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VOLUME 2  
May 13-14, 2009**

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1.	<b>U. T. System: Internal Audit Department reports for U. T. Health Science Center - Houston and U. T. M. D. Anderson Cancer Center</b>	<b>Report</b> <i>Ms. Lois Pierson, U. T. Health Science Center – Houston</i>	<b>1</b>	<b>5</b>
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<b>FINANCE AND PLANNING COMMITTEE</b>				
1.	<b>U. T. System: Discussion and appropriate action related to approval of <i>Docket No. 138</i></b>	<b>Discussion</b> <i>Dr. Kelley</i>	<b>GREEN PAGES</b>	<b>16</b>
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## Auditing & Advisory Services

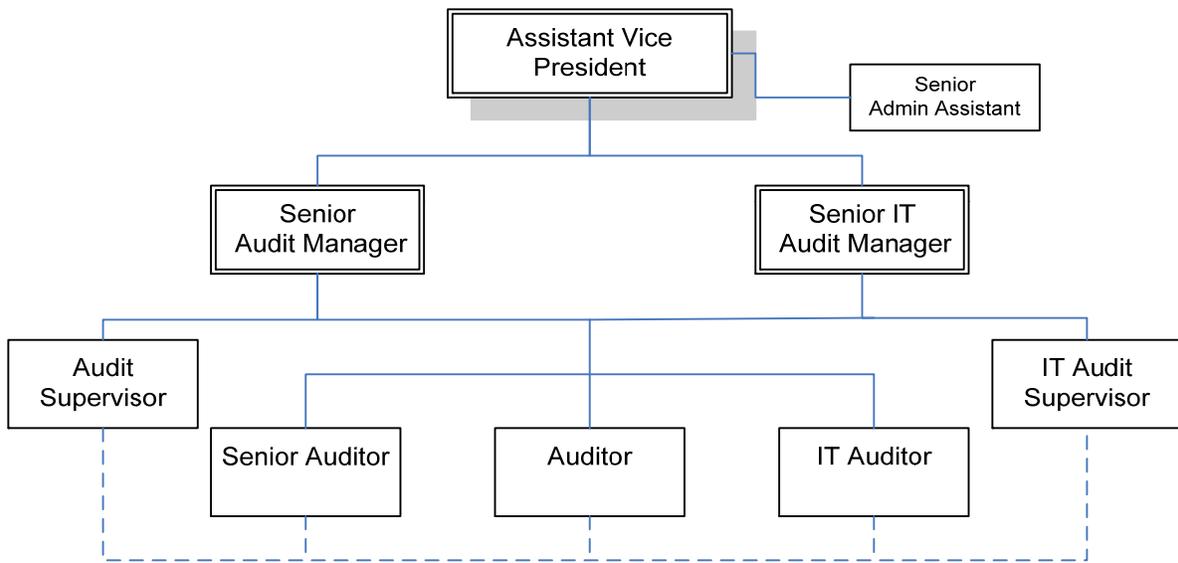
Presenter: Ms. Lois Pierson, Assistant Vice President, Auditing & Advisory Services

Board of Regents' Meeting  
Audit, Compliance, and Management Review Committee  
May 2009



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# Internal Audit Department Staffing

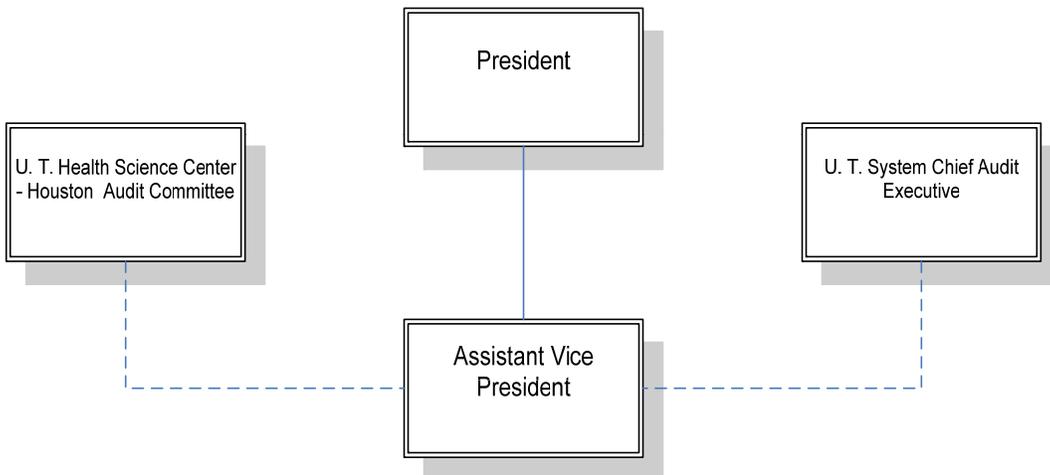


**Internal Audit issued 39 reports in FY 2008**



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## Internal Audit Reporting Structure





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## High Risk Audit Areas

FY 2009 institution-wide high risk areas:

- Financial statements and financial controls
- Emergency preparedness and campus security
- Change in management (in schools & departments)
- Intellectual property
- Travel and entertainment



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## High Risk Audit Areas (con't.)

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High risk processes covered in FY 2009 audits:

- **Patient Care:** charge capture, contracts with partner hospitals
- **Research:** time and effort reporting, research conflict of interest
- **Information Technology:** IT security, wireless security, database security and operating controls, continuous fraud monitoring



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## External Quality Assurance Review

Most recent quality assurance review in January 2007:

- Found to conform with internal auditing standards
- No formal recommendations
- Areas identified for further improvement (*all have been addressed at this time*):
  - Risk assessment of external reviews
  - Corporate governance
  - Self-assessment of compliance with Generally Accepted Government Auditing Standards



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## Internal Audit Committee

- 10 member committee that includes executive and senior management members and external members
- Meetings held quarterly
  - Last meeting: February 19, 2009
  - Next meeting: May 21, 2009



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## Internal Audit Committee (con't.)

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### External Members:

- **Howard Schramm** (Chairman) – Senior Vice President, Amegy Bank of Texas
- **Khleber Attwell** – Audit and Consulting Partner, Ernst & Young (retired)
- **Leon Leach** – Executive Vice President, U. T. M. D. Anderson Cancer Center
- **Brad Howell** – Chairman & CEO, Lodestar Logistics



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## Internal Audit Committee (con't.)

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### Internal Members:

- President
- Executive Vice President, Chief Operating Officer and Financial Officer
- Dean, Medical School
- Chief Legal Officer
- Chief Compliance Officer
- Chief Information Officer



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## Value of External Audit Committee Members

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- External members enhance the effectiveness of the audit committee and the value of the internal audit function by:
  - Increasing independence and oversight
  - Bringing a fresh perspective
  - Providing additional expertise
  - Increasing the efficient use of resources

# U. T. M. D. Anderson Cancer Center Internal Audit

**Presenter: Mr. Michael Peppers, Associate Vice President & Chief Audit Officer**



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**Board of Regents'  
Meeting**  
**Audit, Compliance, and  
Management Review  
Committee**  
**May 2009**



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## Internal Audit Committee

### External Members

- Mr. Gary Gibson (Chairman), CFO – Star Furniture
- Mr. Mike Frazier, President/CEO – Simmons & Co. International
- Mr. Tom Glanville, Managing Partner – Eschelon Energy Partners
- Mr. Dan Wilford, Former President & CEO, Memorial Hermann Healthcare System
- Ms. Linnet Deily, Former Deputy U.S. Trade Representative & U.S. Ambassador to the World Trade Organization

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## Internal Audit Committee (con't.)

### Internal Members

- Dr. John Mendelsohn, President
- Dr. Thomas Burke, Executive Vice President & Physician-in-Chief
- Dr. Raymond DuBois, Provost & Executive Vice President
- Mr. Leon Leach, Executive Vice President & Chief Business Officer
- Mr. Dan Fontaine, Sr. Vice President for Business & Regulatory Affairs
- Ms. Jessica Quinn, Vice President & Chief Compliance Officer
- Dr. Lynn Vogel, Vice President & Chief Information Officer
- Mr. Dwain Morris, Vice President & Chief Financial Officer



Committee meets quarterly with last meeting held on March 11, 2009



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## Internal Audit Department Staffing

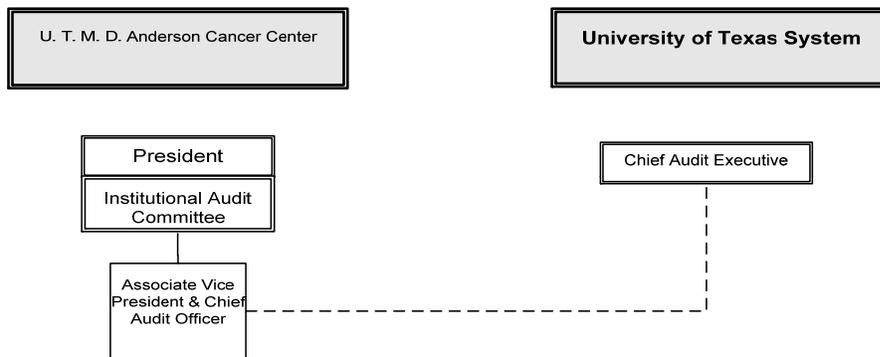
- Approved positions:
  - Associate Vice President & Chief Audit Officer (1)
  - Audit Managers (3)
  - Audit Supervisors (4)
  - Senior Auditors (5)
  - Auditor (1)
  - Administrative Support (3)
- Resources for information technology auditing are obtained via a co-sourcing relationship approximating 3 FTE, including an IT Audit Manager
- Resources for construction auditing are obtained via co-sourcing relationship approximating .5 FTE
- Internal Audit issues approximately 25-30 audit reports annually

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## Internal Audit Reporting Structure



Note: For Administrative purposes, the UTMDACC Associate Vice President & Chief Audit Officer reports to the Sr. Vice President for Business and Regulatory Affairs

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## High Risk Areas to be Audited in FY 2009

Over 35 audits and projects are scheduled to provide assurance in the following risk areas:

### **Financial**

Spirit of Sarbanes-Oxley Controls

Unrestricted Gifts

### **Operational**

Construction Projects

Automated and Clinical Trials Charge Capture

Conflict of Interest – Institutional Conflicts

Medical Record Audit Process

Research Effort Reporting

Central Pharmacy

### **Compliance**

Physicians' Practice Plan Governance

VISA Administration/ I-9 Compliance

Disposition of Student Fees

Extramural Leave

### **Information Technology**

Patient Billing System

Automated Charge Capture System Controls

Effort Reporting System Controls

Information Security Department

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## External Quality Assurance Review

Most recent quality assurance review conducted in August 2007

- Noted full compliance with internal auditing standards
- Cited nine commendable best practices
- Three recommendations to institutional management
  - Two are implemented and the third, related to comprehensive enterprise risk management, is still under consideration
- Five recommendations to internal audit
  - Four are implemented and the fifth, related to performance metrics, is being considered as part of a U. T. Systemwide solution

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## Information Technology Governance Program

### **Problem:**

A significant number of IT audit recommendations were outstanding for long periods of time and/or have extended target completion dates. U. T. M. D. Anderson has a robust IT governance process, but activities required to address internal audit recommendations were not being inserted into that process for consideration, approval, and funding.

