

THE UNIVERSITY OF TEXAS SYSTEM
OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT
(unaudited)

MAY 2009



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THE UNIVERSITY OF TEXAS SYSTEM
MONTHLY FINANCIAL REPORT
(Unaudited)
FOR THE NINE MONTHS ENDING
MAY 31, 2009

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TABLE OF CONTENTS

FOREWORD	7
SYSTEM-WIDE COMPARISONS OF ACTUAL.....	9
YEAR-TO-DATE INCOME (LOSS) SUMMARY BY INSTITUTION	11
EXPLANATIONS OF VARIANCES	12
GLOSSARY OF TERMS	14
SYSTEM ADMINISTRATION	16
ARLINGTON	17
AUSTIN.....	18
BROWNSVILLE.....	19
DALLAS.....	20
EL PASO.....	21
PAN AMERICAN.....	22
PERMIAN BASIN	23
SAN ANTONIO	24
TYLER.....	25
SOUTHWESTERN MEDICAL CENTER AT DALLAS.....	26
MEDICAL BRANCH AT GALVESTON	27
HEALTH SCIENCE CENTER AT HOUSTON	28
HEALTH SCIENCE CENTER AT SAN ANTONIO	29
M. D. ANDERSON CANCER CENTER	30
HEALTH SCIENCE CENTER AT TYLER.....	31

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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, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 1,115,512,193	\$ 1,034,461,332	\$ 81,050,861	7.8%
Sponsored Programs	2,036,134,087	1,805,768,108	230,365,979	12.8%
Net Sales and Services of Educational Activities	254,917,946	220,440,179	34,477,767	15.6%
Net Sales and Services of Hospitals	2,227,659,301	2,210,459,193	17,200,108	0.8%
Net Professional Fees	748,260,661	727,479,733	20,780,928	2.9%
Net Auxiliary Enterprises	299,331,301	276,709,408	22,621,893	8.2%
Other Operating Revenues	106,851,979	102,366,070	4,485,909	4.4%
Total Operating Revenues	<u>6,788,667,468</u>	<u>6,377,684,023</u>	<u>410,983,445</u>	<u>6.4%</u>
Operating Expenses				
Salaries and Wages	4,160,713,509	3,920,581,533	240,131,976	6.1%
Payroll Related Costs	1,030,460,846	971,231,500	59,229,346	6.1%
Professional Fees and Contracted Services	339,188,773	224,806,620	114,382,153	50.9%
Other Contracted Services	371,411,081	318,117,257	53,293,824	16.8%
Scholarships and Fellowships	512,107,060	469,085,184	43,021,876	9.2%
Travel	88,907,069	91,138,533	(2,231,464)	-2.4%
Materials and Supplies	879,799,068	858,739,794	21,059,274	2.5%
Utilities	211,563,982	207,604,588	3,959,394	1.9%
Telecommunications	86,689,406	75,343,711	11,345,695	15.1%
Repairs and Maintenance	150,578,172	130,225,834	20,352,338	15.6%
Rentals and Leases	87,591,810	81,001,197	6,590,613	8.1%
Printing and Reproduction	22,008,719	20,762,372	1,246,347	6.0%
Bad Debt Expense	274,186	41,385	232,801	562.5%
Claims and Losses	18,655,835	7,015,268	11,640,567	165.9%
Federal Sponsored Programs Pass-Throughs	18,698,620	21,596,777	(2,898,157)	-13.4%
Depreciation and Amortization	549,692,749	510,169,079	39,523,670	7.7%
Other Operating Expenses	295,453,561	269,650,939	25,802,622	9.6%
Total Operating Expenses	<u>8,823,794,446</u>	<u>8,178,111,571</u>	<u>645,682,875</u>	<u>7.9%</u>
Operating Loss	<u>(2,035,126,978)</u>	<u>(1,800,427,548)</u>	<u>(234,699,430)</u>	<u>-13.0%</u>
Other Nonoperating Adjustments				
State Appropriations	1,471,498,810	1,462,560,230	8,938,580	0.6%
Gift Contributions for Operations	211,073,614	286,094,231	(75,020,617)	-26.2%
Net Investment Income	447,077,208	626,676,325	(179,599,117)	-28.7%
Interest Expense on Capital Asset Financings	(154,215,635)	(124,149,636)	(30,065,999)	-24.2%
Net Other Nonoperating Adjustments	<u>1,975,433,997</u>	<u>2,251,181,150</u>	<u>(275,747,153)</u>	<u>-12.2%</u>
Adjusted Income (Loss) including Depreciation	(59,692,981)	450,753,602	(510,446,583)	-113.2%
Adjusted Margin (as a percentage) including Depreciation	-0.7%	5.1%		
Investment Gains (Losses)	(4,199,050,701)	787,350,995	(4,986,401,696)	-633.3%
Adj. Inc. (Loss) with Investment Gains (Losses)	\$ (4,258,743,682)	\$ 1,238,104,597	\$ (5,496,848,279)	-444.0%
Adj. Margin % with Investment Gains (Losses)	-90.2%	13.0%		
Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation	(3,709,050,933)	1,748,273,676	(5,457,324,609)	-312.2%
Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation	-78.6%	18.3%		

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**The University of Texas System
Comparison of Adjusted Income (Loss)
For the Nine Months Ending May 31, 2009**

	Including Depreciation and Amortization Expense			Fluctuation Percentage
	May Year-to-Date FY 2009	May Year-to-Date FY 2008	Variance	
UT System Administration	\$ 59,097,585	\$ 230,660,601	\$ (171,563,016) (1)	-74.4%
UT Arlington	8,023,260	7,628,762	394,498	5.2%
UT Austin	46,124,613	86,833,481	(40,708,868) (2)	-46.9%
UT Brownsville	(729,971)	297,545	(1,027,516) (3)	-345.3%
UT Dallas	3,654,122	11,125,539	(7,471,417) (4)	-67.2%
UT El Paso	4,035,241	2,443,617	1,591,624	65.1%
UT Pan American	(1,885,658) (5)	(2,970,687)	1,085,029	36.5%
UT Permian Basin	9,297,843	9,790,363	(492,520)	-5.0%
UT San Antonio	2,148,167	28,983,198	(26,835,031) (6)	-92.6%
UT Tyler	4,129,427	4,468,332	(338,905)	-7.6%
UT Southwestern Medical Center - Dallas	9,010,785	60,317,877	(51,307,092) (7)	-85.1%
UT Medical Branch - Galveston	(153,727,857)	(28,570,318)	(125,157,539) (8)	-438.1%
UT Health Science Center - Houston	3,874,588	21,715,302	(17,840,714) (9)	-82.2%
UT Health Science Center - San Antonio	(3,270,591) (10)	(8,907,932)	5,637,341	63.3%
UT M. D. Anderson Cancer Center	72,211,032	135,265,875	(63,054,843) (11)	-46.6%
UT Health Science Center - Tyler	3,065,683	(627,953)	3,693,636 (12)	588.2%
Elimination of AUF Transfer	(124,751,250)	(107,700,000)	(17,051,250)	-15.8%
Total Adjusted Income (Loss)	(59,692,981)	450,753,602	(510,446,583)	-113.2%
Investment Gains (Losses)	(4,199,050,701)	787,350,995	(4,986,401,696) (13)	-633.3%
Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization	\$ (4,258,743,682)	\$ 1,238,104,597	\$ (5,496,848,279)	-444.0%

	Excluding Depreciation and Amortization Expense			Fluctuation Percentage
	May Year-to-Date FY 2009	May Year-to-Date FY 2008	Variance	
UT System Administration	\$ 63,835,886	\$ 235,401,626	\$ (171,565,740)	-72.9%
UT Arlington	27,741,554	27,313,663	427,891	1.6%
UT Austin	161,379,050	189,954,063	(28,575,013)	-15.0%
UT Brownsville	3,816,156	4,531,898	(715,742)	-15.8%
UT Dallas	20,252,760	26,524,204	(6,271,444)	-23.6%
UT El Paso	16,138,352	13,803,144	2,335,208	16.9%
UT Pan American	7,604,654	8,389,451	(784,797)	-9.4%
UT Permian Basin	12,211,263	12,528,620	(317,357)	-2.5%
UT San Antonio	25,502,053	48,721,183	(23,219,130)	-47.7%
UT Tyler	9,982,651	10,276,872	(294,221)	-2.9%
UT Southwestern Medical Center - Dallas	64,437,680	111,717,190	(47,279,510)	-42.3%
UT Medical Branch - Galveston	(97,823,854)	21,614,245	(119,438,099)	-552.6%
UT Health Science Center - Houston	32,871,240	50,059,604	(17,188,364)	-34.3%
UT Health Science Center - San Antonio	20,354,409	10,765,581	9,588,828	89.1%
UT M. D. Anderson Cancer Center	237,714,098	292,521,570	(54,807,472)	-18.7%
UT Health Science Center - Tyler	8,733,066	4,499,767	4,233,299	94.1%
Elimination of AUF Transfer	(124,751,250)	(107,700,000)	(17,051,250)	-15.8%
Total Adjusted Income (Loss)	489,999,768	960,922,681	(470,922,913)	-49.0%
Investment Gains (Losses)	(4,199,050,701)	787,350,995	(4,986,401,696)	-633.3%
Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization	\$ (3,709,050,933)	\$ 1,748,273,676	\$ (5,457,324,609)	-312.2%

THE UNIVERSITY OF TEXAS SYSTEM
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT
For the Nine Months Ending May 31, 2009

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 \$171.6 million (74.4%) decrease in adjusted income over the same period last year was primarily due to decreased net investment income resulting from unfavorable market conditions. Excluding depreciation expense, *UT System Administration's* adjusted income was \$63.8 million or 36%.

