

THE UNIVERSITY OF TEXAS SYSTEM
OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT
(unaudited)

MARCH 2007



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THE UNIVERSITY OF TEXAS SYSTEM
MONTHLY FINANCIAL REPORT
(Unaudited)
FOR THE SEVEN MONTHS ENDING
MARCH 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 Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 767,368,266	\$ 681,625,449	\$ 85,742,817	12.6%
Sponsored Programs	1,346,500,846	1,281,563,116	64,937,730	5.1%
Net Sales and Services of Educational Activities	154,820,796	135,418,369	19,402,427	14.3%
Net Sales and Services of Hospitals	1,555,403,195	1,450,165,554	105,237,641	7.3%
Net Professional Fees	588,681,511	459,366,471	129,315,040	28.2%
Net Auxiliary Enterprises	211,832,969	194,786,741	17,046,228	8.8%
Other Operating Revenues	107,287,493	92,102,186	15,185,307	16.5%
Total Operating Revenues	<u>4,731,895,076</u>	<u>4,295,027,886</u>	<u>436,867,190</u>	<u>10.2%</u>
Operating Expenses				
Salaries and Wages	2,816,675,787	2,678,639,031	138,036,756	5.2%
Payroll Related Costs	690,160,310	653,994,606	36,165,704	5.5%
Professional Fees and Contracted Services	157,734,776	146,950,772	10,784,004	7.3%
Other Contracted Services	221,975,467	209,101,395	12,874,072	6.2%
Scholarships and Fellowships	384,379,553	338,282,032	46,097,521	13.6%
Travel	58,875,331	55,368,187	3,507,144	6.3%
Materials and Supplies	621,396,285	604,785,811	16,610,474	2.7%
Utilities	140,439,186	153,359,225	(12,920,039)	-8.4%
Telecommunications	38,264,125	38,515,152	(251,027)	-0.7%
Repairs and Maintenance	88,113,681	84,784,246	3,329,435	3.9%
Rentals and Leases	59,904,200	57,764,589	2,139,611	3.7%
Printing and Reproduction	15,072,577	15,665,415	(592,838)	-3.8%
Bad Debt Expense	730,628	729,528	1,100	0.2%
Claims and Losses	20,904,336	6,091,041	14,813,295	243.2%
Federal Sponsored Programs Pass-Throughs	15,382,159	12,420,774	2,961,385	23.8%
Depreciation and Amortization	348,350,191	324,188,256	24,161,935	7.5%
Other Operating Expenses	210,572,379	205,619,545	4,952,834	2.4%
Total Operating Expenses	<u>5,888,930,971</u>	<u>5,586,259,605</u>	<u>302,671,366</u>	<u>5.4%</u>
Operating Loss	<u>(1,157,035,895)</u>	<u>(1,291,231,719)</u>	<u>134,195,824</u>	<u>10.4%</u>
Other Nonoperating Adjustments				
State Appropriations	1,034,714,823	1,025,149,807	9,565,016	0.9%
Gift Contributions for Operations	169,476,227	142,301,020	27,175,207	19.1%
Net Investment Income	282,684,925	283,123,307	(438,382)	-0.2%
Long Term Fund Distribution	111,577,259	105,638,087	5,939,172	5.6%
Interest Expense on Capital Asset Financings	(102,776,846)	(106,066,624)	3,289,778	3.1%
Net Other Nonoperating Adjustments	<u>1,495,676,388</u>	<u>1,450,145,597</u>	<u>45,530,791</u>	<u>3.1%</u>
Adjusted Income (Loss) including Depreciation	338,640,493	158,913,878	179,726,615	113.1%
Adjusted Margin (as a percentage) including Depreciation	5.3%	2.7%		
Investment Gains (Losses)	1,639,243,051	997,979,935	641,263,116	64.3%
Adj. Inc. (Loss) with Investment Gains (Losses)	\$ 1,977,883,544	\$ 1,156,893,813	\$ 820,989,731	71.0%
Adj. Margin % with Investment Gains (Losses)	24.8%	16.9%		
Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation	2,326,233,735	1,481,082,069	845,151,666	57.1%
Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation	29.2%	21.6%		

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

Including Depreciation and Amortization Expense

	March Year-to-Date FY 2007	March Year-to-Date FY 2006	Variance	Fluctuation Percentage
UT System Administration	\$ 117,718,680	\$ 138,079,260	\$ (20,360,580)	-14.7%
UT Arlington	10,143,460	5,639,002	4,504,458 (1)	79.9%
UT Austin	87,346,559	57,544,824	29,801,735 (2)	51.8%
UT Brownsville	(945,828) (3)	(435,236)	(510,592)	-117.3%
UT Dallas	(5,057,676) (4)	(6,427,500)	1,369,824	21.3%
UT El Paso	1,502,228	1,774,010	(271,782)	-15.3%
UT Pan American	(1,750,413) (5)	(1,405,031)	(345,382)	-24.6%
UT Permian Basin	332,783	1,267,529	(934,746) (6)	-73.7%
UT San Antonio	22,004,791	14,495,301	7,509,490 (7)	51.8%
UT Tyler	2,051,435	308,637	1,742,798 (8)	564.7%
UT Southwestern Medical Center - Dallas	43,468,716	4,064,009	39,404,707 (9)	969.6%
UT Medical Branch - Galveston	2,537,753	(34,946,042)	37,483,795 (10)	107.3%
UT Health Science Center - Houston	21,431,783	22,792,744	(1,360,961)	-6.0%
UT Health Science Center - San Antonio	16,801,392	(5,119,586)	21,920,978 (11)	428.2%
UT M. D. Anderson Cancer Center	92,283,344	29,228,471	63,054,873 (12)	215.7%
UT Health Center - Tyler	3,181,486	(2,333,181)	5,514,667 (13)	236.4%
Elimination of AUF Transfer	(74,410,000)	(65,613,333)	(8,796,667)	-13.4%
Total Adjusted Income (Loss)	338,640,493	158,913,878	179,726,615	113.1%
Investment Gains (Losses)	1,639,243,051	997,979,935	641,263,116 (14)	64.3%
Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization	\$ 1,977,883,544	\$ 1,156,893,813	\$ 820,989,731	71.0%

Excluding Depreciation and Amortization Expense

	March Year-to-Date FY 2007	March Year-to-Date FY 2006	Variance	Fluctuation Percentage
UT System Administration	\$ 121,287,130	\$ 141,180,753	\$ (19,893,623)	-14.1%
UT Arlington	22,021,181	17,357,367	4,663,814	26.9%
UT Austin	156,950,674	121,091,802	35,858,872	29.6%
UT Brownsville	2,199,353	2,556,535	(357,182)	-14.0%
UT Dallas	6,368,324	2,036,162	4,332,162	212.8%
UT El Paso	9,331,413	8,704,023	627,390	7.2%
UT Pan American	7,403,151	6,948,658	454,493	6.5%
UT Permian Basin	2,344,974	3,220,374	(875,400)	-27.2%
UT San Antonio	35,738,571	26,512,304	9,226,267	34.8%
UT Tyler	5,809,473	3,867,550	1,941,923	50.2%
UT Southwestern Medical Center - Dallas	79,705,992	37,286,112	42,419,880	113.8%
UT Medical Branch - Galveston	33,522,199	(5,397,125)	38,919,324	721.1%
UT Health Science Center - Houston	39,797,207	38,818,898	978,309	2.5%
UT Health Science Center - San Antonio	31,384,725	8,364,438	23,020,287	275.2%
UT M. D. Anderson Cancer Center	199,284,159	133,567,757	65,716,402	49.2%
UT Health Center - Tyler	8,252,158	2,599,859	5,652,299	217.4%
Elimination of AUF Transfer	(74,410,000)	(65,613,333)	(8,796,667)	-13.4%
Total Adjusted Income (Loss)	686,990,684	483,102,134	203,888,550	42.2%
Investment Gains (Losses)	1,639,243,051	997,979,935	641,263,116	64.3%
Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization	\$ 2,326,233,735	\$ 1,481,082,069	\$ 845,151,666	57.1%

THE UNIVERSITY OF TEXAS SYSTEM
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT
For the Seven Months Ending March 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 \$4.5 million (79.9%) 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.
- (2) UT Austin – The \$29.8 million (51.8%) increase in adjusted income over the same period last year was primarily due to an increase in net sales and services of educational activities and net auxiliary enterprises. Net sales and services of educational activities increased primarily as a result of growth in the Executive MBA programs. The increase in net auxiliary enterprises was due to increases in Intercollegiate Athletic receipts and application fees and room payments for Housing and Food Services. Intercollegiate Athletic receipts increased as a result of the Darrell K Royal-Texas Memorial Stadium expansion completed in the summer of 2006 which increased capacity and therefore gate receipts. Housing and Food Services increased due to opening the new Almetrius Duren residence hall and to rate increases to compensate for increasing utilities. Excluding depreciation expense, *UT Austin's* adjusted income was \$157 million or 13.1%.
- (3) UT Brownsville – The \$946,000 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.
- (4) UT Dallas – The \$5.1 million year-to-date loss was the result of management's decision to utilize accumulated reserves in lieu of increasing student fees. The funds are being used to invest in new faculty and Development Office staff and to cover increased costs of facilities. Excluding depreciation expense, *UT Dallas'* adjusted income was \$6.4 million or 3.9%. *UT Dallas* anticipates ending the year with a \$5.1 million negative margin which represents -2% of projected revenues. This forecast includes \$19.7 million in non-cash depreciation expense.
- (5) UT Pan American – The \$1.8 million year-to-date loss was primarily due to increased salaries and wages and interest expense. Salaries and wages and payroll related costs increased due to new faculty to accommodate enrollment growth and faculty workload reduction, new staff positions primarily in the department of information technology as a result of the Oracle software conversion, merit increases, the filling of vacant positions and higher group insurance premiums. Interest expense increased due to the completion of the Wellness and Recreation Sports Center.

