

# THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF THE CONTROLLER

## MONTHLY FINANCIAL REPORT *(unaudited)*

FEBRUARY 2019

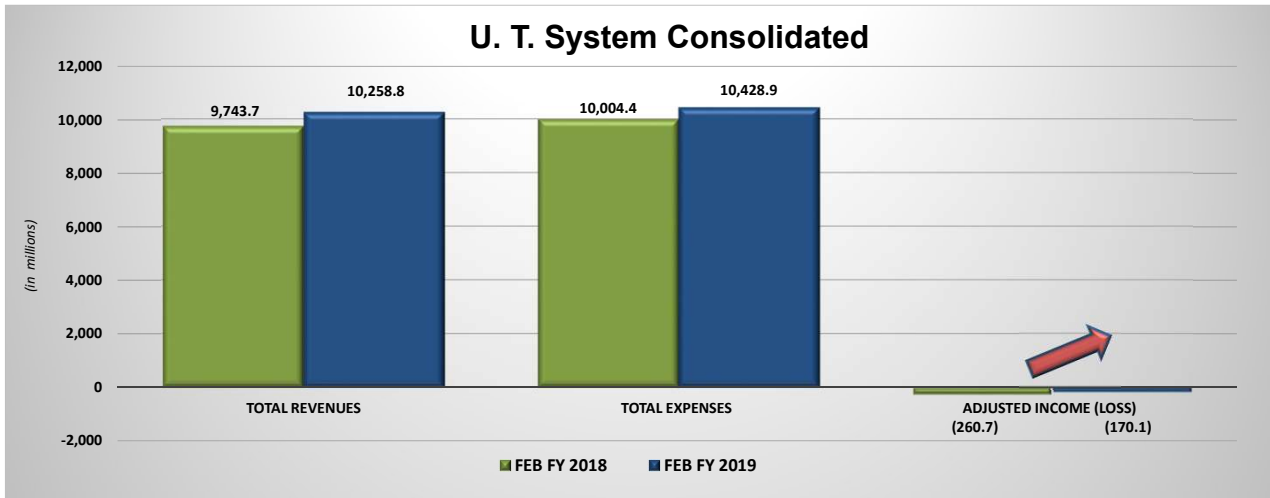


210 West Seventh Street  
Austin, Texas 78701  
512.499.4527  
[www.utsystem.edu/cont](http://www.utsystem.edu/cont)

## TABLE OF CONTENTS

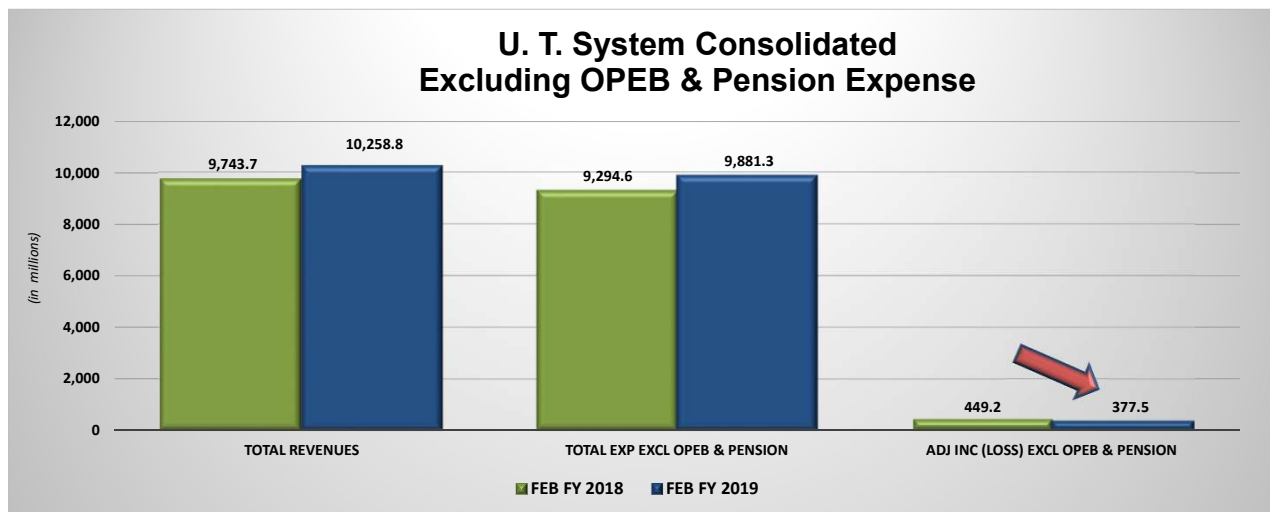
SYSTEMWIDE COMPARISONS OF ACTUAL .....	1
YEAR-TO-DATE INCOME (LOSS) SUMMARY BY INSTITUTION .....	2
U. T. SYSTEM ADMINISTRATION .....	3
U. T. SYSTEM ADMINISTRATION - DETAILED EXPENSE BREAK-OUT .....	4
U. T. ARLINGTON .....	5
U. T. AUSTIN .....	6
U. T. DALLAS .....	7
U. T. EL PASO .....	8
U. T. PERMIAN BASIN .....	9
U. T. RIO GRANDE VALLEY .....	10
U. T. SAN ANTONIO .....	11
U. T. TYLER .....	12
U. T. SOUTHWESTERN MEDICAL CENTER .....	13
U. T. MEDICAL BRANCH - GALVESTON .....	14
U. T. HEALTH SCIENCE CENTER - HOUSTON .....	15
U. T. HEALTH SCIENCE CENTER - SAN ANTONIO .....	16
U. T. M. D. ANDERSON CANCER CENTER .....	17
U. T. HEALTH SCIENCE CENTER - TYLER .....	18

**Monthly Financial Report**  
**Comparison of Operating Results, Margin and Projected Year-End**  
**For the Period Ending February 28, 2019**



*U. T. System Consolidated* shows a year-to-date adjusted loss of \$170.1 million, a decrease in adjusted loss of \$90.6 million (34.7%). The decrease was primarily due to a reduction in the accruals for other postemployment benefits (OPEB) expense and pension expense. Excluding OPEB and pension expense, *U. T. System Consolidated* would reflect year-to-date adjusted income of \$377.5 million.

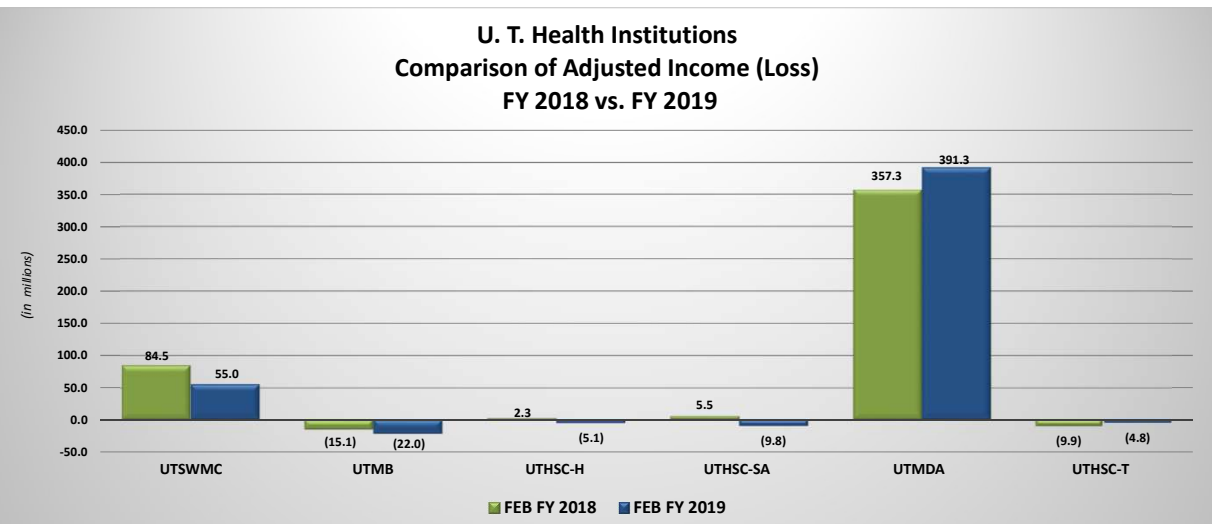
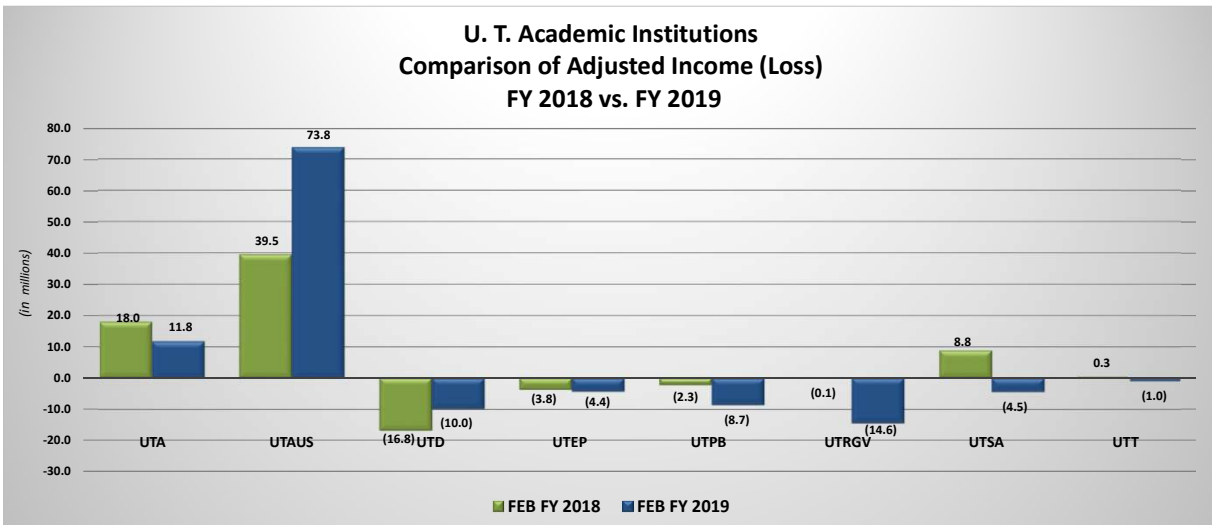
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 4,004.2	4,348.2	344.1	8,895.0
Sponsored Programs/Nonexchange Sponsored Programs	1,817.7	1,893.2	75.6	3,907.4
State Appropriations	1,151.5	1,162.6	11.0	2,297.1
Net Tuition and Fees	895.4	929.8	34.4	1,848.0
Auxiliary Revenues/Sales & Services of Educational Activities	694.9	694.3	(0.6)	1,154.3
Net Investment Income	673.3	741.8	68.4	1,451.2
Other Operating Revenues/Gift Contributions for Operations	506.7	488.9	(17.9)	893.2
<b>Total Revenues</b>	<b>9,743.7</b>	<b>10,258.8</b>	<b>515.0</b>	<b>20,446.3</b>
Salaries and Wages/Payroll Related Costs	5,527.8	5,863.8	336.0	11,399.0
Materials and Supplies	1,007.8	1,136.6	128.7	2,246.4
Depreciation and Amortization	725.1	745.5	20.4	1,494.1
Other Contracted Services/Professional Fees & Services	641.8	694.8	53.0	1,522.5
All Other Operating Expenses	1,392.1	1,440.7	48.6	2,694.6
<b>Total Expenses (Excluding OPEB &amp; Pension Exp)</b>	<b>\$ 9,294.6</b>	<b>9,881.3</b>	<b>586.7</b>	<b>19,356.6</b>
<b>Adjusted Income (Loss) Excluding OPEB &amp; Pension Exp</b>	<b>449.2</b>	<b>377.5</b>	<b>(71.7)</b>	<b>1,089.7</b>
OPEB Expense	526.0	421.6	(104.4)	843.2
Pension Expense	183.9	126.0	(57.9)	252.0
<b>Adjusted Income (Loss)</b>	<b>(260.7)</b>	<b>(170.1)</b>	<b>90.6</b>	<b>(5.5)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>464.4</b>	<b>575.4</b>	<b>111.0</b>	<b>1,488.5</b>



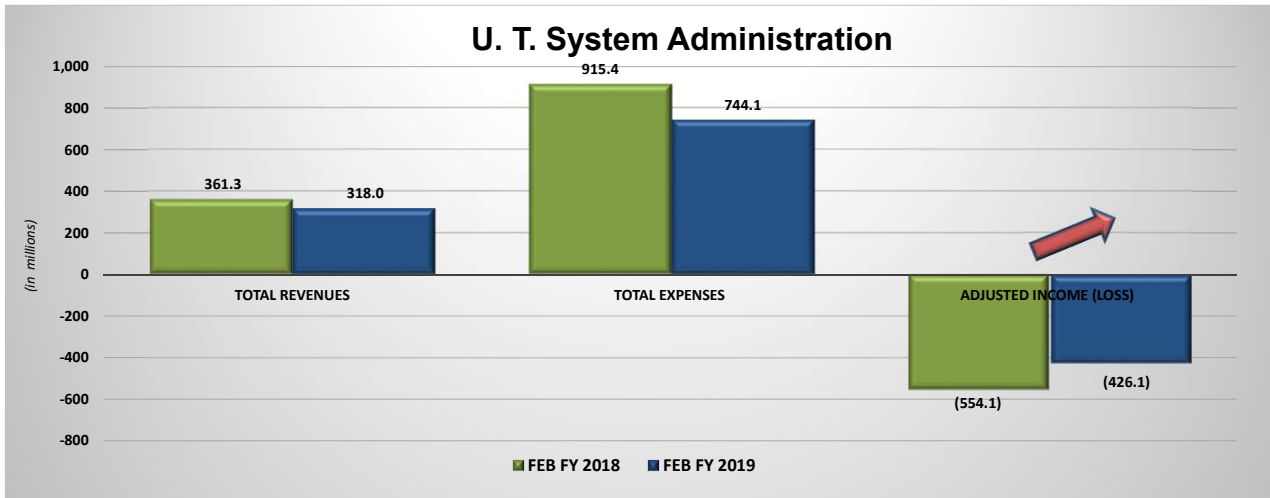
## Monthly Financial Report Comparison of Adjusted Income (Loss) For the Period Ending February 28, 2019

The following table presents a year-to-date comparative summary of each institution's adjusted income (loss).

