

THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT *(unaudited)*

MARCH 2019



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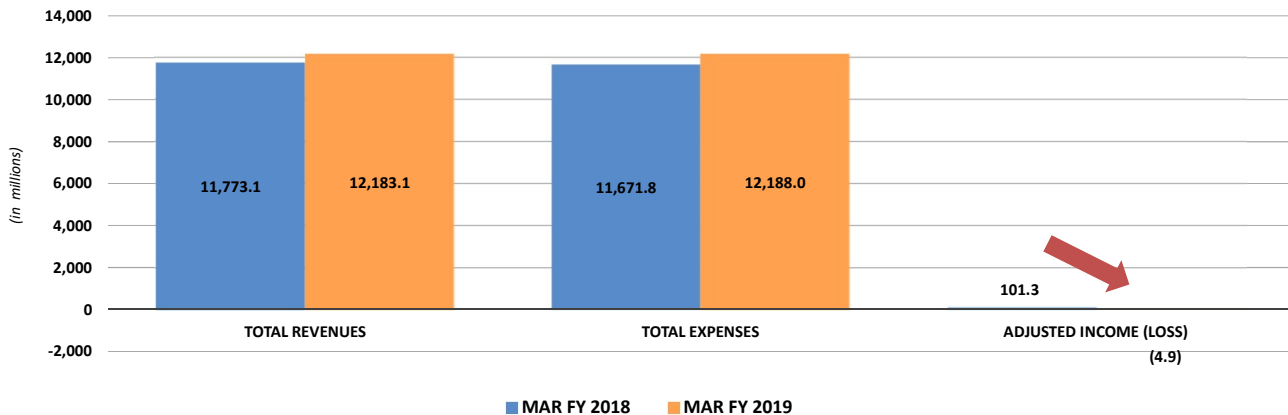
Monthly Financial Report

Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019

U. T. System Consolidated

(Including OPEB & Pension Expense)

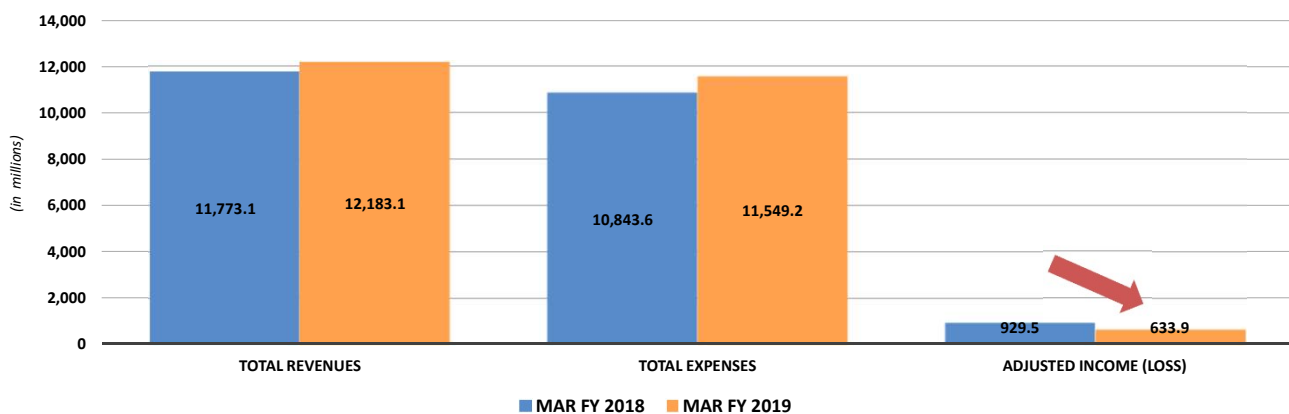


U. T. System Consolidated shows a year-to-date adjusted loss of \$4.9 million, a decrease of \$106.2 million (104.8%). The decrease was primarily due to an increase in salaries and wages and payroll related costs across most of the institutions as a result of increases in faculty and staff positions and merit increases. Excluding OPEB and pension expense, *U. T. System Consolidated* would reflect year-to-date adjusted income of \$633.9 million.

(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 4,714.0	5,102.8	388.8	8,895.9
Sponsored Programs/Nonexchange Sponsored Programs	2,109.2	2,205.0	95.7	3,914.8
State Appropriations	1,342.9	1,356.2	13.3	2,299.3
Net Tuition and Fees	1,044.3	1,082.2	37.9	1,845.1
Auxiliary Revenues/Sales & Services of Educational Activities	816.9	807.5	(9.4)	1,155.5
Net Investment Income	1,165.7	1,083.9	(81.7)	1,855.2
Other Operating Revenues/Gift Contributions for Operations	580.1	545.4	(34.7)	892.1
Total Revenues	11,773.1	12,183.1	410.0	20,857.9
Salaries and Wages/Payroll Related Costs	6,477.0	6,873.5	396.5	11,398.7
Materials and Supplies/Cost of Goods Sold	1,278.9	1,452.3	173.4	2,454.2
Depreciation and Amortization	842.6	871.1	28.4	1,494.3
Other Contracted Services/Professional Fees & Services	748.7	821.5	72.8	1,528.3
All Other Operating Expenses	1,496.4	1,530.8	34.4	2,557.5
Total Expenses (Excluding OPEB & Pension Exp)	\$ 10,843.6	11,549.2	705.6	19,432.9
Adjusted Income (Loss) Excluding OPEB & Pension Exp	929.5	633.9	(295.5)	1,424.9
OPEB Expense	613.7	491.9	(121.8)	843.2
Pension Expense	214.5	147.0	(67.5)	252.0
Adjusted Income (Loss)	101.3	(4.9)	(106.2)	329.7
Adjusted Income (Loss) Excluding Depr & Amort Exp	943.9	866.1	(77.8)	1,824.1

U. T. System Consolidated

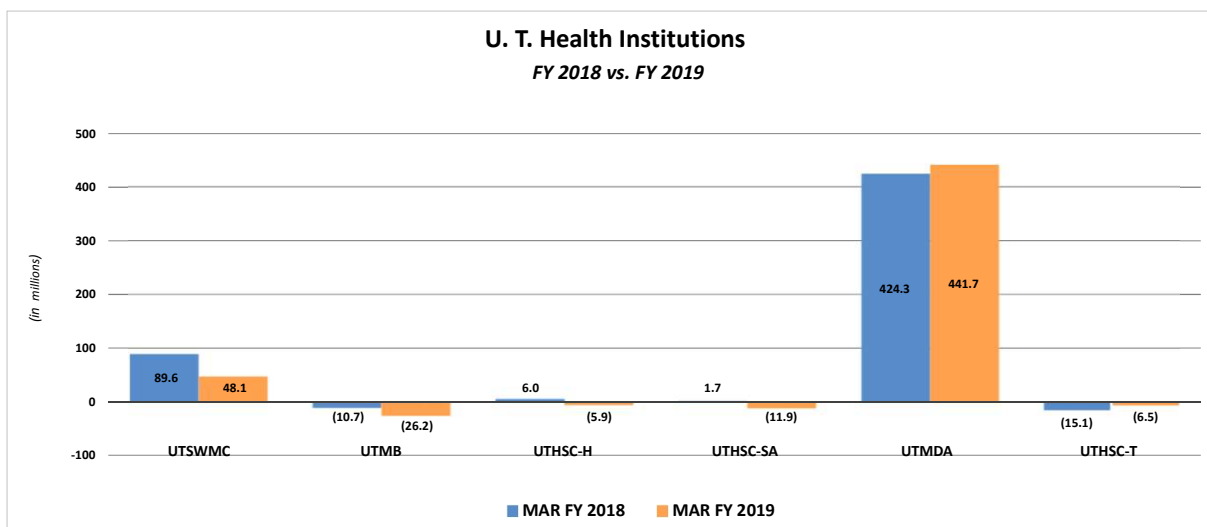
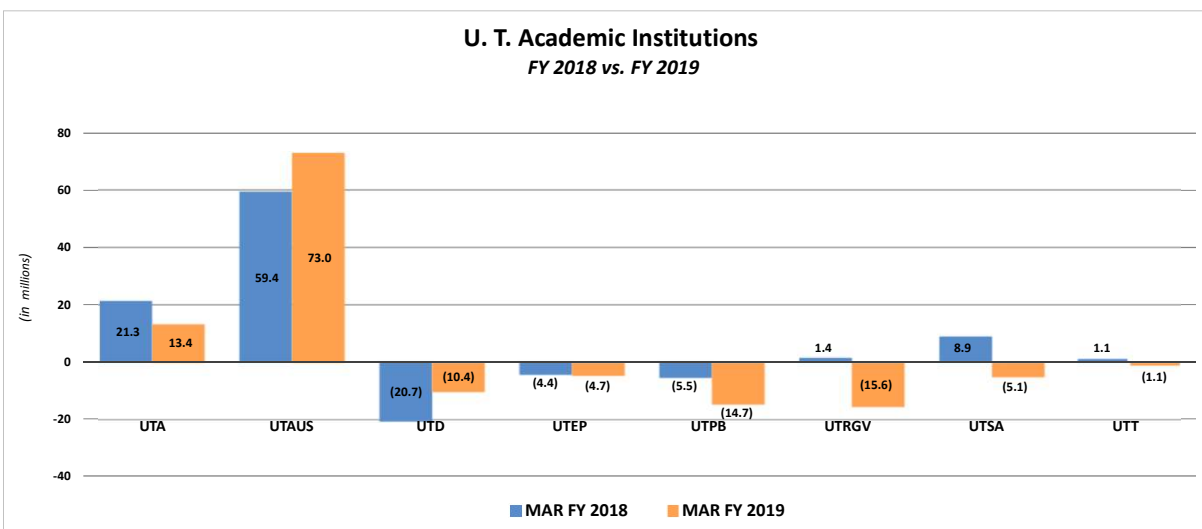
(Excluding OPEB & Pension Expense)



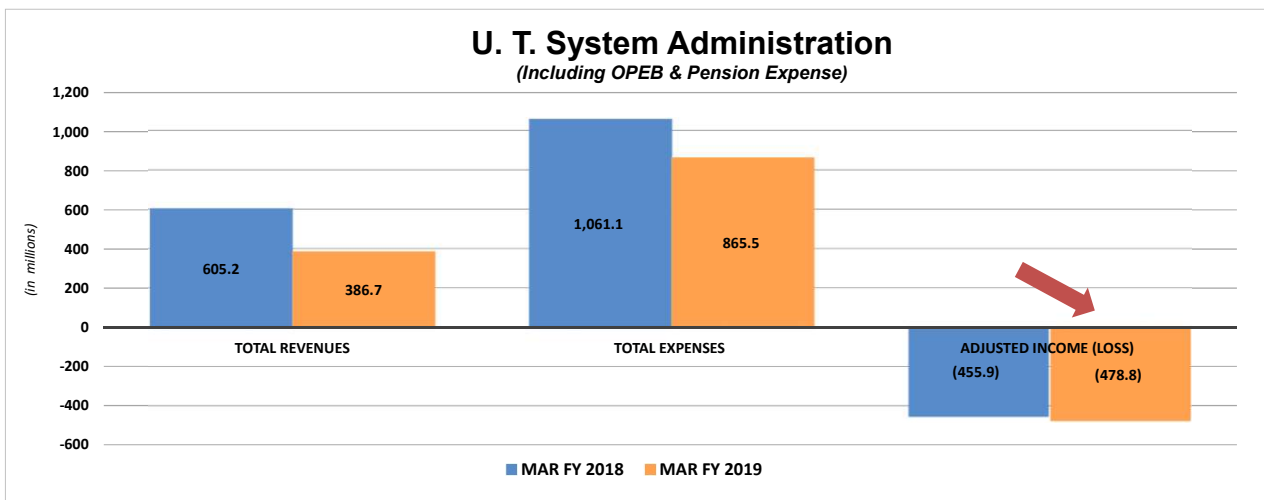
Monthly Financial Report Comparison of Adjusted Income (Loss) For the Period Ending March 31, 2019

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

Institution	March YTD FY 2018 (in millions)	March YTD FY 2019 (in millions)	Variance \$ (in millions)	Variance %
U. T. System Administration	\$ (455.9)	\$ (478.8)	\$ (22.9)	-5.0%
U. T. Arlington	21.3	13.4	(7.9)	-37.3%
U. T. Austin	59.4	73.0	13.7	23.0%
U. T. Dallas	(20.7)	(10.4)	10.4	50.1%
U. T. El Paso	(4.4)	(4.7)	(0.3)	-6.2%
U. T. Permian Basin	(5.5)	(14.7)	(9.2)	-165.6%
U. T. Rio Grande Valley	1.4	(15.6)	(17.1)	-1,182.5%
U. T. San Antonio	8.9	(5.1)	(14.0)	-157.6%
U. T. Tyler	1.1	(1.1)	(2.2)	-202.4%
U. T. Southwestern Medical Center	89.6	48.1	(41.5)	-46.3%
U. T. Medical Branch - Galveston	(10.7)	(26.2)	(15.6)	-146.0%
U. T. Health Science Center - Houston	6.0	(5.9)	(12.0)	-198.5%
U. T. Health Science Center - San Antonio	1.7	(11.9)	(13.7)	-799.9%
U. T. M. D. Anderson Cancer Center	424.3	441.7	17.3	4.1%
U. T. Health Science Center - Tyler	(15.1)	(6.5)	8.7	57.3%
Total Adjusted Income (Loss)	\$ 101.3	\$ (4.9)	\$ (106.2)	-104.8%

