

THE UNIVERSITY OF TEXAS SYSTEM
OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT
(unaudited)

JULY 2007



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THE UNIVERSITY OF TEXAS SYSTEM
MONTHLY FINANCIAL REPORT
(Unaudited)
FOR THE ELEVEN MONTHS ENDING
JULY 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 Eleven Months Ending July 31, 2007

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 1,117,740,542	\$ 995,128,086	\$ 122,612,456	12.3%
Sponsored Programs	2,055,808,710	1,955,091,107	100,717,603	5.2%
Net Sales and Services of Educational Activities	244,773,858	215,687,593	29,086,265	13.5%
Net Sales and Services of Hospitals	2,511,303,641	2,336,892,040	174,411,601	7.5%
Net Professional Fees	918,583,838	735,109,093	183,474,745	25.0%
Net Auxiliary Enterprises	314,560,333	280,576,472	33,983,861	12.1%
Other Operating Revenues	169,045,518	141,815,422	27,230,096	19.2%
Total Operating Revenues	<u>7,331,816,440</u>	<u>6,660,299,813</u>	<u>671,516,627</u>	<u>10.1%</u>
Operating Expenses				
Salaries and Wages	4,435,305,569	4,201,176,266	234,129,303	5.6%
Payroll Related Costs	1,088,677,841	1,023,453,332	65,224,509	6.4%
Professional Fees and Contracted Services	262,645,511	245,685,772	16,959,739	6.9%
Other Contracted Services	358,379,160	326,469,365	31,909,795	9.8%
Scholarships and Fellowships	477,958,875	426,782,157	51,176,718	12.0%
Travel	102,669,063	95,633,914	7,035,149	7.4%
Materials and Supplies	996,126,174	955,335,182	40,790,992	4.3%
Utilities	233,404,158	237,617,047	(4,212,889)	-1.8%
Telecommunications	59,870,659	59,104,487	766,172	1.3%
Repairs and Maintenance	137,541,016	132,263,365	5,277,651	4.0%
Rentals and Leases	92,805,795	87,825,320	4,980,475	5.7%
Printing and Reproduction	24,237,803	24,527,502	(289,699)	-1.2%
Bad Debt Expense	1,148,130	1,148,131	(1)	0.0%
Claims and Losses	22,582,742	15,006,715	7,576,027	50.5%
Federal Sponsored Programs Pass-Throughs	24,836,276	24,643,344	192,932	0.8%
Depreciation and Amortization	549,178,449	507,606,992	41,571,457	8.2%
Other Operating Expenses	329,885,715	317,086,700	12,799,015	4.0%
Total Operating Expenses	<u>9,197,252,936</u>	<u>8,681,365,591</u>	<u>515,887,345</u>	<u>5.9%</u>
Operating Loss	<u>(1,865,436,496)</u>	<u>(2,021,065,778)</u>	<u>155,629,282</u>	<u>7.7%</u>
Other Nonoperating Adjustments				
State Appropriations	1,611,983,534	1,591,030,637	20,952,897	1.3%
Gift Contributions for Operations	247,557,414	234,175,566	13,381,848	5.7%
Net Investment Income	517,033,592	485,770,124	31,263,468	6.4%
Long Term Fund Distribution	175,288,695	163,888,681	11,400,014	7.0%
Interest Expense on Capital Asset Financings	(167,593,877)	(166,754,426)	(839,451)	-0.5%
Net Other Nonoperating Adjustments	<u>2,384,269,358</u>	<u>2,308,110,582</u>	<u>76,158,776</u>	<u>3.3%</u>
Adjusted Income (Loss) including Depreciation	518,832,862	287,044,804	231,788,058	80.7%
Adjusted Margin (as a percentage) including Depreciation	5.2%	3.1%		
Investment Gains (Losses)	2,371,550,182	1,132,158,700	1,239,391,482	109.5%
Adj. Inc. (Loss) with Investment Gains (Losses)	\$ 2,890,383,044	\$ 1,419,203,504	\$ 1,471,179,540	103.7%
Adj. Margin % with Investment Gains (Losses)	23.6%	13.8%		
Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation	3,439,561,493	1,926,810,496	1,512,750,997	78.5%
Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation	28.1%	18.8%		

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

	Including Depreciation and Amortization Expense			
	July	July	Variance	Fluctuation Percentage
	Year-to-Date FY 2007	Year-to-Date FY 2006		
UT System Administration	\$ 258,225,868	\$ 239,456,496	\$ 18,769,372	7.8%
UT Arlington	20,364,647	12,615,029	7,749,618 (1)	61.4%
UT Austin	55,054,548	51,690,827	3,363,721	6.5%
UT Brownsville	(1,507,952) (2)	(3,402,046)	1,894,094	55.7%
UT Dallas	(793,212) (3)	(3,144,454)	2,351,242	74.8%
UT El Paso	3,551,221	2,531,811	1,019,410	40.3%
UT Pan American	(7,457,982) (4)	(6,419,780)	(1,038,202)	-16.2%
UT Permian Basin	(770,704) (5)	(892,932)	122,228	13.7%
UT San Antonio	32,565,314	25,831,638	6,733,676	26.1%
UT Tyler	2,125,345	(1,634,446)	3,759,791 (6)	230.0%
UT Southwestern Medical Center - Dallas	75,415,375	25,127,746	50,287,629 (7)	200.1%
UT Medical Branch - Galveston	(3,252,232)	(45,114,501)	41,862,269 (8)	92.8%
UT Health Science Center - Houston	30,208,064	29,385,289	822,775	2.8%
UT Health Science Center - San Antonio	12,490,465	(8,031,462)	20,521,927 (9)	255.5%
UT M. D. Anderson Cancer Center	152,584,921	74,420,251	78,164,670 (10)	105.0%
UT Health Center - Tyler	6,959,176	(2,267,995)	9,227,171 (11)	406.8%
Elimination of AUF Transfer	(116,930,000)	(103,106,667)	(13,823,333)	-13.4%
Total Adjusted Income (Loss)	518,832,862	287,044,804	231,788,058	80.7%
Investment Gains (Losses)	2,371,550,182	1,132,158,700	1,239,391,482 (12)	109.5%
Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization	\$ 2,890,383,044	\$ 1,419,203,504	\$ 1,471,179,540	103.7%

	Excluding Depreciation and Amortization Expense			
	July	July	Variance	Fluctuation Percentage
	Year-to-Date FY 2007	Year-to-Date FY 2006		
UT System Administration	\$ 263,833,432	\$ 244,330,271	\$ 19,503,161	8.0%
UT Arlington	39,028,732	31,029,602	7,999,130	25.8%
UT Austin	164,432,443	151,550,363	12,882,080	8.5%
UT Brownsville	3,500,317	1,299,308	2,201,009	169.4%
UT Dallas	17,184,082	10,155,586	7,028,496	69.2%
UT El Paso	16,023,623	13,421,832	2,601,791	19.4%
UT Pan American	6,798,996	6,707,446	91,550	1.4%
UT Permian Basin	2,391,310	2,175,825	215,485	9.9%
UT San Antonio	53,977,863	44,715,499	9,262,364	20.7%
UT Tyler	7,659,170	3,958,131	3,701,039	93.5%
UT Southwestern Medical Center - Dallas	132,396,039	77,333,908	55,062,131	71.2%
UT Medical Branch - Galveston	45,741,009	1,864,130	43,876,879	2,353.7%
UT Health Science Center - Houston	59,216,538	54,569,245	4,647,293	8.5%
UT Health Science Center - San Antonio	35,407,132	13,157,719	22,249,413	169.1%
UT M. D. Anderson Cancer Center	324,591,281	238,381,986	86,209,295	36.2%
UT Health Center - Tyler	12,759,344	3,107,612	9,651,732	310.6%
Elimination of AUF Transfer	(116,930,000)	(103,106,667)	(13,823,333)	-13.4%
Total Adjusted Income (Loss)	1,068,011,311	794,651,796	273,359,515	34.4%
Investment Gains (Losses)	2,371,550,182	1,132,158,700	1,239,391,482	109.5%
Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization	\$ 3,439,561,493	\$ 1,926,810,496	\$ 1,512,750,997	78.5%

THE UNIVERSITY OF TEXAS SYSTEM
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT
For the Eleven Months Ending July 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 Arlington - The \$7.7 million (61.4%) increase in adjusted income over the same period last year was primarily due to an increase in tuition and fees as a result of the new utility fee and new flat rate tuition. Excluding depreciation expense, *UT Arlington's* adjusted income was \$39 million or 11.3%.