Institution	February YTD FY 2018 (in millions)	February YTD FY 2019 (in millions)	Variance \$ (in millions)	Variance %
U. T. System Administration	\$ (554.1)	\$ (426.1)	\$ 128.0	23.1%
U. T. Arlington	18.0	11.8	(6.1)	-34.1%
U. T. Austin	39.5	73.8	34.3	86.8%
U. T. Dallas	(16.8)	(10.0)	6.8	40.6%
U. T. El Paso	(3.8)	(4.4)	(0.6)	-16.3%
U. T. Permian Basin	(2.3)	(8.7)	(6.4)	-282.3%
U. T. Rio Grande Valley	(0.1)	(14.6)	(14.5)	-23,013.3%
U. T. San Antonio	8.8	(4.5)	(13.3)	-150.9%
U. T. Tyler	0.3	(1.0)	(1.3)	-385.2%
U. T. Southwestern Medical Center	84.5	55.0	(29.5)	-34.9%
U. T. Medical Branch - Galveston	(15.1)	(22.0)	(6.8)	-45.1%
U. T. Health Science Center - Houston	2.3	(5.1)	(7.4)	-319.7%
U. T. Health Science Center - San Antonio	5.5	(9.8)	(15.3)	-277.2%
U. T. M. D. Anderson Cancer Center	357.3	391.3	33.9	9.5%
U. T. Health Science Center - Tyler	(9.9)	(4.8)	5.2	52.1%
Elimination of AUF Transfer	(175.0)	(191.3)	(16.3)	-9.3%
<b>Total Adjusted Income (Loss)</b>	<b>\$ (260.7)</b>	<b>\$ (170.1)</b>	<b>\$ 90.6</b>	<b>34.7%</b>

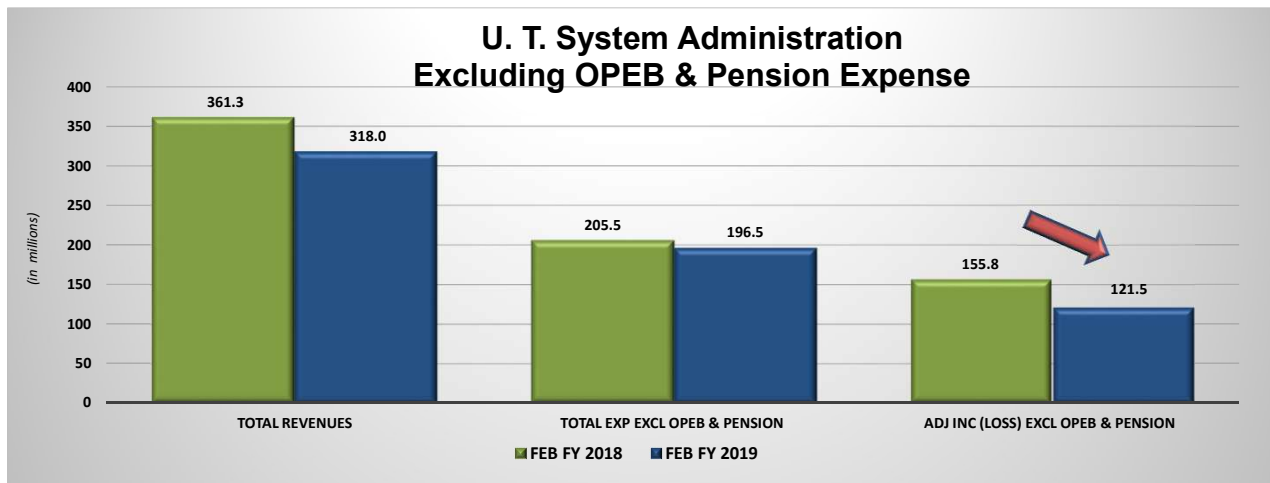


**Monthly Financial Report**  
**Comparison of Operating Results, Margin and Projected Year-End**  
**For the Period Ending February 28, 2019**



*U. T. System Administration* incurred a year-to-date adjusted loss of \$426.1 million, a decrease in adjusted loss of \$128.0 million (23.1%). The decrease was primarily due to a reduction in the accruals for other postemployment benefits (OPEB) expense and pension expense. The most current projection provided by *U. T. System Administration* reflects a loss of \$452.2 million for the year.

(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 34.8	25.3	(9.5)	50.7
State Appropriations	1.7	1.7	-	3.3
Auxiliary Revenues/Sales & Services of Educational Activities	24.6	4.1	(20.5)	8.3
Net Investment Income/Available University Fund (AUF)	278.7	273.4	(5.3)	546.8
Other Operating Revenues/Gift Contributions for Operations	21.5	13.5	(8.0)	26.3
<b>Total Revenues</b>	<b>361.3</b>	<b>318.0</b>	<b>(43.3)</b>	<b>635.4</b>
Salaries and Wages/Payroll Related Costs	46.0	38.6	(7.4)	(205.6)
Materials and Supplies	16.3	20.2	3.9	21.6
Depreciation and Amortization	12.3	13.4	1.2	26.9
Other Contracted Services/Professional Fees & Services	30.2	14.0	(16.2)	36.2
All Other Operating Expenses	100.8	110.3	9.5	113.3
<b>Total Expenses (Excluding OPEB &amp; Pension Exp)</b>	<b>\$ 205.5</b>	<b>196.5</b>	<b>(9.0)</b>	<b>(7.6)</b>
<b>Adjusted Income (Loss) Excluding OPEB &amp; Pension Exp</b>	<b>155.8</b>	<b>121.5</b>	<b>(34.3)</b>	<b>643.0</b>
OPEB Expense	526.0	421.6	(104.4)	843.2
Pension Expense	183.9	126.0	(57.9)	252.0
<b>Adjusted Income (Loss)</b>	<b>(554.1)</b>	<b>(426.1)</b>	<b>128.0</b>	<b>(452.2)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>(541.8)</b>	<b>(412.7)</b>	<b>129.2</b>	<b>(425.3)</b>

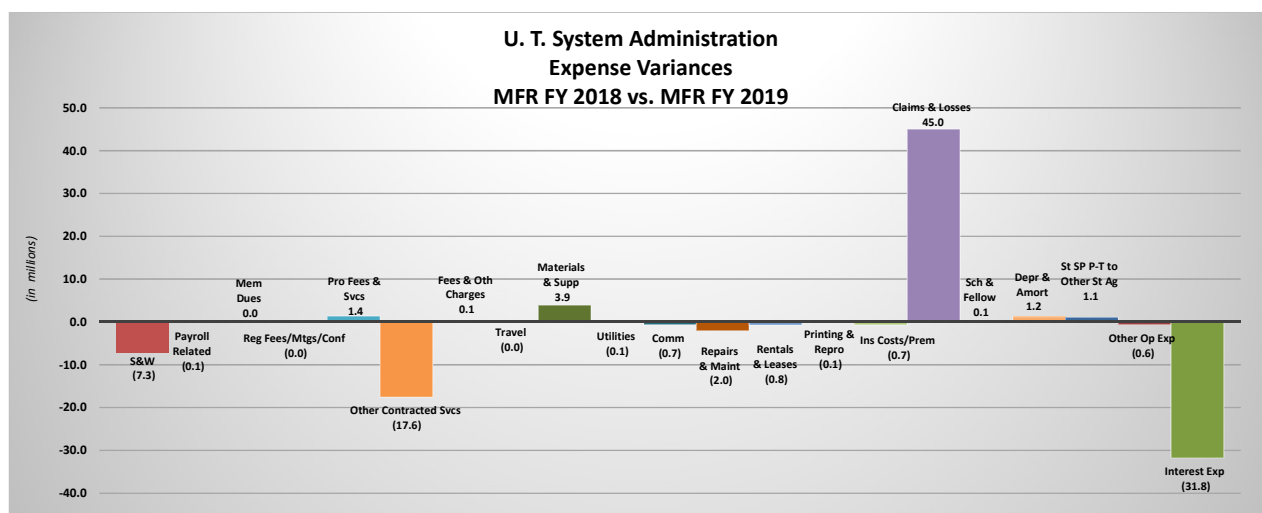


# Monthly Financial Report

## Detailed Expense Break-out for U. T. System Administration

### For the Period Ending February 28, 2019

(in millions)	February YTD FY 2018	February YTD FY 2019	Actual Year-End FY 2018	Annual Projected FY 2019
Salaries and Wages	\$ 38.3	31.0	59.0	62.1
Payroll Related Costs	7.7	7.6	(270.0) *	(267.7) *
Membership Dues	0.3	0.4	0.3	0.7
Registration Fees, Meetings, Conferences	0.2	0.1	0.4	0.3
Professional Fees and Services	6.0	7.4	11.8	14.9
Other Contracted Services	24.1	6.5	31.1	21.4
Fees and Other Charges	(0.1)	0.0	(0.0)	0.1
Travel	0.8	0.8	1.6	1.5
Materials and Supplies	16.3	20.2	10.7	21.6
Utilities	0.3	0.2	0.6	0.4
Communications	4.3	3.6	4.0	3.9
Repairs and Maintenance	3.8	1.8	6.7	3.6
Rentals and Leases	2.4	1.6	3.4	3.2
Printing and Reproduction	0.3	0.2	0.4	0.3
Insurance Costs/Premiums	27.1	27.1	7.1	54.3
Claims and Losses	7.8	52.9	65.5	2.7
Scholarships and Fellowships	0.4	0.5	2.3	0.9
Depreciation and Amortization	12.3	13.4	25.2	26.9
State Sponsored Program Pass-Through to Other State Agencies	0.9	1.9	3.2	3.0
Other Operating Expenses	1.3	0.7	0.3	1.5
Interest Expense	50.3	18.5	32.2	36.9
<b>Total Expenses (Excluding OPEB &amp; Pension Expense)</b>	<b>205.5</b>	<b>196.5</b>	<b>(4.0)</b>	<b>(7.6)</b>
OPEB Expense	526.0	421.6	843.2	843.2
Pension Expense	183.9	126.0	252.0	252.0
<b>Total Expenses (Including OPEB &amp; Pension Expense)</b>	<b>\$ 915.4</b>	<b>744.1</b>	<b>1,091.1</b>	<b>1,087.6</b>



Brief explanations for U. T. System Administration's largest expense variances are provided below:

**Other Contracted Services** - decrease of \$17.6 million largely due to Digital Library payment funded by AUF not yet sent to U. T. Austin for 2019, as well as decreases in Competency Based Education, National Lab Exploration, South Texas Biomedical Research Program and University Lands Engineering Services.

**Claims and Losses** - increase of \$45.0 million due to increased claims for the Medical/Dental Self Insurance Plan.

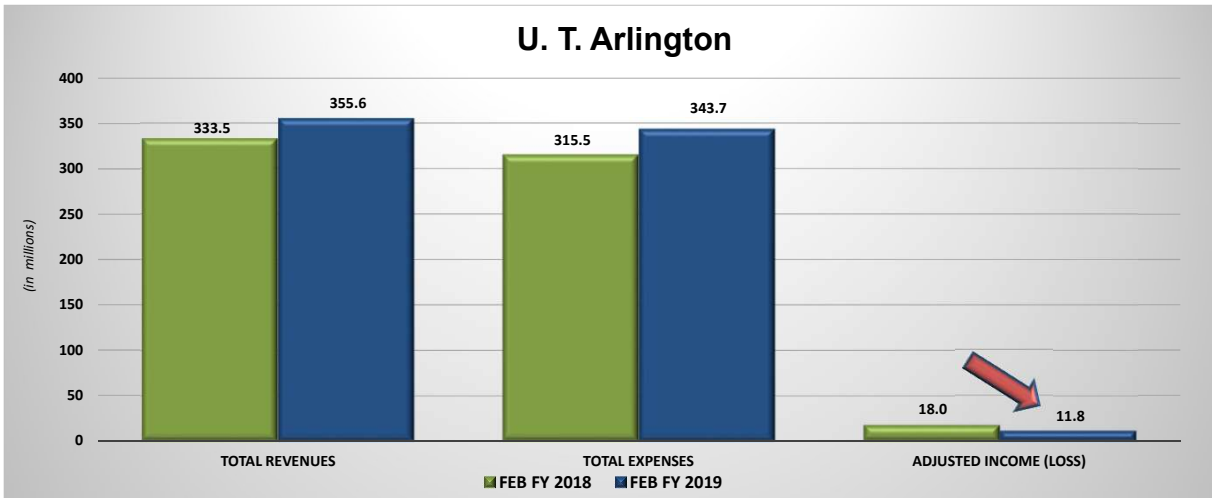
**Interest Expense** - decrease of \$31.8 million due to a change made in the calculation to take into account the amortization of premiums/discounts and gains/losses on bonds to be more consistent with the reporting of interest expense on the Annual Financial Report. This change was made beginning with the April 2018 Monthly Financial Report.

