

THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER

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

**JUNE 2008**



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**THE UNIVERSITY OF TEXAS SYSTEM**  
**MONTHLY FINANCIAL REPORT**  
**(Unaudited)**  
**FOR THE TEN MONTHS ENDING**  
**JUNE 30, 2008**

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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 Ten Months Ending June 30, 2008**

	June Year-to-Date <u>FY 2008</u>	June Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 1,125,286,875	\$ 1,044,420,477	\$ 80,866,398	7.7%
Sponsored Programs	2,032,187,848	1,893,245,771	138,942,077	7.3%
Net Sales and Services of Educational Activities	239,468,514	242,668,617	(3,200,103)	-1.3%
Net Sales and Services of Hospitals	2,468,147,543	2,267,338,533	200,809,010	8.9%
Net Professional Fees	778,405,335	827,316,749	(48,911,414)	-5.9%
Net Auxiliary Enterprises	294,719,539	285,502,880	9,216,659	3.2%
Other Operating Revenues	122,509,306	113,706,150	8,803,156	7.7%
<b>Total Operating Revenues</b>	<b><u>7,060,724,960</u></b>	<b><u>6,674,199,177</u></b>	<b><u>386,525,783</u></b>	<b><u>5.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	4,350,299,852	4,032,474,212	317,825,640	7.9%
Payroll Related Costs	1,079,536,838	990,020,544	89,516,294	9.0%
Professional Fees and Contracted Services	253,524,611	225,843,475	27,681,136	12.3%
Other Contracted Services	351,102,882	328,187,982	22,914,900	7.0%
Scholarships and Fellowships	493,880,203	459,084,605	34,795,598	7.6%
Travel	104,332,828	91,876,266	12,456,562	13.6%
Materials and Supplies	956,981,700	897,044,112	59,937,588	6.7%
Utilities	238,386,239	208,753,244	29,632,995	14.2%
Telecommunications	81,927,363	54,333,255	27,594,108	50.8%
Repairs and Maintenance	145,300,883	124,469,462	20,831,421	16.7%
Rentals and Leases	89,255,859	83,454,361	5,801,498	7.0%
Printing and Reproduction	23,277,476	22,743,614	533,862	2.3%
Bad Debt Expense	45,983	1,043,755	(997,772)	-95.6%
Claims and Losses	6,417,234	23,748,264	(17,331,030)	-73.0%
Federal Sponsored Programs Pass-Throughs	24,434,229	22,920,149	1,514,080	6.6%
Depreciation and Amortization	576,202,323	517,011,773	59,190,550	11.4%
Other Operating Expenses	309,779,709	303,396,405	6,383,304	2.1%
<b>Total Operating Expenses</b>	<b><u>9,084,686,212</u></b>	<b><u>8,386,405,478</u></b>	<b><u>698,280,734</u></b>	<b><u>8.3%</u></b>
<b>Operating Loss</b>	<b><u>(2,023,961,252)</u></b>	<b><u>(1,712,206,301)</u></b>	<b><u>(311,754,951)</u></b>	<b><u>-18.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,621,066,785	1,463,658,673	157,408,112	10.8%
Gift Contributions for Operations	306,138,660	218,856,570	87,282,090	39.9%
Net Investment Income	714,915,465	625,613,139	89,302,326	14.3%
Interest Expense on Capital Asset Financings	(172,763,897)	(135,688,218)	(37,075,679)	-27.3%
<b>Net Other Nonoperating Adjustments</b>	<b><u>2,469,357,013</u></b>	<b><u>2,172,440,164</u></b>	<b><u>296,916,849</u></b>	<b><u>13.7%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>445,395,761</b>	<b>460,233,863</b>	<b>(14,838,102)</b>	<b>-3.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>4.6%</b>	<b>5.1%</b>		
Investment Gains (Losses)	179,884,794	2,418,882,517	(2,238,997,723)	-92.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>\$ 625,280,555</b>	<b>\$ 2,879,116,380</b>	<b>\$ (2,253,835,825)</b>	<b>-78.3%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>6.3%</b>	<b>25.3%</b>		
<b>Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation</b>	<b>1,201,482,878</b>	<b>3,396,128,153</b>	<b>(2,194,645,275)</b>	<b>-64.6%</b>
<b>Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation</b>	<b>12.2%</b>	<b>29.8%</b>		

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**The University of Texas System  
Comparison of Adjusted Income (Loss)  
For the Ten Months Ending June 30, 2008**

	<b>Including Depreciation and Amortization Expense</b>			
	<b>June</b>	<b>June</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
	<b>Year-to-Date FY 2008</b>	<b>Year-to-Date FY 2007</b>		
UT System Administration	\$ 292,842,826	\$ 232,297,754	\$ 60,545,072 (1)	26.1%
UT Arlington	6,198,531	12,137,812	(5,939,281)	-48.9%
UT Austin	34,919,687	37,221,756	(2,302,069)	-6.2%
UT Brownsville	(140,104) (2)	(1,142,631)	1,002,527	87.7%
UT Dallas	11,658,551	1,420,316	10,238,235 (3)	720.8%
UT El Paso	4,101,676	2,712,869	1,388,807	51.2%
UT Pan American	(290,203) (4)	(4,308,099)	4,017,896	93.3%
UT Permian Basin	9,410,238	(261,143)	9,671,381 (5)	3,703.5%
UT San Antonio	26,715,046	30,995,389	(4,280,343)	-13.8%
UT Tyler	4,023,340	1,934,235	2,089,105 (6)	108.0%
UT Southwestern Medical Center - Dallas	62,665,698	63,069,972	(404,274)	-0.6%
UT Medical Branch - Galveston	(41,456,360)	3,770,895	(45,227,255) (7)	-1,199.4%
UT Health Science Center - Houston	22,032,487	24,206,197	(2,173,710)	-9.0%
UT Health Science Center - San Antonio	(15,918,737)	19,483,861	(35,402,598) (8)	-181.7%
UT M. D. Anderson Cancer Center	147,759,144	136,870,216	10,888,928	8.0%
UT Health Science Center - Tyler	540,608	6,124,464	(5,583,856) (9)	-91.2%
Elimination of AUF Transfer	(119,666,667)	(106,300,000)	(13,366,667)	-12.6%
Total Adjusted Income (Loss)	445,395,761	460,233,863	(14,838,102)	-3.2%
Investment Gains (Losses)	179,884,794	2,418,882,517	(2,238,997,723) (10)	-92.6%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b>\$ 625,280,555</b>	<b>\$ 2,879,116,380</b>	<b>\$ (2,253,835,825)</b>	<b>-78.3%</b>

	<b>Excluding Depreciation and Amortization Expense</b>			
	<b>June</b>	<b>June</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
	<b>Year-to-Date FY 2008</b>	<b>Year-to-Date FY 2007</b>		
UT System Administration	\$ 297,365,266	\$ 236,760,317	\$ 60,604,949	25.6%
UT Arlington	24,410,290	29,716,808	(5,306,518)	-17.9%
UT Austin	167,893,674	149,911,575	17,982,099	12.0%
UT Brownsville	4,803,054	3,359,724	1,443,330	43.0%
UT Dallas	28,628,526	17,361,863	11,266,663	64.9%
UT El Paso	16,695,027	14,157,431	2,537,596	17.9%
UT Pan American	12,555,914	9,020,518	3,535,396	39.2%
UT Permian Basin	12,451,905	2,453,580	9,998,325	407.5%
UT San Antonio	48,519,686	51,027,552	(2,507,866)	-4.9%
UT Tyler	10,017,888	7,606,861	2,411,027	31.7%
UT Southwestern Medical Center - Dallas	119,364,942	116,559,050	2,805,892	2.4%
UT Medical Branch - Galveston	14,902,823	48,167,687	(33,264,864)	-69.1%
UT Health Science Center - Houston	49,568,765	51,677,711	(2,108,946)	-4.1%
UT Health Science Center - San Antonio	8,456,263	38,487,912	(30,031,649)	-78.0%
UT M. D. Anderson Cancer Center	319,483,692	295,899,184	23,584,508	8.0%
UT Health Science Center - Tyler	6,147,036	11,377,863	(5,230,827)	-46.0%
Elimination of AUF Transfer	(119,666,667)	(106,300,000)	(13,366,667)	-12.6%
Total Adjusted Income (Loss)	1,021,598,084	977,245,636	44,352,448	4.5%
Investment Gains (Losses)	179,884,794	2,418,882,517	(2,238,997,723)	-92.6%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization</b>	<b>\$ 1,201,482,878</b>	<b>\$ 3,396,128,153</b>	<b>\$ (2,194,645,275)</b>	<b>-64.6%</b>

