

**THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER**

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

**MAY 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 Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 1,043,040,664	\$ 974,373,277	\$ 68,667,387	7.0%
Sponsored Programs	1,839,941,843	1,716,088,822	123,853,021	7.2%
Net Sales and Services of Educational Activities	212,396,465	213,001,389	(604,924)	-0.3%
Net Sales and Services of Hospitals	2,211,245,036	2,031,923,889	179,321,147	8.8%
Net Professional Fees	698,560,450	757,137,733	(58,577,283)	-7.7%
Net Auxiliary Enterprises	277,084,392	266,969,804	10,114,588	3.8%
Other Operating Revenues	100,899,407	97,720,163	3,179,244	3.3%
<b>Total Operating Revenues</b>	<b><u>6,383,168,257</u></b>	<b><u>6,057,215,077</u></b>	<b><u>325,953,180</u></b>	<b><u>5.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	3,918,912,852	3,633,742,538	285,170,314	7.8%
Payroll Related Costs	971,225,842	889,818,764	81,407,078	9.1%
Professional Fees and Contracted Services	224,536,665	201,527,396	23,009,269	11.4%
Other Contracted Services	318,019,303	293,970,200	24,049,103	8.2%
Scholarships and Fellowships	477,787,020	444,327,179	33,459,841	7.5%
Travel	91,061,237	81,380,321	9,680,916	11.9%
Materials and Supplies	858,739,794	807,568,941	51,170,853	6.3%
Utilities	207,604,588	184,297,207	23,307,381	12.6%
Telecommunications	74,461,876	49,136,188	25,325,688	51.5%
Repairs and Maintenance	130,225,834	112,905,840	17,319,994	15.3%
Rentals and Leases	81,001,197	75,110,676	5,890,521	7.8%
Printing and Reproduction	20,762,372	20,395,137	367,235	1.8%
Bad Debt Expense	41,385	939,379	(897,994)	-95.6%
Claims and Losses	7,015,268	17,169,750	(10,154,482)	-59.1%
Federal Sponsored Programs Pass-Throughs	21,596,777	20,727,795	868,982	4.2%
Depreciation and Amortization	517,064,776	465,124,556	51,940,220	11.2%
Other Operating Expenses	270,156,957	272,285,701	(2,128,744)	-0.8%
<b>Total Operating Expenses</b>	<b><u>8,190,213,743</u></b>	<b><u>7,570,427,568</u></b>	<b><u>619,786,175</u></b>	<b><u>8.2%</u></b>
<b>Operating Loss</b>	<b><u>(1,807,045,486)</u></b>	<b><u>(1,513,212,491)</u></b>	<b><u>(293,832,995)</u></b>	<b><u>-19.4%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,461,208,897	1,318,392,412	142,816,485	10.8%
Gift Contributions for Operations	287,395,818	206,505,649	80,890,169	39.2%
Net Investment Income	627,091,964	554,915,105	72,176,859	13.0%
Interest Expense on Capital Asset Financings	(144,943,729)	(122,133,339)	(22,810,390)	-18.7%
<b>Net Other Nonoperating Adjustments</b>	<b><u>2,230,752,950</u></b>	<b><u>1,957,679,827</u></b>	<b><u>273,073,123</u></b>	<b><u>13.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>423,707,464</b>	<b>444,467,336</b>	<b>(20,759,872)</b>	<b>-4.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>4.8%</b>	<b>5.5%</b>		
Investment Gains (Losses)	948,890,537	2,511,557,216	(1,562,666,679)	-62.2%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>\$ 1,372,598,001</b>	<b>\$ 2,956,024,552</b>	<b>\$ (1,583,426,551)</b>	<b>-53.6%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>14.1%</b>	<b>27.8%</b>		
<b>Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation</b>	<b>1,889,662,777</b>	<b>3,421,149,108</b>	<b>(1,531,486,331)</b>	<b>-44.8%</b>
<b>Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation</b>	<b>19.5%</b>	<b>32.1%</b>		

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**The University of Texas System  
Comparison of Adjusted Income (Loss)  
For the Nine Months Ending May 31, 2008**

	<b>Including Depreciation and Amortization Expense</b>				<b>Fluctuation Percentage</b>
	<b>May</b>	<b>May</b>	<b>Variance</b>		
	<b>Year-to-Date FY 2008</b>	<b>Year-to-Date FY 2007</b>			
UT System Administration	\$ 230,084,703	\$ 196,434,519	\$ 33,650,184	(1)	17.1%
UT Arlington	9,479,383	11,477,250	(1,997,867)		-17.4%
UT Austin	66,764,630	57,721,507	9,043,123		15.7%
UT Brownsville	32,762	(1,459,883)	1,492,645	(2)	102.2%
UT Dallas	10,336,358	(1,986,955)	12,323,313	(3)	620.2%
UT El Paso	3,402,436	2,865,493	536,943		18.7%
UT Pan American	(4,354,244)	(3,141,743)	(1,212,501)	(4)	-38.6%
UT Permian Basin	9,298,941	(103,600)	9,402,541	(5)	9,075.8%
UT San Antonio	22,704,763	29,349,015	(6,644,252)		-22.6%
UT Tyler	3,875,436	1,672,491	2,202,945	(6)	131.7%
UT Southwestern Medical Center - Dallas	60,662,294	63,702,255	(3,039,961)		-4.8%
UT Medical Branch - Galveston	(28,570,318)	5,973,063	(34,543,381)	(7)	-578.3%
UT Health Science Center - Houston	25,427,620	27,472,019	(2,044,399)		-7.4%
UT Health Science Center - San Antonio	(13,795,236)	21,447,376	(35,242,612)	(8)	-164.3%
UT M. D. Anderson Cancer Center	135,803,779	122,987,703	12,816,076		10.4%
UT Health Science Center - Tyler	254,157	5,726,826	(5,472,669)	(9)	-95.6%
Elimination of AUF Transfer	(107,700,000)	(95,670,000)	(12,030,000)		-12.6%
Total Adjusted Income (Loss)	423,707,464	444,467,336	(20,759,872)		-4.7%
Investment Gains (Losses)	948,890,537	2,511,557,216	(1,562,666,679)	(10)	-62.2%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b>\$ 1,372,598,001</b>	<b>\$ 2,956,024,552</b>	<b>\$ (1,583,426,551)</b>		<b>-53.6%</b>

	<b>Excluding Depreciation and Amortization Expense</b>				<b>Fluctuation Percentage</b>
	<b>May</b>	<b>May</b>	<b>Variance</b>		
	<b>Year-to-Date FY 2008</b>	<b>Year-to-Date FY 2007</b>			
UT System Administration	\$ 234,154,899	\$ 200,450,826	\$ 33,704,073		16.8%
UT Arlington	25,857,644	27,298,346	(1,440,702)		-5.3%
UT Austin	186,441,218	159,142,344	27,298,874		17.2%
UT Brownsville	4,482,285	2,592,237	1,890,048		72.9%
UT Dallas	25,563,807	12,360,437	13,203,370		106.8%
UT El Paso	14,499,188	13,165,599	1,333,589		10.1%
UT Pan American	7,197,110	8,854,012	(1,656,902)		-18.7%
UT Permian Basin	12,036,441	2,339,651	9,696,790		414.5%
UT San Antonio	42,328,939	47,377,962	(5,049,023)		-10.7%
UT Tyler	9,271,826	6,777,854	2,493,972		36.8%
UT Southwestern Medical Center - Dallas	111,459,537	111,842,426	(382,889)		-0.3%
UT Medical Branch - Galveston	21,614,245	45,736,432	(24,122,187)		-52.7%
UT Health Science Center - Houston	50,207,228	52,196,382	(1,989,154)		-3.8%
UT Health Science Center - San Antonio	7,996,431	38,551,022	(30,554,591)		-79.3%
UT M. D. Anderson Cancer Center	290,090,459	266,113,774	23,976,685		9.0%
UT Health Science Center - Tyler	5,270,983	10,462,588	(5,191,605)		-49.6%
Elimination of AUF Transfer	(107,700,000)	(95,670,000)	(12,030,000)		-12.6%
Total Adjusted Income (Loss)	940,772,240	909,591,892	31,180,348		3.4%
Investment Gains (Losses)	948,890,537	2,511,557,216	(1,562,666,679)		-62.2%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization</b>	<b>\$ 1,889,662,777</b>	<b>\$ 3,421,149,108</b>	<b>\$ (1,531,486,331)</b>		<b>-44.8%</b>