**\*Payroll Related Costs** - The negative payroll related costs at year-end relate to the pension entry to defer contributions made after the measurement date.

# Monthly Financial Report

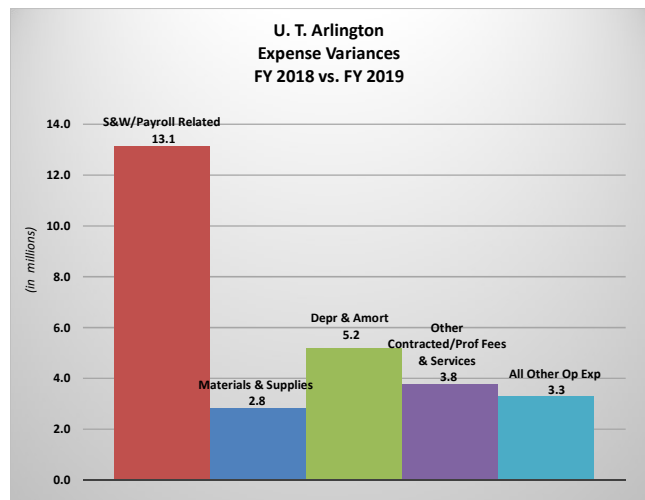
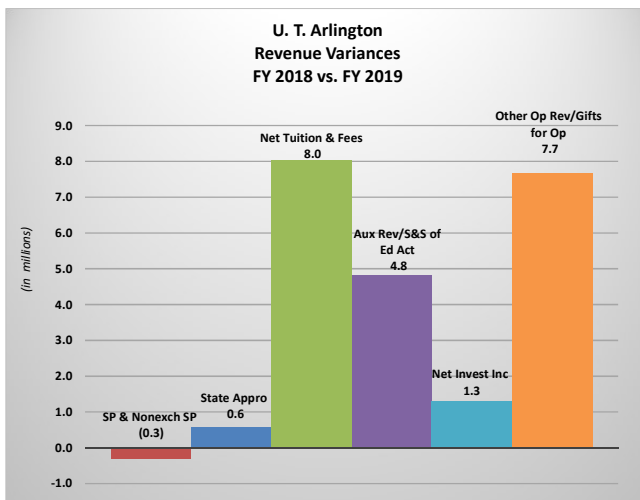
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. Arlington* reported year-to-date adjusted income of \$11.8 million, a decrease of \$6.1 million (34.1%). The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to increased faculty levels, faculty retention initiatives, and merit increases; an increase in depreciation and amortization expense as a result of new buildings placed into service in 2018; an increase in other contracted services due to an increase in temporary parking and business services; and an increase in materials and supplies due to the purchase of non-capital items for new buildings on campus. Excluding depreciation and amortization expense, *U. T. Arlington's* adjusted income was \$39.3 million. The most current projection received from *U. T. Arlington* reflects income of \$24.1 million for the year.

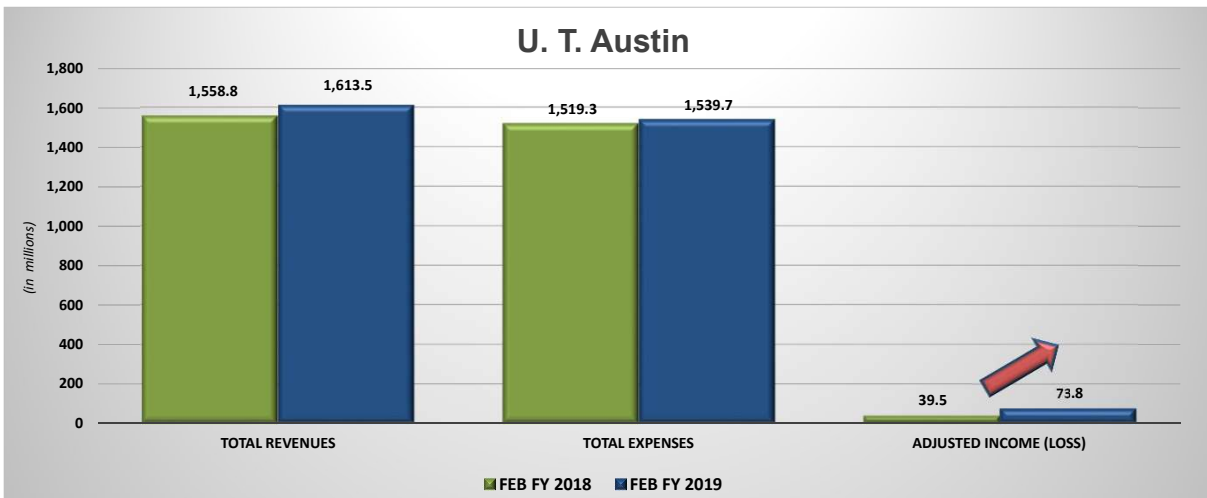
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 69.0	68.7	(0.3)	137.4
State Appropriations	65.8	66.4	0.6	132.7
Net Tuition and Fees	150.2	158.2	8.0	321.9
Auxiliary Revenues/Sales & Services of Educational Activities	31.9	36.7	4.8	74.5
Net Investment Income	10.0	11.3	1.3	22.6
Other Operating Revenues/Gift Contributions for Operations	6.6	14.3	7.7	19.1
<b>Total Revenues</b>	<b>333.5</b>	<b>355.6</b>	<b>22.1</b>	<b>708.1</b>
Salaries and Wages/Payroll Related Costs	179.9	193.1	13.1	379.2
Materials and Supplies	15.1	17.9	2.8	35.6
Depreciation and Amortization	22.3	27.5	5.2	54.9
Other Contracted Services/Professional Fees & Services	38.2	42.0	3.8	85.0
All Other Operating Expenses	60.0	63.3	3.3	129.2
<b>Total Expenses</b>	<b>\$ 315.5</b>	<b>343.7</b>	<b>28.2</b>	<b>684.0</b>
<b>Adjusted Income (Loss)</b>	<b>18.0</b>	<b>11.8</b>	<b>(6.1)</b>	<b>24.1</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>40.2</b>	<b>39.3</b>	<b>(0.9)</b>	<b>79.1</b>



# Monthly Financial Report

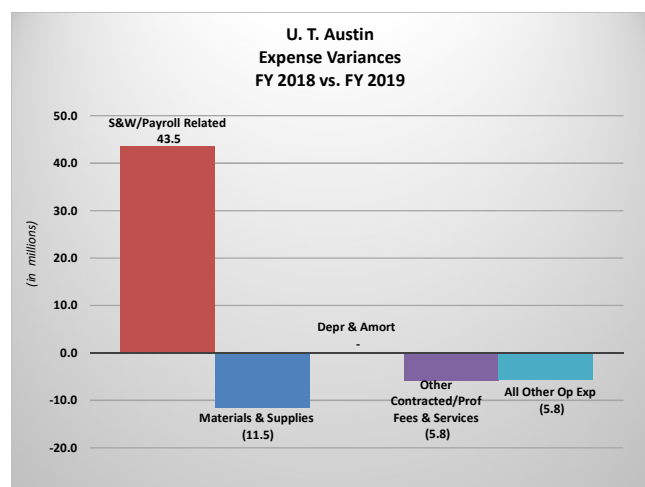
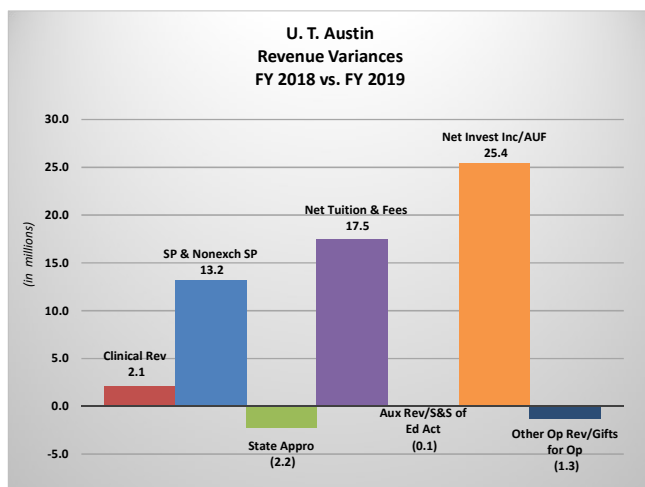
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. Austin* reported year-to-date adjusted income of \$73.8 million, an increase of \$34.3 million (86.8%). The increase was primarily due to the following: an increase in net student tuition and fees due to an increase in flat rate tuition and MBA and PharmD programs; and an increase in the amount of the transfer from the Available University Fund (AUF). Excluding depreciation and amortization expense, *U. T. Austin's* adjusted income was \$230.8 million. The most current projection received from *U. T. Austin* reflects income of \$111.7 million for the year.

(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 0.4	2.5	2.1	5.0
Sponsored Programs/Nonexchange Sponsored Programs	316.7	329.9	13.2	753.1
State Appropriations	180.3	178.1	(2.2)	356.2
Net Tuition and Fees	242.5	260.0	17.5	520.0
Auxiliary Revenues/Sales & Services of Educational Activities	418.1	418.0	(0.1)	602.4
Net Investment Income/Available University Fund (AUF)	305.6	331.0	25.4	650.0
Other Operating Revenues/Gift Contributions for Operations	95.2	93.9	(1.3)	177.7
<b>Total Revenues</b>	<b>1,558.8</b>	<b>1,613.5</b>	<b>54.7</b>	<b>3,064.4</b>
Salaries and Wages/Payroll Related Costs	848.1	891.6	43.5	1,688.6
Materials and Supplies	76.9	65.4	(11.5)	114.5
Depreciation and Amortization	157.0	157.0	-	314.0
Other Contracted Services/Professional Fees & Services	105.2	99.4	(5.8)	212.8
All Other Operating Expenses	332.1	326.3	(5.8)	622.8
<b>Total Expenses</b>	<b>\$ 1,519.3</b>	<b>1,539.7</b>	<b>20.4</b>	<b>2,952.7</b>
<b>Adjusted Income (Loss)</b>	<b>39.5</b>	<b>73.8</b>	<b>34.3</b>	<b>111.7</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>196.5</b>	<b>230.8</b>	<b>34.3</b>	<b>425.7</b>

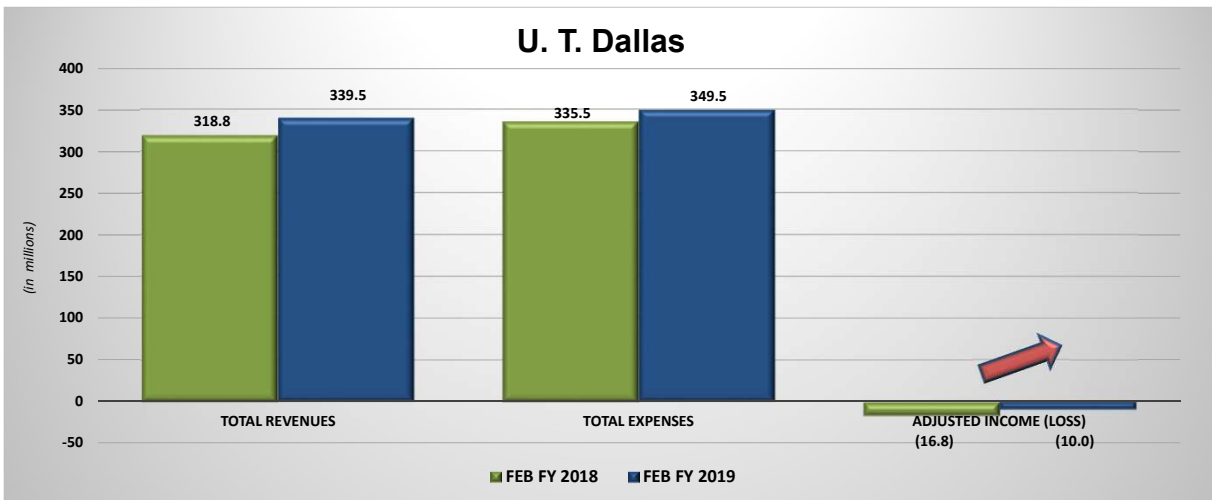




# Monthly Financial Report

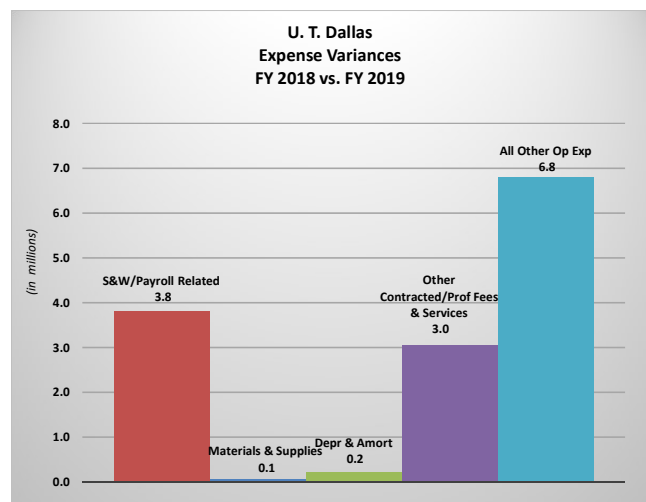
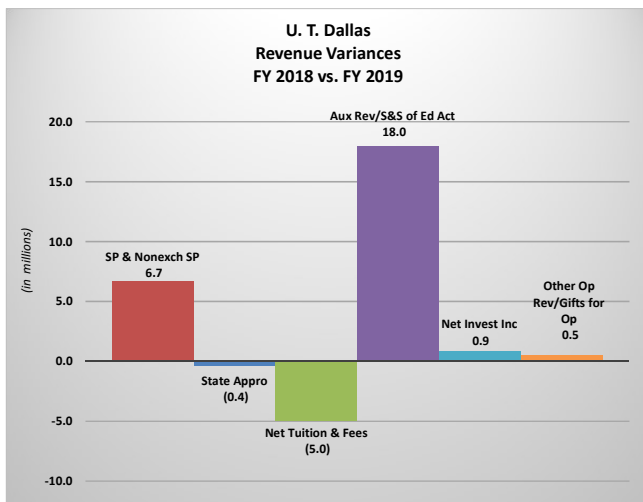
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. Dallas* incurred a year-to-date adjusted loss of \$10.0 million, a decrease in adjusted loss of \$6.8 million (40.6%). This decrease was primarily attributable to an increase in net auxiliary enterprises as a result of housing services being managed internally. Excluding depreciation and amortization expense, *U. T. Dallas*' adjusted income was \$31.0 million. The most current projection received from *U. T. Dallas* reflects a loss of \$19.9 million for the year.

