

THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT *(unaudited)*

JANUARY 2020



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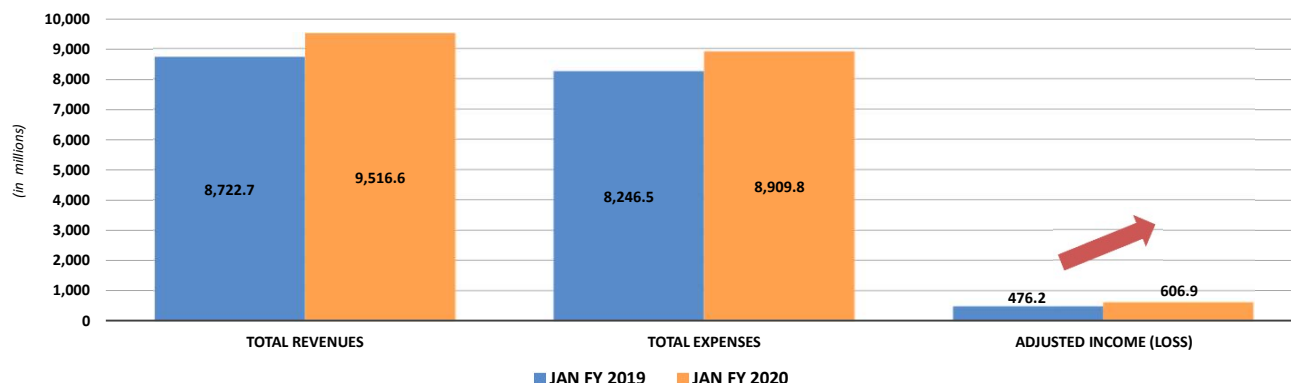
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Monthly Financial Report

Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020

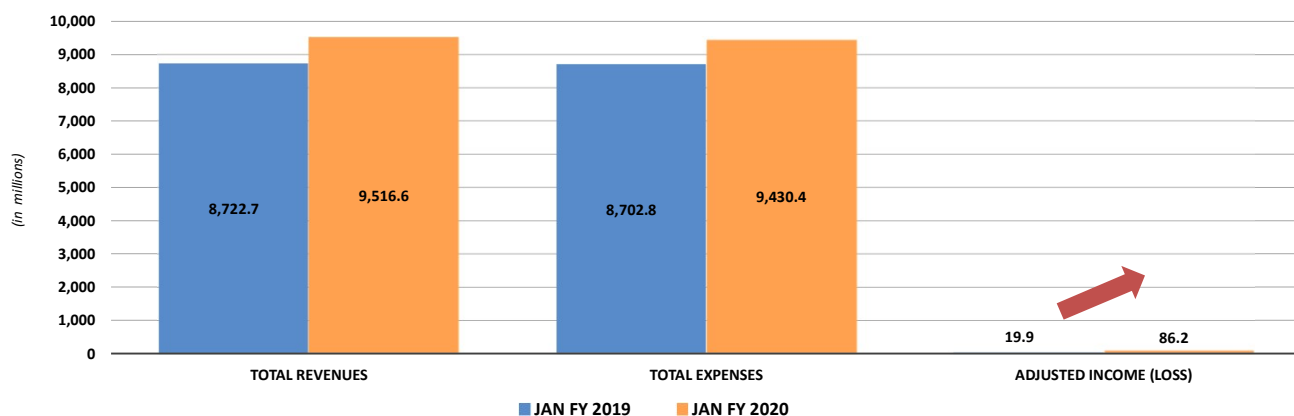
U. T. System Consolidated (Excluding OPEB & Pension Expense)



Excluding other postemployment benefits (OPEB) and pension expense, *U. T. System Consolidated* shows year-to-date adjusted income of \$606.9 million, an increase of \$130.7 million (27%) 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.

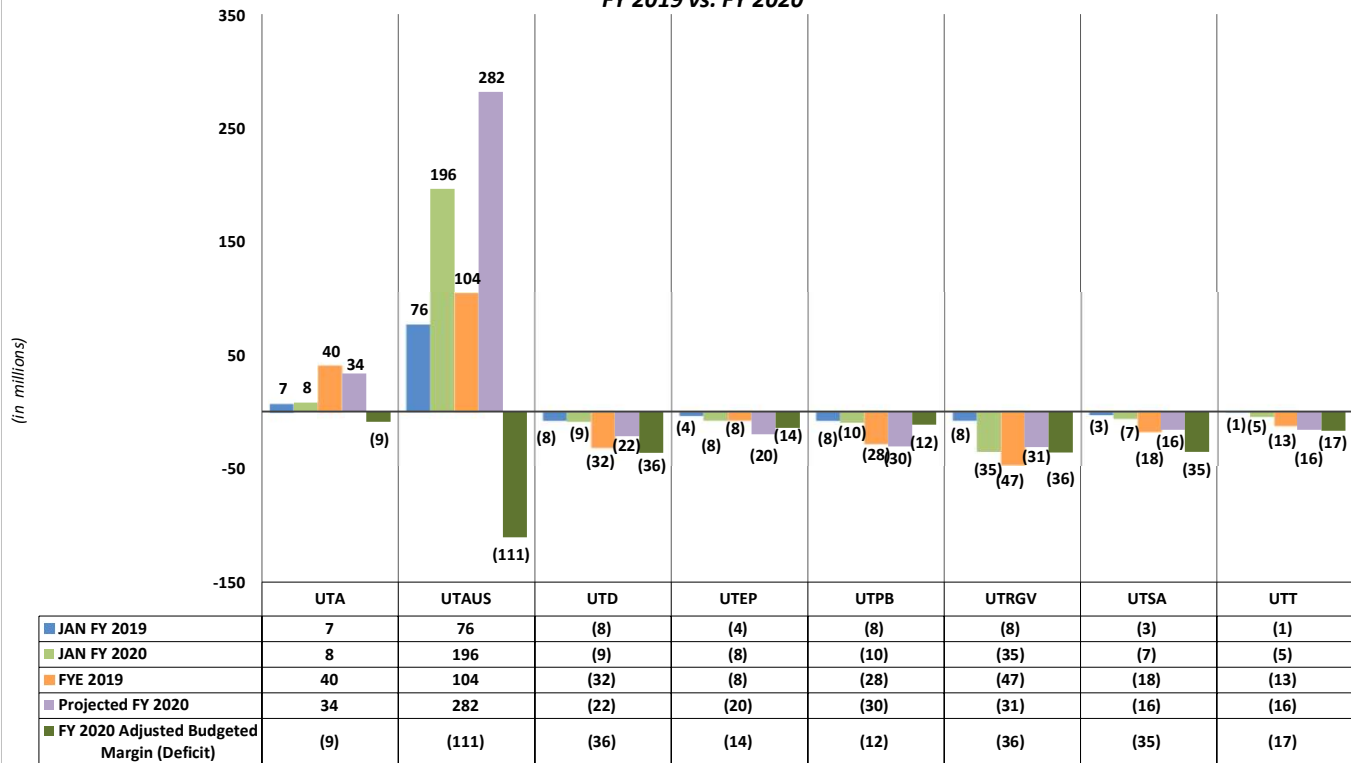
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 3,640.1	3,991.0	350.8	9,645.3
Sponsored Programs/Nonexchange Sponsored Programs	1,583.9	1,740.5	156.6	4,152.8
State Appropriations	968.9	934.4	(34.5)	2,230.0
Net Tuition and Fees	775.3	809.5	34.1	1,921.7
Auxiliary Revenues/Sales & Services of Educational Activities	599.4	614.6	15.3	1,278.0
Net Investment Income	756.5	884.0	127.5	1,625.1
Other Operating Revenues/Gift Contributions for Operations	398.5	542.7	144.1	1,036.8
Total Revenues	8,722.7	9,516.6	793.9	21,889.7
Salaries and Wages/Payroll Related Costs	4,877.8	5,307.5	429.7	12,210.8
Materials and Supplies/Cost of Goods Sold	1,023.6	1,173.6	150.0	2,703.7
Depreciation and Amortization	618.3	646.3	28.0	1,574.6
Other Contracted Services/Professional Fees & Services	570.3	614.5	44.2	1,535.5
All Other Operating Expenses	1,156.5	1,167.8	11.3	2,665.4
Total Expenses (Excluding OPEB & Pension Exp)	\$ 8,246.5	8,909.8	663.3	20,690.0
Adjusted Income (Loss) Excluding OPEB & Pension Exp	476.2	606.9	130.7	1,199.7
OPEB Expense	351.3	277.0	(74.3)	664.8
Pension Expense	105.0	243.7	138.7	584.8
Adjusted Income (Loss)	19.9	86.2	66.3	(49.9)
Adjusted Income (Loss) Excluding Depr & Amort Exp	638.2	732.5	94.3	1,524.7

