

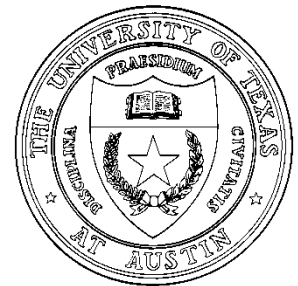
THE UNIVERSITY OF TEXAS AT AUSTIN

ANNUAL FINANCIAL REPORT

(WITH DETAILED SUPPORTIVE SCHEDULES)

UNAUDITED

FISCAL YEAR ENDED AUGUST 31, 2011



The University of Texas at Arlington ♦ The University of Texas at Austin ♦ The University of Texas at Brownsville ♦ The University of Texas at Dallas ♦ The University of Texas at El Paso ♦ The University of Texas - Pan American ♦ The University of Texas of the Permian Basin ♦ The University of Texas at San Antonio ♦ The University of Texas at Tyler ♦ The University of Texas Southwestern Medical Center at Dallas ♦ The University of Texas Medical Branch at Galveston ♦ The University of Texas Health Science Center at Houston ♦ The University of Texas Health Science Center at San Antonio ♦ The University of Texas M. D. Anderson Cancer Center ♦ The University of Texas Health Science Center at Tyler ♦ The University of Texas System Administration

THE UNIVERSITY OF TEXAS AT AUSTIN
FINANCIAL STATEMENTS
(WITH DETAILED SUPPORTIVE SCHEDULES)

Presented herein are the financial statements with detailed supportive schedules for The University of Texas at Austin for the year ended August 31, 2011. These Statements and detailed supportive schedules have been prepared in compliance with applicable State statutes, Governmental Accounting Standards Board pronouncements, and the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements.

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

The Annual Financial Report for public distribution for The University of Texas System includes primary statements on a consolidated System-wide basis, including footnotes and Managements' Discussion and Analysis.

THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS
As of August 31, 2011

Officers

Wm. Eugene "Gene" Powell, Chairman
Paul L. Foster, Vice Chairman
R. Steven "Steve" Hicks, Vice Chairman
James D. Dannenbaum, Vice Chairman
Francie A. Frederick, General Counsel to the Board of Regents

Members

*Terms scheduled to expire February 1, 2013**

James D. Dannenbaum	Houston
Paul L. Foster	El Paso
Printice L. Gary	Dallas

*Terms scheduled to expire February 1, 2015**

R. Steven "Steve" Hicks	Austin
Wm. Eugene "Gene" Powell	San Antonio
Robert L. Stillwell	Houston

*Terms scheduled to expire February 1, 2017**

Alex M. Cranberg	Austin
Wallace L. Hall, Jr.	Dallas
Brenda Pejovich	Dallas

*Term scheduled to expire May 31, 2012**

John Davis Rutkauskas (Student Regent)	U. T. Austin
--	--------------

*Each Regent's term expires when a successor has been appointed, qualified, and taken the oath of office. The Student Regent serves a one-year term.

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

As of August 31, 2011

Francisco G. Cigarroa, M.D.	Chancellor
David B. Prior	Executive Vice Chancellor for Academic Affairs
Kenneth I. Shine M.D.	Executive Vice Chancellor for Health Affairs
Vacant	Vice Chancellor for Finance and Business Development
Scott C. Kelley	Executive Vice Chancellor for Business Affairs
Barry D. Burgdorf	Vice Chancellor and General Counsel
Sandra K. Woodley	Vice Chancellor for Strategic Initiatives
Barry McBee	Vice Chancellor and Chief Governmental Relations Officer
Randa S. Safady	Vice Chancellor for External Relations
William H. Shute	Vice Chancellor for Federal Relations
Amy Shaw Thomas	Vice Chancellor and Counsel for Health Affairs
Bruce E. Zimmerman	President Chief Executive Officer and Chief Investment Officer - UTIMCO
Cathy Iberg	President and Deputy Chief Investment Officer - UTIMCO

