

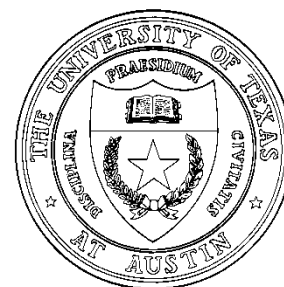
# THE UNIVERSITY OF TEXAS AT AUSTIN

## ANNUAL FINANCIAL REPORT

(WITH DETAILED SUPPORTIVE SCHEDULES)

UNAUDITED

### FISCAL YEAR ENDED AUGUST 31, 2018



The University of Texas at Arlington ♦ The University of Texas at Austin ♦ The University of Texas at Brownsville ♦ The University of Texas at Dallas ♦ The University of Texas at El Paso ♦ The University of Texas - Pan American ♦ The University of Texas of the Permian Basin ♦ The University of Texas at San Antonio ♦ The University of Texas at Tyler ♦ The University of Texas Southwestern Medical Center at Dallas ♦ The University of Texas Medical Branch at Galveston ♦ The University of Texas Health Science Center at Houston ♦ The University of Texas Health Science Center at San Antonio ♦ The University of Texas M. D. Anderson Cancer Center ♦ The University of Texas Health Science Center at Tyler ♦ The University of Texas System Administration

**THE UNIVERSITY OF TEXAS AT AUSTIN**  
**FINANCIAL STATEMENTS**  
**(WITH DETAILED SUPPORTIVE SCHEDULES)**

Presented herein are the financial statements with detailed supportive schedules for The University of Texas at Austin for the year ended August 31, 2018. These Statements and detailed supportive schedules have been prepared in compliance with applicable State statutes, Governmental Accounting Standards Board pronouncements, and the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements.

This "detailed internal report" supplements the consolidated published Annual Financial Report of The University of Texas System and is intended to be for limited distribution primarily to financial and academic officers of the University who need access to the details included herein. It also provides an historical record of transactions relating to this particular institution.

The Annual Financial Report for public distribution for The University of Texas System includes primary statements on a consolidated System-wide basis, including footnotes and Managements' Discussion and Analysis.

**THE UNIVERSITY OF TEXAS SYSTEM**  
**BOARD OF REGENTS**  
**As of August 31, 2018**

**Officers**

Sara Martinez Tucker, Chairman  
Paul L. Foster, Vice Chairman  
Jeffery D. Hildebrand, Vice Chairman  
Francie A. Frederick, General Counsel to the Board of Regents

**Members**

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*Terms scheduled to expire February 1, 2019\**

Paul L. Foster	El Paso
Jeffery D. Hildebrand	Houston
Ernest Aliseda	McAllen

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*Terms scheduled to expire February 1, 2021\**

R. Steven “Steve” Hicks	Austin
David J. Beck	Houston
Sara Martinez Tucker	Dallas

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*Terms scheduled to expire February 1, 2023\**

Janiece Longoria	Houston
Kevin P. Eltife	Tyler
James Conrad “Rad” Weaver	San Antonio

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*Term scheduled to expire May 31, 2019\**

Brittany E. Jewell (Student Regent)	Pearland
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\*Each Regent’s term expires when a successor has been appointed, qualified, and taken the oath of office.  
The Student Regent serves a one-year term.

**THE UNIVERSITY OF TEXAS SYSTEM  
SENIOR ADMINISTRATIVE OFFICIALS**

As of August 31, 2018

\*\*\*\*\*

Larry R. Faulkner, Chancellor, ad interim  
David E. Daniel, Deputy Chancellor  
Raymond S. Greenberg, Executive Vice Chancellor for Health Affairs  
Scott C. Kelley, Executive Vice Chancellor for Business Affairs  
Steven W. Leslie, Executive Vice Chancellor for Academic Affairs  
Stephanie A. Bond Huie, Vice Chancellor for Strategic Initiatives  
David L. Lakey, Vice Chancellor for Health Affairs and Chief Medical Officer  
Barry R. McBee, Vice Chancellor and Chief Governmental Relations Officer  
Randa S. Safady, Vice Chancellor for External Relations  
Daniel H. Sharphorn, Vice Chancellor and General Counsel  
William H. Shute, Vice Chancellor for Federal Relations  
Amy Shaw Thomas, Vice Chancellor for Academic and Health Affairs  
Thomas Britton "Britt" Harris IV, Chief Executive Officer and Chief Investment Officer–UTIMCO