Excluding depreciation expense, *UT Pan American's* adjusted income was \$7.4 million or 5%. *UT Pan American* anticipates ending the year with a \$6.3 million negative margin which represents -2.7% of projected revenues. This forecast includes \$15.7 million in non-cash depreciation expense.
- (6) UT Permian Basin – The \$935,000 (73.7%) decrease in adjusted income over the same period last year was primarily due to decreased gift contributions. In March 2006, *UT Permian Basin* reported \$1.5 million of operating gifts for the pre-conceptual design of the High-Temperature Teaching and Test Reactor (HT³R). *UT Permian Basin* received a total of \$3 million for HT³R in 2006, of which only \$1.1 million was expended. It is anticipated that the remaining \$1.9 million will be expended in 2007 without any corresponding revenues.

In an effort to improve operating margin, *UT Brownsville* has frozen the availability of lapsed salaries and is examining other areas for reductions of expenses. Excluding depreciation expense, *UT Brownsville's* adjusted income was \$2.2 million or 2.5%. *UT Brownsville* anticipates ending the year with a \$2.6 million negative margin which represents -1.9% of projected revenues. This forecast includes \$5.4 million in non-cash depreciation expense.

While *UT Permian Basin* reflects a positive margin of \$333,000, management projects a year-end loss of approximately \$1.5 million which represents -3.3% of projected revenues. This forecast includes \$3.4 million in non-cash depreciation expense. Excluding depreciation expense, *UT Permian Basin's* adjusted income was \$2.3 million or 9.2%.

- (7) UT San Antonio – The \$7.5 million (51.8%) increase in adjusted income over the same period last year was primarily due to an increase in tuition and fees as a result of enrollment increases of 3% and rate increases of 11%.
- (8) UT Tyler – The \$1.7 million (564.7%) increase in adjusted income over the same period last year was primarily due to higher tuition and fees as a result of increased rates, headcount and semester credit hours. Headcount increased by 193 students and semester credit hours increased by 4.9% for fall 2006. Headcount also increased by 291 students and semester credit hours increased by 7% for spring 2007. Excluding depreciation expense, UT Tyler's adjusted income was \$5.8 million or 12.5%.
- (9) UT Southwestern Medical Center at Dallas – The \$39.4 million (969.6%) increase in adjusted income over the same period last year was primarily due to the receipt of the first two payments for the Texas Physician Upper Payment Limit (UPL) reimbursement of \$51 million. Excluding depreciation expense, UT Southwestern's adjusted income was \$79.7 million or 10.3%.
- (10) UT Medical Branch – Galveston – The \$37.5 million (107.3%) increase in adjusted income was primarily due to the receipt of \$21.7 million for the first two UPL payments, an increase in other operating revenues as a result of the Austin Initiative and a decrease in operating expenses of \$13.3 million. The \$5.3 million increase in the Austin Initiative is the result of contract agreements with Seton Healthcare Network, primarily in their Pediatrics Graduate Medical Education, Internal Medicine and OB-GYN departments. The \$13.3 million decrease in operating expenses is the result of cost reductions associated with the financial improvement plan and the elimination of certain one-time costs in the prior year.
- (11) UT Health Science Center – San Antonio – The \$21.9 million (428.2%) increase in adjusted income over the same period last year was primarily due to a \$12 million operating gift received from the Greehey Foundation to be used for research, educational and recruitment efforts and the receipt of \$9.6 million for the first two UPL payments. Excluding depreciation expense, UTHSC – San Antonio's adjusted income was \$31.4 million or 9.4%.
- (12) UT M. D. Anderson Cancer Center – The \$63.1 million (215.7%) increase in adjusted income over the same period last year was primarily due to higher patient volumes related to the temporary closure of M. D. Anderson in the first quarter of 2006 due to Hurricane Rita and the first two UPL payments of \$10.7 million. Excluding depreciation expense, M. D. Anderson's adjusted income was \$199.3 million or 13.8%.
- (13) UT Health Center – Tyler – The \$5.5 million (236.4%) increase in adjusted income over the same period last year was primarily due to decreased salaries and wages as a result of the elimination of over 200 full time positions and the first two UPL payments of \$3.1 million. The increase in adjusted income was partially offset by a loss in the Northeast Texas Consortium (NETnet) of \$1.3 million.

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

While UTMB reflects a positive margin of \$2.5 million, management projects a year-end loss of approximately \$9.7 million which represents -.7% of projected revenues. The projected loss is the result of decreased volume and unfavorable changes in payor mix. A decline in the percentage of Medicare patients and an increase in the percentage of Medicaid patients are adversely impacting revenue. Excluding depreciation expense, UTMB's adjusted income was \$33.5 million or 4%.

Excluding depreciation expense, UTHC – Tyler's adjusted income was \$8.3 million or 11.9%.

- (14) Investment Gains (Losses) – The majority of the \$641.3 million (64.3%) increase in investment gains relates to the Permanent University Fund of \$322.3 million and the Long Term Fund of \$168.1 million.

GLOSSARY OF TERMS

OPERATING REVENUES:

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

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

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

NET SALES AND SERVICES OF HOSPITALS – Revenues (net of discounts, allowances, and bad debt expense) generated from UT health institution's daily patient care, special or other services, as well as revenues from health clinics that are part of a hospital.

NET PROFESSIONAL FEES – Revenues (net of discounts, allowances, and bad debt expense) derived from the fees charged by the professional staffs at UT health institutions as part of the Medical Practice Plans. These revenues are also identified as Practice Plan income. Examples of such fees include doctor's fees for clinic visits, medical and dental procedures, professional opinions, and anatomical procedures, such as analysis of specimens after a surgical procedure, etc.

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

OTHER OPERATING REVENUES – Other revenues generated from sales or services provided to meet current fiscal year operating expenses, which are not included in the preceding categories (e.g., certified non profit healthcare company revenues, donated drugs, interest on student loans, etc.)

OPERATING EXPENSES:

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

PAYROLL RELATED COSTS – Expenses for all employee benefits paid by the institution or paid by the state on behalf of the institution.

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

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

SCHOLARSHIPS AND FELLOWSHIPS – Payments made for scholarship grants to students authorized by law.

TRAVEL – Payments for travel costs incurred during travel by employees, board or commission members and elected/appointed officials on state business.

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

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

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

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

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

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

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

CLAIMS AND LOSSES – Payments for claims from self-insurance programs. Other claims for settlements and judgments are considered nonoperating expenses.

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

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

DEPRECIATION AND AMORTIZATION – Depreciation on capital assets and amortization expense on intangible assets.

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

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

OTHER NONOPERATING ADJUSTMENTS:

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

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

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

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

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

INTEREST EXPENSE ON CAPITAL ASSET FINANCINGS – Interest expenses associated with bond and note borrowings utilized to finance capital improvement projects by an institution. This consists of the interest portion of mandatory debt service transfers under the Revenue Financing System, Tuition Revenue bond and Permanent University Fund (PUF) bond programs. PUF interest expense is reported on System Administration as the debt legally belongs to the Board of Regents.

