

THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER

---

**MONTHLY FINANCIAL REPORT**  
*(unaudited)*

**DECEMBER 2007**



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**THE UNIVERSITY OF TEXAS SYSTEM**  
**MONTHLY FINANCIAL REPORT**  
**(Unaudited)**  
**FOR THE FOUR MONTHS ENDING**  
**DECEMBER 31, 2007**

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**The University of Texas System  
Monthly Financial Report**

**Foreword**

The Monthly Financial Report (MFR) compares the results of operations between the current year-to-date cumulative amounts and the prior year-to-date cumulative amounts. Explanations are provided for institutions having the largest variances in Adjusted Income (Loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. In addition, although no significant variance may exist, institutions with losses may be discussed.

The data is reported in three sections: (1) Operating Revenues, (2) Operating Expenses and (3) Other Nonoperating Adjustments. Presentation of state appropriation revenues are required under GASB 35 to be reflected as nonoperating 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 nonoperating adjustments associated with core operating activities. An Adjusted Margin (as a percentage of operating and nonoperating 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, 2007**

	December Year-to-Date <u>FY 2008</u>	December Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 468,069,455	\$ 436,556,674	\$ 31,512,781	7.2%
Sponsored Programs	792,006,687	757,017,710	34,988,977	4.6%
Net Sales and Services of Educational Activities	89,533,423	91,055,923	(1,522,500)	-1.7%
Net Sales and Services of Hospitals	947,560,486	869,791,329	77,769,157	8.9%
Net Professional Fees	296,361,841	261,508,218	34,853,623	13.3%
Net Auxiliary Enterprises	132,430,525	129,779,090	2,651,435	2.0%
Other Operating Revenues	43,547,270	57,102,644	(13,555,374)	-23.7%
<b>Total Operating Revenues</b>	<b><u>2,769,509,687</u></b>	<b><u>2,602,811,588</u></b>	<b><u>166,698,099</u></b>	<b><u>6.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	1,714,405,777	1,600,026,476	114,379,301	7.1%
Payroll Related Costs	418,828,013	385,526,612	33,301,401	8.6%
Professional Fees and Contracted Services	93,557,568	87,932,602	5,624,966	6.4%
Other Contracted Services	131,624,077	121,799,460	9,824,617	8.1%
Scholarships and Fellowships	220,833,909	209,376,861	11,457,048	5.5%
Travel	37,322,162	32,788,262	4,533,900	13.8%
Materials and Supplies	365,143,962	351,461,505	13,682,457	3.9%
Utilities	89,453,181	79,498,727	9,954,454	12.5%
Telecommunications	31,585,851	21,764,241	9,821,610	45.1%
Repairs and Maintenance	57,793,558	48,008,516	9,785,042	20.4%
Rentals and Leases	40,858,125	34,462,164	6,395,961	18.6%
Printing and Reproduction	8,666,705	8,588,597	78,108	0.9%
Bad Debt Expense	18,393	315,268	(296,875)	-94.2%
Claims and Losses	15,755,534	11,948,248	3,807,286	31.9%
Federal Sponsored Programs Pass-Throughs	9,422,129	9,577,352	(155,223)	-1.6%
Depreciation and Amortization	227,590,750	207,246,779	20,343,971	9.8%
Other Operating Expenses	122,128,569	128,895,653	(6,767,084)	-5.3%
<b>Total Operating Expenses</b>	<b><u>3,584,988,263</u></b>	<b><u>3,339,217,323</u></b>	<b><u>245,770,940</u></b>	<b><u>7.4%</u></b>
<b>Operating Loss</b>	<b><u>(815,478,576)</u></b>	<b><u>(736,405,735)</u></b>	<b><u>(79,072,841)</u></b>	<b><u>-10.7%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	652,200,673	589,878,262	62,322,411	10.6%
Gift Contributions for Operations	121,161,964	88,842,474	32,319,490	36.4%
Net Investment Income	200,488,481	164,571,478	35,917,003	21.8%
Long Term Fund Distribution	69,383,653	64,696,662	4,686,991	7.2%
Interest Expense on Capital Asset Financings	(61,528,835)	(55,451,080)	(6,077,755)	-11.0%
<b>Net Other Nonoperating Adjustments</b>	<b><u>981,705,936</u></b>	<b><u>852,537,796</u></b>	<b><u>129,168,140</u></b>	<b><u>15.2%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>166,227,360</b>	<b>116,132,061</b>	<b>50,095,299</b>	<b>43.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>4.4%</b>	<b>3.3%</b>		
Investment Gains (Losses)	695,459,588	930,758,940	(235,299,352)	-25.3%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>\$ 861,686,948</b>	<b>\$ 1,046,891,001</b>	<b>\$ (185,204,053)</b>	<b>-17.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>19.1%</b>	<b>23.6%</b>		
<b>Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation</b>	<b>1,089,277,698</b>	<b>1,254,137,780</b>	<b>(164,860,082)</b>	<b>-13.1%</b>
<b>Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation</b>	<b>24.2%</b>	<b>28.2%</b>		

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**The University of Texas System  
Comparison of Adjusted Income (Loss)  
For the Four Months Ending December 31, 2007**

	<b>Including Depreciation and Amortization Expense</b>			
	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
	UT System Administration	\$ 77,020,975	\$ 80,095,997	\$ (3,075,022)
UT Arlington	6,154,431	4,968,796	1,185,635	23.9%
UT Austin	44,213,514	44,458,020	(244,506)	-0.5%
UT Brownsville	106,157	(286,458)	392,615 (1)	137.1%
UT Dallas	834,934	(2,298,202)	3,133,136 (2)	136.3%
UT El Paso	2,061,956	999,633	1,062,323 (3)	106.3%
UT Pan American	593,173	880,205	(287,032)	-32.6%
UT Permian Basin	3,844,531	404,403	3,440,128 (4)	850.7%
UT San Antonio	12,954,837	11,356,119	1,598,718	14.1%
UT Tyler	2,689,824	1,141,961	1,547,863 (5)	135.5%
UT Southwestern Medical Center - Dallas	14,649,746	(8,558,214)	23,207,960 (6)	271.2%
UT Medical Branch - Galveston	(9,605,377) (7)	(14,250,896)	4,645,519	32.6%
UT Health Science Center - Houston	11,106,860	4,801,732	6,305,128 (8)	131.3%
UT Health Science Center - San Antonio	3,347,167	(2,426,987)	5,774,154 (9)	237.9%
UT M. D. Anderson Cancer Center	45,458,740	38,936,325	6,522,415	16.8%
UT Health Center - Tyler	(1,337,441) (10)	(1,570,373)	232,932	14.8%
Elimination of AUF Transfer	(47,866,667)	(42,520,000)	(5,346,667)	-12.6%
Total Adjusted Income (Loss)	166,227,360	116,132,061	50,095,299	43.1%
Investment Gains (Losses)	695,459,588	930,758,940	(235,299,352) (11)	-25.3%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b>\$ 861,686,948</b>	<b>\$ 1,046,891,001</b>	<b>\$ (185,204,053)</b>	<b>-17.7%</b>

	<b>Excluding Depreciation and Amortization Expense</b>			
	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
	UT System Administration	\$ 78,829,951	\$ 81,881,022	\$ (3,051,071)
UT Arlington	12,980,160	12,000,394	979,766	8.2%
UT Austin	97,403,109	89,533,948	7,869,161	8.8%
UT Brownsville	2,074,905	1,514,484	560,421	37.0%
UT Dallas	7,175,125	4,078,417	3,096,708	75.9%
UT El Paso	6,963,573	5,577,458	1,386,115	24.9%
UT Pan American	5,961,369	6,211,652	(250,283)	-4.0%
UT Permian Basin	5,061,198	1,490,292	3,570,906	239.6%
UT San Antonio	22,184,304	19,368,984	2,815,320	14.5%
UT Tyler	5,143,728	3,411,011	1,732,717	50.8%
UT Southwestern Medical Center - Dallas	38,486,582	12,837,417	25,649,165	199.8%
UT Medical Branch - Galveston	11,063,479	3,927,660	7,135,819	181.7%
UT Health Science Center - Houston	22,130,351	15,790,338	6,340,013	40.2%
UT Health Science Center - San Antonio	12,013,834	5,174,633	6,839,201	132.2%
UT M. D. Anderson Cancer Center	113,395,302	102,547,912	10,847,390	10.6%
UT Health Center - Tyler	817,807	553,218	264,589	47.8%
Elimination of AUF Transfer	(47,866,667)	(42,520,000)	(5,346,667)	-12.6%
Total Adjusted Income (Loss)	393,818,110	323,378,840	70,439,270	21.8%
Investment Gains (Losses)	695,459,588	930,758,940	(235,299,352)	-25.3%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization</b>	<b>\$ 1,089,277,698</b>	<b>\$ 1,254,137,780</b>	<b>\$ (164,860,082)</b>	<b>-13.1%</b>

THE UNIVERSITY OF TEXAS SYSTEM  
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT  
For the Four Months Ending December 31, 2007

Explanations are provided for institutions having the largest variances in adjusted income (loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. Explanations are also provided for institutions with a current year-to-date adjusted loss.

