

UNAUDITED

The University of Texas System Administration
 Exhibit A Balance Sheet
 As of August 31, 2010

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets and Deferred Outflows:		
Cash & Cash Equivalents	\$ 1,174,190,680.84	1,299,884,401.87
Restricted Cash & Cash Equivalents	311,859,804.83	68,726,701.93
Balance in State Appropriations	5.59	
Securities Lending Collateral	468,365,170.60	381,688,392.78
Accounts Receivable, Net:		
Federal (allow. of \$0.00 in 2010 & \$0.00 in 2009)	3,565,528.58	6,350,194.27
Other Intergov. (allow. of \$0.00 in 2010 & \$0.00 in 2009)	1,740,706.15	1,037,320.17
Interest and Dividend Receivables	44,419,876.96	27,361,825.39
Contributions (allow. of \$7,325.35 in 2010 & \$4,672.90 in 2009)	47,614.74	48,994.59
Investment Trades Receivables	89,384,866.15	95,927,542.45
Other (allow. of \$0.00 in 2010 & \$0.00 in 2009)	84,264,503.59	67,908,188.54
Due From Other Funds	77,877,834.91	40,452,122.57
Due From Other Institutions	64,753,303.84	59,720,618.46
Due From Other Agencies	3,088,342.44	3,368,644.74
Other Current Assets	12,797,340.92	4,551,594.89
Total Current Assets and Deferred Outflows	<u>2,336,355,580.14</u>	<u>2,057,026,542.65</u>
Noncurrent Assets and Deferred Outflows:		
Restricted:		
Cash and Cash Equivalents (Noncurrent Restricted)	17,833.94	13,067.71
Investments (Restricted)	18,668,777,423.01	16,814,877,053.33
Contributions Rec. (allow. of \$9,972.32 in 2010 & \$10,561.82 in 2009)	64,820.11	110,739.12
Unrestricted Investments	4,224,559,758.62	3,652,079,968.49
Deferred Outflows-FMV of Derivatives (Noncurrent)	205,166,048.45	93,494,152.83
Other Noncurrent Assets	20,576,793.43	16,236,132.44
Gross Capital/Intangible Assets	7,094,349,538.57	6,568,292,302.90
Accumulated Depreciation/Amortization	(59,504,016.48)	(48,298,684.77)
Total Noncurrent Assets and Deferred Outflows	<u>30,154,008,199.65</u>	<u>27,096,804,732.05</u>
Total Assets and Deferred Outflows	<u>\$ 32,490,363,779.79</u>	<u>29,153,831,274.70</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities and Deferred Inflows:		
Accounts Payable and Accrued Liabilities	60,258,286.80	60,421,862.35
Salaries Payable	4,064,478.06	3,679,663.78
Investment Trades Payables	99,739,901.39	205,800,913.28
Incurred But Not Reported Self Insurance Claims	90,261,548.41	85,403,589.63
Securities Lending Obligations	468,365,170.60	381,688,392.78
Due To Other Funds	77,877,834.91	40,452,122.57
Due To Other Institutions	943,894,114.34	1,052,178,442.60
Due To Other State Agencies	13,977,718.14	13,655,445.22
Interfund Payable	20,245,000.00	15,210,000.00
Deferred Revenue	9,222,666.61	9,419,855.48
Employees' Compensable Leave - Current Portion	3,064,630.92	2,775,785.35
Notes, Loans, and Leases Payable	554,574,000.00	947,608,000.00
Payable From Restricted Assets	59,667,363.76	46,181,967.95
Revenue Bonds Payable	1,581,825,028.08	1,619,983,483.85
Other Current Liabilities	8,000.00	8,000.00
Total Current Liabilities and Deferred Inflows	<u>3,987,045,742.02</u>	<u>4,484,467,524.84</u>
Noncurrent Liabilities and Deferred Inflows:		
Incurred But Not Reported Self Insurance Claims	27,394,726.59	30,181,103.37
Employees' Compensable Leave	2,039,329.61	2,651,721.46
Assets Held for Others	4,655,166,802.32	3,577,005,061.48
Liability to Beneficiaries Held by System	11,878,505.23	12,263,173.72
Net Other Postemployment Benefits Obligation	1,295,763,104.00	841,025,290.00
Revenue Bonds Payable	4,829,918,627.30	3,867,084,956.03
Interfund Payable	591,650,000.00	561,895,000.00
Hedging Derivative Liability (Noncurrent)	205,166,048.45	93,494,152.83
Other Noncurrent Liabilities	482,765.00	349,234.50
Total Noncurrent Liabilities and Deferred Inflows	<u>11,619,459,908.50</u>	<u>8,985,949,693.39</u>
Total Liabilities and Deferred Inflows	<u>15,606,505,650.52</u>	<u>13,470,417,218.23</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	121,564,681.90	110,817,852.01
Restricted for:		
Nonexpendable		
Permanent University Fund Endowment	7,109,333,589.72	6,492,633,743.16
Permanent Health, True Endowments, and Annuities Held for Institutions	3,445,419,591.47	3,304,937,145.14
Permanent Health, True Endowments, and Annuities	384,432,759.31	383,790,267.99
Expendable		
Capital Projects	11,459,309.10	11,095,866.69
Debt Service	7,538,520.69	10,652,127.76
Funds Functioning as Endowment (Restricted)	5,797,698.33	5,416,958.23
Funds Functioning as Endowments (Restricted Held for Institutions)	237,637,774.76	201,376,081.59
Other Expendable	6,213,075,384.65	5,206,865,509.33
Unrestricted Net Assets	<u>(652,401,180.66)</u>	<u>(44,171,495.43)</u>
Total Net Assets	<u>16,883,858,129.27</u>	<u>15,683,414,056.47</u>
Total Liabilities, Deferred Inflows and Net Assets	<u>\$ 32,490,363,779.79</u>	<u>29,153,831,274.70</u>

