

UNAUDITED

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 EXHIBIT A - BALANCE SHEET
 As of August 31, 2008

	Current Year Totals	Prior Year Totals
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 1,097,554,780.71	757,980,918.56
Restricted Cash & Cash Equivalents	44,445,498.29	81,091,846.81
Securities Lending Collateral	984,342,778.76	1,566,422,752.18
Accounts Receivable, Net:		
Federal (allowances of \$0 in '08 & \$0 in '07)	1,622,312.50	2,146,128.19
Interest and Dividends	31,127,468.19	47,454,101.28
Contributions (allow. \$2,913.72 '08; \$3,360.06 '07)	46,407.66	28,555.96
Investment Trades	224,650,596.69	760,703,637.15
Other (allowances of \$0 in '08 & \$0 in '07)	252,530,160.68	357,881,065.22
Due From Other Funds	51,629,648.59	35,090,399.47
Due From Other Institutions	58,053,928.28	53,804,477.19
Due From Other Agencies	1,206,753.62	655,677.23
Other Current Assets	9,490,303.44	5,359,976.33
Total Current Assets	<u>2,756,700,637.41</u>	<u>3,668,619,535.57</u>
Noncurrent Assets:		
Restricted:		
Cash & Cash Equivalents	181,240.08	764,179.45
Investments	20,315,033,632.05	21,172,120,684.29
Contributions Rec. (allow. \$8,945.28 '08; \$14,324.47 '07)	142,473.90	118,815.16
Investments	4,294,389,688.37	4,172,450,400.22
Other Noncurrent Assets	13,211,210.29	12,015,402.33
Capital Assets	5,680,216,072.00	4,817,101,363.03
Less Accumulated Depreciation	(41,412,930.69)	(35,809,898.58)
Total Noncurrent Assets	<u>30,261,761,386.00</u>	<u>30,138,760,945.90</u>
TOTAL ASSETS	<u>\$ 33,018,462,023.41</u>	<u>33,807,380,481.47</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 85,984,032.52	168,756,830.62
Investment Trades Payable	1,060,391,364.50	1,790,172,228.01
Incurred But Not Reported Self-Insurance Claims	81,060,666.02	79,468,897.78
Securities Lending Obligations	984,342,778.76	1,566,422,752.18
Due to Other Funds	51,629,648.59	35,090,399.47
Due to Other Institutions	873,259,885.56	593,584,338.83
Due to Other Agencies	10,548,755.17	9,688,953.32
Interfund Payable	14,685,000.00	23,340,000.00
Deferred Revenue		2,784,122.88
Employees' Compensable Leave	2,502,026.76	2,121,881.76
Notes, Loans and Leases Payable	1,165,086,641.29	821,110,304.35
Payable From Restricted Assets	218,281,583.48	213,432,677.58
Revenue Bonds Payable	1,209,148,486.94	179,065,650.00
Other Current Liabilities	121,287.71	1,120,395.40
Total Current Liabilities	<u>5,757,042,157.30</u>	<u>5,486,159,432.18</u>
Noncurrent Liabilities:		
Incurred But Not Reported Self-Insurance Claims	35,071,830.98	38,879,279.22
Employees' Compensable Leave	2,375,047.90	2,055,050.84
Assets Held for Others	3,886,516,230.21	3,704,039,323.87
Liability to Beneficiaries-Held for Institutions	17,682,639.54	17,812,532.65
Revenue Bonds Payable	3,198,905,141.11	3,745,749,301.25
Interfund Payable	367,945,000.00	382,630,000.00
Net Other Postemployment Benefits Obligation	422,678,024.00	
Other Noncurrent Liabilities	164,000.00	164,000.00
Total Noncurrent Liabilities	<u>7,931,337,913.74</u>	<u>7,891,329,487.83</u>
TOTAL LIABILITIES	<u>13,688,380,071.04</u>	<u>13,377,488,920.01</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	84,967,970.37	49,002,195.33
Restricted for:		
Nonexpendable		
Permanent University Fund Endowment	6,569,214,663.45	6,375,985,758.29
Permanent Health & True Endowments, & Annuities	383,300,581.23	383,210,218.91
Permanent Health & True Endow. Held for Institutions	3,183,663,029.78	3,029,048,145.86
Expendable		
Capital Projects	9,692,634.87	4,404,546.28
Debt Service	11,201,992.53	8,393,813.69
Funds Functioning as Endowment - Restricted	(3.54)	32.18
Funds Funct. as Endow - Restr. Held for Institutions	232,809,748.23	228,936,126.88
Other Expendable	8,468,388,276.03	9,637,903,011.46
Unrestricted	<u>386,843,059.42</u>	<u>713,007,712.58</u>
TOTAL NET ASSETS	<u>19,330,081,952.37</u>	<u>20,429,891,561.46</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 33,018,462,023.41</u>	<u>33,807,380,481.47</u>

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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, 2008

