

THE UNIVERSITY OF TEXAS SYSTEM
OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT
(unaudited)

FEBRUARY 2007



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THE UNIVERSITY OF TEXAS SYSTEM
MONTHLY FINANCIAL REPORT
(Unaudited)
FOR THE SIX MONTHS ENDING
FEBRUARY 28, 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 Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 660,197,175	\$ 586,291,100	\$ 73,906,075	12.6%
Sponsored Programs	1,172,415,973	1,116,267,068	56,148,905	5.0%
Net Sales and Services of Educational Activities	130,624,732	115,980,313	14,644,419	12.6%
Net Sales and Services of Hospitals	1,323,060,211	1,226,364,223	96,695,988	7.9%
Net Professional Fees	491,549,397	388,703,984	102,845,413	26.5%
Net Auxiliary Enterprises	185,848,589	168,271,684	17,576,905	10.4%
Other Operating Revenues	91,133,494	73,106,688	18,026,806	24.7%
Total Operating Revenues	<u>4,054,829,571</u>	<u>3,674,985,060</u>	<u>379,844,511</u>	<u>10.3%</u>
Operating Expenses				
Salaries and Wages	2,409,705,941	2,294,219,040	115,486,901	5.0%
Payroll Related Costs	589,522,327	556,603,093	32,919,234	5.9%
Professional Fees and Contracted Services	133,527,809	122,207,490	11,320,319	9.3%
Other Contracted Services	183,403,496	175,998,189	7,405,307	4.2%
Scholarships and Fellowships	354,808,480	313,422,999	41,385,481	13.2%
Travel	48,665,116	45,845,766	2,819,350	6.1%
Materials and Supplies	530,884,976	515,227,686	15,657,290	3.0%
Utilities	120,361,986	131,881,752	(11,519,766)	-8.7%
Telecommunications	32,835,160	32,733,193	101,967	0.3%
Repairs and Maintenance	76,231,215	71,949,357	4,281,858	6.0%
Rentals and Leases	51,002,757	48,878,508	2,124,249	4.3%
Printing and Reproduction	12,996,406	13,437,688	(441,282)	-3.3%
Bad Debt Expense	626,253	625,510	743	0.1%
Claims and Losses	21,080,567	1,605,667	19,474,900	1,212.9%
Federal Sponsored Programs Pass-Throughs	13,860,577	9,244,853	4,615,724	49.9%
Depreciation and Amortization	296,659,416	278,061,201	18,598,215	6.7%
Other Operating Expenses	187,666,226	175,028,056	12,638,170	7.2%
Total Operating Expenses	<u>5,063,838,708</u>	<u>4,786,970,048</u>	<u>276,868,660</u>	<u>5.8%</u>
Operating Loss	<u>(1,009,009,137)</u>	<u>(1,111,984,988)</u>	<u>102,975,851</u>	<u>9.3%</u>
Other Nonoperating Adjustments				
State Appropriations	885,777,623	879,184,634	6,592,989	0.7%
Gift Contributions for Operations	143,720,546	121,986,153	21,734,393	17.8%
Net Investment Income	242,295,555	227,175,734	15,119,821	6.7%
Long Term Fund Distribution	95,983,771	90,750,841	5,232,930	5.8%
Interest Expense on Capital Asset Financings	(87,981,917)	(90,917,693)	2,935,776	3.2%
Net Other Nonoperating Adjustments	<u>1,279,795,578</u>	<u>1,228,179,669</u>	<u>51,615,909</u>	<u>4.2%</u>
Adjusted Income (Loss) including Depreciation	270,786,441	116,194,681	154,591,760	133.0%
Adjusted Margin (as a percentage) including Depreciation	5.0%	2.3%		
Investment Gains (Losses)	1,341,655,475	840,582,656	501,072,819	59.6%
Adj. Inc. (Loss) with Investment Gains (Losses)	\$ 1,612,441,916	\$ 956,777,337	\$ 655,664,579	68.5%
Adj. Margin % with Investment Gains (Losses)	23.8%	16.4%		
Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation	1,909,101,332	1,234,838,538	674,262,794	54.6%
Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation	28.2%	21.2%		

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The University of Texas System
Comparison of Adjusted Income (Loss)
For the Six Months Ending February 28, 2007

Including Depreciation and Amortization Expense

	February Year-to-Date FY 2007	February Year-to-Date FY 2006	Variance	Fluctuation Percentage
UT System Administration	\$ 93,569,595	\$ 102,753,491	\$ (9,183,896)	-8.9%
UT Arlington	8,041,079	6,829,382	1,211,697	17.7%
UT Austin	80,759,736	55,838,652	24,921,084 (1)	44.6%
UT Brownsville	(733,329) (2)	(461,914)	(271,415)	-58.8%
UT Dallas	(5,519,171) (3)	(5,343,430)	(175,741)	-3.3%
UT El Paso	1,139,439	1,419,340	(279,901)	-19.7%
UT Pan American	(790,437) (4)	(1,253,940)	463,503	37.0%
UT Permian Basin	384,858	1,624,049	(1,239,191) (5)	-76.3%
UT San Antonio	17,825,657	13,061,573	4,764,084	36.5%
UT Tyler	1,911,103	502,313	1,408,790 (6)	280.5%
UT Southwestern Medical Center - Dallas	33,407,355	1,519,162	31,888,193 (7)	2,099.1%
UT Medical Branch - Galveston	(4,188,469)	(30,752,961)	26,564,492 (8)	86.4%
UT Health Science Center - Houston	17,372,164	15,885,707	1,486,457	9.4%
UT Health Science Center - San Antonio	13,446,646	(4,380,966)	17,827,612 (9)	406.9%
UT M. D. Anderson Cancer Center	76,144,205	16,512,063	59,632,142 (10)	361.1%
UT Health Center - Tyler	1,796,010	(1,317,840)	3,113,850 (11)	236.3%
Elimination of AUF Transfer	(63,780,000)	(56,240,000)	(7,540,000)	-13.4%
Total Adjusted Income (Loss)	270,786,441	116,194,681	154,591,760	133.0%
Investment Gains (Losses)	1,341,655,475	840,582,656	501,072,819 (12)	59.6%
Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization	\$ 1,612,441,916	\$ 956,777,337	\$ 655,664,579	68.5%

Excluding Depreciation and Amortization Expense

	February Year-to-Date FY 2007	February Year-to-Date FY 2006	Variance	Fluctuation Percentage
UT System Administration	\$ 96,771,720	\$ 105,411,914	\$ (8,640,194)	-8.2%
UT Arlington	18,222,209	16,873,695	1,348,514	8.0%
UT Austin	140,420,406	110,307,490	30,112,916	27.3%
UT Brownsville	1,979,801	2,102,461	(122,660)	-5.8%
UT Dallas	3,307,466	1,911,137	1,396,329	73.1%
UT El Paso	7,819,871	7,359,352	460,519	6.3%
UT Pan American	7,058,186	5,906,365	1,151,821	19.5%
UT Permian Basin	2,109,593	3,297,917	(1,188,324)	-36.0%
UT San Antonio	28,169,601	23,361,861	4,807,740	20.6%
UT Tyler	5,134,643	3,552,810	1,581,833	44.5%
UT Southwestern Medical Center - Dallas	64,678,745	29,995,251	34,683,494	115.6%
UT Medical Branch - Galveston	22,480,180	(5,239,767)	27,719,947	529.0%
UT Health Science Center - Houston	33,068,021	29,622,410	3,445,611	11.6%
UT Health Science Center - San Antonio	25,946,646	7,176,769	18,769,877	261.5%
UT M. D. Anderson Cancer Center	167,912,801	105,945,737	61,967,064	58.5%
UT Health Center - Tyler	6,145,968	2,910,480	3,235,488	111.2%
Elimination of AUF Transfer	(63,780,000)	(56,240,000)	(7,540,000)	-13.4%
Total Adjusted Income (Loss)	567,445,857	394,255,882	173,189,975	43.9%
Investment Gains (Losses)	1,341,655,475	840,582,656	501,072,819	59.6%
Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization	\$ 1,909,101,332	\$ 1,234,838,538	\$ 674,262,794	54.6%

THE UNIVERSITY OF TEXAS SYSTEM
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT
For the Six Months Ending February 28, 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 Austin – The \$24.9 million (44.6%) increase in adjusted income over the same period last year was primarily due to an increase in net sales and services of educational activities and net auxiliary enterprises. Net sales and services of educational activities increased primarily as a result of growth in the Executive MBA programs. The increase in net auxiliary enterprises was due to increases in Intercollegiate Athletic receipts and application fees and room payments for Housing and Food Services. Intercollegiate Athletic receipts increased as a result of the Darrell K Royal-Texas Memorial Stadium expansion completed in the summer of 2006 which increased capacity and therefore gate receipts. Housing and Food Services increased due to opening the new Almetrius Duren residence hall and to rate increases to compensate for increasing utilities. Excluding depreciation expense, *UT Austin's* adjusted income was \$140.4 million or 13.7%.