- (1) UT Brownsville - The \$393,000 (137.1%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased Tuition Revenue Bonds (TRBs). UT Brownsville's adjusted income excluding depreciation expense was \$2.1 million or 3.8%. UT Brownsville projects a year-end loss of approximately \$1.9 million, which represents -1.3 million of projected revenues. This forecast includes \$5.9 million of depreciation expense.

Excluding depreciation expense, UT Southwestern's adjusted income was \$38.5 million or 8.3%.
- (2) UT Dallas - The \$3.1 million (136.3%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, UT Dallas' adjusted income was \$7.2 million or 7.2%.
- (3) UT El Paso - The \$1.1 million (106.3%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, UT El Paso's adjusted income was \$7 million or 6.5%.
- (4) UT Permian Basin - The \$3.4 million (850.7%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, UT Permian Basin's adjusted income was \$5.1 million or 25%.
- (5) UT Tyler - The \$1.5 million (135.5%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, UT Tyler's adjusted income was \$5.1 million or 17.3%.
- (6) UT Southwestern Medical Center at Dallas - The \$23.2 million (271.2%) increase in adjusted income over the same period last year was primarily due to an increase in gift contributions for operations and increased state appropriations. Gift contributions increased due to a gift of \$2.5 million from COAM Company for cancer research, a \$5.5 million gift for the Neuroscience Support Fund, and \$2.7 million in gifts from various donors. State appropriations increased as a result of a special item appropriation for Obesity, Diabetes, and Metabolism.
- (7) UT Medical Branch - Galveston - UTMB currently reflects a negative margin of \$9.6 million. Operating expenses increased \$26.9 million corresponding to the increased patient care activity and growth in research related programs. Market adjustments for nursing salaries related to UTMB Hospitals and Clinics and Correctional Managed Care have been a significant factor contributing to the increase in personnel costs. Excluding depreciation expense, UTMB's adjusted income was \$11.1 million or 2.3%. UTMB projects a year-end loss of approximately \$15 million, which represents -1% of projected revenues. This forecast includes \$64.6 million of depreciation expense.
- (8) UT Health Science Center - Houston - The \$6.3 million (131.3%) increase in adjusted income over the same period as last year was primarily due to an increase in gift contributions for operations and increased state appropriations including increased formula funding and increased TRBs. Gift contributions increased \$2.8 million due to private gift pledges received. Excluding depreciation expense, UTHSC-Houston's adjusted income was \$22.1 million or 8.6%.
- (9) UT Health Science Center - San Antonio - The \$5.8 million (237.9%) increase in adjusted income over the same period last year was primarily due to an increase in gift contributions for operations and increased state appropriations including increased formula funding and increased TRBs. Gift contributions increased due to a gift of \$10.5 million from the Cancer Therapy and Research Center (CTRC) Foundation to support operations resulting from the acquisition of the CTRC. Excluding depreciation expense, UTHSC-San Antonio's adjusted income was \$12 million or 6.1%. UTHSC-San Antonio projects a year-end loss of approximately 11.7 million, including \$31.2 million of depreciation expense, which represents -1.8% of projected revenues. The projection includes a loss of \$7.5 million related to the acquisition of CTRC, \$5.2 million of which is depreciation. UTHSC-San Antonio is currently looking at ways to mitigate the \$2.3 CTRC loss exclusive of depreciation.
- (10) UT Health Center - Tyler - The \$1.3 million year-to-date loss was the result of an 18% decrease in inpatient admissions as well as a 30% increase over budget in utility

expenses. Excluding depreciation expense, *UTHC-Tyler's* adjusted income was \$818,000 or 2.3%. *UTHC-Tyler* projects year-end income of approximately \$1.6 million, which represents 1.3% of projected revenues. This forecast includes \$6.5 million of depreciation expense.

(11) Investment Gains (Losses) - The majority of the \$235.3 million (25.3%) decrease in investment gains relates to the Permanent University Fund of \$167 million, the Long Term Fund of \$67.7 million, and the Permanent Health Fund of \$16 million.

## GLOSSARY OF TERMS

### **OPERATING REVENUES:**

STUDENT TUITION AND FEES – All student tuition and fee revenues earned at the UT institution for educational purposes.

SPONSORED PROGRAMS – Funding received from local, state and federal governments or private agencies, organizations or individuals. Includes amounts received for services performed on grants, contracts, and agreements from these entities for current operations. This also includes indirect cost recoveries and pass-through federal and state grants.

NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES – Revenues that are related to the conduct of instruction, research, and public service and revenues from activities that exist to provide an instructional and laboratory experience for students that 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 UT health institution's daily 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 at UT health institutions as part of the Medical Practice Plans. These revenues are also identified as Practice Plan income. Examples of such fees 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 revenues generated from sales or services provided to meet current fiscal year operating expenses, which are not included in the preceding categories (e.g., certified non profit healthcare company revenues, donated drugs, interest on student loans, etc.)

### **OPERATING EXPENSES:**

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

PAYROLL RELATED COSTS – Expenses 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.

OTHER CONTRACTED SERVICES – Payments for services rendered on a contractual basis by a person, firm, corporation or company that possess a lesser degree of learning and responsibility than that required for Professional Fees and Contracted Services. Includes such items as temporary employment expenses, fully insured medical plans expenses, janitorial services, dry cleaning services, etc.

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.

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, motor vehicles, buildings and other plant facilities. Includes, but is not limited to repair and maintenance to copy machines, furnishings, equipment – including medical and laboratory equipment, office equipment and aircraft.

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.

**BAD DEBT EXPENSE** – Expenses incurred by the university related to nonrevenue receivables such as non-payment of student loans.

**CLAIMS AND LOSSES** – Payments for claims from self-insurance programs. Other claims for settlements and judgments are considered nonoperating 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** – Depreciation on capital assets and amortization expense on intangible assets.

**OTHER OPERATING EXPENSES** – Other operating expenses not identified in other line items above (e.g., certified non profit healthcare company expenses, property taxes, insurance premiums, credit card fees, hazardous waste disposal expenses, meetings and conferences, etc.).

**OPERATING LOSS** – Total operating revenues less total operating expenses before other nonoperating adjustments like state appropriations.

**OTHER NONOPERATING ADJUSTMENTS:**

**STATE APPROPRIATIONS** – Appropriations from the State General Revenue fund, which supplement the UT institutional revenue in meeting operating expenses, such as faculty salaries, utilities, and institutional support.

**GIFT CONTRIBUTIONS FOR OPERATIONS** – Consist of gifts from donors received for use in current operations, excluding gifts for capital acquisition and endowment gifts. Gifts for capital acquisition which can only be used to build or buy capital assets are excluded because they can not be used to support current operations. Endowment gifts must be held in perpetuity and can not be spent. The distributed income from endowment gifts must be spent according to the donor's stipulations.

**NET INVESTMENT INCOME (on institutions' sheets)** – Interest and dividend income on treasury balances, bank accounts, The Short Term Fund, the Intermediate Term Fund. It also includes distributed earnings from the Permanent Health Fund and patent and royalty income.

**NET INVESTMENT INCOME (on the consolidated sheet)** – Interest and dividend earnings of the Permanent University Fund, Short Term Fund, Intermediate Term Fund, Long Term Fund and Permanent Health Fund less Long Term Fund transfers so as not to overstate investment income. This line item also includes the Available University Fund surface income, oil and gas royalties, and mineral lease bonus sales.

**LONG TERM FUND DISTRIBUTION** – At the institutional level, includes Long Term Fund fixed payouts approved by the Board of Regents. Investment income for System Administration and the consolidated sheet has been reduced for the amount of any Long Term Fund distribution so as not to overstate investment income system-wide.

**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, Tuition Revenue bond and Permanent University Fund (PUF) bond programs. PUF interest expense is reported on System Administration as the debt legally belongs to the Board of Regents.

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

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

**AVAILABLE UNIVERSITY FUND TRANSFER** – Includes Available University Fund (AUF) transfer to System Administration for Educational and General operations and to UT Austin for Excellence Funding. These transfers are funded by investment earnings from the Permanent University Fund (PUF), which are required by law to be reported in the PUF at System Administration. On the MFR, investment income for System Administration has been reduced for the amount of the System Administration transfer so as not to overstate investment income for System Administration. The AUF transfers are eliminated at the consolidated level to avoid overstating System-wide revenues, as the amounts will be reflected as transfers at year-end.

