

THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER

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

**JULY 2009**



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**THE UNIVERSITY OF TEXAS SYSTEM**  
**MONTHLY FINANCIAL REPORT**  
**(Unaudited)**  
**FOR THE ELEVEN MONTHS ENDING**  
**JULY 31, 2009**

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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, 2009**

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 1,281,804,267	\$ 1,190,638,196	\$ 91,166,071	7.7%
Sponsored Programs	2,497,519,821	2,200,120,296	297,399,525	13.5%
Net Sales and Services of Educational Activities	313,667,364	272,656,531	41,010,833	15.0%
Net Sales and Services of Hospitals	2,840,642,270	2,738,220,510	102,421,760	3.7%
Net Professional Fees	926,176,835	894,654,035	31,522,800	3.5%
Net Auxiliary Enterprises	342,177,227	322,259,512	19,917,715	6.2%
Other Operating Revenues	141,719,805	118,218,943	23,500,862	19.9%
<b>Total Operating Revenues</b>	<b><u>8,343,707,589</u></b>	<b><u>7,736,768,023</u></b>	<b><u>606,939,566</u></b>	<b><u>7.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	5,070,157,863	4,789,441,702	280,716,161	5.9%
Payroll Related Costs	1,253,637,625	1,187,526,372	66,111,253	5.6%
Professional Fees and Contracted Services	400,349,981	283,960,117	116,389,864	41.0%
Other Contracted Services	451,927,794	385,516,915	66,410,879	17.2%
Scholarships and Fellowships	564,577,633	516,513,951	48,063,682	9.3%
Travel	109,040,600	116,146,754	(7,106,154)	-6.1%
Materials and Supplies	1,091,611,218	1,063,092,874	28,518,344	2.7%
Utilities	263,872,742	268,771,414	(4,898,672)	-1.8%
Telecommunications	104,309,749	87,857,923	16,451,826	18.7%
Repairs and Maintenance	184,038,064	163,150,963	20,887,101	12.8%
Rentals and Leases	108,379,163	99,076,673	9,302,490	9.4%
Printing and Reproduction	27,293,958	25,708,595	1,585,363	6.2%
Bad Debt Expense	334,705	50,582	284,123	561.7%
Claims and Losses	7,433,479	6,141,882	1,291,597	21.0%
Federal Sponsored Programs Pass-Throughs	24,630,840	26,870,190	(2,239,350)	-8.3%
Depreciation and Amortization	669,724,978	622,121,652	47,603,326	7.7%
Other Operating Expenses	397,673,169	343,092,471	54,580,698	15.9%
<b>Total Operating Expenses</b>	<b><u>10,728,993,561</u></b>	<b><u>9,987,991,030</u></b>	<b><u>741,002,531</u></b>	<b><u>7.4%</u></b>
<b>Operating Loss</b>	<b><u>(2,385,285,972)</u></b>	<b><u>(2,251,223,007)</u></b>	<b><u>(134,062,965)</u></b>	<b><u>-6.0%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,806,662,462	1,781,609,232	25,053,230	1.4%
Gift Contributions for Operations	249,286,649	336,996,099	(87,709,450)	-26.0%
Net Investment Income	520,631,012	769,954,607	(249,323,595)	-32.4%
Interest Expense on Capital Asset Financings	(175,186,493)	(151,799,033)	(23,387,460)	-15.4%
<b>Net Other Nonoperating Adjustments</b>	<b><u>2,401,393,630</u></b>	<b><u>2,736,760,905</u></b>	<b><u>(335,367,275)</u></b>	<b><u>-12.3%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>16,107,658</b>	<b>485,537,898</b>	<b>(469,430,240)</b>	<b>-96.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.1%</b>	<b>4.6%</b>		
Investment Gains (Losses)	(3,317,520,424)	(447,812,246)	(2,869,708,178)	-640.8%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>\$ (3,301,412,766)</b>	<b>\$ 37,725,652</b>	<b>\$ (3,339,138,418)</b>	<b>-8,851.1%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-43.4%</b>	<b>0.4%</b>		
<b>Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation</b>	<b>(2,631,687,788)</b>	<b>659,847,304</b>	<b>(3,291,535,092)</b>	<b>-498.8%</b>
<b>Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation</b>	<b>-34.6%</b>	<b>6.5%</b>		

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

**Including Depreciation and Amortization Expense**

	July Year-to-Date FY 2009	July Year-to-Date FY 2008	Variance	Fluctuation Percentage
UT System Administration	\$ 81,092,386	\$ 291,171,835	\$ (210,079,449) (1)	-72.1%
UT Arlington	13,180,130	5,969,889	7,210,241 (2)	120.8%
UT Austin	20,854,387	55,087,567	(34,233,180) (3)	-62.1%
UT Brownsville	(827,875)	101,069	(928,944) (4)	-919.1%
UT Dallas	6,950,345	14,875,928	(7,925,583) (5)	-53.3%
UT El Paso	8,331,674	5,972,436	2,359,238	39.5%
UT Pan American	(2,964,796) (6)	(4,992,139)	2,027,343	40.6%
UT Permian Basin	10,710,631	10,797,590	(86,959)	-0.8%
UT San Antonio	5,322,709	31,310,949	(25,988,240) (7)	-83.0%
UT Tyler	5,435,623	4,219,223	1,216,400	28.8%
UT Southwestern Medical Center - Dallas	12,257,199	68,240,608	(55,983,409) (8)	-82.0%
UT Medical Branch - Galveston	(146,749,999)	(50,606,666)	(96,143,333) (9)	-190.0%
UT Health Science Center - Houston	3,850,366	19,441,819	(15,591,453) (10)	-80.2%
UT Health Science Center - San Antonio	(5,487,468) (11)	(8,392,939)	2,905,471	34.6%
UT M. D. Anderson Cancer Center	159,666,385	173,828,850	(14,162,465) (12)	-8.1%
UT Health Science Center - Tyler	2,001,378	145,212	1,856,166 (13)	1,278.2%
Elimination of AUF Transfer	(157,515,417)	(131,633,333)	(25,882,084)	-19.7%
Total Adjusted Income (Loss)	16,107,658	485,537,898	(469,430,240)	-96.7%
Investment Gains (Losses)	(3,317,520,424)	(447,812,246)	(2,869,708,178) (14)	-640.8%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b>\$ (3,301,412,766)</b>	<b>\$ 37,725,652</b>	<b>\$ (3,339,138,418)</b>	<b>-8,851.1%</b>

**Excluding Depreciation and Amortization Expense**

	July Year-to-Date FY 2009	July Year-to-Date FY 2008	Variance	Fluctuation Percentage
UT System Administration	\$ 90,113,458	\$ 296,966,421	\$ (206,852,963)	-69.7%
UT Arlington	37,280,267	30,029,212	7,251,055	24.1%
UT Austin	161,720,921	181,123,834	(19,402,913)	-10.7%
UT Brownsville	4,743,050	5,276,389	(533,339)	-10.1%
UT Dallas	27,329,379	33,696,518	(6,367,139)	-18.9%
UT El Paso	23,191,070	19,856,303	3,334,767	16.8%
UT Pan American	8,651,798	8,892,474	(240,676)	-2.7%
UT Permian Basin	14,271,477	14,144,349	127,128	0.9%
UT San Antonio	34,522,935	55,435,153	(20,912,218)	-37.7%
UT Tyler	12,824,706	11,318,550	1,506,156	13.3%
UT Southwestern Medical Center - Dallas	79,873,629	131,061,990	(51,188,361)	-39.1%
UT Medical Branch - Galveston	(86,223,679)	9,311,691	(95,535,370)	-1,026.0%
UT Health Science Center - Houston	39,291,173	54,084,854	(14,793,681)	-27.4%
UT Health Science Center - San Antonio	23,387,532	15,652,465	7,735,067	49.4%
UT M. D. Anderson Cancer Center	363,487,332	366,030,255	(2,542,923)	-0.7%
UT Health Science Center - Tyler	8,883,005	6,412,425	2,470,580	38.5%
Elimination of AUF Transfer	(157,515,417)	(131,633,333)	(25,882,084)	-19.7%
Total Adjusted Income (Loss)	685,832,636	1,107,659,550	(421,826,914)	-38.1%
Investment Gains (Losses)	(3,317,520,424)	(447,812,246)	(2,869,708,178)	-640.8%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization</b>	<b>\$ (2,631,687,788)</b>	<b>\$ 659,847,304</b>	<b>\$ (3,291,535,092)</b>	<b>-498.8%</b>

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

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

- (1) UT System Administration – The \$210.1 million (72.1%) 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 \$90.1 million or 42.1%.

original 2009 budget. The use of prior year balances was 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.
- (2) UT Arlington – The \$7.2 million (120.8%) increase in adjusted income over the same period last year was primarily attributable to increased student tuition and fees and sponsored programs. Student tuition and fees increased due to the increase in the tuition rate and sponsored programs increased due to an increase in the indirect cost recovery rate and an increase in state pass-through revenues from the Texas Higher Education Coordinating Board. Excluding depreciation expense, *UT Arlington's* adjusted income was \$37.3 million or 9.5%.
- (3) UT Austin – The \$34.2 million (62.1%) decrease in adjusted income over the same period last year was primarily due to an increase in salaries and wages and payroll related costs as a result of merit increases. Interest expense also increased due to the increase in capital projects. Excluding depreciation expense, *UT Austin's* adjusted income was \$161.7 million or 8.1%.
- (4) UT Brownsville – The \$929,000 (919.1%) decrease in adjusted income over the same period last year was due to decreased enrollment as a result of the Student Academic Performance (SAP) standards implemented in the spring of 2008. As a result, *UT Brownsville* experienced an \$828,000 year-to-date loss. Excluding depreciation expense, *UT Brownsville's* adjusted income was \$4.7 million or 3.3%.