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

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

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

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

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

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

UNAUDITED
The University of Texas System Administration
Comparison of Operating Results and Margin
For the Seven Months Ending March 31, 2007

	<u>March</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>March</u> <u>Year-to-Date</u> <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 10,009,756	\$ 7,193,630	\$2,816,126	39.1%
Net Sales and Services of Educational Activities	10,005,707	10,869,607	(863,900)	-7.9%
Other Operating Revenues	14,632,952	10,404,112	4,228,840	40.6%
Total Operating Revenues	34,648,415	28,467,349	6,181,066	21.7%
Operating Expenses				
Salaries and Wages	15,172,311	15,958,774	(786,463)	-4.9%
Employee Benefits and Related Costs	3,311,954	3,579,104	(267,150)	-7.5%
Professional Fees and Contracted Services	3,158,562	585,233	2,573,329	439.7%
Other Contracted Services	4,958,605	3,014,129	1,944,476	64.5%
Scholarships and Fellowships	105,600	186,000	(80,400)	-43.2%
Travel	867,012	1,008,586	(141,574)	-14.0%
Materials and Supplies	809,841	1,472,889	(663,048)	-45.0%
Utilities	416,915	13,766	403,149	2,928.6%
Telecommunications	505,914	714,508	(208,594)	-29.2%
Repairs and Maintenance	730,057	572,728	157,329	27.5%
Rentals and Leases	619,006	844,823	(225,817)	-26.7%
Printing and Reproduction	121,397	123,310	(1,913)	-1.6%
Claims and Losses	20,904,336	6,091,041	14,813,295	243.2%
Depreciation and Amortization	3,568,450	3,101,493	466,957	15.1%
Other Operating Expenses	1,814,034	1,171,194	642,840	54.9%
Total Operating Expenses	57,063,994	38,437,578	18,626,416	48.5%
Operating Loss	(22,415,579)	(9,970,229)	(12,445,350)	-124.8%
Other Nonoperating Adjustments				
State Appropriations	535,357	484,161	51,196	10.6%
Gift Contributions for Operations	455,242	371,788	83,454	22.4%
Net Investment Income	147,532,296	154,364,873	(6,832,577)	-4.4%
Long Term Fund Distribution	773,004	3,337,611	(2,564,607)	-76.8%
Interest Expense on Capital Asset Financings	(27,829,085)	(27,831,110)	2,025	0.0%
Net Other Nonoperating Adjustments	121,466,814	130,727,323	(9,260,509)	-7.1%
Adjusted Income (Loss) including Depreciation	99,051,235	120,757,094	(21,705,859)	-18.0%
Adjusted Margin (as a percentage) including Depreciation	53.8%	64.6%		
Available University Fund Transfer	18,667,445	17,322,166	1,345,279	7.8%
Adjusted Income (Loss) with AUF Transfer	117,718,680	138,079,260	(20,360,580)	-14.7%
Adjusted Margin % with AUF Transfer	58.1%	67.6%		
Investment Gains (Losses)	1,436,681,509	967,009,144	469,672,365	48.6%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ 1,554,400,189	\$ 1,105,088,404	\$ 449,311,785	40.7%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	94.8%	94.3%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	121,287,130	141,180,753	(19,893,623)	-14.1%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	59.9%	69.1%		

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

	<u>March</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>March</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	\$ 96,532,050	\$ 83,265,886	\$ 13,266,164	15.9%
Sponsored Programs	32,533,324	31,128,134	1,405,190	4.5%
Net Sales and Services of Educational Activities	6,970,087	4,678,124	2,291,963	49.0%
Net Auxiliary Enterprises	16,615,590	15,267,320	1,348,270	8.8%
Other Operating Revenues	3,836,050	4,593,889	(757,839)	-16.5%
Total Operating Revenues	<u>156,487,101</u>	<u>138,933,353</u>	<u>17,553,748</u>	<u>12.6%</u>
Operating Expenses				
Salaries and Wages	97,977,609	91,426,009	6,551,600	7.2%
Employee Benefits and Related Costs	21,386,475	20,351,817	1,034,658	5.1%
Professional Fees and Contracted Services	3,301,919	3,107,094	194,825	6.3%
Other Contracted Services	5,935,468	5,077,818	857,650	16.9%
Scholarships and Fellowships	31,482,748	29,092,607	2,390,141	8.2%
Travel	2,394,507	2,219,486	175,021	7.9%
Materials and Supplies	11,109,579	10,883,807	225,772	2.1%
Utilities	6,453,099	6,535,374	(82,275)	-1.3%
Telecommunications	3,502,190	2,972,468	529,722	17.8%
Repairs and Maintenance	3,957,073	4,123,250	(166,177)	-4.0%
Rentals and Leases	1,423,770	1,516,544	(92,774)	-6.1%
Printing and Reproduction	1,299,120	1,220,786	78,334	6.4%
Federal Sponsored Programs Pass-Thrus	1,164,613	836,074	328,539	39.3%
Depreciation and Amortization	11,877,721	11,718,365	159,356	1.4%
Other Operating Expenses	6,490,699	4,261,718	2,228,981	52.3%
Total Operating Expenses	<u>209,756,590</u>	<u>195,343,217</u>	<u>14,413,373</u>	<u>7.4%</u>
Operating Loss	<u>(53,269,489)</u>	<u>(56,409,864)</u>	<u>3,140,375</u>	<u>5.6%</u>
Other Nonoperating Adjustments				
State Appropriations	61,509,663	61,205,884	303,779	0.5%
Gift Contributions for Operations	1,096,948	1,268,942	(171,994)	-13.6%
Net Investment Income	3,489,322	3,078,103	411,219	13.4%
Long Term Fund Distribution	1,301,703	1,213,749	87,954	7.2%
Interest Expense on Capital Asset Financings	(3,984,687)	(4,717,812)	733,125	15.5%
Net Other Nonoperating Adjustments	<u>63,412,949</u>	<u>62,048,866</u>	<u>1,364,083</u>	<u>2.2%</u>
Adjusted Income (Loss) including Depreciation	10,143,460	5,639,002	4,504,458	79.9%
Adjusted Margin (as a percentage) including Depreciation	4.5%	2.7%		
Investment Gains (Losses)	6,299,847	(601,747)	6,901,594	1,146.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 16,443,307	\$ 5,037,255	\$ 11,406,052	226.4%
Adjusted Margin % with Investment Gains (Losses)	7.1%	2.5%		
Adjusted Income (Loss) excluding Depreciation	22,021,181	17,357,367	4,663,814	26.9%
Adjusted Margin (as a percentage) excluding Depreciation	9.8%	8.4%		

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

	March Year-to-Date FY 2007	March Year-to-Date FY 2006	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 320,476,235	\$ 290,742,903	\$ 29,733,332	10.2%
Sponsored Programs	264,822,574	250,051,083	14,771,491	5.9%
Net Sales and Services of Educational Activities	84,996,576	64,292,385	20,704,191	32.2%
Net Auxiliary Enterprises	112,004,247	100,360,527	11,643,720	11.6%
Other Operating Revenues	8,716,423	4,701,068	4,015,355	85.4%
Total Operating Revenues	791,016,055	710,147,966	80,868,089	11.4%
Operating Expenses				
Salaries and Wages	519,607,681	493,793,813	25,813,868	5.2%
Employee Benefits and Related Costs	118,053,360	111,059,868	6,993,492	6.3%
Professional Fees and Contracted Services	12,782,111	12,510,827	271,284	2.2%
Other Contracted Services	44,400,805	35,973,660	8,427,145	23.4%
Scholarships and Fellowships	122,966,752	102,690,575	20,276,177	19.7%
Travel	19,065,737	18,431,441	634,296	3.4%
Materials and Supplies	62,506,639	58,314,584	4,192,055	7.2%
Utilities	36,265,262	45,625,051	(9,359,789)	-20.5%
Telecommunications	8,166,391	8,379,890	(213,499)	-2.5%
Repairs and Maintenance	13,454,058	14,848,857	(1,394,799)	-9.4%
Rentals and Leases	8,261,152	8,403,283	(142,131)	-1.7%
Printing and Reproduction	5,448,408	5,197,701	250,707	4.8%
Federal Sponsored Programs Pass-Thrus	3,000,993	1,538,678	1,462,315	95.0%
Depreciation and Amortization	69,604,115	63,546,978	6,057,137	9.5%
Other Operating Expenses	45,791,333	37,327,909	8,463,424	22.7%
Total Operating Expenses	1,089,374,797	1,017,643,115	71,731,682	7.0%
Operating Loss	(298,358,742)	(307,495,149)	9,136,407	3.0%
Other Nonoperating Adjustments				
State Appropriations	186,816,522	184,801,521	2,015,001	1.1%
Gift Contributions for Operations	62,204,770	53,187,962	9,016,808	17.0%
Net Investment Income	21,986,650	22,318,553	(331,903)	-1.5%
Long Term Fund Distribution	57,887,450	54,344,567	3,542,883	6.5%
Interest Expense on Capital Asset Financings	(17,600,091)	(15,225,963)	(2,374,128)	-15.6%
Net Other Nonoperating Adjustments	311,295,301	299,426,640	11,868,661	4.0%
Adjusted Income (Loss) including Depreciation	12,936,559	(8,068,509)	21,005,068	260.3%
Adjusted Margin (as a percentage) including Depreciation	1.2%	-0.8%		
Available University Fund Transfer	74,410,000	65,613,333	8,796,667	13.4%
Adjusted Income (Loss) with AUF Transfer	87,346,559	57,544,824	29,801,735	51.8%
Adjusted Margin % with AUF Transfer	7.3%	5.3%		
Investment Gains (Losses)	31,542,045	(81,153)	31,623,198	38,967.4%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ 118,888,604	\$ 57,463,671	\$ 61,424,933	106.9%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	9.7%	5.3%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	156,950,674	121,091,802	35,858,872	29.6%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	13.1%	11.1%		

