

The University of Texas
at Austin



Financial Statements
(WITH DETAILED SUPPORTIVE SCHEDULES)

FISCAL YEAR ENDED AUGUST 31, 2002
UNAUDITED

THE UNIVERSITY OF TEXAS at AUSTIN

FINANCIAL STATEMENTS

(WITH DETAILED SUPPORTIVE SCHEDULES)

Presented herein are the financial statements with detailed supportive schedules of The University of Texas at Austin for the year ended August 31, 2002. These Statements and detailed supportive schedules have been prepared, insofar as practicable, in accordance with the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements. In FY 2002, the University adopted Governmental Accounting Standard Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and GASB Statement No. 35, (GASB 35), *Basic Financial Statements - Management's Discussion and Analysis - for Public Colleges and Universities*.

This "detailed internal report" supplements the 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 a historical record of transactions relating to this particular component institution.

The Financial Report for public distribution for The University of Texas System includes the primary statements on a combined, System-wide basis complete with explanatory notes and additional commentaries, graphic data, and other information for the benefit of officials of the University and of the State and Federal governments, and for the interested public at large.

The State Auditor has not audited the accompanying annual financial report and, therefore, has not expressed an opinion on the financial statements and related information contained in this report. Furthermore, the State Auditor's forthcoming opinion letter will address the State as a whole, and an opinion will not be particularly expressed on The University of Texas System specifically.

THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS
As of August 31, 2002

Officers

Charles Miller, Chairman
Rita Crocker Clements, Vice-Chairman
Woody L. Hunt, Vice-Chairman
A. W. "Dub" Riter, Jr., Vice-Chairman
Francie A. Frederick, Counsel and Secretary

Members

Terms Expire February 1, 2003

Patrick C. Oxford	Houston
A. W. "Dub" Riter, Jr.	Tyler
A. R. (Tony) Sanchez, Jr.	Laredo

Terms Expire February 1, 2005

Robert A. Estrada	Dallas
Woody L. Hunt	El Paso
Charles Miller	Houston

Terms Expire February 1, 2007

Rita Crocker Clements	Dallas
Judith L. Craven, M.D.	Houston
Cyndi Taylor Krier	San Antonio

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

As of August 31, 2002

Mark G. Yudof	Chancellor
James C. Guckian, M.D.	Acting Executive Vice Chancellor for Health Affairs
Kerry L. Kennedy	Executive Vice Chancellor for Business Affairs
Edwin R. Sharpe, Jr.	Executive Vice Chancellor for Academic Affairs
Cullen M. Godfrey	Vice Chancellor and General Counsel
Thomas A. Scott	Vice Chancellor for Governmental Relations
Shirley Bird Perry	Vice Chancellor for Development and External Relations
Charles Sorber	Interim Vice Chancellor for Special Engineering Programs
William H. Shute	Vice Chancellor for Federal Relations
Vacant	Vice Chancellor for Community Relations
Tonya Moten Brown	Vice Chancellor for Administration
Kathleen Pantalion	Executive Associate to the Chancellor
Lewis W. Wright III	Associate Vice Chancellor for Business Affairs and Assistant Vice Chancellor for Governmental Relations
Amy Shaw Thomas	Associate Vice Chancellor for Health Affairs
Bob Boldt	Chief Executive Officer and Chief Investment Officer, UTIMCO

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

As of August 31, 2002

Larry Faulkner	President
Sheldon Ekland-Olson	Executive Vice President and Provost
Stephen Monti	Executive Vice Provost
Lucia Gilbert	Vice Provost
Victoria Rodriguez	Vice Provost
William Lasher	Vice Provost
Kevin Hegarty	Senior Vice President and Chief Financial Officer
William S. Livingston	Senior Vice President
Juan Sanchez	Vice President for Research
Patricia C. Ohlendorf	Vice President for Institutional Relations and Legal Affairs
Teresa A. Sullivan	Vice President and Dean of Graduate Studies
Daniel A. Updegrove	Vice President for Information Technology
Donald A. Hale	Vice President for Public Affairs
James W. Vick	Vice President for Student Affairs
Johnnie D. Ray	Vice President for Resource Development
James L. Hill	Vice President for Community and School Relations
Patricia L. Clubb	Vice President for Employee and Campus Services
Charles A. Roeckle	Deputy to the President
Joe A. Powell	Associate Vice President for Employee and Campus Services
Lon S. Heuer	Associate Vice President and Director of Internal Audits
Mary E. Knight	Associate Vice President and Budget Director
Danny L. Fletcher	Associate Vice President and Controller

