

The University of Texas
at Austin



Financial Statements
(WITH DETAILED SUPPORTIVE SCHEDULES)

FISCAL YEAR ENDED AUGUST 31, 2005
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, 2005. 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 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, 2005

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

*Terms Expire February 1, 2005**

Robert A. Estrada	Dallas
Woody L. Hunt	El Paso

Terms Expire February 1, 2007

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

Terms Expire February 1, 2009

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

Terms Expire February 1, 2011

Robert B. Rowling	Dallas
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*Term continues until a successor is named by the Governor of Texas and confirmed by the Texas State Senate.

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

As of August 31, 2005

Mark G. Yudof	Chancellor
Scott C. Kelley	Executive Vice Chancellor for Business Affairs
Kenneth I. Shine	M.D., Executive Vice Chancellor for Health Affairs
Teresa A. Sullivan	Executive Vice Chancellor for Academic Affairs
Robert E. Barnhill	Vice Chancellor for Research and Technology Transfer
Barry D. Burgdorf	Vice Chancellor and General Counsel
Tonya Moten Brown	Vice Chancellor for Administration
Randa S. Safady	Vice Chancellor for External Relations
William H. Shute	Vice Chancellor for Federal Relations
E. Ashley Smith	Vice Chancellor for Governmental Relations and Policy
Bob Boldt	President, Chief Executive Officer and Chief Investment Officer – UTIMCO

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

As of August 31, 2005

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
John Dollard	Vice Provost
Fred Heath	Vice Provost
Bruce Walker	Vice Provost
Gregory J. Vincent	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
Patricia 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
Richard B. Eason	Vice President for Resource Development
Juan C. Gonzalez	Vice President for Student Affairs
Charles A. Roeckle	Deputy to the President
Michael W. Vandervort	Director of Internal Audits
Mary E. Knight	Associate Vice President and Budget Director
Glenn E. Friedrich	Associate Vice President and Controller

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	TOTALS	
	Primary University	Component Units
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 562,554,090	-
Restricted Cash & Cash Equivalents	210,716,073	-
Balance in State Appropriations	2,203,278	-
Funds Held by System Administration - Current	270,520	-
Accounts Receivable, Net:		
Federal Receivables (net of allowances of \$0)	42,943,032	-
Other Intergovernmental Rec. (net of allowances of \$0)	8,838,385	-
Student Receivables (net of allowances of \$353,494)	96,595,996	-
Interest and Dividends	4,969,827	-
Contributions Receivable (net of allowances of \$227,511)	5,606,109	-
Other Receivables (net of allowances of \$406,036)	13,863,192	-
Due From Other Funds	4,769,271	-
Due From System Administration	85,213,372	-
Due From Other Agencies	1,398,443	-
Inventories	7,704,954	-
Loans and Contracts (net of allowances of \$0)	10,862,000	-
Other Current Assets	46,387,813	-
Total Current Assets	1,104,896,355	-
Non-Current Assets:		
Restricted:		
Investments	15,000	-
Loans, Contracts and Other (net of allowances of \$7,330,373)	49,695,125	-
Funds Held by System Administration	2,276,138,147	-
Contributions Receivable (net of allowances of \$253,500)	6,246,493	-
Investments	-	-
Other Non-Current Assets/Held in Trust	1,320,867	-
Capital Assets	2,782,243,835	-
Less Accumulated Depreciation	(1,350,257,098)	-
Total Non-Current Assets	3,765,402,369	-
TOTAL ASSETS	\$ 4,870,298,724	-
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 68,127,394	-
Due to Other Funds	4,769,271	-
Due to System Administration	9,871,366	-
Deferred Revenue	349,131,426	-
Employees' Compensable Leave-Current Portion	19,080,784	-
Notes, Loans and Leases Payable-Current Portion	1,870,551	-
Payable From Restricted Assets-Current Portion	17,931,878	-
Funds Held for Others	1,320,867	-
Other Current Liabilities	1,771,146	-
Total Current Liabilities	473,874,683	-
Non-Current Liabilities:		
Employees' Compensable Leave	18,993,633	-
Assets Held for Others	13,773,813	-
Liability to Beneficiary-Held by System	12,071,390	-
Notes, Loans and Leases Payable	21,338,403	-
Total Non-Current Liabilities	66,177,239	-
TOTAL LIABILITIES	540,051,922	-
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,408,777,783	-
Restricted for:		
Nonexpendable		
True and Other Endowments, and Annuities	2,125,747,977	-
Expendable		
Capital Projects	25,366,071	-
Funds Functioning as Endowment - Restricted	102,987,358	-
Other Expendable	262,027,029	-
Unrestricted	405,340,584	-
TOTAL NET ASSETS	4,330,246,802	-
TOTAL LIABILITIES AND NET ASSETS	\$ 4,870,298,724	-

UNAUDITED

THE UNIVERSITY OF TEXAS AT AUSTIN
 EXHIBIT B - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 For the Year Ended August 31, 2005