UT Brownsville projects a year-end loss of \$6 million which represents -3.9% of projected revenues. This forecast includes \$6.1 million of depreciation expense. *UT Brownville* anticipates the operating deficit will increase \$5.3 over the remainder of the year primarily due to noncapital costs for furnishings and equipment, as well as increased utility expenses and operating costs for the Student Recreation Center, Library and Child Care Center which will be placed in service during the summer months. In addition, *UT Brownville* had a slight decrease in summer enrollment. The majority of the negative margin was anticipated and approved in the original 2009 budget. The use of prior year balances was approved because *UT Brownville* put in place a number of recruitment, retention, and marketing strategies which, if successful, will return enrollment and positive margins for 2010.
- (2) UT Austin – The \$40.7 million (46.9%) decrease in adjusted income over the same period last year was primarily due to an increase in salaries and wages and payroll related costs as a result of merit increases. Interest expense also increased due to the increase in capital projects. Excluding depreciation expense, *UT Austin's* adjusted income was \$161.4 million or 9.5%.
- (3) UT Brownsville – The \$1 million (345.3%) decrease in adjusted income over the same period last year was due to decreased enrollment as a result of the Student Academic Performance (SAP) standards implemented in the spring of 2008. As a result, *UT Brownsville* experienced a \$730,000 year-to-date loss. Excluding depreciation expense, *UT Brownsville's* adjusted income was \$3.8 million or 3.1%.
- (4) UT Dallas – The \$7.5 million (67.2%) decrease in adjusted income over the same period last year was due to decreased gift contributions for operations and net investment income and increased interest expense. Gift contributions for operations decreased due to a one-time gift of \$3 million received in 2008. Net investment income decreased as a result of the current economic downturn. Interest expense increased due to an increase in capital projects. Excluding depreciation expense, *UT Dallas'* adjusted income was \$20.3 million or 7.8%.
- (5) UT Pan American – The \$1.9 million year-to-date loss was primarily attributable to an increase in salaries and wages and payroll related costs as a result of merit increases. *UT Pan American* anticipates ending the year with a \$2.6 million negative margin which represents -1% of projected revenues. This forecast includes \$13.2 million of depreciation expense. Excluding depreciation expense, *UT Pan American's* adjusted income was \$7.6 million or 3.6%.
- (6) UT San Antonio - The \$26.8 million (92.6%) decrease in adjusted income over the same period last year was primarily due to an increase in salaries and wages and payroll related costs, materials and supplies, and interest expense. Salaries and wages increased due to merit increases and the hiring of several funded positions that were vacant at this time last year. Materials and supplies increased due to noncapital costs associated with the University Center Phase III, Engineering Building and the Library Expansion. Interest expense increased due to the increase in capital projects. Excluding depreciation expense, *UT San Antonio's* adjusted income was \$25.5 million or 7.5%.
- (7) UT Southwestern Medical Center - Dallas – The \$51.3 million (85.1%) decrease in adjusted income over the same period last year was primarily due to higher salaries and payroll related costs in the physician practice plan due to additional full-time equivalents to support volume increases and a \$41.8 million decrease in gift contributions for operations attributable to the current economic downturn and a one-time gift of \$27.8 million from University Medical Center that was received in 2008. Excluding depreciation expense, *Southwestern's* adjusted income was \$64.4 million or 5.7%.
- (8) UT Medical Branch - Galveston – The \$125.2 million (438.1%) increase in adjusted loss over the same period last year was primarily due to the business disruption in revenue generating activities and expenses related to Hurricane *Ike*. Operating revenues decreased \$83.4 million and operating expenses increased \$46.1 million. Patient care revenue decreased \$152.1 million, with decreases in admissions of 55%, patient days of 63%, and clinic visits of 25% as compared to last year. Sponsored programs increased due to the receipt of \$98.7 million from the Federal Emergency

Management Agency which was offset by decreased activity on grant projects as a result of Hurricane *Ike* and a reduction in the School of Medicine contract with the John Sealy Hospital. Expenses related to the recovery from Hurricane *Ike* totaled \$119.8 million. As a result, *UTMB* experienced a \$153.7 million year-to-date loss which includes \$19.5 million in Correctional Managed Care (CMC) losses. Excluding depreciation expense, *UTMB's* adjusted loss was \$97.8 million or -9.4%. *UTMB* projects a year-end loss of approximately \$129.5 million, which represents -9.2% of projected revenues. This forecast includes \$77.8 million of depreciation expense. The projection includes the impact of the reduction in force and \$17 million of Graduate Medical Education (GME) funding that will be received in 2009, but does not yet include the impact of the impairment of capital assets as a result of Hurricane *Ike* or the related commercial insurance proceeds that will partially offset the impairments.

- (9) *UT Health Science Center – Houston* – The \$17.8 million (82.2%) decrease in adjusted income over the same period last year was primarily attributable to increased salaries and wages due to salary increases and approximately 160 previously vacant positions that were filled in 2009. In addition, gift contributions for operations and investment income were down due to the current economic downturn. Excluding depreciation, *UTHSC-Houston's* adjusted income was \$32.9 million or 5.3%.
- (10) *UT Health Science Center – San Antonio* – The \$3.3 million year-to-date loss was primarily attributable to the physician practice plan. The physician practice plan incurred a year-to-date loss of \$8.5 million attributable to a \$4.1 million loss incurred by the Cancer Therapy Research Center (CTRC) due to increased clinical operations and billing delays resulting from the integration of the nonprofit healthcare corporation (UT Medicine) into *UTHSC-San Antonio*; a \$1.3 million loss resulting from the School of Medicine's planned expansion efforts and reinvestment in faculty, as well as the preparation for the opening of the Medical Arts and Research Center (MARC) in the fall of 2009; and \$3.1 million in interest expense on debt service for the MARC building. *UTHSC-San Antonio* anticipates the physician practice plan's operating loss will decrease during the remainder of the year as cost-cutting efforts and billing and revenue enhancement measures are implemented. *UTHSC-San Antonio* anticipates ending the year with a \$6.8 million negative margin, which represents -1% of projected revenues and includes \$31.5 million of depreciation

expense. This projected loss is primarily due to the preparation for the opening of the MARC. The use of prior year balances to support this projected year-end loss was anticipated and approved in the 2009 budget. Excluding depreciation expense, *UTHSC-San Antonio's* adjusted income was \$20.4 million or 4%.

- (11) *UT M. D. Anderson Cancer Center* – The \$63.1 million (46.6%) decrease in adjusted income over the same period last year was primarily attributable to the business disruption in revenue generating activities related to Hurricane *Ike*, an increase in indigent patients, delays in payments from patients and insurance companies, and an increase in salaries, wages, and payroll related costs due to salary increases and additional full-time equivalents. There was also a \$44.9 million decrease in gift contributions for operations due to the current economic downturn. Excluding depreciation expense, *M. D. Anderson's* adjusted income was \$237.7 million or 11.1%. *M. D. Anderson's* Executive Committee instituted a hiring freeze in March 2009, implemented a 10% reduction in overall expenses in May 2009, and is focusing on increasing clinical revenues. *M. D. Anderson* anticipates ending the year with a positive margin of \$95.4 million, which represents 3.3% of projected revenues and includes \$220.7 million of depreciation expense.
- (12) *UT Health Science Center – Tyler* – The \$3.7 million (588.2%) increase in adjusted income over the same period last year was primarily attributable to a \$9.3 million increase in net sales and services of hospitals as a result of an increase in patients from *UTMB's* Correctional Managed Care Agreement due to Hurricane *Ike*. Excluding depreciation expense, *UTHSC-Tyler's* adjusted income was \$8.7 million or 9.1%.
- (13) *Investment Gains (Losses)* - The majority of the \$5 billion (633.3%) decrease in investment gains relates to the Permanent University Fund of \$2.6 billion, the Long Term Fund of \$1.2 billion, and the Permanent Health Fund of \$241.1 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 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. Includes faculty incentive payments and supplemental retirement annuities.

