

THE UNIVERSITY OF TEXAS SYSTEM
OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT
(unaudited)

JULY 2008



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THE UNIVERSITY OF TEXAS SYSTEM
MONTHLY FINANCIAL REPORT
(Unaudited)
FOR THE ELEVEN MONTHS ENDING
JULY 31, 2008

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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 Eleven Months Ending July 31, 2008

	July Year-to-Date <u>FY 2008</u>	July Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 1,201,918,760	\$ 1,117,314,709	\$ 84,604,051	7.6%
Sponsored Programs	2,237,151,849	2,082,895,045	154,256,804	7.4%
Net Sales and Services of Educational Activities	262,422,599	262,275,041	147,558	0.1%
Net Sales and Services of Hospitals	2,739,078,316	2,511,297,459	227,780,857	9.1%
Net Professional Fees	857,200,515	915,292,706	(58,092,191)	-6.3%
Net Auxiliary Enterprises	321,462,784	309,025,494	12,437,290	4.0%
Other Operating Revenues	116,453,741	124,051,909	(7,598,168)	-6.1%
Total Operating Revenues	<u>7,735,688,564</u>	<u>7,322,152,363</u>	<u>413,536,201</u>	<u>5.6%</u>
Operating Expenses				
Salaries and Wages	4,787,402,295	4,436,475,999	350,926,296	7.9%
Payroll Related Costs	1,187,520,598	1,087,981,103	99,539,495	9.1%
Professional Fees and Contracted Services	281,581,366	257,215,966	24,365,400	9.5%
Other Contracted Services	387,305,100	360,341,308	26,963,792	7.5%
Scholarships and Fellowships	516,440,439	476,968,832	39,471,607	8.3%
Travel	116,737,320	102,669,063	14,068,257	13.7%
Materials and Supplies	1,063,092,874	995,165,716	67,927,158	6.8%
Utilities	268,771,414	233,404,158	35,367,256	15.2%
Telecommunications	90,886,384	59,870,659	31,015,725	51.8%
Repairs and Maintenance	163,150,963	137,541,016	25,609,947	18.6%
Rentals and Leases	99,076,673	92,805,795	6,270,878	6.8%
Printing and Reproduction	25,708,595	25,177,777	530,818	2.1%
Bad Debt Expense	50,582	1,148,130	(1,097,548)	-95.6%
Claims and Losses	6,141,882	22,582,742	(16,440,860)	-72.8%
Federal Sponsored Programs Pass-Throughs	26,870,190	24,836,276	2,033,914	8.2%
Depreciation and Amortization	633,375,313	568,890,003	64,485,310	11.3%
Other Operating Expenses	343,313,747	332,879,420	10,434,327	3.1%
Total Operating Expenses	<u>9,997,425,735</u>	<u>9,215,953,963</u>	<u>781,471,772</u>	<u>8.5%</u>
Operating Loss	<u>(2,261,737,171)</u>	<u>(1,893,801,600)</u>	<u>(367,935,571)</u>	<u>-19.4%</u>
Other Nonoperating Adjustments				
State Appropriations	1,781,247,143	1,608,710,809	172,536,334	10.7%
Gift Contributions for Operations	338,618,201	235,563,852	103,054,349	43.7%
Net Investment Income	770,838,045	693,410,074	77,427,971	11.2%
Interest Expense on Capital Asset Financings	(189,262,433)	(149,323,274)	(39,939,159)	-26.7%
Net Other Nonoperating Adjustments	<u>2,701,440,956</u>	<u>2,388,361,461</u>	<u>313,079,495</u>	<u>13.1%</u>
Adjusted Income (Loss) including Depreciation	439,703,785	494,559,861	(54,856,076)	-11.1%
Adjusted Margin (as a percentage) including Depreciation	4.1%	5.0%		
Investment Gains (Losses)	(446,733,544)	2,371,741,046	(2,818,474,590)	-118.8%
Adj. Inc. (Loss) with Investment Gains (Losses)	\$ (7,029,759)	\$ 2,866,300,907	\$ (2,873,330,666)	-100.2%
Adj. Margin % with Investment Gains (Losses)	-0.1%	23.4%		
Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation	626,345,554	3,435,190,910	(2,808,845,356)	-81.8%
Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation	6.2%	28.1%		

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

Including Depreciation and Amortization Expense

	July Year-to-Date FY 2008	July Year-to-Date FY 2007	Variance	Fluctuation Percentage
UT System Administration	\$ 292,107,375	\$ 261,454,244	\$ 30,653,131 (1)	11.7%
UT Arlington	7,480,363	13,560,631	(6,080,268)	-44.8%
UT Austin	21,315,810	27,258,713	(5,942,903)	-21.8%
UT Brownsville	(225,263) (2)	(1,506,129)	1,280,866	85.0%
UT Dallas	12,983,074	211,052	12,772,022 (3)	6,051.6%
UT El Paso	5,051,905	2,999,793	2,052,112	68.4%
UT Pan American	(2,010,232) (4)	(7,575,784)	5,565,552	73.5%
UT Permian Basin	10,000,988	(634,355)	10,635,343 (5)	1,676.6%
UT San Antonio	28,775,504	35,599,110	(6,823,606)	-19.2%
UT Tyler	3,459,828	1,518,352	1,941,476 (6)	127.9%
UT Southwestern Medical Center - Dallas	66,618,847	71,807,562	(5,188,715)	-7.2%
UT Medical Branch - Galveston	(50,606,665)	(3,251,578)	(47,355,087) (7)	-1,456.4%
UT Health Science Center - Houston	23,647,969	29,528,137	(5,880,168)	-19.9%
UT Health Science Center - San Antonio	(15,899,087)	18,065,553	(33,964,640) (8)	-188.0%
UT M. D. Anderson Cancer Center	168,057,144	155,620,832	12,436,312	8.0%
UT Health Science Center - Tyler	579,558	6,833,728	(6,254,170) (9)	-91.5%
Elimination of AUF Transfer	(131,633,333)	(116,930,000)	(14,703,333)	-12.6%
Total Adjusted Income (Loss)	439,703,785	494,559,861	(54,856,076)	-11.1%
Investment Gains (Losses)	(446,733,544)	2,371,741,046	(2,818,474,590) (10)	-118.8%
Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization	\$ (7,029,759)	\$ 2,866,300,907	\$ (2,873,330,666)	-100.2%

Excluding Depreciation and Amortization Expense

	July Year-to-Date FY 2008	July Year-to-Date FY 2007	Variance	Fluctuation Percentage
UT System Administration	\$ 297,082,059	\$ 266,363,064	\$ 30,718,995	11.5%
UT Arlington	27,937,816	32,897,526	(4,959,710)	-15.1%
UT Austin	167,587,195	151,217,514	16,369,681	10.8%
UT Brownsville	5,215,751	3,446,462	1,769,289	51.3%
UT Dallas	31,791,661	17,746,753	14,044,908	79.1%
UT El Paso	18,950,802	15,588,811	3,361,991	21.6%
UT Pan American	11,873,405	7,085,694	4,787,711	67.6%
UT Permian Basin	13,346,821	2,351,841	10,994,980	467.5%
UT San Antonio	52,669,180	57,634,490	(4,965,310)	-8.6%
UT Tyler	10,084,680	7,758,240	2,326,440	30.0%
UT Southwestern Medical Center - Dallas	129,343,084	130,645,548	(1,302,464)	-1.0%
UT Medical Branch - Galveston	9,311,692	45,741,663	(36,429,971)	-79.6%
UT Health Science Center - Houston	53,968,055	59,746,803	(5,778,748)	-9.7%
UT Health Science Center - San Antonio	11,059,246	38,970,009	(27,910,763)	-71.6%
UT M. D. Anderson Cancer Center	357,704,266	330,552,696	27,151,570	8.2%
UT Health Science Center - Tyler	6,786,718	12,632,750	(5,846,032)	-46.3%
Elimination of AUF Transfer	(131,633,333)	(116,930,000)	(14,703,333)	-12.6%
Total Adjusted Income (Loss)	1,073,079,098	1,063,449,864	9,629,234	0.9%
Investment Gains (Losses)	(446,733,544)	2,371,741,046	(2,818,474,590)	-118.8%
Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization	\$ 626,345,554	\$ 3,435,190,910	\$ (2,808,845,356)	-81.8%

