

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

Management's Discussion and Analysis, pages 19-32

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Basic Financial Statements, pages 33-170

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Required Supplementary Information other than MD&A, pages 171-184

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Governmental Funds, pages 185-210

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Enterprise Funds, pages 211-240

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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, 2016 (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	\$ 422,701	\$ 35,126	\$ 239,791	\$	\$
Short-Term Investments	809,930		24,995		
Securities Lending Collateral				28,223	
Restricted:					
Cash and Cash Equivalents		176,736	109,713	291,232	
Short-Term Investments		7	7,991	5,003	
Loans and Contracts		23,383		80,987	
Receivables:					
Federal	10,520			10,812	
Accounts		584	12,585	3,363	4,056
Interest and Dividends	156,728	8,632	326	11,505	
Investment Trades					
Other		38			
Due From Other Funds			58,051	432	36,770
Interfund Receivable	150				
Inventories		4	178		9,414
Prepaid Items				2,380	
Loans and Contracts	176,928	2,703			
Other Current Assets		79			
Total Current Assets	<u>1,576,957</u>	<u>247,292</u>	<u>453,630</u>	<u>433,937</u>	<u>50,240</u>
Noncurrent Assets:					
Restricted:					
Cash and Cash Equivalents					
Investments		644,662	130,006	438,989	
Receivables					
Loans and Contracts		998,198		2,670,046	
Other		44		1,556	
Loans and Contracts	5,575,743	49,794			
Investments		1,809		330	
Interfund Receivable	2,140				
Capital Assets:					
Non-Depreciable or Non-Amortizable			705,506	7,062	283
Depreciable or Amortizable, Net		157	1,991,326	65,507	316
Assets Held in Trust					
Intangible Assets – Service Concession Arrangements					
Total Noncurrent Assets	<u>5,577,883</u>	<u>1,694,664</u>	<u>2,826,838</u>	<u>3,183,490</u>	<u>599</u>
Total Assets	<u>7,154,840</u>	<u>1,941,956</u>	<u>3,280,468</u>	<u>3,617,427</u>	<u>50,839</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources		15,095	32,022	348,529	
Total Deferred Outflows of Resources	<u>0</u>	<u>15,095</u>	<u>32,022</u>	<u>348,529</u>	<u>0</u>

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STATE OF TEXAS

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

August 31, 2016 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 71,409	\$ 45,638	\$ 61,150	\$ 875,815
Short-Term Investments		5,369		840,294
Securities Lending Collateral	33,423			61,646
Restricted:				
Cash and Cash Equivalents	177,930	254,766	2,000	1,012,377
Short-Term Investments		265,839		278,840
Loans and Contracts				104,370
Receivables:				
Federal				21,332
Accounts		11,329	260	32,177
Interest and Dividends	2,452	263	162	180,068
Investment Trades	42,202			42,202
Other	41		5,278	5,357
Due From Other Funds				95,253
Interfund Receivable				150
Inventories		7	972	10,575
Prepaid Items			927	3,307
Loans and Contracts	32,959		1,788	214,378
Other Current Assets				79
Total Current Assets	<u>360,416</u>	<u>583,211</u>	<u>72,537</u>	<u>3,778,220</u>
Noncurrent Assets:				
Restricted:				
Cash and Cash Equivalents			34,297	34,297
Investments	1,234,168	50,013	319	2,498,157
Receivables	125,016			125,016
Loans and Contracts				3,668,244
Other				1,600
Loans and Contracts			16,795	5,642,332
Investments		59,976		62,115
Interfund Receivable				2,140
Capital Assets:				
Non-Depreciable or Non-Amortizable			836	713,687
Depreciable or Amortizable, Net			2,552	2,059,858
Assets Held in Trust			14,532	14,532
Intangible Assets – Service Concession Arrangements		2,326,591		2,326,591
Total Noncurrent Assets	<u>1,359,184</u>	<u>2,436,580</u>	<u>69,331</u>	<u>17,148,569</u>
Total Assets	<u>1,719,600</u>	<u>3,019,791</u>	<u>141,868</u>	<u>20,926,789</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources				395,646
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>395,646</u>

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STATE OF TEXAS

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

August 31, 2016 (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 Payroll	\$ 44	\$ 1,440	\$ 2,487	\$ 14,963	\$ 6,216
Investment Trades Interest	25,503	13,677	4,460	1,782	1,675
Due To Other Funds	2,971			68	661
Interfund Payable		8			
Unearned Revenue		6,239		137	
Obligations/Securities Lending				28,223	
Employees' Compensable Leave		797			1,180
Notes and Loans Payable		215			
General Obligation Bonds Payable	64,678			157,450	
Revenue Bonds Payable	43,599	27,897	20,052		
Liabilities Payable From Restricted Assets					
Other Current Liabilities		408			
Total Current Liabilities	<u>136,795</u>	<u>50,681</u>	<u>26,999</u>	<u>202,623</u>	<u>9,732</u>
Noncurrent Liabilities:					
Employees' Compensable Leave		506			51
Notes and Loans Payable		45,490			
General Obligation Bonds Payable	1,443,316			2,633,621	
Revenue Bonds Payable	1,484,924	1,406,985	2,938,612		
Liabilities Payable From Restricted Assets					
Assets Held for Others					
Hedging Derivative Liability		15,096		348,529	
Other Noncurrent Liabilities		142,349			
Total Noncurrent Liabilities	<u>2,928,240</u>	<u>1,610,426</u>	<u>2,938,612</u>	<u>2,982,150</u>	<u>51</u>
Total Liabilities	<u>3,065,035</u>	<u>1,661,107</u>	<u>2,965,611</u>	<u>3,184,773</u>	<u>9,783</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources					
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET POSITION					
Net Investment in Capital Assets		157	637,980	72,569	598
Restricted for:					
Debt Service		208,294	65,439		
Veterans Land Board Housing Programs				152,745	
Other	4,089,805		56,454		
Unrestricted		87,493	(412,994)	555,869	40,458
Total Net Position	<u>\$ 4,089,805</u>	<u>\$ 295,944</u>	<u>\$ 346,879</u>	<u>\$ 781,183</u>	<u>\$ 41,056</u>

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STATE OF TEXAS

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

August 31, 2016 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
LIABILITIES				
Current Liabilities:				
Payables:				
Accounts	\$ 762	\$ 30,680	\$ 2,126	\$ 58,718
Payroll			2,551	4,226
Investment Trades	43,646			43,646
Interest		46,454		91,876
Due To Other Funds	11	6,545		10,256
Interfund Payable			2	10
Unearned Revenue	1,034		117	7,527
Obligations/Securities Lending	33,423			61,646
Employees' Compensable Leave	63		733	2,773
Notes and Loans Payable		12,100		12,315
General Obligation Bonds Payable				222,128
Revenue Bonds Payable		(330)		91,218
Liabilities Payable From Restricted Assets	298,570			298,570
Other Current Liabilities		5,173		5,581
Total Current Liabilities	<u>377,509</u>	<u>100,622</u>	<u>5,529</u>	<u>910,490</u>
Noncurrent Liabilities:				
Employees' Compensable Leave	75		607	1,239
Notes and Loans Payable		733,465	20,000	798,955
General Obligation Bonds Payable				4,076,937
Revenue Bonds Payable		2,208,001		8,038,522
Liabilities Payable From Restricted Assets	1,892,204			1,892,204
Assets Held for Others			14,532	14,532
Hedging Derivative Liability				363,625
Other Noncurrent Liabilities				142,349
Total Noncurrent Liabilities	<u>1,892,279</u>	<u>2,941,466</u>	<u>35,139</u>	<u>15,328,363</u>
Total Liabilities	<u>2,269,788</u>	<u>3,042,088</u>	<u>40,668</u>	<u>16,238,853</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources		996		996
Total Deferred Inflows of Resources	<u>0</u>	<u>996</u>	<u>0</u>	<u>996</u>
NET POSITION				
Net Investment in Capital Assets			2,335	713,639
Restricted for:				
Debt Service				273,733
Veterans Land Board Housing Programs				152,745
Other		38,707		4,184,966
Unrestricted	(550,188)	(62,000)	98,865	(242,497)
Total Net Position	<u>\$ (550,188)</u>	<u>\$ (23,293)</u>	<u>\$ 101,200</u>	<u>\$ 5,082,586</u>

STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2016 (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	\$	\$	\$	\$	\$ 110,451
Other Sales of Goods and Services				8,258	
Other Sales of Goods and Services – Pledged			170,689	25,073	
Interest and Investment Income	191,664	65,526		93,395	
Federal Revenue				57,764	
Other	7,896	26,245	1,546	754	1,287
Total Operating Revenues	<u>199,560</u>	<u>91,771</u>	<u>172,235</u>	<u>185,244</u>	<u>111,738</u>
OPERATING EXPENSES					
Cost of Goods Sold					77,081
Salaries and Wages	4,819	10,292	1,796	97	14,446
Payroll Related Costs	763	3,446			5,485
Professional Fees and Services	6,365	2,384	3,215	82,345	
Travel	58	244	13	147	52
Materials and Supplies	15	422	5,237	3,725	1,224
Communication and Utilities	36	161	928	27	2
Repairs and Maintenance		289	11,420	422	203
Rentals and Leases	54	84	4	1	799
Printing and Reproduction	1	99		4	14
Depreciation and Amortization		48	54,041	4,433	50
Bad Debt Expense		1,730			2
Interest Expense	151,653	57,510		84,393	
Employee/Participant Benefit Payments					
Net Change in Pollution Remediation Obligation				(1,530)	
Other	120	10,179	24,619	5,626	54
Total Operating Expenses	<u>163,884</u>	<u>86,888</u>	<u>101,273</u>	<u>179,690</u>	<u>99,412</u>
Operating Income (Loss)	<u>35,676</u>	<u>4,883</u>	<u>70,962</u>	<u>5,554</u>	<u>12,326</u>

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STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2016 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
OPERATING REVENUES				
Auxiliary Enterprises – Pledged	\$	\$	\$	\$ 110,451
Other Sales of Goods and Services	38,403		10,522	57,183
Other Sales of Goods and Services – Pledged		78,117		273,879
Interest and Investment Income			642	351,227
Federal Revenue				57,764
Other	1,140	5,773	23,675	68,316
Total Operating Revenues	<u>39,543</u>	<u>83,890</u>	<u>34,839</u>	<u>918,820</u>
OPERATING EXPENSES				
Cost of Goods Sold			1,698	78,779
Salaries and Wages	948	525	13,310	46,233
Payroll Related Costs	268		3,440	13,402
Professional Fees and Services	5,166	578	6,808	106,861
Travel	13	3	198	728
Materials and Supplies	76	299	2,112	13,110
Communication and Utilities	40	178	891	2,263
Repairs and Maintenance	345	1,592	1,182	15,453
Rentals and Leases	26	1	1,519	2,488
Printing and Reproduction	3		76	197
Depreciation and Amortization		62,397	191	121,160
Bad Debt Expense				1,732
Interest Expense			100	293,656
Employee/Participant Benefit Payments	131,961			131,961
Net Change in Pollution Remediation Obligation				(1,530)
Other	25,733	11,227	3,047	80,605
Total Operating Expenses	<u>164,579</u>	<u>76,800</u>	<u>34,572</u>	<u>907,098</u>
Operating Income (Loss)	<u>(125,036)</u>	<u>7,090</u>	<u>267</u>	<u>11,722</u>

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STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2016 (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	\$ 215,798	\$	\$	\$ 1,985	\$
Gifts				52	
Land Income			12		
Interest and Investment Income (Loss)	(95)		7,702	38,114	
Loan Premium and Fees on Securities Lending					
Investing Activities Expense					
Interest Expense			(125,516)		
Borrower Rebates and Agent Fees				(61)	
Gain on Sale of Capital Assets					(2)
Settlement of Claims					2
Other Revenues - Pledged	56				
Other Expenses	(48,782)		(17)		
Total Nonoperating Revenues (Expenses)	<u>166,977</u>	<u>0</u>	<u>(117,819)</u>	<u>40,090</u>	<u>0</u>
Income (Loss) Before Capital Contributions and Transfers	<u>202,653</u>	<u>4,883</u>	<u>(46,857)</u>	<u>45,644</u>	<u>12,326</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions – Other			1,870	540	
Transfer In	110,641	2,567	198	381	5,257
Transfer Out	(12,670)			(25,174)	(19,342)
Total Capital Contributions and Transfers	<u>97,971</u>	<u>2,567</u>	<u>2,068</u>	<u>(24,253)</u>	<u>(14,085)</u>
Change in Net Position	<u>300,624</u>	<u>7,450</u>	<u>(44,789)</u>	<u>21,391</u>	<u>(1,759)</u>
Net Position, September 1, 2015	3,789,257	288,494	391,668	759,771	44,654
Restatements	(76)			21	(1,839)
Net Position, September 1, 2015, as Restated	<u>3,789,181</u>	<u>288,494</u>	<u>391,668</u>	<u>759,792</u>	<u>42,815</u>
Net Position, August 31, 2016	<u>\$4,089,805</u>	<u>\$ 295,944</u>	<u>\$ 346,879</u>	<u>\$ 781,183</u>	<u>\$ 41,056</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, 2016 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
NONOPERATING REVENUES (EXPENSES)				
Federal Revenue	\$	\$	\$	\$ 217,783
Gifts			208	260
Land Income				12
Interest and Investment Income (Loss)	59,732	2,136	141	107,730
Loan Premium and Fees on Securities Lending	148			148
Investing Activities Expense	(371)			(371)
Interest Expense		(48,593)		(174,109)
Borrower Rebates and Agent Fees	(34)		(1)	(96)
Gain on Sale of Capital Assets				(2)
Settlement of Claims				2
Other Revenues - Pledged				56
Other Expenses		(536)	(2)	(49,337)
Total Nonoperating Revenues (Expenses)	<u>59,475</u>	<u>(46,993)</u>	<u>346</u>	<u>102,076</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(65,561)</u>	<u>(39,903)</u>	<u>613</u>	<u>113,798</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions – Other				2,410
Transfer In			1,240	120,284
Transfer Out			(170)	(57,356)
Total Capital Contributions and Transfers	<u>0</u>	<u>0</u>	<u>1,070</u>	<u>65,338</u>
Change in Net Position	<u>(65,561)</u>	<u>(39,903)</u>	<u>1,683</u>	<u>179,136</u>
Net Position, September 1, 2015	(484,627)	16,610	99,517	4,905,344
Restatements				(1,894)
Net Position, September 1, 2015, as Restated	<u>(484,627)</u>	<u>16,610</u>	<u>99,517</u>	<u>4,903,450</u>
Net Position, August 31, 2016	<u>\$ (550,188)</u>	<u>\$ (23,293)</u>	<u>\$ 101,200</u>	<u>\$ 5,082,586</u>