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 other operating 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, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 13,699,184	\$ 18,835,498	\$ (5,136,314)	-27.3%
Net Sales and Services of Educational Activities	27,048,990	8,229,833	18,819,157	228.7%
Other Operating Revenues	(5,939,060)	3,164,895	(9,103,955)	-287.7%
Total Operating Revenues	<u>34,809,114</u>	<u>30,230,226</u>	<u>4,578,888</u>	<u>15.1%</u>
Operating Expenses				
Salaries and Wages	25,437,973	27,422,311	(1,984,338)	-7.2%
Employee Benefits and Related Costs	5,552,245	5,790,432	(238,187)	-4.1%
Professional Fees and Contracted Services	5,238,918	2,009,081	3,229,837	160.8%
Other Contracted Services	10,662,978	12,869,252	(2,206,274)	-17.1%
Scholarships and Fellowships	646,700	483,000	163,700	33.9%
Travel	1,353,328	1,541,581	(188,253)	-12.2%
Materials and Supplies	2,740,031	2,793,516	(53,485)	-1.9%
Utilities	316,683	390,914	(74,231)	-19.0%
Telecommunications	3,068,364	2,966,256	102,108	3.4%
Repairs and Maintenance	1,100,297	682,560	417,737	61.2%
Rentals and Leases	780,270	719,235	61,035	8.5%
Printing and Reproduction	200,701	213,204	(12,503)	-5.9%
Claims and Losses	18,655,835	7,015,268	11,640,567	165.9%
Depreciation and Amortization	4,738,301	4,741,025	(2,724)	-0.1%
Other Operating Expenses	5,215,837	3,779,224	1,436,613	38.0%
Total Operating Expenses	<u>85,708,461</u>	<u>74,416,859</u>	<u>11,291,602</u>	<u>15.2%</u>
Operating Loss	<u>(50,899,347)</u>	<u>(44,186,633)</u>	<u>(6,712,714)</u>	<u>-15.2%</u>
Other Nonoperating Adjustments				
State Appropriations	691,521	691,521	-	0.0%
Gift Contributions for Operations	716,816	767,621	(50,805)	-6.6%
Net Investment Income	115,069,968	280,262,667	(165,192,699)	-58.9%
Interest Expense on Capital Asset Financings	(32,609,425)	(32,554,912)	(54,513)	-0.2%
Net Other Nonoperating Adjustments	<u>83,868,880</u>	<u>249,166,897</u>	<u>(165,298,017)</u>	<u>-66.3%</u>
Adjusted Income (Loss) including Depreciation	32,969,533	204,980,264	(172,010,731)	-83.9%
Adjusted Margin (as a percentage) including Depreciation	21.8%	65.7%		
Available University Fund Transfer	26,128,052	25,680,337	447,715	1.7%
Adjusted Income (Loss) with AUF Transfer	59,097,585	230,660,601	(171,563,016)	-74.4%
Adjusted Margin % with AUF Transfer	33.3%	68.3%		
Investment Gains (Losses)	(3,505,240,241)	657,739,131	(4,162,979,372)	-632.9%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ (3,446,142,656)	\$ 888,399,732	\$ (4,334,542,388)	-487.9%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	103.6%	89.3%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	63,835,886	235,401,626	(171,565,740)	-72.9%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	36.0%	69.7%		

UNAUDITED
The University of Texas at Arlington
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 138,280,335	\$ 126,949,053	\$ 11,331,282	8.9%
Sponsored Programs	52,741,347	40,926,014	11,815,333	28.9%
Net Sales and Services of Educational Activities	10,426,589	10,293,357	133,232	1.3%
Net Auxiliary Enterprises	19,596,428	18,905,192	691,236	3.7%
Other Operating Revenues	6,651,255	5,537,693	1,113,562	20.1%
Total Operating Revenues	<u>227,695,954</u>	<u>202,611,309</u>	<u>25,084,645</u>	<u>12.4%</u>
Operating Expenses				
Salaries and Wages	148,460,984	135,754,655	12,706,329	9.4%
Employee Benefits and Related Costs	32,447,671	30,492,594	1,955,077	6.4%
Professional Fees and Contracted Services	2,681,067	3,042,243	(361,176)	-11.9%
Other Contracted Services	7,863,459	7,339,509	523,950	7.1%
Scholarships and Fellowships	41,853,227	34,863,325	6,989,902	20.0%
Travel	4,333,578	3,986,481	347,097	8.7%
Materials and Supplies	15,546,088	15,755,548	(209,460)	-1.3%
Utilities	8,228,462	8,793,847	(565,385)	-6.4%
Telecommunications	5,112,871	4,885,913	226,958	4.6%
Repairs and Maintenance	6,451,919	5,443,244	1,008,675	18.5%
Rentals and Leases	2,325,580	2,298,751	26,829	1.2%
Printing and Reproduction	1,948,906	1,733,785	215,121	12.4%
Federal Sponsored Programs Pass-Thrus	1,551,177	1,710,161	(158,984)	-9.3%
Depreciation and Amortization	19,718,294	19,684,901	33,393	0.2%
Other Operating Expenses	7,062,830	6,719,758	343,072	5.1%
Total Operating Expenses	<u>305,586,113</u>	<u>282,504,715</u>	<u>23,081,398</u>	<u>8.2%</u>
Operating Loss	<u>(77,890,159)</u>	<u>(79,893,406)</u>	<u>2,003,247</u>	<u>2.5%</u>
Other Nonoperating Adjustments				
State Appropriations	83,643,441	83,228,312	415,129	0.5%
Gift Contributions for Operations	1,587,843	1,848,478	(260,635)	-14.1%
Net Investment Income	7,475,038	6,910,243	564,795	8.2%
Interest Expense on Capital Asset Financings	(6,792,903)	(4,464,865)	(2,328,038)	-52.1%
Net Other Nonoperating Adjustments	<u>85,913,419</u>	<u>87,522,168</u>	<u>(1,608,749)</u>	<u>-1.8%</u>
Adjusted Income (Loss) including Depreciation	8,023,260	7,628,762	394,498	5.2%
Adjusted Margin (as a percentage) including Depreciation	2.5%	2.6%		
Investment Gains (Losses)	(32,991,561)	6,440,759	(39,432,320)	-612.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (24,968,301)	\$ 14,069,521	\$ (39,037,822)	-277.5%
Adjusted Margin % with Investment Gains (Losses)	-8.7%	4.7%		
Adjusted Income (Loss) excluding Depreciation	27,741,554	27,313,663	427,891	1.6%
Adjusted Margin (as a percentage) excluding Depreciation	8.7%	9.3%		

UNAUDITED
The University of Texas at Austin
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 443,068,286	\$ 420,582,450	\$ 22,485,836	5.3%
Sponsored Programs	371,791,815	354,111,759	17,680,056	5.0%
Net Sales and Services of Educational Activities	125,233,553	118,434,742	6,798,811	5.7%
Net Auxiliary Enterprises	173,401,753	153,516,655	19,885,098	13.0%
Other Operating Revenues	4,542,375	2,734,356	1,808,019	66.1%
Total Operating Revenues	<u>1,118,037,782</u>	<u>1,049,379,962</u>	<u>68,657,820</u>	<u>6.5%</u>
Operating Expenses				
Salaries and Wages	742,378,620	687,476,100	54,902,520	8.0%
Employee Benefits and Related Costs	172,823,006	159,264,799	13,558,207	8.5%
Professional Fees and Contracted Services	25,202,000	19,643,970	5,558,030	28.3%
Other Contracted Services	58,538,515	50,916,614	7,621,901	15.0%
Scholarships and Fellowships	178,691,262	171,343,761	7,347,501	4.3%
Travel	30,386,622	29,358,083	1,028,539	3.5%
Materials and Supplies	94,151,381	89,646,118	4,505,263	5.0%
Utilities	56,248,201	53,333,571	2,914,630	5.5%
Telecommunications	37,269,403	29,148,448	8,120,955	27.9%
Repairs and Maintenance	25,502,459	20,463,752	5,038,707	24.6%
Rentals and Leases	12,239,531	10,249,512	1,990,019	19.4%
Printing and Reproduction	7,907,647	7,104,773	802,874	11.3%
Federal Sponsored Programs Pass-Thrus	2,573,390	3,674,214	(1,100,824)	-30.0%
Depreciation and Amortization	115,254,437	103,120,582	12,133,855	11.8%
Other Operating Expenses	64,853,056	64,061,380	791,676	1.2%
Total Operating Expenses	<u>1,624,019,530</u>	<u>1,498,805,677</u>	<u>125,213,853</u>	<u>8.4%</u>
Operating Loss	<u>(505,981,748)</u>	<u>(449,425,715)</u>	<u>(56,556,033)</u>	<u>-12.6%</u>
Other Nonoperating Adjustments				
State Appropriations	248,965,467	248,100,323	865,144	0.3%
Gift Contributions for Operations	86,718,610	77,340,180	9,378,430	12.1%
Net Investment Income	121,509,625	122,274,929	(765,304)	-0.6%
Interest Expense on Capital Asset Financings	(29,838,591)	(19,156,236)	(10,682,355)	-55.8%
Net Other Nonoperating Adjustments	<u>427,355,111</u>	<u>428,559,196</u>	<u>(1,204,085)</u>	<u>-0.3%</u>
Adjusted Income (Loss) including Depreciation	(78,626,637)	(20,866,519)	(57,760,118)	-276.8%
Adjusted Margin (as a percentage) including Depreciation	-5.0%	-1.4%		
Available University Fund Transfer	124,751,250	107,700,000	17,051,250	15.8%
Adjusted Income (Loss) with AUF Transfer	46,124,613	86,833,481	(40,708,868)	-46.9%
Adjusted Margin % with AUF Transfer	2.7%	5.4%		
Investment Gains (Losses)	(218,766,249)	29,331,576	(248,097,825)	-845.8%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ (172,641,636)	\$ 116,165,057	\$ (288,806,693)	-248.6%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	-11.7%	7.1%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	161,379,050	189,954,063	(28,575,013)	-15.0%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	9.5%	11.8%		