### **Solution:**

Implement a more collaborative process with respect to resolution of IT audit findings:

- Develop a specific IT risk ranking that can be considered by IT governance
- Identify resource costs for remediation
- Set realistic completion dates based on project prioritization and resource availability
- Engage institutional leadership through governance team prioritization (and funding) of audit remediation efforts with other IT demands
- Establish participation of Chief Audit Officer to provide periodic status reports and discuss annual capital funding priorities with executive leadership

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## Information Technology Governance Program (con't.)

### Specific steps to accomplish:

- IT Audit Task Force to collaboratively document (and prioritize) risks related to the audit:
  - Chief Information Officer
  - Responsible Party
  - Director, Information Security
  - Director, Project Steering & Coordination Support
  - Internal Audit
- Consistent prioritization of risk (High, Medium, Low) based on defined risk level characteristics for several categories:
  - Likelihood
  - Compensating Controls
  - Nature of Data
  - Loss of Exposure
  - Compliance
  - Reputation
  - Repeated Risk
  - Organizational Impact

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## Information Technology Governance Program (con't.)

This project, including an assessment of *prioritized* associated risks, is being presented to the appropriate governance bodies.

- If their decision is to fund the project, the next steps will be to:
  - Begin analysis & planning phase activities
  - Implement interim mitigating controls
- If their decision is not to fund project, then the next steps will be to:
  - Implement interim mitigating controls (that do not require project funding)
  - Consider acceptance of remaining risks (by executive leadership)

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

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

**MARCH 2009**



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Austin, Texas 78701  
512.499.4527  
[www.utsystem.edu/cont](http://www.utsystem.edu/cont)

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

**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.

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas System  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date FY 2009	March Year-to-Date FY 2008	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 870,449,842	\$ 811,496,063	\$ 58,953,779	7.3%
Sponsored Programs	1,619,477,595	1,425,172,397	194,305,198	13.6%
Net Sales and Services of Educational Activities	202,827,999	167,959,405	34,868,594	20.8%
Net Sales and Services of Hospitals	1,699,960,532	1,693,656,806	6,303,726	0.4%
Net Professional Fees	570,862,530	558,082,348	12,780,182	2.3%
Net Auxiliary Enterprises	236,668,694	216,432,770	20,235,924	9.3%
Other Operating Revenues	90,323,355	97,376,617	(7,053,262)	-7.2%
<b>Total Operating Revenues</b>	<b>5,290,570,547</b>	<b>4,970,176,406</b>	<b>320,394,141</b>	<b>6.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	3,245,917,300	3,035,311,474	210,605,826	6.9%
Payroll Related Costs	796,071,943	748,261,702	47,810,241	6.4%
Professional Fees and Contracted Services	274,732,539	173,986,850	100,745,689	57.9%
Other Contracted Services	281,782,287	244,219,998	37,562,289	15.4%
Scholarships and Fellowships	427,220,915	387,679,386	39,541,529	10.2%
Travel	68,846,178	67,268,310	1,577,868	2.3%
Materials and Supplies	677,149,952	661,485,336	15,664,616	2.4%
Utilities	164,029,625	156,124,254	7,905,371	5.1%
Telecommunications	65,058,612	57,899,293	7,159,319	12.4%
Repairs and Maintenance	119,230,445	97,503,040	21,727,405	22.3%
Rentals and Leases	68,383,594	63,659,234	4,724,360	7.4%
Printing and Reproduction	17,058,477	15,818,710	1,239,767	7.8%
Bad Debt Expense	213,700	32,188	181,512	563.9%
Claims and Losses	8,791,786	4,796,651	3,995,135	83.3%
Federal Sponsored Programs Pass-Throughs	13,240,671	17,146,231	(3,905,560)	-22.8%
Depreciation and Amortization	428,814,954	395,929,311	32,885,643	8.3%
Other Operating Expenses	230,554,337	213,332,342	17,221,995	8.1%
<b>Total Operating Expenses</b>	<b>6,887,097,315</b>	<b>6,340,454,310</b>	<b>546,643,005</b>	<b>8.6%</b>
<b>Operating Loss</b>	<b>(1,596,526,768)</b>	<b>(1,370,277,904)</b>	<b>(226,248,864)</b>	<b>-16.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,149,021,766	1,146,440,983	2,580,783	0.2%
Gift Contributions for Operations	166,985,913	206,472,754	(39,486,841)	-19.1%
Net Investment Income	348,517,354	462,371,238	(113,853,884)	-24.6%
Interest Expense on Capital Asset Financings	(113,750,335)	(96,504,967)	(17,245,368)	-17.9%
<b>Net Other Nonoperating Adjustments</b>	<b>1,550,774,698</b>	<b>1,718,780,008</b>	<b>(168,005,310)</b>	<b>-9.8%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(45,752,070)</b>	<b>348,502,104</b>	<b>(394,254,174)</b>	<b>-113.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-0.7%</b>	<b>5.1%</b>		
Investment Gains (Losses)	(5,690,113,795)	2,201,185	(5,692,314,980)	-258,602.3%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>\$ (5,735,865,865)</b>	<b>\$ 350,703,289</b>	<b>\$ (6,086,569,154)</b>	<b>-1,735.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-453.4%</b>	<b>5.2%</b>		
<b>Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation</b>	<b>(5,307,050,911)</b>	<b>746,632,600</b>	<b>(6,053,683,511)</b>	<b>-810.8%</b>
<b>Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation</b>	<b>-419.5%</b>	<b>11.0%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

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

	<b>Including Depreciation and Amortization Expense</b>			
	<b>March</b>	<b>March</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
	<b>Year-to-Date FY 2009</b>	<b>Year-to-Date FY 2008</b>		
UT System Administration	\$ 62,905,100	\$ 176,661,181	\$ (113,756,081) (1)	-64.4%
UT Arlington	8,203,153	10,331,230	(2,128,077)	-20.6%
UT Austin	57,145,189	83,887,234	(26,742,045) (2)	-31.9%
UT Brownsville	(109,871)	353,577	(463,448) (3)	-131.1%
UT Dallas	4,983,085	5,840,297	(857,212)	-14.7%
UT El Paso	3,510,392	2,197,607	1,312,785	59.7%
UT Pan American	(2,037,357)	1,664,049	(3,701,406) (4)	-222.4%
UT Permian Basin	8,800,715	7,835,603	965,112	12.3%
UT San Antonio	2,315,284	25,030,278	(22,714,994) (5)	-90.8%
UT Tyler	3,962,881	3,655,461	307,420	8.4%
UT Southwestern Medical Center - Dallas	1,013,466	49,711,432	(48,697,966) (6)	-98.0%
UT Medical Branch - Galveston	(134,672,241)	(21,372,719)	(113,299,522) (7)	-530.1%
UT Health Science Center - Houston	2,384,295	13,829,665	(11,445,370) (8)	-82.8%
UT Health Science Center - San Antonio	(7,537,494)	1,981,860	(9,519,354) (9)	-480.3%
UT M. D. Anderson Cancer Center	37,278,258	71,750,702	(34,472,444) (10)	-48.0%
UT Health Science Center - Tyler	3,131,825	(1,088,686)	4,220,511 (11)	387.7%
Elimination of AUF Transfer	(97,028,750)	(83,766,667)	(13,262,083)	-15.8%
Total Adjusted Income (Loss)	(45,752,070)	348,502,104	(394,254,174)	-113.1%
Investment Gains (Losses)	(5,690,113,795)	2,201,185	(5,692,314,980) (12)	-258,602.3%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b>\$ (5,735,865,865)</b>	<b>\$ 350,703,289</b>	<b>\$ (6,086,569,154)</b>	<b>-1,735.5%</b>

	<b>Excluding Depreciation and Amortization Expense</b>			
	<b>March</b>	<b>March</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
	<b>Year-to-Date FY 2009</b>	<b>Year-to-Date FY 2008</b>		
UT System Administration	\$ 66,590,445	\$ 180,348,645	\$ (113,758,200)	-63.1%
UT Arlington	23,539,604	25,641,708	(2,102,104)	-8.2%
UT Austin	146,787,529	164,092,131	(17,304,602)	-10.5%
UT Brownsville	3,418,445	3,646,963	(228,518)	-6.3%
UT Dallas	17,754,827	17,817,036	(62,209)	-0.3%
UT El Paso	12,853,985	11,032,795	1,821,190	16.5%
UT Pan American	5,185,947	10,499,712	(5,313,765)	-50.6%
UT Permian Basin	11,116,708	9,965,359	1,151,349	11.6%
UT San Antonio	20,364,549	40,382,044	(20,017,495)	-49.6%
UT Tyler	8,683,538	8,173,215	510,323	6.2%
UT Southwestern Medical Center - Dallas	44,045,086	89,688,675	(45,643,589)	-50.9%
UT Medical Branch - Galveston	(90,306,306)	16,790,857	(107,097,163)	-637.8%
UT Health Science Center - Houston	24,968,961	35,875,233	(10,906,272)	-30.4%
UT Health Science Center - San Antonio	10,837,506	17,283,481	(6,445,975)	-37.3%
UT M. D. Anderson Cancer Center	166,660,351	194,060,687	(27,400,336)	-14.1%
UT Health Science Center - Tyler	7,590,459	2,899,541	4,690,918	161.8%
Elimination of AUF Transfer	(97,028,750)	(83,766,667)	(13,262,083)	-15.8%
Total Adjusted Income (Loss)	383,062,884	744,431,415	(361,368,531)	-48.5%
Investment Gains (Losses)	(5,690,113,795)	2,201,185	(5,692,314,980)	-258,602.3%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization</b>	<b>\$ (5,307,050,911)</b>	<b>\$ 746,632,600</b>	<b>\$ (6,053,683,511)</b>	<b>-810.8%</b>

