



Monthly Financial Report

(Unaudited)

System Office:

*The University of Texas
System Administration*

Academic Components:

*The University of Texas
at Arlington*

*The University of Texas
at Austin*

*The University of Texas
at Brownsville*

*The University of Texas
at Dallas*

*The University of Texas
at El Paso*

*The University of Texas –
Pan American*

*The University of Texas
of the Permian Basin*

*The University of Texas
at San Antonio*

*The University of Texas
at Tyler*

Health Components:

*The University of Texas
Southwestern Medical Center
at Dallas*

*The University of Texas
Medical Branch at Galveston*

*The University of Texas Health
Science Center at Houston*

*The University of Texas Health
Science Center at San Antonio*

*The University of Texas
M.D. Anderson Cancer Center*

*The University of Texas Health
Center at Tyler*

December 2001

**THE UNIVERSITY OF TEXAS SYSTEM
MONTHLY FINANCIAL REPORT
(Unaudited)
FOR THE FOUR MONTHS ENDING
DECEMBER 31, 2001**

The University of Texas System
Monthly Financial Report

Foreword

Beginning September 1, 2001, compliance with Governmental Accounting Standards Board Statement No. 35 (GASB 35), *Basic Financial Statements • and Management's Discussion and Analysis -for Public Colleges and Universities* requires substantial changes in the annual reporting of financial results. These changes include: the measurement focus and basis of accounting has changed from modified accrual to full accrual, first-time recognition of depreciation expense for exhaustible capital assets, an entity-wide rather than a National Association of College and University Business Officers (NACUBO) fund groups (E&G, Designated, Auxiliary Enterprises, Restricted, etc.) prospective, a current versus non-current classification of the balance sheet, an operating versus non-operating classification of revenues and expenses, a direct method of cash flow statement and enhanced footnote disclosures.

In anticipation of these changes to the Annual Financial Report (AFR), the Monthly Financial Report (MFR) was revised in scope and format under the consultation of the U. T. System Institutions' financial reporting staffs. The goal is to provide for better consistency in monitoring financial condition between the MFR and the AFR under GASB 35. The following data is represented under the new requirements, and therefore historical comparisons and restatements are not possible or practical. Accordingly, the MFR's for 2002 will compare results of operations between the current month and the prior month. Explanations are provided for month-to-month variances that meet the following two criteria: (1) the variance is at least 10% of the prior month actual; and (2) the variance is greater than \$1,000,000. In 2003, prior period data for 2002 will be available in the new reporting format and we will once again begin to compare to previous year.

The data is reported in three sections: (1) Operating Revenues, (2) Operating Expenses and (3) Other Non-operating Adjustments. Presentation of State appropriation revenues are required under GASB 35 to be reflected as non-operating revenues, so all institutions will report an Operating Loss prior to this adjustment. The MFR provides an Adjusted Income (Loss), which takes into account the non-operating adjustments associated with core operating activities. An Adjusted Margin (as a percentage of operating and non-operating revenue adjustments) is calculated for each period and is intended to reflect relative operating contributions to financial health.

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UNAUDITED
The University of Texas System
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u> <u>(Restated)</u>	Variance of <u>Current Month</u> <u>to Prior Month</u>	Fluctuation <u>Percentage</u>
Operating Revenues					
Student Tuition and Fees	\$224,888,119	\$56,913,935	\$56,326,794	\$587,142	1.04%
Sponsored Programs	479,395,921	112,264,839	120,286,953	(8,022,113)	-6.67%
Net Sales and Services of Educational Activities	53,267,127	11,199,918	12,425,508	(1,225,590)	-9.86%
Net Sales and Services of Hospitals	484,250,202	117,320,114	131,715,616	(14,395,502)	-10.93% (1)
Net Professional Fees	200,328,754	50,997,534	50,924,071	73,463	0.14%
Net Auxiliary Enterprises	82,065,578	18,575,945	18,972,864	(396,920)	-2.09%
Other Operating Revenues	128,402,501	23,500,224	59,471,102	(35,970,878)	-60.48% (2)
Total Operating Revenues	1,652,598,202	390,772,509	450,122,907	(59,350,398)	-13.19%
Operating Expenses					
Salaries and Wages	1,090,863,513	273,942,237	274,262,151	(319,913)	-0.12%
Employee Benefits and Related Costs	263,068,269	70,069,939	67,181,895	2,888,043	4.30%
Professional Fees and Contracted Services	108,173,456	21,090,206	28,007,050	(6,916,844)	-24.70% (3)
Scholarships and Fellowships	109,358,554	20,639,533	13,333,306	7,306,227	54.80% (4)
Travel	22,760,367	5,704,172	6,638,028	(933,856)	-14.07%
Materials and Supplies	207,511,747	48,463,911	54,490,814	(6,026,903)	-11.06% (5)
Utilities	46,507,126	11,472,930	11,805,122	(332,192)	-2.81%
Telecommunications	17,077,001	4,146,215	4,628,533	(482,318)	-10.42%
Repairs and Maintenance	32,471,564	7,941,298	7,746,035	195,264	2.52%
Rentals and Leases	19,127,537	5,059,436	4,785,623	273,813	5.72%
Printing and Reproduction	10,120,422	2,409,068	2,895,655	(486,587)	-16.80%
Cost of Goods Sold	7,865,627	2,125,854	1,531,089	594,765	38.85%
Bad Debt Expense	62,627,042	14,351,612	14,913,170	(561,558)	-3.77%
Claims and Losses	209,748	(960,654)	(1,936,481)	975,827	50.39%
Federal Sponsored Programs Pass-Throughs	15,090,190	4,124,051	4,033,954	90,096	2.23%
State Sponsored Programs Pass-Throughs	5,502,290	610,747	772,837	(162,090)	-20.97%
Depreciation and Amortization	101,643,255	25,271,375	25,507,811	(236,436)	-0.93%
Other Operating Expenses	173,767,661	33,957,468	71,632,272	(37,674,804)	-52.59% (6)
Total Operating Expenses	2,293,745,369	550,419,398	592,228,865	(41,809,466)	-7.06%
Operating Loss	(641,147,167)	(159,646,889)	(142,105,958)	(17,540,931)	-12.34%
Other Non-operating Adjustments					
State Appropriations	547,025,277	137,529,986	135,156,646	2,373,341	1.76%
Gift Contributions for Operations	57,584,647	21,678,180	13,097,712	8,580,468	65.51% (7)
Nonexchange Sponsored Programs	6,474,596	1,758,540	1,443,310	315,230	21.84%
Net Investment Income	102,392,971	25,506,405	26,444,501	(938,096)	-3.55%
Interest Expense on Capital Asset Financings	(23,157,345)	(5,780,203)	(8816,994)	36,791	0.63%
Net Other Non-operating Adjustments	690,320,145	180,692,908	170,325,175	10,367,734	6.09%
Adjusted Income (Loss)	\$49,172,978	\$21,046,019	\$28,219,218	\$(7,173,199)	-25.42%
Adjusted Margin (as a percentage)	2.08%	3.65%	4.51%		

THE UNIVERSITY OF TEXAS SYSTEM
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT
For the Four Months Ending December 31, 2001

Explanations are provided for month-to-month variances that meet the following two criteria: 1) the variance is at least 10% of the prior month actual; and 2) the variance is greater than \$1,000,000.

Prior period data may have been restated for comparability purposes.

OPERATING REVENUES

- (1) Net Sales and Services of Hospitals - The \$14.4 million (10.9%) decrease in revenues compared to November is primarily due to *U.T.M.D. Anderson* (\$9 million) and *U.T.M.B. Galveston* (\$5.3 million). The variance is primarily due to decreased patient volumes and 19 clinical days in December versus 21 clinical days in the month of November.
- (2) Other Operating Revenues - The \$36 million (60.5%) decrease in revenues compared to November is primarily due to *U.T.M.B. Galveston* (\$14.5 million), *U.T.H.S.C. San Antonio* (\$11.5 million), *U.T.H.S.C. Houston* (\$5.6 million), *U.T.M.D. Anderson* (\$1.7 million), *U.T.H.C. Tyler* (\$1 million) and *U.T.S.M.C. Dallas* (\$1 million). The variances are primarily due to the inclusion of the non-profit health care companies' quarterly revenues in **November**. The variances will re-occur on a quarterly basis.

