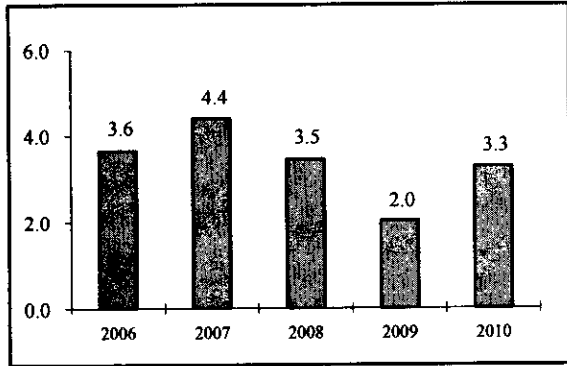


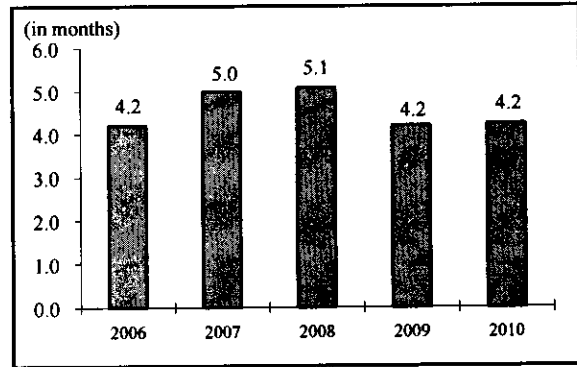
**The University of Texas at San Antonio
2010 Summary of Financial Condition**