UNAUDITED
The University of Texas at Brownsville
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 13,246,473	\$ 11,479,111	\$ 1,767,362	15.4%
Sponsored Programs	79,719,713	74,990,364	4,729,349	6.3%
Net Sales and Services of Educational Activities	783,554	837,840	(54,286)	-6.5%
Net Auxiliary Enterprises	914,662	1,003,469	(88,807)	-8.8%
Other Operating Revenues	5,448	55,942	(50,494)	-90.3%
Total Operating Revenues	<u>94,669,850</u>	<u>88,366,726</u>	<u>6,303,124</u>	<u>7.1%</u>
Operating Expenses				
Salaries and Wages	49,524,895	45,703,696	3,821,199	8.4%
Employee Benefits and Related Costs	12,063,267	11,076,849	986,418	8.9%
Professional Fees and Contracted Services	1,521,788	1,571,732	(49,944)	-3.2%
Scholarships and Fellowships	38,703,431	36,295,020	2,408,411	6.6%
Travel	902,063	899,058	3,005	0.3%
Materials and Supplies	4,718,312	3,725,587	992,725	26.6%
Utilities	2,613,266	2,685,116	(71,850)	-2.7%
Telecommunications	1,160,841	1,396,657	(235,816)	-16.9%
Repairs and Maintenance	1,160,538	878,796	281,742	32.1%
Rentals and Leases	1,508,862	1,452,905	55,957	3.9%
Printing and Reproduction	256,339	256,258	81	0.0%
Bad Debt Expense	26,809	32,385	(5,576)	-17.2%
Federal Sponsored Programs Pass-Thrus	29,620	39,377	(9,757)	-24.8%
Depreciation and Amortization	4,546,127	4,234,353	311,774	7.4%
Other Operating Expenses	5,380,788	4,792,617	588,171	12.3%
Total Operating Expenses	<u>124,116,946</u>	<u>115,040,406</u>	<u>9,076,540</u>	<u>7.9%</u>
Operating Loss	<u>(29,447,096)</u>	<u>(26,673,680)</u>	<u>(2,773,416)</u>	<u>-10.4%</u>
Other Nonoperating Adjustments				
State Appropriations	29,017,769	26,823,775	2,193,994	8.2%
Gift Contributions for Operations	320,182	299,483	20,699	6.9%
Net Investment Income	846,147	1,116,827	(270,680)	-24.2%
Interest Expense on Capital Asset Financings	(1,466,973)	(1,268,860)	(198,113)	-15.6%
Net Other Nonoperating Adjustments	<u>28,717,125</u>	<u>26,971,225</u>	<u>1,745,900</u>	<u>6.5%</u>
Adjusted Income (Loss) including Depreciation	(729,971)	297,545	(1,027,516)	-345.3%
Adjusted Margin (as a percentage) including Depreciation	-0.6%	0.3%		
Investment Gains (Losses)	(3,979,683)	1,179,577	(5,159,260)	-437.4%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (4,709,654)	\$ 1,477,122	\$ (6,186,776)	-418.8%
Adjusted Margin % with Investment Gains (Losses)	-3.9%	1.3%		
Adjusted Income (Loss) excluding Depreciation	3,816,156	4,531,898	(715,742)	-15.8%
Adjusted Margin (as a percentage) excluding Depreciation	3.1%	3.9%		

UNAUDITED
The University of Texas at Dallas
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 120,694,524	\$ 106,744,049	\$ 13,950,475	13.1%
Sponsored Programs	38,992,491	37,214,360	1,778,131	4.8%
Net Sales and Services of Educational Activities	5,429,763	5,604,632	(174,869)	-3.1%
Net Auxiliary Enterprises	4,761,469	4,182,998	578,471	13.8%
Other Operating Revenues	4,913,017	5,617,196	(704,179)	-12.5%
Total Operating Revenues	<u>174,791,264</u>	<u>159,363,235</u>	<u>15,428,029</u>	<u>9.7%</u>
Operating Expenses				
Salaries and Wages	120,512,542	110,918,015	9,594,527	8.7%
Employee Benefits and Related Costs	25,017,147	23,394,065	1,623,082	6.9%
Professional Fees and Contracted Services	3,008,938	2,491,905	517,033	20.7%
Other Contracted Services	7,815,432	7,649,656	165,776	2.2%
Scholarships and Fellowships	41,349,939	35,731,514	5,618,425	15.7%
Travel	2,748,864	2,535,355	213,509	8.4%
Materials and Supplies	11,499,255	11,502,129	(2,874)	0.0%
Utilities	6,607,328	6,080,928	526,400	8.7%
Telecommunications	936,198	1,020,000	(83,802)	-8.2%
Repairs and Maintenance	2,817,456	3,111,780	(294,324)	-9.5%
Rentals and Leases	1,303,079	979,527	323,552	33.0%
Printing and Reproduction	921,758	955,867	(34,109)	-3.6%
Federal Sponsored Programs Pass-Thrus	205,319	636,631	(431,312)	-67.7%
Depreciation and Amortization	16,598,638	15,398,665	1,199,973	7.8%
Other Operating Expenses	8,384,795	7,970,001	414,794	5.2%
Total Operating Expenses	<u>249,726,688</u>	<u>230,376,038</u>	<u>19,350,650</u>	<u>8.4%</u>
Operating Loss	<u>(74,935,424)</u>	<u>(71,012,803)</u>	<u>(3,922,621)</u>	<u>-5.5%</u>
Other Nonoperating Adjustments				
State Appropriations	68,895,397	68,255,032	640,365	0.9%
Gift Contributions for Operations	6,326,291	8,067,041	(1,740,750)	-21.6%
Net Investment Income	9,529,870	10,681,446	(1,151,576)	-10.8%
Interest Expense on Capital Asset Financings	(6,162,012)	(4,865,177)	(1,296,835)	-26.7%
Net Other Nonoperating Adjustments	<u>78,589,546</u>	<u>82,138,342</u>	<u>(3,548,796)</u>	<u>-4.3%</u>
Adjusted Income (Loss) including Depreciation	3,654,122	11,125,539	(7,471,417)	-67.2%
Adjusted Margin (as a percentage) including Depreciation	1.4%	4.5%		
Investment Gains (Losses)	(19,481,605)	4,551,089	(24,032,694)	-528.1%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (15,827,483)	\$ 15,676,628	\$ (31,504,111)	-201.0%
Adjusted Margin % with Investment Gains (Losses)	-6.6%	6.2%		
Adjusted Income (Loss) excluding Depreciation	20,252,760	26,524,204	(6,271,444)	-23.6%
Adjusted Margin (as a percentage) excluding Depreciation	7.8%	10.8%		