(2) UT Brownsville - The \$1.5 million year-to-date loss was the result of expenses outpacing revenues. *UT Brownsville* budgeted to utilize \$858,000 of reserves in 2007; however, included in the use of reserves was budgeted enrollment growth of 3% with a corresponding increase in expenses. Although total enrollment growth including dual enrollment high school students is projected to be 5%, enrollment growth for tuition paying students is actually 1%. While dual enrollment students at *UT Brownsville* do not pay tuition and fees, future benefits such as additional student enrollments and decreased time to graduation are anticipated. *UT Brownsville's* adjusted income excluding depreciation expense was \$3.5 million or 2.8%.

In an effort to improve operating margin, *UT Brownsville* has frozen available lapsed salaries and is examining other areas for reductions of expenses. *UT Brownsville* anticipates ending the year with a \$2.1 million negative margin which represents -1.5% of projected revenues. This forecast includes \$5.5 million of depreciation expense.

(3) UT Dallas - The \$793,000 year-to-date loss was the result of management's decision to utilize accumulated reserves in lieu of increasing student fees. The reserves are being used to fund increases in academic programs and the related infrastructure. Excluding depreciation expense, *UT Dallas'* adjusted income was \$17.2 million or 6.6%. *UT Dallas* anticipates ending the year with a \$1.4 million negative margin which represents -0.5% of projected revenues. Also contributing to the deficit is the increase in depreciation expense which is projected to be \$19.7 million.

(4) UT Pan American - The \$7.5 million year-to-date loss was primarily due to increased salaries and wages, repairs and maintenance, and depreciation. 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, and the filling of

vacant positions. Repairs and maintenance increased due to Information Technology's annual maintenance contract with Texas A&M University - Corpus Christi that supports the newly implemented Oracle software, which runs on an internet platform. Depreciation increased as a result of several buildings being placed into service at the end of 2006, including the Education Complex and Unity Hall.

Excluding depreciation expense, *UT Pan American's* adjusted income was \$6.8 million or 3.3%. *UT Pan American* anticipates ending the year with a \$7.6 million negative margin which represents -3.4% of projected revenues. This forecast includes \$15.6 million of depreciation expense.

(5) UT Permian Basin - *UT Permian Basin* reflects a negative margin of \$771,000 primarily due to gift contributions for the High-Temperature Teaching and Test Reactor (HT³R) which were received in 2006, but expended in 2007. *UT Permian Basin* reported a total of \$3 million for HT³R in 2006, of which only \$1.1 million was expended. *UT Permian Basin* is on target to spend approximately \$600,000 of HT³R funds in 2007 without any corresponding revenues. The remaining \$1.3 million of HT³R gift revenue is expected to be expended in 2008. This gift revenue includes a \$700,000 pledge that was collected from Thorium Power.

Excluding depreciation expense, *UT Permian Basin's* adjusted income was \$2.4 million or 6.2%. Management projects a year-end loss of approximately \$945,000 which represents -2.3% of projected revenues. This forecast includes \$3.4 million of depreciation expense.

(6) UT Tyler - The \$3.8 million (230%) 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 \$7.7 million or 11%.

(7) UT Southwestern Medical Center at Dallas - The \$50.3 million (200.1%) increase in adjusted income over the same period last year was primarily due to the receipt of \$66.9 million for the Texas Physician Upper Payment

Limit (UPL) reimbursements. Excluding depreciation expense, *UT Southwestern's* adjusted income was \$132.4 million or 10.7%.

Excluding depreciation expense, *UTHC-Tyler's* adjusted income was \$12.8 million or 11.7%.

UTHC-Tyler's financial statements include the financial structure of NETnet, which 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. Since NETnet is a shared network not exclusively for *UTHC-Tyler's* use, the decision was made to exclude NETnet depreciation from the MFR to more accurately reflect the operations of *UTHC-Tyler*. This decision was made because when it is time to replace the NETnet infrastructure, it will not be *UTHC-Tyler's* responsibility. NETnet will lose over \$2.3 million by the end of the current fiscal year due to depreciation expense.

- (8) *UT Medical Branch - Galveston* – The \$41.9 million (92.8%) increase in adjusted income was primarily due to increases in net professional fees and other operating revenues. Net professional fees increased largely due to the receipt of \$30.4 million for the UPL reimbursements. The rise in other operating revenues resulted from increases in revenue related to the growth of the Austin Programs, Correctional Managed Health Care Value Option Pharmacy, and new continuing education programs.

UTMB currently reflects a negative margin of \$3.3 million and projects year-end income of approximately \$4.4 million, which represents 0.3% of projected revenues. This forecast includes \$55.9 million of depreciation expense and \$13.1 million of Hurricane *Rita* relief. Excluding depreciation expense, *UTMB's* adjusted income was \$45.7 million or 3.5%.

- (12) *Investment Gains (Losses)* – The majority of the \$1.2 billion (109.5%) increase in investment gains relates to the Permanent University Fund of \$654.6 million, the Long Term Fund of \$321.2 million, and the Permanent Health Fund of \$63.7 million.

- (9) *UT Health Science Center – San Antonio* – The \$20.5 million (255.5%) 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, and educational and recruitment efforts, and the receipt of \$13.3 million for the UPL reimbursements. Excluding depreciation expense, *UTHSC-San Antonio's* adjusted income was \$35.4 million or 6.8%.

- (10) *UT M. D. Anderson Cancer Center* – The \$78.2 million (105%) increase in adjusted income over the same period last year was primarily due to an increase in billed procedures, bone marrow transplants, surgery hours, and billable visits and the UPL reimbursements of \$13 million. Excluding depreciation expense, *M. D. Anderson's* adjusted income was \$324.6 million or 13.9%.

- (11) *UT Health Center – Tyler* – The \$9.2 million (406.8%) 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 receipt of the UPL reimbursements of \$4.2 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 Eleven Months Ending July 31, 2007

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 12,588,936	\$ 9,852,061	\$2,736,875	27.8%
Net Sales and Services of Educational Activities	19,706,695	12,217,359	7,489,336	61.3%
Other Operating Revenues	19,796,042	15,097,735	4,698,307	31.1%
Total Operating Revenues	<u>52,091,673</u>	<u>37,167,155</u>	<u>14,924,518</u>	<u>40.2%</u>
Operating Expenses				
Salaries and Wages	24,175,702	25,008,696	(832,994)	-3.3%
Employee Benefits and Related Costs	5,392,299	5,689,003	(296,704)	-5.2%
Professional Fees and Contracted Services	3,689,215	1,319,356	2,369,859	179.6%
Other Contracted Services	6,643,425	4,948,773	1,694,652	34.2%
Scholarships and Fellowships	460,700	203,000	257,700	126.9%
Travel	1,644,709	1,581,031	63,678	4.0%
Materials and Supplies	4,045,606	3,113,688	931,918	29.9%
Utilities	672,235	353,514	318,721	90.2%
Telecommunications	987,204	1,818,481	(831,277)	-45.7%
Repairs and Maintenance	1,129,262	922,675	206,587	22.4%
Rentals and Leases	753,371	847,343	(93,972)	-11.1%
Printing and Reproduction	192,648	239,219	(46,571)	-19.5%
Claims and Losses	22,582,742	15,006,715	7,576,027	50.5%
Depreciation and Amortization	5,607,564	4,873,775	733,789	15.1%
Other Operating Expenses	2,924,042	1,963,535	960,507	48.9%
Total Operating Expenses	<u>80,900,724</u>	<u>67,888,804</u>	<u>13,011,920</u>	<u>19.2%</u>
Operating Loss	<u>(28,809,051)</u>	<u>(30,721,649)</u>	<u>1,912,598</u>	<u>6.2%</u>
Other Nonoperating Adjustments				
State Appropriations	841,275	760,824	80,451	10.6%
Gift Contributions for Operations	704,648	621,969	82,679	13.3%
Net Investment Income	298,677,166	282,046,931	16,630,235	5.9%
Long Term Fund Distribution	1,208,693	3,262,477	(2,053,784)	-63.0%
Interest Expense on Capital Asset Financings	(43,731,419)	(43,734,602)	3,183	0.0%
Net Other Nonoperating Adjustments	<u>257,700,363</u>	<u>242,957,599</u>	<u>14,742,764</u>	<u>6.1%</u>
Adjusted Income (Loss) including Depreciation	228,891,312	212,235,950	16,655,362	7.8%
Adjusted Margin (as a percentage) including Depreciation	64.7%	65.5%		
Available University Fund Transfer	29,334,556	27,220,546	2,114,010	7.8%
Adjusted Income (Loss) with AUF Transfer	258,225,868	239,456,496	18,769,372	7.8%
Adjusted Margin % with AUF Transfer	67.4%	68.2%		
Investment Gains (Losses)	2,153,594,291	1,119,687,125	1,033,907,166	92.3%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ 2,411,820,159	\$ 1,359,143,621	\$ 1,052,676,538	77.5%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	95.1%	92.4%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	263,833,432	244,330,271	19,503,161	8.0%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	68.9%	69.6%		

