

THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT *(unaudited)*

JANUARY 2019



210 West Seventh Street
Austin, Texas 78701
512.499.4527
www.utsystem.edu/cont

TABLE OF CONTENTS

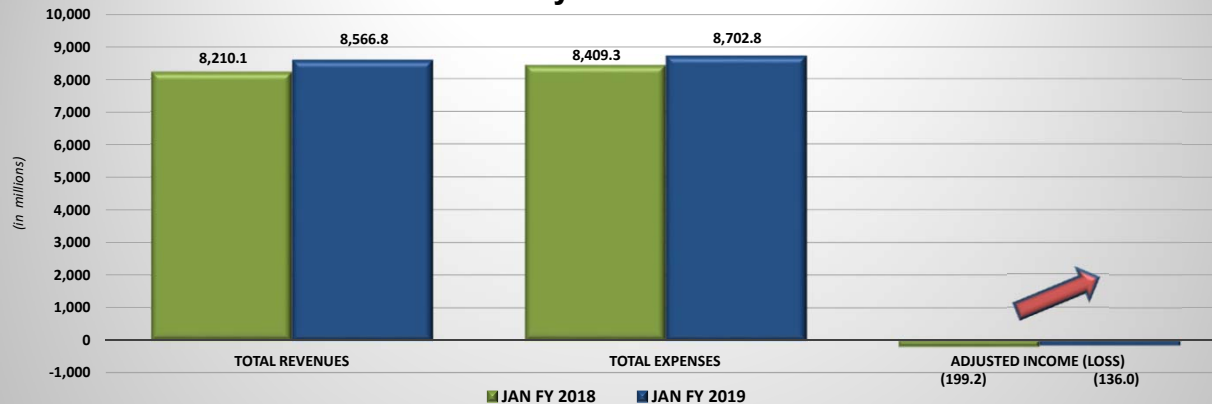
SYSTEMWIDE COMPARISONS OF ACTUAL	1
YEAR-TO-DATE INCOME (LOSS) SUMMARY BY INSTITUTION	2
U. T. SYSTEM ADMINISTRATION	3
U. T. SYSTEM ADMINISTRATION - DETAILED EXPENSE BREAK-OUT	4
U. T. ARLINGTON	5
U. T. AUSTIN	6
U. T. DALLAS	7
U. T. EL PASO	8
U. T. PERMIAN BASIN	9
U. T. RIO GRANDE VALLEY	10
U. T. SAN ANTONIO	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 January 31, 2019

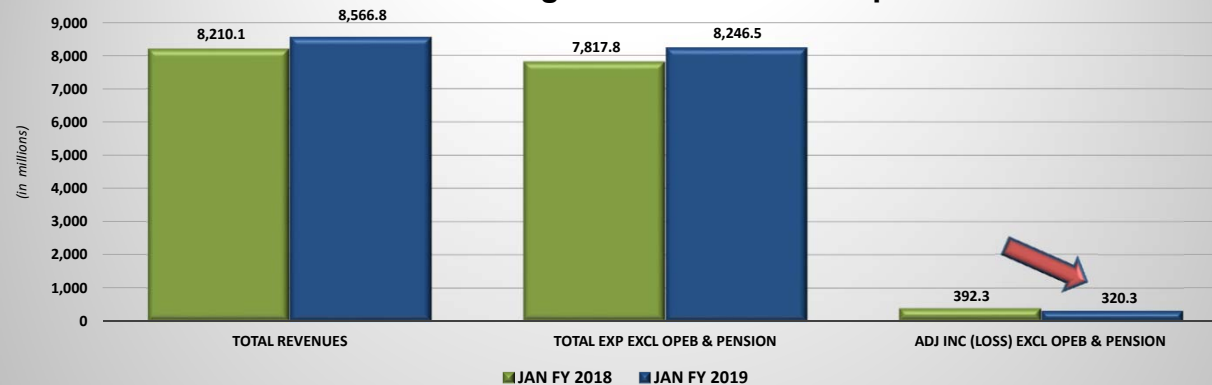
U. T. System Consolidated



U. T. System Consolidated shows a year-to-date adjusted loss of \$136.0 million, a decrease in adjusted loss of \$63.2 million (31.7%). 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 \$320.3 million.

(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 3,341.6	3,640.1	298.5	8,877.9
Sponsored Programs/Nonexchange Sponsored Programs	1,537.6	1,583.9	46.4	3,855.9
State Appropriations	958.5	968.9	10.4	2,299.6
Net Tuition and Fees	752.2	775.3	23.2	1,841.5
Auxiliary Revenues/Sales & Services of Educational Activities	617.4	599.4	(18.0)	1,148.0
Net Investment Income	554.8	600.6	45.7	1,425.8
Other Operating Revenues/Gift Contributions for Operations	448.0	398.5	(49.5)	873.4
Total Revenues	8,210.1	8,566.8	356.7	20,322.1
Salaries and Wages/Payroll Related Costs	4,597.9	4,877.8	279.9	11,461.0
Materials and Supplies	841.1	947.2	106.1	2,281.4
Depreciation and Amortization	604.0	618.3	14.3	1,484.1
Other Contracted Services/Professional Fees & Services	545.6	570.3	24.7	1,447.8
All Other Operating Expenses	1,229.2	1,232.9	3.8	2,707.1
Total Expenses (Excluding OPEB & Pension Exp)	\$ 7,817.8	8,246.5	428.8	19,381.4
Adjusted Income (Loss) Excluding OPEB & Pension Exp	392.3	320.3	(72.0)	940.7
OPEB Expense	438.3	351.3	(87.0)	843.2
Pension Expense	153.2	105.0	(48.2)	252.0
Adjusted Income (Loss)	(199.2)	(136.0)	63.2	(154.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	404.7	482.3	77.5	1,329.6

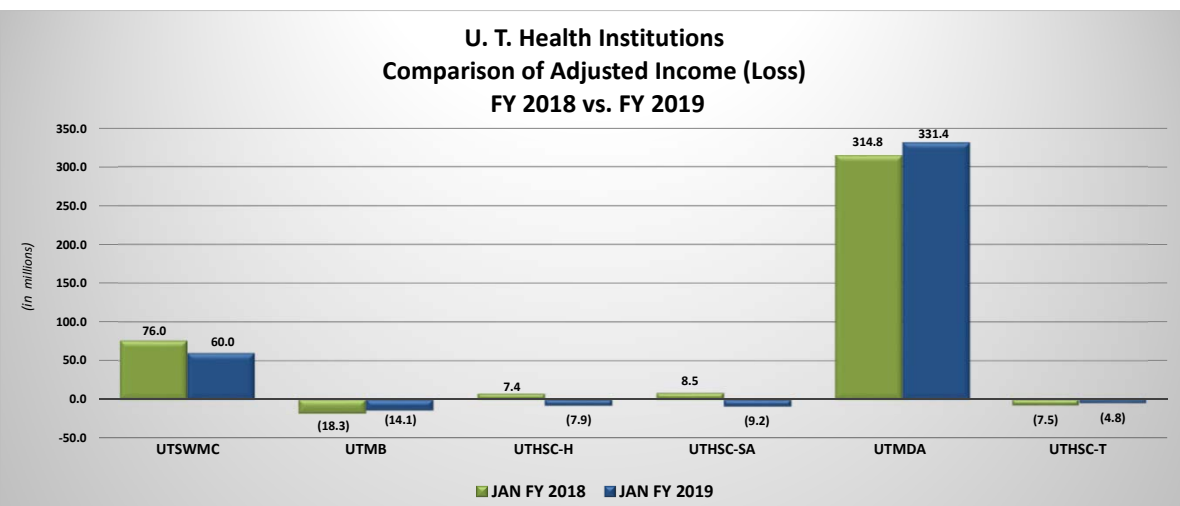
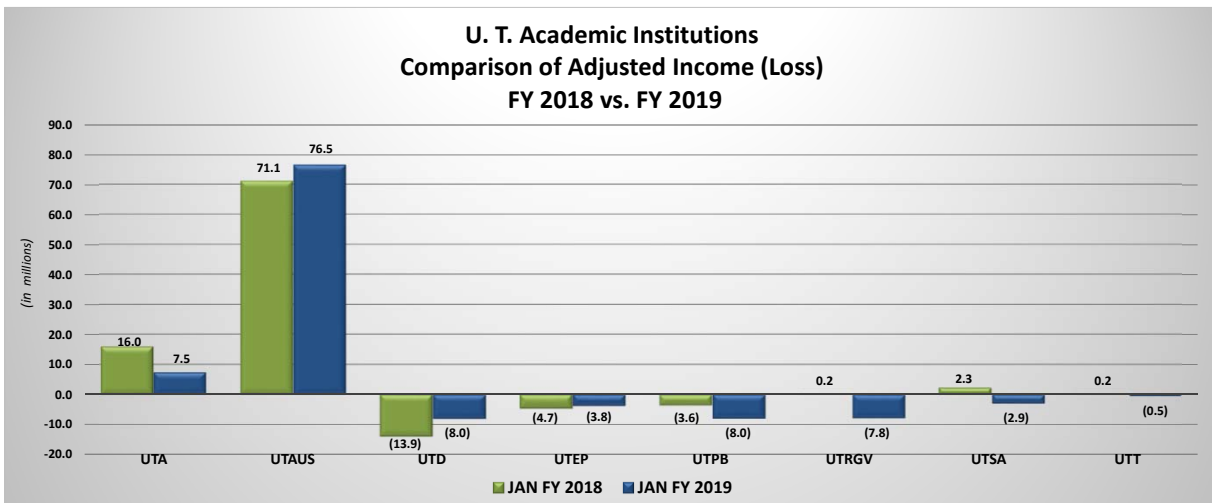
U. T. System Consolidated Excluding OPEB & Pension Expense



Monthly Financial Report Comparison of Adjusted Income (Loss) For the Period Ending January 31, 2019

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

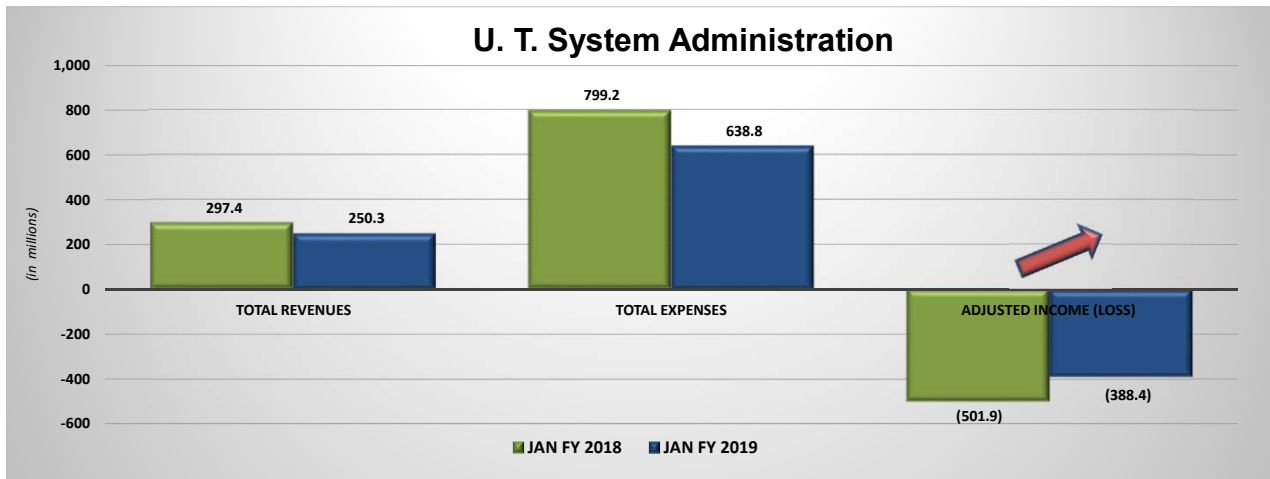
Institution	January YTD FY 2018 (in millions)	January YTD FY 2019 (in millions)	Variance \$	Variance %
U. T. System Administration	\$ (501.9)	\$ (388.4)	\$ 113.4	22.6%
U. T. Arlington	16.0	7.5	(8.5)	-53.2%
U. T. Austin	71.1	76.5	5.4	7.5%
U. T. Dallas	(13.9)	(8.0)	5.9	42.3%
U. T. El Paso	(4.7)	(3.8)	0.9	19.1%
U. T. Permian Basin	(3.6)	(8.0)	(4.4)	-120.9%
U. T. Rio Grande Valley	0.2	(7.8)	(8.0)	-4,777.6%
U. T. San Antonio	2.3	(2.9)	(5.3)	-227.0%
U. T. Tyler	0.2	(0.5)	(0.7)	-381.1%
U. T. Southwestern Medical Center	76.0	60.0	(16.0)	-21.1%
U. T. Medical Branch - Galveston	(18.3)	(14.1)	4.2	23.1%
U. T. Health Science Center - Houston	7.4	(7.9)	(15.3)	-206.0%
U. T. Health Science Center - San Antonio	8.5	(9.2)	(17.6)	-207.9%
U. T. M. D. Anderson Cancer Center	314.8	331.4	16.6	5.3%
U. T. Health Science Center - Tyler	(7.5)	(4.8)	2.7	35.4%
Elimination of AUF Transfer	(145.8)	(155.9)	(10.1)	-6.9%
Total Adjusted Income (Loss)	\$ (199.2)	\$ (136.0)	\$ 63.2	31.7%