STATE OF TEXAS

Combining Statement of Cash Flows – Nonmajor Enterprise Funds

For the Fiscal Year Ended August 31, 2016 (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	\$	\$	\$ 174,289	\$ 91,285	\$ 109,723
Proceeds from Gifts				52	
Proceeds from Loan Programs		118,450		596,014	
Proceeds from Other Operating Revenues	56	45,256		1,240	1,287
Payments to Suppliers for Goods and Services	(23)	(64,646)	(43,700)	(90,158)	(75,857)
Payments to Employees	(6,085)	(13,419)		(97)	(19,979)
Payments for Loans Provided		(12,545)		(808,110)	
Payments for Other Operating Expenses				(146)	(2,349)
Net Cash Provided (Used) by Operating Activities	<u>(6,052)</u>	<u>73,096</u>	<u>130,589</u>	<u>(209,920)</u>	<u>12,825</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from Debt Issuance	1,208,091	240,581		250,000	
Proceeds from Transfers from Other Funds	361,624	2,816	197	125,025	5,257
Proceeds from Interfund Payables	27,308				
Proceeds from Grant Receipts	215,427				
Proceeds from Other Noncapital Financing Activities					
Payments of Principal on Debt Issuance	(123,133)	(251,885)		(139,794)	
Payments of Interest	(127,728)	(59,327)		(85,736)	
Payments of Other Costs on Debt Issuance	(170)	(2,223)			
Payments for Transfers to Other Funds	(303,770)		(12,500)	(150,320)	(18,034)
Payments for Grant Disbursements	(69,448)				
Payments for Interfund Receivables	(48,400)				
Payments for Other Noncapital Financing Uses			(959)		
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,139,801</u>	<u>(70,038)</u>	<u>(13,262)</u>	<u>(825)</u>	<u>(12,777)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Sale of Capital Assets			53		
Proceeds from Federal Grants and Contracts				1,983	
Proceeds from Other Capital and Related Financing Activities			12		
Payments for Additions to Capital Assets		(49)		(7,590)	(49)
Payments of Principal on Debt Issuance			(1,745)		
Payments for Capital Leases					
Payments of Interest on Debt Issuance			(107,051)		
Payments of Other Costs on Debt Issuance			(17)		
Net Cash (Used) by Capital and Related Financing Activities	<u>0</u>	<u>(49)</u>	<u>(108,748)</u>	<u>(5,607)</u>	<u>(49)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sale of Investments	854,067	166,145	212,260	209,350	19,199
Proceeds from Interest and Investment Income	191,133	31,341	7,320	9,658	40
Proceeds from Principal Payments on Loans	450,777				
Payments to Acquire Investments	(960,595)	(123,436)	(229,961)	(89,351)	(19,238)
Payments for Nonprogram Loans Provided	<u>(1,482,225)</u>				
Net Cash Provided (Used) by Investing Activities	<u>(946,843)</u>	<u>74,050</u>	<u>(10,381)</u>	<u>129,657</u>	<u>1</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>186,906</u>	<u>77,059</u>	<u>(1,802)</u>	<u>(86,695)</u>	<u>0</u>
Cash and Cash Equivalents, September 1, 2015	235,871	134,803	120,181	377,927	0
Restatements	(76)		231,125		
Cash and Cash Equivalents, September 1, 2015, as Restated	<u>235,795</u>	<u>134,803</u>	<u>351,306</u>	<u>377,927</u>	<u>0</u>
Cash and Cash Equivalents, August 31, 2016	<u>\$ 422,701</u>	<u>\$ 211,862</u>	<u>\$ 349,504</u>	<u>\$ 291,232</u>	<u>\$ 0</u>

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STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2016 (Amounts in Thousands)

	Texas Prepaid Tuition Plans	Grand Parkway Transportation Corporation	Other Nonmajor Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Proceeds from Customers	\$ 59,546	\$ 77,488	\$ 11,525	\$ 523,856
Proceeds from Gifts				52
Proceeds from Loan Programs				714,464
Proceeds from Other Operating Revenues	766	3,084	22,304	73,993
Payments to Suppliers for Goods and Services	(5,784)	(16,136)	(1,691)	(297,995)
Payments to Employees	(1,196)		(16,168)	(56,944)
Payments for Loans Provided				(820,655)
Payments for Other Operating Expenses	(213,169)		(15,850)	(231,514)
Net Cash Provided (Used) by Operating Activities	<u>(159,837)</u>	<u>64,436</u>	<u>120</u>	<u>(94,743)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from Debt Issuance				1,698,672
Proceeds from Transfers from Other Funds			4,607	499,526
Proceeds from Interfund Payables				27,308
Proceeds from Grant Receipts				215,427
Proceeds from Other Noncapital Financing Activities			208	208
Payments of Principal on Debt Issuance			(5,000)	(519,812)
Payments of Interest		(111,136)	(100)	(384,027)
Payments of Other Costs on Debt Issuance		(16)		(2,409)
Payments for Transfers to Other Funds		(45,558)	(3,538)	(533,720)
Payments for Grant Disbursements				(69,448)
Payments for Interfund Receivables				(48,400)
Payments for Other Noncapital Financing Uses		(279,722)		(280,681)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>(436,432)</u>	<u>(3,823)</u>	<u>602,644</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets				53
Proceeds from Federal Grants and Contracts				1,983
Proceeds from Other Capital and Related Financing Activities				12
Payments for Additions to Capital Assets			(204)	(7,892)
Payments of Principal on Debt Issuance				(1,745)
Payments for Capital Leases			(1,670)	(1,670)
Payments of Interest on Debt Issuance				(107,051)
Payments of Other Costs on Debt Issuance				(17)
Net Cash (Used) by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>(1,874)</u>	<u>(116,327)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Investments	476,425	1,231,864		3,169,310
Proceeds from Interest and Investment Income	45,810	3,130	763	289,195
Proceeds from Principal Payments on Loans			1,773	452,550
Payments to Acquire Investments	(410,742)	(783,834)	(62)	(2,617,219)
Payments for Nonprogram Loans Provided				(1,482,225)
Net Cash Provided (Used) by Investing Activities	<u>111,493</u>	<u>451,160</u>	<u>2,474</u>	<u>(188,389)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(48,344)</u>	<u>79,164</u>	<u>(3,103)</u>	<u>203,185</u>
Cash and Cash Equivalents, September 1, 2015	297,683	221,240	100,550	1,488,255
Restatements				231,049
Cash and Cash Equivalents, September 1, 2015, as Restated	<u>297,683</u>	<u>221,240</u>	<u>100,550</u>	<u>1,719,304</u>
Cash and Cash Equivalents, August 31, 2016	<u>\$ 249,339</u>	<u>\$ 300,404</u>	<u>\$ 97,447</u>	<u>\$ 1,922,489</u>

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STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2016 (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)	\$ 35,676	\$ 4,883	\$ 70,962	\$ 5,554	\$ 12,326
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization		48	54,041	4,433	50
Bad Debt Expense		1,730			2
Operating Income (Loss) and Cash Flow Categories Classification Differences					
	(22,773)	(3,513)		89,093	
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables		3,355	2,158	(789)	(758)
(Increase) Decrease in Due From Other Funds					29
(Increase) Decrease in Inventories			941		733
(Increase) Decrease in Loans and Contracts		14,553		(309,618)	
(Increase) Decrease in Other Assets		909		9,221	
(Increase) Decrease in Prepaid Expenses				(2,380)	
Increase (Decrease) in Payables	(18,955)	(3,555)	2,487	3,177	259
Increase (Decrease) in Deposits					
Increase (Decrease) in Due To Other Funds					232
Increase (Decrease) in Unearned Revenue		138			
Increase (Decrease) in Employees' Compensable Leave					(48)
Increase (Decrease) in Other Liabilities		54,548		(8,611)	
Total Adjustments	<u>(41,728)</u>	<u>68,213</u>	<u>59,627</u>	<u>(215,474)</u>	<u>499</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (6,052)</u>	<u>\$ 73,096</u>	<u>\$ 130,589</u>	<u>\$ (209,920)</u>	<u>\$ 12,825</u>
NONCASH TRANSACTIONS					
Donation of Capital Assets	\$	\$	\$ 1,870	\$	\$
Net Change in Fair Value of Investments	\$ 1,447	\$ (3,711)	\$ (169)	\$ 22,917	\$
Other	\$	\$	\$ 270	\$ (1,557)	\$

Concluded on the following page

STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2016 (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)	\$ (125,036)	\$ 7,090	\$ 267	\$ 11,722
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization		62,397	191	121,160
Bad Debt Expense				1,732
Operating Income (Loss) and Cash Flow Categories Classification Differences			(544)	62,263
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	(730)	(6,401)	(1,515)	(4,680)
(Increase) Decrease in Due From Other Funds			1,011	1,040
(Increase) Decrease in Inventories		(7)	207	1,874
(Increase) Decrease in Loans and Contracts				(295,065)
(Increase) Decrease in Other Assets				10,130
(Increase) Decrease in Prepaid Expenses		4	(649)	(3,025)
Increase (Decrease) in Payables	(33,918)	2,632	1,502	(46,371)
Increase (Decrease) in Deposits		3,084		3,084
Increase (Decrease) in Due To Other Funds		(4,363)	(421)	(4,552)
Increase (Decrease) in Unearned Revenue	(174)		29	(7)
Increase (Decrease) in Employees' Compensable Leave	9		5	(34)
Increase (Decrease) in Other Liabilities	12		37	45,986
Total Adjustments	<u>(34,801)</u>	<u>57,346</u>	<u>(147)</u>	<u>(106,465)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (159,837)</u>	<u>\$ 64,436</u>	<u>\$ 120</u>	<u>\$ (94,743)</u>
NONCASH TRANSACTIONS				
Donation of Capital Assets	\$	\$	\$	\$ 1,870
Net Change in Fair Value of Investments	\$ 14,620	\$ (6)	\$	\$ 35,098
Other	\$	\$ 739	\$	\$ (548)