*UT Brownsville* projects a year-end loss of \$3.5 million which represents -2.3% of projected revenues. This forecast includes \$6.1 million of depreciation expense and \$1.2 million in General Revenue Appropriations from House Bill 4586. *UT Brownsville* anticipates the operating deficit will increase \$2.7 over the remainder of the year primarily due to noncapital costs for furnishings and equipment, as well as increased utility expenses and operating costs for the Student Recreation Center which was placed in service in May 2009 and the Library and Child Care Center which will be placed in service in August 2009 and November 2009, respectively. In addition, *UT Brownsville* had a slight decrease in summer enrollment. The majority of the negative margin was anticipated and approved in the
- (5) UT Dallas – The \$7.9 million (53.3%) decrease in adjusted income over the same period last year was due to an increase in salaries and wages and payroll related costs, a decrease in gift contributions for operations and net investment income, and an increase in interest expense. Salaries and wages and payroll related costs increased as a result of merit increases and additional full-time equivalents (FTEs). Gift contributions for operations decreased due to a one-time gift of \$3 million received in 2008. Net investment income decreased as a result of the current economic downturn and interest expense increased due to an increase in capital projects. Excluding depreciation expense, *UT Dallas'* adjusted income was \$27.3 million or 8.7%.
- (6) UT Pan American – The \$3 million year-to-date loss was primarily attributable to an increase in salaries and wages and payroll related costs as a result of merit increases. *UT Pan American* anticipates ending the year with a \$3.1 million negative margin which represents -1.2% of projected revenues. This forecast includes \$12.9 million of depreciation expense. Excluding depreciation expense, *UT Pan American's* adjusted income was \$8.7 million or 3.5%.
- (7) UT San Antonio - The \$26 million (83%) decrease in adjusted income over the same period last year was primarily due to an increase in salaries and wages and payroll related costs, materials and supplies, and interest expense. Salaries and wages and payroll related costs increased due to merit increases and the hiring of several funded positions that were vacant at this time last year. Materials and supplies increased due to noncapital costs associated with the University Center Phase III, Engineering Building and the Library Expansion. Interest expense increased due to the increase in capital projects. Excluding depreciation expense, *UT San Antonio's* adjusted income was \$34.5 million or 8.4%.
- (8) UT Southwestern Medical Center - Dallas – The \$56 million (82%) decrease in adjusted income over the same period last year was primarily due to a decrease in gift contributions for operations and an increase in salaries and

wages and payroll related costs. Gift contributions for operations decreased due to the current economic downturn and a one-time gift of \$27.8 million from University Medical Center that was received in 2008. Salaries and wages and payroll related costs in the physician practice plan increased due to additional FTEs to support volume increases. Excluding depreciation expense, *Southwestern's* adjusted income was \$79.9 million or 5.8%.

- (9) *UT Medical Branch - Galveston* – The \$96.1 million (190%) 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 \$59.2 million and operating expenses increased \$39.8 million. Patient care revenue decreased \$128.1 million, with decreases in admissions of 51%, patient days of 59%, and clinic visits of 23% as compared to last year. Sponsored programs increased due to the receipt of \$98.8 million from the Federal Emergency Management Agency (FEMA) which was offset by decreased activity on grant projects as a result of Hurricane *Ike* and a reduction in the School of Medicine contract with the John Sealy Hospital. Expenses related to the recovery from Hurricane *Ike* totaled \$129.4 million. As a result, *UTMB* experienced a \$146.7 million year-to-date loss. Excluding depreciation expense, *UTMB's* adjusted loss was \$86.2 million or -6.6%.

*UTMB* projects a year-end loss of approximately \$129.5 million, which represents -9% of projected revenues. This forecast includes \$65.2 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* or the related commercial insurance proceeds that will partially offset the impairments. The projection also does not include the \$150 million of FEMA matching General Revenue Appropriations from House Bill 4586 as these appropriations can only be used as matching funds for FEMA qualified projects. The projection is also based on expectations of improved financial performance in the hospitals and clinics and sustaining favorable variances in the academic enterprise.

- (10) *UT Health Science Center – Houston* – The \$15.6 million (80.2%) decrease in adjusted income over the same period last year was primarily attributable to increased salaries and wages and payroll related costs due to salary increases and approximately 160 vacant positions that were filled in 2009. In addition, gift contributions for operations and investment income were down due to the current economic downturn. Excluding depreciation, *UTHSC-Houston's* adjusted income was \$39.3 million or 5.1%.
- (11) *UT Health Science Center – San Antonio* – The \$5.5 million year-to-date loss was primarily attributable to the physician practice plan. The physician practice plan incurred a year-to-date loss of \$8.6 million attributable to a \$6.3

million loss incurred by the Cancer Therapy Research Center (CTRC) due to increased clinical operations and billing delays resulting from the integration of the nonprofit healthcare corporation (UT Medicine) into *UTHSC-San Antonio*, as well as the preparation for the opening of the Medical Arts and Research Center (MARC) in the fall of 2009 and \$3.8 million in interest expense on debt service for the MARC building. *UTHSC-San Antonio* anticipates the physician practice plan's operating loss will decrease during the remainder of the year as cost-cutting efforts and billing and revenue enhancement measures are implemented. *UTHSC-San Antonio* anticipates ending the year with a \$6.5 million negative margin, which represents -1% of projected revenues and includes \$31.5 million of depreciation expense. This projected loss is primarily due to the preparation for the opening of the MARC. The use of prior year balances to support this projected year-end loss was anticipated and approved in the 2009 budget. Excluding depreciation expense, *UTHSC-San Antonio's* adjusted income was \$23.4 million or 3.8%.

- (12) *UT M. D. Anderson Cancer Center* – The \$14.2 million (8.1%) decrease in adjusted income over the same period last year was primarily attributable to the business disruption in revenue generating activities related to Hurricane *Ike*, an increase in indigent patients, delays in payments from patients and insurance companies, and an increase in salaries, wages, and payroll related costs due to salary increases and additional FTEs. There was also a \$53.6 million decrease in gift contributions for operations due to the current economic downturn. Excluding depreciation expense, *M. D. Anderson's* adjusted income was \$363.5 million or 13.5%. *M. D. Anderson's* Executive Committee instituted a hiring freeze in March 2009, implemented a 10% reduction in overall expenses in May 2009, and is focusing on increasing clinical revenues. *M. D. Anderson* anticipates ending the year with a positive margin of \$173.3 million, which represents 5.9% of projected revenues and includes \$222.4 million of depreciation expense.
- (13) *UT Health Science Center – Tyler* – The \$1.9 million (1,278.2%) increase in adjusted income over the same period last year was primarily attributable to increased State appropriations partially as a result of \$1.5 million in General Revenue Appropriations from House Bill 4586. Excluding depreciation expense, *UTHSC-Tyler's* adjusted income was \$8.9 million or 7.6%.
- (14) *Investment Gains (Losses)* - The majority of the \$2.9 billion (640.8%) decrease in investment gains relates to the Permanent University Fund of \$1.5 billion, the Long Term Fund of \$710.2 million, and the Permanent Health Fund of \$140.1 million.

## GLOSSARY OF TERMS

### **OPERATING REVENUES:**

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

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

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

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

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

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

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

### **OPERATING EXPENSES:**

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

PAYROLL RELATED COSTS – Expenses for all employee benefits paid by the institution or paid by the state on behalf of the institution. Includes faculty incentive payments and supplemental retirement annuities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**OTHER NONOPERATING ADJUSTMENTS:**

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

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

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

NET INVESTMENT INCOME (on the consolidated sheet) – Interest and dividend earnings of the Permanent University Fund, Short Term Fund, Intermediate Term Fund, Long Term Fund and Permanent Health Fund. This line item also includes the Available University Fund surface income, oil and gas royalties, and mineral lease bonus sales.