Monthly Financial Report

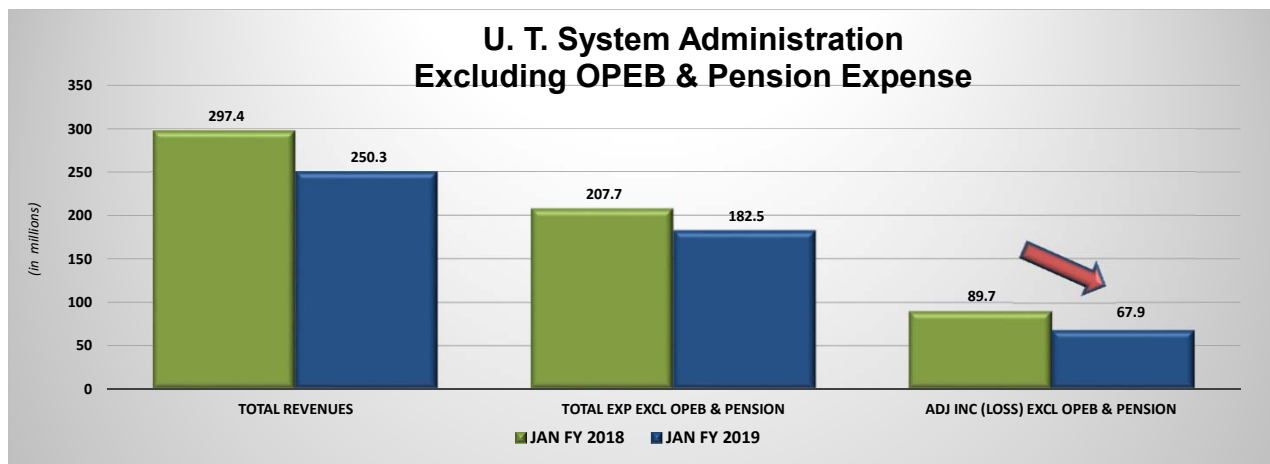
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. System Administration incurred a year-to-date adjusted loss of \$388.4 million, a decrease in adjusted loss of \$113.4 million (22.6%). 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 \$513.5 million for the year.

(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 30.2	7.1	(23.1)	30.6
State Appropriations	1.4	1.4	-	3.3
Auxiliary Revenues/Sales & Services of Educational Activities	24.9	4.5	(20.3)	10.9
Net Investment Income/Available University Fund (AUF)	229.5	225.8	(3.7)	541.8
Other Operating Revenues/Gift Contributions for Operations	11.4	11.5	0.1	26.7
Total Revenues	297.4	250.3	(47.0)	613.5
Salaries and Wages/Payroll Related Costs	39.2	32.7	(6.5)	(204.2)
Materials and Supplies	16.0	19.0	3.0	23.0
Depreciation and Amortization	10.2	11.2	1.0	26.9
Other Contracted Services/Professional Fees & Services	26.6	12.0	(14.6)	37.1
All Other Operating Expenses	115.6	107.5	(8.1)	149.0
Total Expenses (Excluding OPEB & Pension Exp)	\$ 207.7	182.5	(25.2)	31.8
Adjusted Income (Loss) Excluding OPEB & Pension Exp	89.7	67.9	(21.8)	581.7
OPEB Expense	438.3	351.3	(87.0)	843.2
Pension Expense	153.2	105.0	(48.2)	252.0
Adjusted Income (Loss)	(501.9)	(388.4)	113.4	(513.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(491.6)	(377.2)	114.4	(486.6)

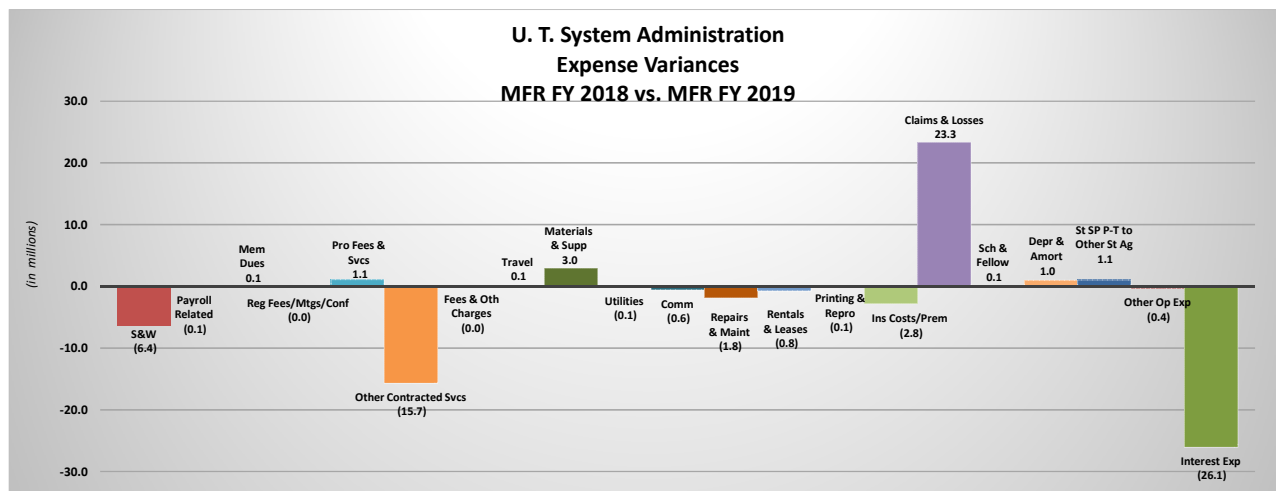


Monthly Financial Report

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

For the Period Ending January 31, 2019

	January YTD FY 2018 (in millions)	January YTD FY 2019 (in millions)	Actual Year-End FY 2018	Annual Projected FY 2019
Salaries and Wages	\$ 32.8	26.4	59.0	63.3
Payroll Related Costs	6.4	6.4	(270.0)	(267.6)
Membership Dues	0.2	0.3	0.3	0.7
Registration Fees, Meetings, Conferences	0.1	0.1	0.4	0.3
Professional Fees and Services	5.5	6.6	11.8	15.7
Other Contracted Services	21.2	5.5	31.1	21.4
Fees and Other Charges	0.0	0.0	(0.0)	0.1
Travel	0.6	0.7	1.6	1.7
Materials and Supplies	16.0	19.0	10.7	23.0
Utilities	0.3	0.2	0.6	0.4
Communications	4.2	3.7	4.0	4.0
Repairs and Maintenance	3.5	1.7	6.7	4.0
Rentals and Leases	2.1	1.4	3.4	3.3
Printing and Reproduction	0.2	0.1	0.4	0.2
Insurance Costs/Premiums	29.7	26.9	7.1	64.6
Claims and Losses	30.8	54.1	65.5	26.8
Scholarships and Fellowships	0.4	0.5	2.3	1.1
Depreciation and Amortization	10.2	11.2	25.2	26.9
State Sponsored Program Pass-Through to Other State Agencies	0.9	1.9	3.2	3.4
Other Operating Expenses	1.0	0.6	0.3	1.5
Interest Expense	41.5	15.4	32.2	36.9
Total Expenses (Excluding OPEB & Pension Expense)	207.7	182.5	(4.0)	31.8
OPEB Expense	438.3	351.3	843.2	843.2
Pension Expense	153.2	105.0	252.0	252.0
Total Expenses (Including OPEB & Pension Expense)	\$ 799.2	638.8	1,091.1	1,126.9



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

Other Contracted Services - decrease of \$15.6 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, South Texas Biomedical Research Program and University Lands Engineering Services.

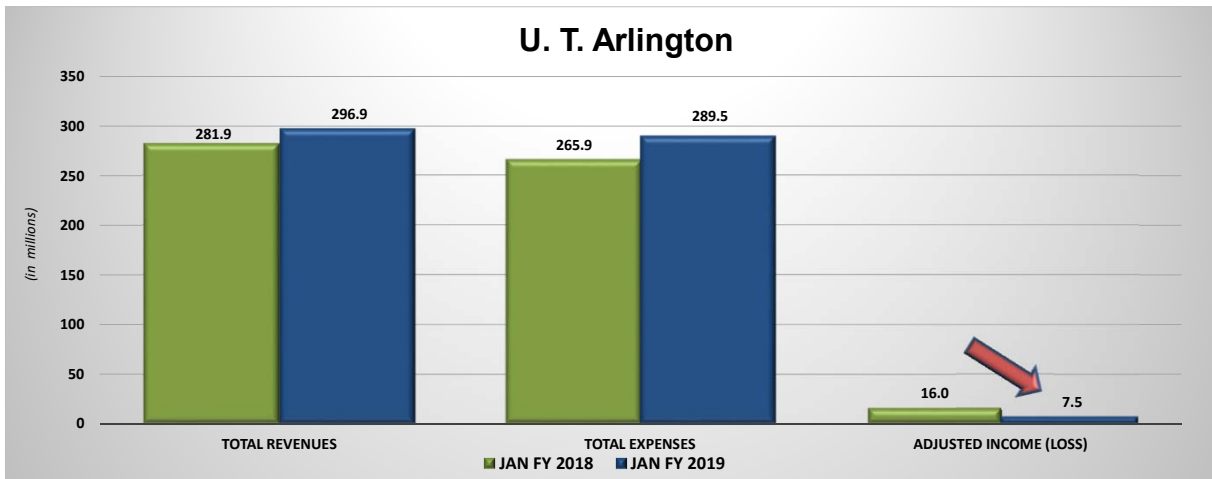
Claims and Losses - increase of \$23.3 million due to increased claims for the Medical/Dental Self Insurance Plan.

Interest Expense - decrease of \$26.1 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.