## 2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

### THE UNIVERSITY OF TEXAS SYSTEM EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT For the Seven Months Ending March 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 \$113.8 million (64.4%) decrease in adjusted income over the same period last year was primarily due to decreased net investment income resulting from unfavorable market conditions. Excluding depreciation expense, *UT System Administration's* adjusted income was \$66.6 million or 44.4% with the University Center Phase III and the Library Expansion. Interest expense increased due to the increase in capital projects. Excluding depreciation expense, *UT San Antonio's* adjusted income was \$20.4 million or 7.8%.
- (2) UT Austin – The \$26.7 million (31.9%) decrease in adjusted income over the same period last year was primarily due to an increase in salaries and wages and payroll related costs as a result of merit increases. Excluding depreciation expense, *UT Austin's* adjusted income was \$146.8 million or 11%.
- (3) UT Brownsville – The \$463,000 (131.1%) 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 a \$110,000 year-to-date loss. The majority of the negative margin was anticipated and approved in the original 2009 budget. The use of prior year balances was approved because *UT Brownsville* put in place a number of recruitment, retention, and marketing strategies which, if successful, will return enrollment and positive margins for 2010. Excluding depreciation expense, *UT Brownsville's* adjusted income was \$3.4 million or 3.3%. *UT Brownsville* projects a year-end loss of \$6.2 million which represents -4% of projected revenues. This forecast includes \$6 million of depreciation expense.
- (4) UT Pan American – The \$3.7 million (222.4%) 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. As a result, *UT Pan American* experienced a \$2 million year-to-date loss. Excluding depreciation expense, *UT Pan American's* adjusted income was \$5.2 million or 3%. *UT Pan American* projects a year-end loss of \$2.7 million which represents -1% of projected revenues. This forecast includes \$13.3 million of depreciation expense.
- (5) UT San Antonio - The \$22.7 million (90.8%) decrease in adjusted income over the same period last year was primarily due to an increase in salaries and wages and payroll related costs, materials and supplies, and interest expense. Salaries and wages increased due to merit increases and the hiring of several funded positions that were vacant at this time last year. Materials and supplies increased due to noncapital costs associated
- (6) UT Southwestern Medical Center - Dallas – The \$48.7 million (98%) decrease in adjusted income over the same period last year was primarily due to a \$40.7 million decrease in gift contributions for operations attributable to the current economic downturn. Excluding depreciation expense, *Southwestern's* adjusted income was \$44 million or 5.1%.
- (7) UT Medical Branch - Galveston – The \$113.3 million (530.1%) increase in adjusted loss over the same period last year was primarily due to the business disruption in revenue generating activities and expenses related to Hurricane *Ike*. Operating revenues decreased \$64.5 million and operating expenses increased \$50.9 million. Patient care revenue decreased \$128.4 million, with decreases in admissions of 59%, patient days of 67%, and clinic visits of 28% as compared to last year. Sponsored programs increased due to the receipt of \$98.6 million from the Federal Emergency Management Agency which was offset by decreased activity on grant projects as a result of Hurricane *Ike* and a reduction in the School of Medicine contract with the John Sealy Hospital. Expenses related to the recovery from Hurricane *Ike* totaled \$110.2 million. As a result, *UTMB* experienced a \$134.7 million year-to-date loss. Excluding depreciation expense, *UTMB's* adjusted loss was \$90.3 million or -11.2%. *UTMB* projects a year-end loss of approximately \$146.5 million, which represents -10.7% of projected revenues. This forecast includes \$77.8 million of depreciation expense. The projection includes the impact of the reduction in force but does not yet include the impact of the impairment of capital assets as a result of Hurricane *Ike* or the related commercial insurance proceeds that will partially offset the impairments.
- (8) UT Health Science Center – Houston – The \$11.4 million (82.8%) decrease in adjusted income over the same period last year was primarily attributable to increased salaries and wages due to salary increases and approximately 160 previously vacant positions that were filled in 2009. In addition, gift contributions for operations and investment income were down due to the current economic downturn. Excluding depreciation, *UTHSC-Houston's* adjusted income was \$25 million or 5.2%.

- (9) UT Health Science Center – San Antonio – The \$9.5 million (480.3%) decrease in adjusted income over the same period last year was primarily attributable to the physician practice plan which incurred a \$5.8 million operating loss through March, decreased investment income and increased interest expense. *UTHSC-San Antonio* anticipates that the physician practice plan will negotiate additional contract revenues with its affiliates to support the higher costs. The decrease in net investment income was due to the current economic downturn. Interest expense increased as a result of debt service on the Medical Arts and Research Center (MARC) scheduled to open in fall 2009.

- (12) Investment Gains (Losses) - The majority of the \$5.7 billion (258,602.3%) increase in investment losses relates to the Permanent University Fund of \$2.9 billion, the Long Term Fund of \$1.4 billion, and the Permanent Health Fund of \$271.5 million.

As a result, *UTHSC-San Antonio* incurred a year-to-date loss of \$7.5 million. Excluding depreciation expense, *UTHSC-San Antonio's* adjusted income was \$10.8 million or 2.8%. *UTHSC-San Antonio* projects a year-end loss of approximately \$8.9 million, which represents -1.3% 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 was anticipated and approved in the 2009 budget.

- (10) UT M. D. Anderson Cancer Center – The \$34.5 million (48%) decrease in adjusted income over the same period last year was primarily attributable to the business disruption in revenue generating activities related to Hurricane *Ike*, an increase in indigent patients, delays in payments from patients and insurance companies, and an increase in salaries, wages, and payroll related costs due to salary increases and additional full-time equivalents. There was also a \$15.3 million decrease in gift contributions for operations due to the current economic downturn. Excluding depreciation expense, *M. D. Anderson's* adjusted income was \$166.7 million or 10.1%. *M. D. Anderson's* Executive Committee instituted a hiring freeze in March 2009 and is looking at other measures to reduce expenses.

- (11) UT Health Science Center – Tyler – The \$4.2 million (387.7%) increase in adjusted income over the same period last year was primarily attributable to an \$8.7 million increase in net sales and services of hospitals as a result of an increase in patients from *UTMB's* Correctional Managed Care Agreement due to Hurricane *Ike*. Excluding depreciation expense, *UTHSC-Tyler's* adjusted income was \$7.6 million or 10%.