THE UNIVERSITY OF TEXAS SYSTEM
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT
For the Eleven Months Ending July 31, 2008

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

- (1) UT System Administration - The \$30.7 million (11.7%) increase in adjusted income as compared to the same period last year was primarily due to increased net investment income. Excluding depreciation expense, *UT System Administration's* adjusted income was \$297.1 million or 72.1%.
- (2) UT Brownsville - The \$225,000 year-to-date loss was primarily attributable to decreased enrollment as a result of new student academic performance standards implemented in the spring of 2008. Excluding depreciation expense, *UT Brownsville's* adjusted income was \$5.2 million or 3.8%. *UT Brownsville* projects a year-end loss of approximately \$897,000 which represents -0.6% of projected revenues. This forecast includes \$5.9 million of depreciation expense.
- (3) UT Dallas - The \$12.8 million (6,051.6%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, *UT Dallas'* adjusted income was \$31.8 million or 10.6%.
- (4) UT Pan American - The \$2 million year-to-date loss was primarily attributable to an increase in salaries and wages and increased utility costs. Salaries and wages increased as a result of a 3% merit increase for faculty and staff and additional staff needed as a result of the implementation of the Oracle ERP system. Utility increases were attributed to rate increases with suppliers and construction-related cost increases. *UT Pan American* anticipates ending the year with a \$2.2 million negative margin which represents -0.9% of projected revenues. This forecast includes \$15.3 million of depreciation expense. Excluding depreciation expense, *UT Pan American's* adjusted income was \$11.9 million or 5.2%.
- (5) UT Permian Basin - The \$10.6 million (1,676.6%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, *UT Permian Basin's* adjusted income was \$13.3 million or 25%.
- (6) UT Tyler - The \$1.9 million (127.9%) increase in adjusted income over the same period last year was primarily due to increased state appropriations including increased formula funding and increased TRBs. Excluding depreciation expense, *UT Tyler's* adjusted income was \$10.1 million or 12.5%.
- (7) UT Medical Branch - Galveston - The \$47.4 million (1,456.4%) decrease in adjusted income over the same period last year was primarily due to an increase in operating expenses of \$108.2 million corresponding to the increased patient care activity and growth in research related programs. Market adjustments, overtime, and agency costs for clinical professionals were significant factors contributing to the increase in personnel costs. As a result of these factors, *UTMB* experienced a \$50.6 million year-to-date loss, which includes \$12 million related to Correctional Managed Care (CMC). Additionally, *UTMB* recognized \$21.7 million less revenue for the Texas Physician Upper Payment Limit (UPL) in 2008. Excluding depreciation expense, *UTMB's* adjusted income was \$9.3 million or 0.7%. *UTMB* projects a year-end loss of approximately \$58.5 million, which represents -3.9% of projected revenues. Of the \$58.5 million projected loss, \$13 million relates to CMC. This forecast includes \$64.2 million of depreciation expense.
- (8) UT Health Science Center - San Antonio - The \$34 million (188%) decrease in adjusted income over the same period last year was primarily attributable to the acquisition of the Cancer Therapy and Research Center (CTRC), the Children's Cancer Research Institute (CCRI), increased interest expense and \$10.8 million less UPL revenue in 2008. Due to these factors, *UTHSC-San Antonio* incurred a year-to-date loss of \$15.9 million. The acquisition of CTRC contributed \$13.8 million of this loss, including depreciation expense, primarily due to billing and collection delays as a result of the merger. *UTHSC-San Antonio* receives annual tobacco distributions on a quarterly basis for CCRI. Unused balances can be accumulated and spent in subsequent years. To date, CCRI has expended \$1.1 million more than current year distributions that are supported by prior year accumulations. Excluding depreciation expense, *UTHSC-San Antonio's* adjusted income was \$11.1 million or 2%.

UTHSC-San Antonio projects a year-end loss of approximately \$10.4 million, which represents -1.7% of projected revenues and includes \$29.7 million of depreciation expense of which \$3.5 million is attributable to CTRC.

(9) *UT Health Science Center – Tyler* – The \$6.3 million (91.5%) decrease in adjusted income over the same period last year was primarily attributable to an 11% decrease in admissions, a 3% decrease in inpatient visits and a net reduction in grant income of \$639,000. As a result of the reduction in patient volume, *UTHSC-Tyler* reduced its staff by 86 employees since November and incurred over \$690,000 in termination vacation payouts. Additionally, *UTHSC-Tyler* recognized \$3.8 million less UPL revenue in 2008. Excluding depreciation expense, *UTHSC-Tyler's* adjusted income was \$6.8 million or 6.6%.

(10) *Investment Gains (Losses)* - The majority of the \$2.8 billion (118.8%) decrease in investment gains relates to the Permanent University Fund of \$1.7 billion, the Long Term Fund of \$765.6 million, and the Permanent Health Fund of \$157.7 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 Eleven Months Ending July 31, 2008

	July Year-to-Date FY 2008	July Year-to-Date FY 2007	Variance	Fluctuation Percentage
Operating Revenues				
Sponsored Programs	\$ 21,698,397	\$ 12,588,936	\$ 9,109,461	72.4%
Net Sales and Services of Educational Activities	12,086,949	19,706,695	(7,619,746)	-38.7%
Other Operating Revenues	(5,078,979)	19,796,042	(24,875,021)	-125.7%
Total Operating Revenues	28,706,367	52,091,673	(23,385,306)	-44.9%
Operating Expenses				
Salaries and Wages	32,259,356	24,175,702	8,083,654	33.4%
Employee Benefits and Related Costs	6,842,967	5,392,299	1,450,668	26.9%
Professional Fees and Contracted Services	3,193,647	3,689,215	(495,568)	-13.4%
Other Contracted Services	9,665,677	6,643,425	3,022,252	45.5%
Scholarships and Fellowships	580,000	460,700	119,300	25.9%
Travel	1,860,298	1,644,709	215,589	13.1%
Materials and Supplies	3,676,074	4,045,606	(369,532)	-9.1%
Utilities	450,340	672,235	(221,895)	-33.0%
Telecommunications	2,891,631	987,204	1,904,427	192.9%
Repairs and Maintenance	755,358	1,129,262	(373,904)	-33.1%
Rentals and Leases	763,249	753,371	9,878	1.3%
Printing and Reproduction	328,651	192,648	136,003	70.6%
Claims and Losses	6,141,882	22,582,742	(16,440,860)	-72.8%
Depreciation and Amortization	4,974,684	4,908,820	65,864	1.3%
Other Operating Expenses	4,263,987	2,924,042	1,339,945	45.8%
Total Operating Expenses	78,647,801	80,201,980	(1,554,179)	-1.9%
Operating Loss	(49,941,434)	(28,110,307)	(21,831,127)	-77.7%
Other Nonoperating Adjustments				
State Appropriations	845,192	841,275	3,917	0.5%
Gift Contributions for Operations	880,671	704,648	176,023	25.0%
Net Investment Income	350,131,370	299,885,859	50,245,511	16.8%
Interest Expense on Capital Asset Financings	(41,195,502)	(41,201,787)	6,285	0.0%
Net Other Nonoperating Adjustments	310,661,731	260,229,995	50,431,736	19.4%
Adjusted Income (Loss) including Depreciation	260,720,297	232,119,688	28,600,609	12.3%
Adjusted Margin (as a percentage) including Depreciation	68.5%	65.7%		
Available University Fund Transfer	31,387,078	29,334,556	2,052,522	7.0%
Adjusted Income (Loss) with AUF Transfer	292,107,375	261,454,244	30,653,131	11.7%
Adjusted Margin % with AUF Transfer	70.9%	68.3%		
Investment Gains (Losses)	(456,202,647)	2,153,594,291	(2,609,796,938)	-121.2%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ (164,095,272)	\$ 2,415,048,535	\$ (2,579,143,807)	-106.8%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	370.8%	95.2%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	297,082,059	266,363,064	30,718,995	11.5%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	72.1%	69.6%		

UNAUDITED
The University of Texas at Arlington
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2008