Monthly Financial Report

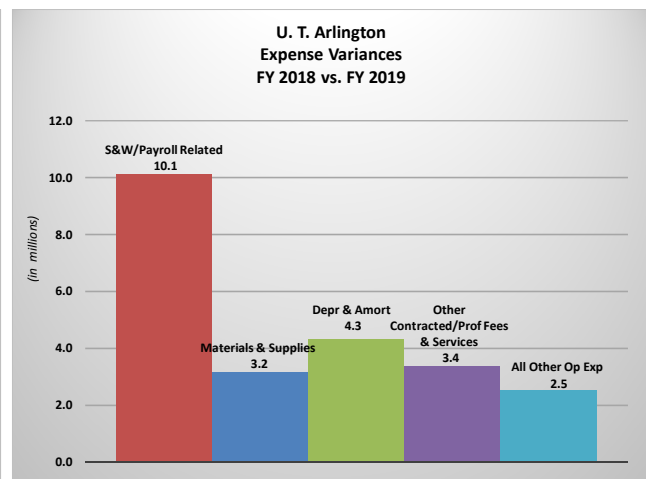
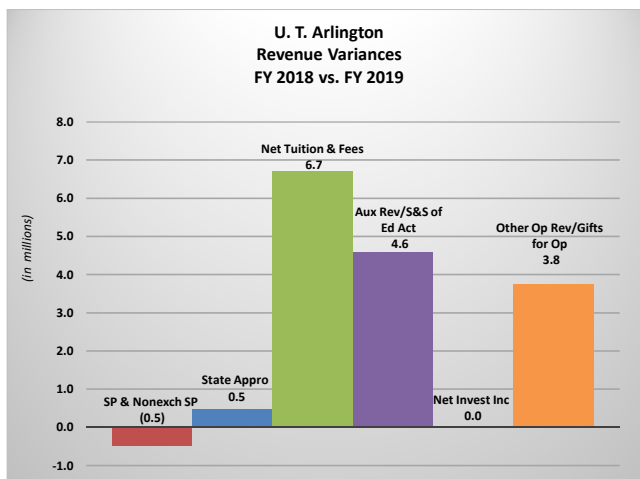
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Arlington reported year-to-date adjusted income of \$7.5 million, a decrease of \$8.5 million (53.2%). 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; 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 \$30.4 million. The most current projection received from *U. T. Arlington* reflects income of \$30.5 million for the year.

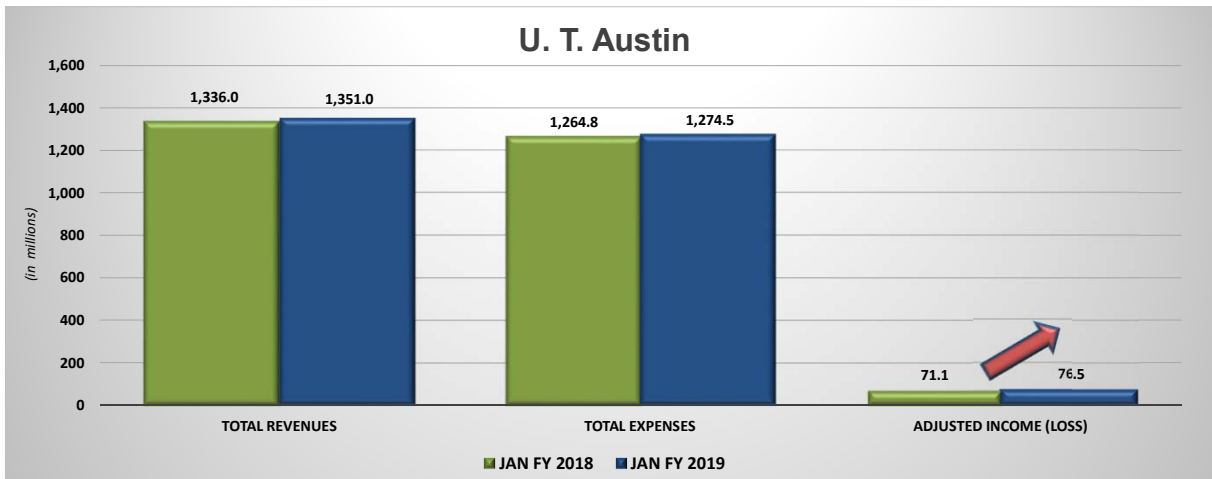
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 57.9	57.4	(0.5)	135.0
State Appropriations	54.8	55.3	0.5	132.7
Net Tuition and Fees	125.1	131.8	6.7	316.4
Auxiliary Revenues/Sales & Services of Educational Activities	27.2	31.8	4.6	78.6
Net Investment Income	8.2	8.2	0.0	21.3
Other Operating Revenues/Gift Contributions for Operations	8.7	12.4	3.8	10.1
Total Revenues	281.9	296.9	15.0	694.2
Salaries and Wages/Payroll Related Costs	150.2	160.3	10.1	379.1
Materials and Supplies	12.1	15.3	3.2	45.7
Depreciation and Amortization	18.6	22.9	4.3	54.7
Other Contracted Services/Professional Fees & Services	35.1	38.5	3.4	56.0
All Other Operating Expenses	49.9	52.5	2.5	128.2
Total Expenses	\$ 265.9	289.5	23.5	663.7
Adjusted Income (Loss)	16.0	7.5	(8.5)	30.5
Adjusted Income (Loss) Excluding Depr & Amort Exp	34.5	30.4	(4.2)	85.2



Monthly Financial Report

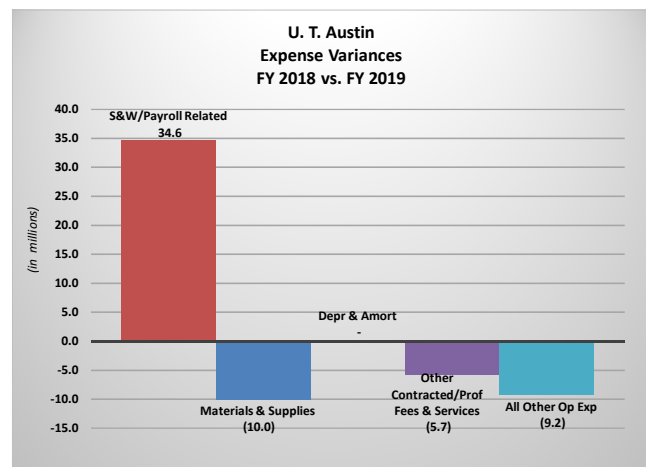
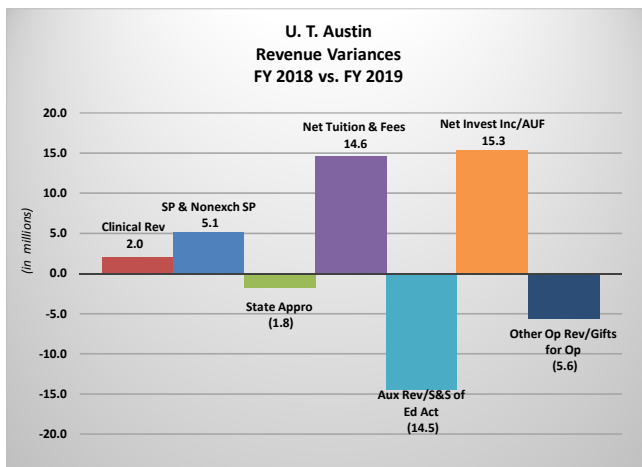
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Austin reported year-to-date adjusted income of \$76.5 million, an increase of \$5.4 million (7.5%). The increase was primarily due to an increase in the amount of the transfer from the Available University Fund (AUF) to cover operating expenses. Excluding depreciation and amortization expense, *U. T. Austin's* adjusted income was \$207.3 million. The most current projection received from *U. T. Austin* reflects income of \$67.0 million for the year.

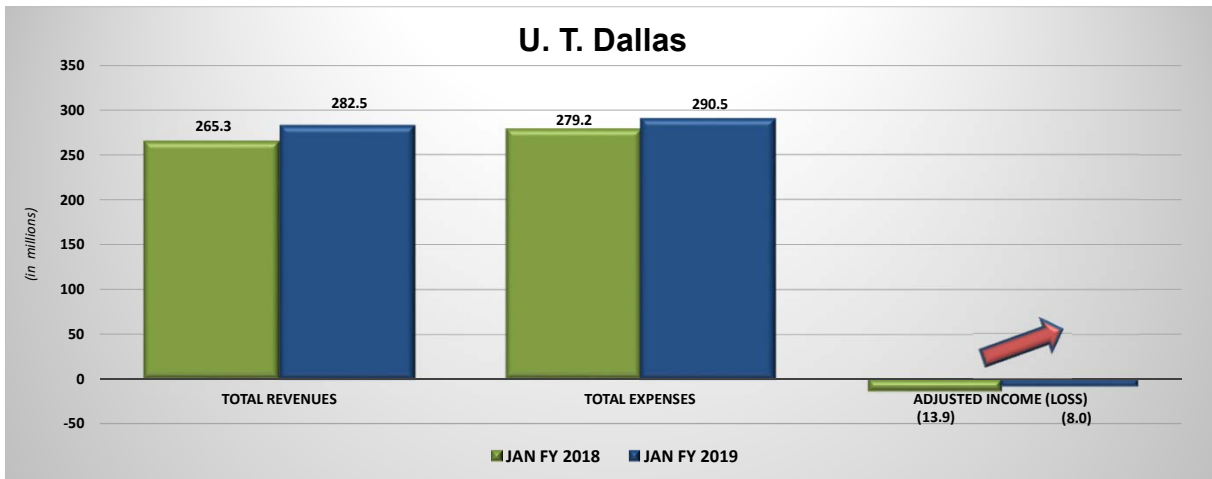
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ -	2.0	2.0	4.2
Sponsored Programs/Nonexchange Sponsored Programs	262.2	267.3	5.1	728.2
State Appropriations	150.3	148.4	(1.8)	356.2
Net Tuition and Fees	202.1	216.7	14.6	520.0
Auxiliary Revenues/Sales & Services of Educational Activities	377.7	363.3	(14.5)	589.0
Net Investment Income/Available University Fund (AUF)	257.5	272.8	15.3	641.6
Other Operating Revenues/Gift Contributions for Operations	86.1	80.5	(5.6)	178.1
Total Revenues	1,336.0	1,351.0	15.0	3,017.3
Salaries and Wages/Payroll Related Costs	705.0	739.6	34.6	1,679.2
Materials and Supplies	64.5	54.4	(10.0)	130.7
Depreciation and Amortization	130.8	130.8	-	314.0
Other Contracted Services/Professional Fees & Services	87.0	81.3	(5.7)	228.8
All Other Operating Expenses	277.5	268.3	(9.2)	597.6
Total Expenses	\$ 1,264.8	1,274.5	9.6	2,950.3
Adjusted Income (Loss)	71.1	76.5	5.4	67.0
Adjusted Income (Loss) Excluding Depr & Amort Exp	202.0	207.3	5.4	381.0



Monthly Financial Report

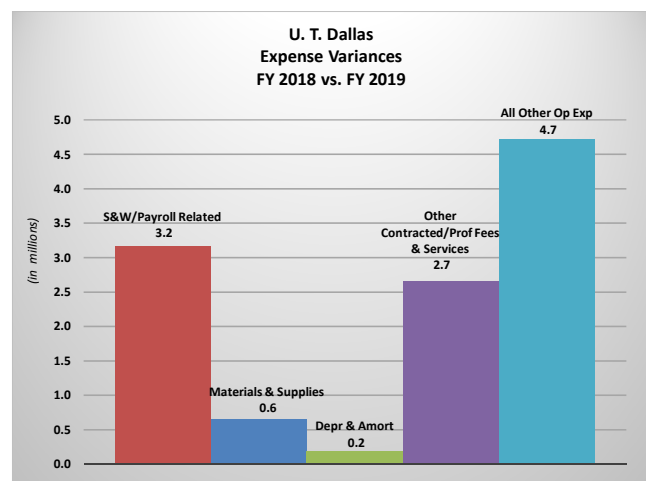
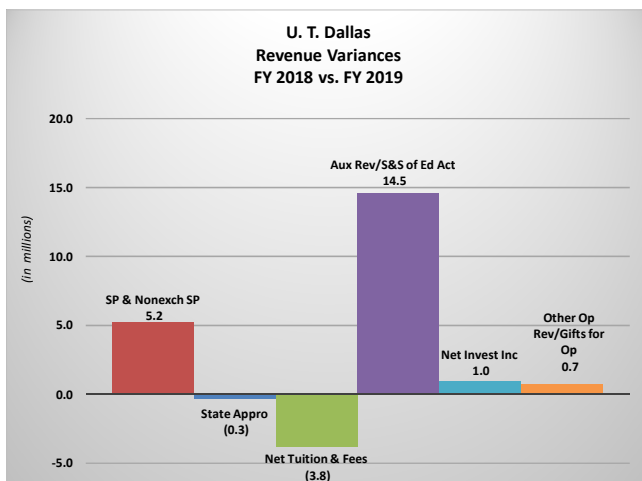
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Dallas incurred a year-to-date adjusted loss of \$8.0 million, a decrease in adjusted loss of \$5.9 million (42.3%). This decrease was primarily attributable to an increase in net auxiliary enterprises as a result of all housing services being managed internally. Excluding depreciation and amortization expense, *U. T. Dallas*' adjusted income was \$26.1 million. The most current projection received from *U. T. Dallas* reflects a loss of \$19.3 million for the year.