## 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.

## 2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

**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.

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas System Administration  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date <u>FY 2009</u>	March Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Sponsored Programs	\$ 7,698,809	\$ 14,665,884	\$ (6,967,075)	-47.5%
Net Sales and Services of Educational Activities	24,271,197	7,660,030	16,611,167	216.9%
Other Operating Revenues	(576,067)	23,458,569	(24,034,636)	-102.5%
<b>Total Operating Revenues</b>	<b><u>31,393,939</u></b>	<b><u>45,784,483</u></b>	<b><u>(14,390,544)</u></b>	<b><u>-31.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	20,080,213	22,623,313	(2,543,100)	-11.2%
Employee Benefits and Related Costs	4,355,451	4,718,100	(362,649)	-7.7%
Professional Fees and Contracted Services	5,050,076	523,819	4,526,257	864.1%
Other Contracted Services	6,831,200	13,464,007	(6,632,807)	-49.3%
Scholarships and Fellowships	554,200	401,200	153,000	38.1%
Travel	1,104,077	1,255,812	(151,735)	-12.1%
Materials and Supplies	2,440,483	2,476,043	(35,560)	-1.4%
Utilities	212,766	295,472	(82,706)	-28.0%
Telecommunications	3,010,906	3,007,831	3,075	0.1%
Repairs and Maintenance	877,923	505,214	372,709	73.8%
Rentals and Leases	696,846	662,308	34,538	5.2%
Printing and Reproduction	130,755	158,278	(27,523)	-17.4%
Claims and Losses	8,791,786	4,796,651	3,995,135	83.3%
Depreciation and Amortization	3,685,345	3,687,464	(2,119)	-0.1%
Other Operating Expenses	3,916,253	2,383,306	1,532,947	64.3%
<b>Total Operating Expenses</b>	<b><u>61,738,280</u></b>	<b><u>60,958,818</u></b>	<b><u>779,462</u></b>	<b><u>1.3%</u></b>
<b>Operating Loss</b>	<b><u>(30,344,341)</u></b>	<b><u>(15,174,335)</u></b>	<b><u>(15,170,006)</u></b>	<b><u>-100.0%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	537,850	537,850	-	0.0%
Gift Contributions for Operations	605,354	711,896	(106,542)	-15.0%
Net Investment Income	97,147,305	195,932,662	(98,785,357)	-50.4%
Interest Expense on Capital Asset Financings	(25,362,886)	(25,320,487)	(42,399)	-0.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>72,927,623</u></b>	<b><u>171,861,921</u></b>	<b><u>(98,934,298)</u></b>	<b><u>-57.6%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>42,583,282</b>	<b>156,687,586</b>	<b>(114,104,304)</b>	<b>-72.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>32.8%</b>	<b>64.5%</b>		
Available University Fund Transfer	20,321,818	19,973,595	348,223	1.7%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>62,905,100</b>	<b>176,661,181</b>	<b>(113,756,081)</b>	<b>-64.4%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>41.9%</b>	<b>67.2%</b>		
Investment Gains (Losses)	(4,790,388,037)	(65,187,299)	(4,725,200,738)	-7,248.7%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ (4,727,482,937)</b>	<b>\$ 111,473,882</b>	<b>\$ (4,838,956,819)</b>	<b>-4340.9%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>101.9%</b>	<b>56.4%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>66,590,445</b>	<b>180,348,645</b>	<b>(113,758,200)</b>	<b>-63.1%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>44.4%</b>	<b>68.6%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas at Arlington  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date <u>FY 2009</u>	March Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 107,551,372	\$ 99,487,873	\$ 8,063,499	8.1%
Sponsored Programs	41,999,398	36,257,902	5,741,496	15.8%
Net Sales and Services of Educational Activities	8,314,157	7,202,841	1,111,316	15.4%
Net Auxiliary Enterprises	15,333,517	14,933,580	399,937	2.7%
Other Operating Revenues	5,265,164	4,026,311	1,238,853	30.8%
<b>Total Operating Revenues</b>	<b>178,463,608</b>	<b>161,908,507</b>	<b>16,555,101</b>	<b>10.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	114,648,836	105,621,626	9,027,210	8.5%
Employee Benefits and Related Costs	24,992,828	23,267,435	1,725,393	7.4%
Professional Fees and Contracted Services	2,124,302	2,626,722	(502,420)	-19.1%
Other Contracted Services	6,706,099	6,070,409	635,690	10.5%
Scholarships and Fellowships	32,552,510	27,115,919	5,436,591	20.0%
Travel	3,272,697	2,867,148	405,549	14.1%
Materials and Supplies	12,102,015	12,506,647	(404,632)	-3.2%
Utilities	6,476,272	7,258,386	(782,114)	-10.8%
Telecommunications	4,037,381	3,556,086	481,295	13.5%
Repairs and Maintenance	4,951,213	4,273,206	678,007	15.9%
Rentals and Leases	1,773,497	1,736,345	37,152	2.1%
Printing and Reproduction	1,499,627	1,396,955	102,672	7.3%
Federal Sponsored Programs Pass-Thrus	1,650,371	1,245,895	404,476	32.5%
Depreciation and Amortization	15,336,451	15,310,478	25,973	0.2%
Other Operating Expenses	5,322,878	4,695,944	626,934	13.4%
<b>Total Operating Expenses</b>	<b>237,446,977</b>	<b>219,549,201</b>	<b>17,897,776</b>	<b>8.2%</b>
<b>Operating Loss</b>	<b>(58,983,369)</b>	<b>(57,640,694)</b>	<b>(1,342,675)</b>	<b>-2.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	65,056,010	64,733,131	322,879	0.5%
Gift Contributions for Operations	1,220,188	1,480,444	(260,256)	-17.6%
Net Investment Income	5,636,514	5,231,022	405,492	7.8%
Interest Expense on Capital Asset Financings	(4,726,190)	(3,472,673)	(1,253,517)	-36.1%
<b>Net Other Nonoperating Adjustments</b>	<b>67,186,522</b>	<b>67,971,924</b>	<b>(785,402)</b>	<b>-1.2%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>8,203,153</b>	<b>10,331,230</b>	<b>(2,128,077)</b>	<b>-20.6%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>3.3%</b>	<b>4.4%</b>		
Investment Gains (Losses)	(42,828,150)	4,721,106	(47,549,256)	-1,007.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (34,624,997)</b>	<b>\$ 15,052,336</b>	<b>\$ (49,677,333)</b>	<b>-330.0%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-16.7%</b>	<b>6.3%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>23,539,604</b>	<b>25,641,708</b>	<b>(2,102,104)</b>	<b>-8.2%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>9.4%</b>	<b>11.0%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas at Austin  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date <u>FY 2009</u>	March Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 345,165,856	\$ 334,441,285	\$ 10,724,571	3.2%
Sponsored Programs	297,439,229	278,948,804	18,490,425	6.6%
Net Sales and Services of Educational Activities	96,524,949	88,594,372	7,930,577	9.0%
Net Auxiliary Enterprises	136,023,538	118,860,655	17,162,883	14.4%
Other Operating Revenues	3,655,808	1,964,179	1,691,629	86.1%
<b>Total Operating Revenues</b>	<b><u>878,809,380</u></b>	<b><u>822,809,295</u></b>	<b><u>56,000,085</u></b>	<b><u>6.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	581,031,696	537,361,078	43,670,618	8.1%
Employee Benefits and Related Costs	131,302,984	122,776,233	8,526,751	6.9%
Professional Fees and Contracted Services	18,796,230	13,637,292	5,158,938	37.8%
Other Contracted Services	44,394,844	38,940,689	5,454,155	14.0%
Scholarships and Fellowships	134,593,799	128,436,260	6,157,539	4.8%
Travel	23,546,619	22,368,094	1,178,525	5.3%
Materials and Supplies	75,609,276	68,070,662	7,538,614	11.1%
Utilities	42,911,094	39,872,123	3,038,971	7.6%
Telecommunications	25,367,030	22,526,702	2,840,328	12.6%
Repairs and Maintenance	21,728,771	17,171,918	4,556,853	26.5%
Rentals and Leases	10,178,609	8,152,003	2,026,606	24.9%
Printing and Reproduction	6,186,926	5,406,790	780,136	14.4%
Federal Sponsored Programs Pass-Thrus	1,653,326	2,604,986	(951,660)	-36.5%
Depreciation and Amortization	89,642,340	80,204,897	9,437,443	11.8%
Other Operating Expenses	48,197,982	46,080,302	2,117,680	4.6%
<b>Total Operating Expenses</b>	<b><u>1,255,141,526</u></b>	<b><u>1,153,610,029</u></b>	<b><u>101,531,497</u></b>	<b><u>8.8%</u></b>
<b>Operating Loss</b>	<b><u>(376,332,146)</u></b>	<b><u>(330,800,734)</u></b>	<b><u>(45,531,412)</u></b>	<b><u>-13.8%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	198,819,040	198,775,832	43,208	0.0%
Gift Contributions for Operations	69,889,439	51,194,590	18,694,849	36.5%
Net Investment Income	91,912,898	95,850,173	(3,937,275)	-4.1%
Interest Expense on Capital Asset Financings	(24,172,792)	(14,899,294)	(9,273,498)	-62.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>336,448,585</u></b>	<b><u>330,921,301</u></b>	<b><u>5,527,284</u></b>	<b><u>1.7%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(39,883,561)</b>	<b>120,567</b>	<b>(40,004,128)</b>	<b>-33,180.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-3.2%</b>	<b>0.0%</b>		
Available University Fund Transfer	97,028,750	83,766,667	13,262,083	15.8%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>57,145,189</b>	<b>83,887,234</b>	<b>(26,742,045)</b>	<b>-31.9%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>4.3%</b>	<b>6.7%</b>		
Investment Gains (Losses)	(218,763,445)	24,942,212	(243,705,657)	-977.1%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$ (161,618,256)</b>	<b>\$ 108,829,446</b>	<b>\$ (270,447,702)</b>	<b>-248.5%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>-14.5%</b>	<b>8.5%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation</b>	<b>146,787,529</b>	<b>164,092,131</b>	<b>(17,304,602)</b>	<b>-10.5%</b>
<b>Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation</b>	<b>11.0%</b>	<b>13.1%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas at Brownsville  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date FY 2009	March Year-to-Date FY 2008	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 10,921,114	\$ 8,858,551	\$ 2,062,563	23.3%
Sponsored Programs	68,769,319	64,115,594	4,653,725	7.3%
Net Sales and Services of Educational Activities	619,708	637,409	(17,701)	-2.8%
Net Auxiliary Enterprises	709,399	923,860	(214,461)	-23.2%
Other Operating Revenues	5,398	24,858	(19,460)	-78.3%
<b>Total Operating Revenues</b>	<b>81,024,938</b>	<b>74,560,272</b>	<b>6,464,666</b>	<b>8.7%</b>
<b>Operating Expenses</b>				
Salaries and Wages	38,242,250	35,242,016	3,000,234	8.5%
Employee Benefits and Related Costs	9,284,415	8,522,137	762,278	8.9%
Professional Fees and Contracted Services	1,209,054	1,245,977	(36,923)	-3.0%
Scholarships and Fellowships	37,807,521	34,447,787	3,359,734	9.8%