**THE UNIVERSITY OF TEXAS AT AUSTIN  
SENIOR ADMINISTRATIVE OFFICIALS**

As of August 31, 2018

\*\*\*\*\*

Gregory L. Fenves, President  
Maurie McInnis, Executive Vice President and Provost  
Darrell L. Bazzell, Senior Vice President and Chief Financial Officer  
Scott Rabenold, Vice President for Development  
Leonard N. Moore, Vice President for Diversity and Community Engagement  
Leo Barnes, Interim Vice President for Legal Affairs  
S. Claiborne "Clay" Johnston, Vice President for Medical Affairs  
Daniel T. Jaffe, Vice President for Research  
Soncia Reagins-Lilly, Vice President for Student Affairs and Dean of Students  
Nancy Brazzil, Deputy to the President  
Carlos Martinez, Chief of Staff  
Harrison Keller, Deputy to the President for Strategy and Policy  
Gary Susswein, Chief Communications Officer  
Lee Bash, Executive Director of Operations  
Jamie Cantara, Executive Director of Endowment and Gift Fund Services and Compliance  
Chris Sedore, Chief Information Officer  
Mary E. Knight, Associate Vice President for Finance  
Kristen M. Walker, Assistant Vice President of Accounting and Financial Management and Controller  
Felix Alvarez, Assistant Vice President for Procurement, Contracts, and Payment Services  
Jeff Treichel, Interim Director of Internal Audit  
Sonia Feigenbaum, Sr. Vice Provost for Global Engagement and Chief International Officer  
Rachelle Hernandez, Sr. Vice Provost for Enrollment Management  
Lorraine J. Haricombe, Vice Provost and Director of University of Texas Libraries  
Janet M. Dukerich, Sr. Vice Provost for Faculty Affairs  
Daniel T. Slesnick, Sr. Vice Provost for Resource Management  
Miguel V. Wasielewski, Executive Director of Admissions  
Brenda Schumann, Deputy University Registrar

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The University of Texas at Austin  
Exhibit A Statement of Net Position  
As of August 31, 2018