U.T.M.B. Galveston's variance is primarily due to expenses associated with the Federal Direct Student Loan Program.

U.T.H.S.C. Houston's variance is primarily due to more Texas Public Education Grants (TPEG) being given out in December than in November.

U.T.H.S.C. San Antonio's variance is primarily due to new scholarships being awarded in December in the Medical School from newly endowed scholarships, as well as dormant scholarship funds.

- (5) Materials and Supplies - The \$6 million (11.1%) decrease in expenses compared to November is primarily due to *U.T.M.D. Anderson* (\$2.2 million), *U.T.S.M.C. Dallas* (\$1.8 million) and *U.T. Austin* (\$1.4 million). There were fewer operational days in December due to the holidays. Variances are inevitable because the need for these items will vary from month to month.

OPERATING EXPENSES

- (3) Professional Fees and Contracted Services - The \$6.9 million (24.7%) decrease in expenses compared to November is primarily due to *U.T.M.B. Galveston* (\$4.4 million) and *U.T. Austin* (\$2.1 million).

U.T.M.B. Galveston's variance is primarily due to the timing difference of expenses associated with the Management Services Agreement between *U.T.M.B. Galveston* and the non-profit health care company, Nursing Services and Information Services.

U.T. Austin's variance is primarily due to two payments that were made for Erwin Center performances in November by U2 and WWF Entertainment. Also, a contractual payment was made to Capital Metro Transit Authority in November for shuttle bus services.

- (4) Scholarships and Fellowships - The \$7.3 million (54.8%) increase in expenses compared to November is primarily due to *U.T.M.B. Galveston* (\$6.1 million), *U.T.H.S.C. Houston* (\$538,000) and *U.T.H.S.C. San Antonio* (\$448,000).

- (6) Other Operating Expenses - The \$37.7 million (52.6%) decrease in expenses as compared to November is primarily due to *U.T.M.B. Galveston* (\$13.9 million), *U.T.H.S.C. San Antonio* (\$12.3 million), *U.T.H.S.C. Houston* (\$6.8 million), *U.T.M.D. Anderson* (\$1.9 million), *U.T.S.M.C. Dallas* (\$1.1 million) and *U.T.H.C. Tyler* (\$1 million). The variances are primarily due to the inclusion of the non-profit health care companies' quarterly expenses in November. The variances will **re-occur** on a quarterly basis.

OTHER NON-OPERATING ADJUSTMENTS

- (7) Gift Contributions for Operations - The \$8.6 million (65.5%) increase in revenues compared to November is primarily due to *U.T. Austin* (\$8.7 million) and is due to gifts that are often made at calendar year-end for tax deduction purposes.

GLOSSARY OF TERMS

OPERATING REVENUES:

STUDENT TUITION AND FEES – *All student tuition and fee revenues earned at the U.T. component institution for educational purposes.*

SPONSORED PROGRAMS – *Funding received from local, state and federal governments or private agencies, organizations or individuals and includes amounts received for exchange grants, contracts, and agreements from these entities for current operations. This also includes indirect cost recoveries and pass-thru federal and state grants related to exchange transactions.*

NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES – *Revenues that are related incidentally to the conduct of instruction, research, and public service and revenues from activities that exist to provide on instructional and laboratory experience for students that incidentally create goods and services that may be sold.*

NET SALES AND SERVICES OF HOSPITALS – *Revenues (net of discounts, allowances, and bad debt expense) generated from U. T. health institution's doily patient care, special or other services, as well as revenues from health clinics that are part of a hospital.*

NET PROFESSIONAL FEES -*Revenues (net of discounts, allowances, and bad debt expense) derived from the fees charged by the professional staffs of U.T. health institutions as part of the Medical Practice Plans. These revenues are also identified as Practice Plan income. Examples of such fees could include doctor's fees for clinic visits, medical and dental procedures, professional opinions, and anatomical procedures, such as analysis of specimens after a surgical procedure, etc.*

NET AUXILIARY ENTERPRISES *Revenues derived from a service to students, faculty, or staff in which a fee is charged that is directly related to, although not necessarily equal to the cost of the service (e.g., bookstores, dormitories, dining halls, snack bars, inter-collegiate athletic programs, etc.).*

OTHER OPERATING REVENUES – *Other exchange revenues generated to meet current fiscal year operating expenditures, which are not included in the preceding categories.*

TOTAL OPERATING REVENUES – *U. T. component institutionally generated funding needed to meet current fiscal year operating expenditures.*

OPERATING EXPENSES:

SALARIES AND WAGES – *Expenditures for all salaries and wages of individuals employed by the institution including full-time, part-time, longevity, hourly, seasonal, etc.*

EMPLOYEE BENEFITS AND RELATED COSTS – *Expenditures for all employee benefits paid by the institution or paid by the state on behalf of the institution.*

PROFESSIONAL FEES AND CONTRACTED SERVICES -*Payments for services rendered on a fee, contract, or other basis by a person, firm, corporation, or company recognized as possessing a high degree of learning and responsibility. Includes such items as services of a consultant, legal counsel, financial or audit fees, medical contracted services, guest lecturers (not employees) and expert witnesses.*

SCHOLARSHIPS AND FELLOWSHIPS -*Payments made for scholarship grants to students authorized by law*

TRAVEL – *Payments for travel costs incurred during travel by employees, board or commission members and elected/appointed officials on state business. Includes payments made directly to public transportation companies or credit card issuers by state agencies for travel expenses of its employees officials and board members.*

MATERIALS AND SUPPLIES – *Payments for consumable items. Includes, but is not limited to: computer consumables, office supplies, paper products, soap, lights, plants, fuels and lubricants, chemicals and gasses, medical supplies and copier supplies. Also includes postal services, and subscriptions and other publications not for permanent retention.*

UTILITIES – *Payments for the purchase of electricity, natural gas, water, thermal energy and waste disposal.*

TELECOMMUNICATIONS • *Electronically transmitted communications services (telephone, internet, computation center services, etc.).*

REPAIRS AND MAINTENANCE – Payments for the maintenance and repair of equipment, **furnishings** and motor vehicles. Includes, but is **not** limited to repair and maintenance to copy machines, furnishings, equipment – including medical and laboratory equipment, **office** equipment and aircraft. Also includes payments for the maintenance and repair of buildings and **other plant facilities**.

RENTALS AND LEASES – Payments for rentals or **leases of furnishings** and equipment, vehicles, land and **office** buildings (all rental of space).

PRINTING AND REPRODUCTION – Printing and reproduction costs associated with the printing/copying of the institution's documents and publications.

COST OF GOODS SOLD – Purchases of **goods for resale** and **raw materials purchased for use in the manufacture of products** intended for sale to others.

BAD DEBT EXPENSE – Expenses incurred by the **university** related to non-payment **of accounts** receivable **and student** loans.

CLAIMS AND LOSSES – **Payments** for claims processed under procedures of the Miscellaneous Claims Act. Other claims for settlements and judgments are considered non-operating **expenses**.

FEDERAL SPONSORED PROGRAMS PASS-THROUGHS – **Pass-throughs** to other Texas state agencies, including other universities, **of federal grants** and contracts.

STATE SPONSORED PROGRAMS PASS-THROUGHS – **Pass-throughs** to other Texas state agencies, including Texas universities.

DEPRECIATION AND AMORTIZATION – **Estimated depreciation and amortization expense**.

OTHER OPERATING EXPENSES – Other operating expenses not identified in other line items above.

TOTAL OPERATING EXPENSES – Total operating expenditures for **U.T. System component institution**.

OPERATING LOSS – Total operating revenues less total operating expenditures before other non-operating adjustments like state appropriations.

