texas Department of Housing and Community Affairs	Texas Transportation Commission	Veterans Land Board Loan Program Funds	Texas Department of Criminal Justice Institutional Division
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 296,975	\$ 35,202	\$ 326,915	\$	\$
Short-Term Investments	465,228		29,949		
Securities Lending Collateral				105,378	
Restricted:					
Cash and Cash Equivalents		103,860	72,570	267,202	
Short-Term Investments		13	71,993	304,497	
Loans and Contracts		90,658		73,007	
Receivables:					
Federal	9,419			12,435	
Accounts		380	16,535	1,886	4,789
Interest and Dividends	163,640	8,577	267	10,086	
Investment Trades					
Other		122			
Due From Other Funds			1,310	3	37,083
Interfund Receivable	160				
Inventories		12	1,409		8,968
Prepaid Items				4,728	
Loans and Contracts	233,631	2,887			
Other Current Assets		59			
Total Current Assets	<u>1,169,053</u>	<u>241,770</u>	<u>520,948</u>	<u>779,222</u>	<u>50,840</u>
Noncurrent Assets:					
Restricted:					
Cash and Cash Equivalents					
Investments		642,099	114,999	412,533	
Receivables					
Loans and Contracts		957,416		2,510,084	
Other				888	
Loans and Contracts	6,305,982	50,425			
Investments	110,021	1,032		336	
Interfund Receivable	1,980				
Capital Assets:					
Non-Depreciable or Non-Amortizable			696,589	14,537	282
Depreciable or Amortizable, Net		150	1,951,411	60,919	486
Assets Held in Trust					
Hedging Derivative Asset				4,226	
Intangible Assets – Service Concession Arrangements					
Other Noncurrent Assets		43			
Total Noncurrent Assets	<u>6,417,983</u>	<u>1,651,165</u>	<u>2,762,999</u>	<u>3,003,523</u>	<u>768</u>
Total Assets	<u>7,587,036</u>	<u>1,892,935</u>	<u>3,283,947</u>	<u>3,782,745</u>	<u>51,608</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources		9,903	30,102	222,691	
Total Deferred Outflows of Resources	<u>0</u>	<u>9,903</u>	<u>30,102</u>	<u>222,691</u>	<u>0</u>

Continued on the following page

STATE OF TEXAS

Combining Statement of Net Position – Nonmajor Enterprise Funds (continued)

August 31, 2017 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 53,330	\$ 76,304	\$ 66,807	\$ 855,533
Short-Term Investments		29,981		525,158
Securities Lending Collateral	11,686			117,064
Restricted:				
Cash and Cash Equivalents	256,807	381,585	1,499	1,083,523
Short-Term Investments		75,964		452,467
Loans and Contracts				163,665
Receivables:				
Federal				21,854
Accounts		33,716	291	57,597
Interest and Dividends	1,615	268	31	184,484
Investment Trades	1,578			1,578
Other	40		5,434	5,596
Due From Other Funds				38,396
Interfund Receivable				160
Inventories		222	1,182	11,793
Prepaid Items			998	5,726
Loans and Contracts	31,320		1,618	269,456
Other Current Assets				59
Total Current Assets	<u>356,376</u>	<u>598,040</u>	<u>77,860</u>	<u>3,794,109</u>
Noncurrent Assets:				
Restricted:				
Cash and Cash Equivalents			34,298	34,298
Investments	1,098,131		302	2,268,064
Receivables	111,131			111,131
Loans and Contracts				3,467,500
Other				888
Loans and Contracts			10,668	6,367,075
Investments		14,910		126,299
Interfund Receivable				1,980
Capital Assets:				
Non-Depreciable or Non-Amortizable			900	712,308
Depreciable or Amortizable, Net			2,871	2,015,837
Assets Held in Trust			5,128	5,128
Hedging Derivative Asset				4,226
Intangible Assets – Service Concession Arrangements		2,355,252		2,355,252
Other Noncurrent Assets				43
Total Noncurrent Assets	<u>1,209,262</u>	<u>2,370,162</u>	<u>54,167</u>	<u>17,470,029</u>
Total Assets	<u>1,565,638</u>	<u>2,968,202</u>	<u>132,027</u>	<u>21,264,138</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources				262,696
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>262,696</u>

Continued on the following page

STATE OF TEXAS

Combining Statement of Net Position – Nonmajor Enterprise Funds (continued)

August 31, 2017 (Amounts in Thousands)

	Texas Water Development Board Funds	Texas Department of Housing and Community Affairs	Texas Transportation Commission	Veterans Land Board Loan Program Funds	Texas Department of Criminal Justice Institutional Division
LIABILITIES					
Current Liabilities:					
Payables:					
Accounts Payable	\$	\$ 1,620	\$ 10,639	\$ 13,295	\$ 6,076
Payroll		106			1,501
Investment Trades					
Interest	32,430	11,749	4,461	1,395	
Due To Other Funds	1,868	1		43	457
Interfund Payable		74			
Unearned Revenue		6,243		134	
Short-Term Debt		81,183			
Obligations/Securities Lending				105,378	
Employees' Compensable Leave		657			1,118
Notes and Loans Payable		224			
General Obligation Bonds Payable	63,099			169,209	
Revenue Bonds Payable	36,088	12,456	26,392		
Liabilities Payable From Restricted Assets					
Other Current Liabilities		404			
Total Current Liabilities	<u>133,485</u>	<u>114,717</u>	<u>41,492</u>	<u>289,454</u>	<u>9,152</u>
Noncurrent Liabilities:					
Employees' Compensable Leave		405			52
Notes and Loans Payable		83,901			
General Obligation Bonds Payable	1,389,566			2,714,101	
Revenue Bonds Payable	1,717,081	1,313,340	2,942,418		
Liabilities Payable From Restricted Assets					
Assets Held for Others					
Hedging Derivative Liability		9,902		222,691	
Other Noncurrent Liabilities		87,557			
Total Noncurrent Liabilities	<u>3,106,647</u>	<u>1,495,105</u>	<u>2,942,418</u>	<u>2,936,792</u>	<u>52</u>
Total Liabilities	<u>3,240,132</u>	<u>1,609,822</u>	<u>2,983,910</u>	<u>3,226,246</u>	<u>9,204</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources				4,226	
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,226</u>	<u>0</u>
NET POSITION					
Net Investment in Capital Assets		150	597,067	75,455	769
Restricted for:					
Debt Service		214,213	77,154		
Veterans Land Board Housing Programs				699,509	
Permanent Investments Nonexpendable					
Other	4,346,904		92,824		
Unrestricted	<u>0</u>	<u>78,653</u>	<u>(436,906)</u>	<u>0</u>	<u>41,635</u>
Total Net Position	<u>\$4,346,904</u>	<u>\$ 293,016</u>	<u>\$ 330,139</u>	<u>\$ 774,964</u>	<u>\$ 42,404</u>

Concluded on the following page

STATE OF TEXAS

**Combining Statement of Net Position –
Nonmajor Enterprise Funds (concluded)**

August 31, 2017 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
LIABILITIES				
Current Liabilities:				
Payables:				
Accounts	\$ 660	\$ 19,284	\$ 1,931	\$ 53,505
Payroll			3,901	5,508
Investment Trades	3,019			3,019
Interest		37,398		87,433
Due To Other Funds		6,176	1	8,546
Interfund Payable			174	248
Unearned Revenue	1,557		71	8,005
Short-Term Debt				81,183
Obligations/Securities Lending	11,685			117,063
Employees' Compensable Leave	75		927	2,777
Notes and Loans Payable				224
General Obligation Bonds Payable				232,308
Revenue Bonds Payable				74,936
Liabilities Payable From Restricted Assets	304,363			304,363
Other Current Liabilities		2,447		2,851
Total Current Liabilities	<u>321,359</u>	<u>65,305</u>	<u>7,005</u>	<u>981,969</u>
Noncurrent Liabilities:				
Employees' Compensable Leave	57		507	1,021
Notes and Loans Payable		862,725	15,000	961,626
General Obligation Bonds Payable				4,103,667
Revenue Bonds Payable		2,120,309		8,093,148
Liabilities Payable From Restricted Assets	1,745,431			1,745,431
Assets Held for Others			5,127	5,127
Hedging Derivative Liability				232,593
Other Noncurrent Liabilities				87,557
Total Noncurrent Liabilities	<u>1,745,488</u>	<u>2,983,034</u>	<u>20,634</u>	<u>15,230,170</u>
Total Liabilities	<u>2,066,847</u>	<u>3,048,339</u>	<u>27,639</u>	<u>16,212,139</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources				4,226
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,226</u>
NET POSITION				
Net Investment in Capital Assets			2,462	675,903
Restricted for:				
Debt Service		52,250		343,617
Veterans Land Board Housing Programs				699,509
Permanent Investments Nonexpendable			226	226
Other		49,294	3,144	4,492,166
Unrestricted	<u>(501,209)</u>	<u>(181,681)</u>	<u>98,556</u>	<u>(900,952)</u>
Total Net Position	<u>\$ (501,209)</u>	<u>\$ (80,137)</u>	<u>\$ 104,388</u>	<u>\$5,310,469</u>