THE UNIVERSITY OF TEXAS SYSTEM  
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT  
For the Ten Months Ending June 30, 2008

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 System Administration - The \$60.5 million (26.1%) increase in adjusted income as compared to the same period last year was primarily due to increased net investment income. Excluding depreciation expense, *UT System Administration's* adjusted income was \$297.4 million or 73.8%.
- (2) UT Brownsville - The \$140,000 year-to-date loss was primarily attributable to decreased enrollment as a result of new student academic performance standards implemented in the spring of 2008. Excluding depreciation expense, *UT Brownsville's* adjusted income was \$4.8 million or 3.8%. *UT Brownsville* projects a year-end loss of approximately \$1.3 million which represents -0.9% of projected revenues. This forecast includes \$5.9 million of depreciation expense.
- (3) UT Dallas - The \$10.2 million (720.8%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, *UT Dallas'* adjusted income was \$28.6 million or 10.5%.
- (4) UT Pan American - The \$290,000 year-to-date loss was primarily attributable to an increase in salaries and wages and increased utility costs. Salaries and wages increased as a result of a 3% merit increase for faculty and staff and additional staff needed as a result of the implementation of the Oracle ERP system. Utility costs increased due to a new utility contract with higher rates. *UT Pan American* anticipates ending the year with a \$6.5 million negative margin which represents -2.6% of projected revenues. This forecast includes \$15.5 million of depreciation expense. Excluding depreciation expense, *UT Pan American's* adjusted income was \$12.6 million or 6.0%.
- (5) UT Permian Basin - The \$9.7 million (3,703.5%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, *UT Permian Basin's* adjusted income was \$12.5 million or 25.3%.
- (6) UT Tyler - The \$2.1 million (108%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, *UT Tyler's* adjusted income was \$10 million or 13.5%.
- (7) UT Medical Branch - Galveston - The \$45.2 million (1,199.4%) decrease in adjusted income over the same period last year was primarily due to an increase in operating expenses of \$96.7 million corresponding to the increased patient care activity and growth in research related programs. Market adjustments, overtime, and agency costs for clinical professionals were significant factors contributing to the increase in personnel costs. As a result of these factors, *UTMB* experienced a \$41.5 million year-to-date loss. Additionally, *UTMB* recognized \$23.4 million less revenue for the Texas Physician Upper Payment Limit (UPL) in 2008. Excluding depreciation expense, *UTMB's* adjusted income was \$14.9 million or 1.2%. *UTMB* projects a year-end loss of approximately \$63 million, which represents -4.2% of projected revenues. This forecast includes \$64.6 million of depreciation expense.
- (8) UT Health Science Center - San Antonio - The \$35.4 million (181.7%) decrease in adjusted income over the same period last year was primarily attributable to the acquisition of the Cancer Therapy and Research Center (CTRC), the Children's Cancer Research Institute (CCRI), increased interest expense and \$9.5 million less UPL revenue in 2008. Due to these factors, *UTHSC-San Antonio* incurred a year-to-date loss of \$15.9 million. The acquisition of CTCRC contributed \$12.1 million of this loss, including depreciation expense, primarily due to billing and collection delays as a result of the merger. CCRI contributed \$2 million of the loss. *UTHSC-San Antonio* receives annual tobacco distributions on a quarterly basis for CCRI. Unused balances can be accumulated and spent in subsequent years. To date, CCRI has expended \$2 million more than current year distributions that are supported by prior year accumulations. Excluding depreciation expense, *UTHSC-San Antonio's* adjusted income was \$8.5 million or 1.7%.

*UTHSC-San Antonio* is currently assessing the collectability of approximately \$6 million in outstanding claims at CTRC, which would reduce the loss at CTRC. Since the likelihood of collecting these outstanding claims has not been determined, *UTHSC-San Antonio* has not factored this potential revenue into the projection. *UTHSC-San Antonio* is also working with CTRC to reduce expenses for the remainder of the year.

*UTHSC-San Antonio* projects a year-end loss of approximately \$14.6 million, which represents -2.3% of projected revenues and includes \$29.7 million of depreciation expense of which \$3.5 million is attributable to CTRC.

(9) *UT Health Science Center – Tyler* – The \$5.6 million (91.2%) decrease in adjusted income over the same period last year was primarily attributable to a 10% decrease in admissions, a 3% decrease in inpatient visits and a net reduction in grant income of \$570,000. As a result of the reduction in patient volume, *UTHSC-Tyler* reduced its staff by 84 employees since November and incurred over \$600,000 in termination vacation payouts. Additionally, *UTHSC-Tyler* recognized \$2.9 million less UPL revenue in 2008. Excluding depreciation expense, *UTHSC-Tyler's* adjusted income was \$6.1 million or 6.6%.

(10) *Investment Gains (Losses)* - The majority of the \$2.2 billion (92.6%) decrease in investment gains relates to the Permanent University Fund of \$1.3 billion, the Long Term Fund of \$611.7 million, and the Permanent Health Fund of \$127.9 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 nonprofit 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, Short Term Fund, Intermediate Term Fund and Long 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. This line item also includes the Available University Fund surface income, oil and gas royalties, and mineral lease bonus sales.

**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 Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 20,843,341	\$ 11,902,886	\$ 8,940,455	75.1%
Net Sales and Services of Educational Activities	12,451,573	18,446,321	(5,994,748)	-32.5%
Other Operating Revenues	11,025,940	19,313,145	(8,287,205)	-42.9%
<b>Total Operating Revenues</b>	<b>44,320,854</b>	<b>49,662,352</b>	<b>(5,341,498)</b>	<b>-10.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	28,990,060	21,836,268	7,153,792	32.8%
Employee Benefits and Related Costs	6,115,189	4,871,032	1,244,157	25.5%
Professional Fees and Contracted Services	2,218,003	3,501,862	(1,283,859)	-36.7%
Other Contracted Services	9,533,879	6,114,089	3,419,790	55.9%
Scholarships and Fellowships	483,000	176,700	306,300	173.3%
Travel	1,656,798	1,587,496	69,302	4.4%
Materials and Supplies	3,826,838	2,301,232	1,525,606	66.3%
Utilities	442,654	612,712	(170,058)	-27.8%
Telecommunications	2,837,939	870,626	1,967,313	226.0%
Repairs and Maintenance	720,589	923,526	(202,937)	-22.0%
Rentals and Leases	709,645	720,044	(10,399)	-1.4%
Printing and Reproduction	246,781	178,423	68,358	38.3%
Claims and Losses	6,417,234	23,748,264	(17,331,030)	-73.0%
Depreciation and Amortization	4,522,440	4,462,563	59,877	1.3%
Other Operating Expenses	3,925,642	2,642,619	1,283,023	48.6%
<b>Total Operating Expenses</b>	<b>72,646,691</b>	<b>74,547,456</b>	<b>(1,900,765)</b>	<b>-2.5%</b>
<b>Operating Loss</b>	<b>(28,325,837)</b>	<b>(24,885,104)</b>	<b>(3,440,733)</b>	<b>-13.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	768,357	764,796	3,561	0.5%
Gift Contributions for Operations	813,721	627,892	185,829	29.6%
Net Investment Income	328,503,334	266,578,562	61,924,772	23.2%
Interest Expense on Capital Asset Financings	(37,450,457)	(37,456,170)	5,713	0.0%
<b>Net Other Nonoperating Adjustments</b>	<b>292,634,955</b>	<b>230,515,080</b>	<b>62,119,875</b>	<b>26.9%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>264,309,118</b>	<b>205,629,976</b>	<b>58,679,142</b>	<b>28.5%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>70.6%</b>	<b>64.7%</b>		
Available University Fund Transfer	28,533,708	26,667,778	1,865,930	7.0%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>292,842,826</b>	<b>232,297,754</b>	<b>60,545,072</b>	<b>26.1%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>72.7%</b>	<b>67.5%</b>		
Investment Gains (Losses)	94,714,496	2,186,872,746	(2,092,158,250)	-95.7%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ 387,557,322</b>	<b>\$ 2,419,170,500</b>	<b>\$ (2,031,613,178)</b>	<b>-84.0%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>77.9%</b>	<b>95.6%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>297,365,266</b>	<b>236,760,317</b>	<b>60,604,949</b>	<b>25.6%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>73.8%</b>	<b>68.8%</b>		