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

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

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

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

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

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

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

**UNAUDITED**  
**The University of Texas System Administration**  
**Comparison of Operating Results and Margin**  
**For the Eleven Months Ending July 31, 2009**

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 19,046,615	\$ 23,126,594	\$ (4,079,979)	-17.6%
Net Sales and Services of Educational Activities	34,515,716	12,086,949	22,428,767	185.6%
Other Operating Revenues	5,859,894	(5,078,979)	10,938,873	215.4%
<b>Total Operating Revenues</b>	<b><u>59,422,225</u></b>	<b><u>30,134,564</u></b>	<b><u>29,287,661</u></b>	<b><u>97.2%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	31,743,588	32,259,356	(515,768)	-1.6%
Employee Benefits and Related Costs	6,933,357	6,842,967	90,390	1.3%
Professional Fees and Contracted Services	6,804,125	3,193,647	3,610,478	113.1%
Other Contracted Services	13,341,289	9,665,677	3,675,612	38.0%
Scholarships and Fellowships	651,200	580,000	71,200	12.3%
Travel	1,717,972	1,860,298	(142,326)	-7.7%
Materials and Supplies	3,127,979	3,676,074	(548,095)	-14.9%
Utilities	402,545	450,340	(47,795)	-10.6%
Telecommunications	3,287,491	2,891,631	395,860	13.7%
Repairs and Maintenance	1,255,986	755,358	500,628	66.3%
Rentals and Leases	865,979	763,249	102,730	13.5%
Printing and Reproduction	257,154	328,651	(71,497)	-21.8%
Claims and Losses	7,433,479	6,141,882	1,291,597	21.0%
Depreciation and Amortization	9,021,072	5,794,586	3,226,486	55.7%
Other Operating Expenses	6,367,563	4,263,987	2,103,576	49.3%
<b>Total Operating Expenses</b>	<b><u>93,210,779</u></b>	<b><u>82,417,703</u></b>	<b><u>10,793,076</u></b>	<b><u>13.1%</u></b>
<b>Operating Loss</b>	<b><u>(33,788,554)</u></b>	<b><u>(52,283,139)</u></b>	<b><u>18,494,585</u></b>	<b><u>35.4%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	845,192	845,192	-	0.0%
Gift Contributions for Operations	958,803	880,671	78,132	8.9%
Net Investment Income	120,998,623	350,131,370	(229,132,747)	-65.4%
Interest Expense on Capital Asset Financings	(39,855,963)	(39,789,337)	(66,626)	-0.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>82,946,655</u></b>	<b><u>312,067,896</u></b>	<b><u>(229,121,241)</u></b>	<b><u>-73.4%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>49,158,101</b>	<b>259,784,757</b>	<b>(210,626,656)</b>	<b>-81.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>27.0%</b>	<b>68.0%</b>		
Available University Fund Transfer	31,934,285	31,387,078	547,207	1.7%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>81,092,386</b>	<b>291,171,835</b>	<b>(210,079,449)</b>	<b>-72.1%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>37.9%</b>	<b>70.4%</b>		
Investment Gains (Losses)	(2,842,810,636)	(456,202,647)	(2,386,607,989)	-523.1%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ (2,761,718,250)</b>	<b>\$ (165,030,812)</b>	<b>\$ (2,596,687,438)</b>	<b>-1573.5%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>105.1%</b>	<b>385.4%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>90,113,458</b>	<b>296,966,421</b>	<b>(206,852,963)</b>	<b>-69.7%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>42.1%</b>	<b>71.8%</b>		

**UNAUDITED**  
**The University of Texas at Arlington**  
**Comparison of Operating Results and Margin**  
**For the Eleven Months Ending July 31, 2009**

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 169,009,299	\$ 156,338,086	\$ 12,671,213	8.1%
Sponsored Programs	66,322,592	48,823,541	17,499,051	35.8%
Net Sales and Services of Educational Activities	12,697,635	12,061,853	635,782	5.3%
Net Auxiliary Enterprises	23,753,185	22,572,497	1,180,688	5.2%
Other Operating Revenues	7,743,771	6,386,390	1,357,381	21.3%
<b>Total Operating Revenues</b>	<b><u>279,526,482</u></b>	<b><u>246,182,367</u></b>	<b><u>33,344,115</u></b>	<b><u>13.5%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	179,577,884	165,896,543	13,681,341	8.2%
Employee Benefits and Related Costs	39,951,801	37,256,138	2,695,663	7.2%
Professional Fees and Contracted Services	3,274,030	3,754,733	(480,703)	-12.8%
Other Contracted Services	9,195,828	8,729,259	466,569	5.3%
Scholarships and Fellowships	51,153,944	42,610,730	8,543,214	20.0%
Travel	5,393,104	5,059,792	333,312	6.6%
Materials and Supplies	19,059,341	19,323,264	(263,923)	-1.4%
Utilities	10,793,353	11,404,023	(610,670)	-5.4%
Telecommunications	6,123,570	5,880,831	242,739	4.1%
Repairs and Maintenance	7,681,183	6,695,169	986,014	14.7%
Rentals and Leases	3,025,793	2,708,356	317,437	11.7%
Printing and Reproduction	2,328,815	2,207,594	121,221	5.5%
Federal Sponsored Programs Pass-Thrus	1,990,920	2,170,226	(179,306)	-8.3%
Depreciation and Amortization	24,100,137	24,059,323	40,814	0.2%
Other Operating Expenses	9,218,902	9,106,166	112,736	1.2%
<b>Total Operating Expenses</b>	<b><u>372,868,605</u></b>	<b><u>346,862,147</u></b>	<b><u>26,006,458</u></b>	<b><u>7.5%</u></b>
<b>Operating Loss</b>	<b><u>(93,342,123)</u></b>	<b><u>(100,679,780)</u></b>	<b><u>7,337,657</u></b>	<b><u>7.3%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	102,230,872	101,723,492	507,380	0.5%
Gift Contributions for Operations	1,802,545	2,051,120	(248,575)	-12.1%
Net Investment Income	9,704,220	8,332,114	1,372,106	16.5%
Interest Expense on Capital Asset Financings	(7,215,384)	(5,457,057)	(1,758,327)	-32.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>106,522,253</u></b>	<b><u>106,649,669</u></b>	<b><u>(127,416)</u></b>	<b><u>-0.1%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>13,180,130</b>	<b>5,969,889</b>	<b>7,210,241</b>	<b>120.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>3.4%</b>	<b>1.7%</b>		
Investment Gains (Losses)	(23,488,574)	2,246,503	(25,735,077)	-1,145.6%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (10,308,444)</b>	<b>\$ 8,216,392</b>	<b>\$ (18,524,836)</b>	<b>-225.5%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-2.8%</b>	<b>2.3%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>37,280,267</b>	<b>30,029,212</b>	<b>7,251,055</b>	<b>24.1%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>9.5%</b>	<b>8.4%</b>		

**UNAUDITED**  
**The University of Texas at Austin**  
**Comparison of Operating Results and Margin**  
**For the Eleven Months Ending July 31, 2009**

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 468,267,201	\$ 444,968,142	\$ 23,299,059	5.2%
Sponsored Programs	474,323,901	439,013,951	35,309,950	8.0%
Net Sales and Services of Educational Activities	151,646,749	139,248,471	12,398,278	8.9%
Net Auxiliary Enterprises	188,962,935	172,053,425	16,909,510	9.8%
Other Operating Revenues	4,981,740	3,364,364	1,617,376	48.1%
<b>Total Operating Revenues</b>	<b><u>1,288,182,526</u></b>	<b><u>1,198,648,353</u></b>	<b><u>89,534,173</u></b>	<b><u>7.5%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	887,794,466	824,750,196	63,044,270	7.6%
Employee Benefits and Related Costs	208,716,676	194,884,377	13,832,299	7.1%
Professional Fees and Contracted Services	30,526,100	24,111,186	6,414,914	26.6%
Other Contracted Services	69,755,167	60,296,890	9,458,277	15.7%
Scholarships and Fellowships	187,289,099	177,359,802	9,929,297	5.6%
Travel	37,610,190	37,607,795	2,395	0.0%
Materials and Supplies	115,277,334	111,197,436	4,079,898	3.7%
Utilities	70,265,655	67,473,629	2,792,026	4.1%
Telecommunications	45,647,962	31,182,827	14,465,135	46.4%
Repairs and Maintenance	30,849,864	26,857,723	3,992,141	14.9%
Rentals and Leases	14,896,701	12,325,080	2,571,621	20.9%
Printing and Reproduction	9,667,287	8,723,515	943,772	10.8%
Federal Sponsored Programs Pass-Thrus	3,959,778	4,704,430	(744,652)	-15.8%
Depreciation and Amortization	140,866,534	126,036,267	14,830,267	11.8%
Other Operating Expenses	86,870,378	82,130,138	4,740,240	5.8%
<b>Total Operating Expenses</b>	<b><u>1,939,993,191</u></b>	<b><u>1,789,641,291</u></b>	<b><u>150,351,900</u></b>	<b><u>8.4%</u></b>
<b>Operating Loss</b>	<b><u>(651,810,665)</u></b>	<b><u>(590,992,938)</u></b>	<b><u>(60,817,727)</u></b>	<b><u>-10.3%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	306,902,302	299,313,963	7,588,339	2.5%
Gift Contributions for Operations	99,153,842	89,123,323	10,030,519	11.3%
Net Investment Income	146,675,717	149,423,063	(2,747,346)	-1.8%
Interest Expense on Capital Asset Financings	(37,582,226)	(23,413,177)	(14,169,049)	-60.5%
<b>Net Other Nonoperating Adjustments</b>	<b><u>515,149,635</u></b>	<b><u>514,447,172</u></b>	<b><u>702,463</u></b>	<b><u>0.1%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(136,661,030)</b>	<b>(76,545,766)</b>	<b>(60,115,264)</b>	<b>-78.5%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-7.4%</b>	<b>-4.4%</b>		
Available University Fund Transfer	157,515,417	131,633,333	25,882,084	19.7%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>20,854,387</b>	<b>55,087,567</b>	<b>(34,233,180)</b>	<b>-62.1%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>1.0%</b>	<b>2.9%</b>		
Investment Gains (Losses)	(135,135,162)	29,332,312	(164,467,474)	-560.7%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ (114,280,775)</b>	<b>\$ 84,419,879</b>	<b>\$ (198,700,654)</b>	<b>-235.4%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>-6.1%</b>	<b>4.4%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>161,720,921</b>	<b>181,123,834</b>	<b>(19,402,913)</b>	<b>-10.7%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>8.1%</b>	<b>9.7%</b>		

