

THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER

---

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

**NOVEMBER 2008**



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

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**The University of Texas System  
Monthly Financial Report**

**Foreword**

The Monthly Financial Report (MFR) compares the results of operations between the current year-to-date cumulative amounts and the prior year-to-date cumulative amounts. Explanations are provided for institutions having the largest variances in Adjusted Income (Loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. In addition, although no significant variance may exist, institutions with losses may be discussed.

The data is reported in three sections: (1) Operating Revenues, (2) Operating Expenses and (3) Other Nonoperating Adjustments. Presentation of state appropriation revenues are required under GASB 35 to be reflected as nonoperating revenues, so all institutions will report an Operating Loss prior to this adjustment. The MFR provides an Adjusted Income (Loss), which takes into account the nonoperating adjustments associated with core operating activities. An Adjusted Margin (as a percentage of operating and nonoperating revenue adjustments) is calculated for each period and is intended to reflect relative operating contributions to financial health.

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**UNAUDITED**  
**The University of Texas System**  
**Comparison of Operating Results and Margin**  
**For the Three Months Ending November 30, 2008**

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 369,998,332	\$ 343,930,986	\$ 26,067,346	7.6%
Sponsored Programs	649,375,881	628,678,225	20,697,656	3.3%
Net Sales and Services of Educational Activities	93,071,612	78,783,027	14,288,585	18.1%
Net Sales and Services of Hospitals	721,227,254	719,670,991	1,556,263	0.2%
Net Professional Fees	220,231,227	216,350,023	3,881,204	1.8%
Net Auxiliary Enterprises	111,056,097	100,561,715	10,494,382	10.4%
Other Operating Revenues	30,116,777	41,860,278	(11,743,501)	-28.1%
<b>Total Operating Revenues</b>	<b><u>2,195,077,180</u></b>	<b><u>2,129,835,245</u></b>	<b><u>65,241,935</u></b>	<b><u>3.1%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	1,398,403,040	1,282,594,957	115,808,083	9.0%
Payroll Related Costs	325,701,384	307,234,638	18,466,746	6.0%
Professional Fees and Contracted Services	123,463,223	68,509,553	54,953,670	80.2%
Other Contracted Services	117,792,406	99,538,028	18,254,378	18.3%
Scholarships and Fellowships	204,515,380	183,209,444	21,305,936	11.6%
Travel	29,968,395	28,385,169	1,583,226	5.6%
Materials and Supplies	279,098,026	279,498,958	(400,932)	-0.1%
Utilities	76,059,127	68,400,341	7,658,786	11.2%
Telecommunications	28,047,286	23,963,208	4,084,078	17.0%
Repairs and Maintenance	50,136,574	44,065,150	6,071,424	13.8%
Rentals and Leases	29,990,766	30,670,924	(680,158)	-2.2%
Printing and Reproduction	7,722,636	6,518,850	1,203,786	18.5%
Bad Debt Expense	90,451	13,795	76,656	555.7%
Claims and Losses	3,626,213	279,865	3,346,348	1,195.7%
Federal Sponsored Programs Pass-Throughs	4,031,956	7,515,624	(3,483,668)	-46.4%
Depreciation and Amortization	184,327,020	169,095,750	15,231,270	9.0%
Other Operating Expenses	107,778,606	89,421,024	18,357,582	20.5%
<b>Total Operating Expenses</b>	<b><u>2,970,752,489</u></b>	<b><u>2,688,915,278</u></b>	<b><u>281,837,211</u></b>	<b><u>10.5%</u></b>
<b>Operating Loss</b>	<b><u>(775,675,309)</u></b>	<b><u>(559,080,033)</u></b>	<b><u>(216,595,276)</u></b>	<b><u>-38.7%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	493,009,721	487,110,951	5,898,770	1.2%
Gift Contributions for Operations	72,140,491	78,618,166	(6,477,675)	-8.2%
Net Investment Income	168,584,490	189,473,353	(20,888,863)	-11.0%
Interest Expense on Capital Asset Financings	(50,075,125)	(41,545,559)	(8,529,566)	-20.5%
<b>Net Other Nonoperating Adjustments</b>	<b><u>683,659,577</u></b>	<b><u>713,656,911</u></b>	<b><u>(29,997,334)</u></b>	<b><u>-4.2%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b><u>(92,015,732)</u></b>	<b><u>154,576,878</u></b>	<b><u>(246,592,610)</u></b>	<b><u>-159.5%</u></b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b><u>-3.1%</u></b>	<b><u>5.4%</u></b>		
Investment Gains (Losses)	(4,870,628,652)	757,369,516	(5,627,998,168)	-743.1%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b><u>\$ (4,962,644,384)</u></b>	<b><u>\$ 911,946,394</u></b>	<b><u>\$ (5,874,590,778)</u></b>	<b><u>-644.2%</u></b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b><u>255.6%</u></b>	<b><u>25.0%</u></b>		
<b>Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation</b>	<b><u>(4,778,317,364)</u></b>	<b><u>1,081,042,144</u></b>	<b><u>(5,859,359,508)</u></b>	<b><u>-542.0%</u></b>
<b>Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation</b>	<b><u>246.1%</u></b>	<b><u>29.7%</u></b>		

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

	<b>Including Depreciation and Amortization Expense</b>			<b>Fluctuation Percentage</b>
	<b>November Year-to-Date FY 2009</b>	<b>November Year-to-Date FY 2008</b>	<b>Variance</b>	
UT System Administration	\$ 31,574,360	\$ 71,122,052	\$ (39,547,692) (1)	-55.6%
UT Arlington	5,703,373	8,956,829	(3,253,456)	-36.3%
UT Austin	47,867,826	40,733,014	7,134,812	17.5%
UT Brownsville	(177,033)	875,502	(1,052,535) (2)	-120.2%
UT Dallas	33,027	626,685	(593,658)	-94.7%
UT El Paso	1,557,168	1,218,434	338,734	27.8%
UT Pan American	175,043	768,561	(593,518)	-77.2%
UT Permian Basin	3,628,681	2,850,092	778,589	27.3%
UT San Antonio	1,716,519	10,602,109	(8,885,590) (3)	-83.8%
UT Tyler	1,652,451	2,434,553	(782,102)	-32.1%
UT Southwestern Medical Center - Dallas	(11,116,873)	17,201,555	(28,318,428) (4)	-164.6%
UT Medical Branch - Galveston	(138,671,139)	(6,278,390)	(132,392,749) (5)	-2,108.7%
UT Health Science Center - Houston	2,127,299	1,817,658	309,641	17.0%
UT Health Science Center - San Antonio	(643,424)	(4,254,125)	3,610,701 (6)	84.9%
UT M. D. Anderson Cancer Center	3,150,677	43,298,814	(40,148,137) (7)	-92.7%
UT Health Science Center - Tyler	990,063	(1,496,465)	2,486,528 (8)	166.2%
Elimination of AUF Transfer	(41,583,750)	(35,900,000)	(5,683,750)	-15.8%
Total Adjusted Income (Loss)	(92,015,732)	154,576,878	(246,592,610)	-159.5%
Investment Gains (Losses)	(4,870,628,652)	757,369,516	(5,627,998,168) (9)	-743.1%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b>\$ (4,962,644,384)</b>	<b>\$ 911,946,394</b>	<b>\$ (5,874,590,778)</b>	<b>-644.2%</b>