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

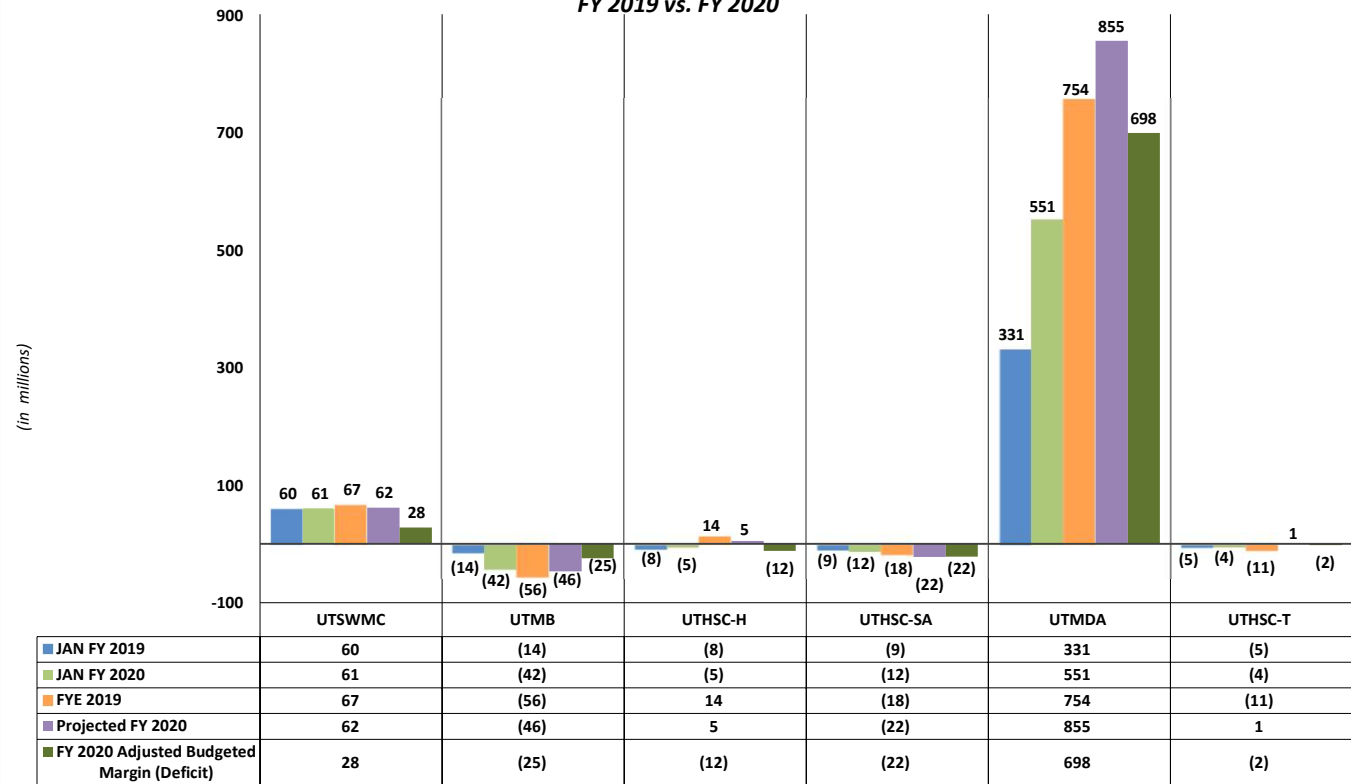


Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending January 31, 2020

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 January 31, 2020

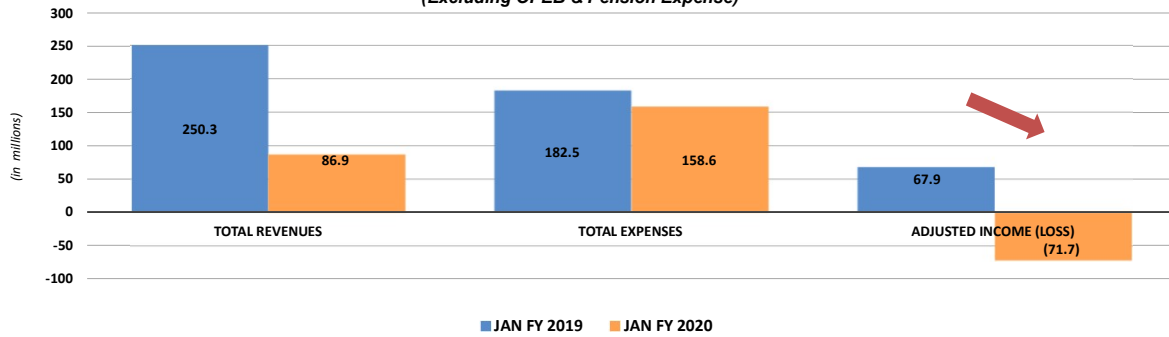
Executive Summary of Adjusted Income (Loss)

	January FYTD 2019 (millions)	January FYTD 2020 (millions)	Variance %	Comments
U. T. System Administration (excluding OPEB & Pension Expense)	\$ 67.9	(71.7)	-206%	Decrease in Net Investment Income Projected income of \$166.7 million for the FY
U. T. Arlington	7.5	8.1	8%	Increase in Net Tuition & Fees Projected income of \$33.7 million for the FY
U. T. Austin	76.5	196.2	157%	Increase in Gifts for Operations, Available University Fund (AUF) transfer, Net Investment Income Projected income of \$281.5 million for the FY
U. T. Dallas	(8.0)	(9.0)	-13%	Increase in Salaries and Wages, Payroll Related Projected loss of (\$21.7) million for the FY
U. T. El Paso	(3.8)	(8.3)	-118%	Increase in Salaries and Wages, Payroll Related Projected loss of (\$19.8) million for the FY
U. T. Permian Basin	(8.0)	(10.0)	-26%	Increase in Salaries and Wages, Payroll Related, Depreciation & Amortization Decrease in Gifts for Operations Projected loss of (\$30.5) million for the FY
U. T. Rio Grande Valley	(7.8)	(35.3)	-352%	Decrease in Sponsored Programs, DSRIP Increase in Salaries & Wages, Payroll Related Projected loss of (\$31.2) million for the FY
U. T. San Antonio	(2.9)	(6.7)	-128%	Increase in Salaries & Wages, Payroll Related, Professional Fees & Services Projected loss of (\$16.1) million for the FY
U. T. Tyler	(0.5)	(4.9)	-838%	Increase in Salaries & Wages, Payroll Related, Materials & Supplies, Professional Fees & Services Projected loss of (\$16.0) million for the FY
Southwestern	60.0	60.6	1%	Increase in Clinical Revenues Projected income of \$61.6 million for the FY
UTMB	(14.1)	(42.0)	-199%	Increase in Salaries & Wages, Payroll Related, Materials & Supplies, Depreciation & Amortization Projected loss of (\$46.5) million
UTHSC-Houston	(7.9)	(4.8)	39%	Increase in Sponsored Programs, Clinical Revenues Projected income of \$5.0 million for the FY
UTHSC-San Antonio	(9.2)	(11.7)	-28%	Increase in Salaries & Wages, Payroll Related, Materials & Supplies Decrease in DSRIP Projected loss of (\$22.3) million for the FY
M. D. Anderson	331.4	550.8	66%	Increase in Net Investment Income, Clinical Revenues Projected income of \$854.6 million for the FY
UTHSC-Tyler	(4.8)	(4.4)	9%	Increase in Clinical Revenues Projected income of \$0.7 million for the FY
Total Adjusted Income (Loss)	\$ 476.2	606.9	27%	

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

Monthly Financial Report
Comparison of Operating Results, Margin and Projected Year-End
For the Period Ending January 31, 2020

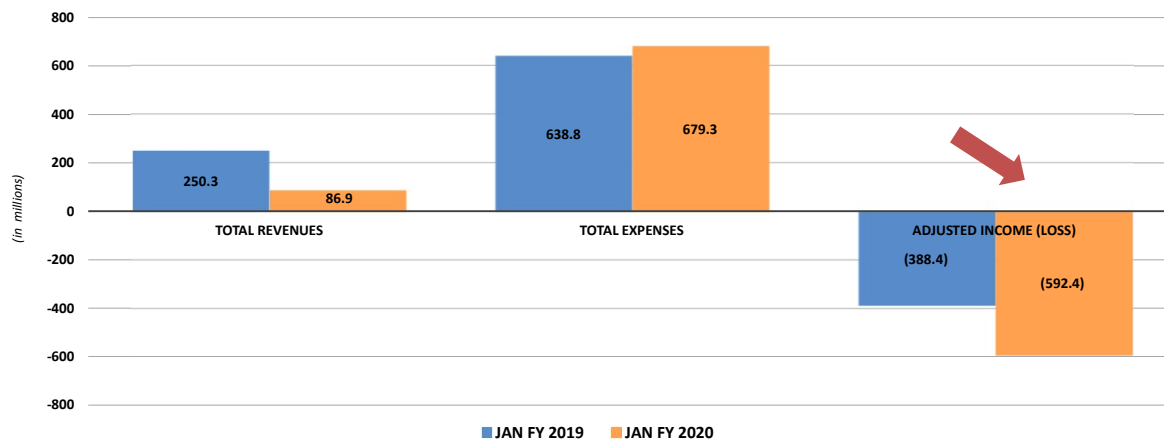
U. T. System Administration
(Excluding OPEB & Pension Expense)



Excluding OPEB and pension expense, *U. T. System Administration* incurred a year-to-date adjusted loss of \$71.7 million, a decrease of \$139.6 million (206%) 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, oil and gas royalties, PUF and LTF 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. The most current projection, excluding OPEB and pension expense, reflects income of \$166.7 million for the year.