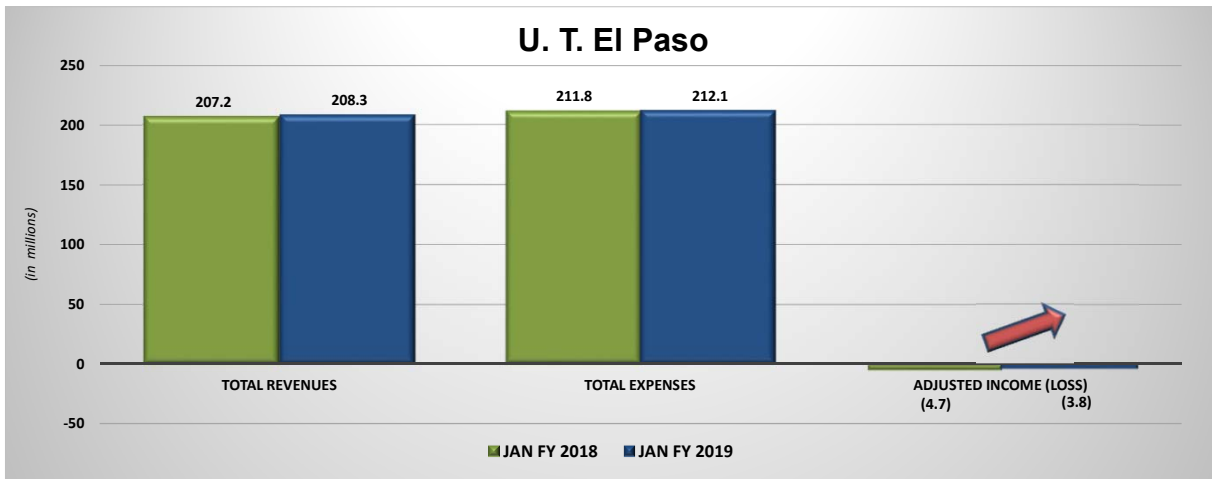
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 37.1	42.3	5.2	101.4
State Appropriations	51.7	51.3	(0.3)	123.2
Net Tuition and Fees	132.2	128.4	(3.8)	308.1
Auxiliary Revenues/Sales & Services of Educational Activities	24.4	38.9	14.5	93.4
Net Investment Income	12.1	13.1	1.0	31.4
Other Operating Revenues/Gift Contributions for Operations	7.8	8.5	0.7	20.5
Total Revenues	265.3	282.5	17.2	678.0
Salaries and Wages/Payroll Related Costs	163.4	166.6	3.2	399.8
Materials and Supplies	13.4	14.1	0.6	33.8
Depreciation and Amortization	34.0	34.2	0.2	82.0
Other Contracted Services/Professional Fees & Services	11.2	13.8	2.7	33.1
All Other Operating Expenses	57.2	61.9	4.7	148.5
Total Expenses	\$ 279.2	290.5	11.3	697.3
Adjusted Income (Loss)	(13.9)	(8.0)	5.9	(19.3)
Adjusted Income (Loss) Excluding Depr & Amort Exp	20.1	26.1	6.1	62.7



Monthly Financial Report

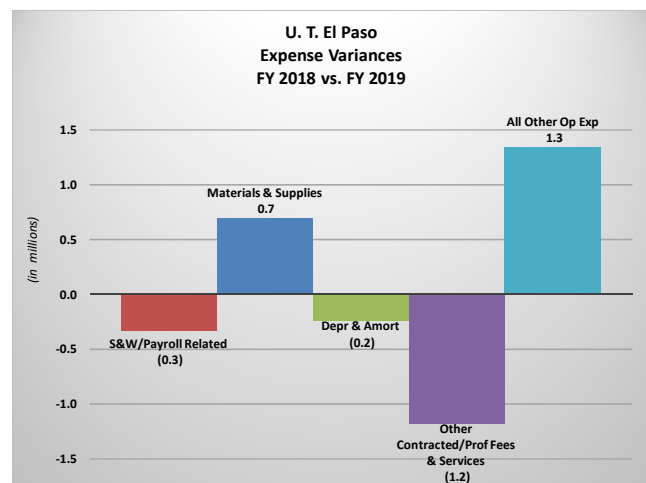
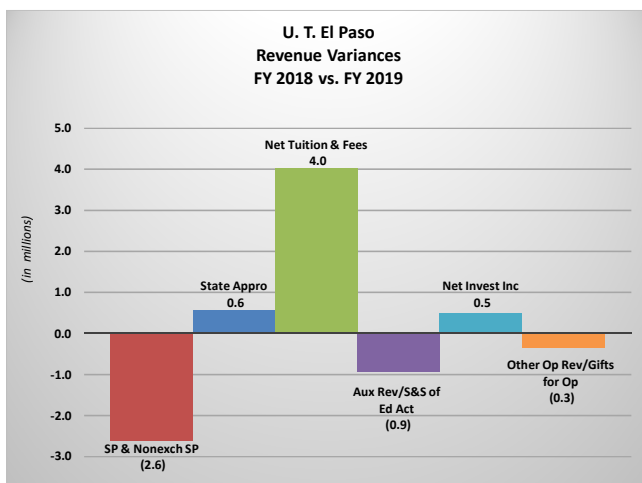
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. El Paso incurred a year-to-date adjusted loss of \$3.8 million, a decrease in adjusted loss of \$0.9 million (19.1%). The decrease was primarily due to increases in designated tuition and distance learning fees. Excluding depreciation and amortization expense, *U. T. El Paso's* adjusted income was \$8.7 million. The most current projection received from *U. T. El Paso* reflects a loss of \$8.4 million for the year.

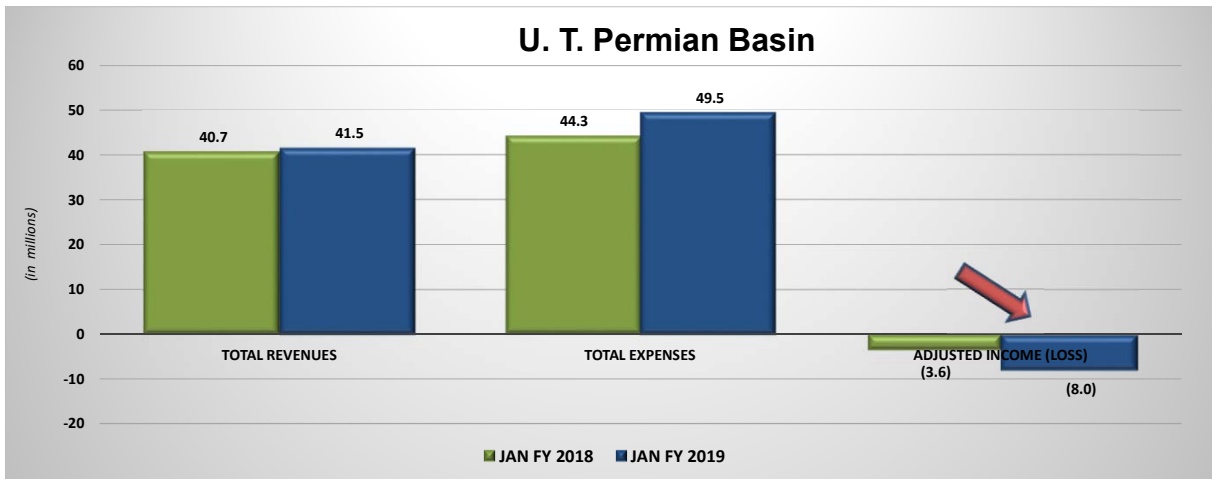
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 75.7	73.1	(2.6)	147.2
State Appropriations	46.4	47.0	0.6	107.6
Net Tuition and Fees	56.2	60.2	4.0	135.7
Auxiliary Revenues/Sales & Services of Educational Activities	19.5	18.6	(0.9)	40.4
Net Investment Income	6.8	7.2	0.5	15.7
Other Operating Revenues/Gift Contributions for Operations	2.6	2.2	(0.3)	6.0
Total Revenues	207.2	208.3	1.2	452.6
Salaries and Wages/Payroll Related Costs	107.5	107.2	(0.3)	254.2
Materials and Supplies	7.5	8.2	0.7	20.4
Depreciation and Amortization	12.8	12.5	(0.2)	30.3
Other Contracted Services/Professional Fees & Services	13.8	12.7	(1.2)	29.2
All Other Operating Expenses	70.2	71.6	1.3	126.9
Total Expenses	\$ 211.8	212.1	0.3	461.1
Adjusted Income (Loss)	(4.7)	(3.8)	0.9	(8.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	8.1	8.7	0.7	21.9



Monthly Financial Report

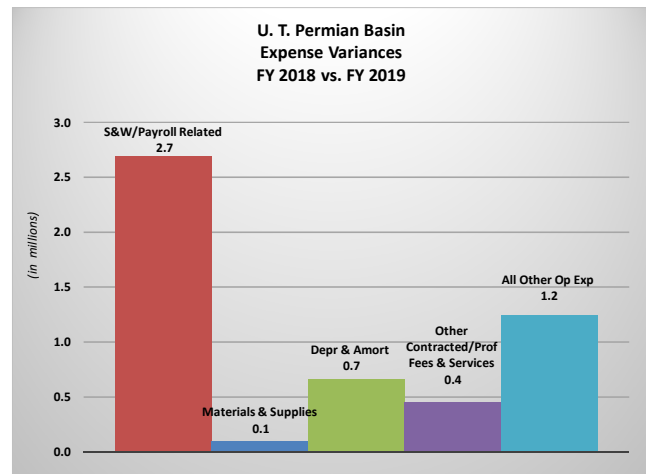
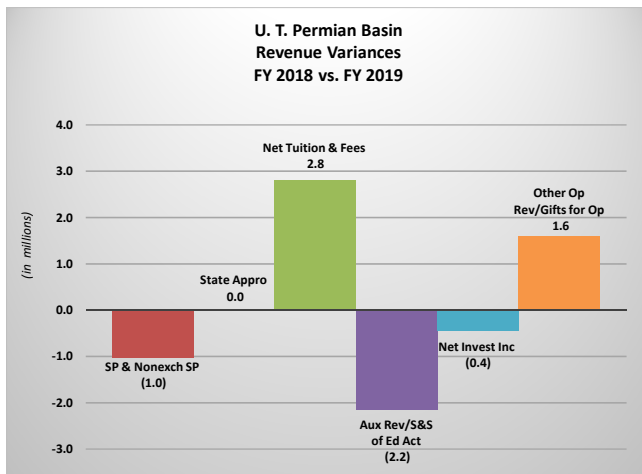
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Permian Basin incurred a year-to-date adjusted loss of \$8.0 million, an increase in adjusted loss of \$4.4 million (120.9%). 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; a decrease in sponsored programs due to a delay in billing; an increase in salaries and wages and payroll related cost as a result of vacant positions being filled; 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 \$1.1 million. The most current projection received from *U. T. Permian Basin* reflects a loss of \$23.7 million for the year.