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

	<u>March</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>March</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	\$ 7,363,791	\$ 6,536,793	\$ 826,998	12.7%
Sponsored Programs	62,865,726	53,014,137	9,851,589	18.6%
Net Sales and Services of Educational Activities	547,178	508,510	38,668	7.6%
Net Auxiliary Enterprises	753,950	639,897	114,053	17.8%
Other Operating Revenues	9,659	84,040	(74,381)	-88.5%
Total Operating Revenues	<u>71,540,304</u>	<u>60,783,377</u>	<u>10,756,927</u>	<u>17.7%</u>
Operating Expenses				
Salaries and Wages	32,409,470	28,241,163	4,168,307	14.8%
Employee Benefits and Related Costs	7,897,155	7,022,403	874,752	12.5%
Professional Fees and Contracted Services	1,192,462	973,489	218,973	22.5%
Scholarships and Fellowships	32,870,493	26,589,006	6,281,487	23.6%
Travel	646,226	559,389	86,837	15.5%
Materials and Supplies	2,577,078	2,861,860	(284,782)	-10.0%
Utilities	2,077,565	2,079,617	(2,052)	-0.1%
Telecommunications	1,055,968	890,506	165,462	18.6%
Repairs and Maintenance	523,025	535,158	(12,133)	-2.3%
Rentals and Leases	1,093,405	1,065,561	27,844	2.6%
Printing and Reproduction	221,802	197,098	24,704	12.5%
Bad Debt Expense	14,990	13,582	1,408	10.4%
Federal Sponsored Programs Pass-Thrus	16,312	17,539	(1,227)	-7.0%
Depreciation and Amortization	3,145,181	2,991,771	153,410	5.1%
Other Operating Expenses	3,596,961	3,531,798	65,163	1.8%
Total Operating Expenses	<u>89,338,093</u>	<u>77,569,940</u>	<u>11,768,153</u>	<u>15.2%</u>
Operating Loss	<u>(17,797,789)</u>	<u>(16,786,563)</u>	<u>(1,011,226)</u>	<u>-6.0%</u>
Other Nonoperating Adjustments				
State Appropriations	16,711,863	16,507,640	204,223	1.2%
Gift Contributions for Operations	247,834	135,022	112,812	83.6%
Net Investment Income	667,256	728,071	(60,815)	-8.4%
Long Term Fund Distribution	169,119	153,502	15,617	10.2%
Interest Expense on Capital Asset Financings	(944,111)	(1,172,908)	228,797	19.5%
Net Other Nonoperating Adjustments	<u>16,851,961</u>	<u>16,351,327</u>	<u>500,634</u>	<u>3.1%</u>
Adjusted Income (Loss) including Depreciation	(945,828)	(435,236)	(510,592)	-117.3%
Adjusted Margin (as a percentage) including Depreciation	-1.1%	-0.6%		
Investment Gains (Losses)	1,205,121	(138,042)	1,343,163	973.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 259,293	\$ (573,278)	\$ 832,571	145.2%
Adjusted Margin % with Investment Gains (Losses)	0.3%	-0.7%		
Adjusted Income (Loss) excluding Depreciation	2,199,353	2,556,535	(357,182)	-14.0%
Adjusted Margin (as a percentage) excluding Depreciation	2.5%	3.3%		

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

	<u>March</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>March</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	\$ 73,203,169	\$ 63,028,880	\$ 10,174,289	16.1%
Sponsored Programs	24,651,082	26,370,875	(1,719,793)	-6.5%
Net Sales and Services of Educational Activities	3,458,776	3,308,044	150,732	4.6%
Net Auxiliary Enterprises	3,461,585	3,676,026	(214,441)	-5.8%
Other Operating Revenues	3,409,685	3,779,934	(370,249)	-9.8%
Total Operating Revenues	<u>108,184,297</u>	<u>100,163,759</u>	<u>8,020,538</u>	<u>8.0%</u>
Operating Expenses				
Salaries and Wages	79,907,444	74,187,913	5,719,531	7.7%
Employee Benefits and Related Costs	16,020,436	14,567,887	1,452,549	10.0%
Professional Fees and Contracted Services	1,595,411	2,193,967	(598,556)	-27.3%
Other Contracted Services	4,638,187	5,102,172	(463,985)	-9.1%
Scholarships and Fellowships	28,570,966	26,586,115	1,984,851	7.5%
Travel	1,870,859	1,666,599	204,260	12.3%
Materials and Supplies	8,369,113	9,569,493	(1,200,380)	-12.5%
Utilities	4,245,689	3,710,172	535,517	14.4%
Telecommunications	679,475	1,010,367	(330,892)	-32.7%
Repairs and Maintenance	1,784,153	3,252,766	(1,468,613)	-45.1%
Rentals and Leases	823,870	345,311	478,559	138.6%
Printing and Reproduction	856,020	832,813	23,207	2.8%
Federal Sponsored Programs Pass-Thrus	60,469	144,613	(84,144)	-58.2%
Depreciation and Amortization	11,426,000	8,463,662	2,962,338	35.0%
Other Operating Expenses	5,222,195	4,939,369	282,826	5.7%
Total Operating Expenses	<u>166,070,287</u>	<u>156,573,219</u>	<u>9,497,068</u>	<u>6.1%</u>
Operating Loss	<u>(57,885,990)</u>	<u>(56,409,460)</u>	<u>(1,476,530)</u>	<u>-2.6%</u>
Other Nonoperating Adjustments				
State Appropriations	44,172,520	43,911,403	261,117	0.6%
Gift Contributions for Operations	5,685,594	2,517,974	3,167,620	125.8%
Net Investment Income	2,517,274	2,477,976	39,298	1.6%
Long Term Fund Distribution	4,429,227	4,199,739	229,488	5.5%
Interest Expense on Capital Asset Financings	(3,976,301)	(3,125,132)	(851,169)	-27.2%
Net Other Nonoperating Adjustments	<u>52,828,314</u>	<u>49,981,960</u>	<u>2,846,354</u>	<u>5.7%</u>
Adjusted Income (Loss) including Depreciation	(5,057,676)	(6,427,500)	1,369,824	21.3%
Adjusted Margin (as a percentage) including Depreciation	-3.1%	-4.2%		
Investment Gains (Losses)	5,674,782	(875,399)	6,550,181	748.3%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 617,106	\$ (7,302,899)	\$ 7,920,005	108.5%
Adjusted Margin % with Investment Gains (Losses)	0.4%	-4.8%		
Adjusted Income (Loss) excluding Depreciation	6,368,324	2,036,162	4,332,162	212.8%
Adjusted Margin (as a percentage) excluding Depreciation	3.9%	1.3%		

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

	<u>March</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>March</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	\$ 51,731,911	\$ 48,034,609	\$ 3,697,302	7.7%
Sponsored Programs	56,712,617	52,757,673	3,954,944	7.5%
Net Sales and Services of Educational Activities	2,254,123	2,060,810	193,313	9.4%
Net Auxiliary Enterprises	18,880,796	16,305,347	2,575,449	15.8%
Other Operating Revenues	16,334	16,999	(665)	-3.9%
Total Operating Revenues	<u>129,595,781</u>	<u>119,175,438</u>	<u>10,420,343</u>	<u>8.7%</u>
Operating Expenses				
Salaries and Wages	72,617,422	69,930,085	2,687,337	3.8%
Employee Benefits and Related Costs	17,698,032	16,419,747	1,278,285	7.8%
Professional Fees and Contracted Services	5,639,725	2,627,175	3,012,550	114.7%
Other Contracted Services	7,727,245	6,853,689	873,556	12.7%
Scholarships and Fellowships	43,113,768	39,019,719	4,094,049	10.5%
Travel	2,912,117	3,051,713	(139,596)	-4.6%
Materials and Supplies	13,149,741	13,334,814	(185,073)	-1.4%
Utilities	4,306,804	4,232,093	74,711	1.8%
Telecommunications	424,469	384,929	39,540	10.3%
Repairs and Maintenance	2,233,983	2,289,493	(55,510)	-2.4%
Rentals and Leases	1,959,591	1,439,495	520,096	36.1%
Printing and Reproduction	282,099	495,957	(213,858)	-43.1%
Federal Sponsored Programs Pass-Thrus	158,877	926,240	(767,363)	-82.8%
Depreciation and Amortization	7,829,185	6,930,013	899,172	13.0%
Other Operating Expenses	3,184,354	3,250,494	(66,140)	-2.0%
Total Operating Expenses	<u>183,237,412</u>	<u>171,185,656</u>	<u>12,051,756</u>	<u>7.0%</u>
Operating Loss	<u>(53,641,631)</u>	<u>(52,010,218)</u>	<u>(1,631,413)</u>	<u>-3.1%</u>
Other Nonoperating Adjustments				
State Appropriations	47,407,787	47,777,240	(369,453)	-0.8%
Gift Contributions for Operations	4,614,362	3,369,965	1,244,397	36.9%
Net Investment Income	2,896,376	2,444,023	452,353	18.5%
Long Term Fund Distribution	2,649,749	2,534,044	115,705	4.6%
Interest Expense on Capital Asset Financings	(2,424,415)	(2,341,044)	(83,371)	-3.6%
Net Other Nonoperating Adjustments	<u>55,143,859</u>	<u>53,784,228</u>	<u>1,359,631</u>	<u>2.5%</u>
Adjusted Income (Loss) including Depreciation	1,502,228	1,774,010	(271,782)	-15.3%
Adjusted Margin (as a percentage) including Depreciation	0.8%	1.0%		
Investment Gains (Losses)	2,653,790	(363,029)	3,016,819	831.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 4,156,018	\$ 1,410,981	\$ 2,745,037	194.5%
Adjusted Margin % with Investment Gains (Losses)	2.2%	0.8%		
Adjusted Income (Loss) excluding Depreciation	9,331,413	8,704,023	627,390	7.2%
Adjusted Margin (as a percentage) excluding Depreciation	5.0%	5.0%		

