

## UNAUDITED

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
 EXHIBIT A - BALANCE SHEET  
 As of August 31, 2008

	Current Year Totals	Prior Year Totals
<b>ASSETS</b>		
Current Assets:		
Cash & Cash Equivalents	\$ 1,097,554,780.71	757,980,918.56
Restricted Cash & Cash Equivalents	44,445,498.29	81,091,846.81
Securities Lending Collateral	984,342,778.76	1,566,422,752.18
Accounts Receivable, Net:		
Federal (allowances of \$0 in '08 & \$0 in '07)	1,622,312.50	2,146,128.19
Interest and Dividends	31,127,468.19	47,454,101.28
Contributions (allow. \$2,913.72 '08; \$3,360.06 '07)	46,407.66	28,555.96
Investment Trades	224,650,596.69	760,703,637.15
Other (allowances of \$0 in '08 & \$0 in '07)	252,530,160.68	357,881,065.22
Due From Other Funds	51,629,648.59	35,090,399.47
Due From Other Institutions	58,053,928.28	53,804,477.19
Due From Other Agencies	1,206,753.62	655,677.23
Other Current Assets	9,490,303.44	5,359,976.33
Total Current Assets	<u>2,756,700,637.41</u>	<u>3,668,619,535.57</u>
Noncurrent Assets:		
Restricted:		
Cash & Cash Equivalents	181,240.08	764,179.45
Investments	20,315,033,632.05	21,172,120,684.29
Contributions Rec. (allow. \$8,945.28 '08; \$14,324.47 '07)	142,473.90	118,815.16
Investments	4,294,389,688.37	4,172,450,400.22
Other Noncurrent Assets	13,211,210.29	12,015,402.33
Capital Assets	5,680,216,072.00	4,817,101,363.03
Less Accumulated Depreciation	(41,412,930.69)	(35,809,898.58)
Total Noncurrent Assets	<u>30,261,761,386.00</u>	<u>30,138,760,945.90</u>
TOTAL ASSETS	<u>\$ 33,018,462,023.41</u>	<u>33,807,380,481.47</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 85,984,032.52	168,756,830.62
Investment Trades Payable	1,060,391,364.50	1,790,172,228.01
Incurred But Not Reported Self-Insurance Claims	81,060,666.02	79,468,897.78
Securities Lending Obligations	984,342,778.76	1,566,422,752.18
Due to Other Funds	51,629,648.59	35,090,399.47
Due to Other Institutions	873,259,885.56	593,584,338.83
Due to Other Agencies	10,548,755.17	9,688,953.32
Interfund Payable	14,685,000.00	23,340,000.00
Deferred Revenue		2,784,122.88
Employees' Compensable Leave	2,502,026.76	2,121,881.76
Notes, Loans and Leases Payable	1,165,086,641.29	821,110,304.35
Payable From Restricted Assets	218,281,583.48	213,432,677.58
Revenue Bonds Payable	1,209,148,486.94	179,065,650.00
Other Current Liabilities	121,287.71	1,120,395.40
Total Current Liabilities	<u>5,757,042,157.30</u>	<u>5,486,159,432.18</u>
Noncurrent Liabilities:		
Incurred But Not Reported Self-Insurance Claims	35,071,830.98	38,879,279.22
Employees' Compensable Leave	2,375,047.90	2,055,050.84
Assets Held for Others	3,886,516,230.21	3,704,039,323.87
Liability to Beneficiaries-Held for Institutions	17,682,639.54	17,812,532.65
Revenue Bonds Payable	3,198,905,141.11	3,745,749,301.25
Interfund Payable	367,945,000.00	382,630,000.00
Net Other Postemployment Benefits Obligation	422,678,024.00	
Other Noncurrent Liabilities	164,000.00	164,000.00
Total Noncurrent Liabilities	<u>7,931,337,913.74</u>	<u>7,891,329,487.83</u>
TOTAL LIABILITIES	<u>13,688,380,071.04</u>	<u>13,377,488,920.01</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	84,967,970.37	49,002,195.33
Restricted for:		
Nonexpendable		
Permanent University Fund Endowment	6,569,214,663.45	6,375,985,758.29
Permanent Health & True Endowments, & Annuities	383,300,581.23	383,210,218.91
Permanent Health & True Endow. Held for Institutions	3,183,663,029.78	3,029,048,145.86
Expendable		
Capital Projects	9,692,634.87	4,404,546.28
Debt Service	11,201,992.53	8,393,813.69
Funds Functioning as Endowment - Restricted	(3.54)	32.18
Funds Funct. as Endow - Restr. Held for Institutions	232,809,748.23	228,936,126.88
Other Expendable	8,468,388,276.03	9,637,903,011.46
Unrestricted	<u>386,843,059.42</u>	<u>713,007,712.58</u>
TOTAL NET ASSETS	<u>19,330,081,952.37</u>	<u>20,429,891,561.46</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 33,018,462,023.41</u>	<u>33,807,380,481.47</u>