UNAUDITED
The University of Texas at El Paso
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 78,902,793	\$ 71,232,309	\$ 7,670,484	10.8%
Sponsored Programs	71,935,229	67,665,762	4,269,467	6.3%
Net Sales and Services of Educational Activities	3,464,704	3,050,640	414,064	13.6%
Net Auxiliary Enterprises	16,770,637	15,999,018	771,619	4.8%
Other Operating Revenues	41,469	321,667	(280,198)	-87.1%
Total Operating Revenues	<u>171,114,832</u>	<u>158,269,396</u>	<u>12,845,436</u>	<u>8.1%</u>
Operating Expenses				
Salaries and Wages	107,959,722	99,984,705	7,975,017	8.0%
Employee Benefits and Related Costs	25,180,062	23,852,708	1,327,354	5.6%
Professional Fees and Contracted Services	705,746	729,339	(23,593)	-3.2%
Other Contracted Services	11,980,522	11,147,433	833,089	7.5%
Scholarships and Fellowships	52,705,669	49,810,732	2,894,937	5.8%
Travel	4,673,135	4,751,598	(78,463)	-1.7%
Materials and Supplies	15,502,787	15,548,564	(45,777)	-0.3%
Utilities	5,816,020	5,733,164	82,856	1.4%
Telecommunications	522,803	556,917	(34,114)	-6.1%
Repairs and Maintenance	2,808,278	2,787,173	21,105	0.8%
Rentals and Leases	2,880,303	2,370,994	509,309	21.5%
Printing and Reproduction	877,946	721,411	156,535	21.7%
Federal Sponsored Programs Pass-Thrus	588,830	205,588	383,242	186.4%
Depreciation and Amortization	12,103,111	11,359,527	743,584	6.5%
Other Operating Expenses	4,232,079	4,146,546	85,533	2.1%
Total Operating Expenses	<u>248,537,013</u>	<u>233,706,399</u>	<u>14,830,614</u>	<u>6.3%</u>
Operating Loss	<u>(77,422,181)</u>	<u>(75,437,003)</u>	<u>(1,985,178)</u>	<u>-2.6%</u>
Other Nonoperating Adjustments				
State Appropriations	71,649,651	68,941,287	2,708,364	3.9%
Gift Contributions for Operations	6,181,909	4,604,620	1,577,289	34.3%
Net Investment Income	7,064,267	7,391,074	(326,807)	-4.4%
Interest Expense on Capital Asset Financings	(3,438,405)	(3,056,361)	(382,044)	-12.5%
Net Other Nonoperating Adjustments	<u>81,457,422</u>	<u>77,880,620</u>	<u>3,576,802</u>	<u>4.6%</u>
Adjusted Income (Loss) including Depreciation	4,035,241	2,443,617	1,591,624	65.1%
Adjusted Margin (as a percentage) including Depreciation	1.6%	1.0%		
Investment Gains (Losses)	(12,465,833)	2,048,756	(14,514,589)	-708.5%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (8,430,592)	\$ 4,492,373	\$ (12,922,965)	-287.7%
Adjusted Margin % with Investment Gains (Losses)	-3.5%	1.9%		
Adjusted Income (Loss) excluding Depreciation	16,138,352	13,803,144	2,335,208	16.9%
Adjusted Margin (as a percentage) excluding Depreciation	6.3%	5.8%		

UNAUDITED
The University of Texas - Pan American
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 66,215,672	\$ 59,126,670	\$ 7,089,002	12.0%
Sponsored Programs	76,448,682	63,662,217	12,786,465	20.1%
Net Sales and Services of Educational Activities	2,998,758	3,791,095	(792,337)	-20.9%
Net Auxiliary Enterprises	3,869,245	3,771,838	97,407	2.6%
Other Operating Revenues	2,047,804	1,054,364	993,440	94.2%
Total Operating Revenues	<u>151,580,161</u>	<u>131,406,184</u>	<u>20,173,977</u>	<u>15.4%</u>
Operating Expenses				
Salaries and Wages	78,786,688	73,661,196	5,125,492	7.0%
Employee Benefits and Related Costs	20,404,937	17,228,474	3,176,463	18.4%
Professional Fees and Contracted Services	1,111,056	1,481,171	(370,115)	-25.0%
Other Contracted Services	4,772,271	4,577,718	194,553	4.2%
Scholarships and Fellowships	71,310,584	60,111,970	11,198,614	18.6%
Travel	3,335,409	3,427,622	(92,213)	-2.7%
Materials and Supplies	8,559,067	8,749,878	(190,811)	-2.2%
Utilities	5,728,337	5,068,805	659,532	13.0%
Telecommunications	855,897	627,821	228,076	36.3%
Repairs and Maintenance	1,747,437	1,577,505	169,932	10.8%
Rentals and Leases	666,591	628,603	37,988	6.0%
Printing and Reproduction	268,535	243,075	25,460	10.5%
Bad Debt Expense	243,000	9,000	234,000	2,600.0%
Federal Sponsored Programs Pass-Thrus	65,846	107,629	(41,783)	-38.8%
Depreciation and Amortization	9,490,312	11,360,138	(1,869,826)	-16.5%
Other Operating Expenses	3,114,280	2,926,202	188,078	6.4%
Total Operating Expenses	<u>210,460,247</u>	<u>191,786,807</u>	<u>18,673,440</u>	<u>9.7%</u>
Operating Loss	<u>(58,880,086)</u>	<u>(60,380,623)</u>	<u>1,500,537</u>	<u>2.5%</u>
Other Nonoperating Adjustments				
State Appropriations	56,745,003	57,005,254	(260,251)	-0.5%
Gift Contributions for Operations	1,245,141	1,467,621	(222,480)	-15.2%
Net Investment Income	2,179,826	2,667,081	(487,255)	-18.3%
Interest Expense on Capital Asset Financings	(3,175,542)	(3,730,020)	554,478	14.9%
Net Other Nonoperating Adjustments	<u>56,994,428</u>	<u>57,409,936</u>	<u>(415,508)</u>	<u>-0.7%</u>
Adjusted Income (Loss) including Depreciation	(1,885,658)	(2,970,687)	1,085,029	36.5%
Adjusted Margin (as a percentage) including Depreciation	-0.9%	-1.5%		
Investment Gains (Losses)	(6,610,959)	1,902,480	(8,513,439)	-447.5%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (8,496,617)	\$ (1,068,207)	\$ (7,428,410)	-695.4%
Adjusted Margin % with Investment Gains (Losses)	-4.1%	-0.5%		
Adjusted Income (Loss) excluding Depreciation	7,604,654	8,389,451	(784,797)	-9.4%
Adjusted Margin (as a percentage) excluding Depreciation	3.6%	4.4%		

UNAUDITED
The University of Texas of the Permian Basin
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 11,926,007	\$ 11,032,127	\$ 893,880	8.1%
Sponsored Programs	5,838,839	5,608,395	230,444	4.1%
Net Sales and Services of Educational Activities	240,585	233,514	7,071	3.0%
Net Auxiliary Enterprises	2,631,756	2,335,450	296,306	12.7%
Other Operating Revenues	92,556	326,493	(233,937)	-71.7%
Total Operating Revenues	<u>20,729,743</u>	<u>19,535,979</u>	<u>1,193,764</u>	<u>6.1%</u>
Operating Expenses				
Salaries and Wages	14,560,429	13,302,120	1,258,309	9.5%
Employee Benefits and Related Costs	3,366,704	3,157,557	209,147	6.6%
Professional Fees and Contracted Services	723,413	1,817,114	(1,093,701)	-60.2%
Other Contracted Services	1,183,954	1,241,381	(57,427)	-4.6%
Scholarships and Fellowships	6,083,564	6,043,273	40,291	0.7%
Travel	601,343	659,398	(58,055)	-8.8%
Materials and Supplies	2,093,853	1,976,271	117,582	5.9%
Utilities	1,733,970	1,726,145	7,825	0.5%
Telecommunications	331,577	274,127	57,450	21.0%
Repairs and Maintenance	987,457	491,524	495,933	100.9%
Rentals and Leases	371,739	278,617	93,122	33.4%
Printing and Reproduction	103,170	132,218	(29,048)	-22.0%
Depreciation and Amortization	2,913,420	2,738,257	175,163	6.4%
Other Operating Expenses	593,018	633,268	(40,250)	-6.4%
Total Operating Expenses	<u>35,647,611</u>	<u>34,471,270</u>	<u>1,176,341</u>	<u>3.4%</u>
Operating Loss	<u>(14,917,868)</u>	<u>(14,935,291)</u>	<u>17,423</u>	<u>0.1%</u>
Other Nonoperating Adjustments				
State Appropriations	23,787,278	23,704,460	82,818	0.3%
Gift Contributions for Operations	880,991	835,431	45,560	5.5%
Net Investment Income	1,229,848	890,953	338,895	38.0%
Interest Expense on Capital Asset Financings	(1,682,406)	(705,190)	(977,216)	-138.6%
Net Other Nonoperating Adjustments	<u>24,215,711</u>	<u>24,725,654</u>	<u>(509,943)</u>	<u>-2.1%</u>
Adjusted Income (Loss) including Depreciation	9,297,843	9,790,363	(492,520)	-5.0%
Adjusted Margin (as a percentage) including Depreciation	19.9%	21.8%		
Investment Gains (Losses)	(737,383)	317,790	(1,055,173)	-332.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 8,560,460	\$ 10,108,153	\$ (1,547,693)	-15.3%
Adjusted Margin % with Investment Gains (Losses)	18.7%	22.3%		
Adjusted Income (Loss) excluding Depreciation	12,211,263	12,528,620	(317,357)	-2.5%
Adjusted Margin (as a percentage) excluding Depreciation	26.2%	27.9%		