(2) UT Brownsville – The \$733,000 year-to-date loss was the result of increased faculty, staff, and part-time salaries and wages as a result of annual merit increases, higher group insurance premiums and additional faculty to support enrollment growth. Excluding depreciation expense, *UT Brownsville's* adjusted income was \$2 million or 2.5%. *UT Brownsville* anticipates ending the year with a \$2.3 million negative margin which represents -1.7% of projected revenues. This forecast includes \$5.4 million in non-cash depreciation expense.

(3) UT Dallas – The \$5.5 million year-to-date loss was the result of management's decision to utilize accumulated reserves in lieu of increasing student fees. The funds are being used to invest in new faculty and Development Office staff and to cover increased costs of facilities. Excluding depreciation expense, *UT Dallas'* adjusted income was \$3.3 million or 2.3%. *UT Dallas* anticipates ending the year with a \$5.1 million negative margin which represents -1.9% of projected revenues. This forecast includes \$18.5 million in non-cash depreciation expense.

(4) UT Pan American – The \$790,000 year-to-date loss was primarily due to increased salaries and wages and interest expense. Salaries and wages and payroll related costs increased due to new faculty to accommodate enrollment growth and faculty workload reduction, new staff positions primarily in the department of information technology as a result of the Oracle software conversion, merit increases,

the filling of vacant positions and higher group insurance premiums. Interest expense increased due to the completion of the Wellness and Recreation Sports Center.

Excluding depreciation expense, *UT Pan American's* adjusted income was \$7.1 million or 5.3%. *UT Pan American* anticipates ending the year with a \$5.5 million negative margin which represents -2.4% of projected revenues. This forecast includes \$15.7 million in non-cash depreciation expense.

(5) UT Permian Basin – The \$1.2 million (76.3%) decrease in adjusted income over the same period last year was primarily due to decreased gift contributions. In February 2006, *UT Permian Basin* reported \$1.5 million of operating gifts for the pre-conceptual design of the High-Temperature Teaching and Test Reactor (HT3R). *UT Permian Basin* received a total of \$3 million for HT3R in 2006, of which only \$1.1 million was expended. It is anticipated that the remaining \$1.9 million will be expended in 2007 without any corresponding revenues.

While *UT Permian Basin* reflects a positive margin of \$385,000, management projects a year-end loss of approximately \$3.1 million which represents -7.2% of projected revenues. This forecast includes \$3.3 million in non-cash depreciation expense. Excluding depreciation expense, *UT Permian Basin's* adjusted income was \$2.1 million or 9.6%.

(6) UT Tyler – The \$1.4 million (280.5%) increase in adjusted income over the same period last year was primarily due to higher tuition and fees as a result of increased rates, headcount and semester credit hours. Headcount increased by 193 students and semester credit hours increased by 4.9% for fall 2006. Headcount also increased by 291 students and semester credit hours increased by 7% for spring 2007. Excluding depreciation expense, *UT Tyler's* adjusted income was \$5.1 million or 12.7%.

(7) UT Southwestern Medical Center at Dallas – The \$31.9 million (2,099.1%) increase in adjusted income over the same period last year was primarily due to the receipt of the first payment for the Texas Physician Upper Payment Limit (UPL) reimbursement of \$41.9 million. Excluding depreciation expense, *UT Southwestern's* adjusted income was \$64.7 million or 9.8%.

(8) UT Medical Branch – Galveston – The \$26.6 million (86.4%) decrease in adjusted loss was primarily due to the receipt of \$17.6 million for the first UPL payment, an increase in other operating revenues as a result of the Austin Initiative and a decrease in Correctional Managed Health Care (CMHC) Incurred but not Reported (IBNR) liability. The \$5.8 million increase in the Austin Initiative is the result of contract agreements with Seton Healthcare Network, primarily in their Pediatrics Graduate Medical Education, Internal Medicine and OB-GYN departments. The \$2.3 million decrease in the CMHC IBNR is the result of increasing skill sets and equipment at off-site clinics.

UTMB had a \$4.2 million year-to-date loss and projects a negative margin of \$9.5 million which represents -0.7% of projected revenues. This projection includes \$55.7 million in non-cash depreciation expense. Excluding depreciation expense, UTMB's adjusted income was \$22.5 million or 3.2%.

(9) UT Health Science Center – San Antonio – The \$17.8 million (406.9%) increase in adjusted income over the same period last year was primarily due to a \$12 million operating gift received from the Greehey Foundation to be used for research, educational and recruitment efforts and the receipt of \$7.8 million for the first UPL payment. Excluding depreciation expense, UTHSC – San Antonio's adjusted income was \$25.9 million or 9%.

(10) UT M. D. Anderson Cancer Center – The \$59.6 million (361.1%) increase in adjusted income over the same period last year was primarily due to higher patient volumes related to the temporary closure of M. D. Anderson in the first quarter of 2006 due to Hurricane Rita and the first UPL payment of \$8.7 million. Excluding depreciation expense, M. D. Anderson's adjusted income was \$167.9 million or 13.7%.

(11) UT Health Center – Tyler – The \$3.1 million (236.3%) increase in adjusted income over the same period last year was primarily due to decreased salaries and wages as a result of the elimination of over 200 full time positions and the first UPL payment of \$2.6 million. The increase in adjusted income was partially offset by a loss in the Northeast Texas Consortium (NETnet) of \$1.1 million.

NETnet is a network of K-12, community colleges, universities, and health institutions linked together allowing the sharing of classrooms, students, teachers, and professors throughout northeast Texas. The financial structure for NETnet rests within UTHC – Tyler's financial statements. The \$2 million per year in general appropriations for NETnet is being used for operations. NETnet will lose over \$2.3 million by the end of the current fiscal year due to depreciation expense

Excluding depreciation expense, UTHC – Tyler's adjusted income was \$6.1 million or 10.6%.

(12) Investment Gains (Losses) – The majority of the \$501.1 million (59.6%) increase in investment gains relates to the Permanent University Fund of \$198.6 million, the Long Term Fund of \$108.4 million and the Permanent Health Fund of \$20.6 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) including Depreciation – Total operating revenues less total operating expenses including depreciation expense plus net other nonoperating adjustments.

ADJUSTED MARGIN (as a percentage) including Depreciation – Percentage of Adjusted Income (Loss) including depreciation expense 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.

ADJUSTED INCOME (LOSS) excluding Depreciation – Total operating revenues less total operating expenses excluding depreciation expense plus net other nonoperating adjustments.

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

UNAUDITED
The University of Texas System Administration
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 9,404,031	\$ 6,736,329	\$2,667,702	39.6%
Net Sales and Services of Educational Activities	8,959,718	10,814,223	(1,854,505)	-17.1%
Other Operating Revenues	10,287,988	4,793,277	5,494,711	114.6%
Total Operating Revenues	<u>28,651,737</u>	<u>22,343,829</u>	<u>6,307,908</u>	<u>28.2%</u>
Operating Expenses				
Salaries and Wages	13,009,230	14,228,091	(1,218,861)	-8.6%
Employee Benefits and Related Costs	2,792,997	3,177,282	(384,285)	-12.1%
Professional Fees and Contracted Services	3,039,939	567,275	2,472,664	435.9%
Other Contracted Services	4,619,307	3,532,058	1,087,249	30.8%
Scholarships and Fellowships	105,300	190,000	(84,700)	-44.6%
Travel	720,015	861,697	(141,682)	-16.4%
Materials and Supplies	988,343	1,139,693	(151,350)	-13.3%
Utilities	352,925	11,117	341,808	3,074.6%
Telecommunications	493,808	546,714	(52,906)	-9.7%
Repairs and Maintenance	702,043	486,760	215,283	44.2%
Rentals and Leases	579,083	858,409	(279,326)	-32.5%
Printing and Reproduction	94,943	96,460	(1,517)	-1.6%
Claims and Losses	21,080,567	1,605,667	19,474,900	1,212.9%
Depreciation and Amortization	3,202,125	2,658,423	543,702	20.5%
Other Operating Expenses	1,492,379	1,106,044	386,335	34.9%
Total Operating Expenses	<u>53,273,004</u>	<u>31,065,690</u>	<u>22,207,314</u>	<u>71.5%</u>
Operating Loss	<u>(24,621,267)</u>	<u>(8,721,861)</u>	<u>(15,899,406)</u>	<u>-182.3%</u>
Other Nonoperating Adjustments				
State Appropriations	458,878	414,995	43,883	10.6%
Gift Contributions for Operations	394,744	339,428	55,316	16.3%
Net Investment Income	124,524,793	116,949,476	7,575,317	6.5%
Long Term Fund Distribution	665,281	2,779,120	(2,113,839)	-76.1%
Interest Expense on Capital Asset Financings	(23,853,501)	(23,855,238)	1,737	0.0%
Net Other Nonoperating Adjustments	<u>102,190,195</u>	<u>96,627,781</u>	<u>5,562,414</u>	<u>5.8%</u>
Adjusted Income (Loss) including Depreciation	77,568,928	87,905,920	(10,336,992)	-11.8%
Adjusted Margin (as a percentage) including Depreciation	50.1%	61.5%		
Available University Fund Transfer	16,000,667	14,847,571	1,153,096	7.8%
Adjusted Income (Loss) with AUF Transfer	93,569,595	102,753,491	(9,183,896)	-8.9%
Adjusted Margin % with AUF Transfer	54.8%	65.2%		
Investment Gains (Losses)	1,159,523,143	807,584,351	351,938,792	43.6%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ 1,253,092,738	\$ 910,337,842	\$ 342,754,896	37.7%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	94.2%	94.3%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	96,771,720	105,411,914	(8,640,194)	-8.2%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	56.7%	66.9%		

