

The University of Texas System Administration
 Exhibit A Statement of Net Position
 As of August 31, 2017

| | Current Year Totals | Prior Year Totals |
|--|-----------------------------|---------------------------|
| ASSETS AND DEFERRED OUTFLOWS | | |
| Current Assets: | | |
| Cash & Cash Equivalents | \$ 1,004,570,512.57 | 873,230,370.91 |
| Restricted Cash & Cash Equivalents | 60,803,841.97 | 54,100,000.65 |
| Securities Lending Collateral | 490,906,139.22 | 729,334,827.51 |
| Accounts Receivable, Net: | | |
| Federal (allow. \$0.00 in 2017 & \$0.00 in 2016) | 8,029,107.35 | 2,935,591.52 |
| Interest and Dividend Receivables | 44,377,579.54 | 37,294,820.50 |
| Contributions (allow. \$184.37 in 2017 & \$147.90 in 2016) | 9,190.54 | 8,374.08 |
| Investment Trades Receivables | 680,960,415.49 | 418,023,751.28 |
| Other (allow. \$0.00 in 2017 & \$0.00 in 2016) | 148,733,375.85 | 128,812,518.56 |
| Due From Other Funds | 202,859,502.84 | 254,674,674.47 |
| Due From Other Institutions | 112,980,991.60 | 105,467,311.14 |
| Due From Other Agencies | 95,053.75 | 110,672.35 |
| Other Current Assets | <u>29,228,611.22</u> | <u>22,604,349.09</u> |
| Total Current Assets | <u>2,783,554,321.94</u> | <u>2,626,597,262.06</u> |
| Noncurrent Assets: | | |
| Cash and Cash Equivalents (Noncurrent Restricted) | 1,254,980.19 | 1,076,970.39 |
| Restricted Investments | 36,795,739,511.92 | 34,054,197,666.19 |
| Deposit with Brokers for Derivative Contracts | 76,443,257.38 | 52,262,632.08 |
| Contributions Rec. (allow. \$415.63 in 2017 & \$352.10 in 2016) | 20,718.11 | 19,936.94 |
| Unrestricted Investments | 9,298,415,500.85 | 8,092,203,906.48 |
| Hedging Derivative Asset (Noncurrent) | 10,339,315.00 | |
| Other Noncurrent Assets | 2,748,774.32 | 5,998,831.11 |
| Gross Capital/Intangible Assets | 10,983,175,513.56 | 10,312,829,834.85 |
| Accumulated Depreciation/Amortization | <u>(119,163,226.72)</u> | <u>(107,797,135.81)</u> |
| Total Noncurrent Assets | <u>57,048,974,344.61</u> | <u>52,410,792,642.23</u> |
| Total Assets | <u>59,832,528,666.55</u> | <u>55,037,389,904.29</u> |
| Total Deferred Outflows of Resources | <u>1,160,966,734.34</u> | <u>951,908,620.93</u> |
| Total Assets and Deferred Outflows | <u>60,993,495,400.89</u> | <u>55,989,298,525.22</u> |
| LIABILITIES AND DEFERRED INFLOWS | | |
| Current Liabilities: | | |
| Accounts Payable and Accrued Liabilities | 147,032,573.06 | 104,972,961.73 |
| Salaries Payable | 6,474,094.49 | 6,613,785.78 |
| Investment Trades Payables | 730,277,217.73 | 579,420,470.30 |
| Incurred But Not Reported Self Insurance Claims | 125,517,329.22 | 104,109,224.17 |
| Securities Lending Obligations | 490,906,139.22 | 729,334,827.51 |
| Due To Other Funds | 202,859,502.84 | 254,674,674.47 |
| Due To Other Institutions | 1,132,541,175.56 | 1,085,410,945.28 |
| Due To Other State Agencies | 23,206,795.58 | 19,755,137.22 |
| Statewide Interfund Payable | 84,930,000.00 | 48,475,000.00 |
| Unearned Revenue | 2,374,554.76 | 2,976,190.47 |
| Employees' Compensable Leave - Current Portion | 2,637,891.22 | 2,773,510.76 |
| Short-term Debt - Commercial Paper Notes | 564,149,000.00 | 852,096,000.00 |
| Notes, Loans, and Leases Payable | | |
| Payable From Restricted Assets | 70,284,719.10 | 54,135,959.59 |
| Revenue Bonds Payable | 1,845,796,760.54 | 1,561,116,452.12 |