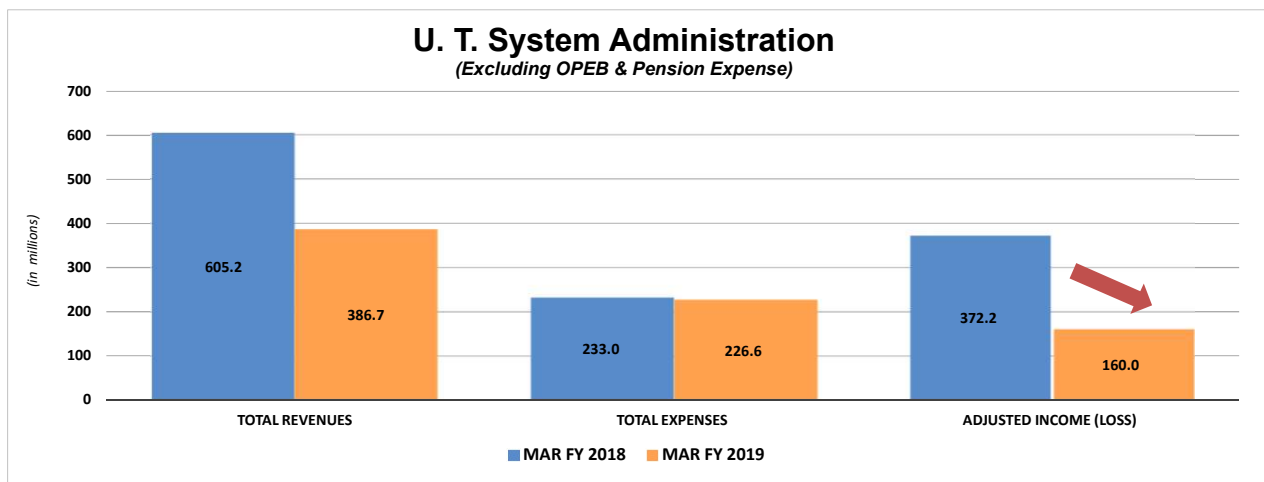


Monthly Financial Report
Comparison of Operating Results, Margin and Projected Year-End
For the Period Ending March 31, 2019



U. T. System Administration incurred a year-to-date adjusted loss of \$478.8 million, an increase in adjusted loss of \$22.9 million (5.0%). The increase was primarily due to a decrease in net investment income as a result of a reduction in mineral lease bonus sales. The most current projection provided by *U. T. System Administration* reflects a loss of \$506.3 million for the year.

<i>(in millions)</i>	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 35.9	29.8	(6.2)	55.0
State Appropriations	1.9	1.9	-	3.3
Auxiliary Revenues/Sales & Services of Educational Activities	29.8	6.6	(23.2)	11.4
Net Investment Income/Available University Fund (AUF)	496.8	330.9	(165.9)	567.3
Other Operating Revenues/Gift Contributions for Operations	40.7	17.4	(23.3)	29.4
Total Revenues	605.2	386.7	(218.5)	666.3
Salaries and Wages/Payroll Related Costs	52.2	44.0	(8.2)	(207.4)
Materials and Supplies/Cost of Goods Sold	17.6	20.1	2.5	18.4
Depreciation and Amortization	14.2	15.7	1.4	24.0
Other Contracted Services/Professional Fees & Services	32.7	24.5	(8.1)	36.1
All Other Operating Expenses	116.3	122.4	6.1	206.3
Total Expenses (Excluding OPEB & Pension Exp)	\$ 233.0	226.6	(6.3)	77.5
Adjusted Income (Loss) Excluding OPEB & Pension Exp	372.2	160.0	(212.2)	588.9
OPEB Expense	613.7	491.9	(121.8)	843.2
Pension Expense	214.5	147.0	(67.5)	252.0
Adjusted Income (Loss)	(455.9)	(478.8)	(22.9)	(506.3)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(441.7)	(463.2)	(21.5)	(482.3)

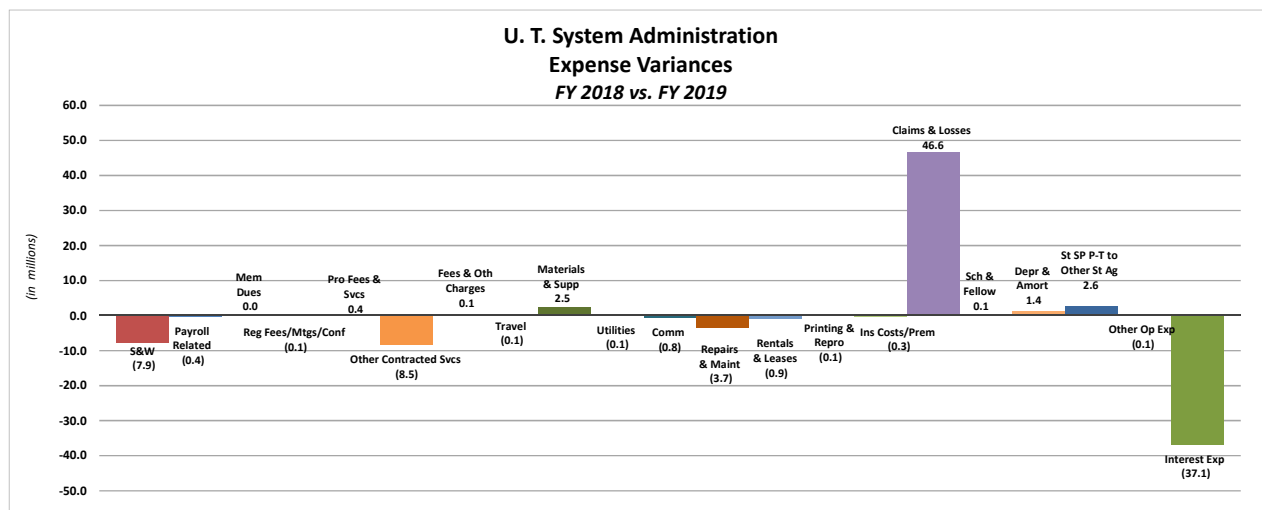


Monthly Financial Report

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

For the Period Ending March 31, 2019

(in millions)	March YTD FY 2018	March YTD FY 2019	Actual Year-End FY 2018	Annual Projected FY 2019
Salaries and Wages	\$ 43.3	35.4	59.0	60.8
Payroll Related Costs	8.9	8.6	(270.0) *	(268.1) *
Membership Dues	0.3	0.3	0.3	0.6
Registration Fees, Meetings, Conferences	0.2	0.2	0.4	0.3
Professional Fees and Services	7.4	7.8	11.8	13.3
Other Contracted Services	25.3	16.7	31.1	22.8
Fees and Other Charges	(0.1)	0.0	(0.0)	0.1
Travel	0.9	0.8	1.6	1.4
Materials and Supplies	17.6	20.1	10.7	18.4
Utilities	0.4	0.2	0.6	0.4
Communications	4.3	3.5	4.0	3.7
Repairs and Maintenance	6.0	2.3	6.7	4.0
Rentals and Leases	2.8	1.9	3.4	3.3
Printing and Reproduction	0.3	0.2	0.4	0.3
Insurance Costs/Premiums	28.1	27.7	7.1	47.5
Claims and Losses	13.5	60.2	65.5	103.1
Scholarships and Fellowships	0.5	0.6	2.3	1.0
Depreciation and Amortization	14.2	15.7	25.2	24.0
State Sponsored Program Pass-Through to Other State Agencies	0.9	3.5	3.2	4.9
Other Operating Expenses	1.1	0.9	0.3	1.6
Interest Expense	57.1	20.0	32.2	34.2
Total Expenses (Excluding OPEB & Pension Expense)	233.0	226.6	(4.0)	77.5
OPEB Expense	613.7	491.9	843.2	843.2
Pension Expense	214.5	147.0	252.0	252.0
Total Expenses (Including OPEB & Pension Expense)	\$ 1,061.1	865.5	1,091.1	1,172.7



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

Salaries & Wages – decrease of \$7.9 million due to decreases in Texas Oil and Gas Institute, Competency Based Education and the Chancellor's Office, and a change in methodology for PUF Management revenue allocation and elimination.

Other Contracted Services - decrease of \$8.5 million due to decreases in Competency Based Education, National Lab Exploration, South Texas Biomedical Research Program and University Lands Engineering Services.

Claims and Losses - increase of \$46.6 million due to increased claims for the Medical/Dental Self Insurance Plan.

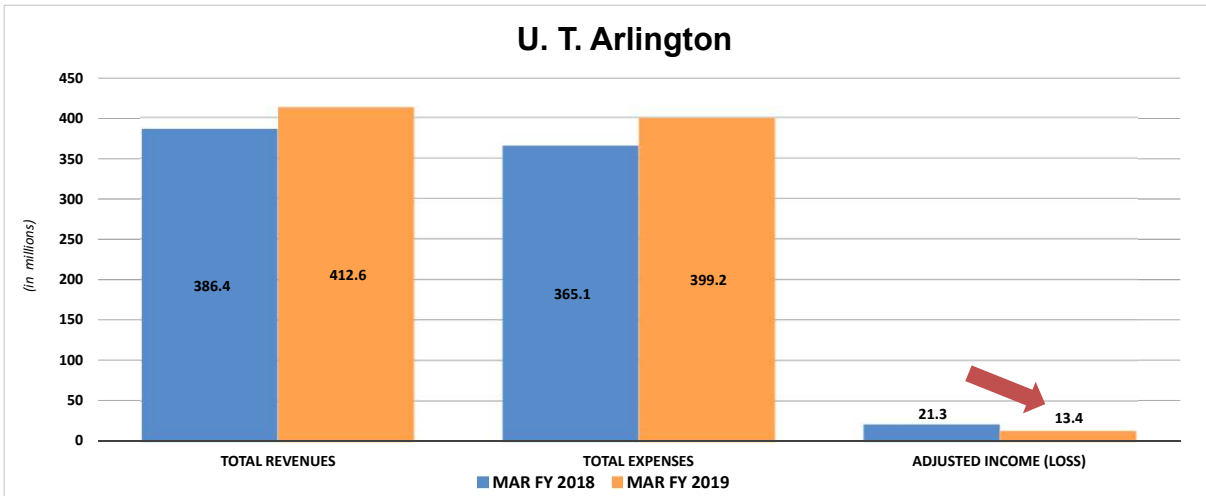
Interest Expense - decrease of \$37.1 million due to a change made in the calculation to take into account the amortization of premiums/discounts and gains/losses on bonds to be more consistent with the reporting of interest expense on the Annual Financial Report. This change was made beginning with the April 2018 Monthly Financial Report.

***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

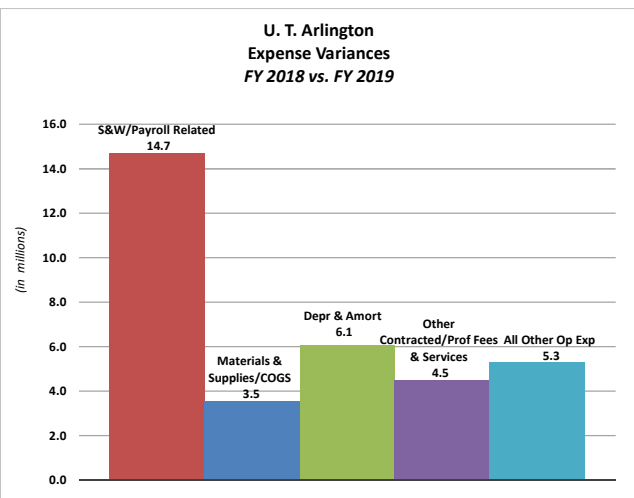
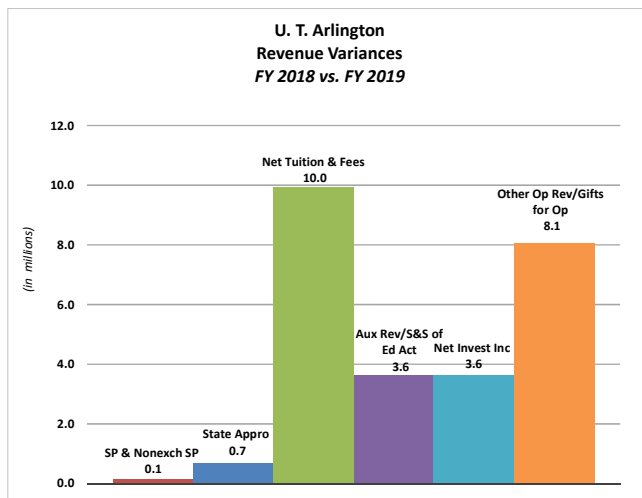
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Arlington reported year-to-date adjusted income of \$13.4 million, a decrease of \$7.9 million (37.3%). 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 accelerated online program expenses, temporary parking services, and contracted services for the University Center; and an increase in materials and supplies due to an increase in software expenses and the purchase of non-capital items for new buildings on campus. Excluding depreciation and amortization expense, *U. T. Arlington's* adjusted income was \$45.4 million. The most current projection received from *U. T. Arlington* reflects income of \$24.1 million for the year.

