THE UNIVERSITY OF TEXAS SYSTEM

KEY FINANCIAL INDICATORS REPORT

1ST QUARTER FY 2011
### Actual Annual Amounts
(SOURCE: Annual Financial Reports)

### Adjustment to Actual Annual Amounts to exclude the Increase in Net OPEB Obligation
(SOURCE: Annual Financial Reports)

### Budget amounts
(SOURCE: Operating Budget Summary)

### Projected Amounts based on the average change of the previous three years of data

### Monthly Financial Report Year-to-Date Amounts

### Annual State Net Revenue Collections
(SOURCE: Texas Revenue History by Source and Texas Net Revenue by Source, State Comptroller's Office)

### Year-to-Date State Net Revenue Collections
(SOURCE: State Comptroller's Office)

### Estimated State Revenue Collections
(SOURCE: Biennial Revenue Estimate, State Comptroller's Office)

### Annual and Quarterly Average of FTEs
(SOURCE: State Auditor's Office Quarterly FTE Report)

### Year-to-Date Margin

### Projected Amounts based on Monthly Financial Report

### Year-to-Date Margin

### Target Normalized Rates

### Aaa Median
(SOURCE: Moody's)

### A2 Median
(SOURCE: Moody's)

### Good Facilities Condition Index (Below 5%)

### Fair Facilities Condition Index (5% - 10%)
KEY INDICATORS OF REVENUES
ACTUAL 2007 THROUGH 2010
PROJECTED 2011
YEAR-TO-DATE 2010 AND 2011 FROM NOVEMBER MONTHLY FINANCIAL REPORT

1,000 2,000 3,000 4,000 5,000
- 07 08 09 10 11
1,115.7 1,137.7 3,776.0 3,999.3 4,123.0 4,510.5 4,854.1

Clinical Revenues
In Millions

23% 25%

48.5% 49.0% 50.0% 50.0% 50.0% 50.0% 50.0%

State Appropriations and HEAF
In Millions

1,772.1 1,973.7 2,132.4 2,104.9 1,973.2

28% 30% 30% 30% 30% 30% 30%

State Net Revenues
In Millions

77,189 86,983 84,285 87,357 89,926

25% 25% 25% 25% 25% 25% 25%

State Appropriations and HEAF
In Millions

2,246.6 2,408.8 2,706.1 3,084.8 2,977.9

25% 25% 25% 25% 25% 25% 25%

Sponsored Programs
In Millions

1,210.1 1,291.0 1,404.7 1,564.4 1,587.7

21% 21% 21% 21% 21% 21% 21%

Tuition and Fees
In Millions

3,776.0 3,999.3 4,123.0 4,510.5 4,854.1

28% 28% 28% 28% 28% 28% 28%

State Net Revenues
In Millions

206 303 635.9 635.8 745.6 758.2 756.3

34% 34% 34% 34% 34% 34% 34%

Gift Contributions for Operations
In Millions

806.8 952.9 598.4 634.0 773.1

23% 23% 23% 23% 23% 23% 23%

Investment Income
(Excludes Realized and Unrealized Gains and Losses)
In Millions

257.4 303.0 806.8 952.9 598.4 634.0 773.1

0% 0% 0% 0% 0% 0% 0%

Auxiliary Enterprises and Sales and Services of Educational Activities
In Millions

635.8 635.9 745.6 758.2 756.3

25% 25% 25% 25% 25% 25% 25%

Auxiliary Enterprises and Sales and Services of Educational Activities
In Millions

284.5 368.8 289.6 299.2 279.9

22% 22% 22% 22% 22% 22% 22%

Gift Contributions for Operations
In Millions

17% 17% 17% 17% 17% 17% 17%

30% 30% 30% 30% 30% 30% 30%

Investment Income
(Excludes Realized and Unrealized Gains and Losses)
In Millions

806.8 952.9 598.4 634.0 773.1

23% 23% 23% 23% 23% 23% 23%

Gift Contributions for Operations
In Millions

284.5 368.8 289.6 299.2 279.9

22% 22% 22% 22% 22% 22% 22%

Gift Contributions for Operations
In Millions

104.7 188.0 104.7 188.0 104.7 188.0
KEY INDICATORS OF EXPENSES
ACTUAL 2007 THROUGH 2010
PROJECTED 2011
YEAR-TO-DATE 2010 AND 2011 FROM NOVEMBER MONTHLY FINANCIAL REPORT

**Salaries and Wages**

In Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>4,935.2</td>
<td>5,333.0</td>
<td>5,658.1</td>
<td>5,933.3</td>
<td>5,857.6</td>
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</tbody>
</table>

**Fringe Benefits Costs**

In Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fringe Benefits Costs</td>
<td>1,212.1</td>
<td>1,313.0</td>
<td>1,351.0</td>
<td>1,420.0</td>
<td>1,442.8</td>
</tr>
</tbody>
</table>

**Fringe as a Percentage of Salaries**

<table>
<thead>
<tr>
<th>Year</th>
<th>07</th>
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<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fringe as Percentage of Salaries</td>
<td>24%</td>
<td>24%</td>
<td>29%</td>
<td>31%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Materials and Supplies**

In Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials and Supplies</td>
<td>1,002.1</td>
<td>1,091.1</td>
<td>1,116.4</td>
<td>1,201.5</td>
<td>1,276.9</td>
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</table>

**Utilities**

In Millions

<table>
<thead>
<tr>
<th>Year</th>
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<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>237.0</td>
<td>284.5</td>
<td>267.7</td>
<td>256.5</td>
<td>263.4</td>
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</tbody>
</table>

**Interest Expense on Capital Asset Financing**

In Millions

<table>
<thead>
<tr>
<th>Year</th>
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<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Expense on Capital Asset Financing</td>
<td>158.8</td>
<td>161.7</td>
<td>158.9</td>
<td>207.5</td>
<td>279.7</td>
</tr>
</tbody>
</table>

**Depreciation and Amortization**

In Millions

<table>
<thead>
<tr>
<th>Year</th>
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<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and Amortization</td>
<td>636.9</td>
<td>679.8</td>
<td>740.8</td>
<td>785.4</td>
<td>811.5</td>
</tr>
</tbody>
</table>
KEY INDICATORS OF CAPITAL NEEDS AND CAPACITY
2006 THROUGH 2010

Expendable Financial Resources to Debt Ratio

Normalized Expendable Financial Resources to Debt Ratio

Actual Debt Service Coverage Ratio

Actual Debt Service to Operations Ratio

Facilities Renewal Backlog

Facilities Condition Index
KEY INDICATORS OF FINANCIAL HEALTH
2006 THROUGH 2010

Composite Financial Index (CFI)

2006 2007 2008 2009 2010

Assess institutional viability to survive
Reengineer the institution
Direct institutional resources to allow transformation
Focus resources to compete in future state
Allow experimentation with new initiatives
Deploy resources to achieve a robust mission

Scale for Charting CFI Performance

0 1 2 3 4 5 6 7 8 9 10

4.0 5.3 3.2 0.7 0.8 4.3 0.9
Operating Margin by Institution
(Excludes Realized and Unrealized Gains and Losses)

In Millions

Operating Margin as a Percentage of Year-end Revenue by Institution
(Excludes Realized and Unrealized Gains and Losses)

In Millions

February 2011