STATE OF TEXAS

Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Water Development Board Funds	Texas Department of Housing and Community Affairs	Texas Transportation Commission	Veterans Land Board Loan Program Funds	Texas Department of Criminal Justice Institutional Division
OPERATING REVENUES					
Auxiliary Enterprises – Pledged	\$	\$	\$	\$	\$ 111,847
Other Sales of Goods and Services				7,721	
Other Sales of Goods and Services – Pledged			218,409	23,775	
Discounts and Allowances			(33,207)		
Interest and Investment Income	138,334	57,198		100,729	
Interest and Investment Income - Pledged	57,120				
Federal Revenue				60,553	
Other	8,671	34,023		547	1,611
Other - Pledged			15,704		
Total Operating Revenues	<u>204,125</u>	<u>91,221</u>	<u>200,906</u>	<u>193,325</u>	<u>113,458</u>
OPERATING EXPENSES					
Cost of Goods Sold					76,568
Salaries and Wages	3,809	10,206	1,579		14,323
Payroll Related Costs	674	3,638			5,655
Professional Fees and Services	3,601	2,065	3,172	78,430	12
Travel	47	252	10	116	47
Materials and Supplies	4	239	1,503	3,634	1,341
Communication and Utilities	32	165	799	32	2
Repairs and Maintenance		451	14,543	1,283	190
Rentals and Leases	55	84	31	1	892
Printing and Reproduction	3	37		1	11
Depreciation and Amortization		50	54,403	5,287	65
Bad Debt Expense	123	174			6
Interest Expense	148,779	56,866		87,517	
Employee/Participant Benefit Payments					
Claims and Judgements				(500)	
Other	42	22,553	29,555	3,724	127
Total Operating Expenses	<u>157,169</u>	<u>96,780</u>	<u>105,595</u>	<u>179,525</u>	<u>99,239</u>
Operating Income (Loss)	<u>46,956</u>	<u>(5,559)</u>	<u>95,311</u>	<u>13,800</u>	<u>14,219</u>

Continued on the following page

Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
OPERATING REVENUES				
Auxiliary Enterprises – Pledged	\$	\$	\$	\$ 111,847
Other Sales of Goods and Services	35,323		11,778	54,822
Other Sales of Goods and Services – Pledged		149,299		391,483
Discounts and Allowances		(3,974)		(37,181)
Interest and Investment Income			605	296,866
Interest and Investment Income - Pledged				57,120
Federal Revenue				60,553
Other	1,207	12,905	30,528	89,492
Other - Pledged				15,704
Total Operating Revenues	<u>36,530</u>	<u>158,230</u>	<u>42,911</u>	<u>1,040,706</u>
OPERATING EXPENSES				
Cost of Goods Sold			1,820	78,388
Salaries and Wages	1,045	1,536	15,018	47,516
Payroll Related Costs	284		3,673	13,924
Professional Fees and Services	5,373	2,078	9,715	104,446
Travel	16	9	196	693
Materials and Supplies	73	287	3,432	10,513
Communication and Utilities	20	184	1,003	2,237
Repairs and Maintenance	25	3,949	1,538	21,979
Rentals and Leases	23	3	1,446	2,535
Printing and Reproduction	2		86	140
Depreciation and Amortization		63,901	429	124,135
Bad Debt Expense				303
Interest Expense		3	146	293,311
Employee/Participant Benefit Payments	42,253			42,253
Claims and Judgements				(500)
Other	26,517	21,830	3,736	108,084
Total Operating Expenses	<u>75,631</u>	<u>93,780</u>	<u>42,238</u>	<u>849,957</u>
Operating Income (Loss)	<u>(39,101)</u>	<u>64,450</u>	<u>673</u>	<u>190,749</u>

Continued on the following page

STATE OF TEXAS

Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Water Development Board Funds	Texas Department of Housing and Community Affairs	Texas Transportation Commission	Veterans Land Board Loan Program Funds	Texas Department of Criminal Justice Institutional Division
NONOPERATING REVENUES (EXPENSES)					
Federal Revenue	\$ 161,962	\$	\$	\$ 4,034	\$
Gifts				51	
Land Income			12		
Interest and Investment Income	176		9,774	3,225	
Loan Premium and Fees on Securities Lending					
Investing Activities Expense					
Interest Expense			(139,168)		
Borrower Rebates and Agent Fees				(277)	
Gain on Sale of Capital Assets					1
Settlement of Claims					2
Depreciation and Amortization			12,166		
Other Revenues	2,336	2			
Other Expenses	(19,313)		(26)		
Total Nonoperating Revenues (Expenses)	<u>145,161</u>	<u>2</u>	<u>(117,242)</u>	<u>7,033</u>	<u>3</u>
Income (Loss) Before Capital Contributions and Transfers	<u>192,117</u>	<u>(5,557)</u>	<u>(21,931)</u>	<u>20,833</u>	<u>14,222</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions – Other			5,191		
Transfer In	74,585	2,629			5,400
Transfer Out	(9,603)			(27,051)	(18,274)
Total Capital Contributions and Transfers	<u>64,982</u>	<u>2,629</u>	<u>5,191</u>	<u>(27,051)</u>	<u>(12,874)</u>
Change in Net Position	<u>257,099</u>	<u>(2,928)</u>	<u>(16,740)</u>	<u>(6,218)</u>	<u>1,348</u>
Net Position, September 1, 2016	4,089,805	295,944	346,879	781,183	41,056
Restatements				(1)	
Net Position, September 1, 2016, as Restated	<u>4,089,805</u>	<u>295,944</u>	<u>346,879</u>	<u>781,182</u>	<u>41,056</u>
Net Position, August 31, 2017	<u>\$4,346,904</u>	<u>\$ 293,016</u>	<u>\$ 330,139</u>	<u>\$ 774,964</u>	<u>\$ 42,404</u>

Concluded on the following page

STATE OF TEXAS

Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds (concluded)

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
NONOPERATING REVENUES (EXPENSES)				
Federal Revenue	\$	\$	\$ 39	\$ 166,035
Gifts			470	521
Land Income				12
Interest and Investment Income	88,423	4,084	330	106,012
Loan Premium and Fees on Securities Lending	108			108
Investing Activities Expense	(424)			(424)
Interest Expense		(137,109)		(276,277)
Borrower Rebates and Agent Fees	(27)			(304)
Gain on Sale of Capital Assets			4	5
Settlement of Claims				2
Depreciation and Amortization		12,768		24,934
Other Revenues				2,338
Other Expenses		(1,037)		(20,376)
Total Nonoperating Revenues (Expenses)	<u>88,080</u>	<u>(121,294)</u>	<u>843</u>	<u>2,586</u>
Income (Loss) Before Capital Contributions and Transfers				
	<u>48,979</u>	<u>(56,844)</u>	<u>1,516</u>	<u>193,335</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions – Other				5,191
Transfer In			1,881	84,495
Transfer Out			(188)	(55,116)
Total Capital Contributions and Transfers	<u>0</u>	<u>0</u>	<u>1,693</u>	<u>34,570</u>
Change in Net Position	<u>48,979</u>	<u>(56,844)</u>	<u>3,209</u>	<u>227,905</u>
Net Position, September 1, 2016	(550,188)	(23,293)	101,200	5,082,586
Restatements			(21)	(22)
Net Position, September 1, 2016, as Restated	<u>(550,188)</u>	<u>(23,293)</u>	<u>101,179</u>	<u>5,082,564</u>
Net Position, August 31, 2017	<u>\$ (501,209)</u>	<u>\$ (80,137)</u>	<u>\$ 104,388</u>	<u>\$5,310,469</u>