**INVESTMENT GAINS (LOSSES)** – Realized and unrealized gains and losses on investments.

**UNAUDITED**  
**The University of Texas System Administration**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 9,756,470	\$ 12,072,376	\$ (2,315,906)	-19.2%
Net Sales and Services of Educational Activities	4,699,784	7,518,392	(2,818,608)	-37.5%
Other Operating Revenues	(3,657,540)	8,132,938	(11,790,478)	-145.0%
<b>Total Operating Revenues</b>	<b>10,798,714</b>	<b>27,723,706</b>	<b>(16,924,992)</b>	<b>-61.0%</b>
<b>Operating Expenses</b>				
Salaries and Wages	13,014,725	10,455,760	2,558,965	24.5%
Employee Benefits and Related Costs	2,555,353	2,080,165	475,188	22.8%
Professional Fees and Contracted Services	223,844	1,920,251	(1,696,407)	-88.3%
Other Contracted Services	6,652,861	3,073,384	3,579,477	116.5%
Scholarships and Fellowships	400,900	106,300	294,600	277.1%
Travel	603,686	610,083	(6,397)	-1.0%
Materials and Supplies	1,233,862	750,670	483,192	64.4%
Utilities	119,729	221,464	(101,735)	-45.9%
Telecommunications	350,624	900,901	(550,277)	-61.1%
Repairs and Maintenance	244,147	560,991	(316,844)	-56.5%
Rentals and Leases	2,660,574	541,605	2,118,969	391.2%
Printing and Reproduction	98,304	77,465	20,839	26.9%
Claims and Losses	15,755,534	11,948,248	3,807,286	31.9%
Depreciation and Amortization	1,808,976	1,785,025	23,951	1.3%
Other Operating Expenses	1,512,465	1,112,081	400,384	36.0%
<b>Total Operating Expenses</b>	<b>47,235,584</b>	<b>36,144,393</b>	<b>11,091,191</b>	<b>30.7%</b>
<b>Operating Loss</b>	<b>(36,436,870)</b>	<b>(8,420,687)</b>	<b>(28,016,183)</b>	<b>-332.7%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	307,343	305,918	1,425	0.5%
Gift Contributions for Operations	260,023	288,899	(28,876)	-10.0%
Net Investment Income	115,897,310	91,788,062	24,109,248	26.3%
Long Term Fund Distribution	559,869	449,162	110,707	24.6%
Interest Expense on Capital Asset Financings	(14,980,183)	(14,982,468)	2,285	0.0%
<b>Net Other Nonoperating Adjustments</b>	<b>102,044,362</b>	<b>77,849,573</b>	<b>24,194,789</b>	<b>31.1%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>65,607,492</b>	<b>69,428,886</b>	<b>(3,821,394)</b>	<b>-5.5%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>51.3%</b>	<b>57.6%</b>		
Available University Fund Transfer	11,413,483	10,667,111	746,372	7.0%
Adjusted Income (Loss) with AUF Transfer	77,020,975	80,095,997	(3,075,022)	-3.8%
Adjusted Margin % with AUF Transfer	55.3%	61.0%		
Investment Gains (Losses)	565,557,144	814,028,032	(248,470,888)	-30.5%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ 642,578,119</b>	<b>\$ 894,124,029</b>	<b>\$ (251,545,910)</b>	<b>-28.1%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>91.2%</b>	<b>94.6%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>78,829,951</b>	<b>81,881,022</b>	<b>(3,051,071)</b>	<b>-3.7%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>56.6%</b>	<b>62.4%</b>		

**UNAUDITED**  
**The University of Texas at Arlington**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<u>December Year-to-Date FY 2008</u>	<u>December Year-to-Date FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 56,850,213	\$ 55,161,172	\$ 1,689,041	3.1%
Sponsored Programs	20,305,362	17,901,114	2,404,248	13.4%
Net Sales and Services of Educational Activities	4,213,887	3,747,605	466,282	12.4%
Net Auxiliary Enterprises	11,585,549	8,151,568	3,433,981	42.1%
Other Operating Revenues	1,952,822	2,298,184	(345,362)	-15.0%
<b>Total Operating Revenues</b>	<b><u>94,907,833</u></b>	<b><u>87,259,643</u></b>	<b><u>7,648,190</u></b>	<b><u>8.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	60,154,219	55,496,760	4,657,459	8.4%
Employee Benefits and Related Costs	12,986,935	11,933,637	1,053,298	8.8%
Professional Fees and Contracted Services	1,126,876	1,606,606	(479,730)	-29.9%
Other Contracted Services	3,255,157	3,129,717	125,440	4.0%
Scholarships and Fellowships	20,816,283	18,401,010	2,415,273	13.1%
Travel	1,451,247	1,232,537	218,710	17.7%
Materials and Supplies	5,871,148	5,698,913	172,235	3.0%
Utilities	4,158,010	3,454,232	703,778	20.4%
Telecommunications	1,705,537	2,480,211	(774,674)	-31.2%
Repairs and Maintenance	2,285,935	1,862,052	423,883	22.8%
Rentals and Leases	3,110,807	769,624	2,341,183	304.2%
Printing and Reproduction	741,890	678,832	63,058	9.3%
Federal Sponsored Programs Pass-Thrus	712,356	526,154	186,202	35.4%
Depreciation and Amortization	6,825,729	7,031,598	(205,869)	-2.9%
Other Operating Expenses	2,245,733	3,921,454	(1,675,721)	-42.7%
<b>Total Operating Expenses</b>	<b><u>127,447,862</u></b>	<b><u>118,223,337</u></b>	<b><u>9,224,525</u></b>	<b><u>7.8%</u></b>
<b>Operating Loss</b>	<b><u>(32,540,029)</u></b>	<b><u>(30,963,694)</u></b>	<b><u>(1,576,335)</u></b>	<b><u>-5.1%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	36,990,361	35,148,379	1,841,982	5.2%
Gift Contributions for Operations	870,411	722,151	148,260	20.5%
Net Investment Income	2,473,511	1,380,991	1,092,520	79.1%
Long Term Fund Distribution	798,893	757,747	41,146	5.4%
Interest Expense on Capital Asset Financings	(2,438,716)	(2,076,778)	(361,938)	-17.4%
<b>Net Other Nonoperating Adjustments</b>	<b><u>38,694,460</u></b>	<b><u>35,932,490</u></b>	<b><u>2,761,970</u></b>	<b><u>7.7%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>6,154,431</b>	<b>4,968,796</b>	<b>1,185,635</b>	<b>23.9%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>4.5%</b>	<b>4.0%</b>		
Investment Gains (Losses)	6,544,768	4,382,051	2,162,717	49.4%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 12,699,199</b>	<b>\$ 9,350,847</b>	<b>\$ 3,348,352</b>	<b>35.8%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>8.9%</b>	<b>7.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>12,980,160</b>	<b>12,000,394</b>	<b>979,766</b>	<b>8.2%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>9.5%</b>	<b>9.6%</b>		

**UNAUDITED**  
**The University of Texas at Austin**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	December Year-to-Date <u>FY 2008</u>	December Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 197,523,808	\$ 183,696,415	\$ 13,827,393	7.5%
Sponsored Programs	153,313,054	147,944,435	5,368,619	3.6%
Net Sales and Services of Educational Activities	46,242,194	45,181,267	1,060,927	2.3%
Net Auxiliary Enterprises	73,408,553	74,628,845	(1,220,292)	-1.6%
Other Operating Revenues	1,937,021	6,769,884	(4,832,863)	-71.4%
<b>Total Operating Revenues</b>	<b><u>472,424,630</u></b>	<b><u>458,220,846</u></b>	<b><u>14,203,784</u></b>	<b><u>3.1%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	304,953,567	295,432,798	9,520,769	3.2%
Employee Benefits and Related Costs	67,862,128	65,720,691	2,141,437	3.3%
Professional Fees and Contracted Services	7,574,439	7,520,030	54,409	0.7%
Other Contracted Services	21,716,011	23,325,976	(1,609,965)	-6.9%
Scholarships and Fellowships	74,025,956	71,556,998	2,468,958	3.5%
Travel	12,828,025	10,904,289	1,923,736	17.6%
Materials and Supplies	35,443,634	34,365,045	1,078,589	3.1%
Utilities	22,846,452	21,156,850	1,689,602	8.0%
Telecommunications	13,765,562	4,936,569	8,828,993	178.8%
Repairs and Maintenance	9,649,028	6,940,967	2,708,061	39.0%
Rentals and Leases	5,409,356	4,958,388	450,968	9.1%
Printing and Reproduction	3,056,070	3,075,033	(18,963)	-0.6%
Federal Sponsored Programs Pass-Thrus	1,380,374	2,113,431	(733,057)	-34.7%
Depreciation and Amortization	53,189,595	45,075,928	8,113,667	18.0%
Other Operating Expenses	26,042,924	29,421,061	(3,378,137)	-11.5%
<b>Total Operating Expenses</b>	<b><u>659,743,121</u></b>	<b><u>626,504,054</u></b>	<b><u>33,239,067</u></b>	<b><u>5.3%</u></b>
<b>Operating Loss</b>	<b><u>(187,318,491)</u></b>	<b><u>(168,283,208)</u></b>	<b><u>(19,035,283)</u></b>	<b><u>-11.3%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	113,747,586	105,628,759	8,118,827	7.7%
Gift Contributions for Operations	31,047,948	30,077,470	970,478	3.2%
Net Investment Income	13,700,675	10,442,098	3,258,577	31.2%
Long Term Fund Distribution	35,660,515	33,616,876	2,043,639	6.1%
Interest Expense on Capital Asset Financings	(10,491,386)	(9,543,975)	(947,411)	-9.9%
<b>Net Other Nonoperating Adjustments</b>	<b><u>183,665,338</u></b>	<b><u>170,221,228</u></b>	<b><u>13,444,110</u></b>	<b><u>7.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(3,653,153)</b>	<b>1,938,020</b>	<b>(5,591,173)</b>	<b>-288.5%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-0.5%</b>	<b>0.3%</b>		
Available University Fund Transfer	47,866,667	42,520,000	5,346,667	12.6%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>44,213,514</b>	<b>44,458,020</b>	<b>(244,506)</b>	<b>-0.5%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>6.2%</b>	<b>6.5%</b>		
Investment Gains (Losses)	24,924,023	23,207,115	1,716,908	7.4%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ 69,137,537</b>	<b>\$ 67,665,135</b>	<b>\$ 1,472,402</b>	<b>2.2%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>9.4%</b>	<b>9.6%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>97,403,109</b>	<b>89,533,948</b>	<b>7,869,161</b>	<b>8.8%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>13.6%</b>	<b>13.2%</b>		

