



STATE OF TEXAS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

THE SPREADSHEETS IN THIS PUBLICATION ARE AVAILABLE  
IN ACCESSIBLE DATA FORM (EXCEL) FOR THE SECTIONS BELOW.

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Management's Discussion and Analysis, pages 17-30

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/analysis.xlsx](https://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/analysis.xlsx)

Basic Financial Statements, pages 31-184

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/basic.xlsx](https://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/basic.xlsx)

Required Supplementary Information other than MD&A, pages 185-204

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/supplemental.xlsx](https://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/supplemental.xlsx)

Governmental Funds, pages 205-230

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/governmental.xlsx](https://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/governmental.xlsx)

Enterprise Funds, pages 231-260

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/enterprise.xlsx](https://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2018/enterprise.xlsx)

Fiduciary Funds, pages 261-278

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Discretely Presented Component Units, pages 279-294

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Statistical Section, pages 295-321

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## Nonmajor Enterprise Funds

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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.

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## Combining Statement of Net Position – Nonmajor Enterprise Funds

August 31, 2018 (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
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 449,280	\$ 39,983	\$ 277,750	\$	\$
Short-Term Investments	546,607		114,555		
Securities Lending Collateral				55,451	
Restricted:					
Cash and Cash Equivalents		153,121	43,775	608,179	
Short-Term Investments		231	146,797	4,458	
Loans and Contracts		76,206		69,391	
Receivables:					
Federal	2,413			20,828	
Accounts		266	17,486	3,788	2,542
Interest and Dividends	207,712	8,953	819	11,959	
Investment Trades					
Other		314			
Due From Other Funds				2,084	41,966
Interfund Receivable	165	82			
Inventories		7	1,331		10,035
Prepaid Items				25,306	
Loans and Contracts	336,682	3,004			
Other Current Assets		347			
Total Current Assets	<u>1,542,859</u>	<u>282,514</u>	<u>602,513</u>	<u>801,444</u>	<u>54,543</u>
Noncurrent Assets:					
Restricted:					
Investments		674,984	114,998	384,668	
Receivables					
Loans and Contracts		961,188		2,528,428	
Other				1,733	
Loans and Contracts	8,410,445	48,399			
Investments	208,848	943		987	
Interfund Receivable	1,815				
Capital Assets:					
Non-Depreciable or Non-Amortizable			696,822	29,932	282
Depreciable or Amortizable, Net		113	1,899,695	62,726	417
Assets Held in Trust					
Hedging Derivative Asset				27,676	
Intangible Assets – Service Concession Arrangements					
Other Noncurrent Assets		43			
Total Noncurrent Assets	<u>8,621,108</u>	<u>1,685,670</u>	<u>2,711,515</u>	<u>3,036,150</u>	<u>699</u>
Total Assets	<u>10,163,967</u>	<u>1,968,184</u>	<u>3,314,028</u>	<u>3,837,594</u>	<u>55,242</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows of Resources		5,098	28,183	116,588	
Total Deferred Outflows of Resources	<u>0</u>	<u>5,098</u>	<u>28,183</u>	<u>116,588</u>	<u>0</u>

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

August 31, 2018 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 4,018	\$ 109,238	\$ 101,218	\$ 981,487
Short-Term Investments		54,675		715,837
Securities Lending Collateral	25			55,476
Restricted:				
Cash and Cash Equivalents	112,759	1,282,400	597	2,200,831
Short-Term Investments		733,750	348	885,584
Loans and Contracts				145,597
Receivables:				
Federal				23,241
Accounts		16,141	432	40,655
Interest and Dividends	1,055	1,904	30	232,432
Investment Trades	69			69
Other	43		5,632	5,989
Due From Other Funds				44,050
Interfund Receivable				247
Inventories		230	1,206	12,809
Prepaid Items			1,281	26,587
Loans and Contracts	29,339		1,116	370,141
Other Current Assets				347
Total Current Assets	<u>147,308</u>	<u>2,198,338</u>	<u>111,860</u>	<u>5,741,379</u>
Noncurrent Assets:				
Restricted:				
Investments	1,186,139			2,360,789
Receivables	106,984			106,984
Loans and Contracts				3,489,616
Other				1,733
Loans and Contracts			7,310	8,466,154
Investments		69,646		280,424
Interfund Receivable				1,815
Capital Assets:				
Non-Depreciable or Non-Amortizable			923	727,959
Depreciable or Amortizable, Net			2,536	1,965,487
Assets Held in Trust			14,592	14,592
Hedging Derivative Asset				27,676
Intangible Assets – Service Concession Arrangements		2,378,901		2,378,901
Other Noncurrent Assets				43
Total Noncurrent Assets	<u>1,293,123</u>	<u>2,448,547</u>	<u>25,361</u>	<u>19,822,173</u>
Total Assets	<u>1,440,431</u>	<u>4,646,885</u>	<u>137,221</u>	<u>25,563,552</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows of Resources				149,869
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>149,869</u>

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

August 31, 2018 (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
<b>LIABILITIES</b>					
Current Liabilities:					
Payables:					
Accounts Payable	\$ 6	\$ 1,475	\$ 6,963	\$ 15,561	\$ 6,097
Payroll		238			1,636
Investment Trades					
Interest	64,812	11,873	4,460	405	
Due To Other Funds	2,413		3,683	1,637	
Unearned Revenue		6,669		164	
Short-Term Debt		67,843			
Obligations/Securities Lending				55,451	
Employees' Compensable Leave		883			1,254
Notes and Loans Payable		215			
General Obligation Bonds Payable	70,437			192,100	
Revenue Bonds Payable	85,378	12,182	32,531		
Liabilities Payable From Restricted Assets					
Other Current Liabilities		363			
Total Current Liabilities	<u>223,046</u>	<u>101,741</u>	<u>47,637</u>	<u>265,318</u>	<u>8,987</u>
Noncurrent Liabilities:					
Employees' Compensable Leave		532			40
Notes and Loans Payable		109,532			
General Obligation Bonds Payable	1,351,565			2,772,002	
Revenue Bonds Payable	3,881,990	1,324,366	2,941,336		
Liabilities Payable From Restricted Assets					
Assets Held for Others					
Hedging Derivative Liability		5,097		116,589	
Other Noncurrent Liabilities		128,637			
Total Noncurrent Liabilities	<u>5,233,555</u>	<u>1,568,164</u>	<u>2,941,336</u>	<u>2,888,591</u>	<u>40</u>
Total Liabilities	<u>5,456,601</u>	<u>1,669,905</u>	<u>2,988,973</u>	<u>3,153,909</u>	<u>9,027</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows of Resources				27,676	
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,676</u>	<u>0</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets		114	557,881	92,638	699
Restricted for:					
Debt Service		222,461	123,247		
Veterans Land Board Housing Programs				680,395	
Permanent Investments Nonexpendable					
Other	4,707,366		124,923		
Unrestricted	<u>80,802</u>	<u>80,802</u>	<u>(452,813)</u>	<u>(436)</u>	<u>45,516</u>
Total Net Position	<u>\$4,707,366</u>	<u>\$ 303,377</u>	<u>\$ 353,238</u>	<u>\$ 772,597</u>	<u>\$ 46,215</u>

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

August 31, 2018 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
<b>LIABILITIES</b>				
Current Liabilities:				
Payables:				
Accounts	\$ 633	\$ 39,982	\$ 2,536	\$ 73,252
Payroll			4,560	6,434
Investment Trades	23			23
Interest		56,154		137,704
Due To Other Funds		6,585		14,318
Unearned Revenue	1,663		86	8,582
Short-Term Debt				67,843
Obligations/Securities Lending	25			55,476
Employees' Compensable Leave	82		894	3,113
Notes and Loans Payable		10,531		10,746
General Obligation Bonds Payable				262,537
Revenue Bonds Payable		4,222		134,313
Liabilities Payable From Restricted Assets	309,603			309,603
Other Current Liabilities		2,090		2,453
Total Current Liabilities	<u>312,029</u>	<u>119,564</u>	<u>8,076</u>	<u>1,086,398</u>
Noncurrent Liabilities:				
Employees' Compensable Leave	52		504	1,128
Notes and Loans Payable		1,541,959	5,000	1,656,491
General Obligation Bonds Payable				4,123,567
Revenue Bonds Payable		3,128,865		11,276,557
Liabilities Payable From Restricted Assets	1,617,249			1,617,249
Assets Held for Others			14,592	14,592
Hedging Derivative Liability				121,686
Other Noncurrent Liabilities				128,637
Total Noncurrent Liabilities	<u>1,617,301</u>	<u>4,670,824</u>	<u>20,096</u>	<u>18,939,907</u>
Total Liabilities	<u>1,929,330</u>	<u>4,790,388</u>	<u>28,172</u>	<u>20,026,305</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows of Resources				27,676
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,676</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets			2,206	653,538
Restricted for:				
Debt Service		33,788		379,496
Veterans Land Board Housing Programs				680,395
Permanent Investments Nonexpendable			227	227
Other		62,007	3,151	4,897,447
Unrestricted	<u>(488,899)</u>	<u>(239,298)</u>	<u>103,465</u>	<u>(951,663)</u>
Total Net Position	<u>\$ (488,899)</u>	<u>\$ (143,503)</u>	<u>\$ 109,049</u>	<u>\$ 5,659,440</u>