**UNAUDITED**  
**The University of Texas at Arlington**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 140,197,679	\$ 132,486,263	\$ 7,711,416	5.8%
Sponsored Programs	44,196,815	44,178,691	18,124	0.0%
Net Sales and Services of Educational Activities	11,407,015	10,270,068	1,136,947	11.1%
Net Auxiliary Enterprises	20,711,101	20,430,354	280,747	1.4%
Other Operating Revenues	6,235,414	5,548,280	687,134	12.4%
<b>Total Operating Revenues</b>	<b>222,748,024</b>	<b>212,913,656</b>	<b>9,834,368</b>	<b>4.6%</b>
<b>Operating Expenses</b>				
Salaries and Wages	151,263,641	140,635,446	10,628,195	7.6%
Employee Benefits and Related Costs	33,890,537	31,227,645	2,662,892	8.5%
Professional Fees and Contracted Services	3,693,110	4,365,378	(672,268)	-15.4%
Other Contracted Services	7,612,239	7,494,698	117,541	1.6%
Scholarships and Fellowships	38,737,028	33,623,662	5,113,366	15.2%
Travel	4,533,416	3,877,647	655,769	16.9%
Materials and Supplies	17,301,506	16,158,622	1,142,884	7.1%
Utilities	10,461,596	9,521,145	940,451	9.9%
Telecommunications	5,353,086	4,864,779	488,307	10.0%
Repairs and Maintenance	5,967,454	5,089,734	877,720	17.2%
Rentals and Leases	2,513,678	2,181,424	332,254	15.2%
Printing and Reproduction	1,988,481	1,927,818	60,663	3.1%
Federal Sponsored Programs Pass-Thrus	1,930,267	1,836,204	94,063	5.1%
Depreciation and Amortization	18,211,759	17,578,996	632,763	3.6%
Other Operating Expenses	8,358,643	9,177,350	(818,707)	-8.9%
<b>Total Operating Expenses</b>	<b>311,816,441</b>	<b>289,560,548</b>	<b>22,255,893</b>	<b>7.7%</b>
<b>Operating Loss</b>	<b>(89,068,417)</b>	<b>(76,646,892)</b>	<b>(12,421,525)</b>	<b>-16.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	92,475,902	84,895,743	7,580,159	8.9%
Gift Contributions for Operations	1,921,130	1,675,128	246,002	14.7%
Net Investment Income	7,732,146	7,405,777	326,369	4.4%
Interest Expense on Capital Asset Financings	(6,862,230)	(5,191,944)	(1,670,286)	-32.2%
<b>Net Other Nonoperating Adjustments</b>	<b>95,266,948</b>	<b>88,784,704</b>	<b>6,482,244</b>	<b>7.3%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>6,198,531</b>	<b>12,137,812</b>	<b>(5,939,281)</b>	<b>-48.9%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.9%</b>	<b>4.0%</b>		
Investment Gains (Losses)	7,493,683	11,042,244	(3,548,561)	-32.1%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 13,692,214</b>	<b>\$ 23,180,056</b>	<b>\$ (9,487,842)</b>	<b>-40.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>4.1%</b>	<b>7.3%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>24,410,290</b>	<b>29,716,808</b>	<b>(5,306,518)</b>	<b>-17.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>7.5%</b>	<b>9.7%</b>		

**UNAUDITED**  
**The University of Texas at Austin**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	June Year-to-Date <u>FY 2008</u>	June Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 444,359,495	\$ 421,256,277	\$ 23,103,218	5.5%
Sponsored Programs	390,102,411	370,463,763	19,638,648	5.3%
Net Sales and Services of Educational Activities	121,693,140	124,732,504	(3,039,364)	-2.4%
Net Auxiliary Enterprises	158,786,859	151,496,550	7,290,309	4.8%
Other Operating Revenues	3,078,922	2,987,960	90,962	3.0%
<b>Total Operating Revenues</b>	<b><u>1,118,020,827</u></b>	<b><u>1,070,937,054</u></b>	<b><u>47,083,773</u></b>	<b><u>4.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	755,739,549	729,784,870	25,954,679	3.6%
Employee Benefits and Related Costs	177,922,960	170,569,466	7,353,494	4.3%
Professional Fees and Contracted Services	21,792,799	19,636,373	2,156,426	11.0%
Other Contracted Services	56,112,096	60,984,712	(4,872,616)	-8.0%
Scholarships and Fellowships	172,391,029	165,092,167	7,298,862	4.4%
Travel	34,040,487	29,677,034	4,363,453	14.7%
Materials and Supplies	100,085,662	88,980,365	11,105,297	12.5%
Utilities	60,697,017	54,582,257	6,114,760	11.2%
Telecommunications	30,801,550	11,956,749	18,844,801	157.6%
Repairs and Maintenance	22,519,334	19,654,212	2,865,122	14.6%
Rentals and Leases	11,267,561	12,389,806	(1,122,245)	-9.1%
Printing and Reproduction	8,005,251	7,843,088	162,163	2.1%
Federal Sponsored Programs Pass-Thrus	4,098,899	4,588,077	(489,178)	-10.7%
Depreciation and Amortization	132,973,987	112,689,819	20,284,168	18.0%
Other Operating Expenses	75,255,248	70,561,868	4,693,380	6.7%
<b>Total Operating Expenses</b>	<b><u>1,663,703,429</u></b>	<b><u>1,558,990,863</u></b>	<b><u>104,712,566</u></b>	<b><u>6.7%</u></b>
<b>Operating Loss</b>	<b><u>(545,682,602)</u></b>	<b><u>(488,053,809)</u></b>	<b><u>(57,628,793)</u></b>	<b><u>-11.8%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	274,705,277	255,795,101	18,910,176	7.4%
Gift Contributions for Operations	83,107,398	70,457,423	12,649,975	18.0%
Net Investment Income	134,756,147	116,582,979	18,173,168	15.6%
Interest Expense on Capital Asset Financings	(31,633,200)	(23,859,938)	(7,773,262)	-32.6%
<b>Net Other Nonoperating Adjustments</b>	<b><u>460,935,622</u></b>	<b><u>418,975,565</u></b>	<b><u>41,960,057</u></b>	<b><u>10.0%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(84,746,980)</b>	<b>(69,078,244)</b>	<b>(15,668,736)</b>	<b>-22.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-5.3%</b>	<b>-4.6%</b>		
Available University Fund Transfer	119,666,667	106,300,000	13,366,667	12.6%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>34,919,687</b>	<b>37,221,756</b>	<b>(2,302,069)</b>	<b>-6.2%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>2.0%</b>	<b>2.3%</b>		
Investment Gains (Losses)	29,332,313	55,468,786	(26,136,473)	-47.1%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ 64,252,000</b>	<b>\$ 92,690,542</b>	<b>\$ (28,438,542)</b>	<b>-30.7%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>3.7%</b>	<b>5.5%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>167,893,674</b>	<b>149,911,575</b>	<b>17,982,099</b>	<b>12.0%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>9.7%</b>	<b>9.3%</b>		