**UNAUDITED**  
**The University of Texas at Brownsville**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<u>December</u> <u>Year-to-Date</u> <u>FY 2008</u>	<u>December</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 5,866,737	\$ 4,204,062	\$ 1,662,675	39.5%
Sponsored Programs	34,434,958	34,216,834	218,124	0.6%
Net Sales and Services of Educational Activities	395,113	301,820	93,293	30.9%
Net Auxiliary Enterprises	852,599	381,314	471,285	123.6%
Other Operating Revenues	21,958	3,222	18,736	581.5%
<b>Total Operating Revenues</b>	<b><u>41,571,365</u></b>	<b><u>39,107,252</u></b>	<b><u>2,464,113</u></b>	<b><u>6.3%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	20,353,856	18,230,756	2,123,100	11.6%
Employee Benefits and Related Costs	4,757,761	4,430,391	327,370	7.4%
Professional Fees and Contracted Services	621,742	778,653	(156,911)	-20.2%
Scholarships and Fellowships	18,741,790	17,095,157	1,646,633	9.6%
Travel	358,147	333,616	24,531	7.4%
Materials and Supplies	1,468,650	1,460,229	8,421	0.6%
Utilities	1,164,686	1,302,789	(138,103)	-10.6%
Telecommunications	590,347	443,295	147,052	33.2%
Repairs and Maintenance	427,455	334,645	92,810	27.7%
Rentals and Leases	590,377	583,987	6,390	1.1%
Printing and Reproduction	119,471	119,140	331	0.3%
Bad Debt Expense	14,393	8,566	5,827	68.0%
Federal Sponsored Programs Pass-Thrus	5,118	5,977	(859)	-14.4%
Depreciation and Amortization	1,968,748	1,800,942	167,806	9.3%
Other Operating Expenses	2,114,533	2,010,525	104,008	5.2%
<b>Total Operating Expenses</b>	<b><u>53,297,074</u></b>	<b><u>48,938,668</u></b>	<b><u>4,358,406</u></b>	<b><u>8.9%</u></b>
<b>Operating Loss</b>	<b><u>(11,725,709)</u></b>	<b><u>(9,831,416)</u></b>	<b><u>(1,894,293)</u></b>	<b><u>-19.3%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	11,750,071	9,530,679	2,219,392	23.3%
Gift Contributions for Operations	162,853	129,136	33,717	26.1%
Net Investment Income	400,251	345,969	54,282	15.7%
Long Term Fund Distribution	104,679	98,250	6,429	6.5%
Interest Expense on Capital Asset Financings	(585,988)	(559,076)	(26,912)	-4.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>11,831,866</u></b>	<b><u>9,544,958</u></b>	<b><u>2,286,908</u></b>	<b><u>24.0%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>106,157</b>	<b>(286,458)</b>	<b>392,615</b>	<b>137.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.2%</b>	<b>-0.6%</b>		
Investment Gains (Losses)	880,732	864,443	16,289	1.9%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 986,889</b>	<b>\$ 577,985</b>	<b>\$ 408,904</b>	<b>70.7%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>1.8%</b>	<b>1.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>2,074,905</b>	<b>1,514,484</b>	<b>560,421</b>	<b>37.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>3.8%</b>	<b>3.1%</b>		

**UNAUDITED**  
**The University of Texas at Dallas**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<u>December</u> <u>Year-to-Date</u> <u>FY 2008</u>	<u>December</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 42,921,652	\$ 40,313,072	\$ 2,608,580	6.5%
Sponsored Programs	13,577,518	13,093,818	483,700	3.7%
Net Sales and Services of Educational Activities	2,107,100	1,805,594	301,506	16.7%
Net Auxiliary Enterprises	1,542,411	1,974,383	(431,972)	-21.9%
Other Operating Revenues	3,013,615	1,989,020	1,024,595	51.5%
<b>Total Operating Revenues</b>	<b><u>63,162,296</u></b>	<b><u>59,175,887</u></b>	<b><u>3,986,409</u></b>	<b><u>6.7%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	49,047,750	45,703,508	3,344,242	7.3%
Employee Benefits and Related Costs	9,854,891	9,107,551	747,340	8.2%
Professional Fees and Contracted Services	857,771	792,476	65,295	8.2%
Other Contracted Services	3,630,222	2,789,564	840,658	30.1%
Scholarships and Fellowships	12,131,581	14,638,744	(2,507,163)	-17.1%
Travel	1,053,937	938,417	115,520	12.3%
Materials and Supplies	5,384,131	4,678,076	706,055	15.1%
Utilities	1,856,179	2,056,127	(199,948)	-9.7%
Telecommunications	447,447	388,278	59,169	15.2%
Repairs and Maintenance	1,438,462	1,040,929	397,533	38.2%
Rentals and Leases	449,092	404,391	44,701	11.1%
Printing and Reproduction	449,748	450,736	(988)	-0.2%
Federal Sponsored Programs Pass-Thrus	81,644	23,855	57,789	242.3%
Depreciation and Amortization	6,340,191	6,376,619	(36,428)	-0.6%
Other Operating Expenses	3,600,355	3,039,120	561,235	18.5%
<b>Total Operating Expenses</b>	<b><u>96,623,401</u></b>	<b><u>92,428,391</u></b>	<b><u>4,195,010</u></b>	<b><u>4.5%</u></b>
<b>Operating Loss</b>	<b><u>(33,461,105)</u></b>	<b><u>(33,252,504)</u></b>	<b><u>(208,601)</u></b>	<b><u>-0.6%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	30,867,586	25,241,440	5,626,146	22.3%
Gift Contributions for Operations	1,369,431	4,180,131	(2,810,700)	-67.2%
Net Investment Income	1,648,729	1,043,004	605,725	58.1%
Long Term Fund Distribution	2,734,377	2,557,291	177,086	6.9%
Interest Expense on Capital Asset Financings	(2,324,084)	(2,067,564)	(256,520)	-12.4%
<b>Net Other Nonoperating Adjustments</b>	<b><u>34,296,039</u></b>	<b><u>30,954,302</u></b>	<b><u>3,341,737</u></b>	<b><u>10.8%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>834,934</b>	<b>(2,298,202)</b>	<b>3,133,136</b>	<b>136.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.8%</b>	<b>-2.5%</b>		
Investment Gains (Losses)	3,700,513	3,466,348	234,165	6.8%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 4,535,447</b>	<b>\$ 1,168,146</b>	<b>\$ 3,367,301</b>	<b>288.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>4.4%</b>	<b>1.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>7,175,125</b>	<b>4,078,417</b>	<b>3,096,708</b>	<b>75.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>7.2%</b>	<b>4.4%</b>		