UNAUDITED
The University of Texas at Arlington
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2007

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 145,734,889	\$ 128,096,392	\$ 17,638,497	13.8%
Sponsored Programs	47,860,629	44,311,904	3,548,725	8.0%
Net Sales and Services of Educational Activities	11,456,279	7,243,154	4,213,125	58.2%
Net Auxiliary Enterprises	26,587,951	20,976,461	5,611,490	26.8%
Other Operating Revenues	5,884,773	7,430,357	(1,545,584)	-20.8%
Total Operating Revenues	<u>237,524,521</u>	<u>208,058,268</u>	<u>29,466,253</u>	<u>14.2%</u>
Operating Expenses				
Salaries and Wages	154,047,719	141,822,296	12,225,423	8.6%
Employee Benefits and Related Costs	34,311,974	31,771,400	2,540,574	8.0%
Professional Fees and Contracted Services	4,726,289	5,620,636	(894,347)	-15.9%
Other Contracted Services	7,850,477	6,921,209	929,268	13.4%
Scholarships and Fellowships	37,550,238	34,273,834	3,276,404	9.6%
Travel	4,329,838	3,993,619	336,219	8.4%
Materials and Supplies	17,706,720	16,875,415	831,305	4.9%
Utilities	10,438,156	10,288,428	149,728	1.5%
Telecommunications	5,471,297	4,408,069	1,063,228	24.1%
Repairs and Maintenance	5,845,364	6,055,128	(209,764)	-3.5%
Rentals and Leases	2,513,985	2,454,062	59,923	2.4%
Printing and Reproduction	2,172,659	1,910,983	261,676	13.7%
Federal Sponsored Programs Pass-Thrus	2,035,998	1,667,696	368,302	22.1%
Depreciation and Amortization	18,664,085	18,414,573	249,512	1.4%
Other Operating Expenses	9,847,156	6,734,883	3,112,273	46.2%
Total Operating Expenses	<u>317,511,955</u>	<u>293,212,231</u>	<u>24,299,724</u>	<u>8.3%</u>
Operating Loss	<u>(79,987,434)</u>	<u>(85,153,963)</u>	<u>5,166,529</u>	<u>6.1%</u>
Other Nonoperating Adjustments				
State Appropriations	96,658,042	96,180,674	477,368	0.5%
Gift Contributions for Operations	1,856,472	2,440,125	(583,653)	-23.9%
Net Investment Income	6,100,113	4,654,643	1,445,470	31.1%
Long Term Fund Distribution	2,030,587	1,907,254	123,333	6.5%
Interest Expense on Capital Asset Financings	(6,293,133)	(7,413,704)	1,120,571	15.1%
Net Other Nonoperating Adjustments	<u>100,352,081</u>	<u>97,768,992</u>	<u>2,583,089</u>	<u>2.6%</u>
Adjusted Income (Loss) including Depreciation	20,364,647	12,615,029	7,749,618	61.4%
Adjusted Margin (as a percentage) including Depreciation	5.9%	4.0%		
Investment Gains (Losses)	9,480,704	(581,346)	10,062,050	1,730.8%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 29,845,351	\$ 12,033,683	\$ 17,811,668	148.0%
Adjusted Margin % with Investment Gains (Losses)	8.4%	3.8%		
Adjusted Income (Loss) excluding Depreciation	39,028,732	31,029,602	7,999,130	25.8%
Adjusted Margin (as a percentage) excluding Depreciation	11.3%	9.9%		

UNAUDITED
The University of Texas at Austin
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2007

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 432,723,138	\$ 391,491,380	\$ 41,231,758	10.5%
Sponsored Programs	414,392,599	385,402,395	28,990,204	7.5%
Net Sales and Services of Educational Activities	129,755,871	108,428,995	21,326,876	19.7%
Net Auxiliary Enterprises	162,706,190	144,284,895	18,421,295	12.8%
Other Operating Revenues	9,897,117	6,373,027	3,524,090	55.3%
Total Operating Revenues	<u>1,149,474,915</u>	<u>1,035,980,692</u>	<u>113,494,223</u>	<u>11.0%</u>
Operating Expenses				
Salaries and Wages	796,316,074	755,532,702	40,783,372	5.4%
Employee Benefits and Related Costs	185,667,376	174,821,408	10,845,968	6.2%
Professional Fees and Contracted Services	21,274,014	20,883,079	390,935	1.9%
Other Contracted Services	66,336,397	54,827,677	11,508,720	21.0%
Scholarships and Fellowships	169,781,560	145,713,698	24,067,862	16.5%
Travel	32,951,926	31,380,068	1,571,858	5.0%
Materials and Supplies	99,434,805	90,755,061	8,679,744	9.6%
Utilities	60,796,724	68,136,062	(7,339,338)	-10.8%
Telecommunications	13,329,616	12,501,275	828,341	6.6%
Repairs and Maintenance	21,820,693	20,263,054	1,557,639	7.7%
Rentals and Leases	13,582,182	12,246,187	1,335,995	10.9%
Printing and Reproduction	8,658,571	8,076,364	582,207	7.2%
Federal Sponsored Programs Pass-Thrus	5,065,438	2,349,072	2,716,366	115.6%
Depreciation and Amortization	109,377,895	99,859,536	9,518,359	9.5%
Other Operating Expenses	76,903,946	60,111,627	16,792,319	27.9%
Total Operating Expenses	<u>1,681,297,217</u>	<u>1,557,456,870</u>	<u>123,840,347</u>	<u>8.0%</u>
Operating Loss	<u>(531,822,302)</u>	<u>(521,476,178)</u>	<u>(10,346,124)</u>	<u>-2.0%</u>
Other Nonoperating Adjustments				
State Appropriations	278,791,004	277,646,093	1,144,911	0.4%
Gift Contributions for Operations	91,544,608	95,240,343	(3,695,735)	-3.9%
Net Investment Income	36,493,037	35,808,675	684,362	1.9%
Long Term Fund Distribution	90,775,868	85,291,740	5,484,128	6.4%
Interest Expense on Capital Asset Financings	(27,657,667)	(23,926,513)	(3,731,154)	-15.6%
Net Other Nonoperating Adjustments	<u>469,946,850</u>	<u>470,060,338</u>	<u>(113,488)</u>	<u>0.0%</u>
Adjusted Income (Loss) including Depreciation	(61,875,452)	(51,415,840)	(10,459,612)	-20.3%
Adjusted Margin (as a percentage) including Depreciation	-3.8%	-3.4%		
Available University Fund Transfer	116,930,000	103,106,667	13,823,333	13.4%
Adjusted Income (Loss) with AUF Transfer	55,054,548	51,690,827	3,363,721	6.5%
Adjusted Margin % with AUF Transfer	3.1%	3.2%		
Investment Gains (Losses)	55,470,612	(3,171,398)	58,642,010	1,849.1%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ 110,525,160	\$ 48,519,429	\$ 62,005,731	127.8%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	6.1%	3.0%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	164,432,443	151,550,363	12,882,080	8.5%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	9.3%	9.3%		

UNAUDITED
The University of Texas at Brownsville
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2007

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 10,859,372	\$ 10,392,580	\$ 466,792	4.5%
Sponsored Programs	84,317,136	73,808,688	10,508,448	14.2%
Net Sales and Services of Educational Activities	938,352	858,614	79,738	9.3%
Net Auxiliary Enterprises	847,060	785,426	61,634	7.8%
Other Operating Revenues	21,680	20,924	756	3.6%
Total Operating Revenues	<u>96,983,600</u>	<u>85,866,232</u>	<u>11,117,368</u>	<u>12.9%</u>
Operating Expenses				
Salaries and Wages	51,772,464	47,546,614	4,225,850	8.9%
Employee Benefits and Related Costs	12,637,907	11,500,874	1,137,033	9.9%
Professional Fees and Contracted Services	1,738,660	1,612,642	126,018	7.8%
Scholarships and Fellowships	35,264,819	29,948,631	5,316,188	17.8%
Travel	1,111,972	1,066,787	45,185	4.2%
Materials and Supplies	4,264,378	4,345,569	(81,191)	-1.9%
Utilities	3,186,109	3,639,247	(453,138)	-12.5%
Telecommunications	1,427,663	1,399,400	28,263	2.0%
Repairs and Maintenance	839,005	870,741	(31,736)	-3.6%
Rentals and Leases	1,757,341	1,682,848	74,493	4.4%
Printing and Reproduction	340,198	313,028	27,170	8.7%
Bad Debt Expense	23,556	21,344	2,212	10.4%
Federal Sponsored Programs Pass-Thrus	50,444	37,897	12,547	33.1%
Depreciation and Amortization	5,008,269	4,701,354	306,915	6.5%
Other Operating Expenses	5,837,234	6,075,355	(238,121)	-3.9%
Total Operating Expenses	<u>125,260,019</u>	<u>114,762,331</u>	<u>10,497,688</u>	<u>9.1%</u>
Operating Loss	<u>(28,276,419)</u>	<u>(28,896,099)</u>	<u>619,680</u>	<u>2.1%</u>
Other Nonoperating Adjustments				
State Appropriations	26,682,670	25,903,888	778,782	3.0%
Gift Contributions for Operations	275,654	155,163	120,491	77.7%
Net Investment Income	1,029,843	1,037,861	(8,018)	-0.8%
Long Term Fund Distribution	263,903	240,283	23,620	9.8%
Interest Expense on Capital Asset Financings	(1,483,603)	(1,843,142)	359,539	19.5%
Net Other Nonoperating Adjustments	<u>26,768,467</u>	<u>25,494,053</u>	<u>1,274,414</u>	<u>5.0%</u>
Adjusted Income (Loss) including Depreciation	(1,507,952)	(3,402,046)	1,894,094	55.7%
Adjusted Margin (as a percentage) including Depreciation	-1.2%	-3.0%		
Investment Gains (Losses)	2,108,438	(131,528)	2,239,966	1,703.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 600,486	\$ (3,533,574)	\$ 4,134,060	117.0%
Adjusted Margin % with Investment Gains (Losses)	0.5%	-3.1%		
Adjusted Income (Loss) excluding Depreciation	3,500,317	1,299,308	2,201,009	169.4%
Adjusted Margin (as a percentage) excluding Depreciation	2.8%	1.1%		