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

For the Fiscal Year Ended August 31, 2018 (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
<b>OPERATING REVENUES</b>					
Auxiliary Enterprises – Pledged	\$	\$	\$	\$	\$ 117,755
Other Sales of Goods and Services				6,747	
Other Sales of Goods and Services – Pledged			235,904	25,786	
Discounts and Allowances			(38,358)		
Interest and Investment Income	162,684	47,382		85,926	
Interest and Investment Income - Pledged	88,256				
Federal Revenue				66,310	
Other	9,615	67,700		700	1,766
Other - Pledged			23,911		
Total Operating Revenues	<u>260,555</u>	<u>115,082</u>	<u>221,457</u>	<u>185,469</u>	<u>119,521</u>
<b>OPERATING EXPENSES</b>					
Cost of Goods Sold					80,458
Salaries and Wages	4,776	10,962	1,807		13,938
Payroll Related Costs	845	3,880			5,376
Professional Fees and Services	9,890	1,743	4,096	81,954	33
Travel	80	308	7	122	82
Materials and Supplies	3	259	1,820	4,547	1,585
Communication and Utilities	24	168	787	41	2
Repairs and Maintenance		667	14,813	1,145	227
Rentals and Leases	53	77	5	1	891
Printing and Reproduction	16	29		1	11
Depreciation and Amortization		43	54,472	5,585	80
Bad Debt Expense		3,892			3
Interest Expense	176,165	55,526		90,156	
Employee/Participant Benefit Payments					
Other	27	29,662	33,359	2,992	121
Total Operating Expenses	<u>191,879</u>	<u>107,216</u>	<u>111,166</u>	<u>186,544</u>	<u>102,807</u>
Operating Income (Loss)	<u>68,676</u>	<u>7,866</u>	<u>110,291</u>	<u>(1,075)</u>	<u>16,714</u>

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

For the Fiscal Year Ended August 31, 2018 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
<b>OPERATING REVENUES</b>				
Auxiliary Enterprises – Pledged	\$	\$	\$	\$ 117,755
Other Sales of Goods and Services	28,927		10,726	46,400
Other Sales of Goods and Services – Pledged		174,399		436,089
Discounts and Allowances		(2,768)		(41,126)
Interest and Investment Income			433	296,425
Interest and Investment Income - Pledged				88,256
Federal Revenue				66,310
Other	1,266		33,682	114,729
Other - Pledged		3,592		27,503
Total Operating Revenues	<u>30,193</u>	<u>175,223</u>	<u>44,841</u>	<u>1,152,341</u>
<b>OPERATING EXPENSES</b>				
Cost of Goods Sold			1,717	82,175
Salaries and Wages	1,082	1,747	15,029	49,341
Payroll Related Costs	294		3,795	14,190
Professional Fees and Services	5,514	2,404	9,499	115,133
Travel	16	5	205	825
Materials and Supplies	36	342	3,729	12,321
Communication and Utilities	23	187	1,612	2,844
Repairs and Maintenance	43	7,474	1,789	26,158
Rentals and Leases	24	4	1,194	2,249
Printing and Reproduction	3		71	131
Depreciation and Amortization		64,126	451	124,757
Bad Debt Expense				3,895
Interest Expense			193	322,040
Employee/Participant Benefit Payments	47,996			47,996
Other	25,162	24,335	4,649	120,307
Total Operating Expenses	<u>80,193</u>	<u>100,624</u>	<u>43,933</u>	<u>924,362</u>
Operating Income (Loss)	<u>(50,000)</u>	<u>74,599</u>	<u>908</u>	<u>227,979</u>

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

For the Fiscal Year Ended August 31, 2018 (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
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Federal Revenue	\$ 115,428	\$	\$	\$ 14,159	\$
Gifts				41	
Land Income			13		
Interest and Investment Income	(249)		14,982	15,165	
Loan Premium and Fees on Securities Lending					
Investing Activities Expense					
Interest Expense			(140,420)		
Borrower Rebates and Agent Fees				(731)	
Gain on Sale of Capital Assets					
Settlement of Claims			166		1
Claims and Judgements					
Depreciation and Amortization			12,167		
Other Expenses	(38,807)		(34)		
Total Nonoperating Revenues (Expenses)	<u>76,372</u>	<u>0</u>	<u>(113,126)</u>	<u>28,634</u>	<u>1</u>
Income (Loss) Before Capital Contributions and Transfers	<u>145,048</u>	<u>7,866</u>	<u>(2,835)</u>	<u>27,559</u>	<u>16,715</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital Contributions – Other			2,990		
Transfer In	224,660	2,495	22,944	1,265	5,115
Transfer Out	(9,246)			(32,959)	(18,019)
Total Capital Contributions and Transfers	<u>215,414</u>	<u>2,495</u>	<u>25,934</u>	<u>(31,694)</u>	<u>(12,904)</u>
Change in Net Position	<u>360,462</u>	<u>10,361</u>	<u>23,099</u>	<u>(4,135)</u>	<u>3,811</u>
Net Position, September 1, 2017	4,346,904	293,016	330,139	774,964	42,404
Restatements				1,768	
Net Position, September 1, 2017, as Restated	<u>4,346,904</u>	<u>293,016</u>	<u>330,139</u>	<u>776,732</u>	<u>42,404</u>
Net Position, August 31, 2018	<u>\$4,707,366</u>	<u>\$ 303,377</u>	<u>\$ 353,238</u>	<u>\$ 772,597</u>	<u>\$ 46,215</u>

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

For the Fiscal Year Ended August 31, 2018 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Federal Revenue	\$	\$	\$ 24	\$ 129,611
Gifts			1,734	1,775
Land Income				13
Interest and Investment Income	62,720	8,188	770	101,576
Loan Premium and Fees on Securities Lending	96			96
Investing Activities Expense	(487)			(487)
Interest Expense		(141,553)		(281,973)
Borrower Rebates and Agent Fees	(19)			(750)
Gain on Sale of Capital Assets			3	3
Settlement of Claims		5,000		5,167
Claims and Judgements			(9)	(9)
Depreciation and Amortization		(330)		11,837
Other Expenses		(9,270)		(48,111)
Total Nonoperating Revenues (Expenses)	<u>62,310</u>	<u>(137,965)</u>	<u>2,522</u>	<u>(81,252)</u>
Income (Loss) Before Capital Contributions and Transfers				
Transfers	<u>12,310</u>	<u>(63,366)</u>	<u>3,430</u>	<u>146,727</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Capital Contributions – Other			21	3,011
Transfer In			1,622	258,101
Transfer Out			(394)	(60,618)
Total Capital Contributions and Transfers	<u>0</u>	<u>0</u>	<u>1,249</u>	<u>200,494</u>
Change in Net Position	<u>12,310</u>	<u>(63,366)</u>	<u>4,679</u>	<u>347,221</u>
Net Position, September 1, 2017	(501,209)	(80,137)	104,388	5,310,469
Restatements			(18)	1,750
Net Position, September 1, 2017, as Restated	<u>(501,209)</u>	<u>(80,137)</u>	<u>104,370</u>	<u>5,312,219</u>
Net Position, August 31, 2018	<u>\$ (488,899)</u>	<u>\$ (143,503)</u>	<u>\$ 109,049</u>	<u>\$5,659,440</u>

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## Combining Statement of Cash Flows – Nonmajor Enterprise Funds