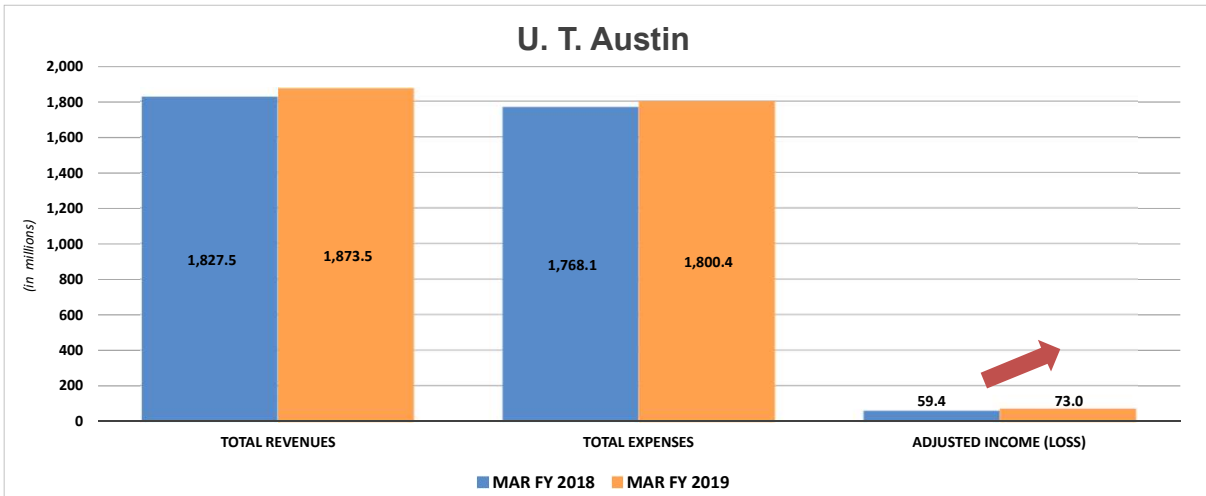
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 80.6	80.7	0.1	137.4
State Appropriations	76.7	77.4	0.7	132.7
Net Tuition and Fees	175.2	185.1	10.0	321.9
Auxiliary Revenues/Sales & Services of Educational Activities	37.4	41.1	3.6	74.5
Net Investment Income	9.5	13.1	3.6	22.6
Other Operating Revenues/Gift Contributions for Operations	7.0	15.1	8.1	19.1
Total Revenues	386.4	412.6	26.1	708.1
Salaries and Wages/Payroll Related Costs	211.9	226.6	14.7	379.2
Materials and Supplies/Cost of Goods Sold	17.0	20.5	3.5	35.6
Depreciation and Amortization	26.0	32.1	6.1	54.9
Other Contracted Services/Professional Fees & Services	40.7	45.2	4.5	85.0
All Other Operating Expenses	69.5	74.8	5.3	129.2
Total Expenses	\$ 365.1	399.2	34.0	684.0
Adjusted Income (Loss)	21.3	13.4	(7.9)	24.1
Adjusted Income (Loss) Excluding Depr & Amort Exp	47.3	45.4	(1.9)	79.1



Monthly Financial Report

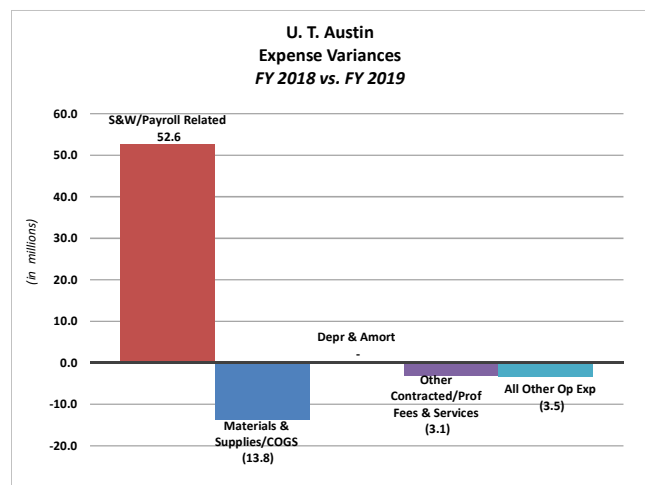
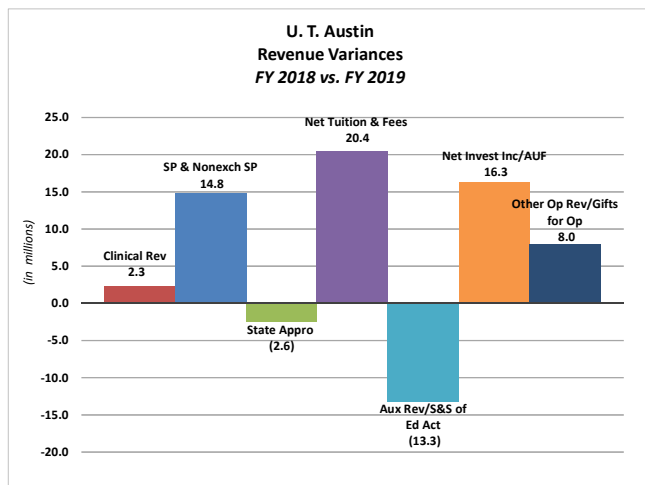
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Austin reported year-to-date adjusted income of \$73.0 million, an increase of \$13.7 million (23.0%). The increase was primarily due to the following: an increase in net student tuition and fees due to an increase in flat rate tuition, 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 \$256.2 million. The most current projection received from *U. T. Austin* reflects income of \$111.7 million for the year.

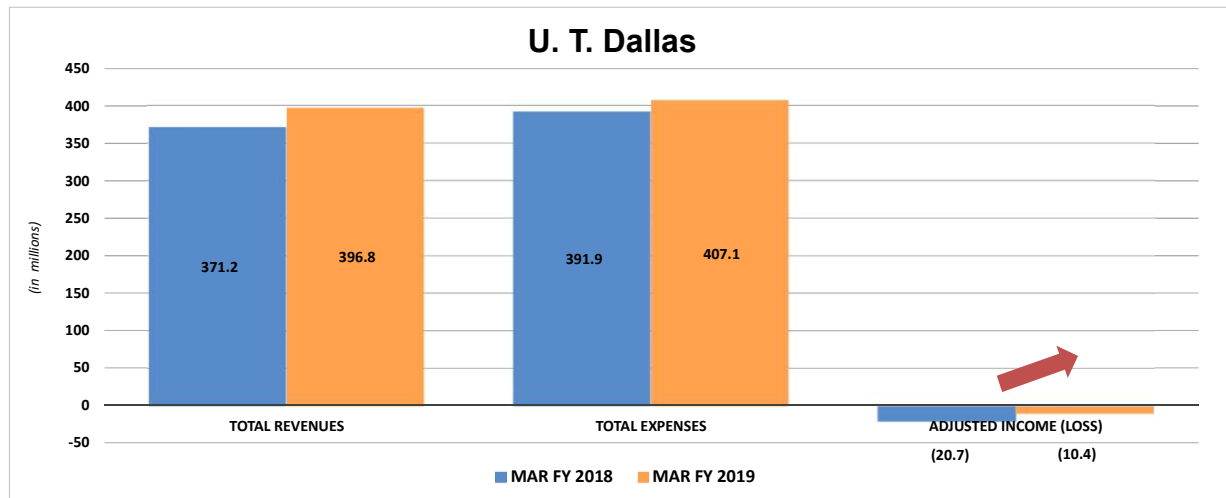
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 0.7	3.0	2.3	5.0
Sponsored Programs/Nonexchange Sponsored Programs	361.9	376.8	14.8	753.1
State Appropriations	210.4	207.8	(2.6)	356.2
Net Tuition and Fees	282.9	303.3	20.4	520.0
Auxiliary Revenues/Sales & Services of Educational Activities	493.9	480.6	(13.3)	602.4
Net Investment Income/Available University Fund (AUF)	365.8	382.1	16.3	650.0
Other Operating Revenues/Gift Contributions for Operations	111.9	119.9	8.0	177.7
Total Revenues	1,827.5	1,873.5	46.0	3,064.4
Salaries and Wages/Payroll Related Costs	990.8	1,043.4	52.6	1,688.6
Materials and Supplies/Cost of Goods Sold	105.8	92.0	(13.8)	137.8
Depreciation and Amortization	183.2	183.2	-	314.0
Other Contracted Services/Professional Fees & Services	120.3	117.3	(3.1)	212.8
All Other Operating Expenses	368.1	364.6	(3.5)	599.5
Total Expenses	\$ 1,768.1	1,800.4	32.3	2,952.7
Adjusted Income (Loss)	59.4	73.0	13.7	111.7
Adjusted Income (Loss) Excluding Depr & Amort Exp	242.5	256.2	13.7	425.7



Monthly Financial Report

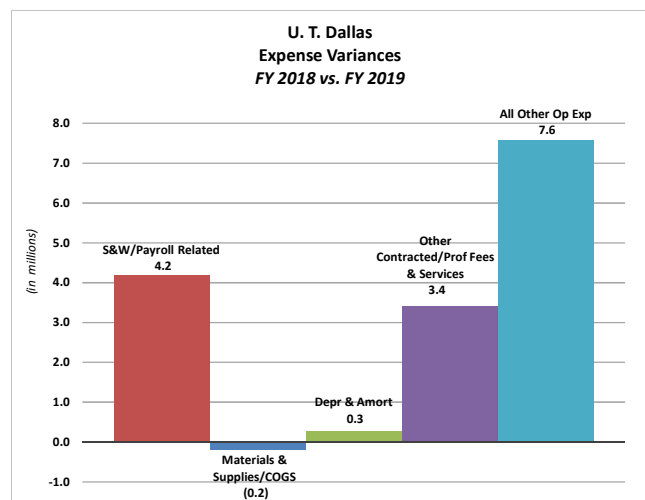
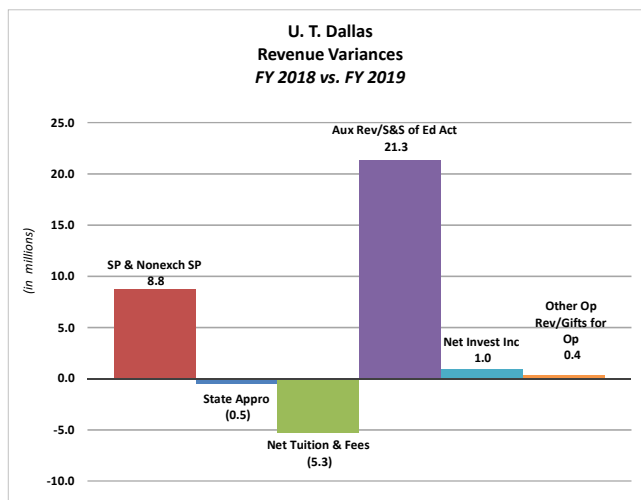
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Dallas incurred a year-to-date adjusted loss of \$10.4 million, a decrease in adjusted loss of \$10.4 million (50.1%). 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 \$37.5 million. The most current projection received from *U. T. Dallas* reflects a loss of \$17.8 million for the year.