UNAUDITED
The University of Texas at Dallas
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2007

	<u>July</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>July</u> <u>Year-to-Date</u> <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 115,930,412	\$ 99,045,384	\$ 16,885,028	17.0%
Sponsored Programs	39,103,748	39,207,231	(103,483)	-0.3%
Net Sales and Services of Educational Activities	5,941,161	5,938,751	2,410	0.0%
Net Auxiliary Enterprises	4,736,292	5,062,835	(326,543)	-6.4%
Other Operating Revenues	4,687,160	4,809,134	(121,974)	-2.5%
Total Operating Revenues	<u>170,398,773</u>	<u>154,063,335</u>	<u>16,335,438</u>	<u>10.6%</u>
Operating Expenses				
Salaries and Wages	122,728,160	114,582,641	8,145,519	7.1%
Employee Benefits and Related Costs	25,184,734	22,951,801	2,232,933	9.7%
Professional Fees and Contracted Services	2,869,190	3,731,311	(862,121)	-23.1%
Other Contracted Services	7,422,027	7,598,085	(176,058)	-2.3%
Scholarships and Fellowships	41,388,055	37,182,626	4,205,429	11.3%
Travel	2,907,617	2,820,588	87,029	3.1%
Materials and Supplies	12,985,374	13,509,809	(524,435)	-3.9%
Utilities	6,813,472	6,041,445	772,027	12.8%
Telecommunications	1,237,994	1,482,670	(244,676)	-16.5%
Repairs and Maintenance	2,559,842	3,822,350	(1,262,508)	-33.0%
Rentals and Leases	1,191,475	574,982	616,493	107.2%
Printing and Reproduction	1,187,630	1,275,465	(87,835)	-6.9%
Federal Sponsored Programs Pass-Thrus	219,171	214,747	4,424	2.1%
Depreciation and Amortization	17,977,294	13,300,040	4,677,254	35.2%
Other Operating Expenses	7,878,323	7,370,324	507,999	6.9%
Total Operating Expenses	<u>254,550,358</u>	<u>236,458,884</u>	<u>18,091,474</u>	<u>7.7%</u>
Operating Loss	<u>(84,151,585)</u>	<u>(82,395,549)</u>	<u>(1,756,036)</u>	<u>-2.1%</u>
Other Nonoperating Adjustments				
State Appropriations	70,047,581	68,008,267	2,039,314	3.0%
Gift Contributions for Operations	8,101,545	5,935,995	2,165,550	36.5%
Net Investment Income	4,483,428	3,650,225	833,203	22.8%
Long Term Fund Distribution	6,974,292	6,567,530	406,762	6.2%
Interest Expense on Capital Asset Financings	(6,248,473)	(4,910,922)	(1,337,551)	-27.2%
Net Other Nonoperating Adjustments	<u>83,358,373</u>	<u>79,251,095</u>	<u>4,107,278</u>	<u>5.2%</u>
Adjusted Income (Loss) including Depreciation	(793,212)	(3,144,454)	2,351,242	74.8%
Adjusted Margin (as a percentage) including Depreciation	-0.3%	-1.3%		
Investment Gains (Losses)	7,253,894	(850,822)	8,104,716	952.6%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 6,460,682	\$ (3,995,276)	\$ 10,455,958	261.7%
Adjusted Margin % with Investment Gains (Losses)	2.4%	-1.7%		
Adjusted Income (Loss) excluding Depreciation	17,184,082	10,155,586	7,028,496	69.2%
Adjusted Margin (as a percentage) excluding Depreciation	6.6%	4.3%		

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

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 79,842,995	\$ 72,379,831	\$ 7,463,164	10.3%
Sponsored Programs	75,044,938	72,798,933	2,246,005	3.1%
Net Sales and Services of Educational Activities	3,874,947	3,687,769	187,178	5.1%
Net Auxiliary Enterprises	25,564,265	23,230,408	2,333,857	10.0%
Other Operating Revenues	26,432	55,258	(28,826)	-52.2%
Total Operating Revenues	<u>184,353,577</u>	<u>172,152,199</u>	<u>12,201,378</u>	<u>7.1%</u>
Operating Expenses				
Salaries and Wages	115,179,027	110,435,942	4,743,085	4.3%
Employee Benefits and Related Costs	27,997,543	26,601,913	1,395,630	5.2%
Professional Fees and Contracted Services	6,693,341	3,888,264	2,805,077	72.1%
Other Contracted Services	12,112,557	10,820,245	1,292,312	11.9%
Scholarships and Fellowships	49,461,686	46,067,867	3,393,819	7.4%
Travel	4,874,441	4,654,222	220,219	4.7%
Materials and Supplies	18,040,275	19,594,449	(1,554,174)	-7.9%
Utilities	6,834,068	6,676,110	157,958	2.4%
Telecommunications	668,174	693,224	(25,050)	-3.6%
Repairs and Maintenance	2,839,924	2,972,913	(132,989)	-4.5%
Rentals and Leases	2,492,227	2,021,672	470,555	23.3%
Printing and Reproduction	563,551	791,534	(227,983)	-28.8%
Federal Sponsored Programs Pass-Thrus	323,188	1,254,509	(931,321)	-74.2%
Depreciation and Amortization	12,472,402	10,890,021	1,582,381	14.5%
Other Operating Expenses	5,067,486	4,699,758	367,728	7.8%
Total Operating Expenses	<u>265,619,890</u>	<u>252,062,643</u>	<u>13,557,247</u>	<u>5.4%</u>
Operating Loss	<u>(81,266,313)</u>	<u>(79,910,444)</u>	<u>(1,355,869)</u>	<u>-1.7%</u>
Other Nonoperating Adjustments				
State Appropriations	73,015,453	72,803,410	212,043	0.3%
Gift Contributions for Operations	6,943,139	5,548,310	1,394,829	25.1%
Net Investment Income	4,505,752	3,779,683	726,069	19.2%
Long Term Fund Distribution	4,176,350	3,989,636	186,714	4.7%
Interest Expense on Capital Asset Financings	(3,823,160)	(3,678,784)	(144,376)	-3.9%
Net Other Nonoperating Adjustments	<u>84,817,534</u>	<u>82,442,255</u>	<u>2,375,279</u>	<u>2.9%</u>
Adjusted Income (Loss) including Depreciation	3,551,221	2,531,811	1,019,410	40.3%
Adjusted Margin (as a percentage) including Depreciation	1.3%	1.0%		
Investment Gains (Losses)	4,182,202	(377,325)	4,559,527	1,208.4%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 7,733,423	\$ 2,154,486	\$ 5,578,937	258.9%
Adjusted Margin % with Investment Gains (Losses)	2.8%	0.8%		
Adjusted Income (Loss) excluding Depreciation	16,023,623	13,421,832	2,601,791	19.4%
Adjusted Margin (as a percentage) excluding Depreciation	5.9%	5.2%		