UNAUDITED
The University of Texas at San Antonio
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 146,809,802	\$ 138,623,068	\$ 8,186,734	5.9%
Sponsored Programs	72,028,828	60,269,600	11,759,228	19.5%
Net Sales and Services of Educational Activities	3,908,147	4,676,017	(767,870)	-16.4%
Net Auxiliary Enterprises	16,193,232	12,517,390	3,675,842	29.4%
Other Operating Revenues	1,300,253	1,425,177	(124,924)	-8.8%
Total Operating Revenues	<u>240,240,262</u>	<u>217,511,252</u>	<u>22,729,010</u>	<u>10.4%</u>
Operating Expenses				
Salaries and Wages	141,272,819	127,612,253	13,660,566	10.7%
Employee Benefits and Related Costs	33,966,739	31,470,788	2,495,951	7.9%
Professional Fees and Contracted Services	3,504,902	2,695,031	809,871	30.1%
Other Contracted Services	8,427,100	5,282,530	3,144,570	59.5%
Scholarships and Fellowships	53,134,153	48,065,237	5,068,916	10.5%
Travel	4,820,404	4,757,496	62,908	1.3%
Materials and Supplies	22,880,120	14,651,555	8,228,565	56.2%
Utilities	9,101,250	8,190,000	911,250	11.1%
Telecommunications	2,381,429	2,162,890	218,539	10.1%
Repairs and Maintenance	7,148,756	4,921,308	2,227,448	45.3%
Rentals and Leases	1,943,050	1,978,442	(35,392)	-1.8%
Printing and Reproduction	859,726	757,804	101,922	13.4%
Federal Sponsored Programs Pass-Thrus	2,532,636	2,431,354	101,282	4.2%
Depreciation and Amortization	23,353,886	19,737,985	3,615,901	18.3%
Other Operating Expenses	9,164,219	5,224,302	3,939,917	75.4%
Total Operating Expenses	<u>324,491,189</u>	<u>279,938,975</u>	<u>44,552,214</u>	<u>15.9%</u>
Operating Loss	<u>(84,250,927)</u>	<u>(62,427,723)</u>	<u>(21,823,204)</u>	<u>-35.0%</u>
Other Nonoperating Adjustments				
State Appropriations	85,831,009	85,998,676	(167,667)	-0.2%
Gift Contributions for Operations	5,928,033	5,232,156	695,877	13.3%
Net Investment Income	6,012,758	7,195,685	(1,182,927)	-16.4%
Interest Expense on Capital Asset Financings	(11,372,706)	(7,015,596)	(4,357,110)	-62.1%
Net Other Nonoperating Adjustments	<u>86,399,094</u>	<u>91,410,921</u>	<u>(5,011,827)</u>	<u>-5.5%</u>
Adjusted Income (Loss) including Depreciation	2,148,167	28,983,198	(26,835,031)	-92.6%
Adjusted Margin (as a percentage) including Depreciation	0.6%	9.2%		
Investment Gains (Losses)	(31,659,250)	6,776,951	(38,436,201)	-567.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (29,511,083)	\$ 35,760,149	\$ (65,271,232)	-182.5%
Adjusted Margin % with Investment Gains (Losses)	-9.6%	11.1%		
Adjusted Income (Loss) excluding Depreciation	25,502,053	48,721,183	(23,219,130)	-47.7%
Adjusted Margin (as a percentage) excluding Depreciation	7.5%	15.4%		

UNAUDITED
The University of Texas at Tyler
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 24,587,424	\$ 22,883,517	\$ 1,703,907	7.4%
Sponsored Programs	12,694,901	8,572,975	4,121,926	48.1%
Net Sales and Services of Educational Activities	1,130,696	865,794	264,902	30.6%
Net Auxiliary Enterprises	3,016,457	3,163,969	(147,512)	-4.7%
Other Operating Revenues	99,484	76,946	22,538	29.3%
Total Operating Revenues	<u>41,528,962</u>	<u>35,563,201</u>	<u>5,965,761</u>	<u>16.8%</u>
Operating Expenses				
Salaries and Wages	27,654,088	24,985,101	2,668,987	10.7%
Employee Benefits and Related Costs	6,909,969	6,415,574	494,395	7.7%
Professional Fees and Contracted Services	676,743	979,019	(302,276)	-30.9%
Other Contracted Services	3,283,705	2,599,811	683,894	26.3%
Scholarships and Fellowships	10,945,731	9,408,179	1,537,552	16.3%
Travel	1,132,835	1,269,267	(136,432)	-10.7%
Materials and Supplies	3,398,521	4,777,798	(1,379,277)	-28.9%
Utilities	1,480,668	1,326,479	154,189	11.6%
Telecommunications	429,905	454,321	(24,416)	-5.4%
Repairs and Maintenance	1,277,043	1,396,503	(119,460)	-8.6%
Rentals and Leases	238,709	271,240	(32,531)	-12.0%
Printing and Reproduction	526,048	409,944	116,104	28.3%
Bad Debt Expense	2,832	-	2,832	100.0%
Federal Sponsored Programs Pass-Thrus	452,494	-	452,494	100.0%
Depreciation and Amortization	5,853,224	5,808,540	44,684	0.8%
Other Operating Expenses	1,222,986	1,128,244	94,742	8.4%
Total Operating Expenses	<u>65,485,501</u>	<u>61,230,020</u>	<u>4,255,481</u>	<u>6.9%</u>
Operating Loss	<u>(23,956,539)</u>	<u>(25,666,819)</u>	<u>1,710,280</u>	<u>6.7%</u>
Other Nonoperating Adjustments				
State Appropriations	26,564,622	27,528,821	(964,199)	-3.5%
Gift Contributions for Operations	612,188	902,247	(290,059)	-32.1%
Net Investment Income	3,132,624	2,999,147	133,477	4.5%
Interest Expense on Capital Asset Financings	(2,223,468)	(1,295,064)	(928,404)	-71.7%
Net Other Nonoperating Adjustments	<u>28,085,966</u>	<u>30,135,151</u>	<u>(2,049,185)</u>	<u>-6.8%</u>
Adjusted Income (Loss) including Depreciation	4,129,427	4,468,332	(338,905)	-7.6%
Adjusted Margin (as a percentage) including Depreciation	5.7%	6.7%		
Investment Gains (Losses)	(5,041,491)	1,181,740	(6,223,231)	-526.6%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (912,064)	\$ 5,650,072	\$ (6,562,136)	-116.1%
Adjusted Margin % with Investment Gains (Losses)	-1.4%	8.3%		
Adjusted Income (Loss) excluding Depreciation	9,982,651	10,276,872	(294,221)	-2.9%
Adjusted Margin (as a percentage) excluding Depreciation	13.9%	15.3%		

UNAUDITED
The University of Texas Southwestern Medical Center at Dallas
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 16,063,948	\$ 15,489,256	\$ 574,692	3.7%
Sponsored Programs	310,292,056	283,820,655	26,471,401	9.3%
Net Sales and Services of Educational Activities	5,935,522	5,063,117	872,405	17.2%
Net Sales and Services of Hospitals	293,083,061	250,496,833	42,586,228	17.0%
Net Professional Fees	278,309,645	268,101,136	10,208,509	3.8%
Net Auxiliary Enterprises	12,878,426	12,792,135	86,291	0.7%
Other Operating Revenues	5,050,422	5,141,000	(90,578)	-1.8%
Total Operating Revenues	<u>921,613,080</u>	<u>840,904,132</u>	<u>80,708,948</u>	<u>9.6%</u>
Operating Expenses				
Salaries and Wages	561,335,558	516,508,995	44,826,563	8.7%
Employee Benefits and Related Costs	152,542,790	141,102,769	11,440,021	8.1%
Professional Fees and Contracted Services	17,150,106	13,650,539	3,499,567	25.6%
Other Contracted Services	61,983,415	57,831,557	4,151,858	7.2%
Scholarships and Fellowships	6,356,341	5,596,052	760,289	13.6%
Travel	6,881,479	7,064,463	(182,984)	-2.6%
Materials and Supplies	147,458,685	136,744,417	10,714,268	7.8%
Utilities	25,356,839	23,452,569	1,904,270	8.1%
Telecommunications	5,613,676	5,532,706	80,970	1.5%
Repairs and Maintenance	11,097,656	10,282,279	815,377	7.9%
Rentals and Leases	5,607,342	7,514,485	(1,907,143)	-25.4%
Printing and Reproduction	2,545,217	2,221,303	323,914	14.6%
Federal Sponsored Programs Pass-Thrus	1,077,575	422,018	655,557	155.3%
Depreciation and Amortization	55,426,895	51,399,313	4,027,582	7.8%
Other Operating Expenses	41,379,907	33,957,346	7,422,561	21.9%
Total Operating Expenses	<u>1,101,813,481</u>	<u>1,013,280,811</u>	<u>88,532,670</u>	<u>8.7%</u>
Operating Loss	<u>(180,200,401)</u>	<u>(172,376,679)</u>	<u>(7,823,722)</u>	<u>-4.5%</u>
Other Nonoperating Adjustments				
State Appropriations	131,888,920	134,168,508	(2,279,588)	-1.7%
Gift Contributions for Operations	21,249,458	63,059,437	(41,809,979)	-66.3%
Net Investment Income	51,930,682	50,198,593	1,732,089	3.5%
Interest Expense on Capital Asset Financings	(15,857,874)	(14,731,982)	(1,125,892)	-7.6%
Net Other Nonoperating Adjustments	<u>189,211,186</u>	<u>232,694,556</u>	<u>(43,483,370)</u>	<u>-18.7%</u>
Adjusted Income (Loss) including Depreciation	9,010,785	60,317,877	(51,307,092)	-85.1%
Adjusted Margin (as a percentage) including Depreciation	0.8%	5.5%		
Investment Gains (Losses)	(97,082,837)	24,256,600	(121,339,437)	-500.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (88,072,052)	\$ 84,574,477	\$ (172,646,529)	-204.1%
Adjusted Margin % with Investment Gains (Losses)	-8.6%	7.6%		
Adjusted Income (Loss) excluding Depreciation	64,437,680	111,717,190	(47,279,510)	-42.3%
Adjusted Margin (as a percentage) excluding Depreciation	5.7%	10.3%		