	July Year-to-Date FY 2008	July Year-to-Date FY 2007	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 156,338,086	\$ 145,734,889	\$ 10,603,197	7.3%
Sponsored Programs	48,823,541	47,860,629	962,912	2.0%
Net Sales and Services of Educational Activities	12,061,853	11,456,279	605,574	5.3%
Net Auxiliary Enterprises	22,572,497	22,583,266	(10,769)	0.0%
Other Operating Revenues	6,386,390	5,884,773	501,617	8.5%
Total Operating Revenues	246,182,367	233,519,836	12,662,531	5.4%
Operating Expenses				
Salaries and Wages	165,896,543	154,047,719	11,848,824	7.7%
Employee Benefits and Related Costs	37,256,138	34,311,974	2,944,164	8.6%
Professional Fees and Contracted Services	4,145,559	4,726,289	(580,730)	-12.3%
Other Contracted Services	8,338,433	7,850,477	487,956	6.2%
Scholarships and Fellowships	42,610,730	36,986,028	5,624,702	15.2%
Travel	5,059,792	4,329,838	729,954	16.9%
Materials and Supplies	19,323,264	17,706,720	1,616,544	9.1%
Utilities	11,404,023	10,438,156	965,867	9.3%
Telecommunications	5,880,831	5,471,297	409,534	7.5%
Repairs and Maintenance	6,695,169	5,845,364	849,805	14.5%
Rentals and Leases	2,708,356	2,513,985	194,371	7.7%
Printing and Reproduction	2,207,594	2,172,659	34,935	1.6%
Federal Sponsored Programs Pass-Thrus	2,170,226	2,035,998	134,228	6.6%
Depreciation and Amortization	20,457,453	19,336,895	1,120,558	5.8%
Other Operating Expenses	9,106,166	9,847,156	(740,990)	-7.5%
Total Operating Expenses	343,260,277	317,620,555	25,639,722	8.1%
Operating Loss	(97,077,910)	(84,100,719)	(12,977,191)	-15.4%
Other Nonoperating Adjustments				
State Appropriations	101,723,492	93,385,317	8,338,175	8.9%
Gift Contributions for Operations	2,051,120	1,856,472	194,648	10.5%
Net Investment Income	8,332,114	8,130,700	201,414	2.5%
Interest Expense on Capital Asset Financings	(7,548,453)	(5,711,139)	(1,837,314)	-32.2%
Net Other Nonoperating Adjustments	104,558,273	97,661,350	6,896,923	7.1%
Adjusted Income (Loss) including Depreciation	7,480,363	13,560,631	(6,080,268)	-44.8%
Adjusted Margin (as a percentage) including Depreciation	2.1%	4.0%		
Investment Gains (Losses)	2,246,503	9,480,704	(7,234,201)	-76.3%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 9,726,866	\$ 23,041,335	\$ (13,314,469)	-57.8%
Adjusted Margin % with Investment Gains (Losses)	2.7%	6.7%		
Adjusted Income (Loss) excluding Depreciation	27,937,816	32,897,526	(4,959,710)	-15.1%
Adjusted Margin (as a percentage) excluding Depreciation	7.8%	9.8%		

UNAUDITED
The University of Texas at Austin
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2008

	July Year-to-Date <u>FY 2008</u>	July Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 455,208,496	\$ 432,723,138	\$ 22,485,358	5.2%
Sponsored Programs	439,013,951	414,392,599	24,621,352	5.9%
Net Sales and Services of Educational Activities	129,883,282	132,737,356	(2,854,074)	-2.2%
Net Auxiliary Enterprises	172,053,425	162,706,190	9,347,235	5.7%
Other Operating Revenues	3,364,364	3,212,227	152,137	4.7%
Total Operating Revenues	<u>1,199,523,518</u>	<u>1,145,771,510</u>	<u>53,752,008</u>	<u>4.7%</u>
Operating Expenses				
Salaries and Wages	824,750,196	796,316,074	28,434,122	3.6%
Employee Benefits and Related Costs	194,884,377	185,667,376	9,217,001	5.0%
Professional Fees and Contracted Services	24,111,186	21,274,014	2,837,172	13.3%
Other Contracted Services	60,296,890	66,336,397	(6,039,507)	-9.1%
Scholarships and Fellowships	177,359,802	169,781,560	7,578,242	4.5%
Travel	37,607,795	32,951,926	4,655,869	14.1%
Materials and Supplies	111,197,436	99,434,805	11,762,631	11.8%
Utilities	67,473,629	60,796,724	6,676,905	11.0%
Telecommunications	34,211,288	13,329,616	20,881,672	156.7%
Repairs and Maintenance	26,857,723	21,820,693	5,037,030	23.1%
Rentals and Leases	12,325,080	13,582,182	(1,257,102)	-9.3%
Printing and Reproduction	8,723,515	8,658,571	64,944	0.8%
Federal Sponsored Programs Pass-Thrus	4,704,430	5,065,438	(361,008)	-7.1%
Depreciation and Amortization	146,271,385	123,958,801	22,312,584	18.0%
Other Operating Expenses	82,130,138	76,903,946	5,226,192	6.8%
Total Operating Expenses	<u>1,812,904,870</u>	<u>1,695,878,123</u>	<u>117,026,747</u>	<u>6.9%</u>
Operating Loss	<u>(613,381,352)</u>	<u>(550,106,613)</u>	<u>(63,274,739)</u>	<u>-11.5%</u>
Other Nonoperating Adjustments				
State Appropriations	299,313,963	278,791,004	20,522,959	7.4%
Gift Contributions for Operations	89,123,323	79,551,046	9,572,277	12.0%
Net Investment Income	149,423,063	128,339,208	21,083,855	16.4%
Interest Expense on Capital Asset Financings	(34,796,520)	(26,245,932)	(8,550,588)	-32.6%
Net Other Nonoperating Adjustments	<u>503,063,829</u>	<u>460,435,326</u>	<u>42,628,503</u>	<u>9.3%</u>
Adjusted Income (Loss) including Depreciation	(110,317,523)	(89,671,287)	(20,646,236)	-23.0%
Adjusted Margin (as a percentage) including Depreciation	-6.3%	-5.5%		
Available University Fund Transfer	131,633,333	116,930,000	14,703,333	12.6%
Adjusted Income (Loss) with AUF Transfer	21,315,810	27,258,713	(5,942,903)	-21.8%
Adjusted Margin % with AUF Transfer	1.1%	1.6%		
Investment Gains (Losses)	29,332,312	55,470,612	(26,138,300)	-47.1%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ 50,648,122	\$ 82,729,325	\$ (32,081,203)	-38.8%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	2.7%	4.6%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	167,587,195	151,217,514	16,369,681	10.8%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	9.0%	8.6%		

UNAUDITED
The University of Texas at Brownsville
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2008

	<u>July</u> <u>Year-to-Date</u> <u>FY 2008</u>	<u>July</u> <u>Year-to-Date</u> <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation</u> <u>Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 13,565,741	\$ 10,859,372	\$ 2,706,369	24.9%
Sponsored Programs	85,949,271	84,317,136	1,632,135	1.9%
Net Sales and Services of Educational Activities	1,010,743	938,352	72,391	7.7%
Net Auxiliary Enterprises	1,039,988	847,060	192,928	22.8%
Other Operating Revenues	55,993	21,680	34,313	158.3%
Total Operating Revenues	101,621,736	96,983,600	4,638,136	4.8%
Operating Expenses				
Salaries and Wages	55,864,755	51,772,464	4,092,291	7.9%
Employee Benefits and Related Costs	13,643,683	12,637,907	1,005,776	8.0%
Professional Fees and Contracted Services	1,908,135	1,738,660	169,475	9.7%
Scholarships and Fellowships	37,127,610	35,264,819	1,862,791	5.3%
Travel	1,084,418	1,111,972	(27,554)	-2.5%
Materials and Supplies	4,645,419	4,264,378	381,041	8.9%
Utilities	3,574,200	3,186,109	388,091	12.2%
Telecommunications	1,577,500	1,427,663	149,837	10.5%
Repairs and Maintenance	1,142,900	839,005	303,895	36.2%
Rentals and Leases	1,784,966	1,757,341	27,625	1.6%
Printing and Reproduction	298,285	340,198	(41,913)	-12.3%
Bad Debt Expense	39,582	23,556	16,026	68.0%
Federal Sponsored Programs Pass-Thrus	87,421	50,444	36,977	73.3%
Depreciation and Amortization	5,441,014	4,952,591	488,423	9.9%
Other Operating Expenses	6,587,891	5,837,234	750,657	12.9%
Total Operating Expenses	134,807,779	125,204,341	9,603,438	7.7%
Operating Loss	(33,186,043)	(28,220,741)	(4,965,302)	-17.6%
Other Nonoperating Adjustments				
State Appropriations	32,933,642	26,682,670	6,250,972	23.4%
Gift Contributions for Operations	346,577	275,654	70,923	25.7%
Net Investment Income	1,292,028	1,293,746	(1,718)	-0.1%
Interest Expense on Capital Asset Financings	(1,611,467)	(1,537,458)	(74,009)	-4.8%
Net Other Nonoperating Adjustments	32,960,780	26,714,612	6,246,168	23.4%
Adjusted Income (Loss) including Depreciation	(225,263)	(1,506,129)	1,280,866	85.0%
Adjusted Margin (as a percentage) including Depreciation	-0.2%	-1.2%		
Investment Gains (Losses)	187,135	2,108,438	(1,921,303)	-91.1%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (38,128)	\$ 602,309	\$ (640,437)	-106.3%
Adjusted Margin % with Investment Gains (Losses)	-0.0%	0.5%		
Adjusted Income (Loss) excluding Depreciation	5,215,751	3,446,462	1,769,289	51.3%
Adjusted Margin (as a percentage) excluding Depreciation	3.8%	2.8%		

