

THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT *(unaudited)*

FEBRUARY 2020



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

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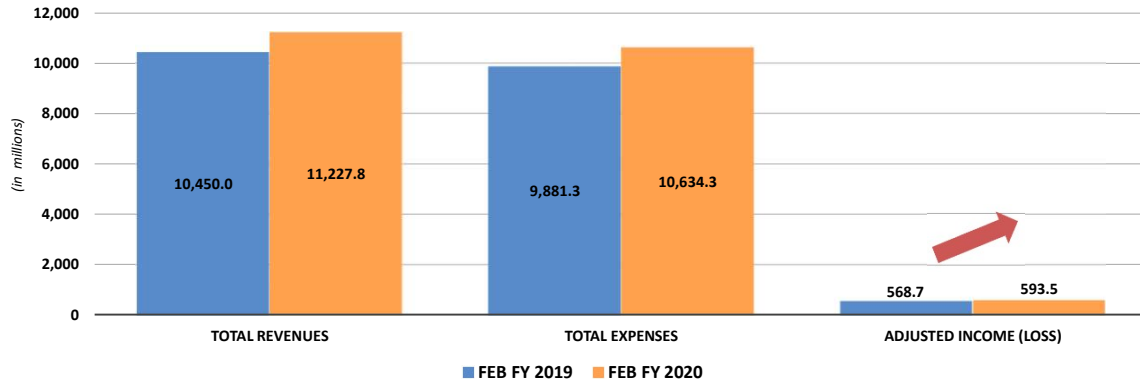
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Monthly Financial Report

Comparison of Operating Results and Margin

For the Period Ending February 29, 2020

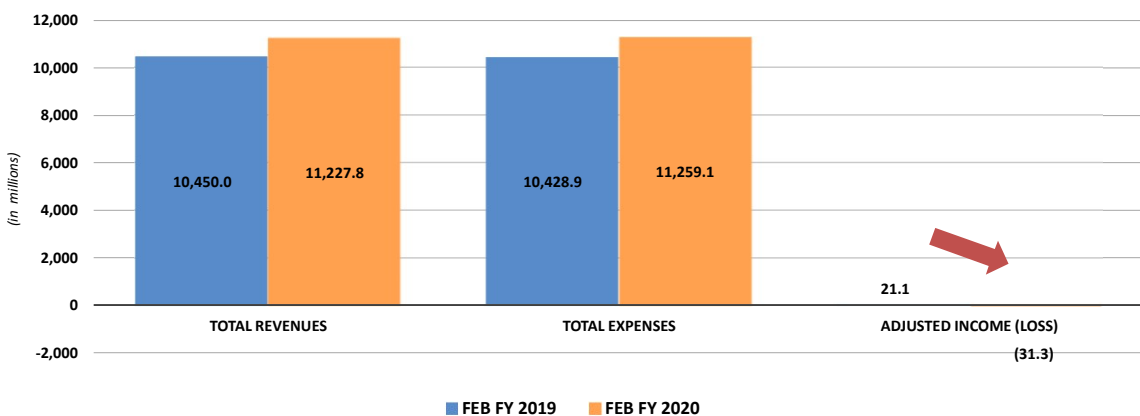
U. T. System Consolidated (Excluding OPEB & Pension Expense)



Excluding other postemployment benefits (OPEB) and pension expense, *U. T. System Consolidated* shows year-to-date adjusted income of \$593.5 million, an increase of \$24.8 million (4%) from the prior year. The increase was primarily due to the following: an increase in clinical revenues as a result of an increase in volume and clinical productivity; an increase in net investment income primarily due to *U. T. M. D. Anderson Cancer Center* receiving a sizable royalty from Takeda Pharmaceutical for a new agreement; and an increase in gift contributions for operations as a result of a large gift *U. T. Austin* received from the Moody Foundation.

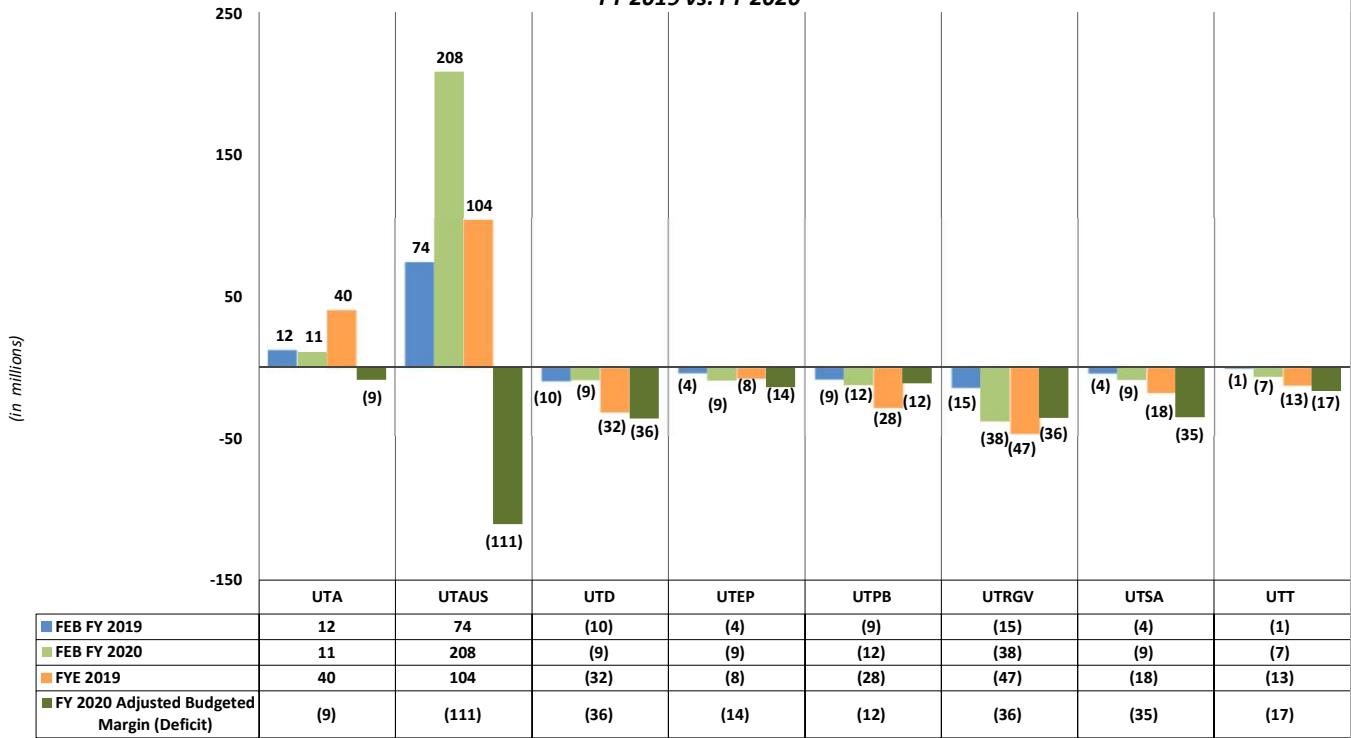
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Clinical Revenues	\$ 4,348.2	4,747.2	399.0
Sponsored Programs/Nonexchange Sponsored Programs	1,893.2	2,077.8	184.6
State Appropriations	1,162.6	1,121.0	(41.5)
Net Tuition and Fees	929.8	968.0	38.2
Auxiliary Revenues/Sales & Services of Educational Activities	694.3	726.7	32.4
Net Investment Income	933.0	979.7	46.7
Other Operating Revenues/Gift Contributions for Operations	488.9	607.3	118.5
Total Revenues	10,450.0	11,227.8	777.8
Salaries and Wages/Payroll Related Costs	5,863.8	6,377.3	513.6
Materials and Supplies/Cost of Goods Sold	1,231.4	1,398.1	166.7
Depreciation and Amortization	745.5	776.9	31.4
Other Contracted Services/Professional Fees & Services	694.8	731.0	36.2
All Other Operating Expenses	1,345.8	1,351.0	5.1
Total Expenses (Excluding OPEB & Pension Exp)	\$ 9,881.3	10,634.3	753.0
Adjusted Income (Loss) Excluding OPEB & Pension Exp	568.7	593.5	24.8
OPEB Expense	421.6	332.4	(89.2)
Pension Expense	126.0	292.4	166.4
Adjusted Income (Loss)	21.1	(31.3)	(52.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	766.6	745.6	(21.0)

U. T. System Consolidated (Including OPEB & Pension Expense)

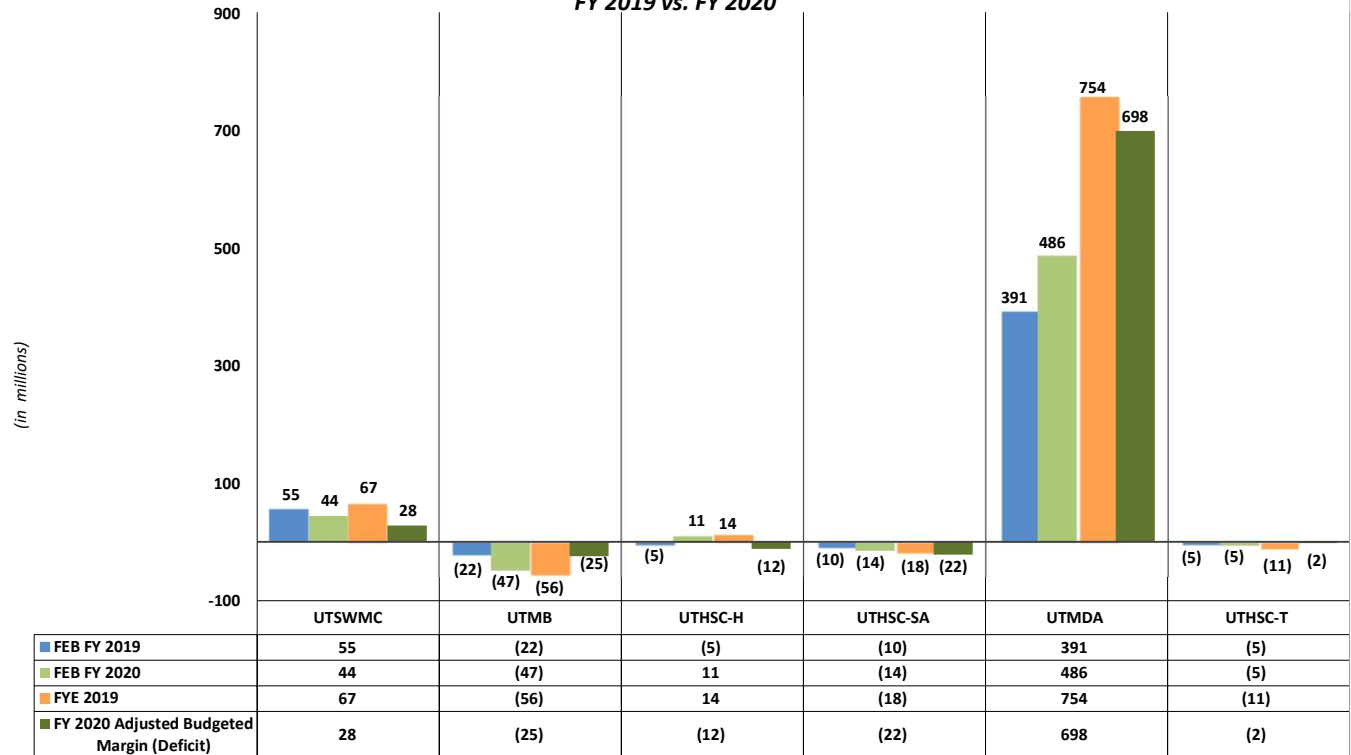


Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending February 29, 2020

U. T. Academic Institutions
FY 2019 vs. FY 2020



U. T. Health Institutions
FY 2019 vs. FY 2020



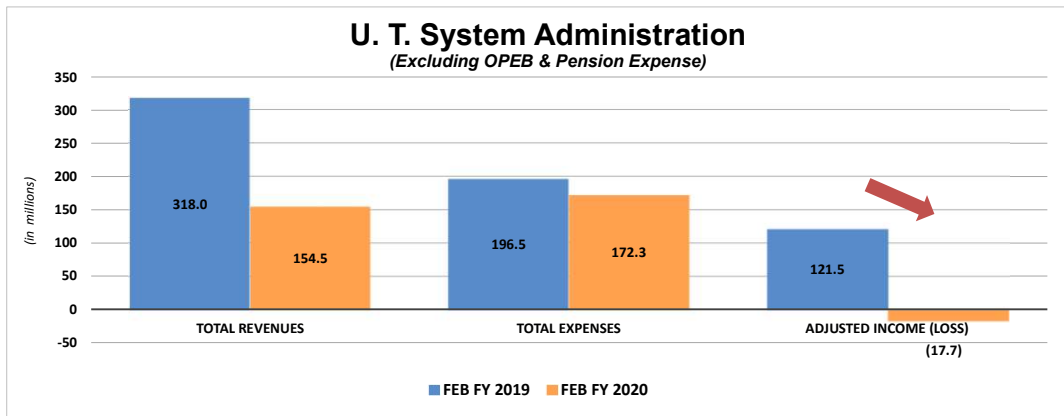
Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending February 29, 2020