## UNAUDITED

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO  
EXHIBIT B - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
For the Year Ended August 31, 2008

	Current Year Totals	Prior Year Totals
<b>Operating Revenues:</b>		
Student Tuition and Fees	\$ 30,929,355.62	26,411,396.14
Discounts and Allowances	(1,843,297.98)	(1,722,574.03)
Federal Sponsored Programs	134,753,082.68	109,928,664.97
Federal Sponsored Programs Pass-Through from Other St. Agencies	2,272,587.10	1,761,842.92
State Sponsored Programs	2,588,577.44	5,906,414.37
State Sponsored Programs Pass-Through from Other St. Agencies	2,481,523.72	1,125,936.72
Local Sponsored Programs	70,004,344.68	51,509,382.32
Private Sponsored Programs	43,294,361.11	39,894,463.69
Sales and Services of Educational Activities	30,462,989.09	40,085,502.03
Professional Fees	310,897,822.65	257,123,651.39
Discounts and Allowances	(217,654,227.28)	(162,182,266.30)
Auxiliary Enterprises	5,088,046.40	4,130,028.07
Other Operating Revenues	8,746,536.93	7,006,503.13
<b>Total Operating Revenues</b>	<b>422,021,702.16</b>	<b>380,978,945.42</b>
<b>Operating Expenses:</b>		
Instruction	261,228,328.75	246,136,179.02
Research	149,939,552.44	117,468,900.39
Public Service	28,549,961.89	26,527,591.84
Hospitals and Clinics	66,109,904.24	46,887,303.48
Academic Support	25,990,998.35	28,734,075.20
Student Services	2,796,671.50	2,322,457.99
Institutional Support	39,666,896.22	29,341,773.86
Operations and Maintenance of Plant	30,574,357.21	30,927,254.22
Scholarships and Fellowships	2,236,465.53	1,955,208.03
Auxiliary Enterprises	5,198,322.01	4,313,464.14
Depreciation and Amortization	26,231,350.31	22,804,861.00
<b>Total Operating Expenses</b>	<b>638,522,808.45</b>	<b>557,419,069.17</b>
Operating Loss	(216,501,106.29)	(176,440,123.75)
<b>Nonoperating Revenues (Expenses):</b>		
State Appropriations	171,882,166.49	153,783,437.30
Gift Contributions for Operations	1,946,564.91	23,266,439.88
Net Investment Income	33,549,215.97	29,004,708.00
Net Increase (Decrease) in Fair Value of Investments	(40,263,106.73)	49,672,696.73
Gain/(Loss) on Sale of Capital Assets	(387,698.90)	(1,258,146.58)
Other Nonoperating Revenues	0.71	
<b>Net Nonoperating Revenues (Expenses)</b>	<b>166,727,142.45</b>	<b>254,469,135.33</b>
Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers	(49,773,963.84)	78,029,011.58
Gifts and Sponsored Programs for Capital Acquisitions	69,123,426.07	8,154,527.87
Additions to Permanent Endowments	32,126,235.16	18,942,499.00
Reclass from / (to) Other Institutions	23,058,897.66	(25,835,606.01)
Transfers Between Institutions & System-Debt Service-Mandatory	(17,393,017.30)	(11,874,641.00)
Transfers Between Institutions & System Admin. - Nonmandatory	37,522,646.48	121,674,838.00
Transfers From Other State Agencies	23,923.57	
Transfers to Other State Agencies	(301,329.91)	(209,170.48)
<b>Change in Net Assets</b>	<b>94,386,817.89</b>	<b>188,881,458.96</b>
Beginning Net Assets	1,057,381,569.96	868,500,111.00
<b>Ending Net Assets</b>	<b>\$ 1,151,768,387.85</b>	<b>1,057,381,569.96</b>