UNAUDITED
The University of Texas Medical Branch at Galveston
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 14,313,332	\$ 13,449,635	\$ 863,697	6.4%
Sponsored Programs	268,744,091	194,035,972	74,708,119	38.5%
Net Sales and Services of Educational Activities	945,987	1,410,121	(464,134)	-32.9%
Net Sales and Services of Hospitals	400,920,845	530,629,061	(129,708,216)	-24.4%
Net Professional Fees	77,576,651	99,930,915	(22,354,264)	-22.4%
Net Auxiliary Enterprises	3,087,488	8,044,268	(4,956,780)	-61.6%
Other Operating Revenues	7,490,640	9,004,306	(1,513,666)	-16.8%
Total Operating Revenues	<u>773,079,034</u>	<u>856,504,278</u>	<u>(83,425,244)</u>	<u>-9.7%</u>
Operating Expenses				
Salaries and Wages	578,364,865	603,710,263	(25,345,398)	-4.2%
Employee Benefits and Related Costs	138,558,684	143,567,000	(5,008,316)	-3.5%
Professional Fees and Contracted Services	103,494,688	18,111,264	85,383,424	471.4%
Other Contracted Services	90,315,803	49,675,618	40,640,185	81.8%
Scholarships and Fellowships	4,655,554	6,004,122	(1,348,568)	-22.5%
Travel	4,225,302	6,330,018	(2,104,716)	-33.2%
Materials and Supplies	104,477,202	142,955,930	(38,478,728)	-26.9%
Utilities	21,644,809	25,373,851	(3,729,042)	-14.7%
Telecommunications	12,044,057	11,398,617	645,440	5.7%
Repairs and Maintenance	27,457,854	25,308,581	2,149,273	8.5%
Rentals and Leases	14,533,283	13,188,280	1,345,003	10.2%
Printing and Reproduction	1,049,872	1,833,597	(783,725)	-42.7%
Federal Sponsored Programs Pass-Thrus	2,395,730	5,832,364	(3,436,634)	-58.9%
Depreciation and Amortization	55,904,003	50,184,563	5,719,440	11.4%
Other Operating Expenses	30,813,202	40,407,812	(9,594,610)	-23.7%
Total Operating Expenses	<u>1,189,934,908</u>	<u>1,143,881,880</u>	<u>46,053,028</u>	<u>4.0%</u>
Operating Loss	<u>(416,855,874)</u>	<u>(287,377,602)</u>	<u>(129,478,272)</u>	<u>-45.1%</u>
Other Nonoperating Adjustments				
State Appropriations	233,331,785	229,692,121	3,639,664	1.6%
Gift Contributions for Operations	11,326,191	6,860,133	4,466,058	65.1%
Net Investment Income	23,339,744	26,340,122	(3,000,378)	-11.4%
Interest Expense on Capital Asset Financings	(4,869,703)	(4,085,092)	(784,611)	-19.2%
Net Other Nonoperating Adjustments	<u>263,128,017</u>	<u>258,807,284</u>	<u>4,320,733</u>	<u>1.7%</u>
Adjusted Income (Loss) including Depreciation	(153,727,857)	(28,570,318)	(125,157,539)	-438.1%
Adjusted Margin (as a percentage) including Depreciation	-14.8%	-2.6%		
Investment Gains (Losses)	(33,468,863)	8,760,294	(42,229,157)	-482.1%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (187,196,720)	\$ (19,810,024)	\$ (167,386,696)	-845.0%
Adjusted Margin % with Investment Gains (Losses)	-18.6%	-1.8%		
Adjusted Income (Loss) excluding Depreciation	(97,823,854)	21,614,245	(119,438,099)	-552.6%
Adjusted Margin (as a percentage) excluding Depreciation	-9.4%	1.9%		

UNAUDITED
The University of Texas Health Science Center at Houston
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 21,447,278	\$ 18,967,217	\$ 2,480,061	13.1%
Sponsored Programs	251,861,963	227,432,724	24,429,239	10.7%
Net Sales and Services of Educational Activities	25,191,554	26,709,092	(1,517,538)	-5.7%
Net Sales and Services of Hospitals	26,158,326	23,315,826	2,842,500	12.2%
Net Professional Fees	93,773,518	88,245,583	5,527,935	6.3%
Net Auxiliary Enterprises	16,697,339	16,490,923	206,416	1.3%
Other Operating Revenues	33,537,940	27,729,457	5,808,483	20.9%
Total Operating Revenues	<u>468,667,918</u>	<u>428,890,822</u>	<u>39,777,096</u>	<u>9.3%</u>
Operating Expenses				
Salaries and Wages	290,009,607	263,016,149	26,993,458	10.3%
Employee Benefits and Related Costs	66,078,871	61,318,438	4,760,433	7.8%
Professional Fees and Contracted Services	63,113,960	53,682,233	9,431,727	17.6%
Other Contracted Services	26,335,647	28,241,593	(1,905,946)	-6.7%
Scholarships and Fellowships	2,964,525	2,973,094	(8,569)	-0.3%
Travel	5,019,523	4,588,458	431,065	9.4%
Materials and Supplies	40,399,941	42,095,950	(1,696,009)	-4.0%
Utilities	12,937,565	12,673,459	264,106	2.1%
Telecommunications	2,120,599	2,028,074	92,525	4.6%
Repairs and Maintenance	5,482,472	3,686,796	1,795,676	48.7%
Rentals and Leases	9,043,192	8,936,415	106,777	1.2%
Printing and Reproduction	2,910,306	2,665,268	245,038	9.2%
Federal Sponsored Programs Pass-Thrus	4,845,868	5,607,570	(761,702)	-13.6%
Depreciation and Amortization	28,996,652	28,344,302	652,350	2.3%
Other Operating Expenses	46,075,620	37,679,109	8,396,511	22.3%
Total Operating Expenses	<u>606,335,893</u>	<u>557,536,908</u>	<u>48,798,985</u>	<u>8.8%</u>
Operating Loss	<u>(137,667,975)</u>	<u>(128,646,086)</u>	<u>(9,021,889)</u>	<u>-7.0%</u>
Other Nonoperating Adjustments				
State Appropriations	125,816,113	125,015,948	800,165	0.6%
Gift Contributions for Operations	10,390,158	14,035,168	(3,645,010)	-26.0%
Net Investment Income	11,858,376	17,452,559	(5,594,183)	-32.1%
Interest Expense on Capital Asset Financings	(6,522,084)	(6,142,287)	(379,797)	-6.2%
Net Other Nonoperating Adjustments	<u>141,542,563</u>	<u>150,361,388</u>	<u>(8,818,825)</u>	<u>-5.9%</u>
Adjusted Income (Loss) including Depreciation	3,874,588	21,715,302	(17,840,714)	-82.2%
Adjusted Margin (as a percentage) including Depreciation	0.6%	3.7%		
Investment Gains (Losses)	(42,520,356)	8,964,537	(51,484,893)	-574.3%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (38,645,768)	\$ 30,679,839	\$ (69,325,607)	-226.0%
Adjusted Margin % with Investment Gains (Losses)	-6.7%	5.2%		
Adjusted Income (Loss) excluding Depreciation	32,871,240	50,059,604	(17,188,364)	-34.3%
Adjusted Margin (as a percentage) excluding Depreciation	5.3%	8.6%		