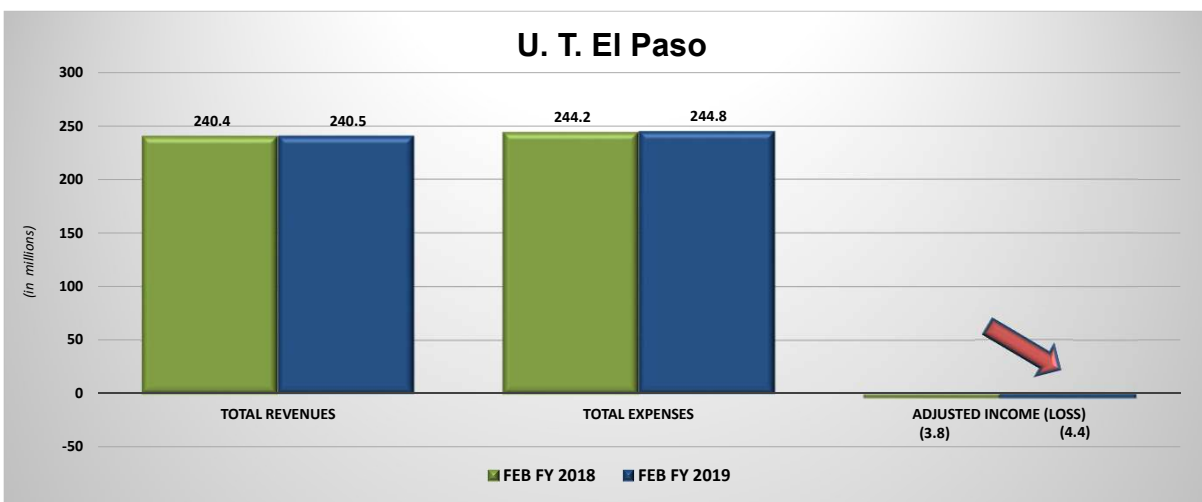
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 44.4	51.2	6.7	102.3
State Appropriations	62.0	61.6	(0.4)	123.2
Net Tuition and Fees	158.6	153.7	(5.0)	307.4
Auxiliary Revenues/Sales & Services of Educational Activities	29.3	47.3	18.0	94.5
Net Investment Income	15.1	16.0	0.9	32.0
Other Operating Revenues/Gift Contributions for Operations	9.3	9.8	0.5	19.7
<b>Total Revenues</b>	<b>318.8</b>	<b>339.5</b>	<b>20.7</b>	<b>679.0</b>
Salaries and Wages/Payroll Related Costs	196.2	200.0	3.8	400.0
Materials and Supplies	16.3	16.3	0.1	32.7
Depreciation and Amortization	40.8	41.0	0.2	82.0
Other Contracted Services/Professional Fees & Services	13.5	16.6	3.0	33.1
All Other Operating Expenses	68.8	75.6	6.8	151.1
<b>Total Expenses</b>	<b>\$ 335.5</b>	<b>349.5</b>	<b>13.9</b>	<b>698.9</b>
<b>Adjusted Income (Loss)</b>	<b>(16.8)</b>	<b>(10.0)</b>	<b>6.8</b>	<b>(19.9)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>24.0</b>	<b>31.0</b>	<b>7.0</b>	<b>62.1</b>



# Monthly Financial Report

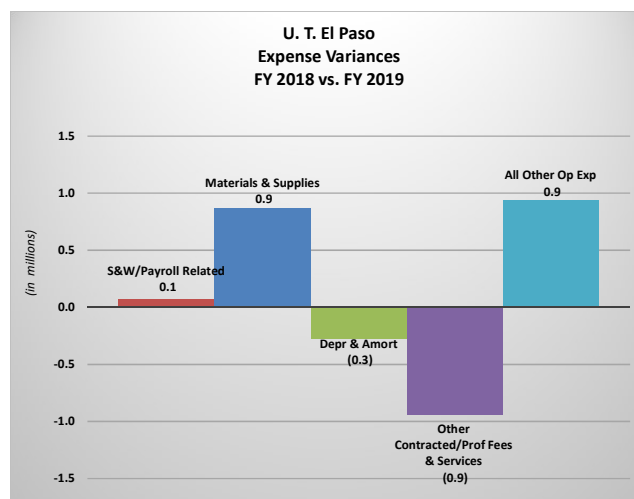
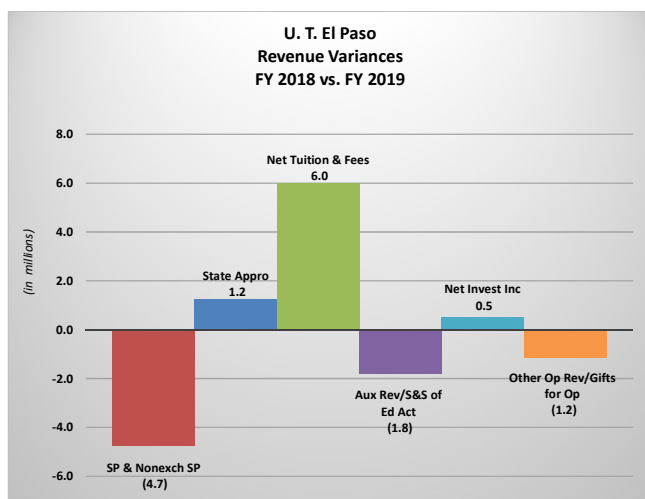
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. El Paso* incurred a year-to-date adjusted loss of \$4.4 million, an increase in adjusted loss of \$0.6 million (16.3%). The increase was primarily due to the following: a decrease in sponsored programs due to a reduction in state pass-throughs and federal and state grants as compared to the prior year; and a decrease in gift contributions for operations. Excluding depreciation and amortization expense, *U. T. El Paso's* adjusted income was \$10.7 million. The most current projection received from *U. T. El Paso* reflects a loss of \$8.5 million for the year.

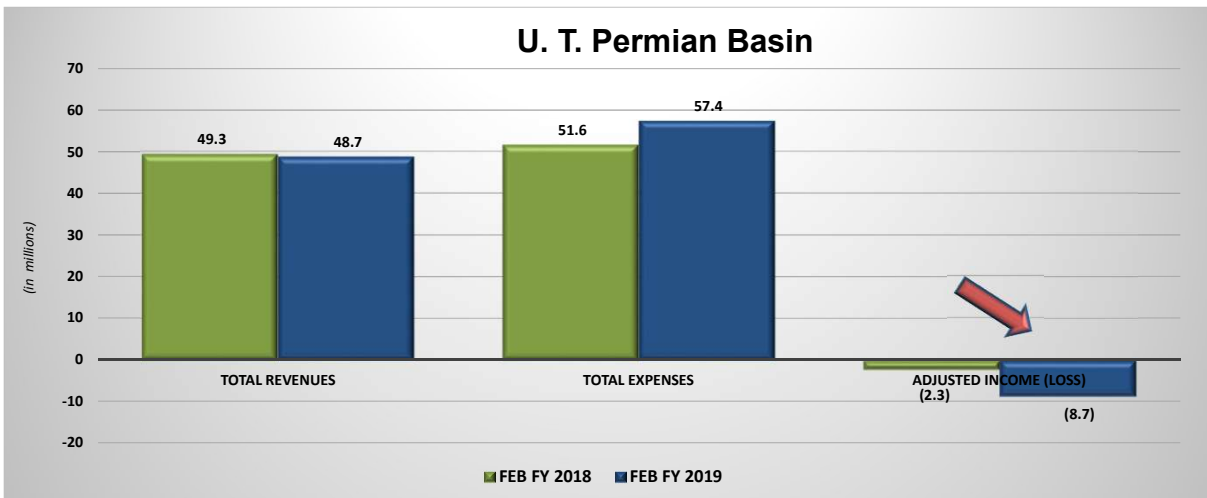
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 83.8	79.0	(4.7)	146.8
State Appropriations	55.6	56.8	1.2	107.6
Net Tuition and Fees	67.2	73.2	6.0	135.7
Auxiliary Revenues/Sales & Services of Educational Activities	22.2	20.4	(1.8)	40.6
Net Investment Income	8.0	8.5	0.5	15.8
Other Operating Revenues/Gift Contributions for Operations	3.7	2.5	(1.2)	6.2
<b>Total Revenues</b>	<b>240.4</b>	<b>240.5</b>	<b>0.1</b>	<b>452.6</b>
Salaries and Wages/Payroll Related Costs	129.0	129.1	0.1	254.2
Materials and Supplies	8.8	9.6	0.9	20.4
Depreciation and Amortization	15.3	15.0	(0.3)	30.3
Other Contracted Services/Professional Fees & Services	15.6	14.7	(0.9)	29.2
All Other Operating Expenses	75.4	76.4	0.9	126.9
<b>Total Expenses</b>	<b>244.2</b>	<b>244.8</b>	<b>0.7</b>	<b>461.1</b>
<b>Adjusted Income (Loss)</b>	<b>(3.8)</b>	<b>(4.4)</b>	<b>(0.6)</b>	<b>(8.5)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>11.6</b>	<b>10.7</b>	<b>(0.9)</b>	<b>21.9</b>



# Monthly Financial Report

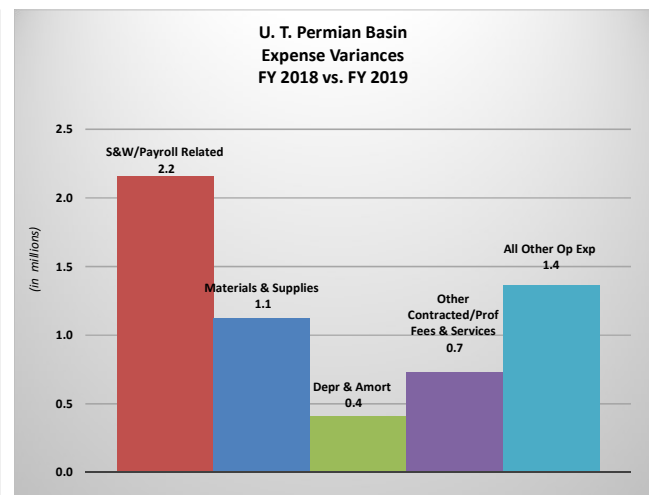
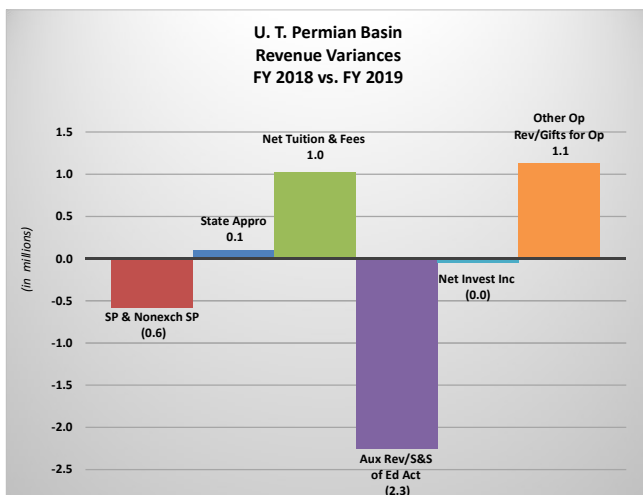
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. Permian Basin* incurred a year-to-date adjusted loss of \$8.7 million, an increase in adjusted loss of \$6.4 million (282.3%). The increase was primarily attributable to the following: a decrease in net auxiliary enterprises as a result of a reduction of students staying on campus and purchasing meal plans; an increase in salaries and wages as a result of vacant positions being filled; an increase in materials and supplies as a result of an increase in non-capitalized expenses for furniture; and an increase in professional fees and services due to a contract for assistance in evaluating and re-designing business processes. Excluding depreciation and amortization expense, *U. T. Permian Basin's* adjusted loss was \$0.9 million. The most current projection received from *U. T. Permian Basin* reflects a loss of \$24.1 million for the year.