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

As of August 31, 2011

William Powers Jr.	President
James L. Hill	Senior Vice President
Charles A. Roeckle	Deputy to the President
Nancy Brazzil	Deputy to the President
Juan M. Sanchez	Vice President for Research
Juan C. Gonzalez	Vice President for Student Affairs
Donald A. Hale	Vice President for Public Affairs
Patricia C. Ohlendorf	Vice President for Legal Affairs
Patricia L. Clubb	Vice President for University Operations
David Onion	Associate Vice President for Development
John McCall	Associate Vice President for Development
Gregory J. Vincent	Vice President for Diversity and Community Engagement
Brad Englert	Associate Vice President and Chief Information Officer
Kevin P. Hegarty	Vice President and Chief Financial Officer
Glen E. Friedrich	Associate Vice President and Controller
Mary E. Knight	Associate Vice President and Budget Director
Michael W. Vandervort	Director of Internal Audit
Steven W. Leslie	Executive Vice President and Provost
Janet Ellzey	Vice Provost for International Programs
John D. Dollard	Vice Provost for Forecasting, Institutional Research, and Modeling
Gretchen Ritter	Vice Provost for Undergraduate Education and Faculty Governance
Fred Heath	Vice Provost and Director of University of Texas Libraries
Victoria Rodriguez	Vice Provost and Dean of Graduate Studies
William M. Sage	Vice Provost for Health Affairs
Bruce Walker	Vice Provost for Special Projects
Neal E. Armstrong	Vice Provost for Faculty Affairs
Daniel T. Slesnick	Vice Provost for Resource Management
Kedra Ishop	Vice Provost and Director of Admissions
Shelby Stanfield	Vice Provost and Registrar
Judith Langlois	Vice Provost

TABLE OF CONTENTS

THE UNIVERSITY OF TEXAS AT AUSTIN

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, 2011

	Current Year Totals
ASSETS AND DEFERRED OUTFLOWS	
Current Assets and Deferred Outflows:	
Cash & Cash Equivalents	\$ 270,342,782.40
Restricted Cash & Cash Equivalents	97,602,792.29
Balance in State Appropriations	3,896,372.26
Funds Held by System Administration (Current)	18,163.52
Accounts Receivable, Net:	
Federal (allow. \$0.00 in 2011 & \$0.00 in 2010)	53,179,840.99
Other Intergov. (allow. \$0.00 in 2011 & \$0.00 in 2010)	6,489,211.66
Student (allow. \$887,932.35 in 2011 & \$902,320.95 in 2010)	78,613,617.87
Interest and Dividend Receivables	5,703,775.56
Contributions (allow. \$1,116,104.26 in 2011 & \$778,763.26 in 2010)	53,009,117.70
Other (allow. \$359,350.52 in 2011 & \$163,835.82 in 2010)	11,739,250.81
Due From Other Funds	14,394,220.63
Due From System Administration	297,506,207.97
Due From Other Agencies	11,600,772.42
Inventories	7,587,168.02
Loans & Contracts (allow. \$0.00 in 2011 & \$0.00 in 2010)	9,910,272.63
Other Current Assets	60,952,554.30
Total Current Assets and Deferred Outflows	<u>982,546,121.03</u>
Noncurrent Assets and Deferred Outflows:	
Restricted Investments	246,263,532.69
Loans & Contracts (allow. \$14,858,725.46 in 2011 & \$13,860,009.68 in 2010)	42,986,158.84
Funds Held by System Administration (Restricted)	2,860,046,388.02
Contributions Rec. (allow. \$50,497.48 in 2011 & \$72,958.19 in 2010)	49,655,916.97
Unrestricted Investments	633,822,967.06
Other Noncurrent Assets	1,386,397.96
Gross Capital/Intangible Assets	4,836,332,944.08
Accumulated Depreciation/Amortization	(2,104,216,684.44)
Total Noncurrent Assets and Deferred Outflows	<u>6,566,277,621.18</u>
Total Assets and Deferred Outflows	\$ <u>7,548,823,742.21</u>
LIABILITIES AND DEFERRED INFLOWS	
Current Liabilities and Deferred Inflows:	
Accounts Payable and Accrued Liabilities	\$ 82,841,328.18
Salaries Payable	70,389,245.21
Due To Other Funds	14,394,220.63
Due To System Administration	14,879,268.41
Due To Other State Agencies	1,216,706.09
Deferred Revenue	456,793,556.83
Employees' Compensable Leave - Current Portion	30,137,475.55
Notes, Loans, and Leases Payable	1,783,109.41
Payable From Restricted Assets	15,166,670.54
Other Current Liabilities	2,428,017.86
Total Current Liabilities and Deferred Inflows	<u>690,029,598.71</u>
Noncurrent Liabilities and Deferred Inflows:	
Employees' Compensable Leave	17,745,213.96
Assets Held for Others	8,428,038.65
Liability to Beneficiaries	7,101,020.45
Notes, Loans, and Leases Payable	18,897,538.03
Other Noncurrent Liabilities	486,301.65
Total Noncurrent Liabilities and Deferred Inflows	<u>52,658,112.74</u>
Total Liabilities and Deferred Inflows	<u>742,687,711.45</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	2,711,435,612.20
Restricted for:	
Nonexpendable	
Permanent Health, True Endowments, and Annuities	1,547,017,295.58
Expendable	
Capital Projects	68,996,251.71
Funds Functioning as Endowment (Restricted)	134,874,217.09
Other Expendable	1,576,852,393.64
Unrestricted Net Assets	766,960,260.54
Total Net Assets	<u>6,806,136,030.76</u>
Total Liabilities, Deferred Inflows and Net Assets	\$ <u>7,548,823,742.21</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, 2011