	<b>Excluding Depreciation and Amortization Expense</b>			<b>Fluctuation Percentage</b>
	<b>November Year-to-Date FY 2009</b>	<b>November Year-to-Date FY 2008</b>	<b>Variance</b>	
UT System Administration	\$ 33,153,794	\$ 72,702,394	\$ (39,548,600)	-54.4%
UT Arlington	12,276,138	15,518,463	(3,242,325)	-20.9%
UT Austin	86,285,972	75,106,541	11,179,431	14.9%
UT Brownsville	1,326,898	2,286,953	(960,055)	-42.0%
UT Dallas	5,454,960	5,759,573	(304,613)	-5.3%
UT El Paso	5,507,732	5,004,943	502,789	10.0%
UT Pan American	3,328,985	4,555,274	(1,226,289)	-26.9%
UT Permian Basin	4,774,821	3,762,844	1,011,977	26.9%
UT San Antonio	9,771,704	17,181,437	(7,409,733)	-43.1%
UT Tyler	3,723,019	4,370,733	(647,714)	-14.8%
UT Southwestern Medical Center - Dallas	7,434,560	34,334,659	(26,900,099)	-78.3%
UT Medical Branch - Galveston	(119,452,484)	8,898,974	(128,351,458)	-1,442.3%
UT Health Science Center - Houston	11,892,021	11,265,759	626,262	5.6%
UT Health Science Center - San Antonio	7,231,576	2,303,713	4,927,863	213.9%
UT M. D. Anderson Cancer Center	58,308,484	95,717,379	(37,408,895)	-39.1%
UT Health Science Center - Tyler	2,876,858	802,989	2,073,869	258.3%
Elimination of AUF Transfer	(41,583,750)	(35,900,000)	(5,683,750)	-15.8%
Total Adjusted Income (Loss)	92,311,288	323,672,628	(231,361,340)	-71.5%
Investment Gains (Losses)	(4,870,628,652)	757,369,516	(5,627,998,168)	-743.1%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization</b>	<b>\$ (4,778,317,364)</b>	<b>\$ 1,081,042,144</b>	<b>\$ (5,859,359,508)</b>	<b>-542.0%</b>

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

Explanations are provided for institutions having the largest variances in adjusted income (loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. Explanations are also provided for institutions with a current year-to-date adjusted loss.

- (1) UT System Administration – The \$39.5 million (55.6%) 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 \$33.2 million or 47.1%.
- (2) UT Brownsville - The \$1.1 million (120.2%) decrease in adjusted income over the same period last year was primarily attributable to decreased enrollment as a result of new Student Academic Performance (SAP) standards implemented in the spring of 2008. As a result, *UT Brownsville* experienced a \$177,000 year-to-date loss. Excluding depreciation expense, *UT Brownsville's* adjusted income was \$1.3 million or 2.7%. *UT Brownsville* projects a year-end loss of approximately \$5.5 million which represents -3.7% of projected revenues. The majority of the negative margin was anticipated and approved in the original 2009 budget. The use of prior year balances were approved because *UT Brownsville* put in place a number of recruitment, retention, and marketing strategies which, if successful, will return enrollment and positive margins for 2010. This forecast includes \$5.9 million of depreciation expense.
- (3) UT San Antonio - The \$8.9 million (83.8%) decrease in adjusted income over the same period last year was primarily due to a \$6.9 million increase in salaries, wages, and payroll related costs and a \$1.5 million increase in depreciation expense. Salaries and wages increased due to merit increases and the hiring of several executive positions that were vacant last fall. Depreciation expense increased due to the completion of Laurel Village Phase II, Thermal Energy Plant, and University Center Phase III. There was also a \$1.1 million decrease in gift contributions for operations due to a one-time gift received in 2008 from the AT&T Foundation. Excluding depreciation expense, *UT San Antonio's* adjusted income was \$9.7 million or 8%.
- (4) UT Southwestern Medical Center at Dallas – The \$28.3 million (164.6%) decrease in adjusted income over the same period last year was primarily due to a \$23.3 million increase in salaries, wages, and payroll related costs and a \$13.1 million decrease in gift contributions for operations. Salaries and wages increased due to a 4.8% increase in full-time equivalents (FTEs) and an increase in merit pay. The decrease in gift contributions was attributable to the current economic downturn. As a result, *Southwestern* experienced an \$11.1 million year-to-date loss. Excluding depreciation expense, *Southwestern's* adjusted income was \$7.4 million or 2.1%. *Southwestern* projects year-end income of approximately \$25.2 million which represents 1.7% of projected revenues. This forecast includes \$73.2 million of depreciation expense.
- (5) UT Medical Branch - Galveston – The \$132.4 million (2,108.7%) 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 \$77.6 million and operating expenses increased \$58.9 million. Patient care revenue decreased \$57.6 million, with decreases in admissions of 70.4%, patient days of 78.1%, and clinic visits of 36.3% as compared to last year. Sponsored programs decreased \$17.6 million due to 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 \$69.2 million. As a result, *UTMB* experienced a \$138.7 million year-to-date loss. Excluding depreciation expense, *UTMB's* adjusted loss was \$119.5 million or -40.6%. *UTMB* projects a year-end loss of approximately \$146.5 million, which represents -10.9% of projected revenues. This forecast includes \$77.8 million of depreciation expense. The projection includes the impact of the reduction in force but does not yet include the impact of the impairment of capital assets as a result of Hurricane *Ike*.
- (6) UT Health Science Center – San Antonio – The \$3.6 million (84.9%) decrease in adjusted loss over the same period last year was primarily attributable to gift contributions for operations. *UTHSC-San Antonio* received a \$5 million gift from former Governor Dolph Briscoe, Jr. in September 2008. Although the adjusted loss decreased, *UTHSC-San Antonio* still incurred a year-to-date loss of \$643,000 primarily due to higher expenses at *UTHSC-San Antonio's* nonprofit healthcare corporation (UT Medicine). Excluding depreciation expense, *UTHSC-San Antonio's* adjusted income was \$7.2 million or 4.5%. *UTHSC-San Antonio* anticipates that the physician practice plan will negotiate additional contract revenues with its affiliates to support the higher expenses incurred by UT Medicine. *UTHSC-San Antonio* projects a year-end loss of approximately \$7.6 million, which represents -1.1% 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 Medical Arts and Research Center in the summer of 2009. This loss is a planned investment of prior year net assets that is anticipated to increase future operations.

- (7) UT M. D. Anderson Cancer Center – The \$40.1 million (92.7%) 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* and a \$40.1 million increase in salaries, wages, and payroll related costs due to salary increases and additional FTEs. There was also a \$14.6 million decrease in gift contributions for operations due to a one-time gift of \$12 million received in 2008. Hurricane *Ike* caused the temporary closure of *M. D. Anderson* beginning on September 12. All areas of *M. D. Anderson* were completely reopened by September 17. Excluding depreciation expense, *M. D. Anderson's* adjusted income was \$58.3 million or 8.5%.
- (8) UT Health Science Center – Tyler – The \$2.5 million (166.2%) increase in adjusted income over the same period last year was primarily attributable to a \$3.8 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 \$2.9 million or 9.4%.
- (9) Investment Gains (Losses) - The majority of the \$5.6 billion (743.1%) decrease in investment gains relates to the Permanent University Fund of \$3 billion, the Long Term Fund of \$1.4 billion, and the Permanent Health Fund of \$273.4 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 Three Months Ending November 30, 2008**