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

STATE OF TEXAS

Schedule of Net Position

Colleges and Universities – Major Enterprise Fund

August 31, 2016 (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	\$ 2,545,094	\$ 820,667	\$ 238,061	\$ 157,103	\$ 464,140	\$ 183,437
Short-Term Investments				217,212		
Securities Lending Collateral	729,335					
Restricted:						
Cash and Cash Equivalents	326,642	449,195	123,824	204,656	65,387	20,217
Short-Term Investments					28,860	45,062
Receivables:						
Federal	493,365	120,183	15,427	33,241	13,765	32,992
Other Intergovernmental	119,073	4,720				1,525
Accounts	1,372,914	184,962	80,844	41,567	118,980	79,443
Interest and Dividends	60,028	8,060	1,082	752	137	2,163
Gifts	130,286	71,643	33,564	53,319	6,159	2,236
Investment Trades	418,024	69,067			2,910	
Other	405,064	3,662	9,691	1,880	7,688	14,764
Due From Other Funds	211,637	157,516	190,964	143,020	73,392	111,387
Interfund Receivable		48,475				
Inventories	116,642	24,972	3,932	1,794	5,111	3,187
Prepaid Items			57,098	44,206	41,047	45,789
Loans and Contracts	70,220	23,578	1,574	18,480	15,039	2,782
Other Current Assets	233,741	115,681	449		13,051	
Total Current Assets	<u>7,232,065</u>	<u>2,102,381</u>	<u>756,510</u>	<u>917,230</u>	<u>855,666</u>	<u>544,984</u>
Noncurrent Assets:						
Restricted:						
Cash and Cash Equivalents	4,974		24,644		21,851	
Short-Term Investments						
Investments	35,899,086	1,007,236	403,617		178,251	60,371
Receivables				47,464	1,425	
Loans and Contracts	77,762	4,259	4,185	5,474		
Other						
Loans and Contracts		17,174	4,063		537	5,059
Investments	6,759,353	2,803,494	1,410,629	808,606	197,924	166,505
Interfund Receivable		971,261				
Gifts Receivable	209,953	455,591	81,128		2,372	1,650
Capital Assets:						
Non-Depreciable or Non-Amortizable	2,745,274	1,146,452	154,496	271,351	271,700	141,421
Depreciable or Amortizable, Net	12,864,454	3,875,416	1,344,710	1,153,954	1,279,149	883,583
Assets Held in Trust		362				
Other Noncurrent Assets	146,260	7,746				
Total Noncurrent Assets	<u>58,707,116</u>	<u>10,288,991</u>	<u>3,427,472</u>	<u>2,286,849</u>	<u>1,953,209</u>	<u>1,258,589</u>
Total Assets	<u>65,939,181</u>	<u>12,391,372</u>	<u>4,183,982</u>	<u>3,204,079</u>	<u>2,808,875</u>	<u>1,803,573</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources	951,908	145,270	38,050	35,386	28,764	25,854
Total Deferred Outflows of Resources	<u>951,908</u>	<u>145,270</u>	<u>38,050</u>	<u>35,386</u>	<u>28,764</u>	<u>25,854</u>

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STATE OF TEXAS

Schedule of Net Position

Colleges and Universities – Major Enterprise Fund (continued)

August 31, 2016 (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	\$ 11,673	\$ 74,555	\$ 24,291	\$ 3,297	\$ 40,210	\$ 4,562,528
Short-Term Investments	79,662	580		8,765	2,443	308,662
Securities Lending Collateral						729,335
Restricted:						
Cash and Cash Equivalents	26,675	11,098	18,474	4,821	2,688	1,253,677
Short-Term Investments	10,849	497	2,556		55,678	143,502
Receivables:						
Federal	2,163	11,509	4,603	151	8,056	735,455
Other Intergovernmental Accounts	17,569	15,668	28,137	9,980	11,234	1,961,298
Interest and Dividends	499	4			18	72,743
Gifts		4		393		297,604
Investment Trades						490,001
Other	5,216		730	1,542		450,237
Due From Other Funds	45,860	5,042	10,259	2,046	13,144	964,267
Interfund Receivable						48,475
Inventories	1,607	894	515	197	2,264	161,115
Prepaid Items	510	13,601		9,616		211,867
Loans and Contracts	5,811	2,954				140,438
Other Current Assets						362,922
Total Current Assets	<u>208,094</u>	<u>136,637</u>	<u>94,080</u>	<u>41,244</u>	<u>135,735</u>	<u>13,024,626</u>
Noncurrent Assets:						
Restricted:						
Cash and Cash Equivalents					110	51,579
Short-Term Investments				8,360	462	8,822
Investments	14,587	11,579	48,615	5,593		37,628,935
Receivables		1,546				50,435
Loans and Contracts		3,598	522			95,800
Other			11,709			11,709
Loans and Contracts						26,833
Investments	136,817	49,942		41,570		12,374,840
Interfund Receivable						971,261
Gifts Receivable				2,281		752,975
Capital Assets:						
Non-Depreciable or Non-Amortizable	12,131	11,685	20,252	12,010	23,762	4,810,534
Depreciable or Amortizable, Net	188,612	190,350	261,981	135,908	145,846	22,323,963
Assets Held in Trust						362
Other Noncurrent Assets				807		154,813
Total Noncurrent Assets	<u>352,147</u>	<u>268,700</u>	<u>343,079</u>	<u>206,529</u>	<u>170,180</u>	<u>79,262,861</u>
Total Assets	<u>560,241</u>	<u>405,337</u>	<u>437,159</u>	<u>247,773</u>	<u>305,915</u>	<u>92,287,487</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources	4,637	19,222	3,222	2,588	3,916	1,258,817
Total Deferred Outflows of Resources	<u>4,637</u>	<u>19,222</u>	<u>3,222</u>	<u>2,588</u>	<u>3,916</u>	<u>1,258,817</u>

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STATE OF TEXAS

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

August 31, 2016 (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	\$ 1,178,417	\$ 205,608	\$ 52,938	\$ 45,870	\$ 54,258	\$ 52,444
Payroll	548,226	135,705	80,566	65,192	33,795	48,435
Other Intergovernmental	26				88	
Federal	53,517			59	1	
Investment Trades	579,420	122,135			1,308	
Interest					15,396	8,910
Due To Other Funds	22,025	2,029	1,529	831	1,922	335
Interfund Payable	49,709	2,953				
Unearned Revenue	1,483,728	547,638	212,206	239,210	379,922	230,019
Obligations/Securities Lending	729,335					
Short-Term Debt	852,096		30,279	54,472	162	20,150
Claims and Judgments	104,109	3,619	2,043	256		891
Capital Lease Obligations	5,355	5,388		538		1,249
Employees' Compensable Leave	384,367	11,406	5,649	13,054	12,418	4,303
Notes and Loans Payable	31,632	29,509	21,817		1,235	
General Obligation Bonds Payable						
Revenue Bonds Payable	1,561,116	181,865	43,294	59,890	49,141	33,843
Liabilities Payable from Restricted Assets		26,493				
Funds Held for Others	19,287	57,617	22,037	26,640	5,082	2,467
Other Current Liabilities	121,490	28,669	19,218	2,870	1,391	4,902
Total Current Liabilities	<u>7,723,855</u>	<u>1,360,634</u>	<u>491,576</u>	<u>508,882</u>	<u>556,119</u>	<u>407,948</u>
Noncurrent Liabilities:						
Interfund Payable	975,701	7,362				
Claims and Judgments	28,382	7,564	8,642			960
Capital Lease Obligations	9,037	36,136		6,760		2,663
Employees' Compensable Leave	210,801	101,885	41,047	13,254	12,380	20,379
Notes and Loans Payable	1,023,391	151,453			3,677	
General Obligation Bonds Payable						
Revenue Bonds Payable	6,485,798	3,227,306	532,807	995,463	810,164	514,046
Liabilities Payable from Restricted Assets		20,923				
Pollution Remediation Obligation			1,023			
Assets Held for Others	742,538	80,250				
Net OPEB Obligation	4,647,431	1,117,799				
Net Pension Liability	2,744,694	399,242	186,671	177,321	146,672	118,375
Hedging Derivative Liability	338,726					
Investment Derivative Instrument	233,840					
Other Noncurrent Liabilities	36,401	61,022	313		1,591	
Total Noncurrent Liabilities	<u>17,476,740</u>	<u>5,210,942</u>	<u>770,503</u>	<u>1,192,798</u>	<u>974,484</u>	<u>656,423</u>
Total Liabilities	<u>25,200,595</u>	<u>6,571,576</u>	<u>1,262,079</u>	<u>1,701,680</u>	<u>1,530,603</u>	<u>1,064,371</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources	404,159	72,953	31,961	27,738	17,790	22,123
Total Deferred Inflows of Resources	<u>404,159</u>	<u>72,953</u>	<u>31,961</u>	<u>27,738</u>	<u>17,790</u>	<u>22,123</u>
NET POSITION						
Net Investment in Capital Assets	6,375,856	1,724,453	900,672	552,445	691,545	465,252
Restricted for:						
Education	2,142,574	367,760	388,247	221,105	53,462	39,135
Debt Service	14,369	340	32,695	2,622	1,648	
Capital Projects	169,348	552,993	27,901	27,860	38,204	
Funds Held as Permanent Investments:						
Nonexpendable	21,530,532	382,662	670,409	415,236	125,376	46,960
Expendable	8,858,004	317,750	53,349	45,567	58,312	18,160
Unrestricted	<u>2,195,652</u>	<u>2,546,155</u>	<u>854,719</u>	<u>245,212</u>	<u>320,699</u>	<u>173,426</u>
Total Net Position	<u>\$ 41,286,335</u>	<u>\$ 5,892,113</u>	<u>\$ 2,927,992</u>	<u>\$ 1,510,047</u>	<u>\$ 1,289,246</u>	<u>\$ 742,933</u>