<i>(in millions)</i>	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 7.1	27.8	20.7	43.9
State Appropriations	1.4	2.0	0.7	4.9
Auxiliary Revenues/Sales & Services of Educational Activities	4.5	6.7	2.1	16.0
Net Investment Income/Available University Fund (AUF)	225.8	41.4	(184.3)	99.4
Other Operating Revenues/Gift Contributions for Operations	11.5	9.0	(2.5)	21.3
Total Revenues	250.3	86.9	(163.4)	185.5
Salaries and Wages/Payroll Related Costs	32.7	30.0	(2.7)	(248.5)
Materials and Supplies/Cost of Goods Sold	19.0	15.3	(3.6)	11.4
Depreciation and Amortization	11.2	6.9	(4.3)	16.7
Other Contracted Services/Professional Fees & Services	12.0	17.1	5.1	29.4
All Other Operating Expenses	107.5	89.3	(18.3)	209.8
Total Expenses (Excluding OPEB & Pension Exp)	\$ 182.5	158.6	(23.8)	18.8
Adjusted Income (Loss) Excluding OPEB & Pension Exp	67.9	(71.7)	(139.6)	166.7
OPEB Expense	351.3	277.0	(74.3)	664.8
Pension Expense	105.0	243.7	138.7	584.8
Adjusted Income (Loss)	(388.4)	(592.4)	(203.9)	(1,082.9)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(377.2)	(585.4)	(208.2)	(1,066.3)

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

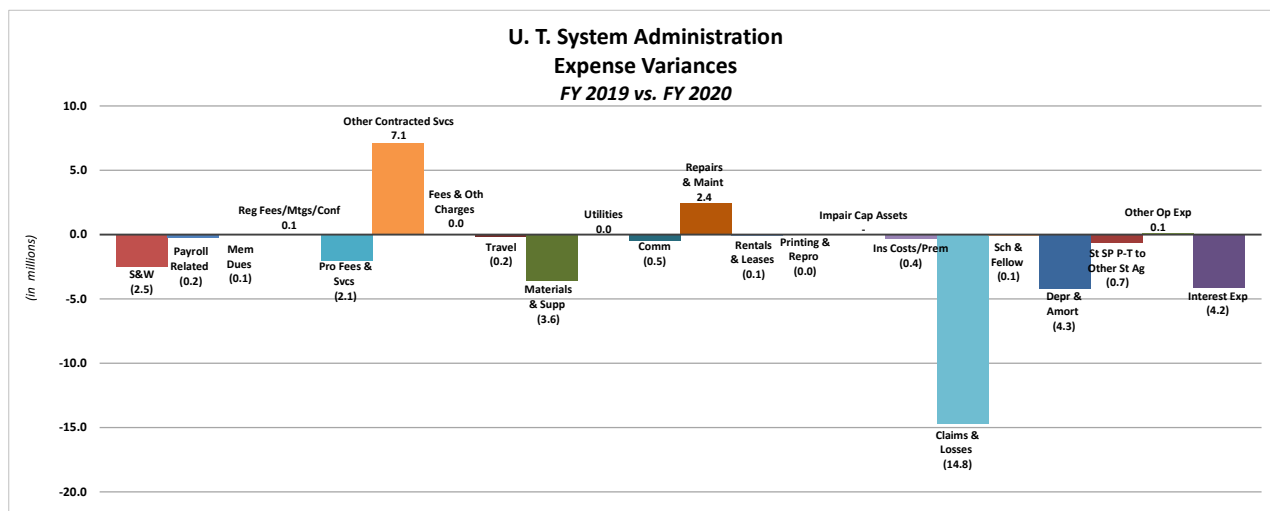


Monthly Financial Report

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

For the Period Ending January 31, 2020

(in millions)	January YTD FY 2019	January YTD FY 2020	Actual Year-End FY 2019	Annual Projected FY 2020
Salaries and Wages	\$ 26.4	23.9	57.9	57.3
Payroll Related Costs	6.4	6.1	(306.4) *	(305.9) *
Membership Dues	0.3	0.2	0.5	0.6
Registration Fees, Meetings, Conferences	0.1	0.2	0.4	0.5
Professional Fees and Services	6.6	4.5	15.4	10.8
Other Contracted Services	5.5	12.6	25.7	18.7
Fees and Other Charges	0.0	0.0	0.1	0.1
Travel	0.7	0.5	1.5	1.2
Materials and Supplies	19.0	15.3	11.4	11.4
Utilities	0.2	0.2	0.4	0.4
Communications	3.7	3.2	3.6	3.5
Repairs and Maintenance	1.7	4.1	5.8	9.9
Rentals and Leases	1.4	1.3	2.8	3.0
Printing and Reproduction	0.1	0.1	0.3	0.2
Impairment of Capital Assets	-	-	25.8	-
Insurance Costs/Premiums	26.9	26.6	10.5	63.8
Claims and Losses	54.1	39.3	65.5	94.4
Scholarships and Fellowships	0.5	0.4	1.5	0.9
Depreciation and Amortization	11.2	6.9	23.8	16.7
State Sponsored Program Pass-Through to Other State Agencies	1.9	1.3	4.4	2.8
Other Operating Expenses	0.6	0.7	1.7	1.7
Interest Expense	15.4	11.2	31.6	26.9
Total Expenses (Excluding OPEB & Pension Expense)	182.5	158.6	(16.0)	18.8
OPEB Expense	351.3	277.0	664.8	664.8
Pension Expense	105.0	243.7	584.8	584.8
Total Expenses (Including OPEB & Pension Expense)	\$ 638.8	679.3	1,233.7	1,268.4



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.

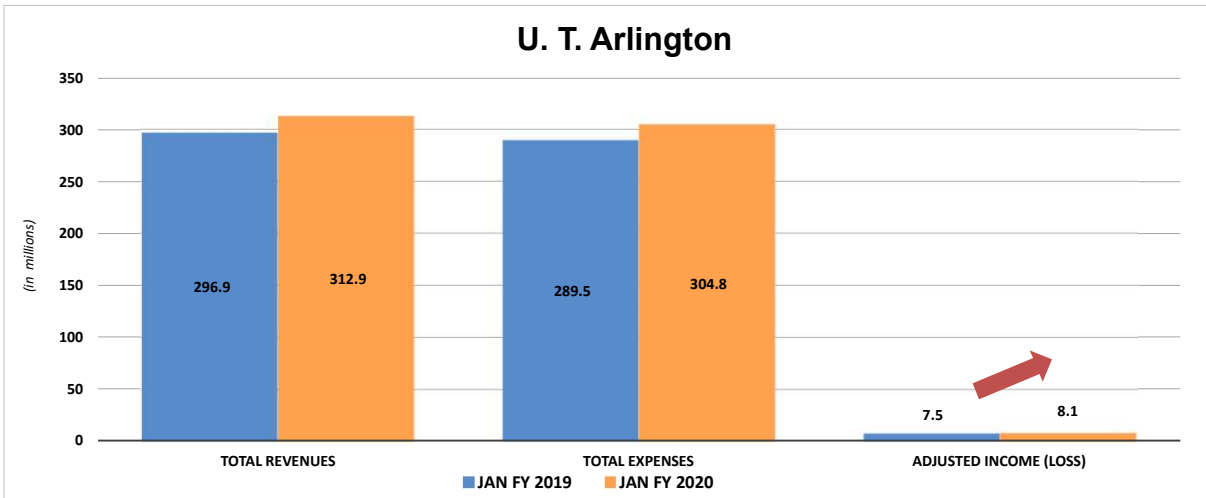
Other Contracted Services - increase of \$7.1 million due to the timing of the AUF Digital Library Support payment to U. T. Austin, and an increase in Clinical Data Network expenses.

Claims and Losses – Higher Medical/Dental Self-Insurance Plan premiums to cover expenses led to a decrease of \$14.8 million in claims and losses compared to the prior year.

Monthly Financial Report

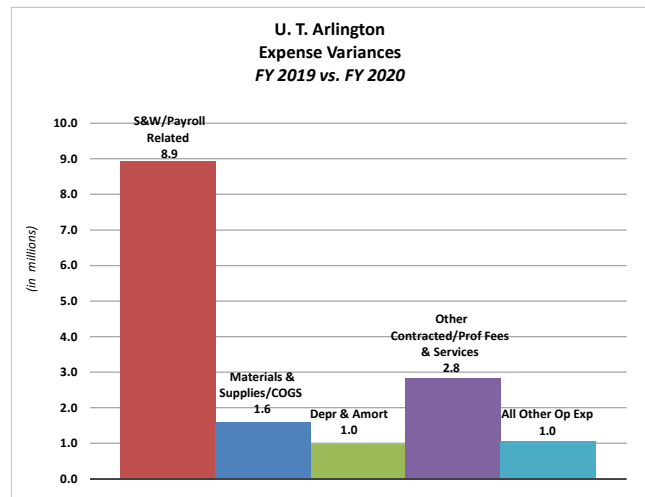
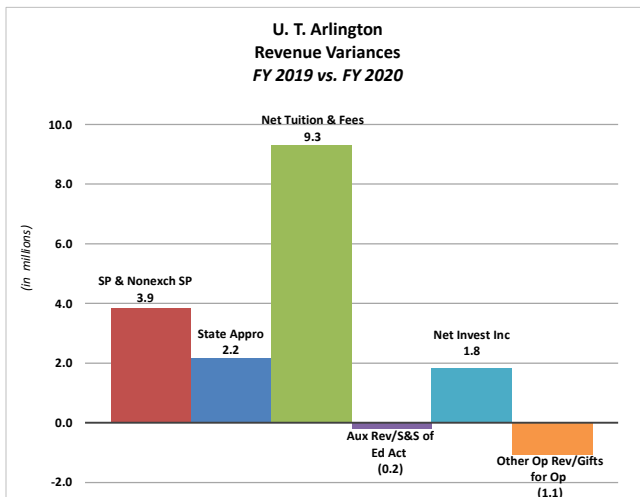
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Arlington reported year-to-date adjusted income of \$8.1 million, an increase of \$0.6 million (8%) from the prior year. The increase was primarily attributable to an increase in net student tuition and fees due to tuition rate increases. The most current projection received from *U. T. Arlington* reflects income of \$33.7 million for the year.