**UNAUDITED**  
**The University of Texas at Brownsville**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 12,525,253	\$ 9,942,450	\$ 2,582,803	26.0%
Sponsored Programs	80,617,343	78,605,639	2,011,704	2.6%
Net Sales and Services of Educational Activities	938,152	870,706	67,446	7.7%
Net Auxiliary Enterprises	1,018,533	818,000	200,533	24.5%
Other Operating Revenues	55,936	15,851	40,085	252.9%
<b>Total Operating Revenues</b>	<b>95,155,217</b>	<b>90,252,646</b>	<b>4,902,571</b>	<b>5.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	50,715,564	46,805,121	3,910,443	8.4%
Employee Benefits and Related Costs	12,330,405	11,385,932	944,473	8.3%
Professional Fees and Contracted Services	1,765,292	1,575,872	189,420	12.0%
Scholarships and Fellowships	37,113,778	34,502,284	2,611,494	7.6%
Travel	997,672	1,015,468	(17,796)	-1.8%
Materials and Supplies	4,263,719	3,472,323	791,396	22.8%
Utilities	3,113,349	2,906,329	207,020	7.1%
Telecommunications	1,486,846	1,332,330	154,516	11.6%
Repairs and Maintenance	980,636	696,417	284,219	40.8%
Rentals and Leases	1,634,782	1,592,238	42,544	2.7%
Printing and Reproduction	284,593	325,106	(40,513)	-12.5%
Bad Debt Expense	35,983	21,415	14,568	68.0%
Federal Sponsored Programs Pass-Thrus	47,101	48,552	(1,451)	-3.0%
Depreciation and Amortization	4,943,158	4,502,355	440,803	9.8%
Other Operating Expenses	5,547,329	5,348,383	198,946	3.7%
<b>Total Operating Expenses</b>	<b>125,260,207</b>	<b>115,530,125</b>	<b>9,730,082</b>	<b>8.4%</b>
<b>Operating Loss</b>	<b>(30,104,990)</b>	<b>(25,277,479)</b>	<b>(4,827,511)</b>	<b>-19.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	29,911,758	24,085,024	5,826,734	24.2%
Gift Contributions for Operations	331,597	266,127	65,470	24.6%
Net Investment Income	1,186,501	1,181,386	5,115	0.4%
Interest Expense on Capital Asset Financings	(1,464,970)	(1,397,689)	(67,281)	-4.8%
<b>Net Other Nonoperating Adjustments</b>	<b>29,964,886</b>	<b>24,134,848</b>	<b>5,830,038</b>	<b>24.2%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(140,104)</b>	<b>(1,142,631)</b>	<b>1,002,527</b>	<b>87.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-0.1%</b>	<b>-1.0%</b>		
Investment Gains (Losses)	655,491	2,375,019	(1,719,528)	-72.4%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 515,387</b>	<b>\$ 1,232,388</b>	<b>\$ (717,001)</b>	<b>-58.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>0.4%</b>	<b>1.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>4,803,054</b>	<b>3,359,724</b>	<b>1,443,330</b>	<b>43.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>3.8%</b>	<b>2.9%</b>		

**UNAUDITED**  
**The University of Texas at Dallas**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 118,642,336	\$ 105,689,014	\$ 12,953,322	12.3%
Sponsored Programs	41,691,663	34,371,300	7,320,363	21.3%
Net Sales and Services of Educational Activities	6,264,096	5,377,908	886,188	16.5%
Net Auxiliary Enterprises	4,549,635	4,431,446	118,189	2.7%
Other Operating Revenues	6,030,590	4,972,301	1,058,289	21.3%
<b>Total Operating Revenues</b>	<b>177,178,320</b>	<b>154,841,969</b>	<b>22,336,351</b>	<b>14.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	121,838,425	112,537,579	9,300,846	8.3%
Employee Benefits and Related Costs	25,755,486	23,152,813	2,602,673	11.2%
Professional Fees and Contracted Services	2,685,410	2,319,893	365,517	15.8%
Other Contracted Services	8,346,306	6,345,892	2,000,414	31.5%
Scholarships and Fellowships	40,213,317	37,874,747	2,338,570	6.2%
Travel	2,863,180	2,594,594	268,586	10.4%
Materials and Supplies	12,651,109	11,585,564	1,065,545	9.2%
Utilities	6,862,001	6,022,511	839,490	13.9%
Telecommunications	1,146,922	1,109,513	37,409	3.4%
Repairs and Maintenance	3,411,111	2,356,554	1,054,557	44.7%
Rentals and Leases	1,219,485	1,106,115	113,370	10.2%
Printing and Reproduction	1,049,933	1,097,722	(47,789)	-4.4%
Federal Sponsored Programs Pass-Thrus	779,776	136,851	642,925	469.8%
Depreciation and Amortization	16,969,975	15,941,547	1,028,428	6.5%
Other Operating Expenses	8,559,222	7,386,327	1,172,895	15.9%
<b>Total Operating Expenses</b>	<b>254,351,658</b>	<b>231,568,222</b>	<b>22,783,436</b>	<b>9.8%</b>
<b>Operating Loss</b>	<b>(77,173,338)</b>	<b>(76,726,253)</b>	<b>(447,085)</b>	<b>-0.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	75,574,619	65,317,466	10,257,153	15.7%
Gift Contributions for Operations	8,813,250	7,609,728	1,203,522	15.8%
Net Investment Income	11,581,460	10,388,286	1,193,174	11.5%
Interest Expense on Capital Asset Financings	(7,137,440)	(5,168,911)	(1,968,529)	-38.1%
<b>Net Other Nonoperating Adjustments</b>	<b>88,831,889</b>	<b>78,146,569</b>	<b>10,685,320</b>	<b>13.7%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>11,658,551</b>	<b>1,420,316</b>	<b>10,238,235</b>	<b>720.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>4.3%</b>	<b>0.6%</b>		
Investment Gains (Losses)	968,098	7,253,894	(6,285,796)	-86.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 12,626,649</b>	<b>\$ 8,674,210</b>	<b>\$ 3,952,439</b>	<b>45.6%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>4.6%</b>	<b>3.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>28,628,526</b>	<b>17,361,863</b>	<b>11,266,663</b>	<b>64.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>10.5%</b>	<b>7.3%</b>		

**UNAUDITED**  
**The University of Texas at El Paso**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 78,883,188	\$ 73,264,421	\$ 5,618,767	7.7%
Sponsored Programs	73,004,021	70,335,743	2,668,278	3.8%
Net Sales and Services of Educational Activities	3,394,024	3,546,502	(152,478)	-4.3%
Net Auxiliary Enterprises	18,362,215	23,535,762	(5,173,547)	-22.0%
Other Operating Revenues	322,218	17,812	304,406	1,709.0%
<b>Total Operating Revenues</b>	<b>173,965,666</b>	<b>170,700,240</b>	<b>3,265,426</b>	<b>1.9%</b>
<b>Operating Expenses</b>				
Salaries and Wages	110,963,846	104,705,669	6,258,177	6.0%
Employee Benefits and Related Costs	26,692,564	25,417,709	1,274,855	5.0%
Professional Fees and Contracted Services	843,038	869,035	(25,997)	-3.0%
Other Contracted Services	12,224,959	16,793,837	(4,568,878)	-27.2%
Scholarships and Fellowships	51,872,675	48,795,756	3,076,919	6.3%
Travel	5,241,256	4,494,391	746,865	16.6%
Materials and Supplies	16,953,316	16,800,171	153,145	0.9%
Utilities	6,413,549	6,182,655	230,894	3.7%
Telecommunications	614,891	608,724	6,167	1.0%
Repairs and Maintenance	2,962,889	2,793,098	169,791	6.1%
Rentals and Leases	2,521,329	2,430,566	90,763	3.7%
Printing and Reproduction	763,178	513,725	249,453	48.6%
Federal Sponsored Programs Pass-Thrus	208,768	262,323	(53,555)	-20.4%
Depreciation and Amortization	12,593,351	11,444,562	1,148,789	10.0%
Other Operating Expenses	4,777,113	4,709,264	67,849	1.4%
<b>Total Operating Expenses</b>	<b>255,646,722</b>	<b>246,821,485</b>	<b>8,825,237</b>	<b>3.6%</b>
<b>Operating Loss</b>	<b>(81,681,056)</b>	<b>(76,121,245)</b>	<b>(5,559,811)</b>	<b>-7.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	76,346,093	67,108,065	9,238,028	13.8%
Gift Contributions for Operations	5,445,658	6,241,917	(796,259)	-12.8%
Net Investment Income	8,210,121	7,963,966	246,155	3.1%
Interest Expense on Capital Asset Financings	(4,219,140)	(2,479,834)	(1,739,306)	-70.1%
<b>Net Other Nonoperating Adjustments</b>	<b>85,782,732</b>	<b>78,834,114</b>	<b>6,948,618</b>	<b>8.8%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>4,101,676</b>	<b>2,712,869</b>	<b>1,388,807</b>	<b>51.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.6%</b>	<b>1.1%</b>		
Investment Gains (Losses)	2,412,311	4,919,641	(2,507,330)	-51.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 6,513,987</b>	<b>\$ 7,632,510</b>	<b>\$ (1,118,523)</b>	<b>-14.7%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>2.4%</b>	<b>3.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>16,695,027</b>	<b>14,157,431</b>	<b>2,537,596</b>	<b>17.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.3%</b>	<b>5.6%</b>		