Financial Condition: Satisfactory

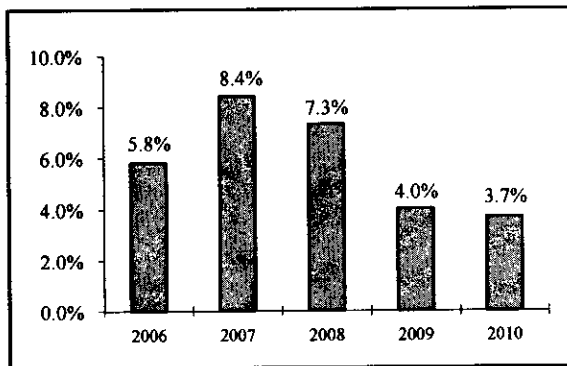
Composite Financial Index



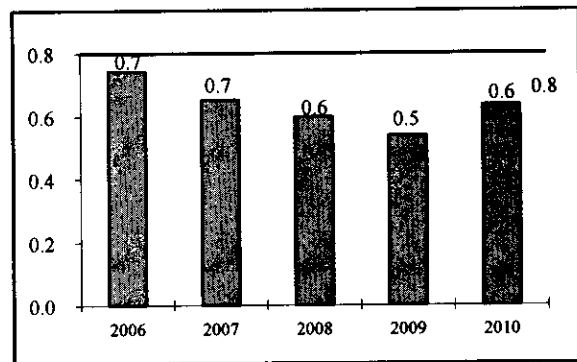
Operating Expense Coverage Ratio



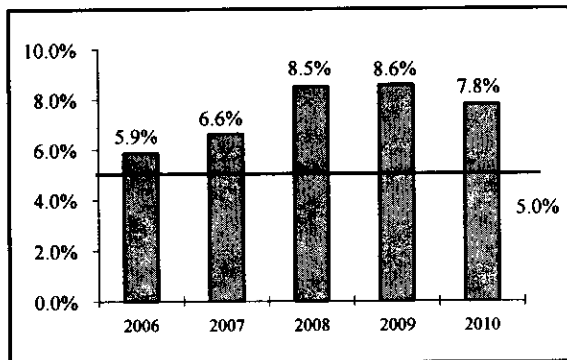
Annual Operating Margin Ratio



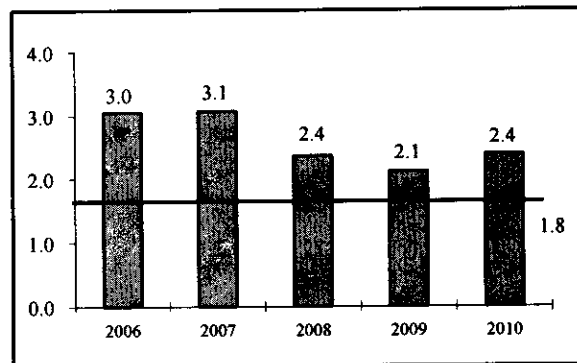
Expendable Resources to Debt Ratio



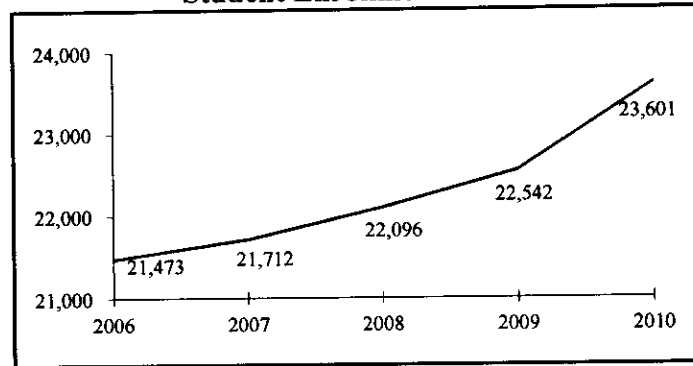
Debt Burden Ratio



Debt Service Coverage Ratio



**The University of Texas at San Antonio
2010 Summary of Financial Condition
Full-time Equivalent
Student Enrollment - Fall**



Composite Financial Index (CFI) - UT San Antonio's CFI increased from 2.0 in 2009 to 3.3 in 2010 primarily due to an increase in the return on net assets ratio. The increase in the return on net assets ratio was largely driven by the net increase in the fair value of investments of \$17.7 million in 2010 as compared to a net decrease in 2009 of \$28.2 million, which resulted in an increase between years of \$45.9 million.

Operating Expense Coverage Ratio - UT San Antonio's operating expense coverage ratio remained unchanged at 4.2 months in 2010. The stability of this ratio was attributable to increases in both total unrestricted net assets of \$16.2 million and total operating expenses (including interest expense) of \$42.0 million. The increase in total unrestricted net assets was primarily due to the net increase in the fair value of investments allocated to designated funds and auxiliary enterprises, which resulted in an overall increase between 2009 and 2010 of \$26.9 million. The increase in total operating expenses was largely attributable to the following: a \$20.2 million increase in salaries and payroll related costs as a result of merit increases, promotions and salary adjustments; a \$9.7 million increase in scholarships and fellowships due to increased Pell Grant awards and Texas Grant Program awards; a \$5.0 million increase in depreciation expense attributable to the recognition of the first full year of depreciation expense on the Applied Engineering & Technology Building that was placed into service in 2009, as well as depreciation expense on additions/renovations to the University Center, the Monterrey Building, Sombrilla and parking lots; a \$1.5 million increase in repairs and maintenance due to expenses incurred for fire and life safety improvements, emergency generators, and classroom and building repairs; a \$1.3 million increase in materials and supplies primarily due to furniture and equipment purchases for the Applied Engineering & Technology Building; and a \$1.1 million increase in travel largely resulting from increased athletic team and recruitment travel, as well as increased student and foreign travel.

Annual Operating Margin Ratio - Although UT San Antonio's annual operating margin ratio decreased from 4.0% for 2009 to 3.7% for 2010, the operating margin increased slightly by \$0.1 million. The relative stability in the operating margin was attributable to consistent growth in both total operating revenues of \$42.1 million and total operating expenses of \$42.0 million. Total operating revenues increased primarily due to the following: a \$21.6 million increase in sponsored programs revenue (including nonexchange sponsored programs) attributable to an increase in Pell Grant funding, the new American Recovery and Reinvestment Act (ARRA) funding, and the Texas Research Incentive Program (TRIP) funding; a \$9.0 million increase in net tuition and fees as a result of higher tuition and fee rates, as well as an increase in semester credit hours; a \$5.9 million increase in State appropriations; a \$2.4 million increase in auxiliary enterprises due to increased revenues from housing, meal plans and parking; a \$2.3 million increase in gifts for operations; and a \$1.1 million increase in investment income (excluding realized gains and losses).

Expendable Resources to Debt Ratio - UT San Antonio's expendable resources to debt ratio increased slightly from 0.5 in 2009 to 0.6 in 2010. The small increase in this ratio was attributable to increases in both total unrestricted net assets of \$16.2 million, as discussed above, and restricted expendable net assets of \$7.4 million due to funding for the North Paseo Building.

Debt Burden Ratio - UT San Antonio's debt burden ratio decreased from 8.6% in 2009 to 7.8% in 2010. The decrease in this ratio was due to a small decrease in debt service payments of \$0.3 million and an increase in total operating expenses, as previously discussed.

Debt Service Coverage Ratio - UT San Antonio's debt service coverage ratio increased from 2.1 in 2009 to 2.4 in 2010 as a result of the increase in operating revenues as discussed in the annual operating margin ratio, combined with the decrease in debt service payments.

Full-Time Equivalent (FTE) Student Enrollment - UT San Antonio's student headcount and the number of semester credit hours both increased from the prior fall, resulting in an increase in the number of FTE students of 4.7%.