	Current YearTotals	Prior YearTotals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 301,771,382.19	303,240,994.02
Restricted Cash & Cash Equivalents	66,465,802.50	63,358,793.21
Balance in State Appropriations	5,494,629.12	4,482,507.80
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2018 & \$0.00 in 2017)	58,122,623.60	59,793,476.49
Other Intergov. (allow. \$0.00 in 2018 & \$0.00 in 2017)	9,080,023.66	8,524,745.32
Student (allow. \$1,373,724.85 in 2018 & \$1,423,809.26 in 2017)	100,557,595.05	96,767,952.94
Interest and Dividend Receivables	9,022,606.97	8,615,901.64
Contributions (allow. \$65,307.84 in 2018 & \$4,173,799.40 in 2017)	56,866,630.71	47,744,015.65
Other (allow. \$92,554.43 in 2018 & \$111,275.85 in 2017)	15,443,624.88	17,689,873.66
Due From Other Funds	55,652,831.38	49,503,918.75
Due From System Administration	620,072,695.96	490,741,794.65
Due From Other Institutions	621,024.50	1,500,680.60
Due From Other Agencies	13,101,021.26	12,214,206.31
Inventories	5,874,637.42	6,184,457.84
Loans & Contracts (allow. \$0.00 in 2018 & \$0.00 in 2017)	8,244,705.23	8,230,796.31
Other Current Assets	67,482,730.63	71,523,612.37
<b>Total Current Assets</b>	<b>1,393,874,565.06</b>	<b>1,250,117,727.56</b>
<b>Noncurrent Assets:</b>		
Restricted Investments	416,205,156.55	375,058,065.36
Loans & Contracts (allow. \$19,071,515.06 in 2018 & \$18,822,664.79 in 2017)	42,782,373.67	47,496,367.31
Funds Held by System Administration (Restricted)	4,066,679,825.28	3,686,268,984.39
Contributions Rec. (allow. \$11,523.11 in 2018 & \$8,263.51 in 2017)	152,113,497.55	109,084,394.23
Unrestricted Investments	1,132,872,252.04	1,171,479,299.29
Funds Held by System Administration (Unrestricted)	36,345,682.85	
Other Noncurrent Assets	11,719,864.96	10,219,863.96
Gross Capital/Intangible Assets	7,586,936,903.84	7,216,075,889.00
Accumulated Depreciation/Amortization	(3,525,424,217.36)	(3,262,861,050.65)
<b>Total Noncurrent Assets</b>	<b>9,920,231,339.38</b>	<b>9,352,821,812.89</b>
<b>Total Assets</b>	<b>11,314,105,904.44</b>	<b>10,602,939,540.45</b>
<b>Total Assets and Deferred Outflows</b>	<b>11,314,105,904.44</b>	<b>10,602,939,540.45</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	91,307,461.03	122,327,408.46
Salaries Payable	87,844,218.32	73,650,397.76
Due To Other Funds	55,652,831.38	49,503,918.75
Due To System Administration	20,702,838.81	20,109,441.33
Due To Other Institutions	626,607.37	891,020.87
Due To Other State Agencies	608,926.00	442,465.12
Unearned Revenue	558,438,951.96	530,329,059.40
Employees' Compensable Leave - Current Portion	40,523,999.99	36,768,994.00
Notes, Loans, and Leases Payable	572,096.66	887,935.28
Payable From Restricted Assets	7,864,033.96	6,688,229.27
Other Current Liabilities	5,010,969.37	4,072,114.06
<b>Total Current Liabilities</b>	<b>869,152,934.85</b>	<b>845,670,984.30</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave	24,203,540.08	24,652,436.87
Assets Held for Others	10,366,755.90	7,480,359.18
Liability to Beneficiaries	8,460,884.47	7,785,241.23
Notes, Loans, and Leases Payable	505,150.79	96,250.00
Other Noncurrent Liabilities	42,389,660.64	39,591.64
<b>Total Noncurrent Liabilities</b>	<b>85,925,991.88</b>	<b>40,053,878.92</b>
<b>Total Liabilities</b>	<b>955,078,926.73</b>	<b>885,724,863.22</b>
<b>Total Deferred Inflows of Resources</b>	<b>15,303,607.43</b>	<b>23,633,058.87</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>970,382,534.16</b>	<b>909,357,922.09</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,060,435,439.03	3,952,230,653.07
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	2,046,557,969.50	1,933,159,479.76
Expendable		
Capital Projects	69,057,047.00	49,145,771.49
Funds Functioning as Endowment (Restricted)	295,442,739.39	275,185,452.64
Other Expendable	2,301,124,758.60	2,024,635,826.00
Unrestricted	1,571,105,416.76	1,459,224,435.40
<b>Total Net Position</b>	<b>\$ 10,343,723,370.28</b>	<b>9,693,581,618.36</b>

