

The University of Texas
System Administration

Financial Statements
(WITH DETAILED SUPPORTIVE SCHEDULES)

FISCAL YEAR ENDED AUGUST 31, 2005
UNAUDITED

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THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 EXHIBIT A - BALANCE SHEET
 As of August 31, 2005

	Current Year Totals	Prior Year Totals
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 563,127,195	565,597,387
Restricted Cash & Cash Equivalents	23,446,846	24,609,068
Securities Lending Collateral	1,420,107,142	1,060,976,669
Accounts Receivable, Net:		
Federal (allowances of \$0 in '05 & \$0 in '04)	19,096	1,470
Interest and Dividends	36,361,793	14,296,792
Investment Trades	312,903,168	359,797,585
Other (allowances of \$0 in '05 & \$0 in '04)	55,451,734	30,775,770
Due From Other Funds	32,009,769	44,394,480
Due From Other Institutions	45,581,692	43,719,314
Due From Other Agencies	16,368,336	893,571
Other Current Assets	4,009,595	3,121,192
Total Current Assets	<u>2,509,386,366</u>	<u>2,148,183,298</u>
Noncurrent Assets:		
Restricted:		
Cash & Cash Equivalents	280,212	307,484
Investments	16,610,553,408	13,749,591,598
Investments	1,387,749,345	1,415,199,756
Other Noncurrent Assets	14,113,261	13,063,831
Capital Assets	3,745,551,642	3,214,736,402
Less Accumulated Depreciation	<u>(27,769,743)</u>	<u>(24,954,178)</u>
Total Noncurrent Assets	<u>21,730,478,125</u>	<u>18,367,944,893</u>
TOTAL ASSETS	<u>\$ 24,239,864,491</u>	<u>20,516,128,191</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 39,963,594	33,435,523
Investment Trades Payable	718,557,708	675,938,464
Incurred But Not Reported Self-Insurance Claims	75,111,546	75,516,336
Securities Lending Obligations	1,420,107,142	1,060,976,669
Due to Other Funds	32,009,769	44,394,480
Due to Other Institutions	391,786,691	439,989,293
Due to Other Agencies	12,882,035	12,665,163
Deferred Revenue	2,765,834	4,143,714
Employees' Compensable Leave	1,622,466	780,201
Notes, Loans and Leases Payable	541,064,000	634,966,000
Payable From Restricted Assets	120,356,095	20,043,032
Revenue Bonds Payable	155,670,000	136,535,000
Other Current Liabilities	58,114	897,000
Total Current Liabilities	<u>3,511,954,994</u>	<u>3,140,280,875</u>
Noncurrent Liabilities:		
Incurred But Not Reported Self-Insurance Claims	85,844,849	88,720,550
Employees' Compensable Leave	1,700,912	2,238,848
Assets Held for Others	1,044,522,450	999,397,517
Liability to Beneficiaries-Held for Institutions	18,692,215	18,163,251
Revenue Bonds Payable	3,018,716,352	2,415,941,659
Other Noncurrent Liabilities/Due to Texas A&M University	305,341,916	229,714,000
Total Noncurrent Liabilities	<u>4,474,818,694</u>	<u>3,754,175,825</u>
TOTAL LIABILITIES	<u>7,986,773,688</u>	<u>6,894,456,700</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	23,383,258	15,385,698
Restricted for:		
Nonexpendable		
Permanent University Fund Endowment	10,652,590,897	8,787,592,080
Perm. Health, True & Term Endowments, & Annuities	435,185,612	380,423,386
Perm. Health, True & Term Endow. Held for Institutions	4,754,576,348	4,108,630,047
Expendable		
Capital Projects	10,337,778	4,619,016
Debt Service	5,240,603	4,760,508
Funds Functioning as Endowment - Restricted	16	
Other Expendable	18,628,492	1,555,821
Unrestricted	353,147,799	318,704,935
TOTAL NET ASSETS	<u>16,253,090,803</u>	<u>13,621,671,491</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 24,239,864,491</u>	<u>20,516,128,191</u>

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THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
 EXHIBIT B - COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 As of August 31, 2005

