

UNAUDITED

FINANCIAL REPORT

OF

TEXAS TRANSPORTATION INSTITUTE

FOR THE YEAR ENDED AUGUST 31, 2011

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED AUGUST 31, 2010



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COLLEGE STATION, TEXAS

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EXHIBIT III
 TEXAS TRANSPORTATION INSTITUTE
 BALANCE SHEET
 FOR THE YEAR ENDED AUGUST 31, 2011

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS:		
CASH & CASH EQUIVALENTS [SCHEDULE THREE].....	\$ 2,058,427.20	\$ 1,259,150.57
SECURITIES LENDING COLLATERAL.....		
SHORT-TERM INVESTMENTS.....		
SHORT-TERM DERIVATIVE INSTRUMENTS.....		
SHORT-TERM HEDGING DERIVATIVE INSTRUMENTS.....		
DEFERRED OUTFLOW OF RESOURCES.....		
RESTRICTED:		
CASH & CASH EQUIVALENTS [SCHEDULE THREE].....		
SHORT TERM INVESTMENTS.....		
LEGISLATIVE APPROPRIATIONS.....	102,724.36	215,617.20
ACCOUNTS RECEIVABLE, NET:		
INTERGOVERNMENTAL:		
FEDERAL RECEIVABLES.....	244,773.49	717,608.57
OTHER INTERGOVERNMENTAL RECEIVABLES.....	807,101.93	1,084,499.77
INTEREST AND DIVIDENDS.....		
GIFTS, PLEDGES AND DONATIONS RECEIVABLE.....		
SELF-INSURED RECEIVABLE.....		
STUDENT RECEIVABLES.....		
INVESTMENT TRADE RECEIVABLES.....		
OTHER RECEIVABLES.....	8,647,993.21	6,815,863.08
DUE FROM OTHER AGENCIES.....	1,697,498.97	2,236,273.58
DUE FROM OTHER PARTS.....	2,492,641.33	2,027,263.79
DUE FROM OTHER FUNDS.....	7,024,376.92	5,946,960.94
CONSUMABLE INVENTORIES.....		
MERCHANDISE INVENTORIES.....		
DEFERRED CHARGES.....		
LOANS AND CONTRACTS.....		
INTERFUND RECEIVABLE.....		
OTHER CURRENT ASSETS.....		
TOTAL CURRENT ASSETS.....	\$ 23,075,537.41	\$ 20,303,237.50
NON-CURRENT ASSETS AND DEFERRED OUTFLOWS:		
RESTRICTED:		
CASH & CASH EQUIVALENTS [SCHEDULE THREE].....	\$	\$
ASSETS HELD BY SYSTEM OFFICES-LONG TERM.....	386,021.16	359,955.21
INVESTMENTS.....		
LOANS, CONTRACTS AND OTHER.....		
PLEDGES RECEIVABLE.....		
LEGISLATIVE APPROPRIATIONS.....		
LOANS AND CONTRACTS.....		
ASSETS HELD BY SYSTEM OFFICES-LONG TERM.....	11,279,203.84	11,492,040.84
INVESTMENTS.....		
DERIVATIVE INSTRUMENTS.....		
HEDGING DERIVATIVE INSTRUMENTS.....		
DEFERRED OUTFLOW OF RESOURCES.....		
INTERFUND RECEIVABLE.....		
CAPITAL ASSETS, NON-DEPRECIABLE [NOTE 2]		
LAND AND LAND IMPROVEMENTS.....		
CONSTRUCTION IN PROGRESS.....	114,482.11	63,969.26
OTHER TANGIBLE CAPITAL ASSETS.....		
LAND USE RIGHTS.....		
OTHER INTANGIBLE CAPITAL ASSETS.....		
CAPITAL ASSETS, DEPRECIABLE [NOTE 2]		
BUILDINGS AND BUILDING IMPROVEMENTS.....	23,854,154.76	16,996,048.48
INFRASTRUCTURE.....		
FACILITIES AND OTHER IMPROVEMENTS.....	1,419,329.52	1,111,941.17
FURNITURE AND EQUIPMENT.....	12,681,156.20	11,359,245.26
VEHICLES, BOATS, AND AIRCRAFT.....	1,580,321.45	1,552,869.45
OTHER CAPITAL ASSETS.....		
INTANGIBLE CAPITAL ASSETS, AMORTIZED [NOTE 2]		
LAND USE RIGHTS.....		
COMPUTER SOFTWARE.....	307,134.80	357,144.80
OTHER INTANGIBLE CAPITAL ASSETS.....		
ACCUMULATED DEPRECIATION/AMORTIZATION.....	(14,503,128.68)	(10,189,019.23)
ASSETS HELD IN TRUST.....	362,100.00	362,100.00
OTHER NON-CURRENT ASSETS.....		
TOTAL NON-CURRENT ASSETS AND DEFERRED OUTFLOWS.....	\$ 37,480,775.16	\$ 33,466,295.24
TOTAL ASSETS AND DEFERRED OUTFLOWS.....	\$ 60,556,312.57	\$ 53,769,532.74