**UNAUDITED**  
**The University of Texas at Brownsville**  
**Comparison of Operating Results and Margin**  
**For the Eleven Months Ending July 31, 2009**

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 15,992,277	\$ 13,565,741	\$ 2,426,536	17.9%
Sponsored Programs	90,482,231	85,949,271	4,532,960	5.3%
Net Sales and Services of Educational Activities	948,071	1,010,743	(62,672)	-6.2%
Net Auxiliary Enterprises	1,124,642	1,039,988	84,654	8.1%
Other Operating Revenues	11,163	55,993	(44,830)	-80.1%
<b>Total Operating Revenues</b>	<b><u>108,558,384</u></b>	<b><u>101,621,736</u></b>	<b><u>6,936,648</u></b>	<b><u>6.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	60,332,507	55,864,755	4,467,752	8.0%
Employee Benefits and Related Costs	14,860,703	13,643,683	1,217,020	8.9%
Professional Fees and Contracted Services	1,860,202	1,908,135	(47,933)	-2.5%
Scholarships and Fellowships	39,473,434	37,127,610	2,345,824	6.3%
Travel	1,060,227	1,084,418	(24,191)	-2.2%
Materials and Supplies	5,952,463	4,645,419	1,307,044	28.1%
Utilities	3,240,350	3,574,200	(333,850)	-9.3%
Telecommunications	1,491,711	1,577,500	(85,789)	-5.4%
Repairs and Maintenance	1,622,144	1,142,900	479,244	41.9%
Rentals and Leases	1,818,155	1,784,966	33,189	1.9%
Printing and Reproduction	309,013	298,285	10,728	3.6%
Bad Debt Expense	32,766	39,582	(6,816)	-17.2%
Federal Sponsored Programs Pass-Thrus	29,620	87,421	(57,801)	-66.1%
Depreciation and Amortization	5,570,925	5,175,320	395,605	7.6%
Other Operating Expenses	7,108,954	6,587,891	521,063	7.9%
<b>Total Operating Expenses</b>	<b><u>144,763,174</u></b>	<b><u>134,542,085</u></b>	<b><u>10,221,089</u></b>	<b><u>7.6%</u></b>
<b>Operating Loss</b>	<b><u>(36,204,790)</u></b>	<b><u>(32,920,349)</u></b>	<b><u>(3,284,441)</u></b>	<b><u>-10.0%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	35,615,166	32,933,642	2,681,524	8.1%
Gift Contributions for Operations	326,610	346,577	(19,967)	-5.8%
Net Investment Income	1,028,786	1,292,028	(263,242)	-20.4%
Interest Expense on Capital Asset Financings	(1,593,647)	(1,550,829)	(42,818)	-2.8%
<b>Net Other Nonoperating Adjustments</b>	<b><u>35,376,915</u></b>	<b><u>33,021,418</u></b>	<b><u>2,355,497</u></b>	<b><u>7.1%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(827,875)</b>	<b>101,069</b>	<b>(928,944)</b>	<b>-919.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-0.6%</b>	<b>0.1%</b>		
Investment Gains (Losses)	(3,132,178)	187,135	(3,319,313)	-1,773.8%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (3,960,053)</b>	<b>\$ 288,204</b>	<b>\$ (4,248,257)</b>	<b>-1474.0%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-2.8%</b>	<b>0.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>4,743,050</b>	<b>5,276,389</b>	<b>(533,339)</b>	<b>-10.1%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>3.3%</b>	<b>3.9%</b>		

**UNAUDITED**  
**The University of Texas at Dallas**  
**Comparison of Operating Results and Margin**  
**For the Eleven Months Ending July 31, 2009**

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 146,892,003	\$ 130,654,809	\$ 16,237,194	12.4%
Sponsored Programs	47,234,765	46,140,190	1,094,575	2.4%
Net Sales and Services of Educational Activities	6,889,594	6,813,665	75,929	1.1%
Net Auxiliary Enterprises	5,215,838	4,790,619	425,219	8.9%
Other Operating Revenues	5,429,467	5,951,924	(522,457)	-8.8%
<b>Total Operating Revenues</b>	<b><u>211,661,667</u></b>	<b><u>194,351,207</u></b>	<b><u>17,310,460</u></b>	<b><u>8.9%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	144,011,342	132,804,580	11,206,762	8.4%
Employee Benefits and Related Costs	29,770,455	28,086,763	1,683,692	6.0%
Professional Fees and Contracted Services	3,686,256	2,959,394	726,862	24.6%
Other Contracted Services	9,597,019	9,173,024	423,995	4.6%
Scholarships and Fellowships	51,293,886	44,346,397	6,947,489	15.7%
Travel	3,334,290	3,200,928	133,362	4.2%
Materials and Supplies	14,281,730	14,090,998	190,732	1.4%
Utilities	7,257,249	7,885,783	(628,534)	-8.0%
Telecommunications	1,284,273	1,260,722	23,551	1.9%
Repairs and Maintenance	3,421,851	4,219,128	(797,277)	-18.9%
Rentals and Leases	1,623,173	1,404,548	218,625	15.6%
Printing and Reproduction	1,172,534	1,153,967	18,567	1.6%
Federal Sponsored Programs Pass-Thrus	251,593	703,794	(452,201)	-64.3%
Depreciation and Amortization	20,379,034	18,820,590	1,558,444	8.3%
Other Operating Expenses	10,045,223	9,292,421	752,802	8.1%
<b>Total Operating Expenses</b>	<b><u>301,409,908</u></b>	<b><u>279,403,037</u></b>	<b><u>22,006,871</u></b>	<b><u>7.9%</u></b>
<b>Operating Loss</b>	<b><u>(89,748,241)</u></b>	<b><u>(85,051,830)</u></b>	<b><u>(4,696,411)</u></b>	<b><u>-5.5%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	83,789,821	82,810,872	978,949	1.2%
Gift Contributions for Operations	7,797,590	10,363,367	(2,565,777)	-24.8%
Net Investment Income	11,602,924	12,699,846	(1,096,922)	-8.6%
Interest Expense on Capital Asset Financings	(6,491,749)	(5,946,327)	(545,422)	-9.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>96,698,586</u></b>	<b><u>99,927,758</u></b>	<b><u>(3,229,172)</u></b>	<b><u>-3.2%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>6,950,345</b>	<b>14,875,928</b>	<b>(7,925,583)</b>	<b>-53.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>2.2%</b>	<b>5.0%</b>		
Investment Gains (Losses)	(14,052,216)	(2,236,153)	(11,816,063)	-528.4%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (7,101,871)</b>	<b>\$ 12,639,775</b>	<b>\$ (19,741,646)</b>	<b>-156.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-2.4%</b>	<b>4.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>27,329,379</b>	<b>33,696,518</b>	<b>(6,367,139)</b>	<b>-18.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>8.7%</b>	<b>11.2%</b>		

