

## INTERCOLLEGIATE ATHLETICS OPERATIONS

(excludes Erwin Center, Coaches Camps and Trademarks)

|                                                | 2004-05              | 2005-06               | 2006-07               | 2007-08               | 2008-09               |
|------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>INCOME AND TRANSFERS IN:</b>                |                      |                       |                       |                       |                       |
| Income from operating activities               | \$ 47,343,899        | \$ 51,398,522         | \$ 55,321,331         | \$ 56,458,345         | \$ 71,029,732         |
| Income from development activities             | 21,370,529           | 24,865,255            | 25,647,100            | 33,578,897            | 34,200,528            |
| Transfers from Trademark Licensing             | 3,100,000            | 700,000               | 1,712,000             | 1,550,000             | 3,450,000             |
| Transfers from Restricted Endowments           | 633,017              | 1,650,500             | 613,100               | 675,900               | 1,203,700             |
| Transfers from Coaches Endowments              | 108,000              | 160,000               | 186,000               | 129,000               | 144,500               |
| Other transfers in                             | 459,904              | 876,166               | 13,285                | 186,083               | 679,837               |
| Total Income and Transfers In                  | <u>73,015,349</u>    | <u>79,650,443</u>     | <u>83,492,816</u>     | <u>92,578,225</u>     | <u>110,708,297</u>    |
| <b>EXPENSES AND TRANSFERS OUT</b>              |                      |                       |                       |                       |                       |
| Salaries, Wages and Fringe Benefits            | 24,223,285           | 27,496,791            | 29,889,013            | 33,316,465            | 37,443,058            |
| Operating Expenses                             | 22,785,367           | 21,004,410            | 23,653,368            | 24,843,372            | 31,152,030            |
| Scholarships                                   | 6,513,678            | 6,929,801             | 7,691,778             | 7,297,531             | 8,162,907             |
| Travel                                         | 6,900,885            | 7,166,052             | 7,241,914             | 8,963,788             | 9,444,547             |
| Band and Cheerleaders                          | 886,912              | 1,166,710             | 727,281               | 913,073               | 1,162,385             |
| Other transfers out                            | 1,366,565            | 1,499,952             | 643,993               | 1,138,314             | 622,471               |
| Fee for Central Administrative services        | 1,149,362            | 1,241,003             | 1,382,952             | 1,788,500             | 2,062,071             |
| Capital Expenditures                           | 1,618,678            | 1,256,718             | 4,436,132             | 4,381,251             | 2,564,978             |
| Debt Service                                   | 7,564,065            | 6,733,386             | 7,670,164             | 10,013,769            | 14,669,297            |
| Total Expenses and Transfers Out               | <u>73,008,797</u>    | <u>74,494,823</u>     | <u>83,336,595</u>     | <u>92,656,063</u>     | <u>107,283,744</u>    |
| <b>NET INCOME / (LOSS) FROM OPERATIONS</b>     | <u>\$ 6,552</u>      | <u>\$ 5,155,620</u>   | <u>\$ 156,221</u>     | <u>\$ (77,838)</u>    | <u>\$ 3,424,553</u>   |
| <b>CASH RESERVES FROM ATHLETICS OPERATIONS</b> |                      |                       |                       |                       |                       |
| Beginning of year                              | \$ 3,356,623         | \$ 3,363,175          | \$ 8,518,795          | \$ 8,675,016          | \$ 8,597,178          |
| Net income / (loss) from operations            | 6,552                | 5,155,620             | 156,221               | (77,838)              | 3,424,553             |
| End of Year Cash Reserves                      | <u>\$ 3,363,175</u>  | <u>\$ 8,518,795</u>   | <u>\$ 8,675,016</u>   | <u>\$ 8,597,178</u>   | <u>\$ 12,021,731</u>  |
| <b>Memo: Outstanding Debt Obligations</b>      | <u>\$ 64,435,000</u> | <u>\$ 127,238,000</u> | <u>\$ 202,925,000</u> | <u>\$ 203,738,000</u> | <u>\$ 222,488,000</u> |

# TRADEMARK LICENSING OPERATIONS

## TRADEMARK INCOME:

Trademark Licensing Revenue

|              | 2004-05   | 2005-06      | 2006-07      | 2007-08      | 2008-09      |
|--------------|-----------|--------------|--------------|--------------|--------------|
| \$           | 3,560,562 | \$ 7,302,880 | \$ 6,694,692 | \$ 7,266,128 | \$ 7,832,956 |
| Total Income | 3,560,562 | 7,302,880    | 6,694,692    | 7,266,128    | 7,832,956    |