STATE OF TEXAS

Combining Statement of Cash Flows – Nonmajor Enterprise Funds

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Water Development Board Funds	Texas Department of Housing and Community Affairs	Texas Transportation Commission	Veterans Land Board Loan Program Funds	Texas Department of Criminal Justice Institutional Division
CASH FLOWS FROM OPERATING ACTIVITIES					
Proceeds from Customers	\$	\$	\$ 197,272	\$ 90,306	\$ 111,112
Proceeds from Gifts				51	
Proceeds from Loan Programs		112,224		474,080	
Proceeds from Other Operating Revenues		42,346		1,375	1,611
Payments to Suppliers for Goods and Services	(240)	(78,609)	(44,269)	(87,775)	(76,639)
Payments to Employees	(4,519)	(13,821)			(20,037)
Payments for Loans Provided		(25,632)		(206,237)	
Payments for Other Operating Expenses				(132)	(2,621)
Net Cash Provided (Used) by Operating Activities	<u>(4,759)</u>	<u>36,508</u>	<u>153,003</u>	<u>271,668</u>	<u>13,426</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from Debt Issuance	730,250	191,699		250,000	
Proceeds from Transfers from Other Funds	151,944	2,628	56,678		5,087
Proceeds from Interfund Payables	6,381				
Proceeds from Grant Receipts	163,062				
Proceeds from Other Noncapital Financing Activities				1,434	
Payments of Principal on Debt Issuance	(545,630)	(261,925)		(156,730)	
Payments of Interest	(158,676)	(58,417)		(88,934)	
Payments of Other Costs on Debt Issuance	(1,290)	(1,684)			
Payments for Transfers to Other Funds	(75,022)			(26,535)	(18,274)
Payments for Grant Disbursements	(29,659)				
Payments for Interfund Receivables	(16,098)				
Payments for Other Noncapital Financing Uses					
Net Cash Provided (Used) by Noncapital Financing Activities	<u>225,262</u>	<u>(127,699)</u>	<u>56,678</u>	<u>(20,765)</u>	<u>(13,187)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Federal Grants and Contracts				3,301	
Proceeds from Other Capital and Related Financing Activities			13		
Payments for Additions to Capital Assets		(43)	(380)	(7,072)	(235)
Payments of Principal on Debt Issuance			(7,885)		
Payments for Capital Leases					
Payments of Interest on Debt Issuance			(107,051)		
Payments of Other Costs on Debt Issuance			(25)		
Net Cash (Used) by Capital and Related Financing Activities	<u>0</u>	<u>(43)</u>	<u>(115,328)</u>	<u>(3,771)</u>	<u>(235)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sale of Investments		148,187	196,037	329,083	21,162
Proceeds from Interest and Investment Income	1,233,822	28,468	9,291	8,767	116
Proceeds from Principal Payments on Loans	459,253				
Payments to Acquire Investments	(775,691)	(158,221)	(249,700)	(609,012)	(21,282)
Payments for Nonprogram Loans Provided	(1,263,613)				
Net Cash Provided (Used) by Investing Activities	<u>(346,229)</u>	<u>18,434</u>	<u>(44,372)</u>	<u>(271,162)</u>	<u>(4)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(125,726)</u>	<u>(72,800)</u>	<u>49,981</u>	<u>(24,030)</u>	<u>0</u>
Cash and Cash Equivalents, September 1, 2016	<u>422,701</u>	<u>211,862</u>	<u>349,504</u>	<u>291,232</u>	<u>0</u>
Cash and Cash Equivalents, August 31, 2017	<u>\$ 296,975</u>	<u>\$ 139,062</u>	<u>\$ 399,485</u>	<u>\$ 267,202</u>	<u>\$ 0</u>

Continued on the following page

Combining Statement of Cash Flows – Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Proceeds from Customers	\$ 56,754	\$ 135,845	\$ 11,756	\$ 603,045
Proceeds from Gifts				51
Proceeds from Loan Programs				586,304
Proceeds from Other Operating Revenues	1,574		30,353	77,259
Payments to Suppliers for Goods and Services	(5,615)	(23,981)	(1,883)	(319,011)
Payments to Employees	(1,348)		(17,207)	(56,932)
Payments for Loans Provided				(231,869)
Payments for Other Operating Expenses	(215,518)	(2,398)	(21,471)	(242,140)
Net Cash Provided (Used) by Operating Activities	<u>(164,153)</u>	<u>109,466</u>	<u>1,548</u>	<u>416,707</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from Debt Issuance		924,420		2,096,369
Proceeds from Transfers from Other Funds			5,126	221,463
Proceeds from Interfund Payables				6,381
Proceeds from Grant Receipts				163,062
Proceeds from Other Noncapital Financing Activities			516	1,950
Payments of Principal on Debt Issuance		(924,195)	(5,000)	(1,893,480)
Payments of Interest		(105,152)	(146)	(411,325)
Payments of Other Costs on Debt Issuance		(433)		(3,407)
Payments for Transfers to Other Funds		(19)	(3,435)	(123,285)
Payments for Grant Disbursements				(29,659)
Payments for Interfund Receivables				(16,098)
Payments for Other Noncapital Financing Uses		(111,025)		(111,025)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>(216,404)</u>	<u>(2,939)</u>	<u>(99,054)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Federal Grants and Contracts				3,301
Proceeds from Other Capital and Related Financing Activities				13
Payments for Additions to Capital Assets			(324)	(8,054)
Payments of Principal on Debt Issuance				(7,885)
Payments for Capital Leases			(510)	(510)
Payments of Interest on Debt Issuance				(107,051)
Payments of Other Costs on Debt Issuance				(25)
Net Cash (Used) by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>(834)</u>	<u>(120,211)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Investments	773,746	578,462	18	2,046,695
Proceeds from Interest and Investment Income	69,190	4,157	1,066	1,354,877
Proceeds from Principal Payments on Loans			6,298	465,551
Payments to Acquire Investments	(617,985)	(318,196)		(2,750,087)
Payments for Nonprogram Loans Provided				(1,263,613)
Net Cash Provided (Used) by Investing Activities	<u>224,951</u>	<u>264,423</u>	<u>7,382</u>	<u>(146,577)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>60,798</u>	<u>157,485</u>	<u>5,157</u>	<u>50,865</u>
Cash and Cash Equivalents, September 1, 2016	<u>249,339</u>	<u>300,404</u>	<u>97,447</u>	<u>1,922,489</u>
Cash and Cash Equivalents, August 31, 2017	<u>\$ 310,137</u>	<u>\$ 457,889</u>	<u>\$ 102,604</u>	<u>\$ 1,973,354</u>

Continued on the following page

Combining Statement of Cash Flows – Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Water Development Board Funds	Texas Department of Housing and Community Affairs	Texas Transportation Commission	Veterans Land Board Loan Program Funds	Texas Department of Criminal Justice Institutional Division
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 46,956	\$ (5,559)	\$ 95,311	\$ 13,800	\$ 14,219
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization		50	54,403	5,287	65
Bad Debt Expense	123	174			6
Operating Income (Loss) and Cash Flow Categories Classification Differences					
		(25,499)		87,589	
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables	23,642	3,531	(3,633)	1,617	(735)
(Increase) Decrease in Due From Other Funds	1,500				
(Increase) Decrease in Inventories			(1,230)		446
(Increase) Decrease in Loans and Contracts	(786,942)	(12,755)		167,942	
(Increase) Decrease in Other Assets	(110,021)	928		(68)	
(Increase) Decrease in Prepaid Expenses				(1,924)	
Increase (Decrease) in Payables	(55,377)	(5,438)	8,152	(2,792)	(313)
Increase (Decrease) in Deposits	675,688				
Increase (Decrease) in Due To Other Funds	(1,500)				(203)
Increase (Decrease) in Unearned Revenue		142			
Increase (Decrease) in Employees' Compensable Leave					(59)
Increase (Decrease) in Other Liabilities	201,172	80,934		217	
Total Adjustments	<u>(51,715)</u>	<u>42,067</u>	<u>57,692</u>	<u>257,868</u>	<u>(793)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (4,759)</u>	<u>\$ 36,508</u>	<u>\$ 153,003</u>	<u>\$ 271,668</u>	<u>\$ 13,426</u>
NONCASH TRANSACTIONS					
Donation of Capital Assets	\$	\$	\$ 5,191	\$	\$
Net Change in Fair Value of Investments	\$ (1,821)	\$ (10,550)	\$ (6)	\$ (5,132)	\$
Other	\$	\$	\$ 294	\$	\$

Concluded on the following page

STATE OF TEXAS

Combining Statement of Cash Flows – Nonmajor Enterprise Funds (concluded)

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (39,101)	\$ 64,450	\$ 673	\$ 190,749
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization		63,901	429	124,135
Bad Debt Expense				303
Operating Income (Loss) and Cash Flow Categories Classification Differences				
			(460)	61,630
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	15,525	(22,386)	(186)	17,375
(Increase) Decrease in Due From Other Funds			38	1,538
(Increase) Decrease in Inventories		(216)	(210)	(1,210)
(Increase) Decrease in Loans and Contracts				(631,755)
(Increase) Decrease in Other Assets				(109,161)
(Increase) Decrease in Prepaid Expenses			(72)	(1,996)
Increase (Decrease) in Payables	(141,082)	3,855	1,211	(191,784)
Increase (Decrease) in Deposits		(2,397)		673,291
Increase (Decrease) in Due To Other Funds		2,259	135	691
Increase (Decrease) in Unearned Revenue	523		(46)	619
Increase (Decrease) in Employees' Compensable Leave	(17)		15	(61)
Increase (Decrease) in Other Liabilities	(1)		21	282,343
Total Adjustments	<u>(125,052)</u>	<u>45,016</u>	<u>875</u>	<u>225,958</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$(164,153)</u></u>	<u><u>\$ 109,466</u></u>	<u><u>\$ 1,548</u></u>	<u><u>\$ 416,707</u></u>
NONCASH TRANSACTIONS				
Donation of Capital Assets	\$	\$	\$	\$ 5,191
Net Change in Fair Value of Investments	\$ 51,644	\$ 9	\$	\$ 34,144
Other	\$	\$ 497	\$	\$ 791