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

	<u>March January FY 2007</u>	<u>March Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 39,927,489	\$ 34,536,481	\$ 5,391,008	15.6%
Sponsored Programs	58,406,548	49,954,757	8,451,791	16.9%
Net Sales and Services of Educational Activities	3,493,983	3,598,061	(104,078)	-2.9%
Net Auxiliary Enterprises	1,939,556	2,188,690	(249,134)	-11.4%
Other Operating Revenues	416,895	320,061	96,834	30.3%
Total Operating Revenues	<u>104,184,471</u>	<u>90,598,050</u>	<u>13,586,421</u>	<u>15.0%</u>
Operating Expenses				
Salaries and Wages	51,443,562	48,036,636	3,406,926	7.1%
Employee Benefits and Related Costs	11,869,062	11,639,519	229,543	2.0%
Professional Fees and Contracted Services	1,428,271	470,870	957,401	203.3%
Other Contracted Services	3,968,603	2,258,376	1,710,227	75.7%
Scholarships and Fellowships	52,991,233	46,463,150	6,528,083	14.1%
Travel	1,825,716	1,359,676	466,040	34.3%
Materials and Supplies	6,890,385	6,849,843	40,542	0.6%
Utilities	2,706,290	2,825,430	(119,140)	-4.2%
Telecommunications	712,248	450,728	261,520	58.0%
Repairs and Maintenance	1,227,255	651,532	575,723	88.4%
Rentals and Leases	411,108	481,074	(69,966)	-14.5%
Printing and Reproduction	114,378	359,448	(245,070)	-68.2%
Bad Debt Expense	715,638	714,546	1,092	0.2%
Federal Sponsored Programs Pass-Thrus	72	50,748	(50,676)	-99.9%
Depreciation and Amortization	9,153,564	8,353,689	799,875	9.6%
Other Operating Expenses	2,965,624	2,757,191	208,433	7.6%
Total Operating Expenses	<u>148,423,009</u>	<u>133,722,456</u>	<u>14,700,553</u>	<u>11.0%</u>
Operating Loss	<u>(44,238,538)</u>	<u>(43,124,406)</u>	<u>(1,114,132)</u>	<u>-2.6%</u>
Other Nonoperating Adjustments				
State Appropriations	41,279,603	40,231,845	1,047,758	2.6%
Gift Contributions for Operations	1,405,949	1,111,324	294,625	26.5%
Net Investment Income	1,351,436	1,177,291	174,145	14.8%
Long Term Fund Distribution	615,313	585,331	29,982	5.1%
Interest Expense on Capital Asset Financings	(2,164,176)	(1,386,416)	(777,760)	-56.1%
Net Other Nonoperating Adjustments	<u>42,488,125</u>	<u>41,719,375</u>	<u>768,750</u>	<u>1.8%</u>
Adjusted Income (Loss) including Depreciation	(1,750,413)	(1,405,031)	(345,382)	-24.6%
Adjusted Margin (as a percentage) including Depreciation	-1.2%	-1.1%		
Investment Gains (Losses)	2,260,369	(148,518)	2,408,887	1,621.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 509,956	\$ (1,553,549)	\$ 2,063,505	132.8%
Adjusted Margin % with Investment Gains (Losses)	0.3%	-1.2%		
Adjusted Income (Loss) excluding Depreciation	7,403,151	6,948,658	454,493	6.5%
Adjusted Margin (as a percentage) excluding Depreciation	5.0%	5.2%		

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

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 8,080,371	\$ 7,138,214	\$ 942,157	13.2%
Sponsored Programs	3,979,756	3,308,402	671,354	20.3%
Net Sales and Services of Educational Activities	135,809	124,171	11,638	9.4%
Net Auxiliary Enterprises	1,482,027	1,344,535	137,492	10.2%
Other Operating Revenues	109,423	170,502	(61,079)	-35.8%
Total Operating Revenues	<u>13,787,386</u>	<u>12,085,824</u>	<u>1,701,562</u>	<u>14.1%</u>
Operating Expenses				
Salaries and Wages	9,702,548	9,239,891	462,657	5.0%
Employee Benefits and Related Costs	2,288,005	2,134,048	153,957	7.2%
Professional Fees and Contracted Services	953,908	500,094	453,814	90.7%
Other Contracted Services	580,733	446,617	134,116	30.0%
Scholarships and Fellowships	4,449,002	4,298,552	150,450	3.5%
Travel	391,849	443,010	(51,161)	-11.5%
Materials and Supplies	1,288,770	1,413,406	(124,636)	-8.8%
Utilities	1,170,213	1,096,663	73,550	6.7%
Telecommunications	269,014	324,154	(55,140)	-17.0%
Repairs and Maintenance	360,593	326,888	33,705	10.3%
Rentals and Leases	191,006	164,514	26,492	16.1%
Printing and Reproduction	128,112	170,766	(42,654)	-25.0%
Depreciation and Amortization	2,012,191	1,952,845	59,346	3.0%
Other Operating Expenses	444,658	495,657	(50,999)	-10.3%
Total Operating Expenses	<u>24,230,602</u>	<u>23,007,105</u>	<u>1,223,497</u>	<u>5.3%</u>
Operating Loss	<u>(10,443,216)</u>	<u>(10,921,281)</u>	<u>478,065</u>	<u>4.4%</u>
Other Nonoperating Adjustments				
State Appropriations	10,038,301	9,999,745	38,556	0.4%
Gift Contributions for Operations	1,020,219	2,697,167	(1,676,948)	-62.2%
Net Investment Income	247,331	141,366	105,965	75.0%
Long Term Fund Distribution	389,885	370,650	19,235	5.2%
Interest Expense on Capital Asset Financings	(919,737)	(1,020,118)	100,381	9.8%
Net Other Nonoperating Adjustments	<u>10,775,999</u>	<u>12,188,810</u>	<u>(1,412,811)</u>	<u>-11.6%</u>
Adjusted Income (Loss) including Depreciation	332,783	1,267,529	(934,746)	-73.7%
Adjusted Margin (as a percentage) including Depreciation	1.3%	5.0%		
Investment Gains (Losses)	266,576	30,309	236,267	779.5%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 599,359	\$ 1,297,838	\$ (698,479)	-53.8%
Adjusted Margin % with Investment Gains (Losses)	2.3%	5.1%		
Adjusted Income (Loss) excluding Depreciation	2,344,974	3,220,374	(875,400)	-27.2%
Adjusted Margin (as a percentage) excluding Depreciation	9.2%	12.7%		

