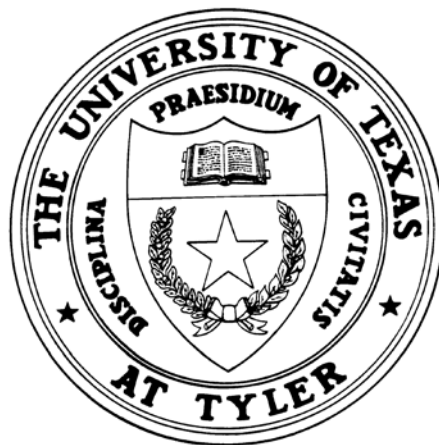


The University of Texas at Tyler

**Annual Financial Report
External Audit**

FY 2017



December 2017

THE UNIVERSITY OF TEXAS AT TYLER
OFFICE OF AUDIT AND CONSULTING SERVICES
3900 UNIVERSITY BOULEVARD
TYLER, TEXAS 75799

The University of Texas at Tyler
Annual Financial Report External Audit
Fiscal Year Ended August 31, 2017

BACKGROUND

The University of Texas System (UT System) is composed of fourteen institutions of higher education as well as UT System Administration. Annual Financial Reports (AFRs) and related footnote information are prepared by the financial reporting officers at each UT institution and UT System Administration in accordance with accounting and financial reporting requirements promulgated by UT System policy and the Texas Comptroller of Public Accounts to be included in the UT System Consolidated AFR. The Office of the Controller at UT System Administration consolidates AFRs from all UT institutions and UT System Administration and prepares footnotes and other related disclosures so that the UT System Consolidated AFR is prepared in accordance with generally accepted accounting principles. The information included in the University of Texas at Tyler (UT Tyler) AFR and related footnote information is the responsibility of UT Tyler management.

Deloitte has audited the Consolidated AFR, which includes the balance sheet as of August 31, 2017, and the related statement of revenues, expenses, and changes in net assets and cash flows for the year then ended. As part of the external financial audit, UT Tyler's Office of Auditing and Consulting Services performed audit procedures requested by Deloitte for the Fiscal Year (FY) 2017. Deloitte is scheduled to present their report to UT System Administration on December 15, 2017, which is expected to have an unmodified opinion.

AUDIT OBJECTIVE

The overall objective of the external financial audit is to determine whether the Consolidated AFR of the UT System presents fairly, in all material respects, the financial position of the UT System as of August 31, 2017, and its changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The objective of the work we performed for Deloitte was to execute requested audit procedures, in coordination with procedures performed at each UT System institution and UT System Administration, sufficient for Deloitte to express an opinion on the Consolidated AFR of the UT System. The extent of our procedures is not sufficient to provide an opinion on the AFR of UT Tyler.

STANDARDS

Deloitte is required to perform the audit of the consolidated financial statements of the UT System in conformity with auditing standards generally accepted in the United States of America. Those standards require that Deloitte plan and perform their audits in order to obtain reasonable assurance about whether the consolidated financial statements of the UT System are free of material misstatements.

The University of Texas at Tyler
 Annual Financial Report External Audit
 Fiscal Year Ended August 31, 2017