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

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 95,077,379	\$ 86,534,067	\$ 8,543,312	9.9%
Sponsored Programs	84,773,100	77,221,668	7,551,432	9.8%
Net Sales and Services of Educational Activities	4,362,528	3,622,853	739,675	20.4%
Net Auxiliary Enterprises	20,394,237	19,038,064	1,356,173	7.1%
Other Operating Revenues	41,643	322,676	(281,033)	-87.1%
<b>Total Operating Revenues</b>	<b><u>204,648,887</u></b>	<b><u>186,739,328</u></b>	<b><u>17,909,559</u></b>	<b><u>9.6%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	132,163,517	122,271,206	9,892,311	8.1%
Employee Benefits and Related Costs	30,498,956	29,428,836	1,070,120	3.6%
Professional Fees and Contracted Services	800,680	900,657	(99,977)	-11.1%
Other Contracted Services	14,073,669	12,916,842	1,156,827	9.0%
Scholarships and Fellowships	58,048,795	52,744,523	5,304,272	10.1%
Travel	5,667,257	5,755,896	(88,639)	-1.5%
Materials and Supplies	18,825,283	18,610,644	214,639	1.2%
Utilities	6,899,555	7,077,688	(178,133)	-2.5%
Telecommunications	569,398	689,566	(120,168)	-17.4%
Repairs and Maintenance	3,211,193	3,182,669	28,524	0.9%
Rentals and Leases	3,227,527	2,675,749	551,778	20.6%
Printing and Reproduction	1,048,535	824,751	223,784	27.1%
Federal Sponsored Programs Pass-Thrus	886,190	245,393	640,797	261.1%
Depreciation and Amortization	14,859,396	13,883,867	975,529	7.0%
Other Operating Expenses	5,056,139	4,777,265	278,874	5.8%
<b>Total Operating Expenses</b>	<b><u>295,836,090</u></b>	<b><u>275,985,552</u></b>	<b><u>19,850,538</u></b>	<b><u>7.2%</u></b>
<b>Operating Loss</b>	<b><u>(91,187,203)</u></b>	<b><u>(89,246,224)</u></b>	<b><u>(1,940,979)</u></b>	<b><u>-2.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	86,781,551	83,750,898	3,030,653	3.6%
Gift Contributions for Operations	7,363,267	6,232,296	1,130,971	18.1%
Net Investment Income	8,572,309	8,971,019	(398,710)	-4.4%
Interest Expense on Capital Asset Financings	(3,198,250)	(3,735,553)	537,303	14.4%
<b>Net Other Nonoperating Adjustments</b>	<b><u>99,518,877</u></b>	<b><u>95,218,660</u></b>	<b><u>4,300,217</u></b>	<b><u>4.5%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>8,331,674</b>	<b>5,972,436</b>	<b>2,359,238</b>	<b>39.5%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>2.7%</b>	<b>2.1%</b>		
Investment Gains (Losses)	(8,107,983)	55,019	(8,163,002)	-14,836.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 223,691</b>	<b>\$ 6,027,455</b>	<b>\$ (5,803,764)</b>	<b>-96.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>0.1%</b>	<b>2.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>23,191,070</b>	<b>19,856,303</b>	<b>3,334,767</b>	<b>16.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>7.5%</b>	<b>7.0%</b>		

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

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 77,956,978	\$ 71,143,741	\$ 6,813,237	9.6%
Sponsored Programs	83,693,302	69,655,266	14,038,036	20.2%
Net Sales and Services of Educational Activities	4,227,319	5,018,532	(791,213)	-15.8%
Net Auxiliary Enterprises	4,971,052	5,780,552	(809,500)	-14.0%
Other Operating Revenues	2,850,052	2,340,923	509,129	21.7%
<b>Total Operating Revenues</b>	<b><u>173,698,703</u></b>	<b><u>153,939,014</u></b>	<b><u>19,759,689</u></b>	<b><u>12.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	97,324,471	92,100,965	5,223,506	5.7%
Employee Benefits and Related Costs	24,872,473	21,832,213	3,040,260	13.9%
Professional Fees and Contracted Services	1,365,676	1,667,716	(302,040)	-18.1%
Other Contracted Services	5,673,972	5,185,004	488,968	9.4%
Scholarships and Fellowships	73,204,048	65,696,511	7,507,537	11.4%
Travel	4,138,621	4,440,378	(301,757)	-6.8%
Materials and Supplies	11,287,617	9,984,733	1,302,884	13.0%
Utilities	7,201,458	6,516,097	685,361	10.5%
Telecommunications	765,260	776,388	(11,128)	-1.4%
Repairs and Maintenance	2,339,213	1,745,322	593,891	34.0%
Rentals and Leases	741,377	723,740	17,637	2.4%
Printing and Reproduction	323,672	286,505	37,167	13.0%
Bad Debt Expense	297,000	11,000	286,000	2,600.0%
Federal Sponsored Programs Pass-Thrus	120,722	134,049	(13,327)	-9.9%
Depreciation and Amortization	11,616,594	13,884,613	(2,268,019)	-16.3%
Other Operating Expenses	4,965,020	3,890,770	1,074,250	27.6%
<b>Total Operating Expenses</b>	<b><u>246,237,194</u></b>	<b><u>228,876,004</u></b>	<b><u>17,361,190</u></b>	<b><u>7.6%</u></b>
<b>Operating Loss</b>	<b><u>(72,538,491)</u></b>	<b><u>(74,936,990)</u></b>	<b><u>2,398,499</u></b>	<b><u>3.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	69,575,932	69,510,763	65,169	0.1%
Gift Contributions for Operations	1,175,463	1,767,132	(591,669)	-33.5%
Net Investment Income	2,656,053	3,225,869	(569,816)	-17.7%
Interest Expense on Capital Asset Financings	(3,833,753)	(4,558,913)	725,160	15.9%
<b>Net Other Nonoperating Adjustments</b>	<b><u>69,573,695</u></b>	<b><u>69,944,851</u></b>	<b><u>(371,156)</u></b>	<b><u>-0.5%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(2,964,796)</b>	<b>(4,992,139)</b>	<b>2,027,343</b>	<b>40.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-1.2%</b>	<b>-2.2%</b>		
Investment Gains (Losses)	(4,675,324)	(850,602)	(3,824,722)	-449.6%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (7,640,120)</b>	<b>\$ (5,842,741)</b>	<b>\$ (1,797,379)</b>	<b>-30.8%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-3.2%</b>	<b>-2.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>8,651,798</b>	<b>8,892,474</b>	<b>(240,676)</b>	<b>-2.7%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>3.5%</b>	<b>3.9%</b>		

**UNAUDITED**  
**The University of Texas of the Permian Basin**  
**Comparison of Operating Results and Margin**  
**For the Eleven Months Ending July 31, 2009**

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 14,576,230	\$ 13,483,711	\$ 1,092,519	8.1%
Sponsored Programs	6,927,320	5,695,934	1,231,386	21.6%
Net Sales and Services of Educational Activities	368,765	359,535	9,230	2.6%
Net Auxiliary Enterprises	2,887,025	2,587,726	299,299	11.6%
Other Operating Revenues	116,991	339,753	(222,762)	-65.6%
<b>Total Operating Revenues</b>	<b><u>24,876,331</u></b>	<b><u>22,466,659</u></b>	<b><u>2,409,672</u></b>	<b><u>10.7%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	18,404,565	16,390,103	2,014,462	12.3%
Employee Benefits and Related Costs	4,251,930	3,840,831	411,099	10.7%
Professional Fees and Contracted Services	836,546	1,889,167	(1,052,621)	-55.7%
Other Contracted Services	1,493,152	1,560,811	(67,659)	-4.3%
Scholarships and Fellowships	7,435,467	7,386,222	49,245	0.7%
Travel	797,560	748,104	49,456	6.6%
Materials and Supplies	2,595,048	2,362,924	232,124	9.8%
Utilities	2,115,174	2,136,847	(21,673)	-1.0%
Telecommunications	413,131	334,140	78,991	23.6%
Repairs and Maintenance	1,343,913	525,549	818,364	155.7%
Rentals and Leases	409,689	294,598	115,091	39.1%
Printing and Reproduction	125,368	150,539	(25,171)	-16.7%
Depreciation and Amortization	3,560,846	3,346,759	214,087	6.4%
Other Operating Expenses	763,706	753,302	10,404	1.4%
<b>Total Operating Expenses</b>	<b><u>44,546,095</u></b>	<b><u>41,719,896</u></b>	<b><u>2,826,199</u></b>	<b><u>6.8%</u></b>
<b>Operating Loss</b>	<b><u>(19,669,764)</u></b>	<b><u>(19,253,237)</u></b>	<b><u>(416,527)</u></b>	<b><u>-2.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	29,073,339	28,972,118	101,221	0.3%
Gift Contributions for Operations	1,057,827	957,309	100,518	10.5%
Net Investment Income	1,476,356	983,299	493,057	50.1%
Interest Expense on Capital Asset Financings	(1,227,127)	(861,899)	(365,228)	-42.4%
<b>Net Other Nonoperating Adjustments</b>	<b><u>30,380,395</u></b>	<b><u>30,050,827</u></b>	<b><u>329,568</u></b>	<b><u>1.1%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>10,710,631</b>	<b>10,797,590</b>	<b>(86,959)</b>	<b>-0.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>19.0%</b>	<b>20.2%</b>		
Investment Gains (Losses)	322,251	(211,580)	533,831	252.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 11,032,882</b>	<b>\$ 10,586,010</b>	<b>\$ 446,872</b>	<b>4.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>19.4%</b>	<b>19.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>14,271,477</b>	<b>14,144,349</b>	<b>127,128</b>	<b>0.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>25.3%</b>	<b>26.5%</b>		