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

	<u>March</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>March</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	\$ 104,359,220	\$ 90,931,697	\$ 13,427,523	14.8%
Sponsored Programs	52,213,372	49,889,493	2,323,879	4.7%
Net Sales and Services of Educational Activities	2,808,517	2,856,450	(47,933)	-1.7%
Net Auxiliary Enterprises	8,701,384	9,057,604	(356,220)	-3.9%
Other Operating Revenues	1,050,826	1,759,027	(708,201)	-40.3%
Total Operating Revenues	<u>169,133,319</u>	<u>154,494,271</u>	<u>14,639,048</u>	<u>9.5%</u>
Operating Expenses				
Salaries and Wages	90,412,002	83,797,182	6,614,820	7.9%
Employee Benefits and Related Costs	22,158,452	20,113,284	2,045,168	10.2%
Professional Fees and Contracted Services	1,685,533	1,836,163	(150,630)	-8.2%
Other Contracted Services	2,391,222	1,413,805	977,417	69.1%
Scholarships and Fellowships	46,749,088	43,979,149	2,769,939	6.3%
Travel	2,893,115	3,115,936	(222,821)	-7.2%
Materials and Supplies	9,695,099	13,610,673	(3,915,574)	-28.8%
Utilities	4,821,250	6,143,744	(1,322,494)	-21.5%
Telecommunications	1,648,082	1,525,961	122,121	8.0%
Repairs and Maintenance	3,597,993	3,505,562	92,431	2.6%
Rentals and Leases	1,321,074	1,289,357	31,717	2.5%
Printing and Reproduction	628,823	536,424	92,399	17.2%
Federal Sponsored Programs Pass-Thrus	1,550,970	1,607,265	(56,295)	-3.5%
Depreciation and Amortization	13,733,780	12,017,003	1,716,777	14.3%
Other Operating Expenses	3,203,984	3,085,862	118,122	3.8%
Total Operating Expenses	<u>206,490,467</u>	<u>197,577,370</u>	<u>8,913,097</u>	<u>4.5%</u>
Operating Loss	<u>(37,357,148)</u>	<u>(43,083,099)</u>	<u>5,725,951</u>	<u>13.3%</u>
Other Nonoperating Adjustments				
State Appropriations	57,507,895	57,154,241	353,654	0.6%
Gift Contributions for Operations	2,629,166	2,212,882	416,284	18.8%
Net Investment Income	3,816,545	3,209,441	607,104	18.9%
Long Term Fund Distribution	1,100,166	941,260	158,906	16.9%
Interest Expense on Capital Asset Financings	(5,691,833)	(5,939,424)	247,591	4.2%
Net Other Nonoperating Adjustments	<u>59,361,939</u>	<u>57,578,400</u>	<u>1,783,539</u>	<u>3.1%</u>
Adjusted Income (Loss) including Depreciation	22,004,791	14,495,301	7,509,490	51.8%
Adjusted Margin (as a percentage) including Depreciation	9.4%	6.6%		
Investment Gains (Losses)	9,260,075	(102,592)	9,362,667	9,126.1%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 31,264,866	\$ 14,392,709	\$ 16,872,157	117.2%
Adjusted Margin % with Investment Gains (Losses)	12.8%	6.6%		
Adjusted Income (Loss) excluding Depreciation	35,738,571	26,512,304	9,226,267	34.8%
Adjusted Margin (as a percentage) excluding Depreciation	15.3%	12.2%		

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

	<u>March</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>March</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	\$ 15,896,286	\$ 13,123,810	\$ 2,772,476	21.1%
Sponsored Programs	7,078,771	6,021,455	1,057,316	17.6%
Net Sales and Services of Educational Activities	490,393	516,651	(26,258)	-5.1%
Net Auxiliary Enterprises	2,774,943	2,070,874	704,069	34.0%
Other Operating Revenues	40,462	79,722	(39,260)	-49.2%
Total Operating Revenues	<u>26,280,855</u>	<u>21,812,512</u>	<u>4,468,343</u>	<u>20.5%</u>
Operating Expenses				
Salaries and Wages	17,956,057	16,961,998	994,059	5.9%
Employee Benefits and Related Costs	4,536,321	4,074,140	462,181	11.3%
Professional Fees and Contracted Services	706,988	823,207	(116,219)	-14.1%
Other Contracted Services	1,743,554	1,412,344	331,210	23.5%
Scholarships and Fellowships	7,959,701	7,534,030	425,671	5.6%
Travel	674,638	599,122	75,516	12.6%
Materials and Supplies	2,825,220	2,002,928	822,292	41.1%
Utilities	833,133	867,239	(34,106)	-3.9%
Telecommunications	326,003	279,979	46,024	16.4%
Repairs and Maintenance	575,970	897,985	(322,015)	-35.9%
Rentals and Leases	201,096	144,085	57,011	39.6%
Printing and Reproduction	391,179	330,050	61,129	18.5%
Depreciation and Amortization	3,758,038	3,558,913	199,125	5.6%
Other Operating Expenses	636,487	577,412	59,075	10.2%
Total Operating Expenses	<u>43,124,385</u>	<u>40,063,432</u>	<u>3,060,953</u>	<u>7.6%</u>
Operating Loss	<u>(16,843,530)</u>	<u>(18,250,920)</u>	<u>1,407,390</u>	<u>7.7%</u>
Other Nonoperating Adjustments				
State Appropriations	17,696,530	17,473,416	223,114	1.3%
Gift Contributions for Operations	479,162	471,391	7,771	1.6%
Net Investment Income	609,220	587,081	22,139	3.8%
Long Term Fund Distribution	1,434,929	1,362,194	72,735	5.3%
Interest Expense on Capital Asset Financings	(1,324,876)	(1,334,525)	9,649	0.7%
Net Other Nonoperating Adjustments	<u>18,894,965</u>	<u>18,559,557</u>	<u>335,408</u>	<u>1.8%</u>
Adjusted Income (Loss) including Depreciation	2,051,435	308,637	1,742,798	564.7%
Adjusted Margin (as a percentage) including Depreciation	4.4%	0.7%		
Investment Gains (Losses)	1,314,744	(13,361)	1,328,105	9,940.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 3,366,179	\$ 295,276	\$ 3,070,903	1040.0%
Adjusted Margin % with Investment Gains (Losses)	7.0%	0.7%		
Adjusted Income (Loss) excluding Depreciation	5,809,473	3,867,550	1,941,923	50.2%
Adjusted Margin (as a percentage) excluding Depreciation	12.5%	9.3%		

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

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 12,170,632	\$ 11,096,530	\$ 1,074,102	9.7%
Sponsored Programs	231,383,689	222,889,022	8,494,667	3.8%
Net Sales and Services of Educational Activities	3,867,369	8,474,333	(4,606,964)	-54.4%
Net Sales and Services of Hospitals	167,906,189	163,240,270	4,665,919	2.9%
Net Professional Fees	205,746,676	141,409,435	64,337,241	45.5%
Net Auxiliary Enterprises	10,215,724	10,118,337	97,387	1.0%
Other Operating Revenues	3,533,059	3,706,590	(173,531)	-4.7%
Total Operating Revenues	<u>634,823,338</u>	<u>560,934,517</u>	<u>73,888,821</u>	<u>13.2%</u>
Operating Expenses				
Salaries and Wages	364,020,239	339,705,833	24,314,406	7.2%
Employee Benefits and Related Costs	98,709,968	92,109,482	6,600,486	7.2%
Professional Fees and Contracted Services	10,523,233	9,674,494	848,739	8.8%
Other Contracted Services	40,745,762	39,663,173	1,082,589	2.7%
Scholarships and Fellowships	5,361,497	5,231,927	129,570	2.5%
Travel	4,712,130	4,410,894	301,236	6.8%
Materials and Supplies	100,809,980	96,327,181	4,482,799	4.7%
Utilities	15,162,274	14,236,342	925,932	6.5%
Telecommunications	3,920,026	3,859,291	60,735	1.6%
Repairs and Maintenance	7,291,681	6,947,639	344,042	5.0%
Rentals and Leases	7,214,670	6,956,286	258,384	3.7%
Printing and Reproduction	1,328,583	1,537,806	(209,223)	-13.6%
Federal Sponsored Programs Pass-Thrus	209,470	293,724	(84,254)	-28.7%
Depreciation and Amortization	36,237,276	33,222,103	3,015,173	9.1%
Other Operating Expenses	25,842,913	29,387,880	(3,544,967)	-12.1%
Total Operating Expenses	<u>722,089,702</u>	<u>683,564,055</u>	<u>38,525,647</u>	<u>5.6%</u>
Operating Loss	<u>(87,266,364)</u>	<u>(122,629,538)</u>	<u>35,363,174</u>	<u>28.8%</u>
Other Nonoperating Adjustments				
State Appropriations	87,823,728	85,644,113	2,179,615	2.5%
Gift Contributions for Operations	16,905,150	16,620,994	284,156	1.7%
Net Investment Income	19,492,869	20,633,381	(1,140,512)	-5.5%
Long Term Fund Distribution	17,318,257	16,037,055	1,281,202	8.0%
Interest Expense on Capital Asset Financings	(10,804,924)	(12,241,996)	1,437,072	11.7%
Net Other Nonoperating Adjustments	<u>130,735,080</u>	<u>126,693,547</u>	<u>4,041,533</u>	<u>3.2%</u>
Adjusted Income (Loss) including Depreciation	43,468,716	4,064,009	39,404,707	969.6%
Adjusted Margin (as a percentage) including Depreciation	5.6%	0.6%		
Investment Gains (Losses)	26,876,714	(965,438)	27,842,152	2,883.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 70,345,430	\$ 3,098,571	\$ 67,246,859	2170.3%
Adjusted Margin % with Investment Gains (Losses)	8.8%	0.4%		
Adjusted Income (Loss) excluding Depreciation	79,705,992	37,286,112	42,419,880	113.8%
Adjusted Margin (as a percentage) excluding Depreciation	10.3%	5.3%		

