

The University of Texas  
at Austin



*Financial Statements*  
(WITH DETAILED SUPPORTIVE SCHEDULES)

FISCAL YEAR ENDED AUGUST 31, 2004  
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, 2004. 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, 2004**

**Officers**

James R. Huffines, Chairman  
Rita C. Clements, Vice-Chairman  
Woody L. Hunt, Vice-Chairman  
Cyndi Taylor Krier, Vice-Chairman  
Francie A. Frederick, Counsel and Secretary

**Members**

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*Terms Expire February 1, 2005*

Robert A. Estrada	Dallas
Woody L. Hunt	El Paso
Robert B. Rowling	Dallas

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*Terms Expire February 1, 2007*

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

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*Terms Expire February 1, 2009*

John W. Barnhill, Jr.	Brenham
H. Scott Caven, Jr.	Houston
James R. Huffines	Austin

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

As of August 31, 2004

Mark G. Yudof	Chancellor
Kenneth I. Shine, M.D.	Executive Vice Chancellor for Health Affairs
Scott C. Kelley	Executive Vice Chancellor for Business Affairs
Teresa A. Sullivan	Executive Vice Chancellor for Academic Affairs
Cullen M. Godfrey	Vice Chancellor and General Counsel
E. Ashley Smith	Vice Chancellor for Governmental Relations and Policy
Randa S. Safady	Vice Chancellor for External Relations
William H. Shute	Vice Chancellor for Federal Relations
John De La Garza Jr.	Vice Chancellor for Community Relations
Tonya Moten Brown	Vice Chancellor for Administration
Bob L. Boldt	President, Chief Executive Officer and Chief Investment Officer – UTIMCO

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

As of August 31, 2004

Larry R. Faulkner	President
Sheldon Ekland-Olson	Executive Vice President and Provost
Stephen A. Monti	Executive Vice Provost
Lucia A. Gilbert	Vice Provost
Neal E. Armstrong	Vice Provost
Victoria Rodriguez	Vice Provost and Dean of Graduate Studies
William S. Livingston	Senior Vice President
Shirley Bird Perry	Senior Vice President
Kevin P. Hegarty	Vice President and Chief Financial Officer
James L. Hill	Vice President for Community and School Relations
Pat L. Clubb	Vice President for Employee and Campus Services
Daniel A. Updegrove	Vice President for Information Technology
Patricia C. Ohlendorf	Vice President for Institutional Relations and Legal Affairs
Donald A. Hale	Vice President for Public Affairs
Juan M. Sanchez	Vice President for Research
James W. Vick	Vice President for Student Affairs
Kevin P. Hegarty	Interim Vice President for Resource Development
Charles A. Roeckle	Deputy to the President
Lon S. Heuer	Associate Vice President and Director of Internal Audits
Mary E. Knight	Associate Vice President and Budget Director
Brian G. Gutierrez	Associate Vice President and Controller