**UNAUDITED**  
**The University of Texas - Pan American**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 66,692,210	\$ 57,039,270	\$ 9,652,940	16.9%
Sponsored Programs	65,411,063	64,659,324	751,739	1.2%
Net Sales and Services of Educational Activities	4,517,763	4,687,583	(169,820)	-3.6%
Net Auxiliary Enterprises	3,414,508	2,561,285	853,223	33.3%
Other Operating Revenues	1,911,847	740,246	1,171,601	158.3%
<b>Total Operating Revenues</b>	<b>141,947,391</b>	<b>129,687,708</b>	<b>12,259,683</b>	<b>9.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	80,755,833	75,402,027	5,353,806	7.1%
Employee Benefits and Related Costs	19,292,507	17,269,880	2,022,627	11.7%
Professional Fees and Contracted Services	1,551,216	1,447,583	103,633	7.2%
Other Contracted Services	4,928,169	4,196,529	731,640	17.4%
Scholarships and Fellowships	60,133,358	56,362,052	3,771,306	6.7%
Travel	3,560,741	2,997,686	563,055	18.8%
Materials and Supplies	9,413,422	10,497,760	(1,084,338)	-10.3%
Utilities	5,830,542	4,233,519	1,597,023	37.7%
Telecommunications	748,925	607,053	141,872	23.4%
Repairs and Maintenance	1,629,888	1,652,426	(22,538)	-1.4%
Rentals and Leases	675,722	614,526	61,196	10.0%
Printing and Reproduction	257,265	274,059	(16,794)	-6.1%
Bad Debt Expense	10,000	1,022,340	(1,012,340)	-99.0%
Federal Sponsored Programs Pass-Thrus	111,344	27,671	83,673	302.4%
Depreciation and Amortization	12,846,117	13,328,617	(482,500)	-3.6%
Other Operating Expenses	3,842,427	4,159,978	(317,551)	-7.6%
<b>Total Operating Expenses</b>	<b>205,587,476</b>	<b>194,093,706</b>	<b>11,493,770</b>	<b>5.9%</b>
<b>Operating Loss</b>	<b>(63,640,085)</b>	<b>(64,405,998)</b>	<b>765,913</b>	<b>1.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	62,180,036	58,243,127	3,936,909	6.8%
Gift Contributions for Operations	1,694,648	1,958,865	(264,217)	-13.5%
Net Investment Income	2,944,808	2,619,331	325,477	12.4%
Interest Expense on Capital Asset Financings	(3,469,610)	(2,723,424)	(746,186)	-27.4%
<b>Net Other Nonoperating Adjustments</b>	<b>63,349,882</b>	<b>60,097,899</b>	<b>3,251,983</b>	<b>5.4%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(290,203)</b>	<b>(4,308,099)</b>	<b>4,017,896</b>	<b>93.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-0.1%</b>	<b>-2.2%</b>		
Investment Gains (Losses)	296,178	3,175,068	(2,878,890)	-90.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 5,975</b>	<b>\$ (1,133,031)</b>	<b>\$ 1,139,006</b>	<b>100.5%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>0.0%</b>	<b>-0.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>12,555,914</b>	<b>9,020,518</b>	<b>3,535,396</b>	<b>39.2%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.0%</b>	<b>4.7%</b>		

**UNAUDITED**  
**The University of Texas of the Permian Basin**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	June Year-to-Date <u>FY 2008</u>	June Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 12,257,919	\$ 11,543,387	\$ 714,532	6.2%
Sponsored Programs	5,695,934	5,285,365	410,569	7.8%
Net Sales and Services of Educational Activities	312,226	225,392	86,834	38.5%
Net Auxiliary Enterprises	2,465,671	1,785,193	680,478	38.1%
Other Operating Revenues	334,534	125,740	208,794	166.1%
<b>Total Operating Revenues</b>	<b><u>21,066,284</u></b>	<b><u>18,965,077</u></b>	<b><u>2,101,207</u></b>	<b><u>11.1%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	14,834,868	13,958,919	875,949	6.3%
Employee Benefits and Related Costs	3,455,684	3,321,243	134,441	4.0%
Professional Fees and Contracted Services	1,875,460	714,919	1,160,541	162.3%
Other Contracted Services	1,422,151	1,027,791	394,360	38.4%
Scholarships and Fellowships	6,714,748	6,355,717	359,031	5.6%
Travel	723,038	664,951	58,087	8.7%
Materials and Supplies	2,249,755	1,643,333	606,422	36.9%
Utilities	1,932,741	1,720,522	212,219	12.3%
Telecommunications	310,425	343,542	(33,117)	-9.6%
Repairs and Maintenance	513,981	619,225	(105,244)	-17.0%
Rentals and Leases	287,368	223,654	63,714	28.5%
Printing and Reproduction	144,071	190,612	(46,541)	-24.4%
Depreciation and Amortization	3,041,667	2,714,723	326,944	12.0%
Other Operating Expenses	730,681	714,078	16,603	2.3%
<b>Total Operating Expenses</b>	<b><u>38,236,638</u></b>	<b><u>34,213,229</u></b>	<b><u>4,023,409</u></b>	<b><u>11.8%</u></b>
<b>Operating Loss</b>	<b><u>(17,170,354)</u></b>	<b><u>(15,248,152)</u></b>	<b><u>(1,922,202)</u></b>	<b><u>-12.6%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	26,338,289	14,340,427	11,997,862	83.7%
Gift Contributions for Operations	858,190	1,091,781	(233,591)	-21.4%
Net Investment Income	892,683	908,522	(15,839)	-1.7%
Interest Expense on Capital Asset Financings	(1,508,570)	(1,353,721)	(154,849)	-11.4%
<b>Net Other Nonoperating Adjustments</b>	<b><u>26,580,592</u></b>	<b><u>14,987,009</u></b>	<b><u>11,593,583</u></b>	<b><u>77.4%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>9,410,238</b>	<b>(261,143)</b>	<b>9,671,381</b>	<b>3,703.5%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>19.1%</b>	<b>-0.7%</b>		
Investment Gains (Losses)	6,194	368,798	(362,604)	-98.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 9,416,432</b>	<b>\$ 107,655</b>	<b>\$ 9,308,777</b>	<b>8646.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>19.2%</b>	<b>0.3%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>12,451,905</b>	<b>2,453,580</b>	<b>9,998,325</b>	<b>407.5%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>25.3%</b>	<b>6.9%</b>		

**UNAUDITED**  
**The University of Texas at San Antonio**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 153,680,081	\$ 144,909,494	\$ 8,770,587	6.1%
Sponsored Programs	70,424,973	63,253,529	7,171,444	11.3%
Net Sales and Services of Educational Activities	5,804,045	4,977,653	826,392	16.6%
Net Auxiliary Enterprises	14,898,130	12,562,087	2,336,043	18.6%
Other Operating Revenues	1,573,711	1,620,306	(46,595)	-2.9%
<b>Total Operating Revenues</b>	<b>246,380,940</b>	<b>227,323,069</b>	<b>19,057,871</b>	<b>8.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	141,470,708	130,056,036	11,414,672	8.8%
Employee Benefits and Related Costs	34,952,806	31,686,444	3,266,362	10.3%
Professional Fees and Contracted Services	3,038,348	2,367,074	671,274	28.4%
Other Contracted Services	5,850,278	3,589,862	2,260,416	63.0%
Scholarships and Fellowships	57,856,656	51,981,356	5,875,300	11.3%
Travel	5,331,180	4,456,613	874,567	19.6%
Materials and Supplies	16,957,469	14,057,274	2,900,195	20.6%
Utilities	9,268,833	7,487,750	1,781,083	23.8%
Telecommunications	2,399,793	2,151,653	248,140	11.5%
Repairs and Maintenance	5,463,587	4,968,977	494,610	10.0%
Rentals and Leases	2,328,357	2,098,257	230,100	11.0%
Printing and Reproduction	881,351	916,626	(35,275)	-3.8%
Federal Sponsored Programs Pass-Thrus	2,792,905	2,213,466	579,439	26.2%
Depreciation and Amortization	21,804,640	20,032,163	1,772,477	8.8%
Other Operating Expenses	6,335,039	4,877,535	1,457,504	29.9%
<b>Total Operating Expenses</b>	<b>316,731,950</b>	<b>282,941,086</b>	<b>33,790,864</b>	<b>11.9%</b>
<b>Operating Loss</b>	<b>(70,351,010)</b>	<b>(55,618,017)</b>	<b>(14,732,993)</b>	<b>-26.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	95,260,538	81,777,882	13,482,656	16.5%
Gift Contributions for Operations	5,611,906	3,000,359	2,611,547	87.0%
Net Investment Income	7,776,242	6,703,478	1,072,764	16.0%
Interest Expense on Capital Asset Financings	(11,582,630)	(4,868,313)	(6,714,317)	-137.9%
<b>Net Other Nonoperating Adjustments</b>	<b>97,066,056</b>	<b>86,613,406</b>	<b>10,452,650</b>	<b>12.1%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>26,715,046</b>	<b>30,995,389</b>	<b>(4,280,343)</b>	<b>-13.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>7.5%</b>	<b>9.7%</b>		
Investment Gains (Losses)	2,538,509	11,666,160	(9,127,651)	-78.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 29,253,555</b>	<b>\$ 42,661,549</b>	<b>\$ (13,407,994)</b>	<b>-31.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>8.2%</b>	<b>12.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>48,519,686</b>	<b>51,027,552</b>	<b>(2,507,866)</b>	<b>-4.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>13.7%</b>	<b>16.0%</b>		