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

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 178,648,970	\$ 169,048,089	\$ 9,600,881	5.7%
Sponsored Programs	87,969,887	73,662,844	14,307,043	19.4%
Net Sales and Services of Educational Activities	5,790,216	6,475,800	(685,584)	-10.6%
Net Auxiliary Enterprises	19,509,063	16,256,849	3,252,214	20.0%
Other Operating Revenues	1,493,730	1,583,932	(90,202)	-5.7%
<b>Total Operating Revenues</b>	<b><u>293,411,866</u></b>	<b><u>267,027,514</u></b>	<b><u>26,384,352</u></b>	<b><u>9.9%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	172,642,049	155,417,810	17,224,239	11.1%
Employee Benefits and Related Costs	41,598,425	38,430,866	3,167,559	8.2%
Professional Fees and Contracted Services	4,461,184	3,603,754	857,430	23.8%
Other Contracted Services	7,942,590	7,212,012	730,578	10.1%
Scholarships and Fellowships	64,663,950	58,746,401	5,917,549	10.1%
Travel	6,020,432	6,028,766	(8,334)	-0.1%
Materials and Supplies	25,383,434	20,230,381	5,153,053	25.5%
Utilities	11,123,750	10,195,717	928,033	9.1%
Telecommunications	2,859,077	2,572,963	286,114	11.1%
Repairs and Maintenance	8,762,670	5,952,236	2,810,434	47.2%
Rentals and Leases	2,623,318	2,454,810	168,508	6.9%
Printing and Reproduction	1,186,001	970,116	215,885	22.3%
Federal Sponsored Programs Pass-Thrus	3,491,219	3,098,787	392,432	12.7%
Depreciation and Amortization	29,200,226	24,124,204	5,076,022	21.0%
Other Operating Expenses	12,000,726	6,798,865	5,201,861	76.5%
<b>Total Operating Expenses</b>	<b><u>393,959,051</u></b>	<b><u>345,837,688</u></b>	<b><u>48,121,363</u></b>	<b><u>13.9%</u></b>
<b>Operating Loss</b>	<b><u>(100,547,185)</u></b>	<b><u>(78,810,174)</u></b>	<b><u>(21,737,011)</u></b>	<b><u>-27.6%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	105,223,811	105,038,465	185,346	0.2%
Gift Contributions for Operations	6,259,622	5,771,940	487,682	8.4%
Net Investment Income	7,292,684	7,885,336	(592,652)	-7.5%
Interest Expense on Capital Asset Financings	(12,906,223)	(8,574,618)	(4,331,605)	-50.5%
<b>Net Other Nonoperating Adjustments</b>	<b><u>105,869,894</u></b>	<b><u>110,121,123</u></b>	<b><u>(4,251,229)</u></b>	<b><u>-3.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>5,322,709</b>	<b>31,310,949</b>	<b>(25,988,240)</b>	<b>-83.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.3%</b>	<b>8.1%</b>		
Investment Gains (Losses)	(11,732,930)	(1,681,658)	(10,051,272)	-597.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (6,410,221)</b>	<b>\$ 29,629,291</b>	<b>\$ (36,039,512)</b>	<b>-121.6%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-1.6%</b>	<b>7.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>34,522,935</b>	<b>55,435,153</b>	<b>(20,912,218)</b>	<b>-37.7%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>8.4%</b>	<b>14.4%</b>		

**UNAUDITED**  
**The University of Texas at Tyler**  
**Comparison of Operating Results and Margin**  
**For the Eleven Months Ending July 31, 2009**

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 30,160,603	\$ 27,873,593	\$ 2,287,010	8.2%
Sponsored Programs	14,028,676	9,944,493	4,084,183	41.1%
Net Sales and Services of Educational Activities	1,523,594	1,179,840	343,754	29.1%
Net Auxiliary Enterprises	3,091,921	3,215,356	(123,435)	-3.8%
Other Operating Revenues	147,718	100,732	46,986	46.6%
<b>Total Operating Revenues</b>	<b><u>48,952,512</u></b>	<b><u>42,314,014</u></b>	<b><u>6,638,498</u></b>	<b><u>15.7%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	33,797,362	30,691,318	3,106,044	10.1%
Employee Benefits and Related Costs	8,512,310	7,887,957	624,353	7.9%
Professional Fees and Contracted Services	884,270	1,037,217	(152,947)	-14.7%
Other Contracted Services	4,196,260	3,330,731	865,529	26.0%
Scholarships and Fellowships	12,405,605	10,862,708	1,542,897	14.2%
Travel	1,339,977	1,579,747	(239,770)	-15.2%
Materials and Supplies	4,041,659	5,611,101	(1,569,442)	-28.0%
Utilities	1,813,174	1,935,008	(121,834)	-6.3%
Telecommunications	525,070	628,038	(102,968)	-16.4%
Repairs and Maintenance	1,484,043	1,798,342	(314,299)	-17.5%
Rentals and Leases	292,627	317,588	(24,961)	-7.9%
Printing and Reproduction	572,863	487,496	85,367	17.5%
Bad Debt Expense	3,394	-	3,394	100.0%
Federal Sponsored Programs Pass-Thrus	567,277	-	567,277	100.0%
Depreciation and Amortization	7,389,083	7,099,327	289,756	4.1%
Other Operating Expenses	1,602,886	1,404,527	198,359	14.1%
<b>Total Operating Expenses</b>	<b><u>79,427,860</u></b>	<b><u>74,671,105</u></b>	<b><u>4,756,755</u></b>	<b><u>6.4%</u></b>
<b>Operating Loss</b>	<b><u>(30,475,348)</u></b>	<b><u>(32,357,091)</u></b>	<b><u>1,881,743</u></b>	<b><u>5.8%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	33,690,425	33,409,562	280,863	0.8%
Gift Contributions for Operations	824,992	1,344,065	(519,073)	-38.6%
Net Investment Income	3,569,440	3,405,543	163,897	4.8%
Interest Expense on Capital Asset Financings	(2,173,886)	(1,582,856)	(591,030)	-37.3%
<b>Net Other Nonoperating Adjustments</b>	<b><u>35,910,971</u></b>	<b><u>36,576,314</u></b>	<b><u>(665,343)</u></b>	<b><u>-1.8%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>5,435,623</b>	<b>4,219,223</b>	<b>1,216,400</b>	<b>28.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>6.2%</b>	<b>5.2%</b>		
Investment Gains (Losses)	(3,906,324)	(628,410)	(3,277,914)	-521.6%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 1,529,299</b>	<b>\$ 3,590,813</b>	<b>\$ (2,061,514)</b>	<b>-57.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>1.8%</b>	<b>4.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>12,824,706</b>	<b>11,318,550</b>	<b>1,506,156</b>	<b>13.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>14.7%</b>	<b>14.1%</b>		

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

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 19,338,141	\$ 18,181,813	\$ 1,156,328	6.4%
Sponsored Programs	382,298,024	347,295,923	35,002,101	10.1%
Net Sales and Services of Educational Activities	7,530,492	6,184,770	1,345,722	21.8%
Net Sales and Services of Hospitals	365,994,391	310,098,505	55,895,886	18.0%
Net Professional Fees	336,361,323	326,953,034	9,408,289	2.9%
Net Auxiliary Enterprises	15,705,740	15,374,116	331,624	2.2%
Other Operating Revenues	7,211,611	6,556,101	655,510	10.0%
<b>Total Operating Revenues</b>	<b><u>1,134,439,722</u></b>	<b><u>1,030,644,262</u></b>	<b><u>103,795,460</u></b>	<b><u>10.1%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	690,941,014	633,863,729	57,077,285	9.0%
Employee Benefits and Related Costs	186,289,502	171,716,233	14,573,269	8.5%
Professional Fees and Contracted Services	20,943,796	16,235,419	4,708,377	29.0%
Other Contracted Services	76,539,372	71,533,335	5,006,037	7.0%
Scholarships and Fellowships	6,227,262	5,370,749	856,513	15.9%
Travel	8,312,083	8,714,311	(402,228)	-4.6%
Materials and Supplies	183,737,915	170,345,012	13,392,903	7.9%
Utilities	32,233,690	29,852,325	2,381,365	8.0%
Telecommunications	7,042,087	6,781,928	260,159	3.8%
Repairs and Maintenance	13,985,581	11,871,329	2,114,252	17.8%
Rentals and Leases	6,971,826	9,008,666	(2,036,840)	-22.6%
Printing and Reproduction	3,062,403	2,657,617	404,786	15.2%
Federal Sponsored Programs Pass-Thrus	1,555,863	730,366	825,497	113.0%
Depreciation and Amortization	67,616,430	62,821,382	4,795,048	7.6%
Other Operating Expenses	50,563,372	41,304,819	9,258,553	22.4%
<b>Total Operating Expenses</b>	<b><u>1,356,022,196</u></b>	<b><u>1,242,807,220</u></b>	<b><u>113,214,976</u></b>	<b><u>9.1%</u></b>
<b>Operating Loss</b>	<b><u>(221,582,474)</u></b>	<b><u>(212,162,958)</u></b>	<b><u>(9,419,516)</u></b>	<b><u>-4.4%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	161,047,590	163,228,275	(2,180,685)	-1.3%
Gift Contributions for Operations	30,838,922	74,526,124	(43,687,202)	-58.6%
Net Investment Income	60,427,958	60,654,923	(226,965)	-0.4%
Interest Expense on Capital Asset Financings	(18,474,797)	(18,005,756)	(469,041)	-2.6%
<b>Net Other Nonoperating Adjustments</b>	<b><u>233,839,673</u></b>	<b><u>280,403,566</u></b>	<b><u>(46,563,893)</u></b>	<b><u>-16.6%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>12,257,199</b>	<b>68,240,608</b>	<b>(55,983,409)</b>	<b>-82.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.9%</b>	<b>5.1%</b>		
Investment Gains (Losses)	(70,665,603)	(12,169,781)	(58,495,822)	-480.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (58,408,404)</b>	<b>\$ 56,070,827</b>	<b>\$ (114,479,231)</b>	<b>-204.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-4.4%</b>	<b>4.3%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>79,873,629</b>	<b>131,061,990</b>	<b>(51,188,361)</b>	<b>-39.1%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>5.8%</b>	<b>9.9%</b>		

