

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON  
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	\$ 29,380,449.36	\$ 22,695,232.16
Proceeds from Patients and Customers	144,957,651.98	154,788,302.81
Proceeds from Sponsored Programs	290,993,749.63	274,582,282.98
Proceeds from Auxiliaries	23,048,186.39	23,065,168.29
Proceeds from Other Revenues	47,416,127.24	58,213,897.40
Payments to Suppliers	(221,932,210.97)	(226,305,622.28)
Payments to Employees	(443,646,361.10)	(418,818,431.00)
Payments for Loans Provided	(3,905,713.09)	(2,552,273.48)
Proceeds from Loan Programs	2,135,678.79	2,404,667.51
Net Cash Provided (Used) by Operating Activities	<u>(131,552,441.77)</u>	<u>(111,926,775.61)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	168,530,068.76	152,700,692.60
Proceeds from Operating Gifts	15,943,573.17	14,735,006.59
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	5,335,321.45	8,383,952.75
Proceeds from Other Nonoperating Revenues	(890,136.40)	4,353,931.71
Payments/Receipts for Transfers to/from System or Oth. Agencies	(89,211.55)	2,358,709.56
Payments for Other Uses	(589,112.47)	(301,281.69)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>188,240,502.96</u>	<u>182,231,011.52</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from Issuance of Capital Debt		
Proceeds from Capital Debt Transferred from System (nonmandatory)	40,107,926.29	35,128,731.93
Proceeds from Capital Appropriations, Grants and Gifts	3,614,012.28	12,508,976.39
Proceeds from Sale of Capital Assets	77,973.30	4,345,453.48
Payments for Additions to Capital Assets	(51,067,891.60)	(59,578,722.87)
Payments of Principal on Capital Related Debt	(698.33)	(417,913.50)
Mandatory Transfers to System for Capital Related Debt	(22,289,706.95)	(17,667,071.16)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(29,558,385.01)</u>	<u>(25,680,545.73)</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from Sales of Investments	472,731.00	211,360.12
Proceeds from Interest and Investment Income	824,950.34	401,325.00
Proceeds from Interest and Investment Income Held by System	22,817,282.45	22,935,033.45
Payments to Acquire Investments	(1,304,717.78)	(1,229,435.00)
Payments to Acquire Investments Held by System	(51,402,031.45)	(54,511,351.12)
Net Cash Provided (Used) by Investing Activities	<u>(28,591,785.44)</u>	<u>(32,193,067.55)</u>
<b>Net Increase (Decrease) in Cash</b>	(1,462,109.26)	12,430,622.63
Cash & Cash Equivalents - Beginning of the Year	65,489,628.63	53,059,006.00
<b>Cash &amp; Cash Equivalents - End of the Year</b>	<u>\$ 64,027,519.37</u>	<u>\$ 65,489,628.63</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Loss	\$ (186,341,832.22)	\$ (154,144,007.87)
Adjustments to Reconcile Operating Loss to Net Cash:		
Depreciation and Amortization Expense	37,792,402.23	32,965,817.29
Changes in Assets and Liabilities:		
Receivables	(2,091,267.77)	4,034,990.46
Inventories	(40,676.80)	734,494.76
Loans and Contracts	(1,770,034.30)	(147,605.97)
Other Assets	(98,572.32)	234,431.11
Payables	11,745,271.00	951,453.46
Due to System	216,881.31	93,915.90
Deferred Income	6,260,690.28	1,130,350.32
Deposits Held for Others	104,545.29	411,013.05
Compensated Absence Liability	963,790.86	980,232.00
Other Liabilities	1,706,360.67	828,139.88
Total Adjustments	<u>54,789,390.45</u>	<u>42,217,232.26</u>
Net Cash Provided (Used) by Operating Activities:	<u>\$ (131,552,441.77)</u>	<u>\$ (111,926,775.61)</u>
<b>Noncash Transactions</b>		
Net Increase (Decrease) in Fair Value of Investments	(24,633,438.70)	32,608,991.60
Miscellaneous Noncash Transactions	(1,742,171.20)	1,434,305.71