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EXHIBIT III
 TEXAS TRANSPORTATION INSTITUTE
 BALANCE SHEET
 FOR THE YEAR ENDED AUGUST 31, 2011

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
LIABILITIES AND DEFERRED INFLOWS		
CURRENT LIABILITIES:		
PAYABLES:		
ACCOUNTS PAYABLE.....	\$ 689,641.48	\$ 606,019.20
PAYROLL PAYABLE.....	2,671,369.45	2,633,027.26
INVESTMENT TRADE PAYABLES.....		
SELF-INSURED PAYABLE.....		
OTHER PAYABLES.....	154.03	19.99
INTERFUND PAYABLE.....		
DUE TO OTHER AGENCIES.....		
DUE TO OTHER FUNDS.....	7,024,376.92	5,946,960.94
DUE TO OTHER PARTS.....		221,776.98
FUNDS HELD FOR INVESTMENT.....		
HEDGING DERIVATIVE INSTRUMENTS.....		
DEFERRED INFLOW OF RESOURCES.....		
DEFERRED REVENUES.....	346,922.58	818,240.33
EMPLOYEES' COMPENSABLE LEAVE.....	118,683.00	120,381.00
OTHER POST EMPLOYMENT BENEFITS.....		455,816.00
NOTES AND LOANS PAYABLE.....		
BONDS PAYABLE.....		
CAPITAL LEASE OBLIGATIONS.....		
LIABILITIES PAYABLE FROM RESTRICTED ASSETS.....		
FUNDS HELD FOR OTHERS.....		
OBLIGATIONS/SECURITIES LENDING.....		
OTHER CURRENT LIABILITIES.....		
	<u> </u>	<u> </u>
TOTAL CURRENT LIABILITIES.....	\$ 10,851,147.46	\$ 10,802,241.70
NON-CURRENT LIABILITIES AND DEFERRED INFLOWS		
INTERFUND PAYABLE.....	\$	\$
EMPLOYEES' COMPENSABLE LEAVE.....	3,173,030.84	3,110,777.38
OTHER POST EMPLOYMENT BENEFITS.....		5,985,255.00
SELF-INSURED PAYABLE.....		
NOTES AND LOANS PAYABLE.....		
BONDS PAYABLE.....		
HEDGING DERIVATIVE INSTRUMENTS.....		
DEFERRED INFLOW OF RESOURCES.....		
ASSETS HELD IN TRUST.....	362,100.00	362,100.00
LIABILITIES PAYABLE FROM RESTRICTED ASSETS.....		
FUNDS HELD FOR OTHERS.....		
CAPITAL LEASE OBLIGATIONS.....		
OTHER NON-CURRENT LIABILITIES.....		
	<u> </u>	<u> </u>
TOTAL NON-CURRENT LIABILITIES AND DEFERRED INFLOWS.....	\$ 3,535,130.84	\$ 9,458,132.38
TOTAL LIABILITIES AND DEFERRED INFLOWS.....	\$ 14,386,278.30	\$ 20,260,374.08
NET ASSETS		
INVESTED IN CAPITAL ASSETS, NET OF DEBT.....	\$ 25,453,450.16	\$ 21,252,199.19
RESTRICTED FOR:		
DEBT SERVICE.....		
CAPITAL PROJECTS.....	538,925.33	288,289.48
EDUCATION.....	1,923,280.99	1,727,353.46
ENDOWMENT AND PERMANENT FUNDS:		
NONEXPENDABLE.....		
EXPENDABLE.....	386,021.16	359,955.21
UNRESTRICTED.....	17,868,356.63	9,881,361.32
	<u> </u>	<u> </u>
TOTAL NET ASSETS [EXHIBIT IV].....	\$ 46,170,034.27	\$ 33,509,158.66
TOTAL LIABILITIES & DEFERRED INFLOWS AND NET ASSETS.....	\$ 60,556,312.57	\$ 53,769,532.74

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EXHIBIT IV
 TEXAS TRANSPORTATION INSTITUTE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2011