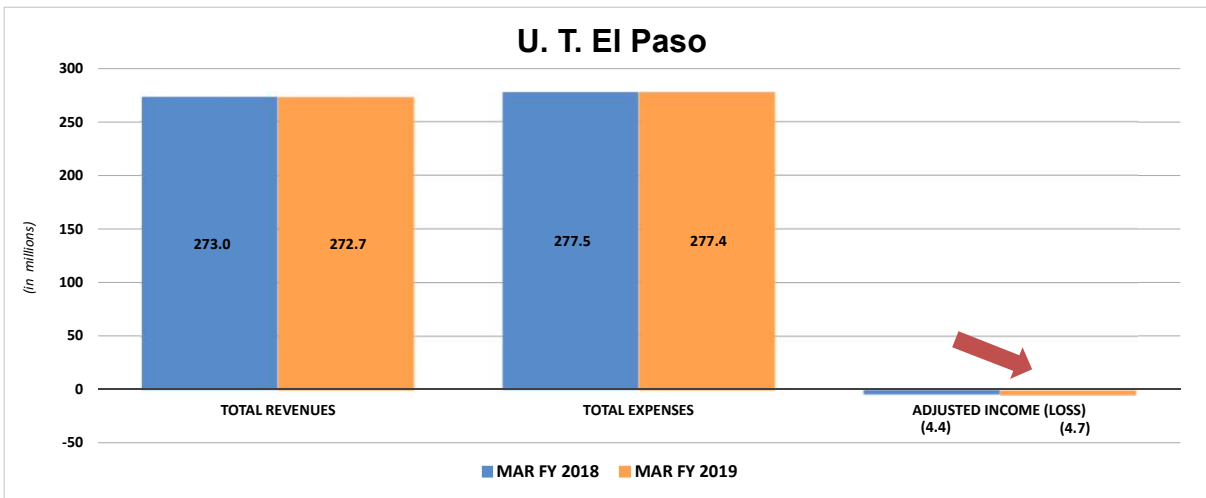
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 51.8	60.5	8.8	103.8
State Appropriations	72.3	71.8	(0.5)	123.2
Net Tuition and Fees	184.7	179.3	(5.3)	307.4
Auxiliary Revenues/Sales & Services of Educational Activities	33.9	55.2	21.3	94.7
Net Investment Income	17.7	18.6	1.0	32.0
Other Operating Revenues/Gift Contributions for Operations	10.8	11.2	0.4	19.2
Total Revenues	371.2	396.8	25.6	680.2
Salaries and Wages/Payroll Related Costs	228.9	233.1	4.2	399.6
Materials and Supplies/Cost of Goods Sold	19.0	18.8	(0.2)	32.2
Depreciation and Amortization	47.6	47.8	0.3	82.0
Other Contracted Services/Professional Fees & Services	15.8	19.2	3.4	32.9
All Other Operating Expenses	80.6	88.2	7.6	151.2
Total Expenses	\$ 391.9	407.1	15.2	698.0
Adjusted Income (Loss)	(20.7)	(10.4)	10.4	(17.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	26.8	37.5	10.6	64.2



Monthly Financial Report

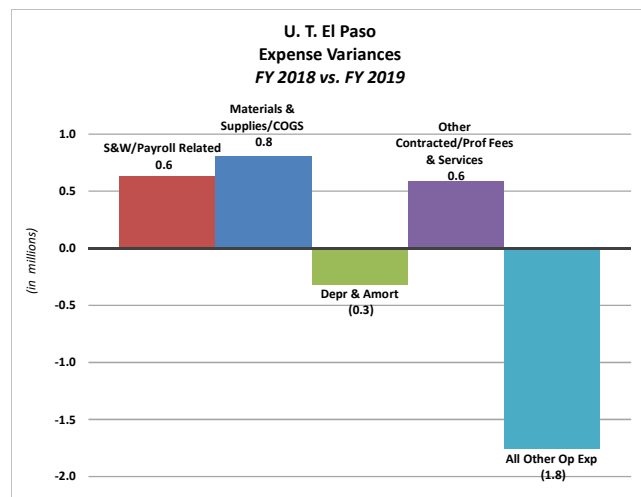
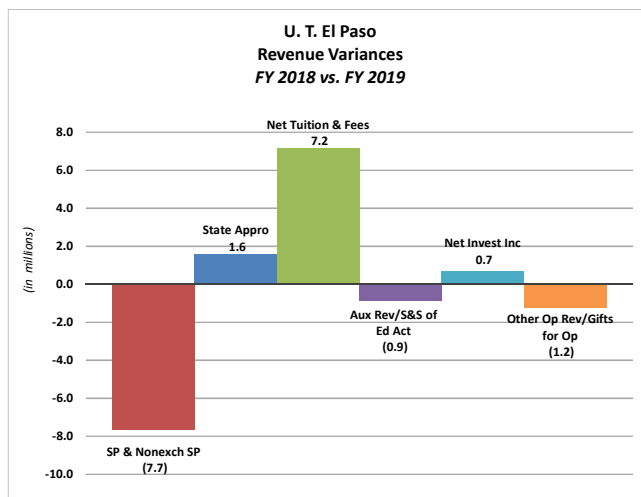
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. El Paso incurred a year-to-date adjusted loss of \$4.7 million, a slight increase in adjusted loss of \$0.3 million (6.2%). The increase was primarily due to a decrease in gift contributions for operations. Excluding depreciation and amortization expense, *U. T. El Paso's* adjusted income was \$12.8 million. The most current projection received from *U. T. El Paso* reflects a loss of \$6.4 million for the year.

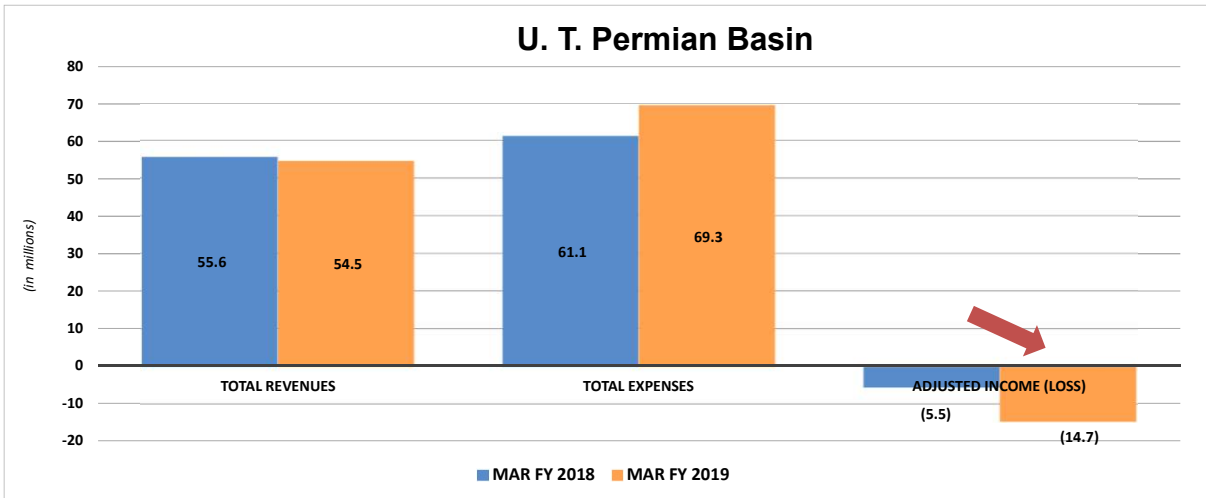
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 90.7	83.1	(7.7)	146.8
State Appropriations	64.2	65.8	1.6	107.6
Net Tuition and Fees	77.3	84.4	7.2	135.5
Auxiliary Revenues/Sales & Services of Educational Activities	27.5	26.6	(0.9)	41.2
Net Investment Income	9.1	9.8	0.7	15.9
Other Operating Revenues/Gift Contributions for Operations	4.3	3.0	(1.2)	6.2
Total Revenues	273.0	272.7	(0.3)	453.2
Salaries and Wages/Payroll Related Costs	151.1	151.7	0.6	253.6
Materials and Supplies/Cost of Goods Sold	10.2	11.0	0.8	20.4
Depreciation and Amortization	17.8	17.5	(0.3)	30.3
Other Contracted Services/Professional Fees & Services	19.1	19.7	0.6	29.1
All Other Operating Expenses	79.2	77.5	(1.8)	126.2
Total Expenses	277.5	277.4	(0.1)	459.6
Adjusted Income (Loss)	(4.4)	(4.7)	(0.3)	(6.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	13.4	12.8	(0.6)	23.8



Monthly Financial Report

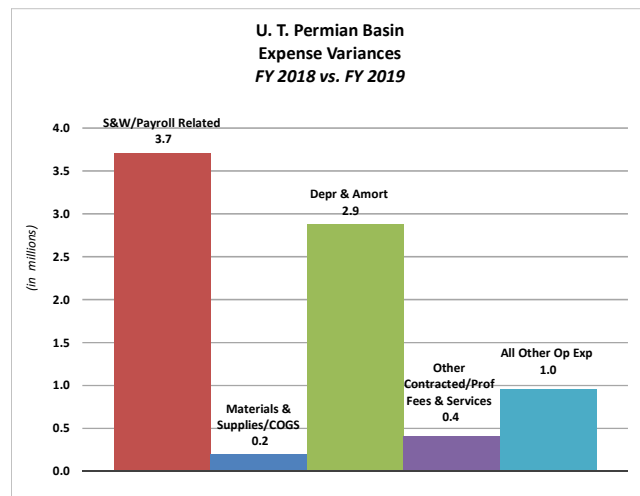
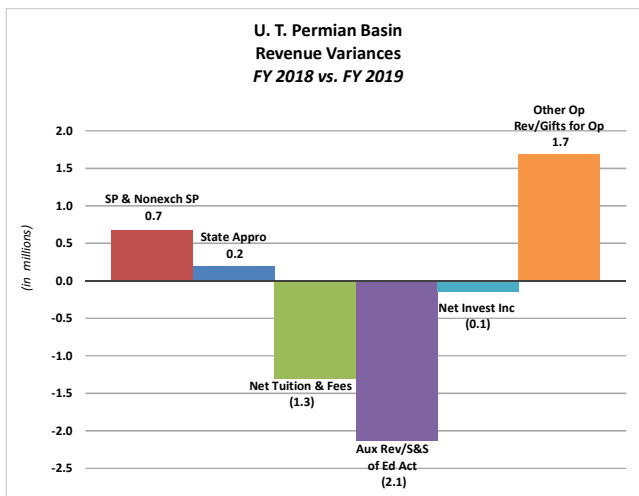
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Permian Basin incurred a year-to-date adjusted loss of \$14.7 million, an increase in adjusted loss of \$9.2 million (165.6%). The increase was primarily attributable to the following: an increase in salaries and wages and payroll related costs as a result of vacant positions being filled; an increase in depreciation and amortization expense due to a correction to the in service date related to the Center for Energy and Economic Diversification; and a decrease in net auxiliary enterprises as a result of Fall 2018 revenue which was not properly deferred to 2019, as well as a decrease in enrollment. Excluding depreciation and amortization expense, *U. T. Permian Basin's* adjusted loss was \$2.6 million. The most current projection received from *U. T. Permian Basin* reflects a loss of \$31.0 million for the year.