UNAUDITED
The University of Texas at Dallas
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2008

	July Year-to-Date FY 2008	July Year-to-Date FY 2007	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 130,654,809	\$ 115,504,579	\$ 15,150,230	13.1%
Sponsored Programs	46,140,190	39,103,748	7,036,442	18.0%
Net Sales and Services of Educational Activities	6,813,665	5,941,161	872,504	14.7%
Net Auxiliary Enterprises	4,790,619	4,736,292	54,327	1.1%
Other Operating Revenues	5,951,924	4,687,160	1,264,764	27.0%
Total Operating Revenues	194,351,207	169,972,940	24,378,267	14.3%
Operating Expenses				
Salaries and Wages	132,804,580	122,728,160	10,076,420	8.2%
Employee Benefits and Related Costs	28,086,763	25,184,734	2,902,029	11.5%
Professional Fees and Contracted Services	2,959,394	2,869,190	90,204	3.1%
Other Contracted Services	9,173,024	7,422,027	1,750,997	23.6%
Scholarships and Fellowships	44,346,397	40,962,222	3,384,175	8.3%
Travel	3,200,928	2,907,617	293,311	10.1%
Materials and Supplies	14,090,998	12,985,374	1,105,624	8.5%
Utilities	7,885,783	6,813,472	1,072,311	15.7%
Telecommunications	1,260,722	1,237,994	22,728	1.8%
Repairs and Maintenance	4,219,128	2,559,842	1,659,286	64.8%
Rentals and Leases	1,404,548	1,191,475	213,073	17.9%
Printing and Reproduction	1,153,967	1,187,630	(33,663)	-2.8%
Federal Sponsored Programs Pass-Thrus	703,794	219,171	484,623	221.1%
Depreciation and Amortization	18,808,587	17,535,701	1,272,886	7.3%
Other Operating Expenses	9,292,421	7,878,323	1,414,098	17.9%
Total Operating Expenses	279,391,034	253,682,932	25,708,102	10.1%
Operating Loss	(85,039,827)	(83,709,992)	(1,329,835)	-1.6%
Other Nonoperating Adjustments				
State Appropriations	82,810,872	70,047,581	12,763,291	18.2%
Gift Contributions for Operations	10,363,367	8,101,545	2,261,822	27.9%
Net Investment Income	12,699,846	11,457,720	1,242,126	10.8%
Interest Expense on Capital Asset Financings	(7,851,184)	(5,685,802)	(2,165,382)	-38.1%
Net Other Nonoperating Adjustments	98,022,901	83,921,044	14,101,857	16.8%
Adjusted Income (Loss) including Depreciation	12,983,074	211,052	12,772,022	6,051.6%
Adjusted Margin (as a percentage) including Depreciation	4.3%	0.1%		
Investment Gains (Losses)	(2,236,153)	7,253,894	(9,490,047)	-130.8%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 10,746,921	\$ 7,464,946	\$ 3,281,975	44.0%
Adjusted Margin % with Investment Gains (Losses)	3.6%	2.8%		
Adjusted Income (Loss) excluding Depreciation	31,791,661	17,746,753	14,044,908	79.1%
Adjusted Margin (as a percentage) excluding Depreciation	10.6%	6.8%		

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

	July Year-to-Date FY 2008	July Year-to-Date FY 2007	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 86,534,067	\$ 79,842,995	\$ 6,691,072	8.4%
Sponsored Programs	77,221,668	75,044,938	2,176,730	2.9%
Net Sales and Services of Educational Activities	3,622,853	3,874,947	(252,094)	-6.5%
Net Auxiliary Enterprises	19,038,064	24,034,111	(4,996,047)	-20.8%
Other Operating Revenues	322,676	26,432	296,244	1,120.8%
Total Operating Revenues	186,739,328	182,823,423	3,915,905	2.1%
Operating Expenses				
Salaries and Wages	122,271,206	115,179,027	7,092,179	6.2%
Employee Benefits and Related Costs	29,428,836	27,997,543	1,431,293	5.1%
Professional Fees and Contracted Services	900,657	948,553	(47,896)	-5.0%
Other Contracted Services	12,916,842	17,857,345	(4,940,503)	-27.7%
Scholarships and Fellowships	52,744,523	49,461,686	3,282,837	6.6%
Travel	5,755,896	4,874,441	881,455	18.1%
Materials and Supplies	18,610,644	18,040,275	570,369	3.2%
Utilities	7,077,688	6,834,068	243,620	3.6%
Telecommunications	689,566	668,174	21,392	3.2%
Repairs and Maintenance	3,182,669	2,839,924	342,745	12.1%
Rentals and Leases	2,675,749	2,492,227	183,522	7.4%
Printing and Reproduction	824,751	563,551	261,200	46.3%
Federal Sponsored Programs Pass-Thru	245,393	323,188	(77,795)	-24.1%
Depreciation and Amortization	13,898,897	12,589,018	1,309,879	10.4%
Other Operating Expenses	4,777,265	5,067,486	(290,221)	-5.7%
Total Operating Expenses	276,000,582	265,736,506	10,264,076	3.9%
Operating Loss	(89,261,254)	(82,913,083)	(6,348,171)	-7.7%
Other Nonoperating Adjustments				
State Appropriations	83,750,898	73,015,453	10,735,445	14.7%
Gift Contributions for Operations	6,232,296	6,943,139	(710,843)	-10.2%
Net Investment Income	8,971,019	8,682,102	288,917	3.3%
Interest Expense on Capital Asset Financings	(4,641,054)	(2,727,818)	(1,913,236)	-70.1%
Net Other Nonoperating Adjustments	94,313,159	85,912,876	8,400,283	9.8%
Adjusted Income (Loss) including Depreciation	5,051,905	2,999,793	2,052,112	68.4%
Adjusted Margin (as a percentage) including Depreciation	1.8%	1.1%		
Investment Gains (Losses)	55,019	4,182,202	(4,127,183)	-98.7%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 5,106,924	\$ 7,181,995	\$ (2,075,071)	-28.9%
Adjusted Margin % with Investment Gains (Losses)	1.8%	2.6%		
Adjusted Income (Loss) excluding Depreciation	18,950,802	15,588,811	3,361,991	21.6%
Adjusted Margin (as a percentage) excluding Depreciation	6.6%	5.7%		