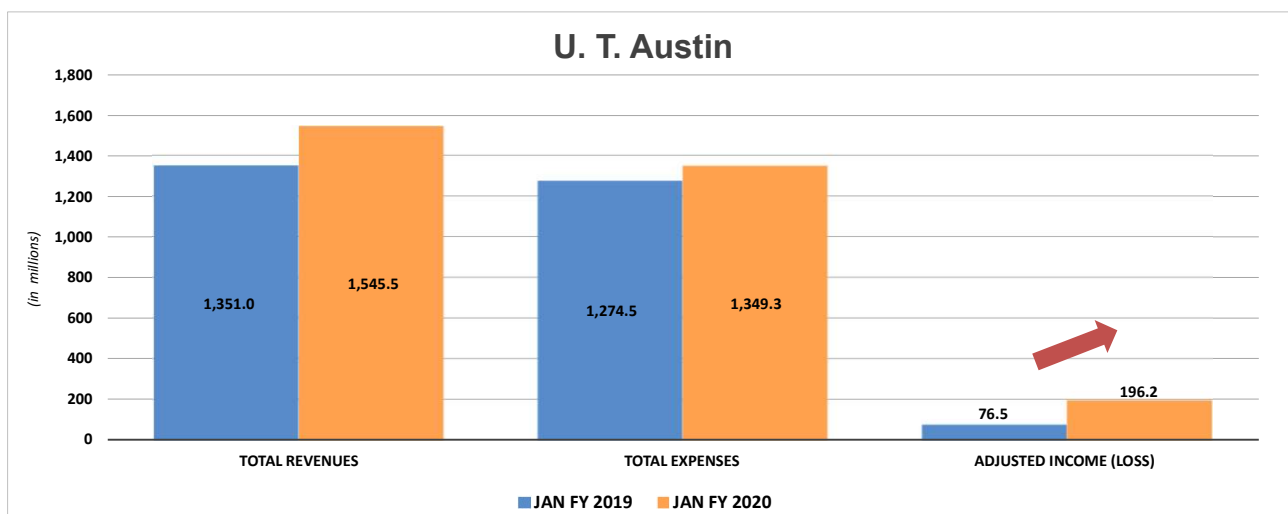
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 57.4	61.2	3.9	150.6
State Appropriations	55.3	57.5	2.2	138.0
Net Tuition and Fees	131.8	141.1	9.3	338.7
Auxiliary Revenues/Sales & Services of Educational Activities	31.8	31.6	(0.2)	83.7
Net Investment Income	8.2	10.1	1.8	21.2
Other Operating Revenues/Gift Contributions for Operations	12.4	11.4	(1.1)	19.4
Total Revenues	296.9	312.9	15.9	751.5
Salaries and Wages/Payroll Related Costs	160.3	169.2	8.9	402.7
Materials and Supplies/Cost of Goods Sold	15.3	16.9	1.6	35.6
Depreciation and Amortization	22.9	23.9	1.0	55.9
Other Contracted Services/Professional Fees & Services	38.5	41.3	2.8	92.6
All Other Operating Expenses	52.5	53.5	1.0	131.0
Total Expenses	289.5	304.8	15.3	717.8
Adjusted Income (Loss)	7.5	8.1	0.6	33.7
Adjusted Income (Loss) Excluding Depr & Amort Exp	30.4	31.9	1.6	89.6



Monthly Financial Report

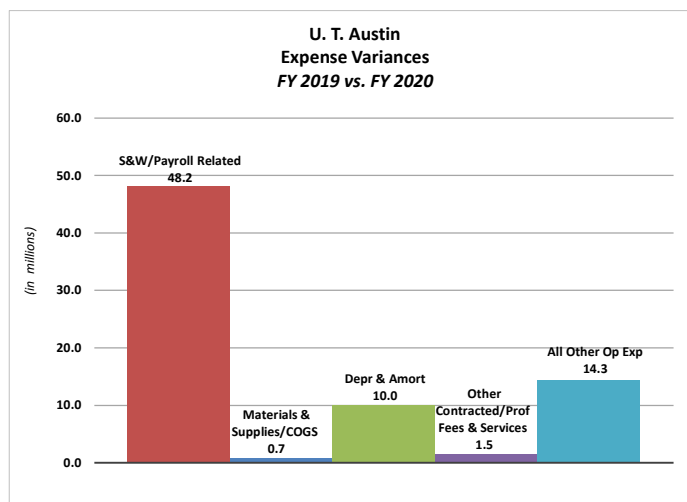
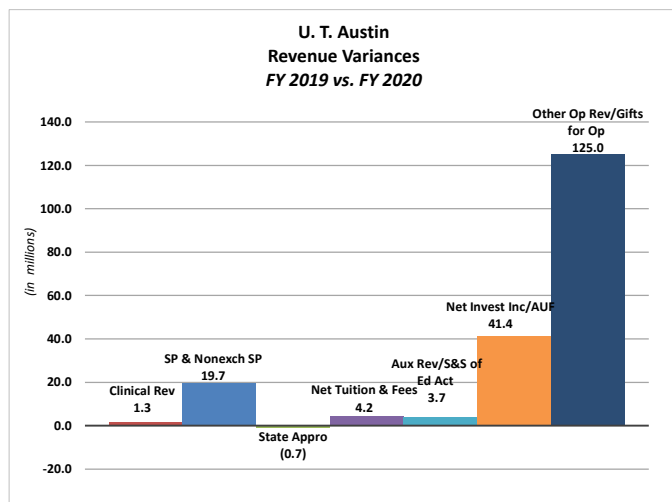
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Austin reported year-to-date adjusted income of \$196.2 million, an increase of \$119.7 million (157%) 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. The most current projection received from *U. T. Austin* reflects income of \$281.5 million for the year.

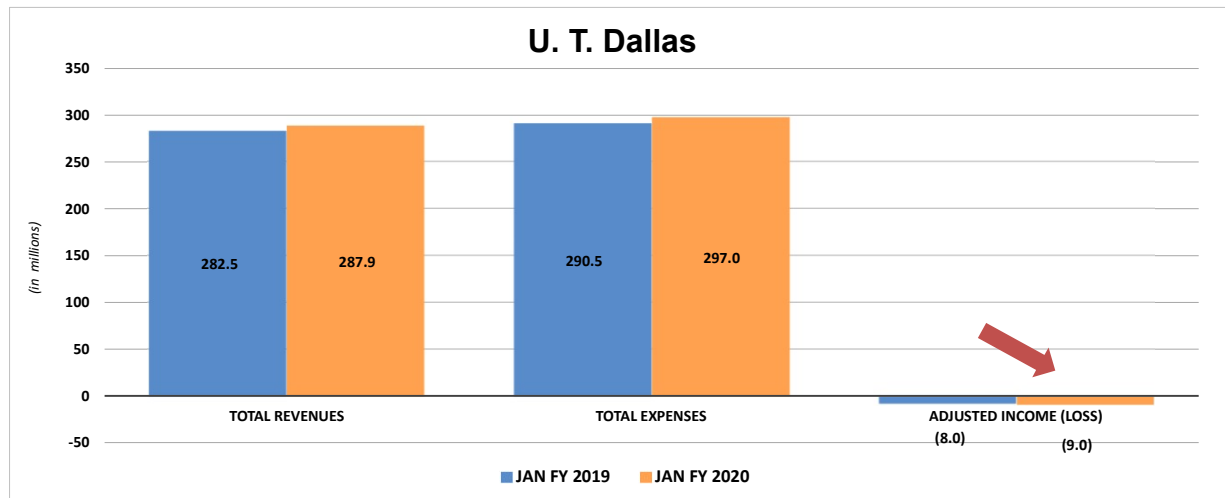
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 2.0	3.3	1.3	10.1
Sponsored Programs/Nonexchange Sponsored Programs	267.3	287.0	19.7	769.5
State Appropriations	148.4	147.8	(0.7)	354.6
Net Tuition and Fees	216.7	220.8	4.2	530.0
Auxiliary Revenues/Sales & Services of Educational Activities	363.3	367.0	3.7	708.4
Net Investment Income/Available University Fund (AUF)	272.8	314.2	41.4	720.2
Other Operating Revenues/Gift Contributions for Operations	80.5	205.5	125.0	322.8
Total Revenues	1,351.0	1,545.5	194.5	3,415.6
Salaries and Wages/Payroll Related Costs	739.6	787.8	48.2	1,787.3
Materials and Supplies/Cost of Goods Sold	65.5	66.2	0.7	137.6
Depreciation and Amortization	130.8	140.8	10.0	338.0
Other Contracted Services/Professional Fees & Services	81.3	82.8	1.5	220.4
All Other Operating Expenses	257.3	271.6	14.3	650.8
Total Expenses	\$ 1,274.5	1,349.3	74.8	3,134.1
Adjusted Income (Loss)	76.5	196.2	119.7	281.5
Adjusted Income (Loss) Excluding Depr & Amort Exp	207.3	337.0	129.7	619.5



Monthly Financial Report

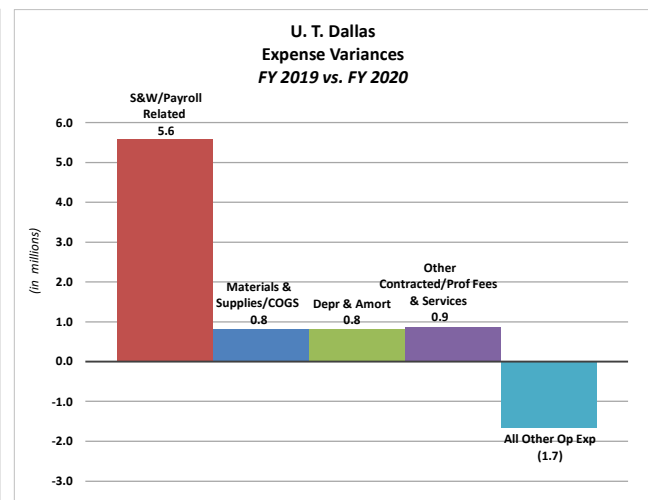
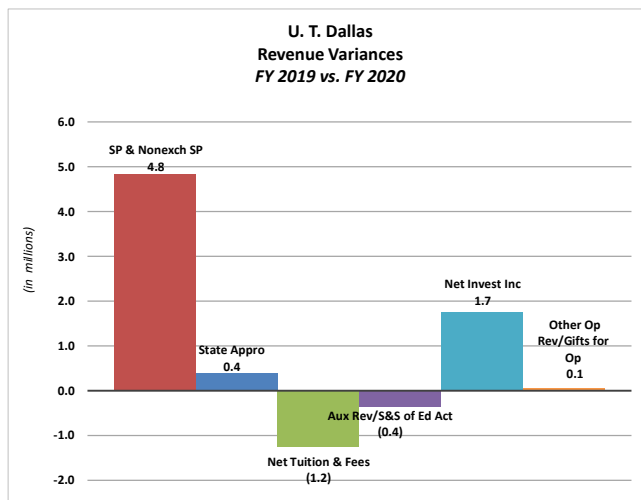
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Dallas incurred a year-to-date adjusted loss of \$9.0 million, an increase in adjusted loss of \$1.0 million (13%) from the prior year. The increase was primarily attributable to an increase in salaries and wages and payroll related costs driven by merit increases and increasing benefit costs. The most current projection received from *U. T. Dallas* reflects a loss of \$21.7 million for the year.