Colleges and Universities – Major Enterprise Fund

There are six university systems and five independent universities in Texas' primary government presented in a single-column as a major fund on the basic financial statements. Schedules were prepared to report the breakdown of the following universities:

University of Texas System
Texas A&M University System
Texas Tech University System
University of Houston System
Texas State University System
University of North Texas System
Texas Woman's University
Stephen F. Austin State University
Texas Southern University
Midwestern State University
Texas State Technical College

Schedule of Net Position Colleges and Universities – Major Enterprise Fund

August 31, 2017 (Amounts in Thousands)

	University of Texas System	Texas A&M University System	Texas Tech University System	University of Houston System	Texas State University System	University of North Texas System
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 2,607,488	\$ 829,100	\$ 253,380	\$ 162,938	\$ 487,035	\$ 210,075
Short-Term Investments		104,109		434,225		
Securities Lending Collateral	490,906					
Restricted:						
Cash and Cash Equivalents	576,884	628,016	127,481	215,218	233,429	100,332
Short-Term Investments		298,015			26,509	121,251
Receivables:						
Federal	701,552	131,365	19,610	21,580	19,428	33,337
Other Intergovernmental	107,386	12,794			1,979	1,006
Accounts	1,278,457	185,135	83,999	51,288	132,082	84,279
Interest and Dividends	70,774	10,181	1,312	773	81	3,066
Gifts	127,076	73,627	16,233	54,690	1,994	2,026
Investment Trades	680,960	66,185			213	
Other	475,914	2,634	2,581	2,834	7,474	7,637
Due From Other Funds	250,035	155,080	209,863	174,755	93,823	117,632
Interfund Receivable		84,930				
Inventories	125,068	25,221	4,331	1,694	4,944	3,295
Prepaid Items			56,834	43,800	43,460	45,650
Loans and Contracts	68,479	25,419	1,403	15,022	21,267	3,650
Other Current Assets	266,078	114,995	1,189		13,065	
Total Current Assets	<u>7,827,057</u>	<u>2,746,806</u>	<u>778,216</u>	<u>1,178,817</u>	<u>1,086,783</u>	<u>733,236</u>
Noncurrent Assets:						
Restricted:						
Cash and Cash Equivalents	5,163		235,253		91,584	
Short-Term Investments						77,640
Investments	38,446,700	1,048,262	452,243		175,045	
Receivables				67,020	169	
Loans and Contracts	76,138	4,799	3,200	4,037	1,856	
Other						
Loans and Contracts		14,675	1,385			4,282
Investments	8,199,204	3,023,844	1,567,592	877,498	249,046	238,820
Interfund Receivable		891,586				
Gifts Receivable	192,698	404,711	76,720		7,915	4,017
Other Receivable					3,421	
Capital Assets:						
Non-Depreciable or Non-Amortizable	2,976,516	1,191,835	210,187	326,617	442,964	192,428
Depreciable or Amortizable, Net	13,239,939	4,194,310	1,382,542	1,208,427	1,300,788	880,307
Assets Held in Trust		362				
Hedging Derivative Asset	10,339					
Other Noncurrent Assets	174,954	10,054				
Total Noncurrent Assets	<u>63,321,651</u>	<u>10,784,438</u>	<u>3,929,122</u>	<u>2,483,599</u>	<u>2,272,788</u>	<u>1,397,494</u>
Total Assets	<u>71,148,708</u>	<u>13,531,244</u>	<u>4,707,338</u>	<u>3,662,416</u>	<u>3,359,571</u>	<u>2,130,730</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources	<u>1,160,967</u>	<u>184,737</u>	<u>62,996</u>	<u>42,820</u>	<u>42,268</u>	<u>43,569</u>
Total Deferred Outflows of Resources	<u>1,160,967</u>	<u>184,737</u>	<u>62,996</u>	<u>42,820</u>	<u>42,268</u>	<u>43,569</u>

Continued on the following page

STATE OF TEXAS

Schedule of Net Position Colleges and Universities – Major Enterprise Fund (continued)

August 31, 2017 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 13,814	\$ 51,590	\$ 29,710	\$ 3,197	\$ 45,046	\$ 4,693,373
Short-Term Investments	91,925	431		12,823	2,196	645,709
Securities Lending Collateral						490,906
Restricted:						
Cash and Cash Equivalents	24,881	49,242	45,575	4,771	5,355	2,011,184
Short-Term Investments	100,972	937	32,738		26,537	606,959
Receivables:						
Federal	2,876	15,982	17,227	687	10,979	974,623
Other Intergovernmental		121		449		123,735
Accounts	25,413	17,387	28,675	10,624	7,574	1,904,913
Interest and Dividends	667	214		45	38	87,151
Gifts				398		276,044
Investment Trades						747,358
Other	28		563	1,281		500,946
Due From Other Funds	50,747	9,451	16,350	2,074	7,525	1,087,335
Interfund Receivable						84,930
Inventories	1,385	930	572	190	2,253	169,883
Prepaid Items	349	14,189		9,365	1,919	215,566
Loans and Contracts	5,665	2,763				143,668
Other Current Assets						395,327
Total Current Assets	<u>318,722</u>	<u>163,237</u>	<u>171,410</u>	<u>45,904</u>	<u>109,422</u>	<u>15,159,610</u>
Noncurrent Assets:						
Restricted:						
Cash and Cash Equivalents						332,000
Short-Term Investments				55,585		55,585
Investments	165,541	12,485	53,503	2,742		40,434,161
Receivables		1,706				68,895
Loans and Contracts		3,535	515			94,080
Other			12,000			12,000
Loans and Contracts						20,342
Investments	3	73,550		45,351		14,274,908
Interfund Receivable						891,586
Gifts Receivable				1,980		688,041
Other Receivable						3,421
Capital Assets:						
Non-Depreciable or Non-Amortizable	11,454	23,370	22,377	14,474	50,394	5,462,616
Depreciable or Amortizable, Net	187,703	178,534	247,079	135,106	145,624	23,100,359
Assets Held in Trust						362
Hedging Derivative Asset						10,339
Other Noncurrent Assets						185,008
Total Noncurrent Assets	<u>364,701</u>	<u>293,180</u>	<u>335,474</u>	<u>255,238</u>	<u>196,018</u>	<u>85,633,703</u>
Total Assets	<u>683,423</u>	<u>456,417</u>	<u>506,884</u>	<u>301,142</u>	<u>305,440</u>	<u>100,793,313</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources	<u>7,904</u>	<u>14,758</u>	<u>4,028</u>	<u>5,579</u>	<u>4,498</u>	<u>1,574,124</u>
Total Deferred Outflows of Resources	<u>7,904</u>	<u>14,758</u>	<u>4,028</u>	<u>5,579</u>	<u>4,498</u>	<u>1,574,124</u>

Continued on the following page

Schedule of Net Position Colleges and Universities – Major Enterprise Fund (continued)

August 31, 2017 (Amounts in Thousands)