	Current Year Totals
Operating Revenues:	
Student Tuition and Fees	\$ 589,099,273.52
Discounts and Allowances	(130,810,738.85)
Federal Sponsored Programs	383,319,722.25
Federal Sponsored Programs Pass-Through from State Agencies	37,174,839.76
State Sponsored Programs Pass-Through from State Agencies	75,898,794.18
Local Sponsored Programs	6,134,603.91
Private Sponsored Programs	98,135,074.85
Sales and Services of Educational Activities	204,282,693.94
Discounts and Allowances Sales and Services of Educational Activities	(5,539.04)
Auxiliary Enterprises	235,725,321.33
Discounts and Allowances Auxiliary Enterprises	(13,495,839.69)
Other Operating Revenues	6,837,982.01
Total Operating Revenues	1,492,296,188.17
Operating Expenses:	
Instruction	598,303,462.72
Research	454,763,910.70
Public Service	84,475,367.91
Academic Support	168,991,819.63
Student Services	53,646,350.78
Institutional Support	105,032,690.32
Operations and Maintenance of Plant	148,147,805.23
Scholarships and Fellowships	127,373,569.22
Auxiliary Enterprises	237,338,788.08
Depreciation and Amortization	219,141,078.95
Total Operating Expenses	2,197,214,843.54
Operating Income (Loss)	(704,918,655.37)
Nonoperating Revenues (Expenses):	
State Appropriations	302,655,170.31
Federal Nonexchange Sponsored Programs	36,070,117.50
Federal Nonexchange Pass-Through	3,648,501.95
Gift Contributions for Operations	117,653,367.08
Investment Income	190,071,261.09
Net Increase (Decrease) in Fair Value of Investments	284,417,422.31
Interest Expense on Capital Asset Financings	(1,353,382.33)
Gain (Loss) on Sale of Capital Assets	(8,133,764.35)
Other Nonoperating Revenues	7,278,260.09
Other Nonoperating (Expenses)	(1,214,533.20)
Net Nonoperating Revenues (Expenses)	931,092,420.45
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	226,173,765.08
Gifts and Sponsored Programs for Capital Acquisitions	149,113,805.04
Additions to Permanent Endowments / Annuities	35,506,995.92
Reclass from/(to) Other Institutions	10,219,812.48
Transfers Between Institutions & System, Debt Service - Mandatory	(101,878,953.87)
Transfers Between Institutions & System Admin. - Non mandatory	232,438,459.91
Transfers From Other State Agencies	2,815,949.64
Transfers to Other State Agencies	(6,925,623.10)
Change in Net Assets	547,464,211.10
Beginning Net Assets	6,258,671,819.66
Ending Net Assets	\$ 6,806,136,030.76