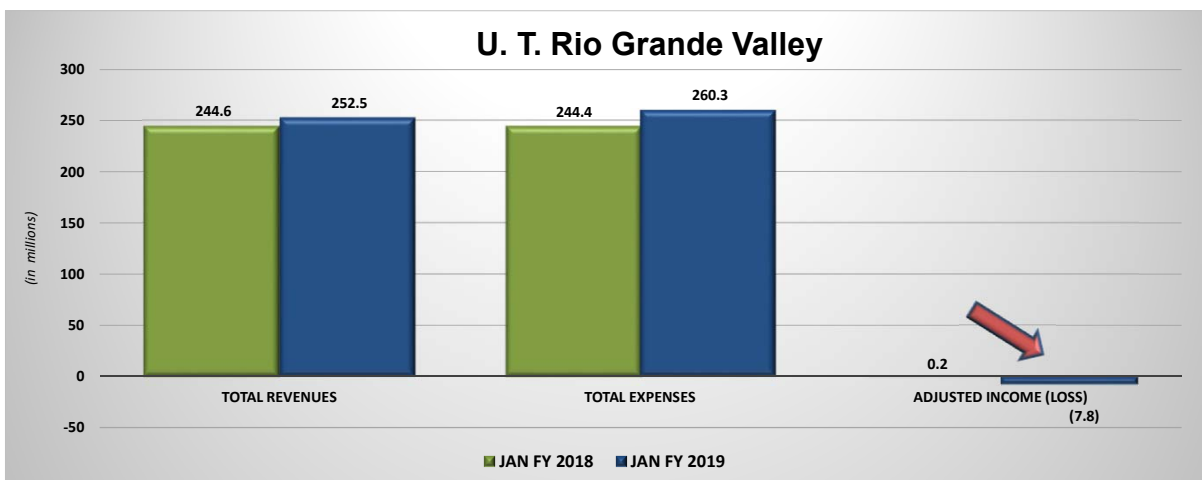
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 7.6	6.6	(1.0)	15.8
State Appropriations	15.3	15.3	0.0	35.2
Net Tuition and Fees	8.9	11.7	2.8	28.1
Auxiliary Revenues/Sales & Services of Educational Activities	6.2	4.0	(2.2)	9.7
Net Investment Income	1.1	0.7	(0.4)	1.6
Other Operating Revenues/Gift Contributions for Operations	1.6	3.2	1.6	4.7
Total Revenues	40.7	41.5	0.8	95.0
Salaries and Wages/Payroll Related Costs	18.3	20.9	2.7	50.3
Materials and Supplies	2.0	2.1	0.1	5.0
Depreciation and Amortization	6.2	6.8	0.7	16.4
Other Contracted Services/Professional Fees & Services	3.8	4.3	0.4	10.3
All Other Operating Expenses	14.1	15.3	1.2	36.8
Total Expenses	\$ 44.3	49.5	5.1	118.7
Adjusted Income (Loss)	(3.6)	(8.0)	(4.4)	(23.7)
Adjusted Income (Loss) Excluding Depr & Amort Exp	2.6	(1.1)	(3.7)	(7.3)



Monthly Financial Report

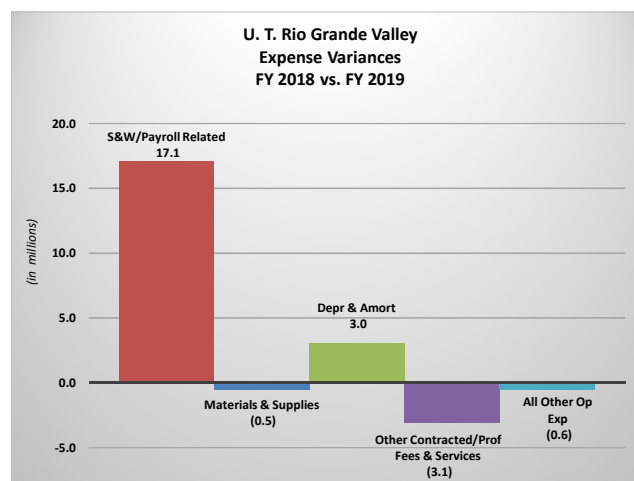
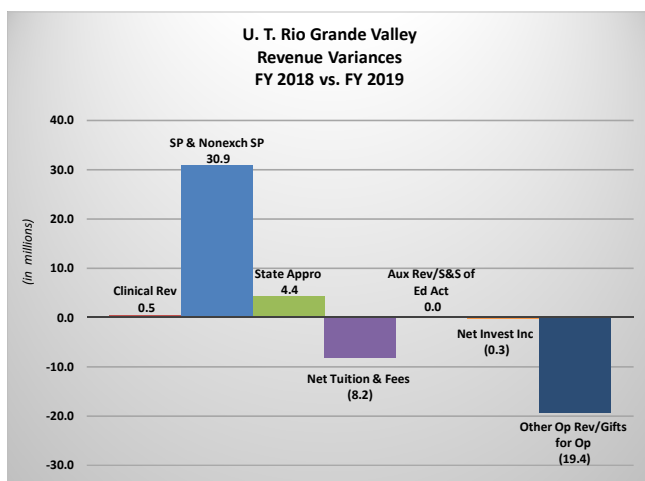
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$7.8 million, a decrease of \$8.0 million (4,777.6%). The decrease 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. Excluding depreciation and amortization expense, *U. T. Rio Grande Valley's* adjusted income was \$11.3 million. The most current projection received from *U. T. Rio Grande Valley* reflects a loss of \$13.6 million for the year.

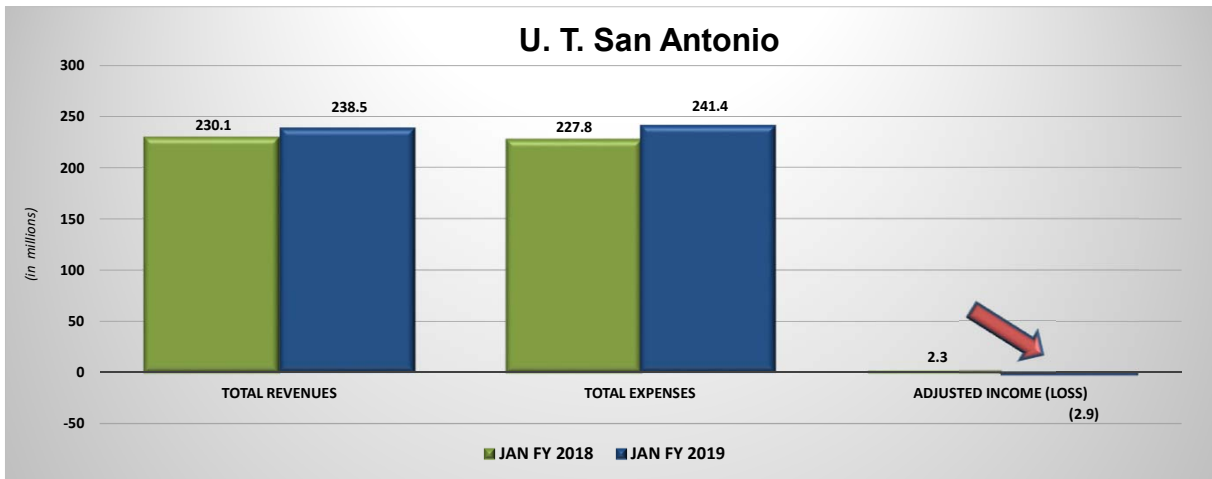
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 1.7	2.2	0.5	6.0
Sponsored Programs/Nonexchange Sponsored Programs	92.7	123.7	30.9	213.9
State Appropriations	61.2	65.5	4.4	144.7
Net Tuition and Fees	47.9	39.7	(8.2)	95.2
Auxiliary Revenues/Sales & Services of Educational Activities	9.1	9.2	0.0	17.2
Net Investment Income	4.5	4.3	(0.3)	9.1
Other Operating Revenues/Gift Contributions for Operations	27.4	8.0	(19.4)	12.8
Total Revenues	244.6	252.5	7.9	498.8
Salaries and Wages/Payroll Related Costs	121.2	138.2	17.1	318.7
Materials and Supplies	8.5	8.0	(0.5)	20.6
Depreciation and Amortization	16.1	19.1	3.0	48.2
Other Contracted Services/Professional Fees & Services	9.1	6.0	(3.1)	16.8
All Other Operating Expenses	89.5	89.0	(0.6)	108.2
Total Expenses	\$ 244.4	260.3	15.9	512.4
Adjusted Income (Loss)	0.2	(7.8)	(8.0)	(13.6)
Adjusted Income (Loss) Excluding Depr & Amort Exp	16.3	11.3	(5.0)	34.6



Monthly Financial Report

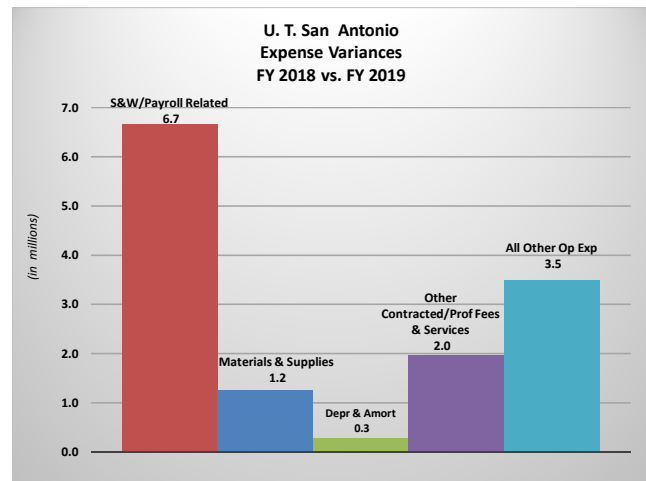
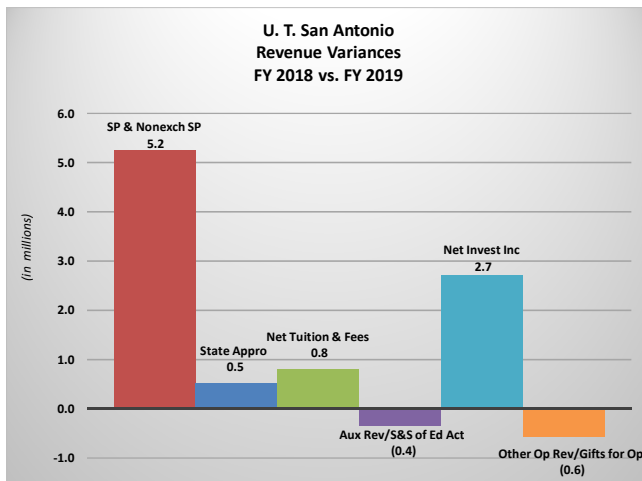
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. San Antonio incurred a year-to-date adjusted loss of \$2.9 million, a decrease of \$5.3 million (227.0%). 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 \$17.7 million. The most current projection received from *U. T. San Antonio* reflects a loss of \$7.1 million for the year.

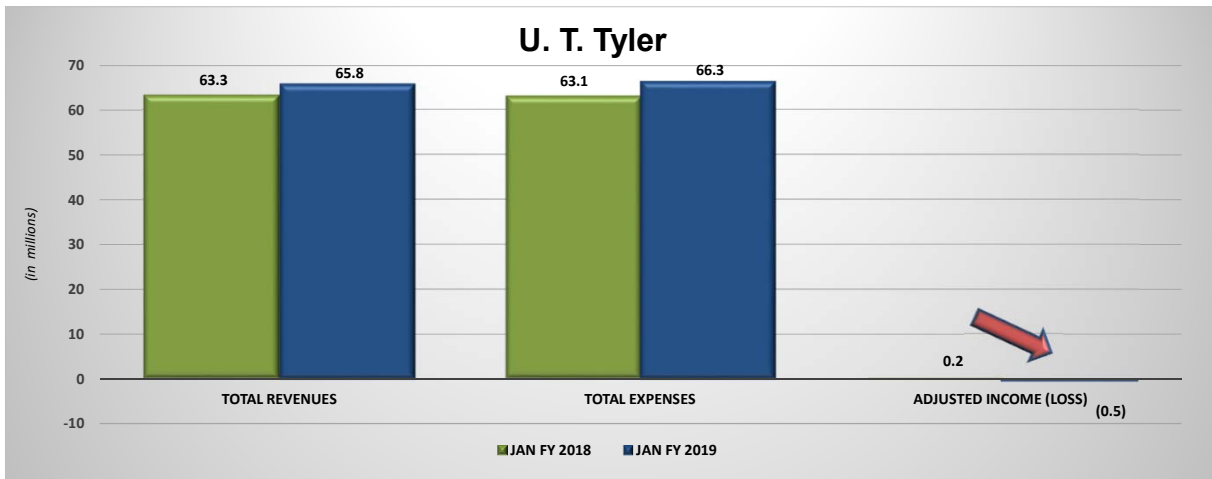
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 51.9	57.2	5.2	137.2
State Appropriations	54.9	55.5	0.5	133.1
Net Tuition and Fees	85.3	86.1	0.8	206.5
Auxiliary Revenues/Sales & Services of Educational Activities	26.0	25.6	(0.4)	61.5
Net Investment Income	6.6	9.3	2.7	22.4
Other Operating Revenues/Gift Contributions for Operations	5.4	4.8	(0.6)	11.6
Total Revenues	230.1	238.5	8.4	572.4
Salaries and Wages/Payroll Related Costs	129.2	135.9	6.7	326.1
Materials and Supplies	10.2	11.4	1.2	27.5
Depreciation and Amortization	20.4	20.6	0.3	49.5
Other Contracted Services/Professional Fees & Services	10.7	12.7	2.0	30.5
All Other Operating Expenses	57.3	60.8	3.5	145.8
Total Expenses	\$ 227.8	241.4	13.6	579.4
Adjusted Income (Loss)	2.3	(2.9)	(5.3)	(7.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	22.7	17.7	(5.0)	42.5