For the Fiscal Year Ended August 31, 2018 (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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Proceeds from Customers	\$	\$	\$ 221,270	\$ 99,232	\$ 119,975
Proceeds from Research Grants and Contracts				41	
Proceeds from Loan Programs		1,059,283		745,600	
Proceeds from Other Operating Revenues		87,436		1,139	1,765
Payments to Suppliers for Goods and Services	(280)	(60,767)	(55,865)	(90,627)	(81,088)
Payments to Employees	(5,382)	(14,622)		(96)	(19,190)
Payments for Loans Provided		(976,289)		(692,118)	
Payments for Other Operating Expenses				(116)	(2,951)
Net Cash Provided (Used) by Operating Activities	<u>(5,662)</u>	<u>95,041</u>	<u>165,405</u>	<u>63,055</u>	<u>18,511</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Proceeds from Debt Issuance	2,498,885	1,855,994		250,000	
Proceeds from Gifts					
Proceeds from Transfers from Other Funds	340,781	2,495		29,422	5,115
Proceeds from Interfund Payables	6,576				
Proceeds from Grant Receipts	122,433				
Proceeds from Other Noncapital Financing Activities			22,744	1,813	
Payments of Principal on Debt Issuance	(304,364)	(1,816,276)		(168,180)	
Payments of Interest	(175,221)	(55,018)		(92,280)	
Payments of Other Costs on Debt Issuance	(2,584)				
Payments for Transfers to Other Funds	(98,865)			(61,385)	(23,634)
Payments for Grant Disbursements	(47,058)				
Payments for Interfund Receivables	(25,781)				
Payments for Other Noncapital Financing Uses	(9)				
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,314,793</u>	<u>(12,805)</u>	<u>22,744</u>	<u>(40,610)</u>	<u>(18,519)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from Federal Grants and Contracts				5,609	
Proceeds from Other Capital and Related Financing Activities			13		
Payments for Additions to Capital Assets		(7)		(21,653)	(10)
Payments of Principal on Debt Issuance			(14,225)		
Payments of Interest on Debt Issuance			(107,051)		
Payments of Other Costs on Debt Issuance			(34)		
Net Cash (Used) by Capital and Related Financing Activities	<u>0</u>	<u>(7)</u>	<u>(121,297)</u>	<u>(16,044)</u>	<u>(10)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from Sale of Investments		115,266	333,197	854,271	24,246
Proceeds from Interest and Investment Income	224,154	31,905	13,149	45,603	231
Proceeds from Principal Payments on Loans	512,219				
Payments to Acquire Investments	(39,138)	(175,358)	(491,158)	(565,298)	(24,459)
Payments for Nonprogram Loans Provided	<u>(2,854,061)</u>				
Net Cash Provided (Used) by Investing Activities	<u>(2,156,826)</u>	<u>(28,187)</u>	<u>(144,812)</u>	<u>334,576</u>	<u>18</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>152,305</u>	<u>54,042</u>	<u>(77,960)</u>	<u>340,977</u>	<u>0</u>
Cash and Cash Equivalents, September 1, 2017	<u>296,975</u>	<u>139,062</u>	<u>399,485</u>	<u>267,202</u>	<u>0</u>
Cash and Cash Equivalents, August 31, 2018	<u>\$ 449,280</u>	<u>\$ 193,104</u>	<u>\$ 321,525</u>	<u>\$ 608,179</u>	<u>\$ 0</u>

Continued on the following page

## STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2018 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Proceeds from Customers	\$ 49,802	\$ 192,798	\$ 10,461	\$ 693,538
Proceeds from Research Grants and Contracts				41
Proceeds from Loan Programs				1,804,883
Proceeds from Other Operating Revenues	1,254	4,314	33,277	129,185
Payments to Suppliers for Goods and Services	(5,739)	(38,515)	(1,257)	(334,138)
Payments to Employees	(1,373)		(18,198)	(58,861)
Payments for Loans Provided				(1,668,407)
Payments for Other Operating Expenses	(210,679)		(22,743)	(236,489)
Net Cash Provided (Used) by Operating Activities	<u>(166,735)</u>	<u>158,597</u>	<u>1,540</u>	<u>329,752</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Proceeds from Debt Issuance		1,660,000		6,264,879
Proceeds from Gifts			1,734	1,734
Proceeds from Transfers from Other Funds			2,429	380,242
Proceeds from Interfund Payables				6,576
Proceeds from Grant Receipts				122,433
Proceeds from Other Noncapital Financing Activities			27	24,584
Payments of Principal on Debt Issuance			(10,000)	(2,298,820)
Payments of Interest		(89,755)	(198)	(412,472)
Payments of Other Costs on Debt Issuance		(3,938)		(6,522)
Payments for Transfers to Other Funds		(1,035)	(1,202)	(186,121)
Payments for Grant Disbursements				(47,058)
Payments for Interfund Receivables				(25,781)
Payments for Other Noncapital Financing Uses		(67,383)		(67,392)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>1,497,889</u>	<u>(7,210)</u>	<u>3,756,282</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from Federal Grants and Contracts				5,609
Proceeds from Other Capital and Related Financing Activities				13
Payments for Additions to Capital Assets			(137)	(21,807)
Payments of Principal on Debt Issuance				(14,225)
Payments of Interest on Debt Issuance				(107,051)
Payments of Other Costs on Debt Issuance				(34)
Net Cash (Used) by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>(137)</u>	<u>(137,495)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from Sale of Investments	693,488	283,614		2,304,082
Proceeds from Interest and Investment Income	47,405	14,058	1,204	377,709
Proceeds from Principal Payments on Loans			3,860	516,079
Payments to Acquire Investments	(767,518)	(1,020,409)	(46)	(3,083,384)
Payments for Nonprogram Loans Provided				(2,854,061)
Net Cash Provided (Used) by Investing Activities	<u>(26,625)</u>	<u>(722,737)</u>	<u>5,018</u>	<u>(2,739,575)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(193,360)</u>	<u>933,749</u>	<u>(789)</u>	<u>1,208,964</u>
Cash and Cash Equivalents, September 1, 2017	<u>310,137</u>	<u>457,889</u>	<u>102,604</u>	<u>1,973,354</u>
Cash and Cash Equivalents, August 31, 2018	<u>\$ 116,777</u>	<u>\$ 1,391,638</u>	<u>\$ 101,815</u>	<u>\$ 3,182,318</u>

Continued on the following page

## STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2018 (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
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 68,676	\$ 7,866	\$ 110,291	\$ (1,075)	\$ 16,714
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization		43	54,472	5,585	80
Bad Debt Expense		3,892			3
Operating Income (Loss) and Cash Flow Categories Classification Differences					
		22,728	200	95,909	
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables	(27,914)	(455)	(188)	(2,126)	2,247
(Increase) in Due From Other Funds	(7,204)				(26)
(Increase) Decrease in Inventories			76		(1,066)
(Increase) Decrease in Loans and Contracts	(1,901,626)	12,589		(14,729)	
(Increase) Decrease in Other Assets	89,677	(369)		(5,089)	
(Increase) in Prepaid Expenses				(20,577)	
Increase (Decrease) in Payables	(74,170)	464	554	1,085	156
(Decrease) in Deposits	(130,408)				
Increase in Due To Other Funds					280
Increase in Unearned Revenue	6,919	426			
Increase in Employees' Compensable Leave					123
(Decrease) in Benefit Payables					
Increase in Other Liabilities	1,970,388	47,857		4,072	
Total Adjustments	<u>(74,338)</u>	<u>87,175</u>	<u>55,114</u>	<u>64,130</u>	<u>1,797</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (5,662)</u>	<u>\$ 95,041</u>	<u>\$ 165,405</u>	<u>\$ 63,055</u>	<u>\$ 18,511</u>
<b>NONCASH TRANSACTIONS</b>					
Donation of Capital Assets	\$	\$	\$ 2,990	\$	\$
Net Change in Fair Value of Investments	\$ (1,748)	\$ (21,141)	\$	\$ (9,023)	\$
Other	\$	\$	\$ 1,447	\$	\$

*Concluded on the following page*



## STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2018 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (50,000)	\$ 74,599	\$ 908	\$ 227,979
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization		64,126	451	124,757
Bad Debt Expense				3,895
Operating Income (Loss) and Cash Flow Categories				
Classification Differences		5,004	(248)	123,593
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	6,124	17,574	(338)	(5,076)
(Increase) in Due From Other Funds			(347)	(7,577)
(Increase) Decrease in Inventories		(7)	(25)	(1,022)
(Increase) Decrease in Loans and Contracts				(1,903,766)
(Increase) Decrease in Other Assets				84,219
(Increase) in Prepaid Expenses			(277)	(20,854)
Increase (Decrease) in Payables	(25)	(2,401)	1,213	(73,124)
(Decrease) in Deposits		(686)		(131,094)
Increase in Due To Other Funds		388	173	841
Increase in Unearned Revenue	106		15	7,466
Increase in Employees' Compensable Leave	3		14	140
(Decrease) in Benefit Payables	(122,943)			(122,943)
Increase in Other Liabilities			1	2,022,318
Total Adjustments	<u>(116,735)</u>	<u>83,998</u>	<u>632</u>	<u>101,773</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (166,735)</u>	<u>\$ 158,597</u>	<u>\$ 1,540</u>	<u>\$ 329,752</u>
<b>NONCASH TRANSACTIONS</b>				
Donation of Capital Assets	\$	\$	\$	\$ 2,990
Net Change in Fair Value of Investments	\$ 16,612	\$ 110	\$	\$ (15,190)
Other	\$	\$ 1,894	\$	\$ 3,341



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## **Colleges and Universities – Major Enterprise Fund**