**UNAUDITED**  
**The University of Texas at Tyler**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 25,370,790	\$ 22,582,850	\$ 2,787,940	12.3%
Sponsored Programs	9,471,718	7,829,563	1,642,155	21.0%
Net Sales and Services of Educational Activities	1,029,836	866,619	163,217	18.8%
Net Auxiliary Enterprises	3,211,969	3,310,102	(98,133)	-3.0%
Other Operating Revenues	99,491	46,891	52,600	112.2%
<b>Total Operating Revenues</b>	<b>39,183,804</b>	<b>34,636,025</b>	<b>4,547,779</b>	<b>13.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	27,870,532	25,908,060	1,962,472	7.6%
Employee Benefits and Related Costs	7,159,556	6,581,749	577,807	8.8%
Professional Fees and Contracted Services	1,004,132	870,933	133,199	15.3%
Other Contracted Services	2,953,636	2,430,455	523,181	21.5%
Scholarships and Fellowships	10,230,494	9,368,537	861,957	9.2%
Travel	1,411,094	1,026,481	384,613	37.5%
Materials and Supplies	5,137,168	3,795,500	1,341,668	35.3%
Utilities	1,732,033	1,276,415	455,618	35.7%
Telecommunications	496,207	449,792	46,415	10.3%
Repairs and Maintenance	1,675,106	760,634	914,472	120.2%
Rentals and Leases	302,185	287,592	14,593	5.1%
Printing and Reproduction	476,539	514,047	(37,508)	-7.3%
Depreciation and Amortization	5,994,548	5,672,626	321,922	5.7%
Other Operating Expenses	1,280,036	1,181,148	98,888	8.4%
<b>Total Operating Expenses</b>	<b>67,723,266</b>	<b>60,123,969</b>	<b>7,599,297</b>	<b>12.6%</b>
<b>Operating Loss</b>	<b>(28,539,462)</b>	<b>(25,487,944)</b>	<b>(3,051,518)</b>	<b>-12.0%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	30,550,571	25,338,156	5,212,415	20.6%
Gift Contributions for Operations	1,279,721	879,422	400,299	45.5%
Net Investment Income	3,293,170	3,009,958	283,212	9.4%
Interest Expense on Capital Asset Financings	(2,560,660)	(1,805,357)	(755,303)	-41.8%
<b>Net Other Nonoperating Adjustments</b>	<b>32,562,802</b>	<b>27,422,179</b>	<b>5,140,623</b>	<b>18.7%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>4,023,340</b>	<b>1,934,235</b>	<b>2,089,105</b>	<b>108.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>5.4%</b>	<b>3.0%</b>		
Investment Gains (Losses)	136,777	1,739,477	(1,602,700)	-92.1%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 4,160,117</b>	<b>\$ 3,673,712</b>	<b>\$ 486,405</b>	<b>13.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>5.6%</b>	<b>5.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>10,017,888</b>	<b>7,606,861</b>	<b>2,411,027</b>	<b>31.7%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>13.5%</b>	<b>11.9%</b>		

**UNAUDITED**  
**The University of Texas Southwestern Medical Center at Dallas**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 16,967,097	\$ 16,365,744	\$ 601,353	3.7%
Sponsored Programs	349,562,508	330,220,849	19,341,659	5.9%
Net Sales and Services of Educational Activities	5,626,095	5,671,116	(45,021)	-0.8%
Net Sales and Services of Hospitals	278,446,965	246,851,913	31,595,052	12.8%
Net Professional Fees	264,229,743	290,124,154	(25,894,411)	-8.9%
Net Auxiliary Enterprises	13,828,704	14,167,021	(338,317)	-2.4%
Other Operating Revenues	6,074,546	5,367,544	707,002	13.2%
<b>Total Operating Revenues</b>	<b>934,735,658</b>	<b>908,768,341</b>	<b>25,967,317</b>	<b>2.9%</b>
<b>Operating Expenses</b>				
Salaries and Wages	575,181,810	524,414,119	50,767,691	9.7%
Employee Benefits and Related Costs	156,420,084	142,127,025	14,293,059	10.1%
Professional Fees and Contracted Services	14,333,023	18,460,898	(4,127,875)	-22.4%
Other Contracted Services	64,341,155	56,286,732	8,054,423	14.3%
Scholarships and Fellowships	5,625,039	5,798,512	(173,473)	-3.0%
Travel	8,528,174	7,095,298	1,432,876	20.2%
Materials and Supplies	153,162,417	145,467,715	7,694,702	5.3%
Utilities	26,278,443	23,387,155	2,891,288	12.4%
Telecommunications	6,168,899	5,680,413	488,486	8.6%
Repairs and Maintenance	11,757,031	11,081,963	675,068	6.1%
Rentals and Leases	8,136,520	9,460,323	(1,323,803)	-14.0%
Printing and Reproduction	2,415,801	2,629,770	(213,969)	-8.1%
Federal Sponsored Programs Pass-Thrus	685,902	1,097,966	(412,064)	-37.5%
Depreciation and Amortization	56,699,244	53,489,078	3,210,166	6.0%
Other Operating Expenses	37,487,352	35,190,592	2,296,760	6.5%
<b>Total Operating Expenses</b>	<b>1,127,220,894</b>	<b>1,041,667,559</b>	<b>85,553,335</b>	<b>8.2%</b>
<b>Operating Loss</b>	<b>(192,485,236)</b>	<b>(132,899,218)</b>	<b>(59,586,018)</b>	<b>-44.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	148,698,389	124,791,358	23,907,031	19.2%
Gift Contributions for Operations	66,990,514	34,338,779	32,651,735	95.1%
Net Investment Income	57,197,631	53,889,648	3,307,983	6.1%
Interest Expense on Capital Asset Financings	(17,735,600)	(17,050,595)	(685,005)	-4.0%
<b>Net Other Nonoperating Adjustments</b>	<b>255,150,934</b>	<b>195,969,190</b>	<b>59,181,744</b>	<b>30.2%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>62,665,698</b>	<b>63,069,972</b>	<b>(404,274)</b>	<b>-0.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>5.2%</b>	<b>5.6%</b>		
Investment Gains (Losses)	1,913,046	35,307,437	(33,394,391)	-94.6%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 64,578,744</b>	<b>\$ 98,377,409</b>	<b>\$ (33,798,665)</b>	<b>-34.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>5.3%</b>	<b>8.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>119,364,942</b>	<b>116,559,050</b>	<b>2,805,892</b>	<b>2.4%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>9.9%</b>	<b>10.4%</b>		