Executive Summary of Adjusted Income (Loss)

	February FYTD 2019 (millions)	February FYTD 2020 (millions)	Variance %	Comments
U. T. System Administration (excluding OPEB & Pension Expense)	\$ 121.5	(17.7)	-115%	Decrease in Net Investment Income
U. T. Arlington	11.8	10.7	-10%	Increase in Salaries and Wages, Payroll Related
U. T. Austin	73.8	208.0	182%	Increase in Gifts for Operations, Available University Fund (AUF) transfer, Net Investment Income
U. T. Dallas	(10.0)	(8.8)	11%	Increase in Net Investment Income
U. T. El Paso	(4.4)	(9.1)	-110%	Increase in Salaries and Wages, Payroll Related
U. T. Permian Basin	(8.7)	(12.4)	-43%	Increase in Salaries and Wages, Payroll Related, Depreciation & Amortization Decrease in Gifts for Operations
U. T. Rio Grande Valley	(14.6)	(37.7)	-159%	Increase in Salaries & Wages, Payroll Related, Depreciation & Amortization Decrease in Sponsored Programs, DSRIP
U. T. San Antonio	(4.5)	(8.7)	-95%	Increase in Salaries & Wages, Payroll Related, Professional Fees & Services
U. T. Tyler	(1.0)	(6.6)	-565%	Increase in Salaries & Wages, Payroll Related, Depreciation & Amortization, Other Contracted Services, Professional Fees & Services
Southwestern	55.0	44.4	-19%	Increase in Salaries & Wages, Payroll Related, Materials & Supplies
UTMB	(22.0)	(46.9)	-114%	Increase in Salaries & Wages, Payroll Related, Materials & Supplies, Depreciation & Amortization
UTHSC-Houston	(5.1)	11.1	317%	Increase in Clinical Revenues, Sponsored Programs
UTHSC-San Antonio	(9.8)	(13.5)	-38%	Increase in Salaries & Wages, Payroll Related, Materials & Supplies Decrease in Gifts for Operations, DSRIP
M. D. Anderson	391.3	485.8	24%	Increase in Net Investment Income, Clinical Revenues
UTHSC-Tyler	(4.8)	(4.8)	-2%	Increase in Clinical Revenues
Total Adjusted Income (Loss)	\$ 568.7	593.5	4%	

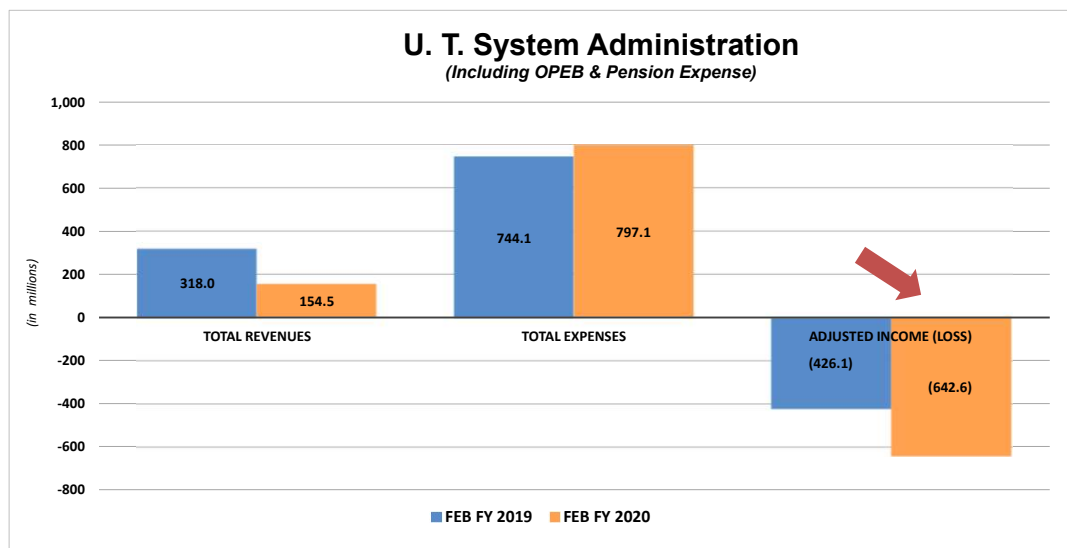
* For additional details on the variances, please see pages 4 through 19.

Monthly Financial Report
Comparison of Operating Results and Margin
For the Period Ending February 29, 2020



Excluding OPEB and pension expense, *U. T. System Administration* incurred a year-to-date adjusted loss of \$17.7 million, a decrease of \$139.2 million (115%) from the prior year. The decrease was primarily due to a decrease in net investment income as a result of a decrease in Permanent University Fund (PUF) mineral lease bonus sales, gas royalties, PUF investment income, and Available University Fund (AUF) surface income, as well as increases in the Long Term Fund (LTF) distribution and PUF and LTF investment expenses.

<i>(in millions)</i>	February YTD FY 2019	February YTD FY 2020	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 25.3	29.1	3.8
State Appropriations	1.7	1.5	(0.2)
Auxiliary Revenues/Sales & Services of Educational Activities	4.1	5.1	1.0
Net Investment Income/Available University Fund (AUF)	273.4	107.3	(166.1)
Other Operating Revenues/Gift Contributions for Operations	13.5	11.6	(1.9)
Total Revenues	318.0	154.5	(163.5)
Salaries and Wages/Payroll Related Costs	38.6	36.1	(2.5)
Materials and Supplies/Cost of Goods Sold	20.2	17.5	(2.7)
Depreciation and Amortization	13.4	8.4	(5.1)
Other Contracted Services/Professional Fees & Services	14.0	18.2	4.2
All Other Operating Expenses	110.3	92.2	(18.2)
Total Expenses (Excluding OPEB & Pension Exp)	\$ 196.5	172.3	(24.2)
Adjusted Income (Loss) Excluding OPEB & Pension Exp	121.5	(17.7)	(139.2)
OPEB Expense	421.6	332.4	(89.2)
Pension Expense	126.0	292.4	166.4
Adjusted Income (Loss)	(426.1)	(642.6)	(216.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(412.7)	(634.2)	(221.5)

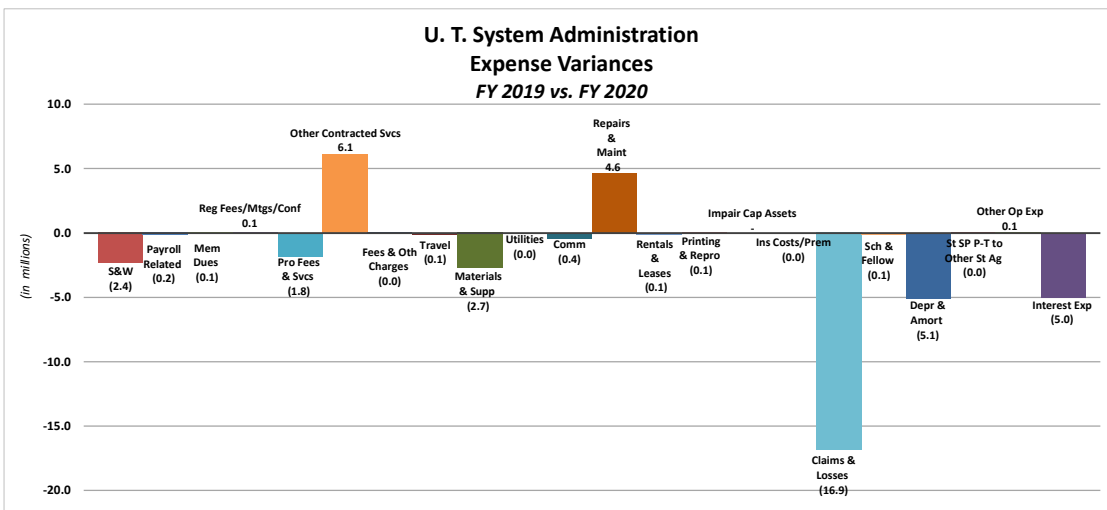


Monthly Financial Report

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

For the Period Ending February 29, 2020

(in millions)	February YTD FY 2019	February YTD FY 2020	Actual Year-End FY 2019
Salaries and Wages	\$ 31.0	28.7	57.9
Payroll Related Costs	7.6	7.4	(306.4) *
Membership Dues	0.4	0.3	0.5
Registration Fees, Meetings, Conferences	0.1	0.2	0.4
Professional Fees and Services	7.4	5.6	15.4
Other Contracted Services	6.5	12.6	25.7
Fees and Other Charges	0.0	0.0	0.1
Travel	0.8	0.6	1.5
Materials and Supplies	20.2	17.5	11.4
Utilities	0.2	0.2	0.4
Communications	3.6	3.2	3.6
Repairs and Maintenance	1.8	6.4	5.8
Rentals and Leases	1.6	1.5	2.8
Printing and Reproduction	0.2	0.1	0.3
Impairment of Capital Assets	-	-	25.8
Insurance Costs/Premiums	27.1	27.1	10.5
Claims and Losses	52.9	36.0	65.5
Scholarships and Fellowships	0.5	0.4	1.5
Depreciation and Amortization	13.4	8.4	23.8
State Sponsored Program Pass-Through to Other State Agencies	1.9	1.9	4.4
Other Operating Expenses	0.7	0.8	1.7
Interest Expense	18.5	13.5	31.6
Total Expenses (Excluding OPEB & Pension Expense)	196.5	172.3	(16.0)
OPEB Expense	421.6	332.4	664.8
Pension Expense	126.0	292.4	584.8
Total Expenses (Including OPEB & Pension Expense)	\$ 744.1	797.1	1,233.7



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

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

Other Contracted Services - increase of \$6.1 million due to the timing of the AUF Digital Library Support payment to U. T. Austin and an increase in Clinical Data Network expenses, which were partially offset by a decrease in the South Texas Biomedical Research Program.