## UNAUDITED

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO  
EXHIBIT C - STATEMENT OF CASH FLOWS  
For the Year Ended August 31, 2008

	Current Year Totals	Prior Year Totals
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 28,718,696.31	24,939,229.63
Proceeds from Patients and Customers	89,803,441.81	93,143,601.25
Proceeds from Sponsored Programs	248,858,973.23	213,370,762.53
Proceeds from Auxiliaries	6,011,577.40	4,137,268.07
Proceeds from Other Revenues	35,879,878.83	40,671,339.71
Payments to Suppliers	(166,372,543.98)	(126,291,738.35)
Payments to Employees	(432,116,639.58)	(408,034,619.07)
Payments for Loans Provided	(1,253,660.97)	(1,485,168.00)
Proceeds from Loan Programs	943,197.83	1,184,993.82
Net Cash Provided (Used) by Operating Activities	<u>(189,527,079.12)</u>	<u>(158,364,330.41)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	174,514,521.16	151,366,845.58
Proceeds from Operating Gifts	2,746,862.83	20,990,158.21
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	32,126,235.16	18,942,499.00
Proceeds from Other Nonoperating Revenues	0.71	
Payments/Receipts for Transfers to/from System or Oth. Agencies	15,665,955.36	1,986,717.81
Net Cash Provided (Used) by Noncapital Financing Activities	<u>225,053,575.22</u>	<u>193,286,220.60</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from Issuance of Capital Debt		11,297,311.83
Proceeds from Capital Debt Transferred from System (nonmandatory)	56,750,212.74	41,060,379.58
Proceeds from Capital Appropriations, Grants and Gifts	816,154.89	3,489,577.87
Proceeds from Sale of Capital Assets	52,903.11	
Payments for Additions to Capital Assets	(70,271,172.68)	(55,901,143.67)
Payments of Principal on Capital Related Debt	(1,392,902.64)	
Mandatory Transfers to System for Capital Related Debt	(17,393,017.30)	(11,874,641.00)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(31,437,821.88)</u>	<u>(11,928,515.39)</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from Interest and Investment Income	3,782,740.11	1,723,477.50
Proceeds from Interest and Investment Income Held by System	29,988,421.78	27,053,046.50
Payments to Acquire Investments Held by System	(56,296,069.08)	(53,509,449.66)
Net Cash Provided (Used) by Investing Activities	<u>(22,524,907.19)</u>	<u>(24,732,925.66)</u>
<b>Net Increase (Decrease) in Cash</b>	(18,436,232.97)	(1,739,550.86)
Cash & Cash Equivalents - Beginning of the Year	73,647,100.14	75,386,651.00
<b>Cash &amp; Cash Equivalents - End of the Year</b>	<u>\$ 55,210,867.17</u>	<u>73,647,100.14</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to</b>		
<b>Net Cash Provided (Used) by Operating Activities:</b>		
Operating Loss	\$ (216,501,106.29)	(176,440,123.75)
Adjustments to Reconcile Operating Loss to Net Cash:		
Depreciation and Amortization Expense	26,231,350.31	22,804,861.00
Bad Debt Expense	596,675.10	281,458.85
Changes in Assets and Liabilities:		
Receivables	(12,962,511.21)	1,281,718.05
Inventories	101,765.15	(31,241.36)
Loans and Contracts	(310,463.14)	(300,174.18)
Other Assets	(3,797,719.13)	(6,745,336.10)
Payables	10,600,842.13	(2,947,467.44)
Due to System	319,697.24	228,251.29
Deferred Income	3,665,470.01	726,058.68
Deposits Held for Others	164,333.72	7,458.03
Compensated Absence Liability	2,183,294.96	2,756,849.41
Other Liabilities	181,292.03	13,357.11
Total Adjustments	<u>26,974,027.17</u>	<u>18,075,793.34</u>
Net Cash Provided (Used) by Operating Activities:	<u>\$ (189,527,079.12)</u>	<u>(158,364,330.41)</u>
<b>Noncash Transactions</b>		
Net Increase (Decrease) in Fair Value of Investments	(40,263,106.73)	49,672,696.73
Donated Capital Assets	67,670,603.86	4,664,950.00
Capital Assets Acquired Under Capital Lease Purchases	58,367.66	
Miscellaneous Noncash Transactions	(499,681.94)	(1,305,042.80)