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UNAUDITED

THE UNIVERSITY OF TEXAS AT AUSTIN  
 EXHIBIT A - BALANCE SHEET  
 As of August 31, 2004

	TOTALS	
	Primary University	Component Units
<b>ASSETS</b>		
Current Assets:		
Cash & Cash Equivalents	550,473,592	-
Restricted Cash & Cash Equivalents	169,031,450	-
Balance in State Appropriations	5,345,216	-
Funds Held by System Administration - Current	307,175	-
Accounts Receivable, Net:	-	-
Federal Receivables (net of allowances of \$0)	52,989,344	-
Student Receivables (net of allowances of \$841,367)	88,767,978	-
Interest and Dividends	3,466,949	-
Contributions Receivable (net of allowances of \$315,593)	5,275,035	-
Other Receivables (net of allowances of \$431,206)	18,971,070	-
Due From Other Funds	5,055,870	-
Due From System Administration	68,148,637	-
Due From Other Agencies	1,027,698	-
Inventories	7,597,815	-
Loans and Contracts (net of allowances of \$1,037,773)	8,414,741	-
Other Current Assets	47,663,281	-
	<b>Total Current Assets</b>	<b>1,032,535,851</b>
Non-Current Assets:		
Restricted:		
Investments	15,000	-
Loans, Contracts and Other (net of allowances of \$6,277,362)	50,899,747	-
Funds Held by System Administration	1,975,066,738	-
Contributions Receivable (net of allowances of \$1,066,424)	17,824,945	-
Other Non-Current Assets/Held in Trust	1,297,583	-
Capital Assets	2,621,064,650	-
Less Accumulated Depreciation	(1,124,878,550)	-
	<b>Total Non-Current Assets</b>	<b>3,541,290,113</b>
	<b>TOTAL ASSETS</b>	<b>4,573,825,964</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	53,254,349	-
Due to Other Funds	5,055,870	-
Due to System Administration	9,388,308	-
Due to Other Agencies	220,735	-
Deferred Revenue	336,493,413	-
Employees' Compensable Leave-Current Portion	3,544,597	-
Notes, Loans and Leases Payable-Current Portion	1,262,724	-
Payable From Restricted Assets-Current Portion	16,230,268	-
Funds Held for Others	1,297,583	-
Other Current Liabilities	13,069,664	-
	<b>Total Current Liabilities</b>	<b>439,817,511</b>
Non-Current Liabilities:		
Employees' Compensable Leave	32,489,101	-
Assets Held for Others	6,843,537	-
Notes, Loans and Leases Payable	20,239,881	-
	<b>Total Non-Current Liabilities</b>	<b>59,572,519</b>
	<b>TOTAL LIABILITIES</b>	<b>499,390,030</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	1,474,683,495	-
Restricted for:		
Nonexpendable		
True and Other Endowments, and Annuities	1,841,064,703	-
Expendable		
Capital Projects	42,557,469	-
Funds Functioning as Endowment - Restricted	103,118,206	-
Other Expendable	244,527,876	-
Unrestricted	368,484,185	-
	<b>TOTAL NET ASSETS</b>	<b>4,074,435,934</b>
	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>4,573,825,964</b>

UNAUDITED

THE UNIVERSITY OF TEXAS AT AUSTIN  
 EXHIBIT B - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 For the Year Ended August 31, 2004

	TOTALS	
	Primary University	Component Units
<b>OPERATING REVENUES:</b>		
Student Tuition and Fees	335,856,989	-
Discounts and Allowances	(58,920,487)	-
Federal Sponsored Programs	273,723,919	-
Federal Sponsored Programs Pass-Through from Other St. Agencies	14,246,743	-
State Sponsored Programs	8,163,104	-
State Sponsored Programs Pass-Through from Other St. Agencies	30,636,594	-
Local Sponsored Programs	2,240,341	-
Private Sponsored Programs	54,621,114	-
Sales and Services of Educational Activities	107,061,346	-
Discounts and Allowances	(37,396)	-
Auxiliary Enterprises	140,321,384	-
Discounts and Allowances	(6,900,251)	-
Other Operating Revenues	2,728,166	-
Total Operating Revenues	<u>903,741,566</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>		
Instruction	411,589,496	-
Research	309,125,593	-
Public Service	42,409,204	-
Academic Support	96,914,316	-
Student Services	37,207,803	-
Institutional Support	71,634,766	-
Operations and Maintenance of Plant	108,868,297	-
Scholarships and Fellowships	67,592,680	-
Auxiliary Enterprises	148,979,168	-
Depreciation and Amortization	82,601,677	-
Total Operating Expenses	<u>1,376,923,000</u>	<u>-</u>
Operating Income (Loss)	<u>(473,181,434)</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
State Appropriations	287,669,299	-
Gift Contributions for Operations	60,116,905	-
Net Investment Income	100,105,905	-
Net Increase (Decrease) in Fair Value of Investments	146,536,199	-
Interest Expense on Capital Asset Financings	(1,612,994)	-
Gain/(Loss) on Sale of Capital Assets	(2,329,627)	-
Other Nonoperating Revenues	8,359,001	-
Other Nonoperating (Expenses)	(4,495,836)	-
Net Nonoperating Revenues (Expenses)	<u>594,348,852</u>	<u>-</u>
Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers:	121,167,418	-
Gifts and Sponsored Programs for Capital Acquisitions	19,983,346	-
Additions to Permanent Endowments	122,176,232	-
Reclass from / (to) Other Components	(73,918,048)	-
Transfers Between Components & System, Debt Service - Mandatory	(42,842,090)	-
Transfers Between Components & System Admin. - Non mandatory	217,465,763	-
Transfers From Other State Agencies*	499,596	-
Transfers to Other State Agencies*	(91,564)	-
Change in Net Assets	<u>364,440,653</u>	<u>-</u>
Beginning Net Assets - As Previously Reported	3,729,746,841	-
Restatements	(19,751,560)	-
Beginning Net Assets - As Restated	<u>3,709,995,281</u>	<u>-</u>
Ending Net Assets	<u>4,074,435,934</u>	<u>-</u>