THE UNIVERSITY OF TEXAS SYSTEM  
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT  
For the Nine Months Ending May 31, 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 \$33.7 million (17.1%) 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 \$234.2 million or 69.6%.
- (2) UT Brownsville - The \$1.5 million (102.2%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased Tuition Revenue Bonds (TRBs). *UT Brownsville's* adjusted income excluding depreciation expense was \$4.5 million or 3.8%. *UT Brownsville* projects a year-end loss of approximately \$812,000 which represents -0.6% of projected revenues. This forecast includes \$5.9 million of depreciation expense.
- (3) UT Dallas - The \$12.3 million (620.2%) 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 \$25.6 million or 10.4%.
- (4) UT Pan American - The \$1.2 million (38.6%) decrease in adjusted income over the same period last year 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. As a result of these factors, *UT Pan American* experienced a \$4.4 million year-to-date loss. Excluding depreciation expense, *UT Pan American's* adjusted income was \$7.2 million or 3.8%. *UT Pan American* anticipates ending the year with a \$6.1 million negative margin which represents -2.4% of projected revenues. This forecast includes \$15.5 million of depreciation expense.
- (5) UT Permian Basin - The \$9.4 million (9,075.8%) 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 Permian Basin's* adjusted income was \$12 million or 26.8%.
- (6) UT Tyler - The \$2.2 million (131.7%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, *UT Tyler's* adjusted income was \$9.3 million or 13.9%.
- (7) UT Medical Branch - Galveston - The \$34.5 million (578.3%) decrease in adjusted income over the same period last year was primarily due to an increase in operating expenses of \$80.3 million corresponding to the increased patient care activity and growth in research related programs. Market adjustments, overtime, and agency costs for clinical professionals were a significant factor contributing to the increase in personnel costs. As a result of these factors, *UTMB* experienced a \$28.6 million year-to-date loss. Additionally, *UTMB* recognized \$23.7 million less revenue for the Texas Physician Upper Payment Limit (UPL) in 2008. Excluding depreciation expense, *UTMB's* adjusted income was \$21.6 million or 1.9%. *UTMB* projects a year-end loss of approximately \$45 million, which represents -3% of projected revenues. This forecast includes \$64.6 million of depreciation expense.
- (8) UT Health Science Center - San Antonio - The \$35.2 million (164.3%) decrease in adjusted income over the same period last year was primarily attributable to the acquisition of the Cancer Therapy and Research Center (CTRC) and \$9.6 million less UPL revenue in 2008. Due to these factors, *UTHSC-San Antonio* incurred a year-to-date loss of \$13.8 million. The acquisition of CTRC contributed \$11.8 million of this loss, including depreciation expense, primarily due to billing and collection delays as a result of the merger. Excluding depreciation expense, *UTHSC-San Antonio's* adjusted income was \$8 million or 1.8%.  
  
*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 \$15.7 million, which represents -2.5% 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 \$5.5 million (95.6%) decrease in adjusted income over the same period last year was primarily attributable to an 8% decrease in admissions, a 4% decrease in inpatient visits and a net reduction in grant income of \$500,000. As a result of the reduction in patient volume, *UTHSC-Tyler* reduced its staff by 77 employees since November and incurred over \$520,000 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 \$5.3 million or 6.3%.

(10) *Investment Gains (Losses)* - The majority of the \$1.6 billion (62.2%) decrease in investment gains relates to the Permanent University Fund of \$907.4 million, the Long Term Fund of \$388.9 million, and the Permanent Health Fund of \$97.4 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 Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 17,739,270	\$ 11,233,181	\$ 6,506,089	57.9%
Net Sales and Services of Educational Activities	8,229,833	10,458,697	(2,228,864)	-21.3%
Other Operating Revenues	3,164,895	14,558,500	(11,393,605)	-78.3%
<b>Total Operating Revenues</b>	<b><u>29,133,998</u></b>	<b><u>36,250,378</u></b>	<b><u>(7,116,380)</u></b>	<b><u>-19.6%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	27,422,311	19,607,306	7,815,005	39.9%
Employee Benefits and Related Costs	5,790,432	4,362,116	1,428,316	32.7%
Professional Fees and Contracted Services	2,009,081	3,335,496	(1,326,415)	-39.8%
Other Contracted Services	12,869,252	5,703,674	7,165,578	125.6%
Scholarships and Fellowships	483,000	177,700	305,300	171.8%
Travel	1,541,581	1,118,552	423,029	37.8%
Materials and Supplies	2,793,516	2,211,656	581,860	26.3%
Utilities	390,914	529,775	(138,861)	-26.2%
Telecommunications	2,966,256	752,726	2,213,530	294.1%
Repairs and Maintenance	682,560	902,392	(219,832)	-24.4%
Rentals and Leases	719,235	690,850	28,385	4.1%
Printing and Reproduction	213,204	167,094	46,110	27.6%
Claims and Losses	7,015,268	17,169,750	(10,154,482)	-59.1%
Depreciation and Amortization	4,070,196	4,016,307	53,889	1.3%
Other Operating Expenses	3,779,224	2,671,670	1,107,554	41.5%
<b>Total Operating Expenses</b>	<b><u>72,746,030</u></b>	<b><u>63,417,064</u></b>	<b><u>9,328,966</u></b>	<b><u>14.7%</u></b>
<b>Operating Loss</b>	<b><u>(43,612,032)</u></b>	<b><u>(27,166,686)</u></b>	<b><u>(16,445,346)</u></b>	<b><u>-60.5%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	691,521	688,316	3,205	0.5%
Gift Contributions for Operations	767,621	577,665	189,956	32.9%
Net Investment Income	280,262,667	232,044,776	48,217,891	20.8%
Interest Expense on Capital Asset Financings	(33,705,411)	(33,710,553)	5,142	0.0%
<b>Net Other Nonoperating Adjustments</b>	<b><u>248,016,398</u></b>	<b><u>199,600,204</u></b>	<b><u>48,416,194</u></b>	<b><u>24.3%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>204,404,366</b>	<b>172,433,518</b>	<b>31,970,848</b>	<b>18.5%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>65.8%</b>	<b>64.0%</b>		
Available University Fund Transfer	25,680,337	24,001,001	1,679,336	7.0%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>230,084,703</b>	<b>196,434,519</b>	<b>33,650,184</b>	<b>17.1%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>68.4%</b>	<b>66.9%</b>		
Investment Gains (Losses)	815,721,537	2,229,432,587	(1,413,711,050)	-63.4%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ 1,045,806,240</b>	<b>\$ 2,425,867,106</b>	<b>\$ (1,380,060,866)</b>	<b>-56.9%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>90.8%</b>	<b>96.2%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>234,154,899</b>	<b>200,450,826</b>	<b>33,704,073</b>	<b>16.8%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>69.6%</b>	<b>68.3%</b>		