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

	July Year-to-Date <u>FY 2008</u>	July Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 72,139,651	\$ 63,099,188	\$ 9,040,463	14.3%
Sponsored Programs	69,655,266	66,985,466	2,669,800	4.0%
Net Sales and Services of Educational Activities	5,018,532	4,903,182	115,350	2.4%
Net Auxiliary Enterprises	4,983,824	2,721,220	2,262,604	83.1%
Other Operating Revenues	2,340,923	1,355,877	985,046	72.7%
Total Operating Revenues	<u>154,138,196</u>	<u>139,064,933</u>	<u>15,073,263</u>	<u>10.8%</u>
Operating Expenses				
Salaries and Wages	90,061,558	83,613,915	6,447,643	7.7%
Employee Benefits and Related Costs	21,832,213	20,505,986	1,326,227	6.5%
Professional Fees and Contracted Services	1,667,716	1,550,553	117,163	7.6%
Other Contracted Services	5,185,004	4,535,573	649,431	14.3%
Scholarships and Fellowships	65,696,511	58,142,349	7,554,162	13.0%
Travel	4,440,378	3,355,779	1,084,599	32.3%
Materials and Supplies	9,984,733	11,448,203	(1,463,470)	-12.8%
Utilities	6,516,097	4,739,965	1,776,132	37.5%
Telecommunications	776,388	650,975	125,413	19.3%
Repairs and Maintenance	1,745,322	1,821,968	(76,646)	-4.2%
Rentals and Leases	723,740	692,639	31,101	4.5%
Printing and Reproduction	286,505	294,315	(7,810)	-2.7%
Bad Debt Expense	11,000	1,124,574	(1,113,574)	-99.0%
Federal Sponsored Programs Pass-Thrus	134,049	68,547	65,502	95.6%
Depreciation and Amortization	13,883,637	14,661,478	(777,841)	-5.3%
Other Operating Expenses	3,890,770	5,412,520	(1,521,750)	-28.1%
Total Operating Expenses	<u>226,835,621</u>	<u>212,619,339</u>	<u>14,216,282</u>	<u>6.7%</u>
Operating Loss	<u>(72,697,425)</u>	<u>(73,554,406)</u>	<u>856,981</u>	<u>1.2%</u>
Other Nonoperating Adjustments				
State Appropriations	69,510,763	64,015,980	5,494,783	8.6%
Gift Contributions for Operations	1,767,132	2,023,013	(255,881)	-12.6%
Net Investment Income	3,225,869	2,935,396	290,473	9.9%
Interest Expense on Capital Asset Financings	(3,816,571)	(2,995,767)	(820,804)	-27.4%
Net Other Nonoperating Adjustments	<u>70,687,193</u>	<u>65,978,622</u>	<u>4,708,571</u>	<u>7.1%</u>
Adjusted Income (Loss) including Depreciation	(2,010,232)	(7,575,784)	5,565,552	73.5%
Adjusted Margin (as a percentage) including Depreciation	-0.9%	-3.6%		
Investment Gains (Losses)	(850,602)	3,030,513	(3,881,115)	-128.1%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (2,860,834)	\$ (4,545,271)	\$ 1,684,437	37.1%
Adjusted Margin % with Investment Gains (Losses)	-1.3%	-2.2%		
Adjusted Income (Loss) excluding Depreciation	11,873,405	7,085,694	4,787,711	67.6%
Adjusted Margin (as a percentage) excluding Depreciation	5.2%	3.4%		

UNAUDITED
The University of Texas of the Permian Basin
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2008

	July Year-to-Date <u>FY 2008</u>	July Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 13,483,711	\$ 12,697,725	\$ 785,986	6.2%
Sponsored Programs	5,695,934	5,326,288	369,646	6.9%
Net Sales and Services of Educational Activities	359,535	267,840	91,695	34.2%
Net Auxiliary Enterprises	2,587,726	1,860,900	726,826	39.1%
Other Operating Revenues	339,753	136,339	203,414	149.2%
Total Operating Revenues	<u>22,466,659</u>	<u>20,289,092</u>	<u>2,177,567</u>	<u>10.7%</u>
Operating Expenses				
Salaries and Wages	16,390,103	15,330,416	1,059,687	6.9%
Employee Benefits and Related Costs	3,840,831	3,765,739	75,092	2.0%
Professional Fees and Contracted Services	1,889,167	729,727	1,159,440	158.9%
Other Contracted Services	1,560,811	1,078,155	482,656	44.8%
Scholarships and Fellowships	7,386,222	6,991,288	394,934	5.6%
Travel	748,104	701,233	46,871	6.7%
Materials and Supplies	2,362,924	1,741,635	621,289	35.7%
Utilities	2,136,847	1,887,975	248,872	13.2%
Telecommunications	334,140	363,495	(29,355)	-8.1%
Repairs and Maintenance	525,549	675,039	(149,490)	-22.1%
Rentals and Leases	294,598	231,906	62,692	27.0%
Printing and Reproduction	150,539	201,848	(51,309)	-25.4%
Depreciation and Amortization	3,345,833	2,986,196	359,637	12.0%
Other Operating Expenses	753,302	738,726	14,576	2.0%
Total Operating Expenses	<u>41,718,970</u>	<u>37,423,378</u>	<u>4,295,592</u>	<u>11.5%</u>
Operating Loss	<u>(19,252,311)</u>	<u>(17,134,286)</u>	<u>(2,118,025)</u>	<u>-12.4%</u>
Other Nonoperating Adjustments				
State Appropriations	28,972,118	15,774,469	13,197,649	83.7%
Gift Contributions for Operations	957,309	1,119,021	(161,712)	-14.5%
Net Investment Income	983,299	1,095,534	(112,235)	-10.2%
Interest Expense on Capital Asset Financings	(1,659,427)	(1,489,093)	(170,334)	-11.4%
Net Other Nonoperating Adjustments	<u>29,253,299</u>	<u>16,499,931</u>	<u>12,753,368</u>	<u>77.3%</u>
Adjusted Income (Loss) including Depreciation	10,000,988	(634,355)	10,635,343	1,676.6%
Adjusted Margin (as a percentage) including Depreciation	18.7%	-1.7%		
Investment Gains (Losses)	(211,580)	364,813	(576,393)	-158.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 9,789,408	\$ (269,542)	\$ 10,058,950	3731.9%
Adjusted Margin % with Investment Gains (Losses)	18.4%	-0.7%		
Adjusted Income (Loss) excluding Depreciation	13,346,821	2,351,841	10,994,980	467.5%
Adjusted Margin (as a percentage) excluding Depreciation	25.0%	6.1%		

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

	July Year-to-Date <u>FY 2008</u>	July Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 169,048,089	\$ 159,400,443	\$ 9,647,646	6.1%
Sponsored Programs	74,989,634	67,891,440	7,098,194	10.5%
Net Sales and Services of Educational Activities	6,475,800	5,401,525	1,074,275	19.9%
Net Auxiliary Enterprises	16,256,849	13,891,227	2,365,622	17.0%
Other Operating Revenues	1,583,932	1,784,298	(200,366)	-11.2%
Total Operating Revenues	<u>268,354,304</u>	<u>248,368,933</u>	<u>19,985,371</u>	<u>8.0%</u>
Operating Expenses				
Salaries and Wages	155,417,810	142,959,209	12,458,601	8.7%
Employee Benefits and Related Costs	38,430,866	34,851,515	3,579,351	10.3%
Professional Fees and Contracted Services	3,603,754	2,675,946	927,808	34.7%
Other Contracted Services	7,212,012	3,850,248	3,361,764	87.3%
Scholarships and Fellowships	58,672,889	53,023,617	5,649,272	10.7%
Travel	6,028,766	5,026,279	1,002,487	19.9%
Materials and Supplies	20,230,381	16,277,495	3,952,886	24.3%
Utilities	10,195,717	8,236,525	1,959,192	23.8%
Telecommunications	2,572,963	2,314,212	258,751	11.2%
Repairs and Maintenance	5,952,236	5,422,966	529,270	9.8%
Rentals and Leases	2,454,810	2,287,831	166,979	7.3%
Printing and Reproduction	970,116	1,077,698	(107,582)	-10.0%
Federal Sponsored Programs Pass-Thrus	3,098,787	2,334,409	764,378	32.7%
Depreciation and Amortization	23,893,676	22,035,380	1,858,296	8.4%
Other Operating Expenses	6,798,865	5,564,954	1,233,911	22.2%
Total Operating Expenses	<u>345,533,648</u>	<u>307,938,284</u>	<u>37,595,364</u>	<u>12.2%</u>
Operating Loss	<u>(77,179,344)</u>	<u>(59,569,351)</u>	<u>(17,609,993)</u>	<u>-29.6%</u>
Other Nonoperating Adjustments				
State Appropriations	105,038,465	89,900,478	15,137,987	16.8%
Gift Contributions for Operations	5,771,940	3,269,519	2,502,421	76.5%
Net Investment Income	7,885,336	7,353,609	531,727	7.2%
Interest Expense on Capital Asset Financings	(12,740,893)	(5,355,145)	(7,385,748)	-137.9%
Net Other Nonoperating Adjustments	<u>105,954,848</u>	<u>95,168,461</u>	<u>10,786,387</u>	<u>11.3%</u>
Adjusted Income (Loss) including Depreciation	28,775,504	35,599,110	(6,823,606)	-19.2%
Adjusted Margin (as a percentage) including Depreciation	7.4%	10.2%		
Investment Gains (Losses)	(1,681,658)	10,374,298	(12,055,956)	-116.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 27,093,846	\$ 45,973,408	\$ (18,879,562)	-41.1%
Adjusted Margin % with Investment Gains (Losses)	7.0%	12.8%		
Adjusted Income (Loss) excluding Depreciation	52,669,180	57,634,490	(4,965,310)	-8.6%
Adjusted Margin (as a percentage) excluding Depreciation	13.6%	16.5%		