UNAUDITED

THE UNIVERSITY OF TEXAS AT AUSTIN  
EXHIBIT C - STATEMENT OF CASH FLOWS  
For the Year Ended August 31, 2004

	TOTALS	
	Primary University	Component Units
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 312,928,489	-
Proceeds from Sponsored Programs	387,231,070	-
Proceeds from Auxiliaries	130,803,480	-
Proceeds from Other Revenues	112,691,795	-
Payments to Suppliers	(402,890,979)	-
Payments to Employees	(901,442,498)	-
Payments for Loans Provided	(43,844,723)	-
Proceeds from Loan Programs	38,038,017	-
Payments for Other Expenses	(2,283,325)	-
Net Cash Provided (Used) by Operating Activities	<u>(368,768,674)</u>	<u>-</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	287,766,894	-
Proceeds from Operating Gifts	63,054,804	-
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	122,176,232	-
Proceeds from Other Nonoperating Revenues	7,950,969	-
Payments/Receipts for Transfers to/from System or Oth. Agencies	106,837,457	-
Payments for Other Uses	(4,502,606)	-
Net Cash Provided by Noncapital Financing Activities	<u>583,283,750</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from Capital Debt Transferred from System (nonmandatory)	87,043,783	-
Proceeds from Capital Appropriations, Grants and Gifts	1,456,478	-
Proceeds from Sale of Capital Assets	125,749	-
Payments for Additions to Capital Assets	(151,174,692)	-
Payments of Principal on Capital Related Debt	(353,218)	-
Mandatory Transfers to System for Capital Related Debt	(42,842,090)	-
Payments of Interest on Capital Related Debt	(1,612,994)	-
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(107,356,984)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from Sales of Investments	103,473,706	-
Proceeds from Interest and Investment Income	100,479,197	-
Proceeds from Interest and Investment Income Held by System	(4,423,570)	-
Payments to Acquire Investments Held by System	(166,798,303)	-
Net Cash Provided (Used) by Investing Activities	<u>32,731,030</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash</b>	139,889,122	-
Cash and Cash Equivalents - Beginning of the Year	579,923,095	-
Restatements to Beginning Cash and Cash Equivalents		
<b>Cash and Cash Equivalents - End of the Year</b>	<u>\$ 719,812,217</u>	<u>-</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Loss	\$ (473,181,434)	-
Depreciation and Amortization Expense	82,601,677	-
Bad Debt Expense	57,744	-
(Increase) Decrease in Receivables	(29,277,799)	-
(Increase) Decrease in Inventories	864,777	-
(Increase) Decrease in Loans and Contracts	(5,806,706)	-
(Increase) Decrease in Other Assets	(10,155,510)	-
Increase (Decrease) in Payables	(1,543,238)	-
Increase (Decrease) in Due to System	323,299	-
Increase (Decrease) in Deferred Income	65,549,884	-
Increase (Decrease) in Deposits Held for Others	(2,283,325)	-
Increase (Decrease) in Compensated Absence Liability	2,772,274	-
Increase (Decrease) in Other Liabilities	1,309,683	-
Total Adjustments	<u>104,412,760</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (368,768,674)</u>	<u>-</u>
<b>Non Cash Transactions</b>		
Net Increase (Decrease) in Fair Value of Investments	146,536,199	-
Donated Capital Assets	18,526,868	-
Capital Assets Acquired Under Capital Lease Purchases	615,578	-