| Other Current Liabilities | <u>3,181,509.79</u> | <u>12,323.61</u> |
| Total Current Liabilities | <u>5,432,169,263.11</u> | <u>5,405,877,463.01</u> |
| Noncurrent Liabilities: | | |
| Incurred But Not Reported Self Insurance Claims | 35,619,242.78 | 28,381,778.83 |
| Employees' Compensable Leave | 5,451,731.13 | 5,941,147.20 |
| Assets Held for Others | 9,545,725,325.15 | 8,236,958,966.44 |
| Liability to Beneficiaries | 13,627,088.94 | 14,056,917.88 |
| Net Other Postemployment Benefits Obligation | 5,380,651,054.00 | 4,647,430,554.00 |
| Net Pension Liability | 3,133,888,495.00 | 2,744,693,745.00 |
| Notes, Loans, and Leases Payable | 929,119,000.00 | 1,034,019,000.00 |
| Revenue Bonds Payable | 7,156,928,386.92 | 6,485,797,623.09 |
| Statewide Interfund Payable | 891,586,119.86 | 971,261,060.04 |
| Hedging Derivative Liability (Noncurrent) | 246,087,922.00 | 338,725,063.00 |
| Payable to Brokers for Collateral Held | 17,550,000.00 | 7,666,922.61 |
| Investment Derivatives - Liability Positions | 171,471,313.28 | 233,839,736.38 |
| Other Noncurrent Liabilities | <u>2,260,629.22</u> | <u>3,633,424.35</u> |
| Total Noncurrent Liabilities | <u>27,529,966,308.28</u> | <u>24,752,405,938.82</u> |
| Total Liabilities | <u>32,962,135,571.39</u> | <u>30,158,283,401.83</u> |
| Total Deferred Inflows of Resources | <u>440,108,340.91</u> | <u>404,159,099.82</u> |
| Total Liabilities and Deferred Inflows | <u>33,402,243,912.30</u> | <u>30,562,442,501.65</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 412,939,451.49 | 360,642,873.79 |
| Restricted for: | | |
| Nonexpendable | | |
| Permanent University Fund Endowment | 17,617,538,131.15 | 16,976,622,544.14 |
| Permanent Health, True Endowments, and Annuities Held for Institutions | 4,626,576,482.38 | 4,436,811,298.96 |
| Permanent Health, True Endowments, and Annuities | 392,161,341.82 | 390,242,222.65 |
| Expendable | | |
| Capital Projects | 142,445,648.69 | 24,831,800.02 |
| Debt Service | 11,252,425.57 | 14,368,879.72 |
| Funds Functioning as Endowment (Restricted) | 8,727,943.08 | 8,012,042.26 |
| Funds Functioning as Endowments (Restricted Held for Institutions) | 551,174,141.21 | 480,348,107.56 |
| Other Expendable | 10,444,068,847.64 | 8,606,298,149.89 |
| Unrestricted | <u>(6,615,632,924.44)</u> | <u>(5,871,321,895.42)</u> |
| Total Net Position | <u>\$ 27,591,251,488.59</u> | <u>25,426,856,023.57</u> |

The University of Texas System Administration
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2017

| | Current Year Totals | Prior Year Totals |
|---|-----------------------------|--------------------------|
| Operating Revenues: | | |
| Federal Sponsored Programs | 19,499,636.61 | 11,621,417.52 |
| State Sponsored Programs Pass-Through from State Agencies | 2,250,000.00 | 12,456,794.00 |
| Private Sponsored Programs | 30,000.00 | 3,300,000.00 |
| Sales and Services of Educational Activities | 42,219,237.55 | 49,972,291.09 |
| Other Operating Revenues | <u>86,132,704.33</u> | <u>48,277,587.92</u> |
| Total Operating Revenues | <u>150,131,578.49</u> | <u>125,628,090.53</u> |
| Operating Expenses: | | |
| Instruction | | |
| Research | | |
| Public Service | 15,098,798.27 | 465,967.03 |
| Academic Support | 23,240,306.40 | 9,199,937.30 |
| Student Services | | |
| Institutional Support | 1,059,909,425.19 | 887,002,974.74 |