UNAUDITED
The University of Texas at Arlington
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 82,741,758	\$ 71,370,760	\$ 11,370,998	15.9%
Sponsored Programs	27,479,558	27,327,388	152,170	0.6%
Net Sales and Services of Educational Activities	6,237,219	3,918,804	2,318,415	59.2%
Net Auxiliary Enterprises	14,016,173	13,075,621	940,552	7.2%
Other Operating Revenues	3,114,692	3,904,145	(789,453)	-20.2%
Total Operating Revenues	<u>133,589,400</u>	<u>119,596,718</u>	<u>13,992,682</u>	<u>11.7%</u>
Operating Expenses				
Salaries and Wages	83,661,240	77,557,204	6,104,036	7.9%
Employee Benefits and Related Costs	18,244,737	17,388,783	855,954	4.9%
Professional Fees and Contracted Services	2,716,040	2,414,715	301,325	12.5%
Other Contracted Services	5,452,831	4,421,929	1,030,902	23.3%
Scholarships and Fellowships	26,968,470	25,139,084	1,829,386	7.3%
Travel	1,885,854	1,793,894	91,960	5.1%
Materials and Supplies	9,794,949	9,137,541	657,408	7.2%
Utilities	5,257,381	4,874,642	382,739	7.9%
Telecommunications	3,067,175	2,613,869	453,306	17.3%
Repairs and Maintenance	3,205,199	3,641,996	(436,797)	-12.0%
Rentals and Leases	1,162,850	1,364,041	(201,191)	-14.7%
Printing and Reproduction	1,134,153	1,048,544	85,609	8.2%
Federal Sponsored Programs Pass-Thrus	1,169,561	363,245	806,316	222.0%
Depreciation and Amortization	10,181,130	10,044,313	136,817	1.4%
Other Operating Expenses	5,533,182	3,964,983	1,568,199	39.6%
Total Operating Expenses	<u>179,434,752</u>	<u>165,768,783</u>	<u>13,665,969</u>	<u>8.2%</u>
Operating Loss	<u>(45,845,352)</u>	<u>(46,172,065)</u>	<u>326,713</u>	<u>0.7%</u>
Other Nonoperating Adjustments				
State Appropriations	52,722,569	52,462,186	260,383	0.5%
Gift Contributions for Operations	1,058,039	1,224,660	(166,621)	-13.6%
Net Investment Income	2,400,769	2,314,714	86,055	3.7%
Long Term Fund Distribution	1,120,500	1,043,726	76,774	7.4%
Interest Expense on Capital Asset Financings	(3,415,446)	(4,043,839)	628,393	15.5%
Net Other Nonoperating Adjustments	<u>53,886,431</u>	<u>53,001,447</u>	<u>884,984</u>	<u>1.7%</u>
Adjusted Income (Loss) including Depreciation	8,041,079	6,829,382	1,211,697	17.7%
Adjusted Margin (as a percentage) including Depreciation	4.2%	3.9%		
Investment Gains (Losses)	5,826,475	(180,823)	6,007,298	3,322.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 13,867,554	\$ 6,648,559	\$ 7,218,995	108.6%
Adjusted Margin % with Investment Gains (Losses)	7.0%	3.8%		
Adjusted Income (Loss) excluding Depreciation	18,222,209	16,873,695	1,348,514	8.0%
Adjusted Margin (as a percentage) excluding Depreciation	9.5%	9.6%		

UNAUDITED
The University of Texas at Austin
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 275,638,935	\$ 250,400,125	\$ 25,238,810	10.1%
Sponsored Programs	233,253,127	219,975,366	13,277,761	6.0%
Net Sales and Services of Educational Activities	69,992,355	54,238,542	15,753,813	29.0%
Net Auxiliary Enterprises	99,960,773	86,498,910	13,461,863	15.6%
Other Operating Revenues	8,365,674	3,562,485	4,803,189	134.8%
Total Operating Revenues	<u>687,210,864</u>	<u>614,675,428</u>	<u>72,535,436</u>	<u>11.8%</u>
Operating Expenses				
Salaries and Wages	447,647,903	425,285,591	22,362,312	5.3%
Employee Benefits and Related Costs	100,514,848	93,666,278	6,848,570	7.3%
Professional Fees and Contracted Services	10,861,639	10,139,803	721,836	7.1%
Other Contracted Services	35,232,710	30,107,865	5,124,845	17.0%
Scholarships and Fellowships	104,685,457	88,586,616	16,098,841	18.2%
Travel	16,201,322	15,696,880	504,442	3.2%
Materials and Supplies	52,558,052	50,882,831	1,675,221	3.3%
Utilities	30,504,608	39,705,181	(9,200,573)	-23.2%
Telecommunications	7,162,702	7,281,534	(118,832)	-1.6%
Repairs and Maintenance	11,785,692	12,679,218	(893,526)	-7.0%
Rentals and Leases	7,189,312	7,080,709	108,603	1.5%
Printing and Reproduction	4,643,135	4,420,150	222,985	5.0%
Federal Sponsored Programs Pass-Thrus	2,658,514	1,230,862	1,427,652	116.0%
Depreciation and Amortization	59,660,670	54,468,838	5,191,832	9.5%
Other Operating Expenses	40,013,464	30,799,857	9,213,607	29.9%
Total Operating Expenses	<u>931,320,028</u>	<u>872,032,213</u>	<u>59,287,815</u>	<u>6.8%</u>
Operating Loss	<u>(244,109,164)</u>	<u>(257,356,785)</u>	<u>13,247,621</u>	<u>5.1%</u>
Other Nonoperating Adjustments				
State Appropriations	159,288,956	158,185,449	1,103,507	0.7%
Gift Contributions for Operations	48,973,132	45,188,784	3,784,348	8.4%
Net Investment Income	18,106,948	19,899,874	(1,792,926)	-9.0%
Long Term Fund Distribution	49,806,251	46,732,156	3,074,095	6.6%
Interest Expense on Capital Asset Financings	(15,086,387)	(13,050,826)	(2,035,561)	-15.6%
Net Other Nonoperating Adjustments	<u>261,088,900</u>	<u>256,955,437</u>	<u>4,133,463</u>	<u>1.6%</u>
Adjusted Income (Loss) including Depreciation	16,979,736	(401,348)	17,381,084	4,330.7%
Adjusted Margin (as a percentage) including Depreciation	1.8%	-0.0%		
Available University Fund Transfer	63,780,000	56,240,000	7,540,000	13.4%
Adjusted Income (Loss) with AUF Transfer	80,759,736	55,838,652	24,921,084	44.6%
Adjusted Margin % with AUF Transfer	7.9%	5.9%		
Investment Gains (Losses)	31,543,516	(65,142)	31,608,658	48,522.7%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ 112,303,252	\$ 55,773,510	\$ 56,529,742	101.4%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	10.6%	5.9%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	140,420,406	110,307,490	30,112,916	27.3%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	13.7%	11.7%		