Monthly Financial Report

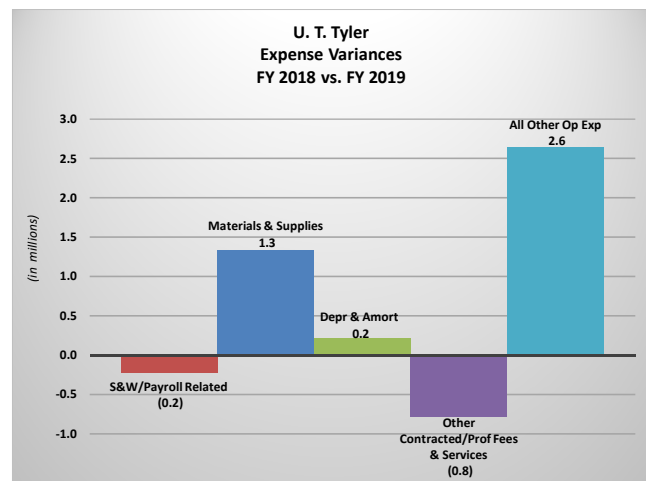
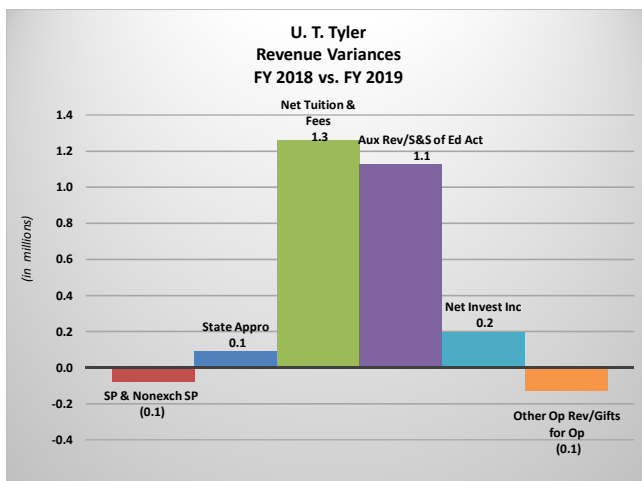
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Tyler incurred a year-to-date adjusted loss of \$0.5 million, a decrease of \$0.7 million (381.1%). 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 \$6.1 million. The most current projection received from *U. T. Tyler* reflects a loss of \$2.4 million for the year.

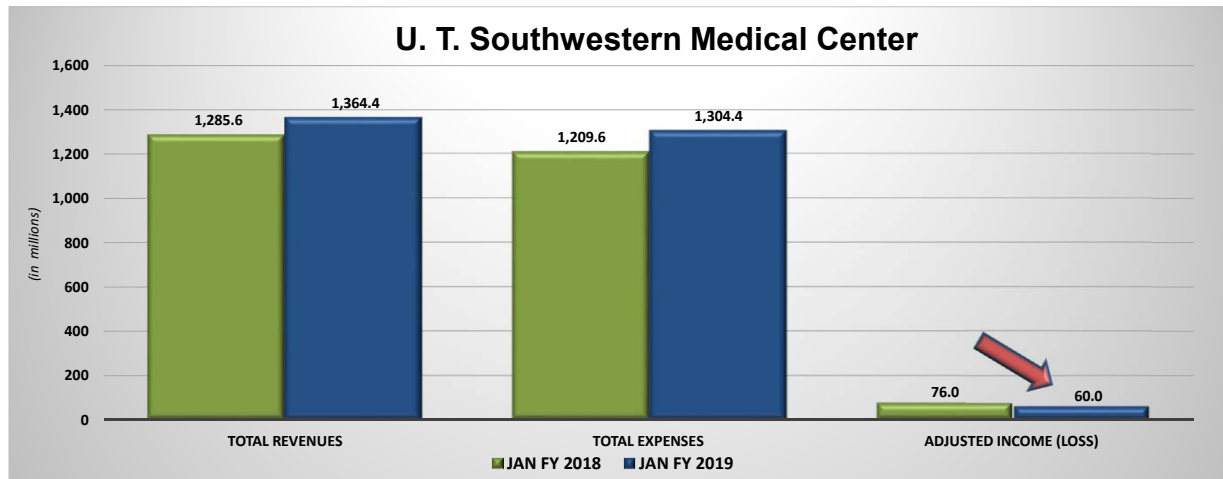
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 8.5	8.4	(0.1)	25.0
State Appropriations	18.3	18.4	0.1	44.2
Net Tuition and Fees	21.4	22.7	1.3	54.4
Auxiliary Revenues/Sales & Services of Educational Activities	12.4	13.5	1.1	23.0
Net Investment Income	1.9	2.1	0.2	5.1
Other Operating Revenues/Gift Contributions for Operations	0.8	0.6	(0.1)	1.6
Total Revenues	63.3	65.8	2.5	153.2
Salaries and Wages/Payroll Related Costs	38.8	38.5	(0.2)	90.2
Materials and Supplies	2.6	3.9	1.3	8.1
Depreciation and Amortization	6.4	6.6	0.2	15.8
Other Contracted Services/Professional Fees & Services	4.9	4.1	(0.8)	12.0
All Other Operating Expenses	10.5	13.1	2.6	29.4
Total Expenses	\$ 63.1	66.3	3.2	155.6
Adjusted Income (Loss)	0.2	(0.5)	(0.7)	(2.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	6.6	6.1	(0.5)	13.5



Monthly Financial Report

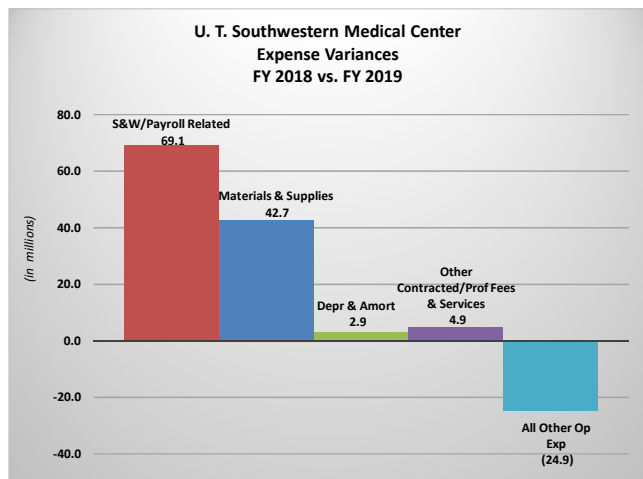
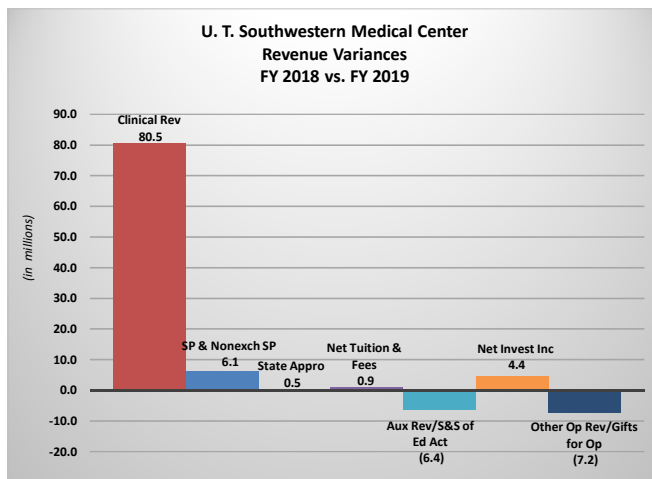
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Southwestern Medical Center reported year-to-date adjusted income of \$60.0 million, a decrease of \$16.0 million (21.1%). 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 \$134.1 million. The most current projection received from U. T. Southwestern Medical Center reflects income of \$76.7 million for the year.

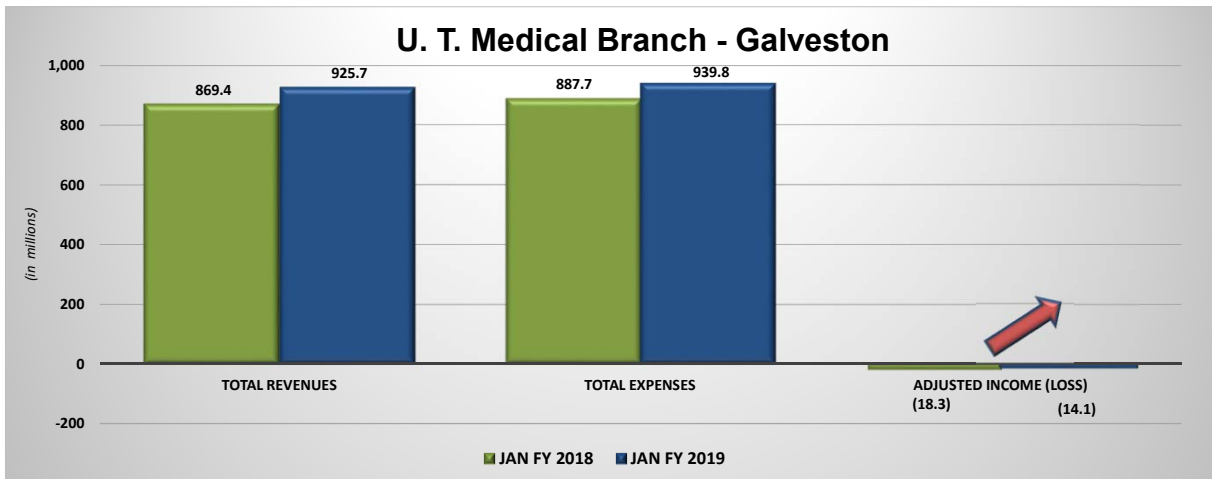
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 807.9	888.4	80.5	2,103.1
Sponsored Programs/Nonexchange Sponsored Programs	241.3	247.5	6.1	567.4
State Appropriations	80.5	81.0	0.5	193.9
Net Tuition and Fees	10.3	11.3	0.9	26.3
Auxiliary Revenues/Sales & Services of Educational Activities	17.7	11.3	(6.4)	36.9
Net Investment Income	50.6	55.0	4.4	119.1
Other Operating Revenues/Gift Contributions for Operations	77.2	70.0	(7.2)	177.0
Total Revenues	1,285.6	1,364.4	78.8	3,223.8
Salaries and Wages/Payroll Related Costs	758.4	827.5	69.1	2,006.4
Materials and Supplies	193.3	236.0	42.7	575.5
Depreciation and Amortization	71.1	74.1	2.9	177.0
Other Contracted Services/Professional Fees & Services	90.5	95.4	4.9	209.4
All Other Operating Expenses	96.2	71.3	(24.9)	178.8
Total Expenses	\$ 1,209.6	1,304.4	94.8	3,147.1
Adjusted Income (Loss)	76.0	60.0	(16.0)	76.7
Adjusted Income (Loss) Excluding Depr & Amort Exp	147.1	134.1	(13.1)	253.7