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

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 63,099,188	\$ 54,271,619	\$ 8,827,569	16.3%
Sponsored Programs	66,985,466	62,867,298	4,118,168	6.6%
Net Sales and Services of Educational Activities	4,903,182	5,654,094	(750,912)	-13.3%
Net Auxiliary Enterprises	2,721,220	3,737,227	(1,016,007)	-27.2%
Other Operating Revenues	1,355,877	1,078,369	277,508	25.7%
Total Operating Revenues	<u>139,064,933</u>	<u>127,608,607</u>	<u>11,456,326</u>	<u>9.0%</u>
Operating Expenses				
Salaries and Wages	83,613,915	79,164,297	4,449,618	5.6%
Employee Benefits and Related Costs	20,505,986	18,872,266	1,633,720	8.7%
Professional Fees and Contracted Services	1,550,553	930,344	620,209	66.7%
Other Contracted Services	4,535,573	5,685,178	(1,149,605)	-20.2%
Scholarships and Fellowships	58,142,349	52,811,628	5,330,721	10.1%
Travel	3,355,779	3,332,084	23,695	0.7%
Materials and Supplies	11,448,203	10,754,039	694,164	6.5%
Utilities	4,739,965	4,439,962	300,003	6.8%
Telecommunications	650,975	956,777	(305,802)	-32.0%
Repairs and Maintenance	1,821,968	981,688	840,280	85.6%
Rentals and Leases	692,639	696,988	(4,349)	-0.6%
Printing and Reproduction	294,315	608,443	(314,128)	-51.6%
Bad Debt Expense	1,124,574	1,122,858	1,716	0.2%
Federal Sponsored Programs Pass-Thrus	68,547	54,209	14,338	26.4%
Depreciation and Amortization	14,256,978	13,127,226	1,129,752	8.6%
Other Operating Expenses	5,412,520	5,006,913	405,607	8.1%
Total Operating Expenses	<u>212,214,839</u>	<u>198,544,900</u>	<u>13,669,939</u>	<u>6.9%</u>
Operating Loss	<u>(73,149,906)</u>	<u>(70,936,293)</u>	<u>(2,213,613)</u>	<u>-3.1%</u>
Other Nonoperating Adjustments				
State Appropriations	64,015,980	62,585,153	1,430,827	2.3%
Gift Contributions for Operations	2,023,013	1,323,579	699,434	52.8%
Net Investment Income	2,073,724	1,873,103	200,621	10.7%
Long Term Fund Distribution	992,727	913,332	79,395	8.7%
Interest Expense on Capital Asset Financings	(3,413,520)	(2,178,654)	(1,234,866)	-56.7%
Net Other Nonoperating Adjustments	<u>65,691,924</u>	<u>64,516,513</u>	<u>1,175,411</u>	<u>1.8%</u>
Adjusted Income (Loss) including Depreciation	(7,457,982)	(6,419,780)	(1,038,202)	-16.2%
Adjusted Margin (as a percentage) including Depreciation	-3.6%	-3.3%		
Investment Gains (Losses)	2,839,649	(334,220)	3,173,869	949.6%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (4,618,333)	\$ (6,754,000)	\$ 2,135,667	31.6%
Adjusted Margin % with Investment Gains (Losses)	-2.2%	-3.5%		
Adjusted Income (Loss) excluding Depreciation	6,798,996	6,707,446	91,550	1.4%
Adjusted Margin (as a percentage) excluding Depreciation	3.3%	3.5%		

UNAUDITED
The University of Texas of the Permian Basin
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2007

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 12,697,725	\$ 11,217,194	\$ 1,480,531	13.2%
Sponsored Programs	5,326,288	5,198,918	127,370	2.4%
Net Sales and Services of Educational Activities	267,840	239,651	28,189	11.8%
Net Auxiliary Enterprises	1,860,900	1,596,388	264,512	16.6%
Other Operating Revenues	136,339	204,519	(68,180)	-33.3%
Total Operating Revenues	<u>20,289,092</u>	<u>18,456,670</u>	<u>1,832,422</u>	<u>9.9%</u>
Operating Expenses				
Salaries and Wages	15,330,416	14,835,069	495,347	3.3%
Employee Benefits and Related Costs	3,765,739	3,588,151	177,588	4.9%
Professional Fees and Contracted Services	729,727	1,836,778	(1,107,051)	-60.3%
Other Contracted Services	1,078,155	851,572	226,583	26.6%
Scholarships and Fellowships	6,991,288	6,754,868	236,420	3.5%
Travel	701,233	789,208	(87,975)	-11.1%
Materials and Supplies	1,741,635	2,032,201	(290,566)	-14.3%
Utilities	1,887,975	1,728,429	159,546	9.2%
Telecommunications	363,495	442,475	(78,980)	-17.8%
Repairs and Maintenance	675,039	532,413	142,626	26.8%
Rentals and Leases	231,906	235,073	(3,167)	-1.3%
Printing and Reproduction	201,848	246,116	(44,268)	-18.0%
Depreciation and Amortization	3,162,014	3,068,757	93,257	3.0%
Other Operating Expenses	738,726	702,776	35,950	5.1%
Total Operating Expenses	<u>37,599,196</u>	<u>37,643,886</u>	<u>(44,690)</u>	<u>-0.1%</u>
Operating Loss	<u>(17,310,104)</u>	<u>(19,187,216)</u>	<u>1,877,112</u>	<u>9.8%</u>
Other Nonoperating Adjustments				
State Appropriations	15,774,469	15,713,885	60,584	0.4%
Gift Contributions for Operations	1,119,021	3,328,565	(2,209,544)	-66.4%
Net Investment Income	486,851	274,491	212,360	77.4%
Long Term Fund Distribution	608,683	580,386	28,297	4.9%
Interest Expense on Capital Asset Financings	(1,449,624)	(1,603,043)	153,419	9.6%
Net Other Nonoperating Adjustments	<u>16,539,400</u>	<u>18,294,284</u>	<u>(1,754,884)</u>	<u>-9.6%</u>
Adjusted Income (Loss) including Depreciation	(770,704)	(892,932)	122,228	13.7%
Adjusted Margin (as a percentage) including Depreciation	-2.0%	-2.3%		
Investment Gains (Losses)	364,813	63,027	301,786	478.8%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (405,891)	\$ (829,905)	\$ 424,014	51.1%
Adjusted Margin % with Investment Gains (Losses)	-1.1%	-2.2%		
Adjusted Income (Loss) excluding Depreciation	2,391,310	2,175,825	215,485	9.9%
Adjusted Margin (as a percentage) excluding Depreciation	6.2%	5.7%		

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

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 159,400,443	\$ 141,578,593	\$ 17,821,850	12.6%
Sponsored Programs	67,891,440	67,101,162	790,278	1.2%
Net Sales and Services of Educational Activities	5,401,525	5,498,755	(97,230)	-1.8%
Net Auxiliary Enterprises	13,891,227	12,379,137	1,512,090	12.2%
Other Operating Revenues	1,784,298	2,296,108	(511,810)	-22.3%
Total Operating Revenues	<u>248,368,933</u>	<u>228,853,755</u>	<u>19,515,178</u>	<u>8.5%</u>
Operating Expenses				
Salaries and Wages	142,959,209	132,727,345	10,231,864	7.7%
Employee Benefits and Related Costs	34,851,515	31,874,618	2,976,897	9.3%
Professional Fees and Contracted Services	2,675,946	3,233,280	(557,334)	-17.2%
Other Contracted Services	3,850,248	2,766,405	1,083,843	39.2%
Scholarships and Fellowships	53,023,617	50,280,581	2,743,036	5.5%
Travel	5,026,279	5,143,110	(116,831)	-2.3%
Materials and Supplies	16,277,495	20,150,001	(3,872,506)	-19.2%
Utilities	8,236,525	9,654,454	(1,417,929)	-14.7%
Telecommunications	2,314,212	2,242,362	71,850	3.2%
Repairs and Maintenance	5,422,966	5,118,798	304,168	5.9%
Rentals and Leases	2,287,831	2,245,860	41,971	1.9%
Printing and Reproduction	1,077,698	1,034,317	43,381	4.2%
Federal Sponsored Programs Pass-Thrus	2,334,409	2,486,403	(151,994)	-6.1%
Depreciation and Amortization	21,412,549	18,883,861	2,528,688	13.4%
Other Operating Expenses	5,564,954	4,659,275	905,679	19.4%
Total Operating Expenses	<u>307,315,453</u>	<u>292,500,670</u>	<u>14,814,783</u>	<u>5.1%</u>
Operating Loss	<u>(58,946,520)</u>	<u>(63,646,915)</u>	<u>4,700,395</u>	<u>7.4%</u>
Other Nonoperating Adjustments				
State Appropriations	89,900,478	89,125,714	774,764	0.9%
Gift Contributions for Operations	3,269,519	3,249,015	20,504	0.6%
Net Investment Income	5,630,020	4,935,813	694,207	14.1%
Long Term Fund Distribution	1,723,589	1,501,391	222,198	14.8%
Interest Expense on Capital Asset Financings	(9,011,772)	(9,333,380)	321,608	3.4%
Net Other Nonoperating Adjustments	<u>91,511,834</u>	<u>89,478,553</u>	<u>2,033,281</u>	<u>2.3%</u>
Adjusted Income (Loss) including Depreciation	32,565,314	25,831,638	6,733,676	26.1%
Adjusted Margin (as a percentage) including Depreciation	9.3%	7.9%		
Investment Gains (Losses)	10,374,298	484,705	9,889,593	2,040.3%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 42,939,612	\$ 26,316,343	\$ 16,623,269	63.2%
Adjusted Margin % with Investment Gains (Losses)	12.0%	8.0%		
Adjusted Income (Loss) excluding Depreciation	53,977,863	44,715,499	9,262,364	20.7%
Adjusted Margin (as a percentage) excluding Depreciation	15.5%	13.6%		