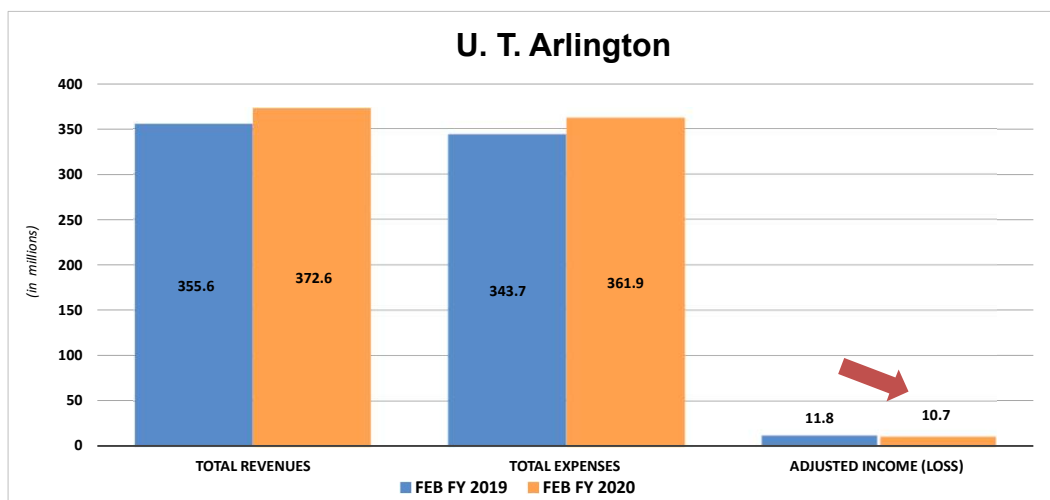
Repairs and Maintenance - increase of \$4.6 million due to Oracle Maintenance Agreement software licenses reclassified from materials and supplies to repairs and maintenance, and expenses related to the new Office of Employee Benefits Eligibility System.

Claims and Losses - Higher Medical/Dental Self-Insurance Plan premiums to cover expenses led to a decrease of \$16.9 million in claims and losses compared to the prior year.

Monthly Financial Report

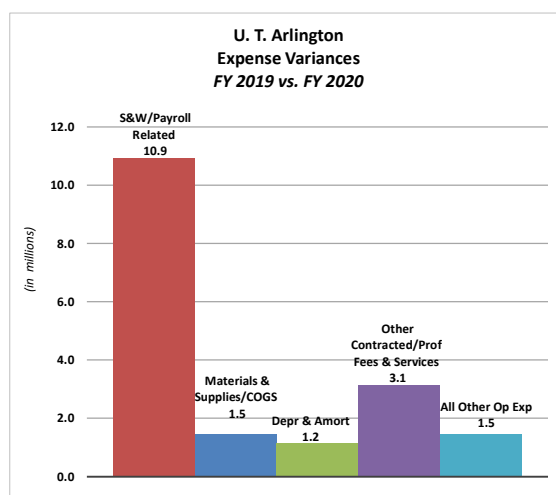
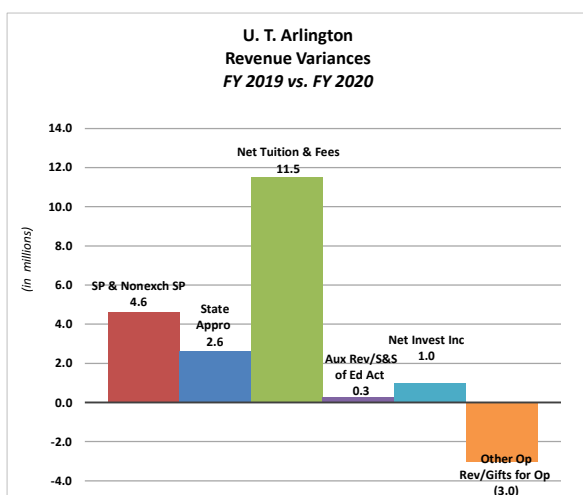
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. Arlington reported year-to-date adjusted income of \$10.7 million, a decrease of \$1.1 million (10%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs due to merit increases.

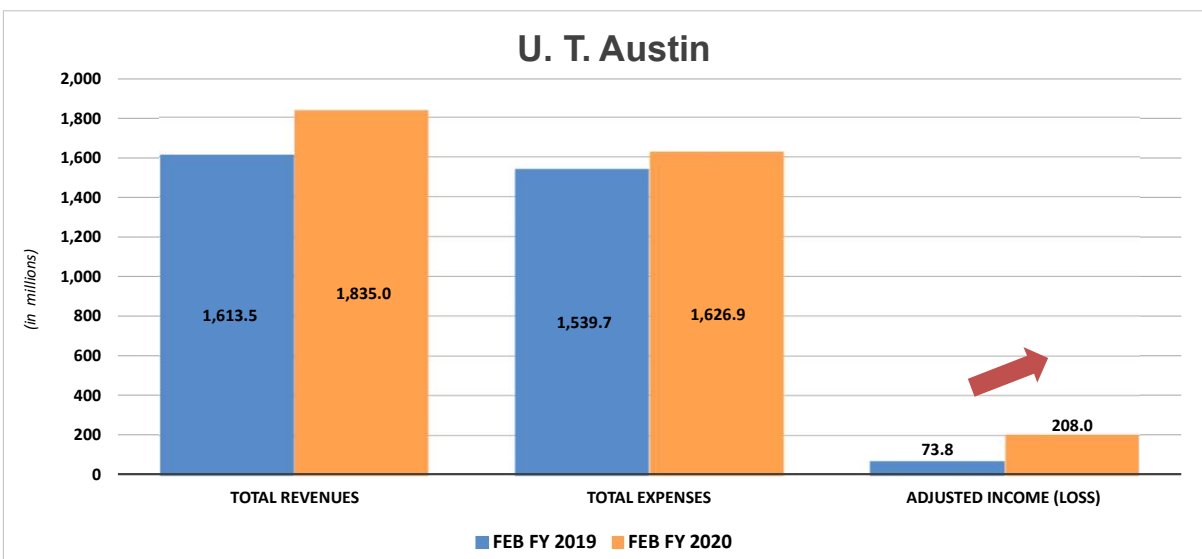
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 68.7	73.3	4.6
State Appropriations	66.4	69.0	2.6
Net Tuition and Fees	158.2	169.7	11.5
Auxiliary Revenues/Sales & Services of Educational Activities	36.7	37.0	0.3
Net Investment Income	11.3	12.3	1.0
Other Operating Revenues/Gift Contributions for Operations	14.3	11.3	(3.0)
Total Revenues	355.6	372.6	17.0
Salaries and Wages/Payroll Related Costs	193.1	204.0	10.9
Materials and Supplies/Cost of Goods Sold	17.9	19.4	1.5
Depreciation and Amortization	27.5	28.6	1.2
Other Contracted Services/Professional Fees & Services	42.0	45.1	3.1
All Other Operating Expenses	63.3	64.8	1.5
Total Expenses	\$ 343.7	361.9	18.1
Adjusted Income (Loss)	11.8	10.7	(1.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	39.3	39.3	0.0



Monthly Financial Report

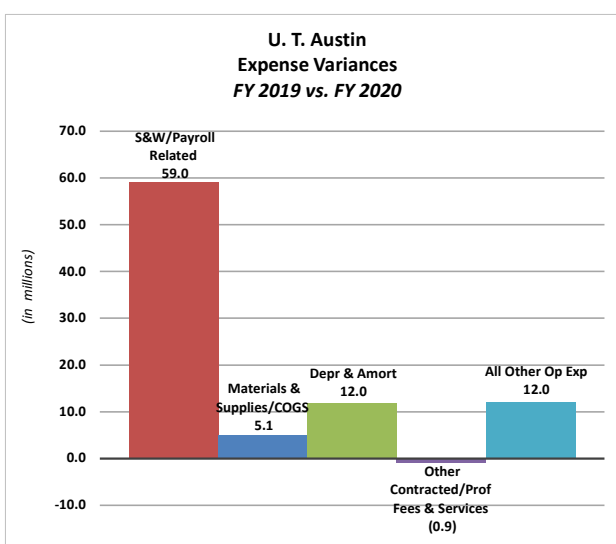
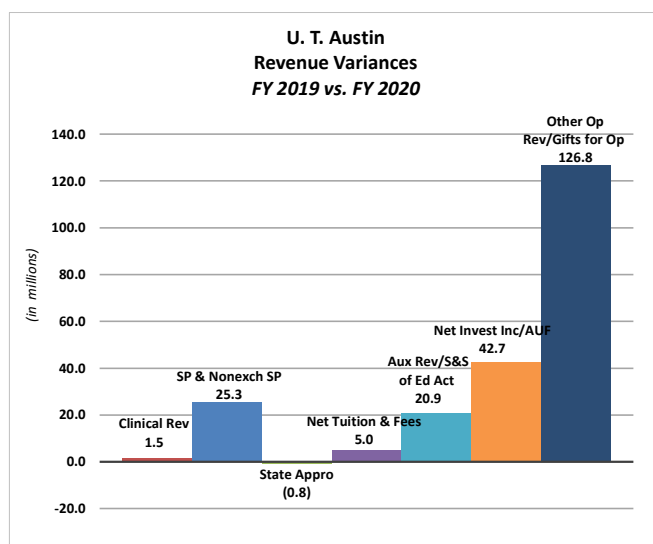
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020

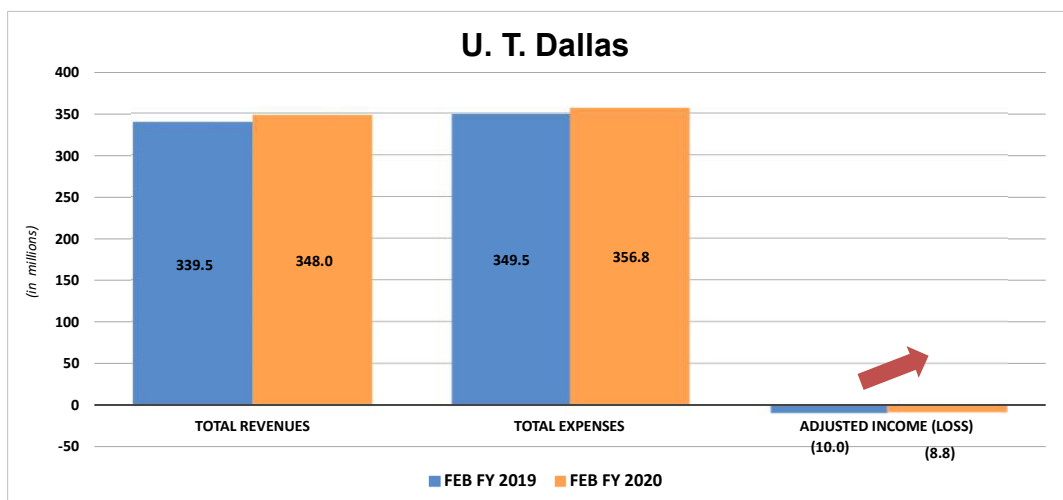


U. T. Austin reported year-to-date adjusted income of \$208.0 million, an increase of \$134.3 million (182%) from the prior year. The increase was primarily due to the following: an increase in gift contributions for operations as a result of a \$130 million gift from the Moody Foundation; an increase in the amount of the transfer from the Available University Fund; and an increase in net investment income.