	TOTALS	
	Primary University	Component Units
OPERATING REVENUES:		
Student Tuition and Fees	383,659,873	-
Discounts and Allowances	(73,913,003)	-
Federal Sponsored Programs	286,484,995	-
Federal Sponsored Programs Pass-Through from Other St. Agencies	18,354,460	-
State Sponsored Programs	4,189,724	-
State Sponsored Programs Pass-Through from Other St. Agencies	35,592,335	-
Local Sponsored Programs	1,873,499	-
Private Sponsored Programs	62,060,919	-
Sales and Services of Educational Activities	127,083,331	-
Discounts and Allowances	(51,130)	-
Auxiliary Enterprises	147,325,368	-
Discounts and Allowances	(7,072,028)	-
Other Operating Revenues	2,304,912	-
	Total Operating Revenues	-
	987,893,255	-
OPERATING EXPENSES:		
Instruction	441,773,879	-
Research	343,499,577	-
Public Service	47,041,181	-
Academic Support	101,798,935	-
Student Services	39,652,129	-
Institutional Support	78,749,965	-
Operations and Maintenance of Plant	108,626,735	-
Scholarships and Fellowships	68,706,282	-
Auxiliary Enterprises	159,167,933	-
Depreciation and Amortization	99,457,626	-
	Total Operating Expenses	-
	1,488,474,242	-
	Operating Income (Loss)	-
	(500,580,987)	-
NONOPERATING REVENUES (EXPENSES):		
State Appropriations	288,728,350	-
Gift Contributions for Operations	77,369,387	-
Net Investment Income	115,583,793	-
Net Increase (Decrease) in Fair Value of Investments	262,745,964	-
Interest Expense on Capital Asset Financings	(1,846,643)	-
Gain/(Loss) on Sale of Capital Assets	(2,886,959)	-
Other Nonoperating (Expenses)	(104,756)	-
	Net Nonoperating Revenues (Expenses)	-
	739,589,136	-
	Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers:	-
	239,008,149	-
Gifts and Sponsored Programs for Capital Acquisitions	14,804,077	-
Additions to Permanent Endowments	33,201,086	-
Reclass from / (to) Other Institutions	(7,064,193)	-
Transfers Between Institutions & System, Debt Service - Mandatory	(42,205,848)	-
Transfers Between Institutions & System Admin. - Non mandatory	192,844,990	-
Transfers From Other State Agencies*	28,573	-
Transfers to Other State Agencies*	(2,920,008)	-
	Change in Net Assets	-
	427,696,826	-
Beginning Net Assets - As Previously Reported	4,074,435,934	-
Restatements	(171,885,958)	-
Beginning Net Assets - As Restated	3,902,549,976	-
Ending Net Assets	4,330,246,802	-

UNAUDITED

THE UNIVERSITY OF TEXAS AT AUSTIN
EXHIBIT C - STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2005

	TOTALS	
	Primary University	Component Unit
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 322,398,609	-
Proceeds from Sponsored Programs	408,635,156	-
Proceeds from Auxiliaries	153,041,712	-
Proceeds from Other Revenues	119,742,041	-
Payments to Suppliers	(437,629,183)	-
Payments to Employees	(959,115,102)	-
Payments for Loans Provided	(38,996,907)	-
Proceeds from Loan Programs	37,739,033	-
Payments for Other Expenses	23,284	-
Net Cash Provided (Used) by Operating Activities	<u>(394,161,357)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	291,870,288	-
Proceeds from Operating Gifts	78,072,285	-
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	33,201,086	-
Proceeds from Other Nonoperating Revenues	(28,573)	-
Payments/Receipts for Transfers to/from System or Oth. Agencies	102,488,837	-
Payments for Other Uses	(128,040)	-
Net Cash Provided by Noncapital Financing Activities	<u>505,475,883</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt Transferred from System (nonmandatory)	60,899,901	-
Proceeds from Capital Appropriations, Grants and Gifts	3,653,225	-
Proceeds from Sale of Capital Assets	71,529	-
Payments for Additions to Capital Assets	(163,998,369)	-
Payments of Principal on Capital Related Debt	(501,971)	-
Mandatory Transfers to System for Capital Related Debt	(42,205,848)	-
Payments of Interest on Capital Related Debt	(1,846,643)	-
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(143,928,176)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Proceeds from Interest and Investment Income	119,358,533	-
Proceeds from Interest and Investment Income Held by System	5,309,028	-
Payments to Acquire Investments Held by System	(38,325,445)	-
Net Cash Provided (Used) by Investing Activities	<u>86,342,116</u>	<u>-</u>
Net Increase (Decrease) in Cash	53,728,466	-
Cash and Cash Equivalents - Beginning of the Year	719,812,217	-
Restatements to Beginning Cash and Cash Equivalents	-	-
Cash and Cash Equivalents - End of the Year	<u>\$ 773,540,683</u>	<u>-</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (used) by Operating Activities:		
Operating Loss	\$ (500,580,987)	-
Adjustments to Reconcile Operating Loss to Net Cash:		
Depreciation and Amortization Expense	99,457,626	-
Bad Debt Expense	15,354	-
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(1,102,596)	-
(Increase) Decrease in Inventories	(107,139)	-
(Increase) Decrease in Loans and Contracts	(1,257,874)	-
(Increase) Decrease in Other Assets	(1,754,950)	-
Increase (Decrease) in Payables	(6,323,370)	-
Increase (Decrease) in Due to System	483,058	-
Increase (Decrease) in Deferred Income	27,026,833	-
Increase (Decrease) in Deposits Held for Others	23,284	-
Increase (Decrease) in Compensated Absence Liability	1,269,172	-
Increase (Decrease) in Other Liabilities	(11,309,768)	-
Total Adjustments	<u>106,419,630</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (394,161,357)</u>	<u>-</u>
Non Cash Transactions		
Net Increase (Decrease) in Fair Value of Investments	262,745,964	-
Donated Capital Assets	11,150,852	-
Capital Assets Acquired Under Capital Lease Purchases	2,208,320	-
Miscellaneous Noncash Transactions	2,594,324	-