SCOPE AND METHODOLOGY

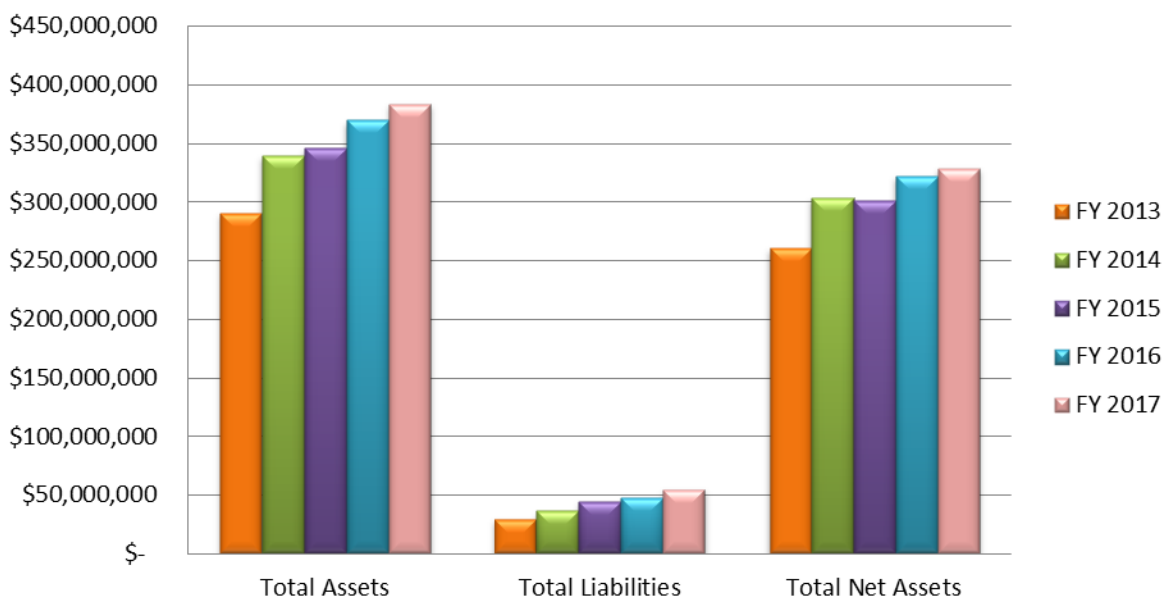
The internal audit functions from across the UT System agreed to assist Deloitte in conducting the independent financial audit. All work performed by internal audit was done under Deloitte’s direction and supervision. The scope of the audit procedures developed by Deloitte and executed across the UT System varied based on the size of the institution and financial statement line items. As requested by Deloitte, the following was submitted by UT Tyler:

- Information Technology Control Questionnaire responses,
- Status of prior year deficiencies,
- Bank account reconciliations, and
- Variance analysis by the Financial Reporting Office for specified financial statement line items.