OTHER NON-OPERATING ADJUSTMENTS:

STATE APPROPRIATIONS – Appropriations from the State General Revenue fund, which supplement the **U.T. component** institutional revenue in meeting operating expenditures, such as **faculty** salaries, utilities, and institutional support. Also includes Higher Education Assistance Funds (**HEAF**), which is a source of state appropriated general revenue to **U.T. Brownsville** and **U.T. Pan American**. HEAF funds are appropriated for construction, library and equipment **expenditures** for Texas public universities that do not **benefit from** the Permanent **University Fund (PUF) bond proceeds**.

GIFT CONTRIBUTIONS FOR OPERATIONS – Consist of public and private unrestricted **gifts** used in current operations. Excludes **gifts for** capital acquisition and endowment **gifts**.

NONEXCHANGE SPONSORED PROGRAMS – Federal, state, local or privately sponsored programs, which provide resources to **U.T.** institutions on a nonexchange basis, which can be utilized in current operations.

NET INVESTMENT INCOME – Interest and dividend income, excluding fair market value adjustments to short and long-term investments held by an institution.

INTEREST EXPENSE ON CAPITAL ASSET FINANCINGS – Interest expenses associated with bond and note borrowings utilized **to finance** capital improvement projects by an institution. This consists of the interest portion of mandatory debt service transfers under the Revenue Financing System and Tuition Revenue **bond programs**.

NET OTHER NON-OPERATING ADJUSTMENTS – Sum of the other non-operating **adjustments**.

ADJUSTED INCOME (LOSS) – Total operating **revenues** less total operating expenses **plus** net other non-operating adjustments.

ADJUSTED MARGIN (as a percentage) – Percentage of **Adjusted Income (Loss)** divided by Total Operating Revenues plus Net Non-operating Adjustments less Interest Expense on Capital **Asset Financings**.

UNAUDITED
The University of Texas System Administration
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	<u>Year-to-Date</u> <u>FY 2002</u>	<u>Month of</u> <u>Dec</u>	<u>Month of</u> <u>Nov</u>	<u>Variance of</u> <u>Current Month</u> <u>to Prior Month</u>	<u>Fluctuation</u> <u>Percentage</u>
Operating Revenues					
Net Sales and Services of Educational Activities	\$199,790	\$0	\$46,790	\$(46,790)	-100.00%
Other Operating Revenues	1,345,854	132,725	246,720	(113,995)	-46.20%
Total Operating Revenues	1,545,644	132,725	293,510	(160,785)	-54.78%
Operating Expenses					
Salaries and Wages	5,438,654	1,370,723	1,178,683	192,040	16.29%
Employee Benefits and Related Costs	1,858,249	428,052	503,265	(75,213)	-14.95%
Professional Fees and Contracted Services	2,081,200	240,306	289,982	(49,676)	-17.13%
Travel	32,1034	46,680	113,052	(66,372)	-58.71%
Materials and Supplies	708,682	203,362	191,251	12,111	6.33%
Utilities	12,676	2,273	2,503	(230)	-9.19%
Telecommunications	138,309	32,576	30,943	1,633	5.28%
Repairs and Maintenance	97,299	25,146	21,317	3,829	17.96%
Rentals and Leases	270,012	59,114	69,417	(10,303)	-14.84%
Printing and Reproduction	128,299	20,111	52,954	(32,843)	-62.02%
Claims and Losses	(513,965)	(1,127,038)	(1,971,481)	844,443	42.83%
Depreciation and Amortization	299,132	74,783	74,783	0	0.00%
Other Operating Expenses	1,594,540	212,300	265,082	(52,782)	-19.91%
Total Operating Expenses	12,434,121	1,588,388	821,751	766,637	93.29%
Operating Loss	(10,888,477)	(1,455,663)	(528,241)	(927,422)	-175.57%
Other Non-operating Adjustments					
State Appropriations	291,904	72,976	72,976	0	0.00%
Gift Contributions for Operations	140,021	89,956	9,000	80,956	899.51%
Net Investment Income	14,886,999	3,457,467	4,106,844	(649,377)	-15.81%
Interest Expense on Capital Asset Financings	(10,032)	(2,508)	(2,508)	0	0.00%
Net Other Non-operating Adjustments	15,308,892	3,617,891	4,186,312	(568,421)	-13.58%
Adjusted Income (Loss)	\$4,420,415	\$2,162,228	\$3,658,071	\$(1,495,843)	-40.89%
Adjusted Margin (as a percentage)	26.21%	57.61%	81.61%		

UNAUDITED
The University of Texas at Arlington
Comparison of Operating Results and Margin
For the Four Months Ending December **31, 2001**

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$24,949,997	\$6,237,499	\$6,109,088	\$128,411	2.10%
Sponsored Programs	9,338,909	1,593,349	1,929,619	(336,270)	-17.43%
Net Sales and Services of Educational Activities	1,033,188	106,717	274,969	(168,252)	-61.19%
Net Auxiliary Enterprises	5,440,088	1,095,461	1,007,359	88,102	8.75%
Other Operating Revenues	1,084,860	300,992	288,642	12,350	4.28%
Total Operating Revenues	41,847,042	9,334,018	9,609,677	(275,659)	-2.87%
Operating Expenses					
Salaries and Wages	39,552,567	9,774,792	9,689,273	85,519	0.88%
Employee Benefits and Related Costs	9,707,234	2,405,502	2,431,163	(25,661)	-1.06%
Professional Fees and Contracted Services	1,893,017	185,808	251,845	(66,037)	-26.22%
Scholarships and Fellowships	9,840,257	2,545,264	2,443,678	101,586	4.16%
Travel	703,515	202,496	203,793	(1,297)	-0.64%
Materials and Supplies	3,705,135	1,003,874	961,428	42,446	4.41%
Utilities	2,146,718	493,844	515,527	(21,683)	-4.21%
Telecommunications	619,151	159,099	141,279	17,820	12.61%
Repairs and Maintenance	1,584,540	341,404	277,578	63,826	22.99%
Rentals and Leases	442,836	68,664	108,742	(40,078)	-36.86%
Printing and Reproduction	691,499	190,991	177,537	13,454	7.58%
Federal Sponsored Programs Pass-Throughs	135,065	13,078	45,768	(32,690)	-71.43%
State Sponsored Programs Pass-Throughs	18,625	0	0	0	0.00%
Depreciation and Amortization	3,257,993	841,546	841,249	297	0.04%
Other Operating Expenses	1,342,434	268,431	295,388	(26,957)	-9.13%
Total Operating Expenses	75,640,586	18,494,793	18,384,248	110,545	0.60%
Operating Loss	(33,793,544)	(9,160,775)	(8,774,571)	(386,204)	-4.40%
Other Non-operating Adjustments					
State Appropriations	34,563,869	8,633,300	8,563,099	70,201	0.82%
Gift Contributions for Operations	743,914	159,878	273,636	(1 13,758)	-41.57%
Net Investment Income	916,096	234,065	292,759	(58,694)	-20.05%
Interest Expense on Capital Asset Financings	(1,482,448)	(370,612)	(370,612)	0	0.00%
Net Other Non-operating Adjustments	34,741,431	8,656,631	8,758,882	(102,251)	-1.17%
Adjusted Income (Loss)	\$947,887	\$(504,144)	\$(15,689)	\$(488,455)	-3,113.36%
Adjusted Margin (as a percentage)	1.21%	-2.75%	-0.08%		