**UNAUDITED**  
**The University of Texas at Arlington**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 126,949,053	\$ 119,237,636	\$ 7,711,417	6.5%
Sponsored Programs	40,926,014	39,950,383	975,631	2.4%
Net Sales and Services of Educational Activities	10,293,357	9,612,722	680,635	7.1%
Net Auxiliary Enterprises	18,905,192	18,427,888	477,304	2.6%
Other Operating Revenues	5,537,693	4,869,967	667,726	13.7%
<b>Total Operating Revenues</b>	<b><u>202,611,309</u></b>	<b><u>192,098,596</u></b>	<b><u>10,512,713</u></b>	<b><u>5.5%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	135,754,655	127,083,443	8,671,212	6.8%
Employee Benefits and Related Costs	30,492,594	27,731,721	2,760,873	10.0%
Professional Fees and Contracted Services	3,433,069	4,137,782	(704,713)	-17.0%
Other Contracted Services	6,948,683	6,778,256	170,427	2.5%
Scholarships and Fellowships	34,863,325	30,261,296	4,602,029	15.2%
Travel	3,986,481	3,476,793	509,688	14.7%
Materials and Supplies	15,755,548	14,327,794	1,427,754	10.0%
Utilities	8,793,847	7,904,915	888,932	11.2%
Telecommunications	4,885,913	4,560,154	325,759	7.1%
Repairs and Maintenance	5,443,244	4,542,775	900,469	19.8%
Rentals and Leases	2,298,751	1,920,733	378,018	19.7%
Printing and Reproduction	1,733,785	1,724,124	9,661	0.6%
Federal Sponsored Programs Pass-Thrus	1,710,161	1,715,531	(5,370)	-0.3%
Depreciation and Amortization	16,378,261	15,821,096	557,165	3.5%
Other Operating Expenses	6,719,758	8,375,745	(1,655,987)	-19.8%
<b>Total Operating Expenses</b>	<b><u>279,198,075</u></b>	<b><u>260,362,158</u></b>	<b><u>18,835,917</u></b>	<b><u>7.2%</u></b>
<b>Operating Loss</b>	<b><u>(76,586,766)</u></b>	<b><u>(68,263,562)</u></b>	<b><u>(8,323,204)</u></b>	<b><u>-12.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	83,228,312	76,406,168	6,822,144	8.9%
Gift Contributions for Operations	1,848,478	1,366,852	481,626	35.2%
Net Investment Income	6,910,243	6,640,542	269,701	4.1%
Interest Expense on Capital Asset Financings	(5,920,884)	(4,672,750)	(1,248,134)	-26.7%
<b>Net Other Nonoperating Adjustments</b>	<b><u>86,066,149</u></b>	<b><u>79,740,812</u></b>	<b><u>6,325,337</u></b>	<b><u>7.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>9,479,383</b>	<b>11,477,250</b>	<b>(1,997,867)</b>	<b>-17.4%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>3.2%</b>	<b>4.2%</b>		
Investment Gains (Losses)	6,440,759	9,671,222	(3,230,463)	-33.4%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 15,920,142</b>	<b>\$ 21,148,472</b>	<b>\$ (5,228,330)</b>	<b>-24.7%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>5.3%</b>	<b>7.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>25,857,644</b>	<b>27,298,346</b>	<b>(1,440,702)</b>	<b>-5.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>8.8%</b>	<b>9.9%</b>		

**UNAUDITED**  
**The University of Texas at Austin**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date FY 2008	May Year-to-Date FY 2007	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 430,822,804	\$ 407,360,401	\$ 23,462,403	5.8%
Sponsored Programs	354,111,759	329,117,120	24,994,639	7.6%
Net Sales and Services of Educational Activities	110,961,551	113,610,344	(2,648,793)	-2.3%
Net Auxiliary Enterprises	153,516,655	145,085,973	8,430,682	5.8%
Other Operating Revenues	2,734,356	2,701,173	33,183	1.2%
<b>Total Operating Revenues</b>	<b>1,052,147,125</b>	<b>997,875,011</b>	<b>54,272,114</b>	<b>5.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	687,476,100	663,806,539	23,669,561	3.6%
Employee Benefits and Related Costs	159,264,799	152,742,454	6,522,345	4.3%
Professional Fees and Contracted Services	19,643,970	17,311,224	2,332,746	13.5%
Other Contracted Services	50,916,614	54,991,530	(4,074,916)	-7.4%
Scholarships and Fellowships	171,343,761	164,140,530	7,203,231	4.4%
Travel	29,358,083	26,339,420	3,018,663	11.5%
Materials and Supplies	89,646,118	80,391,494	9,254,624	11.5%
Utilities	53,333,571	47,753,545	5,580,026	11.7%
Telecommunications	28,266,613	10,575,210	17,691,403	167.3%
Repairs and Maintenance	20,463,752	17,881,008	2,582,744	14.4%
Rentals and Leases	10,249,512	11,017,222	(767,710)	-7.0%
Printing and Reproduction	7,104,773	7,120,388	(15,615)	-0.2%
Federal Sponsored Programs Pass-Thrus	3,674,214	3,835,731	(161,517)	-4.2%
Depreciation and Amortization	119,676,588	101,420,837	18,255,751	18.0%
Other Operating Expenses	64,061,380	60,551,465	3,509,915	5.8%
<b>Total Operating Expenses</b>	<b>1,514,479,848</b>	<b>1,419,878,597</b>	<b>94,601,251</b>	<b>6.7%</b>
<b>Operating Loss</b>	<b>(462,332,723)</b>	<b>(422,003,586)</b>	<b>(40,329,137)</b>	<b>-9.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	248,100,323	234,497,534	13,602,789	5.8%
Gift Contributions for Operations	77,340,180	65,879,688	11,460,492	17.4%
Net Investment Income	122,274,929	105,151,816	17,123,113	16.3%
Interest Expense on Capital Asset Financings	(26,318,079)	(21,473,945)	(4,844,134)	-22.6%
<b>Net Other Nonoperating Adjustments</b>	<b>421,397,353</b>	<b>384,055,093</b>	<b>37,342,260</b>	<b>9.7%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(40,935,370)</b>	<b>(37,948,493)</b>	<b>(2,986,877)</b>	<b>-7.9%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-2.7%</b>	<b>-2.7%</b>		
Available University Fund Transfer	107,700,000	95,670,000	12,030,000	12.6%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>66,764,630</b>	<b>57,721,507</b>	<b>9,043,123</b>	<b>15.7%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>4.2%</b>	<b>3.9%</b>		
Investment Gains (Losses)	29,331,576	55,468,838	(26,137,262)	-47.1%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ 96,096,206</b>	<b>\$ 113,190,345</b>	<b>\$ (17,094,139)</b>	<b>-15.1%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>5.9%</b>	<b>7.3%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>186,441,218</b>	<b>159,142,344</b>	<b>27,298,874</b>	<b>17.2%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>11.6%</b>	<b>10.6%</b>		

**UNAUDITED**  
**The University of Texas at Brownsville**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 11,479,111	\$ 9,056,948	\$ 2,422,163	26.7%
Sponsored Programs	74,990,364	73,119,880	1,870,484	2.6%
Net Sales and Services of Educational Activities	837,840	740,486	97,354	13.1%
Net Auxiliary Enterprises	1,003,469	806,094	197,375	24.5%
Other Operating Revenues	55,942	14,685	41,257	280.9%
<b>Total Operating Revenues</b>	<b><u>88,366,726</u></b>	<b><u>83,738,093</u></b>	<b><u>4,628,633</u></b>	<b><u>5.5%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	45,703,696	42,156,297	3,547,399	8.4%
Employee Benefits and Related Costs	11,076,849	10,225,921	850,928	8.3%
Professional Fees and Contracted Services	1,571,732	1,394,097	177,635	12.7%
Scholarships and Fellowships	36,295,020	33,965,673	2,329,347	6.9%
Travel	899,058	916,959	(17,901)	-2.0%
Materials and Supplies	3,725,587	3,149,787	575,800	18.3%
Utilities	2,685,116	2,626,218	58,898	2.2%
Telecommunications	1,396,657	1,247,628	149,029	11.9%
Repairs and Maintenance	878,796	645,774	233,022	36.1%
Rentals and Leases	1,452,905	1,415,045	37,860	2.7%
Printing and Reproduction	256,258	290,993	(34,735)	-11.9%
Bad Debt Expense	32,385	19,273	13,112	68.0%
Federal Sponsored Programs Pass-Thrus	39,377	41,716	(2,339)	-5.6%
Depreciation and Amortization	4,449,523	4,052,120	397,403	9.8%
Other Operating Expenses	4,792,617	4,619,476	173,141	3.7%
<b>Total Operating Expenses</b>	<b><u>115,255,576</u></b>	<b><u>106,766,977</u></b>	<b><u>8,488,599</u></b>	<b><u>8.0%</u></b>
<b>Operating Loss</b>	<b><u>(26,888,850)</u></b>	<b><u>(23,028,884)</u></b>	<b><u>(3,859,966)</u></b>	<b><u>-16.8%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	26,823,775	21,505,815	5,317,960	24.7%
Gift Contributions for Operations	299,483	256,198	43,285	16.9%
Net Investment Income	1,116,827	1,064,908	51,919	4.9%
Interest Expense on Capital Asset Financings	(1,318,473)	(1,257,920)	(60,553)	-4.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>26,921,612</u></b>	<b><u>21,569,001</u></b>	<b><u>5,352,611</u></b>	<b><u>24.8%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>32,762</b>	<b>(1,459,883)</b>	<b>1,492,645</b>	<b>102.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.0%</b>	<b>-1.4%</b>		
Investment Gains (Losses)	1,179,577	1,682,785	(503,208)	-29.9%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 1,212,339</b>	<b>\$ 222,902</b>	<b>\$ 989,437</b>	<b>443.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>1.0%</b>	<b>0.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>4,482,285</b>	<b>2,592,237</b>	<b>1,890,048</b>	<b>72.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>3.8%</b>	<b>2.4%</b>		