UNAUDITED

The University of Texas System Administration
 Exhibit B Statement of Revenues, Expenses, and Changes in Net Assets
 For the Year Ended August 31, 2010

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Federal Sponsored Programs	16,554,716.68	11,021,983.64
Federal Sponsored Programs Pass-Through from State Agencies	7,882,754.04	10,438,894.86
State Sponsored Programs Pass-Through from State Agencies	11,726,736.93	288,636.27
Local Sponsored Programs	39,640.40	88,937.01
Private Sponsored Programs	673,253.25	1,628,813.99
Sales and Services of Educational Activities	18,216,009.41	29,492,654.15
Other Operating Revenues	(4,979,973.97)	9,103,632.82
Total Operating Revenues	<u>50,113,136.74</u>	<u>62,063,552.74</u>
Operating Expenses:		
Instruction	21,359,981.73	16,486,634.95
Institutional Support	550,399,892.49	529,713,382.57
Scholarships and Fellowships	1,374,900.00	
Depreciation and Amortization	11,780,644.22	10,946,743.81
Total Operating Expenses	<u>584,915,418.44</u>	<u>557,146,761.33</u>
Operating Income (Loss)	<u>(534,802,281.70)</u>	<u>(495,083,208.59)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	(9,413,085.41)	7,458,495.51
Federal Nonexchange Sponsored Programs	12,394,883.91	
Gift Contributions for Operations	714,253.62	1,049,313.54
Investment Income	990,591,104.53	(1,515,041,866.23)
Net Increase (Decrease) in Fair Value of Investments	1,245,300,994.20	(959,362,891.75)
Interest and Other Expenses on Capital Asset Financings	(207,322,468.20)	(156,047,211.33)
Gain (Loss) on Sale of Capital Assets	499.82	783,350.53
Other Nonoperating Revenues	837,748.59	282,439.79
Other Nonoperating (Expenses)	(436,228.70)	(40,053.10)
Net Nonoperating Revenues (Expenses)	<u>2,032,667,702.36</u>	<u>(2,620,918,423.04)</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	1,497,865,420.66	(3,116,001,631.63)
Gifts and Sponsored Programs for Capital Acquisitions	(3,000,000.00)	(4,425,000.00)
Additions to Permanent Endowments / Annuities	118,100,151.75	104,324,590.20
Reclass from/(to) Other Institutions	(256,305,538.26)	(387,115,403.54)
Change in Proceeds of Bonds Payable	518,938,682.08	879,567,962.59
Transfers Between Institutions & System, Debt Service - Mandatory	464,401,612.12	444,665,833.96
Transfers Between Institutions & System Admin. - Non mandatory	(931,917,460.31)	(1,193,594,653.25)
Transfers From Other State Agencies	1,245,311.90	33,072.17
Transfers to Other State Agencies	(208,884,107.14)	(374,116,969.40)
Change in Net Assets	<u>1,200,444,072.80</u>	<u>(3,646,662,198.90)</u>
Beginning Net Assets	15,652,987,828.85	19,330,081,952.37
Restatements	30,426,227.62	(5,697.00)
Beginning Net Assets (As Restated)	<u>15,683,414,056.47</u>	<u>19,330,076,255.37</u>
Ending Net Assets	<u>\$ 16,883,858,129.27</u>	<u>15,683,414,056.47</u>