UNAUDITED
The University of Texas at Austin
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$111,755,818	\$27,938,954	\$27,938,954	\$0	0.00%
Sponsored Programs	104,907,609	21,488,117	24,569,143	(3,081,026)	-12.54%
Net Sales and Services of Educational Activities	19,423,430	3,534,997	3,109,626	425,371	13.68%
Net Auxiliary Enterprises	47,767,499	10,217,934	11,578,841	(1,360,907)	-11.75%
Other Operating Revenues	39,014,504	9,624,267	10,058,324	(434,057)	-4.32%
Total Operating Revenues	322,868,860	72,804,269	77,254,888	(4,450,619)	-5.76%
Operating Expenses					
Salaries and Wages	229,038,493	54,583,244	56,106,205	(1,522,961)	-2.71%
Employee Benefits and Related Costs	49,001,371	12,409,413	11,803,593	605,820	5.13%
Professional Fees and Contracted Services	16,311,624	2,426,439	4,485,383	(2,058,944)	-45.90%
Scholarships and Fellowships	42,408,930	890,759	1,223,524	(332,765)	-27.20%
Travel	8,228,032	2,044,720	2,417,809	(373,089)	-15.43%
Materials and Supplies	22,645,490	4,830,370	6,273,059	(1,442,689)	-23.00%
Utilities	12,053,488	2,897,651	3,030,887	(133,236)	-4.40%
Telecommunications	3,345,900	965,150	1,024,905	(59,755)	-5.83%
Repairs and Maintenance	6,666,871	1,754,680	1,645,897	108,783	6.61%
Rentals and Leases	4,755,974	1,002,054	1,239,434	(237,380)	-19.15%
Printing and Reproduction	3,649,839	741,846	933,251	(191,405)	-20.51%
Cost of Goods Sold	4,384,889	929,100	1,039,464	(1,103,364)	-10.62%
Bad Debt Expense	343,750	343,750	0	343,750	100.00%
Federal Sponsored Programs Pass-Throughs	3,441,933	439,001	888,278	(449,277)	-50.58%
State Sponsored Programs Pass-Throughs	572,637	40,440	195,019	(154,579)	-79.26%
Depreciation and Amortization	20,697,073	5,135,049	5,167,031	(31,982)	-0.62%
Other Operating Expenses	12,889,042	2,578,273	2,922,283	(344,010)	-11.77%
Total Operating Expenses	440,435,336	94,011,939	100,396,022	(6,384,083)	-6.36%
Operating Loss	(117,566,476)	(21,207,670)	(23,141,134)	1,933,464	8.36%
Other Non-operating Adjustments					
State Appropriations	98,963,829	25,368,208	23,451,467	1,916,741	8.17%
Gift Contributions for Operations	22,263,463	10,586,837	1,901,469	8,685,368	456.77%
Net Investment Income	30,442,956	7,365,379	7,723,002	(357,623)	-4.63%
Interest Expense on Capital Asset Financings	(5,593,573)	(1,389,260)	(1,426,051)	36,791	2.58%
Net Other Non-operating Adjustments	146,076,674	41,931,164	31,649,887	10,281,277	32.48%
Adjusted Income (Loss)	\$28,510,198	\$20,723,494	\$8,508,753	\$12,214,741	143.56%
Adjusted Margin (as a percentage)	6.01%	17.85%	7.71%		

The University of Texas at Brownsville
 Comparison of Operating Results and Margin
 For the Four Months Ending December **31, 2001**

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$2,341,268	\$586,950	\$586,740	\$210	0.04%
Sponsored Programs	14,376,422	3,700,545	3,728,624	(28,079)	-0.75%
Net Sales and Services of Educational Activities	1,525,748	312,254	474,143	(161,889)	-34.14%
Net Auxiliary Enterprises	55,592	12,519	11,956	563	4.71%
Other Operating Revenues	6,946	864	2,938	(2,074)	-70.59%
Total Operating Revenues	18,305,976	4,613,132	4,804,401	(191,269)	-3.98%
Operating Expenses					
Salaries and Wages	12,171,752	3,033,808	3,196,704	(162,896)	-5.10%
Employee Benefits and Related Costs	2,368,428	610,039	656,020	(45,981)	-7.01%
Professional Fees and Contracted Services	512,054	131,388	125,650	5,738	4.57%
Scholarships and Fellowships	1,562,284	494,791	427,387	67,404	15.77%
Travel	226,429	72,649	83,010	(10,361)	-12.48%
Materials and Supplies	1,199,454	345,074	253,634	91,440	36.05%
Utilities	353,053	112,398	106,743	5,655	5.30%
Telecommunications	286,370	13,954	52,191	(38,237)	-73.26%
Repairs and Maintenance	147,475	27,968	62,917	(34,949)	-55.55%
Rentals and Leases	792,795	144,991	240,303	(95,312)	-39.66%
Printing and Reproduction	145,989	42,953	26,348	16,605	63.02%
Cost of Goods Sold	4,726	768	2,142	(1,374)	-64.15%
Depreciation and Amortization	617,903	148,309	148,584	(275)	-0.19%
Other Operating Expenses	2,491,653	635,777	621,164	14,613	2.35%
Total Operating Expenses	22,880,365	5,814,867	6,002,797	(187,930)	-3.13%
Operating Loss	(4,574,389)	(1,201,735)	(1,198,396)	(3,339)	-0.28%
Other Non-operating Adjustments					
State Appropriations	7,300,871	2,157,380	1,714,535	442,845	25.83%
Nonexchange Sponsored Programs	340,798	56,559	135,408	(78,849)	-58.23%
Net Investment Income	156,323	23,510	44,033	(20,523)	-46.61%
Interest Expense on Capital Asset Financings	(428,628)	(107,157)	(107,157)	0	0.00%
Net Other Non-operating Adjustments	7,369,364	2,130,292	1,786,819	343,473	19.22%
Adjusted Income (Loss)	\$2,794,975	\$928,557	\$588,423	\$340,134	57.80%
Adjusted Margin (as a percentage)	10.71%	13.55%	8.78%		

UNAUDITED
The University of Texas at Dallas
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$21,381,441	\$5,399,800	\$5,399,760	\$40	0.00%
Sponsored Programs	4,941,796	931,787	1,543,725	(611,938)	-39.64%
Net Sales and Services of Educational Activities	1,732,160	472,212	370,802	101,410	27.35%
Net Auxiliary Enterprises	1,405,512	512,648	235,763	276,885	117.44%
Other Operating Revenues	853,369	229,890	247,092	(17,202)	-6.96%
Total Operating Revenues	30,314,278	7,546,337	7,797,143	(250,805)	-3.22%
Operating Expenses					
Salaries and Wages	28,570,676	7,144,266	7,201,255	(56,989)	-0.79%
Employee Benefits and Related Costs	6,227,631	1,639,285	1,530,286	108,999	7.12%
Professional Fees and Contracted Services	1,923,380	491,959	419,396	72,563	17.30%
Scholarships and Fellowships	6,050,514	1,500,000	1,500,000	0	0.00%
Travel	699,943	192,074	187,734	4,340	2.31%
Materials and Supplies	2,999,061	611,822	758,725	(146,903)	-19.36%
Utilities	1,479,072	380,563	376,826	3,737	0.99%
Telecommunications	356,970	78,415	96,991	(18,576)	-19.15%
Repairs and Maintenance	988,142	144,569	283,822	(139,253)	-49.06%
Rentals and Leases	277,099	58,299	80,614	(22,315)	-27.68%
Printing and Reproduction	235,874	91,019	76,626	14,393	18.78%
Cost of Goods Sold	1,200	0	0	0	0.00%
Bad Debt Expense	5,210	700	658	42	6.38%
Federal Sponsored Programs Pass-Throughs	44,434	10,609	33,825	(23,216)	-68.64%
Depreciation and Amortization	2,704,487	676,728	571,874	104,854	18.34%
Other Operating Expenses	2,325,931	387,195	589,226	(202,031)	-34.29%
Total Operating Expenses	54,889,624	13,407,503	13,707,859	(300,355)	-2.19%
Operating Loss	(24,575,346)	(5,861,166)	(5,910,716)	49,550	0.84%
Other Non-operating Adjustments					
State Appropriations	22,185,185	5,546,296	5,546,296	0	0.00%
Gift Contributions for Operations	821,222	87,366	242,293	(154,927)	-63.94%
Nonexchange Sponsored Programs	2,859,717	714,929	714,929	0	0.00%
Net Investment Income	3,120,489	874,134	751,331	122,803	16.34%
Interest Expense on Capital Asset Financings	(808,416)	(202,104)	(202,104)	0	0.00%
Net Other Non-operating Adjustments	28,178,197	7,020,621	7,052,746	(32,124)	-0.46%
Adjusted Income (Loss)	\$3,602,851	\$1,159,455	\$1,142,029	\$17,426	1.53%
Adjusted Margin (as a percentage)	6.08%	7.85%	7.59%		

