

UNAUDITED

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
EXHIBIT C - COMBINED STATEMENT OF CASH FLOWS
As of August 31, 2006

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 19,987,936	17,092,937
Proceeds from Patients and Customers	132,065,266	121,835,199
Proceeds from Sponsored Programs	266,115,167	250,584,310
Proceeds from Auxiliaries	23,235,694	20,932,223
Proceeds from Other Revenues	53,448,291	46,912,989
Payments to Suppliers	(212,038,949)	(189,708,753)
Payments to Employees	(406,352,676)	(389,454,929)
Payments for Loans Provided	(2,894,954)	(3,614,954)
Proceeds from Loan Programs	3,625,872	3,980,882
Net Cash Provided (Used) by Operating Activities	<u>(122,808,353)</u>	<u>(121,440,096)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	153,901,500	138,477,682
Proceeds from Operating Gifts	13,061,419	8,186,638
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	6,398,255	13,363,329
Proceeds from Other Nonoperating Revenues	1,234,947	8,122,996
Payments/Receipts for Transfers to/from System or Oth. Agencies	744,508	7,965,848
Payments for Other Uses	(896,331)	(13,113,919)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>174,444,298</u>	<u>163,002,574</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Issuance of Capital Debt	0	1,878,282
Proceeds from Capital Debt Transferred from System (nonmandatory)	32,462,130	130,477,781
Proceeds from Capital Appropriations, Grants and Gifts	23,543,711	14,315,137
Proceeds from Sale of Capital Assets	25,535	127,259
Payments for Additions to Capital Assets	(96,908,087)	(151,468,394)
Payments of Principal on Capital Related Debt	(266,678)	(2,538,153)
Mandatory Transfers to System for Capital Related Debt	(16,918,997)	(13,451,242)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(58,062,386)</u>	<u>(20,659,330)</u>
Cash Flows from Investing Activities:		
Proceeds from Sales of Investments	715,394	380,329
Proceeds from Interest and Investment Income	16,198	24,957
Proceeds from Interest and Investment Income Held by System	18,651,508	16,471,822
Payments to Acquire Investments Held by System	(59,299,634)	(16,515,369)
Net Cash Provided (Used) by Investing Activities	<u>(39,916,534)</u>	<u>361,739</u>
Net Increase (Decrease) in Cash	(46,342,975)	21,264,887
Cash & Cash Equivalents - Beginning of the Year	99,401,981	78,137,094
Cash & Cash Equivalents - End of the Year	<u>\$ 53,059,006</u>	<u>99,401,981</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Loss	\$ (156,392,833)	(146,078,209)
Adjustments to Reconcile Operating Loss to Net Cash:		
Depreciation and Amortization Expense	27,473,406	19,864,784
Bad Debt Expense	0	1,194
Changes in Assets and Liabilities:		
Receivables	(1,696,325)	(19,258,258)
Inventories	1,316	553,636
Loans and Contracts	730,918	365,928
Other Assets	(491,609)	(176,001)
Payables	(634,383)	2,444,857
Due to System	282,214	(2,411,292)
Deferred Income	3,158,850	18,095,163
Deposits Held for Others	(19,508)	701,959
Compensated Absence Liability	907,826	1,318,297
Other Liabilities	3,871,775	3,137,846
Total Adjustments	<u>33,584,480</u>	<u>24,638,113</u>
Net Cash Provided (Used) by Operating Activities:	<u>\$ (122,808,353)</u>	<u>(121,440,096)</u>
Noncash Transactions		
Net Increase (Decrease) in Fair Value of Investments	10,157,494	14,138,950
Miscellaneous Noncash Transactions	(22,587)	3,240