<i>(in millions)</i>	February YTD FY 2019	February YTD FY 2020	Variance
Clinical Revenues	\$ 2.5	4.0	1.5
Sponsored Programs/Nonexchange Sponsored Programs	329.9	355.2	25.3
State Appropriations	178.1	177.3	(0.8)
Net Tuition and Fees	260.0	265.0	5.0
Auxiliary Revenues/Sales & Services of Educational Activities	418.0	439.0	20.9
Net Investment Income/Available University Fund (AUF)	331.0	373.8	42.7
Other Operating Revenues/Gift Contributions for Operations	93.9	220.7	126.8
Total Revenues	1,613.5	1,835.0	221.5
Salaries and Wages/Payroll Related Costs	891.6	950.6	59.0
Materials and Supplies/Cost of Goods Sold	78.9	83.9	5.1
Depreciation and Amortization	157.0	169.0	12.0
Other Contracted Services/Professional Fees & Services	99.4	98.6	(0.9)
All Other Operating Expenses	312.8	324.8	12.0
Total Expenses	\$ 1,539.7	1,626.9	87.2
Adjusted Income (Loss)	73.8	208.0	134.3
Adjusted Income (Loss) Excluding Depr & Amort Exp	230.8	377.0	146.3

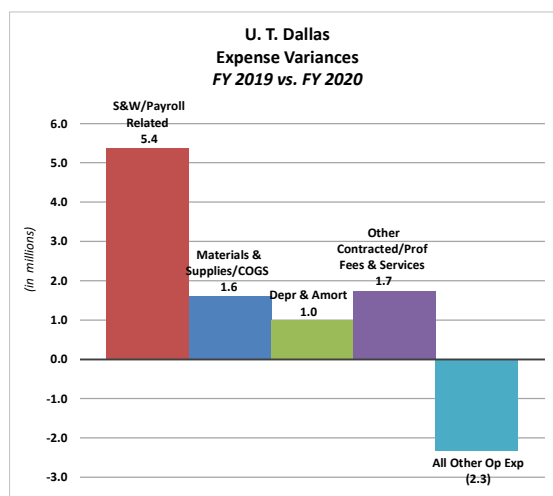
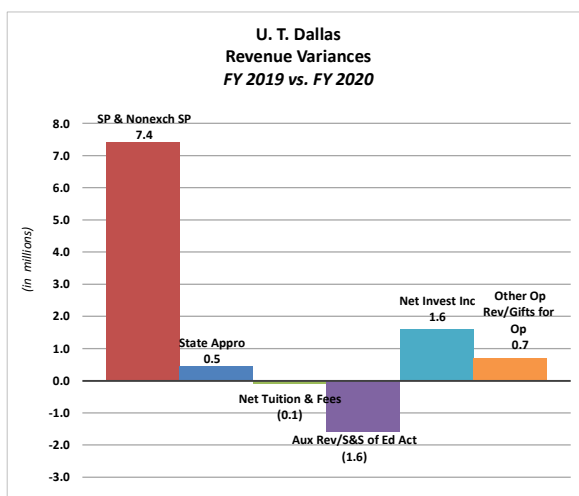


Monthly Financial Report Comparison of Operating Results and Margin For the Period Ending February 29, 2020



U. T. Dallas incurred a year-to-date adjusted loss of \$8.8 million, a decrease in adjusted loss of \$1.1 million (11%) from the prior year. The decrease was primarily attributable to an increase in net investment income due to an increase in investment income from the Crow investments.

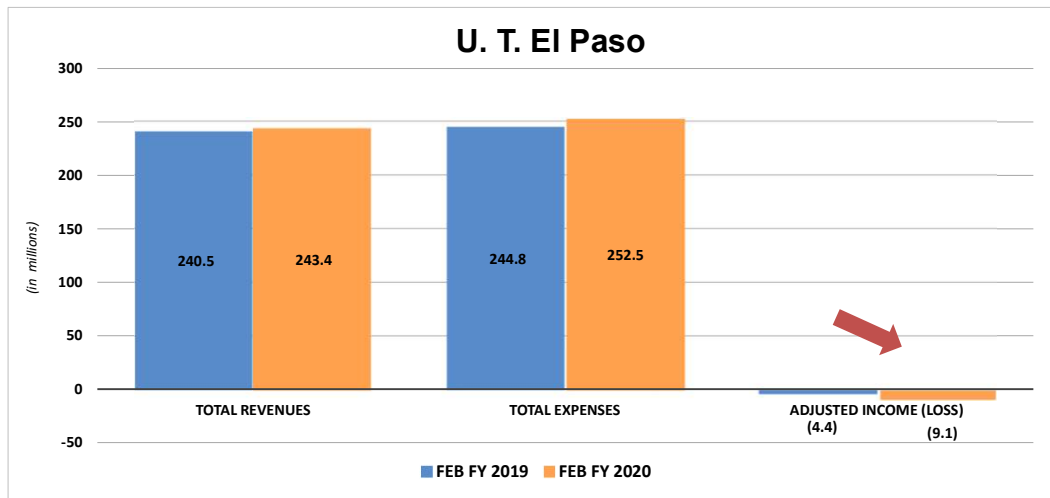
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 51.2	58.6	7.4
State Appropriations	61.6	62.0	0.5
Net Tuition and Fees	153.7	153.6	(0.1)
Auxiliary Revenues/Sales & Services of Educational Activities	47.3	45.7	(1.6)
Net Investment Income	16.0	17.6	1.6
Other Operating Revenues/Gift Contributions for Operations	9.8	10.5	0.7
Total Revenues	339.5	348.0	8.5
Salaries and Wages/Payroll Related Costs	200.0	205.4	5.4
Materials and Supplies/Cost of Goods Sold	16.3	17.9	1.6
Depreciation and Amortization	41.0	42.0	1.0
Other Contracted Services/Professional Fees & Services	16.6	18.3	1.7
All Other Operating Expenses	75.6	73.2	(2.3)
Total Expenses	\$ 349.5	356.8	7.3
Adjusted Income (Loss)	(10.0)	(8.8)	1.1
Adjusted Income (Loss) Excluding Depr & Amort Exp	31.0	33.2	2.1



Monthly Financial Report

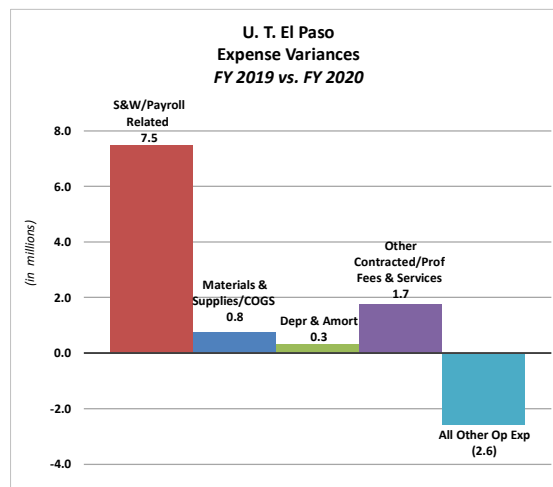
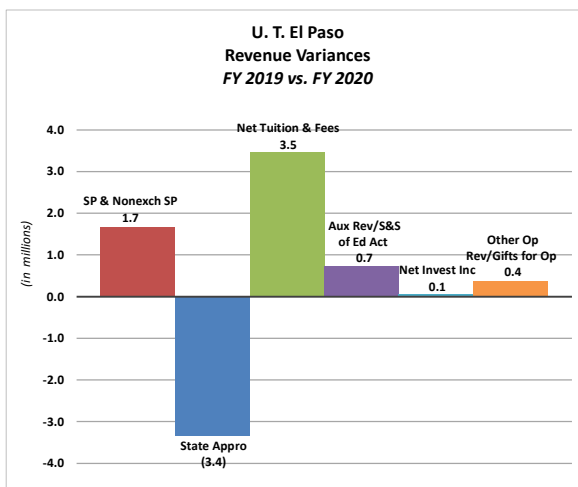
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. El Paso incurred a year-to-date adjusted loss of \$9.1 million, an increase in adjusted loss of \$4.8 million (110%) from the prior year. The increase was primarily due to an increase in salaries and wages and payroll related costs attributable to increased faculty levels and merit increases for faculty and staff.

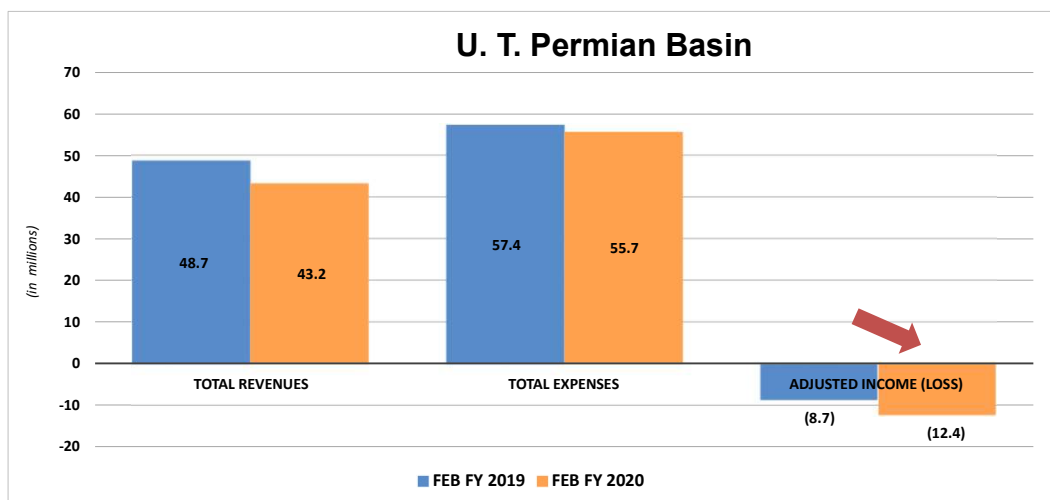
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 79.0	80.7	1.7
State Appropriations	56.8	53.5	(3.4)
Net Tuition and Fees	73.2	76.6	3.5
Auxiliary Revenues/Sales & Services of Educational Activities	20.4	21.1	0.7
Net Investment Income	8.5	8.6	0.1
Other Operating Revenues/Gift Contributions for Operations	2.5	2.9	0.4
Total Revenues	240.5	243.4	2.9
Salaries and Wages/Payroll Related Costs	129.1	136.6	7.5
Materials and Supplies/Cost of Goods Sold	9.6	10.4	0.8
Depreciation and Amortization	15.0	15.4	0.3
Other Contracted Services/Professional Fees & Services	14.7	16.4	1.7
All Other Operating Expenses	76.4	73.8	(2.6)
Total Expenses	\$ 244.8	252.5	7.7
Adjusted Income (Loss)	(4.4)	(9.1)	(4.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	10.7	6.2	(4.5)



Monthly Financial Report

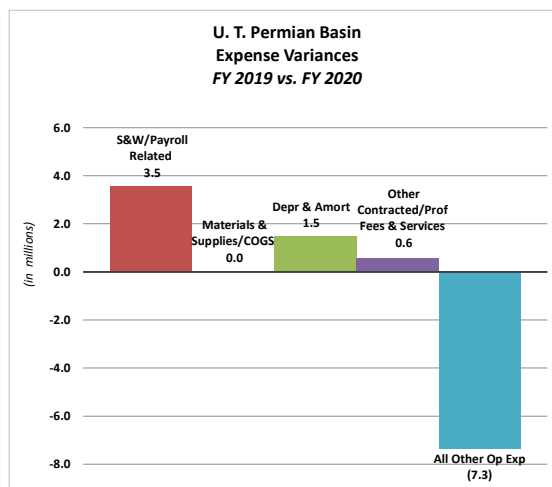
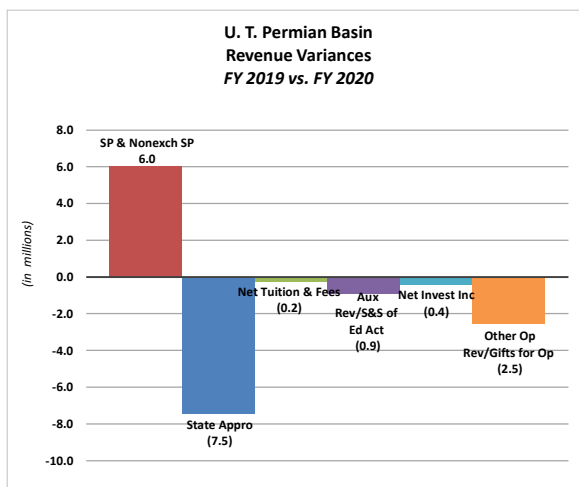
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. Permian Basin incurred a year-to-date adjusted loss of \$12.4 million, an increase in adjusted loss of \$3.7 million (43%) from the prior year. 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, as well as new positions; a decrease in gift contributions for operations due to a decrease in gifts compared to the prior year; and an increase in depreciation and amortization expense attributable to the Engineering building being placed into service.