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 3,057,812	\$ 8,399,853	\$ (5,342,041)	-63.6%
Net Sales and Services of Educational Activities	11,507,116	3,511,968	7,995,148	227.7%
Other Operating Revenues	(5,024,868)	11,210,233	(16,235,101)	-144.8%
<b>Total Operating Revenues</b>	<b><u>9,540,060</u></b>	<b><u>23,122,054</u></b>	<b><u>(13,581,994)</u></b>	<b><u>-58.7%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	9,221,859	10,200,110	(978,251)	-9.6%
Employee Benefits and Related Costs	1,823,657	1,881,030	(57,373)	-3.1%
Professional Fees and Contracted Services	1,447,485	60,538	1,386,947	2,291.0%
Other Contracted Services	3,389,218	3,320,740	68,478	2.1%
Scholarships and Fellowships	420,700	275,900	144,800	52.5%
Travel	516,736	463,804	52,932	11.4%
Materials and Supplies	937,179	1,193,216	(256,037)	-21.5%
Utilities	30,122	74,935	(44,813)	-59.8%
Telecommunications	3,074,193	349,553	2,724,640	779.5%
Repairs and Maintenance	236,288	227,182	9,106	4.0%
Rentals and Leases	189,215	2,668,528	(2,479,313)	-92.9%
Printing and Reproduction	58,669	71,857	(13,188)	-18.4%
Claims and Losses	3,626,213	279,865	3,346,348	1,195.7%
Depreciation and Amortization	1,579,434	1,580,342	(908)	-0.1%
Other Operating Expenses	1,242,114	1,139,329	102,785	9.0%
<b>Total Operating Expenses</b>	<b><u>27,793,082</u></b>	<b><u>23,786,929</u></b>	<b><u>4,006,153</u></b>	<b><u>16.8%</u></b>
<b>Operating Loss</b>	<b><u>(18,253,022)</u></b>	<b><u>(664,875)</u></b>	<b><u>(17,588,147)</u></b>	<b><u>-2,645.3%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	230,507	230,507	-	0.0%
Gift Contributions for Operations	333,751	156,623	177,128	113.1%
Net Investment Income	51,513,755	73,691,322	(22,177,567)	-30.1%
Interest Expense on Capital Asset Financings	(10,959,982)	(10,851,637)	(108,345)	-1.0%
<b>Net Other Nonoperating Adjustments</b>	<b><u>41,118,031</u></b>	<b><u>63,226,815</u></b>	<b><u>(22,108,784)</u></b>	<b><u>-35.0%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>22,865,009</b>	<b>62,561,940</b>	<b>(39,696,931)</b>	<b>-63.5%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>37.1%</b>	<b>64.4%</b>		
Available University Fund Transfer	8,709,351	8,560,112	149,239	1.7%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>31,574,360</b>	<b>71,122,052</b>	<b>(39,547,692)</b>	<b>-55.6%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>44.9%</b>	<b>67.2%</b>		
Investment Gains (Losses)	(4,098,629,504)	620,075,986	(4,718,705,490)	-761.0%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ (4,067,055,144)</b>	<b>\$ 691,198,038</b>	<b>\$ (4,758,253,182)</b>	<b>-688.4%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>101.0%</b>	<b>95.2%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>33,153,794</b>	<b>72,702,394</b>	<b>(39,548,600)</b>	<b>-54.4%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>47.1%</b>	<b>68.7%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 46,093,445	\$ 42,637,660	\$ 3,455,785	8.1%
Sponsored Programs	17,027,236	15,440,971	1,586,265	10.3%
Net Sales and Services of Educational Activities	4,457,397	3,715,634	741,763	20.0%
Net Auxiliary Enterprises	9,331,785	8,957,846	373,939	4.2%
Other Operating Revenues	2,235,871	1,842,696	393,175	21.3%
<b>Total Operating Revenues</b>	<b>79,145,734</b>	<b>72,594,807</b>	<b>6,550,927</b>	<b>9.0%</b>
<b>Operating Expenses</b>				
Salaries and Wages	49,054,102	45,339,846	3,714,256	8.2%
Employee Benefits and Related Costs	10,224,764	9,668,729	556,035	5.8%
Professional Fees and Contracted Services	838,261	936,878	(98,617)	-10.5%
Other Contracted Services	3,163,142	2,993,910	169,232	5.7%
Scholarships and Fellowships	13,951,076	11,621,108	2,329,968	20.0%
Travel	1,329,298	1,088,487	240,811	22.1%
Materials and Supplies	5,074,616	4,903,108	171,508	3.5%
Utilities	3,361,943	3,054,303	307,640	10.1%
Telecommunications	1,621,114	1,246,225	374,889	30.1%
Repairs and Maintenance	2,230,095	1,918,771	311,324	16.2%
Rentals and Leases	813,240	826,564	(13,324)	-1.6%
Printing and Reproduction	673,174	619,735	53,439	8.6%
Federal Sponsored Programs Pass-Thrus	369,664	537,396	(167,732)	-31.2%
Depreciation and Amortization	6,572,765	6,561,634	11,131	0.2%
Other Operating Expenses	3,151,351	1,801,765	1,349,586	74.9%
<b>Total Operating Expenses</b>	<b>102,428,605</b>	<b>93,118,459</b>	<b>9,310,146</b>	<b>10.0%</b>
<b>Operating Loss</b>	<b>(23,282,871)</b>	<b>(20,523,652)</b>	<b>(2,759,219)</b>	<b>-13.4%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	27,881,147	27,742,771	138,376	0.5%
Gift Contributions for Operations	521,204	658,215	(137,011)	-20.8%
Net Investment Income	2,773,839	2,567,783	206,056	8.0%
Interest Expense on Capital Asset Financings	(2,189,946)	(1,488,288)	(701,658)	-47.1%
<b>Net Other Nonoperating Adjustments</b>	<b>28,986,244</b>	<b>29,480,481</b>	<b>(494,237)</b>	<b>-1.7%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>5,703,373</b>	<b>8,956,829</b>	<b>(3,253,456)</b>	<b>-36.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>5.2%</b>	<b>8.6%</b>		
Investment Gains (Losses)	(32,016,545)	9,609,852	(41,626,397)	-433.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (26,313,172)</b>	<b>\$ 18,566,681</b>	<b>\$ (44,879,853)</b>	<b>-241.7%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-33.6%</b>	<b>16.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>12,276,138</b>	<b>15,518,463</b>	<b>(3,242,325)</b>	<b>-20.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>11.1%</b>	<b>15.0%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 149,830,708	\$ 140,987,214	\$ 8,843,494	6.3%
Sponsored Programs	128,815,127	124,560,719	4,254,408	3.4%
Net Sales and Services of Educational Activities	44,335,572	43,196,740	1,138,832	2.6%
Net Auxiliary Enterprises	64,182,586	53,792,098	10,390,488	19.3%
Other Operating Revenues	962,129	544,229	417,900	76.8%
<b>Total Operating Revenues</b>	<b><u>388,126,122</u></b>	<b><u>363,081,000</u></b>	<b><u>25,045,122</u></b>	<b><u>6.9%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	249,950,375	231,831,384	18,118,991	7.8%
Employee Benefits and Related Costs	52,961,545	49,476,246	3,485,299	7.0%
Professional Fees and Contracted Services	6,112,286	5,420,694	691,592	12.8%
Other Contracted Services	17,943,187	16,522,048	1,421,139	8.6%
Scholarships and Fellowships	56,999,108	54,267,432	2,731,676	5.0%
Travel	10,917,656	9,799,522	1,118,134	11.4%
Materials and Supplies	33,331,133	27,005,533	6,325,600	23.4%
Utilities	19,882,847	17,499,348	2,383,499	13.6%
Telecommunications	11,539,058	11,165,574	373,484	3.3%
Repairs and Maintenance	9,011,524	8,140,871	870,653	10.7%
Rentals and Leases	5,088,394	3,897,014	1,191,380	30.6%
Printing and Reproduction	2,949,369	2,199,442	749,927	34.1%
Federal Sponsored Programs Pass-Thrus	502,176	956,228	(454,052)	-47.5%
Depreciation and Amortization	38,418,146	34,373,527	4,044,619	11.8%
Other Operating Expenses	20,263,325	19,718,501	544,824	2.8%
<b>Total Operating Expenses</b>	<b><u>535,870,129</u></b>	<b><u>492,273,364</u></b>	<b><u>43,596,765</u></b>	<b><u>8.9%</u></b>
<b>Operating Loss</b>	<b><u>(147,744,007)</u></b>	<b><u>(129,192,364)</u></b>	<b><u>(18,551,643)</u></b>	<b><u>-14.4%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	87,238,269	83,429,651	3,808,618	4.6%
Gift Contributions for Operations	33,193,323	19,338,237	13,855,086	71.6%
Net Investment Income	43,196,134	37,642,902	5,553,232	14.8%
Interest Expense on Capital Asset Financings	(9,599,643)	(6,385,412)	(3,214,231)	-50.3%