Concluded on the following page

STATE OF TEXAS

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

August 31, 2016 (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	\$ 3,481	\$ 3,231	\$ 14,937	\$ 7,837	\$ 6,818	\$ 1,625,839
Payroll	5,641	10,599	5,307	4,707	7,067	945,240
Other Intergovernmental	2,550		10,212			12,876
Federal	2,092				98	55,767
Investment Trades						702,863
Interest		1,706	1,572		1,353	28,937
Due To Other Funds	745	390	83			29,889
Interfund Payable		1,507		272	698	55,139
Unearned Revenue	41,831	71,506	58,997	29,046	18,212	3,312,315
Obligations/Securities Lending						729,335
Short-Term Debt						957,159
Claims and Judgments						110,918
Capital Lease Obligations	277	58		34	474	13,373
Employees' Compensable Leave	2,348	438	2,961	199	748	437,891
Notes and Loans Payable		1,120	4,661		120	90,094
General Obligation Bonds Payable		1,105			2,312	3,417
Revenue Bonds Payable	6,103	10,190	8,952	4,456	5,308	1,964,158
Liabilities Payable from Restricted Assets						26,493
Funds Held for Others		11,553	40	151	3,812	148,686
Other Current Liabilities	1,434	4,014		64	1,521	185,573
Total Current Liabilities	<u>66,502</u>	<u>117,417</u>	<u>107,722</u>	<u>46,766</u>	<u>48,541</u>	<u>11,435,962</u>
Noncurrent Liabilities:						
Interfund Payable		5,905		985	4,937	994,890
Claims and Judgments						45,548
Capital Lease Obligations	144	267			2,077	57,084
Employees' Compensable Leave	1,498	4,058	3,551	1,510	4,577	414,940
Notes and Loans Payable		12,374	101,508		1,480	1,293,883
General Obligation Bonds Payable		2,345			24,988	27,333
Revenue Bonds Payable	78,981	112,593	59,496	102,193	93,165	13,012,012
Liabilities Payable from Restricted Assets						20,923
Pollution Remediation Obligation						1,023
Assets Held for Others	122					822,910
Net OPEB Obligation						5,765,230
Net Pension Liability	22,874	39,842	20,231	9,618	12,486	3,878,026
Hedging Derivative Liability						338,726
Investment Derivative Instrument						233,840
Other Noncurrent Liabilities	(122)		804	193		100,202
Total Noncurrent Liabilities	<u>103,497</u>	<u>177,384</u>	<u>185,590</u>	<u>114,499</u>	<u>143,710</u>	<u>27,006,570</u>
Total Liabilities	<u>169,999</u>	<u>294,801</u>	<u>293,312</u>	<u>161,265</u>	<u>192,251</u>	<u>38,442,532</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources	4,269	2,954	3,892	1,071	3,697	592,607
Total Deferred Inflows of Resources	<u>4,269</u>	<u>2,954</u>	<u>3,892</u>	<u>1,071</u>	<u>3,697</u>	<u>592,607</u>
NET POSITION						
Net Investment in Capital Assets	117,918	54,714	112,875	45,998	91,391	11,133,119
Restricted for:						
Education	27,103	20,911	1,398		768	3,262,463
Debt Service	4,602		790			57,066
Capital Projects	89,542			421	1,085	907,354
Funds Held as Permanent Investments:						
Nonexpendable	14,284	5,383	49,299	4,707	572	23,245,420
Expendable		2,456		11,701		9,365,299
Unrestricted	<u>137,161</u>	<u>43,340</u>	<u>(21,185)</u>	<u>25,198</u>	<u>20,067</u>	<u>6,540,444</u>
Total Net Position	<u>\$ 390,610</u>	<u>\$ 126,804</u>	<u>\$ 143,177</u>	<u>\$ 88,025</u>	<u>\$ 113,883</u>	<u>\$ 54,511,165</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, 2016 (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	\$	\$ 65,713	\$ 11,434	\$	\$	\$ 67,346
Tuition Revenue – Pledged	2,235,084	1,266,637	505,286	658,509	721,079	367,531
Discounts and Allowances	(581,311)	(311,240)	(112,215)	(132,392)	(184,824)	(93,363)
Hospital Revenue – Pledged	12,549,693					
Discounts and Allowances	(7,181,552)					
Professional Fees	5,563,300	122	292,005			
Professional Fees – Pledged		1,717	682			110,947
Discounts and Allowances	(3,865,542)		(30,532)			(69,634)
Auxiliary Enterprises						
Auxiliary Enterprises – Pledged	574,647	337,293	164,792	107,018	157,926	65,894
Discounts and Allowances	(16,101)	(32,670)		(12,458)		(148)
Other Sales of Goods and Services		12,276	8,514			
Other Sales of Goods and Services – Pledged	485,752	291,114	12,411	59,951	23,488	73,905
Discounts and Allowances	(238)	(5,975)				
Interest and Investment Income		3,408			207	
Interest and Investment Income – Pledged						
Federal Revenue	1,283,414	396,739	61,640	68,998	36,344	46,176
State Grant Revenue		5,219	4,169	11,125	5,238	3,040
Other Operating Grant Revenue	443,124	262,616	212,504		10,477	24,989
Other Operating Grant Revenue – Pledged	957,324	31,746	4,119	26,287		
Other Revenues	12,181	20,738	31,433		691	
Other Revenues – Pledged	399,565	58,723		1,267	12,582	2,173
Total Operating Revenues	<u>12,859,340</u>	<u>2,404,176</u>	<u>1,166,242</u>	<u>788,305</u>	<u>783,208</u>	<u>598,856</u>
OPERATING EXPENSES						
Cost of Goods Sold	144,132	7,937	14,072	2,664	7,044	3,813
Salaries and Wages	7,959,486	1,763,684	884,349	624,524	551,921	453,084
Payroll Related Costs	2,009,677	422,387	207,797	154,951	143,730	102,954
Professional Fees and Services	547,769	390,393	76,200	93,490	66,236	63,196
Travel	148,161	84,929	33,651	17,387	23,148	12,395
Materials and Supplies	1,761,654	245,732	77,385	43,381	102,861	44,466
Communication and Utilities	370,506	134,162	51,109	47,492	37,684	19,761
Repairs and Maintenance	317,123	166,072	39,020	18,279	21,796	33,393
Rentals and Leases	161,900	75,894	18,063	39,872	7,665	14,573
Printing and Reproduction	37,045	13,211	5,448	4,238	4,656	5,556
Depreciation and Amortization	1,307,689	314,922	122,625	97,314	91,371	65,900
Bad Debt Expense	21,085	689	(191)		2,019	
Interest Expense		103	23	134	11	
Scholarships	428,509	236,809	77,794	102,550	132,815	77,452
Claims and Judgments	18,939	631	4,976	985	180	842
Net Change in Pollution Remediation Obligation			1,023			
Net Change in OPEB Obligations	662,455	133,925				
Other Expenses	1,315,000	274,812	157,790	53,680	34,734	29,738
Total Operating Expenses	<u>17,211,130</u>	<u>4,266,292</u>	<u>1,771,134</u>	<u>1,300,941</u>	<u>1,227,871</u>	<u>927,123</u>
Operating Loss	<u>(4,351,790)</u>	<u>(1,862,116)</u>	<u>(604,892)</u>	<u>(512,636)</u>	<u>(444,663)</u>	<u>(328,267)</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, 2016 (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	\$	\$ 4,073	\$	\$	\$ 9,119	\$ 157,685
Tuition Revenue – Pledged	109,954	107,821	95,702	47,289	32,778	6,147,670
Discounts and Allowances	(31,440)	(28,095)	(29,664)	(12,964)	(22,535)	(1,540,043)
Hospital Revenue – Pledged						12,549,693
Discounts and Allowances						(7,181,552)
Professional Fees						5,855,427
Professional Fees – Pledged						113,346
Discounts and Allowances						(3,965,708)
Auxiliary Enterprises		2,249			883	3,132