**UNAUDITED**  
**The University of Texas at El Paso**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<u>December</u> <u>Year-to-Date</u> <u>FY 2008</u>	<u>December</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 31,380,148	\$ 28,650,456	\$ 2,729,692	9.5%
Sponsored Programs	29,809,130	29,116,032	693,098	2.4%
Net Sales and Services of Educational Activities	1,274,712	1,249,996	24,716	2.0%
Net Auxiliary Enterprises	9,229,202	11,301,927	(2,072,725)	-18.3%
Other Operating Revenues	307,825	5,784	302,041	5,222.0%
<b>Total Operating Revenues</b>	<b><u>72,001,017</u></b>	<b><u>70,324,195</u></b>	<b><u>1,676,822</u></b>	<b><u>2.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	43,425,775	40,839,031	2,586,744	6.3%
Employee Benefits and Related Costs	10,507,176	9,957,587	549,589	5.5%
Professional Fees and Contracted Services	2,196,855	3,432,363	(1,235,508)	-36.0%
Other Contracted Services	4,680,034	4,685,100	(5,066)	-0.1%
Scholarships and Fellowships	21,697,751	20,700,840	996,911	4.8%
Travel	1,914,451	1,574,524	339,927	21.6%
Materials and Supplies	7,212,450	7,997,477	(785,027)	-9.8%
Utilities	2,169,815	2,291,086	(121,271)	-5.3%
Telecommunications	278,322	150,830	127,492	84.5%
Repairs and Maintenance	1,667,352	1,263,828	403,524	31.9%
Rentals and Leases	1,161,513	1,317,931	(156,418)	-11.9%
Printing and Reproduction	307,687	192,629	115,058	59.7%
Federal Sponsored Programs Pass-Thrus	20,683	62,499	(41,816)	-66.9%
Depreciation and Amortization	4,901,617	4,577,825	323,792	7.1%
Other Operating Expenses	2,113,304	1,946,259	167,045	8.6%
<b>Total Operating Expenses</b>	<b><u>104,254,785</u></b>	<b><u>100,989,809</u></b>	<b><u>3,264,976</u></b>	<b><u>3.2%</u></b>
<b>Operating Loss</b>	<b><u>(32,253,768)</u></b>	<b><u>(30,665,614)</u></b>	<b><u>(1,588,154)</u></b>	<b><u>-5.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	30,385,236	26,573,756	3,811,480	14.3%
Gift Contributions for Operations	2,153,699	3,056,735	(903,036)	-29.5%
Net Investment Income	1,656,720	1,513,719	143,001	9.4%
Long Term Fund Distribution	1,576,161	1,512,971	63,190	4.2%
Interest Expense on Capital Asset Financings	(1,456,092)	(991,934)	(464,158)	-46.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>34,315,724</u></b>	<b><u>31,665,247</u></b>	<b><u>2,650,477</u></b>	<b><u>8.4%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>2,061,956</b>	<b>999,633</b>	<b>1,062,323</b>	<b>106.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.9%</b>	<b>1.0%</b>		
Investment Gains (Losses)	2,010,200	1,972,099	38,101	1.9%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 4,072,156</b>	<b>\$ 2,971,732</b>	<b>\$ 1,100,424</b>	<b>37.0%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>3.7%</b>	<b>2.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>6,963,573</b>	<b>5,577,458</b>	<b>1,386,115</b>	<b>24.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.5%</b>	<b>5.4%</b>		

**UNAUDITED**  
**The University of Texas-Pan American**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 25,540,288	\$ 22,815,708	\$ 2,724,580	11.9%
Sponsored Programs	31,125,984	29,415,930	1,710,054	5.8%
Net Sales and Services of Educational Activities	2,432,168	2,589,877	(157,709)	-6.1%
Net Auxiliary Enterprises	1,285,901	1,376,716	(90,815)	-6.6%
Other Operating Revenues	324,426	155,020	169,406	109.3%
<b>Total Operating Revenues</b>	<b>60,708,767</b>	<b>56,353,251</b>	<b>4,355,516</b>	<b>7.7%</b>
<b>Operating Expenses</b>				
Salaries and Wages	31,503,861	29,221,261	2,282,600	7.8%
Employee Benefits and Related Costs	7,185,753	6,659,195	526,558	7.9%
Professional Fees and Contracted Services	717,762	448,696	269,066	60.0%
Other Contracted Services	2,190,176	1,002,224	1,187,952	118.5%
Scholarships and Fellowships	28,121,322	25,986,538	2,134,784	8.2%
Travel	1,077,604	898,120	179,484	20.0%
Materials and Supplies	4,549,089	6,141,207	(1,592,118)	-25.9%
Utilities	1,899,930	1,248,026	651,904	52.2%
Telecommunications	173,292	151,474	21,818	14.4%
Repairs and Maintenance	821,548	902,914	(81,366)	-9.0%
Rentals and Leases	235,977	212,769	23,208	10.9%
Printing and Reproduction	79,640	56,825	22,815	40.1%
Bad Debt Expense	4,000	306,702	(302,702)	-98.7%
Federal Sponsored Programs Pass-Thrus	28,615	72	28,543	39,643.1%
Depreciation and Amortization	5,368,196	5,331,447	36,749	0.7%
Other Operating Expenses	1,654,257	1,246,721	407,536	32.7%
<b>Total Operating Expenses</b>	<b>85,611,022</b>	<b>79,814,191</b>	<b>5,796,831</b>	<b>7.3%</b>
<b>Operating Loss</b>	<b>(24,902,255)</b>	<b>(23,460,940)</b>	<b>(1,441,315)</b>	<b>-6.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	25,122,328	23,625,976	1,496,352	6.3%
Gift Contributions for Operations	602,091	845,175	(243,084)	-28.8%
Net Investment Income	677,655	600,684	76,971	12.8%
Long Term Fund Distribution	406,082	358,680	47,402	13.2%
Interest Expense on Capital Asset Financings	(1,312,728)	(1,089,370)	(223,358)	-20.5%
<b>Net Other Nonoperating Adjustments</b>	<b>25,495,428</b>	<b>24,341,145</b>	<b>1,154,283</b>	<b>4.7%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>593,173</b>	<b>880,205</b>	<b>(287,032)</b>	<b>-32.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.7%</b>	<b>1.1%</b>		
Investment Gains (Losses)	1,612,349	1,545,220	67,129	4.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 2,205,522</b>	<b>\$ 2,425,425</b>	<b>\$ (219,903)</b>	<b>-9.1%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>2.5%</b>	<b>2.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>5,961,369</b>	<b>6,211,652</b>	<b>(250,283)</b>	<b>-4.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.8%</b>	<b>7.6%</b>		

**UNAUDITED**  
**The University of Texas of the Permian Basin**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 4,903,168	\$ 4,617,355	\$ 285,813	6.2%
Sponsored Programs	2,492,620	2,274,146	218,474	9.6%
Net Sales and Services of Educational Activities	121,578	86,182	35,396	41.1%
Net Auxiliary Enterprises	1,162,994	795,171	367,823	46.3%
Other Operating Revenues	153,839	26,832	127,007	473.3%
<b>Total Operating Revenues</b>	<b>8,834,199</b>	<b>7,799,686</b>	<b>1,034,513</b>	<b>13.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	5,865,412	5,546,700	318,712	5.7%
Employee Benefits and Related Costs	1,322,943	1,242,986	79,957	6.4%
Professional Fees and Contracted Services	1,465,106	484,962	980,144	202.1%
Other Contracted Services	395,600	228,500	167,100	73.1%
Scholarships and Fellowships	2,685,899	2,542,287	143,612	5.6%
Travel	185,444	223,614	(38,170)	-17.1%
Materials and Supplies	1,095,455	561,015	534,440	95.3%
Utilities	583,227	620,968	(37,741)	-6.1%
Telecommunications	168,122	202,905	(34,783)	-17.1%
Repairs and Maintenance	274,979	216,200	58,779	27.2%
Rentals and Leases	149,095	130,079	19,016	14.6%
Printing and Reproduction	52,577	66,995	(14,418)	-21.5%
Depreciation and Amortization	1,216,667	1,085,889	130,778	12.0%
Other Operating Expenses	372,545	284,047	88,498	31.2%
<b>Total Operating Expenses</b>	<b>15,833,071</b>	<b>13,437,147</b>	<b>2,395,924</b>	<b>17.8%</b>
<b>Operating Loss</b>	<b>(6,998,872)</b>	<b>(5,637,461)</b>	<b>(1,361,411)</b>	<b>-24.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	10,535,316	5,736,172	4,799,144	83.7%
Gift Contributions for Operations	488,966	476,647	12,319	2.6%
Net Investment Income	136,259	144,104	(7,845)	-5.4%
Long Term Fund Distribution	237,246	226,429	10,817	4.8%
Interest Expense on Capital Asset Financings	(554,384)	(541,488)	(12,896)	-2.4%
<b>Net Other Nonoperating Adjustments</b>	<b>10,843,403</b>	<b>6,041,864</b>	<b>4,801,539</b>	<b>79.5%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,844,531</b>	<b>404,403</b>	<b>3,440,128</b>	<b>850.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>19.0%</b>	<b>2.8%</b>		
Investment Gains (Losses)	181,181	202,494	(21,313)	-10.5%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 4,025,712</b>	<b>\$ 606,897</b>	<b>\$ 3,418,815</b>	<b>563.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>19.7%</b>	<b>4.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>5,061,198</b>	<b>1,490,292</b>	<b>3,570,906</b>	<b>239.6%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>25.0%</b>	<b>10.4%</b>		