TABLE OF CONTENTS

THE UNIVERSITY OF TEXAS AT AUSTIN

PRIMARY STATEMENTS

Exhibit A	- Balance Sheet	1
Exhibit B	- Statement of Revenues, Expenses and Changes in Net Assets	2
Exhibit C	- Statement of Cash Flows	3

UNAUDITED

THE UNIVERSITY OF TEXAS AT AUSTIN
 EXHIBIT A - BALANCE SHEET
 As of August 31, 2002

	TOTALS	
	Primary University	Component Units
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 275,037,693	
Restricted Cash & Cash Equivalents	80,339,165	
Balance in State Appropriations	11,413,895	
Funds Held by System Administration - Current	(341,994)	
Accounts Receivable, Net:		
Federal Receivables	53,455,609	
Interest and Dividends	4,606,796	
Contributions Receivable	11,473,936	
Other Receivables	88,051,179	
Due From Other Funds	8,086,410	
Due From System Administration	82,642,468	
Due From Other Agencies	1,640,183	
Inventories	9,510,488	
Loans and Contracts	6,051,546	
Other Current Assets	34,049,684	
Total Current Assets	<u>666,017,058</u>	
Non-Current Assets:		
Restricted:		
Investments	80,489,109	
Loans, Contracts and Other	47,968,113	
Funds Held by System Administration	1,371,079,344	
Contributions Receivable	31,096,334	
Investments	179,789,494	
Capital Assets	2,352,870,603	
Less Accumulated Depreciation	(988,514,521)	
Total Non-Current Assets	<u>3,074,778,476</u>	-
TOTAL ASSETS \$	<u><u>3,740,795,534</u></u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 45,179,690	
Due to Other Funds	8,086,410	
Due to System Administration	7,950,511	
Deferred Revenue	263,815,316	
Employees' Compensable Leave-Current Portion	2,705,615	
Notes, Loans and Leases Payable-Current Portion	178,781	
Payable From Restricted Assets-Current Portion	13,960,050	
Funds Held for Others	1,234,125	
Other Current Liabilities	8,477,744	
Total Current Liabilities	<u>351,588,242</u>	-
Non-Current Liabilities:		
Employees' Compensable Leave	28,226,238	
Assets Held for Others	8,868,171	
Notes, Loans and Leases Payable	222,506	
Total Non-Current Liabilities	<u>37,316,915</u>	-
TOTAL LIABILITIES	<u>388,905,157</u>	<u>-</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,362,720,670	
Restricted for:		
Nonexpendable		
True and Other Endowments, and Annuities	1,286,160,665	
Expendable		
Capital Projects	66,881,137	
Funds Functioning as Endowment - Restricted	66,288,206	
Other Expendable	268,028,651	
Unrestricted	301,811,048	-
TOTAL NET ASSETS	<u>3,351,890,377</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS \$	<u><u>3,740,795,534</u></u>	<u>-</u>

UNAUDITED

THE UNIVERSITY OF TEXAS AT AUSTIN
 EXHIBIT B - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 For the Year Ended August 31, 2002