| Operations and Maintenance of Plant | 8,452,471.18 | 1,448,206.17 |
| Scholarships and Fellowships | 1,722,800.00 | 1,838,800.00 |
| Auxiliary Enterprises | | |
| Depreciation and Amortization | <u>19,651,255.25</u> | <u>17,791,273.20</u> |
| Total Operating Expenses | <u>1,128,075,056.29</u> | <u>917,747,158.44</u> |
| Operating Income (Loss) | <u>(977,943,477.80)</u> | <u>(792,119,067.91)</u> |
| Nonoperating Revenues (Expenses): | | |
| State Appropriations | 9,052,747.36 | 8,891,505.28 |
| Federal Nonexchange Sponsored Programs | 27,256,293.57 | 27,289,800.21 |
| Federal Nonexchange Pass-Through | | |
| State Nonexchange Pass-Through | | |
| Gift Contributions for Operations | 1,244,632.15 | 1,783,263.04 |
| Investment Income | 2,408,550,157.95 | 1,243,441,100.77 |
| Net Increase (Decrease) in Fair Value of Investments | 1,098,238,685.38 | 877,464,894.19 |
| Interest Expense on Capital Asset Financings | (262,205,409.51) | (276,778,612.51) |
| Gain (Loss) on Sale of Capital Assets | (5,193,233.18) | 7,783,606.56 |
| Other Nonoperating Revenues | 635,000.01 | 2,455,062.00 |
| Other Nonoperating (Expenses) | <u>(8,480,314.46)</u> | <u>(9,532,854.95)</u> |
| Net Nonoperating Revenues (Expenses) | <u>3,269,098,559.27</u> | <u>1,882,797,764.59</u> |
| Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers | 2,291,155,081.47 | 1,090,678,696.68 |
| Additions to Permanent Endowments / Annuities | 158,125,876.70 | 166,898,449.54 |
| Reclass from/(to) Other Institutions | 537,727,004.20 | 180,309,030.40 |
| Change in Proceeds of Bonds Payable | 606,683,010.10 | 1,329,063,193.82 |
| Transfers Between Institutions & System, Debt Service - Mandatory | 742,368,892.62 | 584,905,145.61 |
| Transfers Between Institutions & System Admin. - Non mandatory | (1,915,400,112.01) | (2,120,962,289.99) |
| Transfers From Other State Agencies | 43,219,940.18 | |
| Transfers to Other State Agencies | (299,470,978.89) | 297,294,682.68 |
| Legislative Appropriations Lapsed | <u>(13,249.35)</u> | <u>(3,504.74)</u> |
| Change in Net Position | <u>2,164,395,465.02</u> | <u>933,594,038.64</u> |
| Beginning Net Position | 25,426,856,023.57 | 24,495,739,870.64 |
| Restatements | | <u>(2,477,885.71)</u> |
| Beginning Net Position (As Restated) | <u>25,426,856,023.57</u> | <u>24,493,261,984.93</u> |
| Ending Net Position | <u>\$ 27,591,251,488.59</u> | <u>25,426,856,023.57</u> |

The University of Texas System Administration
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2017

| | <u>Current Year Totals</u> | <u>Prior Year Totals</u> |
|--|----------------------------|----------------------------|
| Cash Flows from Operating Activities: | | |
| Proceeds from Sponsored Programs | 16,695,255.21 | 27,041,079.00 |
| Proceeds from Other Revenues | 124,039,182.49 | 92,781,895.38 |
| Payments to Suppliers | (121,786,217.74) | (152,028,071.39) |
| Payments to Employees | (91,174,763.97) | (79,201,227.43) |
| Net Cash Provided (Used) by Operating Activities | <u>(72,226,544.01)</u> | <u>(111,406,324.44)</u> |
| Cash Flows from Noncapital Financing Activities: | | |
| Proceeds from State Appropriations | 9,039,498.01 | 8,888,000.54 |
| Proceeds from Operating Gifts | 1,253,734.52 | 2,763,240.44 |
| Proceeds from Private Gifts for Endowment and Annuity Life Purposes | 295,602,339.05 | 357,227,899.13 |
| Proceeds from Other Nonoperating Revenues | 635,000.01 | 2,123,830.00 |