**UNAUDITED**  
**The University of Texas Medical Branch at Galveston**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 14,871,487	\$ 12,787,472	\$ 2,084,015	16.3%
Sponsored Programs	214,356,838	192,221,724	22,135,114	11.5%
Net Sales and Services of Educational Activities	1,603,852	1,678,106	(74,254)	-4.4%
Net Sales and Services of Hospitals	588,120,595	561,841,838	26,278,757	4.7%
Net Professional Fees	111,933,299	118,902,923	(6,969,624)	-5.9%
Net Auxiliary Enterprises	8,930,311	7,576,998	1,353,313	17.9%
Other Operating Revenues	10,305,705	12,977,939	(2,672,234)	-20.6%
<b>Total Operating Revenues</b>	<b>950,122,087</b>	<b>907,987,000</b>	<b>42,135,087</b>	<b>4.6%</b>
<b>Operating Expenses</b>				
Salaries and Wages	672,262,375	621,289,453	50,972,922	8.2%
Employee Benefits and Related Costs	159,620,028	145,309,933	14,310,095	9.8%
Professional Fees and Contracted Services	20,579,970	29,351,331	(8,771,361)	-29.9%
Other Contracted Services	55,724,633	45,636,277	10,088,356	22.1%
Scholarships and Fellowships	6,685,142	4,641,551	2,043,591	44.0%
Travel	7,314,437	5,908,517	1,405,920	23.8%
Materials and Supplies	158,309,059	148,601,720	9,707,339	6.5%
Utilities	31,099,704	23,107,163	7,992,541	34.6%
Telecommunications	12,701,165	11,421,911	1,279,254	11.2%
Repairs and Maintenance	28,519,724	25,659,851	2,859,873	11.1%
Rentals and Leases	14,497,591	11,934,772	2,562,819	21.5%
Printing and Reproduction	2,057,461	1,873,935	183,526	9.8%
Federal Sponsored Programs Pass-Thrus	6,182,949	6,832,222	(649,273)	-9.5%
Depreciation and Amortization	56,359,183	44,396,792	11,962,391	26.9%
Other Operating Expenses	46,330,920	55,542,805	(9,211,885)	-16.6%
<b>Total Operating Expenses</b>	<b>1,278,244,341</b>	<b>1,181,508,233</b>	<b>96,736,108</b>	<b>8.2%</b>
<b>Operating Loss</b>	<b>(328,122,254)</b>	<b>(273,521,233)</b>	<b>(54,601,021)</b>	<b>-20.0%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	254,747,695	246,163,427	8,584,268	3.5%
Gift Contributions for Operations	7,325,946	6,360,863	965,083	15.2%
Net Investment Income	29,159,174	28,567,477	591,697	2.1%
Interest Expense on Capital Asset Financings	(4,566,921)	(3,799,639)	(767,282)	-20.2%
<b>Net Other Nonoperating Adjustments</b>	<b>286,665,894</b>	<b>277,292,128</b>	<b>9,373,766</b>	<b>3.4%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(41,456,360)</b>	<b>3,770,895</b>	<b>(45,227,255)</b>	<b>-1,199.4%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-3.3%</b>	<b>0.3%</b>		
Investment Gains (Losses)	774,040	19,066,255	(18,292,215)	-95.9%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (40,682,320)</b>	<b>\$ 22,837,150</b>	<b>\$ (63,519,470)</b>	<b>-278.1%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-3.3%</b>	<b>1.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>14,902,823</b>	<b>48,167,687</b>	<b>(33,264,864)</b>	<b>-69.1%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>1.2%</b>	<b>4.1%</b>		

**UNAUDITED**  
**The University of Texas Health Science Center at Houston**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 20,981,333	\$ 18,476,805	\$ 2,504,528	13.6%
Sponsored Programs	252,904,868	239,898,865	13,006,003	5.4%
Net Sales and Services of Educational Activities	28,807,679	27,123,018	1,684,661	6.2%
Net Sales and Services of Hospitals	26,483,800	22,383,446	4,100,354	18.3%
Net Professional Fees	98,750,248	101,470,572	(2,720,324)	-2.7%
Net Auxiliary Enterprises	18,130,779	19,052,503	(921,724)	-4.8%
Other Operating Revenues	30,972,172	26,789,711	4,182,461	15.6%
<b>Total Operating Revenues</b>	<b>477,030,879</b>	<b>455,194,920</b>	<b>21,835,959</b>	<b>4.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	292,315,064	274,989,303	17,325,761	6.3%
Employee Benefits and Related Costs	68,105,095	61,657,123	6,447,972	10.5%
Professional Fees and Contracted Services	60,023,110	47,214,324	12,808,786	27.1%
Other Contracted Services	31,279,878	35,851,332	(4,571,454)	-12.8%
Scholarships and Fellowships	3,235,271	2,171,518	1,063,753	49.0%
Travel	5,302,207	5,089,098	213,109	4.2%
Materials and Supplies	46,064,275	44,860,662	1,203,613	2.7%
Utilities	14,506,629	12,903,962	1,602,667	12.4%
Telecommunications	2,231,927	2,247,850	(15,923)	-0.7%
Repairs and Maintenance	4,182,895	4,574,856	(391,961)	-8.6%
Rentals and Leases	9,873,386	9,962,785	(89,399)	-0.9%
Printing and Reproduction	3,013,328	3,055,971	(42,643)	-1.4%
Federal Sponsored Programs Pass-Thrus	6,230,633	4,390,536	1,840,097	41.9%
Depreciation and Amortization	27,536,278	27,471,514	64,764	0.2%
Other Operating Expenses	44,829,000	44,328,375	500,625	1.1%
<b>Total Operating Expenses</b>	<b>618,728,976</b>	<b>580,769,209</b>	<b>37,959,767</b>	<b>6.5%</b>
<b>Operating Loss</b>	<b>(141,698,097)</b>	<b>(125,574,289)</b>	<b>(16,123,808)</b>	<b>-12.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	138,890,885	126,654,243	12,236,642	9.7%
Gift Contributions for Operations	13,743,769	9,220,774	4,522,995	49.1%
Net Investment Income	19,173,109	19,660,700	(487,591)	-2.5%
Interest Expense on Capital Asset Financings	(8,077,179)	(5,755,231)	(2,321,948)	-40.3%
<b>Net Other Nonoperating Adjustments</b>	<b>163,730,584</b>	<b>149,780,486</b>	<b>13,950,098</b>	<b>9.3%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>22,032,487</b>	<b>24,206,197</b>	<b>(2,173,710)</b>	<b>-9.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>3.4%</b>	<b>4.0%</b>		
Investment Gains (Losses)	2,701,038	12,831,231	(10,130,193)	-78.9%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 24,733,525</b>	<b>\$ 37,037,428</b>	<b>\$ (12,303,903)</b>	<b>-33.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>3.8%</b>	<b>5.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>49,568,765</b>	<b>51,677,711</b>	<b>(2,108,946)</b>	<b>-4.1%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>7.6%</b>	<b>8.5%</b>		