UNAUDITED
The University of Texas at Brownsville
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date FY 2007	February Year-to-Date FY 2006	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 6,236,240	\$ 5,608,305	\$ 627,935	11.2%
Sponsored Programs	57,062,181	48,464,204	8,597,977	17.7%
Net Sales and Services of Educational Activities	473,524	466,417	7,107	1.5%
Net Auxiliary Enterprises	735,579	620,852	114,727	18.5%
Other Operating Revenues	5,893	56,765	(50,872)	-89.6%
Total Operating Revenues	64,513,417	55,216,543	9,296,874	16.8%
Operating Expenses				
Salaries and Wages	27,573,013	23,970,647	3,602,366	15.0%
Employee Benefits and Related Costs	6,738,493	5,986,104	752,389	12.6%
Professional Fees and Contracted Services	1,066,250	821,293	244,957	29.8%
Scholarships and Fellowships	31,619,308	26,299,834	5,319,474	20.2%
Travel	511,589	458,937	52,652	11.5%
Materials and Supplies	2,241,726	2,399,350	(157,624)	-6.6%
Utilities	1,790,603	1,825,095	(34,492)	-1.9%
Telecommunications	824,657	786,676	37,981	4.8%
Repairs and Maintenance	439,950	442,232	(2,282)	-0.5%
Rentals and Leases	903,405	897,454	5,951	0.7%
Printing and Reproduction	198,424	174,357	24,067	13.8%
Bad Debt Expense	12,849	11,642	1,207	10.4%
Federal Sponsored Programs Pass-Thrus	16,312	17,539	(1,227)	-7.0%
Depreciation and Amortization	2,713,130	2,564,375	148,755	5.8%
Other Operating Expenses	3,080,233	2,997,629	82,604	2.8%
Total Operating Expenses	79,729,942	69,653,164	10,076,778	14.5%
Operating Loss	(15,216,525)	(14,436,621)	(779,904)	-5.4%
Other Nonoperating Adjustments				
State Appropriations	14,329,478	14,083,349	246,129	1.7%
Gift Contributions for Operations	230,375	134,715	95,660	71.0%
Net Investment Income	587,039	629,885	(42,846)	-6.8%
Long Term Fund Distribution	145,542	132,108	13,434	10.2%
Interest Expense on Capital Asset Financings	(809,238)	(1,005,350)	196,112	19.5%
Net Other Nonoperating Adjustments	14,483,196	13,974,707	508,489	3.6%
Adjusted Income (Loss) including Depreciation	(733,329)	(461,914)	(271,415)	-58.8%
Adjusted Margin (as a percentage) including Depreciation	-0.9%	-0.7%		
Investment Gains (Losses)	1,024,207	(166,572)	1,190,779	714.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 290,878	\$ (628,486)	\$ 919,364	146.3%
Adjusted Margin % with Investment Gains (Losses)	0.4%	-0.9%		
Adjusted Income (Loss) excluding Depreciation	1,979,801	2,102,461	(122,660)	-5.8%
Adjusted Margin (as a percentage) excluding Depreciation	2.5%	3.0%		

UNAUDITED
The University of Texas at Dallas
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date FY 2007	February Year-to-Date FY 2006	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 62,745,574	\$ 54,024,754	\$ 8,720,820	16.1%
Sponsored Programs	19,806,601	23,570,823	(3,764,222)	-16.0%
Net Sales and Services of Educational Activities	2,745,779	2,668,094	77,685	2.9%
Net Auxiliary Enterprises	2,963,392	3,240,313	(276,921)	-8.5%
Other Operating Revenues	4,560,494	3,868,940	691,554	17.9%
Total Operating Revenues	92,821,840	87,372,924	5,448,916	6.2%
Operating Expenses				
Salaries and Wages	68,389,450	63,359,831	5,029,619	7.9%
Employee Benefits and Related Costs	13,868,295	12,419,666	1,448,629	11.7%
Professional Fees and Contracted Services	1,216,633	1,814,944	(598,311)	-33.0%
Other Contracted Services	3,920,822	4,553,560	(632,738)	-13.9%
Scholarships and Fellowships	28,054,853	24,155,570	3,899,283	16.1%
Travel	1,378,753	1,383,146	(4,393)	-0.3%
Materials and Supplies	6,721,251	8,360,857	(1,639,606)	-19.6%
Utilities	3,686,456	2,796,886	889,570	31.8%
Telecommunications	585,330	770,261	(184,931)	-24.0%
Repairs and Maintenance	1,641,336	2,862,827	(1,221,491)	-42.7%
Rentals and Leases	636,876	300,663	336,213	111.8%
Printing and Reproduction	699,150	733,162	(34,012)	-4.6%
Federal Sponsored Programs Pass-Thrus	27,615	120,632	(93,017)	-77.1%
Depreciation and Amortization	8,826,637	7,254,567	1,572,070	21.7%
Other Operating Expenses	4,108,739	4,227,820	(119,081)	-2.8%
Total Operating Expenses	143,762,196	135,114,392	8,647,804	6.4%
Operating Loss	(50,940,356)	(47,741,468)	(3,198,888)	-6.7%
Other Nonoperating Adjustments				
State Appropriations	37,862,160	37,638,345	223,815	0.6%
Gift Contributions for Operations	5,066,555	2,141,650	2,924,905	136.6%
Net Investment Income	2,094,148	1,687,682	406,466	24.1%
Long Term Fund Distribution	3,806,580	3,609,046	197,534	5.5%
Interest Expense on Capital Asset Financings	(3,408,258)	(2,678,685)	(729,573)	-27.2%
Net Other Nonoperating Adjustments	45,421,185	42,398,038	3,023,147	7.1%
Adjusted Income (Loss) including Depreciation	(5,519,171)	(5,343,430)	(175,741)	-3.3%
Adjusted Margin (as a percentage) including Depreciation	-3.9%	-4.0%		
Investment Gains (Losses)	4,932,294	(1,191,791)	6,124,085	513.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (586,877)	\$ (6,535,221)	\$ 5,948,344	91.0%
Adjusted Margin % with Investment Gains (Losses)	-0.4%	-5.0%		
Adjusted Income (Loss) excluding Depreciation	3,307,466	1,911,137	1,396,329	73.1%
Adjusted Margin (as a percentage) excluding Depreciation	2.3%	1.4%		

UNAUDITED
The University of Texas at El Paso
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 44,341,638	\$ 41,354,700	\$ 2,986,938	7.2%
Sponsored Programs	53,572,938	48,678,141	4,894,797	10.1%
Net Sales and Services of Educational Activities	2,052,033	1,838,357	213,676	11.6%
Net Auxiliary Enterprises	17,115,870	14,759,752	2,356,118	16.0%
Other Operating Revenues	13,852	16,120	(2,268)	-14.1%
Total Operating Revenues	<u>117,096,331</u>	<u>106,647,070</u>	<u>10,449,261</u>	<u>9.8%</u>
Operating Expenses				
Salaries and Wages	62,073,444	59,618,585	2,454,859	4.1%
Employee Benefits and Related Costs	15,223,446	14,058,681	1,164,765	8.3%
Professional Fees and Contracted Services	4,995,978	2,279,656	2,716,322	119.2%
Other Contracted Services	6,888,261	5,883,061	1,005,200	17.1%
Scholarships and Fellowships	42,492,904	38,006,634	4,486,270	11.8%
Travel	2,415,721	2,509,301	(93,580)	-3.7%
Materials and Supplies	11,343,343	11,923,227	(579,884)	-4.9%
Utilities	3,645,649	3,548,111	97,538	2.7%
Telecommunications	299,906	278,585	21,321	7.7%
Repairs and Maintenance	2,046,502	2,131,240	(84,738)	-4.0%
Rentals and Leases	1,802,102	1,318,348	483,754	36.7%
Printing and Reproduction	259,647	470,671	(211,024)	-44.8%
Federal Sponsored Programs Pass-Thrus	133,465	600,149	(466,684)	-77.8%
Depreciation and Amortization	6,680,432	5,940,012	740,420	12.5%
Other Operating Expenses	3,036,642	2,895,017	141,625	4.9%
Total Operating Expenses	<u>163,337,442</u>	<u>151,461,278</u>	<u>11,876,164</u>	<u>7.8%</u>
Operating Loss	<u>(46,241,111)</u>	<u>(44,814,208)</u>	<u>(1,426,903)</u>	<u>-3.2%</u>
Other Nonoperating Adjustments				
State Appropriations	40,553,862	40,951,920	(398,058)	-1.0%
Gift Contributions for Operations	4,202,559	3,059,484	1,143,075	37.4%
Net Investment Income	2,431,206	2,056,996	374,210	18.2%
Long Term Fund Distribution	2,270,993	2,171,758	99,235	4.6%
Interest Expense on Capital Asset Financings	(2,078,070)	(2,006,610)	(71,460)	-3.6%
Net Other Nonoperating Adjustments	<u>47,380,550</u>	<u>46,233,548</u>	<u>1,147,002</u>	<u>2.5%</u>
Adjusted Income (Loss) including Depreciation	1,139,439	1,419,340	(279,901)	-19.7%
Adjusted Margin (as a percentage) including Depreciation	0.7%	0.9%		
Investment Gains (Losses)	2,445,268	(211,360)	2,656,628	1,256.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 3,584,707	\$ 1,207,980	\$ 2,376,727	196.8%
Adjusted Margin % with Investment Gains (Losses)	2.1%	0.8%		
Adjusted Income (Loss) excluding Depreciation	7,819,871	7,359,352	460,519	6.3%
Adjusted Margin (as a percentage) excluding Depreciation	4.7%	4.8%		