UNAUDITED
The University of Texas at Tyler
Comparison of Operating Results and Margin
For the Eleven Months Ending July 31, 2008

	July Year-to-Date FY 2008	July Year-to-Date FY 2007	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 27,873,593	\$ 25,026,364	\$ 2,847,229	11.4%
Sponsored Programs	9,944,493	8,211,456	1,733,037	21.1%
Net Sales and Services of Educational Activities	1,179,840	982,263	197,577	20.1%
Net Auxiliary Enterprises	3,215,356	3,186,179	29,177	0.9%
Other Operating Revenues	100,732	51,020	49,712	97.4%
Total Operating Revenues	42,314,014	37,457,282	4,856,732	13.0%
Operating Expenses				
Salaries and Wages	30,691,318	28,541,573	2,149,745	7.5%
Employee Benefits and Related Costs	7,887,957	7,254,652	633,305	8.7%
Professional Fees and Contracted Services	1,037,217	998,362	38,855	3.9%
Other Contracted Services	3,330,731	2,740,498	590,233	21.5%
Scholarships and Fellowships	10,862,708	9,836,894	1,025,814	10.4%
Travel	1,579,747	1,120,194	459,553	41.0%
Materials and Supplies	5,611,101	4,168,471	1,442,630	34.6%
Utilities	1,935,008	1,431,465	503,543	35.2%
Telecommunications	628,038	491,377	136,661	27.8%
Repairs and Maintenance	1,798,342	847,873	950,469	112.1%
Rentals and Leases	317,588	303,800	13,788	4.5%
Printing and Reproduction	487,496	556,482	(68,986)	-12.4%
Depreciation and Amortization	6,624,852	6,239,888	384,964	6.2%
Other Operating Expenses	1,404,527	1,293,422	111,105	8.6%
Total Operating Expenses	74,196,630	65,824,951	8,371,679	12.7%
Operating Loss	(31,882,616)	(28,367,669)	(3,514,947)	-12.4%
Other Nonoperating Adjustments				
State Appropriations	33,409,562	27,722,760	5,686,802	20.5%
Gift Contributions for Operations	1,344,065	833,420	510,645	61.3%
Net Investment Income	3,405,543	3,315,733	89,810	2.7%
Interest Expense on Capital Asset Financings	(2,816,726)	(1,985,892)	(830,834)	-41.8%
Net Other Nonoperating Adjustments	35,342,444	29,886,021	5,456,423	18.3%
Adjusted Income (Loss) including Depreciation	3,459,828	1,518,352	1,941,476	127.9%
Adjusted Margin (as a percentage) including Depreciation	4.3%	2.2%		
Investment Gains (Losses)	(628,410)	1,725,422	(2,353,832)	-136.4%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 2,831,418	\$ 3,243,774	\$ (412,356)	-12.7%
Adjusted Margin % with Investment Gains (Losses)	3.5%	4.6%		
Adjusted Income (Loss) excluding Depreciation	10,084,680	7,758,240	2,326,440	30.0%
Adjusted Margin (as a percentage) excluding Depreciation	12.5%	11.2%		

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

	July Year-to-Date <u>FY 2008</u>	July Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 18,181,813	\$ 17,749,231	\$ 432,582	2.4%
Sponsored Programs	385,675,089	367,522,293	18,152,796	4.9%
Net Sales and Services of Educational Activities	6,184,770	6,376,969	(192,199)	-3.0%
Net Sales and Services of Hospitals	310,098,505	273,979,763	36,118,742	13.2%
Net Professional Fees	288,573,868	319,879,690	(31,305,822)	-9.8%
Net Auxiliary Enterprises	15,374,116	15,954,532	(580,416)	-3.6%
Other Operating Revenues	6,556,101	5,488,728	1,067,373	19.4%
Total Operating Revenues	<u>1,030,644,262</u>	<u>1,006,951,206</u>	<u>23,693,056</u>	<u>2.4%</u>
Operating Expenses				
Salaries and Wages	633,863,729	579,035,308	54,828,421	9.5%
Employee Benefits and Related Costs	171,716,233	156,046,335	15,669,898	10.0%
Professional Fees and Contracted Services	15,644,853	20,185,333	(4,540,480)	-22.5%
Other Contracted Services	71,533,335	62,078,712	9,454,623	15.2%
Scholarships and Fellowships	5,370,749	6,079,932	(709,183)	-11.7%
Travel	9,304,877	7,648,945	1,655,932	21.6%
Materials and Supplies	170,345,012	158,131,187	12,213,825	7.7%
Utilities	29,852,325	26,704,085	3,148,240	11.8%
Telecommunications	6,781,928	5,941,732	840,196	14.1%
Repairs and Maintenance	11,871,329	11,643,895	227,434	2.0%
Rentals and Leases	9,008,666	10,414,201	(1,405,535)	-13.5%
Printing and Reproduction	2,657,617	2,912,461	(254,844)	-8.8%
Federal Sponsored Programs Pass-Thrus	730,366	1,149,475	(419,109)	-36.5%
Depreciation and Amortization	62,724,237	58,837,986	3,886,251	6.6%
Other Operating Expenses	41,520,321	39,452,762	2,067,559	5.2%
Total Operating Expenses	<u>1,242,925,577</u>	<u>1,146,262,349</u>	<u>96,663,228</u>	<u>8.4%</u>
Operating Loss	<u>(212,281,315)</u>	<u>(139,311,143)</u>	<u>(72,970,172)</u>	<u>-52.4%</u>
Other Nonoperating Adjustments				
State Appropriations	163,228,275	137,113,902	26,114,373	19.0%
Gift Contributions for Operations	74,526,124	35,377,866	39,148,258	110.7%
Net Investment Income	60,654,923	57,382,592	3,272,331	5.7%
Interest Expense on Capital Asset Financings	(19,509,160)	(18,755,655)	(753,505)	-4.0%
Net Other Nonoperating Adjustments	<u>278,900,162</u>	<u>211,118,705</u>	<u>67,781,457</u>	<u>32.1%</u>
Adjusted Income (Loss) including Depreciation	66,618,847	71,807,562	(5,188,715)	-7.2%
Adjusted Margin (as a percentage) including Depreciation	5.0%	5.8%		
Investment Gains (Losses)	(12,169,781)	34,615,008	(46,784,789)	-135.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 54,449,066	\$ 106,422,570	\$ (51,973,504)	-48.8%
Adjusted Margin % with Investment Gains (Losses)	4.1%	8.4%		
Adjusted Income (Loss) excluding Depreciation	129,343,084	130,645,548	(1,302,464)	-1.0%
Adjusted Margin (as a percentage) excluding Depreciation	9.7%	10.6%		