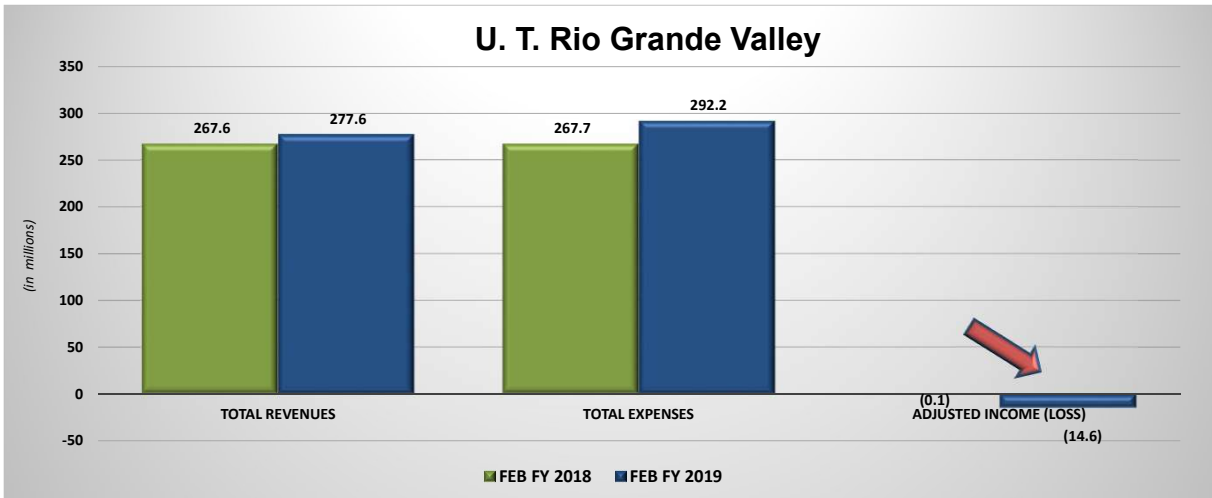
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 8.3	7.7	(0.6)	15.4
State Appropriations	18.3	18.4	0.1	35.2
Net Tuition and Fees	11.1	12.2	1.0	24.3
Auxiliary Revenues/Sales & Services of Educational Activities	6.5	4.3	(2.3)	8.6
Net Investment Income	1.3	1.2	(0.0)	2.5
Other Operating Revenues/Gift Contributions for Operations	3.8	4.9	1.1	4.8
<b>Total Revenues</b>	<b>49.3</b>	<b>48.7</b>	<b>(0.6)</b>	<b>90.7</b>
Salaries and Wages/Payroll Related Costs	22.1	24.2	2.2	48.4
Materials and Supplies	2.1	3.2	1.1	6.5
Depreciation and Amortization	7.4	7.8	0.4	15.6
Other Contracted Services/Professional Fees & Services	4.1	4.9	0.7	9.7
All Other Operating Expenses	15.9	17.3	1.4	34.6
<b>Total Expenses</b>	<b>\$ 51.6</b>	<b>57.4</b>	<b>5.8</b>	<b>114.8</b>
<b>Adjusted Income (Loss)</b>	<b>(2.3)</b>	<b>(8.7)</b>	<b>(6.4)</b>	<b>(24.1)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>5.1</b>	<b>(0.9)</b>	<b>(6.0)</b>	<b>(8.5)</b>



# Monthly Financial Report

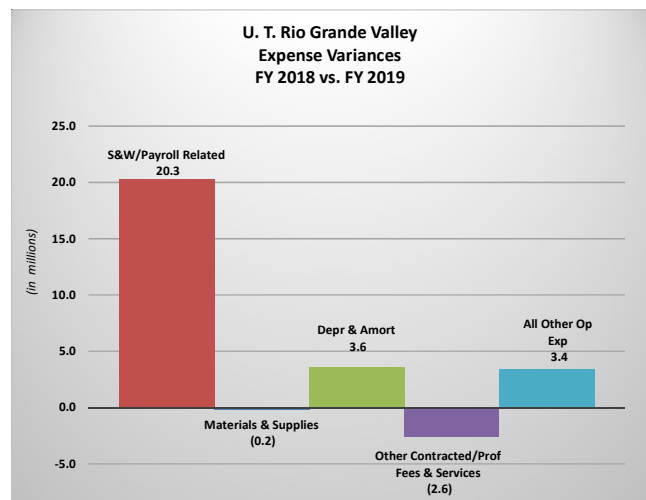
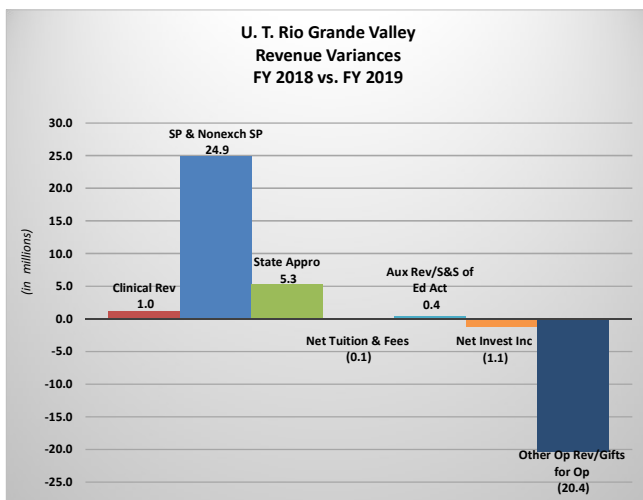
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. Rio Grande Valley* incurred a year-to-date adjusted loss of \$14.6 million, an increase in adjusted loss of \$14.5 million (23,013.3%). The increase was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to increases in staff and faculty positions; and an increase in depreciation and amortization expense as a result of two new buildings placed into service in 2018. In addition, there were reclassifications between sponsored programs and other operating revenues. Excluding depreciation and amortization expense, *U. T. Rio Grande Valley's* adjusted income was \$8.4 million. The most current projection received from *U. T. Rio Grande Valley* reflects a loss of \$22.2 million for the year.

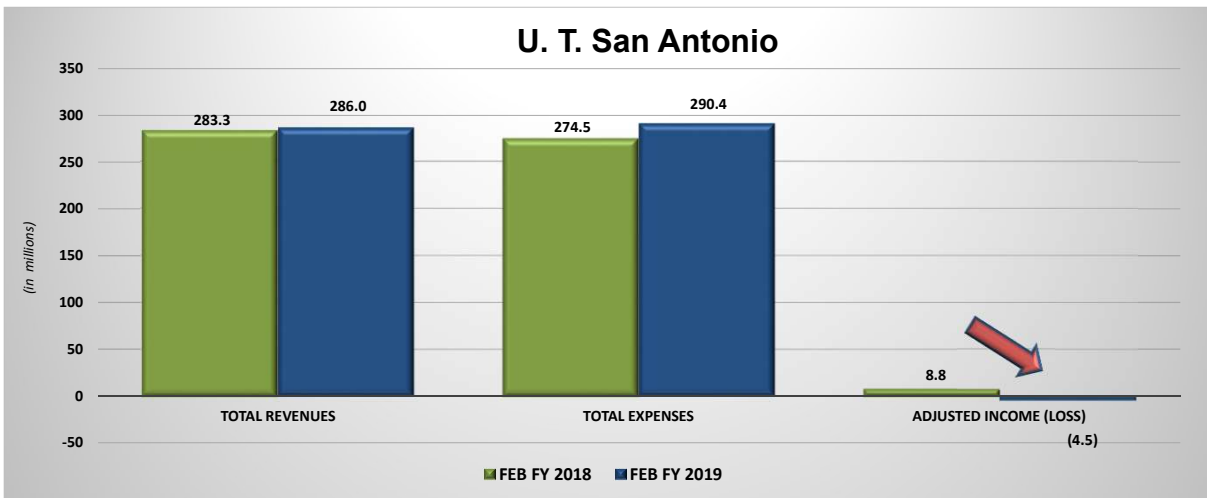
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 1.9	2.9	1.0	7.1
Sponsored Programs/Nonexchange Sponsored Programs	98.1	122.9	24.9	206.5
State Appropriations	73.4	78.7	5.3	144.7
Net Tuition and Fees	50.2	50.1	(0.1)	100.2
Auxiliary Revenues/Sales & Services of Educational Activities	9.9	10.3	0.4	16.8
Net Investment Income	5.9	4.7	(1.1)	9.1
Other Operating Revenues/Gift Contributions for Operations	28.4	8.0	(20.4)	10.9
<b>Total Revenues</b>	<b>267.6</b>	<b>277.6</b>	<b>10.0</b>	<b>495.2</b>
Salaries and Wages/Payroll Related Costs	146.5	166.8	20.3	320.6
Materials and Supplies	9.7	9.5	(0.2)	20.8
Depreciation and Amortization	19.3	22.9	3.6	48.1
Other Contracted Services/Professional Fees & Services	10.1	7.5	(2.6)	17.1
All Other Operating Expenses	82.0	85.4	3.4	110.8
<b>Total Expenses</b>	<b>\$ 267.7</b>	<b>292.2</b>	<b>24.5</b>	<b>517.4</b>
<b>Adjusted Income (Loss)</b>	<b>(0.1)</b>	<b>(14.6)</b>	<b>(14.5)</b>	<b>(22.2)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>19.3</b>	<b>8.4</b>	<b>(10.9)</b>	<b>25.9</b>



# Monthly Financial Report

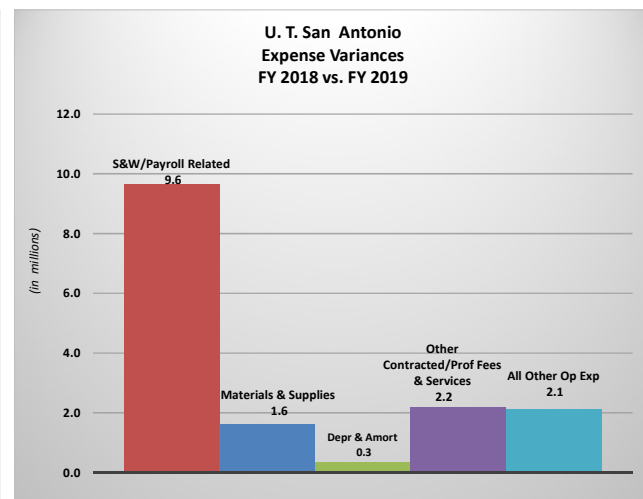
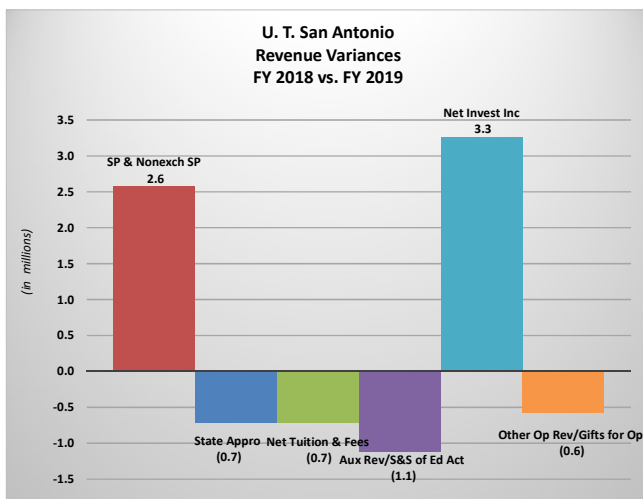
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. San Antonio* incurred a year-to-date adjusted loss of \$4.5 million, a decrease of \$13.3 million (150.9%). The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to merit increases and vacant positions being filled; an increase in professional fees and services due to various new Presidential strategic initiatives; and an increase in materials and supplies due to an increase in software expenses, as well as non-capitalized expenses for furniture and equipment. Excluding depreciation and amortization expense, *U. T. San Antonio's* adjusted income was \$20.3 million. The most current projection received from *U. T. San Antonio* reflects a loss of \$8.9 million for the year.