**UNAUDITED**  
**The University of Texas Health Science Center at San Antonio**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 19,375,000	\$ 17,666,667	\$ 1,708,333	9.7%
Sponsored Programs	186,299,213	171,499,176	14,800,037	8.6%
Net Sales and Services of Educational Activities	32,961,014	31,491,430	1,469,584	4.7%
Net Professional Fees	71,265,557	77,430,045	(6,164,488)	-8.0%
Net Auxiliary Enterprises	3,297,077	2,821,112	475,965	16.9%
Other Operating Revenues	9,366,641	8,884,559	482,082	5.4%
<b>Total Operating Revenues</b>	<b>322,564,502</b>	<b>309,792,989</b>	<b>12,771,513</b>	<b>4.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	264,303,243	239,994,382	24,308,861	10.1%
Employee Benefits and Related Costs	64,505,783	58,953,746	5,552,037	9.4%
Professional Fees and Contracted Services	13,187,618	9,045,871	4,141,747	45.8%
Other Contracted Services	25,293,749	17,868,495	7,425,254	41.6%
Scholarships and Fellowships	2,588,668	2,340,046	248,622	10.6%
Travel	4,504,009	4,025,997	478,012	11.9%
Materials and Supplies	29,364,505	27,202,834	2,161,671	7.9%
Utilities	11,645,833	10,833,333	812,500	7.5%
Telecommunications	7,048,286	4,931,395	2,116,891	42.9%
Repairs and Maintenance	2,666,309	2,376,454	289,855	12.2%
Rentals and Leases	2,266,117	1,835,971	430,146	23.4%
Printing and Reproduction	1,581,934	1,382,907	199,027	14.4%
Federal Sponsored Programs Pass-Thrus	500,000	520,833	(20,833)	-4.0%
Depreciation and Amortization	24,375,000	19,004,051	5,370,949	28.3%
Other Operating Expenses	57,938,195	52,949,417	4,988,778	9.4%
<b>Total Operating Expenses</b>	<b>511,769,249</b>	<b>453,265,732</b>	<b>58,503,517</b>	<b>12.9%</b>
<b>Operating Loss</b>	<b>(189,204,747)</b>	<b>(143,472,743)</b>	<b>(45,732,004)</b>	<b>-31.9%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	141,757,235	124,152,492	17,604,743	14.2%
Gift Contributions for Operations	14,052,030	15,466,275	(1,414,245)	-9.1%
Net Investment Income	24,978,205	24,132,369	845,836	3.5%
Interest Expense on Capital Asset Financings	(7,501,460)	(794,532)	(6,706,928)	-844.1%
<b>Net Other Nonoperating Adjustments</b>	<b>173,286,010</b>	<b>162,956,604</b>	<b>10,329,406</b>	<b>6.3%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(15,918,737)</b>	<b>19,483,861</b>	<b>(35,402,598)</b>	<b>-181.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-3.2%</b>	<b>4.1%</b>		
Investment Gains (Losses)	5,481,251	11,441,723	(5,960,472)	-52.1%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (10,437,486)</b>	<b>\$ 30,925,584</b>	<b>\$ (41,363,070)</b>	<b>-133.8%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-2.1%</b>	<b>6.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>8,456,263</b>	<b>38,487,912</b>	<b>(30,031,649)</b>	<b>-78.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>1.7%</b>	<b>8.1%</b>		

**UNAUDITED**  
**The University of Texas M. D. Anderson Cancer Center**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 483,007	\$ 410,363	\$ 72,644	17.7%
Sponsored Programs	216,726,011	196,984,025	19,741,986	10.0%
Net Sales and Services of Educational Activities	1,928,322	1,990,451	(62,129)	-3.1%
Net Sales and Services of Hospitals	1,540,696,697	1,399,016,309	141,680,388	10.1%
Net Professional Fees	223,053,647	226,989,394	(3,935,747)	-1.7%
Net Auxiliary Enterprises	22,983,297	20,800,502	2,182,795	10.5%
Other Operating Revenues	34,055,799	22,828,347	11,227,452	49.2%
<b>Total Operating Revenues</b>	<b>2,039,926,780</b>	<b>1,869,019,391</b>	<b>170,907,389</b>	<b>9.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	1,018,618,069	926,982,728	91,635,341	9.9%
Employee Benefits and Related Costs	271,575,118	244,630,843	26,944,275	11.0%
Professional Fees and Contracted Services	100,325,472	79,414,397	20,911,075	26.3%
Other Contracted Services	59,076,996	57,513,131	1,563,865	2.7%
Travel	17,941,969	16,903,373	1,038,596	6.1%
Materials and Supplies	370,459,468	350,988,266	19,471,202	5.5%
Utilities	45,308,398	41,280,251	4,028,147	9.8%
Telecommunications	6,681,612	5,203,507	1,478,105	28.4%
Repairs and Maintenance	49,667,913	38,657,831	11,010,082	28.5%
Rentals and Leases	30,237,125	25,652,743	4,584,382	17.9%
Federal Sponsored Programs Pass-Thrus	813,748	584,975	228,773	39.1%
Depreciation and Amortization	171,724,548	159,028,968	12,695,580	8.0%
Other Operating Expenses	2,684,897	2,233,793	451,104	20.2%
<b>Total Operating Expenses</b>	<b>2,145,115,333</b>	<b>1,949,074,806</b>	<b>196,040,527</b>	<b>10.1%</b>
<b>Operating Loss</b>	<b>(105,188,553)</b>	<b>(80,055,415)</b>	<b>(25,133,138)</b>	<b>-31.4%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	140,575,528	133,023,363	7,552,165	5.7%
Gift Contributions for Operations	93,079,753	59,185,190	33,894,563	57.3%
Net Investment Income	45,684,026	46,062,692	(378,666)	-0.8%
Interest Expense on Capital Asset Financings	(26,391,610)	(21,345,614)	(5,045,996)	-23.6%
<b>Net Other Nonoperating Adjustments</b>	<b>252,947,697</b>	<b>216,925,631</b>	<b>36,022,066</b>	<b>16.6%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>147,759,144</b>	<b>136,870,216</b>	<b>10,888,928</b>	<b>8.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>6.4%</b>	<b>6.5%</b>		
Investment Gains (Losses)	30,157,178	55,354,038	(25,196,860)	-45.5%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 177,916,322</b>	<b>\$ 192,224,254</b>	<b>\$ (14,307,932)</b>	<b>-7.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>7.6%</b>	<b>8.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>319,483,692</b>	<b>295,899,184</b>	<b>23,584,508</b>	<b>8.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>13.8%</b>	<b>14.0%</b>		

**UNAUDITED**  
**The University of Texas Health Science Center at Tyler**  
**Comparison of Operating Results and Margin**  
**For the Ten Months Ending June 30, 2008**

	<b>June Year-to-Date FY 2008</b>	<b>June Year-to-Date FY 2007</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 10,879,128	\$ 11,535,329	\$ (656,201)	-5.7%
Net Sales and Services of Educational Activities	729,682	713,240	16,442	2.3%
Net Sales and Services of Hospitals	34,399,486	37,245,027	(2,845,541)	-7.6%
Net Professional Fees	9,172,841	12,399,661	(3,226,820)	-26.0%
Net Auxiliary Enterprises	130,750	153,965	(23,215)	-15.1%
Other Operating Revenues	1,065,840	1,469,518	(403,678)	-27.5%
<b>Total Operating Revenues</b>	<b>56,377,727</b>	<b>63,516,740</b>	<b>(7,139,013)</b>	<b>-11.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	43,176,265	43,174,232	2,033	0.0%
Employee Benefits and Related Costs	11,743,036	11,857,961	(114,925)	-1.0%
Professional Fees and Contracted Services	4,608,610	4,687,732	(79,122)	-1.7%
Other Contracted Services	6,402,758	6,054,150	348,608	5.8%
Travel	383,170	461,622	(78,452)	-17.0%
Materials and Supplies	10,782,012	10,630,771	151,241	1.4%
Utilities	2,792,917	2,695,565	97,352	3.6%
Telecommunications	898,890	553,418	345,472	62.4%
Repairs and Maintenance	2,662,436	2,603,704	58,732	2.3%
Rentals and Leases	785,008	963,545	(178,537)	-18.5%
Printing and Reproduction	111,509	19,805	91,704	463.0%
Federal Sponsored Programs Pass-Thrus	51,937	380,473	(328,536)	-86.3%
Depreciation and Amortization	5,606,428	5,253,399	353,029	6.7%
Other Operating Expenses	1,897,965	2,392,873	(494,908)	-20.7%
<b>Total Operating Expenses</b>	<b>91,902,941</b>	<b>91,729,250</b>	<b>173,691</b>	<b>0.2%</b>
<b>Operating Loss</b>	<b>(35,525,214)</b>	<b>(28,212,510)</b>	<b>(7,312,704)</b>	<b>-25.9%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	32,285,613	31,208,003	1,077,610	3.5%
Gift Contributions for Operations	1,069,429	476,047	593,382	124.6%
Net Investment Income	3,313,000	3,290,230	22,770	0.7%
Interest Expense on Capital Asset Financings	(602,220)	(637,306)	35,086	5.5%
<b>Net Other Nonoperating Adjustments</b>	<b>36,065,822</b>	<b>34,336,974</b>	<b>1,728,848</b>	<b>5.0%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>540,608</b>	<b>6,124,464</b>	<b>(5,583,856)</b>	<b>-91.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.6%</b>	<b>6.2%</b>		
Investment Gains (Losses)	304,191	-	304,191	100.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 844,799</b>	<b>\$ 6,124,464</b>	<b>\$ (5,279,665)</b>	<b>-86.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>0.9%</b>	<b>6.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>6,147,036</b>	<b>11,377,863</b>	<b>(5,230,827)</b>	<b>-46.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.6%</b>	<b>11.6%</b>		