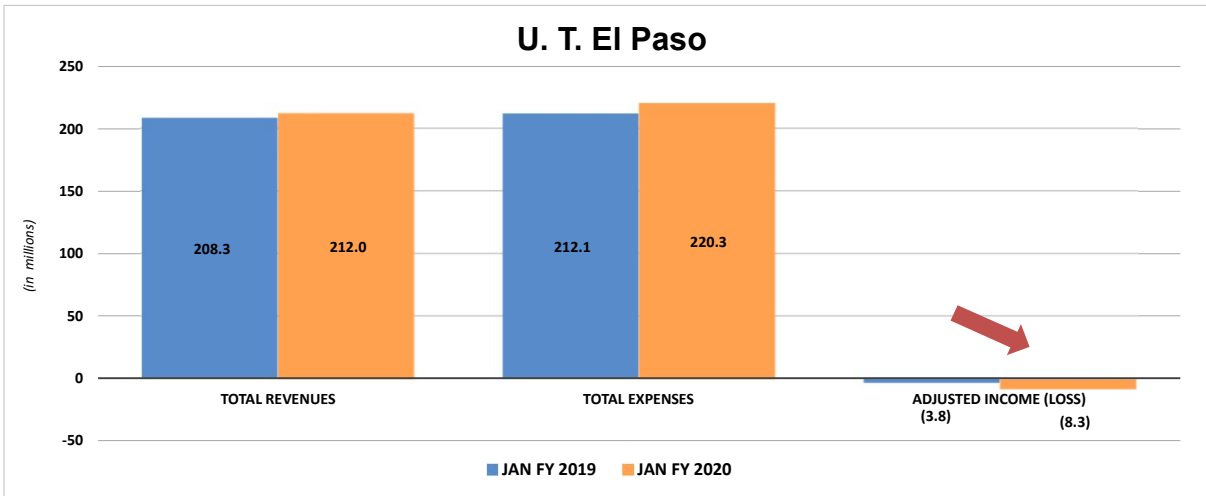
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 42.3	47.1	4.8	113.0
State Appropriations	51.3	51.7	0.4	124.1
Net Tuition and Fees	128.4	127.1	(1.2)	305.1
Auxiliary Revenues/Sales & Services of Educational Activities	38.9	38.6	(0.4)	92.6
Net Investment Income	13.1	14.8	1.7	35.5
Other Operating Revenues/Gift Contributions for Operations	8.5	8.6	0.1	20.6
Total Revenues	282.5	287.9	5.4	691.0
Salaries and Wages/Payroll Related Costs	166.6	172.2	5.6	413.2
Materials and Supplies/Cost of Goods Sold	14.1	14.9	0.8	35.8
Depreciation and Amortization	34.2	35.0	0.8	83.9
Other Contracted Services/Professional Fees & Services	13.8	14.7	0.9	35.2
All Other Operating Expenses	61.9	60.2	(1.7)	144.5
Total Expenses	\$ 290.5	297.0	6.4	712.7
Adjusted Income (Loss)	(8.0)	(9.0)	(1.0)	(21.7)
Adjusted Income (Loss) Excluding Depr & Amort Exp	26.1	25.9	(0.2)	62.3



Monthly Financial Report

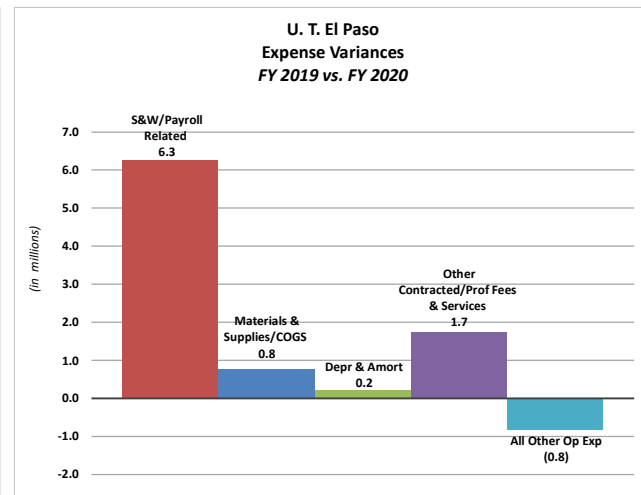
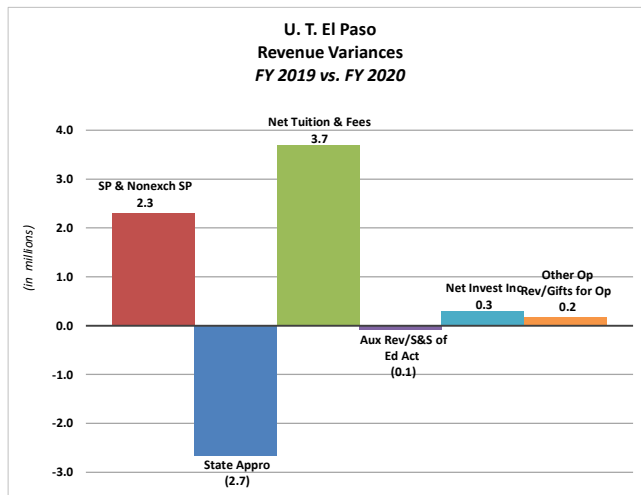
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. El Paso incurred a year-to-date adjusted loss of \$8.3 million, an increase in adjusted loss of \$4.5 million (118%) 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. The most current projection received from U. T. El Paso reflects a loss of \$19.8 million for the year.

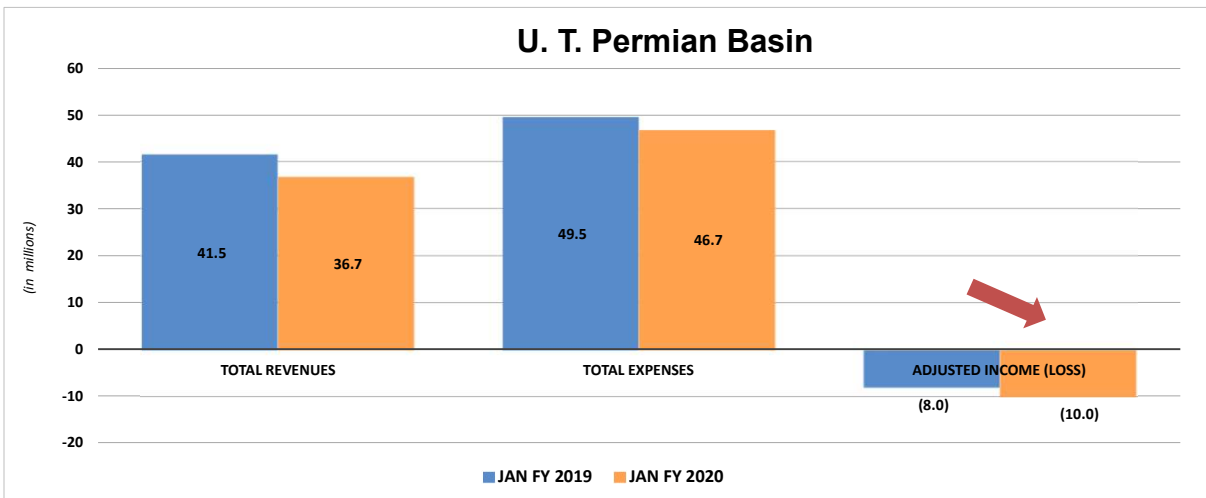
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 73.1	75.4	2.3	153.9
State Appropriations	47.0	44.3	(2.7)	102.0
Net Tuition and Fees	60.2	63.9	3.7	144.6
Auxiliary Revenues/Sales & Services of Educational Activities	18.6	18.5	(0.1)	43.3
Net Investment Income	7.2	7.5	0.3	16.4
Other Operating Revenues/Gift Contributions for Operations	2.2	2.4	0.2	5.3
Total Revenues	208.3	212.0	3.7	465.3
Salaries and Wages/Payroll Related Costs	107.2	113.4	6.3	262.8
Materials and Supplies/Cost of Goods Sold	8.2	8.9	0.8	22.5
Depreciation and Amortization	12.5	12.8	0.2	33.1
Other Contracted Services/Professional Fees & Services	12.7	14.4	1.7	33.1
All Other Operating Expenses	71.6	70.7	(0.8)	133.6
Total Expenses	212.1	220.3	8.2	485.2
Adjusted Income (Loss)	(3.8)	(8.3)	(4.5)	(19.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	8.7	4.5	(4.3)	13.3