	University of Texas System	Texas A&M University System	Texas Tech University System	University of Houston System	Texas State University System	University of North Texas System
LIABILITIES						
Current Liabilities:						
Payables:						
Accounts	\$ 1,260,514	\$ 238,970	\$ 47,423	\$ 42,746	\$ 79,704	\$ 62,267
Payroll	574,766	148,707	81,842	76,041	34,411	35,219
Other Intergovernmental	2					
Federal	36,601			45		
Investment Trades	730,277	70,971			52	
Interest					20,612	11,414
Due To Other Funds	28,694	2,771	1,494	256	1,286	264
Interfund Payable	86,283	2,520				
Unearned Revenue	1,715,468	571,500	221,999	260,713	396,852	235,124
Obligations/Securities Lending	490,906					
Short-Term Debt	564,149		43,253	48,772	10,058	25,275
Claims and Judgments	125,517	3,145	1,492	156		556
Capital Lease Obligations	4,812	4,071		541		2,045
Employees' Compensable Leave	401,350	12,534	6,083	13,207	13,196	4,462
Notes and Loans Payable	696	34,740				
General Obligation Bonds Payable						
Revenue Bonds Payable	1,845,797	220,311	65,334	73,412	68,263	47,563
Liabilities Payable from Restricted Assets		60,768				
Funds Held for Others	16,902	53,288	23,922	26,256	4,827	1,730
Other Current Liabilities	139,810	25,124	17,745	3,140	829	5,398
Total Current Liabilities	<u>8,022,544</u>	<u>1,449,420</u>	<u>510,587</u>	<u>545,285</u>	<u>630,090</u>	<u>431,317</u>
Noncurrent Liabilities:						
Interfund Payable	894,905	4,661				
Claims and Judgments	35,619	8,373	6,365			1,174
Capital Lease Obligations	6,042	43,419		6,218		3,462
Employees' Compensable Leave	206,501	101,700	44,438	13,266	12,813	20,614
Notes and Loans Payable	947,961	262,900				
General Obligation Bonds Payable						
Revenue Bonds Payable	7,156,928	3,751,597	776,362	1,265,830	1,150,415	731,380
Liabilities Payable from Restricted Assets		13,722				
Pollution Remediation Obligation			1,023			
Assets Held for Others	827,311	104,886				
Net OPEB Obligation	5,380,651	1,285,351				
Net Pension Liability	3,133,888	457,524	218,757	193,114	146,222	119,710
Hedging Derivative Liability	246,088					
Investment Derivative Instrument	171,471					
Other Noncurrent Liabilities	44,009	25,705	221		2,886	
Total Noncurrent Liabilities	<u>19,051,374</u>	<u>6,059,838</u>	<u>1,047,166</u>	<u>1,478,428</u>	<u>1,312,336</u>	<u>876,340</u>
Total Liabilities	<u>27,073,918</u>	<u>7,509,258</u>	<u>1,557,753</u>	<u>2,023,713</u>	<u>1,942,426</u>	<u>1,307,657</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources	440,109	71,750	27,671	23,261	26,773	34,635
Total Deferred Inflows of Resources	<u>440,109</u>	<u>71,750</u>	<u>27,671</u>	<u>23,261</u>	<u>26,773</u>	<u>34,635</u>
NET POSITION						
Net Investment in Capital Assets	6,334,664	1,912,429	930,236	558,042	514,835	485,077
Restricted for:						
Education	2,188,450	351,399	438,989	223,547	67,339	40,247
Debt Service	11,252		68,067	1	5,535	
Capital Projects	289,855	531,608	38,609	4,694	301,623	
Funds Held as Permanent Investments:						
Nonexpendable	22,364,332	393,033	682,931	464,199	128,068	47,683
Expendable	10,743,186	337,477	108,808	48,304	70,667	26,655
Unrestricted	<u>2,863,909</u>	<u>2,609,027</u>	<u>917,270</u>	<u>359,475</u>	<u>344,573</u>	<u>232,345</u>
Total Net Position	<u>\$44,795,648</u>	<u>\$ 6,134,973</u>	<u>\$ 3,184,910</u>	<u>\$ 1,658,262</u>	<u>\$ 1,432,640</u>	<u>\$ 832,007</u>

Concluded on the following page

STATE OF TEXAS

Schedule of Net Position Colleges and Universities – Major Enterprise Fund (concluded)

August 31, 2017 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
LIABILITIES						
Current Liabilities:						
Payables:						
Accounts	\$ 4,133	\$ 3,395	\$ 10,520	\$ 3,801	\$ 11,693	\$ 1,765,166
Payroll	5,797	10,614	5,026	4,457	7,350	984,230
Other Intergovernmental	3,441					3,443
Federal	2,168				27	38,841
Investment Trades						801,300
Interest		2,195	1,763		1,411	37,395
Due To Other Funds	764	473	63			36,065
Interfund Payable		1,506		278	712	91,299
Unearned Revenue	45,417	72,460	63,362	32,190	18,914	3,633,999
Obligations/Securities Lending						490,906
Short-Term Debt						691,507
Claims and Judgments						130,866
Capital Lease Obligations	144	61			472	12,146
Employees' Compensable Leave	2,340	396	2,959	250	814	457,591
Notes and Loans Payable		1,166	4,769		120	41,491
General Obligation Bonds Payable		1,150			2,367	3,517
Revenue Bonds Payable	10,422	12,486	10,702	6,811	4,907	2,366,008
Liabilities Payable from Restricted Assets						60,768
Funds Held for Others	367	10,605		150	754	138,801
Other Current Liabilities	1,026	3,163	13,320	64	2,960	212,579
Total Current Liabilities	<u>76,019</u>	<u>119,670</u>	<u>112,484</u>	<u>48,001</u>	<u>52,501</u>	<u>11,997,918</u>
Noncurrent Liabilities:						
Interfund Payable		4,515		707	4,223	909,011
Claims and Judgments						51,531
Capital Lease Obligations		207			1,590	60,938
Employees' Compensable Leave	1,396	3,981	3,444	1,481	4,856	414,490
Notes and Loans Payable		11,208	96,740		1,360	1,320,169
General Obligation Bonds Payable		1,195			22,621	23,816
Revenue Bonds Payable	158,394	144,583	107,441	155,490	88,258	15,486,678
Liabilities Payable from Restricted Assets						13,722
Pollution Remediation Obligation						1,023
Assets Held for Others						932,197
Net OPEB Obligation						6,666,002
Net Pension Liability	27,315	28,553	21,232	10,004	13,455	4,369,774
Hedging Derivative Liability						246,088
Investment Derivative Instrument						171,471
Other Noncurrent Liabilities			527	192		73,540
Total Noncurrent Liabilities	<u>187,105</u>	<u>194,242</u>	<u>229,384</u>	<u>167,874</u>	<u>136,363</u>	<u>30,740,450</u>
Total Liabilities	<u>263,124</u>	<u>313,912</u>	<u>341,868</u>	<u>215,875</u>	<u>188,864</u>	<u>42,738,368</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources	3,712	10,654	3,886	1,137	3,437	647,025
Total Deferred Inflows of Resources	<u>3,712</u>	<u>10,654</u>	<u>3,886</u>	<u>1,137</u>	<u>3,437</u>	<u>647,025</u>
NET POSITION						
Net Investment in Capital Assets	30,197	60,879	113,342	45,540	94,051	11,079,292
Restricted for:						
Education	31,662	21,529	2,883		1,513	3,367,558
Debt Service			812			85,667
Capital Projects	192,388			46	1,359	1,360,182
Funds Held as Permanent Investments:						
Nonexpendable	15,313	5,987		4,781	573	24,106,900
Expendable		2,870	54,342	10,957		11,403,266
Unrestricted	<u>154,931</u>	<u>55,344</u>	<u>(6,221)</u>	<u>28,385</u>	<u>20,141</u>	<u>7,579,179</u>
Total Net Position	<u>\$ 424,491</u>	<u>\$ 146,609</u>	<u>\$ 165,158</u>	<u>\$ 89,709</u>	<u>\$ 117,637</u>	<u>\$58,982,044</u>

Schedule of Revenues, Expenses and Changes in Net Position Colleges and Universities – Major Enterprise Fund

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	University of Texas System	Texas A&M University System	Texas Tech University System	University of Houston System	Texas State University System	University of North Texas System
OPERATING REVENUES						
Tuition Revenue	\$	\$ 70,182	\$ 11,818	\$	\$	\$ 75,644
Tuition Revenue – Pledged	2,343,645	1,349,946	520,863	682,056	737,381	382,890
Discounts and Allowances	(625,273)	(358,289)	(119,150)	(133,381)	(187,557)	(100,581)
Hospital Revenue – Pledged	13,572,250					
Discounts and Allowances	(7,785,987)					
Professional Fees	5,821,540	39	478,005			
Professional Fees – Pledged		1,667	723			31,744
Discounts and Allowances	(4,009,229)		(218,555)			(17,538)
Auxiliary Enterprises						
Auxiliary Enterprises – Pledged	609,718	346,789	161,610	115,453	159,723	70,280
Discounts and Allowances	(16,240)	(38,382)		(10,256)	(6,788)	
Other Sales of Goods and Services		14,809	16,583			
Other Sales of Goods and Services – Pledged	476,840	292,612	12,911	62,592	20,640	73,615
Discounts and Allowances	(368)	(6,499)				
Interest and Investment Income		3,076				
Interest and Investment Income – Pledged						
Federal Revenue	1,375,439	407,520	59,581	68,679	41,497	51,519
State Grant Revenue		6,128	2,186	3,908	3,418	2,551
Other Operating Grant Revenue	445,786	242,513	225,723		9,182	11,752
Other Operating Grant Revenue – Pledged	951,643	28,543	2,679	21,986		2,404
Other Revenues	22,383	23,591	29,381			
Other Revenues – Pledged	428,104	62,131		948	9,760	1,916
Total Operating Revenues	<u>13,610,251</u>	<u>2,446,376</u>	<u>1,184,358</u>	<u>811,985</u>	<u>787,256</u>	<u>586,196</u>
OPERATING EXPENSES						
Cost of Goods Sold	152,044	6,524	13,739	2,242	6,521	7,932
Salaries and Wages	8,332,513	1,867,447	935,272	652,807	572,646	446,122
Payroll Related Costs	2,241,600	473,863	241,287	166,102	155,092	106,847
Professional Fees and Services	486,324	377,229	80,018	110,057	72,249	61,124
Travel	153,529	86,553	33,797	17,646	24,173	11,971
Materials and Supplies	1,883,815	244,141	79,641	40,669	111,509	45,309
Communication and Utilities	369,271	134,617	53,530	48,766	38,297	17,902
Repairs and Maintenance	319,025	155,548	39,357	18,593	20,419	38,982
Rentals and Leases	165,022	72,268	21,652	26,401	6,029	14,484
Printing and Reproduction	38,832	13,065	4,889	3,763	4,270	6,299
Depreciation and Amortization	1,396,005	337,457	123,981	99,439	95,111	67,251
Bad Debt Expense	6,518	3,210	547		1,315	
Interest Expense		82	22	116	15	
Scholarships	426,379	246,596	83,208	101,861	123,814	88,420
Claims and Judgments	42,586	8	25	889	216	(24)
Net Change in OPEB Obligations	733,221	167,551				
Other Expenses	1,388,802	309,728	134,635	46,436	27,437	29,700
Total Operating Expenses	<u>18,135,486</u>	<u>4,495,887</u>	<u>1,845,600</u>	<u>1,335,787</u>	<u>1,259,113</u>	<u>942,319</u>
Operating Loss	<u>(4,525,235)</u>	<u>(2,049,511)</u>	<u>(661,242)</u>	<u>(523,802)</u>	<u>(471,857)</u>	<u>(356,123)</u>