**UNAUDITED**  
**The University of Texas at San Antonio**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<u>December</u> <u>Year-to-Date</u> <u>FY 2008</u>	<u>December</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 60,569,040	\$ 57,963,798	\$ 2,605,242	4.5%
Sponsored Programs	30,586,854	26,843,467	3,743,387	13.9%
Net Sales and Services of Educational Activities	1,652,073	1,455,595	196,478	13.5%
Net Auxiliary Enterprises	5,411,140	4,953,129	458,011	9.2%
Other Operating Revenues	797,308	533,500	263,808	49.4%
<b>Total Operating Revenues</b>	<b>99,016,415</b>	<b>91,749,489</b>	<b>7,266,926</b>	<b>7.9%</b>
<b>Operating Expenses</b>				
Salaries and Wages	55,213,078	50,868,448	4,344,630	8.5%
Employee Benefits and Related Costs	13,726,100	12,301,453	1,424,647	11.6%
Professional Fees and Contracted Services	1,023,178	1,140,957	(117,779)	-10.3%
Other Contracted Services	2,446,892	1,466,807	980,085	66.8%
Scholarships and Fellowships	26,579,339	24,133,740	2,445,599	10.1%
Travel	1,822,806	1,592,644	230,162	14.5%
Materials and Supplies	5,761,973	5,216,100	545,873	10.5%
Utilities	4,155,626	3,289,658	865,968	26.3%
Telecommunications	1,086,033	686,224	399,809	58.3%
Repairs and Maintenance	2,076,870	1,893,763	183,107	9.7%
Rentals and Leases	811,990	733,177	78,813	10.7%
Printing and Reproduction	318,379	361,896	(43,517)	-12.0%
Federal Sponsored Programs Pass-Thrus	700,638	701,729	(1,091)	-0.2%
Depreciation and Amortization	9,229,467	8,012,865	1,216,602	15.2%
Other Operating Expenses	1,965,048	1,936,704	28,344	1.5%
<b>Total Operating Expenses</b>	<b>126,917,417</b>	<b>114,336,165</b>	<b>12,581,252</b>	<b>11.0%</b>
<b>Operating Loss</b>	<b>(27,901,002)</b>	<b>(22,586,676)</b>	<b>(5,314,326)</b>	<b>-23.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	38,486,197	32,524,007	5,962,190	18.3%
Gift Contributions for Operations	3,451,040	1,272,564	2,178,476	171.2%
Net Investment Income	1,916,650	1,455,089	461,561	31.7%
Long Term Fund Distribution	717,056	638,460	78,596	12.3%
Interest Expense on Capital Asset Financings	(3,715,104)	(1,947,325)	(1,767,779)	-90.8%
<b>Net Other Nonoperating Adjustments</b>	<b>40,855,839</b>	<b>33,942,795</b>	<b>6,913,044</b>	<b>20.4%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>12,954,837</b>	<b>11,356,119</b>	<b>1,598,718</b>	<b>14.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>9.0%</b>	<b>8.9%</b>		
Investment Gains (Losses)	5,485,801	5,915,672	(429,871)	-7.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 18,440,638</b>	<b>\$ 17,271,791</b>	<b>\$ 1,168,847</b>	<b>6.8%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>12.4%</b>	<b>12.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>22,184,304</b>	<b>19,368,984</b>	<b>2,815,320</b>	<b>14.5%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>15.5%</b>	<b>15.2%</b>		

**UNAUDITED**  
**The University of Texas at Tyler**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date <u>FY 2008</u></b>	<b>December Year-to-Date <u>FY 2007</u></b>	<b><u>Variance</u></b>	<b><u>Fluctuation Percentage</u></b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 10,000,668	\$ 8,838,076	\$ 1,162,592	13.2%
Sponsored Programs	4,208,937	3,747,305	461,632	12.3%
Net Sales and Services of Educational Activities	423,693	358,727	64,966	18.1%
Net Auxiliary Enterprises	1,478,122	1,403,471	74,651	5.3%
Other Operating Revenues	25,537	25,491	46	0.2%
<b>Total Operating Revenues</b>	<b><u>16,136,957</u></b>	<b><u>14,373,070</u></b>	<b><u>1,763,887</u></b>	<b><u>12.3%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	10,737,581	9,965,341	772,240	7.7%
Employee Benefits and Related Costs	2,742,561	2,504,783	237,778	9.5%
Professional Fees and Contracted Services	520,621	443,212	77,409	17.5%
Other Contracted Services	1,015,673	1,036,338	(20,665)	-2.0%
Scholarships and Fellowships	4,324,124	4,128,629	195,495	4.7%
Travel	459,276	313,593	145,683	46.5%
Materials and Supplies	1,763,780	1,879,805	(116,025)	-6.2%
Utilities	545,125	365,496	179,629	49.1%
Telecommunications	188,799	181,814	6,985	3.8%
Repairs and Maintenance	484,389	377,881	106,508	28.2%
Rentals and Leases	120,948	115,014	5,934	5.2%
Printing and Reproduction	194,241	256,925	(62,684)	-24.4%
Depreciation and Amortization	2,453,904	2,269,050	184,854	8.1%
Other Operating Expenses	533,587	447,099	86,488	19.3%
<b>Total Operating Expenses</b>	<b><u>26,084,609</u></b>	<b><u>24,284,980</u></b>	<b><u>1,799,629</u></b>	<b><u>7.4%</u></b>
<b>Operating Loss</b>	<b><u>(9,947,652)</u></b>	<b><u>(9,911,910)</u></b>	<b><u>(35,742)</u></b>	<b><u>-0.4%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	12,109,252	10,036,395	2,072,857	20.7%
Gift Contributions for Operations	205,580	629,959	(424,379)	-67.4%
Net Investment Income	333,716	274,581	59,135	21.5%
Long Term Fund Distribution	875,436	835,079	40,357	4.8%
Interest Expense on Capital Asset Financings	(886,508)	(722,143)	(164,365)	-22.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>12,637,476</u></b>	<b><u>11,053,871</u></b>	<b><u>1,583,605</u></b>	<b><u>14.3%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>2,689,824</b>	<b>1,141,961</b>	<b>1,547,863</b>	<b>135.5%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>9.1%</b>	<b>4.4%</b>		
Investment Gains (Losses)	880,118	759,919	120,199	15.8%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 3,569,942</b>	<b>\$ 1,901,880</b>	<b>\$ 1,668,062</b>	<b>87.7%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>11.7%</b>	<b>7.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>5,143,728</b>	<b>3,411,011</b>	<b>1,732,717</b>	<b>50.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>17.3%</b>	<b>13.0%</b>		

**UNAUDITED**  
**The University of Texas Southwestern Medical Center at Dallas**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 9,434,153	\$ 8,697,904	\$ 736,249	8.5%
Sponsored Programs	136,447,314	131,854,989	4,592,325	3.5%
Net Sales and Services of Educational Activities	2,274,391	2,112,367	162,024	7.7%
Net Sales and Services of Hospitals	104,772,322	92,064,726	12,707,596	13.8%
Net Professional Fees	103,086,698	86,356,456	16,730,242	19.4%
Net Auxiliary Enterprises	5,878,396	5,814,061	64,335	1.1%
Other Operating Revenues	2,019,153	1,677,175	341,978	20.4%
<b>Total Operating Revenues</b>	<b>363,912,427</b>	<b>328,577,678</b>	<b>35,334,749</b>	<b>10.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	224,841,981	206,984,638	17,857,343	8.6%
Employee Benefits and Related Costs	61,577,241	55,616,723	5,960,518	10.7%
Professional Fees and Contracted Services	6,738,145	3,756,023	2,982,122	79.4%
Other Contracted Services	25,849,943	23,715,697	2,134,246	9.0%
Scholarships and Fellowships	5,612,759	6,057,783	(445,024)	-7.3%
Travel	2,845,784	2,740,121	105,663	3.9%
Materials and Supplies	56,368,708	56,898,648	(529,940)	-0.9%
Utilities	10,374,944	6,773,954	3,600,990	53.2%
Telecommunications	2,027,490	1,662,558	364,932	22.0%
Repairs and Maintenance	4,390,414	3,697,369	693,045	18.7%
Rentals and Leases	3,202,546	3,692,084	(489,538)	-13.3%
Printing and Reproduction	799,862	872,858	(72,996)	-8.4%
Federal Sponsored Programs Pass-Thrus	107,244	116,147	(8,903)	-7.7%
Depreciation and Amortization	23,836,836	21,395,631	2,441,205	11.4%
Other Operating Expenses	15,634,441	18,479,258	(2,844,817)	-15.4%
<b>Total Operating Expenses</b>	<b>444,208,338</b>	<b>412,459,492</b>	<b>31,748,846</b>	<b>7.7%</b>
<b>Operating Loss</b>	<b>(80,295,911)</b>	<b>(83,881,814)</b>	<b>3,585,903</b>	<b>4.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	58,519,092	50,973,346	7,545,746	14.8%
Gift Contributions for Operations	18,907,889	7,989,840	10,918,049	136.6%
Net Investment Income	13,326,513	13,167,248	159,265	1.2%
Long Term Fund Distribution	10,840,075	10,013,404	826,671	8.3%
Interest Expense on Capital Asset Financings	(6,647,912)	(6,820,238)	172,326	2.5%
<b>Net Other Nonoperating Adjustments</b>	<b>94,945,657</b>	<b>75,323,600</b>	<b>19,622,057</b>	<b>26.1%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>14,649,746</b>	<b>(8,558,214)</b>	<b>23,207,960</b>	<b>271.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>3.1%</b>	<b>-2.1%</b>		
Investment Gains (Losses)	23,088,948	18,243,491	4,845,457	26.6%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 37,738,694</b>	<b>\$ 9,685,277</b>	<b>\$ 28,053,417</b>	<b>289.7%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>7.7%</b>	<b>2.3%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>38,486,582</b>	<b>12,837,417</b>	<b>25,649,165</b>	<b>199.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>8.3%</b>	<b>3.1%</b>		