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS		
REVENUES AND EXPENSES FROM OPERATIONS		
OPERATING REVENUES		
SALES OF GOODS AND SERVICES		
TUITION AND FEES-PLEGDED.....	\$	\$
DISCOUNTS AND ALLOWANCES.....		
NET TUITION AND FEES - NON-PLEGDED.....		
NET PROFESSIONAL FEES.....		
NET AUXILIARY ENTERPRISES.....		
NET OTHER SALES OF GOODS AND SERVICES.....	5,233,530.07	5,248,701.49
DISCOUNTS AND ALLOWANCES-SALES.....		
TOTAL SALES OF GOODS AND SERVICES.....	\$ 5,233,530.07	\$ 5,248,701.49
PREMIUM REVENUE.....		
INTEREST REVENUE.....		
NET INCREASE (DECREASE) IN FAIR VALUE.....		
FEDERAL REVENUE - OPERATING.....	10,558,508.54	9,426,674.53
FEDERAL PASS THROUGH REVENUE.....	2,080,366.89	2,724,611.85
STATE GRANT REVENUE.....		
STATE PASS THROUGH REVENUE.....	415,000.00	250,000.00
OTHER GRANTS AND CONTRACTS - OPERATING.....	30,258,416.42	30,160,791.56
OTHER OPERATING REVENUE.....	9,925.50	14,942.70
TOTAL OPERATING REVENUES.....	\$ 48,555,747.42	\$ 47,825,722.13
OPERATING EXPENSES		
INSTRUCTION.....	\$	\$
RESEARCH.....	47,170,756.21	49,670,139.12
PUBLIC SERVICE.....		
HOSPITALS AND CLINICS.....		
ACADEMIC SUPPORT.....		
STUDENT SERVICES.....		
INSTITUTIONAL SUPPORT.....	5,122,908.62	5,576,087.77
OPERATION & MAINTENANCE OF PLANT.....	1,944,912.80	2,014,361.03
SCHOLARSHIPS & FELLOWSHIPS.....		
AUXILIARY.....		
DEPRECIATION/AMORTIZATION.....	1,861,981.84	1,612,654.77
TOTAL OPERATING EXPENSES (SCHEDULE IV-1).....	\$ 56,100,559.47	\$ 58,873,242.69
TOTAL OPERATING REVENUES (EXPENSES).....	\$ (7,544,812.05)	\$ (11,047,520.56)
NONOPERATING REVENUES (EXPENSES)		
LEGISLATIVE REVENUE.....	\$ 905,281.47	\$ 1,229,457.89
FEDERAL REVENUE NON-OPERATING.....		
FEDERAL PASS THROUGH NON-OPERATING.....		
STATE PASS THROUGH NON-OPERATING.....		
GIFTS.....	50,000.00	49,626.64
LAND INCOME.....		
INVESTMENT INCOME.....	215,284.27	233,914.14
LOAN PREMIUM/FEES ON SECURITIES LENDING.....		
INVESTING ACTIVITIES EXPENSE.....	(35,537.77)	(27,121.72)
INTEREST EXPENSE AND FISCAL CHARGES.....		
BORROWER REBATES AND AGENT FEES.....		
GAIN (LOSS) ON SALE OR DISPOSAL OF CAPITAL ASSETS.....	203.34	3,534.45
NET INCREASE (DECREASE) IN FAIR VALUE.....	682,512.70	644,032.13
SETTLEMENT OF CLAIMS.....		
THE TAMUS AVAILABLE FUND INCOME.....		
OTHER NONOPERATING REVENUES.....	2,654.21	1,000.93
OTHER NONOPERATING (EXPENSES).....	(61,141.08)	(1,029,169.50)
TOTAL NONOPERATING REVENUES (EXPENSES).....	\$ 1,759,257.14	\$ 1,105,274.96
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAIN, LOSSES.....	\$ (5,785,554.91)	\$ (9,942,245.60)

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EXHIBIT IV
 TEXAS TRANSPORTATION INSTITUTE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2011

