

UNAUDITED

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 EXHIBIT A - BALANCE SHEET
 As of August 31, 2007

	Current Year Totals	Prior Year Totals
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 757,980,917	701,649,544
Restricted Cash & Cash Equivalents	81,091,848	122,435,074
Balance in State Appropriations		4,050,600
Securities Lending Collateral	1,566,422,753	1,951,568,127
Accounts Receivable, Net:		
Federal (allowances of \$0 in '07 & \$0 in '06)	2,146,127	7,002,676
Interest and Dividends	47,454,102	49,351,350
Contributions (allowances of \$3,360 in '07 & \$0 in '06)	28,555	
Investment Trades	760,703,637	447,141,307
Other (allowances of \$0 in '07 & \$0 in '06)	357,881,065	62,913,794
Due From Other Funds	35,090,398	31,986,880
Due From Other Institutions	53,804,477	50,635,178
Due From Other Agencies	655,677	612,715
Other Current Assets	5,359,976	3,844,622
Total Current Assets	3,668,619,532	3,433,191,867
Noncurrent Assets:		
Restricted:		
Cash & Cash Equivalents	764,179	45,805
Investments	21,172,120,685	18,456,115,452
Contributions Rec. (allowances of \$14,324 in '07 & \$0 in '06)	118,815	
Investments	4,172,450,401	3,332,055,572
Other Noncurrent Assets	12,015,402	15,765,200
Capital Assets	4,817,101,363	4,296,409,917
Less Accumulated Depreciation	(35,809,899)	(31,058,124)
Total Noncurrent Assets	30,138,760,946	26,069,333,822
TOTAL ASSETS	\$ 33,807,380,478	29,502,525,689
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 168,756,829	75,569,668
Investment Trades Payable	1,790,172,228	1,020,457,037
Incurred But Not Reported Self-Insurance Claims	79,468,898	80,336,078
Securities Lending Obligations	1,566,422,753	1,951,568,127
Due to Other Funds	35,090,398	31,986,880
Due to Other Institutions	593,584,339	543,038,092
Due to Other Agencies	9,688,954	9,779,724
Interfund Payable	23,340,000	22,920,000
Deferred Revenue	2,784,123	4,471,518
Employees' Compensable Leave	2,121,881	1,880,893
Notes, Loans and Leases Payable	821,110,304	655,386,000
Payable From Restricted Assets	213,432,678	227,386,999
Revenue Bonds Payable	179,065,650	159,685,000
Other Current Liabilities	1,120,395	
Total Current Liabilities	5,486,159,430	4,784,466,016
Noncurrent Liabilities:		
Incurred But Not Reported Self-Insurance Claims	38,879,279	78,875,389
Employees' Compensable Leave	2,055,051	1,801,812
Assets Held for Others	3,704,039,324	2,961,123,127
Liability to Beneficiaries-Held for Institutions	17,812,533	17,846,693
Revenue Bonds Payable	3,745,749,301	3,435,167,686
Interfund Payable	382,630,000	405,970,000
Other Noncurrent Liabilities	164,000	977,150
Total Noncurrent Liabilities	7,891,329,488	6,901,761,857
TOTAL LIABILITIES	13,377,488,918	11,686,227,873
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	49,002,195	40,628,737
Restricted for:		
Nonexpendable		
Permanent University Fund Endowment	6,375,985,758	5,889,253,513
Perm. Health, True & Term Endowments, & Annuities	383,210,218	379,052,639
Perm. Health, True & Term Endow. Held for Institutions	3,029,048,146	2,892,112,768
Expendable		
Capital Projects	4,404,547	8,241,209
Debt Service	8,393,813	5,809,770
Funds Functioning as Endowment - Restricted	31	12
Funds Funct. as Endow - Restr. Held for Institutions	228,936,127	212,603,895
Other Expendable	9,637,903,009	7,832,305,813
Unrestricted	713,007,716	556,289,460
TOTAL NET ASSETS	20,429,891,560	17,816,297,816
TOTAL LIABILITIES AND NET ASSETS	\$ 33,807,380,478	29,502,525,689

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THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
EXHIBIT B - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended August 31, 2007