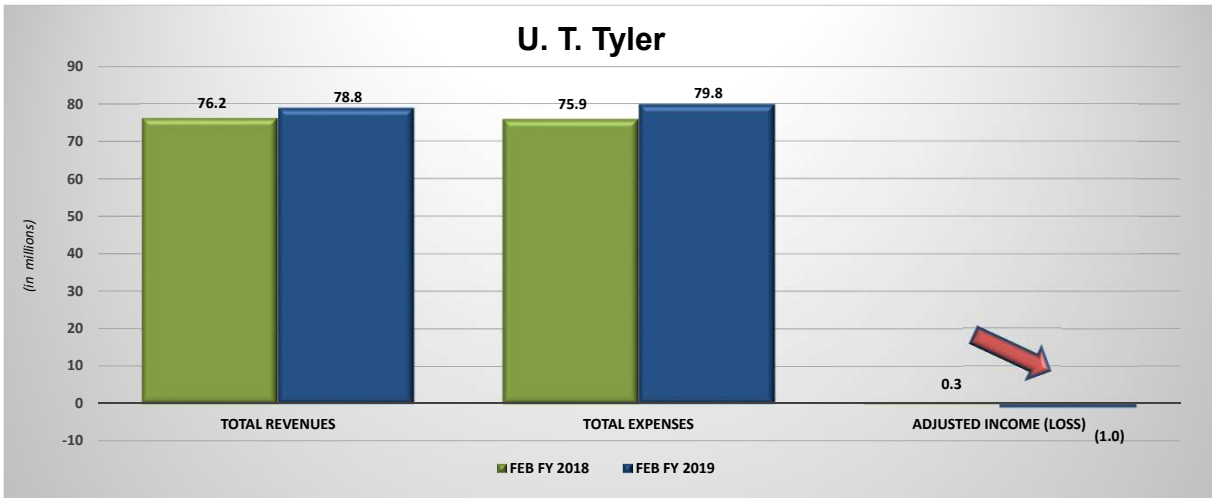
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 65.7	68.2	2.6	136.5
State Appropriations	67.3	66.5	(0.7)	133.1
Net Tuition and Fees	104.0	103.3	(0.7)	206.5
Auxiliary Revenues/Sales & Services of Educational Activities	32.0	30.9	(1.1)	61.9
Net Investment Income	8.0	11.2	3.3	22.4
Other Operating Revenues/Gift Contributions for Operations	6.4	5.8	(0.6)	11.6
<b>Total Revenues</b>	<b>283.3</b>	<b>286.0</b>	<b>2.7</b>	<b>571.9</b>
Salaries and Wages/Payroll Related Costs	155.0	164.7	9.6	329.4
Materials and Supplies	12.2	13.9	1.6	27.8
Depreciation and Amortization	24.4	24.8	0.3	49.6
Other Contracted Services/Professional Fees & Services	13.0	15.2	2.2	30.5
All Other Operating Expenses	69.7	71.9	2.1	143.7
<b>Total Expenses</b>	<b>\$ 274.5</b>	<b>290.4</b>	<b>16.0</b>	<b>580.9</b>
<b>Adjusted Income (Loss)</b>	<b>8.8</b>	<b>(4.5)</b>	<b>(13.3)</b>	<b>(8.9)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>33.2</b>	<b>20.3</b>	<b>(12.9)</b>	<b>40.6</b>



# Monthly Financial Report

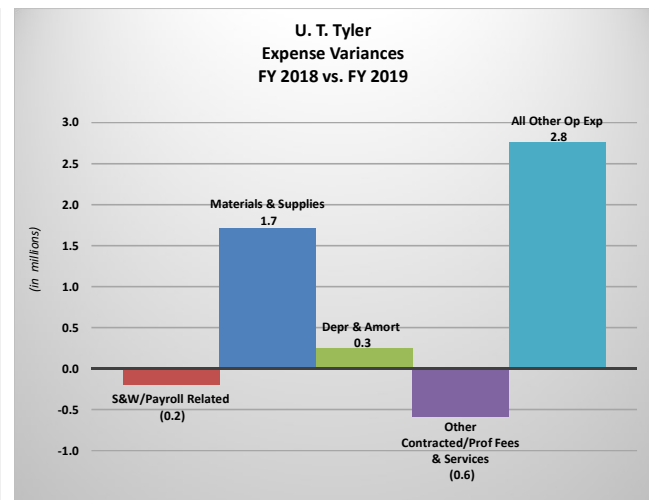
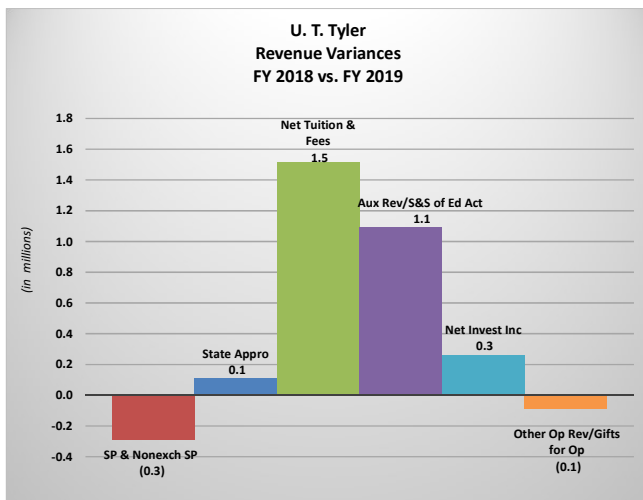
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. Tyler* incurred a year-to-date adjusted loss of \$1.0 million, a decrease of \$1.3 million (385.2%). The decrease was primarily due to the following: an increase in materials and supplies for non-capitalized furnishings and equipment for the STEM Business building; and an increase in repairs and maintenance related to software. Excluding depreciation and amortization expense, *U. T. Tyler's* adjusted income was \$7.0 million. The most current projection received from *U. T. Tyler* reflects a loss of \$0.6 million for the year.

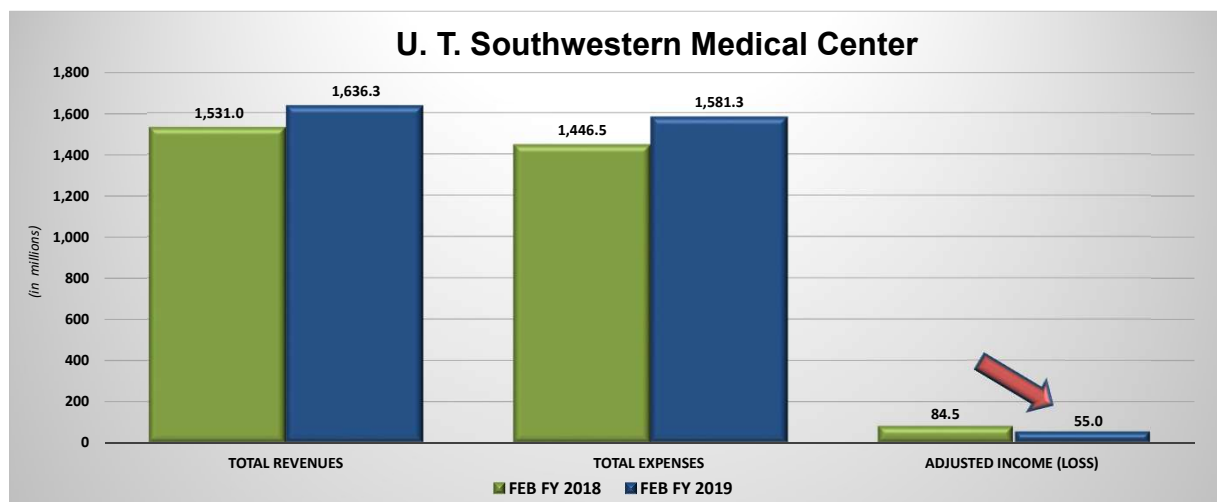
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 11.4	11.1	(0.3)	25.0
State Appropriations	22.0	22.1	0.1	44.2
Net Tuition and Fees	25.7	27.2	1.5	54.4
Auxiliary Revenues/Sales & Services of Educational Activities	13.3	14.4	1.1	23.0
Net Investment Income	3.0	3.3	0.3	6.8
Other Operating Revenues/Gift Contributions for Operations	0.8	0.7	(0.1)	1.6
<b>Total Revenues</b>	<b>76.2</b>	<b>78.8</b>	<b>2.6</b>	<b>155.0</b>
Salaries and Wages/Payroll Related Costs	46.8	46.6	(0.2)	90.2
Materials and Supplies	2.9	4.6	1.7	8.1
Depreciation and Amortization	7.7	8.0	0.3	15.8
Other Contracted Services/Professional Fees & Services	5.4	4.8	(0.6)	12.0
All Other Operating Expenses	13.0	15.7	2.8	29.4
<b>Total Expenses</b>	<b>\$ 75.9</b>	<b>79.8</b>	<b>3.9</b>	<b>155.6</b>
<b>Adjusted Income (Loss)</b>	<b>0.3</b>	<b>(1.0)</b>	<b>(1.3)</b>	<b>(0.6)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>8.1</b>	<b>7.0</b>	<b>(1.1)</b>	<b>15.2</b>



# Monthly Financial Report

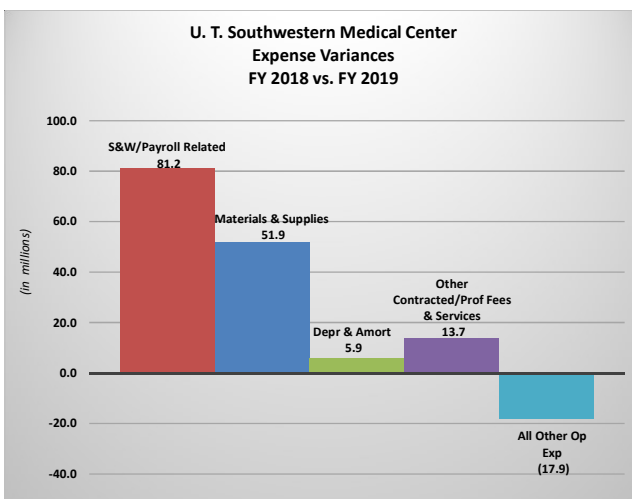
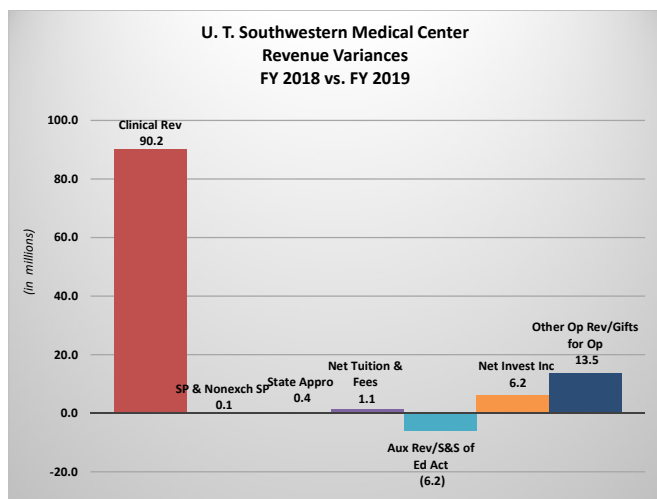
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



U. T. Southwestern Medical Center reported year-to-date adjusted income of \$55.0 million, a decrease of \$29.5 million (34.9%). The decrease was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of growth in both the hospital and the physician practice plan; and an increase in materials and supplies as a result of increased drugs and medical supplies driven by patient volumes and patient acuity. Excluding depreciation and amortization expense, U. T. Southwestern Medical Center's adjusted income was \$146.3 million. The most current projection received from U. T. Southwestern Medical Center reflects income of \$90.5 million for the year.

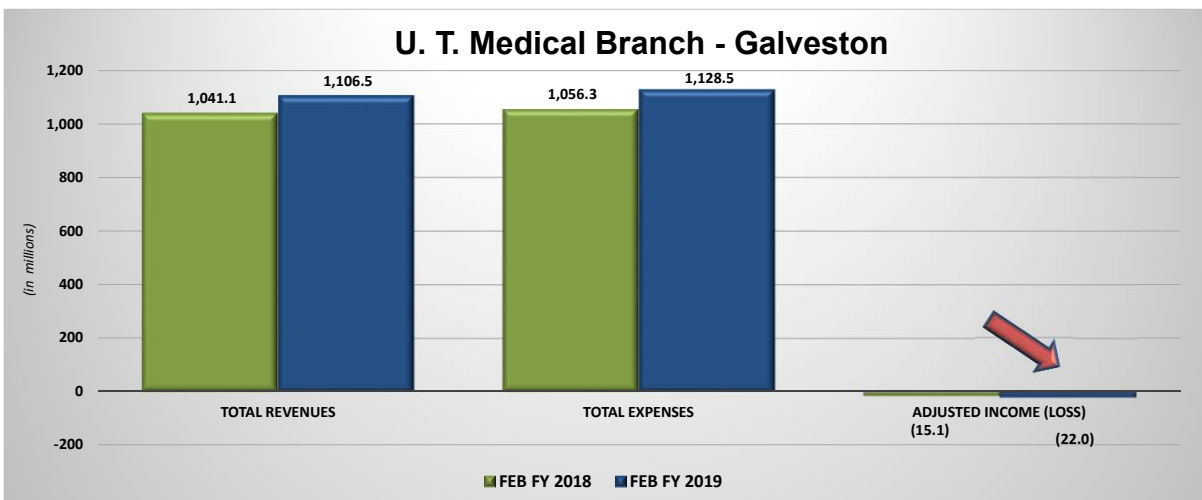
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 970.7	1,060.8	90.2	2,155.7
Sponsored Programs/Nonexchange Sponsored Programs	287.7	287.8	0.1	575.6
State Appropriations	96.7	97.0	0.4	193.9
Net Tuition and Fees	12.4	13.5	1.1	27.0
Auxiliary Revenues/Sales & Services of Educational Activities	20.2	14.0	(6.2)	35.1
Net Investment Income	60.1	66.3	6.2	119.1
Other Operating Revenues/Gift Contributions for Operations	83.3	96.8	13.5	182.5
<b>Total Revenues</b>	<b>1,531.0</b>	<b>1,636.3</b>	<b>105.2</b>	<b>3,289.0</b>
Salaries and Wages/Payroll Related Costs	911.5	992.6	81.2	1,997.8
Materials and Supplies	233.2	285.1	51.9	590.1
Depreciation and Amortization	85.4	91.3	5.9	177.0
Other Contracted Services/Professional Fees & Services	105.6	119.3	13.7	254.7
All Other Operating Expenses	110.8	92.9	(17.9)	179.0
<b>Total Expenses</b>	<b>\$ 1,446.5</b>	<b>1,581.3</b>	<b>134.7</b>	<b>3,198.5</b>
<b>Adjusted Income (Loss)</b>	<b>84.5</b>	<b>55.0</b>	<b>(29.5)</b>	<b>90.5</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>169.9</b>	<b>146.3</b>	<b>(23.7)</b>	<b>267.5</b>