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Federal Sponsored Programs	\$ 48,115	53,300
Federal Sponsored Programs Pass-Through from Other St. Agencies	7,334,402	3,489,190
State Sponsored Programs		3,490,900
State Sponsored Programs Pass-Through from Other St. Agencies	1,185,089	270,688
Private Sponsored Programs	2,347,250	1,151,500
Sales and Services of Educational Activities	13,579,656	585,035
Discounts and Allowances (none)		
Other Operating Revenues	15,201,593	(17,183,903)
Total Operating Revenues	<u>39,696,105</u>	<u>(8,143,290)</u>
Operating Expenses:		
Instruction	8,784,672	4,023,189
Institutional Support	57,587,550	46,252,667
Depreciation and Amortization	3,972,908	1,607,386
Total Operating Expenses	<u>70,345,130</u>	<u>51,883,242</u>
Operating Loss	<u>(30,649,025)</u>	<u>(60,026,532)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	6,071,989	6,057,411
Gift Contributions for Operations	829,517	1,141,315
Net Investment Income	1,583,124,648	1,365,093,456
Net Increase (Decrease) in Fair Value of Investments	1,337,238,828	152,479,699
Interest and Other Expenses on Capital Asset Financings	(126,439,578)	(88,898,802)
Gain/(Loss) on Sale of Capital Assets	(822,823)	(17,948)
Other Nonoperating Revenues		74,053,858
Other Nonoperating Expenses	(338,416)	(42,118,933)
Net Nonoperating Revenues (Expenses)	<u>2,799,664,165</u>	<u>1,467,790,056</u>
Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers	2,769,015,140	1,407,763,524
Gifts and Sponsored Programs for Capital Acquisitions	15,150,000	
Additions to Permanent Endowments	87,096,992	204,133,255
Reclass from / (to) Other Institutions	76,550,146	145,950,567
Proceeds of Bonds Payable Invested in Plant of Institutions	527,709,387	343,838,251
Transfers Between Institutions & System-Debt Service-Mandatory	221,357,877	200,563,416
Transfers Between Institutions & System Admin. - Nonmandatory	(876,481,145)	(795,705,831)
Transfers From Other State Agencies	325,672	5,793,313
Transfers to Other State Agencies	(189,304,757)	(116,011,192)
Change in Net Assets	<u>2,631,419,312</u>	<u>1,396,325,303</u>
Beginning Net Assets - As Previously Reported	13,822,001,609	12,485,012,965
Restatements	(200,330,118)	(259,666,777)
Beginning Net Assets - As Restated	<u>13,621,671,491</u>	<u>12,225,346,188</u>
Ending Net Assets	<u>\$ 16,253,090,803</u>	<u>13,621,671,491</u>

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THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
EXHIBIT C - COMBINED STATEMENT OF CASH FLOWS
As of August 31, 2005

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Sponsored Programs	\$ 10,422,465	7,560,537
Proceeds from Other Revenues	32,068,084	3,271,673
Payments to Suppliers	(37,895,501)	(36,960,737)
Payments to Employees	(27,921,826)	(23,851,713)
Net Cash Provided (Used) by Operating Activities	<u>(23,326,778)</u>	<u>(49,980,240)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	6,071,989	6,057,411
Proceeds from Operating Gifts	829,517	1,141,315
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	126,143,551	196,060,452
Proceeds from Other Nonoperating Revenues		3,562,877
Payments/Receipts for Transfers to/from System or Oth. Agencies	(382,911,587)	(609,222,267)
Payments for Other Uses	(145,200)	(3,919,939)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(250,011,730)</u>	<u>(406,320,151)</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Issuance of Capital Debt	1,270,538,994	1,523,999,984
Proceeds from Capital Debt Transferred to Institutions	(744,087,103)	(736,998,531)
Payments of Other Costs on Debt Issuance	(8,628,120)	(49,787,095)
Proceeds from Capital Appropriations, Grants and Gifts	150,000	
Proceeds from Sale of Capital Assets	1,050	30,504
Payments for Additions to Capital Assets	(3,955,987)	(3,552,731)
Payments of Principal on Capital Related Debt	(730,502,000)	(1,123,844,000)
Mandatory Transfers to System for Capital Related Debt	221,357,877	200,563,416
Payments of Interest on Capital Related Debt	(124,343,686)	(86,958,919)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(119,468,975)</u>	<u>(276,547,372)</u>
Cash Flows from Investing Activities:		
Proceeds from Sales of Investments	17,609,053,684	18,229,701,669
Proceeds from Interest and Investment Income	447,207,689	329,329,997
Payments to Acquire Investments	(17,667,113,576)	(17,994,335,645)
Net Cash Provided (Used) by Investing Activities	<u>389,147,797</u>	<u>564,696,021</u>
Net Increase (Decrease) in Cash	(3,659,686)	(168,151,742)
Cash & Cash Equivalents - Beginning of the Year	590,513,939	758,665,681
Cash & Cash Equivalents - End of the Year	<u>\$ 586,854,253</u>	<u>590,513,939</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Loss	\$ (30,649,025)	(60,026,532)
Adjustments to Reconcile Operating Loss to Net Cash:		
Depreciation and Amortization Expense	3,972,908	1,607,386
Op. Income & Cash Flow Categories Classification Differences		4,631,822
Changes in Assets and Liabilities:		
Receivables	(751,543)	249,456
Other Assets	(754,631)	(5,143,472)
Payables	2,113,126	8,372,079
Due to System	(1,862,378)	(2,402,488)
Deferred Income	(1,377,880)	(2,108)
Deposits Held for Others	6,294,286	1,317,694
Compensated Absence Liability	304,329	188,923
Other Liabilities	(615,970)	1,227,000
Total Adjustments	<u>7,322,247</u>	<u>10,046,292</u>
Net Cash Provided (Used) by Operating Activities:	<u>\$ (23,326,778)</u>	<u>(49,980,240)</u>
Noncash Transactions		
Net Increase (Decrease) in Fair Value of Investments	1,337,238,828	122,533,786
Miscellaneous Noncash Transactions	986,845	(30,504)