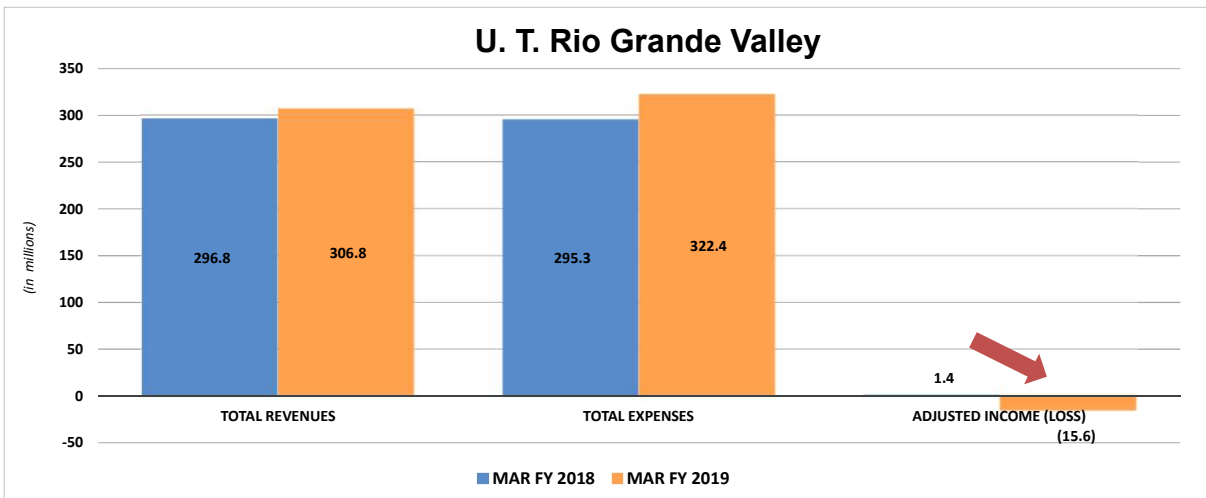
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 8.5	9.2	0.7	15.8
State Appropriations	21.4	21.6	0.2	35.2
Net Tuition and Fees	13.6	12.3	(1.3)	21.1
Auxiliary Revenues/Sales & Services of Educational Activities	6.6	4.5	(2.1)	7.7
Net Investment Income	1.5	1.3	(0.1)	2.3
Other Operating Revenues/Gift Contributions for Operations	4.0	5.6	1.7	4.6
Total Revenues	55.6	54.5	(1.0)	86.6
Salaries and Wages/Payroll Related Costs	25.8	29.5	3.7	50.6
Materials and Supplies/Cost of Goods Sold	2.6	2.8	0.2	4.9
Depreciation and Amortization	9.2	12.1	2.9	20.8
Other Contracted Services/Professional Fees & Services	5.4	5.8	0.4	9.9
All Other Operating Expenses	18.0	19.0	1.0	31.4
Total Expenses	61.1	69.3	8.1	117.6
Adjusted Income (Loss)	(5.5)	(14.7)	(9.2)	(31.0)
Adjusted Income (Loss) Excluding Depr & Amort Exp	3.7	(2.6)	(6.3)	(10.2)



Monthly Financial Report

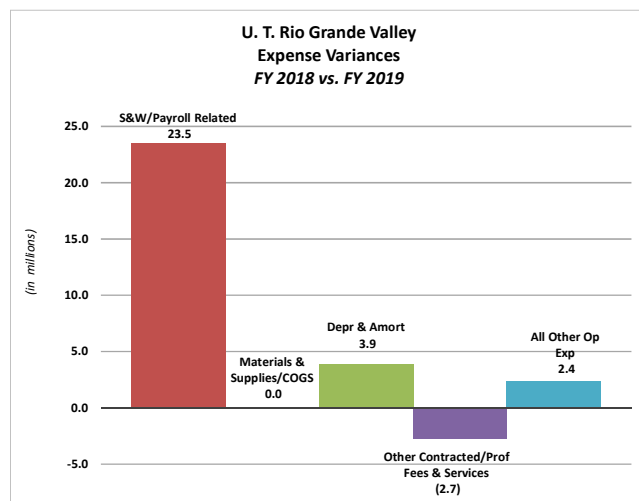
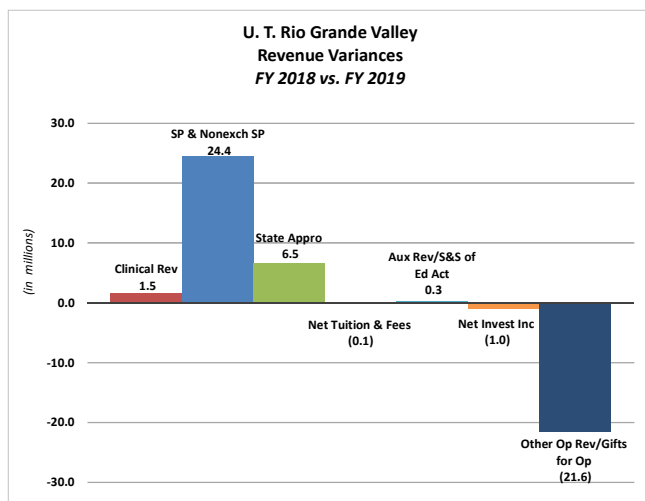
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$15.6 million, a decrease of \$17.1 million (1,182.5%). 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. 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 \$11.1 million. The most current projection received from *U. T. Rio Grande Valley* reflects a loss of \$26.2 million for the year.

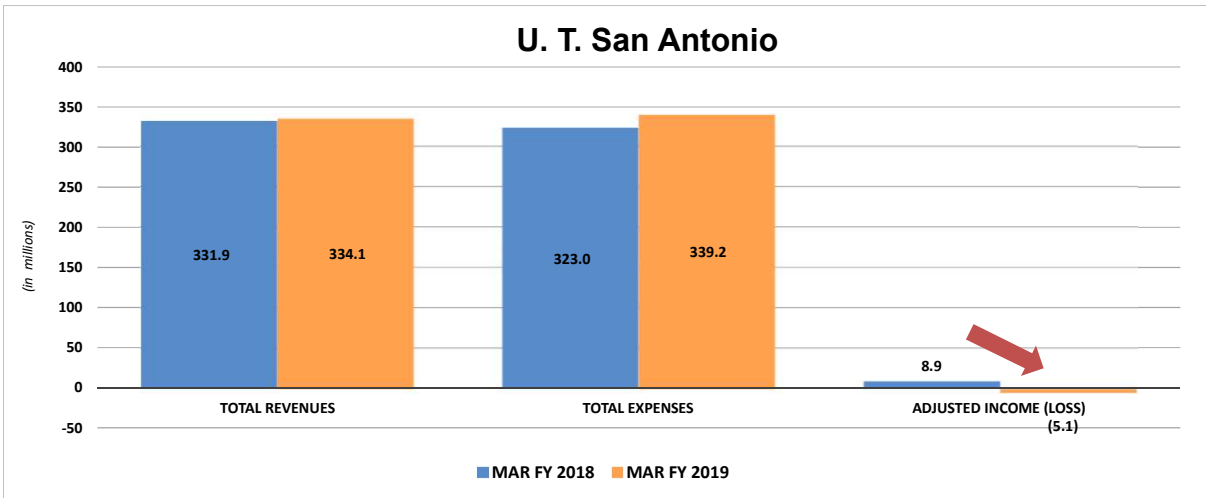
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 1.9	3.4	1.5	7.3
Sponsored Programs/Nonexchange Sponsored Programs	101.7	126.1	24.4	204.1
State Appropriations	85.6	92.1	6.5	145.8
Net Tuition and Fees	58.6	58.5	(0.1)	100.2
Auxiliary Revenues/Sales & Services of Educational Activities	10.7	11.0	0.3	16.7
Net Investment Income	6.8	5.8	(1.0)	8.4
Other Operating Revenues/Gift Contributions for Operations	31.4	9.8	(21.6)	11.2
Total Revenues	296.8	306.8	10.0	493.9
Salaries and Wages/Payroll Related Costs	172.0	195.6	23.5	320.7
Materials and Supplies/Cost of Goods Sold	11.2	11.2	0.0	20.9
Depreciation and Amortization	22.9	26.7	3.9	48.4
Other Contracted Services/Professional Fees & Services	11.6	8.9	(2.7)	16.2
All Other Operating Expenses	77.6	80.0	2.4	113.9
Total Expenses	\$ 295.3	322.4	27.1	520.1
Adjusted Income (Loss)	1.4	(15.6)	(17.1)	(26.2)
Adjusted Income (Loss) Excluding Depr & Amort Exp	24.3	11.1	(13.2)	22.1



Monthly Financial Report

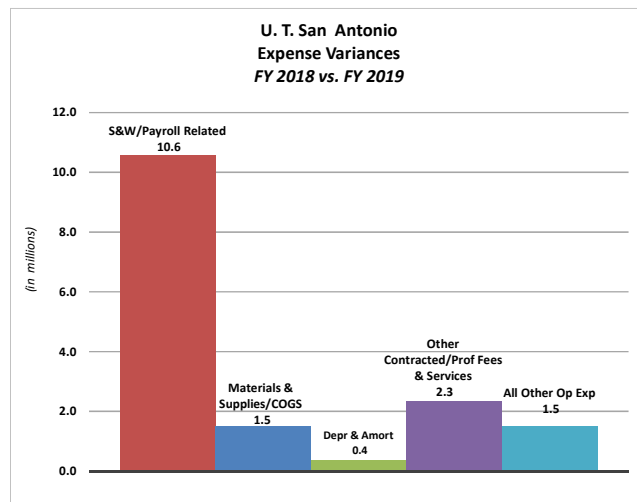
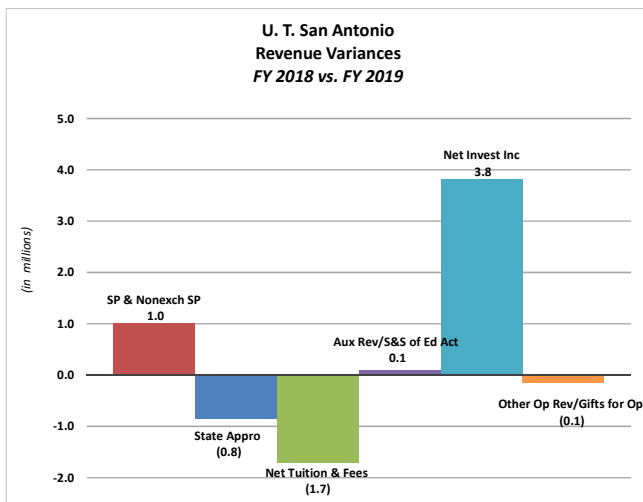
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. San Antonio incurred a year-to-date adjusted loss of \$5.1 million, a decrease of \$14.0 million (157.6%). 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 \$23.8 million. The most current projection received from *U. T. San Antonio* reflects a loss of \$8.8 million for the year.

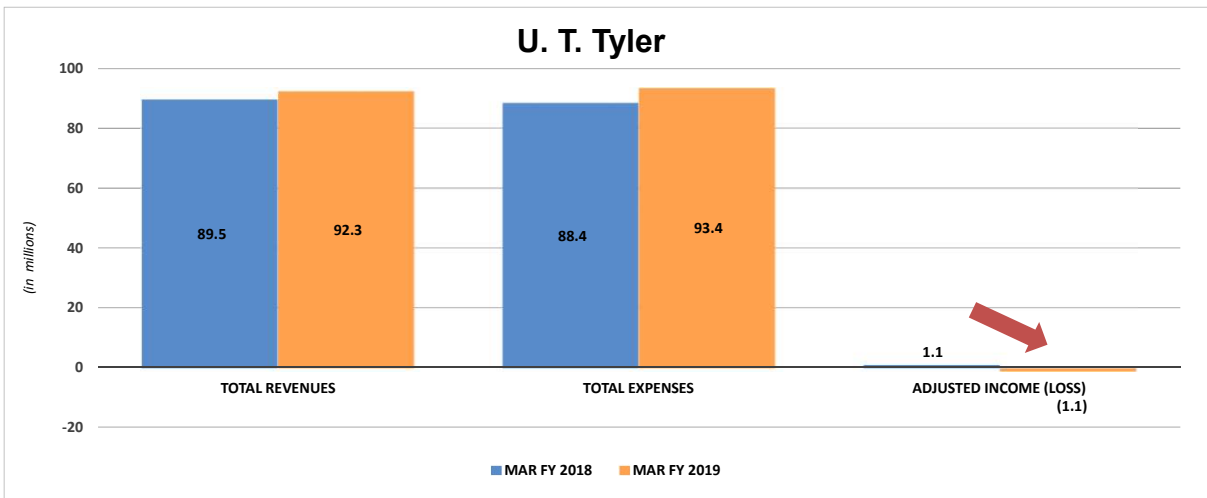
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 78.8	79.8	1.0	136.8
State Appropriations	78.5	77.6	(0.8)	133.1
Net Tuition and Fees	122.3	120.6	(1.7)	206.7
Auxiliary Revenues/Sales & Services of Educational Activities	35.9	36.0	0.1	61.8
Net Investment Income	9.3	13.1	3.8	22.4
Other Operating Revenues/Gift Contributions for Operations	7.1	7.0	(0.1)	12.0
Total Revenues	331.9	334.1	2.2	572.7
Salaries and Wages/Payroll Related Costs	181.9	192.4	10.6	329.9
Materials and Supplies/Cost of Goods Sold	14.6	16.1	1.5	27.5
Depreciation and Amortization	28.6	28.9	0.4	49.6
Other Contracted Services/Professional Fees & Services	15.5	17.8	2.3	30.5
All Other Operating Expenses	82.5	84.0	1.5	143.9
Total Expenses	\$ 323.0	339.2	16.3	581.5
Adjusted Income (Loss)	8.9	(5.1)	(14.0)	(8.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	37.5	23.8	(13.7)	40.8



Monthly Financial Report

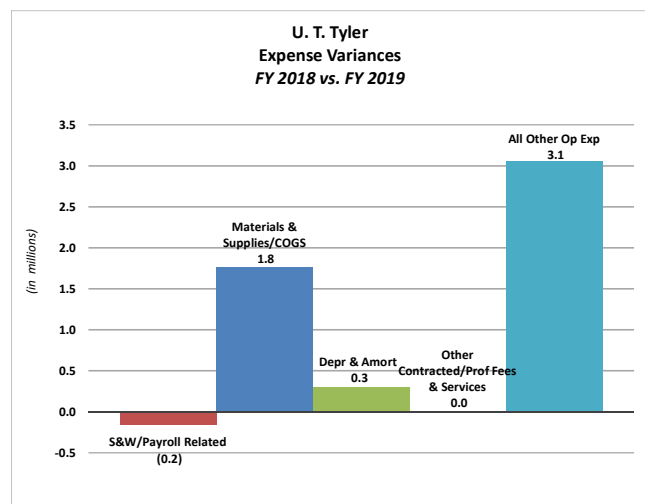
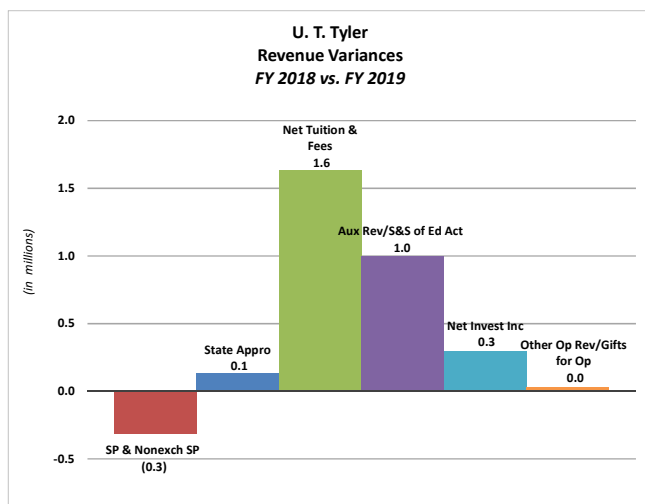
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Tyler incurred a year-to-date adjusted loss of \$1.1 million, a decrease of \$2.2 million (202.4%). 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 as a result of an increase in non-capitalized software, grounds maintenance, and waste disposal expenses. Excluding depreciation and amortization expense, *U. T. Tyler's* adjusted income was \$8.2 million. The most current projection received from *U. T. Tyler* reflects a loss of \$0.7 million for the year.