<b>Net Other Nonoperating Adjustments</b>	<b><u>154,028,083</u></b>	<b><u>134,025,378</u></b>	<b><u>20,002,705</u></b>	<b><u>14.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>6,284,076</b>	<b>4,833,014</b>	<b>1,451,062</b>	<b>30.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.1%</b>	<b>1.0%</b>		
Available University Fund Transfer	41,583,750	35,900,000	5,683,750	15.8%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>47,867,826</b>	<b>40,733,014</b>	<b>7,134,812</b>	<b>17.5%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>8.1%</b>	<b>7.6%</b>		
Investment Gains (Losses)	(174,972,789)	24,923,296	(199,896,085)	-802.0%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ (127,104,963)</b>	<b>\$ 65,656,310</b>	<b>\$ (192,761,273)</b>	<b>-293.6%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>-30.4%</b>	<b>11.6%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>86,285,972</b>	<b>75,106,541</b>	<b>11,179,431</b>	<b>14.9%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>14.5%</b>	<b>13.9%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 4,995,530	\$ 4,594,659	\$ 400,871	8.7%
Sponsored Programs	34,048,301	29,670,336	4,377,965	14.8%
Net Sales and Services of Educational Activities	300,313	339,059	(38,746)	-11.4%
Net Auxiliary Enterprises	340,602	522,830	(182,228)	-34.9%
Other Operating Revenues	3,607	22,441	(18,834)	-83.9%
<b>Total Operating Revenues</b>	<b><u>39,688,353</u></b>	<b><u>35,149,325</u></b>	<b><u>4,539,028</u></b>	<b><u>12.9%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	16,476,333	14,482,959	1,993,374	13.8%
Employee Benefits and Related Costs	3,874,818	3,454,700	420,118	12.2%
Professional Fees and Contracted Services	568,628	473,577	95,051	20.1%
Scholarships and Fellowships	21,284,415	18,149,841	3,134,574	17.3%
Travel	270,882	263,045	7,837	3.0%
Materials and Supplies	1,275,373	1,243,024	32,349	2.6%
Utilities	884,922	862,488	22,434	2.6%
Telecommunications	243,107	340,536	(97,429)	-28.6%
Repairs and Maintenance	272,614	350,477	(77,863)	-22.2%
Rentals and Leases	479,790	447,624	32,166	7.2%
Printing and Reproduction	71,969	72,165	(196)	-0.3%
Bad Debt Expense	8,936	10,795	(1,859)	-17.2%
Federal Sponsored Programs Pass-Thrus	-	3,053	(3,053)	-100.0%
Depreciation and Amortization	1,503,931	1,411,451	92,480	6.6%
Other Operating Expenses	1,963,246	1,666,771	296,475	17.8%
<b>Total Operating Expenses</b>	<b><u>49,178,964</u></b>	<b><u>43,232,506</u></b>	<b><u>5,946,458</u></b>	<b><u>13.8%</u></b>
<b>Operating Loss</b>	<b><u>(9,490,611)</u></b>	<b><u>(8,083,181)</u></b>	<b><u>(1,407,430)</u></b>	<b><u>-17.4%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	9,226,612	8,827,274	399,338	4.5%
Gift Contributions for Operations	183,061	162,594	20,467	12.6%
Net Investment Income	323,494	391,768	(68,274)	-17.4%
Interest Expense on Capital Asset Financings	(419,589)	(422,953)	3,364	0.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>9,313,578</u></b>	<b><u>8,958,683</u></b>	<b><u>354,895</u></b>	<b><u>4.0%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(177,033)</b>	<b>875,502</b>	<b>(1,052,535)</b>	<b>-120.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-0.4%</b>	<b>2.0%</b>		
Investment Gains (Losses)	(5,594,433)	1,267,214	(6,861,647)	-541.5%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (5,771,466)</b>	<b>\$ 2,142,716</b>	<b>\$ (7,914,182)</b>	<b>-369.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-13.2%</b>	<b>4.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>1,326,898</b>	<b>2,286,953</b>	<b>(960,055)</b>	<b>-42.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>2.7%</b>	<b>5.1%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 37,787,771	\$ 32,191,239	\$ 5,596,532	17.4%
Sponsored Programs	11,378,639	12,334,672	(956,033)	-7.8%
Net Sales and Services of Educational Activities	1,811,302	1,663,941	147,361	8.9%
Net Auxiliary Enterprises	1,353,815	1,026,562	327,253	31.9%
Other Operating Revenues	1,248,574	1,052,659	195,915	18.6%
<b>Total Operating Revenues</b>	<b>53,580,101</b>	<b>48,269,073</b>	<b>5,311,028</b>	<b>11.0%</b>
<b>Operating Expenses</b>				
Salaries and Wages	40,110,153	36,822,699	3,287,454	8.9%
Employee Benefits and Related Costs	7,728,291	7,225,718	502,573	7.0%
Professional Fees and Contracted Services	1,234,295	677,578	556,717	82.2%
Other Contracted Services	2,744,026	2,988,881	(244,855)	-8.2%
Scholarships and Fellowships	9,999,662	9,098,686	900,976	9.9%
Travel	908,208	734,258	173,950	23.7%
Materials and Supplies	4,081,037	4,407,348	(326,311)	-7.4%
Utilities	1,973,744	1,472,456	501,288	34.0%
Telecommunications	356,998	139,676	217,322	155.6%
Repairs and Maintenance	1,160,278	1,311,233	(150,955)	-11.5%
Rentals and Leases	463,713	362,733	100,980	27.8%
Printing and Reproduction	368,450	324,680	43,770	13.5%
Federal Sponsored Programs Pass-Thrus	54,358	81,644	(27,286)	-33.4%
Depreciation and Amortization	5,421,933	5,132,888	289,045	5.6%
Other Operating Expenses	2,983,144	2,800,553	182,591	6.5%
<b>Total Operating Expenses</b>	<b>79,588,290</b>	<b>73,581,031</b>	<b>6,007,259</b>	<b>8.2%</b>
<b>Operating Loss</b>	<b>(26,008,189)</b>	<b>(25,311,958)</b>	<b>(696,231)</b>	<b>-2.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	23,537,139	23,400,689	136,450	0.6%
Gift Contributions for Operations	1,317,140	849,092	468,048	55.1%
Net Investment Income	3,278,345	3,310,588	(32,243)	-1.0%
Interest Expense on Capital Asset Financings	(2,091,408)	(1,621,726)	(469,682)	-29.0%
<b>Net Other Nonoperating Adjustments</b>	<b>26,041,216</b>	<b>25,938,643</b>	<b>102,573</b>	<b>0.4%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>33,027</b>	<b>626,685</b>	<b>(593,658)</b>	<b>-94.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.0%</b>	<b>0.8%</b>		
Investment Gains (Losses)	(27,654,455)	4,220,358	(31,874,813)	-755.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (27,621,428)</b>	<b>\$ 4,847,043</b>	<b>\$ (32,468,471)</b>	<b>-669.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-51.1%</b>	<b>6.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>5,454,960</b>	<b>5,759,573</b>	<b>(304,613)</b>	<b>-5.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.7%</b>	<b>7.6%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 26,180,559	\$ 24,138,576	\$ 2,041,983	8.5%
Sponsored Programs	28,353,599	26,365,109	1,988,490	7.5%
Net Sales and Services of Educational Activities	937,691	1,123,167	(185,476)	-16.5%
Net Auxiliary Enterprises	7,630,056	7,764,676	(134,620)	-1.7%
Other Operating Revenues	33,689	306,792	(273,103)	-89.0%
<b>Total Operating Revenues</b>	<b><u>63,135,594</u></b>	<b><u>59,698,320</u></b>	<b><u>3,437,274</u></b>	<b><u>5.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	35,026,695	32,517,209	2,509,486	7.7%
Employee Benefits and Related Costs	8,289,612	7,856,024	433,588	5.5%
Professional Fees and Contracted Services	248,534	263,041	(14,507)	-5.5%
Other Contracted Services	4,389,297	5,365,083	(975,786)	-18.2%
Scholarships and Fellowships	22,925,129	21,108,263	1,816,866	8.6%
Travel	1,345,827	1,456,929	(111,102)	-7.6%
Materials and Supplies	5,387,249	5,669,037	(281,788)	-5.0%
Utilities	2,044,753	1,782,346	262,407	14.7%
Telecommunications	139,736	208,929	(69,193)	-33.1%
Repairs and Maintenance	1,131,233	1,500,180	(368,947)	-24.6%
Rentals and Leases	1,147,413	956,718	190,695	19.9%
Printing and Reproduction	333,223	266,067	67,156	25.2%
Federal Sponsored Programs Pass-Thrus	47,194	15,238	31,956	209.7%