**UNAUDITED**  
**The University of Texas Medical Branch at Galveston**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 5,725,972	\$ 5,112,992	\$ 612,980	12.0%
Sponsored Programs	83,360,055	76,282,643	7,077,412	9.3%
Net Sales and Services of Hospitals	235,942,512	224,306,988	11,635,524	5.2%
Net Professional Fees	40,251,779	34,467,105	5,784,674	16.8%
Net Auxiliary Enterprises	2,957,795	2,745,507	212,288	7.7%
Other Operating Revenues	5,001,439	5,587,345	(585,906)	-10.5%
<b>Total Operating Revenues</b>	<b>373,239,552</b>	<b>348,502,580</b>	<b>24,736,972</b>	<b>7.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	265,305,730	250,365,645	14,940,085	6.0%
Employee Benefits and Related Costs	61,677,716	56,624,928	5,052,788	8.9%
Professional Fees and Contracted Services	7,036,525	13,088,499	(6,051,974)	-46.2%
Other Contracted Services	17,826,128	14,098,623	3,727,505	26.4%
Scholarships and Fellowships	2,715,128	1,915,937	799,191	41.7%
Travel	2,683,167	2,133,509	549,658	25.8%
Materials and Supplies	59,943,492	56,154,705	3,788,787	6.7%
Utilities	10,945,292	9,113,073	1,832,219	20.1%
Telecommunications	4,601,019	4,647,266	(46,247)	-1.0%
Repairs and Maintenance	11,086,405	9,781,764	1,304,641	13.3%
Rentals and Leases	6,229,720	4,849,951	1,379,769	28.4%
Printing and Reproduction	703,785	632,413	71,372	11.3%
Federal Sponsored Programs Pass-Thrus	3,896,153	4,075,591	(179,438)	-4.4%
Depreciation and Amortization	20,668,856	18,178,556	2,490,300	13.7%
Other Operating Expenses	22,080,186	24,812,116	(2,731,930)	-11.0%
<b>Total Operating Expenses</b>	<b>497,399,302</b>	<b>470,472,576</b>	<b>26,926,726</b>	<b>5.7%</b>
<b>Operating Loss</b>	<b>(124,159,750)</b>	<b>(121,969,996)</b>	<b>(2,189,754)</b>	<b>-1.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	102,134,610	96,561,557	5,573,053	5.8%
Gift Contributions for Operations	2,909,947	2,937,671	(27,724)	-0.9%
Net Investment Income	5,506,320	5,361,467	144,853	2.7%
Long Term Fund Distribution	6,017,970	5,554,053	463,917	8.4%
Interest Expense on Capital Asset Financings	(2,014,474)	(2,695,648)	681,174	25.3%
<b>Net Other Nonoperating Adjustments</b>	<b>114,554,373</b>	<b>107,719,100</b>	<b>6,835,273</b>	<b>6.3%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(9,605,377)</b>	<b>(14,250,896)</b>	<b>4,645,519</b>	<b>32.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-2.0%</b>	<b>-3.1%</b>		
Investment Gains (Losses)	6,451,601	6,449,159	2,442	0.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (3,153,776)</b>	<b>\$ (7,801,737)</b>	<b>\$ 4,647,961</b>	<b>59.6%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-0.6%</b>	<b>-1.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>11,063,479</b>	<b>3,927,660</b>	<b>7,135,819</b>	<b>181.7%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>2.3%</b>	<b>0.9%</b>		

**UNAUDITED**  
**The University of Texas Health Science Center at Houston**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date <u>FY 2008</u></b>	<b>December Year-to-Date <u>FY 2007</u></b>	<b><u>Variance</u></b>	<b><u>Fluctuation Percentage</u></b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 8,854,628	\$ 8,635,231	\$ 219,397	2.5%
Sponsored Programs	96,406,239	95,403,182	1,003,057	1.1%
Net Sales and Services of Educational Activities	11,340,332	11,804,470	(464,138)	-3.9%
Net Sales and Services of Hospitals	10,623,050	10,483,143	139,907	1.3%
Net Professional Fees	38,122,541	32,636,237	5,486,304	16.8%
Net Auxiliary Enterprises	7,159,617	7,237,937	(78,320)	-1.1%
Other Operating Revenues	12,576,350	10,997,764	1,578,586	14.4%
<b>Total Operating Revenues</b>	<b><u>185,082,757</u></b>	<b><u>177,197,964</u></b>	<b><u>7,884,793</u></b>	<b><u>4.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	115,111,003	108,831,658	6,279,345	5.8%
Employee Benefits and Related Costs	26,851,595	24,446,000	2,405,595	9.8%
Professional Fees and Contracted Services	20,700,424	19,211,112	1,489,312	7.8%
Other Contracted Services	11,936,148	14,012,545	(2,076,397)	-14.8%
Scholarships and Fellowships	1,778,902	931,632	847,270	90.9%
Travel	1,874,267	1,850,860	23,407	1.3%
Materials and Supplies	20,130,404	19,208,172	922,232	4.8%
Utilities	5,700,611	5,523,887	176,724	3.2%
Telecommunications	926,788	747,630	179,158	24.0%
Repairs and Maintenance	1,983,303	2,238,595	(255,292)	-11.4%
Rentals and Leases	4,358,002	5,279,012	(921,010)	-17.4%
Printing and Reproduction	1,229,244	1,270,684	(41,440)	-3.3%
Federal Sponsored Programs Pass-Thrus	2,492,253	1,756,214	736,039	41.9%
Depreciation and Amortization	11,023,491	10,988,606	34,885	0.3%
Other Operating Expenses	17,224,512	17,248,458	(23,946)	-0.1%
<b>Total Operating Expenses</b>	<b><u>243,320,947</u></b>	<b><u>233,545,065</u></b>	<b><u>9,775,882</u></b>	<b><u>4.2%</u></b>
<b>Operating Loss</b>	<b><u>(58,238,190)</u></b>	<b><u>(56,347,101)</u></b>	<b><u>(1,891,089)</u></b>	<b><u>-3.4%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	55,439,951	51,264,552	4,175,399	8.1%
Gift Contributions for Operations	7,937,178	5,142,583	2,794,595	54.3%
Net Investment Income	7,008,785	5,387,805	1,620,980	30.1%
Long Term Fund Distribution	1,849,092	1,655,985	193,107	11.7%
Interest Expense on Capital Asset Financings	(2,889,956)	(2,302,092)	(587,864)	-25.5%
<b>Net Other Nonoperating Adjustments</b>	<b><u>69,345,050</u></b>	<b><u>61,148,833</u></b>	<b><u>8,196,217</u></b>	<b><u>13.4%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>11,106,860</b>	<b>4,801,732</b>	<b>6,305,128</b>	<b>131.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>4.3%</b>	<b>2.0%</b>		
Investment Gains (Losses)	7,769,298	6,240,000	1,529,298	24.5%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 18,876,158</b>	<b>\$ 11,041,732</b>	<b>\$ 7,834,426</b>	<b>71.0%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>7.1%</b>	<b>4.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>22,130,351</b>	<b>15,790,338</b>	<b>6,340,013</b>	<b>40.2%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>8.6%</b>	<b>6.6%</b>		