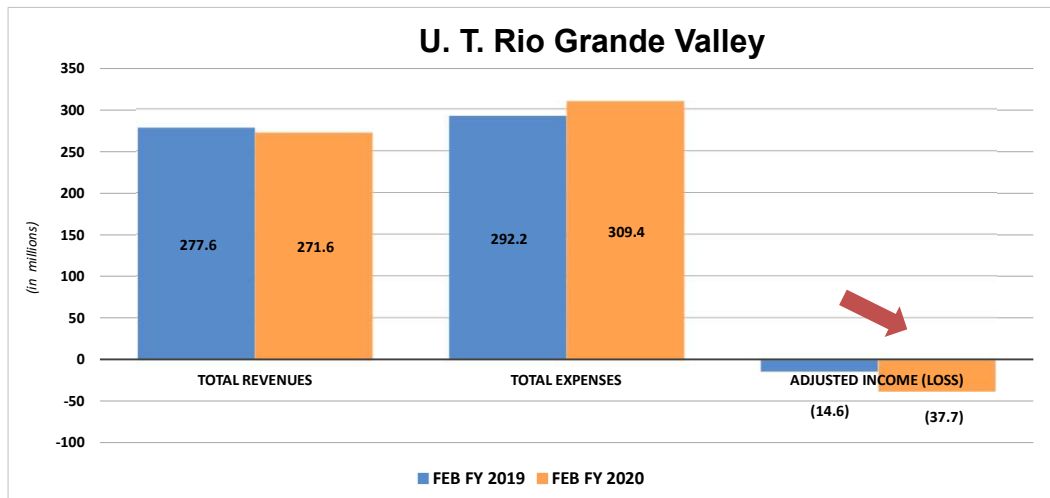
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 7.7	13.7	6.0
State Appropriations	18.4	11.0	(7.5)
Net Tuition and Fees	12.2	11.9	(0.2)
Auxiliary Revenues/Sales & Services of Educational Activities	4.3	3.4	(0.9)
Net Investment Income	1.2	0.9	(0.4)
Other Operating Revenues/Gift Contributions for Operations	4.9	2.4	(2.5)
Total Revenues	48.7	43.2	(5.5)
Salaries and Wages/Payroll Related Costs	24.2	27.8	3.5
Materials and Supplies/Cost of Goods Sold	3.2	3.3	0.0
Depreciation and Amortization	7.8	9.3	1.5
Other Contracted Services/Professional Fees & Services	4.9	5.4	0.6
All Other Operating Expenses	17.3	9.9	(7.3)
Total Expenses	\$ 57.4	55.7	(1.7)
Adjusted Income (Loss)	(8.7)	(12.4)	(3.7)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(0.9)	(3.2)	(2.3)



Monthly Financial Report

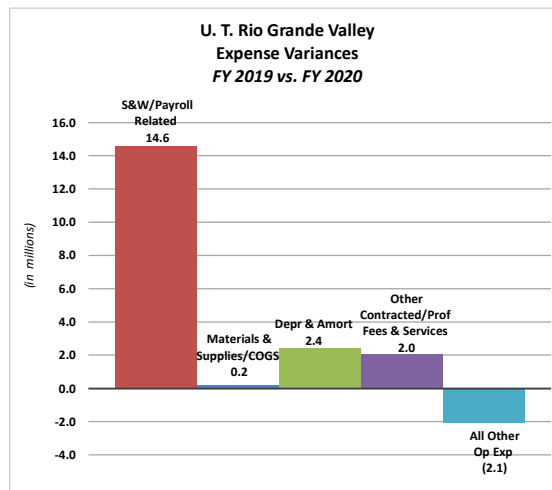
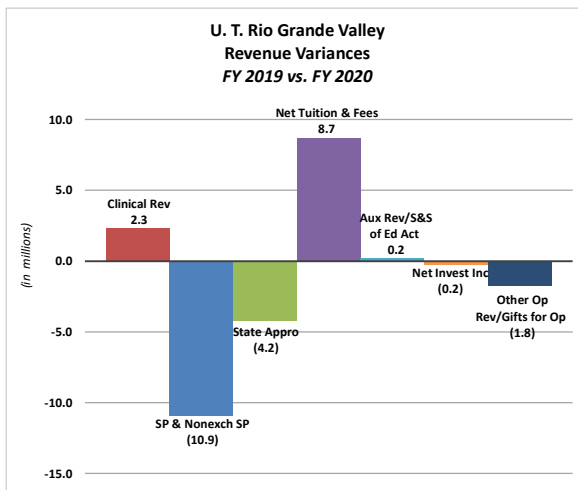
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$37.7 million, an increase in adjusted loss of \$23.2 million (159%) from the prior year. The increase was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions; a decrease in sponsored programs due to fixed contract project revenue being overstated in February of the prior year, which was corrected in March of the prior year, as well as decreased hospital contract revenue as a result of ongoing negotiations; an increase in depreciation and amortization expense attributable to new buildings placed into service; and a decrease in other operating revenues primarily due to a decline in Delivery System Reform Incentive Payment (DSRIP) revenues.

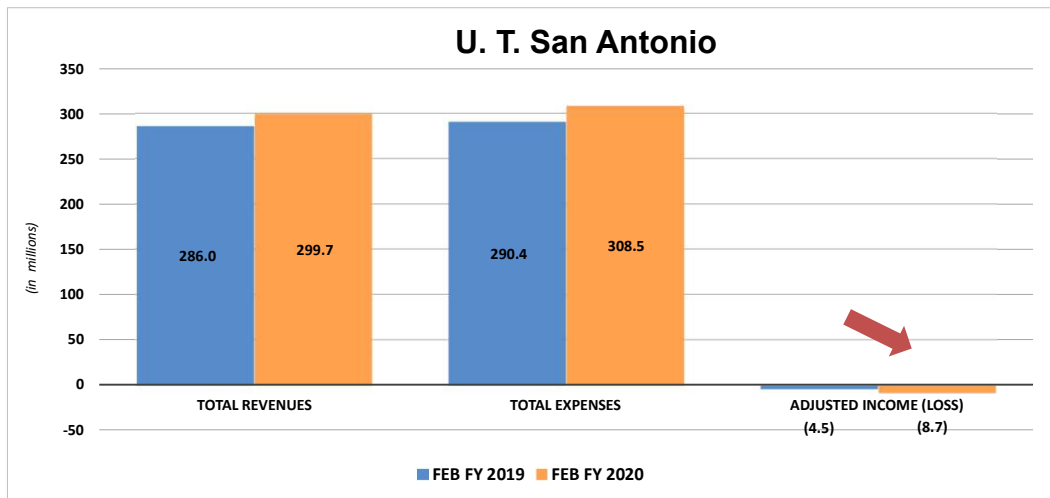
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Clinical Revenues	\$ 2.9	5.2	2.3
Sponsored Programs/Nonexchange Sponsored Programs	122.9	112.0	(10.9)
State Appropriations	78.7	74.4	(4.2)
Net Tuition and Fees	50.1	58.7	8.7
Auxiliary Revenues/Sales & Services of Educational Activities	10.3	10.5	0.2
Net Investment Income	4.7	4.5	(0.2)
Other Operating Revenues/Gift Contributions for Operations	8.0	6.2	(1.8)
Total Revenues	277.6	271.6	(6.0)
Salaries and Wages/Payroll Related Costs	166.8	181.3	14.6
Materials and Supplies/Cost of Goods Sold	9.9	10.1	0.2
Depreciation and Amortization	22.9	25.4	2.4
Other Contracted Services/Professional Fees & Services	7.5	9.6	2.0
All Other Operating Expenses	85.1	83.1	(2.1)
Total Expenses	\$ 292.2	309.4	17.2
Adjusted Income (Loss)	(14.6)	(37.7)	(23.2)
Adjusted Income (Loss) Excluding Depr & Amort Exp	8.4	(12.4)	(20.8)



Monthly Financial Report

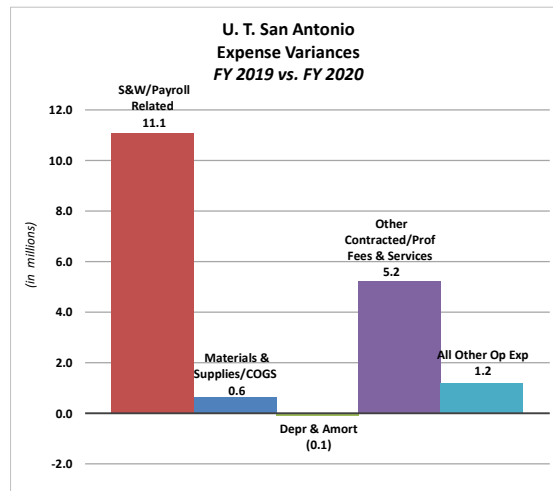
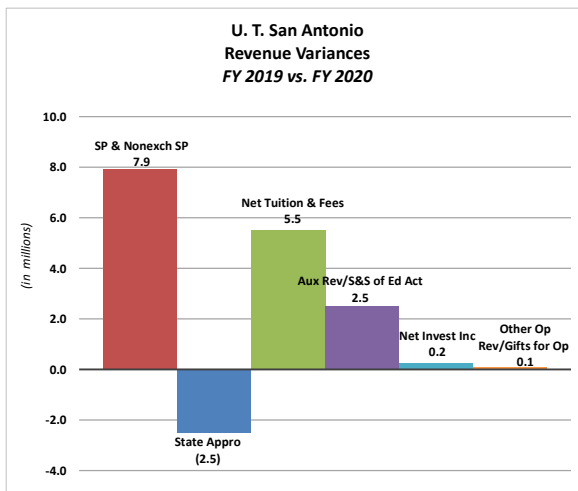
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. San Antonio incurred a year-to-date adjusted loss of \$8.7 million, an increase in adjusted loss of \$4.3 million (95%) from the prior year. The increase was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to merit increases and increases in faculty positions; and an increase in professional fees and services attributable to various strategic initiatives.

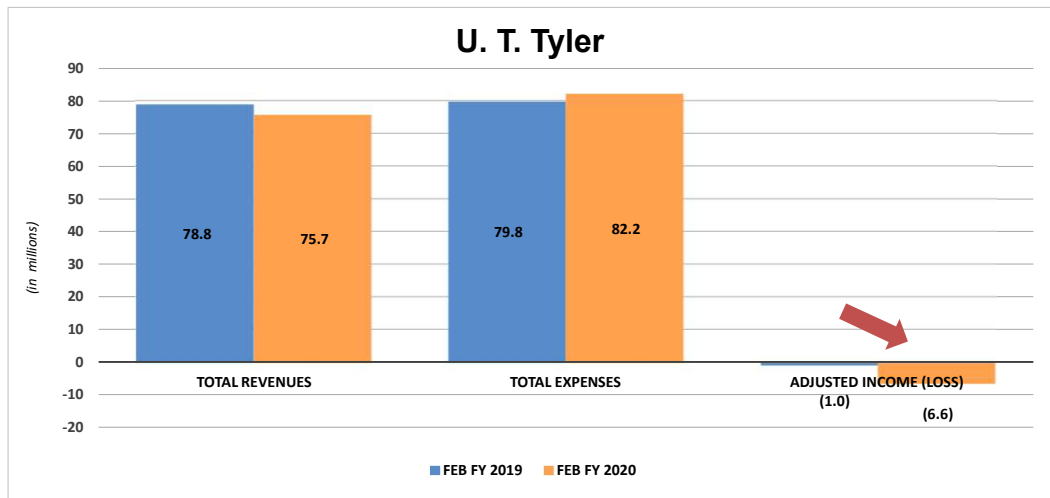
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 68.2	76.1	7.9
State Appropriations	66.5	64.0	(2.5)
Net Tuition and Fees	103.3	108.8	5.5
Auxiliary Revenues/Sales & Services of Educational Activities	30.9	33.4	2.5
Net Investment Income	11.2	11.5	0.2
Other Operating Revenues/Gift Contributions for Operations	5.8	5.9	0.1
Total Revenues	286.0	299.7	13.8
Salaries and Wages/Payroll Related Costs	164.7	175.8	11.1
Materials and Supplies/Cost of Goods Sold	14.0	14.6	0.6
Depreciation and Amortization	24.8	24.7	(0.1)
Other Contracted Services/Professional Fees & Services	15.2	20.4	5.2
All Other Operating Expenses	71.8	73.0	1.2
Total Expenses	\$ 290.4	308.5	18.0
Adjusted Income (Loss)	(4.5)	(8.7)	(4.3)
Adjusted Income (Loss) Excluding Depr & Amort Exp	20.3	15.9	(4.4)