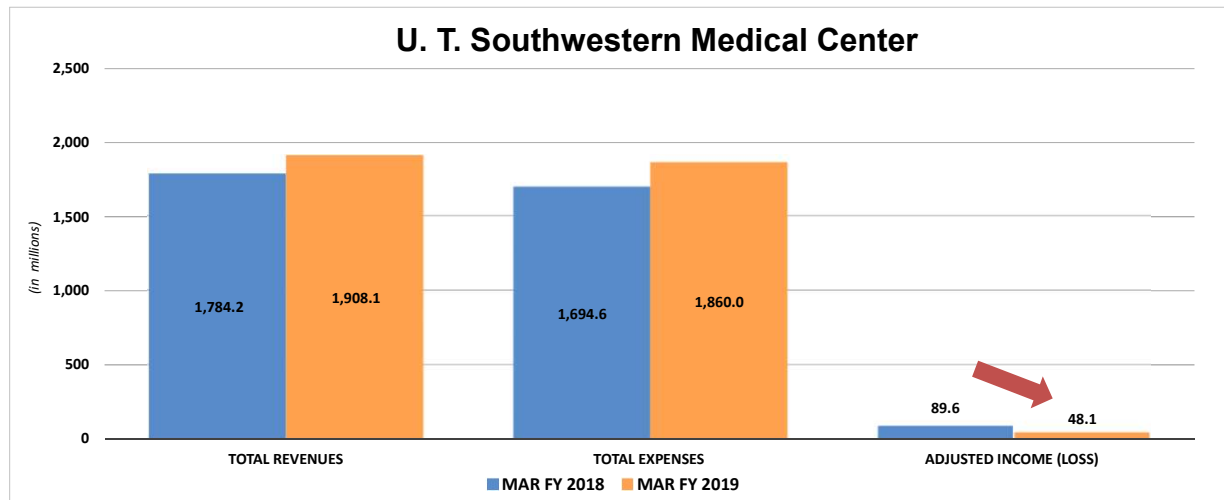
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Sponsored Programs/Nonexchange Sponsored Programs	\$ 14.7	14.4	(0.3)	25.0
State Appropriations	25.6	25.8	0.1	44.2
Net Tuition and Fees	30.1	31.8	1.6	54.4
Auxiliary Revenues/Sales & Services of Educational Activities	14.9	15.9	1.0	23.0
Net Investment Income	3.2	3.5	0.3	6.8
Other Operating Revenues/Gift Contributions for Operations	0.9	1.0	0.0	1.6
Total Revenues	89.5	92.3	2.8	155.0
Salaries and Wages/Payroll Related Costs	54.8	54.7	(0.2)	90.2
Materials and Supplies/Cost of Goods Sold	3.4	5.2	1.8	8.1
Depreciation and Amortization	9.0	9.3	0.3	15.8
Other Contracted Services/Professional Fees & Services	6.1	6.1	0.0	12.0
All Other Operating Expenses	15.1	18.1	3.1	29.4
Total Expenses	\$ 88.4	93.4	5.0	155.6
Adjusted Income (Loss)	1.1	(1.1)	(2.2)	(0.7)
Adjusted Income (Loss) Excluding Depr & Amort Exp	10.1	8.2	(1.9)	15.2



Monthly Financial Report

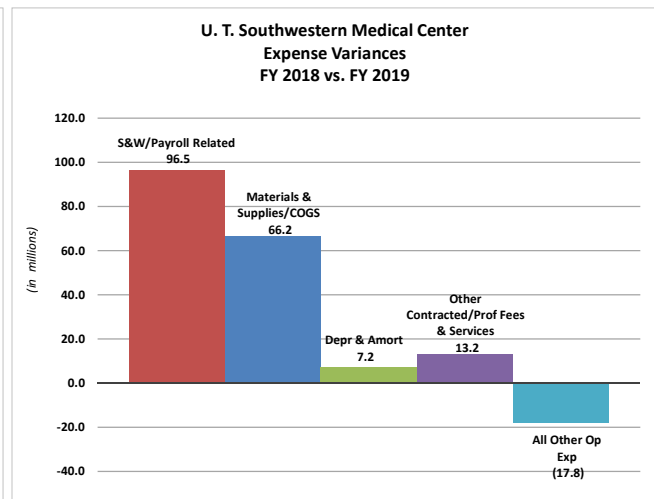
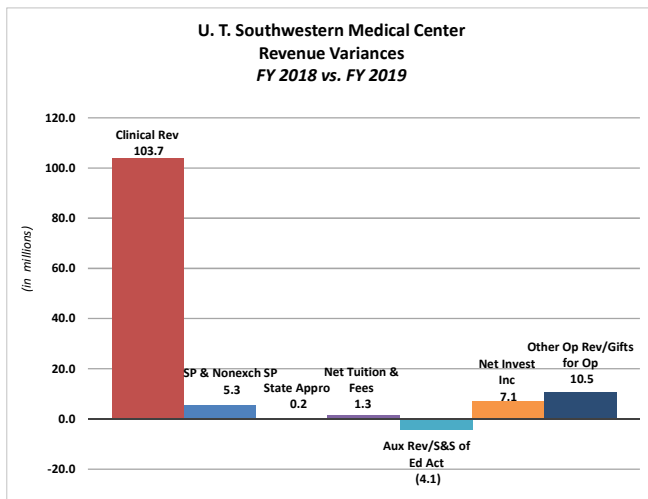
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Southwestern Medical Center reported year-to-date adjusted income of \$48.1 million, a decrease of \$41.5 million (46.3%). 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 \$155.1 million. The most current projection received from *U. T. Southwestern Medical Center* reflects income of \$90.5 million for the year.

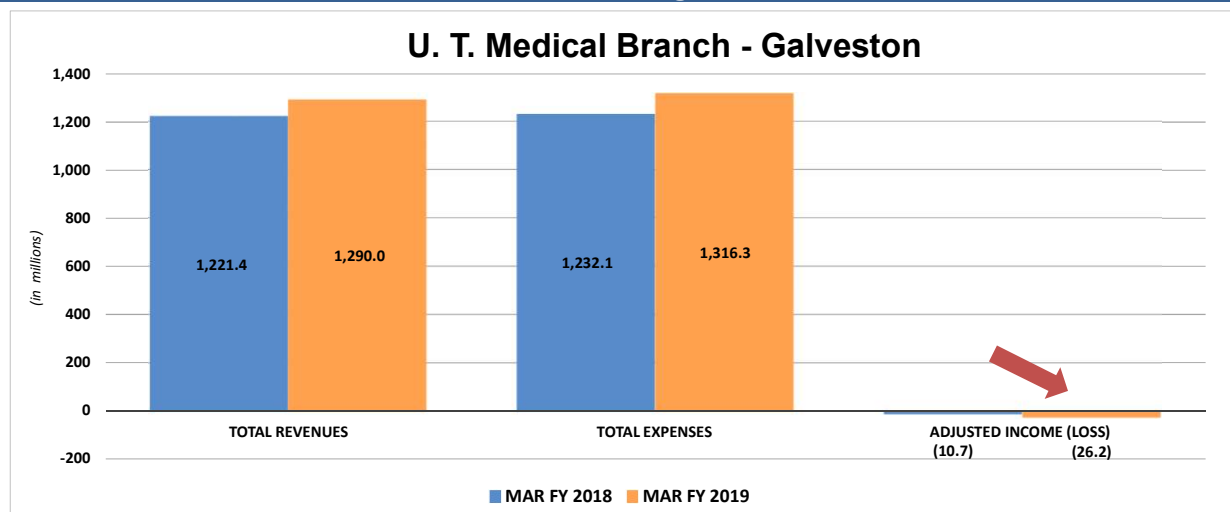
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 1,137.4	1,241.1	103.7	2,155.7
Sponsored Programs/Nonexchange Sponsored Programs	341.2	346.5	5.3	575.6
State Appropriations	112.8	112.9	0.2	193.9
Net Tuition and Fees	14.5	15.8	1.3	27.0
Auxiliary Revenues/Sales & Services of Educational Activities	24.6	20.5	(4.1)	35.1
Net Investment Income	69.2	76.3	7.1	119.1
Other Operating Revenues/Gift Contributions for Operations	84.5	95.0	10.5	182.5
Total Revenues	1,784.2	1,908.1	123.9	3,289.0
Salaries and Wages/Payroll Related Costs	1,064.4	1,160.9	96.5	1,997.8
Materials and Supplies/Cost of Goods Sold	279.5	345.7	66.2	595.9
Depreciation and Amortization	99.8	107.0	7.2	177.0
Other Contracted Services/Professional Fees & Services	123.3	136.5	13.2	254.7
All Other Operating Expenses	127.7	109.9	(17.8)	173.2
Total Expenses	\$ 1,694.6	1,860.0	165.4	3,198.5
Adjusted Income (Loss)	89.6	48.1	(41.5)	90.5
Adjusted Income (Loss) Excluding Depr & Amort Exp	189.3	155.1	(34.2)	267.5



Monthly Financial Report

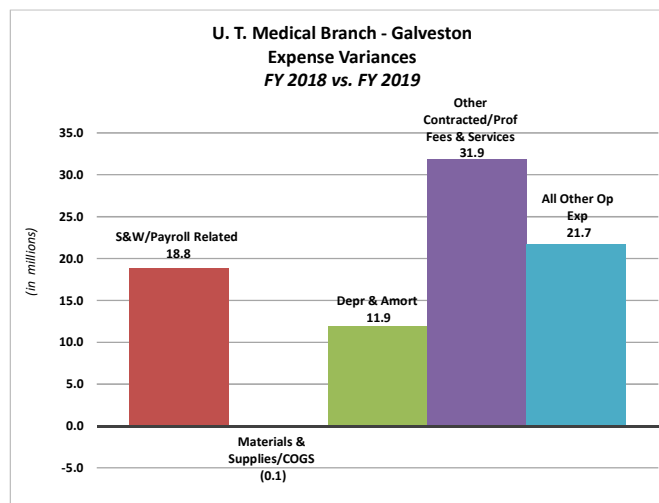
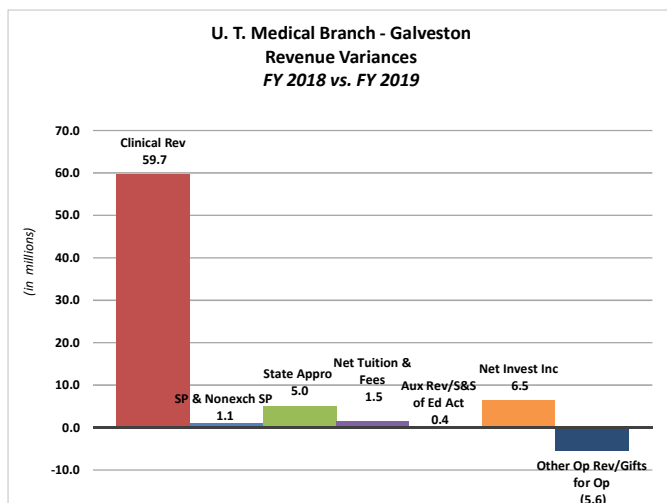
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Medical Branch - Galveston incurred a year-to-date adjusted loss of \$26.2 million, an increase in adjusted loss of \$15.6 million (146.0%). 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 other contracted services as a result of an increase in Correctional Managed Care costs; 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; and an increase in depreciation and amortization expense due to various projects placed into service. Excluding depreciation and amortization expense, *U. T. Medical Branch - Galveston's* adjusted income was \$75.7 million. The most current projection received from *U. T. Medical Branch - Galveston* reflects a loss of \$44.3 million for the year primarily as a result of startup costs related to the opening of the Clear Lake hospital in March.