UNAUDITED
The University of Texas-Pan American
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February January FY 2007	February Year-to-Date FY 2006	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 34,223,562	\$ 29,602,698	\$ 4,620,864	15.6%
Sponsored Programs	55,669,363	48,476,054	7,193,309	14.8%
Net Sales and Services of Educational Activities	3,281,200	3,084,053	197,147	6.4%
Net Auxiliary Enterprises	1,719,532	1,876,020	(156,488)	-8.3%
Other Operating Revenues	299,444	272,025	27,419	10.1%
Total Operating Revenues	95,193,101	83,310,850	11,882,251	14.3%
Operating Expenses				
Salaries and Wages	43,794,705	40,900,750	2,893,955	7.1%
Employee Benefits and Related Costs	10,145,627	9,921,530	224,097	2.3%
Professional Fees and Contracted Services	1,314,863	390,364	924,499	236.8%
Other Contracted Services	3,069,253	2,051,063	1,018,190	49.6%
Scholarships and Fellowships	51,771,631	45,881,940	5,889,691	12.8%
Travel	1,463,774	1,103,026	360,748	32.7%
Materials and Supplies	5,947,169	5,871,294	75,875	1.3%
Utilities	2,430,183	2,421,797	8,386	0.3%
Telecommunications	491,750	368,366	123,384	33.5%
Repairs and Maintenance	1,045,118	618,493	426,625	69.0%
Rentals and Leases	361,281	350,542	10,739	3.1%
Printing and Reproduction	97,454	312,370	(214,916)	-68.8%
Bad Debt Expense	613,404	612,468	936	0.2%
Federal Sponsored Programs Pass-Thrus	72	46,385	(46,313)	-99.8%
Depreciation and Amortization	7,848,623	7,160,305	688,318	9.6%
Other Operating Expenses	2,197,206	2,433,721	(236,515)	-9.7%
Total Operating Expenses	132,592,113	120,444,414	12,147,699	10.1%
Operating Loss	(37,399,012)	(37,133,564)	(265,448)	-0.7%
Other Nonoperating Adjustments				
State Appropriations	35,435,491	34,695,891	739,600	2.1%
Gift Contributions for Operations	1,353,106	881,265	471,841	53.5%
Net Investment Income	1,145,194	986,987	158,207	16.0%
Long Term Fund Distribution	529,792	503,838	25,954	5.2%
Interest Expense on Capital Asset Financings	(1,855,008)	(1,188,357)	(666,651)	-56.1%
Net Other Nonoperating Adjustments	36,608,575	35,879,624	728,951	2.0%
Adjusted Income (Loss) including Depreciation	(790,437)	(1,253,940)	463,503	37.0%
Adjusted Margin (as a percentage) including Depreciation	-0.6%	-1.0%		
Investment Gains (Losses)	1,957,510	(381,280)	2,338,790	613.4%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 1,167,073	\$ (1,635,220)	\$ 2,802,293	171.4%
Adjusted Margin % with Investment Gains (Losses)	0.9%	-1.4%		
Adjusted Income (Loss) excluding Depreciation	7,058,186	5,906,365	1,151,821	19.5%
Adjusted Margin (as a percentage) excluding Depreciation	5.3%	4.9%		

UNAUDITED
The University of Texas of the Permian Basin
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 6,926,032	\$ 6,118,470	\$ 807,562	13.2%
Sponsored Programs	3,411,219	2,835,774	575,445	20.3%
Net Sales and Services of Educational Activities	122,252	116,519	5,733	4.9%
Net Auxiliary Enterprises	1,298,897	1,232,493	66,404	5.4%
Other Operating Revenues	90,601	162,074	(71,473)	-44.1%
Total Operating Revenues	<u>11,849,001</u>	<u>10,465,330</u>	<u>1,383,671</u>	<u>13.2%</u>
Operating Expenses				
Salaries and Wages	8,312,839	7,914,752	398,087	5.0%
Employee Benefits and Related Costs	1,871,193	1,895,963	(24,770)	-1.3%
Professional Fees and Contracted Services	871,885	393,119	478,766	121.8%
Other Contracted Services	566,991	393,106	173,885	44.2%
Scholarships and Fellowships	3,813,430	3,684,474	128,956	3.5%
Travel	362,137	323,650	38,487	11.9%
Materials and Supplies	911,972	1,041,680	(129,708)	-12.5%
Utilities	973,656	906,816	66,840	7.4%
Telecommunications	252,345	268,387	(16,042)	-6.0%
Repairs and Maintenance	334,783	279,330	55,453	19.9%
Rentals and Leases	167,020	138,832	28,188	20.3%
Printing and Reproduction	116,658	147,409	(30,751)	-20.9%
Depreciation and Amortization	1,724,735	1,673,868	50,867	3.0%
Other Operating Expenses	413,232	431,588	(18,356)	-4.3%
Total Operating Expenses	<u>20,692,876</u>	<u>19,492,974</u>	<u>1,199,902</u>	<u>6.2%</u>
Operating Loss	<u>(8,843,875)</u>	<u>(9,027,644)</u>	<u>183,769</u>	<u>2.0%</u>
Other Nonoperating Adjustments				
State Appropriations	8,604,258	8,571,210	33,048	0.4%
Gift Contributions for Operations	864,543	2,510,635	(1,646,092)	-65.6%
Net Investment Income	212,765	125,272	87,493	69.8%
Long Term Fund Distribution	335,513	318,963	16,550	5.2%
Interest Expense on Capital Asset Financings	(788,346)	(874,387)	86,041	9.8%
Net Other Nonoperating Adjustments	<u>9,228,733</u>	<u>10,651,693</u>	<u>(1,422,960)</u>	<u>-13.4%</u>
Adjusted Income (Loss) including Depreciation	384,858	1,624,049	(1,239,191)	-76.3%
Adjusted Margin (as a percentage) including Depreciation	1.8%	7.4%		
Investment Gains (Losses)	240,945	20,406	220,539	1,080.8%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 625,803	\$ 1,644,455	\$ (1,018,652)	-61.9%
Adjusted Margin % with Investment Gains (Losses)	2.8%	7.5%		
Adjusted Income (Loss) excluding Depreciation	2,109,593	3,297,917	(1,188,324)	-36.0%
Adjusted Margin (as a percentage) excluding Depreciation	9.6%	15.0%		