Auxiliary Enterprises – Pledged	29,110	39,528	12,346	10,594	12,043	1,511,191
Discounts and Allowances	(6,488)	(9,546)			(4,015)	(81,426)
Other Sales of Goods and Services		944				21,734
Other Sales of Goods and Services – Pledged		5,600	125	1,467	8,093	961,906
Discounts and Allowances						(6,213)
Interest and Investment Income					3	3,618
Interest and Investment Income – Pledged					52	52
Federal Revenue	1,715	3,576	17,965	713	2,217	1,919,497
State Grant Revenue			1,720			30,511
Other Operating Grant Revenue	3,697	947		633	1,580	960,567
Other Operating Grant Revenue – Pledged			592			1,020,068
Other Revenues	1,679	71				66,793
Other Revenues – Pledged		60	4,598	1,362		480,330
Total Operating Revenues	<u>108,227</u>	<u>127,228</u>	<u>103,384</u>	<u>49,094</u>	<u>40,218</u>	<u>19,028,278</u>
OPERATING EXPENSES						
Cost of Goods Sold	16	9,788			3,513	192,979
Salaries and Wages	97,828	94,897	88,818	40,741	74,558	12,633,890
Payroll Related Costs	26,213	32,075	24,663	12,455	27,067	3,163,969
Professional Fees and Services	2,794	1,788	5,467	4,752	1,039	1,253,124
Travel	2,613	3,133	3,004	2,010	1,011	331,442
Materials and Supplies	14,101	12,967	9,165	5,821	13,453	2,330,986
Communication and Utilities	6,851	8,383	5,581	2,572	5,804	689,905
Repairs and Maintenance	6,634	6,492	5,907	3,266	2,317	620,299
Rentals and Leases	2,270	3,071	1,452	1,584	2,646	328,990
Printing and Reproduction	474	450	644	157	25	71,904
Depreciation and Amortization	15,290	16,264	17,375	13,037	10,980	2,072,767
Bad Debt Expense	933		2,402	328		27,265
Interest Expense		3		2	6	282
Scholarships	13,336	20,345	18,923	11,325	8,862	1,128,720
Claims and Judgments		4			116	26,673
Net Change in Pollution Remediation Obligation						1,023
Net Change in OPEB Obligations						796,380
Other Expenses	8,178	8,097	12,183		7,712	1,901,924
Total Operating Expenses	<u>197,531</u>	<u>217,757</u>	<u>195,584</u>	<u>98,050</u>	<u>159,109</u>	<u>27,572,522</u>
Operating Loss	<u>(89,304)</u>	<u>(90,529)</u>	<u>(92,200)</u>	<u>(48,956)</u>	<u>(118,891)</u>	<u>(8,544,244)</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, 2016 (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	\$ 325,671	\$ 215,821	\$ 45,116	\$ 102,908	\$ 114,386	\$ 51,088
Gifts	464,743	140,138	99,948		29,245	11,527
Gifts – Pledged	28,406	40,069	2,232	62,276	9,291	
Land Income						
Interest and Investment Income	2,521,942	154,307	28,421		13,069	11,583
Interest and Investment Income – Pledged	367,232	82,552	24,899	21,343	1,321	4,498
Investing Activities Expense	(116,909)	(11,780)			(53)	
Interest Expense	(277,862)	(158,763)	(17,742)	(39,009)	(34,630)	(20,646)
Borrower Rebates and Agent Fees	(1,698)	(5,091)				
Gain (Loss) on Sale of Capital Assets	(23,951)	(3,597)	(1,636)		(430)	1,043
Settlement of Claims Claims and Judgments		(706)			693	
Other Revenues	32,910	18,493	7,302		2,378	
Other Revenues – Pledged	33,662	8,120	1,842	11,012	(1,416)	397
Other Expenses	(10,912)	(40,377)	(1,119)	(21,276)		(7,900)
Total Nonoperating Revenues (Expenses)	<u>3,343,234</u>	<u>439,186</u>	<u>189,263</u>	<u>137,254</u>	<u>133,854</u>	<u>51,590</u>
Loss Before Capital Contributions, Endowments and Transfers	<u>(1,008,556)</u>	<u>(1,422,930)</u>	<u>(415,629)</u>	<u>(375,382)</u>	<u>(310,809)</u>	<u>(276,677)</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS						
Capital Contributions – Federal	1,691				363	
Capital Contributions – Other	48,840	7,183	5,836		11	1,718
Contributions to Permanent and Term Endowments	169,125	2,939	20,686	18,317	5,753	258
Transfer In	2,778,048	1,604,321	587,048	420,194	432,042	323,299
Transfer Out	(382,958)	(10,798)	(2,199)	(2,945)	(1,305)	(1,123)
Total Capital Contributions, Endowments and Transfers	<u>2,614,746</u>	<u>1,603,645</u>	<u>611,371</u>	<u>435,566</u>	<u>436,864</u>	<u>324,152</u>
Change in Net Position	<u>1,606,190</u>	<u>180,715</u>	<u>195,742</u>	<u>60,184</u>	<u>126,055</u>	<u>47,475</u>
Net Position, September 1, 2015	34,447,451	5,677,973	2,727,597	1,448,965	1,163,185	701,743
Restatements	5,232,694	33,425	4,653	898	6	(6,285)
Net Position, September 1, 2015, as Restated	<u>39,680,145</u>	<u>5,711,398</u>	<u>2,732,250</u>	<u>1,449,863</u>	<u>1,163,191</u>	<u>695,458</u>
Net Position, August 31, 2016	<u>\$ 41,286,335</u>	<u>\$ 5,892,113</u>	<u>\$ 2,927,992</u>	<u>\$ 1,510,047</u>	<u>\$ 1,289,246</u>	<u>\$ 742,933</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, 2016 (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	\$ 20,225	\$ 20,814	\$ 21,788	\$ 8,529	\$ 19,820	\$ 946,166
Gifts	2,877	4,569		5,586	257	758,890
Gifts – Pledged		(26)	926		1,084	144,258
Land Income		133				133
Interest and Investment Income	8,574	601			79	2,738,576
Interest and Investment Income – Pledged	5,319	2,212	6,549	2,731	206	518,862
Investing Activities Expense		(246)	(209)			(129,197)
Interest Expense	(2,764)	(4,625)	(4,913)	(3,820)	(2,663)	(567,437)
Borrower Rebates and Agent Fees						(6,789)
Gain (Loss) on Sale of Capital Assets	(112)	(186)		(29)	(152)	(29,050)
Settlement of Claims Claims and Judgments		153				846 (706)
Other Revenues	1,523	138		158	2	62,904
Other Revenues – Pledged						53,617
Other Expenses	(265)		(223)		(2,309)	(84,381)
Total Nonoperating Revenues (Expenses)	<u>35,377</u>	<u>23,537</u>	<u>23,918</u>	<u>13,155</u>	<u>16,324</u>	<u>4,406,692</u>
Loss Before Capital Contributions, Endowments and Transfers	<u>(53,927)</u>	<u>(66,992)</u>	<u>(68,282)</u>	<u>(35,801)</u>	<u>(102,567)</u>	<u>(4,137,552)</u>
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS						
Capital Contributions – Federal						2,054
Capital Contributions – Other		1,808		23	4,117	69,536
Contributions to Permanent and Term Endowments		35	320	250		217,683
Transfer In	79,598	69,471	78,561	35,142	103,937	6,511,661
Transfer Out	(1,537)		(784)	(485)	(1,322)	(405,456)
Total Capital Contributions, Endowments and Transfers	<u>78,061</u>	<u>71,314</u>	<u>78,097</u>	<u>34,930</u>	<u>106,732</u>	<u>6,395,478</u>
Change in Net Position	<u>24,134</u>	<u>4,322</u>	<u>9,815</u>	<u>(871)</u>	<u>4,165</u>	<u>2,257,926</u>
Net Position, September 1, 2015	366,598	122,622	133,362	88,896	109,721	46,988,113
Restatements	(122)	(140)			(3)	5,265,126
Net Position, September 1, 2015, as Restated	<u>366,476</u>	<u>122,482</u>	<u>133,362</u>	<u>88,896</u>	<u>109,718</u>	<u>52,253,239</u>
Net Position, August 31, 2016	<u>\$ 390,610</u>	<u>\$ 126,804</u>	<u>\$ 143,177</u>	<u>\$ 88,025</u>	<u>\$ 113,883</u>	<u>\$ 54,511,165</u>