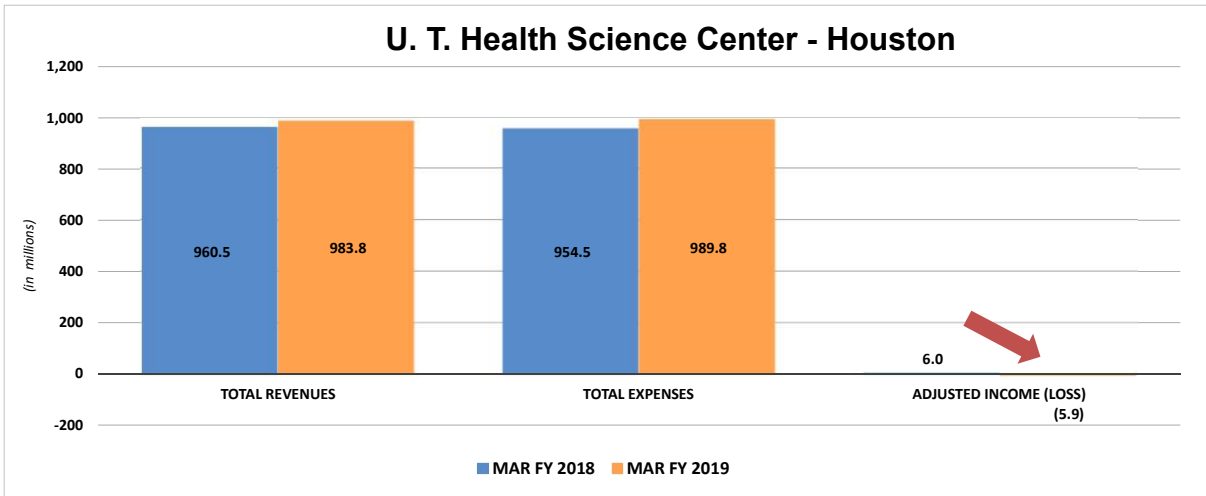
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 783.3	843.0	59.7	1,503.1
Sponsored Programs/Nonexchange Sponsored Programs	115.3	116.4	1.1	202.0
State Appropriations	215.7	220.7	5.0	373.6
Net Tuition and Fees	24.2	25.7	1.5	43.5
Auxiliary Revenues/Sales & Services of Educational Activities	15.7	16.1	0.4	29.5
Net Investment Income	31.1	37.7	6.5	63.9
Other Operating Revenues/Gift Contributions for Operations	36.1	30.5	(5.6)	53.2
Total Revenues	1,221.4	1,290.0	68.6	2,268.8
Salaries and Wages/Payroll Related Costs	784.2	803.0	18.8	1,394.0
Materials and Supplies/Cost of Goods Sold	157.2	157.1	(0.1)	281.7
Depreciation and Amortization	90.1	102.0	11.9	183.6
Other Contracted Services/Professional Fees & Services	87.0	118.9	31.9	218.9
All Other Operating Expenses	113.6	135.3	21.7	234.7
Total Expenses	\$ 1,232.1	1,316.3	84.2	2,313.0
Adjusted Income (Loss)	(10.7)	(26.2)	(15.6)	(44.3)
Adjusted Income (Loss) Excluding Depr & Amort Exp	79.4	75.7	(3.7)	139.4



Monthly Financial Report

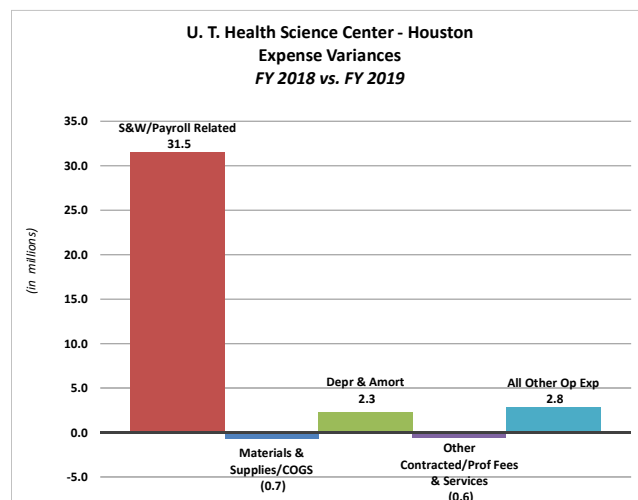
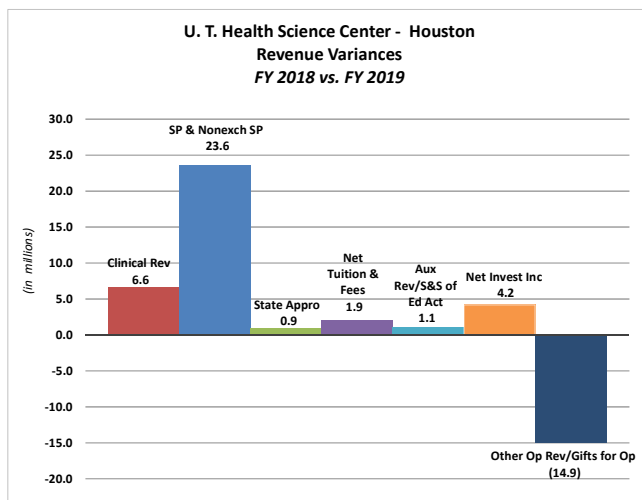
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Health Science Center - Houston incurred a year-to-date loss of \$5.9 million, a decrease of \$12.0 million (198.5%). The decrease was attributable to the following: an increase in salaries and wages as a result of growth in the physician practice plan; a decrease in other operating revenues as a result of a decline in Delivery System Reform Incentive Payment (DSRIP) revenues; and a decrease in gift contributions for operations as a result of a decline in pledges as compared to the prior year. Excluding depreciation and amortization expense, *U. T. Health Science Center - Houston's* adjusted income was \$33.2 million. The most current projection received from *U. T. Health Science Center - Houston* reflects income of \$8.1 million for the year.

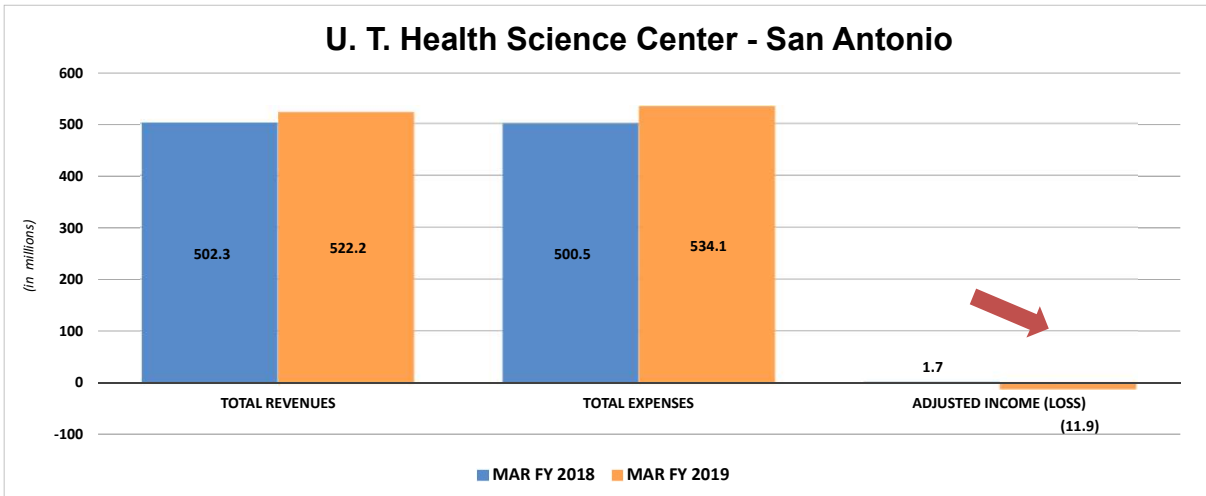
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 251.4	258.0	6.6	449.7
Sponsored Programs/Nonexchange Sponsored Programs	430.2	453.8	23.6	816.1
State Appropriations	125.4	126.4	0.9	215.7
Net Tuition and Fees	34.3	36.3	1.9	59.3
Auxiliary Revenues/Sales & Services of Educational Activities	40.5	41.6	1.1	67.3
Net Investment Income	26.0	30.2	4.2	54.5
Other Operating Revenues/Gift Contributions for Operations	52.6	37.7	(14.9)	72.7
Total Revenues	960.5	983.8	23.3	1,735.4
Salaries and Wages/Payroll Related Costs	695.6	727.1	31.5	1,254.2
Materials and Supplies/Cost of Goods Sold	51.5	50.8	(0.7)	85.3
Depreciation and Amortization	36.8	39.2	2.3	67.3
Other Contracted Services/Professional Fees & Services	77.8	77.2	(0.6)	146.4
All Other Operating Expenses	92.7	95.5	2.8	174.1
Total Expenses	\$ 954.5	989.8	35.3	1,727.3
Adjusted Income (Loss)	6.0	(5.9)	(12.0)	8.1
Adjusted Income (Loss) Excluding Depr & Amort Exp	42.9	33.2	(9.6)	75.4



Monthly Financial Report

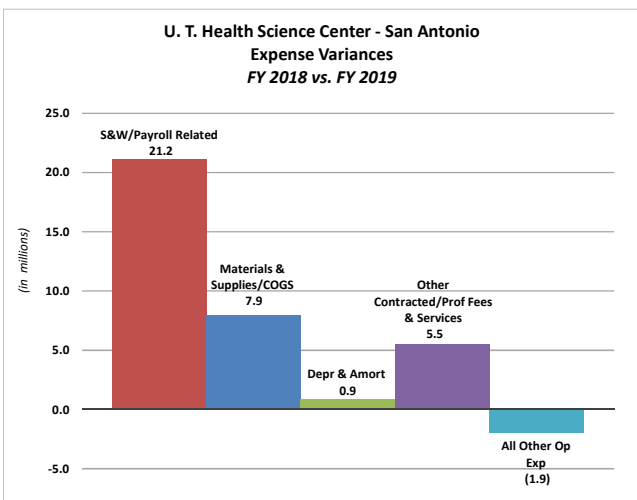
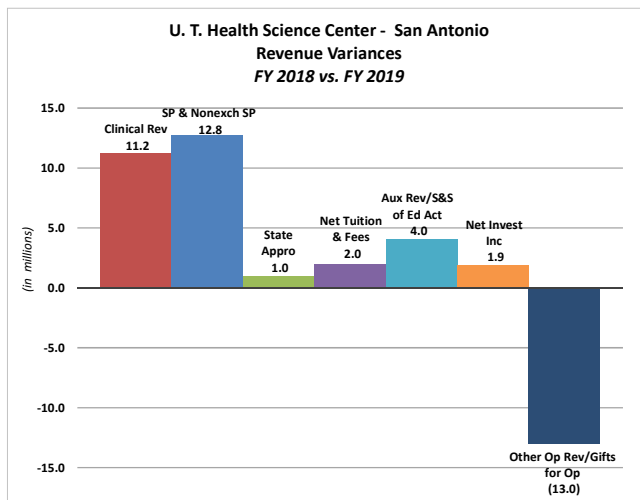
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Health Science Center - San Antonio incurred a year-to-date loss of \$11.9 million, a decrease of \$13.7 million (799.9%). 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) 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 \$21.3 million. The most current projection received from *U. T. Health Science Center - San Antonio* reflects a loss of \$11.8 million for the year due to expansion and research.