# Monthly Financial Report

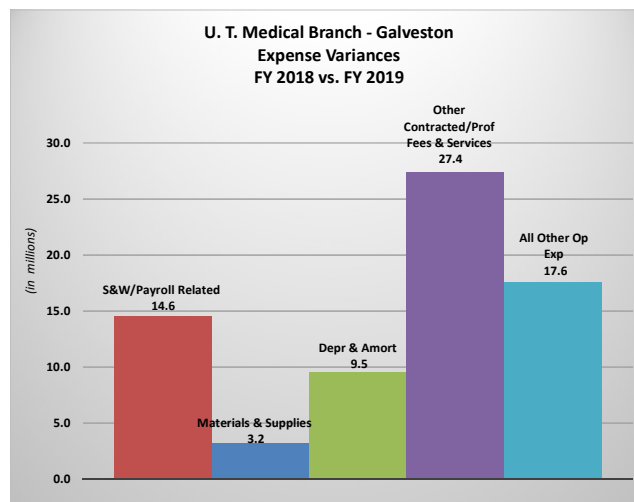
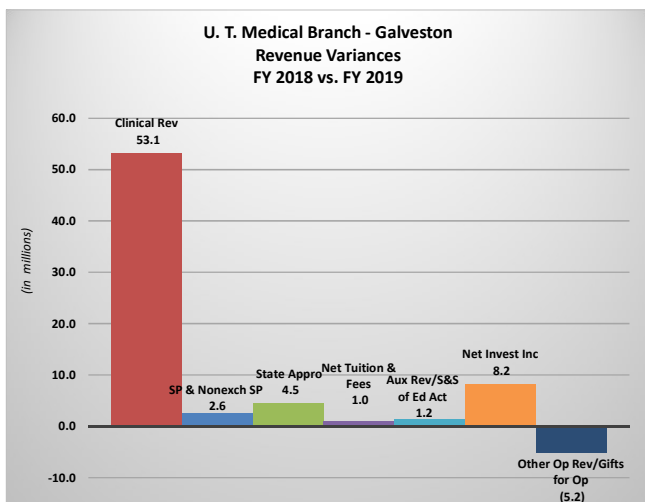
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. Medical Branch - Galveston* incurred a year-to-date adjusted loss of \$22.0 million, an increase in adjusted loss of \$6.8 million (45.1%). The increase was primarily due to the following: an increase in professional fees and services due to an increase in consulting services from external consulting firms, a clinical partnership contract with *U. T. M. D. Anderson Cancer Center*, and Clear Lake hospital startup activity; an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions associated with the opening of the Clear Lake hospital and merit increases; an increase in depreciation and amortization expense due to various projects placed into service; and an increase in other contracted services as a result of an increase in Correctional Managed Care costs. Excluding depreciation and amortization expense, *U. T. Medical Branch - Galveston's* adjusted income was \$65.1 million. The most current projection received from *U. T. Medical Branch - Galveston* reflects a loss of \$59.2 million for the year primarily as a result of startup costs related to the opening of the Clear Lake hospital in March.

(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 666.0	719.1	53.1	1,502.9
Sponsored Programs/Nonexchange Sponsored Programs	97.4	100.0	2.6	201.4
State Appropriations	184.9	189.3	4.5	373.5
Net Tuition and Fees	20.8	21.9	1.0	43.3
Auxiliary Revenues/Sales & Services of Educational Activities	13.5	14.7	1.2	29.5
Net Investment Income	25.5	33.7	8.2	63.6
Other Operating Revenues/Gift Contributions for Operations	33.0	27.8	(5.2)	53.0
<b>Total Revenues</b>	<b>1,041.1</b>	<b>1,106.5</b>	<b>65.4</b>	<b>2,267.3</b>
Salaries and Wages/Payroll Related Costs	670.6	685.2	14.6	1,399.6
Materials and Supplies	81.4	84.6	3.2	152.4
Depreciation and Amortization	77.5	87.0	9.5	185.9
Other Contracted Services/Professional Fees & Services	76.0	103.3	27.4	212.3
All Other Operating Expenses	150.8	168.4	17.6	376.3
<b>Total Expenses</b>	<b>\$ 1,056.3</b>	<b>1,128.5</b>	<b>72.2</b>	<b>2,326.5</b>
<b>Adjusted Income (Loss)</b>	<b>(15.1)</b>	<b>(22.0)</b>	<b>(6.8)</b>	<b>(59.2)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>62.4</b>	<b>65.1</b>	<b>2.7</b>	<b>126.7</b>

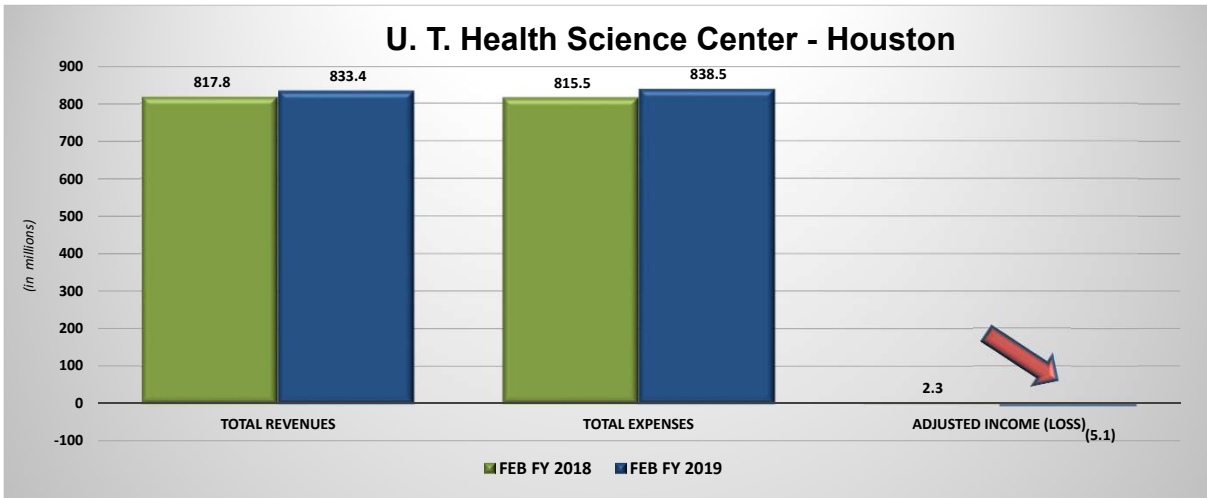




# Monthly Financial Report

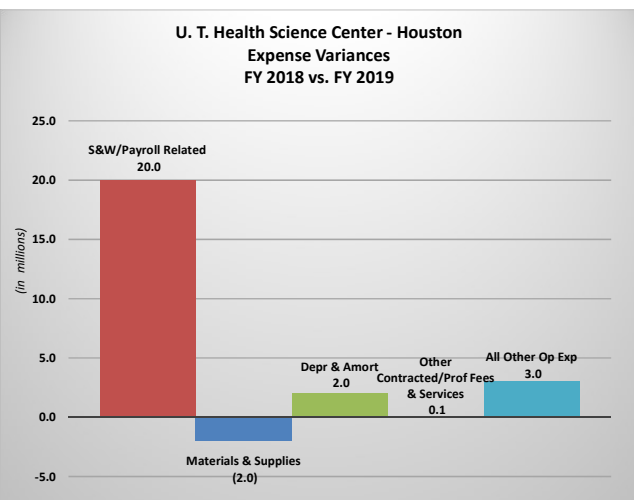
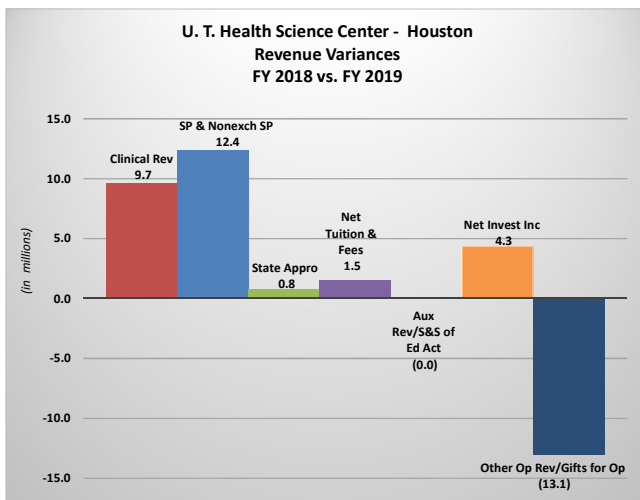
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. Health Science Center - Houston* incurred a year-to-date loss of \$5.1 million, a decrease of \$7.4 million (319.7%). The decrease was attributable to an increase in salaries and wages as a result of growth in the physician practice plan and a decrease in other operating revenues as a result of a decline in Delivery System Reform Incentive Payment (DSRIP) revenues. Excluding depreciation and amortization expense, *U. T. Health Science Center - Houston's* adjusted income was \$28.5 million. The most current projection received from *U. T. Health Science Center - Houston* reflects income of \$8.1 million for the year.

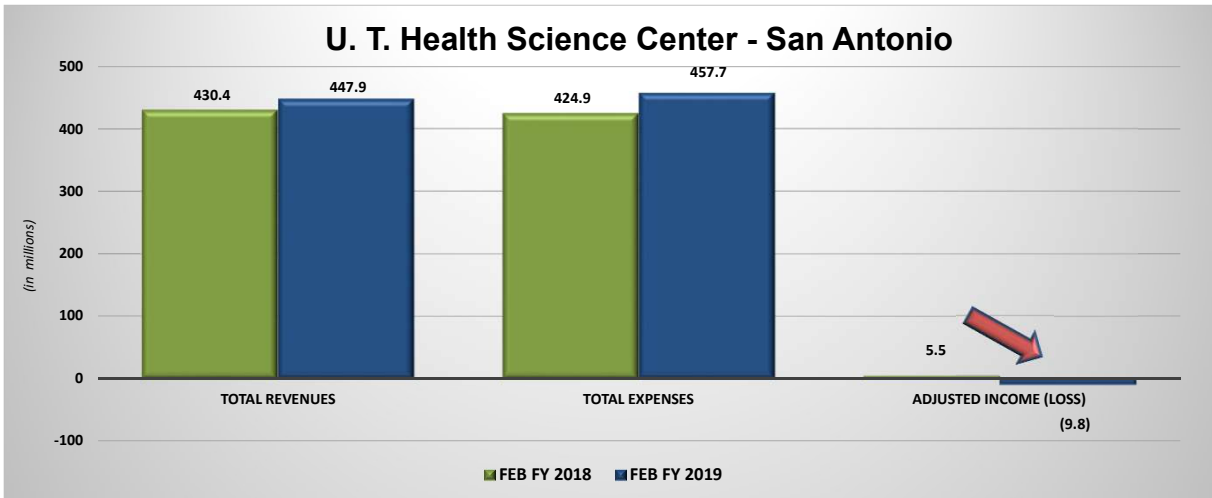
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 211.8	221.4	9.7	449.7
Sponsored Programs/Nonexchange Sponsored Programs	365.0	377.4	12.4	816.1
State Appropriations	107.4	108.2	0.8	215.7
Net Tuition and Fees	29.7	31.2	1.5	59.3
Auxiliary Revenues/Sales & Services of Educational Activities	34.1	34.1	(0.0)	67.3
Net Investment Income	24.3	28.6	4.3	54.5
Other Operating Revenues/Gift Contributions for Operations	45.6	32.5	(13.1)	72.7
<b>Total Revenues</b>	<b>817.8</b>	<b>833.4</b>	<b>15.6</b>	<b>1,735.4</b>
Salaries and Wages/Payroll Related Costs	592.7	612.7	20.0	1,254.2
Materials and Supplies	33.6	31.6	(2.0)	62.8
Depreciation and Amortization	31.6	33.6	2.0	67.3
Other Contracted Services/Professional Fees & Services	65.8	65.9	0.1	146.4
All Other Operating Expenses	91.7	94.7	3.0	196.6
<b>Total Expenses</b>	<b>\$ 815.5</b>	<b>838.5</b>	<b>23.1</b>	<b>1,727.3</b>
<b>Adjusted Income (Loss)</b>	<b>2.3</b>	<b>(5.1)</b>	<b>(7.4)</b>	<b>8.1</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>33.9</b>	<b>28.5</b>	<b>(5.4)</b>	<b>75.4</b>



# Monthly Financial Report

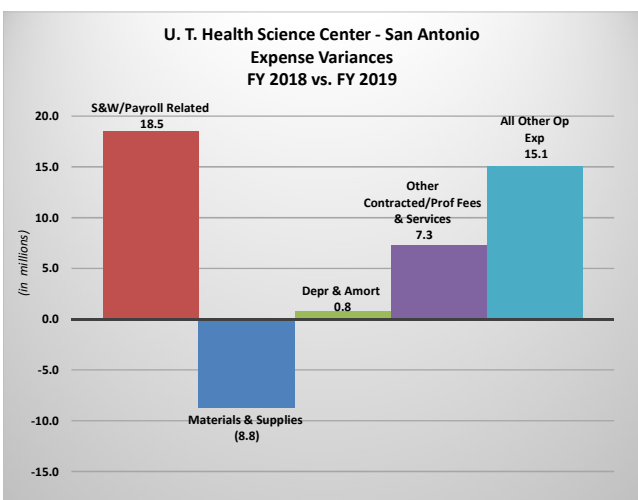
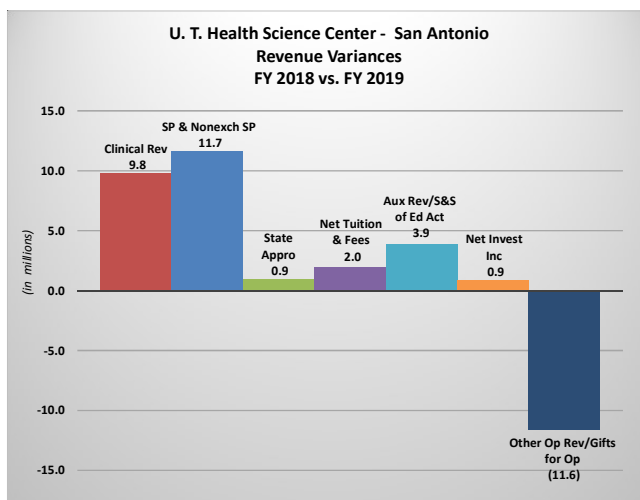
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019



*U. T. Health Science Center - San Antonio* incurred a year-to-date loss of \$9.8 million, a decrease of \$15.3 million (277.2%). The decrease was primarily due to the following: an increase in salaries and wages attributable to increased clinical faculty and staff positions as a result of growth associated with expanded clinical facilities; a decline in Delivery System Reform Incentive Payment (DSRIP) revenues; and a cancelled pledge from the now dissolved San Antonio Cancer Foundation. Excluding depreciation and amortization expense, *U. T. Health Science Center - San Antonio's* adjusted income was \$18.7 million. The most current projection received from *U. T. Health Science Center - San Antonio* reflects a loss of \$10.7 million for the year due to expansion and research.