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

	July Year-to-Date FY 2008	July Year-to-Date FY 2007	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 16,313,750	\$ 14,134,567	\$ 2,179,183	15.4%
Sponsored Programs	235,416,042	207,265,880	28,150,162	13.6%
Net Sales and Services of Educational Activities	1,819,134	1,858,148	(39,014)	-2.1%
Net Sales and Services of Hospitals	648,940,472	617,866,013	31,074,459	5.0%
Net Professional Fees	126,156,851	133,022,220	(6,865,369)	-5.2%
Net Auxiliary Enterprises	10,005,794	8,396,140	1,609,654	19.2%
Other Operating Revenues	11,419,468	14,802,646	(3,383,178)	-22.9%
Total Operating Revenues	1,050,071,511	997,345,614	52,725,897	5.3%
Operating Expenses				
Salaries and Wages	742,305,889	685,671,049	56,634,840	8.3%
Employee Benefits and Related Costs	175,802,916	160,426,517	15,376,399	9.6%
Professional Fees and Contracted Services	23,401,258	33,581,393	(10,180,135)	-30.3%
Other Contracted Services	63,330,245	51,192,798	12,137,447	23.7%
Scholarships and Fellowships	7,402,437	5,186,474	2,215,963	42.7%
Travel	8,293,289	7,748,045	545,244	7.0%
Materials and Supplies	176,584,458	165,650,473	10,933,985	6.6%
Utilities	35,562,261	25,943,346	9,618,915	37.1%
Telecommunications	14,116,063	12,686,976	1,429,087	11.3%
Repairs and Maintenance	31,851,063	29,558,123	2,292,940	7.8%
Rentals and Leases	16,229,124	13,385,318	2,843,806	21.2%
Printing and Reproduction	2,349,664	2,055,682	293,982	14.3%
Federal Sponsored Programs Pass-Thrus	6,496,093	7,169,286	(673,193)	-9.4%
Depreciation and Amortization	59,918,357	48,993,241	10,925,116	22.3%
Other Operating Expenses	53,245,886	59,391,003	(6,145,117)	-10.3%
Total Operating Expenses	1,416,889,003	1,308,639,724	108,249,279	8.3%
Operating Loss	(366,817,492)	(311,294,110)	(55,523,382)	-17.8%
Other Nonoperating Adjustments				
State Appropriations	280,825,300	274,956,849	5,868,451	2.1%
Gift Contributions for Operations	8,481,904	5,447,839	3,034,065	55.7%
Net Investment Income	31,957,101	31,883,679	73,422	0.2%
Interest Expense on Capital Asset Financings	(5,053,478)	(4,245,835)	(807,643)	-19.0%
Net Other Nonoperating Adjustments	316,210,827	308,042,532	8,168,295	2.7%
Adjusted Income (Loss) including Depreciation	(50,606,665)	(3,251,578)	(47,355,087)	-1,456.4%
Adjusted Margin (as a percentage) including Depreciation	-3.7%	-0.2%		
Investment Gains (Losses)	(6,095,554)	18,906,152	(25,001,706)	-132.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (56,702,219)	\$ 15,654,574	\$ (72,356,793)	-462.2%
Adjusted Margin % with Investment Gains (Losses)	-4.2%	1.2%		
Adjusted Income (Loss) excluding Depreciation	9,311,692	45,741,663	(36,429,971)	-79.6%
Adjusted Margin (as a percentage) excluding Depreciation	0.7%	3.5%		

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

	July Year-to-Date <u>FY 2008</u>	July Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 22,151,406	\$ 20,668,167	\$ 1,483,239	7.2%
Sponsored Programs	279,566,232	265,858,344	13,707,888	5.2%
Net Sales and Services of Educational Activities	32,092,178	29,605,470	2,486,708	8.4%
Net Sales and Services of Hospitals	28,834,194	24,532,329	4,301,865	17.5%
Net Professional Fees	109,191,865	113,856,458	(4,664,593)	-4.1%
Net Auxiliary Enterprises	20,088,176	21,094,053	(1,005,877)	-4.8%
Other Operating Revenues	34,446,088	31,004,404	3,441,684	11.1%
Total Operating Revenues	<u>526,370,139</u>	<u>506,619,225</u>	<u>19,750,914</u>	<u>3.9%</u>
Operating Expenses				
Salaries and Wages	321,991,040	302,696,613	19,294,427	6.4%
Employee Benefits and Related Costs	74,990,099	67,422,893	7,567,206	11.2%
Professional Fees and Contracted Services	66,152,344	54,147,864	12,004,480	22.2%
Other Contracted Services	32,806,755	40,333,601	(7,526,846)	-18.7%
Scholarships and Fellowships	3,274,671	2,209,122	1,065,549	48.2%
Travel	5,865,689	5,732,534	133,155	2.3%
Materials and Supplies	50,918,234	48,801,568	2,116,666	4.3%
Utilities	16,625,751	14,362,991	2,262,760	15.8%
Telecommunications	2,486,220	2,442,714	43,506	1.8%
Repairs and Maintenance	4,901,427	4,949,420	(47,993)	-1.0%
Rentals and Leases	11,624,848	11,089,556	535,292	4.8%
Printing and Reproduction	3,347,292	3,354,670	(7,378)	-0.2%
Federal Sponsored Programs Pass-Thrus	6,853,697	4,829,589	2,024,108	41.9%
Depreciation and Amortization	30,320,086	30,218,666	101,420	0.3%
Other Operating Expenses	50,573,229	48,895,438	1,677,791	3.4%
Total Operating Expenses	<u>682,731,382</u>	<u>641,487,239</u>	<u>41,244,143</u>	<u>6.4%</u>
Operating Loss	<u>(156,361,243)</u>	<u>(134,868,014)</u>	<u>(21,493,229)</u>	<u>-15.9%</u>
Other Nonoperating Adjustments				
State Appropriations	152,759,724	139,317,083	13,442,641	9.6%
Gift Contributions for Operations	14,562,146	9,781,495	4,780,651	48.9%
Net Investment Income	20,764,521	21,628,327	(863,806)	-4.0%
Interest Expense on Capital Asset Financings	(8,077,179)	(6,330,754)	(1,746,425)	-27.6%
Net Other Nonoperating Adjustments	<u>180,009,212</u>	<u>164,396,151</u>	<u>15,613,061</u>	<u>9.5%</u>
Adjusted Income (Loss) including Depreciation	23,647,969	29,528,137	(5,880,168)	-19.9%
Adjusted Margin (as a percentage) including Depreciation	3.3%	4.4%		
Investment Gains (Losses)	(4,798,384)	12,508,476	(17,306,860)	-138.4%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 18,849,585	\$ 42,036,613	\$ (23,187,028)	-55.2%
Adjusted Margin % with Investment Gains (Losses)	2.7%	6.1%		
Adjusted Income (Loss) excluding Depreciation	53,968,055	59,746,803	(5,778,748)	-9.7%
Adjusted Margin (as a percentage) excluding Depreciation	7.6%	8.8%		

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

	July Year-to-Date FY 2008	July Year-to-Date FY 2007	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 19,937,500	\$ 19,433,333	\$ 504,167	2.6%
Sponsored Programs	206,593,865	188,221,726	18,372,139	9.8%
Net Sales and Services of Educational Activities	40,860,561	35,270,636	5,589,925	15.8%
Net Professional Fees	79,435,588	85,465,853	(6,030,265)	-7.1%
Net Auxiliary Enterprises	4,871,226	3,779,549	1,091,677	28.9%
Other Operating Revenues	10,237,011	9,355,371	881,640	9.4%
Total Operating Revenues	361,935,751	341,526,468	20,409,283	6.0%
Operating Expenses				
Salaries and Wages	291,743,970	264,594,105	27,149,865	10.3%
Employee Benefits and Related Costs	70,477,887	64,248,191	6,229,696	9.7%
Professional Fees and Contracted Services	16,101,754	10,019,189	6,082,565	60.7%
Other Contracted Services	28,991,506	19,779,985	9,211,521	46.6%
Scholarships and Fellowships	3,005,190	2,582,141	423,049	16.4%
Travel	5,161,702	4,522,841	638,861	14.1%
Materials and Supplies	32,120,142	31,429,259	690,883	2.2%
Utilities	13,312,500	11,916,667	1,395,833	11.7%
Telecommunications	8,202,964	5,386,865	2,816,099	52.3%
Repairs and Maintenance	2,877,180	2,604,687	272,493	10.5%
Rentals and Leases	2,420,215	2,104,463	315,752	15.0%
Printing and Reproduction	1,799,214	1,587,041	212,173	13.4%
Federal Sponsored Programs Pass-Thrus	550,000	572,917	(22,917)	-4.0%
Depreciation and Amortization	26,958,333	20,904,456	6,053,877	29.0%
Other Operating Expenses	63,911,684	58,593,494	5,318,190	9.1%
Total Operating Expenses	567,634,241	500,846,301	66,787,940	13.3%
Operating Loss	(205,698,490)	(159,319,833)	(46,378,657)	-29.1%
Other Nonoperating Adjustments				
State Appropriations	155,932,959	136,567,741	19,365,218	14.2%
Gift Contributions for Operations	15,860,351	15,959,517	(99,166)	-0.6%
Net Investment Income	26,257,699	25,732,113	525,586	2.0%
Interest Expense on Capital Asset Financings	(8,251,606)	(873,985)	(7,377,621)	-844.1%
Net Other Nonoperating Adjustments	189,799,403	177,385,386	12,414,017	7.0%
Adjusted Income (Loss) including Depreciation	(15,899,087)	18,065,553	(33,964,640)	-188.0%
Adjusted Margin (as a percentage) including Depreciation	-2.8%	3.5%		
Investment Gains (Losses)	802,089	11,092,962	(10,290,873)	-92.8%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ (15,096,998)	\$ 29,158,515	\$ (44,255,513)	-151.8%
Adjusted Margin % with Investment Gains (Losses)	-2.7%	5.5%		
Adjusted Income (Loss) excluding Depreciation	11,059,246	38,970,009	(27,910,763)	-71.6%
Adjusted Margin (as a percentage) excluding Depreciation	2.0%	7.5%		