| Receipts for Transfers from System or Other Agencies | 38,271,717.31 | 134,821,208.99 |
| Payments for Transfers to System or Other Agencies | (561,476,556.54) | (859,833,894.44) |
| Payments for Other Uses | (43,000.00) | - |
| Proceeds from Nonexchange Sponsored Programs | 27,262,777.74 | 27,424,759.60 |
| Net Cash Provided by Noncapital Financing Activities | <u>(189,454,489.90)</u> | <u>(326,584,955.74)</u> |
| Cash Flows from Capital and Related Financing Activities: | | |
| Proceeds from Issuance of Capital Debt | 3,525,150,176.90 | 2,327,153,222.54 |
| Nonmandatory Capital Related Transfers | (1,128,191,566.90) | (1,006,833,409.64) |
| Payments of Other Costs on Debt Issuance | (7,428,395.84) | (7,783,743.67) |
| Proceeds from Sale of Capital Assets | - | 8,235,588.00 |
| Payments for Additions to Capital Assets | (89,878,452.36) | (255,643,389.23) |
| Payments of Principal on Capital Related Debt | (2,876,511,000.00) | (928,852,000.00) |
| Mandatory Transfers to System for Capital Related Debt | 742,368,892.62 | 584,905,145.61 |
| Payments of Interest on Capital Related Debt | (337,969,022.37) | (305,561,366.91) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(172,459,367.95)</u> | <u>415,620,046.70</u> |
| Cash Flows from Investing Activities | | |
| Proceeds from Sales of Investments | 19,916,828,512.74 | 15,350,593,878.20 |
| Proceeds from Interest and Investment Income | 1,068,580,761.27 | 794,380,530.76 |
| Payments to Acquire Investments | (20,413,046,879.37) | (16,088,455,429.03) |
| Net Cash Provided (Used) by Investing Activities | <u>572,362,394.64</u> | <u>56,518,979.93</u> |
| Net Increase (Decrease) in Cash | 138,221,992.78 | 34,147,746.45 |
| Cash and Cash Equivalents (Beginning of the Year) | <u>928,407,341.95</u> | <u>894,259,595.50</u> |
| Cash and Cash Equivalents (End of the Year) | <u>\$ 1,066,629,334.73</u> | <u>\$ 928,407,341.95</u> |
| Reconciliation of Net Operating Revenues (Expenses) to Net Cash | | |
| Provided (Used) by Operating Activities | | |
| Operating Income (Loss) | (977,943,477.80) | (792,119,067.91) |
| Adjustments to Reconcile Operating Results to Net Cash: | | |
| Depreciation and Amortization Expense | 19,651,255.25 | 17,791,273.20 |
| Gross Loss on Impairment of Capital Assets | 11,797,588.77 | - |
| Bad Debt Expense | - | 17,335,255.07 |
| Changes in Assets and Liabilities: | | |
| Accounts Receivable | (12,344,121.95) | (1,385,290.60) |
| Other Current and Noncurrent Assets | (3,071,183.77) | (2,482,465.05) |
| Accounts Payable | 58,308,028.82 | (5,095,944.50) |
| Due to System | (7,460,356.06) | (9,933,968.58) |
| Unearned Revenue | (612,335.71) | (822,655.26) |
| Employees' Compensable Leave | (625,035.61) | 554,655.67 |
| Pension Related Obligations | 103,683,407.87 | 2,295,477.24 |
| Other Current and Noncurrent Liabilities | 3,169,186.18 | 1,630.28 |
| Other Postemployment Benefits Obligation | 733,220,500.00 | 662,454,776.00 |
| Total Adjustments | <u>905,716,933.79</u> | <u>680,712,743.47</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (72,226,544.01)</u> | <u>\$ (111,406,324.44)</u> |
| Non Cash Transactions: | | |
| Net Increase (Decrease) in Fair Value of Investments | 1,463,715,353.35 | 1,047,317,833.80 |
| Miscellaneous Noncash Transactions | (17,006,400.93) | (213,727,840.27) |