UNAUDITED
The University of Texas at Tyler
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2007

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 25,026,364	\$ 20,848,003	\$ 4,178,361	20.0%
Sponsored Programs	8,211,456	7,064,216	1,147,240	16.2%
Net Sales and Services of Educational Activities	982,263	899,002	83,261	9.3%
Net Auxiliary Enterprises	3,186,179	2,593,161	593,018	22.9%
Other Operating Revenues	51,020	98,793	(47,773)	-48.4%
Total Operating Revenues	<u>37,457,282</u>	<u>31,503,175</u>	<u>5,954,107</u>	<u>18.9%</u>
Operating Expenses				
Salaries and Wages	28,541,573	26,814,516	1,727,057	6.4%
Employee Benefits and Related Costs	7,254,652	6,524,027	730,625	11.2%
Professional Fees and Contracted Services	998,362	852,896	145,466	17.1%
Other Contracted Services	2,740,498	2,255,470	485,028	21.5%
Scholarships and Fellowships	9,836,894	9,424,794	412,100	4.4%
Travel	1,120,194	973,418	146,776	15.1%
Materials and Supplies	4,168,471	4,090,161	78,310	1.9%
Utilities	1,431,465	1,392,596	38,869	2.8%
Telecommunications	491,377	425,556	65,821	15.5%
Repairs and Maintenance	847,873	1,798,786	(950,913)	-52.9%
Rentals and Leases	303,800	238,506	65,294	27.4%
Printing and Reproduction	556,482	509,434	47,048	9.2%
Depreciation and Amortization	5,533,825	5,592,577	(58,752)	-1.1%
Other Operating Expenses	1,293,422	1,445,505	(152,083)	-10.5%
Total Operating Expenses	<u>65,118,888</u>	<u>62,338,242</u>	<u>2,780,646</u>	<u>4.5%</u>
Operating Loss	<u>(27,661,606)</u>	<u>(30,835,067)</u>	<u>3,173,461</u>	<u>10.3%</u>
Other Nonoperating Adjustments				
State Appropriations	27,722,760	27,344,160	378,600	1.4%
Gift Contributions for Operations	833,420	869,539	(36,119)	-4.2%
Net Investment Income	1,075,932	948,783	127,149	13.4%
Long Term Fund Distribution	2,239,801	2,135,250	104,551	4.9%
Interest Expense on Capital Asset Financings	(2,084,962)	(2,097,111)	12,149	0.6%
Net Other Nonoperating Adjustments	<u>29,786,951</u>	<u>29,200,621</u>	<u>586,330</u>	<u>2.0%</u>
Adjusted Income (Loss) including Depreciation	2,125,345	(1,634,446)	3,759,791	230.0%
Adjusted Margin (as a percentage) including Depreciation	3.1%	-2.6%		
Investment Gains (Losses)	1,725,422	16,445	1,708,977	10,392.1%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 3,850,767	\$ (1,618,001)	\$ 5,468,768	338.0%
Adjusted Margin % with Investment Gains (Losses)	5.4%	-2.6%		
Adjusted Income (Loss) excluding Depreciation	7,659,170	3,958,131	3,701,039	93.5%
Adjusted Margin (as a percentage) excluding Depreciation	11.0%	6.3%		

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

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 17,749,231	\$ 16,370,634	\$ 1,378,597	8.4%
Sponsored Programs	367,522,293	355,807,578	11,714,715	3.3%
Net Sales and Services of Educational Activities	6,376,969	11,970,382	(5,593,413)	-46.7%
Net Sales and Services of Hospitals	273,979,763	257,821,825	16,157,938	6.3%
Net Professional Fees	319,879,690	231,501,482	88,378,208	38.2%
Net Auxiliary Enterprises	15,954,532	15,735,810	218,722	1.4%
Other Operating Revenues	5,488,728	5,662,325	(173,597)	-3.1%
Total Operating Revenues	<u>1,006,951,206</u>	<u>894,870,036</u>	<u>112,081,170</u>	<u>12.5%</u>
Operating Expenses				
Salaries and Wages	579,035,308	538,216,572	40,818,736	7.6%
Employee Benefits and Related Costs	156,046,335	143,647,812	12,398,523	8.6%
Professional Fees and Contracted Services	20,185,333	16,600,211	3,585,122	21.6%
Other Contracted Services	62,078,712	61,923,821	154,891	0.3%
Scholarships and Fellowships	6,079,932	5,815,083	264,849	4.6%
Travel	7,648,945	7,474,175	174,770	2.3%
Materials and Supplies	159,071,161	151,128,470	7,942,691	5.3%
Utilities	26,704,085	21,761,709	4,942,376	22.7%
Telecommunications	5,941,732	6,531,395	(589,663)	-9.0%
Repairs and Maintenance	11,643,895	12,874,441	(1,230,546)	-9.6%
Rentals and Leases	10,414,201	10,074,583	339,618	3.4%
Printing and Reproduction	1,972,487	2,240,781	(268,294)	-12.0%
Federal Sponsored Programs Pass-Thrus	1,149,475	2,218,376	(1,068,901)	-48.2%
Depreciation and Amortization	56,980,664	52,206,162	4,774,502	9.1%
Other Operating Expenses	39,452,762	41,355,596	(1,902,834)	-4.6%
Total Operating Expenses	<u>1,144,405,027</u>	<u>1,074,069,187</u>	<u>70,335,840</u>	<u>6.5%</u>
Operating Loss	<u>(137,453,821)</u>	<u>(179,199,151)</u>	<u>41,745,330</u>	<u>23.3%</u>
Other Nonoperating Adjustments				
State Appropriations	137,113,902	134,420,653	2,693,249	2.0%
Gift Contributions for Operations	35,377,866	30,918,581	4,459,285	14.4%
Net Investment Income	30,174,392	32,981,165	(2,806,773)	-8.5%
Long Term Fund Distribution	27,208,200	25,243,920	1,964,280	7.8%
Interest Expense on Capital Asset Financings	(17,005,164)	(19,237,422)	2,232,258	11.6%
Net Other Nonoperating Adjustments	<u>212,869,196</u>	<u>204,326,897</u>	<u>8,542,299</u>	<u>4.2%</u>
Adjusted Income (Loss) including Depreciation	75,415,375	25,127,746	50,287,629	200.1%
Adjusted Margin (as a percentage) including Depreciation	6.1%	2.2%		
Investment Gains (Losses)	34,615,008	739,900	33,875,108	4,578.3%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 110,030,383	\$ 25,867,646	\$ 84,162,737	325.4%
Adjusted Margin % with Investment Gains (Losses)	8.7%	2.3%		
Adjusted Income (Loss) excluding Depreciation	132,396,039	77,333,908	55,062,131	71.2%
Adjusted Margin (as a percentage) excluding Depreciation	10.7%	6.9%		

Note: UT Southwestern Medical Center at Dallas received \$66.9 million of Texas Physician Upper Payment Limit reimbursements in 2007. These funds are only allowed to be used by the Physician Practice Plan to enhance patient services.