**UNAUDITED**  
**The University of Texas at Dallas**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	<u>May</u> <u>Year-to-Date</u> <u>FY 2008</u>	<u>May</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 106,744,049	\$ 95,399,809	\$ 11,344,240	11.9%
Sponsored Programs	37,214,360	31,462,849	5,751,511	18.3%
Net Sales and Services of Educational Activities	5,604,632	4,797,631	807,001	16.8%
Net Auxiliary Enterprises	4,182,998	4,299,224	(116,226)	-2.7%
Other Operating Revenues	5,617,196	4,070,361	1,546,835	38.0%
<b>Total Operating Revenues</b>	<b><u>159,363,235</u></b>	<b><u>140,029,874</u></b>	<b><u>19,333,361</u></b>	<b><u>13.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	110,918,015	102,769,706	8,148,309	7.9%
Employee Benefits and Related Costs	23,394,065	21,101,354	2,292,711	10.9%
Professional Fees and Contracted Services	2,491,905	2,177,155	314,750	14.5%
Other Contracted Services	7,649,656	5,661,770	1,987,886	35.1%
Scholarships and Fellowships	35,731,514	34,787,273	944,241	2.7%
Travel	2,535,355	2,542,104	(6,749)	-0.3%
Materials and Supplies	11,502,129	10,840,232	661,897	6.1%
Utilities	6,080,928	5,565,455	515,473	9.3%
Telecommunications	1,020,000	966,101	53,899	5.6%
Repairs and Maintenance	3,111,780	2,210,216	901,564	40.8%
Rentals and Leases	979,527	1,000,307	(20,780)	-2.1%
Printing and Reproduction	955,867	1,001,521	(45,654)	-4.6%
Federal Sponsored Programs Pass-Thrus	636,631	104,892	531,739	506.9%
Depreciation and Amortization	15,227,449	14,347,392	880,057	6.1%
Other Operating Expenses	7,970,001	7,190,809	779,192	10.8%
<b>Total Operating Expenses</b>	<b><u>230,204,822</u></b>	<b><u>212,266,287</u></b>	<b><u>17,938,535</u></b>	<b><u>8.5%</u></b>
<b>Operating Loss</b>	<b><u>(70,841,587)</u></b>	<b><u>(72,236,413)</u></b>	<b><u>1,394,826</u></b>	<b><u>1.9%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	68,255,032	58,293,240	9,961,792	17.1%
Gift Contributions for Operations	8,067,041	7,289,383	777,658	10.7%
Net Investment Income	10,681,446	9,318,855	1,362,591	14.6%
Interest Expense on Capital Asset Financings	(5,825,574)	(4,652,020)	(1,173,554)	-25.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>81,177,945</u></b>	<b><u>70,249,458</u></b>	<b><u>10,928,487</u></b>	<b><u>15.6%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>10,336,358</b>	<b>(1,986,955)</b>	<b>12,323,313</b>	<b>620.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>4.2%</b>	<b>-0.9%</b>		
Investment Gains (Losses)	4,551,089	8,170,302	(3,619,213)	-44.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 14,887,447</b>	<b>\$ 6,183,347</b>	<b>\$ 8,704,100</b>	<b>140.8%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>5.9%</b>	<b>2.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>25,563,807</b>	<b>12,360,437</b>	<b>13,203,370</b>	<b>106.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>10.4%</b>	<b>5.8%</b>		

**UNAUDITED**  
**The University of Texas at El Paso**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 71,232,309	\$ 67,085,847	\$ 4,146,462	6.2%
Sponsored Programs	67,665,762	65,538,508	2,127,254	3.2%
Net Sales and Services of Educational Activities	3,050,640	3,124,900	(74,260)	-2.4%
Net Auxiliary Enterprises	17,071,139	21,328,098	(4,256,959)	-20.0%
Other Operating Revenues	321,667	17,116	304,551	1,779.3%
<b>Total Operating Revenues</b>	<b><u>159,341,517</u></b>	<b><u>157,094,469</u></b>	<b><u>2,247,048</u></b>	<b><u>1.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	99,984,705	94,156,424	5,828,281	6.2%
Employee Benefits and Related Costs	23,852,708	22,627,564	1,225,144	5.4%
Professional Fees and Contracted Services	729,339	783,724	(54,385)	-6.9%
Other Contracted Services	11,147,433	15,028,747	(3,881,314)	-25.8%
Scholarships and Fellowships	49,810,732	47,611,015	2,199,717	4.6%
Travel	4,751,598	4,091,342	660,256	16.1%
Materials and Supplies	15,548,564	15,588,206	(39,642)	-0.3%
Utilities	5,733,164	5,624,990	108,174	1.9%
Telecommunications	556,917	570,170	(13,253)	-2.3%
Repairs and Maintenance	2,787,173	2,627,848	159,325	6.1%
Rentals and Leases	2,370,994	2,224,496	146,498	6.6%
Printing and Reproduction	721,411	458,479	262,932	57.3%
Federal Sponsored Programs Pass-Thrus	205,588	243,116	(37,528)	-15.4%
Depreciation and Amortization	11,096,752	10,300,106	796,646	7.7%
Other Operating Expenses	4,146,546	3,976,613	169,933	4.3%
<b>Total Operating Expenses</b>	<b><u>233,443,624</u></b>	<b><u>225,912,840</u></b>	<b><u>7,530,784</u></b>	<b><u>3.3%</u></b>
<b>Operating Loss</b>	<b><u>(74,102,107)</u></b>	<b><u>(68,818,371)</u></b>	<b><u>(5,283,736)</u></b>	<b><u>-7.7%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	68,941,287	61,039,753	7,901,534	12.9%
Gift Contributions for Operations	4,604,620	5,660,370	(1,055,750)	-18.7%
Net Investment Income	7,391,074	7,215,592	175,482	2.4%
Interest Expense on Capital Asset Financings	(3,432,438)	(2,231,851)	(1,200,587)	-53.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>77,504,543</u></b>	<b><u>71,683,864</u></b>	<b><u>5,820,679</u></b>	<b><u>8.1%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,402,436</b>	<b>2,865,493</b>	<b>536,943</b>	<b>18.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.4%</b>	<b>1.2%</b>		
Investment Gains (Losses)	2,048,756	4,248,293	(2,199,537)	-51.8%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 5,451,192</b>	<b>\$ 7,113,786</b>	<b>\$ (1,662,594)</b>	<b>-23.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>2.2%</b>	<b>3.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>14,499,188</b>	<b>13,165,599</b>	<b>1,333,589</b>	<b>10.1%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.0%</b>	<b>5.7%</b>		