Travel	682,626	665,430	17,196	2.6%
Materials and Supplies	3,428,039	2,903,930	524,109	18.0%
Utilities	2,012,696	1,992,534	20,162	1.0%
Telecommunications	942,669	1,148,305	(205,636)	-17.9%
Repairs and Maintenance	805,288	697,644	107,644	15.4%
Rentals and Leases	1,182,871	1,122,218	60,653	5.4%
Printing and Reproduction	197,733	197,292	441	0.2%
Bad Debt Expense	20,851	25,188	(4,337)	-17.2%
Federal Sponsored Programs Pass-Thrus	23,076	34,399	(11,323)	-32.9%
Depreciation and Amortization	3,528,316	3,293,386	234,930	7.1%
Other Operating Expenses	4,193,002	3,664,091	528,911	14.4%
<b>Total Operating Expenses</b>	<b>103,560,407</b>	<b>95,202,334</b>	<b>8,358,073</b>	<b>8.8%</b>
<b>Operating Loss</b>	<b>(22,535,469)</b>	<b>(20,642,062)</b>	<b>(1,893,407)</b>	<b>-9.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	22,450,209	20,769,724	1,680,485	8.1%
Gift Contributions for Operations	352,287	302,506	49,781	16.5%
Net Investment Income	682,608	910,300	(227,692)	-25.0%
Interest Expense on Capital Asset Financings	(1,059,506)	(986,891)	(72,615)	-7.4%
<b>Net Other Nonoperating Adjustments</b>	<b>22,425,598</b>	<b>20,995,639</b>	<b>1,429,959</b>	<b>6.8%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(109,871)</b>	<b>353,577</b>	<b>(463,448)</b>	<b>-131.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-0.1%</b>	<b>0.4%</b>		
Investment Gains (Losses)	(5,985,766)	577,214	(6,562,980)	-1,137.0%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (6,095,637)</b>	<b>\$ 930,791</b>	<b>\$ (7,026,428)</b>	<b>-754.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-6.2%</b>	<b>1.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>3,418,445</b>	<b>3,646,963</b>	<b>(228,518)</b>	<b>-6.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>3.3%</b>	<b>3.8%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas at Dallas  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date FY 2009	March Year-to-Date FY 2008	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 93,591,478	\$ 80,377,136	\$ 13,214,342	16.4%
Sponsored Programs	32,269,701	28,532,130	3,737,571	13.1%
Net Sales and Services of Educational Activities	3,987,998	3,916,458	71,540	1.8%
Net Auxiliary Enterprises	4,055,535	3,210,975	844,560	26.3%
Other Operating Revenues	4,869,421	3,220,623	1,648,798	51.2%
<b>Total Operating Revenues</b>	<b>138,774,133</b>	<b>119,257,322</b>	<b>19,516,811</b>	<b>16.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	93,827,046	86,106,156	7,720,890	9.0%
Employee Benefits and Related Costs	18,876,019	17,747,799	1,128,220	6.4%
Professional Fees and Contracted Services	2,684,367	1,840,414	843,953	45.9%
Other Contracted Services	6,452,007	5,651,006	801,001	14.2%
Scholarships and Fellowships	32,476,792	28,103,433	4,373,359	15.6%
Travel	2,124,404	1,848,181	276,223	14.9%
Materials and Supplies	9,358,663	9,178,195	180,468	2.0%
Utilities	5,269,967	4,670,200	599,767	12.8%
Telecommunications	795,010	780,631	14,379	1.8%
Repairs and Maintenance	2,177,613	2,154,540	23,073	1.1%
Rentals and Leases	1,046,427	757,350	289,077	38.2%
Printing and Reproduction	787,735	786,437	1,298	0.2%
Federal Sponsored Programs Pass-Thrus	132,964	346,330	(213,366)	-61.6%
Depreciation and Amortization	12,771,742	11,976,739	795,003	6.6%
Other Operating Expenses	7,011,715	5,929,209	1,082,506	18.3%
<b>Total Operating Expenses</b>	<b>195,792,471</b>	<b>177,876,620</b>	<b>17,915,851</b>	<b>10.1%</b>
<b>Operating Loss</b>	<b>(57,018,338)</b>	<b>(58,619,298)</b>	<b>1,600,960</b>	<b>2.7%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	53,585,308	53,309,470	275,838	0.5%
Gift Contributions for Operations	5,315,905	6,741,214	(1,425,309)	-21.1%
Net Investment Income	7,481,664	8,192,938	(711,274)	-8.7%
Interest Expense on Capital Asset Financings	(4,381,454)	(3,784,027)	(597,427)	-15.8%
<b>Net Other Nonoperating Adjustments</b>	<b>62,001,423</b>	<b>64,459,595</b>	<b>(2,458,172)</b>	<b>-3.8%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>4,983,085</b>	<b>5,840,297</b>	<b>(857,212)</b>	<b>-14.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>2.4%</b>	<b>3.1%</b>		
Investment Gains (Losses)	(30,353,257)	2,048,945	(32,402,202)	-1,581.4%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (25,370,172)</b>	<b>\$ 7,889,242</b>	<b>\$ (33,259,414)</b>	<b>-421.6%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-14.5%</b>	<b>4.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>17,754,827</b>	<b>17,817,036</b>	<b>(62,209)</b>	<b>-0.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>8.7%</b>	<b>9.5%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas at El Paso  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date <u>FY 2009</u>	March Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 62,158,999	\$ 55,448,211	\$ 6,710,788	12.1%
Sponsored Programs	63,980,835	59,111,229	4,869,606	8.2%
Net Sales and Services of Educational Activities	2,612,568	2,403,483	209,085	8.7%
Net Auxiliary Enterprises	14,586,461	12,711,224	1,875,237	14.8%
Other Operating Revenues	40,059	310,662	(270,603)	-87.1%
<b>Total Operating Revenues</b>	<b>143,378,922</b>	<b>129,984,809</b>	<b>13,394,113</b>	<b>10.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	83,471,189	76,879,238	6,591,951	8.6%
Employee Benefits and Related Costs	19,635,397	18,747,048	888,349	4.7%
Professional Fees and Contracted Services	521,816	509,122	12,694	2.5%
Other Contracted Services	9,796,805	9,169,275	627,530	6.8%
Scholarships and Fellowships	50,654,904	46,260,367	4,394,537	9.5%
Travel	3,475,085	3,556,092	(81,007)	-2.3%
Materials and Supplies	12,356,643	12,115,055	241,588	2.0%
Utilities	4,528,479	4,410,817	117,662	2.7%
Telecommunications	443,133	455,198	(12,065)	-2.7%
Repairs and Maintenance	2,455,631	2,468,280	(12,649)	-0.5%
Rentals and Leases	2,359,518	1,921,406	438,112	22.8%
Printing and Reproduction	664,381	533,959	130,422	24.4%
Federal Sponsored Programs Pass-Thrus	349,615	112,093	237,522	211.9%
Depreciation and Amortization	9,343,593	8,835,188	508,405	5.8%
Other Operating Expenses	3,513,108	3,106,006	407,102	13.1%
<b>Total Operating Expenses</b>	<b>203,569,297</b>	<b>189,079,144</b>	<b>14,490,153</b>	<b>7.7%</b>
<b>Operating Loss</b>	<b>(60,190,375)</b>	<b>(59,094,335)</b>	<b>(1,096,040)</b>	<b>-1.9%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	55,115,914	54,537,602	578,312	1.1%
Gift Contributions for Operations	5,171,995	3,380,710	1,791,285	53.0%
Net Investment Income	5,542,755	5,750,800	(208,045)	-3.6%
Interest Expense on Capital Asset Financings	(2,129,897)	(2,377,170)	247,273	10.4%
<b>Net Other Nonoperating Adjustments</b>	<b>63,700,767</b>	<b>61,291,942</b>	<b>2,408,825</b>	<b>3.9%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,510,392</b>	<b>2,197,607</b>	<b>1,312,785</b>	<b>59.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>1.7%</b>	<b>1.1%</b>		
Investment Gains (Losses)	(16,697,392)	1,150,343	(17,847,735)	-1,551.5%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (13,187,000)</b>	<b>\$ 3,347,950</b>	<b>\$ (16,534,950)</b>	<b>-493.9%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-6.8%</b>	<b>1.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>12,853,985</b>	<b>11,032,795</b>	<b>1,821,190</b>	<b>16.5%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>6.1%</b>	<b>5.7%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas - Pan American  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date FY 2009	March Year-to-Date FY 2008	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 51,708,006	\$ 45,987,410	\$ 5,720,596	12.4%
Sponsored Programs	69,571,901	62,362,691	7,209,210	11.6%
Net Sales and Services of Educational Activities	2,780,255	3,407,543	(627,288)	-18.4%
Net Auxiliary Enterprises	3,418,868	3,325,712	93,156	2.8%
Other Operating Revenues	1,514,377	717,906	796,471	110.9%
<b>Total Operating Revenues</b>	<b>128,993,407</b>	<b>115,801,262</b>	<b>13,192,145</b>	<b>11.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	60,998,139	56,614,521	4,383,618	7.7%
Employee Benefits and Related Costs	15,287,399	13,099,772	2,187,627	16.7%
Professional Fees and Contracted Services	912,319	1,317,053	(404,734)	-30.7%
Other Contracted Services	3,668,914	3,824,796	(155,882)	-4.1%
Scholarships and Fellowships	68,285,725	57,665,431	10,620,294	18.4%
Travel	2,273,872	2,315,006	(41,134)	-1.8%
Materials and Supplies	6,808,096	6,872,465	(64,369)	-0.9%
Utilities	4,424,759	3,827,935	596,824	15.6%
Telecommunications	658,226	439,712	218,514	49.7%
Repairs and Maintenance	1,426,108	1,142,779	283,329	24.8%
Rentals and Leases	511,658	434,344	77,314	17.8%
Printing and Reproduction	184,495	142,975	41,520	29.0%
Bad Debt Expense	189,000	7,000	182,000	2,600.0%
Federal Sponsored Programs Pass-Thrus	45,601	60,838	(15,237)	-25.0%
Depreciation and Amortization	7,223,304	8,835,663	(1,612,359)	-18.2%
Other Operating Expenses	2,226,162	2,437,506	(211,344)	-8.7%
<b>Total Operating Expenses</b>	<b>175,123,777</b>	<b>159,037,796</b>	<b>16,085,981</b>	<b>10.1%</b>
<b>Operating Loss</b>	<b>(46,130,370)</b>	<b>(43,236,534)</b>	<b>(2,893,836)</b>	<b>-6.7%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	44,076,431	44,781,895	(705,464)	-1.6%
Gift Contributions for Operations	973,656	960,434	13,222	1.4%
Net Investment Income	1,511,819	2,059,381	(547,562)	-26.6%
Interest Expense on Capital Asset Financings	(2,468,893)	(2,901,127)	432,234	14.9%
<b>Net Other Nonoperating Adjustments</b>	<b>44,093,013</b>	<b>44,900,583</b>	<b>(807,570)</b>	<b>-1.8%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(2,037,357)</b>	<b>1,664,049</b>	<b>(3,701,406)</b>	<b>-222.4%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-1.2%</b>	<b>1.0%</b>		
Investment Gains (Losses)	(9,402,424)	555,275	(9,957,699)	-1,793.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (11,439,781)</b>	<b>\$ 2,219,324</b>	<b>\$ (13,659,105)</b>	<b>-615.5%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-6.9%</b>	<b>1.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>5,185,947</b>	<b>10,499,712</b>	<b>(5,313,765)</b>	<b>-50.6%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>3.0%</b>	<b>6.4%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
**UNAUDITED**