UNAUDITED
The University of Texas Health Science Center at San Antonio
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 19,070,719	\$ 17,437,500	\$ 1,633,219	9.4%
Sponsored Programs	187,986,218	164,768,405	23,217,813	14.1%
Net Sales and Services of Educational Activities	39,839,101	28,704,457	11,134,644	38.8%
Net Professional Fees	80,221,035	64,425,709	15,795,326	24.5%
Net Auxiliary Enterprises	2,846,211	2,983,199	(136,988)	-4.6%
Other Operating Revenues	10,308,485	8,833,955	1,474,530	16.7%
Total Operating Revenues	<u>340,271,769</u>	<u>287,153,225</u>	<u>53,118,544</u>	<u>18.5%</u>
Operating Expenses				
Salaries and Wages	258,300,458	237,299,444	21,001,014	8.9%
Employee Benefits and Related Costs	63,114,444	58,464,490	4,649,954	8.0%
Professional Fees and Contracted Services	13,477,829	10,994,907	2,482,922	22.6%
Other Contracted Services	18,403,146	21,302,590	(2,899,444)	-13.6%
Scholarships and Fellowships	2,706,380	2,355,905	350,475	14.9%
Travel	4,181,464	3,819,861	361,603	9.5%
Materials and Supplies	30,761,106	25,691,638	5,069,468	19.7%
Utilities	11,325,000	10,437,500	887,500	8.5%
Telecommunications	7,198,609	6,164,691	1,033,918	16.8%
Repairs and Maintenance	2,534,686	2,478,914	55,772	2.2%
Rentals and Leases	3,550,505	1,992,375	1,558,130	78.2%
Printing and Reproduction	1,405,010	1,410,551	(5,541)	-0.4%
Federal Sponsored Programs Pass-Thrus	1,050,000	450,000	600,000	133.3%
Depreciation and Amortization	23,625,000	19,673,513	3,951,487	20.1%
Other Operating Expenses	63,434,463	52,099,615	11,334,848	21.8%
Total Operating Expenses	<u>505,068,100</u>	<u>454,635,994</u>	<u>50,432,106</u>	<u>11.1%</u>
Operating Loss	<u>(164,796,331)</u>	<u>(167,482,769)</u>	<u>2,686,438</u>	<u>1.6%</u>
Other Nonoperating Adjustments				
State Appropriations	128,765,049	127,581,512	1,183,537	0.9%
Gift Contributions for Operations	16,504,003	13,910,698	2,593,305	18.6%
Net Investment Income	22,709,292	20,075,853	2,633,439	13.1%
Interest Expense on Capital Asset Financings	(6,452,604)	(2,993,226)	(3,459,378)	-115.6%
Net Other Nonoperating Adjustments	<u>161,525,740</u>	<u>158,574,837</u>	<u>2,950,903</u>	<u>1.9%</u>
Adjusted Income (Loss) including Depreciation	(3,270,591)	(8,907,932)	5,637,341	63.3%
Adjusted Margin (as a percentage) including Depreciation	-0.6%	-2.0%		
Investment Gains (Losses)	(32,770,089)	10,518,011	(43,288,100)	-411.6%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (36,040,680)	\$ 1,610,079	\$ (37,650,759)	-2338.4%
Adjusted Margin % with Investment Gains (Losses)	-7.6%	0.4%		
Adjusted Income (Loss) excluding Depreciation	20,354,409	10,765,581	9,588,828	89.1%
Adjusted Margin (as a percentage) excluding Depreciation	4.0%	2.4%		

UNAUDITED
The University of Texas M. D. Anderson Cancer Center
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 885,600	\$ 465,370	\$ 420,230	90.3%
Sponsored Programs	210,758,725	194,076,169	16,682,556	8.6%
Net Sales and Services of Educational Activities	1,407,698	1,916,870	(509,172)	-26.6%
Net Sales and Services of Hospitals	1,467,182,010	1,374,994,552	92,187,458	6.7%
Net Professional Fees	208,653,084	198,847,478	9,805,606	4.9%
Net Auxiliary Enterprises	22,489,530	20,883,916	1,605,614	7.7%
Other Operating Revenues	35,988,955	30,392,932	5,596,023	18.4%
Total Operating Revenues	<u>1,947,365,602</u>	<u>1,821,577,287</u>	<u>125,788,315</u>	<u>6.9%</u>
Operating Expenses				
Salaries and Wages	977,729,664	914,186,074	63,543,590	7.0%
Employee Benefits and Related Costs	261,595,994	243,631,247	17,964,747	7.4%
Professional Fees and Contracted Services	90,206,640	88,679,012	1,527,628	1.7%
Other Contracted Services	51,783,657	50,720,709	1,062,948	2.1%
Travel	13,959,189	15,822,433	(1,863,244)	-11.8%
Materials and Supplies	362,530,641	332,496,793	30,033,848	9.0%
Utilities	40,296,590	39,964,394	332,196	0.8%
Telecommunications	6,904,532	5,949,483	955,049	16.1%
Repairs and Maintenance	50,061,725	44,214,630	5,847,095	13.2%
Rentals and Leases	29,752,735	27,416,647	2,336,088	8.5%
Federal Sponsored Programs Pass-Thrus	1,060,613	427,934	632,679	147.8%
Depreciation and Amortization	165,503,066	157,255,695	8,247,371	5.2%
Other Operating Expenses	2,895,650	2,430,589	465,061	19.1%
Total Operating Expenses	<u>2,054,280,696</u>	<u>1,923,195,640</u>	<u>131,085,056</u>	<u>6.8%</u>
Operating Loss	<u>(106,915,094)</u>	<u>(101,618,353)</u>	<u>(5,296,741)</u>	<u>-5.2%</u>
Other Nonoperating Adjustments				
State Appropriations	125,233,079	126,446,365	(1,213,286)	-1.0%
Gift Contributions for Operations	40,938,019	85,829,041	(44,891,022)	-52.3%
Net Investment Income	34,172,771	41,549,098	(7,376,327)	-17.8%
Interest Expense on Capital Asset Financings	(21,217,743)	(16,940,276)	(4,277,467)	-25.3%
Net Other Nonoperating Adjustments	<u>179,126,126</u>	<u>236,884,228</u>	<u>(57,758,102)</u>	<u>-24.4%</u>
Adjusted Income (Loss) including Depreciation	72,211,032	135,265,875	(63,054,843)	-46.6%
Adjusted Margin (as a percentage) including Depreciation	3.4%	6.5%		
Investment Gains (Losses)	(155,976,686)	23,077,513	(179,054,199)	-775.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (83,765,654)	\$ 158,343,388	\$ (242,109,042)	-152.9%
Adjusted Margin % with Investment Gains (Losses)	-4.2%	7.5%		
Adjusted Income (Loss) excluding Depreciation	237,714,098	292,521,570	(54,807,472)	-18.7%
Adjusted Margin (as a percentage) excluding Depreciation	11.1%	14.1%		

UNAUDITED
The University of Texas Health Science Center at Tyler
Comparison of Operating Results and Margin
For the Nine Months Ending May 31, 2009

	May Year-to-Date <u>FY 2009</u>	May Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 10,600,005.00	\$ 9,777,239.00	\$ 822,766	8.4%
Net Sales and Services of Educational Activities	932,745	619,058	313,687	50.7%
Net Sales and Services of Hospitals	40,315,059	31,022,921	9,292,138	30.0%
Net Professional Fees	9,726,728	7,928,912	1,797,816	22.7%
Net Auxiliary Enterprises	176,668	118,988	57,680	48.5%
Other Operating Revenues	720,936	949,691	(228,755)	-24.1%
Total Operating Revenues	<u>62,472,141</u>	<u>50,416,809</u>	<u>12,055,332</u>	<u>23.9%</u>
Operating Expenses				
Salaries and Wages	38,424,597	39,040,456	(615,859)	-1.6%
Employee Benefits and Related Costs	10,838,316	11,003,716	(165,400)	-1.5%
Professional Fees and Contracted Services	7,370,979	3,228,060	4,142,919	128.3%
Other Contracted Services	8,061,477	6,721,286	1,340,191	19.9%
Travel	352,531	327,361	25,170	7.7%
Materials and Supplies	13,082,078	9,628,102	3,453,976	35.9%
Utilities	2,128,994	2,373,846	(244,852)	-10.3%
Telecommunications	738,645	776,790	(38,145)	-4.9%
Repairs and Maintenance	2,942,139	2,500,489	441,650	17.7%
Rentals and Leases	847,039	725,169	121,870	16.8%
Printing and Reproduction	227,538	103,314	124,224	120.2%
Federal Sponsored Programs Pass-Thrus	269,522	51,937	217,585	418.9%
Depreciation and Amortization	5,667,383	5,127,720	539,663	10.5%
Other Operating Expenses	1,630,831	1,694,926	(64,095)	-3.8%
Total Operating Expenses	<u>92,582,069</u>	<u>83,303,172</u>	<u>9,278,897</u>	<u>11.1%</u>
Operating Loss	<u>(30,109,928)</u>	<u>(32,886,363)</u>	<u>2,776,435</u>	<u>8.4%</u>
Other Nonoperating Adjustments				
State Appropriations	30,672,706	29,378,315	1,294,391	4.4%
Gift Contributions for Operations	147,781	1,034,876	(887,095)	-85.7%
Net Investment Income	2,888,320	2,989,711	(101,391)	-3.4%
Interest Expense on Capital Asset Financings	(533,196)	(1,144,492)	611,296	53.4%
Net Other Nonoperating Adjustments	<u>33,175,611</u>	<u>32,258,410</u>	<u>917,201</u>	<u>2.8%</u>
Adjusted Income (Loss) including Depreciation	3,065,683	(627,953)	3,693,636	588.2%
Adjusted Margin (as a percentage) including Depreciation	3.2%	-0.7%		
Investment Gains (Losses)	(257,615)	304,191	(561,806)	-184.7%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 2,808,068	\$ (323,762)	\$ 3,131,830	967.3%
Adjusted Margin % with Investment Gains (Losses)	2.9%	-0.4%		
Adjusted Income (Loss) excluding Depreciation	8,733,066	4,499,767	4,233,299	94.1%
Adjusted Margin (as a percentage) excluding Depreciation	9.1%	5.4%		