Monthly Financial Report

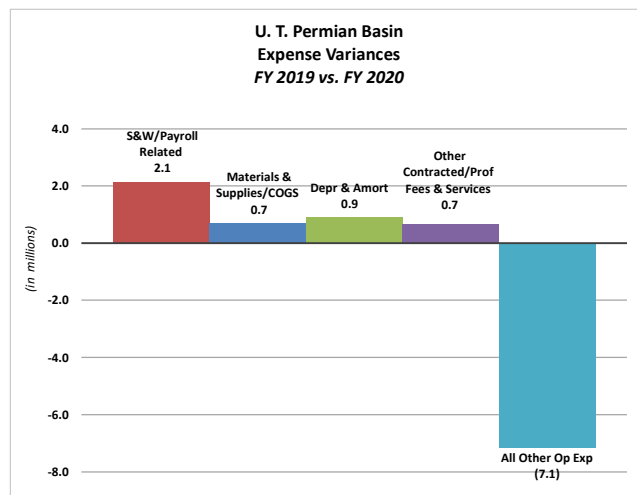
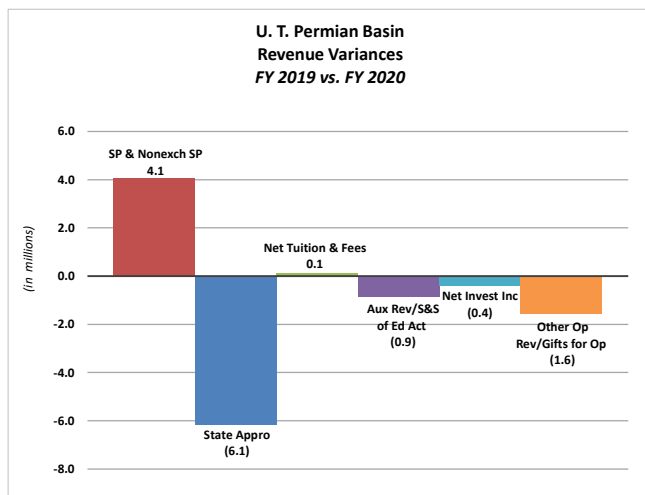
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Permian Basin incurred a year-to-date adjusted loss of \$10.0 million, an increase in adjusted loss of \$2.0 million (26%) 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; 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 attributable to the Engineering building being placed into service. The most current projection received from *U. T. Permian Basin* reflects a loss of \$30.5 million for the year.

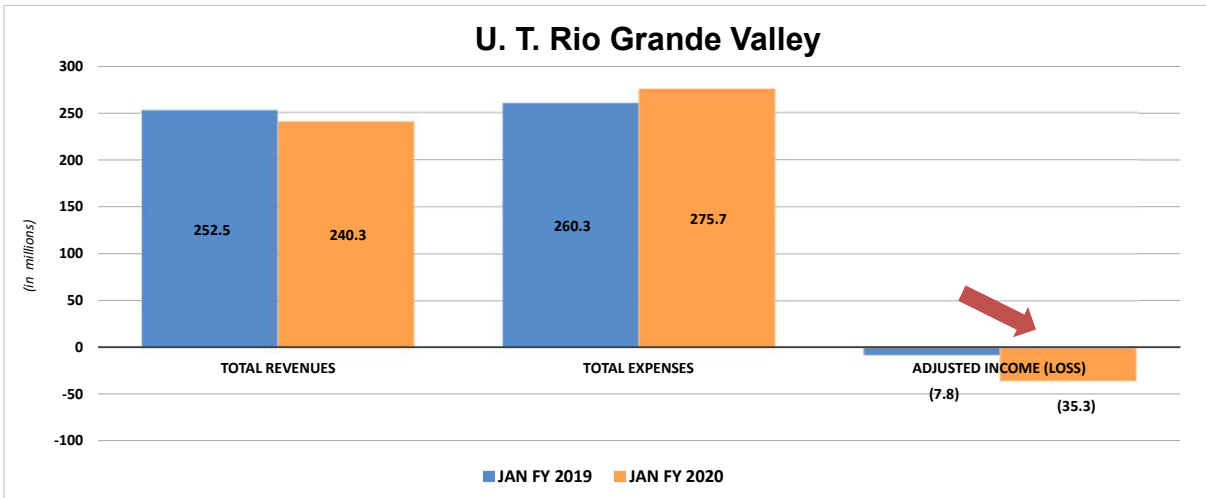
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 6.6	10.6	4.1	19.6
State Appropriations	15.3	9.1	(6.1)	21.9
Net Tuition and Fees	11.7	11.8	0.1	28.4
Auxiliary Revenues/Sales & Services of Educational Activities	4.0	3.2	(0.9)	7.6
Net Investment Income	0.7	0.3	(0.4)	0.7
Other Operating Revenues/Gift Contributions for Operations	3.2	1.7	(1.6)	3.5
Total Revenues	41.5	36.7	(4.8)	81.7
Salaries and Wages/Payroll Related Costs	20.9	23.1	2.1	55.4
Materials and Supplies/Cost of Goods Sold	2.1	2.8	0.7	6.7
Depreciation and Amortization	6.8	7.7	0.9	18.5
Other Contracted Services/Professional Fees & Services	4.3	4.9	0.7	11.9
All Other Operating Expenses	15.3	8.2	(7.1)	19.7
Total Expenses	\$ 49.5	46.7	(2.7)	112.2
Adjusted Income (Loss)	(8.0)	(10.0)	(2.0)	(30.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(1.1)	(2.3)	(1.1)	(11.9)



Monthly Financial Report

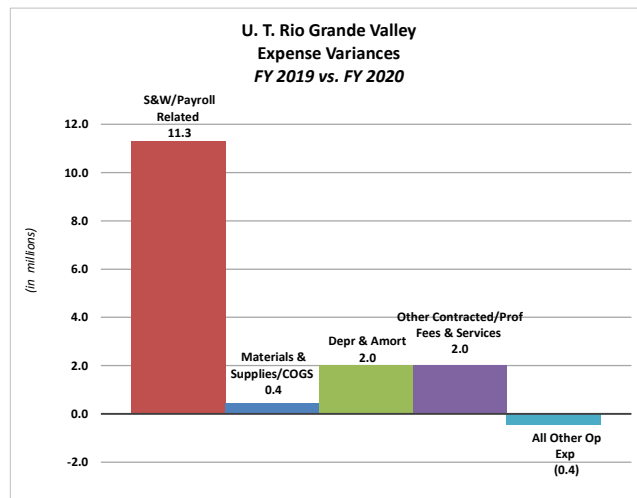
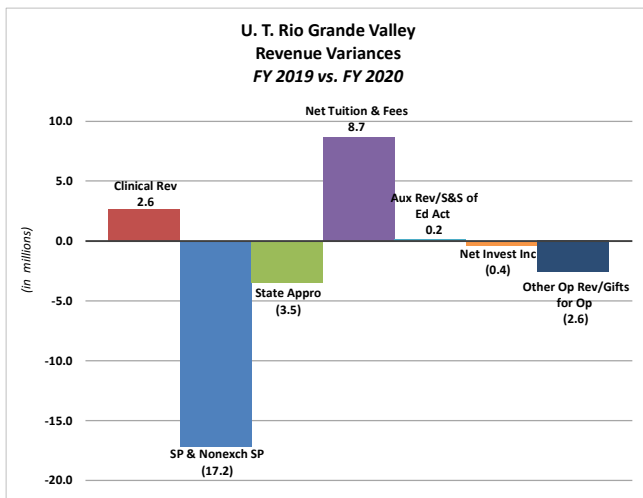
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$35.3 million, an increase in adjusted loss of \$27.5 million (352%) from the prior year. The increase was primarily due to the following: a decrease in sponsored programs as a result of Valley Baptist Legacy Foundation revenue being overstated in January of the prior year, which was corrected in March of the prior year, as well as decreased grant revenue from the Early Head Start and Philosophy Clinical Psychology programs; an increase in salaries and wages and payroll related costs due to increases in staff and faculty positions; and a decrease in other operating revenues primarily attributable to a decline in Delivery System Reform Incentive Payment (DSRIP) revenues. The most current projection received from *U. T. Rio Grande Valley* reflects a loss of \$31.2 million for the year.

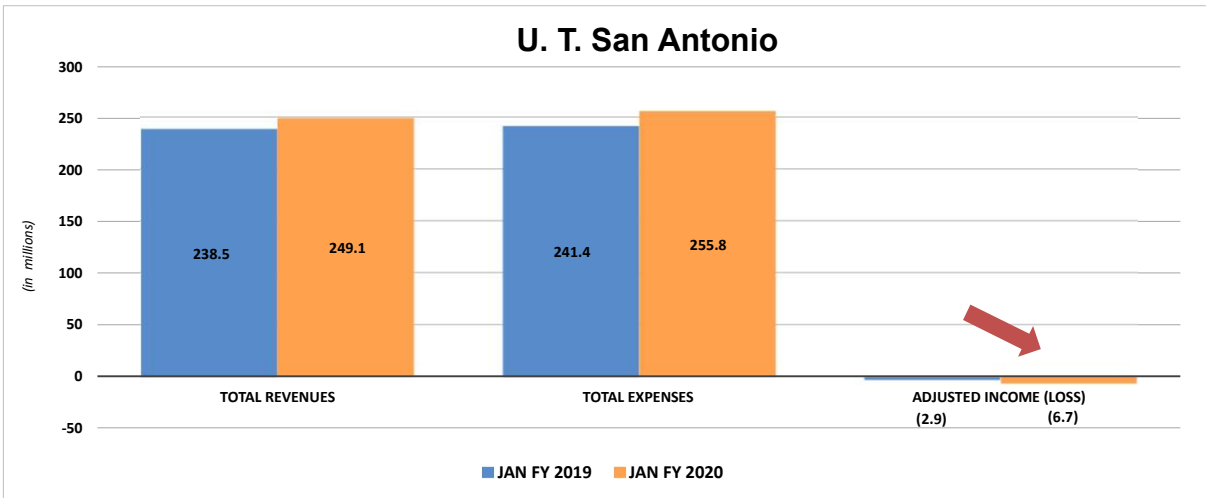
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 2.2	4.8	2.6	13.6
Sponsored Programs/Nonexchange Sponsored Programs	123.7	106.5	(17.2)	214.1
State Appropriations	65.5	62.1	(3.5)	138.5
Net Tuition and Fees	39.7	48.4	8.7	116.1
Auxiliary Revenues/Sales & Services of Educational Activities	9.2	9.3	0.2	17.3
Net Investment Income	4.3	3.9	(0.4)	9.2
Other Operating Revenues/Gift Contributions for Operations	8.0	5.4	(2.6)	13.2
Total Revenues	252.5	240.3	(12.2)	522.0
Salaries and Wages/Payroll Related Costs	138.2	149.5	11.3	337.5
Materials and Supplies/Cost of Goods Sold	8.2	8.7	0.4	20.1
Depreciation and Amortization	19.1	21.1	2.0	54.8
Other Contracted Services/Professional Fees & Services	6.0	8.1	2.0	18.4
All Other Operating Expenses	88.7	88.3	(0.4)	122.4
Total Expenses	\$ 260.3	275.7	15.3	553.2
Adjusted Income (Loss)	(7.8)	(35.3)	(27.5)	(31.2)
Adjusted Income (Loss) Excluding Depr & Amort Exp	11.3	(14.2)	(25.5)	23.6