The University of Texas at Austin

Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2018

	Current YearTotals	Prior YearTotals
Operating Revenues:		
Student Tuition and Fees	\$ 678,935,508.94	630,529,247.35
Discounts and Allowances	(169,909,244.08)	(165,812,041.78)
Federal Sponsored Programs	437,417,698.64	426,827,455.43
Federal Sponsored Programs Pass-Through from State Agencies	26,373,316.41	24,174,351.82
State Sponsored Programs Pass-Through from State Agencies	61,519,511.09	65,672,517.00
Local Sponsored Programs	9,156,435.87	9,164,190.86
Private Sponsored Programs	111,710,529.83	110,890,415.14
Sales and Services of Educational Activities	270,553,794.85	254,855,218.81
Discounts and Allowances Sales and Services of Educational Activities	(71,143.88)	(17,484.41)
Professional Fees (Patient Charges)	4,274,645.40	
Discounts and Allowances Professional Fees (Patient Charges)	(1,930,759.03)	
Auxiliary Enterprises	335,037,743.43	317,391,690.88
Discounts and Allowances Auxiliary Enterprises	(16,179,288.70)	(14,781,787.64)
Other Operating Revenues	9,318,535.52	10,689,178.62
Total Operating Revenues	1,756,207,284.29	1,669,582,952.08
Operating Expenses:		
Instruction	679,721,935.80	654,118,342.02
Research	491,326,099.46	464,118,369.05
Public Service	124,346,227.05	118,895,736.76
Hospitals / Clinics	18,740,042.74	
Academic Support	306,355,538.88	332,476,376.35
Student Services	54,627,143.20	54,809,753.83
Institutional Support	163,688,977.71	149,500,653.31
Operations and Maintenance of Plant	216,331,565.27	194,560,917.95
Scholarships and Fellowships	113,949,505.78	118,751,830.18
Auxiliary Enterprises	320,880,411.89	302,665,164.16
Depreciation and Amortization	298,956,976.14	282,754,398.77
Total Operating Expenses	2,788,924,423.92	2,672,651,542.38
Operating Income (Loss)	(1,032,717,139.63)	(1,003,068,590.30)
Nonoperating Revenues (Expenses):		
State Appropriations	358,321,173.90	339,717,971.90
Federal Nonexchange Sponsored Programs	45,574,792.91	44,211,150.40
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through		
Local Nonexchange Sponsored Programs	35,000,000.00	35,000,000.00
Gift Contributions for Operations	160,556,387.45	158,490,324.20
Investment Income	258,570,050.32	243,771,781.33
Net Increase (Decrease) in Fair Value of Investments	236,985,666.72	275,958,733.44
Gain (Loss) on Sale of Capital Assets	(21,723,900.75)	(15,130,313.46)
Other Nonoperating Revenues	28,144,227.06	90,458,279.53
Other Nonoperating (Expenses)	(45,161,242.80)	(944,165.03)
Net Nonoperating Revenues (Expenses)	1,056,267,154.81	1,171,533,762.31
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	23,550,015.18	168,465,172.01
Gifts and Sponsored Programs for Capital Acquisitions	147,898,200.70	30,532,185.11
Additions to Permanent Endowments	111,936,388.40	71,548,246.08
Reclass from/(to) Other Institutions	(131,205,305.43)	20,624,619.12
Capital Asset Purchases		
Transactions Between Funds		
Transfers Between Institutions & System, Debt Service - Mandatory	(137,584,581.10)	(119,586,176.81)
Transfers Between Institutions & System Admin. - Non mandatory	634,029,479.97	574,396,616.63
Transfers From Other State Agencies	1,884,419.26	8,569,632.00
Transfers to Other State Agencies	(366,865.06)	(59,654.54)
Legislative Appropriations Lapsed		
Transfers Between Funds		
Change in Net Position	650,141,751.92	754,490,639.60
Beginning Net Position	9,693,581,618.36	8,946,399,134.61
Restatements		(7,308,155.85)
Beginning Net Position (As Restated)	9,693,581,618.36	8,939,090,978.76
Ending Net Position	\$ 10,343,723,370.28	9,693,581,618.36

The University of Texas at Austin  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2018