Monthly Financial Report

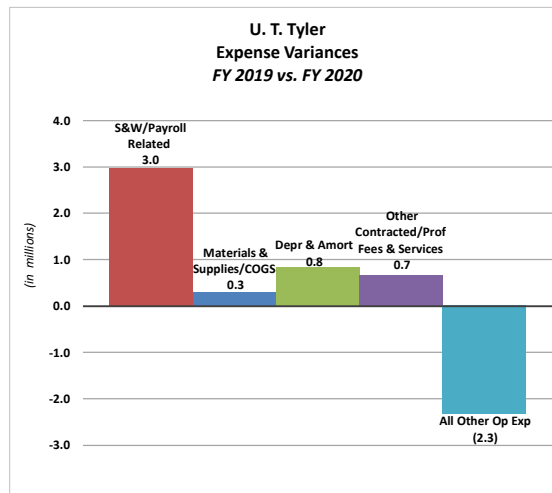
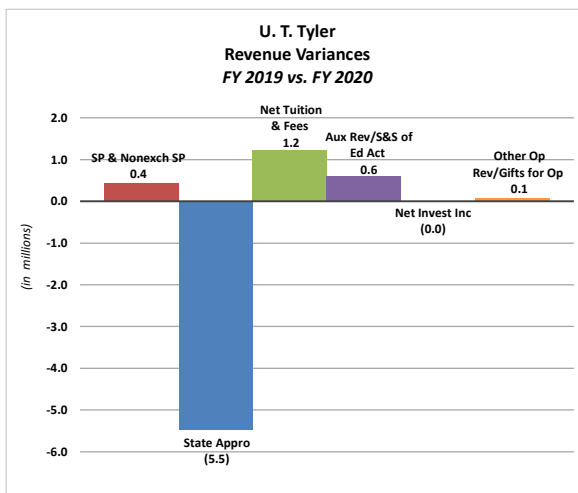
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. Tyler incurred a year-to-date adjusted loss of \$6.6 million, an increase in adjusted loss of \$5.6 million (565%) from the prior year. The increase was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of increased faculty levels due to new and growing academic programs; an increase in depreciation and amortization expense attributable to ongoing, extensive reviews of non-capitalized expenses that were subsequently determined should be capitalized; an increase in other contracted services largely resulting from an increase in cleaning services; and an increase in professional fees and services due to an increase in architecture and engineering services fees, as well as consulting services.

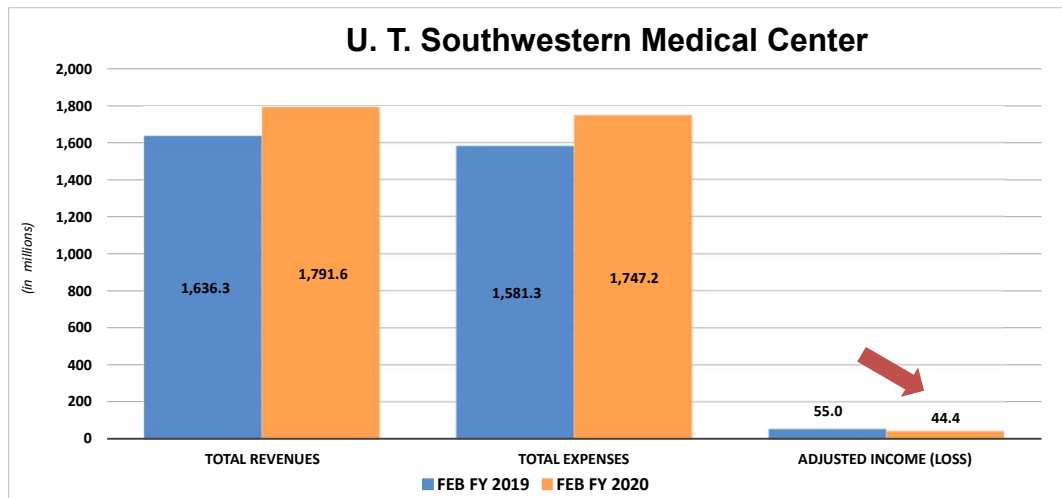
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 11.1	11.6	0.4
State Appropriations	22.1	16.6	(5.5)
Net Tuition and Fees	27.2	28.4	1.2
Auxiliary Revenues/Sales & Services of Educational Activities	14.4	15.0	0.6
Net Investment Income	3.3	3.2	(0.0)
Other Operating Revenues/Gift Contributions for Operations	0.7	0.8	0.1
Total Revenues	78.8	75.7	(3.2)
Salaries and Wages/Payroll Related Costs	46.6	49.6	3.0
Materials and Supplies/Cost of Goods Sold	4.6	4.9	0.3
Depreciation and Amortization	8.0	8.8	0.8
Other Contracted Services/Professional Fees & Services	4.8	5.5	0.7
All Other Operating Expenses	15.7	13.4	(2.3)
Total Expenses	\$ 79.8	82.2	2.4
Adjusted Income (Loss)	(1.0)	(6.6)	(5.6)
Adjusted Income (Loss) Excluding Depr & Amort Exp	7.0	2.2	(4.7)



Monthly Financial Report

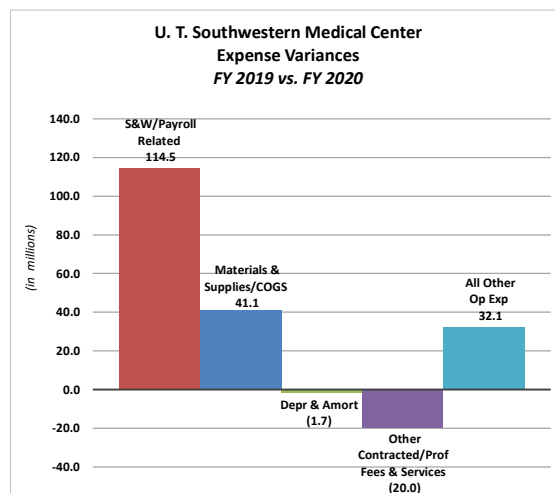
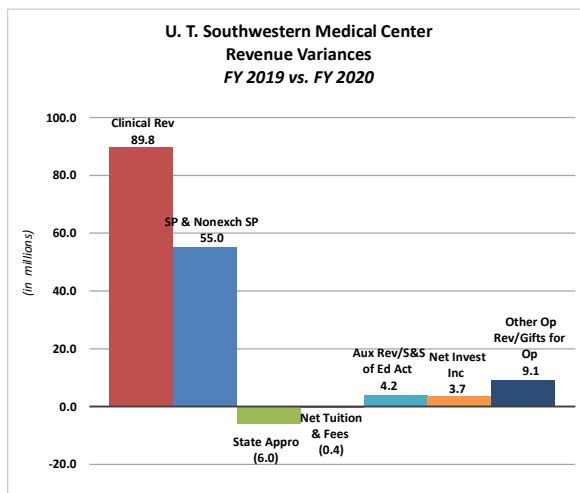
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. Southwestern Medical Center reported year-to-date adjusted income of \$44.4 million, a decrease of \$10.6 million (19%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs as a result of growth in both the hospitals and clinical operations, as well as merit increases; and an increase in materials and supplies primarily due to increased drugs and medical supplies driven by patient volumes and patient acuity.

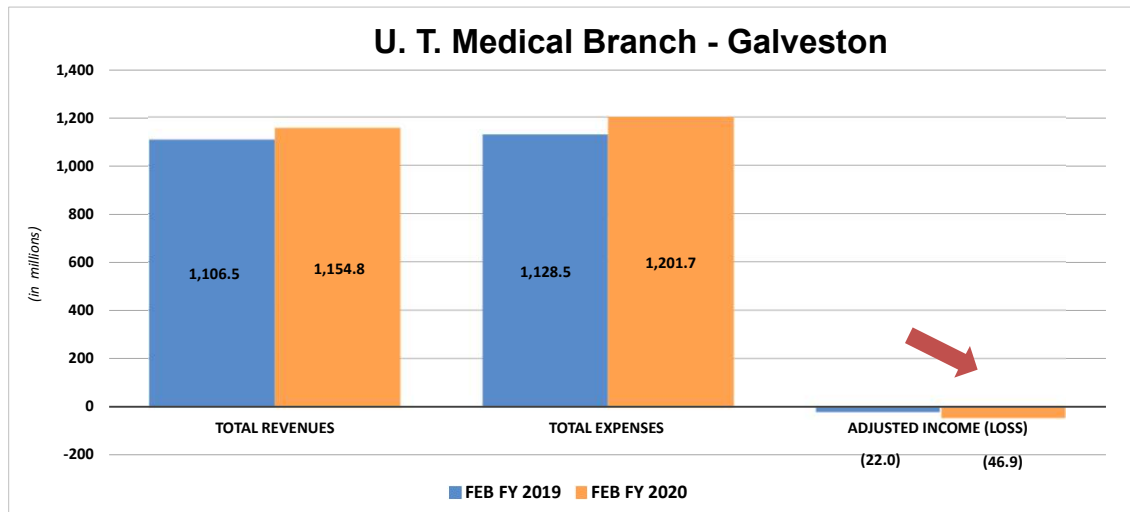
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Clinical Revenues	\$ 1,060.8	1,150.6	89.8
Sponsored Programs/Nonexchange Sponsored Programs	287.8	342.8	55.0
State Appropriations	97.0	91.0	(6.0)
Net Tuition and Fees	13.5	13.1	(0.4)
Auxiliary Revenues/Sales & Services of Educational Activities	14.0	18.2	4.2
Net Investment Income	66.3	70.0	3.7
Other Operating Revenues/Gift Contributions for Operations	96.8	105.9	9.1
Total Revenues	1,636.3	1,791.6	155.3
Salaries and Wages/Payroll Related Costs	992.6	1,107.1	114.5
Materials and Supplies/Cost of Goods Sold	287.4	328.5	41.1
Depreciation and Amortization	91.3	89.6	(1.7)
Other Contracted Services/Professional Fees & Services	119.3	99.3	(20.0)
All Other Operating Expenses	90.6	122.7	32.1
Total Expenses	\$ 1,581.3	1,747.2	166.0
Adjusted Income (Loss)	55.0	44.4	(10.6)
Adjusted Income (Loss) Excluding Depr & Amort Exp	146.3	134.0	(12.3)