UNAUDITED
The University of Texas at El Paso
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$15,628,100	\$3,907,025	\$3,907,025	\$0	0.00%
Sponsored Programs	22,191,235	2,750,812	2,424,645	326,167	13.45%
Net Sales and Services of Educational Activities	2,048,475	168,461	833,453	(664,992)	-79.79%
Net Auxiliary Enterprises	5,869,366	1,319,872	1,174,624	145,248	12.37%
Other Operating Revenues	9,117	1,449	300	1,149	383.00%
Total Operating Revenues	45,746,293	8,147,619	8,340,047	(192,428)	-2.31%
Operating Expenses					
Salaries and Wages	33,182,127	8,147,494	8,417,090	(269,596)	-3.20%
Employee Benefits and Related Costs	8,004,512	2,104,928	2,291,558	(186,630)	-8.14%
Professional Fees and Contracted Services	3,742,022	782,263	1,110,345	(328,082)	-29.55%
Scholarships and Fellowships	10,530,926	213,597	263,049	(49,452)	-18.80%
Travel	1,818,913	301,665	486,076	(184,411)	-37.94%
Materials and Supplies	2,986,759	832,557	582,890	249,667	42.83%
Utilities	1,043,786	241,729	345,129	(103,400)	-29.96%
Telecommunications	369,878	53,273	115,683	(62,410)	-53.95%
Repairs and Maintenance	1,208,468	74,669	157,008	(82,339)	-52.44%
Rentals and Leases	290,936	45,774	69,160	(23,386)	-33.81%
Printing and Reproduction	375,217	87,874	118,659	(30,785)	-25.94%
Cost of Goods Sold	819,357	169,000	108,225	60,775	56.16%
Bad Debt Expense	80,000	20,000	20,000	0	0.00%
Federal Sponsored Programs Pass-Throughs	1,862,062	636,674	268,256	368,418	137.34%
State Sponsored Programs Pass-Throughs	2,546,518	64,188	13,993	(9,805)	-13.25%
Depreciation and Amortization	3,806,394	945,187	950,700	(5,513)	-0.58%
Other Operating Expenses	2,572,099	348,033	170,678	177,355	103.91%
Total Operating Expenses	75,239,974	15,068,905	15,548,499	(479,594)	-3.08%
Operating Loss	(29,493,681)	(6,921,286)	(7,208,452)	287,166	3.98%
Other Non-operating Adjustments					
State Appropriations	25,201,004	6,300,251	6,300,251	0	0.00%
Civil Contributions for Operations	2,414,067	547,940	160,565	387,375	241.26%
Net Investment Income	2,002,384	503,313	494,118	9,195	1.86%
Interest Expense on Capital Asset Financings	(1,204,812)	(301,203)	(301,203)	0	0.00%
Net Other Non-operating Adjustments	28,412,643	7,050,301	6,653,731	396,570	5.96%
Adjusted Income (Loss)	\$(1,081,038)	\$129,015	\$(554,721)	\$683,736	123.26%
Adjusted Margin (as a percentage)	-1.43%	0.83%	-3.63%		

UNAUDITED
The University of Texas-Pan American
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$12,536,142	\$3,851,553	\$2,894,863	\$956,690	33.05%
Sponsored Programs	13,761,916	3,976,101	4,050,665	(74,564)	-1.84%
Net Sales and Services of Educational Activities	1,590,214	295,415	357,888	(62,473)	-17.46%
Net Auxiliary Enterprises	1,660,460	415,115	415,115	0	0.00%
Other Operating Revenues	25,819	1,319	15,369	(14,050)	-91.42%
Total Operating Revenues	29,574,551	8,539,503	7,733,900	805,603	10.42%
Operating Expenses					
Salaries and Wages	20,583,065	5,214,889	5,203,415	11,474	0.22%
Employee Benefits and Related Costs	4,814,519	1,162,902	1,229,805	(66,903)	-5.44%
Professional Fees and Contracted Services	106,399	18,097	15,319	2,778	18.13%
Scholarships and Fellowships	13,448,566	3,839,570	3,493,622	345,948	9.90%
Travel	466,782	136,856	94,336	42,520	45.07%
Materials and Supplies	2,447,413	641,423	543,589	97,834	18.00%
Utilities	1,459,969	317,524	429,075	(111,551)	-26.00%
Telecommunications	202,553	38,785	102,217	(63,432)	-62.06%
Repairs and Maintenance	510,053	49,192	221,108	(171,916)	-77.75%
Rentals and Leases	118,101	34,416	27,258	7,158	26.26%
Printing and Reproduction	139,813	33,190	40,975	(7,785)	-19.00%
Cost of Goods Sold	766,726	101,655	173,517	(71,862)	-41.41%
Bad Debt Expense	67,096	16,774	16,774	0	0.00%
Federal Sponsored Programs Pass-Throughs	92,483	40,875	6,754	34,121	505.20%
Depreciation and Amortization	2,878,054	681,738	714,374	(32,636)	-4.57%
Other Operating Expenses	1,658,456	233,703	415,173	(181,470)	-43.71%
Total Operating Expenses	49,760,048	12,561,589	12,727,311	(165,722)	-1.30%
Operating Loss	(20,185,497)	(4,022,086)	(4,993,411)	971,325	19.45%
Other Non-operating Adjustments					
State Appropriations	20,826,132	5,206,533	5,206,533	0	0.00%
Gii? Contributions for Operations	267,018	39,163	10,613	28,550	269.01%
Net Investment Income	1,120,195	287,112	357,556	(70,444)	-19.70%
Interest Expense on Capital Asset Financings	(1,041,556)	(260,389)	(260,389)	0	0.00%
Net Other Non-operating Adjustments	21,171,789	\$272,419	5,314,313	(41,894)	-0.79%
Adjusted Income (Loss)	\$986,292	\$1,250,333	\$320,902	\$929,431	289.63%
Adjusted Margin (as a percentage)	1.90%	8.89%	2.41%		

UNAUDITED
The University of Texas of the Permian Basin
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

Position Change	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage	
	Operating Revenues					
5%	\$2,058,988	\$514,747	\$514,747	\$0	0.00%	
4%	1,289,500	322,375	322,375	0	0.00%	
6%	2,146,663	54,891	64,467	(9,576)	-14.85%	
0%	48,482	13,078	13,143		-0.49%	
2%	77,129	11,604	25,785	(14,181)	-55.00%	
2%	3,688,762	916,695	940,517	(23,822)	-2.53%	
	Operating Expenses					
2%	3,712,048	920,800	955,245	(34,445)	-3.61%	
4%	864,616	226,114	225,944	170	0.08%	
3%	248,059	38,841	30,360	8,481	27.93%	
0%	872,332	218,083	218,083	0	0.00%	
7%	156,291	28,111	32,651	(4,540)	-13.90%	
0%	526,264	92,770	163,999	(71,229)	-43.43%	
0%	449,897	110,700	110,471	229	0.21%	
6%	53,047	15,036	15,265	(229)	-1.50%	
5%	378,602	96,813	119,242	(22,429)	-18.81%	
6%	60,975	7,033	6,162	871	14.14%	
0%	78,164	9,086	19,107	(10,021)	-52.45%	
1%	59,332	14,833	14,833	0	0.00%	
0%	144,184	36,046	36,046	0	0.00%	
0%	402,584	100,646	100,646	0	0.00%	
7%	198,385	40,443	46,456	(6,013)	-12.94%	
1%	8,204,780	1,955,355	2,094,510	(139,155)	-6.64%	
	Operating Loss	(4,516,018)	(1,038,660)	(1,153,993)	115,333	9.99%
	Other Non-operating Adjustments					
	4,671,080	1,167,770	1,167,770	0	0.00%	
0%	330,008	82,502	82,502	0	0.00%	
1%	122,596	42,088	54,878	(12,790)	-23.31%	
0%	(408,572)	(102,143)	(102,143)	0	0.00%	
0%	4,715,112	1,190,217	1,203,007	(12,790)	-1.06%	
1%	Adjusted Income (Loss)	\$199,094	\$151,557	\$49,014	\$102,543	209.21%
	Adjusted Margin (as a percentage)	2.26%	6.86%	2.18%		