**UNAUDITED**  
**The University of Texas - Pan American**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 57,465,648	\$ 51,335,343	\$ 6,130,305	11.9%
Sponsored Programs	63,662,217	61,842,354	1,819,863	2.9%
Net Sales and Services of Educational Activities	3,791,095	4,298,812	(507,717)	-11.8%
Net Auxiliary Enterprises	3,074,701	2,354,361	720,340	30.6%
Other Operating Revenues	1,054,364	612,581	441,783	72.1%
<b>Total Operating Revenues</b>	<b><u>129,048,025</u></b>	<b><u>120,443,451</u></b>	<b><u>8,604,574</u></b>	<b><u>7.1%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	71,992,515	67,098,073	4,894,442	7.3%
Employee Benefits and Related Costs	17,228,474	15,447,603	1,780,871	11.5%
Professional Fees and Contracted Services	1,481,171	1,430,253	50,918	3.6%
Other Contracted Services	4,577,718	3,150,148	1,427,570	45.3%
Scholarships and Fellowships	60,111,970	53,710,103	6,401,867	11.9%
Travel	2,982,417	2,626,128	356,289	13.6%
Materials and Supplies	8,749,878	10,708,410	(1,958,532)	-18.3%
Utilities	5,068,805	3,768,337	1,300,468	34.5%
Telecommunications	627,821	553,043	74,778	13.5%
Repairs and Maintenance	1,577,505	1,591,505	(14,000)	-0.9%
Rentals and Leases	628,603	565,746	62,857	11.1%
Printing and Reproduction	243,075	253,745	(10,670)	-4.2%
Bad Debt Expense	9,000	920,106	(911,106)	-99.0%
Federal Sponsored Programs Pass-Thrus	107,629	19,282	88,347	458.2%
Depreciation and Amortization	11,551,354	11,995,755	(444,401)	-3.7%
Other Operating Expenses	3,426,562	3,832,288	(405,726)	-10.6%
<b>Total Operating Expenses</b>	<b><u>190,364,497</u></b>	<b><u>177,670,525</u></b>	<b><u>12,693,972</u></b>	<b><u>7.1%</u></b>
<b>Operating Loss</b>	<b><u>(61,316,472)</u></b>	<b><u>(57,227,074)</u></b>	<b><u>(4,089,398)</u></b>	<b><u>-7.1%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	55,950,175	52,601,722	3,348,453	6.4%
Gift Contributions for Operations	1,467,621	1,444,242	23,379	1.6%
Net Investment Income	2,667,081	2,490,449	176,632	7.1%
Interest Expense on Capital Asset Financings	(3,122,649)	(2,451,082)	(671,567)	-27.4%
<b>Net Other Nonoperating Adjustments</b>	<b><u>56,962,228</u></b>	<b><u>54,085,331</u></b>	<b><u>2,876,897</u></b>	<b><u>5.3%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(4,354,244)</b>	<b>(3,141,743)</b>	<b>(1,212,501)</b>	<b>-38.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-2.3%</b>	<b>-1.8%</b>		
Investment Gains (Losses)	1,902,480	3,537,479	(1,634,999)	-46.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (2,451,764)</b>	<b>\$ 395,736</b>	<b>\$ (2,847,500)</b>	<b>-719.5%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-1.3%</b>	<b>0.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>7,197,110</b>	<b>8,854,012</b>	<b>(1,656,902)</b>	<b>-18.7%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>3.8%</b>	<b>5.0%</b>		

**UNAUDITED**  
**The University of Texas of the Permian Basin**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 11,032,127	\$ 10,389,048	\$ 643,079	6.2%
Sponsored Programs	5,608,395	5,116,829	491,566	9.6%
Net Sales and Services of Educational Activities	233,514	168,312	65,202	38.7%
Net Auxiliary Enterprises	2,335,450	1,702,823	632,627	37.2%
Other Operating Revenues	326,493	115,600	210,893	182.4%
<b>Total Operating Revenues</b>	<b><u>19,535,979</u></b>	<b><u>17,492,612</u></b>	<b><u>2,043,367</u></b>	<b><u>11.7%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	13,302,120	12,579,784	722,336	5.7%
Employee Benefits and Related Costs	3,157,557	2,968,956	188,601	6.4%
Professional Fees and Contracted Services	1,817,114	1,060,658	756,456	71.3%
Other Contracted Services	1,241,381	853,351	388,030	45.5%
Scholarships and Fellowships	6,043,273	5,720,145	323,128	5.6%
Travel	659,398	609,099	50,299	8.3%
Materials and Supplies	1,976,271	1,496,960	479,311	32.0%
Utilities	1,726,145	1,560,376	165,769	10.6%
Telecommunications	274,127	319,077	(44,950)	-14.1%
Repairs and Maintenance	491,524	551,215	(59,691)	-10.8%
Rentals and Leases	278,617	214,029	64,588	30.2%
Printing and Reproduction	132,218	178,840	(46,622)	-26.1%
Depreciation and Amortization	2,737,500	2,443,251	294,249	12.0%
Other Operating Expenses	633,268	660,071	(26,803)	-4.1%
<b>Total Operating Expenses</b>	<b><u>34,470,513</u></b>	<b><u>31,215,812</u></b>	<b><u>3,254,701</u></b>	<b><u>10.4%</u></b>
<b>Operating Loss</b>	<b><u>(14,934,534)</u></b>	<b><u>(13,723,200)</u></b>	<b><u>(1,211,334)</u></b>	<b><u>-8.8%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	23,704,460	12,906,384	10,798,076	83.7%
Gift Contributions for Operations	835,431	1,109,616	(274,185)	-24.7%
Net Investment Income	890,953	821,949	69,004	8.4%
Interest Expense on Capital Asset Financings	(1,197,369)	(1,218,349)	20,980	1.7%
<b>Net Other Nonoperating Adjustments</b>	<b><u>24,233,475</u></b>	<b><u>13,619,600</u></b>	<b><u>10,613,875</u></b>	<b><u>77.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>9,298,941</b>	<b>(103,600)</b>	<b>9,402,541</b>	<b>9,075.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>20.7%</b>	<b>-0.3%</b>		
Investment Gains (Losses)	317,790	404,412	(86,622)	-21.4%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 9,616,731</b>	<b>\$ 300,812</b>	<b>\$ 9,315,919</b>	<b>3096.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>21.2%</b>	<b>0.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>12,036,441</b>	<b>2,339,651</b>	<b>9,696,790</b>	<b>414.5%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>26.8%</b>	<b>7.2%</b>		

**UNAUDITED**  
**The University of Texas at San Antonio**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 138,623,068	\$ 134,584,705	\$ 4,038,363	3.0%
Sponsored Programs	65,302,712	58,558,401	6,744,311	11.5%
Net Sales and Services of Educational Activities	4,676,017	3,751,052	924,965	24.7%
Net Auxiliary Enterprises	12,517,390	11,355,261	1,162,129	10.2%
Other Operating Revenues	1,425,177	1,494,553	(69,376)	-4.6%
<b>Total Operating Revenues</b>	<b><u>222,544,364</u></b>	<b><u>209,743,972</u></b>	<b><u>12,800,392</u></b>	<b><u>6.1%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	127,612,253	117,189,409	10,422,844	8.9%
Employee Benefits and Related Costs	31,470,788	28,544,299	2,926,489	10.3%
Professional Fees and Contracted Services	2,695,031	2,153,358	541,673	25.2%
Other Contracted Services	5,282,530	2,956,581	2,325,949	78.7%
Scholarships and Fellowships	56,767,073	51,053,947	5,713,126	11.2%
Travel	4,757,496	3,933,228	824,268	21.0%
Materials and Supplies	14,651,555	12,721,808	1,929,747	15.2%
Utilities	8,190,000	6,738,975	1,451,025	21.5%
Telecommunications	2,162,890	2,028,900	133,990	6.6%
Repairs and Maintenance	4,921,308	4,508,376	412,932	9.2%
Rentals and Leases	1,978,442	1,732,469	245,973	14.2%
Printing and Reproduction	757,804	794,330	(36,526)	-4.6%
Federal Sponsored Programs Pass-Thrus	2,431,354	2,041,833	389,521	19.1%
Depreciation and Amortization	19,624,176	18,028,947	1,595,229	8.8%
Other Operating Expenses	5,224,302	4,312,908	911,394	21.1%
<b>Total Operating Expenses</b>	<b><u>288,527,002</u></b>	<b><u>258,739,368</u></b>	<b><u>29,787,634</u></b>	<b><u>11.5%</u></b>
<b>Operating Loss</b>	<b><u>(65,982,638)</u></b>	<b><u>(48,995,396)</u></b>	<b><u>(16,987,242)</u></b>	<b><u>-34.7%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	85,998,676	73,814,351	12,184,325	16.5%
Gift Contributions for Operations	5,232,156	2,877,682	2,354,474	81.8%
Net Investment Income	7,195,685	6,033,860	1,161,825	19.3%
Interest Expense on Capital Asset Financings	(9,739,116)	(4,381,482)	(5,357,634)	-122.3%
<b>Net Other Nonoperating Adjustments</b>	<b><u>88,687,401</u></b>	<b><u>78,344,411</u></b>	<b><u>10,342,990</u></b>	<b><u>13.2%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>22,704,763</b>	<b>29,349,015</b>	<b>(6,644,252)</b>	<b>-22.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>7.1%</b>	<b>10.0%</b>		
Investment Gains (Losses)	6,776,951	12,892,285	(6,115,334)	-47.4%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 29,481,714</b>	<b>\$ 42,241,300</b>	<b>\$ (12,759,586)</b>	<b>-30.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>9.0%</b>	<b>13.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>42,328,939</b>	<b>47,377,962</b>	<b>(5,049,023)</b>	<b>-10.7%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>13.2%</b>	<b>16.2%</b>		