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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, 2018 (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
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 2,505,387	\$ 940,572	\$ 343,690	\$ 253,215	\$ 522,068	\$ 204,580
Short-Term Investments		103,186		434,475		9,140
Securities Lending Collateral	434,190					
Restricted:						
Cash and Cash Equivalents	690,747	506,066	65,854	168,172	85,646	97,318
Short-Term Investments		155,815			26,535	8,201
Receivables:						
Federal	534,914	135,335	18,301	51,254	16,822	18,033
Other Intergovernmental	111,572	5,894			10,326	1,641
Accounts	1,329,483	220,105	80,110	46,367	123,020	89,097
Interest and Dividends	83,337	12,804	1,590	1,172	164	2,752
Gifts	130,235	65,295	21,820	59,236	2,046	2,542
Investment Trades	488,070	8,313			59	
Other	528,313	1,691	2,552	1,708	4,083	13,296
Due From Other Funds	213,166	174,867	228,211	177,617	126,165	139,392
Interfund Receivable		61,864				
Inventories	139,562	25,435	4,379	1,512	3,898	3,117
Prepaid Items			61,502	51,073	50,513	48,874
Loans and Contracts	66,458	20,625	1,293	16,179	21,118	5,155
Other Current Assets	277,150	116,538	784		14,457	75
Total Current Assets	<u>7,532,584</u>	<u>2,554,405</u>	<u>830,086</u>	<u>1,261,980</u>	<u>1,006,920</u>	<u>643,213</u>
Noncurrent Assets:						
Restricted:						
Cash and Cash Equivalents	7,384		136,641		32,186	
Short-Term Investments						
Investments	43,547,706	1,147,622	1,136,162		198,186	79,213
Receivables				72,190	145	
Loans and Contracts	68,811	4,389	2,869	3,018		
Other						
Loans and Contracts		14,272			112	4,690
Investments	10,459,524	3,285,781	987,745	944,550	254,505	254,582
Interfund Receivable		1,213,059				
Gifts Receivable	238,905	354,843	63,707		5,096	3,269
Other Receivable						
Capital Assets:						
Non-Depreciable or Non-Amortizable	2,965,752	1,952,039	293,108	446,633	494,605	399,506
Depreciable or Amortizable, Net	13,923,534	4,320,124	1,417,358	1,271,500	1,464,013	845,524
Assets Held in Trust		362				
Hedging Derivative Asset	37,068					
Other Noncurrent Assets	208,529	12,216				
Total Noncurrent Assets	<u>71,457,213</u>	<u>12,304,707</u>	<u>4,037,590</u>	<u>2,737,891</u>	<u>2,448,848</u>	<u>1,586,784</u>
Total Assets	<u>78,989,797</u>	<u>14,859,112</u>	<u>4,867,676</u>	<u>3,999,871</u>	<u>3,455,768</u>	<u>2,229,997</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Outflows of Resources	<u>996,207</u>	<u>551,243</u>	<u>45,894</u>	<u>28,908</u>	<u>43,237</u>	<u>44,975</u>
Total Deferred Outflows of Resources	<u>996,207</u>	<u>551,243</u>	<u>45,894</u>	<u>28,908</u>	<u>43,237</u>	<u>44,975</u>

Continued on the following page

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

August 31, 2018 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 8,627	\$ 45,452	\$ 60,470	\$ 4,733	\$ 43,457	\$ 4,932,251
Short-Term Investments	102,974	1,019		11,712	8,042	670,548
Securities Lending Collateral						434,190
Restricted:						
Cash and Cash Equivalents	8,750	22,546	30,564	3,871	4,389	1,683,923
Short-Term Investments	107,404	107	33,217		4,288	335,567
Receivables:						
Federal	1,286	2,873	5,720	802	11,498	796,838
Other Intergovernmental Accounts	22,552	16,308	30,716	10,091	8,674	1,976,523
Interest and Dividends	172	31		36	31	102,089
Gifts				393		281,567
Investment Trades						496,442
Other	3,037		590	2,106		557,376
Due From Other Funds	59,041	10,097	17,644	1,838	9,426	1,157,464
Interfund Receivable						61,864
Inventories	1,371	934	458	190	1,597	182,453
Prepaid Items	382	15,377		9,629	584	237,934
Loans and Contracts	5,560	2,605				138,993
Other Current Assets						409,004
Total Current Assets	<u>321,156</u>	<u>117,568</u>	<u>183,990</u>	<u>45,761</u>	<u>91,986</u>	<u>14,589,649</u>
Noncurrent Assets:						
Restricted:						
Cash and Cash Equivalents						176,211
Short-Term Investments				42,051		42,051
Investments	175,626	14,187	59,387	2,841		46,360,930
Receivables		1,618				73,953
Loans and Contracts		3,021	521			82,629
Other			12,447			12,447
Loans and Contracts						19,074
Investments	(1)	97,715		48,292		16,332,693
Interfund Receivable						1,213,059
Gifts Receivable				1,517		667,337
Other Receivable						
Capital Assets:						
Non-Depreciable or Non-Amortizable	49,532	15,173	38,938	36,174	28,162	6,719,622
Depreciable or Amortizable, Net	181,255	206,780	235,438	135,653	201,215	24,202,394
Assets Held in Trust						362
Hedging Derivative Asset						37,068
Other Noncurrent Assets			1,263			222,008
Total Noncurrent Assets	<u>406,412</u>	<u>338,494</u>	<u>347,994</u>	<u>266,528</u>	<u>229,377</u>	<u>96,161,838</u>
Total Assets	<u>727,568</u>	<u>456,062</u>	<u>531,984</u>	<u>312,289</u>	<u>321,363</u>	<u>110,751,487</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Outflows of Resources	<u>8,053</u>	<u>13,847</u>	<u>4,100</u>	<u>5,652</u>	<u>4,089</u>	<u>1,746,205</u>
Total Deferred Outflows of Resources	<u>8,053</u>	<u>13,847</u>	<u>4,100</u>	<u>5,652</u>	<u>4,089</u>	<u>1,746,205</u>

Continued on the following page

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

August 31, 2018 (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
<b>LIABILITIES</b>						
Current Liabilities:						
Payables:						
Accounts	\$ 1,312,985	\$ 267,738	\$ 60,628	\$ 55,445	\$ 81,132	\$ 61,823
Payroll	594,442	141,244	86,503	90,658	35,969	42,148
Other Intergovernmental	45					
Federal	76,922			73		
Investment Trades	977,439	17,166			114	
Interest					19,330	10,619
Due To Other Funds	28,517	2,372	693	563	1,159	197
Interfund Payable	63,221	2,315				
Unearned Revenue	1,683,639	718,693	230,693	282,534	408,709	248,309
Obligations/Securities Lending	434,189					
Short-Term Debt	1,185,868		52,685	83,567	48,600	2,080
Claims and Judgments	134,052	3,147	1,168	323		609
Capital Lease Obligations	3,701	8,287	210	547		2,067
Employees' Compensable Leave	412,623	13,481	6,243	13,483	13,215	5,069
Notes and Loans Payable	19,000	36,402				965
General Obligation Bonds Payable						
Revenue Bonds Payable	1,826,253	229,296	64,169	74,297	66,988	48,692
Liabilities Payable from Restricted Assets		99,714				
Funds Held for Others	16,165	55,410	24,346	26,392	5,440	2,321
OPEB Liability	202,555	48,480	1,456	605	641	438
Other Current Liabilities	195,646	20,325	6,587	3,377	835	4,162
Total Current Liabilities	<u>9,167,262</u>	<u>1,664,070</u>	<u>535,381</u>	<u>631,864</u>	<u>682,132</u>	<u>429,499</u>
Noncurrent Liabilities:						
Interfund Payable	1,215,094	13,143				
Claims and Judgments	30,868	7,121	5,790			856
Capital Lease Obligations	3,686	78,411	451	5,671		1,394
Employees' Compensable Leave	227,919	91,310	47,767	13,456	12,787	20,698
Notes and Loans Payable		290,392				80,555
General Obligation Bonds Payable						
Revenue Bonds Payable	7,671,717	4,051,213	712,193	1,377,667	1,083,427	682,832
Liabilities Payable from Restricted Assets		9,277				
Pollution Remediation Obligation			1,023			
Assets Held for Others	876,685	113,825				
OPEB Liability	10,514,556	2,265,387	285,476	118,617	125,752	85,954
Net Pension Liability	2,650,044	392,181	184,369	156,667	135,935	107,144
Derivative Instrument Liability	165,354					
Investment Derivative Instrument	68,043					
Other Noncurrent Liabilities	193,060	25,963	197		2,846	
Total Noncurrent Liabilities	<u>23,617,026</u>	<u>7,338,223</u>	<u>1,237,266</u>	<u>1,672,078</u>	<u>1,360,747</u>	<u>979,433</u>
Total Liabilities	<u>32,784,288</u>	<u>9,002,293</u>	<u>1,772,647</u>	<u>2,303,942</u>	<u>2,042,879</u>	<u>1,408,932</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows of Resources	1,791,152	637,580	121,517	66,323	64,280	62,895
Total Deferred Inflows of Resources	<u>1,791,152</u>	<u>637,580</u>	<u>121,517</u>	<u>66,323</u>	<u>64,280</u>	<u>62,895</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	6,632,432	2,172,280	1,011,251	627,878	757,456	438,058
Restricted for:						
Education	2,240,519	417,483	326,219	237,018	69,007	47,593
Debt Service	5,164		64,190	13,249	1,630	
Capital Projects	189,388	382,682	14,779	11,708	93,219	
Funds Held as Permanent Investments:						
Nonexpendable	26,575,040	400,201	729,343	492,087	138,315	53,248
Expendable	11,836,445	372,022	150,797	49,634	85,688	32,610
Unrestricted	(2,068,424)	2,025,814	722,827	226,940	246,530	231,636
Total Net Position	<u>\$45,410,564</u>	<u>\$ 5,770,482</u>	<u>\$ 3,019,406</u>	<u>\$ 1,658,514</u>	<u>\$ 1,391,845</u>	<u>\$ 803,145</u>