UNAUDITED
The University of Texas at San Antonio
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$19,676,632	\$4,919,158	\$4,919,158	\$0	0.00%
Sponsored Programs	11,796,616	1,743,837	2,355,901	(612,064)	-25.98%
Net Sales and Services of Educational Activities	436,842	77,621	131,565	(53,944)	-41.00%
Net Auxiliary Enterprises	1,656,825	576,559	466,150	110,409	23.69%
Other Operating Revenues	170,138	24,056	82,229	(58,173)	-70.75%
Total Operating Revenues	33,737,053	7,341,231	7,955,003	(613,772)	-7.72%
Operating Expenses					
Salaries and Wages	30,330,602	7,556,518	7,589,100	(32,582)	-0.43%
Employee Benefits and Related Costs	5,816,468	1,497,893	1,444,488	53,405	3.70%
Professional Fees and Contracted Services	1,536,249	630,835	356,327	274,508	77.04%
Scholarships and Fellowships	10,446,980	2,611,745	2,611,745	0	0.00%
Travel	896,791	146,002	315,206	(169,204)	-53.68%
Materials and Supplies	2,304,483	550,302	596,621	(46,319)	-7.76%
Utilities	1,347,668	336,401	300,000	36,401	12.13%
Telecommunications	827,220	87,348	163,818	(76,470)	-46.68%
Repairs and Maintenance	1,305,227	186,777	285,536	(98,759)	-34.59%
Rentals and Leases	356,058	105,405	115,880	(10,475)	-9.04%
Printing and Reproduction	465,543	135,740	104,987	30,753	29.29%
Cost of Goods Sold	62,609	17,914	18,559	(645)	-3.48%
Federal Sponsored Programs Pass-Throughs	477,092	172,787	147,327	25,460	17.28%
State Sponsored Programs Pass-Throughs	130,251	4,956	63,910	(58,954)	-92.25%
Depreciation and Amortization	4,218,480	1,054,620	1,054,620	0	0.00%
Other Operating Expenses	1,167,904	349,031	233,510	115,521	49.47%
Total Operating Expenses	61,689,625	15,444,274	15,401,634	42,640	0.28%
Operating Loss	(27,952,572)	(8,103,043)	(7,446,631)	(656,412)	-8.81%
Other Non-operating Adjustments					
State Appropriations	26,244,356	6,561,089	6,561,089	0	0.00%
Gift Contributions for Operations	1,040,157	212,124	151,961	60,163	39.59%
Net Investment Income	1,070,227	240,522	248,644	(8,122)	-3.27%
Interest Expense on Capital Asset Financings	(2,194,048)	(548,512)	(548,512)	0	0.00%
Net Other Non-operating Adjustments	26,160,692	6,465,223	6,413,182	52,841	0.81%
Adjusted Income (Loss)	\$(1,791,880)	\$(1,637,820)	\$(1,033,449)	\$(604,371)	-58.48%
Adjusted Margin (as a percentage)	-2.89%	-11.41%	-6.93%		

UNAUDITED
The University of Texas at Tyler
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$1,986,621	\$496,655	\$632,636	\$(135,981)	-21.49%
Sponsored Programs	2,760,151	161,202	46,790	114,412	244.52%
Net Sales and Services of Educational Activities	66,906	4,566	7,103	(2,537)	-35.72%
Net Auxiliary Enterprises	418,500	95,900	96,602	(702)	-0.73%
Other Operating Revenues	44,242	3,772	9,432	(5,660)	-60.01%
Total Operating Revenues	5,276,420	762,095	792,563	(30,468)	-3.84%
Operating Expenses					
Salaries and Wages	6,643,782	1,693,913	1,652,782	41,131	2.49%
Employee Benefits and Related Costs	1,424,186	410,439	401,636	8,803	2.19%
Professional Fees and Contracted Services	615,723	308,707	97,390	211,317	216.98%
Scholarships and Fellowships	2,300,002	46,128	1,512	44,616	2,950.79%
Travel	194,837	50,201	53,592	(3,391)	-6.33%
Materials and Supplies	590,444	115,235	261,938	(146,703)	-56.01%
Utilities	262,837	74,180	15,623	58,557	374.81%
Telecommunications	122,735	22,194	49,115	(26,921)	-54.81%
Repairs and Maintenance	382,606	70,711	164,282	(93,571)	-56.96%
Rentals and Leases	43,275	18,332	14,067	4,265	30.32%
Printing and Reproduction	159,763	38,550	54,486	(15,936)	-29.25%
Cost of Goods Sold	26,116	5,674	6,446	(772)	-11.98%
Federal Sponsored Programs Pass-Throughs	138,016	39,063	37,958	1,105	2.91%
State Sponsored Programs Pass-Throughs	22,972	0	0	0	0.00%
Depreciation and Amortization	867,798	233,899	233,899	0	0.00%
Other Operating Expenses	491,250	79,657	144,704	(65,047)	-44.95%
Total Operating Expenses	14,286,342	3,206,883	3,189,430	17,453	0.55%
Operating Loss	(9,009,922)	(2,444,788)	(2,396,867)	(47,921)	-2.00%
Other Non-operating Adjustments					
State Appropriations	7,913,174	1,989,973	1,979,753	10,220	0.52%
Gift Contributions for Operations	185,766	74,850	57,487	17,363	30.20%
Nonexchange Sponsored Programs	109,370	6,022	9,816	(3,794)	-38.65%
Net Investment Income	455,008	191,716	191,716	0	0.00%
Interest Expense on Capital Asset Financings	(226,448)	(56,612)	(56,612)	0	0.00%
Net Other Non-operating Adjustments	8,436,870	2,205,949	2,182,160	23,789	1.09%
Adjusted Income (Loss)	\$(573,052)	\$(238,839)	\$(214,707)	X24,132)	-11.24%
Adjusted Margin (as a percentage)	-4.11%	-7.90%	-7.08%		