Monthly Financial Report

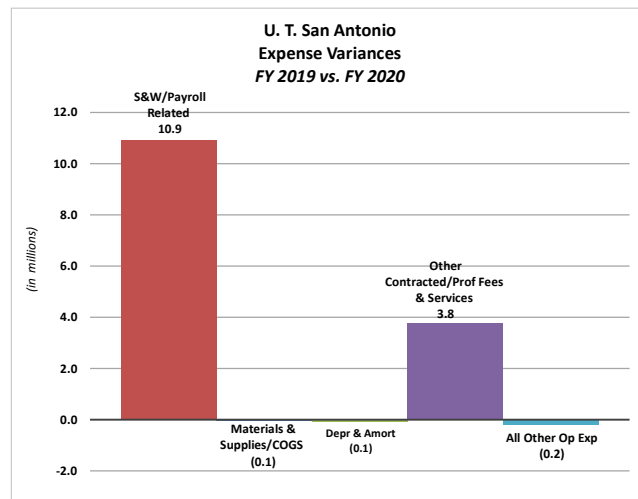
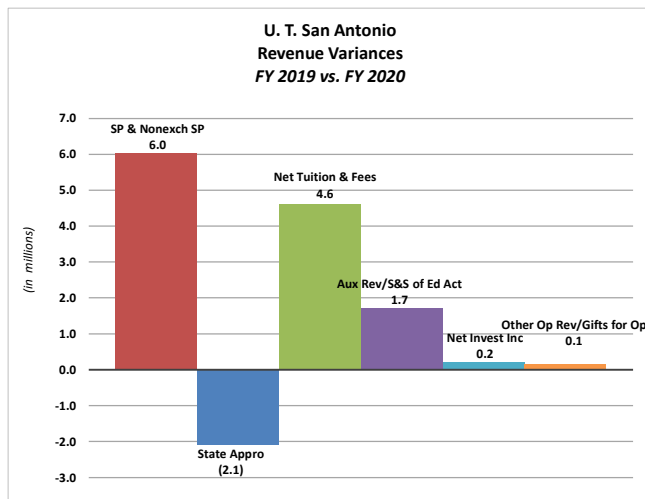
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. San Antonio incurred a year-to-date adjusted loss of \$6.7 million, an increase in adjusted loss of \$3.8 million (128%) 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. The most current projection received from *U. T. San Antonio* reflects a loss of \$16.1 million for the year.

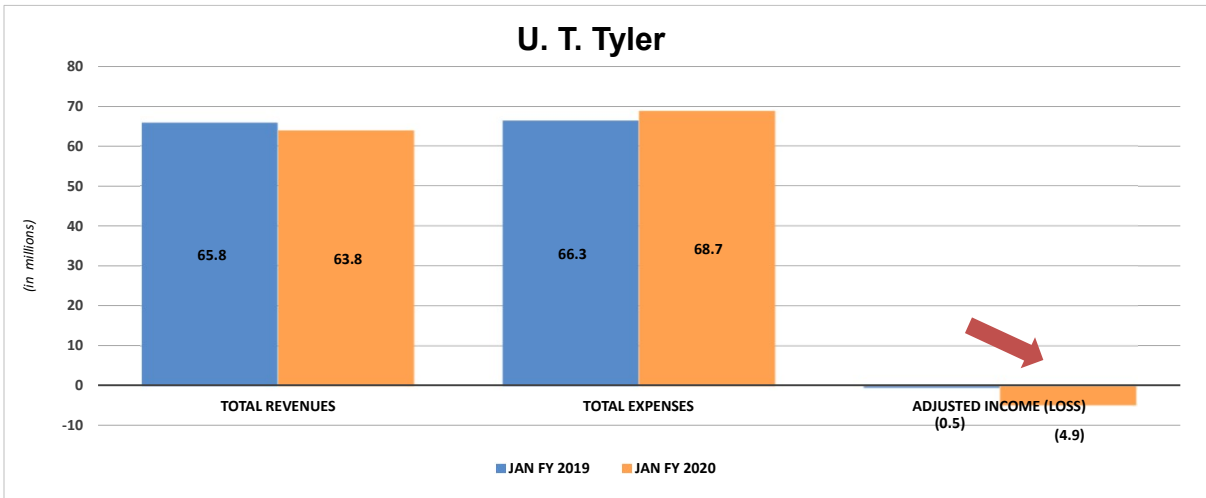
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 57.2	63.2	6.0	151.7
State Appropriations	55.5	53.4	(2.1)	128.1
Net Tuition and Fees	86.1	90.7	4.6	217.6
Auxiliary Revenues/Sales & Services of Educational Activities	25.6	27.3	1.7	65.6
Net Investment Income	9.3	9.6	0.2	22.9
Other Operating Revenues/Gift Contributions for Operations	4.8	5.0	0.1	11.9
Total Revenues	238.5	249.1	10.6	597.8
Salaries and Wages/Payroll Related Costs	135.9	146.8	10.9	352.3
Materials and Supplies/Cost of Goods Sold	11.5	11.5	(0.1)	27.5
Depreciation and Amortization	20.6	20.6	(0.1)	49.3
Other Contracted Services/Professional Fees & Services	12.7	16.5	3.8	39.5
All Other Operating Expenses	60.7	60.5	(0.2)	145.2
Total Expenses	\$ 241.4	255.8	14.3	613.8
Adjusted Income (Loss)	(2.9)	(6.7)	(3.8)	(16.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	17.7	13.9	(3.8)	33.3



Monthly Financial Report

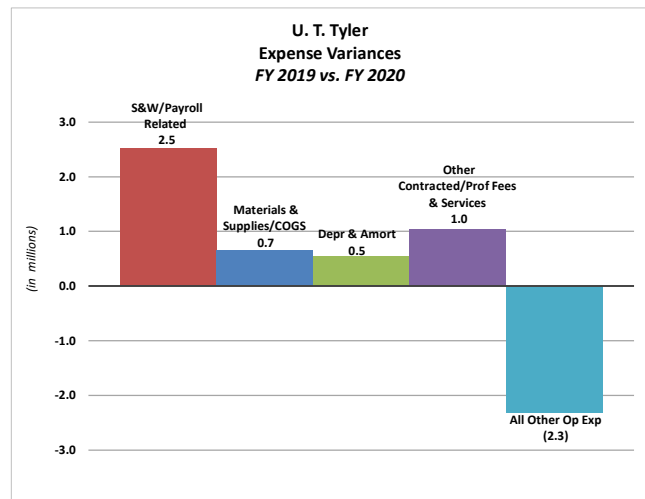
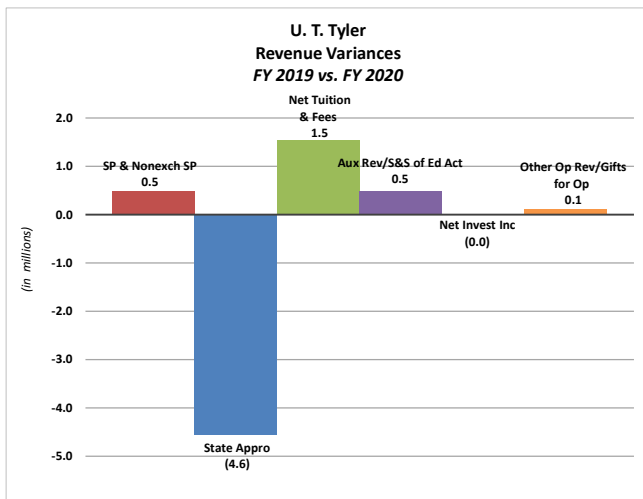
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Tyler incurred a year-to-date adjusted loss of \$4.9 million, an increase in adjusted loss of \$4.4 million (838%) 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 materials and supplies attributable to various projects across campus; and an increase in professional fees and services due to an increase in architecture and engineering services fees, as well as consulting services. The most current projection received from *U. T. Tyler* reflects a loss of \$16.0 million for the year.