Depreciation and Amortization	3,950,564	3,786,509	164,055	4.3%
Other Operating Expenses	2,084,733	1,886,537	198,196	10.5%
<b>Total Operating Expenses</b>	<b><u>88,491,192</u></b>	<b><u>84,638,110</u></b>	<b><u>3,853,082</u></b>	<b><u>4.6%</u></b>
<b>Operating Loss</b>	<b><u>(25,355,598)</u></b>	<b><u>(24,939,790)</u></b>	<b><u>(415,808)</u></b>	<b><u>-1.7%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	22,998,645	23,373,258	(374,613)	-1.6%
Gift Contributions for Operations	2,533,632	1,362,935	1,170,697	85.9%
Net Investment Income	2,502,789	2,440,818	61,971	2.5%
Interest Expense on Capital Asset Financings	(1,122,300)	(1,018,787)	(103,513)	-10.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>26,912,766</u></b>	<b><u>26,158,224</u></b>	<b><u>754,542</u></b>	<b><u>2.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>1,557,168</b>	<b>1,218,434</b>	<b>338,734</b>	<b>27.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.7%</b>	<b>1.4%</b>		
Investment Gains (Losses)	(12,274,476)	3,317,270	(15,591,746)	-470.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (10,717,308)</b>	<b>\$ 4,535,704</b>	<b>\$ (15,253,012)</b>	<b>-336.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-13.6%</b>	<b>5.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>5,507,732</b>	<b>5,004,943</b>	<b>502,789</b>	<b>10.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.0%</b>	<b>5.8%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 21,670,284	\$ 19,708,890	\$ 1,961,394	10.0%
Sponsored Programs	33,094,295	29,515,301	3,578,994	12.1%
Net Sales and Services of Educational Activities	1,919,355	1,972,399	(53,044)	-2.7%
Net Auxiliary Enterprises	1,642,769	1,302,973	339,796	26.1%
Other Operating Revenues	988,511	258,615	729,896	282.2%
<b>Total Operating Revenues</b>	<b><u>59,315,214</u></b>	<b><u>52,758,178</u></b>	<b><u>6,557,036</u></b>	<b><u>12.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	24,493,774	23,435,370	1,058,404	4.5%
Employee Benefits and Related Costs	6,004,587	5,177,799	826,788	16.0%
Professional Fees and Contracted Services	274,580	642,722	(368,142)	-57.3%
Other Contracted Services	1,285,379	1,775,709	(490,330)	-27.6%
Scholarships and Fellowships	34,111,755	27,709,092	6,402,663	23.1%
Travel	818,276	1,005,507	(187,231)	-18.6%
Materials and Supplies	2,872,799	3,590,892	(718,093)	-20.0%
Utilities	1,610,325	1,325,650	284,675	21.5%
Telecommunications	167,390	109,213	58,177	53.3%
Repairs and Maintenance	1,160,395	703,064	457,331	65.0%
Rentals and Leases	261,311	192,074	69,237	36.0%
Printing and Reproduction	117,191	67,312	49,879	74.1%
Bad Debt Expense	81,000	3,000	78,000	2,600.0%
Federal Sponsored Programs Pass-Thrus	14,088	17,084	(2,996)	-17.5%
Depreciation and Amortization	3,153,942	3,786,713	(632,771)	-16.7%
Other Operating Expenses	1,137,202	1,221,574	(84,372)	-6.9%
<b>Total Operating Expenses</b>	<b><u>77,563,994</u></b>	<b><u>70,762,775</u></b>	<b><u>6,801,219</u></b>	<b><u>9.6%</u></b>
<b>Operating Loss</b>	<b><u>(18,248,780)</u></b>	<b><u>(18,004,597)</u></b>	<b><u>(244,183)</u></b>	<b><u>-1.4%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	18,649,284	18,841,446	(192,162)	-1.0%
Gift Contributions for Operations	253,970	466,311	(212,341)	-45.5%
Net Investment Income	580,355	708,741	(128,386)	-18.1%
Interest Expense on Capital Asset Financings	(1,059,786)	(1,243,340)	183,554	14.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>18,423,823</u></b>	<b><u>18,773,158</u></b>	<b><u>(349,335)</u></b>	<b><u>-1.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>175,043</b>	<b>768,561</b>	<b>(593,518)</b>	<b>-77.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.2%</b>	<b>1.1%</b>		
Investment Gains (Losses)	(10,206,780)	1,778,500	(11,985,280)	-673.9%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (10,031,737)</b>	<b>\$ 2,547,061</b>	<b>\$ (12,578,798)</b>	<b>-493.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-14.6%</b>	<b>3.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>3,328,985</b>	<b>4,555,274</b>	<b>(1,226,289)</b>	<b>-26.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>4.2%</b>	<b>6.3%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 3,975,336	\$ 3,677,376	\$ 297,960	8.1%
Sponsored Programs	2,360,014	1,869,465	490,549	26.2%
Net Sales and Services of Educational Activities	106,414	83,718	22,696	27.1%
Net Auxiliary Enterprises	1,048,972	1,041,698	7,274	0.7%
Other Operating Revenues	13,100	99,852	(86,752)	-86.9%
<b>Total Operating Revenues</b>	<b><u>7,503,836</u></b>	<b><u>6,772,109</u></b>	<b><u>731,727</u></b>	<b><u>10.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	4,854,576	4,368,337	486,239	11.1%
Employee Benefits and Related Costs	1,041,017	955,367	85,650	9.0%
Professional Fees and Contracted Services	295,099	1,285,805	(990,706)	-77.0%
Other Contracted Services	375,839	301,543	74,296	24.6%
Scholarships and Fellowships	2,027,855	2,014,424	13,431	0.7%
Travel	152,487	107,581	44,906	41.7%
Materials and Supplies	728,552	966,675	(238,123)	-24.6%
Utilities	597,505	494,177	103,328	20.9%
Telecommunications	191,424	129,540	61,884	47.8%
Repairs and Maintenance	231,494	218,541	12,953	5.9%
Rentals and Leases	145,188	124,954	20,234	16.2%
Printing and Reproduction	38,397	42,061	(3,664)	-8.7%
Depreciation and Amortization	1,146,140	912,752	233,388	25.6%
Other Operating Expenses	338,967	220,882	118,085	53.5%
<b>Total Operating Expenses</b>	<b><u>12,164,540</u></b>	<b><u>12,142,639</u></b>	<b><u>21,901</u></b>	<b><u>0.2%</u></b>
<b>Operating Loss</b>	<b><u>(4,660,704)</u></b>	<b><u>(5,370,530)</u></b>	<b><u>709,826</u></b>	<b><u>13.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	7,929,093	7,901,487	27,606	0.3%
Gift Contributions for Operations	315,503	269,588	45,915	17.0%
Net Investment Income	472,361	284,610	187,751	66.0%
Interest Expense on Capital Asset Financings	(427,572)	(235,063)	(192,509)	-81.9%
<b>Net Other Nonoperating Adjustments</b>	<b><u>8,289,385</u></b>	<b><u>8,220,622</u></b>	<b><u>68,763</u></b>	<b><u>0.8%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,628,681</b>	<b>2,850,092</b>	<b>778,589</b>	<b>27.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>22.4%</b>	<b>18.7%</b>		
Investment Gains (Losses)	(1,945,895)	202,671	(2,148,566)	-1,060.1%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 1,682,786</b>	<b>\$ 3,052,763</b>	<b>\$ (1,369,977)</b>	<b>-44.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>11.8%</b>	<b>19.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>4,774,821</b>	<b>3,762,844</b>	<b>1,011,977</b>	<b>26.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>29.4%</b>	<b>24.7%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 48,359,725	\$ 45,426,780	\$ 2,932,945	6.5%
Sponsored Programs	35,619,132	27,808,664	7,810,468	28.1%
Net Sales and Services of Educational Activities	1,108,693	1,392,255	(283,562)	-20.4%
Net Auxiliary Enterprises	5,456,764	4,437,158	1,019,606	23.0%
Other Operating Revenues	445,579	666,561	(220,982)	-33.2%
<b>Total Operating Revenues</b>	<b><u>90,989,893</u></b>	<b><u>79,731,418</u></b>	<b><u>11,258,475</u></b>	<b><u>14.1%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	46,917,656	40,825,540	6,092,116	14.9%
Employee Benefits and Related Costs	10,879,834	10,045,340	834,494	8.3%
Professional Fees and Contracted Services	1,067,182	764,626	302,556	39.6%
Other Contracted Services	2,900,131	1,813,281	1,086,850	59.9%