**The University of Texas of the Permian Basin  
 Comparison of Operating Results and Margin  
 For the Seven Months Ending March 31, 2009**

	March Year-to-Date <u>FY 2009</u>	March Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 9,275,783	\$ 8,580,543	\$ 695,240	8.1%
Sponsored Programs	5,368,335	4,362,085	1,006,250	23.1%
Net Sales and Services of Educational Activities	179,765	190,710	(10,945)	-5.7%
Net Auxiliary Enterprises	2,328,607	2,064,265	264,342	12.8%
Other Operating Revenues	80,326	296,741	(216,415)	-72.9%
<b>Total Operating Revenues</b>	<b><u>17,232,816</u></b>	<b><u>15,494,344</u></b>	<b><u>1,738,472</u></b>	<b><u>11.2%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	11,271,776	10,185,639	1,086,137	10.7%
Employee Benefits and Related Costs	2,550,519	2,417,550	132,969	5.5%
Professional Fees and Contracted Services	552,693	1,602,007	(1,049,314)	-65.5%
Other Contracted Services	928,647	958,165	(29,518)	-3.1%
Scholarships and Fellowships	4,731,661	4,700,323	31,338	0.7%
Travel	487,602	555,727	(68,125)	-12.3%
Materials and Supplies	1,660,084	1,610,632	49,452	3.1%
Utilities	1,337,844	1,352,566	(14,722)	-1.1%
Telecommunications	280,630	229,783	50,847	22.1%
Repairs and Maintenance	755,032	434,539	320,493	73.8%
Rentals and Leases	317,376	243,550	73,826	30.3%
Printing and Reproduction	77,454	105,958	(28,504)	-26.9%
Depreciation and Amortization	2,315,993	2,129,756	186,237	8.7%
Other Operating Expenses	474,109	494,721	(20,612)	-4.2%
<b>Total Operating Expenses</b>	<b><u>27,741,420</u></b>	<b><u>27,020,916</u></b>	<b><u>720,504</u></b>	<b><u>2.7%</u></b>
<b>Operating Loss</b>	<b><u>(10,508,604)</u></b>	<b><u>(11,526,572)</u></b>	<b><u>1,017,968</u></b>	<b><u>8.8%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	18,501,216	18,436,802	64,414	0.3%
Gift Contributions for Operations	781,950	815,739	(33,789)	-4.1%
Net Investment Income	965,406	658,115	307,291	46.7%
Interest Expense on Capital Asset Financings	(939,253)	(548,481)	(390,772)	-71.2%
<b>Net Other Nonoperating Adjustments</b>	<b><u>19,309,319</u></b>	<b><u>19,362,175</u></b>	<b><u>(52,856)</u></b>	<b><u>-0.3%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>8,800,715</b>	<b>7,835,603</b>	<b>965,112</b>	<b>12.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>23.5%</b>	<b>22.1%</b>		
Investment Gains (Losses)	(3,173,013)	186,408	(3,359,421)	-1,802.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 5,627,702</b>	<b>\$ 8,022,011</b>	<b>\$ (2,394,309)</b>	<b>-29.8%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>16.4%</b>	<b>22.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>11,116,708</b>	<b>9,965,359</b>	<b>1,151,349</b>	<b>11.6%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>29.7%</b>	<b>28.1%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas at San Antonio  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date <u>FY 2009</u>	March Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 114,185,401	\$ 107,817,942	\$ 6,367,459	5.9%
Sponsored Programs	56,171,199	46,876,355	9,294,844	19.8%
Net Sales and Services of Educational Activities	2,908,204	3,285,901	(377,697)	-11.5%
Net Auxiliary Enterprises	12,275,747	9,724,872	2,550,875	26.2%
Other Operating Revenues	857,182	1,098,954	(241,772)	-22.0%
<b>Total Operating Revenues</b>	<b><u>186,397,733</u></b>	<b><u>168,804,024</u></b>	<b><u>17,593,709</u></b>	<b><u>10.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	109,563,959	98,194,982	11,368,977	11.6%
Employee Benefits and Related Costs	26,246,144	24,287,305	1,958,839	8.1%
Professional Fees and Contracted Services	2,558,367	1,850,024	708,343	38.3%
Other Contracted Services	6,512,243	4,033,607	2,478,636	61.4%
Scholarships and Fellowships	41,326,563	37,384,073	3,942,490	10.5%
Travel	3,622,155	3,324,372	297,783	9.0%
Materials and Supplies	17,679,495	10,835,547	6,843,948	63.2%
Utilities	6,919,128	6,370,000	549,128	8.6%
Telecommunications	2,031,634	1,845,599	186,035	10.1%
Repairs and Maintenance	5,467,014	3,839,086	1,627,928	42.4%
Rentals and Leases	1,494,874	1,416,335	78,539	5.5%
Printing and Reproduction	664,685	529,064	135,621	25.6%
Federal Sponsored Programs Pass-Thrus	2,040,912	1,902,577	138,335	7.3%
Depreciation and Amortization	18,049,265	15,351,766	2,697,499	17.6%
Other Operating Expenses	6,717,718	3,960,720	2,756,998	69.6%
<b>Total Operating Expenses</b>	<b><u>250,894,156</u></b>	<b><u>215,125,057</u></b>	<b><u>35,769,099</u></b>	<b><u>16.6%</u></b>
<b>Operating Loss</b>	<b><u>(64,496,423)</u></b>	<b><u>(46,321,033)</u></b>	<b><u>(18,175,390)</u></b>	<b><u>-39.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	67,801,119	67,380,350	420,769	0.6%
Gift Contributions for Operations	3,422,313	4,438,811	(1,016,498)	-22.9%
Net Investment Income	4,019,985	4,988,725	(968,740)	-19.4%
Interest Expense on Capital Asset Financings	(8,431,710)	(5,456,575)	(2,975,135)	-54.5%
<b>Net Other Nonoperating Adjustments</b>	<b><u>66,811,707</u></b>	<b><u>71,351,311</u></b>	<b><u>(4,539,604)</u></b>	<b><u>-6.4%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>2,315,284</b>	<b>25,030,278</b>	<b>(22,714,994)</b>	<b>-90.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.9%</b>	<b>10.2%</b>		
Investment Gains (Losses)	(49,753,949)	2,600,239	(52,354,188)	-2,013.4%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (47,438,665)</b>	<b>\$ 27,630,517</b>	<b>\$ (75,069,182)</b>	<b>-271.7%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-22.4%</b>	<b>11.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>20,364,549</b>	<b>40,382,044</b>	<b>(20,017,495)</b>	<b>-49.6%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>7.8%</b>	<b>16.4%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

The University of Texas at Tyler  
Comparison of Operating Results and Margin  
For the Seven Months Ending March 31, 2009

	March Year-to-Date <u>FY 2009</u>	March Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 19,085,843	\$ 17,777,347	\$ 1,308,496	7.4%
Sponsored Programs	11,793,489	7,967,362	3,826,127	48.0%
Net Sales and Services of Educational Activities	875,894	642,759	233,135	36.3%
Net Auxiliary Enterprises	2,518,291	2,741,721	(223,430)	-8.1%
Other Operating Revenues	98,239	59,988	38,251	63.8%
<b>Total Operating Revenues</b>	<b><u>34,371,756</u></b>	<b><u>29,189,177</u></b>	<b><u>5,182,579</u></b>	<b><u>17.8%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	21,555,075	19,349,438	2,205,637	11.4%
Employee Benefits and Related Costs	5,349,746	4,957,352	392,394	7.9%
Professional Fees and Contracted Services	596,422	897,256	(300,834)	-33.5%
Other Contracted Services	2,624,378	2,008,521	615,857	30.7%
Scholarships and Fellowships	9,561,850	8,405,210	1,156,640	13.8%
Travel	888,918	859,346	29,572	3.4%
Materials and Supplies	2,869,006	4,114,794	(1,245,788)	-30.3%
Utilities	1,183,980	1,136,310	47,670	4.2%
Telecommunications	338,734	349,299	(10,565)	-3.0%
Repairs and Maintenance	767,082	939,353	(172,271)	-18.3%
Rentals and Leases	182,425	205,783	(23,358)	-11.4%
Printing and Reproduction	400,204	358,892	41,312	11.5%
Bad Debt Expense	2,326	-	2,326	100.0%
Federal Sponsored Programs Pass-Thrus	271,339	-	271,339	100.0%
Depreciation and Amortization	4,720,657	4,517,754	202,903	4.5%
Other Operating Expenses	973,742	815,603	158,139	19.4%
<b>Total Operating Expenses</b>	<b><u>52,285,884</u></b>	<b><u>48,914,911</u></b>	<b><u>3,370,973</u></b>	<b><u>6.9%</u></b>
<b>Operating Loss</b>	<b><u>(17,914,128)</u></b>	<b><u>(19,725,734)</u></b>	<b><u>1,811,606</u></b>	<b><u>9.2%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	20,601,683	21,399,598	(797,915)	-3.7%
Gift Contributions for Operations	456,912	443,722	13,190	3.0%
Net Investment Income	2,291,823	2,545,147	(253,324)	-10.0%
Interest Expense on Capital Asset Financings	(1,473,409)	(1,007,272)	(466,137)	-46.3%
<b>Net Other Nonoperating Adjustments</b>	<b><u>21,877,009</u></b>	<b><u>23,381,195</u></b>	<b><u>(1,504,186)</u></b>	<b><u>-6.4%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,962,881</b>	<b>3,655,461</b>	<b>307,420</b>	<b>8.4%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>6.9%</b>	<b>6.8%</b>		
Investment Gains (Losses)	(8,011,350)	400,732	(8,412,082)	-2,099.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (4,048,469)</b>	<b>\$ 4,056,193</b>	<b>\$ (8,104,662)</b>	<b>-199.8%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-8.1%</b>	<b>7.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>8,683,538</b>	<b>8,173,215</b>	<b>510,323</b>	<b>6.2%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>15.0%</b>	<b>15.3%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
**UNAUDITED**