Monthly Financial Report

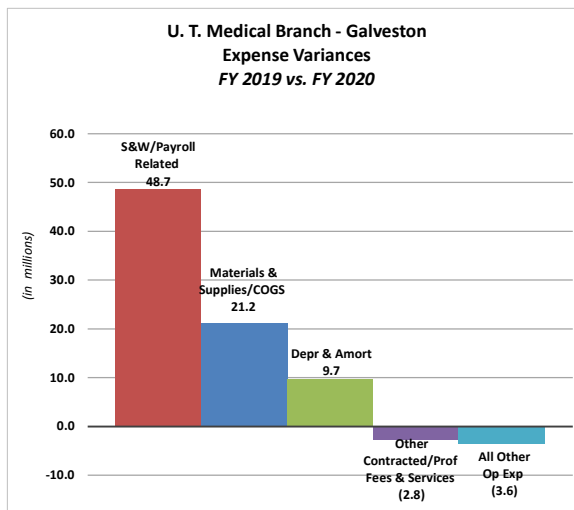
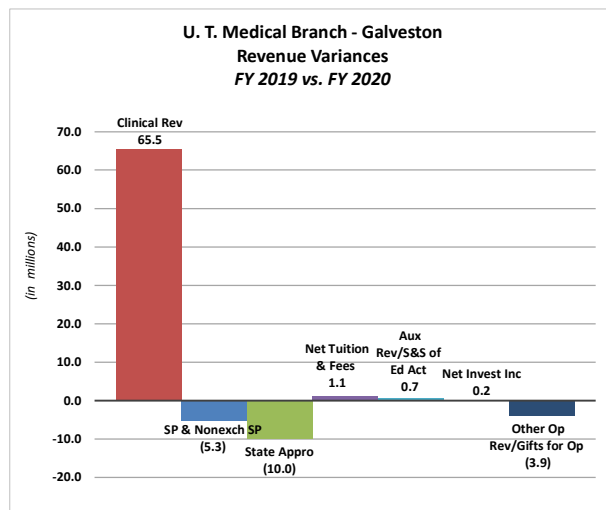
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. Medical Branch - Galveston incurred a year-to-date adjusted loss of \$46.9 million, an increase in adjusted loss of \$25.0 million (114%) from the prior year. This increase was planned for the current fiscal year with the addition of the Clear Lake Campus that increased clinical revenues. The increased revenues were offset primarily by the following: 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 Campus and merit increases; an increase in materials and supplies due to the Clear Lake Campus expenses, an increase in Correctional Managed Care expenses related to pharmaceuticals, and an increase in medical supplies for the Ambulatory Clinic and League City Campus; and an increase in depreciation and amortization expense as a result of various projects placed into service including the Clear Lake Campus.

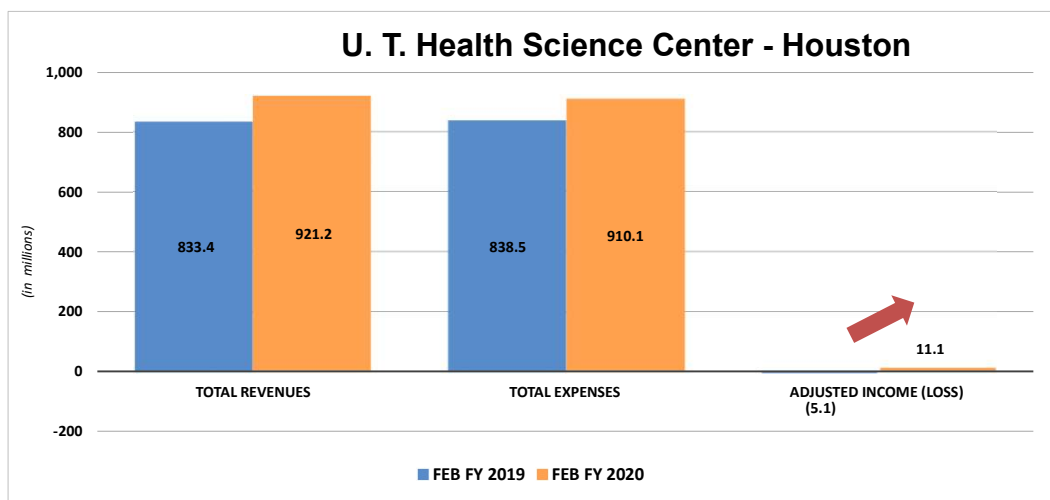
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Clinical Revenues	\$ 719.1	784.6	65.5
Sponsored Programs/Nonexchange Sponsored Programs	100.0	94.7	(5.3)
State Appropriations	189.3	179.4	(10.0)
Net Tuition and Fees	21.9	22.9	1.1
Auxiliary Revenues/Sales & Services of Educational Activities	14.7	15.4	0.7
Net Investment Income	33.7	33.9	0.2
Other Operating Revenues/Gift Contributions for Operations	27.8	23.9	(3.9)
Total Revenues	1,106.5	1,154.8	48.3
Salaries and Wages/Payroll Related Costs	685.2	733.9	48.7
Materials and Supplies/Cost of Goods Sold	134.0	155.3	21.2
Depreciation and Amortization	87.0	96.7	9.7
Other Contracted Services/Professional Fees & Services	103.3	100.6	(2.8)
All Other Operating Expenses	118.9	115.3	(3.6)
Total Expenses	\$ 1,128.5	1,201.7	73.3
Adjusted Income (Loss)	(22.0)	(46.9)	(25.0)
Adjusted Income (Loss) Excluding Depr & Amort Exp	65.1	49.8	(15.3)



Monthly Financial Report

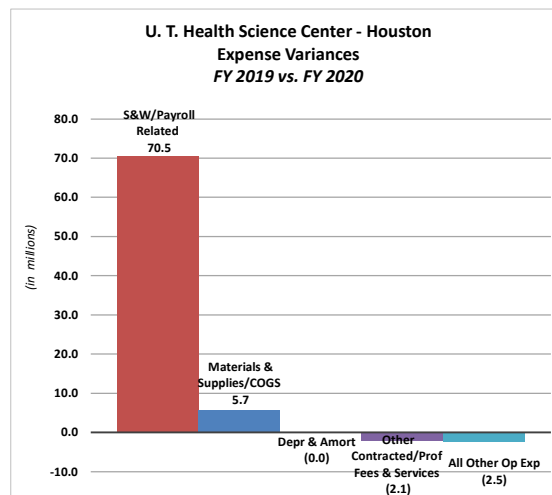
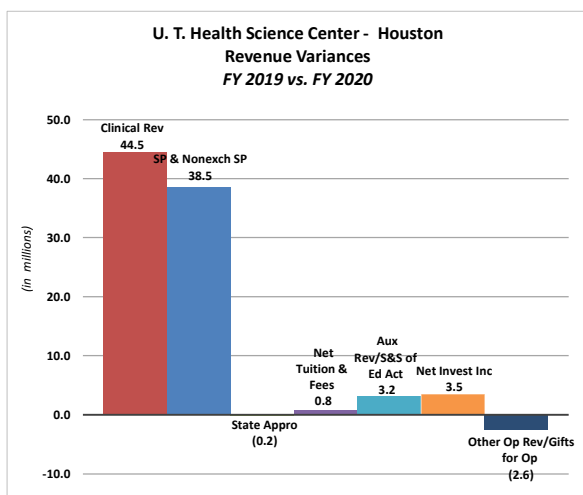
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. Health Science Center - Houston reported year-to-date adjusted income of \$11.1 million, an increase of \$16.2 million (317%) from the prior year. The increase was primarily attributable to the following: an increase in clinical revenues primarily as a result of new patient revenue from neurosurgery combined with increases in uncompensated care revenue and productivity; and an increase in sponsored programs due to an increase in contractual revenues from Memorial Hermann Hospital as a result of new incentive payments related to several service line agreements, as well as expanded contracted services.

(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Clinical Revenues	\$ 221.4	265.9	44.5
Sponsored Programs/Nonexchange Sponsored Programs	377.4	415.9	38.5
State Appropriations	108.2	108.0	(0.2)
Net Tuition and Fees	31.2	32.0	0.8
Auxiliary Revenues/Sales & Services of Educational Activities	34.1	37.2	3.2
Net Investment Income	28.6	32.1	3.5
Other Operating Revenues/Gift Contributions for Operations	32.5	29.9	(2.6)
Total Revenues	833.4	921.2	87.8
Salaries and Wages/Payroll Related Costs	612.7	683.2	70.5
Materials and Supplies/Cost of Goods Sold	43.1	48.7	5.7
Depreciation and Amortization	33.6	33.6	(0.0)
Other Contracted Services/Professional Fees & Services	65.9	63.8	(2.1)
All Other Operating Expenses	83.2	80.8	(2.5)
Total Expenses	\$ 838.5	910.1	71.6
Adjusted Income (Loss)	(5.1)	11.1	16.2
Adjusted Income (Loss) Excluding Depr & Amort Exp	28.5	44.7	16.2

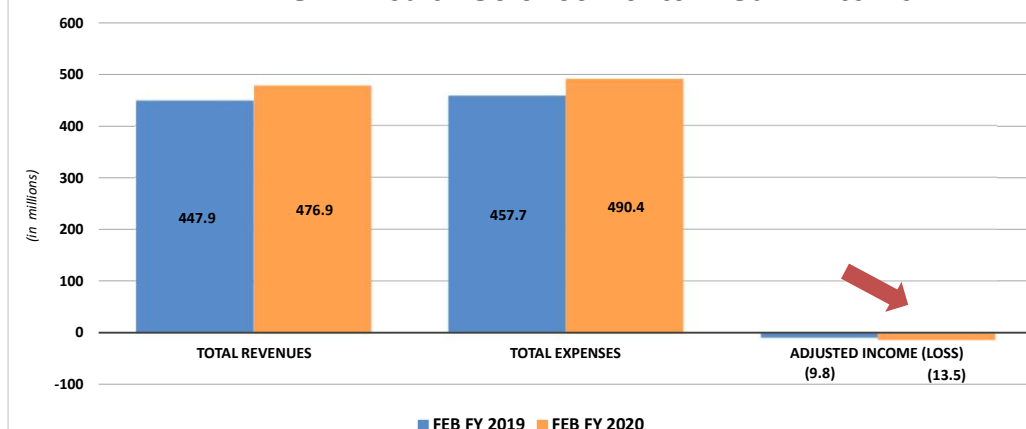


Monthly Financial Report

Comparison of Operating Results and Margin

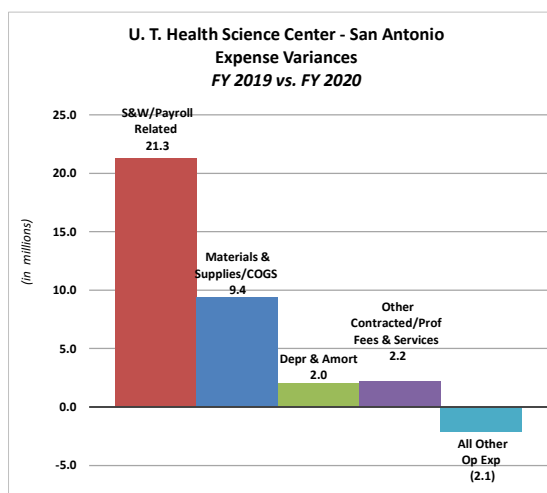
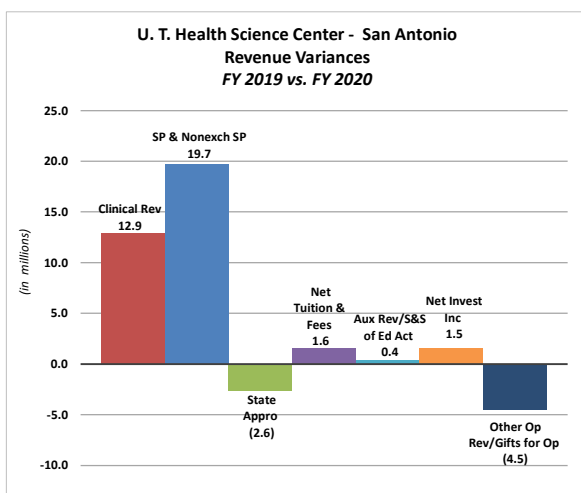
For the Period Ending February 29, 2020

U. T. Health Science Center - San Antonio



U. T. Health Science Center - San Antonio incurred a year-to-date adjusted loss of \$13.5 million, an increase in adjusted loss of \$3.7 million (38%) from the prior year. The increase was primarily due to the following: an increase in salaries and wages and payroll related costs attributable to increased clinical faculty and staff positions as a result of growth associated with expanded clinical facilities; an increase in materials and supplies due to an increase in drug supply purchases related to the Cancer Center pharmacy, the U. T. Nursing Clinical Enterprise and U. T. Health Physicians; a decrease in gift contributions for operations as a result of a gift pledge received in February 2019 with no such comparable gift received in the current year; and a decrease in other operating revenues attributable to a decline in Delivery System Reform Incentive Payment (DSRIP) revenues.