Scholarships and Fellowships	30,252,396	26,033,107	4,219,289	16.2%
Travel	1,649,634	1,396,429	253,205	18.1%
Materials and Supplies	4,914,981	3,668,060	1,246,921	34.0%
Utilities	3,175,000	3,116,719	58,281	1.9%
Telecommunications	686,077	802,477	(116,400)	-14.5%
Repairs and Maintenance	2,003,076	1,563,984	439,092	28.1%
Rentals and Leases	802,462	638,083	164,379	25.8%
Printing and Reproduction	327,262	226,874	100,388	44.2%
Federal Sponsored Programs Pass-Thrus	1,019,441	486,251	533,190	109.7%
Depreciation and Amortization	8,055,185	6,579,328	1,475,857	22.4%
Other Operating Expenses	2,430,801	1,450,731	980,070	67.6%
<b>Total Operating Expenses</b>	<b><u>117,081,118</u></b>	<b><u>99,410,830</u></b>	<b><u>17,670,288</u></b>	<b><u>17.8%</u></b>
<b>Operating Loss</b>	<b><u>(26,091,225)</u></b>	<b><u>(19,679,412)</u></b>	<b><u>(6,411,813)</u></b>	<b><u>-32.6%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	28,578,459	28,601,591	(23,132)	-0.1%
Gift Contributions for Operations	1,020,813	2,117,487	(1,096,674)	-51.8%
Net Investment Income	1,777,185	1,900,975	(123,790)	-6.5%
Interest Expense on Capital Asset Financings	(3,568,713)	(2,338,532)	(1,230,181)	-52.6%
<b>Net Other Nonoperating Adjustments</b>	<b><u>27,807,744</u></b>	<b><u>30,281,521</u></b>	<b><u>(2,473,777)</u></b>	<b><u>-8.2%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>1,716,519</b>	<b>10,602,109</b>	<b>(8,885,590)</b>	<b>-83.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.4%</b>	<b>9.4%</b>		
Investment Gains (Losses)	(41,532,872)	6,162,866	(47,695,738)	-773.9%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (39,816,353)</b>	<b>\$ 16,764,975</b>	<b>\$ (56,581,328)</b>	<b>-337.5%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-49.3%</b>	<b>14.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>9,771,704</b>	<b>17,181,437</b>	<b>(7,409,733)</b>	<b>-43.1%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>8.0%</b>	<b>15.3%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 7,931,655	\$ 7,500,987	\$ 430,668	5.7%
Sponsored Programs	4,672,376	3,973,485	698,891	17.6%
Net Sales and Services of Educational Activities	612,839	385,660	227,179	58.9%
Net Auxiliary Enterprises	1,065,091	1,162,208	(97,117)	-8.4%
Other Operating Revenues	43,330	25,088	18,242	72.7%
<b>Total Operating Revenues</b>	<b><u>14,325,291</u></b>	<b><u>13,047,428</u></b>	<b><u>1,277,863</u></b>	<b><u>9.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	9,226,395	7,964,452	1,261,943	15.8%
Employee Benefits and Related Costs	2,228,052	2,057,050	171,002	8.3%
Professional Fees and Contracted Services	263,098	436,567	(173,469)	-39.7%
Other Contracted Services	822,055	843,500	(21,445)	-2.5%
Scholarships and Fellowships	4,366,353	3,872,858	493,495	12.7%
Travel	404,555	354,127	50,428	14.2%
Materials and Supplies	1,477,561	1,405,520	72,041	5.1%
Utilities	392,771	378,915	13,856	3.7%
Telecommunications	164,812	149,045	15,767	10.6%
Repairs and Maintenance	349,286	277,328	71,958	25.9%
Rentals and Leases	94,374	115,534	(21,160)	-18.3%
Printing and Reproduction	163,390	138,784	24,606	17.7%
Bad Debt Expense	515	-	515	100.0%
Federal Sponsored Programs Pass-Thrus	61,100	-	61,100	100.0%
Depreciation and Amortization	2,070,568	1,936,180	134,388	6.9%
Other Operating Expenses	429,543	382,040	47,503	12.4%
<b>Total Operating Expenses</b>	<b><u>22,514,428</u></b>	<b><u>20,311,900</u></b>	<b><u>2,202,528</u></b>	<b><u>10.8%</u></b>
<b>Operating Loss</b>	<b><u>(8,189,137)</u></b>	<b><u>(7,264,472)</u></b>	<b><u>(924,665)</u></b>	<b><u>-12.7%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	9,120,212	9,097,947	22,265	0.2%
Gift Contributions for Operations	295,258	129,001	166,257	128.9%
Net Investment Income	1,038,106	903,765	134,341	14.9%
Interest Expense on Capital Asset Financings	(611,988)	(431,688)	(180,300)	-41.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>9,841,588</u></b>	<b><u>9,699,025</u></b>	<b><u>142,563</u></b>	<b><u>1.5%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>1,652,451</b>	<b>2,434,553</b>	<b>(782,102)</b>	<b>-32.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>6.7%</b>	<b>10.5%</b>		
Investment Gains (Losses)	(7,483,425)	963,521	(8,446,946)	-876.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (5,830,974)</b>	<b>\$ 3,398,074</b>	<b>\$ (9,229,048)</b>	<b>-271.6%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-33.7%</b>	<b>14.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>3,723,019</b>	<b>4,370,733</b>	<b>(647,714)</b>	<b>-14.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>15.0%</b>	<b>18.9%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 7,075,770	\$ 7,240,070	\$ (164,300)	-2.3%
Sponsored Programs	109,351,074	101,859,424	7,491,650	7.4%
Net Sales and Services of Educational Activities	1,772,608	1,816,577	(43,969)	-2.4%
Net Sales and Services of Hospitals	93,505,813	77,256,602	16,249,211	21.0%
Net Professional Fees	76,739,495	75,417,508	1,321,987	1.8%
Net Auxiliary Enterprises	4,227,530	4,679,579	(452,049)	-9.7%
Other Operating Revenues	1,460,691	1,065,252	395,439	37.1%
<b>Total Operating Revenues</b>	<b><u>294,132,981</u></b>	<b><u>269,335,012</u></b>	<b><u>24,797,969</u></b>	<b><u>9.2%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	187,579,183	168,354,203	19,224,980	11.4%
Employee Benefits and Related Costs	48,419,900	44,394,446	4,025,454	9.1%
Professional Fees and Contracted Services	4,938,739	4,428,410	510,329	11.5%
Other Contracted Services	20,821,809	18,605,126	2,216,683	11.9%
Scholarships and Fellowships	5,152,067	4,719,380	432,687	9.2%
Travel	2,817,093	2,104,400	712,693	33.9%
Materials and Supplies	47,573,076	42,918,526	4,654,550	10.8%
Utilities	8,991,854	7,692,717	1,299,137	16.9%
Telecommunications	1,427,551	1,349,059	78,492	5.8%
Repairs and Maintenance	3,824,477	2,688,410	1,136,067	42.3%
Rentals and Leases	1,841,875	2,329,585	(487,710)	-20.9%
Printing and Reproduction	715,967	615,516	100,451	16.3%
Federal Sponsored Programs Pass-Thrus	33,208	65,580	(32,372)	-49.4%
Depreciation and Amortization	18,551,433	17,133,104	1,418,329	8.3%
Other Operating Expenses	13,357,293	10,826,959	2,530,334	23.4%
<b>Total Operating Expenses</b>	<b><u>366,045,525</u></b>	<b><u>328,225,421</u></b>	<b><u>37,820,104</u></b>	<b><u>11.5%</u></b>
<b>Operating Loss</b>	<b><u>(71,912,544)</u></b>	<b><u>(58,890,409)</u></b>	<b><u>(13,022,135)</u></b>	<b><u>-22.1%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	44,412,907	43,889,319	523,588	1.2%
Gift Contributions for Operations	5,106,073	18,163,521	(13,057,448)	-71.9%
Net Investment Income	16,338,912	18,949,785	(2,610,873)	-13.8%
Interest Expense on Capital Asset Financings	(5,062,221)	(4,910,661)	(151,560)	-3.1%
<b>Net Other Nonoperating Adjustments</b>	<b><u>60,795,671</u></b>	<b><u>76,091,964</u></b>	<b><u>(15,296,293)</u></b>	<b><u>-20.1%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(11,116,873)</b>	<b>17,201,555</b>	<b>(28,318,428)</b>	<b>-164.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-3.1%</b>	<b>4.9%</b>		
Investment Gains (Losses)	(147,559,645)	21,640,008	(169,199,653)	-781.9%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (158,676,518)</b>	<b>\$ 38,841,563</b>	<b>\$ (197,518,081)</b>	<b>-508.5%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-74.7%</b>	<b>10.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>7,434,560</b>	<b>34,334,659</b>	<b>(26,900,099)</b>	<b>-78.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>2.1%</b>	<b>9.8%</b>		