Concluded on the following page

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

August 31, 2018 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
<b>LIABILITIES</b>						
Current Liabilities:						
Payables:						
Accounts	\$ 12,348	\$ 4,795	\$ 16,411	\$ 8,755	\$ 5,992	\$ 1,888,052
Payroll	6,157	9,831	4,944	4,557	8,059	1,024,512
Other Intergovernmental	3,396					3,441
Federal	2,022				62	79,079
Investment Trades						994,719
Interest		2,040	1,606		1,355	34,950
Due To Other Funds	515	484	42			34,542
Interfund Payable		1,506		283	728	68,053
Unearned Revenue	52,822	75,602	63,997	34,182	20,873	3,820,053
Obligations/Securities Lending						434,189
Short-Term Debt						1,372,800
Claims and Judgments						139,299
Capital Lease Obligations		58	114		1,167	16,151
Employees' Compensable Leave	2,387	425	2,876	279	908	470,989
Notes and Loans Payable		1,216	4,880		120	62,583
General Obligation Bonds Payable		1,195			2,467	3,662
Revenue Bonds Payable	11,304	12,511	9,482	7,026	5,059	2,355,077
Liabilities Payable from Restricted Assets						99,714
Funds Held for Others	535	9,288		189	1,546	141,632
OPEB Liability	103	247		59	19	254,603
Other Current Liabilities	887	2,714	13,681	49	3,170	251,433
Total Current Liabilities	<u>92,476</u>	<u>121,912</u>	<u>118,033</u>	<u>55,379</u>	<u>51,525</u>	<u>13,549,533</u>
Noncurrent Liabilities:						
Interfund Payable		3,099		424	3,492	1,235,252
Claims and Judgments						44,635
Capital Lease Obligations		149	218		6,891	96,871
Employees' Compensable Leave	1,430	4,259	3,204	1,531	4,753	429,114
Notes and Loans Payable		9,992	91,860		1,240	474,039
General Obligation Bonds Payable					20,153	20,153
Revenue Bonds Payable	160,452	132,071	97,959	148,464	83,200	16,201,195
Liabilities Payable from Restricted Assets						9,277
Pollution Remediation Obligation						1,023
Assets Held for Others	1,123					991,633
OPEB Liability	20,210	48,509	90	11,618	3,400	13,479,569
Net Pension Liability	25,146	26,521	18,886	9,321	12,186	3,718,400
Derivative Instrument Liability						165,354
Investment Derivative Instrument						68,043
Other Noncurrent Liabilities	(1,122)			145		221,089
Total Noncurrent Liabilities	<u>207,239</u>	<u>224,600</u>	<u>212,217</u>	<u>171,503</u>	<u>135,315</u>	<u>37,155,647</u>
Total Liabilities	<u>299,715</u>	<u>346,512</u>	<u>330,250</u>	<u>226,882</u>	<u>186,840</u>	<u>50,705,180</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows of Resources	10,038	22,283	5,048	4,462	4,750	2,790,328
Total Deferred Inflows of Resources	<u>10,038</u>	<u>22,283</u>	<u>5,048</u>	<u>4,462</u>	<u>4,750</u>	<u>2,790,328</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	59,191	67,546	119,126	56,273	110,115	12,051,606
Restricted for:						
Education	20,937	22,534	2,890		989	3,385,189
Debt Service	12		834			85,079
Capital Projects	179,838			(123)	1,363	872,854
Funds Held as Permanent Investments:						
Nonexpendable	16,166	6,019		4,856	578	28,415,853
Expendable		3,571	60,259	9,699		12,600,725
Unrestricted	<u>149,725</u>	<u>1,444</u>	<u>17,677</u>	<u>15,892</u>	<u>20,817</u>	<u>1,590,878</u>
Total Net Position	<u>\$ 425,869</u>	<u>\$ 101,114</u>	<u>\$ 200,786</u>	<u>\$ 86,597</u>	<u>\$ 133,862</u>	<u>\$59,002,184</u>



STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2018 (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
<b>OPERATING REVENUES</b>						
Tuition Revenue	\$	\$ 76,870	\$ 12,371	\$	\$	\$
Tuition Revenue – Pledged	2,520,373	1,408,354	545,055	703,419	753,794	475,900
Discounts and Allowances	(692,101)	(368,200)	(128,246)	(162,152)	(207,926)	(110,226)
Hospital Revenue – Pledged	14,818,068					
Discounts and Allowances	(8,500,619)					
Professional Fees	6,368,945	100	504,974			
Professional Fees – Pledged		7,935	681			33,719
Discounts and Allowances	(4,490,419)		(232,294)			(18,340)
Auxiliary Enterprises						
Auxiliary Enterprises – Pledged	643,254	352,941	173,831	113,204	168,125	77,186
Discounts and Allowances	(17,495)	(37,948)		(11,443)	(8,073)	
Other Sales of Goods and Services		10,079	7,195			1,087
Other Sales of Goods and Services – Pledged	490,564	299,095	13,774	70,808	20,596	83,089
Discounts and Allowances	(283)	(8,031)				
Interest and Investment Income		1,548				
Interest and Investment Income – Pledged						
Federal Revenue	1,432,193	453,572	57,004	67,347	46,498	63,465
State Grant Revenue		5,617	2,067	6,839	4,034	2,118
Other Operating Grant Revenue	430,486	225,824	235,675		9,225	8,958
Other Operating Grant Revenue – Pledged	1,003,875	30,149	4,289	23,024		3,035
Other Revenues	10,957	22,987	34,651			145
Other Revenues – Pledged	435,582	60,907		1,706	9,444	2,254
Total Operating Revenues	<u>14,453,380</u>	<u>2,541,799</u>	<u>1,231,027</u>	<u>812,752</u>	<u>795,717</u>	<u>622,390</u>
<b>OPERATING EXPENSES</b>						
Cost of Goods Sold	182,372	6,727	14,146	2,474	5,431	9,020
Salaries and Wages	8,670,982	1,894,256	962,624	656,149	588,276	461,421
Payroll Related Costs	2,711,155	604,295	246,144	164,946	168,867	114,188
Professional Fees and Services	500,669	432,069	79,680	111,926	70,295	66,305
Travel	158,778	89,356	35,146	16,472	24,210	14,006
Materials and Supplies	2,029,920	249,236	76,239	42,566	111,655	47,417
Communication and Utilities	369,500	143,961	54,935	49,499	41,752	20,332
Repairs and Maintenance	329,263	149,948	43,274	17,199	22,864	39,515
Rentals and Leases	166,979	79,778	22,185	28,373	6,850	14,727
Printing and Reproduction	36,901	12,431	4,680	3,906	3,985	5,932
Depreciation and Amortization	1,440,562	374,669	126,560	100,910	100,365	73,218
Bad Debt Expense	4,698	269	709		3,761	
Interest Expense		176	17	126	15	
Scholarships	438,965	262,438	83,698	107,868	129,044	100,982
Claims and Judgments	212,001	11	394	939	1,043	(145)
Net Change in OPEB Obligations						
Other Expenses	1,396,353	314,076	145,062	51,055	26,317	31,507
Total Operating Expenses	<u>18,649,098</u>	<u>4,613,696</u>	<u>1,895,493</u>	<u>1,354,408</u>	<u>1,304,730</u>	<u>998,425</u>
Operating Loss	<u>(4,195,718)</u>	<u>(2,071,897)</u>	<u>(664,466)</u>	<u>(541,656)</u>	<u>(509,013)</u>	<u>(376,035)</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, 2018 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
<b>OPERATING REVENUES</b>						
Tuition Revenue	\$	\$ 4,121	\$	\$	\$ 7,528	\$ 100,890
Tuition Revenue – Pledged	113,444	111,452	113,331	50,938	41,112	6,837,172
Discounts and Allowances	(34,396)	(32,472)	(33,243)	(15,537)	(18,758)	(1,803,257)
Hospital Revenue – Pledged						14,818,068
Discounts and Allowances						(8,500,619)
Professional Fees						6,874,019
Professional Fees – Pledged						42,335
Discounts and Allowances						(4,741,053)
Auxiliary Enterprises		1,909			807	2,716
Auxiliary Enterprises – Pledged	29,211	41,230	17,075	13,553	11,366	1,640,976
Discounts and Allowances	(6,847)	(11,716)			(3,117)	(96,639)
Other Sales of Goods and Services		794				19,155
Other Sales of Goods and Services – Pledged		5,632	135	1,442	6,734	991,869
Discounts and Allowances						(8,314)
Interest and Investment Income					5	1,553
Interest and Investment Income – Pledged					444	444
Federal Revenue	2,101	2,564	20,006	1,584	1,630	2,147,964
State Grant Revenue	692		758			22,125
Other Operating Grant Revenue	1,656	1,325		1,243	1,819	916,211
Other Operating Grant Revenue – Pledged			1,292			1,065,664
Other Revenues	1,327					70,067
Other Revenues – Pledged		101	6,370	1,457		517,821
Total Operating Revenues	<u>107,188</u>	<u>124,940</u>	<u>125,724</u>	<u>54,680</u>	<u>49,570</u>	<u>20,919,167</u>
<b>OPERATING EXPENSES</b>						
Cost of Goods Sold	19	11,119			3,230	234,538
Salaries and Wages	102,445	97,896	92,984	42,468	80,014	13,649,515
Payroll Related Costs	29,285	34,318	22,895	14,269	28,745	4,139,107
Professional Fees and Services	3,323	2,058	9,036	5,962	1,533	1,282,856
Travel	2,644	2,793	3,122	2,129	1,274	349,930
Materials and Supplies	14,321	13,880	9,296	8,378	14,896	2,617,804
Communication and Utilities	7,472	7,580	7,108	2,614	6,325	711,078
Repairs and Maintenance	6,161	6,047	8,806	3,427	2,852	629,356
Rentals and Leases	3,257	2,689	1,819	839	2,134	329,630
Printing and Reproduction	605	372	503	366	152	69,833
Depreciation and Amortization	14,740	16,440	19,268	13,380	12,551	2,292,663
Bad Debt Expense	1,460	140	3,046	141	1,131	15,355
Interest Expense				1		335
Scholarships	14,262	26,142	20,785	12,142	21,040	1,217,366
Claims and Judgments		47				214,290
Net Change in OPEB Obligations						
Other Expenses	8,113	(306)	9,227		8,965	1,990,369
Total Operating Expenses	<u>208,107</u>	<u>221,215</u>	<u>207,895</u>	<u>106,116</u>	<u>184,842</u>	<u>29,744,025</u>
Operating Loss	<u>(100,919)</u>	<u>(96,275)</u>	<u>(82,171)</u>	<u>(51,436)</u>	<u>(135,272)</u>	<u>(8,824,858)</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, 2018 (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
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Federal Revenue	\$ 381,346	\$ 250,190	\$ 55,751	\$ 124,465	\$ 129,695	\$ 65,206
Gifts	417,665	145,640	32,645		31,092	19,332
Gifts – Pledged	30,421	47,675	(3,786)	87,009	310	
Interest and Investment Income	6,952,557	274,480	89,112		30,362	14,067
Interest and Investment Income – Pledged	618,787	164,951	34,235	60,656	15,243	13,482
Investing Activities Expense	(186,459)	(14,733)			(63)	
Interest Expense	(281,688)	(188,873)	(21,504)	(38,245)	(44,883)	(18,371)
Borrower Rebates and Agent Fees	(1,369)	(5,714)				
Loss on Sale of Capital Assets	(36,257)	1,703	(1,893)		(3,323)	(116)
Settlement of Claims					9,428	
Claims and Judgments		(429)				
Other Revenues	35,200	61,740	2,236		563	
Other Revenues – Pledged	62,310	23,187	12,157	9,071	2,010	648
Other Expenses	(86,019)	(44,080)	(5,033)	(28,043)	(9,211)	(240)
Total Nonoperating Revenues (Expenses)	<u>7,906,494</u>	<u>715,737</u>	<u>193,920</u>	<u>214,913</u>	<u>161,223</u>	<u>94,008</u>
Gain (Loss) Before Capital Contributions, Endowments and Transfers	<u>3,710,776</u>	<u>(1,356,160)</u>	<u>(470,546)</u>	<u>(326,743)</u>	<u>(347,790)</u>	<u>(282,027)</u>
<b>CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS</b>						
Capital Contributions – Federal	6					
Capital Contributions – Other	253,813	4,752	41,343			1,423
Contributions to Permanent and Term Endowments	204,350	4,973	18,044	16,554	6,629	4,919
Transfer In	2,785,660	2,025,657	597,900	451,307	469,322	355,251
Transfer Out	(764,991)	(16,680)	(625)	(1,685)	(3,695)	(1,406)
Total Capital Contributions, Endowments and Transfers	<u>2,478,838</u>	<u>2,018,702</u>	<u>656,662</u>	<u>466,176</u>	<u>472,256</u>	<u>360,187</u>
Change in Net Position	<u>6,189,614</u>	<u>662,542</u>	<u>186,116</u>	<u>139,433</u>	<u>124,466</u>	<u>78,160</u>
Net Position, September 1, 2017	44,795,648	6,134,973	3,184,910	1,658,262	1,432,640	832,007
Restatements	(5,574,698)	(1,027,033)	(351,620)	(139,181)	(165,261)	(107,022)
Net Position, September 1, 2017, as Restated	<u>39,220,950</u>	<u>5,107,940</u>	<u>2,833,290</u>	<u>1,519,081</u>	<u>1,267,379</u>	<u>724,985</u>
Net Position, August 31, 2018	<u>\$45,410,564</u>	<u>\$ 5,770,482</u>	<u>\$ 3,019,406</u>	<u>\$ 1,658,514</u>	<u>\$ 1,391,845</u>	<u>\$ 803,145</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, 2018 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Federal Revenue	\$ 19,883	\$ 22,318	\$ 25,348	\$ 10,459	\$ 30,641	\$ 1,115,302
Gifts	4,557	4,978		4,978	849	661,736
Gifts – Pledged		4	3,496		1,090	166,219
Interest and Investment Income	1,069	1,971			204	7,363,822
Interest and Investment Income – Pledged	13,658	4,319	11,275	3,996	337	940,939
Investing Activities Expense		(329)	(341)			(201,925)
Interest Expense	(2,507)	(2,510)	(6,734)	(2,918)	(4,100)	(612,333)
Borrower Rebates and Agent Fees						(7,083)
Loss on Sale of Capital Assets	(34)	(9)		(232)	(400)	(40,561)
Settlement of Claims					1,773	11,201
Claims and Judgments		75				(354)
Other Revenues	134	644			3	100,520
Other Revenues – Pledged			621			110,004
Other Expenses					(3,431)	(176,057)
Total Nonoperating Revenues (Expenses)	<u>36,760</u>	<u>31,461</u>	<u>33,665</u>	<u>16,283</u>	<u>26,966</u>	<u>9,431,430</u>
Gain (Loss) Before Capital Contributions, Endowments and Transfers	<u>(64,159)</u>	<u>(64,814)</u>	<u>(48,506)</u>	<u>(35,153)</u>	<u>(108,306)</u>	<u>606,572</u>
<b>CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS</b>						
Capital Contributions – Federal						6
Capital Contributions – Other		693		10,875	17,835	330,734
Contributions to Permanent and Term Endowments		33	126	60		255,688
Transfer In	90,441	75,391	84,626	35,848	114,032	7,085,435
Transfer Out	(70)	(9)	(513)	(1,112)	(2,835)	(793,621)
Total Capital Contributions, Endowments and Transfers	<u>90,371</u>	<u>76,108</u>	<u>84,239</u>	<u>45,671</u>	<u>129,032</u>	<u>6,878,242</u>
Change in Net Position	<u>26,212</u>	<u>11,294</u>	<u>35,733</u>	<u>10,518</u>	<u>20,726</u>	<u>7,484,814</u>
Net Position, September 1, 2017	424,491	146,609	165,158	89,709	117,637	58,982,044
Restatements	(24,834)	(56,789)	(105)	(13,630)	(4,501)	(7,464,674)
Net Position, September 1, 2017, as Restated	<u>399,657</u>	<u>89,820</u>	<u>165,053</u>	<u>76,079</u>	<u>113,136</u>	<u>51,517,370</u>
Net Position, August 31, 2018	<u>\$ 425,869</u>	<u>\$ 101,114</u>	<u>\$ 200,786</u>	<u>\$ 86,597</u>	<u>\$ 133,862</u>	<u>\$59,002,184</u>