The University of Texas Southwestern Medical Center at Dallas
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$3,364,448	\$847, 193	\$839,741	\$7,452	0.89%
Sponsored Programs	90,641,929	20,784,889	24,052,418	(3,267,529)	-13.59%
Net Sales and Services of Educational Activities	21,116,831	5,540,009	5,301,832	(211,262)	-3.68%
Net Sales and Services of Hospitals				15,844	51.36%
Net Professional Fees	46,715,777	11,312,254	12,071,755	(759,501)	-6.29%
Net Auxiliary Enterprises	1,667,971	339,283	546,305	(207,022)	-37.89%
Other Operating Revenues	2,572,080	419,211	1,374,149	(954,938)	-69.49%
Total Operating Revenues	166,357,752	39,279,525	44,656,481	(5,376,956)	-12.04%
Operating Expenses					
Salaries and Wages	111,566,620	28,474,130	27,641,792	832,338	3.01%
Employee Benefits and Related Costs	32,424,360	8,349,860	7,548,765	801,095	10.61%
Professional Fees and Contracted Services	17,522,694	4,488,365	4,112,419	375,946	9.14%
Scholarships and Fellowships	1,413,268	353,317	353,317	0	0.00%
Travel	1,854,193	553,440	575,404	(21,964)	-3.82%
Materials and Supplies	17,683,795	3,548,121	5,316,842	(1,768,721)	-33.27%
Utilities	5,507,708	1,427,829	1,570,577	(142,748)	-9.09%
Telecommunications	472,257	133,125	123,387	9,738	7.89%
Repairs and Maintenance	1,197,305	368,625	257,215	111,410	43.31%
Rentals and Leases	2,551,898	694,501	535,066	159,435	29.80%
Printing and Reproduction	796,020	190,683	202,950	(12,267)	-6.04%
Cost of Goods Sold	407,533	76,541	105,080	(28,539)	-27.16%
Bad Debt Expense	4,628,681	683,096	1,324,163	(641,067)	-48.41%
Federal Sponsored Programs Pass-Throughs	385,299	52,603	0	52,603	100.00%
Depreciation and Amortization	9,367,540	2,383,994	2,361,428	22,566	0.96%
Other Operating Expenses	17,365,228	4,119,813	5,269,615	(1,149,802)	-21.82%
Total Operating Expenses	225,144,399	55,898,043	57,298,020	(1,399,977)	-2.44%
Operating Loss	(58,786,647)	(16,618,518)	(12,641,539)	(3,976,979)	-31.46%
Other Non-operating Adjustments					
State Appropriations	37,397,098	9,299,275	9,365,941	(66,666)	-0.71%
Gift Contributions for Operations	6,319,723	1,744,543	2,385,217	(640,674)	-26.86%
Nonexchange Sponsored Programs	1,317,162	421,013	225,117	195,896	87.02%
Net investment Income	15,558,967	4,391,983	3,479,549	912,434	26.22%
Interest Expense on Capital Asset Financings	(2,647,760)	(661,940)	(661,940)	0	0.00%
Net Other Non-operating Adjustments	57,945,190	15,194,874	14,793,884	400,990	2.71%
Adjusted Income (Loss)	\$(841,457)	\$(1,423,644)	\$2,152,345	\$(3,575,989)	-166.14%
Adjusted Margin (as a percentage)	-0.37%	-2.58%	3.58%		

The University of Texas Medical Branch at Galveston
 Comparison of Operating Results and Margin
 For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$2,605,268	\$563,552	\$933,232	\$(369,680)	-39.61%
Sponsored Programs	47,171,271	16,532,356	10,947,128	5,585,228	51.02%
Net Sales and Services of Educational Activities	149,304	44,288	33,883	10,405	30.71%
Net Sales and Services of Hospitals	195,466,453	45,821,652	51,085,323	(5,263,671)	-10.30%
Net Professional Fees	453,674,859	11,109,549	12,110,291	(1,000,742)	-8.26%
Net Auxiliary Enterprises	2,460,643	522,234	494,810	27,424	5.54%
Other Operating Revenues	21,299,386	1,981,419	16,522,192	(14,540,773)	-88.01%
Total Operating Revenues	314,827,184	76,575,050	92,126,859	(15,551,809)	-16.88%
Operating Expenses					
Salaries and Wages	199,016,562	49,733,320	50,202,630	(469,310)	-0.93%
Employee Benefits and Related Costs	52,047,589	13,250,786	12,811,797	438,989	3.43%
Professional Fees and Contracted Services	26,734,045	4,176,854	8,592,947	(4,416,093)	-51.39%
Scholarships and Fellowships	8,027,131	6,717,513	574,211	6,143,302	1,069.87%
Travel	1,931,700	606,388	509,743	96,645	18.96%
Materials and Supplies	47,201,027	12,947,114	12,730,530	216,584	1.70%
Utilities	7,066,800	1,878,472	1,885,603	(7,131)	-0.38%
Telecommunications	3,047,749	756,100	735,873	20,227	2.75%
Repairs and Maintenance	6,246,779	2,090,105	1,271,025	819,080	64.44%
Rentals and Leases	2,887,971	572,685	743,436	(170,751)	-22.97%
Printing and Reproduction	701,504	177,788	208,006	(30,218)	-14.53%
Bad Debt Expense	21,405,316	4,894,059	5,121,357	(227,298)	-4.44%
Claims and Losses	709,742	166,384	35,000	131,384	375.38%
Federal Sponsored Programs Pass-Throughs	1,568,534	595,554	698,488	(102,934)	-14.74%
Depreciation and Amortization	19,240,537	4,679,261	4,733,328	(54,067)	-1.14%
Other Operating Expenses	37,000,877	5,897,771	19,799,223	(13,901,452)	-70.21%
Total Operating Expenses	434,833,863	109,140,154	120,653,197	(11,513,043)	-9.54%
Operating Loss	(120,006,679)	(32,565,104)	(28,526,338)	(4,038,766)	-14.16%
Other Non-operating Adjustments					
State Appropriations	99,791,472	24,947,868	24,947,868	0	0.00%
Gift Contributions for Operations	1,600,492	398,991	24,365	374,626	1,537.56%
Nonexchange Sponsored Programs	(231,247)	0	0	0	0.00%
Net Investment Income	7,688,360	2,112,295	1,887,586	223,709	11.85%
Interest Expense on Capital Asset Financings	(606,020)	(151,505)	(151,505)		0.00%
Net Other Non-operating Adjustments	108,243,057	27,306,649	26,708,314	598,335	2.24%
Adjusted Income (Loss)	\$(11,763,622)	\$(5,258,455)	\$(1,818,024)	\$(3,440,431)	-189.24%
Adjusted Margin (as a percentage)	-2.78%	-5.05%	-1.53%		

UNAUDITED
The University of Texas Health Science Center at Houston
Comparison of Operating Results and Margin
For the Four Months Ending December **31, 2001**

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	<u>Fluctuation Percentage</u>
Operating Revenues					
Student Tuition and Fees	\$2,571,988	\$642,997	\$642,997	\$0	0.00%
Sponsored Programs	73,727,288	16,686,521	21,954,907	(5,268,386)	-24.00%
Net Sales and Services of Educational Activities	2,720,266	417,944	701,177	(283,233)	40.39%
Net Sales and Services of Hospitals	10,855,435	2,649,823	2,868,053	(218,230)	-7.61%
Net Professional Fees	483,447	105,695	143,683	(37,988)	-26.44%
Net Auxiliary Enterprises	4,057,863	1,016,152	829,972	186,180	22.43%
Other Operating Revenues	36,271,951	7,490,337	13,065,573	(5,575,236)	-42.67%
Total Operating Revenues	130,688,238	29,009,469	40,206,362	(11,196,893)	-27.85%
Operating Expenses					
Salaries and Wages	91,963,463	22,925,585	23,069,449	(143,864)	-0.62%
Employee Benefits and Related Costs	18,754,737	4,982,375	4,609,548	372,827	8.09%
Professional Fees and Contracted Services	23,316,528	4,885,965	5,393,021	(507,056)	-9.40%
Scholarships and Fellowships	856,631	587,745	49,779	537,966	1,080.71%
Travel	1,212,773	265,325	363,697	(98,372)	-27.05%
Materials and Supplies	3,467,688	792,985	1,027,723	(234,738)	-22.84%
Utilities	2,763,508	657,261	638,897	18,364	2.87%
Telecommunications	852,567	322,432	311,467	10,965	3.52%
Repairs and Maintenance	3,700,310	1,042,881	1,054,192	(11,311)	-1.07%
Rentals and Leases	1,415,196	334,329	449,130	(114,801)	-25.56%
Printing and Reproduction	364,134	77,662	95,592	(17,930)	-18.76%
Cost of Goods Sold	1,283,549	794,421	46,249	748,172	1,617.70%
Bad Debt Expense	5,199,236	1,082,716	510,247	572,469	112.19%
Federal Sponsored Programs Pass-Throughs	1,028,611	251,683	366,719	(115,036)	-31.37%
State Sponsored Programs Pass-Throughs	534,657	92,028	141,634	(49,606)	-35.02%
Depreciation and Amortization	3,526,823	910,028	1,045,583	(135,555)	-12.96%
Other Operating Expenses	17,342,482	2,607,145	9,427,264	(6,820,119)	-72.34%
Total Operating Expenses	177,582,893	42,612,566	48,600,191	(5,987,625)	-12.32%
Operating Loss	(46,894,655)	(13,603,097)	(8,393,829)	(5,209,268)	-62.06%
Other Non-operating Adjustments					
State Appropriations	49,038,009	12,272,278	12,272,278	0	0.00%
Gift Contributions for Operations	153,453	46,520	17,845	28,675	160.69%
Nonexchange Sponsored Programs	2,078,796	560,017	358,040	201,977	56.41%
Net Investment Income	4,668,548	774,602	1,465,012	(690,410)	-47.13%
Interest Expense on Capital Asset Financings	(1,870,104)	(467,526)	(467,526)	0	0.00%
Net Other Non-operating Adjustments	54,068,702	13,185,891	13,645,649	(459,758)	-3.37%
Adjusted Income (Loss)	\$7,174,047	\$(417,206)	\$5,251,820	\$(5,669,026)	-107.94%
Adjusted Margin (as a percentage)	3.84%	-0.98%	9.67%		