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

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 14,134,567	\$ 11,163,888	\$ 2,970,679	26.6%
Sponsored Programs	185,488,540	184,782,173	706,367	0.4%
Net Sales and Services of Educational Activities	1,858,148	963,492	894,656	92.9%
Net Sales and Services of Hospitals	617,872,195	625,556,810	(7,684,615)	-1.2%
Net Professional Fees	136,313,352	105,707,337	30,606,015	29.0%
Net Auxiliary Enterprises	8,396,140	8,084,182	311,958	3.9%
Other Operating Revenues	33,282,672	24,099,249	9,183,423	38.1%
Total Operating Revenues	<u>997,345,614</u>	<u>960,357,131</u>	<u>36,988,483</u>	<u>3.9%</u>
Operating Expenses				
Salaries and Wages	684,500,619	682,162,033	2,338,586	0.3%
Employee Benefits and Related Costs	161,123,255	158,209,261	2,913,994	1.8%
Professional Fees and Contracted Services	33,623,425	43,488,477	(9,865,052)	-22.7%
Other Contracted Services	54,975,438	50,631,448	4,343,990	8.6%
Scholarships and Fellowships	5,186,474	4,878,552	307,922	6.3%
Travel	7,748,045	6,468,289	1,279,756	19.8%
Materials and Supplies	165,651,127	154,490,633	11,160,494	7.2%
Utilities	25,943,346	27,557,493	(1,614,147)	-5.9%
Telecommunications	12,686,976	11,471,468	1,215,508	10.6%
Repairs and Maintenance	29,558,123	30,605,824	(1,047,701)	-3.4%
Rentals and Leases	13,385,318	11,812,994	1,572,324	13.3%
Printing and Reproduction	2,055,682	1,961,906	93,776	4.8%
Federal Sponsored Programs Pass-Thrus	7,169,286	6,577,642	591,644	9.0%
Depreciation and Amortization	48,993,241	46,978,631	2,014,610	4.3%
Other Operating Expenses	56,040,023	60,985,087	(4,945,064)	-8.1%
Total Operating Expenses	<u>1,308,640,378</u>	<u>1,298,279,738</u>	<u>10,360,640</u>	<u>0.8%</u>
Operating Loss	<u>(311,294,764)</u>	<u>(337,922,607)</u>	<u>26,627,843</u>	<u>7.9%</u>
Other Nonoperating Adjustments				
State Appropriations	274,956,849	264,384,257	10,572,592	4.0%
Gift Contributions for Operations	5,447,839	4,308,038	1,139,801	26.5%
Net Investment Income	16,794,031	17,661,423	(867,392)	-4.9%
Long Term Fund Distribution	15,089,648	11,933,212	3,156,436	26.5%
Interest Expense on Capital Asset Financings	(4,245,835)	(5,478,824)	1,232,989	22.5%
Net Other Nonoperating Adjustments	<u>308,042,532</u>	<u>292,808,106</u>	<u>15,234,426</u>	<u>5.2%</u>
Adjusted Income (Loss) including Depreciation	(3,252,232)	(45,114,501)	41,862,269	92.8%
Adjusted Margin (as a percentage) including Depreciation	-0.2%	-3.6%		
Investment Gains (Losses)	18,906,152	14,448,471	4,457,681	30.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 15,653,920	\$ (30,666,030)	\$ 46,319,950	151.0%
Adjusted Margin % with Investment Gains (Losses)	1.2%	-2.4%		
Adjusted Income (Loss) excluding Depreciation	45,741,009	1,864,130	43,876,879	2,353.7%
Adjusted Margin (as a percentage) excluding Depreciation	3.5%	0.1%		

Note: UT Medical Branch at Galveston received \$30.4 million of Texas Physician Upper Payment Limit reimbursements in 2007. These funds are only allowed to be used by the Physician Practice Plan to enhance patient services.

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

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 20,668,167	\$ 17,182,864	\$ 3,485,303	20.3%
Sponsored Programs	265,858,344	256,326,665	9,531,679	3.7%
Net Sales and Services of Educational Activities	29,605,470	29,559,546	45,924	0.2%
Net Sales and Services of Hospitals	24,532,329	27,317,209	(2,784,880)	-10.2%
Net Professional Fees	113,856,458	98,219,931	15,636,527	15.9%
Net Auxiliary Enterprises	21,094,053	17,161,312	3,932,741	22.9%
Other Operating Revenues	31,004,404	28,311,409	2,692,995	9.5%
Total Operating Revenues	<u>506,619,225</u>	<u>474,078,936</u>	<u>32,540,289</u>	<u>6.9%</u>
Operating Expenses				
Salaries and Wages	302,696,613	294,348,006	8,348,607	2.8%
Employee Benefits and Related Costs	67,422,893	64,786,708	2,636,185	4.1%
Professional Fees and Contracted Services	54,147,864	53,397,019	750,845	1.4%
Other Contracted Services	40,333,601	35,316,159	5,017,442	14.2%
Scholarships and Fellowships	2,209,122	1,912,331	296,791	15.5%
Travel	5,732,534	5,539,609	192,925	3.5%
Materials and Supplies	48,801,568	47,616,088	1,185,480	2.5%
Utilities	14,362,991	11,619,228	2,743,763	23.6%
Telecommunications	2,442,714	2,505,838	(63,124)	-2.5%
Repairs and Maintenance	4,949,420	4,327,128	622,292	14.4%
Rentals and Leases	11,089,556	11,010,505	79,051	0.7%
Printing and Reproduction	3,354,670	3,492,218	(137,548)	-3.9%
Bad Debt Expense	-	3,929	(3,929)	-100.0%
Federal Sponsored Programs Pass-Thrus	4,829,589	5,541,950	(712,361)	-12.9%
Depreciation and Amortization	29,008,474	25,183,956	3,824,518	15.2%
Other Operating Expenses	48,895,438	44,982,874	3,912,564	8.7%
Total Operating Expenses	<u>640,277,047</u>	<u>611,583,546</u>	<u>28,693,501</u>	<u>4.7%</u>
Operating Loss	<u>(133,657,822)</u>	<u>(137,504,610)</u>	<u>3,846,788</u>	<u>2.8%</u>
Other Nonoperating Adjustments				
State Appropriations	139,317,083	136,955,808	2,361,275	1.7%
Gift Contributions for Operations	9,781,495	21,131,664	(11,350,169)	-53.7%
Net Investment Income	17,085,650	12,790,825	4,294,825	33.6%
Long Term Fund Distribution	4,542,677	4,120,907	421,770	10.2%
Interest Expense on Capital Asset Financings	(6,861,019)	(8,109,305)	1,248,286	15.4%
Net Other Nonoperating Adjustments	<u>163,865,886</u>	<u>166,889,899</u>	<u>(3,024,013)</u>	<u>-1.8%</u>
Adjusted Income (Loss) including Depreciation	30,208,064	29,385,289	822,775	2.8%
Adjusted Margin (as a percentage) including Depreciation	4.5%	4.5%		
Investment Gains (Losses)	12,508,476	(1,629,563)	14,138,039	867.6%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 42,716,540	\$ 27,755,726	\$ 14,960,814	53.9%
Adjusted Margin % with Investment Gains (Losses)	6.2%	4.3%		
Adjusted Income (Loss) excluding Depreciation	59,216,538	54,569,245	4,647,293	8.5%
Adjusted Margin (as a percentage) excluding Depreciation	8.7%	8.4%		

Note: UT Health Science Center at Houston received \$22.7 million of Texas Physician Upper Payment Limit reimbursements in 2007. These funds are only allowed to be used by the Physician Practice Plan to enhance patient services.

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

	<u>July</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>July</u> <u>Year-to-Date</u> <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 19,433,333	\$ 20,771,016	\$ (1,337,683)	-6.4%
Sponsored Programs	182,912,731	171,475,877	11,436,854	6.7%
Net Sales and Services of Educational Activities	20,750,938	20,049,202	701,736	3.5%
Net Professional Fees	85,465,853	73,639,080	11,826,773	16.1%
Net Auxiliary Enterprises	3,779,549	3,445,554	333,995	9.7%
Other Operating Revenues	29,184,064	26,007,757	3,176,307	12.2%
Total Operating Revenues	<u>341,526,468</u>	<u>315,388,486</u>	<u>26,137,982</u>	<u>8.3%</u>
Operating Expenses				
Salaries and Wages	264,594,105	253,011,376	11,582,729	4.6%
Employee Benefits and Related Costs	64,248,191	62,107,253	2,140,938	3.4%
Professional Fees and Contracted Services	10,019,189	9,678,682	340,507	3.5%
Other Contracted Services	19,779,985	14,452,993	5,326,992	36.9%
Scholarships and Fellowships	2,582,141	1,514,664	1,067,477	70.5%
Travel	4,522,841	4,360,240	162,601	3.7%
Materials and Supplies	31,429,259	30,920,434	508,825	1.6%
Utilities	11,916,667	10,913,572	1,003,095	9.2%
Telecommunications	5,386,865	4,908,490	478,375	9.7%
Repairs and Maintenance	2,604,687	2,194,422	410,265	18.7%
Rentals and Leases	2,104,463	2,370,939	(266,476)	-11.2%
Printing and Reproduction	1,587,041	1,678,602	(91,561)	-5.5%
Federal Sponsored Programs Pass-Thrus	572,917	481,749	91,168	18.9%
Depreciation and Amortization	22,916,667	21,189,181	1,727,486	8.2%
Other Operating Expenses	58,593,494	64,461,750	(5,868,256)	-9.1%
Total Operating Expenses	<u>502,858,512</u>	<u>484,244,347</u>	<u>18,614,165</u>	<u>3.8%</u>
Operating Loss	<u>(161,332,044)</u>	<u>(168,855,861)</u>	<u>7,523,817</u>	<u>4.5%</u>
Other Nonoperating Adjustments				
State Appropriations	136,567,741	138,731,123	(2,163,382)	-1.6%
Gift Contributions for Operations	15,959,517	2,573,247	13,386,270	520.2%
Net Investment Income	21,396,470	21,240,674	155,796	0.7%
Long Term Fund Distribution	4,335,643	3,773,937	561,706	14.9%
Interest Expense on Capital Asset Financings	(4,436,862)	(5,494,582)	1,057,720	19.3%
Net Other Nonoperating Adjustments	<u>173,822,509</u>	<u>160,824,399</u>	<u>12,998,110</u>	<u>8.1%</u>
Adjusted Income (Loss) including Depreciation	12,490,465	(8,031,462)	20,521,927	255.5%
Adjusted Margin (as a percentage) including Depreciation	2.4%	-1.7%		
Investment Gains (Losses)	11,092,962	(1,559,390)	12,652,352	811.4%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 23,583,427	\$ (9,590,852)	\$ 33,174,279	345.9%
Adjusted Margin % with Investment Gains (Losses)	4.4%	-2.0%		
Adjusted Income (Loss) excluding Depreciation	35,407,132	13,157,719	22,249,413	169.1%
Adjusted Margin (as a percentage) excluding Depreciation	6.8%	2.7%		