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
OTHER REVENUES, EXPENSES, GAINS, LOSSES AND TRANSFERS		
CAPITAL CONTRIBUTIONS.....	\$ 1,055,897.20	\$ 29,000.00
HEF APPROPRIATION.....		
ADDITIONS TO PERMANENT AND TRUE ENDOWMENTS.....		
SPECIAL ITEMS.....		
EXTRAORDINARY ITEMS.....		
TRANSFERS IN		
TRANSFERS FROM OTHER STATE AGENCIES.....	7,569,212.87	7,711,968.88
TRANSFERS FROM UT SYSTEM AUF.....		
MANDATORY TRANSFERS FROM OTHER PARTS.....		
NONMANDATORY TRANSFERS FROM OTHER PARTS.....	589,280.82	799,628.81
NONMANDATORY TRANSFERS FROM PARTS OR AGENCIES - CAP ASSETS....	4,545,622.70	19,382,331.16
TRANSFERS OUT		
TRANSFERS TO OTHER STATE AGENCIES.....		
TRANSFERS TO UT SYSTEM AUF.....		
MANDATORY TRANSFERS TO OTHER PARTS.....	(1,620,246.68)	(182,337.69)
NONMANDATORY TRANSFERS TO OTHER PARTS.....		(155.52)
NONMANDATORY TRANSFERS TO PARTS OR AGENCIES - CAP ASSETS.....	(57,291.19)	(1,256,474.80)
LEGISLATIVE TRANSFERS - IN.....		
LEGISLATIVE TRANSFERS - OUT.....		
LEGISLATIVE APPROPRIATIONS LAPSED.....		
	<u> </u>	<u> </u>
TOTAL CHANGE IN REVENUES, EXPENSES, GAIN, LOSSES AND TRANSFERS....	\$ 12,082,475.72	\$ 26,483,960.85
CHANGE IN NET ASSETS.....	\$ 6,296,920.81	\$ 16,541,715.25
BEGINNING NET ASSETS, SEPTEMBER 1, 2010 AND 2009.....	\$ 33,509,158.66	\$ 19,006,602.88
RESTATEMENT.....	6,363,954.80	(2,039,159.47)
BEGINNING NET ASSETS, SEPTEMBER 1, 2010 AND 2009 RESTATED.....	\$ 39,873,113.46	\$ 16,967,443.41
NET ASSETS, AUGUST 31, 2011 AND 2010.....	<u>\$ 46,170,034.27</u>	<u>\$ 33,509,158.66</u>

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SCHEDULE IV-1
 TEXAS TRANSPORTATION INSTITUTE
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2011

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	HOSPITALS & CLINICS	ACADEMIC SUPPORT
NATURAL CLASSIFICATION	\$	\$	\$	\$	\$
COST OF GOODS SOLD.....					
SALARIES & WAGES.....		28,548,250.14			
PAYROLL RELATED COSTS.....		6,068,729.82			
PROFESSIONAL FEES & SERVICES.....		5,276,356.84			
TRAVEL.....		1,127,829.60			
MATERIALS & SUPPLIES.....		1,138,693.25			
COMMUNICATION & UTILITIES.....		356,679.07			
REPAIRS & MAINTENANCE.....		1,072,659.90			
RENTALS & LEASES.....		1,260,860.05			
PRINTING & REPRODUCTION.....		197,266.38			
FEDERAL PASS-THROUGH.....					
STATE PASS-THROUGH.....					
DEPRECIATION & AMORTIZATION.....					
BAD DEBT EXPENSE.....					
INTEREST.....		102.97			
SCHOLARSHIPS.....		214,387.34			
CLAIMS & LOSSES.....					
NET CHANGE IN OPEB OBLIGATION.....					
OTHER OPERATING EXPENSE.....		1,908,940.85			
TOTAL OPERATING EXPENSE.....	\$	\$ 47,170,756.21	\$	\$	\$

NACUBO FUNCTION

STUDENT SERVICES	INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$	\$
	2,579,760.66	196,169.26				31,324,180.06	30,621,755.30
	760,532.49	20,631.48				6,849,893.79	9,006,105.52
	836,345.45	783,334.00				6,896,036.29	7,444,980.39
	[30,671.23]					1,097,158.37	1,162,111.20
	95,438.43	149,740.74				1,383,872.42	2,216,206.17
	671,868.69	731,843.57				1,760,391.33	1,917,935.69
	5,958.90	35,761.13				1,114,379.93	871,818.27
	4,865.10	27,432.62				1,293,157.77	1,242,113.95
	71,373.41					268,639.79	382,430.66
					1,861,981.84	1,861,981.84	1,612,654.77
	15.41					118.38	373.69
						214,387.34	223,658.94
	127,421.31					2,036,362.16	2,171,098.14
<u>\$</u>	<u>\$ 5,122,908.62</u>	<u>\$ 1,944,912.80</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,861,981.84</u>	<u>\$ 56,100,559.47</u>	<u>\$ 58,873,242.69</u>

[EXHIBIT IV]

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EXHIBIT V
 TEXAS TRANSPORTATION INSTITUTE
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2011