STATE OF TEXAS

Schedule of Cash Flows

Colleges and Universities – Major Enterprise Fund

For the Fiscal Year Ended August 31, 2016 (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	\$ 6,968,034	\$ 298,516	\$ 317,878	\$ 81,717	\$ 16,038	\$ 112,898
Proceeds from Tuition and Fees	1,679,338	1,003,194	401,495	534,640	540,380	358,487
Proceeds from Research Grants and Contracts	2,520,333	760,621	285,222	108,981	52,009	72,209
Proceeds from Loan Programs	153,297	8,493	4,779	146,430	22,383	251
Proceeds from Auxiliaries	576,799	304,733	165,953	99,558	157,972	65,713
Proceeds from Other Operating Revenues	744,343	111,303		1,267	22,459	2,123
Payments to Suppliers for Goods and Services	(5,266,969)	(1,338,681)	(267,370)	(301,183)	(364,021)	(286,330)
Payments to Employees	(9,890,526)	(2,179,853)	(1,036,709)	(714,955)	(665,828)	(531,416)
Payments for Loans Provided	(168,012)	(7,825)	(4,365)	(143,710)	(23,597)	(626)
Payments for Other Operating Expenses		(333,566)	(319,629)	(161,562)	(110,257)	(88,262)
Net Cash (Used) by Operating Activities	<u>(2,683,363)</u>	<u>(1,373,065)</u>	<u>(452,746)</u>	<u>(348,817)</u>	<u>(352,462)</u>	<u>(294,953)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from Gifts	505,457	186,277	81,520	67,901	38,941	12,367
Proceeds from Endowments	359,454	2,939		18,317	5,110	258
Proceeds from Transfers from Other Funds	3,578,058	1,545,922	513,623	391,514	429,962	295,389
Proceeds from Loan Programs						
Proceeds from Grant Receipts	403,497	251,654	44,792	104,417	116,614	51,083
Proceeds from Other Noncapital Financing Activities	6,760	186,425	281,821		3,749	2,468
Payments of Interest		(478)				
Payments for Transfers to Other Funds	(1,733,289)	(9,020)	(390)	(10,931)	(672)	(93)
Payments for Grant Disbursements						
Payments for Other Noncapital Financing Uses	<u>(5,179)</u>	<u>(97,772)</u>	<u>(276,306)</u>		<u>(15,990)</u>	<u>(4)</u>
Net Cash Provided by Noncapital Financing Activities	<u>3,114,758</u>	<u>2,065,947</u>	<u>645,060</u>	<u>571,218</u>	<u>577,714</u>	<u>361,468</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Sale of Capital Assets	15,967	1,925	629		611	2,708
Proceeds from Debt Issuance	2,338,305	1,237,886	34,800	285,000	2,588	261,586
Proceeds from State Grants and Contracts		28,996				
Proceeds from Federal Grants and Contracts					379	
Proceeds from Gifts					1,000	
Proceeds from Other Capital and Related Financing Activities		1,499	35	32,307	29,596	
Proceeds from Capital Contributions	106,681		38,966	51,203	11,564	452
Proceeds from Interfund Payables					79,930	
Payments for Additions to Capital Assets	(2,087,538)	(721,254)	(151,031)	(160,316)	(219,241)	(75,002)
Payments of Principal on Debt Issuance	(934,921)	(954,358)	(44,642)	(117,540)	(88,669)	(235,340)
Payments for Capital Leases		(932)			(917)	(1,180)
Payments of Interest on Debt Issuance	(306,644)	(187,940)	(22,136)	(41,803)	(72,847)	(21,849)
Payments of Other Costs on Debt Issuance	(7,784)	(6,547)		(47,667)		(1,251)
Payments for Interfund Receivables		(2,711)			(93)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(875,934)</u>	<u>(603,436)</u>	<u>(143,379)</u>	<u>1,184</u>	<u>(256,099)</u>	<u>(69,876)</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, 2016 (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	\$	\$ 6,553	\$	\$	\$ 7,451	\$ 7,809,085
Proceeds from Tuition and Fees	75,225	86,013	63,742	33,105	22,426	4,798,045
Proceeds from Research Grants and Contracts	5,273	4,541	24,774	1,295	3,411	3,838,669
Proceeds from Loan Programs		101		51		335,785
Proceeds from Auxiliaries	22,622	32,666	12,346	11,407	8,815	1,458,584
Proceeds from Other Operating Revenues	2,534	60	9,949	2,829		896,867
Payments to Suppliers for Goods and Services	(52,913)	(63,136)	(5,374)	(22,012)	(44,710)	(8,012,699)
Payments to Employees	(114,903)	(116,119)	(114,292)	(53,506)	(88,598)	(15,506,705)
Payments for Loans Provided	(205)					(348,340)
Payments for Other Operating Expenses	(13,331)	(22,717)	(63,506)	(11,292)	(9,865)	(1,133,987)
Net Cash (Used) by Operating Activities	<u>(75,698)</u>	<u>(72,038)</u>	<u>(72,361)</u>	<u>(38,123)</u>	<u>(101,070)</u>	<u>(5,864,696)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from Gifts	2,877	4,569	1,246	4,481		905,636
Proceeds from Endowments		735		250		387,063
Proceeds from Transfers from Other Funds	88,807	62,013	81,869	33,373	96,960	7,117,490
Proceeds from Loan Programs	20,225	57				20,282
Proceeds from Grant Receipts	21	20,788	21,787	8,548	19,820	1,043,021
Proceeds from Other Noncapital Financing Activities	1,491	292		136	2	483,144
Payments of Interest	(2,764)					(3,242)
Payments for Transfers to Other Funds			(349)	(485)		(1,755,229)
Payments for Grant Disbursements	(18,781)					(18,781)
Payments for Other Noncapital Financing Uses					(1,412)	(396,663)
Net Cash Provided by Noncapital Financing Activities	<u>91,876</u>	<u>88,454</u>	<u>104,553</u>	<u>46,303</u>	<u>115,370</u>	<u>7,782,721</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Sale of Capital Assets		22	24,306			46,168
Proceeds from Debt Issuance	21,000			123	93,028	4,274,316
Proceeds from State Grants and Contracts		8,757				37,753
Proceeds from Federal Grants and Contracts						379
Proceeds from Gifts					1,084	2,084
Proceeds from Other Capital and Related Financing Activities		482		3,374		67,293
Proceeds from Capital Contributions		1,256		13		210,135
Proceeds from Interfund Payables						79,930
Payments for Additions to Capital Assets	(9,908)	(13,945)	(21,951)	(33,754)	(18,658)	(3,512,598)
Payments of Principal on Debt Issuance	(4,755)	(11,382)	(14,723)	(4,489)	(24,001)	(2,434,820)
Payments for Capital Leases	(262)	(43)			(1,322)	(4,656)
Payments of Interest on Debt Issuance	(2,941)	(5,060)	(5,080)	(2,888)	(4,805)	(673,993)
Payments of Other Costs on Debt Issuance	(235)				(876)	(64,360)
Payments for Interfund Receivables		(1,357)			(681)	(4,842)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>2,899</u>	<u>(21,270)</u>	<u>(17,448)</u>	<u>(37,621)</u>	<u>43,769</u>	<u>(1,977,211)</u>