**UNAUDITED**  
**The University of Texas Health Science Center at San Antonio**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 8,333,333	\$ 7,733,333	\$ 600,000	7.8%
Sponsored Programs	63,552,495	60,909,706	2,642,789	4.3%
Net Sales and Services of Educational Activities	11,180,571	11,554,434	(373,863)	-3.2%
Net Professional Fees	26,259,304	26,187,446	71,858	0.3%
Net Auxiliary Enterprises	1,392,030	943,063	448,967	47.6%
Other Operating Revenues	4,833,204	5,288,946	(455,742)	-8.6%
<b>Total Operating Revenues</b>	<b>115,550,937</b>	<b>112,616,928</b>	<b>2,934,009</b>	<b>2.6%</b>
<b>Operating Expenses</b>				
Salaries and Wages	102,365,374	95,522,881	6,842,493	7.2%
Employee Benefits and Related Costs	25,469,147	23,812,342	1,656,805	7.0%
Professional Fees and Contracted Services	2,929,774	3,322,010	(392,236)	-11.8%
Other Contracted Services	5,792,133	5,574,179	217,954	3.9%
Scholarships and Fellowships	1,202,175	1,181,266	20,909	1.8%
Travel	1,667,495	1,319,265	348,230	26.4%
Materials and Supplies	10,494,599	10,345,922	148,677	1.4%
Utilities	4,333,333	4,333,333	-	0.0%
Telecommunications	2,239,081	1,911,661	327,420	17.1%
Repairs and Maintenance	839,785	1,149,269	(309,484)	-26.9%
Rentals and Leases	759,701	697,355	62,346	8.9%
Printing and Reproduction	506,815	468,734	38,081	8.1%
Federal Sponsored Programs Pass-Thrus	200,000	208,333	(8,333)	-4.0%
Depreciation and Amortization	8,666,667	7,601,620	1,065,047	14.0%
Other Operating Expenses	22,987,711	21,251,411	1,736,300	8.2%
<b>Total Operating Expenses</b>	<b>190,453,790</b>	<b>178,699,581</b>	<b>11,754,209</b>	<b>6.6%</b>
<b>Operating Loss</b>	<b>(74,902,853)</b>	<b>(66,082,653)</b>	<b>(8,820,200)</b>	<b>-13.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	56,702,894	50,660,997	6,041,897	11.9%
Gift Contributions for Operations	13,188,206	4,608,715	8,579,491	186.2%
Net Investment Income	8,430,613	7,178,775	1,251,838	17.4%
Long Term Fund Distribution	1,857,975	1,524,992	332,983	21.8%
Interest Expense on Capital Asset Financings	(1,929,668)	(317,813)	(1,611,855)	-507.2%
<b>Net Other Nonoperating Adjustments</b>	<b>78,250,020</b>	<b>63,655,666</b>	<b>14,594,354</b>	<b>22.9%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,347,167</b>	<b>(2,426,987)</b>	<b>5,774,154</b>	<b>237.9%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.7%</b>	<b>-1.4%</b>		
Investment Gains (Losses)	6,164,880	5,047,523	1,117,357	22.1%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 9,512,047</b>	<b>\$ 2,620,536</b>	<b>\$ 6,891,511</b>	<b>263.0%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>4.7%</b>	<b>1.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>12,013,834</b>	<b>5,174,633</b>	<b>6,839,201</b>	<b>132.2%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.1%</b>	<b>2.9%</b>		

**UNAUDITED**  
**The University of Texas M. D. Anderson Cancer Center**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 165,647	\$ 117,100	\$ 48,547	41.5%
Sponsored Programs	78,651,167	71,069,760	7,581,407	10.7%
Net Sales and Services of Educational Activities	887,542	1,125,940	(238,398)	-21.2%
Net Sales and Services of Hospitals	584,649,089	530,944,324	53,704,765	10.1%
Net Professional Fees	84,865,615	78,475,175	6,390,440	8.1%
Net Auxiliary Enterprises	9,033,734	8,004,149	1,029,585	12.9%
Other Operating Revenues	13,785,832	13,102,598	683,234	5.2%
<b>Total Operating Revenues</b>	<b>772,038,626</b>	<b>702,839,046</b>	<b>69,199,580</b>	<b>9.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	394,827,650	359,085,422	35,742,228	10.0%
Employee Benefits and Related Costs	104,873,747	94,584,352	10,289,395	10.9%
Professional Fees and Contracted Services	38,185,698	28,429,583	9,756,115	34.3%
Other Contracted Services	21,740,211	21,206,512	533,699	2.5%
Travel	6,357,754	5,959,181	398,573	6.7%
Materials and Supplies	144,648,114	135,942,659	8,705,455	6.4%
Utilities	17,555,658	16,811,736	743,922	4.4%
Telecommunications	2,719,594	2,027,197	692,397	34.2%
Repairs and Maintenance	18,990,718	14,586,714	4,404,004	30.2%
Rentals and Leases	11,307,419	9,657,082	1,650,337	17.1%
Federal Sponsored Programs Pass-Thrus	(252,100)	(174,215)	(77,885)	-44.7%
Depreciation and Amortization	67,936,562	63,611,587	4,324,975	6.8%
Other Operating Expenses	1,314,873	837,025	477,848	57.1%
<b>Total Operating Expenses</b>	<b>830,205,898</b>	<b>752,564,835</b>	<b>77,641,063</b>	<b>10.3%</b>
<b>Operating Loss</b>	<b>(58,167,272)</b>	<b>(49,725,789)</b>	<b>(8,441,483)</b>	<b>-17.0%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	56,036,743	53,597,484	2,439,259	4.6%
Gift Contributions for Operations	36,882,318	26,221,537	10,660,781	40.7%
Net Investment Income	14,759,499	12,616,267	2,143,232	17.0%
Long Term Fund Distribution	5,004,080	4,765,072	239,008	5.0%
Interest Expense on Capital Asset Financings	(9,056,628)	(8,538,246)	(518,382)	-6.1%
<b>Net Other Nonoperating Adjustments</b>	<b>103,626,012</b>	<b>88,662,114</b>	<b>14,963,898</b>	<b>16.9%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>45,458,740</b>	<b>38,936,325</b>	<b>6,522,415</b>	<b>16.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>5.1%</b>	<b>4.9%</b>		
Investment Gains (Losses)	39,965,691	38,435,374	1,530,317	4.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 85,424,431</b>	<b>\$ 77,371,699</b>	<b>\$ 8,052,732</b>	<b>10.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>9.2%</b>	<b>9.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>113,395,302</b>	<b>102,547,912</b>	<b>10,847,390</b>	<b>10.6%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>12.8%</b>	<b>12.8%</b>		

**UNAUDITED**  
**The University of Texas Health Center at Tyler**  
**Comparison of Operating Results and Margin**  
**For the Four Months Ending December 31, 2007**

	<b>December Year-to-Date FY 2008</b>	<b>December Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 3,978,530	\$ 4,871,973	\$ (893,443)	-18.3%
Net Sales and Services of Educational Activities	288,285	163,657	124,628	76.2%
Net Sales and Services of Hospitals	11,573,513	11,992,148	(418,635)	-3.5%
Net Professional Fees	3,775,904	3,385,799	390,105	11.5%
Net Auxiliary Enterprises	52,482	67,849	(15,367)	-22.6%
Other Operating Revenues	454,481	508,941	(54,460)	-10.7%
<b>Total Operating Revenues</b>	<b>20,123,195</b>	<b>20,990,367</b>	<b>(867,172)</b>	<b>-4.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	17,684,215	17,475,869	208,346	1.2%
Employee Benefits and Related Costs	4,876,966	4,503,828	373,138	8.3%
Professional Fees and Contracted Services	1,638,808	1,557,169	81,639	5.2%
Other Contracted Services	2,496,888	2,454,294	42,594	1.7%
Travel	139,072	163,889	(24,817)	-15.1%
Materials and Supplies	3,774,473	4,162,862	(388,389)	-9.3%
Utilities	1,044,564	936,048	108,516	11.6%
Telecommunications	317,794	245,428	72,366	29.5%
Repairs and Maintenance	1,132,768	1,160,635	(27,867)	-2.4%
Rentals and Leases	301,008	519,715	(218,707)	-42.1%
Printing and Reproduction	8,992	7,432	1,560	21.0%
Federal Sponsored Programs Pass-Thrus	49,151	161,565	(112,414)	-69.6%
Depreciation and Amortization	2,155,248	2,123,591	31,657	1.5%
Other Operating Expenses	732,095	902,314	(170,219)	-18.9%
<b>Total Operating Expenses</b>	<b>36,352,042</b>	<b>36,374,639</b>	<b>(22,597)</b>	<b>-0.1%</b>
<b>Operating Loss</b>	<b>(16,228,847)</b>	<b>(15,384,272)</b>	<b>(844,575)</b>	<b>-5.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	13,066,107	12,468,845	597,262	4.8%
Gift Contributions for Operations	724,384	263,261	461,123	175.2%
Net Investment Income	1,201,792	1,204,504	(2,712)	-0.2%
Long Term Fund Distribution	144,147	132,211	11,936	9.0%
Interest Expense on Capital Asset Financings	(245,024)	(254,922)	9,898	3.9%
<b>Net Other Nonoperating Adjustments</b>	<b>14,891,406</b>	<b>13,813,899</b>	<b>1,077,507</b>	<b>7.8%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(1,337,441)</b>	<b>(1,570,373)</b>	<b>232,932</b>	<b>14.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-3.8%</b>	<b>-4.5%</b>		
Investment Gains (Losses)	242,341	-	242,341	100.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (1,095,100)</b>	<b>\$ (1,570,373)</b>	<b>\$ 475,273</b>	<b>30.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-3.1%</b>	<b>-4.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>817,807</b>	<b>553,218</b>	<b>264,589</b>	<b>47.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>2.3%</b>	<b>1.6%</b>		