UNAUDITED
The University of Texas at San Antonio
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 89,466,057	\$ 77,941,455	\$ 11,524,602	14.8%
Sponsored Programs	47,580,190	47,134,649	445,541	0.9%
Net Sales and Services of Educational Activities	2,533,123	2,510,235	22,888	0.9%
Net Auxiliary Enterprises	7,415,875	8,191,284	(775,409)	-9.5%
Other Operating Revenues	953,264	772,327	180,937	23.4%
Total Operating Revenues	<u>147,948,509</u>	<u>136,549,950</u>	<u>11,398,559</u>	<u>8.3%</u>
Operating Expenses				
Salaries and Wages	77,070,968	71,341,724	5,729,244	8.0%
Employee Benefits and Related Costs	18,965,314	17,149,414	1,815,900	10.6%
Professional Fees and Contracted Services	1,403,022	1,601,766	(198,744)	-12.4%
Other Contracted Services	2,053,871	1,137,330	916,541	80.6%
Scholarships and Fellowships	45,623,730	43,343,902	2,279,828	5.3%
Travel	2,498,694	2,490,776	7,918	0.3%
Materials and Supplies	7,783,514	11,699,531	(3,916,017)	-33.5%
Utilities	4,934,487	4,426,397	508,090	11.5%
Telecommunications	1,494,950	1,379,255	115,695	8.4%
Repairs and Maintenance	2,908,704	2,965,777	(57,073)	-1.9%
Rentals and Leases	1,093,443	1,120,249	(26,806)	-2.4%
Printing and Reproduction	549,636	461,408	88,228	19.1%
Federal Sponsored Programs Pass-Thrus	1,352,252	1,314,413	37,839	2.9%
Depreciation and Amortization	10,343,944	10,300,288	43,656	0.4%
Other Operating Expenses	2,829,432	2,733,674	95,758	3.5%
Total Operating Expenses	<u>180,905,961</u>	<u>173,465,904</u>	<u>7,440,057</u>	<u>4.3%</u>
Operating Loss	<u>(32,957,452)</u>	<u>(36,915,954)</u>	<u>3,958,502</u>	<u>10.7%</u>
Other Nonoperating Adjustments				
State Appropriations	49,275,847	49,228,508	47,339	0.1%
Gift Contributions for Operations	2,239,913	2,146,614	93,299	4.3%
Net Investment Income	3,199,436	2,886,310	313,126	10.8%
Long Term Fund Distribution	946,627	807,030	139,597	17.3%
Interest Expense on Capital Asset Financings	(4,878,714)	(5,090,935)	212,221	4.2%
Net Other Nonoperating Adjustments	<u>50,783,109</u>	<u>49,977,527</u>	<u>805,582</u>	<u>1.6%</u>
Adjusted Income (Loss) including Depreciation	17,825,657	13,061,573	4,764,084	36.5%
Adjusted Margin (as a percentage) including Depreciation	8.8%	6.8%		
Investment Gains (Losses)	7,806,829	(636,961)	8,443,790	1,325.6%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 25,632,486	\$ 12,424,612	\$ 13,207,874	106.3%
Adjusted Margin % with Investment Gains (Losses)	12.1%	6.5%		
Adjusted Income (Loss) excluding Depreciation	28,169,601	23,361,861	4,807,740	20.6%
Adjusted Margin (as a percentage) excluding Depreciation	13.8%	12.2%		

UNAUDITED
The University of Texas at Tyler
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 13,617,360	\$ 11,262,108	\$ 2,355,252	20.9%
Sponsored Programs	6,809,121	5,865,406	943,715	16.1%
Net Sales and Services of Educational Activities	453,187	418,914	34,273	8.2%
Net Auxiliary Enterprises	2,210,785	1,708,260	502,525	29.4%
Other Operating Revenues	34,371	102,423	(68,052)	-66.4%
Total Operating Revenues	<u>23,124,824</u>	<u>19,357,111</u>	<u>3,767,713</u>	<u>19.5%</u>
Operating Expenses				
Salaries and Wages	15,282,010	14,401,614	880,396	6.1%
Employee Benefits and Related Costs	3,865,338	3,467,979	397,359	11.5%
Professional Fees and Contracted Services	645,792	785,015	(139,223)	-17.7%
Other Contracted Services	1,530,652	1,197,884	332,768	27.8%
Scholarships and Fellowships	7,346,736	6,986,696	360,040	5.2%
Travel	525,601	439,533	86,068	19.6%
Materials and Supplies	2,391,323	1,741,535	649,788	37.3%
Utilities	660,679	747,817	(87,138)	-11.7%
Telecommunications	283,088	243,078	40,010	16.5%
Repairs and Maintenance	546,511	731,149	(184,638)	-25.3%
Rentals and Leases	169,330	117,508	51,822	44.1%
Printing and Reproduction	323,808	248,607	75,201	30.2%
Depreciation and Amortization	3,223,540	3,050,497	173,043	5.7%
Other Operating Expenses	595,462	528,653	66,809	12.6%
Total Operating Expenses	<u>37,389,870</u>	<u>34,687,565</u>	<u>2,702,305</u>	<u>7.8%</u>
Operating Loss	<u>(14,265,046)</u>	<u>(15,330,454)</u>	<u>1,065,408</u>	<u>6.9%</u>
Other Nonoperating Adjustments				
State Appropriations	15,142,386	14,887,016	255,370	1.7%
Gift Contributions for Operations	433,726	417,959	15,767	3.8%
Net Investment Income	500,388	499,432	956	0.2%
Long Term Fund Distribution	1,235,257	1,172,239	63,018	5.4%
Interest Expense on Capital Asset Financings	(1,135,608)	(1,143,879)	8,271	0.7%
Net Other Nonoperating Adjustments	<u>16,176,149</u>	<u>15,832,767</u>	<u>343,382</u>	<u>2.2%</u>
Adjusted Income (Loss) including Depreciation	1,911,103	502,313	1,408,790	280.5%
Adjusted Margin (as a percentage) including Depreciation	4.7%	1.4%		
Investment Gains (Losses)	1,151,829	(4,502)	1,156,331	25,684.8%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 3,062,932	\$ 497,811	\$ 2,565,121	515.3%
Adjusted Margin % with Investment Gains (Losses)	7.4%	1.4%		
Adjusted Income (Loss) excluding Depreciation	5,134,643	3,552,810	1,581,833	44.5%
Adjusted Margin (as a percentage) excluding Depreciation	12.7%	9.8%		

UNAUDITED
The University of Texas Southwestern Medical Center at Dallas
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 10,873,667	\$ 10,271,288	\$ 602,379	5.9%
Sponsored Programs	196,839,043	187,633,537	9,205,506	4.9%
Net Sales and Services of Educational Activities	3,388,250	6,606,627	(3,218,377)	-48.7%
Net Sales and Services of Hospitals	143,236,437	138,351,966	4,884,471	3.5%
Net Professional Fees	171,921,505	120,529,157	51,392,348	42.6%
Net Auxiliary Enterprises	8,612,057	8,602,327	9,730	0.1%
Other Operating Revenues	2,961,184	3,138,357	(177,173)	-5.6%
Total Operating Revenues	<u>537,832,143</u>	<u>475,133,259</u>	<u>62,698,884</u>	<u>13.2%</u>
Operating Expenses				
Salaries and Wages	310,815,614	290,446,986	20,368,628	7.0%
Employee Benefits and Related Costs	84,434,563	78,882,207	5,552,356	7.0%
Professional Fees and Contracted Services	8,800,511	7,811,543	988,968	12.7%
Other Contracted Services	34,411,281	32,314,147	2,097,134	6.5%
Scholarships and Fellowships	5,281,027	5,413,678	(132,651)	-2.5%
Travel	3,854,921	3,635,892	219,029	6.0%
Materials and Supplies	86,385,937	80,802,054	5,583,883	6.9%
Utilities	12,720,323	13,051,176	(330,853)	-2.5%
Telecommunications	3,353,167	3,100,830	252,337	8.1%
Repairs and Maintenance	6,467,659	5,830,097	637,562	10.9%
Rentals and Leases	5,603,069	5,813,404	(210,335)	-3.6%
Printing and Reproduction	1,206,002	1,364,052	(158,050)	-11.6%
Federal Sponsored Programs Pass-Thrus	186,408	205,203	(18,795)	-9.2%
Depreciation and Amortization	31,271,390	28,476,089	2,795,301	9.8%
Other Operating Expenses	25,797,621	24,472,493	1,325,128	5.4%
Total Operating Expenses	<u>620,589,493</u>	<u>581,619,851</u>	<u>38,969,642</u>	<u>6.7%</u>
Operating Loss	<u>(82,757,350)</u>	<u>(106,486,592)</u>	<u>23,729,242</u>	<u>22.3%</u>
Other Nonoperating Adjustments				
State Appropriations	75,501,182	73,584,017	1,917,165	2.6%
Gift Contributions for Operations	15,527,142	13,016,030	2,511,112	19.3%
Net Investment Income	19,496,873	18,103,668	1,393,205	7.7%
Long Term Fund Distribution	14,896,044	13,795,179	1,100,865	8.0%
Interest Expense on Capital Asset Financings	(9,256,536)	(10,493,140)	1,236,604	11.8%
Net Other Nonoperating Adjustments	<u>116,164,705</u>	<u>108,005,754</u>	<u>8,158,951</u>	<u>7.6%</u>
Adjusted Income (Loss) including Depreciation	33,407,355	1,519,162	31,888,193	2,099.1%
Adjusted Margin (as a percentage) including Depreciation	5.0%	0.3%		
Investment Gains (Losses)	23,659,159	(2,996,455)	26,655,614	889.6%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 57,066,514	\$ (1,477,293)	\$ 58,543,807	3962.9%
Adjusted Margin % with Investment Gains (Losses)	8.3%	-0.3%		
Adjusted Income (Loss) excluding Depreciation	64,678,745	29,995,251	34,683,494	115.6%
Adjusted Margin (as a percentage) excluding Depreciation	9.8%	5.1%		