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

	July Year-to-Date <u>FY 2008</u>	July Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 488,048	\$ 440,718	\$ 47,330	10.7%
Sponsored Programs	238,852,363	219,638,155	19,214,208	8.7%
Net Sales and Services of Educational Activities	2,038,053	2,094,134	(56,081)	-2.7%
Net Sales and Services of Hospitals	1,712,165,151	1,554,043,204	158,121,947	10.2%
Net Professional Fees	244,281,788	249,015,701	(4,733,913)	-1.9%
Net Auxiliary Enterprises	24,420,388	23,069,399	1,350,989	5.9%
Other Operating Revenues	37,235,028	24,872,466	12,362,562	49.7%
Total Operating Revenues	<u>2,259,480,819</u>	<u>2,073,173,777</u>	<u>186,307,042</u>	<u>9.0%</u>
Operating Expenses				
Salaries and Wages	1,123,705,210	1,022,145,099	101,560,111	9.9%
Employee Benefits and Related Costs	299,292,101	269,370,374	29,921,727	11.1%
Professional Fees and Contracted Services	109,574,704	92,906,839	16,667,865	17.9%
Other Contracted Services	65,802,935	62,012,617	3,790,318	6.1%
Travel	20,294,680	18,469,088	1,825,592	9.9%
Materials and Supplies	411,469,186	389,357,324	22,111,862	5.7%
Utilities	51,595,314	46,444,543	5,150,771	11.1%
Telecommunications	7,448,526	5,816,016	1,632,510	28.1%
Repairs and Maintenance	55,874,250	42,048,084	13,826,166	32.9%
Rentals and Leases	33,451,103	28,953,034	4,498,069	15.5%
Federal Sponsored Programs Pass-Thrus	1,043,997	604,293	439,704	72.8%
Depreciation and Amortization	189,647,122	174,931,864	14,715,258	8.4%
Other Operating Expenses	2,981,390	2,438,606	542,784	22.3%
Total Operating Expenses	<u>2,372,180,518</u>	<u>2,155,497,781</u>	<u>216,682,737</u>	<u>10.1%</u>
Operating Loss	<u>(112,699,699)</u>	<u>(82,324,004)</u>	<u>(30,375,695)</u>	<u>-36.9%</u>
Other Nonoperating Adjustments				
State Appropriations	154,702,753	146,247,051	8,455,702	5.8%
Gift Contributions for Operations	105,251,677	63,836,947	41,414,730	64.9%
Net Investment Income	49,833,184	51,341,014	(1,507,830)	-2.9%
Interest Expense on Capital Asset Financings	(29,030,771)	(23,480,176)	(5,550,595)	-23.6%
Net Other Nonoperating Adjustments	<u>280,756,843</u>	<u>237,944,836</u>	<u>42,812,007</u>	<u>18.0%</u>
Adjusted Income (Loss) including Depreciation	168,057,144	155,620,832	12,436,312	8.0%
Adjusted Margin (as a percentage) including Depreciation	6.5%	6.7%		
Investment Gains (Losses)	5,518,167	47,033,261	(41,515,094)	-88.3%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 173,575,311	\$ 202,654,093	\$ (29,078,782)	-14.3%
Adjusted Margin % with Investment Gains (Losses)	6.7%	8.5%		
Adjusted Income (Loss) excluding Depreciation	357,704,266	330,552,696	27,151,570	8.2%
Adjusted Margin (as a percentage) excluding Depreciation	13.9%	14.2%		

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

	July Year-to-Date <u>FY 2008</u>	July Year-to-Date <u>FY 2007</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 11,915,913	\$ 12,666,011	\$ (750,098)	-5.9%
Net Sales and Services of Educational Activities	914,851	860,084	54,767	6.4%
Net Sales and Services of Hospitals	39,039,994	40,876,150	(1,836,156)	-4.5%
Net Professional Fees	9,560,555	14,052,784	(4,492,229)	-32.0%
Net Auxiliary Enterprises	164,736	165,376	(640)	-0.4%
Other Operating Revenues	1,192,337	1,572,446	(380,109)	-24.2%
Total Operating Revenues	<u>62,788,386</u>	<u>70,192,851</u>	<u>(7,404,465)</u>	<u>-10.5%</u>
Operating Expenses				
Salaries and Wages	47,385,032	47,669,566	(284,534)	-0.6%
Employee Benefits and Related Costs	13,106,731	12,897,068	209,663	1.6%
Professional Fees and Contracted Services	5,290,021	5,174,839	115,182	2.2%
Other Contracted Services	7,160,900	6,629,450	531,450	8.0%
Travel	450,961	523,622	(72,661)	-13.9%
Materials and Supplies	11,922,868	11,682,943	239,925	2.1%
Utilities	3,173,931	2,995,832	178,099	5.9%
Telecommunications	1,027,616	654,349	373,267	57.0%
Repairs and Maintenance	2,901,318	2,934,871	(33,553)	-1.1%
Rentals and Leases	890,033	1,052,466	(162,433)	-15.4%
Printing and Reproduction	123,389	22,323	101,066	452.7%
Federal Sponsored Programs Pass-Thrus	51,937	413,521	(361,584)	-87.4%
Depreciation and Amortization	6,207,160	5,799,022	408,138	7.0%
Other Operating Expenses	2,075,905	2,640,308	(564,403)	-21.4%
Total Operating Expenses	<u>101,767,802</u>	<u>101,090,180</u>	<u>677,622</u>	<u>0.7%</u>
Operating Loss	<u>(38,979,416)</u>	<u>(30,897,329)</u>	<u>(8,082,087)</u>	<u>-26.2%</u>
Other Nonoperating Adjustments				
State Appropriations	35,489,165	34,331,196	1,157,969	3.4%
Gift Contributions for Operations	1,098,199	482,711	615,488	127.5%
Net Investment Income	3,634,052	3,618,186	15,866	0.4%
Interest Expense on Capital Asset Financings	(662,442)	(701,036)	38,594	5.5%
Net Other Nonoperating Adjustments	<u>39,558,974</u>	<u>37,731,057</u>	<u>1,827,917</u>	<u>4.8%</u>
Adjusted Income (Loss) including Depreciation	579,558	6,833,728	(6,254,170)	-91.5%
Adjusted Margin (as a percentage) including Depreciation	0.6%	6.3%		
Investment Gains (Losses)	-	-	-	0.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 579,558	\$ 6,833,728	\$ (6,254,170)	-91.5%
Adjusted Margin % with Investment Gains (Losses)	0.6%	6.3%		
Adjusted Income (Loss) excluding Depreciation	6,786,718	12,632,750	(5,846,032)	-46.3%
Adjusted Margin (as a percentage) excluding Depreciation	6.6%	11.6%		