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

	March Year-to-Date <u>FY 2009</u>	March Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 12,951,814	\$ 12,163,071	\$ 788,743	6.5%
Sponsored Programs	242,792,910	218,065,988	24,726,922	11.3%
Net Sales and Services of Educational Activities	4,463,659	3,908,680	554,979	14.2%
Net Sales and Services of Hospitals	228,705,866	191,561,707	37,144,159	19.4%
Net Professional Fees	212,159,872	207,201,391	4,958,481	2.4%
Net Auxiliary Enterprises	10,173,802	11,098,772	(924,970)	-8.3%
Other Operating Revenues	3,847,108	3,964,564	(117,456)	-3.0%
<b>Total Operating Revenues</b>	<b><u>715,095,031</u></b>	<b><u>647,964,173</u></b>	<b><u>67,130,858</u></b>	<b><u>10.4%</u></b>
<b>Operating Expenses</b>				
Salaries and Wages	437,809,295	397,317,286	40,492,009	10.2%
Employee Benefits and Related Costs	117,469,113	106,966,718	10,502,395	9.8%
Professional Fees and Contracted Services	12,830,436	11,608,634	1,221,802	10.5%
Other Contracted Services	47,620,903	44,860,071	2,760,832	6.2%
Scholarships and Fellowships	5,773,256	5,291,403	481,853	9.1%
Travel	5,379,788	5,083,536	296,252	5.8%
Materials and Supplies	113,655,897	106,157,372	7,498,525	7.1%
Utilities	20,240,114	17,524,292	2,715,822	15.5%
Telecommunications	4,087,957	4,241,443	(153,486)	-3.6%
Repairs and Maintenance	8,681,457	7,165,567	1,515,890	21.2%
Rentals and Leases	4,290,071	5,805,336	(1,515,265)	-26.1%
Printing and Reproduction	1,882,831	1,648,105	234,726	14.2%
Federal Sponsored Programs Pass-Thrus	357,652	311,275	46,377	14.9%
Depreciation and Amortization	43,031,620	39,977,243	3,054,377	7.6%
Other Operating Expenses	34,788,594	28,970,398	5,818,196	20.1%
<b>Total Operating Expenses</b>	<b><u>857,898,984</u></b>	<b><u>782,928,679</u></b>	<b><u>74,970,305</u></b>	<b><u>9.6%</u></b>
<b>Operating Loss</b>	<b><u>(142,803,953)</u></b>	<b><u>(134,964,506)</u></b>	<b><u>(7,839,447)</u></b>	<b><u>-5.8%</u></b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	102,730,249	105,108,741	(2,378,492)	-2.3%
Gift Contributions for Operations	13,808,978	54,465,821	(40,656,843)	-74.6%
Net Investment Income	39,071,372	36,559,584	2,511,788	6.9%
Interest Expense on Capital Asset Financings	(11,793,180)	(11,458,208)	(334,972)	-2.9%
<b>Net Other Nonoperating Adjustments</b>	<b><u>143,817,419</u></b>	<b><u>184,675,938</u></b>	<b><u>(40,858,519)</u></b>	<b><u>-22.1%</u></b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>1,013,466</b>	<b>49,711,432</b>	<b>(48,697,966)</b>	<b>-98.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.1%</b>	<b>5.9%</b>		
Investment Gains (Losses)	(159,793,078)	6,964,744	(166,757,822)	-2,394.3%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (158,779,612)</b>	<b>\$ 56,676,176</b>	<b>\$ (215,455,788)</b>	<b>-380.2%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-22.3%</b>	<b>6.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>44,045,086</b>	<b>89,688,675</b>	<b>(45,643,589)</b>	<b>-50.9%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>5.1%</b>	<b>10.6%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

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

	March Year-to-Date FY 2009	March Year-to-Date FY 2008	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 11,092,361	\$ 10,093,513	\$ 998,848	9.9%
Sponsored Programs	218,873,349	152,001,717	66,871,632	44.0%
Net Sales and Services of Educational Activities	780,620	971,833	(191,213)	-19.7%
Net Sales and Services of Hospitals	299,346,729	410,000,579	(110,653,850)	-27.0%
Net Professional Fees	57,378,330	75,161,462	(17,783,132)	-23.7%
Net Auxiliary Enterprises	2,621,445	5,948,982	(3,327,537)	-55.9%
Other Operating Revenues	6,366,719	6,789,099	(422,380)	-6.2%
<b>Total Operating Revenues</b>	<b>596,459,553</b>	<b>660,967,185</b>	<b>(64,507,632)</b>	<b>-9.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	454,322,229	465,939,546	(11,617,317)	-2.5%
Employee Benefits and Related Costs	109,178,942	111,028,462	(1,849,520)	-1.7%
Professional Fees and Contracted Services	90,452,329	13,971,779	76,480,550	547.4%
Other Contracted Services	66,892,359	36,561,582	30,330,777	83.0%
Scholarships and Fellowships	3,698,556	4,629,429	(930,873)	-20.1%
Travel	3,038,594	4,516,016	(1,477,422)	-32.7%
Materials and Supplies	78,434,341	109,475,411	(31,041,070)	-28.4%
Utilities	15,989,680	18,358,529	(2,368,849)	-12.9%
Telecommunications	9,488,925	8,470,466	1,018,459	12.0%
Repairs and Maintenance	21,549,730	19,560,267	1,989,463	10.2%
Rentals and Leases	11,051,910	10,560,234	491,676	4.7%
Printing and Reproduction	807,823	1,369,242	(561,419)	-41.0%
Federal Sponsored Programs Pass-Thrus	1,551,403	5,432,381	(3,880,978)	-71.4%
Depreciation and Amortization	44,365,935	38,163,576	6,202,359	16.3%
Other Operating Expenses	24,695,191	36,617,786	(11,922,595)	-32.6%
<b>Total Operating Expenses</b>	<b>935,517,947</b>	<b>884,654,706</b>	<b>50,863,241</b>	<b>5.7%</b>
<b>Operating Loss</b>	<b>(339,058,394)</b>	<b>(223,687,521)</b>	<b>(115,370,873)</b>	<b>-51.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	180,668,382	179,016,105	1,652,277	0.9%
Gift Contributions for Operations	8,700,827	5,712,211	2,988,616	52.3%
Net Investment Income	18,656,828	20,707,917	(2,051,089)	-9.9%
Interest Expense on Capital Asset Financings	(3,639,884)	(3,121,431)	(518,453)	-16.6%
<b>Net Other Nonoperating Adjustments</b>	<b>204,386,153</b>	<b>202,314,802</b>	<b>2,071,351</b>	<b>1.0%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(134,672,241)</b>	<b>(21,372,719)</b>	<b>(113,299,522)</b>	<b>-530.1%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-16.7%</b>	<b>-2.5%</b>		
Investment Gains (Losses)	(43,905,407)	1,427,445	(45,332,852)	-3,175.8%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (178,577,648)</b>	<b>\$ (19,945,274)</b>	<b>\$ (158,632,374)</b>	<b>-795.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-23.5%</b>	<b>-2.3%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>(90,306,306)</b>	<b>16,790,857</b>	<b>(107,097,163)</b>	<b>-637.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>-11.2%</b>	<b>1.9%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

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

	March Year-to-Date FY 2009	March Year-to-Date FY 2008	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 17,287,039	\$ 15,547,096	\$ 1,739,943	11.2%
Sponsored Programs	192,857,096	170,504,762	22,352,334	13.1%
Net Sales and Services of Educational Activities	20,256,007	19,767,270	488,737	2.5%
Net Sales and Services of Hospitals	20,639,495	21,989,253	(1,349,758)	-6.1%
Net Professional Fees	71,032,097	67,858,013	3,174,084	4.7%
Net Auxiliary Enterprises	13,061,673	12,612,044	449,629	3.6%
Other Operating Revenues	26,607,080	22,039,803	4,567,277	20.7%
<b>Total Operating Revenues</b>	<b>361,740,487</b>	<b>330,318,241</b>	<b>31,422,246</b>	<b>9.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	223,588,069	203,553,743	20,034,326	9.8%
Employee Benefits and Related Costs	51,215,988	47,468,350	3,747,638	7.9%
Professional Fees and Contracted Services	49,586,040	40,249,198	9,336,842	23.2%
Other Contracted Services	20,098,053	20,039,384	58,669	0.3%
Scholarships and Fellowships	2,742,916	2,932,885	(189,969)	-6.5%
Travel	3,784,490	3,451,860	332,630	9.6%
Materials and Supplies	31,378,031	32,923,472	(1,545,441)	-4.7%
Utilities	10,461,199	9,817,022	644,177	6.6%
Telecommunications	1,732,201	1,600,301	131,900	8.2%
Repairs and Maintenance	4,868,740	2,853,469	2,015,271	70.6%
Rentals and Leases	7,409,480	7,366,503	42,977	0.6%
Printing and Reproduction	2,297,773	2,058,515	239,258	11.6%
Federal Sponsored Programs Pass-Thrus	3,769,008	4,361,443	(592,435)	-13.6%
Depreciation and Amortization	22,584,666	22,045,568	539,098	2.4%
Other Operating Expenses	35,410,553	30,510,407	4,900,146	16.1%
<b>Total Operating Expenses</b>	<b>470,928,730</b>	<b>431,232,120</b>	<b>39,696,610</b>	<b>9.2%</b>
<b>Operating Loss</b>	<b>(109,188,243)</b>	<b>(100,913,879)</b>	<b>(8,274,364)</b>	<b>-8.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	97,823,671	97,222,610	601,061	0.6%
Gift Contributions for Operations	9,042,106	10,971,865	(1,929,759)	-17.6%
Net Investment Income	9,462,008	11,326,404	(1,864,396)	-16.5%
Interest Expense on Capital Asset Financings	(4,755,247)	(4,777,335)	22,088	0.5%
<b>Net Other Nonoperating Adjustments</b>	<b>111,572,538</b>	<b>114,743,544</b>	<b>(3,171,006)</b>	<b>-2.8%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>2,384,295</b>	<b>13,829,665</b>	<b>(11,445,370)</b>	<b>-82.8%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>0.5%</b>	<b>3.1%</b>		
Investment Gains (Losses)	(68,084,341)	2,142,244	(70,226,585)	-3,278.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (65,700,046)</b>	<b>\$ 15,971,909</b>	<b>\$ (81,671,955)</b>	<b>-511.3%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-16.0%</b>	<b>3.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>24,968,961</b>	<b>35,875,233</b>	<b>(10,906,272)</b>	<b>-30.4%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>5.2%</b>	<b>8.0%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