## STATE OF TEXAS

## Schedule of Cash Flows

### Colleges and Universities – Major Enterprise Fund

For the Fiscal Year Ended August 31, 2018 (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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Proceeds from Customers	\$ 8,142,533	\$ 306,299	\$ 331,744	\$ 80,946	\$ 16,523	\$ 94,882
Proceeds from Tuition and Fees	1,836,745	1,212,463	434,593	572,710	519,573	372,822
Proceeds from Research Grants and Contracts	3,008,791	764,389	307,933	68,620	57,158	93,210
Proceeds from Loan Programs	112,136	10,177	5,798	186,871	20,964	
Proceeds from Auxiliaries	655,339	307,064	175,463	99,853	158,648	77,186
Proceeds from Other Operating Revenues	958,205	95,205		1,706	17,534	2,982
Payments to Suppliers for Goods and Services	(5,828,906)	(1,438,044)	(218,633)	(265,836)	(305,103)	(249,487)
Payments to Employees	(10,660,272)	(2,380,660)	(1,141,712)	(781,352)	(714,600)	(541,570)
Payments for Loans Provided	(106,489)	(7,696)	(5,520)	(187,009)	(22,446)	(1,912)
Payments for Other Operating Expenses	(8,504)	(311,002)	(469,942)	(107,691)	(217,640)	(187,883)
Net Cash (Used) by Operating Activities	(1,890,422)	(1,441,805)	(580,276)	(331,182)	(469,389)	(339,770)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Proceeds from Gifts	395,136	256,021	59,767	77,293	31,821	19,563
Proceeds from Endowments	982,030	4,965		16,555	5,096	4,919
Proceeds from Transfers from Other Funds	3,163,166	1,667,694	508,315	382,577	433,954	276,607
Proceeds from Loan Programs						
Proceeds from Grant Receipts	449,626	251,458	55,992	127,017	130,171	65,206
Proceeds from Other Noncapital Financing Activities	65,914	96,553	433,851	56,808	79,315	37,448
Payments of Principal on Debt Issuance						
Payments of Interest		(1)				
Payments for Transfers to Other Funds	(2,313,040)	(16,546)	(6)	(3,638)	(2,638)	(1,406)
Payments for Grant Disbursements						
Payments for Other Noncapital Financing Uses	(79,355)	(68,357)	(353,384)		(6,298)	(2,243)
Net Cash Provided by Noncapital Financing Activities	2,663,477	2,191,787	704,535	656,612	671,421	400,094
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from Sale of Capital Assets	3,029	5,271	509		180	741
Proceeds from Debt Issuance	2,011,699	1,311,502	30,800	320,635	263,750	161,592
Proceeds from State Grants and Contracts		42,679				
Proceeds from Federal Grants and Contracts					1	
Proceeds from Gifts			17,740			
Proceeds from Other Capital and Related Financing Activities		33,540		167,937	2	
Proceeds from Capital Contributions	240,991	8	70,839	76,804		57,482
Proceeds from Interfund Payables		8,553				
Payments for Additions to Capital Assets	(2,027,595)	(1,197,680)	(221,468)	(279,048)	(316,384)	(231,144)
Payments of Principal on Debt Issuance	(1,753,759)	(973,748)	(83,763)	(219,595)	(286,709)	(146,687)
Payments for Capital Leases		(1,292)	(242)	(541)		(4,615)
Payments of Interest on Debt Issuance	(356,159)	(194,963)	(28,761)	(41,931)	(50,963)	(31,552)
Payments of Other Costs on Debt Issuance	(6,230)	(7,105)		(153,152)		(3,605)
Payments for Interfund Receivables		(289)				
Net Cash (Used) by Capital and Related Financing Activities	(1,888,024)	(973,524)	(214,346)	(128,891)	(390,123)	(197,788)

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, 2018 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Proceeds from Customers	\$	\$ 6,421	\$	\$	\$ 6,868	\$ 8,986,216
Proceeds from Tuition and Fees	77,103	87,751	75,617	35,997	36,001	5,261,375
Proceeds from Research Grants and Contracts	5,144	16,635	27,791	3,376	.	4,353,047
Proceeds from Loan Programs		672		2		336,620
Proceeds from Auxiliaries	22,364	31,559	17,075	13,956	10,005	1,568,512
Proceeds from Other Operating Revenues	11,001	101	7,784	2,899		1,097,417
Payments to Suppliers for Goods and Services	(59,939)	(52,658)	(53,819)	(17,768)	(40,330)	(8,530,523)
Payments to Employees	(111,272)	(125,018)	(108,842)	(52,372)	(91,392)	(16,709,062)
Payments for Loans Provided						(331,072)
Payments for Other Operating Expenses	(16,401)	(41,432)	(25,956)	(20,807)	(47,152)	(1,454,410)
Net Cash (Used) by Operating Activities	(72,000)	(75,969)	(60,350)	(34,717)	(126,000)	(5,421,880)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Proceeds from Gifts	4,557	5,002	3,623	4,491		857,274
Proceeds from Endowments				60		1,013,625
Proceeds from Transfers from Other Funds	98,931	66,100	83,717	30,493	107,942	6,819,496
Proceeds from Loan Programs	19,883					19,883
Proceeds from Grant Receipts		22,173	25,348	10,460	30,642	1,168,093
Proceeds from Other Noncapital Financing Activities	9,898	12,923	6,018	4,609	2,943	806,280
Payments of Principal on Debt Issuance			(526)			(526)
Payments of Interest	(4)					(5)
Payments for Transfers to Other Funds	(70)		(424)	(1,112)		(2,338,880)
Payments for Grant Disbursements	(18,217)					(18,217)
Payments for Other Noncapital Financing Uses					(3,836)	(513,473)
Net Cash Provided by Noncapital Financing Activities	114,978	106,198	117,756	49,001	137,691	7,813,550
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from Sale of Capital Assets		8				9,738
Proceeds from Debt Issuance	38,827		342			4,139,147
Proceeds from State Grants and Contracts		10,735				53,414
Proceeds from Federal Grants and Contracts						1
Proceeds from Gifts					1,089	18,829
Proceeds from Other Capital and Related Financing Activities		572		5,572	1,773	209,396
Proceeds from Capital Contributions		693		200		447,017
Proceeds from Interfund Payables						8,553
Payments for Additions to Capital Assets	(38,836)	(36,383)	(24,189)	(24,671)	(19,161)	(4,416,559)
Payments of Principal on Debt Issuance	(34,415)	(14,802)	(15,482)	(7,089)	(6,880)	(3,542,929)
Payments for Capital Leases	(144)	(61)			(2,774)	(9,669)
Payments of Interest on Debt Issuance	(6,828)	(2,574)	(6,892)	(2,759)	(4,978)	(728,360)
Payments of Other Costs on Debt Issuance	(339)					(170,431)
Payments for Interfund Receivables		(1,506)			(717)	(2,512)
Net Cash (Used) by Capital and Related Financing Activities	(41,735)	(43,318)	(46,221)	(28,747)	(31,648)	(3,984,365)