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Federal Sponsored Programs	\$ 4,645,044	7,418,699
Federal Sponsored Programs Pass-Through from Other St. Agencies	7,825,389	7,744,701
State Sponsored Programs		3,316,355
State Sponsored Programs Pass-Through from Other St. Agencies	175,500	
Private Sponsored Programs	973,607	266,267
Sales and Services of Educational Activities	28,134,264	9,402,489
Other Operating Revenues	55,755,465	13,096,394
Total Operating Revenues	<u>97,509,269</u>	<u>41,244,905</u>
Operating Expenses:		
Instruction	8,691,439	7,938,768
Institutional Support	57,187,812	67,071,538
Depreciation and Amortization	5,355,076	5,316,845
Total Operating Expenses	<u>71,234,327</u>	<u>80,327,151</u>
Operating Loss	<u>26,274,942</u>	<u>(39,082,246)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	816,190	6,156,064
Gift Contributions for Operations	1,075,135	878,514
Net Investment Income	1,419,127,696	1,215,089,358
Net Increase (Decrease) in Fair Value of Investments	1,401,978,584	644,344,573
Interest and Other Expenses on Capital Asset Financings	(163,809,031)	(175,514,345)
Gain/(Loss) on Sale of Capital Assets	(305,775)	(549,864)
Other Nonoperating Revenues		207
Other Nonoperating Expenses	(533,131)	(163,528)
Net Nonoperating Revenues (Expenses)	<u>2,658,349,668</u>	<u>1,690,240,979</u>
Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers	2,684,624,610	1,651,158,733
Gifts and Sponsored Programs for Capital Acquisitions		(15,000,000)
Additions to Permanent Endowments	108,884,928	97,881,585
Reclass from / (to) Other Institutions	611,759,040	62,062,596
Proceeds of Bonds Payable Invested in Plant of Institutions	518,704,060	538,307,840
Transfers Between Institutions & System-Debt Service-Mandatory	308,699,078	268,758,806
Transfers Between Institutions & System Admin. - Nonmandatory	(1,506,021,579)	(806,501,211)
Transfers From Other State Agencies	22,920,000	8,568,831
Transfers to Other State Agencies	(135,976,393)	(242,030,167)
Change in Net Assets	<u>2,613,593,744</u>	<u>1,563,207,013</u>
Beginning Net Assets	<u>17,816,297,816</u>	<u>16,253,090,803</u>
Ending Net Assets	<u><u>\$ 20,429,891,560</u></u>	<u><u>17,816,297,816</u></u>

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THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
EXHIBIT C - STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2007

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Sponsored Programs	\$ 18,433,127	12,518,063
Proceeds from Other Revenues	31,021,373	28,961,449
Payments to Suppliers	(47,781,338)	(41,649,425)
Payments to Employees	(31,619,425)	(32,169,276)
Net Cash Provided (Used) by Operating Activities	<u>(29,946,263)</u>	<u>(32,339,189)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	4,866,790	2,105,464
Proceeds from Operating Gifts	927,765	878,514
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	328,110,093	55,904,469
Proceeds from Other Nonoperating Revenues		230,056
Payments/Receipts for Transfers to/from System or Oth. Agencies	(97,743,904)	1,580,522,702
Payments for Other Uses		(25,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>236,160,744</u>	<u>1,639,616,205</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Issuance of Capital Debt	2,155,372,458	1,234,964,213
Proceeds from Capital Debt Transferred to Institutions	(731,363,999)	(581,579,148)
Payments of Other Costs on Debt Issuance	(59,781,450)	(4,138,894)
Proceeds from Sale of Capital Assets	20,151	401,511
Payments for Additions to Capital Assets	(13,090,126)	(8,809,633)
Payments of Principal on Capital Related Debt	(1,586,554,000)	(689,653,000)
Mandatory Transfers to System for Capital Related Debt	308,699,078	268,758,806
Payments of Interest on Capital Related Debt	(162,877,891)	(174,071,044)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(89,575,779)</u>	<u>45,872,811</u>
Cash Flows from Investing Activities:		
Proceeds from Sales of Investments	27,964,502,244	29,809,999,864
Proceeds from Interest and Investment Income	667,244,331	572,516,756
Payments to Acquire Investments	(28,732,678,756)	(31,798,390,277)
Net Cash Provided (Used) by Investing Activities	<u>(100,932,181)</u>	<u>(1,415,873,657)</u>
Net Increase (Decrease) in Cash	15,706,521	237,276,170
Cash & Cash Equivalents - Beginning of the Year	824,130,423	586,854,253
Cash & Cash Equivalents - End of the Year	<u>\$ 839,836,944</u>	<u>824,130,423</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Loss	\$ 26,274,942	(39,082,246)
Adjustments to Reconcile Operating Loss to Net Cash:		
Depreciation and Amortization Expense	5,355,076	5,316,845
Changes in Assets and Liabilities:		
Receivables	(4,301,673)	(6,309,200)
Other Assets	(1,202,411)	(500,284)
Payables	(50,340,382)	5,683,644
Due to System	(3,169,299)	(5,053,486)
Deferred Income	(1,687,395)	1,705,684
Deposits Held for Others	(1,676,593)	5,338,407
Compensated Absence Liability	494,227	359,327
Other Liabilities	307,245	202,120
Total Adjustments	<u>(56,221,205)</u>	<u>6,743,057</u>
Net Cash Provided (Used) by Operating Activities:	<u>\$ (29,946,263)</u>	<u>(32,339,189)</u>
Noncash Transactions		
Net Increase (Decrease) in Fair Value of Investments	1,401,978,584	644,344,573
Miscellaneous Noncash Transactions	(7,359,947)	728,559