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

	March Year-to-Date FY 2009	March Year-to-Date FY 2008	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 14,832,781	\$ 14,583,333	\$ 249,448	1.7%
Sponsored Programs	140,850,122	124,783,732	16,066,390	12.9%
Net Sales and Services of Educational Activities	32,324,204	23,233,386	9,090,818	39.1%
Net Professional Fees	63,770,207	48,667,035	15,103,172	31.0%
Net Auxiliary Enterprises	2,396,719	2,366,413	30,306	1.3%
Other Operating Revenues	8,359,771	7,656,676	703,095	9.2%
<b>Total Operating Revenues</b>	<b>262,533,804</b>	<b>221,290,575</b>	<b>41,243,229</b>	<b>18.6%</b>
<b>Operating Expenses</b>				
Salaries and Wages	201,007,919	183,562,108	17,445,811	9.5%
Employee Benefits and Related Costs	48,899,227	45,094,860	3,804,367	8.4%
Professional Fees and Contracted Services	10,462,605	6,727,073	3,735,532	55.5%
Other Contracted Services	13,433,436	13,685,875	(252,439)	-1.8%
Scholarships and Fellowships	2,460,662	1,905,666	554,996	29.1%
Travel	3,072,469	2,663,082	409,387	15.4%
Materials and Supplies	22,802,550	19,376,252	3,426,298	17.7%
Utilities	8,808,333	8,020,833	787,500	9.8%
Telecommunications	5,755,279	4,009,800	1,745,479	43.5%
Repairs and Maintenance	2,031,302	2,196,937	(165,635)	-7.5%
Rentals and Leases	2,679,433	1,568,467	1,110,966	70.8%
Printing and Reproduction	1,074,253	1,042,937	31,316	3.0%
Federal Sponsored Programs Pass-Thrus	816,667	350,000	466,667	133.3%
Depreciation and Amortization	18,375,000	15,301,621	3,073,379	20.1%
Other Operating Expenses	49,780,960	40,496,713	9,284,247	22.9%
<b>Total Operating Expenses</b>	<b>391,460,095</b>	<b>346,002,224</b>	<b>45,457,871</b>	<b>13.1%</b>
<b>Operating Loss</b>	<b>(128,926,291)</b>	<b>(124,711,649)</b>	<b>(4,214,642)</b>	<b>-3.4%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	100,150,594	99,230,065	920,529	0.9%
Gift Contributions for Operations	11,747,737	13,440,808	(1,693,071)	-12.6%
Net Investment Income	13,695,821	16,350,701	(2,654,880)	-16.2%
Interest Expense on Capital Asset Financings	(4,205,355)	(2,328,065)	(1,877,290)	-80.6%
<b>Net Other Nonoperating Adjustments</b>	<b>121,388,797</b>	<b>126,693,509</b>	<b>(5,304,712)</b>	<b>-4.2%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>(7,537,494)</b>	<b>1,981,860</b>	<b>(9,519,354)</b>	<b>-480.3%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>-1.9%</b>	<b>0.6%</b>		
Investment Gains (Losses)	(46,284,661)	4,218,320	(50,502,981)	-1,197.2%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (53,822,155)</b>	<b>\$ 6,200,180</b>	<b>\$ (60,022,335)</b>	<b>-968.1%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-15.7%</b>	<b>1.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>10,837,506</b>	<b>17,283,481</b>	<b>(6,445,975)</b>	<b>-37.3%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>2.8%</b>	<b>4.9%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

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

	March Year-to-Date <u>FY 2009</u>	March Year-to-Date <u>FY 2008</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
<b>Operating Revenues</b>				
Student Tuition and Fees	\$ 641,995	\$ 332,752	\$ 309,243	92.9%
Sponsored Programs	161,107,440	148,985,441	12,121,999	8.1%
Net Sales and Services of Educational Activities	1,164,933	1,646,039	(481,106)	-29.2%
Net Sales and Services of Hospitals	1,118,730,177	1,046,258,798	72,471,379	6.9%
Net Professional Fees	158,924,457	152,924,682	5,999,775	3.9%
Net Auxiliary Enterprises	17,029,932	15,816,451	1,213,481	7.7%
Other Operating Revenues	28,777,405	21,003,365	7,774,040	37.0%
<b>Total Operating Revenues</b>	<b>1,486,376,339</b>	<b>1,386,967,528</b>	<b>99,408,811</b>	<b>7.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	764,209,111	705,822,872	58,386,239	8.3%
Employee Benefits and Related Costs	202,737,655	188,641,986	14,095,669	7.5%
Professional Fees and Contracted Services	71,607,271	72,900,889	(1,293,618)	-1.8%
Other Contracted Services	39,267,121	39,803,192	(536,071)	-1.3%
Travel	11,847,666	11,703,420	144,246	1.2%
Materials and Supplies	276,421,219	255,414,961	21,006,258	8.2%
Utilities	31,477,432	29,362,881	2,114,551	7.2%
Telecommunications	5,466,466	4,546,296	920,170	20.2%
Repairs and Maintenance	38,329,039	30,219,160	8,109,879	26.8%
Rentals and Leases	22,535,356	21,144,490	1,390,866	6.6%
Federal Sponsored Programs Pass-Thrus	371,861	334,327	37,534	11.2%
Depreciation and Amortization	129,382,093	122,309,985	7,072,108	5.8%
Other Operating Expenses	2,061,099	1,753,183	307,916	17.6%
<b>Total Operating Expenses</b>	<b>1,595,713,389</b>	<b>1,483,957,642</b>	<b>111,755,747</b>	<b>7.5%</b>
<b>Operating Loss</b>	<b>(109,337,050)</b>	<b>(96,990,114)</b>	<b>(12,346,936)</b>	<b>-12.7%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	97,190,315	98,294,638	(1,104,323)	-1.1%
Gift Contributions for Operations	35,377,858	50,638,411	(15,260,553)	-30.1%
Net Investment Income	27,844,212	32,983,537	(5,139,325)	-15.6%
Interest Expense on Capital Asset Financings	(13,797,077)	(13,175,770)	(621,307)	-4.7%
<b>Net Other Nonoperating Adjustments</b>	<b>146,615,308</b>	<b>168,740,816</b>	<b>(22,125,508)</b>	<b>-13.1%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>37,278,258</b>	<b>71,750,702</b>	<b>(34,472,444)</b>	<b>-48.0%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>2.3%</b>	<b>4.6%</b>		
Investment Gains (Losses)	(196,431,910)	15,149,066	(211,580,976)	-1,396.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ (159,153,652)</b>	<b>\$ 86,899,768</b>	<b>\$ (246,053,420)</b>	<b>-283.1%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>-11.0%</b>	<b>5.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>166,660,351</b>	<b>194,060,687</b>	<b>(27,400,336)</b>	<b>-14.1%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>10.1%</b>	<b>12.4%</b>		

2. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)  
UNAUDITED

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

	March Year-to-Date FY 2009	March Year-to-Date FY 2008	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Sponsored Programs	\$ 7,934,463.00	\$ 7,630,721.00	\$ 303,742	4.0%
Net Sales and Services of Educational Activities	763,881	490,691	273,190	55.7%
Net Sales and Services of Hospitals	32,538,265	23,846,469	8,691,796	36.4%
Net Professional Fees	7,597,567	6,269,765	1,327,802	21.2%
Net Auxiliary Enterprises	135,160	93,244	41,916	45.0%
Other Operating Revenues	555,365	744,319	(188,954)	-25.4%
<b>Total Operating Revenues</b>	<b>49,524,701</b>	<b>39,075,209</b>	<b>10,449,492</b>	<b>26.7%</b>
<b>Operating Expenses</b>				
Salaries and Wages	30,290,498	30,937,912	(647,414)	-2.1%
Employee Benefits and Related Costs	8,690,116	8,520,595	169,521	2.0%
Professional Fees and Contracted Services	4,788,212	2,479,591	2,308,621	93.1%
Other Contracted Services	6,555,278	5,149,419	1,405,859	27.3%
Travel	245,116	235,188	9,928	4.2%
Materials and Supplies	10,146,114	7,453,898	2,692,216	36.1%
Utilities	1,775,882	1,854,354	(78,472)	-4.2%
Telecommunications	622,431	691,841	(69,410)	-10.0%
Repairs and Maintenance	2,358,502	1,881,081	477,421	25.4%
Rentals and Leases	673,243	562,562	110,681	19.7%
Printing and Reproduction	201,802	83,311	118,491	142.2%
Federal Sponsored Programs Pass-Thrus	206,876	49,687	157,189	316.4%
Depreciation and Amortization	4,458,634	3,988,227	470,407	11.8%
Other Operating Expenses	1,271,271	1,416,447	(145,176)	-10.2%
<b>Total Operating Expenses</b>	<b>72,283,975</b>	<b>65,304,113</b>	<b>6,979,862</b>	<b>10.7%</b>
<b>Operating Loss</b>	<b>(22,759,274)</b>	<b>(26,228,904)</b>	<b>3,469,630</b>	<b>13.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	23,913,775	22,906,570	1,007,205	4.4%
Gift Contributions for Operations	118,408	773,572	(655,164)	-84.7%
Net Investment Income	2,272,518	2,350,237	(77,719)	-3.3%
Interest Expense on Capital Asset Financings	(413,602)	(890,161)	476,559	53.5%
<b>Net Other Nonoperating Adjustments</b>	<b>25,891,099</b>	<b>25,140,218</b>	<b>750,881</b>	<b>3.0%</b>
<b>Adjusted Income (Loss) including Depreciation</b>	<b>3,131,825</b>	<b>(1,088,686)</b>	<b>4,220,511</b>	<b>387.7%</b>
<b>Adjusted Margin (as a percentage) including Depreciation</b>	<b>4.1%</b>	<b>-1.7%</b>		
Investment Gains (Losses)	(257,615)	304,191	(561,806)	-184.7%
<b>Adjusted Income (Loss) with Investment Gains (Losses)</b>	<b>\$ 2,874,210</b>	<b>\$ (784,495)</b>	<b>\$ 3,658,705</b>	<b>466.4%</b>
<b>Adjusted Margin % with Investment Gains (Losses)</b>	<b>3.8%</b>	<b>-1.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation</b>	<b>7,590,459</b>	<b>2,899,541</b>	<b>4,690,918</b>	<b>161.8%</b>
<b>Adjusted Margin (as a percentage) excluding Depreciation</b>	<b>10.0%</b>	<b>4.5%</b>		