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
STATEMENT OF CASH FLOWS	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
PROCEEDS RECEIVED FROM TUITION AND FEES		
PROCEEDS RECEIVED FROM CUSTOMERS	5,162,066.47	5,272,060.40
PROCEEDS FROM SPONSORED PROGRAMS	41,809,481.03	41,634,671.07
PROCEEDS FROM AUXILIARY ENTERPRISES		
PROCEEDS FROM LOAN PROGRAMS		
PROCEEDS FROM OTHER REVENUES	9,925.50	14,942.70
PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(15,984,419.86)	(17,806,271.15)
PAYMENTS TO EMPLOYEES - SALARIES	(31,369,371.64)	(30,512,116.29)
PAYMENTS TO EMPLOYEES - BENEFITS	(6,705,804.56)	(6,658,762.98)
PAYMENTS FOR LOANS PROVIDED		
PAYMENTS FOR OTHER EXPENSES	(214,387.34)	(245,789.22)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (7,292,510.40)	\$ (8,301,265.47)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
PROCEEDS FROM STATE APPROPRIATIONS	\$ 1,018,174.31	\$ 1,013,840.69
PROCEEDS FROM GIFTS	50,000.00	49,626.64
PROCEEDS FROM ENDOWMENTS		
PROCEEDS - TRANSFERS FROM OTHER FUNDS	7,794,516.13	7,863,973.11
PROCEEDS FROM OTHER GRANT REVENUE		
PROCEEDS FROM TAMU'S AVAILABLE FUND INCOME		
PROCEEDS FROM CONTRIBUTED CAPITAL		
PROCEEDS FROM OTHER REVENUES	2,654.21	1,000.93
PAYMENTS OF INTEREST		
PAYMENTS - TRANSFERS TO OTHER FUNDS		
PAYMENTS FOR GRANT DISBURSEMENTS		
PAYMENTS FOR OTHER USES	(902.93)	(2,349.26)
OTHER NONCAPITAL TRANSFERS FROM/TO SYSTEM	32,594.99	99,473.29
TRANSFERS BETWEEN FUND GROUPS		
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 8,897,036.71	\$ 9,025,565.40
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
PROCEEDS FROM SALE OF CAPITAL ASSETS	\$ 203.34	\$ 3,905.00
PROCEEDS FROM CAPITAL DEBT ISSUANCE		
PROCEEDS FROM STATE GRANTS AND CONTRACTS		
PROCEEDS FROM FEDERAL GRANTS AND CONTRACTS		
PROCEEDS FROM GIFTS		
PROCEEDS FROM INTERFUND LOANS		
PROCEEDS FROM OTHER FINANCING ACTIVITIES		
PAYMENTS FOR ADDITIONS TO CAPITAL ASSETS	(656,358.45)	(2,529,832.35)
PAYMENTS OF PRINCIPAL ON DEBT		
PAYMENTS FOR CAPITAL LEASES		
PAYMENTS FOR INTEREST ON CAPITAL RELATED DEBT		
PAYMENTS FOR INTERFUND LOANS		
PAYMENTS OF OTHER COSTS ON DEBT ISSUANCE		
TRANSFER OF CAPITAL DEBT PROCEEDS FROM SYSTEM [NONMANDATORY]	365,532.74	1,465,521.99
TRANSFER TO SYSTEM FOR CAPITAL RELATED DEBT [MANDATORY]	(1,620,246.68)	(182,337.68)
TRANSFER FROM/TO SYSTEM FOR CONSTRUCTION PROCEEDS [NONMAND]	56,589.12	(1,301,471.36)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINC. ACTIV.	\$ (1,854,279.93)	\$ (2,544,214.40)
CASH FLOWS FROM INVESTING ACTIVITIES		
PROCEEDS FROM SALES AND MATURITIES OF INVESTMENTS	\$	\$
SALES AND PURCHASES OF INVESTMENTS HELD BY SYSTEM	869,283.75	(250,283.52)
PROCEEDS FROM INTEREST AND INVESTMENT INCOME	179,746.50	206,792.42
PAYMENTS TO ACQUIRE INVESTMENTS		
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 1,049,030.25	\$ (43,491.10)
INCREASE [DECREASE] IN CASH AND CASH EQUIVALENTS	\$ 799,276.63	\$ (1,863,405.57)
CASH AND CASH EQUIVALENTS, SEPTEMBER 1, 2010 AND 2009	\$ 1,259,150.57	\$ 3,122,556.14
RESTATEMENTS TO BEGINNING CASH AND CASH EQUIVALENTS		
RESTATED BEGINNING CASH AND CASH EQUIVALENTS	\$ 1,259,150.57	\$ 3,122,556.14
CASH AND CASH EQUIVALENTS, AUGUST 31, 2011 and 2010 [SCH THREE]	\$ 2,058,427.20	\$ 1,259,150.57

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EXHIBIT V
 TEXAS TRANSPORTATION INSTITUTE
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2011