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STATE OF TEXAS

Schedule of Cash Flows

Colleges and Universities – Major Enterprise Fund (continued)

For the Fiscal Year Ended August 31, 2016 (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	\$ 15,466,706	\$ 3,043,741	\$ 221,291	\$ 633,063	\$ 142,119	\$ 30,648
Proceeds from Interest and Investment Income	1,067,335	117,892	79,053	25,800	11,599	4,740
Proceeds from Principal Payments on Loans						
Payments to Acquire Investments	(16,133,353)	(3,098,095)	(304,065)	(846,962)	(211,718)	(75,714)
Net Cash Provided (Used) by Investing Activities	<u>400,688</u>	<u>63,538</u>	<u>(3,721)</u>	<u>(188,099)</u>	<u>(58,000)</u>	<u>(40,326)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(43,851)</u>	<u>152,984</u>	<u>45,214</u>	<u>35,486</u>	<u>(88,847)</u>	<u>(43,687)</u>
Cash and Cash Equivalents, September 1, 2015	2,920,561	1,116,878	341,315	326,273	640,225	247,341
Cash and Cash Equivalents, August 31, 2016	<u>\$ 2,876,710</u>	<u>\$ 1,269,862</u>	<u>\$ 386,529</u>	<u>\$ 361,759</u>	<u>\$ 551,378</u>	<u>\$ 203,654</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating (Loss)	\$ (4,351,790)	\$ (1,862,116)	\$ (604,892)	\$ (512,636)	\$ (444,663)	\$(328,267)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:						
Depreciation and Amortization	1,307,689	314,922	122,625	97,314	91,371	65,900
Bad Debt Expense	395,594	4,865	501		2,019	
Pension Expense	250,326	32,794	15,871	15,698	14,237	9,949
Operating Income (Loss) and Cash Flow Categories Classification Differences	(265,136)			2,720	(56,529)	(10,063)
Changes in Assets and Liabilities:						
(Increase) Decrease in Receivables	(619,334)	13,012	(12,658)	30,669	(4,636)	(6,700)
(Increase) Decrease in Due From Other Funds		(3,853)	969		(2,699)	
(Increase) Decrease in Inventories	(8,340)	138	73	(87)	(1,557)	(514)
(Increase) Decrease in Notes Receivable			531		(1,170)	
(Increase) Decrease in Loans and Contracts	(14,706)	1,350			(436)	(375)
(Increase) Decrease in Other Assets	(56,090)	6,721	(24,348)	(2,215)	20,177	(9,123)
(Increase) Decrease in Prepaid Expenses		(17,886)	(4,778)	(24)	(597)	
Increase (Decrease) in Payables	45,493	47,372	15,488	(8,333)	18,209	(19,250)
Increase (Decrease) in Deposits	3,540	786			(14)	
Increase (Decrease) in Due To Other Funds		(316)	(553)		395	
Increase (Decrease) in Unearned Revenue	10,601	3,475	9,804	9,724	14,342	19,269
Increase (Decrease) in Employees' Compensable Leave	38,345	(291)	2,254	1,318	350	
Increase (Decrease) in Benefits Payable	664,750	91,999	2,813	18,609	738	
Increase (Decrease) in Other Liabilities	(84,305)	(6,037)	23,554	(1,574)	(1,999)	(15,779)
Total Adjustments	<u>1,668,427</u>	<u>489,051</u>	<u>152,146</u>	<u>163,819</u>	<u>92,201</u>	<u>33,314</u>
Net Cash (Used) by Operating Activities	<u>\$ (2,683,363)</u>	<u>\$ (1,373,065)</u>	<u>\$ (452,746)</u>	<u>\$ (348,817)</u>	<u>\$ (352,462)</u>	<u>\$(294,953)</u>
NONCASH TRANSACTIONS						
Donation of Capital Assets	\$ 12,743	\$ 9,190	\$ 5,854	\$	\$ 1,875	\$ 1,266
Net Change in Fair Value of Investments	\$ 1,149,821	\$ 59,186	\$ (27,250)	\$ (4,533)	\$ 3,822	\$ 10,735
Borrowing Under Capital Lease Purchase	\$ 14,439	\$ 3,081	\$	\$ 1,881	\$	\$ 186
Other	\$ (199,378)	\$ 728,937	\$ (1,328)	\$	\$ (701)	\$ 16,805

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, 2016 (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	\$ 33,837	\$ 2,565	\$ 645	\$ 85,144	\$ 5,989	\$ 19,665,748
Proceeds from Interest and Investment Income	6,368	1,597	2,659	3,096	336	1,320,475
Proceeds from Principal Payments on Loans			2			2
Payments to Acquire Investments	(36,904)			(58,922)	(59,218)	(20,824,951)
Net Cash Provided (Used) by Investing Activities	<u>3,301</u>	<u>4,162</u>	<u>3,306</u>	<u>29,318</u>	<u>(52,893)</u>	<u>161,274</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>22,378</u>	<u>(692)</u>	<u>18,050</u>	<u>(123)</u>	<u>5,176</u>	<u>102,088</u>
Cash and Cash Equivalents, September 1, 2015	15,970	86,345	24,715	8,241	37,832	5,765,696
Cash and Cash Equivalents, August 31, 2016	<u>\$ 38,348</u>	<u>\$ 85,653</u>	<u>\$ 42,765</u>	<u>\$ 8,118</u>	<u>\$ 43,008</u>	<u>\$ 5,867,784</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating (Loss)	\$ (89,304)	\$ (90,529)	\$ (92,200)	\$ (48,956)	\$ (118,891)	\$ (8,544,244)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:						
Depreciation and Amortization	15,290	16,264	17,375	13,037	10,980	2,072,767
Bad Debt Expense	933		2,402	328		406,642
Pension Expense	1,857	6,752	1,614	957	682	350,737
Operating Income (Loss) and Cash Flow Categories						
Classification Differences	(1,851)	(2,404)	(11,142)	(4,113)	961	(347,557)
Changes in Assets and Liabilities:						
(Increase) Decrease in Receivables	(3,404)	(119)	(2,450)	(2,276)	(749)	(608,645)
(Increase) Decrease in Due From Other Funds	(108)	244	5,259		(188)	(376)
(Increase) Decrease in Inventories	(98)	9	(28)	25	683	(9,696)
(Increase) Decrease in Notes Receivable						(639)
(Increase) Decrease in Loans and Contracts	(205)	101		10		(14,261)
(Increase) Decrease in Other Assets		1	(139)			(65,016)
(Increase) Decrease in Prepaid Expenses	(396)	(2,406)	(2,525)	(99)		(28,711)
Increase (Decrease) in Payables	(261)	(3,488)	(102)	1,113	2,466	98,707
Increase (Decrease) in Deposits		155			(530)	3,937
Increase (Decrease) in Due To Other Funds	(51)	118				(407)
Increase (Decrease) in Unearned Revenue	856	2,368	4,773	1,859	3,409	80,480
Increase (Decrease) in Employees' Compensable Le	223	85	779	(8)	(12)	43,043
Increase (Decrease) in Benefits Payable	478	771	3,973			784,131
Increase (Decrease) in Other Liabilities	343	40	50		119	(85,588)
Total Adjustments	<u>13,606</u>	<u>18,491</u>	<u>19,839</u>	<u>10,833</u>	<u>17,821</u>	<u>2,679,548</u>
Net Cash (Used) by Operating Activities	<u>\$ (75,698)</u>	<u>\$ (72,038)</u>	<u>\$ (72,361)</u>	<u>\$ (38,123)</u>	<u>\$ (101,070)</u>	<u>\$ (5,864,696)</u>
NONCASH TRANSACTIONS						
Donation of Capital Assets	\$	\$ 548	\$	\$ 10	\$ 4,117	\$ 35,603
Net Change in Fair Value of Investments	\$ 7,525	\$ 885	\$ 3,682	\$ 701	\$	\$ 1,204,574
Borrowing Under Capital Lease Purchase		\$ 348	\$	\$	\$	\$ 19,935
Other	\$	\$ 4,348	\$	\$ 4,053	\$ 3,172	\$ 555,908