

The University of Texas Medical Branch



Financial Statements

FISCAL YEAR ENDED AUGUST 31, 2002
UNAUDITED

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 EXHIBIT A - BALANCE SHEET
 As of August 31, 2002

	Primary University
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 97,247,021
Restricted Cash & Cash Equivalents	48,998,501
Balance in State Appropriations	705,241
Accounts Receivable, Net:	
Federal Receivables	12,084,610
Other Intergovernmental Receivables	1,912,382
Student Receivables	3,992,448
Patient Receivables	80,400,340
Interest and Dividends	322,826
Contributions Receivable	266,207
Other Receivables	3,263,273
Due From Other Funds	610,535
Due From System Administration	5,240,114
Inventories	10,302,988
Loans and Contracts	830,525
Other Current Assets	5,278,746
Total Current Assets	<u>271,455,757</u>
Non-Current Assets:	
Restricted:	
Investments	24,351,565
Loans, Contracts and Other	6,476,092
Funds Held by System Administration	215,504,417
Funds Held by System - Permanent Health Fund	21,288,100
Funds Held by Sealy & Smith Foundation	64,608,525
Contributions Receivable	960,306
Investments	53,100,450
Capital Assets	883,864,966
Less Accumulated Depreciation	(488,762,987)
Total Non-Current Assets	<u>781,391,434</u>
TOTAL ASSETS	\$ <u>1,052,847,191</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 62,115,856
Other Intergovernmental Payables	593,787
Due to Other Funds	610,535
Due to System Administration	6,597,936
Deferred Revenue	27,169,927
Employees' Compensable Leave-Current Portion	5,419,589
Payable From Restricted Assets-Current Portion	3,707,213
Funds Held for Others	11,446,267
Total Current Liabilities	<u>117,661,110</u>
Non-Current Liabilities:	
Employees' Compensable Leave	44,451,874
Other Non-Current Liabilities	39,325
Total Non-Current Liabilities	<u>44,491,199</u>
TOTAL LIABILITIES	<u>162,152,309</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	395,101,979
Restricted for:	
Nonexpendable	
True and Term Endowments, and Annuities	261,705,350
Expendable	
Capital Projects	7,498,946
Funds Functioning as Endowment - Restricted	10,280,687
Other Expendable	61,158,451
Unrestricted	154,949,469
TOTAL NET ASSETS	<u>890,694,882</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,052,847,191</u>

UNAUDITED

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
EXHIBIT B - COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended August 31, 2002

	Primary University
Operating Revenues:	
Net Student Tuition and Fees	\$ 7,600,954
Federal Sponsored Programs	79,965,548
Federal Sponsored Programs Pass-Through from Other St. Agencies	2,040,792
State Sponsored Programs	14,065,332
State Sponsored Programs Pass-Through from Other St. Agencies	25,308,566
Local Sponsored Programs	1,297,606
Private Sponsored Programs	46,867,898
Net Sales and Services of Educational Activities	1,123,254
Net Sales and Services of Hospitals	629,123,432
Net Professional Fees	91,987,282
Net Auxiliary Enterprises	7,045,683
Other Operating Revenues	26,175,823
Total Operating Revenues	<u>932,602,170</u>
Operating Expenses:	
Instruction	227,788,509
Research	87,280,055
Public Service	7,457,476
Hospitals and Clinics	786,245,723
Academic Support	12,536,305
Student Services	3,863,699
Institutional Support	46,610,744
Operations and Maintenance of Plant	27,003,323
Scholarships and Fellowships	2,177,728
Auxiliary Enterprises	5,944,399
Depreciation and Amortization	48,051,013
Total Operating Expenses	<u>1,254,958,974</u>
Operating Loss	<u>(322,356,804)</u>
Nonoperating Revenues (Expenses):	
State Appropriations	292,688,697
Gift Contributions for Operations	3,807,125
Net Investment Income	17,549,028
Net Increase (Decrease) in Fair Value of Investments	(34,236,857)
Gain/(Loss) on Sale of Capital Assets	(4,543,564)
Other Nonoperating Revenues	3,102,526
Other Nonoperating Expenses	(2,814,417)
Net Nonoperating Revenues (Expenses)	<u>275,552,538</u>
Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers	(46,804,266)
Gifts and Sponsored Programs for Capital Acquisitions	15,195,388
Additions to Permanent Endowments	8,173,258
Reclass from / (to) Other Components	(5,207,165)
Reclass from/(to) Other Funds for Debt Transactions & Cap. Assets	
Transfers Between Components & System-Debt Service-Mandatory	(7,486,652)
Transfers Between Components & System Admin. - Non mandatory	32,668,606
Transfers Between Funds	
Change in Net Assets/Contributed Capital for Component Unit	<u>(3,460,831)</u>
Net Assets - September 1, 2001 - As Previously Reported	1,484,582,904
Restatements	(590,427,191)
Net Assets - September 1, 2001 - As Restated	<u>894,155,713</u>
Net Assets - August 31, 2002	\$ <u>890,694,882</u>

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THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
EXHIBIT C - COMBINED STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2002

Primary
University

Cash Flows from Operating Activities:

Proceeds Received from Students	\$ 8,395,749
Proceeds Received from Patients and Customers	724,563,652
Proceeds for Sponsored Programs	166,506,138
Auxiliary Enterprise Charges	7,045,683
Proceeds from Other Revenues	24,329,724
Payments to Suppliers	(427,792,246)
Payments to Employees	(791,549,514)
Loans Issued to Students	(1,266,884)
Collections of Loans to Students	1,462,067
Payments for Other Expenses	(13,693,683)
Net Cash Provided (Used) by Operating Activities	<u>(301,999,314)</u>

Cash Flows from Noncapital Financing Activities:

Proceeds from State Appropriations	295,431,335
Operating Gifts	4,467,043
Private Gifts for Endowment and Annuity Life Purposes	8,173,258
Other Nonoperating Revenues	3,102,526
Other Nonoperating Transfers To/From System	13,426,963
Payments for Other Uses	(3,295,086)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>321,306,039</u>

Cash Flows from Capital and Related Financing Activities:

Proceeds for Capital Debt Transferred from System (non-man)	12,571,644
Capital Grants and Gifts	22,787,125
Proceeds from Sale of Capital Assets	513,014
Purchase of Capital Assets	(45,797,753)
Mandatory Transfers to System for Capital Related Debt	(7,486,652)
Net Cash Provided (Used) by Related Financing Activities	<u>(17,412,622)</u>

Cash Flows from Investing Activities:

Proceeds from Interest and Investment Income	10,773,810
Proceeds from Interest and Investment Income Held by System	7,363,438
Purchases of Investments Held by System	(12,572,274)
Net Cash Provided (Used) by Investing Activities	<u>5,564,974</u>

Net Increase (Decrease) in Cash

Cash & Cash Equivalents - Beginning of the Year	138,786,445
Cash & Cash Equivalents - End of the Year	<u>\$ 146,245,522</u>

Reconciliation of Net Operating Revenues (Expenses) to**Net Cash Provided (Used) by Operating Activities:**

Operating Loss	\$ (322,356,804)
Adjustments to Reconcile Operating Loss to Net Cash:	
Depreciation and Amortization Expense	48,051,013
Accounts Receivable, net	(2,329,303)
Inventory	(1,854,924)
Loans to Students	200,065
Other Assets	122,868
Accounts Payable	(17,988,048)
Due to System	1,608,473
Deferred Revenue	2,490,158
Deposits Held for Others	(14,957,495)
Compensated Absences & Notes Payable	5,102,950
Other Liabilities	(88,267)
Total Adjustments	<u>20,357,490</u>

Net Cash Provided (Used) by Operating Activities: \$ (301,999,314)

Non Cash Transactions

Net Increase (Decrease) in Fair Value of Investments	(34,236,857)
Loss on Disposal of Capital Assets	(66,534,424)
Miscellaneous Non Cash Transactions	184,972

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THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 SCHEDULE A-1: CASH AND CASH EQUIVALENTS AND INVESTMENTS
 As of August 31, 2002

Primary University:	CURRENT ASSETS		NON-CURRENT ASSETS		Current Year Total
	Unrestricted	Restricted	Unrestricted	Restricted	
Cash and Cash Equivalents					
Cash on Hand					
Petty Cash	\$ 64,460				64,460
Cash in Transit					-
Subtotal Cash on Hand	64,460	-	-	-	64,460
Cash in Bank					
Demand Accounts	(8,236,807)	(3,923,229)			(12,160,036)
Time Deposits	2,548,322	967,899			3,516,221
Subtotal Cash in Bank	(5,688,485)	(2,955,330)	-	-	(8,643,815)
Cash in State Treasury					
Available University Fund (0011)					-
Permanent University Fund (0045, 0211)					-
Permanent Health Fund (Funds 0810 - 0817, 0822)	2,101,564				2,101,564
Local Revenue Fund 0246					-
Direct Deposit of Bills - Holding Account Fund 0899					-
Departmental Suspense Fund 0900					-
U.S. Savings Bond Account Fund 0901					-
Deferred Compensation 401K Fund 0942					-
Direct Deposit Hold - Transmit Account Fund 0979					-
Correction Account for Direct Deposit Fund 0980					-
Subtotal Cash in State Treasury	2,101,564	-	-	-	2,101,564
Cash Equivalent Investments (Intent)					
U.S. Treasury Bills and Notes					-
Government Securities					-
Money Market Funds (STF)	100,671,292	51,953,831			152,625,123
Subtotal Cash Equivalent Investments	100,671,292	51,953,831	-	-	152,625,123
Reimbursements due from State Treasury	98,190				98,190
Cash Held by System Administration					-
Total Cash and Cash Equivalents (Exhibit A)	\$ 97,247,021	48,998,501	-	-	146,245,522

Primary University:	NON-CURRENT ASSETS		Current Year Total
	Unrestricted	Restricted	
Investments			
Funds Held by System Administration (GEF)	\$ 21,288,100	215,504,417	236,792,517
Pooled Operating Funds (Held by System - SITF)	52,295,792	24,351,559	76,647,351
BGI Index Funds			-
Bonds			-
Stocks			-
Real Estate Mortgages & Other Notes			-
Real Estate			-
Mineral Rights & Other Royalties			-
Other Investments	804,658	6	804,664
Total Investments (Exhibit A)	\$ 74,388,550	239,855,982	314,244,532