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

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 17,453,667	\$ 16,313,750	\$ 1,139,917	7.0%
Sponsored Programs	312,410,907	235,550,763	76,860,144	32.6%
Net Sales and Services of Educational Activities	1,160,967	1,819,134	(658,167)	-36.2%
Net Sales and Services of Hospitals	546,945,845	648,940,472	(101,994,627)	-15.7%
Net Professional Fees	100,046,509	126,156,851	(26,110,342)	-20.7%
Net Auxiliary Enterprises	3,880,069	10,005,794	(6,125,725)	-61.2%
Other Operating Revenues	8,977,742	11,284,746	(2,307,004)	-20.4%
<b>Total Operating Revenues</b>	<b><u>990,875,706</u></b>	<b><u>1,050,071,510</u></b>	<b><u>(59,195,804)</u></b>	<b><u>-5.6%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	704,380,387	742,305,889	(37,925,502)	-5.1%
Employee Benefits and Related Costs	167,700,461	175,808,690	(8,108,229)	-4.6%
Professional Fees and Contracted Services	111,210,605	23,401,258	87,809,347	375.2%
Other Contracted Services	113,431,290	63,330,245	50,101,045	79.1%
Scholarships and Fellowships	5,950,591	7,402,437	(1,451,846)	-19.6%
Travel	5,547,441	8,293,289	(2,745,848)	-33.1%
Materials and Supplies	132,758,641	176,584,458	(43,825,817)	-24.8%
Utilities	27,635,825	35,562,261	(7,926,436)	-22.3%
Telecommunications	14,620,252	14,116,063	504,189	3.6%
Repairs and Maintenance	34,282,741	31,851,063	2,431,678	7.6%
Rentals and Leases	18,512,728	16,229,124	2,283,604	14.1%
Printing and Reproduction	1,323,223	2,349,664	(1,026,441)	-43.7%
Federal Sponsored Programs Pass-Thrus	2,944,986	6,496,093	(3,551,107)	-54.7%
Depreciation and Amortization	60,526,320	59,918,357	607,963	1.0%
Other Operating Expenses	55,904,091	53,240,112	2,663,979	5.0%
<b>Total Operating Expenses</b>	<b><u>1,456,729,582</u></b>	<b><u>1,416,889,003</u></b>	<b><u>39,840,579</u></b>	<b><u>2.8%</u></b>
<b>Operating Loss</b>	<b><u>(465,853,876)</u></b>	<b><u>(366,817,493)</u></b>	<b><u>(99,036,383)</u></b>	<b><u>-27.0%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	284,708,345	280,825,300	3,883,045	1.4%
Gift Contributions for Operations	12,589,469	8,481,904	4,107,565	48.4%
Net Investment Income	27,870,852	31,957,101	(4,086,249)	-12.8%
Interest Expense on Capital Asset Financings	(6,064,789)	(5,053,478)	(1,011,311)	-20.0%
<b>Net Other Nonoperating Adjustments</b>	<b><u>319,103,877</u></b>	<b><u>316,210,827</u></b>	<b><u>2,893,050</u></b>	<b><u>0.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(146,749,999)</b>	<b>(50,606,666)</b>	<b>(96,143,333)</b>	<b>-190.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-11.2%</b>	<b>-3.7%</b>		
Investment Gains (Losses)	(27,990,544)	(6,095,554)	(21,894,990)	-359.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (174,740,543)</b>	<b>\$ (56,702,220)</b>	<b>\$ (118,038,323)</b>	<b>-208.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-13.6%</b>	<b>-4.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>(86,223,679)</b>	<b>9,311,691</b>	<b>(95,535,370)</b>	<b>-1,026.0%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>-6.6%</b>	<b>0.7%</b>		

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

	<b>July Year-to-Date FY 2009</b>	<b>July Year-to-Date FY 2008</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 24,230,958	\$ 22,107,106	\$ 2,123,852	9.6%
Sponsored Programs	316,196,054	280,677,717	35,518,337	12.7%
Net Sales and Services of Educational Activities	31,230,723	32,960,921	(1,730,198)	-5.2%
Net Sales and Services of Hospitals	33,101,082	27,976,388	5,124,694	18.3%
Net Professional Fees	116,860,857	108,266,219	8,594,638	7.9%
Net Auxiliary Enterprises	20,553,094	20,088,176	464,918	2.3%
Other Operating Revenues	41,550,604	34,723,910	6,826,694	19.7%
<b>Total Operating Revenues</b>	<b>583,723,372</b>	<b>526,800,437</b>	<b>56,922,935</b>	<b>10.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	358,611,666	321,991,040	36,620,626	11.4%
Employee Benefits and Related Costs	80,179,535	74,990,099	5,189,436	6.9%
Professional Fees and Contracted Services	78,026,714	66,152,344	11,874,370	18.0%
Other Contracted Services	31,188,069	32,806,755	(1,618,686)	-4.9%
Scholarships and Fellowships	3,249,507	3,274,671	(25,164)	-0.8%
Travel	6,255,630	5,865,689	389,941	6.6%
Materials and Supplies	49,196,997	50,918,234	(1,721,237)	-3.4%
Utilities	16,541,357	16,625,751	(84,394)	-0.5%
Telecommunications	2,582,785	2,486,220	96,565	3.9%
Repairs and Maintenance	6,252,433	4,901,427	1,351,006	27.6%
Rentals and Leases	11,260,224	11,624,848	(364,624)	-3.1%
Printing and Reproduction	3,833,483	3,347,292	486,191	14.5%
Federal Sponsored Programs Pass-Thrus	5,922,728	6,853,697	(930,969)	-13.6%
Depreciation and Amortization	35,440,807	34,643,035	797,772	2.3%
Other Operating Expenses	63,595,908	50,573,229	13,022,679	25.8%
<b>Total Operating Expenses</b>	<b>752,139,388</b>	<b>687,054,331</b>	<b>65,085,057</b>	<b>9.5%</b>
<b>Operating Loss</b>	<b>(168,416,016)</b>	<b>(160,253,894)</b>	<b>(8,162,122)</b>	<b>-5.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	153,908,237	152,759,724	1,148,513	0.8%
Gift Contributions for Operations	11,336,171	14,562,146	(3,225,975)	-22.2%
Net Investment Income	14,206,877	19,881,083	(5,674,206)	-28.5%
Interest Expense on Capital Asset Financings	(7,184,903)	(7,507,240)	322,337	4.3%
<b>Net Other Nonoperating Adjustments</b>	<b>172,266,382</b>	<b>179,695,713</b>	<b>(7,429,331)</b>	<b>-4.1%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,850,366</b>	<b>19,441,819</b>	<b>(15,591,453)</b>	<b>-80.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.5%</b>	<b>2.7%</b>		
Investment Gains (Losses)	(31,719,328)	(5,877,086)	(25,842,242)	-439.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (27,868,962)</b>	<b>\$ 13,564,733</b>	<b>\$ (41,433,695)</b>	<b>-305.5%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-3.8%</b>	<b>1.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>39,291,173</b>	<b>54,084,854</b>	<b>(14,793,681)</b>	<b>-27.4%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>5.1%</b>	<b>7.6%</b>		