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

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 9,932,481	\$ 7,840,365	\$ 2,092,116	26.7%
Sponsored Programs	119,851,428	123,741,341	(3,889,913)	-3.1%
Net Sales and Services of Hospitals	392,862,860	397,239,610	(4,376,750)	-1.1%
Net Professional Fees	86,906,415	66,917,887	19,988,528	29.9%
Net Auxiliary Enterprises	5,276,825	5,202,741	74,084	1.4%
Other Operating Revenues	21,221,009	14,833,219	6,387,790	43.1%
Total Operating Revenues	<u>636,051,018</u>	<u>615,775,163</u>	<u>20,275,855</u>	<u>3.3%</u>
Operating Expenses				
Salaries and Wages	435,016,358	437,042,027	(2,025,669)	-0.5%
Employee Benefits and Related Costs	103,509,221	105,917,559	(2,408,338)	-2.3%
Professional Fees and Contracted Services	21,726,814	25,472,123	(3,745,309)	-14.7%
Other Contracted Services	27,625,609	36,061,711	(8,436,102)	-23.4%
Scholarships and Fellowships	3,883,582	4,059,347	(175,765)	-4.3%
Travel	3,656,881	3,652,429	4,452	0.1%
Materials and Supplies	102,102,410	98,439,588	3,662,822	3.7%
Utilities	15,644,446	17,795,855	(2,151,409)	-12.1%
Telecommunications	7,929,212	7,891,087	38,125	0.5%
Repairs and Maintenance	17,112,161	18,494,283	(1,382,122)	-7.5%
Rentals and Leases	8,542,786	7,435,832	1,106,954	14.9%
Printing and Reproduction	1,206,385	1,207,950	(1,565)	-0.1%
Federal Sponsored Programs Pass-Thrus	5,374,259	2,906,995	2,467,264	84.9%
Depreciation and Amortization	30,984,446	29,548,917	1,435,529	4.9%
Other Operating Expenses	40,012,665	41,728,704	(1,716,039)	-4.1%
Total Operating Expenses	<u>824,327,235</u>	<u>837,654,407</u>	<u>(13,327,172)</u>	<u>-1.6%</u>
Operating Loss	<u>(188,276,217)</u>	<u>(221,879,244)</u>	<u>33,603,027</u>	<u>15.1%</u>
Other Nonoperating Adjustments				
State Appropriations	169,642,285	168,079,622	1,562,663	0.9%
Gift Contributions for Operations	4,558,049	3,575,253	982,796	27.5%
Net Investment Income	9,445,309	11,090,450	(1,645,141)	-14.8%
Long Term Fund Distribution	9,607,104	7,624,574	1,982,530	26.0%
Interest Expense on Capital Asset Financings	(2,438,777)	(3,436,697)	997,920	29.0%
Net Other Nonoperating Adjustments	<u>190,813,970</u>	<u>186,933,202</u>	<u>3,880,768</u>	<u>2.1%</u>
Adjusted Income (Loss) including Depreciation	2,537,753	(34,946,042)	37,483,795	107.3%
Adjusted Margin (as a percentage) including Depreciation	0.3%	-4.3%		
Investment Gains (Losses)	37,194,220	13,261,119	23,933,101	180.5%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 39,731,973	\$ (21,684,923)	\$ 61,416,896	283.2%
Adjusted Margin % with Investment Gains (Losses)	4.6%	-2.6%		
Adjusted Income (Loss) excluding Depreciation	33,522,199	(5,397,125)	38,919,324	721.1%
Adjusted Margin (as a percentage) excluding Depreciation	4.0%	-0.7%		

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

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 13,933,424	\$ 11,908,518	\$ 2,024,906	17.0%
Sponsored Programs	168,931,026	156,964,515	11,966,511	7.6%
Net Sales and Services of Educational Activities	20,309,622	19,441,605	868,017	4.5%
Net Sales and Services of Hospitals	16,624,151	15,767,324	856,827	5.4%
Net Professional Fees	73,179,698	63,084,396	10,095,302	16.0%
Net Auxiliary Enterprises	13,207,183	12,729,559	477,624	3.8%
Other Operating Revenues	16,694,906	18,364,575	(1,669,669)	-9.1%
Total Operating Revenues	<u>322,880,010</u>	<u>298,260,492</u>	<u>24,619,518</u>	<u>8.3%</u>
Operating Expenses				
Salaries and Wages	191,986,926	187,216,052	4,770,874	2.5%
Employee Benefits and Related Costs	43,089,756	41,406,340	1,683,416	4.1%
Professional Fees and Contracted Services	32,206,990	31,541,654	665,336	2.1%
Other Contracted Services	24,841,875	22,282,929	2,558,946	11.5%
Scholarships and Fellowships	1,922,494	1,587,978	334,516	21.1%
Travel	3,218,568	2,949,395	269,173	9.1%
Materials and Supplies	32,833,677	29,740,319	3,093,358	10.4%
Utilities	9,061,129	6,183,774	2,877,355	46.5%
Telecommunications	1,625,377	1,701,675	(76,298)	-4.5%
Repairs and Maintenance	3,486,380	2,491,450	994,930	39.9%
Rentals and Leases	8,152,075	8,091,438	60,637	0.7%
Printing and Reproduction	2,102,936	2,290,225	(187,289)	-8.2%
Bad Debt Expense	-	1,400	(1,400)	-100.0%
Federal Sponsored Programs Pass-Thrus	3,073,375	3,013,113	60,262	2.0%
Depreciation and Amortization	18,365,424	16,026,154	2,339,270	14.6%
Other Operating Expenses	30,592,772	28,711,868	1,880,904	6.6%
Total Operating Expenses	<u>406,559,754</u>	<u>385,235,764</u>	<u>21,323,990</u>	<u>5.5%</u>
Operating Loss	<u>(83,679,744)</u>	<u>(86,975,272)</u>	<u>3,295,528</u>	<u>3.8%</u>
Other Nonoperating Adjustments				
State Appropriations	89,712,965	88,643,587	1,069,378	1.2%
Gift Contributions for Operations	6,182,522	16,024,817	(9,842,295)	-61.4%
Net Investment Income	10,715,480	7,646,938	3,068,542	40.1%
Long Term Fund Distribution	2,862,827	2,613,141	249,686	9.6%
Interest Expense on Capital Asset Financings	(4,362,267)	(5,160,467)	798,200	15.5%
Net Other Nonoperating Adjustments	<u>105,111,527</u>	<u>109,768,016</u>	<u>(4,656,489)</u>	<u>-4.2%</u>
Adjusted Income (Loss) including Depreciation	21,431,783	22,792,744	(1,360,961)	-6.0%
Adjusted Margin (as a percentage) including Depreciation	5.0%	5.5%		
Investment Gains (Losses)	10,586,863	(1,649,421)	12,236,284	741.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 32,018,646	\$ 21,143,323	\$ 10,875,323	51.4%
Adjusted Margin % with Investment Gains (Losses)	7.2%	5.1%		
Adjusted Income (Loss) excluding Depreciation	39,797,207	38,818,898	978,309	2.5%
Adjusted Margin (as a percentage) excluding Depreciation	9.2%	9.4%		