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
RECONCILIATION OF OPERATING INCOME [LOSS] TO NET CASH PROVIDED [USED] BY OPERATING ACTIVITIES	\$	\$
OPERATING INCOME [LOSS].....	(7,544,812.05)	(11,047,520.56)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED [USED] BY OPERATING ACTIVITIES		
DEPRECIATION AND AMORTIZATION.....	1,861,981.84	1,612,654.77
BAD DEBT EXPENSE.....		
OPERATING INCOME AND EXPENSE CLASSIFICATION DIFFERENCES.....		
CHANGES IN ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE, NET.....	(1,081,897.21)	(869,137.99)
DUE FROM OTHER AGENCIES/FUNDS.....	313,471.35	(164,439.77)
DUE FROM SYSTEM MEMBERS.....	(380,910.28)	(185,414.43)
INVENTORY.....		
DEFERRED CHARGES.....		
PREPAID EXPENSES.....		
LOANS AND CONTRACTS.....		
OTHER ASSETS.....		
PAYABLES.....	122,098.51	(527,462.85)
DUE TO OTHER AGENCIES/FUNDS.....		
DUE TO SYSTEM MEMBERS.....	(171,690.27)	148,461.99
DEFERRED REVENUE.....	(471,317.75)	347,078.30
DEPOSITS.....		
COMPENSATED ABSENCE LIABILITY.....	60,555.46	132,530.07
OTHER POST EMPLOYMENT BENEFITS LIABILITY.....		2,251,985.00
SELF INSURED ACCRUED LIABILITY.....		
OTHER LIABILITIES.....		
TOTAL ADJUSTMENTS.....	\$ 252,301.65	\$ 2,746,255.09
NET CASH PROVIDED [USED] BY OPERATING ACTIVITIES.....	\$ (7,292,510.40)	\$ (8,301,265.47)
NON-CASH TRANSACTIONS		
NONMONETARY GIFTS, INCLUDING CAPITAL ASSETS.....	\$ 1,055,897.20	\$ 29,000.00
NET INCREASE [DECREASE] IN FAIR VALUE OF INVESTMENTS.....	682,512.70	644,032.13
GAIN/LOSS ON SALE OR DISPOSAL OF CAPITAL ASSETS.....	203.34	3,534.45
REFUNDING OF LONG TERM DEBT.....		
AMORTIZATION OF BOND PREMIUMS AND DISCOUNTS.....		
OTHER.....	4,488,331.51	18,125,856.36

UNAUDITED

SCHEDULE 1 - A
 TEXAS TRANSPORTATION INSTITUTE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2011

Federal Grantor/Pass-through Grantor Program Title	CFDA Number	Identifying Number	Pass-through From		Non-State Entities Amount
			Agy/ Univ No.	Agencies or Univ Amount	
Research & Development Cluster					
U.S. Department of State					
<u>Direct Programs:</u>					
U.S. Department of State	19.000	SAQMMMA09M1896		\$ -	\$ -
Totals - U.S. Department of State				<u>-</u>	<u>-</u>
U.S. Department of Transportation					
U.S. Department of Transportation	20.000	National Academy of Science/ TRB-P210238			4,950.20
		National Academy of Sciences/ TRB-P2000000448			866.26
		National Academy of Sciences/ TRB-2000000526			4,571.08
National Motor Carrier Safety	20.218	City of Austin Police Department/ C2010393			18,400.45
<u>Direct Programs:</u>					
Highway Planning and Construction	20.205				
<u>Pass-Through From:</u>					
State and Community Highway Safety	20.600				
Pass-Through From:					
Texas Department of Transportation			601	1,230,730.93	
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601				
Pass-Through From:					
Texas Department of Transportation			601	532,900.16	
Safety Belt Performance Grants	20.609				
Pass-Through From:					
Texas Department of Transportation			601	316,735.80	
Totals - U.S. Department of Transportation				<u>2,080,366.89</u>	<u>28,787.99</u>
U.S. Department of Energy					
U.S. Department of Energy	81.000	Department of Energy/ Sandia National Laboratories			264,632.63
Miscellaneous	81.502	Jackson State University/ P0032086			30,534.53
Totals - U.S. Department of Energy				<u>-</u>	<u>295,167.16</u>
Total Expenditures of Federal Awards				<u>\$ 2,080,366.89</u>	<u>\$ 323,955.15</u>

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SCHEDULE 1 - A
 TEXAS TRANSPORTATION INSTITUTE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2011

Direct Program Amount	Total Pass- Through From Direct Program	Agy/ Univ No.	Pass-through To		Expenditures	Total Pass Through To Expenditures
			Agencies or Universities Amount	Non-State Entities Amount		
\$ 50,703.53	\$ 50,703.53		\$ -	\$ -	\$ 50,703.53	\$ 50,703.53
50,703.53	50,703.53		-	-	50,703.53	50,703.53
	4,950.20				4,950.20	4,950.20
	866.26				866.26	866.26
	4,571.08				4,571.08	4,571.08
	18,400.45				18,400.45	18,400.45
37,580.41	37,580.41				37,580.41	37,580.41
	1,230,730.93				1,230,730.93	1,230,730.93
	532,900.16				532,900.16	532,900.16
	316,735.80				316,735.80	316,735.80
37,580.41	2,146,735.29		-	-	2,146,735.29	2,146,735.29
	264,632.63				264,632.63	264,632.63
	30,534.53				30,534.53	30,534.53
-	295,167.16		-	-	295,167.16	295,167.16
\$ 88,283.94	\$ 2,492,605.98		\$ -	\$ -	\$ 2,492,605.98	\$ 2,492,605.98