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Federal Sponsored Programs	\$ 7,028,475.00	4,645,043.79
Federal Sponsored Programs Pass-Through from Other St. Agencies	7,609,219.27	7,825,389.33
State Sponsored Programs	5,616,355.00	
State Sponsored Programs Pass-Through from Other St. Agencies	930,616.47	175,500.00
Private Sponsored Programs	2,280,999.89	973,607.00
Sales and Services of Educational Activities	17,917,696.38	28,134,263.43
Other Operating Revenues	(1,652,259.55)	55,755,463.62
Total Operating Revenues	<u>39,731,102.46</u>	<u>97,509,267.17</u>
Operating Expenses:		
Instruction	9,395,674.57	8,691,438.10
Institutional Support	488,411,805.61	57,187,811.03
Depreciation and Amortization	6,321,366.96	5,355,078.05
Total Operating Expenses	<u>504,128,847.14</u>	<u>71,234,327.18</u>
Operating Loss	<u>(464,397,744.68)</u>	<u>26,274,939.99</u>
Nonoperating Revenues (Expenses):		
State Appropriations	7,437,221.03	816,189.63
Gift Contributions for Operations	1,036,355.13	1,075,134.89
Net Investment Income	1,123,434,780.62	1,419,127,696.94
Net Increase (Decrease) in Fair Value of Investments	(1,698,231,186.77)	1,401,978,585.85
Interest and Other Expenses on Capital Asset Financings	(161,890,636.31)	(163,809,030.70)
Gain/(Loss) on Sale of Capital Assets	205,752.46	(305,775.82)
Other Nonoperating Revenues	260,842.52	
Other Nonoperating Expenses	(8,629.48)	(533,129.89)
Net Nonoperating Revenues (Expenses)	<u>(727,755,500.80)</u>	<u>2,658,349,670.90</u>
Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers	(1,192,153,245.48)	2,684,624,610.89
Capital Appropriations - HEAF		
Gifts and Sponsored Programs for Capital Acquisitions	7,425,000.00	
Additions to Permanent Endowments	142,009,779.19	108,884,928.19
Reclass from / (to) Other Institutions	2,767,568.42	611,759,039.88
Proceeds of Bonds Payable Invested in Plant of Institutions	838,799,620.82	518,704,059.86
Transfers Between Institutions & System-Debt Service-Mandatory	401,561,846.97	308,699,077.89
Transfers Between Institutions & System Admin. - Nonmandatory	(1,170,819,100.19)	(1,506,021,579.37)
Transfers From Other State Agencies	23,340,000.00	22,920,000.00
Transfers to Other State Agencies	(152,741,078.82)	(135,976,393.26)
Change in Net Assets	<u>(1,099,809,609.09)</u>	<u>2,613,593,744.08</u>
Beginning Net Assets	<u>20,429,891,561.46</u>	<u>17,816,297,817.38</u>
Ending Net Assets	<u>\$ 19,330,081,952.37</u>	<u>20,429,891,561.46</u>

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THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 EXHIBIT C - STATEMENT OF CASH FLOWS
 For the Year Ended August 31, 2008

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Sponsored Programs	\$ 23,438,404.93	18,433,125.80
Proceeds from Other Revenues	9,670,273.21	31,021,370.21
Payments to Suppliers	(39,616,526.68)	(47,781,338.38)
Payments to Employees	(35,187,368.01)	(31,619,422.05)
Net Cash Provided (Used) by Operating Activities	<u>(41,695,216.55)</u>	<u>(29,946,264.42)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	7,437,221.03	4,866,789.63
Proceeds from Operating Gifts	994,844.69	927,763.77
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	175,292,088.27	328,110,093.43
Payments/Receipts for Transfers to/from System or Oth. Agencies	(121,787,517.25)	(97,743,900.71)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>61,936,636.74</u>	<u>236,160,746.12</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Issuance of Capital Debt	2,003,989,001.00	2,155,372,458.00
Proceeds from Capital Debt Transferred to Institutions	(903,994,286.76)	(731,363,999.71)
Payments of Other Costs on Debt Issuance	(30,367,486.65)	(59,781,448.91)
Proceeds from Capital Appropriations, Grants and Gifts	7,425,000.00	
Proceeds from Sale of Capital Assets	10,909.00	20,150.00
Payments for Additions to Capital Assets	(27,512,456.15)	(13,090,125.42)
Payments of Principal on Capital Related Debt	(1,139,533,000.00)	(1,586,554,000.00)
Mandatory Transfers to System for Capital Related Debt	401,561,846.97	308,699,077.89
Payments of Interest on Capital Related Debt	(160,045,891.42)	(162,877,890.48)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>151,533,635.99</u>	<u>(89,575,778.63)</u>
Cash Flows from Investing Activities:		
Proceeds from Sales of Investments	29,746,761,438.39	27,964,502,243.44
Proceeds from Interest and Investment Income	771,297,362.64	667,244,332.69
Payments to Acquire Investments	(30,387,489,282.95)	(28,732,678,757.42)
Net Cash Provided (Used) by Investing Activities	<u>130,569,518.08</u>	<u>(100,932,181.29)</u>
Net Increase (Decrease) in Cash	302,344,574.26	15,706,521.78
Cash & Cash Equivalents - Beginning of the Year	839,836,944.82	824,130,423.04
Cash & Cash Equivalents - End of the Year	\$ 1,142,181,519.08	839,836,944.82
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Loss	\$ (464,397,744.68)	26,274,939.99
Adjustments to Reconcile Operating Loss to Net Cash:		
Depreciation and Amortization Expense	6,321,366.96	5,355,078.05
Changes in Assets and Liabilities:		
Receivables	4,072,667.32	(4,301,673.42)
Other Assets	(5,694,938.68)	(1,202,412.42)
Payables	427,049,985.97	(50,340,381.60)
Due to System	(4,249,451.09)	(3,169,299.22)
Deferred Income	(2,784,122.88)	(1,687,395.32)
Deposits Held for Others	(1,714,013.84)	(1,676,593.44)
Compensated Absence Liability	700,142.06	494,227.56
Other Liabilities	(999,107.69)	307,245.40
Total Adjustments	<u>422,702,528.13</u>	<u>(56,221,204.41)</u>
Net Cash Provided (Used) by Operating Activities:	<u>\$ (41,695,216.55)</u>	<u>(29,946,264.42)</u>
Noncash Transactions		
Net Increase (Decrease) in Fair Value of Investments	(1,698,231,186.77)	1,401,978,585.83
Miscellaneous Noncash Transactions	(214,493.45)	(7,359,946.15)