Continued on the following page

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

For the Fiscal Year Ended August 31, 2018 (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
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from Sale of Investments	\$ 25,256,773	\$ 2,483,762	\$ 188,149	\$ 196,974	\$ 87,501	\$ 624,852
Proceeds from Interest and Investment Income	1,770,081	169,126	97,538	44,604	19,910	22,615
Payments to Acquire Investments	(25,897,902)	(2,439,824)	(264,794)	(255,720)	(91,468)	(518,512)
Payments for Nonprogram Loans Provided						
Net Cash Provided (Used) by Investing Activities	<u>1,128,952</u>	<u>213,064</u>	<u>20,893</u>	<u>(14,142)</u>	<u>15,943</u>	<u>128,955</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>13,983</u>	<u>(10,478)</u>	<u>(69,194)</u>	<u>182,397</u>	<u>(172,148)</u>	<u>(8,509)</u>
Cash and Cash Equivalents, September 1, 2017	3,189,535	1,457,116	616,114	378,156	812,048	310,407
Restatements			(735)	(139,166)		
Cash and Cash Equivalents, September 1, 2017, as Restated	<u>3,189,535</u>	<u>1,457,116</u>	<u>615,379</u>	<u>238,990</u>	<u>812,048</u>	<u>310,407</u>
Cash and Cash Equivalents, August 31, 2018	<u>\$ 3,203,518</u>	<u>\$ 1,446,638</u>	<u>\$ 546,185</u>	<u>\$ 421,387</u>	<u>\$ 639,900</u>	<u>\$ 301,898</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES</b>						
Operating (Loss)	\$ (4,195,718)	\$ (2,071,897)	\$ (664,466)	\$ (541,656)	\$ (509,013)	\$ (376,035)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:						
Depreciation and Amortization	1,440,562	374,669	126,560	100,910	100,365	73,218
Bad Debt Expense	368,794	5,506	412		2,610	
Pension Expense	251,962	35,423	17,311	12,197	12,850	8,437
OPEB Expense	843,221	181,875	15,355	6,380	6,764	4,623
Operating (Loss) and Cash Flow Categories Classification Differences				(138)	(613)	
Changes in Assets and Liabilities:						
(Increase) Decrease in Receivables	(265,366)	(39,861)	7,559	(13,315)	(5,804)	5,507
(Increase) Decrease in Due From Other Funds		3,009	(251)		(582)	
(Increase) Decrease in Inventories	(14,494)	(214)	(48)	182	1,046	179
Decrease in Notes Receivable			440		3,579	
(Increase) Decrease in Loans and Contracts	5,654	5,784			(1,713)	(1,912)
(Increase) Decrease in Other Assets	(49,055)	1,962	(6)	1,086	(1,391)	(76)
(Increase) Decrease in Deferred Outflows of Resources - Pension	187,210	20,949	17,461	13,644	(450)	(180)
(Increase) Decrease in Deferred Outflows of Resources - OPEB	(103,037)	(383,898)	(2,935)	(1,243)	(1,266)	(1,490)
(Increase) Decrease in Prepaid Expenses		(3,537)	(4,646)	(7,273)	(6,535)	(3,225)
Increase (Decrease) in Payables	35,068	19,949	15,778	13,196	(2,632)	(14,501)
Increase (Decrease) in Deposits	7,592	(7,019)			55	
Increase (Decrease) in Due To Other Funds		(399)	(814)		(114)	
Increase (Decrease) in Unearned Revenue	(30,349)	142,848	8,696	21,821	11,858	13,185
Increase (Decrease) in Employees' Compensable Leave	32,691	(9,444)	3,490	466	68	
Increase (Decrease) in Benefits Payable	(1,095,183)	(217,298)	(103,035)	75,280	(83,810)	(49,858)
(Decrease) in Liabilities to Employees for Defined Benefit Pension	(483,844)	(65,343)	(34,388)	(36,446)	(10,286)	(12,566)
Increase (Decrease) in Liabilities to Employees for Defined Benefit OPEB	(228,772)	753	(48,002)	(19,945)	(21,145)	(14,453)
Increase (Decrease) in Other Liabilities	109,962	(629)	(12,129)	610	(737)	1,016
Increase in Deferred Inflows of Resources - Pension	264,196	36,599	13,940	16,702	9,561	9,259
Increase in Deferred Inflows of Resources - OPEB	1,028,484	528,408	63,442	26,360	27,946	19,102
Total Adjustments	<u>2,305,296</u>	<u>630,092</u>	<u>84,190</u>	<u>210,474</u>	<u>39,624</u>	<u>36,265</u>
Net Cash (Used) by Operating Activities	<u>\$ (1,890,422)</u>	<u>\$ (1,441,805)</u>	<u>\$ (580,276)</u>	<u>\$ (331,182)</u>	<u>\$ (469,389)</u>	<u>\$ (339,770)</u>
<b>NONCASH TRANSACTIONS</b>						
Donation of Capital Assets	\$ 58,599	\$ 4,744	\$ 17,657	\$	\$ 1,324	\$ 1,353
Net Change in Fair Value of Investments	\$ 2,881,771	\$ 125,634	\$ 40,631	\$ 15,655	\$ 20,458	\$ 4,600
Borrowing Under Capital Lease Purchase	\$ 1,383	\$ 57,643	\$ 903	\$	\$	\$
Other	\$ (20,826)	\$ 449,034	\$ (1,180)	\$	\$ (2,159)	\$ 27,872

Concluded on the following page



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

For the Fiscal Year Ended August 31, 2018 (Amounts in Thousands)

	Texas Woman's University	Stephen F. Austin State University	Texas Southern University	Midwestern State University	Texas State Technical College	Totals
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from Sale of Investments	\$ 2,172	\$	\$ 197	\$ 39,493	\$ 22,606	\$ 28,902,479
Proceeds from Interest and Investment Income	9,501	2,586	4,373	2,579	996	2,143,909
Payments to Acquire Investments	(13,014)	(22,331)		(26,973)	(6,200)	(29,536,738)
Payments for Nonprogram Loans Provided			(6)			(6)
Net Cash Provided (Used) by Investing Activities	(1,341)	(19,745)	4,564	15,099	17,402	1,509,644
Net Increase (Decrease) in Cash and Cash Equivalents	(98)	(32,834)	15,749	636	(2,555)	(83,051)
Cash and Cash Equivalents, September 1, 2017	38,695	100,832	75,285	7,968	50,401	7,036,557
Restatements	(21,220)					(161,121)
Cash and Cash Equivalents, September 1, 2017, as Restated	17,475	100,832	75,285	7,968	50,401	6,875,436
Cash and Cash Equivalents, August 31, 2018	\$ 17,377	\$ 67,998	\$ 91,034	\$ 8,604	\$ 47,846	\$ 6,792,385
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES</b>						
Operating (Loss)	\$(100,919)	\$(96,275)	\$(82,171)	\$(51,436)	\$(135,272)	\$(8,824,858)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:						
Depreciation and Amortization	14,740	16,440	19,268	13,380	12,551	2,292,663
Bad Debt Expense	1,460	140	3,046	141	1,130	383,239
Pension Expense	2,718	3,172	1,518	966	818	347,372
OPEB Expense	1,087	2,609	5	625	183	1,062,727
Operating (Loss) and Cash Flow Categories						
Classification Differences		(8,007)		956	1,638	(6,164)
Changes in Assets and Liabilities:						
(Increase) Decrease in Receivables	910	14,360	(9,698)	(441)	(2,748)	(308,897)
(Increase) Decrease in Due From Other Funds	(64)	68	11,506		55	13,741
(Increase) Decrease in Inventories	14	(5)	114		656	(12,570)
(Increase) Decrease in Notes Receivable						4,019
(Increase) Decrease in Loans and Contracts	105	672				8,590
(Increase) Decrease in Other Assets			120			(47,360)
(Increase) Decrease in Deferred Outflows of Resources - Pension	256	1,447	(49)	(157)	140	240,271
(Increase) Decrease in Deferred Outflows of Resources - OPEB	(245)	(536)	(22)	(111)	99	(494,684)
(Increase) Decrease in Prepaid Expenses	(33)	(1,189)	(1,712)	(265)	1,336	(27,079)
Increase (Decrease) in Payables	717	1,636	5,809	5,028	(5,065)	74,983
Increase (Decrease) in Deposits		(454)			207	381
Increase (Decrease) in Due To Other Funds	(249)	12				(1,564)
Increase (Decrease) in Unearned Revenue	7,405	3,142	635	1,992	1,958	183,191
Increase (Decrease) in Employees' Compensable Leave	81	306	(322)	79	(9)	27,406
Increase (Decrease) in Benefits Payable	(770)	(13,517)	(7,541)	(6,201)	292	(1,501,641)
(Decrease) in Liabilities to Employees for Defined Benefit Pension	(2,169)	(2,032)	(2,346)	(684)	(1,271)	(651,375)
Increase (Decrease) in Liabilities to Employees for Defined Benefit OPEB	(3,398)	(8,157)	(15)	(1,953)	(572)	(345,659)
Increase (Decrease) in Other Liabilities	28	(1,431)	343	39	(3,438)	93,634
Increase in Deferred Inflows of Resources - Pension	1,835	850	1,142	743	556	355,383
Increase in Deferred Inflows of Resources - OPEB	4,491	10,780	20	2,582	756	1,712,371
Total Adjustments	28,919	20,306	21,821	16,719	9,272	3,402,978
Net Cash (Used) by Operating Activities	\$ (72,000)	\$ (75,969)	\$ (60,350)	\$ (34,717)	\$ (126,000)	\$ (5,421,880)
<b>NONCASH TRANSACTIONS</b>						
Donation of Capital Assets	\$	\$	\$	\$ 10,675	\$ 17,834	\$ 112,186
Net Change in Fair Value of Investments	\$ 5,226	\$ 2,003	\$ 6,560	\$ 1,740	\$	\$ 3,104,278
Borrowing Under Capital Lease Purchase	\$	\$	\$	\$	\$ 6,475	\$ 66,404
Other	\$ (3,408)	\$	\$	\$ 282	\$ 2,439	\$ 452,054