## TRADEMARK EXPENSES AND TRANSFERS OUT:

### For Athletics

To Fund Trademark Operating/Legal Expenses

To Fund Athletics Operations

To Fund Action Sports Marketing Buy-out

To Athletics for Debt Service

To Athletics for Whitehouse Trip

To Athletics for Mack Brown Service Payment

To Texas Swim Center Debt Retirement

subtotal transfers to Athletics Operations

|           |         |           |           |           |           |
|-----------|---------|-----------|-----------|-----------|-----------|
|           |         |           |           |           | 400,000   |
| 700,000   | 700,000 | 850,000   | 850,000   | 1,150,000 |           |
| 2,400,000 |         |           |           |           |           |
|           |         | 700,000   | 700,000   | 500,000   |           |
|           |         | 162,000   |           |           |           |
|           |         |           |           |           | 1,000,000 |
|           |         |           |           |           | 400,000   |
| 3,100,000 | 700,000 | 1,712,000 | 1,550,000 | 3,450,000 |           |

To Fund Trademark Operating/Legal Expenses

To Disch Faulk Field Improvements

To Hartford Life (Coaches Annuity)

subtotal transfers for Athletics

|         |         |           |         |   |
|---------|---------|-----------|---------|---|
| 234,462 | 297,083 | 411,435   | 820,922 |   |
|         |         | 2,000,000 |         |   |
|         |         | 1,005,807 |         |   |
| 234,462 | 297,083 | 3,417,242 | 820,922 | - |

### For Central Administration (1)

To President's Discretionary Fund

To Fund UT Film Institute

To LBJ Foundation for Mack Brown Chair

To Administration to fund DKR Tree Relocation

To Fund New Band Uniforms

To Repay Trademark Deficit Loan

To Kinesiology Program

subtotal for Central Administration

|         |   |           |           |           |
|---------|---|-----------|-----------|-----------|
|         |   | 1,955,131 | 1,605,753 | 1,657,800 |
|         |   | 200,000   |           |           |
|         |   | 500,000   |           |           |
|         |   | 700,000   |           |           |
| 180,000 |   |           |           |           |
| 800,000 |   |           |           |           |
|         |   |           |           | 180,000   |
| 980,000 | 0 | 3,355,131 | 1,605,753 | 1,837,800 |

subtotal expenses and transfers out

|           |         |           |           |           |
|-----------|---------|-----------|-----------|-----------|
| 4,314,462 | 997,083 | 8,484,373 | 3,976,675 | 5,287,800 |
|-----------|---------|-----------|-----------|-----------|

NET (LOSS) / INCOME FROM TRADEMARKS

|              |              |                |              |              |
|--------------|--------------|----------------|--------------|--------------|
| \$ (753,900) | \$ 6,305,797 | \$ (1,789,681) | \$ 3,289,453 | \$ 2,545,156 |
|--------------|--------------|----------------|--------------|--------------|

## CASH RESERVES FROM TRADEMARKS

Beginning of year Reserves

Net (Loss) / Income from Trademarks

End of Year Cash Reserves

|              |              |              |               |               |
|--------------|--------------|--------------|---------------|---------------|
| \$ 4,298,263 | \$ 3,544,363 | \$ 9,850,160 | \$ 8,060,479  | \$ 11,349,932 |
| (753,900)    | 6,305,797    | (1,789,681)  | 3,289,453     | 2,545,156     |
| \$ 3,544,363 | \$ 9,850,160 | \$ 8,060,479 | \$ 11,349,932 | \$ 13,895,088 |

(1) Note that the UT Club provides to the General Libraries a portion of its revenues as follows: FY04/05 \$38.9k, FY05/06 \$50.3k, FY06/07 \$55.5k, FY07/08 \$76.0k, FY08/09 \$70.9k, which are not included in these numbers. The Central Administration earns all investment return on Athletics cash reserves which is also not included in these numbers.

## COMBINED CASH RESERVES SUMMARY

|                                  | 2004-05             | 2005-06              | 2006-07              | 2007-08              | 2008-09              |
|----------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| From Athletics Operations        | \$ 3,363,175        | \$ 8,518,795         | \$ 8,675,016         | \$ 8,597,178         | \$ 12,021,731        |
| From Trademarks Operations       | 3,544,363           | 9,850,160            | 8,060,479            | 11,349,932           | 13,895,088           |
| End of year Cash Reserves        | <u>\$ 6,907,538</u> | <u>\$ 18,368,955</u> | <u>\$ 16,735,495</u> | <u>\$ 19,947,110</u> | <u>\$ 25,916,819</u> |
| Months of operating expenditures | 1.1                 | 3.0                  | 2.4                  | 2.6                  | 2.9                  |
| Coverage of outstanding debt     | 10.7%               | 14.4%                | 8.2%                 | 9.8%                 | 11.6%                |