AUDIT RESULTS

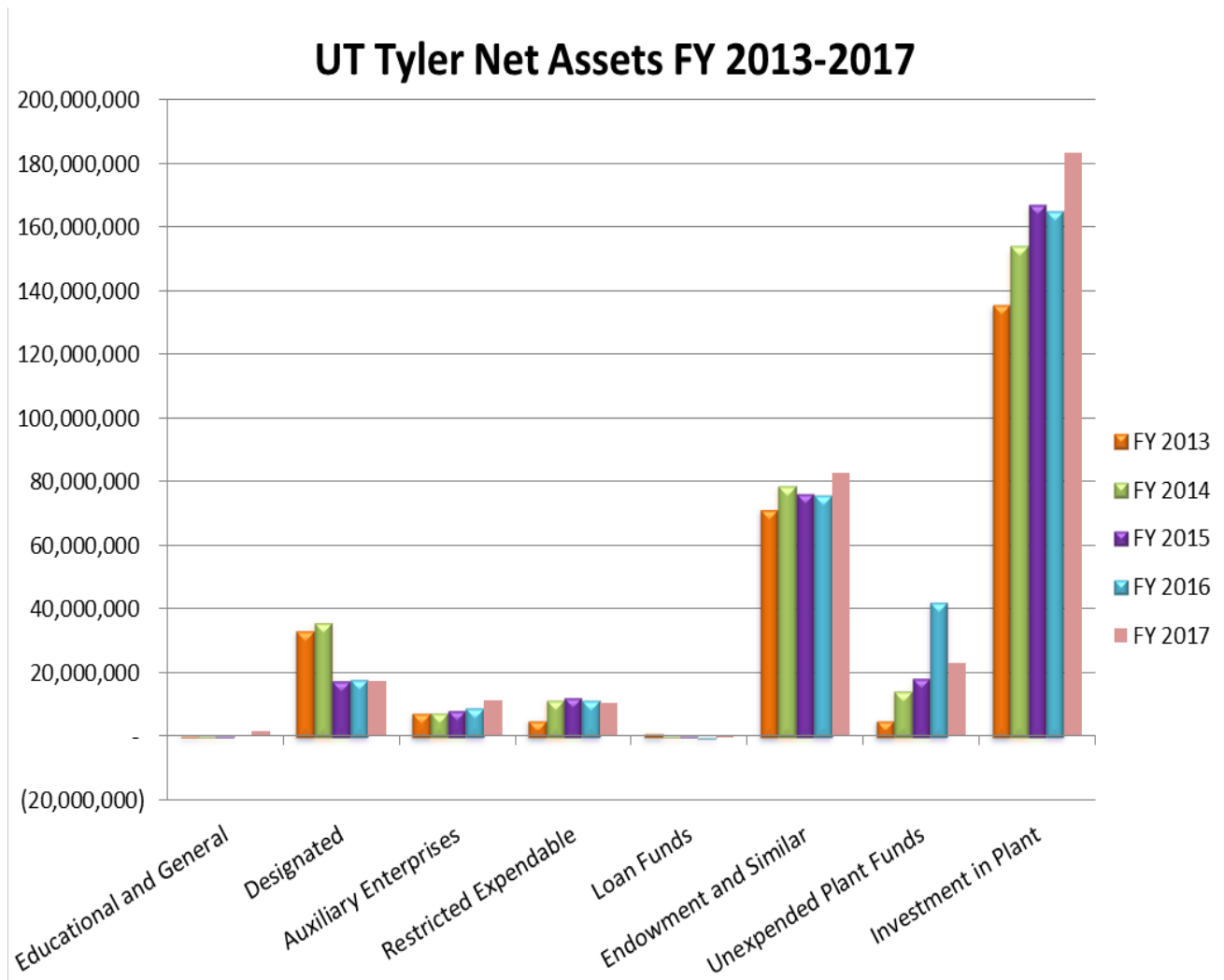
Based on the audit procedures performed, Deloitte noted no adjustments to be recorded in the UT Tyler AFR for the year ended August 31, 2017. The extent of our procedures is not sufficient to provide an opinion on the AFR of UT Tyler.

Balance Sheet Amounts FY 2013 - 2017



Balance Sheet	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Total Assets	\$ 290,617,738	\$ 339,623,790	\$ 345,459,545	\$ 369,726,603	\$383,846,138
Total Liabilities	\$ 29,940,125	\$ 36,244,708	\$ 44,454,309	\$ 47,406,369	\$ 55,032,259
Total Net Assets	\$ 260,677,613	\$ 303,379,082	\$ 301,005,236	\$ 322,320,234	\$328,813,879

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 Annual Financial Report External Audit
 Fiscal Year Ended August 31, 2017



Description	Net Assets FY 2013	Net Assets FY 2014	Net Assets FY 2015	Net Assets FY 2016	Net Assets FY 2017
Educational and General	\$ 381,343	\$ 12,331	\$ 98,148	-	\$ 1,442,936
Designated	33,540,146	36,092,440	17,937,218	18,153,264	17,410,316
Auxiliary Enterprises	7,540,984	7,800,293	8,330,194	9,384,682	10,976,550
Restricted Expendable	5,459,577	11,881,802	12,588,204	11,627,884	10,538,727
Loan Funds	1,107,178	372,831	181,791	(173,536)	(157,675)
Endowment and Similar	71,690,776	78,886,486	76,376,283	76,133,273	82,611,813
Unexpended Plant Funds	5,259,181	14,525,641	18,499,055	42,341,493	22,878,341
Investment in Plant	135,698,428	153,807,258	166,994,343	164,853,174	183,112,871
	\$ 260,677,613	\$ 303,379,082	\$ 301,005,236	\$ 322,320,234	\$ 328,813,879