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

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 23,308,656	\$ 19,937,500	\$ 3,371,156	16.9%
Sponsored Programs	234,953,563	206,593,865	28,359,698	13.7%
Net Sales and Services of Educational Activities	48,125,709	40,860,561	7,265,148	17.8%
Net Professional Fees	100,233,947	79,435,588	20,798,359	26.2%
Net Auxiliary Enterprises	4,444,684	4,871,226	(426,542)	-8.8%
Other Operating Revenues	10,376,156	10,237,011	139,145	1.4%
<b>Total Operating Revenues</b>	<b><u>421,442,715</u></b>	<b><u>361,935,751</u></b>	<b><u>59,506,964</u></b>	<b><u>16.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	316,785,971	291,743,970	25,042,001	8.6%
Employee Benefits and Related Costs	76,546,266	70,477,887	6,068,379	8.6%
Professional Fees and Contracted Services	17,029,172	16,101,754	927,418	5.8%
Other Contracted Services	25,503,056	28,991,506	(3,488,450)	-12.0%
Scholarships and Fellowships	3,530,845	3,005,190	525,655	17.5%
Travel	5,337,725	5,161,702	176,023	3.4%
Materials and Supplies	38,640,093	32,120,142	6,519,951	20.3%
Utilities	13,841,667	13,312,500	529,167	4.0%
Telecommunications	7,825,823	8,202,964	(377,141)	-4.6%
Repairs and Maintenance	3,019,737	2,877,180	142,557	5.0%
Rentals and Leases	4,693,763	2,420,215	2,273,548	93.9%
Printing and Reproduction	1,828,657	1,799,214	29,443	1.6%
Federal Sponsored Programs Pass-Thrus	1,283,333	550,000	733,333	133.3%
Depreciation and Amortization	28,875,000	24,045,404	4,829,596	20.1%
Other Operating Expenses	78,259,334	63,911,684	14,347,650	22.4%
<b>Total Operating Expenses</b>	<b><u>623,000,442</u></b>	<b><u>564,721,312</u></b>	<b><u>58,279,130</u></b>	<b><u>10.3%</u></b>
<b>Operating Loss</b>	<b><u>(201,557,727)</u></b>	<b><u>(202,785,561)</u></b>	<b><u>1,227,834</u></b>	<b><u>0.6%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	157,379,504	155,932,959	1,446,545	0.9%
Gift Contributions for Operations	17,554,548	15,860,351	1,694,197	10.7%
Net Investment Income	27,261,821	26,257,699	1,004,122	3.8%
Interest Expense on Capital Asset Financings	(6,125,614)	(3,658,387)	(2,467,227)	-67.4%
<b>Net Other Nonoperating Adjustments</b>	<b><u>196,070,259</u></b>	<b><u>194,392,622</u></b>	<b><u>1,677,637</u></b>	<b><u>0.9%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(5,487,468)</b>	<b>(8,392,939)</b>	<b>2,905,471</b>	<b>34.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-0.9%</b>	<b>-1.5%</b>		
Investment Gains (Losses)	(24,483,456)	802,089	(25,285,545)	-3,152.5%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (29,970,924)</b>	<b>\$ (7,590,850)</b>	<b>\$ (22,380,074)</b>	<b>-294.8%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-5.0%</b>	<b>-1.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>23,387,532</b>	<b>15,652,465</b>	<b>7,735,067</b>	<b>49.4%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>3.8%</b>	<b>2.8%</b>		

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

	July Year-to-Date <u>FY 2009</u>	July Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 891,905	\$ 488,048	\$ 403,857	82.7%
Sponsored Programs	264,020,182	238,852,363	25,167,819	10.5%
Net Sales and Services of Educational Activities	1,548,582	2,038,053	(489,471)	-24.0%
Net Sales and Services of Hospitals	1,847,862,016	1,712,165,151	135,696,865	7.9%
Net Professional Fees	260,916,712	244,281,788	16,634,924	6.8%
Net Auxiliary Enterprises	27,468,678	24,420,388	3,048,290	12.5%
Other Operating Revenues	44,015,559	38,857,130	5,158,429	13.3%
<b>Total Operating Revenues</b>	<b><u>2,446,723,634</u></b>	<b><u>2,261,102,921</u></b>	<b><u>185,620,713</u></b>	<b><u>8.2%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	1,193,423,505	1,123,705,210	69,718,295	6.2%
Employee Benefits and Related Costs	319,345,638	299,292,101	20,053,537	6.7%
Professional Fees and Contracted Services	110,001,053	112,872,611	(2,871,558)	-2.5%
Other Contracted Services	60,295,678	62,505,028	(2,209,350)	-3.5%
Travel	16,029,579	20,294,680	(4,265,101)	-21.0%
Materials and Supplies	451,838,457	411,469,186	40,369,271	9.8%
Utilities	49,905,802	51,595,314	(1,689,512)	-3.3%
Telecommunications	8,371,056	7,448,526	922,530	12.4%
Repairs and Maintenance	61,121,818	55,874,250	5,247,568	9.4%
Rentals and Leases	36,400,732	33,451,103	2,949,629	8.8%
Federal Sponsored Programs Pass-Thrus	1,338,728	1,043,997	294,731	28.2%
Depreciation and Amortization	203,820,947	192,201,405	11,619,542	6.0%
Other Operating Expenses	3,425,116	2,981,390	443,726	14.9%
<b>Total Operating Expenses</b>	<b><u>2,515,318,109</u></b>	<b><u>2,374,734,801</u></b>	<b><u>140,583,308</u></b>	<b><u>5.9%</u></b>
<b>Operating Loss</b>	<b><u>(68,594,475)</u></b>	<b><u>(113,631,880)</u></b>	<b><u>45,037,405</u></b>	<b><u>39.6%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	156,997,180	154,702,753	2,294,427	1.5%
Gift Contributions for Operations	50,034,446	103,629,575	(53,595,129)	-51.7%
Net Investment Income	41,838,284	49,833,184	(7,994,900)	-16.0%
Interest Expense on Capital Asset Financings	(20,609,050)	(20,704,782)	95,732	0.5%
<b>Net Other Nonoperating Adjustments</b>	<b><u>228,260,860</u></b>	<b><u>287,460,730</u></b>	<b><u>(59,199,870)</u></b>	<b><u>-20.6%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>159,666,385</b>	<b>173,828,850</b>	<b>(14,162,465)</b>	<b>-8.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>5.9%</b>	<b>6.8%</b>		
Investment Gains (Losses)	(115,684,802)	5,518,167	(121,202,969)	-2,196.4%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 43,981,583</b>	<b>\$ 179,347,017</b>	<b>\$ (135,365,434)</b>	<b>-75.5%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>1.7%</b>	<b>7.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>363,487,332</b>	<b>366,030,255</b>	<b>(2,542,923)</b>	<b>-0.7%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>13.5%</b>	<b>14.2%</b>		

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

	<b>July Year-to-Date FY 2009</b>	<b>July Year-to-Date FY 2008</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 12,838,702.00	\$ 11,915,913.00	\$ 922,789	7.7%
Net Sales and Services of Educational Activities	1,100,704	914,851	185,853	20.3%
Net Sales and Services of Hospitals	46,738,936	39,039,994	7,698,942	19.7%
Net Professional Fees	11,757,487	9,560,555	2,196,932	23.0%
Net Auxiliary Enterprises	215,064	164,736	50,328	30.6%
Other Operating Revenues	911,964	1,192,337	(280,373)	-23.5%
<b>Total Operating Revenues</b>	<b>73,562,857</b>	<b>62,788,386</b>	<b>10,774,471</b>	<b>17.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	48,223,569	47,385,032	838,537	1.8%
Employee Benefits and Related Costs	13,609,137	13,106,731	502,406	3.8%
Professional Fees and Contracted Services	8,639,572	4,171,125	4,468,447	107.1%
Other Contracted Services	9,701,383	8,279,796	1,421,587	17.2%
Travel	478,512	450,961	27,551	6.1%
Materials and Supplies	15,607,227	11,922,868	3,684,359	30.9%
Utilities	2,602,138	3,173,931	(571,793)	-18.0%
Telecommunications	900,803	1,027,616	(126,813)	-12.3%
Repairs and Maintenance	3,403,694	2,901,318	502,376	17.3%
Rentals and Leases	1,015,551	890,033	125,518	14.1%
Printing and Reproduction	254,950	123,389	131,561	106.6%
Federal Sponsored Programs Pass-Thrus	287,883	51,937	235,946	454.3%
Depreciation and Amortization	6,881,627	6,267,213	614,414	9.8%
Other Operating Expenses	1,925,851	2,075,905	(150,054)	-7.2%
<b>Total Operating Expenses</b>	<b>113,531,897</b>	<b>101,827,855</b>	<b>11,704,042</b>	<b>11.5%</b>
<b>Operating Loss</b>	<b>(39,969,040)</b>	<b>(39,039,469)</b>	<b>(929,571)</b>	<b>-2.4%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	38,893,195	35,851,254	3,041,941	8.5%
Gift Contributions for Operations	212,532	1,098,199	(885,667)	-80.6%
Net Investment Income	3,513,823	3,634,052	(120,229)	-3.3%
Interest Expense on Capital Asset Financings	(649,132)	(1,398,824)	749,692	53.6%
<b>Net Other Nonoperating Adjustments</b>	<b>41,970,418</b>	<b>39,184,681</b>	<b>2,785,737</b>	<b>7.1%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>2,001,378</b>	<b>145,212</b>	<b>1,856,166</b>	<b>1,278.2%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.7%</b>	<b>0.1%</b>		
Investment Gains (Losses)	(257,615)	-	(257,615)	100.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 1,743,763</b>	<b>\$ 145,212</b>	<b>\$ 1,598,551</b>	<b>1100.8%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>1.5%</b>	<b>0.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>8,883,005</b>	<b>6,412,425</b>	<b>2,470,580</b>	<b>38.5%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>7.6%</b>	<b>6.2%</b>		