UNAUDITED
The University of Texas Medical Branch at Galveston
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 8,478,803	\$ 6,711,202	\$ 1,767,601	26.3%
Sponsored Programs	102,957,910	104,919,199	(1,961,289)	-1.9%
Net Sales and Services of Hospitals	337,000,251	337,329,085	(328,834)	-0.1%
Net Professional Fees	72,021,141	56,122,868	15,898,273	28.3%
Net Auxiliary Enterprises	4,270,638	4,283,580	(12,942)	-0.3%
Other Operating Revenues	17,398,804	11,613,066	5,785,738	49.8%
Total Operating Revenues	<u>542,127,547</u>	<u>520,979,000</u>	<u>21,148,547</u>	<u>4.1%</u>
Operating Expenses				
Salaries and Wages	373,385,560	373,985,109	(599,549)	-0.2%
Employee Benefits and Related Costs	88,847,155	89,205,323	(358,168)	-0.4%
Professional Fees and Contracted Services	18,761,870	20,568,789	(1,806,919)	-8.8%
Other Contracted Services	22,986,946	31,043,104	(8,056,158)	-26.0%
Scholarships and Fellowships	3,431,181	3,375,261	55,920	1.7%
Travel	3,063,694	3,024,049	39,645	1.3%
Materials and Supplies	87,348,987	83,874,459	3,474,528	4.1%
Utilities	13,500,091	15,379,328	(1,879,237)	-12.2%
Telecommunications	6,663,770	6,632,431	31,339	0.5%
Repairs and Maintenance	14,454,109	15,355,149	(901,040)	-5.9%
Rentals and Leases	7,431,675	6,207,135	1,224,540	19.7%
Printing and Reproduction	1,040,475	1,023,164	17,311	1.7%
Federal Sponsored Programs Pass-Thrus	5,086,462	2,032,354	3,054,108	150.3%
Depreciation and Amortization	26,668,649	25,513,194	1,155,455	4.5%
Other Operating Expenses	36,602,005	34,265,633	2,336,372	6.8%
Total Operating Expenses	<u>709,272,629</u>	<u>711,484,482</u>	<u>(2,211,853)</u>	<u>-0.3%</u>
Operating Loss	<u>(167,145,082)</u>	<u>(190,505,482)</u>	<u>23,360,400</u>	<u>12.3%</u>
Other Nonoperating Adjustments				
State Appropriations	144,874,984	144,146,923	728,061	0.5%
Gift Contributions for Operations	4,063,477	3,328,115	735,362	22.1%
Net Investment Income	7,739,545	8,668,026	(928,481)	-10.7%
Long Term Fund Distribution	8,260,699	6,558,634	1,702,065	26.0%
Interest Expense on Capital Asset Financings	(1,982,092)	(2,949,177)	967,085	32.8%
Net Other Nonoperating Adjustments	<u>162,956,613</u>	<u>159,752,521</u>	<u>3,204,092</u>	<u>2.0%</u>
Adjusted Income (Loss) including Depreciation	(4,188,469)	(30,752,961)	26,564,492	86.4%
Adjusted Margin (as a percentage) including Depreciation	-0.6%	-4.5%		
Investment Gains (Losses)	32,640,229	13,785,903	18,854,326	136.8%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 28,451,760	\$ (16,967,058)	\$ 45,418,818	267.7%
Adjusted Margin % with Investment Gains (Losses)	3.8%	-2.4%		
Adjusted Income (Loss) excluding Depreciation	22,480,180	(5,239,767)	27,719,947	529.0%
Adjusted Margin (as a percentage) excluding Depreciation	3.2%	-0.8%		

UNAUDITED
The University of Texas Health Science Center at Houston
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 13,084,326	\$ 10,207,302	\$ 2,877,024	28.2%
Sponsored Programs	144,273,699	131,604,259	12,669,440	9.6%
Net Sales and Services of Educational Activities	16,859,819	16,629,445	230,374	1.4%
Net Sales and Services of Hospitals	14,313,351	13,514,849	798,502	5.9%
Net Professional Fees	61,265,121	53,302,963	7,962,158	14.9%
Net Auxiliary Enterprises	11,410,125	10,865,533	544,592	5.0%
Other Operating Revenues	14,238,611	15,708,040	(1,469,429)	-9.4%
Total Operating Revenues	<u>275,445,052</u>	<u>251,832,391</u>	<u>23,612,661</u>	<u>9.4%</u>
Operating Expenses				
Salaries and Wages	164,622,862	160,433,344	4,189,518	2.6%
Employee Benefits and Related Costs	36,974,760	35,532,727	1,442,033	4.1%
Professional Fees and Contracted Services	26,768,877	25,881,065	887,812	3.4%
Other Contracted Services	19,562,853	17,266,705	2,296,148	13.3%
Scholarships and Fellowships	1,902,565	1,533,129	369,436	24.1%
Travel	2,609,758	2,506,271	103,487	4.1%
Materials and Supplies	28,921,209	25,187,699	3,733,510	14.8%
Utilities	7,965,913	5,337,290	2,628,623	49.3%
Telecommunications	1,381,610	1,495,225	(113,615)	-7.6%
Repairs and Maintenance	3,221,854	2,131,283	1,090,571	51.2%
Rentals and Leases	7,078,925	7,517,945	(439,020)	-5.8%
Printing and Reproduction	1,860,229	1,930,430	(70,201)	-3.6%
Bad Debt Expense	-	1,400	(1,400)	-100.0%
Federal Sponsored Programs Pass-Thrus	2,634,321	2,582,668	51,653	2.0%
Depreciation and Amortization	15,695,857	13,736,703	1,959,154	14.3%
Other Operating Expenses	27,278,285	26,197,844	1,080,441	4.1%
Total Operating Expenses	<u>348,479,878</u>	<u>329,271,728</u>	<u>19,208,150</u>	<u>5.8%</u>
Operating Loss	<u>(73,034,826)</u>	<u>(77,439,337)</u>	<u>4,404,511</u>	<u>5.7%</u>
Other Nonoperating Adjustments				
State Appropriations	76,896,828	75,980,217	916,611	1.2%
Gift Contributions for Operations	5,561,640	13,052,850	(7,491,210)	-57.4%
Net Investment Income	9,225,076	6,469,597	2,755,479	42.6%
Long Term Fund Distribution	2,462,532	2,245,638	216,894	9.7%
Interest Expense on Capital Asset Financings	(3,739,086)	(4,423,258)	684,172	15.5%
Net Other Nonoperating Adjustments	<u>90,406,990</u>	<u>93,325,044</u>	<u>(2,918,054)</u>	<u>-3.1%</u>
Adjusted Income (Loss) including Depreciation	17,372,164	15,885,707	1,486,457	9.4%
Adjusted Margin (as a percentage) including Depreciation	4.7%	4.5%		
Investment Gains (Losses)	9,145,038	(964,448)	10,109,486	1,048.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 26,517,202	\$ 14,921,259	\$ 11,595,943	77.7%
Adjusted Margin % with Investment Gains (Losses)	7.0%	4.3%		
Adjusted Income (Loss) excluding Depreciation	33,068,021	29,622,410	3,445,611	11.6%
Adjusted Margin (as a percentage) excluding Depreciation	8.9%	8.5%		