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	508,819,535.27	480,346,836.85
Proceeds from Patients and Customers	2,343,886.37	-
Proceeds from Sponsored Programs	676,115,804.19	622,713,322.85
Proceeds from Auxiliaries	331,533,128.47	304,034,864.47
Proceeds from Other Revenues	322,021,801.44	268,093,812.85
Payments to Suppliers	(914,150,872.99)	(880,309,749.47)
Payments to Employees	(1,579,646,549.38)	(1,517,466,242.44)
Payments for Loans Provided	(24,676,001.62)	(32,279,364.47)
Proceeds from Loan Programs	29,106,678.73	32,306,572.80
Net Cash Provided (Used) by Operating Activities	(648,532,589.52)	(722,559,946.56)
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	357,309,052.58	342,425,322.25
Proceeds from Operating Gifts	108,404,669.07	153,526,072.88
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	111,936,388.40	70,413,868.08
Proceeds from Other Nonoperating Revenues	10,116,066.56	416,126.15
Receipts for Transfers from System or Other Agencies	264,940,438.77	277,682,280.06
Payments for Transfers to System or Other Agencies	(1,688,070.88)	(275,789.68)
Payments for Other Uses	(44,173,819.61)	2,499.02
Proceeds from Nonexchange Sponsored Programs	79,211,150.40	77,956,211.80
Net Cash Provided by Noncapital Financing Activities	886,055,875.29	922,146,590.56
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	113,656,442.99	338,753,776.53
Proceeds from Capital Appropriations, Grants, and Gifts	90,702,180.80	16,619,713.09
Proceeds from Sale of Capital Assets	585,134.14	640,924.96
Payments for Additions to Capital Assets	(380,144,699.05)	(525,672,597.17)
Payments of Principal on Capital Related Debt	(913,709.66)	(1,810,736.27)
Mandatory Transfers to System for Capital Related Debt	(137,584,581.10)	(119,586,176.81)
Net Cash Provided (Used) by Capital and Related Financing Activities	(313,699,231.88)	(291,055,095.67)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	213,345,478.55	192,163,458.58
Proceeds from Interest and Investment Income Invested by System	44,946,343.68	43,042,001.11
Payments to Acquire Investments Invested by System	(180,478,478.66)	(102,330,339.01)
Net Cash Provided (Used) by Investing Activities	77,813,343.57	132,875,120.68
Net Increase (Decrease) in Cash	1,637,397.46	41,406,669.01
Cash and Cash Equivalents (Beginning of the Year)	366,599,787.23	325,193,118.22
Cash and Cash Equivalents (End of the Year)	\$ 368,237,184.69	\$ 366,599,787.23
Reconciliation of Net Operating Revenues (Expenses) to Net Cash		
Provided (Used) by Operating Activities		
Operating Income (Loss)	(1,032,717,139.63)	(1,003,068,590.30)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	298,956,976.14	282,754,398.77
Gross Loss on Impairment of Capital Assets	2,466,799.57	-
Bad Debt Expense	269,407.61	984,458.47
Changes in Assets and Liabilities:		
Accounts Receivable	928,664.88	(11,616,530.93)
Inventories	309,820.42	7,382.84
Loans and Contracts	4,430,677.11	27,208.33
Other Current and Noncurrent Assets	(6,323,039.26)	(4,555,569.59)
Accounts Payable	7,737,174.82	(8,348,732.57)
Due to System	703,142.75	1,298,237.97
Unearned Revenue	28,109,892.56	15,646,401.75
Employees' Compensable Leave	3,306,109.20	3,567,230.60
Other Current and Noncurrent Liabilities	43,288,924.31	744,158.10
Total Adjustments	384,184,550.11	280,508,643.74
Net Cash Provided (Used) by Operating Activities	\$ (648,532,589.52)	\$ (722,559,946.56)
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	236,985,666.72	275,958,733.44
Donated Capital Assets	57,196,019.90	13,912,472.02
Capital Assets Acquired Under Capital Lease Purchases	1,006,771.83	568,000.00
Miscellaneous Noncash Transactions	(7,009,887.75)	73,905,521.33