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

	<b>November Year-to-Date FY 2009</b>	<b>November Year-to-Date FY 2008</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 4,210,301	\$ 4,286,484	\$ (76,183)	-1.8%
Sponsored Programs	45,571,293	63,124,096	(17,552,803)	-27.8%
Net Sales and Services of Educational Activities	323,143	585,269	(262,126)	-44.8%
Net Sales and Services of Hospitals	129,124,974	178,143,774	(49,018,800)	-27.5%
Net Professional Fees	21,469,580	30,089,217	(8,619,637)	-28.6%
Net Auxiliary Enterprises	1,091,709	2,412,543	(1,320,834)	-54.7%
Other Operating Revenues	2,238,613	3,037,089	(798,476)	-26.3%
<b>Total Operating Revenues</b>	<b>204,029,613</b>	<b>281,678,472</b>	<b>(77,648,859)</b>	<b>-27.6%</b>
<b>Operating Expenses</b>				
Salaries and Wages	205,705,077	198,199,266	7,505,811	3.8%
Employee Benefits and Related Costs	46,434,152	45,252,543	1,181,609	2.6%
Professional Fees and Contracted Services	52,453,653	4,779,867	47,673,786	997.4%
Other Contracted Services	29,323,991	12,836,440	16,487,551	128.4%
Scholarships and Fellowships	1,079,029	2,220,546	(1,141,517)	-51.4%
Travel	1,254,448	2,032,707	(778,259)	-38.3%
Materials and Supplies	28,835,301	45,977,102	(17,141,801)	-37.3%
Utilities	7,276,016	8,461,307	(1,185,291)	-14.0%
Telecommunications	3,219,666	3,488,115	(268,449)	-7.7%
Repairs and Maintenance	8,512,699	8,887,299	(374,600)	-4.2%
Rentals and Leases	4,262,495	4,734,772	(472,277)	-10.0%
Printing and Reproduction	258,655	502,793	(244,138)	-48.6%
Federal Sponsored Programs Pass-Thrus	401,508	3,822,017	(3,420,509)	-89.5%
Depreciation and Amortization	19,218,655	15,177,364	4,041,291	26.6%
Other Operating Expenses	23,074,664	16,039,088	7,035,576	43.9%
<b>Total Operating Expenses</b>	<b>431,310,009</b>	<b>372,411,226</b>	<b>58,898,783</b>	<b>15.8%</b>
<b>Operating Loss</b>	<b>(227,280,396)</b>	<b>(90,732,754)</b>	<b>(136,547,642)</b>	<b>-150.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	77,296,937	76,173,872	1,123,065	1.5%
Gift Contributions for Operations	4,049,289	1,191,985	2,857,304	239.7%
Net Investment Income	8,713,015	8,612,552	100,463	1.2%
Interest Expense on Capital Asset Financings	(1,449,984)	(1,524,045)	74,061	4.9%
<b>Net Other Nonoperating Adjustments</b>	<b>88,609,257</b>	<b>84,454,364</b>	<b>4,154,893</b>	<b>4.9%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(138,671,139)</b>	<b>(6,278,390)</b>	<b>(132,392,749)</b>	<b>-2,108.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-47.2%</b>	<b>-1.7%</b>		
Investment Gains (Losses)	(41,072,772)	7,602,460	(48,675,232)	-640.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (179,743,911)</b>	<b>\$ 1,324,070</b>	<b>\$ (181,067,981)</b>	<b>-13,675.1%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-71.0%</b>	<b>0.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>(119,452,484)</b>	<b>8,898,974</b>	<b>(128,351,458)</b>	<b>-1,442.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>-40.6%</b>	<b>2.4%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 5,357,642	\$ 5,153,327	\$ 204,315	4.0%
Sponsored Programs	79,688,670	73,626,175	6,062,495	8.2%
Net Sales and Services of Educational Activities	8,279,462	8,273,874	5,588	0.1%
Net Sales and Services of Hospitals	8,499,564	7,967,288	532,276	6.7%
Net Professional Fees	28,506,994	26,245,883	2,261,111	8.6%
Net Auxiliary Enterprises	5,408,831	5,324,735	84,096	1.6%
Other Operating Revenues	10,278,182	9,382,823	895,359	9.5%
<b>Total Operating Revenues</b>	<b><u>146,019,345</u></b>	<b><u>135,974,105</u></b>	<b><u>10,045,240</u></b>	<b><u>7.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	94,510,345	85,754,945	8,755,400	10.2%
Employee Benefits and Related Costs	18,964,918	19,983,791	(1,018,873)	-5.1%
Professional Fees and Contracted Services	20,334,544	15,727,472	4,607,072	29.3%
Other Contracted Services	8,951,048	9,531,438	(580,390)	-6.1%
Scholarships and Fellowships	1,302,446	1,421,912	(119,466)	-8.4%
Travel	1,450,957	1,580,815	(129,858)	-8.2%
Materials and Supplies	12,701,188	15,624,242	(2,923,054)	-18.7%
Utilities	4,983,824	4,502,321	481,503	10.7%
Telecommunications	713,299	297,620	415,679	139.7%
Repairs and Maintenance	2,113,007	1,675,920	437,087	26.1%
Rentals and Leases	3,768,426	3,877,756	(109,330)	-2.8%
Printing and Reproduction	1,042,114	1,023,671	18,443	1.8%
Federal Sponsored Programs Pass-Thrus	1,615,289	1,869,190	(253,901)	-13.6%
Depreciation and Amortization	9,764,722	9,448,101	316,621	3.4%
Other Operating Expenses	13,390,032	12,614,382	775,650	6.1%
<b>Total Operating Expenses</b>	<b><u>195,606,159</u></b>	<b><u>184,933,576</u></b>	<b><u>10,672,583</u></b>	<b><u>5.8%</u></b>
<b>Operating Loss</b>	<b><u>(49,586,814)</u></b>	<b><u>(48,959,471)</u></b>	<b><u>(627,343)</u></b>	<b><u>-1.3%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	41,481,434	41,197,817	283,617	0.7%
Gift Contributions for Operations	5,009,610	5,549,987	(540,377)	-9.7%
Net Investment Income	7,397,460	6,076,754	1,320,706	21.7%
Interest Expense on Capital Asset Financings	(2,174,391)	(2,047,429)	(126,962)	-6.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>51,714,113</u></b>	<b><u>50,777,129</u></b>	<b><u>936,984</u></b>	<b><u>1.8%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>2,127,299</b>	<b>1,817,658</b>	<b>309,641</b>	<b>17.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.1%</b>	<b>1.0%</b>		
Investment Gains (Losses)	(63,097,354)	8,325,797	(71,423,151)	-857.9%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (60,970,055)</b>	<b>\$ 10,143,455</b>	<b>\$ (71,113,510)</b>	<b>-701.1%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-44.6%</b>	<b>5.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>11,892,021</b>	<b>11,265,759</b>	<b>626,262</b>	<b>5.6%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>5.9%</b>	<b>6.0%</b>		