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SCHEDULE 1 - A
 TEXAS TRANSPORTATION INSTITUTE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2011

NOTE 1: NONMONETARY ASSISTANCE

Not Applicable

NOTE 2: RECONCILIATION OF REVENUES AND RECEIPTS TO EXPENDITURES
 AND DISBURSEMENTS (PASS THROUGHS)

FEDERAL REVENUES:

Federal Grants and Contracts - Operating		\$	10,558,508.54
Federal Grants and Contracts - Non-operating			
Federal Pass-Through Grants (State Agencies/Universities and TAMUS Members)-Operating	\$	2,080,366.89	
Federal Pass-Through Grants (State Agencies/Universities and TAMUS Members)-Non-Operating			
LESS Reconciling Items:			
Donation of Federal Surplus Property			
Total Federal Pass-Through Grants			2,080,366.89
Federal Appropriations			
Total Federal Revenue per Exhibit IV		\$	12,638,875.43

Reconciling Items:

ADD:

- Non-Monetary Assistance [NOTE 1]:
 - Donation of Federal Surplus Property
- New Loans Processed [NOTE 3]:
 - Federal Family Education Loans
 - Federal Family Education Loans - Coordinating Board
 - Health Education Assistance Programs
 - Health Professions Student Loans, Including Primary Care Loans / Loans for Disadvantaged Students
 - Federal Direct Student Loans (Direct Loans)

DEDUCT:

Federal Grants to/from TAMRF			(10,146,269.45)
COBRA 65% Subsidy (CFDA Number 17.151)			
Total Pass Throughs and Expenditures per Federal Schedule		\$	<u>2,492,605.98</u>

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SCHEDULE 1 - A
TEXAS TRANSPORTATION INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2011

NOTE 3: STUDENT LOANS PROCESSED AND ADMINISTRATIVE COSTS RECOVERED

Not Applicable

NOTE 4: DEPOSITORY LIBRARIES FOR GOVERNMENT PUBLICATIONS

Not Applicable

NOTE 5: UNEMPLOYMENT INSURANCE FUNDS

Not Applicable

NOTE 6: REBATES FROM THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANT AND CHILDREN (WIC)

Not Applicable

NOTE 7: FEDERAL DEFERRED REVENUE

Not Applicable

NOTE 8: SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Not Applicable

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SCHEDULE 1-B
 TEXAS TRANSPORTATION INSTITUTE
 SCHEDULE OF STATE GRANT PASS-THROUGHS FROM/TO STATE AGENCIES
 For the Year Ended August 31, 2011

Pass-through From:

<u>Program Name</u> <u>Agency Name</u>	<u>Grant ID</u>	<u>Agy #</u>	<u>Amount</u>
Air Modelling Assistance, Emmissions Inventory Data, Climatology Analysis, and other Air Quality Related Services Amend 1Incr. amt, Amd 4 decr.	582.0021		
Texas Commission on Environmental Quality		582	\$ <u>415,000.00</u>
Total Pass-Through From State Agencies			\$ <u>415,000.00</u> (Exhibit IV)

Pass-through To:

<u>Program Name</u> <u>Agency Name</u>	<u>Grant ID</u>	<u>Agy #</u>	<u>Amount</u>
			\$ <u>-</u>
Total Pass-Through To State Agencies			\$ <u>-</u> (Schedule IV-1)

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SCHEDULE THREE
 TEXAS TRANSPORTATION INSTITUTE
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2011

	CURRENT YEAR TOTAL
CASH & CASH EQUIVALENTS	
CURRENT ASSETS	
CASH ON HAND:	
CASHIERS ACCOUNT.....	\$ 1,000.00
PETTY CASH DEPARTMENT WORKING FUND.....	<u>50.00</u>
TOTAL CASH ON HAND.....	<u>\$ 1,050.00</u>
CASH IN STATE TREASURY:	
REIMBURSEMENTS DUE FROM STATE TREASURY.....	\$ 14,061.62
ASSETS HELD FOR INVESTMENT BY SYSTEM OFFICES-SHORT TERM.....	<u>2,043,315.58</u>
TOTAL CURRENT CASH AND CASH EQUIVALENTS [EXHIBIT III].....	<u>\$ 2,058,427.20</u>
TOTAL CASH & CASH EQUIVALENTS [EXHIBIT V].....	<u><u>\$ 2,058,427.20</u></u>