**UNAUDITED**  
**The University of Texas at Tyler**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 22,883,517	\$ 20,102,994	\$ 2,780,523	13.8%
Sponsored Programs	8,572,975	7,419,262	1,153,713	15.6%
Net Sales and Services of Educational Activities	865,794	686,289	179,505	26.2%
Net Auxiliary Enterprises	3,163,969	3,122,574	41,395	1.3%
Other Operating Revenues	76,946	46,769	30,177	64.5%
<b>Total Operating Revenues</b>	<b><u>35,563,201</u></b>	<b><u>31,377,888</u></b>	<b><u>4,185,313</u></b>	<b><u>13.3%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	24,985,101	23,279,803	1,705,298	7.3%
Employee Benefits and Related Costs	6,415,574	5,877,502	538,072	9.2%
Professional Fees and Contracted Services	979,019	793,144	185,875	23.4%
Other Contracted Services	2,599,811	2,204,089	395,722	18.0%
Scholarships and Fellowships	9,408,179	8,874,234	533,945	6.0%
Travel	1,269,267	944,017	325,250	34.5%
Materials and Supplies	4,777,798	3,417,046	1,360,752	39.8%
Utilities	1,326,479	1,123,621	202,858	18.1%
Telecommunications	454,321	405,465	48,856	12.0%
Repairs and Maintenance	1,396,503	729,556	666,947	91.4%
Rentals and Leases	271,240	252,384	18,856	7.5%
Printing and Reproduction	409,944	469,297	(59,353)	-12.6%
Depreciation and Amortization	5,396,390	5,105,363	291,027	5.7%
Other Operating Expenses	1,128,244	931,460	196,784	21.1%
<b>Total Operating Expenses</b>	<b><u>60,817,870</u></b>	<b><u>54,406,981</u></b>	<b><u>6,410,889</u></b>	<b><u>11.8%</u></b>
<b>Operating Loss</b>	<b><u>(25,254,669)</u></b>	<b><u>(23,029,093)</u></b>	<b><u>(2,225,576)</u></b>	<b><u>-9.7%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	27,528,821	22,802,181	4,726,640	20.7%
Gift Contributions for Operations	581,732	838,196	(256,464)	-30.6%
Net Investment Income	2,999,147	2,686,028	313,119	11.7%
Interest Expense on Capital Asset Financings	(1,979,595)	(1,624,821)	(354,774)	-21.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>29,130,105</u></b>	<b><u>24,701,584</u></b>	<b><u>4,428,521</u></b>	<b><u>17.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,875,436</b>	<b>1,672,491</b>	<b>2,202,945</b>	<b>131.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>5.8%</b>	<b>2.9%</b>		
Investment Gains (Losses)	1,181,740	2,009,416	(827,676)	-41.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 5,057,176</b>	<b>\$ 3,681,907</b>	<b>\$ 1,375,269</b>	<b>37.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>7.5%</b>	<b>6.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>9,271,826</b>	<b>6,777,854</b>	<b>2,493,972</b>	<b>36.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>13.9%</b>	<b>11.7%</b>		

**UNAUDITED**  
**The University of Texas Southwestern Medical Center at Dallas**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 15,489,256	\$ 15,106,351	\$ 382,905	2.5%
Sponsored Programs	315,221,791	297,100,437	18,121,354	6.1%
Net Sales and Services of Educational Activities	5,063,117	4,968,798	94,319	1.9%
Net Sales and Services of Hospitals	250,496,833	220,386,995	30,109,838	13.7%
Net Professional Fees	236,700,000	265,809,024	(29,109,024)	-11.0%
Net Auxiliary Enterprises	12,792,135	13,044,845	(252,710)	-1.9%
Other Operating Revenues	5,141,000	4,379,011	761,989	17.4%
<b>Total Operating Revenues</b>	<b><u>840,904,132</u></b>	<b><u>820,795,461</u></b>	<b><u>20,108,671</u></b>	<b><u>2.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	516,508,995	470,334,605	46,174,390	9.8%
Employee Benefits and Related Costs	141,102,769	128,148,155	12,954,614	10.1%
Professional Fees and Contracted Services	13,282,630	15,930,522	(2,647,892)	-16.6%
Other Contracted Services	57,831,557	51,193,611	6,637,946	13.0%
Scholarships and Fellowships	5,596,052	5,804,108	(208,056)	-3.6%
Travel	7,432,372	6,261,342	1,171,030	18.7%
Materials and Supplies	136,744,417	130,194,435	6,549,982	5.0%
Utilities	23,452,569	20,308,925	3,143,644	15.5%
Telecommunications	5,532,706	5,219,244	313,462	6.0%
Repairs and Maintenance	10,282,279	9,431,808	850,471	9.0%
Rentals and Leases	7,514,485	8,595,475	(1,080,990)	-12.6%
Printing and Reproduction	2,221,303	2,390,848	(169,545)	-7.1%
Federal Sponsored Programs Pass-Thru	422,018	948,970	(526,952)	-55.5%
Depreciation and Amortization	50,797,243	48,140,171	2,657,072	5.5%
Other Operating Expenses	33,957,346	32,097,712	1,859,634	5.8%
<b>Total Operating Expenses</b>	<b><u>1,012,678,741</u></b>	<b><u>934,999,931</u></b>	<b><u>77,678,810</u></b>	<b><u>8.3%</u></b>
<b>Operating Loss</b>	<b><u>(171,774,609)</u></b>	<b><u>(114,204,470)</u></b>	<b><u>(57,570,139)</u></b>	<b><u>-50.4%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	134,168,508	112,468,816	21,699,692	19.3%
Gift Contributions for Operations	63,059,437	32,477,519	30,581,918	94.2%
Net Investment Income	50,198,593	48,305,926	1,892,667	3.9%
Interest Expense on Capital Asset Financings	(14,989,635)	(15,345,536)	355,901	2.3%
<b>Net Other Nonoperating Adjustments</b>	<b><u>232,436,903</u></b>	<b><u>177,906,725</u></b>	<b><u>54,530,178</u></b>	<b><u>30.7%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>60,662,294</b>	<b>63,702,255</b>	<b>(3,039,961)</b>	<b>-4.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>5.6%</b>	<b>6.3%</b>		
Investment Gains (Losses)	24,256,600	41,495,266	(17,238,666)	-41.5%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 84,918,894</b>	<b>\$ 105,197,521</b>	<b>\$ (20,278,627)</b>	<b>-19.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>7.6%</b>	<b>10.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>111,459,537</b>	<b>111,842,426</b>	<b>(382,889)</b>	<b>-0.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>10.2%</b>	<b>11.0%</b>		