Continued on the following page

STATE OF TEXAS

Schedule of Revenues, Expenses and Changes in Net Position Colleges and Universities – Major Enterprise Fund (continued)

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
OPERATING REVENUES						
Tuition Revenue	\$	\$ 4,123	\$	\$	\$ 11,124	\$ 172,891
Tuition Revenue – Pledged	112,311	111,149	103,501	48,128	37,959	6,429,829
Discounts and Allowances	(32,348)	(30,308)	(31,661)	(14,118)	(21,687)	(1,654,353)
Hospital Revenue – Pledged						13,572,250
Discounts and Allowances						(7,785,987)
Professional Fees						6,299,584
Professional Fees – Pledged						34,134
Discounts and Allowances						(4,245,322)
Auxiliary Enterprises		2,159			859	3,018
Auxiliary Enterprises – Pledged	27,488	39,762	17,205	12,155	11,506	1,571,689
Discounts and Allowances	(6,140)	(10,635)			(3,164)	(91,605)
Other Sales of Goods and Services		954				32,346
Other Sales of Goods and Services – Pledged		5,441	172	1,483	7,223	953,529
Discounts and Allowances						(6,867)
Interest and Investment Income					3	3,079
Interest and Investment Income – Pledged					79	79
Federal Revenue	1,856	3,057	15,984	801	1,873	2,027,806
State Grant Revenue			1,376			19,567
Other Operating Grant Revenue	3,419	1,202		772	1,427	941,776
Other Operating Grant Revenue – Pledged			669			1,007,924
Other Revenues	1,688					77,043
Other Revenues – Pledged		44	5,372	1,663		509,938
Total Operating Revenues	<u>108,274</u>	<u>126,948</u>	<u>112,618</u>	<u>50,884</u>	<u>47,202</u>	<u>19,872,348</u>
OPERATING EXPENSES						
Cost of Goods Sold	16	10,090			3,493	202,601
Salaries and Wages	100,850	96,519	91,295	41,601	78,255	13,215,327
Payroll Related Costs	28,609	30,832	23,758	13,376	28,709	3,510,075
Professional Fees and Services	4,103	1,471	8,117	5,348	1,323	1,207,363
Travel	3,150	2,911	3,156	2,027	1,230	340,143
Materials and Supplies	15,279	11,884	7,812	7,336	15,043	2,462,438
Communication and Utilities	7,502	8,044	6,820	2,661	6,643	694,053
Repairs and Maintenance	7,474	4,924	6,401	3,559	2,721	617,003
Rentals and Leases	3,048	2,910	1,428	490	2,072	315,804
Printing and Reproduction	559	466	444	337	19	72,943
Depreciation and Amortization	14,608	16,704	19,008	12,989	11,808	2,194,361
Bad Debt Expense	357		2,831	6		14,784
Interest Expense		(1)		1	4	239
Scholarships	12,702	19,973	19,584	11,825	12,701	1,147,063
Claims and Judgments		101			13	43,814
Net Change in OPEB Obligations						900,772
Other Expenses	6,966	7,542	8,284		9,642	1,969,172
Total Operating Expenses	<u>205,223</u>	<u>214,370</u>	<u>198,938</u>	<u>101,556</u>	<u>173,676</u>	<u>28,907,955</u>
Operating Loss	<u>(96,949)</u>	<u>(87,422)</u>	<u>(86,320)</u>	<u>(50,672)</u>	<u>(126,474)</u>	<u>(9,035,607)</u>

Continued on the following page

STATE OF TEXAS

Schedule of Revenues, Expenses and Changes in Net Position Colleges and Universities – Major Enterprise Fund (continued)

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	University of Texas System	Texas A&M University System	Texas Tech University System	University of Houston System	Texas State University System	University of North Texas System
NONOPERATING REVENUES (EXPENSES)						
Federal Revenue	\$ 348,883	\$ 234,209	\$ 51,023	\$ 101,823	\$ 117,154	\$ 55,022
Gifts	339,480	108,735	61,151		26,857	20,289
Gifts – Pledged	25,738	28,440	8,560	92,931	4,075	
Interest and Investment Income	4,315,560	347,817	145,121		20,734	18,786
Interest and Investment Income – Pledged	510,696	96,925	38,881	71,879	8,273	9,923
Investing Activities Expense	(133,475)	(13,273)			(44)	
Interest Expense	(262,554)	(141,376)	(19,526)	(44,281)	(38,678)	(18,270)
Borrower Rebates and Agent Fees	(1,717)	(4,265)				
Loss on Sale of Capital Assets	(32,051)	(105,678)	(1,537)		(92)	(633)
Settlement of Claims					1,056	
Claims and Judgments		(935)				
Other Revenues	34,962	95,565	1,245		1,019	8
Other Revenues – Pledged	97,151	15,239	87	22,012	1,557	434
Other Expenses	(12,917)	(51,793)		(43,744)	(7,700)	(2,257)
Total Nonoperating Revenues (Expenses)	<u>5,229,756</u>	<u>609,610</u>	<u>285,005</u>	<u>200,620</u>	<u>134,211</u>	<u>83,302</u>
Gain (Loss) Before Capital Contributions, Endowments and Transfers	<u>704,521</u>	<u>(1,439,901)</u>	<u>(376,237)</u>	<u>(323,182)</u>	<u>(337,646)</u>	<u>(272,821)</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS						
Capital Contributions – Federal					100	
Capital Contributions – Other	158,528	16,978	5,746	258	7	2,073
Contributions to Permanent and Term Endowments	159,690	5,183	16,950	20,479	5,730	343
Transfer In	2,847,307	1,708,980	619,599	456,999	482,696	360,671
Transfer Out	(359,650)	(50,565)	(5,201)	(1,604)	(1,622)	(1,192)
Total Capital Contributions, Endowments and Transfers	<u>2,805,875</u>	<u>1,680,576</u>	<u>637,094</u>	<u>476,132</u>	<u>486,911</u>	<u>361,895</u>
Change in Net Position	<u>3,510,396</u>	<u>240,675</u>	<u>260,857</u>	<u>152,950</u>	<u>149,265</u>	<u>89,074</u>
Net Position, September 1, 2016	41,286,335	5,892,113	2,927,992	1,510,047	1,289,246	742,933
Restatements	(1,083)	2,185	(3,939)	(4,735)	(5,871)	
Net Position, September 1, 2016, as Restated	<u>41,285,252</u>	<u>5,894,298</u>	<u>2,924,053</u>	<u>1,505,312</u>	<u>1,283,375</u>	<u>742,933</u>
Net Position, August 31, 2017	<u>\$44,795,648</u>	<u>\$ 6,134,973</u>	<u>\$ 3,184,910</u>	<u>\$ 1,658,262</u>	<u>\$ 1,432,640</u>	<u>\$ 832,007</u>

Concluded on the following page

STATE OF TEXAS

Schedule of Revenues, Expenses and Changes in Net Position Colleges and Universities – Major Enterprise Fund (concluded)