UNAUDITED

The University of Texas at Austin
EXHIBIT C - STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2011

		Current Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$	481,787,564.00
Proceeds from Sponsored Programs		587,222,072.22
Proceeds from Auxiliaries		203,910,536.23
Proceeds from Other Revenues		213,307,652.65
Payments to Suppliers		(608,631,053.13)
Payments to Employees		(1,332,056,417.73)
Payments for Loans Provided		(33,499,548.86)
Proceeds from Loan Programs		35,815,833.46
Net Cash Provided (Used) by Operating Activities		(452,143,361.16)
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations		313,530,474.44
Proceeds from Operating Gifts		113,145,967.78
Proceeds from Private Gifts for Endowment and Annuity Life Purposes		35,506,995.92
Proceeds from Other Nonoperating Revenues		7,278,260.09
Payments / Receipts for Transfers to / from System or Other Agencies		164,583,703.76
Payments for Other Uses		(1,214,533.20)
Proceeds from Nonexchange Sponsored Programs		55,201,645.82
Net Cash Provided by Noncapital Financing Activities		688,032,514.61
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt Transferred from System (Nonmandatory)		139,445,524.94
Proceeds from Capital Appropriations, Grants, and Gifts		29,078,831.83
Proceeds from Sale of Capital Assets		616,658.96
Payments for Additions to Capital Assets		(289,890,172.09)
Payments of Principal on Capital Related Debt		(1,587,597.96)
Mandatory Transfers to System for Capital Related Debt		(101,878,953.87)
Payments of Interest on Capital Related Debt		(1,353,382.33)
Net Cash Provided (Used) by Capital and Related Financing Activities		(225,569,090.52)
Cash Flows from Investing Activities		
Proceeds from Interest and Investment Income		163,760,250.89
Proceeds from Interest and Investment Income Invested by System		28,061,193.34
Payments to Acquire Investments Invested by System		(53,221,814.33)
Net Cash Provided (Used) by Investing Activities		138,599,629.90
Net Increase (Decrease) in Cash		
Cash and Cash Equivalents (Beginning of the Year)		219,044,045.38
Cash and Cash Equivalents (End of the Year)	\$	367,963,738.21
 Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$	(704,918,655.37)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense		219,141,078.95
Bad Debt Expense		1,034,755.68
Changes in Assets and Liabilities:		
Accounts Receivable		(17,761,826.17)
Inventories		(178,331.86)
Loans and Contracts		2,316,284.60
Other Current and Noncurrent Assets		(2,837,801.14)
Accounts Payable		39,466,841.48
Due to System		1,222,930.66
Deferred Revenue		10,324,351.14
Employees' Compensable Leave		(270,697.79)
Other Current and Noncurrent Liabilities		317,708.66
Total Adjustments		252,775,294.21
Net Cash Provided (Used) by Operating Activities	\$	(452,143,361.16)
Non Cash Transactions		
Net Increase (Decrease) in Fair Value of Investments	\$	284,417,422.31
Donated Capital Assets		120,034,973.21
Capital Assets Acquired Under Capital Lease Purchases		529,353.54
Miscellaneous Noncash Transactions		(5,317,814.71)