**UNAUDITED**  
**The University of Texas Medical Branch at Galveston**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 13,449,635	\$ 11,486,721	\$ 1,962,914	17.1%
Sponsored Programs	193,901,250	174,795,138	19,106,112	10.9%
Net Sales and Services of Educational Activities	1,410,121	1,541,895	(131,774)	-8.5%
Net Sales and Services of Hospitals	530,629,061	507,209,484	23,419,577	4.6%
Net Professional Fees	99,930,915	110,672,202	(10,741,287)	-9.7%
Net Auxiliary Enterprises	8,044,268	6,788,619	1,255,649	18.5%
Other Operating Revenues	9,139,028	11,839,658	(2,700,630)	-22.8%
<b>Total Operating Revenues</b>	<b><u>856,504,278</u></b>	<b><u>824,333,717</u></b>	<b><u>32,170,561</u></b>	<b><u>3.9%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	603,710,263	559,538,476	44,171,787	7.9%
Employee Benefits and Related Costs	143,561,342	130,735,573	12,825,769	9.8%
Professional Fees and Contracted Services	18,111,264	26,924,825	(8,813,561)	-32.7%
Other Contracted Services	49,675,618	40,477,696	9,197,922	22.7%
Scholarships and Fellowships	6,004,122	4,048,055	1,956,067	48.3%
Travel	6,330,018	5,110,889	1,219,129	23.9%
Materials and Supplies	142,955,930	132,794,941	10,160,989	7.7%
Utilities	25,373,851	20,596,556	4,777,295	23.2%
Telecommunications	11,398,617	10,266,718	1,131,899	11.0%
Repairs and Maintenance	25,308,581	22,521,610	2,786,971	12.4%
Rentals and Leases	13,188,280	10,616,583	2,571,697	24.2%
Printing and Reproduction	1,833,597	1,629,784	203,813	12.5%
Federal Sponsored Programs Pass-Thru	5,832,364	6,685,293	(852,929)	-12.8%
Depreciation and Amortization	50,184,563	39,763,369	10,421,194	26.2%
Other Operating Expenses	40,413,470	51,900,698	(11,487,228)	-22.1%
<b>Total Operating Expenses</b>	<b><u>1,143,881,880</u></b>	<b><u>1,063,611,066</u></b>	<b><u>80,270,814</u></b>	<b><u>7.5%</u></b>
<b>Operating Loss</b>	<b><u>(287,377,602)</u></b>	<b><u>(239,277,349)</u></b>	<b><u>(48,100,253)</u></b>	<b><u>-20.1%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	229,692,121	217,740,007	11,952,114	5.5%
Gift Contributions for Operations	6,860,133	5,611,753	1,248,380	22.2%
Net Investment Income	26,340,122	25,332,267	1,007,855	4.0%
Interest Expense on Capital Asset Financings	(4,085,092)	(3,433,615)	(651,477)	-19.0%
<b>Net Other Nonoperating Adjustments</b>	<b><u>258,807,284</u></b>	<b><u>245,250,412</u></b>	<b><u>13,556,872</u></b>	<b><u>5.5%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(28,570,318)</b>	<b>5,973,063</b>	<b>(34,543,381)</b>	<b>-578.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-2.6%</b>	<b>0.6%</b>		
Investment Gains (Losses)	8,760,294	20,896,087	(12,135,793)	-58.1%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (19,810,024)</b>	<b>\$ 26,869,150</b>	<b>\$ (46,679,174)</b>	<b>-173.7%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-1.8%</b>	<b>2.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>21,614,245</b>	<b>45,736,432</b>	<b>(24,122,187)</b>	<b>-52.7%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>1.9%</b>	<b>4.3%</b>		

**UNAUDITED**  
**The University of Texas Health Science Center at Houston**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 18,967,217	\$ 16,920,997	\$ 2,046,220	12.1%
Sponsored Programs	226,403,161	219,323,341	7,079,820	3.2%
Net Sales and Services of Educational Activities	26,138,569	24,837,337	1,301,232	5.2%
Net Sales and Services of Hospitals	24,101,669	20,138,484	3,963,185	19.7%
Net Professional Fees	89,001,202	92,921,236	(3,920,034)	-4.2%
Net Auxiliary Enterprises	16,490,923	17,268,547	(777,624)	-4.5%
Other Operating Revenues	27,750,174	22,875,783	4,874,391	21.3%
<b>Total Operating Revenues</b>	<b><u>428,852,915</u></b>	<b><u>414,285,725</u></b>	<b><u>14,567,190</u></b>	<b><u>3.5%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	263,016,149	247,083,661	15,932,488	6.4%
Employee Benefits and Related Costs	61,318,438	55,442,898	5,875,540	10.6%
Professional Fees and Contracted Services	53,682,233	42,449,831	11,232,402	26.5%
Other Contracted Services	28,241,593	31,852,598	(3,611,005)	-11.3%
Scholarships and Fellowships	2,973,094	2,057,225	915,869	44.5%
Travel	4,588,458	4,426,670	161,788	3.7%
Materials and Supplies	42,095,950	40,990,205	1,105,745	2.7%
Utilities	12,673,459	11,532,558	1,140,901	9.9%
Telecommunications	2,028,074	2,051,415	(23,341)	-1.1%
Repairs and Maintenance	3,686,796	4,214,161	(527,365)	-12.5%
Rentals and Leases	8,936,415	9,649,861	(713,446)	-7.4%
Printing and Reproduction	2,665,268	2,664,841	427	0.0%
Federal Sponsored Programs Pass-Thru	5,607,570	3,951,482	1,656,088	41.9%
Depreciation and Amortization	24,779,608	24,724,363	55,245	0.2%
Other Operating Expenses	37,679,109	38,915,677	(1,236,568)	-3.2%
<b>Total Operating Expenses</b>	<b><u>553,972,214</u></b>	<b><u>522,007,446</u></b>	<b><u>31,964,768</u></b>	<b><u>6.1%</u></b>
<b>Operating Loss</b>	<b><u>(125,119,299)</u></b>	<b><u>(107,721,721)</u></b>	<b><u>(17,397,578)</u></b>	<b><u>-16.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	125,015,948	113,986,161	11,029,787	9.7%
Gift Contributions for Operations	14,035,168	8,661,050	5,374,118	62.0%
Net Investment Income	17,905,612	17,726,237	179,375	1.0%
Interest Expense on Capital Asset Financings	(6,409,809)	(5,179,708)	(1,230,101)	-23.7%
<b>Net Other Nonoperating Adjustments</b>	<b><u>150,546,919</u></b>	<b><u>135,193,740</u></b>	<b><u>15,353,179</u></b>	<b><u>11.4%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>25,427,620</b>	<b>27,472,019</b>	<b>(2,044,399)</b>	<b>-7.4%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>4.3%</b>	<b>5.0%</b>		
Investment Gains (Losses)	9,594,389	15,168,552	(5,574,163)	-36.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 35,022,009</b>	<b>\$ 42,640,571</b>	<b>\$ (7,618,562)</b>	<b>-17.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>5.9%</b>	<b>7.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>50,207,228</b>	<b>52,196,382</b>	<b>(1,989,154)</b>	<b>-3.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>8.6%</b>	<b>9.4%</b>		

**UNAUDITED**  
**The University of Texas Health Science Center at San Antonio**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 17,437,500	\$ 15,900,000	\$ 1,537,500	9.7%
Sponsored Programs	164,768,405	154,878,397	9,890,008	6.4%
Net Sales and Services of Educational Activities	28,704,457	27,910,437	794,020	2.8%
Net Professional Fees	64,425,709	70,888,689	(6,462,980)	-9.1%
Net Auxiliary Enterprises	2,983,199	2,320,554	662,645	28.6%
Other Operating Revenues	8,833,955	8,107,077	726,878	9.0%
<b>Total Operating Revenues</b>	<b><u>287,153,225</u></b>	<b><u>280,005,154</u></b>	<b><u>7,148,071</u></b>	<b><u>2.6%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	237,299,444	215,880,935	21,418,509	9.9%
Employee Benefits and Related Costs	58,464,490	53,501,075	4,963,415	9.3%
Professional Fees and Contracted Services	10,994,907	8,309,523	2,685,384	32.3%
Other Contracted Services	21,302,590	15,859,543	5,443,047	34.3%
Scholarships and Fellowships	2,355,905	2,115,875	240,030	11.3%
Travel	3,819,861	3,505,349	314,512	9.0%
Materials and Supplies	25,691,638	23,397,399	2,294,239	9.8%
Utilities	10,437,500	9,750,000	687,500	7.1%
Telecommunications	6,164,691	4,398,765	1,765,926	40.1%
Repairs and Maintenance	2,478,914	2,237,630	241,284	10.8%
Rentals and Leases	1,992,375	1,572,216	420,159	26.7%
Printing and Reproduction	1,410,551	1,232,827	177,724	14.4%
Federal Sponsored Programs Pass-Thrus	450,000	468,750	(18,750)	-4.0%
Depreciation and Amortization	21,791,667	17,103,646	4,688,021	27.4%
Other Operating Expenses	52,099,615	48,012,223	4,087,392	8.5%
<b>Total Operating Expenses</b>	<b><u>456,754,148</u></b>	<b><u>407,345,756</u></b>	<b><u>49,408,392</u></b>	<b><u>12.1%</u></b>
<b>Operating Loss</b>	<b><u>(169,600,923)</u></b>	<b><u>(127,340,602)</u></b>	<b><u>(42,260,321)</u></b>	<b><u>-33.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	127,581,512	111,737,243	15,844,269	14.2%
Gift Contributions for Operations	13,910,698	15,935,906	(2,025,208)	-12.7%
Net Investment Income	20,075,853	21,829,908	(1,754,055)	-8.0%
Interest Expense on Capital Asset Financings	(5,762,376)	(715,079)	(5,047,297)	-705.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>155,805,687</u></b>	<b><u>148,787,978</u></b>	<b><u>7,017,709</u></b>	<b><u>4.7%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(13,795,236)</b>	<b>21,447,376</b>	<b>(35,242,612)</b>	<b>-164.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-3.1%</b>	<b>5.0%</b>		
Investment Gains (Losses)	10,518,011	12,994,833	(2,476,822)	-19.1%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (3,277,225)</b>	<b>\$ 34,442,209</b>	<b>\$ (37,719,434)</b>	<b>-109.5%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-0.7%</b>	<b>7.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>7,996,431</b>	<b>38,551,022</b>	<b>(30,554,591)</b>	<b>-79.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>1.8%</b>	<b>9.0%</b>		