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
NONOPERATING REVENUES (EXPENSES)						
Federal Revenue	\$ 19,461	\$ 21,455	\$ 21,309	\$ 9,524	\$ 23,667	\$ 1,003,530
Gifts	4,310	5,078		4,301	881	571,082
Gifts – Pledged			489		1,091	161,324
Interest and Investment Income	1,064	1,321			278	4,850,681
Interest and Investment Income – Pledged	15,869	5,731	9,682	5,163	358	773,380
Investing Activities Expense		(294)	(468)			(147,554)
Interest Expense	(2,617)	(4,900)	(8,185)	(5,080)	(4,369)	(549,836)
Borrower Rebates and Agent Fees						(5,982)
Loss on Sale of Capital Assets	(145)	(32)		(317)	(219)	(140,704)
Settlement of Claims		155				1,211
Claims and Judgments						(935)
Other Revenues	6,767	9		447	6	140,028
Other Revenues – Pledged						136,480
Other Expenses	(756)		(648)		(3,154)	(122,969)
Total Nonoperating Revenues (Expenses)	<u>43,953</u>	<u>28,523</u>	<u>22,179</u>	<u>14,038</u>	<u>18,539</u>	<u>6,669,736</u>
Gain (Loss) Before Capital Contributions, Endowments and Transfers	<u>(52,996)</u>	<u>(58,899)</u>	<u>(64,141)</u>	<u>(36,634)</u>	<u>(107,935)</u>	<u>(2,365,871)</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS						
Capital Contributions – Federal						100
Capital Contributions – Other		693		291	1,470	186,044
Contributions to Permanent and Term Endowments		605	340	84		209,404
Transfer In	87,429	77,406	86,160	38,920	112,652	6,878,819
Transfer Out	(598)		(378)	(977)	(2,340)	(424,127)
Total Capital Contributions, Endowments and Transfers	<u>86,831</u>	<u>78,704</u>	<u>86,122</u>	<u>38,318</u>	<u>111,782</u>	<u>6,850,240</u>
Change in Net Position	<u>33,835</u>	<u>19,805</u>	<u>21,981</u>	<u>1,684</u>	<u>3,847</u>	<u>4,484,369</u>
Net Position, September 1, 2016	390,610	126,804	143,177	88,025	113,883	54,511,165
Restatements	46				(93)	(13,490)
Net Position, September 1, 2016, as Restated	<u>390,656</u>	<u>126,804</u>	<u>143,177</u>	<u>88,025</u>	<u>113,790</u>	<u>54,497,675</u>
Net Position, August 31, 2017	<u>\$ 424,491</u>	<u>\$ 146,609</u>	<u>\$ 165,158</u>	<u>\$ 89,709</u>	<u>\$ 117,637</u>	<u>\$58,982,044</u>

STATE OF TEXAS

Schedule of Cash Flows

Colleges and Universities – Major Enterprise Fund

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	University of Texas System	Texas A&M University System	Texas Tech University System	University of Houston System	Texas State University System	University of North Texas System
CASH FLOWS FROM OPERATING ACTIVITIES						
Proceeds from Customers	\$ 7,718,823	\$ 312,779	\$ 322,519	\$ 63,646	\$ 16,193	\$ 94,951
Proceeds from Tuition and Fees	1,756,691	1,036,529	430,806	559,408	543,484	358,222
Proceeds from Research Grants and Contracts	2,665,737	737,946	281,186	97,336	48,230	67,572
Proceeds from Loan Programs	128,516	6,580	5,848	134,774	21,166	191
Proceeds from Auxiliaries	603,744	305,402	163,272	104,288	154,568	70,280
Proceeds from Other Operating Revenues	923,056	125,134		948	18,818	1,915
Payments to Suppliers for Goods and Services	(5,379,834)	(1,364,341)	(283,943)	(282,379)	(362,383)	(264,653)
Payments to Employees	(10,419,191)	(2,316,327)	(1,109,709)	(786,950)	(679,456)	(542,140)
Payments for Loans Provided	(128,687)	(9,069)	(4,812)	(129,879)	(27,558)	(283)
Payments for Other Operating Expenses		(306,355)	(331,515)	(154,202)	(106,002)	(89,431)
Net Cash (Used) by Operating Activities	<u>(2,131,145)</u>	<u>(1,471,722)</u>	<u>(526,348)</u>	<u>(393,010)</u>	<u>(372,940)</u>	<u>(303,376)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from Gifts	458,866	187,341	89,431	72,075	33,266	17,717
Proceeds from Endowments	297,166	5,113		20,480	5,419	343
Proceeds from Transfers from Other Funds	3,076,387	1,708,527	539,966	363,354	455,721	355,186
Proceeds from Loan Programs						
Proceeds from Grant Receipts	380,495	232,527	51,039	101,753	119,406	55,438
Proceeds from Other Noncapital Financing Activities	14,589	96,679	324,169		1,911	441
Payments of Principal on Debt Issuance						
Payments of Interest						
Payments of Other Costs on Debt Issuance						
Payments for Transfers to Other Funds	(1,174,406)	(50,070)	(4,060)	(3,610)	(1,620)	(1,036)
Payments for Grant Disbursements						
Payments for Other Noncapital Financing Uses	(5,581)	(59,551)	(319,452)		(8,711)	(175)
Net Cash Provided by Noncapital Financing Activities	<u>3,047,516</u>	<u>2,120,566</u>	<u>681,093</u>	<u>554,052</u>	<u>605,392</u>	<u>427,914</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Sale of Capital Assets	2,116	4,468	231		209	121
Proceeds from Debt Issuance	3,526,137	1,100,308	462,061	391,085	431,839	437,461
Proceeds from State Grants and Contracts		39,965				
Proceeds from Federal Grants and Contracts					100	
Proceeds from Gifts						
Proceeds from Other Capital and Related Financing Activities		8,943		239,692	10,058	
Proceeds from Capital Contributions	143,688		67,318	77,062	7	1,092
Payments for Additions to Capital Assets	(1,952,791)	(764,276)	(205,685)	(200,380)	(280,999)	(103,999)
Payments of Principal on Debt Issuance	(2,883,230)	(420,892)	(201,960)	(157,675)	(80,158)	(189,336)
Payments for Capital Leases		(2,848)	(3,360)	(538)		(1,573)
Payments of Interest on Debt Issuance	(338,318)	(138,269)	(28,894)	(43,924)	(36,922)	(21,501)
Payments of Other Costs on Debt Issuance	(7,428)	(5,691)	(2,068)	(248,861)	(15)	(2,083)
Payments for Interfund Receivables		(3,226)				
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,509,826)</u>	<u>(181,518)</u>	<u>87,643</u>	<u>56,461</u>	<u>44,119</u>	<u>120,182</u>

Continued on the following page

STATE OF TEXAS

Schedule of Cash Flows**Colleges and Universities – Major Enterprise Fund (continued)**

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Proceeds from Customers	\$	\$ 6,358	\$	\$	\$ 8,619	\$ 8,543,888
Proceeds from Tuition and Fees	76,428	83,162	72,892	34,505	30,105	4,982,232
Proceeds from Research Grants and Contracts	5,458	866	9,250	1,943	2,965	3,918,489
Proceeds from Loan Programs		254		2		297,331
Proceeds from Auxiliaries	21,348	31,425	17,205	13,471	8,685	1,493,688
Proceeds from Other Operating Revenues	5,258	44	6,173	3,146		1,084,492
Payments to Suppliers for Goods and Services	(67,769)	(56,829)	(63,303)	(29,622)	(48,547)	(8,203,603)
Payments to Employees	(119,718)	(119,886)	(109,807)	(51,190)	(93,009)	(16,347,383)
Payments for Loans Provided						(300,288)
Payments for Other Operating Expenses		(22,406)	(5,964)	(11,577)	(16,998)	(1,044,450)
Net Cash (Used) by Operating Activities	(78,995)	(77,012)	(73,554)	(39,322)	(108,180)	(5,575,604)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from Gifts	4,310	5,078	854	3,898		872,836
Proceeds from Endowments		993		84		329,598
Proceeds from Transfers from Other Funds	93,906	65,492	79,575	32,206	111,896	6,882,216
Proceeds from Loan Programs	19,461	122				19,583
Proceeds from Grant Receipts		21,359	21,285	9,526	23,667	1,016,495
Proceeds from Other Noncapital Financing Activities	6,736	560			5	445,090
Payments of Principal on Debt Issuance			(278)			(278)
Payments of Interest	(24)					(24)
Payments of Other Costs on Debt Issuance				(305)		(305)
Payments for Transfers to Other Funds			(322)	(977)		(1,236,101)
Payments for Grant Disbursements	(18,215)					(18,215)
Payments for Other Noncapital Financing Uses					(3,321)	(396,791)
Net Cash Provided by Noncapital Financing Activities	106,174	93,604	101,114	44,432	132,247	7,914,104
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Sale of Capital Assets	81	43				7,269
Proceeds from Debt Issuance	93,467	61,205	61,550	59,682		6,624,795
Proceeds from State Grants and Contracts		7,451				47,416
Proceeds from Federal Grants and Contracts						100
Proceeds from Gifts					1,092	1,092
Proceeds from Other Capital and Related Financing Activities		607		5,061		264,361
Proceeds from Capital Contributions		478		280	285	290,210
Payments for Additions to Capital Assets	(13,221)	(16,427)	(6,231)	(10,346)	(33,201)	(3,587,556)
Payments of Principal on Debt Issuance	(8,460)	(28,235)	(16,516)	(6,768)	(7,224)	(4,000,454)
Payments for Capital Leases	(277)	(58)			(2,339)	(10,993)
Payments of Interest on Debt Issuance	(3,778)	(4,695)	(7,994)	(5,542)	(5,132)	(634,969)
Payments of Other Costs on Debt Issuance	(730)	(508)				(267,384)
Payments for Interfund Receivables		(1,506)			(702)	(5,434)
Net Cash Provided (Used) by Capital and Related Financing Activities	67,082	18,355	30,809	42,367	(47,221)	(1,271,547)