Monthly Financial Report

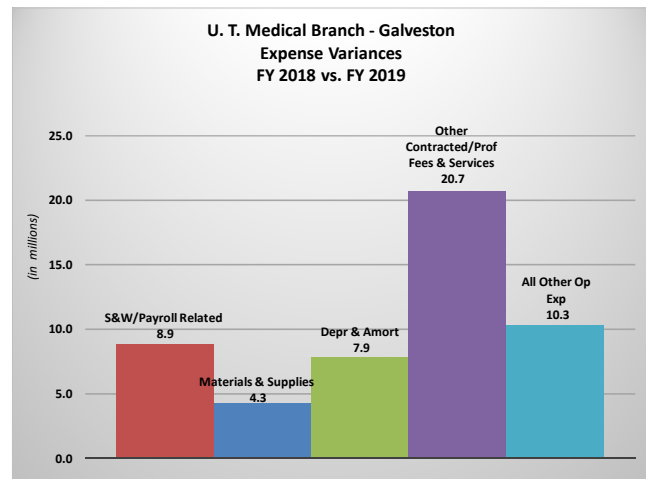
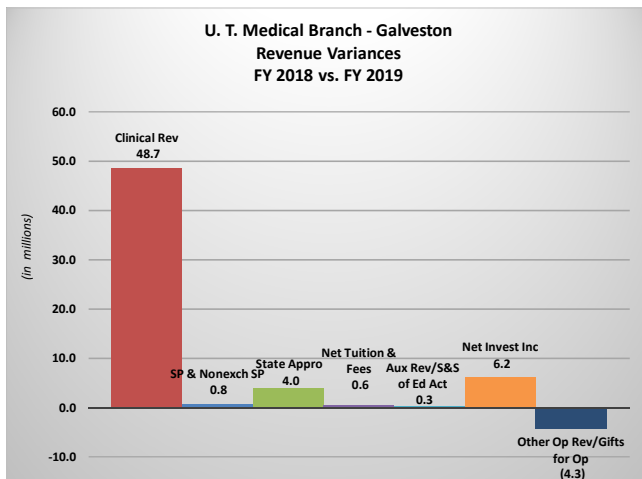
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Medical Branch - Galveston incurred a year-to-date loss of \$14.1 million, a decrease in adjusted loss of \$4.2 million (23.1%). The decrease was primarily due to an increase in net investment income partially as a result of higher royalties. Excluding depreciation and amortization expense, *U. T. Medical Branch - Galveston's* adjusted income was \$58.2 million. The most current projection received from *U. T. Medical Branch - Galveston* reflects a loss of \$65.1 million for the year primarily as a result of start-up costs related to the opening of the Clear Lake hospital in March.

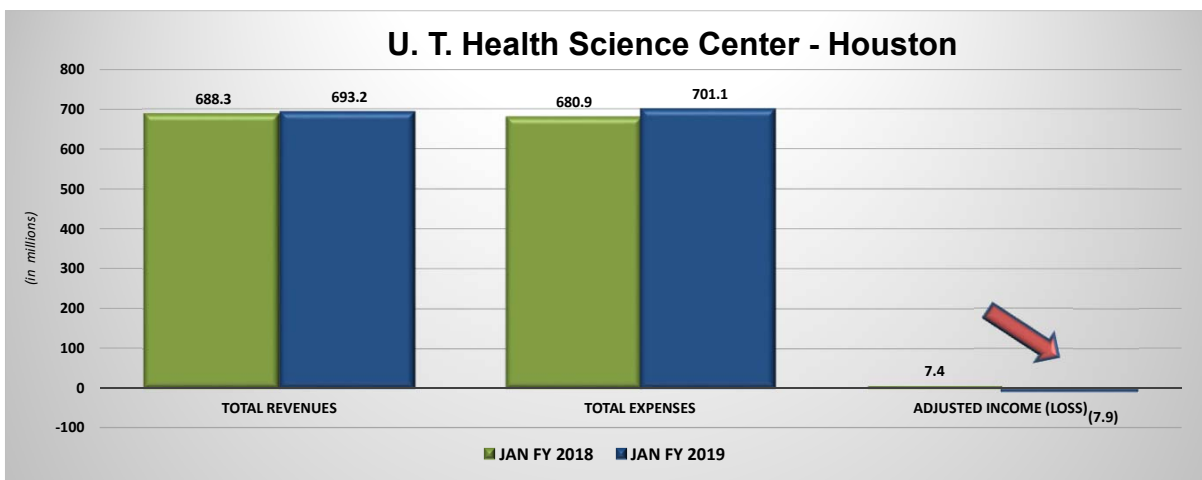
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 555.7	604.4	48.7	1,485.0
Sponsored Programs/Nonexchange Sponsored Programs	81.4	82.2	0.8	204.8
State Appropriations	154.2	158.2	4.0	376.5
Net Tuition and Fees	17.5	18.1	0.6	43.4
Auxiliary Revenues/Sales & Services of Educational Activities	11.7	12.0	0.3	29.3
Net Investment Income	19.4	25.6	6.2	57.2
Other Operating Revenues/Gift Contributions for Operations	29.5	25.2	(4.3)	53.6
Total Revenues	869.4	925.7	56.3	2,249.8
Salaries and Wages/Payroll Related Costs	565.1	573.9	8.9	1,404.0
Materials and Supplies	67.6	71.9	4.3	153.9
Depreciation and Amortization	64.4	72.3	7.9	186.1
Other Contracted Services/Professional Fees & Services	63.5	84.2	20.7	204.5
All Other Operating Expenses	127.1	137.5	10.3	366.4
Total Expenses	\$ 887.7	939.8	52.1	2,314.9
Adjusted Income (Loss)	(18.3)	(14.1)	4.2	(65.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	46.1	58.2	12.1	121.0



Monthly Financial Report

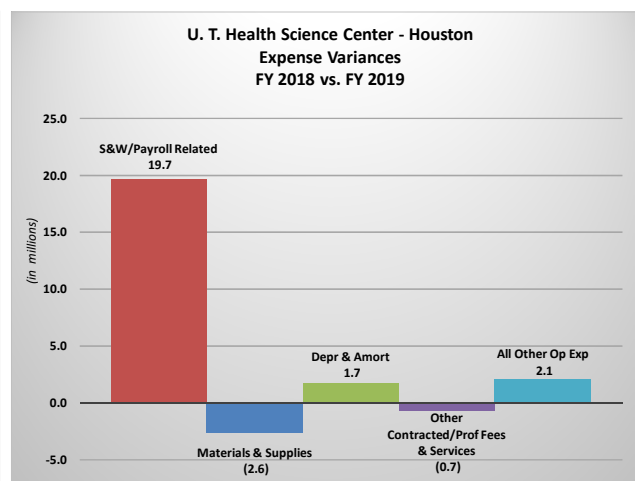
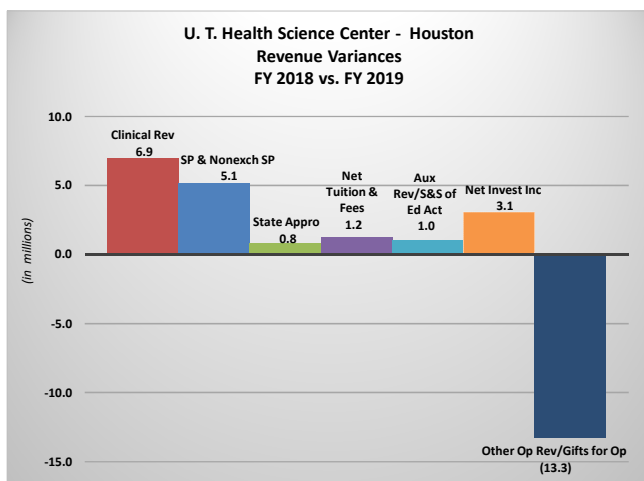
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Health Science Center - Houston incurred a year-to-date loss of \$7.9 million, a decrease of \$15.3 million (206.0%). 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 \$20.2 million. The most current projection received from *U. T. Health Science Center - Houston* reflects income of \$8.1 million for the year.

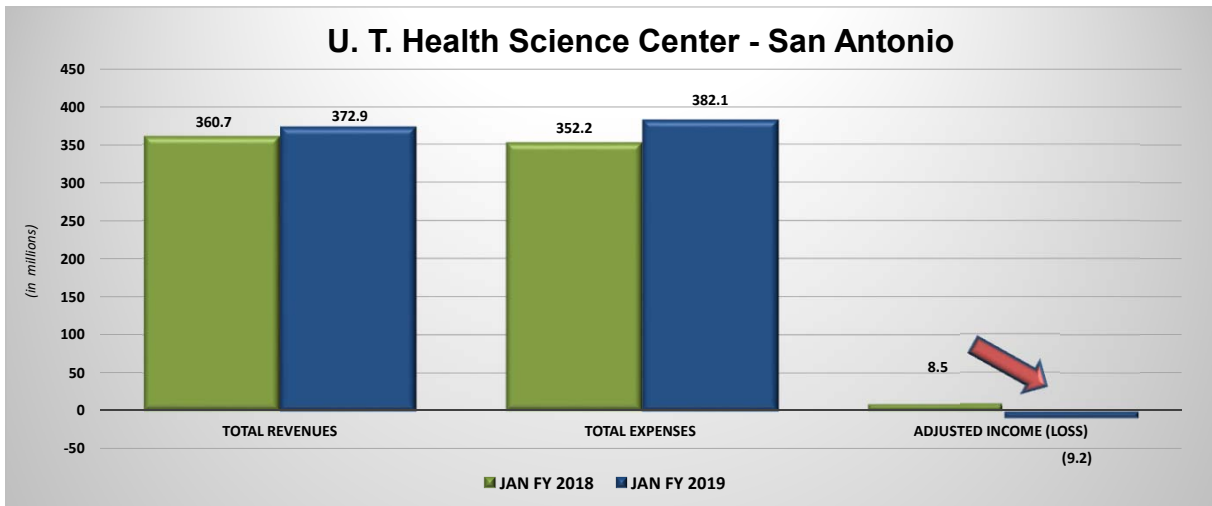
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 178.7	185.7	6.9	449.7
Sponsored Programs/Nonexchange Sponsored Programs	311.8	317.0	5.1	816.1
State Appropriations	89.3	90.1	0.8	215.7
Net Tuition and Fees	26.0	27.2	1.2	59.3
Auxiliary Revenues/Sales & Services of Educational Activities	27.8	28.9	1.0	67.3
Net Investment Income	16.9	19.9	3.1	54.5
Other Operating Revenues/Gift Contributions for Operations	37.8	24.5	(13.3)	72.7
Total Revenues	688.3	693.2	4.9	1,735.4
Salaries and Wages/Payroll Related Costs	490.0	509.7	19.7	1,254.2
Materials and Supplies	29.2	26.5	(2.6)	62.8
Depreciation and Amortization	26.3	28.0	1.7	67.3
Other Contracted Services/Professional Fees & Services	55.2	54.5	(0.7)	146.4
All Other Operating Expenses	80.2	82.3	2.1	196.6
Total Expenses	\$ 680.9	701.1	20.2	1,727.3
Adjusted Income (Loss)	7.4	(7.9)	(15.3)	8.1
Adjusted Income (Loss) Excluding Depr & Amort Exp	33.7	20.2	(13.6)	75.4



Monthly Financial Report

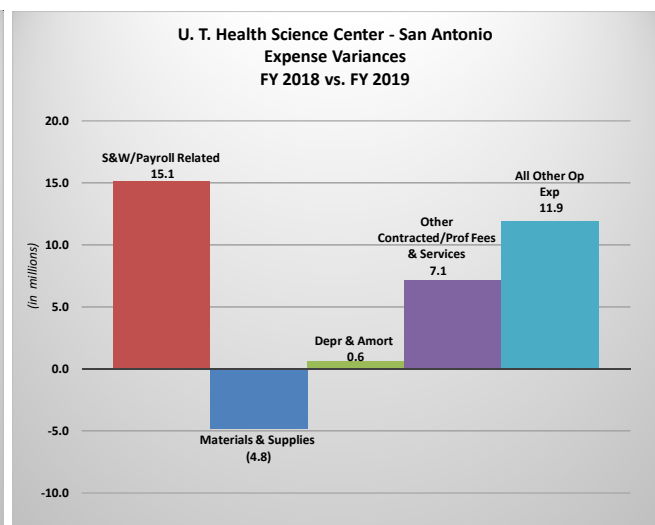
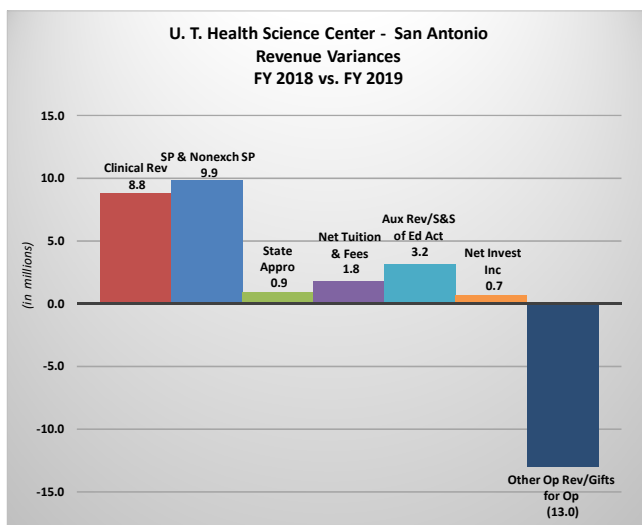
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Health Science Center - San Antonio incurred a year-to-date loss of \$9.2 million, a decrease of \$17.6 million (207.9%). 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); 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 \$14.6 million. The most current projection received from *U. T. Health Science Center - San Antonio* reflects a loss of \$10.6 million for the year due to expansion and research.