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SCHEDULE N-2
 TEXAS TRANSPORTATION INSTITUTE
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2011

	BALANCE 9-1-10	ADJUSTMENTS	COMPLETED CIP
BUSINESS-TYPE ACTIVITIES:			
NON-DEPRECIABLE/NON-AMORTIZABLE ASSETS			
CONSTRUCTION IN PROGRESS.....	\$ 63,969.26	\$ (201,012.83)	\$
TOTAL NON-DEPRECIABLE/NON-AMORTIZABLE ASSETS....	\$ 63,969.26	\$ (201,012.83)	\$
DEPRECIABLE ASSETS			
BUILDINGS.....	\$ 16,996,048.48	\$ 157,586.79	\$
INFRASTRUCTURE.....		3,953.77	
FACILITIES AND OTHER IMPROVEMENTS.....	1,111,941.17	39,472.27	
FURNITURE AND EQUIPMENT.....	11,359,245.26	(13,811.13)	
VEHICLES, BOATS AND AIRCRAFT.....	1,552,869.45		
TOTAL DEPRECIABLE ASSETS AT HISTORICAL COST.....	\$ 31,020,104.36	\$ 187,201.70	\$
LESS ACCUMULATED DEPRECIATION FOR:			
BUILDINGS.....	\$ (737,011.54)	\$ (3,436.18)	\$
INFRASTRUCTURE.....		(180.62)	
FACILITIES AND OTHER IMPROVEMENTS.....	(50,023.05)	(1,579.71)	
FURNITURE AND EQUIPMENT.....	(7,971,720.04)	(58,108.56)	
VEHICLES, BOATS AND AIRCRAFT.....	(1,113,711.12)		
TOTAL ACCUMULATED DEPRECIATION.....	\$ (9,872,465.75)	\$ (63,305.07)	\$
DEPRECIABLE ASSETS, NET.....	\$ 21,147,638.61	\$ 123,896.63	\$
AMORTIZABLE ASSETS - INTANGIBLE			
COMPUTER SOFTWARE.....	\$ 357,144.80	\$	\$
TOTAL INTANGIBLE ASSETS AT HISTORICAL COST.....	\$ 357,144.80	\$	\$
LESS ACCUMULATED AMORTIZATION FOR:			
COMPUTER SOFTWARE.....	\$ (316,553.48)	\$	\$
TOTAL ACCUMULATED AMORTIZATION.....	\$ (316,553.48)	\$	\$
AMORTIZABLE ASSETS-NET.....	\$ 40,591.32	\$	\$
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET.....	\$ 21,252,199.19	\$ (77,116.20)	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-11</u>
\$ 201,012.83	\$	\$ 50,512.85	\$	\$ 114,482.11
\$ 201,012.83	\$	\$ 50,512.85	\$	\$ 114,482.11
\$ 6,745,648.39	\$	\$	\$ (45,128.90)	\$ 23,854,154.76
36,215.65	(3,953.77)		(36,215.65)	
281,176.15			(13,260.07)	1,419,329.52
	(66,061.67)	1,634,290.80	(232,507.06)	12,681,156.20
		27,452.00		1,580,321.45
\$ 7,063,040.19	\$ (70,015.44)	\$ 1,661,742.80	\$ (327,111.68)	\$ 39,534,961.93
\$ (2,410,814.52)	\$	\$ (842,820.80)	\$	\$ (3,994,083.04)
(26,439.65)	361.24	(180.62)	26,439.65	
(281,176.15)		(56,293.93)	13,260.07	(375,812.77)
	12,363.01	(836,800.21)	228,840.39	(8,625,425.41)
		(111,563.62)		(1,225,274.74)
\$ (2,718,430.32)	\$ 12,724.25	\$ (1,847,659.18)	\$ 268,540.11	\$ (14,220,595.96)
\$ 4,344,609.87	\$ (57,291.19)	\$ (185,916.38)	\$ (58,571.57)	\$ 25,314,365.97
\$	\$	\$	\$ (50,010.00)	\$ 307,134.80
\$	\$	\$	\$ (50,010.00)	\$ 307,134.80
\$	\$	\$ (14,322.66)	\$ 48,343.42	\$ (282,532.72)
\$	\$	\$ (14,322.66)	\$ 48,343.42	\$ (282,532.72)
\$	\$	\$ (14,322.66)	\$ (1,666.58)	\$ 24,602.08
\$ 4,545,622.70	\$ (57,291.19)	\$ (149,726.19)	\$ (60,238.15)	\$ 25,453,450.16

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