**UNAUDITED**  
**The University of Texas M. D. Anderson Cancer Center**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	May Year-to-Date <u>FY 2008</u>	May Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 465,370	\$ 406,477	\$ 58,893	14.5%
Sponsored Programs	194,076,169	176,161,179	17,914,990	10.2%
Net Sales and Services of Educational Activities	1,916,870	1,866,285	50,585	2.7%
Net Sales and Services of Hospitals	1,374,994,552	1,251,486,613	123,507,939	9.9%
Net Professional Fees	200,110,014	204,909,653	(4,799,639)	-2.3%
Net Auxiliary Enterprises	20,883,916	18,922,474	1,961,442	10.4%
Other Operating Revenues	28,770,830	20,663,219	8,107,611	39.2%
<b>Total Operating Revenues</b>	<b><u>1,821,217,721</u></b>	<b><u>1,674,415,900</u></b>	<b><u>146,801,821</u></b>	<b><u>8.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	914,186,074	832,419,526	81,766,548	9.8%
Employee Benefits and Related Costs	243,631,247	219,751,636	23,879,611	10.9%
Professional Fees and Contracted Services	87,472,308	69,077,445	18,394,863	26.6%
Other Contracted Services	51,927,413	51,875,277	52,136	0.1%
Travel	15,822,433	15,085,740	736,693	4.9%
Materials and Supplies	332,496,793	315,702,574	16,794,219	5.3%
Utilities	39,964,394	36,470,046	3,494,348	9.6%
Telecommunications	5,949,483	4,736,127	1,213,356	25.6%
Repairs and Maintenance	44,214,630	35,913,985	8,300,645	23.1%
Rentals and Leases	27,416,647	22,787,049	4,629,598	20.3%
Federal Sponsored Programs Pass-Thrus	427,934	324,594	103,340	31.8%
Depreciation and Amortization	154,286,680	143,126,071	11,160,609	7.8%
Other Operating Expenses	2,430,589	2,107,917	322,672	15.3%
<b>Total Operating Expenses</b>	<b><u>1,920,226,625</u></b>	<b><u>1,749,377,987</u></b>	<b><u>170,848,638</u></b>	<b><u>9.8%</u></b>
<b>Operating Loss</b>	<b><u>(99,008,904)</u></b>	<b><u>(74,962,087)</u></b>	<b><u>(24,046,817)</u></b>	<b><u>-32.1%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	126,446,365	119,819,911	6,626,454	5.5%
Gift Contributions for Operations	87,451,143	56,047,095	31,404,048	56.0%
Net Investment Income	41,511,684	41,293,837	217,847	0.5%
Interest Expense on Capital Asset Financings	(20,596,509)	(19,211,053)	(1,385,456)	-7.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>234,812,683</u></b>	<b><u>197,949,790</u></b>	<b><u>36,862,893</u></b>	<b><u>18.6%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>135,803,779</b>	<b>122,987,703</b>	<b>12,816,076</b>	<b>10.4%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>6.5%</b>	<b>6.5%</b>		
Investment Gains (Losses)	26,004,797	93,484,859	(67,480,062)	-72.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 161,808,576</b>	<b>\$ 216,472,562</b>	<b>\$ (54,663,986)</b>	<b>-25.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>7.7%</b>	<b>10.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>290,090,459</b>	<b>266,113,774</b>	<b>23,976,685</b>	<b>9.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>14.0%</b>	<b>14.1%</b>		

**UNAUDITED**  
**The University of Texas Health Science Center at Tyler**  
**Comparison of Operating Results and Margin**  
**For the Nine Months Ending May 31, 2008**

	<u>May</u> <u>Year-to-Date</u> <u>FY 2008</u>	<u>May</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 9,777,239	\$ 10,471,563	\$ (694,324)	-6.6%
Net Sales and Services of Educational Activities	619,058	627,392	(8,334)	-1.3%
Net Sales and Services of Hospitals	31,022,921	32,702,313	(1,679,392)	-5.1%
Net Professional Fees	8,392,610	11,936,929	(3,544,319)	-29.7%
Net Auxiliary Enterprises	118,988	142,469	(23,481)	-16.5%
Other Operating Revenues	949,691	1,354,110	(404,419)	-29.9%
<b>Total Operating Revenues</b>	<b><u>50,880,507</u></b>	<b><u>57,234,776</u></b>	<b><u>(6,354,269)</u></b>	<b><u>-11.1%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	39,040,456	38,758,551	281,905	0.7%
Employee Benefits and Related Costs	11,003,716	10,609,937	393,779	3.7%
Professional Fees and Contracted Services	4,141,892	4,258,359	(116,467)	-2.7%
Other Contracted Services	5,807,454	5,383,329	424,125	7.9%
Travel	327,361	392,689	(65,328)	-16.6%
Materials and Supplies	9,628,102	9,635,994	(7,892)	-0.1%
Utilities	2,373,846	2,442,915	(69,069)	-2.8%
Telecommunications	776,790	485,445	291,345	60.0%
Repairs and Maintenance	2,500,489	2,395,981	104,508	4.4%
Rentals and Leases	725,169	856,211	(131,042)	-15.3%
Printing and Reproduction	103,314	18,026	85,288	473.1%
Federal Sponsored Programs Pass-Thrus	51,937	346,605	(294,668)	-85.0%
Depreciation and Amortization	5,016,826	4,735,762	281,064	5.9%
Other Operating Expenses	1,694,926	2,128,969	(434,043)	-20.4%
<b>Total Operating Expenses</b>	<b><u>83,192,278</u></b>	<b><u>82,448,773</u></b>	<b><u>743,505</u></b>	<b><u>0.9%</u></b>
<b>Operating Loss</b>	<b><u>(32,311,771)</u></b>	<b><u>(25,213,997)</u></b>	<b><u>(7,097,774)</u></b>	<b><u>-28.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	29,082,061	28,084,810	997,251	3.6%
Gift Contributions for Operations	1,034,876	472,434	562,442	119.1%
Net Investment Income	2,989,711	2,957,154	32,557	1.1%
Interest Expense on Capital Asset Financings	(540,720)	(573,575)	32,855	5.7%
<b>Net Other Nonoperating Adjustments</b>	<b><u>32,565,928</u></b>	<b><u>30,940,823</u></b>	<b><u>1,625,105</u></b>	<b><u>5.3%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>254,157</b>	<b>5,726,826</b>	<b>(5,472,669)</b>	<b>-95.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.3%</b>	<b>6.5%</b>		
Investment Gains (Losses)	304,191	-	304,191	100.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 558,348</b>	<b>\$ 5,726,826</b>	<b>\$ (5,168,478)</b>	<b>-90.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>0.7%</b>	<b>6.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>5,270,983</b>	<b>10,462,588</b>	<b>(5,191,605)</b>	<b>-49.6%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.3%</b>	<b>11.8%</b>		