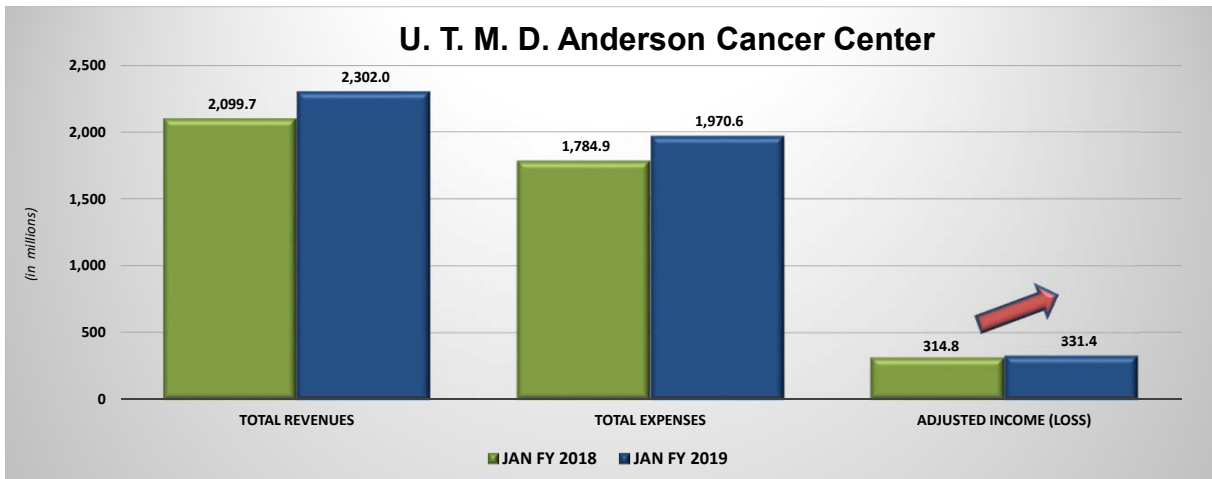
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 85.3	94.1	8.8	240.9
Sponsored Programs/Nonexchange Sponsored Programs	125.3	135.1	9.9	322.5
State Appropriations	72.0	72.9	0.9	173.1
Net Tuition and Fees	18.3	20.1	1.8	46.0
Auxiliary Revenues/Sales & Services of Educational Activities	12.4	15.5	3.2	38.8
Net Investment Income	18.8	19.4	0.7	41.7
Other Operating Revenues/Gift Contributions for Operations	28.8	15.8	(13.0)	34.6
Total Revenues	360.7	372.9	12.2	897.4
Salaries and Wages/Payroll Related Costs	240.5	255.6	15.1	610.0
Materials and Supplies	25.4	20.6	(4.8)	49.5
Depreciation and Amortization	23.1	23.8	0.6	57.0
Other Contracted Services/Professional Fees & Services	15.3	22.4	7.1	53.7
All Other Operating Expenses	47.8	59.7	11.9	137.8
Total Expenses	\$ 352.2	382.1	29.9	908.0
Adjusted Income (Loss)	8.5	(9.2)	(17.6)	(10.6)
Adjusted Income (Loss) Excluding Depr & Amort Exp	31.6	14.6	(17.0)	46.4



Monthly Financial Report

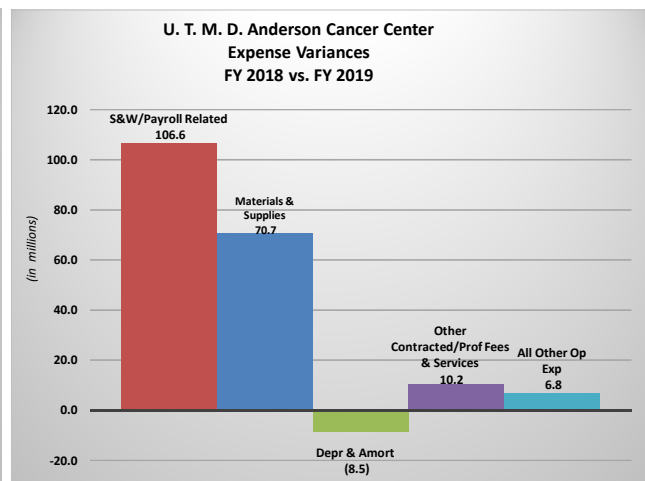
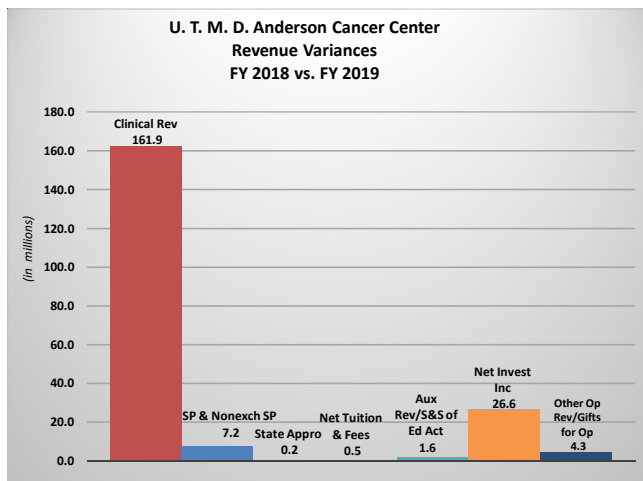
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$331.4 million, an increase of \$16.6 million (5.3%). The increase in adjusted income was primarily due an increase in net investment income and gifts for operations. Excluding depreciation and amortization expense, U. T. M. D. Anderson Cancer Center's adjusted income was \$480.6 million. The most current projection received from U. T. M. D. Anderson Cancer Center reflects income of \$700.0 million for the year.

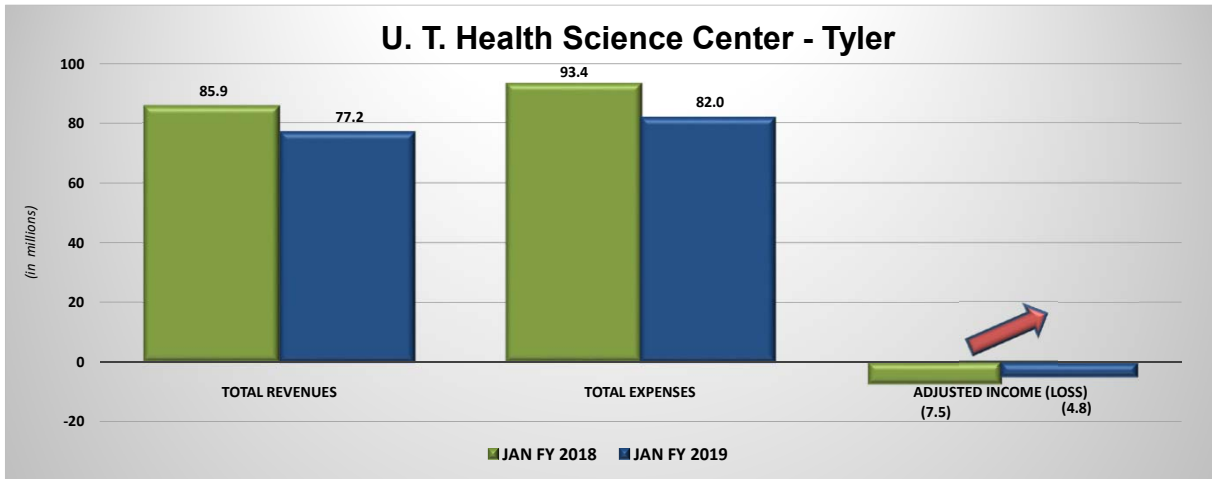
(in millions)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 1,676.8	1,838.7	161.9	4,528.8
Sponsored Programs/Nonexchange Sponsored Programs	140.0	147.2	7.2	381.1
State Appropriations	87.1	87.3	0.2	208.9
Net Tuition and Fees	0.9	1.4	0.5	1.7
Auxiliary Revenues/Sales & Services of Educational Activities	18.7	20.3	1.6	47.4
Net Investment Income	65.0	91.6	26.6	234.1
Other Operating Revenues/Gift Contributions for Operations	111.2	115.5	4.3	225.6
Total Revenues	2,099.7	2,302.0	202.3	5,627.5
Salaries and Wages/Payroll Related Costs	1,012.7	1,119.3	106.6	2,780.9
Materials and Supplies	376.3	447.0	70.7	1,103.8
Depreciation and Amortization	157.8	149.3	(8.5)	344.5
Other Contracted Services/Professional Fees & Services	109.0	119.3	10.2	356.9
All Other Operating Expenses	129.0	135.8	6.8	341.6
Total Expenses	\$ 1,784.9	1,970.6	185.8	4,927.6
Adjusted Income (Loss)	314.8	331.4	16.6	700.0
Adjusted Income (Loss) Excluding Depr & Amort Exp	472.6	480.6	8.0	1,044.5



Monthly Financial Report

Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2019



U. T. Health Science Center - Tyler incurred a year-to-date loss of \$4.8 million, a decrease in adjusted loss of \$2.7 million (35.4%). 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, 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 \$1.2 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 increased 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)	January YTD FY 2018	January YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 35.4	24.6	(10.8)	60.3
Sponsored Programs/Nonexchange Sponsored Programs	13.8	12.0	(1.8)	29.7
State Appropriations	21.3	21.4	0.1	51.4
Net Tuition and Fees	0.1	0.1	0.0	0.3
Auxiliary Revenues/Sales & Services of Educational Activities	1.6	1.9	0.3	4.4
Net Investment Income	1.8	1.4	(0.4)	3.4
Other Operating Revenues/Gift Contributions for Operations	11.9	15.7	3.9	37.7
Total Revenues	85.9	77.2	(8.7)	187.3
Salaries and Wages/Payroll Related Costs	58.4	51.6	(6.9)	112.2
Materials and Supplies	12.5	8.9	(3.7)	21.3
Depreciation and Amortization	5.7	6.0	0.3	14.5
Other Contracted Services/Professional Fees & Services	9.7	9.1	(0.6)	23.1
All Other Operating Expenses	7.0	6.4	(0.6)	15.4
Total Expenses	\$ 93.4	82.0	(11.4)	186.4
Adjusted Income (Loss)	(7.5)	(4.8)	2.7	0.9
Adjusted Income (Loss) Excluding Depr & Amort Exp	(1.8)	1.2	3.0	15.3