The University of Texas System Administration
EXHIBIT C - STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2010

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Sponsored Programs	40,740,574.07	15,540,172.71
Proceeds from Other Revenues	18,061,352.20	44,073,639.60
Payments to Suppliers	(97,659,996.60)	(81,240,899.02)
Payments to Employees	(36,620,626.70)	(41,362,999.42)
Net Cash Provided (Used) by Operating Activities	<u>(75,478,697.03)</u>	<u>(62,990,086.13)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	(9,413,091.00)	7,458,495.51
Proceeds from Operating Gifts	761,552.48	1,078,461.39
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	341,712,514.68	136,299,768.36
Proceeds from Other Nonoperating Revenues	837,748.59	282,439.79
Payments / Receipts for Transfers to / from System or Other Agencies	(26,178,763.44)	(576,420,269.63)
Proceeds from Nonexchange Sponsored Programs	10,892,993.15	-
Net Cash Provided by Noncapital Financing Activities	<u>318,612,954.46</u>	<u>(431,301,104.58)</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Issuance of Capital Debt	2,134,421,510.55	2,246,359,520.45
Proceeds from Capital Debt Transferred from System (Nonmandatory)	(1,061,626,371.72)	(1,081,083,364.55)
Payments of Other Costs on Debt Issuance	(46,219,346.53)	(1,326,027.98)
Proceeds from Capital Appropriations, Grants, and Gifts	(3,000,000.00)	(4,425,000.00)
Proceeds from Sale of Capital Assets	13,228.00	830,809.93
Payments for Additions to Capital Assets	(10,067,902.55)	(15,748,194.90)
Payments of Principal on Capital Related Debt	(1,547,663,000.00)	(1,378,298,000.00)
Mandatory Transfers to System for Capital Related Debt	464,401,612.12	444,665,833.96
Payments of Interest on Capital Related Debt	(204,130,988.27)	(154,583,375.10)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(273,871,258.40)</u>	<u>56,392,201.81</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	11,269,443,440.50	17,449,791,915.08
Proceeds from Interest and Investment Income	501,488,440.11	447,027,507.01
Payments to Acquire Investments	(11,622,750,731.54)	(17,232,477,780.76)
Net Cash Provided (Used) by Investing Activities	<u>148,181,149.07</u>	<u>664,341,641.33</u>
Net Increase (Decrease) in Cash		
Cash and Cash Equivalents (Beginning of the Year)	117,444,148.10	226,442,652.43
	<u>1,368,624,171.51</u>	<u>1,142,181,519.08</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 1,486,068,319.61</u>	<u>\$ 1,368,624,171.51</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(534,802,281.70)	(495,083,208.59)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	11,780,644.22	10,946,743.81
Changes in Assets and Liabilities:		
Accounts Receivable	6,098,630.33	(10,739,606.72)
Other Current and Noncurrent Assets	(7,480,977.91)	4,516,156.23
Accounts Payable	(153,422.80)	611,984.44
Due to System	(5,032,685.38)	(1,666,690.18)
Deferred Revenue	(197,188.87)	9,419,855.48
Assets Held for Others	(105,682.64)	105,716.25
Employees' Compensable Leave	(323,546.28)	550,432.15
Other Current and Noncurrent Liabilities	-	1,265.00
Other Postemployment Benefits Obligation	454,737,814.00	418,347,266.00
Total Adjustments	<u>459,323,584.67</u>	<u>432,093,122.46</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (75,478,697.03)</u>	<u>\$ (62,990,086.13)</u>
Non Cash Transactions		
Net Increase (Decrease) in Fair Value of Investments	1,245,300,994.20	(989,789,119.37)
Miscellaneous Noncash Transactions	(1,276,241.31)	(925,339.30)