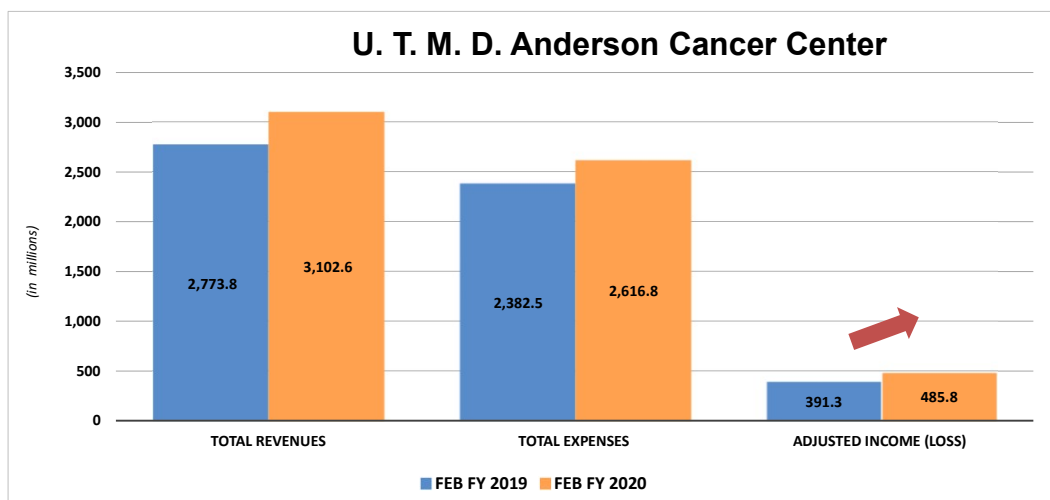
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Clinical Revenues	\$ 112.6	125.4	12.9
Sponsored Programs/Nonexchange Sponsored Programs	163.1	182.9	19.7
State Appropriations	87.3	84.7	(2.6)
Net Tuition and Fees	23.9	25.5	1.6
Auxiliary Revenues/Sales & Services of Educational Activities	18.5	18.9	0.4
Net Investment Income	23.1	24.7	1.5
Other Operating Revenues/Gift Contributions for Operations	19.4	14.9	(4.5)
Total Revenues	447.9	476.9	29.0
Salaries and Wages/Payroll Related Costs	308.0	329.2	21.3
Materials and Supplies/Cost of Goods Sold	39.0	48.3	9.4
Depreciation and Amortization	28.5	30.5	2.0
Other Contracted Services/Professional Fees & Services	26.7	28.9	2.2
All Other Operating Expenses	55.6	53.5	(2.1)
Total Expenses	\$ 457.7	490.4	32.7
Adjusted Income (Loss)	(9.8)	(13.5)	(3.7)
Adjusted Income (Loss) Excluding Depr & Amort Exp	18.7	17.0	(1.7)



Monthly Financial Report

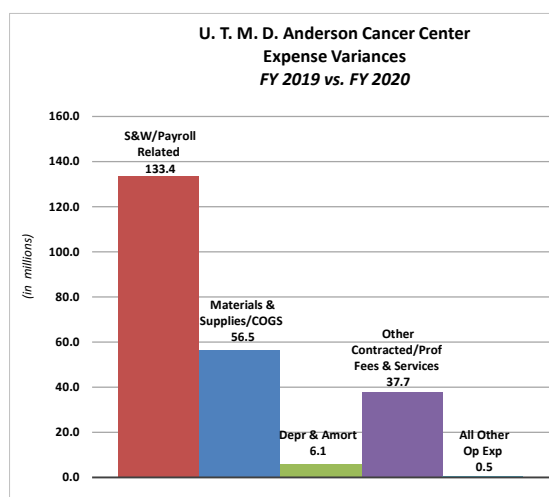
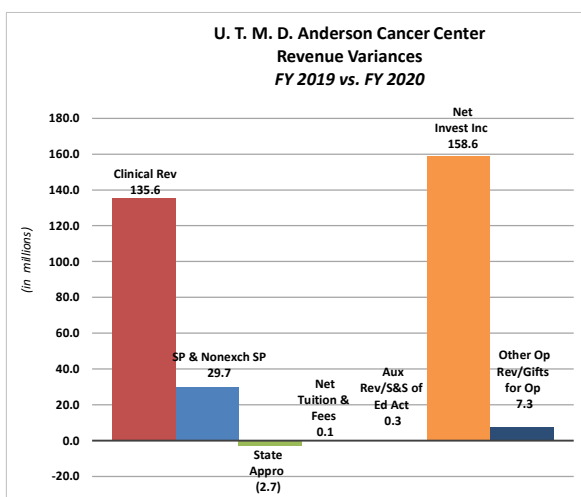
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$485.8 million, an increase of \$94.6 million (24%) from the prior year. The increase was primarily attributable to an increase in net investment income due to the receipt of a sizable royalty from Takeda Pharmaceutical for a new agreement. As part of the agreement, *U. T. M. D. Anderson Cancer Center* will be distributing a portion of the royalty to various contributors in the coming months. An increase in clinical revenues as a result of an increase in admissions, patient days and outpatient visits also contributed to the favorable variance.

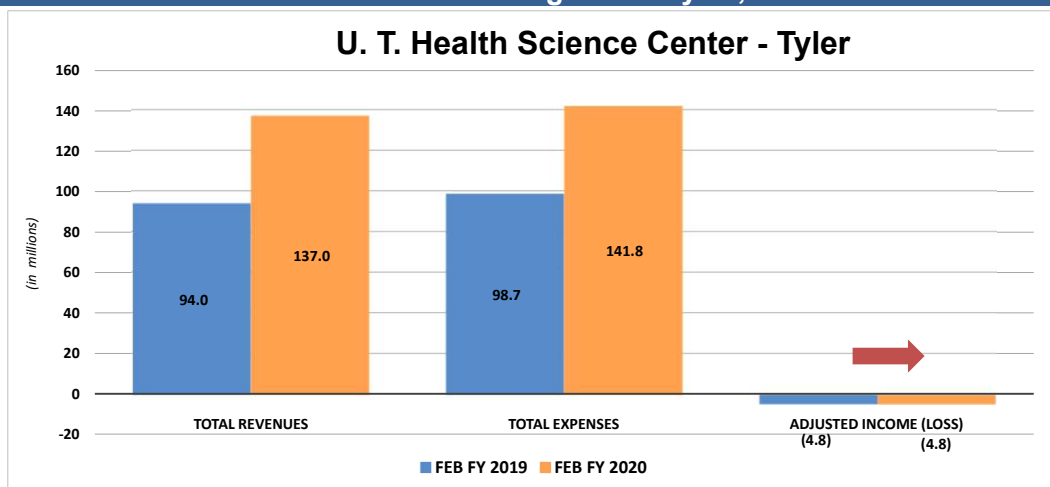
(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Clinical Revenues	\$ 2,198.6	2,334.2	135.6
Sponsored Programs/Nonexchange Sponsored Programs	185.9	215.5	29.7
State Appropriations	104.8	102.0	(2.7)
Net Tuition and Fees	1.4	1.5	0.1
Auxiliary Revenues/Sales & Services of Educational Activities	24.3	24.6	0.3
Net Investment Income	118.9	277.5	158.6
Other Operating Revenues/Gift Contributions for Operations	140.0	147.3	7.3
Total Revenues	2,773.8	3,102.6	328.8
Salaries and Wages/Payroll Related Costs	1,349.0	1,482.5	133.4
Materials and Supplies/Cost of Goods Sold	542.7	599.2	56.5
Depreciation and Amortization	180.4	186.5	6.1
Other Contracted Services/Professional Fees & Services	149.0	186.7	37.7
All Other Operating Expenses	161.4	162.0	0.5
Total Expenses	\$ 2,382.5	2,616.8	234.3
Adjusted Income (Loss)	391.3	485.8	94.6
Adjusted Income (Loss) Excluding Depr & Amort Exp	571.7	672.3	100.7



Monthly Financial Report

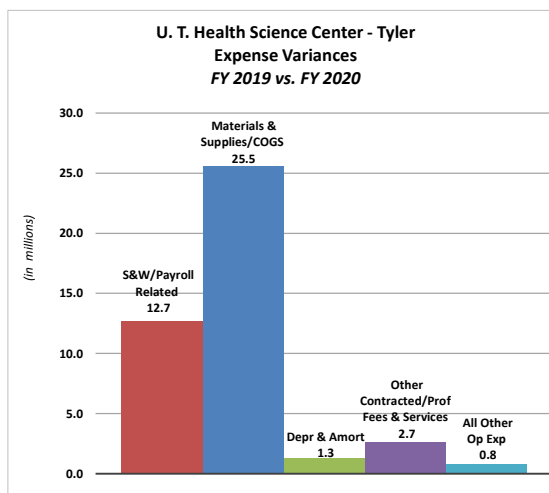
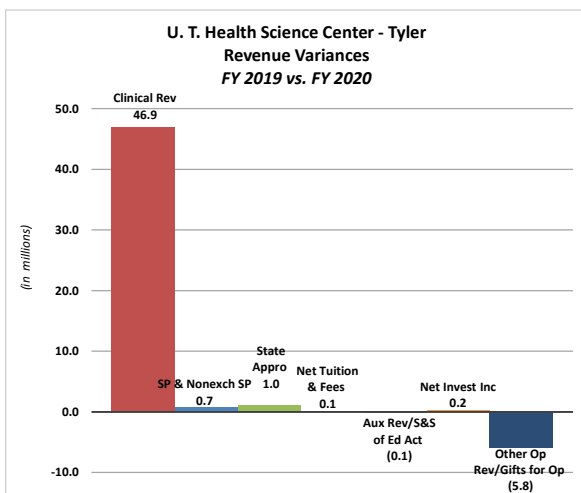
Comparison of Operating Results and Margin

For the Period Ending February 29, 2020



U. T. Health Science Center - Tyler incurred a year-to-date adjusted loss of \$4.8 million, a slight decrease in adjusted loss of \$0.1 million (2%) from the prior year. The decrease was primarily due to an increase in clinical revenues related to the acquisition of the Hope Oncology practice.

(in millions)	February YTD FY 2019	February YTD FY 2020	Variance
Clinical Revenues	\$ 30.3	77.3	46.9
Sponsored Programs/Nonexchange Sponsored Programs	14.9	15.7	0.7
State Appropriations	25.7	26.7	1.0
Net Tuition and Fees	0.1	0.2	0.1
Auxiliary Revenues/Sales & Services of Educational Activities	2.2	2.1	(0.1)
Net Investment Income	1.8	2.0	0.2
Other Operating Revenues/Gift Contributions for Operations	18.9	13.1 *	(5.8)
Total Revenues	94.0	137.0	43.0
Salaries and Wages/Payroll Related Costs	61.6	74.3	12.7
Materials and Supplies/Cost of Goods Sold	10.6	36.2	25.5
Depreciation and Amortization	7.2	8.5	1.3
Other Contracted Services/Professional Fees & Services	11.5	14.2	2.7
All Other Operating Expenses	7.8	8.6	0.8
Total Expenses	\$ 98.7	141.8	43.1
Adjusted Income (Loss)	(4.8)	(4.8)	(0.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	2.5	3.7	1.2



*Other Operating Income includes 30% of UT Health East Texas' (UTHET's) net adjusted income which was \$0.5 million through February.