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

	<b>November Year-to-Date FY 2009</b>	<b>November Year-to-Date FY 2008</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 6,231,906	\$ 6,250,000	\$ (18,094)	-0.3%
Sponsored Programs	52,883,858	46,766,617	6,117,241	13.1%
Net Sales and Services of Educational Activities	14,680,533	9,718,182	4,962,351	51.1%
Net Professional Fees	26,057,575	17,656,612	8,400,963	47.6%
Net Auxiliary Enterprises	1,069,057	1,094,445	(25,388)	-2.3%
Other Operating Revenues	3,114,334	3,100,144	14,190	0.5%
<b>Total Operating Revenues</b>	<b>104,037,263</b>	<b>84,586,000</b>	<b>19,451,263</b>	<b>23.0%</b>
<b>Operating Expenses</b>				
Salaries and Wages	84,502,541	74,777,266	9,725,275	13.0%
Employee Benefits and Related Costs	19,706,555	19,106,403	600,152	3.1%
Professional Fees and Contracted Services	3,459,804	1,751,859	1,707,945	97.5%
Other Contracted Services	3,424,599	3,783,126	(358,527)	-9.5%
Scholarships and Fellowships	643,389	696,895	(53,506)	-7.7%
Travel	1,203,996	1,305,646	(101,650)	-7.8%
Materials and Supplies	7,553,794	7,638,012	(84,218)	-1.1%
Utilities	3,775,000	3,250,000	525,000	16.2%
Telecommunications	2,211,152	1,916,674	294,478	15.4%
Repairs and Maintenance	938,172	705,347	232,825	33.0%
Rentals and Leases	988,848	570,738	418,110	73.3%
Printing and Reproduction	565,423	340,804	224,619	65.9%
Federal Sponsored Programs Pass-Thrus	350,000	150,000	200,000	133.3%
Depreciation and Amortization	7,875,000	6,557,838	1,317,162	20.1%
Other Operating Expenses	20,699,640	16,536,207	4,163,433	25.2%
<b>Total Operating Expenses</b>	<b>157,897,913</b>	<b>139,086,815</b>	<b>18,811,098</b>	<b>13.5%</b>
<b>Operating Loss</b>	<b>(53,860,650)</b>	<b>(54,500,815)</b>	<b>640,165</b>	<b>1.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	42,921,683	42,527,171	394,512	0.9%
Gift Contributions for Operations	5,853,503	966,586	4,886,917	505.6%
Net Investment Income	6,668,892	7,750,675	(1,081,783)	-14.0%
Interest Expense on Capital Asset Financings	(2,226,852)	(997,742)	(1,229,110)	-123.2%
<b>Net Other Nonoperating Adjustments</b>	<b>53,217,226</b>	<b>50,246,690</b>	<b>2,970,536</b>	<b>5.9%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(643,424)</b>	<b>(4,254,125)</b>	<b>3,610,701</b>	<b>84.9%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-0.4%</b>	<b>-3.1%</b>		
Investment Gains (Losses)	(43,939,064)	6,941,006	(50,880,070)	-733.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (44,582,488)</b>	<b>\$ 2,686,881</b>	<b>\$ (47,269,369)</b>	<b>-1759.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-38.6%</b>	<b>1.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>7,231,576</b>	<b>2,303,713</b>	<b>4,927,863</b>	<b>213.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>4.5%</b>	<b>1.7%</b>		

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

	November Year-to-Date <u>FY 2009</u>	November Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 297,700	\$ 137,724	\$ 159,976	116.2%
Sponsored Programs	60,607,834	60,311,719	296,115	0.5%
Net Sales and Services of Educational Activities	613,081	802,258	(189,177)	-23.6%
Net Sales and Services of Hospitals	477,326,028	447,289,385	30,036,643	6.7%
Net Professional Fees	64,442,215	64,251,356	190,859	0.3%
Net Auxiliary Enterprises	7,158,488	7,005,642	152,846	2.2%
Other Operating Revenues	11,818,398	8,888,018	2,930,380	33.0%
<b>Total Operating Revenues</b>	<b><u>622,263,744</u></b>	<b><u>588,686,102</u></b>	<b><u>33,577,642</u></b>	<b><u>5.7%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	328,060,056	294,564,521	33,495,535	11.4%
Employee Benefits and Related Costs	83,661,368	77,023,435	6,637,933	8.6%
Professional Fees and Contracted Services	27,984,015	30,020,747	(2,036,732)	-6.8%
Other Contracted Services	15,707,811	16,670,227	(962,416)	-5.8%
Travel	4,843,934	4,590,375	253,559	5.5%
Materials and Supplies	118,293,142	110,440,135	7,853,007	7.1%
Utilities	16,321,236	13,661,242	2,659,994	19.5%
Telecommunications	2,037,559	2,023,546	14,013	0.7%
Repairs and Maintenance	15,921,658	12,973,618	2,948,040	22.7%
Rentals and Leases	9,423,043	8,707,440	715,603	8.2%
Federal Sponsored Programs Pass-Thrus	(445,387)	(537,208)	91,821	17.1%
Depreciation and Amortization	55,157,807	52,418,565	2,739,242	5.2%
Other Operating Expenses	765,493	575,973	189,520	32.9%
<b>Total Operating Expenses</b>	<b><u>677,731,735</u></b>	<b><u>623,132,616</u></b>	<b><u>54,599,119</u></b>	<b><u>8.8%</u></b>
<b>Operating Loss</b>	<b><u>(55,467,991)</u></b>	<b><u>(34,446,514)</u></b>	<b><u>(21,021,477)</u></b>	<b><u>-61.0%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	41,162,496	42,014,000	(851,504)	-2.0%
Gift Contributions for Operations	12,091,381	26,698,951	(14,607,570)	-54.7%
Net Investment Income	12,297,806	14,679,136	(2,381,330)	-16.2%
Interest Expense on Capital Asset Financings	(6,933,015)	(5,646,759)	(1,286,256)	-22.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>58,618,668</u></b>	<b><u>77,745,328</u></b>	<b><u>(19,126,660)</u></b>	<b><u>-24.6%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,150,677</b>	<b>43,298,814</b>	<b>(40,148,137)</b>	<b>-92.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.5%</b>	<b>6.4%</b>		
Investment Gains (Losses)	(162,391,028)	40,096,370	(202,487,398)	-505.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (159,240,351)</b>	<b>\$ 83,395,184</b>	<b>\$ (242,635,535)</b>	<b>-290.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-30.3%</b>	<b>11.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>58,308,484</b>	<b>95,717,379</b>	<b>(37,408,895)</b>	<b>-39.1%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>8.5%</b>	<b>14.2%</b>		

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

	<b>November Year-to-Date FY 2009</b>	<b>November Year-to-Date FY 2008</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 2,846,621.00	\$ 3,051,619.00	\$ (204,998)	-6.7%
Net Sales and Services of Educational Activities	306,093	202,326	103,767	51.3%
Net Sales and Services of Hospitals	12,770,875	9,013,942	3,756,933	41.7%
Net Professional Fees	3,015,368	2,689,447	325,921	12.1%
Net Auxiliary Enterprises	48,042	36,722	11,320	30.8%
Other Operating Revenues	257,037	357,786	(100,749)	-28.2%
<b>Total Operating Revenues</b>	<b>19,244,036</b>	<b>15,351,842</b>	<b>3,892,194</b>	<b>25.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	12,713,920	13,156,850	(442,930)	-3.4%
Employee Benefits and Related Costs	3,458,314	3,676,017	(217,703)	-5.9%
Professional Fees and Contracted Services	1,943,020	839,172	1,103,848	131.5%
Other Contracted Services	2,550,874	2,186,976	363,898	16.6%
Travel	84,408	101,537	(17,129)	-16.9%
Materials and Supplies	4,061,045	2,848,528	1,212,517	42.6%
Utilities	757,265	771,417	(14,152)	-1.8%
Telecommunications	254,150	247,426	6,724	2.7%
Repairs and Maintenance	1,040,278	922,925	117,353	12.7%
Rentals and Leases	220,979	220,807	172	0.1%
Printing and Reproduction	39,383	7,089	32,294	455.6%
Federal Sponsored Programs Pass-Thrus	9,317	49,151	(39,834)	-81.0%
Depreciation and Amortization	1,886,795	2,299,454	(412,659)	-17.9%
Other Operating Expenses	467,058	539,732	(72,674)	-13.5%
<b>Total Operating Expenses</b>	<b>29,486,806</b>	<b>27,867,081</b>	<b>1,619,725</b>	<b>5.8%</b>
<b>Operating Loss</b>	<b>(10,242,770)</b>	<b>(12,515,239)</b>	<b>2,272,469</b>	<b>18.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	10,344,897	9,862,151	482,746	4.9%
Gift Contributions for Operations	62,980	537,053	(474,073)	-88.3%
Net Investment Income	1,002,691	1,001,067	1,624	0.2%
Interest Expense on Capital Asset Financings	(177,735)	(381,497)	203,762	53.4%
<b>Net Other Nonoperating Adjustments</b>	<b>11,232,833</b>	<b>11,018,774</b>	<b>214,059</b>	<b>1.9%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>990,063</b>	<b>(1,496,465)</b>	<b>2,486,528</b>	<b>166.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>3.2%</b>	<b>-5.6%</b>		
Investment Gains (Losses)	(257,615)	242,341	(499,956)	-206.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 732,448</b>	<b>\$ (1,254,124)</b>	<b>\$ 1,986,572</b>	<b>158.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>2.4%</b>	<b>-4.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>2,876,858</b>	<b>802,989</b>	<b>2,073,869</b>	<b>258.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>9.4%</b>	<b>3.0%</b>		