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

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 13,533,333	\$ 13,217,919	\$ 315,414	2.4%
Sponsored Programs	112,329,796	109,121,013	3,208,783	2.9%
Net Sales and Services of Educational Activities	13,261,979	12,758,583	503,396	3.9%
Net Professional Fees	56,712,877	46,861,233	9,851,644	21.0%
Net Auxiliary Enterprises	1,760,291	2,192,625	(432,334)	-19.7%
Other Operating Revenues	15,838,886	16,550,391	(711,505)	-4.3%
Total Operating Revenues	<u>213,437,162</u>	<u>200,701,764</u>	<u>12,735,398</u>	<u>6.3%</u>
Operating Expenses				
Salaries and Wages	167,692,782	161,007,239	6,685,543	4.2%
Employee Benefits and Related Costs	41,769,887	39,522,797	2,247,090	5.7%
Professional Fees and Contracted Services	6,347,570	6,159,161	188,409	3.1%
Other Contracted Services	9,314,489	9,197,359	117,130	1.3%
Scholarships and Fellowships	1,952,629	963,877	988,752	102.6%
Travel	2,349,640	2,774,698	(425,058)	-15.3%
Materials and Supplies	18,591,069	19,676,640	(1,085,571)	-5.5%
Utilities	7,583,333	6,945,000	638,333	9.2%
Telecommunications	3,586,184	3,123,584	462,600	14.8%
Repairs and Maintenance	1,792,201	1,396,450	395,751	28.3%
Rentals and Leases	1,219,432	1,508,779	(289,347)	-19.2%
Printing and Reproduction	930,028	1,068,201	(138,173)	-12.9%
Federal Sponsored Programs Pass-Thrus	364,583	306,567	58,016	18.9%
Depreciation and Amortization	14,583,333	13,484,024	1,099,309	8.2%
Other Operating Expenses	37,281,603	41,021,113	(3,739,510)	-9.1%
Total Operating Expenses	<u>315,358,763</u>	<u>308,155,489</u>	<u>7,203,274</u>	<u>2.3%</u>
Operating Loss	<u>(101,921,601)</u>	<u>(107,453,725)</u>	<u>5,532,124</u>	<u>5.1%</u>
Other Nonoperating Adjustments				
State Appropriations	88,656,744	88,283,442	373,302	0.4%
Gift Contributions for Operations	16,629,128	1,637,521	14,991,607	915.5%
Net Investment Income	13,628,380	13,516,792	111,588	0.8%
Long Term Fund Distribution	2,619,367	2,392,936	226,431	9.5%
Interest Expense on Capital Asset Financings	(2,810,626)	(3,496,552)	685,926	19.6%
Net Other Nonoperating Adjustments	<u>118,722,993</u>	<u>102,334,139</u>	<u>16,388,854</u>	<u>16.0%</u>
Adjusted Income (Loss) including Depreciation	16,801,392	(5,119,586)	21,920,978	428.2%
Adjusted Margin (as a percentage) including Depreciation	5.0%	-1.7%		
Investment Gains (Losses)	8,720,732	(992,339)	9,713,071	978.8%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 25,522,124	\$ (6,111,925)	\$ 31,634,049	517.6%
Adjusted Margin % with Investment Gains (Losses)	7.4%	-2.0%		
Adjusted Income (Loss) excluding Depreciation	31,384,725	8,364,438	23,020,287	275.2%
Adjusted Margin (as a percentage) excluding Depreciation	9.4%	2.7%		

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

	March Year-to-Date FY 2007	March Year-to-Date FY 2006	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 227,874	\$ 222,844	\$ 5,030	2.3%
Sponsored Programs	132,440,153	130,941,622	1,498,531	1.1%
Net Sales and Services of Educational Activities	1,663,653	1,310,345	353,308	27.0%
Net Sales and Services of Hospitals	952,657,713	847,186,763	105,470,950	12.4%
Net Professional Fees	156,776,642	133,956,622	22,820,020	17.0%
Net Auxiliary Enterprises	14,646,975	13,481,570	1,165,405	8.6%
Other Operating Revenues	16,844,995	11,200,922	5,644,073	50.4%
Total Operating Revenues	1,275,258,005	1,138,300,688	136,957,317	12.0%
Operating Expenses				
Salaries and Wages	640,520,067	587,338,650	53,181,417	9.1%
Employee Benefits and Related Costs	169,661,969	155,418,463	14,243,506	9.2%
Professional Fees and Contracted Services	51,279,717	45,574,678	5,705,039	12.5%
Other Contracted Services	38,928,991	36,059,122	2,869,869	8.0%
Travel	11,114,453	8,837,012	2,277,441	25.8%
Materials and Supplies	240,150,926	231,219,741	8,931,185	3.9%
Utilities	27,786,394	33,311,170	(5,524,776)	-16.6%
Telecommunications	3,531,331	4,654,296	(1,122,965)	-24.1%
Repairs and Maintenance	28,067,381	22,988,026	5,079,355	22.1%
Rentals and Leases	17,780,184	17,315,116	465,068	2.7%
Federal Sponsored Programs Pass-Thrus	137,233	443,733	(306,500)	-69.1%
Depreciation and Amortization	107,000,815	104,339,286	2,661,529	2.6%
Other Operating Expenses	1,922,348	1,614,632	307,716	19.1%
Total Operating Expenses	1,337,881,809	1,249,113,925	88,767,884	7.1%
Operating Loss	(62,623,804)	(110,813,237)	48,189,433	43.5%
Other Nonoperating Adjustments				
State Appropriations	93,364,636	92,308,049	1,056,587	1.1%
Gift Contributions for Operations	44,953,513	36,637,588	8,315,925	22.7%
Net Investment Income	23,532,671	20,508,129	3,024,542	14.7%
Long Term Fund Distribution	8,191,714	7,714,848	476,866	6.2%
Interest Expense on Capital Asset Financings	(15,135,386)	(17,126,906)	1,991,520	11.6%
Net Other Nonoperating Adjustments	154,907,148	140,041,708	14,865,440	10.6%
Adjusted Income (Loss) including Depreciation	92,283,344	29,228,471	63,054,873	215.7%
Adjusted Margin (as a percentage) including Depreciation	6.4%	2.3%		
Investment Gains (Losses)	58,705,664	23,619,126	35,086,538	148.6%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 150,989,008	\$ 52,847,597	\$ 98,141,411	185.7%
Adjusted Margin % with Investment Gains (Losses)	10.0%	4.0%		
Adjusted Income (Loss) excluding Depreciation	199,284,159	133,567,757	65,716,402	49.2%
Adjusted Margin (as a percentage) excluding Depreciation	13.8%	10.3%		

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

	<u>March</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>March</u> <u>Year-to-Date</u> <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 8,291,228	\$ 8,215,964	\$ 75,264	0.9%
Net Sales and Services of Educational Activities	557,024	620,690	(63,666)	-10.3%
Net Sales and Services of Hospitals	25,352,282	26,731,587	(1,379,305)	-5.2%
Net Professional Fees	9,359,203	7,136,898	2,222,305	31.1%
Net Auxiliary Enterprises	111,893	151,089	(39,196)	-25.9%
Other Operating Revenues	915,929	1,537,135	(621,206)	-40.4%
Total Operating Revenues	<u>44,587,559</u>	<u>44,393,363</u>	<u>194,196</u>	<u>0.4%</u>
Operating Expenses				
Salaries and Wages	30,233,309	34,755,766	(4,522,457)	-13.0%
Employee Benefits and Related Costs	8,200,257	8,658,148	(457,891)	-5.3%
Professional Fees and Contracted Services	3,205,562	2,900,543	305,019	10.5%
Other Contracted Services	4,174,319	4,284,491	(110,172)	-2.6%
Travel	281,883	288,801	(6,918)	-2.4%
Materials and Supplies	7,686,758	9,068,045	(1,381,287)	-15.2%
Utilities	1,905,390	1,757,935	147,455	8.4%
Telecommunications	382,241	351,729	30,512	8.7%
Repairs and Maintenance	1,919,717	1,462,179	457,538	31.3%
Rentals and Leases	689,975	763,091	(73,116)	-9.6%
Printing and Reproduction	13,307	96,880	(83,573)	-86.3%
Federal Sponsored Programs Pass-Thrus	270,933	335,485	(64,552)	-19.2%
Depreciation and Amortization	5,070,672	4,933,040	137,632	2.8%
Other Operating Expenses	1,569,749	1,756,744	(186,995)	-10.6%
Total Operating Expenses	<u>65,604,072</u>	<u>71,412,877</u>	<u>(5,808,805)</u>	<u>-8.1%</u>
Operating Loss	<u>(21,016,513)</u>	<u>(27,019,514)</u>	<u>6,003,001</u>	<u>22.2%</u>
Other Nonoperating Adjustments				
State Appropriations	21,838,424	22,643,898	(805,474)	-3.6%
Gift Contributions for Operations	408,619	460,430	(51,811)	-11.3%
Net Investment Income	2,089,065	1,878,673	210,392	11.2%
Long Term Fund Distribution	227,445	212,886	14,559	6.8%
Interest Expense on Capital Asset Financings	(365,554)	(509,554)	144,000	28.3%
Net Other Nonoperating Adjustments	<u>24,197,999</u>	<u>24,686,333</u>	<u>(488,334)</u>	<u>-2.0%</u>
Adjusted Income (Loss) including Depreciation	3,181,486	(2,333,181)	5,514,667	236.4%
Adjusted Margin (as a percentage) including Depreciation	4.6%	-3.4%		
Investment Gains (Losses)	-	(8,724)	8,724	100.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 3,181,486	\$ (2,341,905)	\$ 5,523,391	235.9%
Adjusted Margin % with Investment Gains (Losses)	4.6%	-3.4%		
Adjusted Income (Loss) excluding Depreciation	8,252,158	2,599,859	5,652,299	217.4%
Adjusted Margin (as a percentage) excluding Depreciation	11.9%	3.7%		