	TOTALS	
	Primary University	Component Units
OPERATING REVENUES:		
Net Student Tuition and Fees	237,247,346	
Federal Sponsored Programs	252,843,750	
Federal Sponsored Programs Pass-Through from Other St. Agencies	10,433,019	
State Sponsored Programs	22,314,763	
State Sponsored Programs Pass-Through from Other St. Agencies	22,859,720	
Local Sponsored Programs	3,245,117	
Nongovernmental Sponsored Programs	44,927,304	
Net Sales and Services of Educational Activities	71,980,634	
Net Auxiliary Enterprises	116,752,497	
Other Operating Revenues	8,278,166	
Total Operating Revenues	790,882,316	-
OPERATING EXPENSES:		
Instruction	356,888,538	-
Research	295,394,288	-
Public Service	32,677,582	-
Academic Support	109,685,687	-
Student Services	43,402,326	-
Institutional Support	67,390,484	-
Operations and Maintenance of Plant	99,764,284	-
Scholarships and Fellowships	64,637,963	-
Auxiliary Enterprises	144,356,882	-
Depreciation and Amortization	68,358,744	-
Total Operating Expenses	1,282,556,778	-
Operating Income (Loss)	(491,674,462)	-
NONOPERATING REVENUES (EXPENSES):		
State Appropriations	290,753,034	
Gift Contributions for Operations	78,534,499	
Net Investment Income	53,517,907	
Net Increase (Decrease) in Fair Value of Investments	(168,359,627)	
Other Nonoperating Revenues	13,262,164	
Other Nonoperating (Expenses)	(15,836,715)	
Net Nonoperating Revenues (Expenses)	251,871,262	-
Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers:	(239,803,200)	-
Gifts and Sponsored Programs for Capital Acquisitions	11,704,947	
Additions to Permanent Endowments	52,143,071	
Reclass from / (to) Other Components	(41,925,857)	
Transfers Between Components & System, Debt Service - Mandatory	(39,516,455)	
Transfers Between Components & System Admin. - Non mandatory	250,994,121	
Change in Net Assets/Contributed Capital for Component Unit	(6,403,373)	-
Net Assets - September 1, 2001 - As Previously Reported	4,478,038,432	
Restatements	(1,119,744,682)	
Net Assets - September 1, 2001 - As Restated	3,358,293,750	-
Net Assets - August 31, 2002	3,351,890,377	-

UNAUDITED

THE UNIVERSITY OF TEXAS AT AUSTIN
EXHIBIT C - STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2002

	Primary University	Component Unit
Cash Flows from Operating Activities:		
Proceeds Received from Students	\$ 347,786,232	
Proceeds for Sponsored Programs	351,952,859	
Auxiliary Enterprise Charges	114,344,611	
Payments to Suppliers	(372,503,970)	
Payments to Employees	(837,092,769)	
Loans Issued to Students	(28,921,821)	
Collections of Loans to Students	28,050,270	
Payments for Other Expenses	(10,006,194)	
Net Cash Provided (Used) by Operating Activities	<u>(406,390,782)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	289,020,029	
Operating Gifts	79,749,026	
Private Gifts for Endowment and Annuity Life Purposes	52,143,071	
Other Nonoperating Revenues	13,262,164	
Other Nonoperating Transfers To/From System	151,531,428	
Payments for Other Uses	(15,836,715)	
Net Cash Provided by Noncapital Financing Activities	<u>569,869,003</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Issuance of Capital Debt	173,671	
Proceeds for Capital Debt Transferred from System (non-man)	30,520,430	
Capital Grants and Gifts	11,704,947	
Purchase of Capital Assets	(132,016,489)	
Mandatory Transfers with System for Capital Related Debt	(39,516,455)	
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(129,133,896)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturities of Investments	100,578,795	
Proceeds from Sales and Maturities of Investments Held by System	224,401,245	
Proceeds from Interest and Investment Income	7,113,586	
Proceeds from Interest and Investment Income Held by System	52,753,426	
Purchases of Investments	(300,000,000)	
Net Cash Provided (Used) by Investing Activities	<u>84,847,052</u>	<u>-</u>
Net Increase (Decrease) in Cash	119,191,377	-
Cash and Cash Equivalents - Beginning of the Year	235,843,487	
Cash and Cash Equivalents - End of the Year	<u>\$ 355,034,864</u>	<u>-</u>
Reconciliation of Net Operating Revenues (Expenses) to		
Net Cash Provided (used) by Operating Activities:		
Operating Loss	\$ (491,674,462)	-
Depreciation and Amortization Expense	68,358,744	-
Accounts Receivable, net	(68,442,386)	
Due from System	(2,979,025)	
Inventory	1,084,347	
Loans to Students	(249,743)	
Other Assets	81,065	
Accounts Payable	1,865,109	
Due to System	1,923,753	
Deferred Revenue	86,220,981	
Deposits Held for Others	(4,332,029)	
Compensated Absences & Notes Payable	2,628,685	
Other Liabilities	(875,821)	
Total Adjustments	<u>85,283,680</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (406,390,782)</u>	<u>-</u>
Non Cash Transactions		
Net Increase (Decrease) in Fair Value of Investments	(168,359,627)	