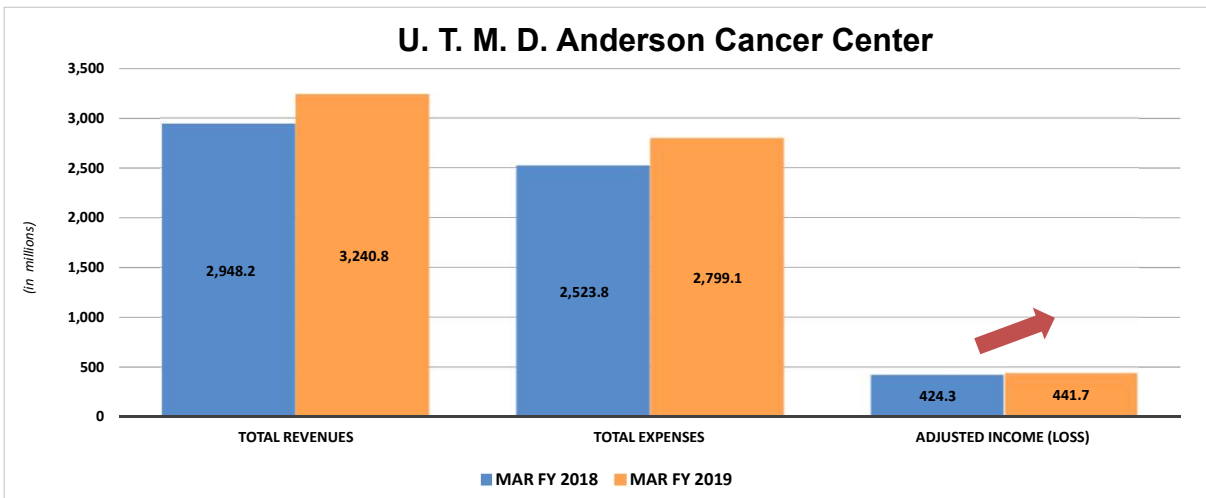
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 120.3	131.5	11.2	238.4
Sponsored Programs/Nonexchange Sponsored Programs	179.7	192.4	12.8	328.2
State Appropriations	100.7	101.7	1.0	173.1
Net Tuition and Fees	25.6	27.6	2.0	46.0
Auxiliary Revenues/Sales & Services of Educational Activities	16.7	20.7	4.0	36.5
Net Investment Income	25.7	27.6	1.9	44.0
Other Operating Revenues/Gift Contributions for Operations	33.6	20.6	(13.0)	32.9
Total Revenues	502.3	522.2	19.9	899.1
Salaries and Wages/Payroll Related Costs	340.7	361.8	21.2	621.1
Materials and Supplies/Cost of Goods Sold	36.3	44.2	7.9	75.8
Depreciation and Amortization	32.4	33.3	0.9	57.0
Other Contracted Services/Professional Fees & Services	25.7	31.2	5.5	52.5
All Other Operating Expenses	65.6	63.6	(1.9)	104.6
Total Expenses	\$ 500.5	534.1	33.6	910.9
Adjusted Income (Loss)	1.7	(11.9)	(13.7)	(11.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	34.1	21.3	(12.8)	45.2



Monthly Financial Report

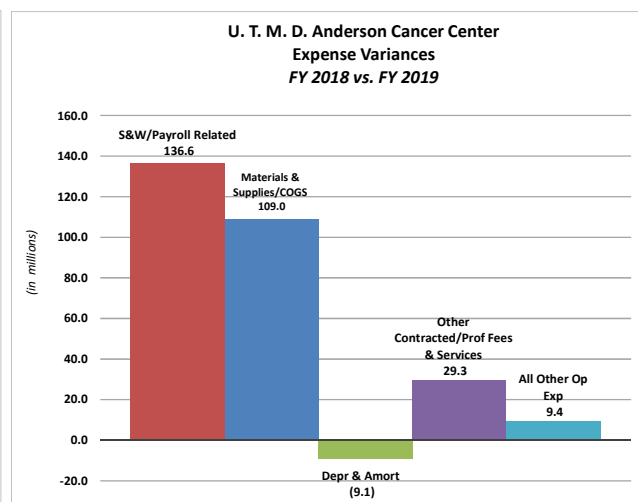
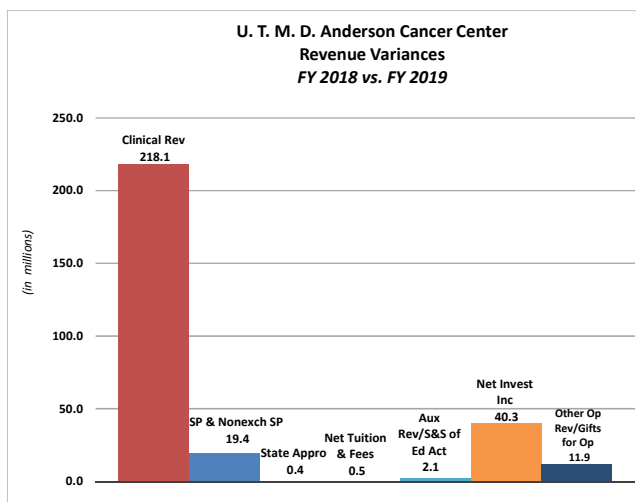
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$441.7 million, an increase of \$17.3 million (4.1%). 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. 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 \$649.6 million. The most current projection received from *U. T. M. D. Anderson Cancer Center* reflects income of \$747.9 million for the year.

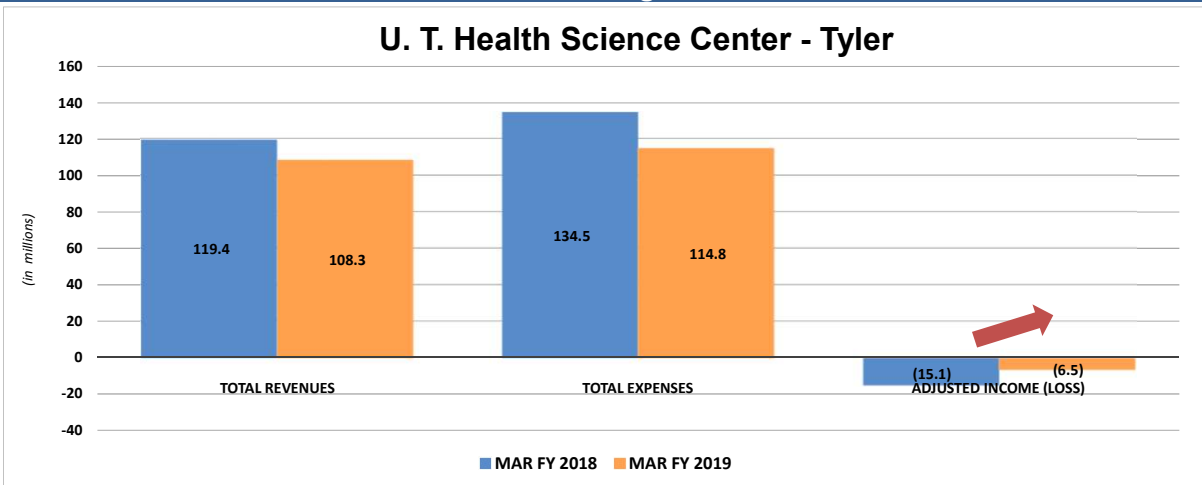
(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 2,369.7	2,587.7	218.1	4,475.1
Sponsored Programs/Nonexchange Sponsored Programs	198.3	217.7	19.4	384.0
State Appropriations	121.8	122.2	0.4	209.4
Net Tuition and Fees	0.9	1.4	0.5	1.7
Auxiliary Revenues/Sales & Services of Educational Activities	26.5	28.6	2.1	49.4
Net Investment Income	91.6	131.9	40.3	242.5
Other Operating Revenues/Gift Contributions for Operations	139.3	151.2	11.9	234.7
Total Revenues	2,948.2	3,240.8	292.6	5,596.9
Salaries and Wages/Payroll Related Costs	1,441.5	1,578.1	136.6	2,713.4
Materials and Supplies/Cost of Goods Sold	535.5	644.4	109.0	1,088.7
Depreciation and Amortization	217.0	207.9	(9.1)	355.2
Other Contracted Services/Professional Fees & Services	150.3	179.6	29.3	367.0
All Other Operating Expenses	179.6	189.1	9.4	324.6
Total Expenses	\$ 2,523.8	2,799.1	275.3	4,848.9
Adjusted Income (Loss)	424.3	441.7	17.3	747.9
Adjusted Income (Loss) Excluding Depr & Amort Exp	641.3	649.6	8.3	1,103.1



Monthly Financial Report

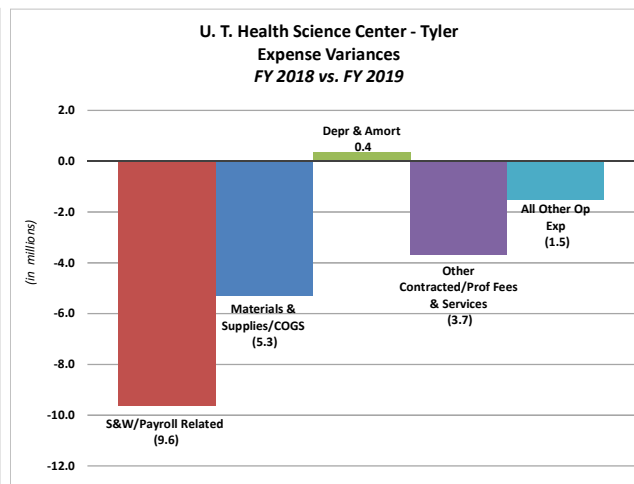
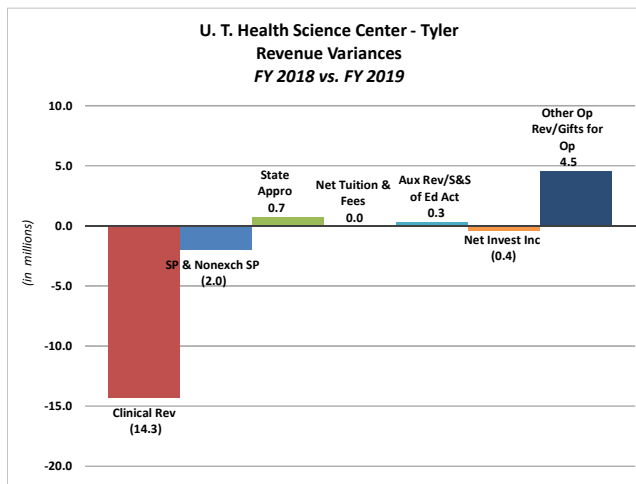
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending March 31, 2019



U. T. Health Science Center - Tyler incurred a year-to-date loss of \$6.5 million, a decrease in adjusted loss of \$8.7 million (57.3%). The decrease was primarily due to the following: lower salaries and wages and payroll related costs attributable to workforce restructuring initiatives; 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 UT Health East Texas (UTHET) joint venture; increased other operating income from the joint venture; and a decrease in professional fees as a result of lower medical services expenses and one-time consulting and legal expenses associated with the joint venture in 2018 with no such comparable expenses in 2019. Excluding depreciation and amortization expense, *U. T. Health Science Center - Tyler's* adjusted income was \$2.0 million. The most current projection received from *U. T. Health Science Center - Tyler* reflects income of \$0.6 million for the year due to the continued benefit from salary and benefit savings related to the prior year's workforce restructuring initiatives, expected seasonal increases in direct hospital revenues, and increased sponsored program revenues and gift contributions.

(in millions)	March YTD FY 2018	March YTD FY 2019	Variance	Annual Projected FY 2019
Clinical Revenues	\$ 49.3	35.0	(14.3)	61.6
Sponsored Programs/Nonexchange Sponsored Programs	19.8	17.7	(2.0)	31.3
State Appropriations	29.8	30.6	0.7	52.4
Net Tuition and Fees	0.1	0.2	0.0	0.3
Auxiliary Revenues/Sales & Services of Educational Activities	2.2	2.5	0.3	4.3
Net Investment Income	2.4	2.0	(0.4)	3.4
Other Operating Revenues/Gift Contributions for Operations	15.8	20.3 *	4.5	35.2
Total Revenues	119.4	108.3	(11.1)	188.4
Salaries and Wages/Payroll Related Costs	81.3	71.6	(9.6)	113.0
Materials and Supplies/Cost of Goods Sold	17.5	12.2	(5.3)	21.0
Depreciation and Amortization	8.1	8.4	0.4	14.4
Other Contracted Services/Professional Fees & Services	17.3	13.6	(3.7)	24.2
All Other Operating Expenses	10.4	8.8	(1.5)	15.2
Total Expenses	\$ 134.5	114.8	(19.8)	187.8
Adjusted Income (Loss)	(15.1)	(6.5)	8.7	0.6
Adjusted Income (Loss) Excluding Depr & Amort Exp	(7.1)	2.0	9.0	15.1



*Other Operating Income includes 30% of UTHET's net adjusted income which is \$6.5 million through March. The forecast of \$0.6 million includes \$11.1 million of UTHET's net adjusted income for the year.