UNAUDITED
The University of Texas Health Science Center at San Antonio
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

Description	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month <u>to Prior Month</u>	Fluctuation <u>Percentage</u>
Operating Revenues					
Student Tuition and Fees	\$3,951,336	\$987,834	\$987,834	\$0	0.00%
Sponsored Programs	38,983,979	11,274,646	11,222,760	51,886	0.46%
Net Sales and Services of Educational Activities	456,258	111,090	164,547	(53,457)	-32.49%
Net Professional Fees	43,517,420	12,436,195	11,412,135	1,024,060	8.97%
Net Auxiliary Enterprises	304,460	50,493	117,469	(66,976)	-57.02%
Other Operating Revenues	15,648,207	890,864	12,405,224	(11,514,360)	-92.82%
Total Operating Revenues	<u>102,861,660</u>	<u>25,751,122</u>	<u>36,309,969</u>	<u>(10,558,847)</u>	<u>-29.08%</u>
Operating Expenses					
Salaries and Wages	70,447,409	18,097,466	17,607,282	490,184	2.78%
Employee Benefits and Related Costs	16,847,861	4,720,646	4,301,465	419,181	9.75%
Professional Fees and Contracted Services	4,606,519	1,234,782	1,254,898	(20,116)	-1.60%
Scholarships and Fellowships	1,600,733	621,021	173,399	447,622	258.15%
Travel	1,054,635	306,099	357,517	(51,418)	-14.38%
Materials and Supplies	4,606,370	1,049,006	1,283,410	(234,404)	-18.26%
Utilities	1,565,973	458,026	499,665	(41,639)	-8.33%
Telecommunications	2,683,849	574,286	694,045	(119,759)	-17.26%
Repairs and Maintenance	246,124	30,276	70,394	(40,118)	-56.99%
Rentals and Leases	465,767	124,973	126,061	(1,088)	-0.86%
Printing and Reproduction	566,942	207,860	179,501	28,359	15.80%
Bad Debt Expense	7,222,320	1,805,580	1,805,580	0	0.00%
Claims and Losses	13,971	0	0	0	0.00%
Federal Sponsored Programs Pass-Throughs	3,866,445	1,100,076	1,150,437	(50,361)	-4.38%
State Sponsored Programs Pass-Throughs	892,793	289,471	229,145	60,326	26.33%
Depreciation and Amortization*	5,479,492	1,369,873	1,369,873	0	0.00%
Other Operating Expenses	28,531,882	4,731,855	17,016,952	(12,285,097)	-72.19%
Total Operating Expenses	<u>150,699,085</u>	<u>36,972,296</u>	<u>48,119,624</u>	<u>(11,398,328)</u>	<u>-23.69%</u>
Operating Loss	<u>(47,837,425)</u>	<u>(10,970,174)</u>	<u>(11,809,655)</u>	839,481	7.11%
Other Non-operating Adjustments					
State Appropriations	48,478,876	12,119,719	12,119,719	0	0.00%
Gift Contributions for Operations	3,465,451	1,433,923	653,094	780,829	119.56%
Net Investment Income	5,364,927	1,507,165	1,473,249	33,916	2.30%
Interest Expense on Capital Asset Financings	(1,892,412)	(473,103)	(473,103)	0	0.00%
Net Other Non-operating Adjustments	<u>55,416,842</u>	<u>14,587,704</u>	<u>13,772,959</u>	814,745	5.91%
Adjusted Income (Loss)	<u>\$7,579,417</u>	<u>\$3,617,530</u>	<u>\$1,963,304</u>	<u>\$1,654,226</u>	<u>84.26%</u>
Adjusted Margin (as a percentage)	4.73%	8.86%	3.88%		

UNAUDITED
The University of Texas M. D. Anderson Cancer Center
Comparison of Operating Results and Margin
For the Four Months Ending December 31, 2001

	Year-to-Date <u>FY 2002</u>	Month of <u>Dec</u>	Month of <u>Nov</u>	Variance of Current Month to Prior Month	Fluctuation Percentage
Operating Revenues					
Student Tuition and Fees	\$80,072	\$20,018	\$20,018	\$0	0.00%
Sponsored Programs	41,602,844	9,773,093	10,626,243	(853,150)	-8.03%
Net Sales and Services of Hospitals	257,658,867	63,554,648	72,529,173	(8,974,525)	-12.37%
Net Professional Fees	58,945,143	14,759,681	14,177,191	582,490	4.11%
Net Auxiliary Enterprises	8,904,096	2,290,634	1,895,074	395,560	20.87%
Other Operating Revenues	8,644,648	2,270,981	4,008,391	(1,737,410)	-43.34%
Total Operating Revenues	375,835,670	92,669,055	103,256,090	(10,587,035)	-10.25%
Operating Expenses					
Salaries and Wages	189,458,280	50,452,851	49,743,050	709,801	1.43%
Employee Benefits and Related Costs	48,628,151	14,912,420	14,162,024	750,396	5.30%
Professional Fees and Contracted Services	5,417,494	635,756	1,033,239	(397,483)	-38.47%
Travel	2,809,328	713,246	775,097	(61,851)	-7.98%
Materials and Supplies	90,108,659	19,961,368	22,190,933	(2,229,565)	-10.05%
Utilities	8,344,352	1,940,808	1,856,640	84,168	4.53%
Telecommunications	3,459,902	857,613	864,212	(6,599)	-0.76%
Repairs and Maintenance	7,112,676	1,460,283	1,652,880	(192,597)	-11.65%
Rentals and Leases	3,808,462	1,654,022	704,722	949,300	134.71%
Printing and Reproduction	1,353,631	291,870	518,148	(226,278)	-43.67%
Bad Debt Expense	18,809,154	4,201,200	4,847,582	(646,382)	-13.33%
Federal Sponsored Programs Pass-Throughs	1,922,712	741,140	364,138	377,002	103.53%
State Sponsored Programs Pass-Throughs	639,653	83,618	33,090	50,528	152.70%
Depreciation and Amortization	22,955,018	5,709,277	5,809,763	(100,486)	-1.73%
Other Operating Expenses	43,965,389	10,938,848	12,855,282	(1,916,434)	-14.91%
Total Operating Expenses	448,792,861	114,554,320	117,410,800	(2,856,480)	-2.43%
Operating Loss	(72,957,191)	(21,885,265)	(14,154,710)	(7,730,555)	-54.61%
Other Non-operating Adjustments					
State Appropriations	51,752,122	12,785,496	12,785,496	0	0.00%
Gift Contributions for Operations	17,766,274	6,165,724	7,084,995	(919,271)	-12.97%
Net Investment Income	13,883,146	3,288,095	3,601,292	(313,197)	-8.70%
Interest Expense on Capital Asset Financings	(2,729,212)	(682,303)	(682,303)	0	0.00%
Net Other Non-operating Adjustments	80,672,330	21,557,012	22,789,480	(1,232,468)	-5.41%
Adjusted Income (Loss)	\$7,715,139	\$(328,253)	\$8,634,770	\$(8,963,023)	-103.80%
Adjusted Margin (as a percentage)	1.68%	-0.29%	6.81%		