Continued on the following page

STATE OF TEXAS

Schedule of Cash Flows**Colleges and Universities – Major Enterprise Fund (continued)**

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	University of Texas System	Texas A&M University System	Texas Tech University System	University of Houston System	Texas State University System	University of North Texas System
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from Sale of Investments	\$ 19,972,477	\$ 2,793,903	\$ 218,976	\$ 118,172	\$ 104,291	\$ 309,396
Proceeds from Interest and Investment Income	1,399,698	112,674	84,703	27,124	15,476	13,282
Proceeds from Principal Payments on Loans						
Payments to Acquire Investments	(20,465,895)	(3,186,649)	(316,664)	(346,402)	(135,668)	(460,645)
Net Cash Provided (Used) by Investing Activities	<u>906,280</u>	<u>(280,072)</u>	<u>(12,985)</u>	<u>(201,106)</u>	<u>(15,901)</u>	<u>(137,967)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>312,825</u>	<u>187,254</u>	<u>229,403</u>	<u>16,397</u>	<u>260,670</u>	<u>106,753</u>
Cash and Cash Equivalents, September 1, 2016	2,876,710	1,269,862	386,529	361,759	551,378	203,654
Restatements			182			
Cash and Cash Equivalents, September 1, 2016, as Restated	<u>2,876,710</u>	<u>1,269,862</u>	<u>386,711</u>	<u>361,759</u>	<u>551,378</u>	<u>203,654</u>
Cash and Cash Equivalents, August 31, 2017	<u>\$ 3,189,535</u>	<u>\$ 1,457,116</u>	<u>\$ 616,114</u>	<u>\$ 378,156</u>	<u>\$ 812,048</u>	<u>\$ 310,407</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES						
Operating (Loss)	\$ (4,525,235)	\$ (2,049,511)	\$ (661,242)	\$ (523,802)	\$ (471,857)	\$ (356,123)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:						
Depreciation and Amortization	1,396,005	337,457	123,981	99,439	95,111	67,251
Bad Debt Expense	523,147	8,941	456		1,315	
Pension Expense	367,734	50,953	25,484	21,010	14,983	11,268
Operating (Loss) and Cash Flow Categories Classification Differences		(107)		4,895		
Changes in Assets and Liabilities:						
(Increase) Decrease in Receivables	(716,509)	(28,969)	2,286	4,711	(25,429)	1,639
(Increase) Decrease in Due To Other Funds		9,533	(1,812)		3,056	
(Increase) Decrease in Inventories	(8,426)	(249)	(398)	100	167	(108)
(Increase) Decrease in Notes Receivable			1,156		(25)	
(Increase) Decrease in Loans and Contracts	(164)	(3,174)			(7,474)	(92)
(Increase) Decrease in Other Assets	18,919	5,734	(13,796)	3,557	(68)	
(Increase) Decrease in Prepaid Expenses		706	336	406	(3,668)	140
Increase (Decrease) in Payables	89,681	46,662	(7,677)	(2,500)	15,081	(21,333)
Increase (Decrease) in Deposits	(414)	487			(32)	
Increase (Decrease) in Due To Other Funds		743	(117)		(473)	
Increase (Decrease) in Unearned Revenue	224,417	23,583	9,786	21,502	16,850	5,104
Increase (Decrease) in Employees' Compensable Leave	12,684	944	3,824	165	1,047	
Increase (Decrease) in Benefits Payable	469,170	130,585	(17,428)	(21,433)	(13,002)	(10,659)
Increase (Decrease) in Other Liabilities	17,846	(6,040)	8,813	(1,060)	1,478	(463)
Total Adjustments	<u>2,394,090</u>	<u>577,789</u>	<u>134,894</u>	<u>130,792</u>	<u>98,917</u>	<u>52,747</u>
Net Cash (Used) by Operating Activities	<u>\$ (2,131,145)</u>	<u>\$ (1,471,722)</u>	<u>\$ (526,348)</u>	<u>\$ (393,010)</u>	<u>\$ (372,940)</u>	<u>\$ (303,376)</u>
NONCASH TRANSACTIONS						
Donation of Capital Assets	\$ 25,977	\$ 17,465	\$ 5,592	\$	\$ 1,094	\$ 981
Net Change in Fair Value of Investments	\$ 1,831,392	\$ 260,545	\$ 66,085	\$ 44,734	\$ 12,477	\$ 14,524
Borrowing Under Capital Lease Purchase	\$ 1,715	\$ 8,270	\$	\$	\$	\$ 2,843
Other	\$ 19,486	\$ 58,943	\$ (1,870)	\$	\$ (85)	\$ 22,993

Concluded on the following page

STATE OF TEXAS

Schedule of Cash Flows**Colleges and Universities – Major Enterprise Fund (concluded)**

For the Fiscal Year Ended August 31, 2017 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from Sale of Investments	\$ 1,383	\$	\$	\$ 42,094	\$ 53,719	\$ 23,614,411
Proceeds from Interest and Investment Income	5,675	327	3,677	3,019	697	1,666,352
Proceeds from Principal Payments on Loans			6			6
Payments to Acquire Investments	(100,972)	(20,095)	(29,532)	(92,740)	(23,869)	(25,179,131)
Net Cash Provided (Used) by Investing Activities	<u>(93,914)</u>	<u>(19,768)</u>	<u>(25,849)</u>	<u>(47,627)</u>	<u>30,547</u>	<u>101,638</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>347</u>	<u>15,179</u>	<u>32,520</u>	<u>(150)</u>	<u>7,393</u>	<u>1,168,591</u>
Cash and Cash Equivalents, September 1, 2016	38,348	85,653	42,765	8,118	43,008	5,867,784
Restatements						182
Cash and Cash Equivalents, September 1, 2016, as Restated	<u>38,348</u>	<u>85,653</u>	<u>42,765</u>	<u>8,118</u>	<u>43,008</u>	<u>5,867,966</u>
Cash and Cash Equivalents, August 31, 2017	<u>\$ 38,695</u>	<u>\$ 100,832</u>	<u>\$ 75,285</u>	<u>\$ 7,968</u>	<u>\$ 50,401</u>	<u>\$ 7,036,557</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES						
Operating (Loss)	\$ (96,949)	\$ (87,422)	\$ (86,320)	\$ (50,672)	\$ (126,474)	\$ (9,035,607)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:						
Depreciation and Amortization	14,608	16,704	19,008	12,989	11,808	2,194,361
Bad Debt Expense	357		2,831	6		537,053
Pension Expense	3,181	3,594	2,051	1,106	1,099	502,463
Operating (Loss) and Cash Flow Categories Classification Differences				697	2,803	8,288
Changes in Assets and Liabilities:						
(Increase) Decrease in Receivables	(3,537)	(6,452)	1,145	(962)	737	(771,340)
(Increase) Decrease in Due From Other Funds	328	54	(12,623)		382	(1,082)
(Increase) Decrease in Inventories	222	(38)	(56)	8	11	(8,767)
(Increase) Decrease in Notes Receivable						1,131
(Increase) Decrease in Loans and Contracts	145	255				(10,504)
(Increase) Decrease in Other Assets		210	(41)			14,515
(Increase) Decrease in Prepaid Expenses	161	(588)	(291)	252	(1,919)	(4,465)
Increase (Decrease) in Payables	1,774	49	(4,699)	(4,957)	5,087	117,168
Increase (Decrease) in Deposits		(128)			1,436	1,349
Increase (Decrease) in Due To Other Funds	19	82	(20)			234
Increase (Decrease) in Unearned Revenue	3,586	954	4,365	3,144	702	313,993
Increase (Decrease) in Employees' Compensable Leave	(109)	(119)	(109)	22	344	18,693
Increase (Decrease) in Benefits Payable	(2,563)	(2,582)	(1,863)	(955)	(1,142)	528,128
Increase (Decrease) in Other Liabilities	(218)	(1,585)	3,068		(3,054)	18,785
Total Adjustments	<u>17,954</u>	<u>10,410</u>	<u>12,766</u>	<u>11,350</u>	<u>18,294</u>	<u>3,460,003</u>
Net Cash (Used) by Operating Activities	<u>\$ (78,995)</u>	<u>\$ (77,012)</u>	<u>\$ (73,554)</u>	<u>\$ (39,322)</u>	<u>\$ (108,180)</u>	<u>\$ (5,575,604)</u>
NONCASH TRANSACTIONS						
Donation of Capital Assets	\$	\$ 219	\$	\$ 11	\$ 1,185	\$ 52,524
Net Change in Fair Value of Investments	\$ 11,258	\$ 4,086	\$ 5,538	\$ 2,875	\$	\$ 2,253,514
Borrowing Under Capital Lease Purchase	\$	\$	\$	\$	\$ 40	\$ 12,868
Other	\$ (1,384)	\$	\$	\$ 32,718	\$ 3,792	\$ 134,593