Note: UT Health Science Center San Antonio received \$13.3 million of Texas Physician Upper Payment Limit reimbursements in 2007. These funds are only allowed to be used by the Physician Practice Plan to enhance patient services.

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

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 440,718	\$ 318,708	\$ 122,010	38.3%
Sponsored Programs	219,638,155	205,976,066	13,662,089	6.6%
Net Sales and Services of Educational Activities	2,094,134	1,564,667	529,467	33.8%
Net Sales and Services of Hospitals	1,554,043,204	1,384,855,551	169,187,653	12.2%
Net Professional Fees	249,015,701	215,449,677	33,566,024	15.6%
Net Auxiliary Enterprises	23,069,399	21,265,205	1,804,194	8.5%
Other Operating Revenues	24,872,466	17,927,711	6,944,755	38.7%
Total Operating Revenues	<u>2,073,173,777</u>	<u>1,847,357,585</u>	<u>225,816,192</u>	<u>12.2%</u>
Operating Expenses				
Salaries and Wages	1,022,145,099	930,628,643	91,516,456	9.8%
Employee Benefits and Related Costs	269,370,374	246,919,588	22,450,786	9.1%
Professional Fees and Contracted Services	92,549,564	74,398,812	18,150,752	24.4%
Other Contracted Services	62,012,617	60,838,829	1,173,788	1.9%
Travel	18,469,088	15,517,506	2,951,582	19.0%
Materials and Supplies	389,377,154	372,123,963	17,253,191	4.6%
Utilities	46,444,543	50,814,771	(4,370,228)	-8.6%
Telecommunications	5,816,016	6,655,883	(839,867)	-12.6%
Repairs and Maintenance	42,048,084	36,476,561	5,571,523	15.3%
Rentals and Leases	28,953,034	28,087,931	865,103	3.1%
Federal Sponsored Programs Pass-Thrus	604,293	1,115,174	(510,881)	-45.8%
Depreciation and Amortization	172,006,360	163,961,735	8,044,625	4.9%
Other Operating Expenses	2,795,881	3,587,183	(791,302)	-22.1%
Total Operating Expenses	<u>2,152,592,107</u>	<u>1,991,126,579</u>	<u>161,465,528</u>	<u>8.1%</u>
Operating Loss	<u>(79,418,330)</u>	<u>(143,768,994)</u>	<u>64,350,664</u>	<u>44.8%</u>
Other Nonoperating Adjustments				
State Appropriations	146,247,051	144,970,570	1,276,481	0.9%
Gift Contributions for Operations	63,836,947	56,051,114	7,785,833	13.9%
Net Investment Income	38,429,192	31,988,944	6,440,248	20.1%
Long Term Fund Distribution	12,763,283	12,092,327	670,956	5.5%
Interest Expense on Capital Asset Financings	(29,273,222)	(26,913,710)	(2,359,512)	-8.8%
Net Other Nonoperating Adjustments	<u>232,003,251</u>	<u>218,189,245</u>	<u>13,814,006</u>	<u>6.3%</u>
Adjusted Income (Loss) including Depreciation	152,584,921	74,420,251	78,164,670	105.0%
Adjusted Margin (as a percentage) including Depreciation	6.5%	3.6%		
Investment Gains (Losses)	47,033,261	5,329,962	41,703,299	782.4%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 199,618,182	\$ 79,750,213	\$ 119,867,969	150.3%
Adjusted Margin % with Investment Gains (Losses)	8.4%	3.8%		
Adjusted Income (Loss) excluding Depreciation	324,591,281	238,381,986	86,209,295	36.2%
Adjusted Margin (as a percentage) excluding Depreciation	13.9%	11.4%		

Note: UT M. D. Anderson Cancer Center received \$13 million of Texas Physician Upper Payment Limit reimbursements in 2007. These funds are only allowed to be used by the Physician Practice Plan to enhance patient services.

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

	July Year-to-Date <u>FY 2007</u>	July Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 12,666,011	\$ 13,109,942	\$ (443,931)	-3.4%
Net Sales and Services of Educational Activities	860,084	914,160	(54,076)	-5.9%
Net Sales and Services of Hospitals	40,876,150	41,340,645	(464,495)	-1.1%
Net Professional Fees	14,052,784	10,591,586	3,461,198	32.7%
Net Auxiliary Enterprises	165,376	238,471	(73,095)	-30.7%
Other Operating Revenues	1,572,446	2,342,747	(770,301)	-32.9%
Total Operating Revenues	<u>70,192,851</u>	<u>68,537,551</u>	<u>1,655,300</u>	<u>2.4%</u>
Operating Expenses				
Salaries and Wages	47,669,566	54,339,518	(6,669,952)	-12.3%
Employee Benefits and Related Costs	12,897,068	13,587,249	(690,181)	-5.1%
Professional Fees and Contracted Services	5,174,839	4,213,985	960,854	22.8%
Other Contracted Services	6,629,450	6,631,501	(2,051)	0.0%
Travel	523,622	539,960	(16,338)	-3.0%
Materials and Supplies	11,682,943	13,835,201	(2,152,258)	-15.6%
Utilities	2,995,832	2,600,027	395,805	15.2%
Telecommunications	654,349	661,124	(6,775)	-1.0%
Repairs and Maintenance	2,934,871	2,446,443	488,428	20.0%
Rentals and Leases	1,052,466	1,224,847	(172,381)	-14.1%
Printing and Reproduction	22,323	149,092	(126,769)	-85.0%
Federal Sponsored Programs Pass-Thrus	413,521	643,920	(230,399)	-35.8%
Depreciation and Amortization	5,800,168	5,375,607	424,561	7.9%
Other Operating Expenses	2,640,308	2,944,259	(303,951)	-10.3%
Total Operating Expenses	<u>101,091,326</u>	<u>109,192,733</u>	<u>(8,101,407)</u>	<u>-7.4%</u>
Operating Loss	<u>(30,898,475)</u>	<u>(40,655,182)</u>	<u>9,756,707</u>	<u>24.0%</u>
Other Nonoperating Adjustments				
State Appropriations	34,331,196	35,496,158	(1,164,962)	-3.3%
Gift Contributions for Operations	482,711	480,319	2,392	0.5%
Net Investment Income	3,263,435	2,876,339	387,096	13.5%
Long Term Fund Distribution	354,751	335,099	19,652	5.9%
Interest Expense on Capital Asset Financings	(574,442)	(800,728)	226,286	28.3%
Net Other Nonoperating Adjustments	<u>37,857,651</u>	<u>38,387,187</u>	<u>(529,536)</u>	<u>-1.4%</u>
Adjusted Income (Loss) including Depreciation	6,959,176	(2,267,995)	9,227,171	406.8%
Adjusted Margin (as a percentage) including Depreciation	6.4%	-2.1%		
Investment Gains (Losses)	-	24,657	(24,657)	-100.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 6,959,176	\$ (2,243,338)	\$ 9,202,514	410.2%
Adjusted Margin % with Investment Gains (Losses)	6.4%	-2.1%		
Adjusted Income (Loss) excluding Depreciation	12,759,344	3,107,612	9,651,732	310.6%
Adjusted Margin (as a percentage) excluding Depreciation	11.7%	2.9%		

Note: UT Health Center at Tyler received \$4.2 million of Texas Physician Upper Payment Limit reimbursements in 2007. These funds are only allowed to be used by the Physician Practice Plan to enhance patient services.