UNAUDITED
The University of Texas Health Science Center at San Antonio
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 11,600,000	\$ 11,329,645	\$ 270,355	2.4%
Sponsored Programs	95,126,028	93,532,297	1,593,731	1.7%
Net Sales and Services of Educational Activities	11,522,076	10,935,929	586,147	5.4%
Net Professional Fees	47,747,441	40,166,771	7,580,670	18.9%
Net Auxiliary Enterprises	1,400,023	1,879,393	(479,370)	-25.5%
Other Operating Revenues	13,462,168	14,186,050	(723,882)	-5.1%
Total Operating Revenues	<u>180,857,736</u>	<u>172,030,085</u>	<u>8,827,651</u>	<u>5.1%</u>
Operating Expenses				
Salaries and Wages	143,758,113	138,006,205	5,751,908	4.2%
Employee Benefits and Related Costs	35,809,493	33,876,684	1,932,809	5.7%
Professional Fees and Contracted Services	5,370,992	5,279,281	91,711	1.7%
Other Contracted Services	7,821,897	7,883,451	(61,554)	-0.8%
Scholarships and Fellowships	1,711,888	826,181	885,707	107.2%
Travel	1,962,985	2,378,313	(415,328)	-17.5%
Materials and Supplies	17,358,830	16,865,692	493,138	2.9%
Utilities	6,500,000	5,952,858	547,142	9.2%
Telecommunications	3,123,126	2,677,358	445,768	16.6%
Repairs and Maintenance	1,645,284	1,196,958	448,326	37.5%
Rentals and Leases	1,045,514	1,293,240	(247,726)	-19.2%
Printing and Reproduction	761,482	915,601	(154,119)	-16.8%
Federal Sponsored Programs Pass-Thrus	312,500	262,772	49,728	18.9%
Depreciation and Amortization	12,500,000	11,557,735	942,265	8.2%
Other Operating Expenses	31,784,268	35,160,954	(3,376,686)	-9.6%
Total Operating Expenses	<u>271,466,372</u>	<u>264,133,283</u>	<u>7,333,089</u>	<u>2.8%</u>
Operating Loss	<u>(90,608,636)</u>	<u>(92,103,198)</u>	<u>1,494,562</u>	<u>1.6%</u>
Other Nonoperating Adjustments				
State Appropriations	75,991,495	75,671,522	319,973	0.4%
Gift Contributions for Operations	16,012,795	1,403,590	14,609,205	1,040.8%
Net Investment Income	12,205,162	11,585,822	619,340	5.3%
Long Term Fund Distribution	2,254,937	2,058,343	196,594	9.6%
Interest Expense on Capital Asset Financings	(2,409,107)	(2,997,045)	587,938	19.6%
Net Other Nonoperating Adjustments	<u>104,055,282</u>	<u>87,722,232</u>	<u>16,333,050</u>	<u>18.6%</u>
Adjusted Income (Loss) including Depreciation	13,446,646	(4,380,966)	17,827,612	406.9%
Adjusted Margin (as a percentage) including Depreciation	4.7%	-1.7%		
Investment Gains (Losses)	8,028,569	(850,577)	8,879,146	1,043.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 21,475,215	\$ (5,231,543)	\$ 26,706,758	510.5%
Adjusted Margin % with Investment Gains (Losses)	7.3%	-2.0%		
Adjusted Income (Loss) excluding Depreciation	25,946,646	7,176,769	18,769,877	261.5%
Adjusted Margin (as a percentage) excluding Depreciation	9.0%	2.7%		

UNAUDITED
The University of Texas M. D. Anderson Cancer Center
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date FY 2007	February Year-to-Date FY 2006	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 223,223	\$ 88,288	\$ 134,935	152.8%
Sponsored Programs	112,140,517	112,478,823	(338,306)	-0.3%
Net Sales and Services of Educational Activities	1,494,116	1,165,271	328,845	28.2%
Net Sales and Services of Hospitals	807,750,638	714,186,139	93,564,499	13.1%
Net Professional Fees	130,948,568	112,480,301	18,468,267	16.4%
Net Auxiliary Enterprises	12,623,097	11,306,223	1,316,874	11.6%
Other Operating Revenues	14,559,774	9,579,692	4,980,082	52.0%
Total Operating Revenues	1,079,739,933	961,284,737	118,455,196	12.3%
Operating Expenses				
Salaries and Wages	544,321,975	503,128,237	41,193,738	8.2%
Employee Benefits and Related Costs	144,251,556	132,602,005	11,649,551	8.8%
Professional Fees and Contracted Services	43,240,111	39,060,196	4,179,915	10.7%
Other Contracted Services	31,637,151	30,487,352	1,149,799	3.8%
Travel	8,970,023	6,997,616	1,972,407	28.2%
Materials and Supplies	203,697,602	196,492,298	7,205,304	3.7%
Utilities	23,879,375	29,361,131	(5,481,756)	-18.7%
Telecommunications	3,028,294	3,974,453	(946,159)	-23.8%
Repairs and Maintenance	24,140,532	19,464,910	4,675,622	24.0%
Rentals and Leases	15,163,915	13,816,351	1,347,564	9.8%
Federal Sponsored Programs Pass-Thrus	120,909	210,365	(89,456)	-42.5%
Depreciation and Amortization	91,768,596	89,433,674	2,334,922	2.6%
Other Operating Expenses	1,503,273	1,329,202	174,071	13.1%
Total Operating Expenses	1,135,723,312	1,066,357,790	69,365,522	6.5%
Operating Loss	(55,983,379)	(105,073,053)	49,089,674	46.7%
Other Nonoperating Adjustments				
State Appropriations	80,124,018	79,072,253	1,051,765	1.3%
Gift Contributions for Operations	37,309,453	32,687,494	4,621,959	14.1%
Net Investment Income	20,615,846	17,865,327	2,750,519	15.4%
Long Term Fund Distribution	7,051,455	6,640,248	411,207	6.2%
Interest Expense on Capital Asset Financings	(12,973,188)	(14,680,206)	1,707,018	11.6%
Net Other Nonoperating Adjustments	132,127,584	121,585,116	10,542,468	8.7%
Adjusted Income (Loss) including Depreciation	76,144,205	16,512,063	59,632,142	361.1%
Adjusted Margin (as a percentage) including Depreciation	6.2%	1.5%		
Investment Gains (Losses)	51,730,464	26,851,947	24,878,517	92.7%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 127,874,669	\$ 43,364,010	\$ 84,510,659	194.9%
Adjusted Margin % with Investment Gains (Losses)	10.0%	3.9%		
Adjusted Income (Loss) excluding Depreciation	167,912,801	105,945,737	61,967,064	58.5%
Adjusted Margin (as a percentage) excluding Depreciation	13.7%	9.7%		

UNAUDITED
The University of Texas Health Center at Tyler
Comparison of Operating Results and Margin
For the Six Months Ending February 28, 2007

	February Year-to-Date <u>FY 2007</u>	February Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 7,030,447	\$ 7,034,819	\$ (4,372)	-0.1%
Net Sales and Services of Educational Activities	510,081	568,883	(58,802)	-10.3%
Net Sales and Services of Hospitals	20,759,534	22,982,184	(2,222,650)	-9.7%
Net Professional Fees	7,645,621	6,101,924	1,543,697	25.3%
Net Auxiliary Enterprises	95,773	131,123	(35,350)	-27.0%
Other Operating Revenues	786,680	1,370,902	(584,222)	-42.6%
Total Operating Revenues	<u>36,828,136</u>	<u>38,189,835</u>	<u>(1,361,699)</u>	<u>-3.6%</u>
Operating Expenses				
Salaries and Wages	25,987,015	29,640,370	(3,653,355)	-12.3%
Employee Benefits and Related Costs	6,974,512	7,372,467	(397,955)	-5.4%
Professional Fees and Contracted Services	2,453,407	2,398,666	54,741	2.3%
Other Contracted Services	3,648,670	3,725,574	(76,904)	-2.1%
Travel	240,275	242,785	(2,510)	-1.0%
Materials and Supplies	6,490,769	7,807,945	(1,317,176)	-16.9%
Utilities	1,559,657	1,536,110	23,547	1.5%
Telecommunications	329,482	316,171	13,311	4.2%
Repairs and Maintenance	1,645,939	1,131,938	514,001	45.4%
Rentals and Leases	614,957	683,678	(68,721)	-10.1%
Printing and Reproduction	11,210	91,303	(80,093)	-87.7%
Federal Sponsored Programs Pass-Thrus	162,186	258,266	(96,080)	-37.2%
Depreciation and Amortization	4,349,958	4,228,320	121,638	2.9%
Other Operating Expenses	1,400,803	1,482,944	(82,141)	-5.5%
Total Operating Expenses	<u>55,868,840</u>	<u>60,916,537</u>	<u>(5,047,697)</u>	<u>-8.3%</u>
Operating Loss	<u>(19,040,704)</u>	<u>(22,726,702)</u>	<u>3,685,998</u>	<u>16.2%</u>
Other Nonoperating Adjustments				
State Appropriations	18,715,231	19,610,833	(895,602)	-4.6%
Gift Contributions for Operations	429,347	452,880	(23,533)	-5.2%
Net Investment Income	1,809,700	1,599,095	210,605	13.2%
Long Term Fund Distribution	195,768	182,815	12,953	7.1%
Interest Expense on Capital Asset Financings	(313,332)	(436,761)	123,429	28.3%
Net Other Nonoperating Adjustments	<u>20,836,714</u>	<u>21,408,862</u>	<u>(572,148)</u>	<u>-2.7%</u>
Adjusted Income (Loss) including Depreciation	1,796,010	(1,317,840)	3,113,850	236.3%
Adjusted Margin (as a percentage) including Depreciation	3.1%	-2.2%		
Investment Gains (Losses)	-	(10,040)	10,040	100.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 1,796,010	\$ (1,327,880)	\$ 3,123,890	235.3%
Adjusted Margin % with Investment Gains (Losses)	3.1%	-2.2%		
Adjusted Income (Loss) excluding Depreciation	6,145,968	2,910,480	3,235,488	111.2%
Adjusted Margin (as a percentage) excluding Depreciation	10.6%	4.8%		