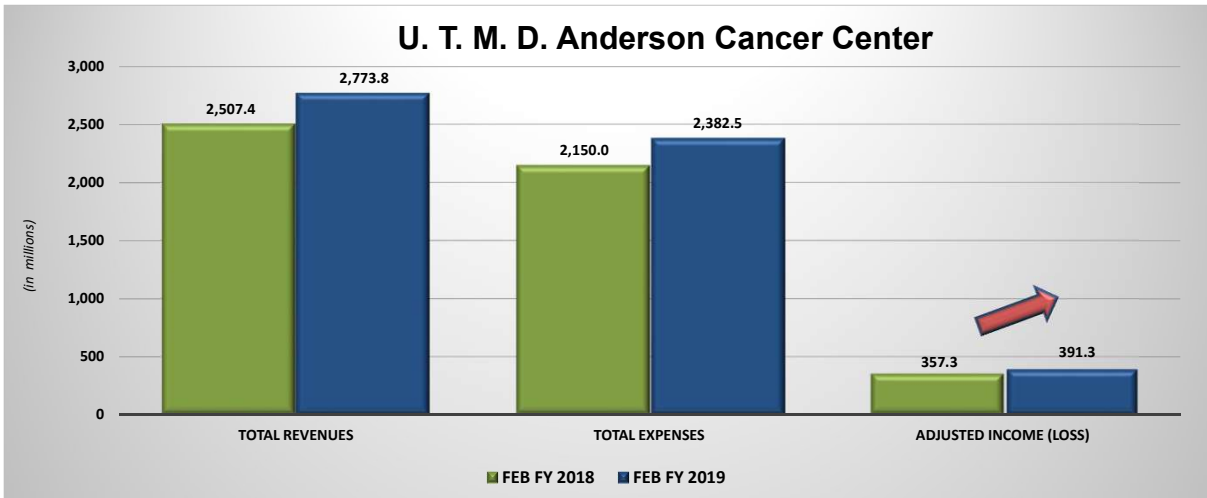
(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 102.8	112.6	9.8	238.1
Sponsored Programs/Nonexchange Sponsored Programs	151.5	163.1	11.7	326.3
State Appropriations	86.3	87.3	0.9	173.1
Net Tuition and Fees	21.9	23.9	2.0	46.0
Auxiliary Revenues/Sales & Services of Educational Activities	14.6	18.5	3.9	38.0
Net Investment Income	22.3	23.1	0.9	42.5
Other Operating Revenues/Gift Contributions for Operations	31.0	19.4	(11.6)	34.7
<b>Total Revenues</b>	<b>430.4</b>	<b>447.9</b>	<b>17.5</b>	<b>898.7</b>
Salaries and Wages/Payroll Related Costs	289.5	308.0	18.5	616.1
Materials and Supplies	31.1	22.4	(8.8)	44.7
Depreciation and Amortization	27.8	28.5	0.8	57.0
Other Contracted Services/Professional Fees & Services	19.4	26.7	7.3	52.3
All Other Operating Expenses	57.2	72.2	15.1	139.2
<b>Total Expenses</b>	<b>\$ 424.9</b>	<b>457.7</b>	<b>32.8</b>	<b>909.4</b>
<b>Adjusted Income (Loss)</b>	<b>5.5</b>	<b>(9.8)</b>	<b>(15.3)</b>	<b>(10.7)</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>33.3</b>	<b>18.7</b>	<b>(14.5)</b>	<b>46.3</b>



# Monthly Financial Report

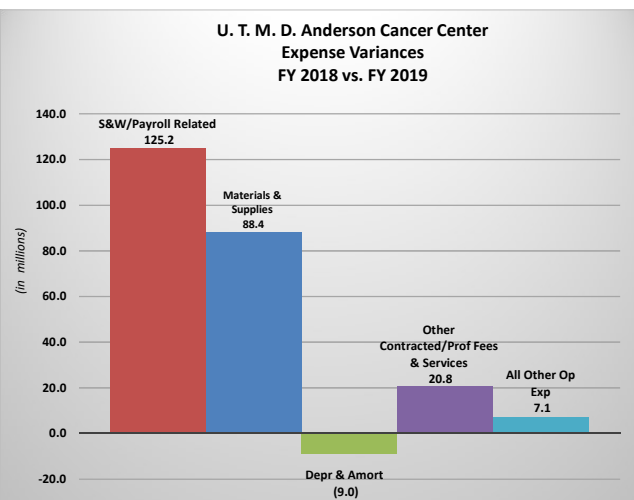
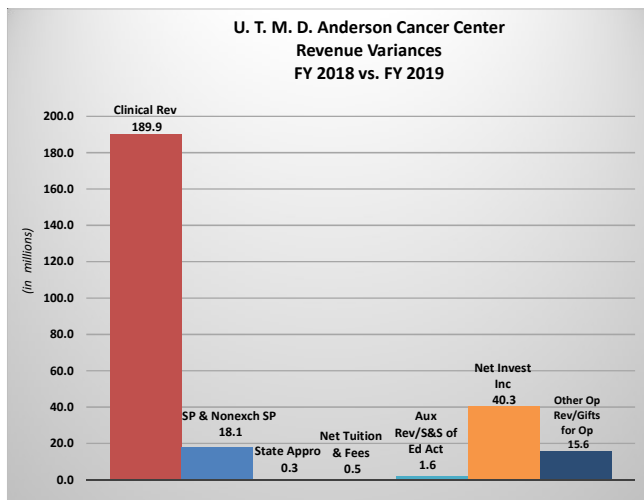
## Comparison of Operating Results, Margin and Projected Year-End

### For the Period Ending February 28, 2019

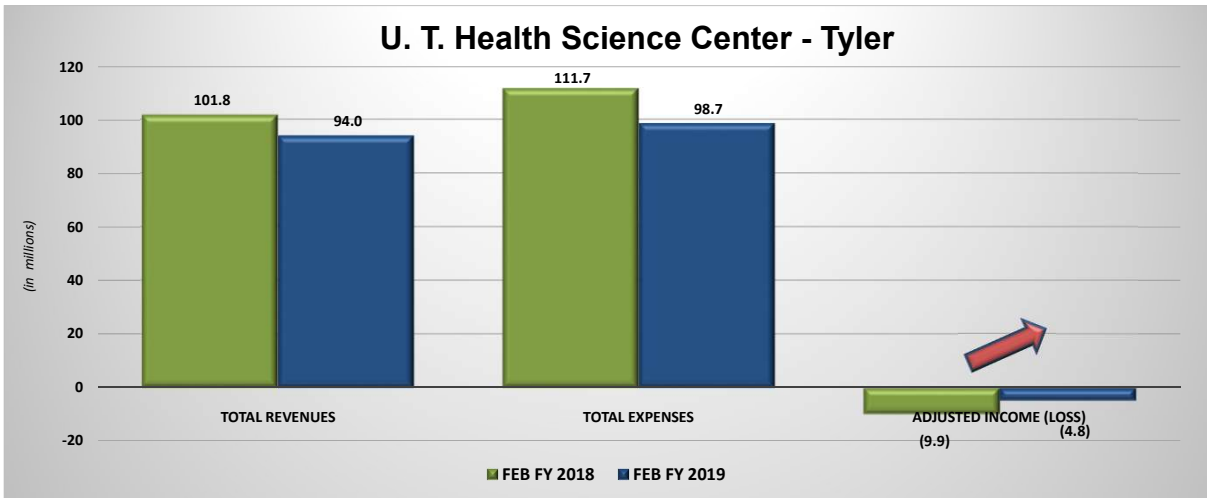


*U. T. M. D. Anderson Cancer Center* reported year-to-date adjusted income of \$391.3 million, an increase of \$33.9 million (9.5%). The increase in adjusted income was primarily attributable to an increase in net sales and services of hospitals due to an increase in admissions, patient days, and outpatient visits for Radiation Oncology and Stem Cell Transplants. An increase in net investment income due to improved market conditions also contributed to the favorable variance. Excluding depreciation and amortization expense, *U. T. M. D. Anderson Cancer Center's* adjusted income was \$571.7 million. The most current projection received from *U. T. M. D. Anderson Cancer Center* reflects income of \$747.9 million for the year.

(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 2,008.6	2,198.6	189.9	4,475.1
Sponsored Programs/Nonexchange Sponsored Programs	167.7	185.9	18.1	384.0
State Appropriations	104.4	104.8	0.3	209.4
Net Tuition and Fees	0.9	1.4	0.5	1.7
Auxiliary Revenues/Sales & Services of Educational Activities	22.7	24.3	1.6	49.4
Net Investment Income	78.6	118.9	40.3	242.5
Other Operating Revenues/Gift Contributions for Operations	124.4	140.0	15.6	234.7
<b>Total Revenues</b>	<b>2,507.4</b>	<b>2,773.8</b>	<b>266.4</b>	<b>5,596.9</b>
Salaries and Wages/Payroll Related Costs	1,223.9	1,349.0	125.2	2,713.4
Materials and Supplies	453.3	541.7	88.4	1,087.3
Depreciation and Amortization	189.4	180.4	(9.0)	355.2
Other Contracted Services/Professional Fees & Services	128.2	149.0	20.8	367.0
All Other Operating Expenses	155.3	162.4	7.1	326.0
<b>Total Expenses</b>	<b>\$ 2,150.0</b>	<b>2,382.5</b>	<b>232.5</b>	<b>4,848.9</b>
<b>Adjusted Income (Loss)</b>	<b>357.3</b>	<b>391.3</b>	<b>33.9</b>	<b>747.9</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>546.7</b>	<b>571.7</b>	<b>24.9</b>	<b>1,103.1</b>



**Monthly Financial Report**  
**Comparison of Operating Results, Margin and Projected Year-End**  
**For the Period Ending February 28, 2019**



*U. T. Health Science Center - Tyler* incurred a year-to-date loss of \$4.8 million, a decrease in adjusted loss of \$5.2 million (52.1%). The decrease was primarily due to the following: lower salaries and wages and payroll related costs attributable to workforce restructuring initiatives; increased other operating income from the UT Health East Texas joint venture; and a decrease in materials and supplies as a result of a decrease in medical supplies and expensed software and licensing costs, corresponding to lower direct hospital revenue associated with entry into the joint venture. Excluding depreciation and amortization expense, *U. T. Health Science Center - Tyler's* adjusted income was \$2.5 million. The most current projection received from *U. T. Health Science Center - Tyler* reflects income of \$0.9 million for the year due to the continued benefit from salary and benefit savings related to the prior year's workforce restructuring initiatives, as well as expected seasonal increases in direct hospital and professional fee revenues.

(in millions)	February YTD FY 2018	February YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 42.1	30.3	(11.7)	61.3
Sponsored Programs/Nonexchange Sponsored Programs	16.1	14.9	(1.2)	30.5
State Appropriations	25.6	25.7	0.2	51.4
Net Tuition and Fees	0.1	0.1	0.0	0.3
Auxiliary Revenues/Sales & Services of Educational Activities	1.9	2.2	0.3	4.4
Net Investment Income	2.1	1.8	(0.3)	3.6
Other Operating Revenues/Gift Contributions for Operations	13.9	18.9	5.0	37.7
<b>Total Revenues</b>	<b>101.8</b>	<b>94.0</b>	<b>(7.8)</b>	<b>189.1</b>
Salaries and Wages/Payroll Related Costs	69.9	61.6	(8.3)	112.9
Materials and Supplies	14.9	10.6	(4.3)	21.2
Depreciation and Amortization	6.9	7.2	0.3	14.5
Other Contracted Services/Professional Fees & Services	11.4	11.5	0.1	24.0
All Other Operating Expenses	8.6	7.8	(0.7)	15.7
<b>Total Expenses</b>	<b>\$ 111.7</b>	<b>98.7</b>	<b>(13.0)</b>	<b>188.3</b>
<b>Adjusted Income (Loss)</b>	<b>(9.9)</b>	<b>(4.8)</b>	<b>5.2</b>	<b>0.9</b>
<b>Adjusted Income (Loss) Excluding Depr &amp; Amort Exp</b>	<b>(3.0)</b>	<b>2.5</b>	<b>5.5</b>	<b>15.3</b>