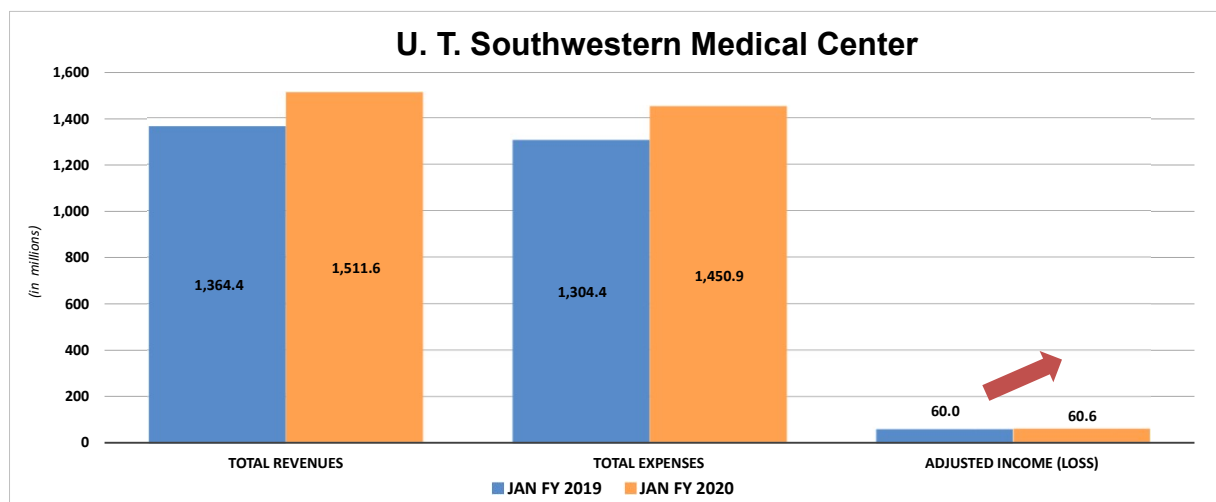
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 8.4	8.9	0.5	27.3
State Appropriations	18.4	13.8	(4.6)	33.2
Net Tuition and Fees	22.7	24.2	1.5	55.4
Auxiliary Revenues/Sales & Services of Educational Activities	13.5	14.0	0.5	22.6
Net Investment Income	2.1	2.1	(0.0)	7.1
Other Operating Revenues/Gift Contributions for Operations	0.6	0.7	0.1	2.8
Total Revenues	65.8	63.8	(2.0)	148.4
Salaries and Wages/Payroll Related Costs	38.5	41.0	2.5	94.9
Materials and Supplies/Cost of Goods Sold	3.9	4.6	0.7	10.3
Depreciation and Amortization	6.6	7.2	0.5	17.4
Other Contracted Services/Professional Fees & Services	4.1	5.2	1.0	12.6
All Other Operating Expenses	13.1	10.8	(2.3)	29.2
Total Expenses	\$ 66.3	68.7	2.4	164.4
Adjusted Income (Loss)	(0.5)	(4.9)	(4.4)	(16.0)
Adjusted Income (Loss) Excluding Depr & Amort Exp	6.1	2.3	(3.9)	1.4



Monthly Financial Report

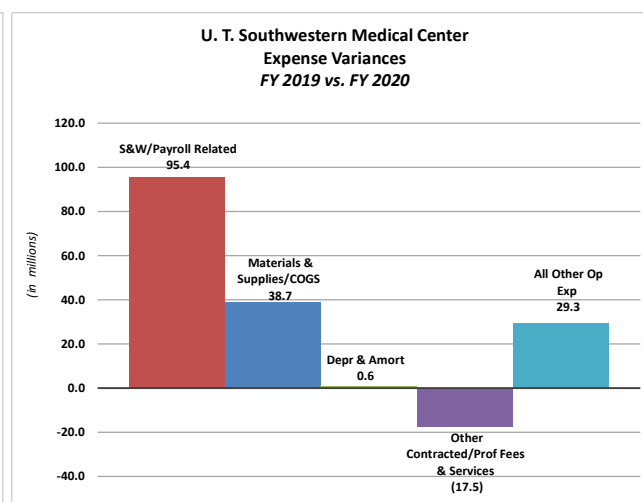
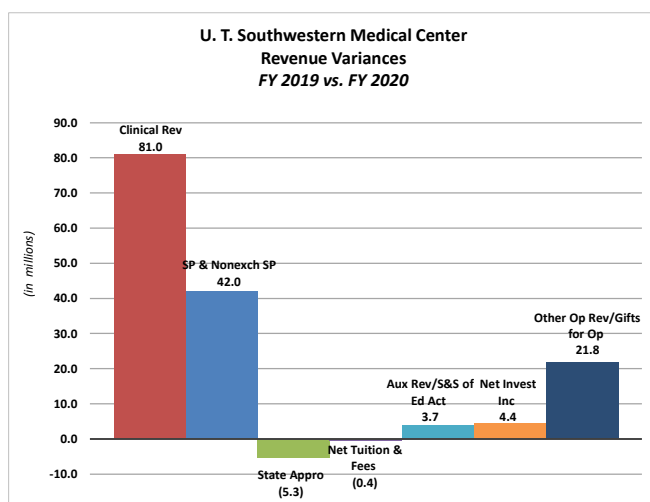
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Southwestern Medical Center reported year-to-date adjusted income of \$60.6 million, an increase of \$0.6 million (1%) from the prior year. The increase was primarily attributable to an increase in clinical revenues due to increased inpatient and outpatient visits, and increased admissions and surgical volumes. The most current projection received from *U. T. Southwestern Medical Center* reflects income of \$61.6 million for the year.

(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 888.4	969.4	81.0	2,277.7
Sponsored Programs/Nonexchange Sponsored Programs	247.5	289.5	42.0	680.1
State Appropriations	81.0	75.7	(5.3)	183.5
Net Tuition and Fees	11.3	10.9	(0.4)	26.2
Auxiliary Revenues/Sales & Services of Educational Activities	11.3	15.0	3.7	36.6
Net Investment Income	55.0	59.3	4.4	118.8
Other Operating Revenues/Gift Contributions for Operations	70.0	91.8	21.8	174.1
Total Revenues	1,364.4	1,511.6	147.2	3,497.0
Salaries and Wages/Payroll Related Costs	827.5	923.0	95.4	2,213.7
Materials and Supplies/Cost of Goods Sold	237.7	276.5	38.7	632.0
Depreciation and Amortization	74.1	74.6	0.6	184.2
Other Contracted Services/Professional Fees & Services	95.4	78.0	(17.5)	173.0
All Other Operating Expenses	69.6	98.9	29.3	232.4
Total Expenses	\$ 1,304.4	1,450.9	146.6	3,435.4
Adjusted Income (Loss)	60.0	60.6	0.6	61.6
Adjusted Income (Loss) Excluding Depr & Amort Exp	134.1	135.3	1.2	245.8



Monthly Financial Report

Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020

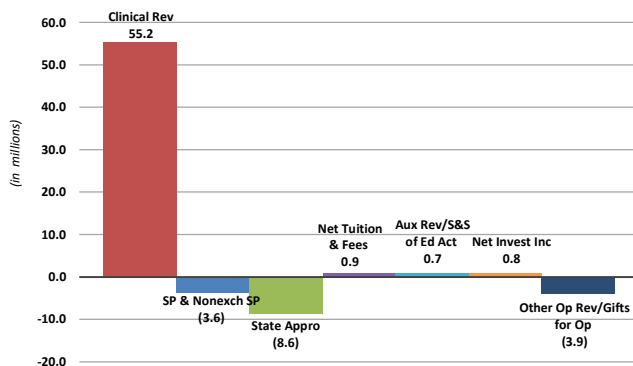
U. T. Medical Branch - Galveston



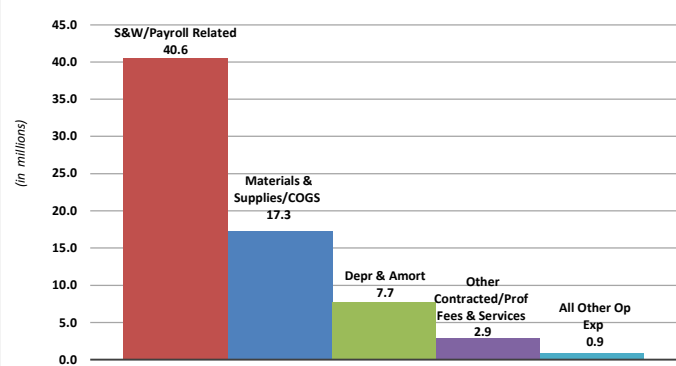
U. T. Medical Branch - Galveston incurred a year-to-date adjusted loss of \$42.0 million, an increase in adjusted loss of \$27.9 million (199%) from the prior year. The increase was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions 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. The most current projection received from *U. T. Medical Branch - Galveston* reflects a loss of \$46.5 million for the year.

(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 604.4	659.6	55.2	1,692.9
Sponsored Programs/Nonexchange Sponsored Programs	82.2	78.6	(3.6)	181.8
State Appropriations	158.2	149.5	(8.6)	358.4
Net Tuition and Fees	18.1	19.0	0.9	46.3
Auxiliary Revenues/Sales & Services of Educational Activities	12.0	12.8	0.7	31.1
Net Investment Income	25.6	26.4	0.8	63.7
Other Operating Revenues/Gift Contributions for Operations	25.2	21.3	(3.9)	49.0
Total Revenues	925.7	967.1	41.4	2,423.3
Salaries and Wages/Payroll Related Costs	573.9	614.5	40.6	1,485.8
Materials and Supplies/Cost of Goods Sold	113.0	130.3	17.3	306.9
Depreciation and Amortization	72.3	80.0	7.7	197.4
Other Contracted Services/Professional Fees & Services	84.2	87.1	2.9	228.0
All Other Operating Expenses	96.3	97.2	0.9	251.6
Total Expenses	\$ 939.8	1,009.1	69.4	2,469.7
Adjusted Income (Loss)	(14.1)	(42.0)	(27.9)	(46.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	58.2	38.0	(20.2)	150.9

U. T. Medical Branch - Galveston
Revenue Variances
FY 2019 vs. FY 2020



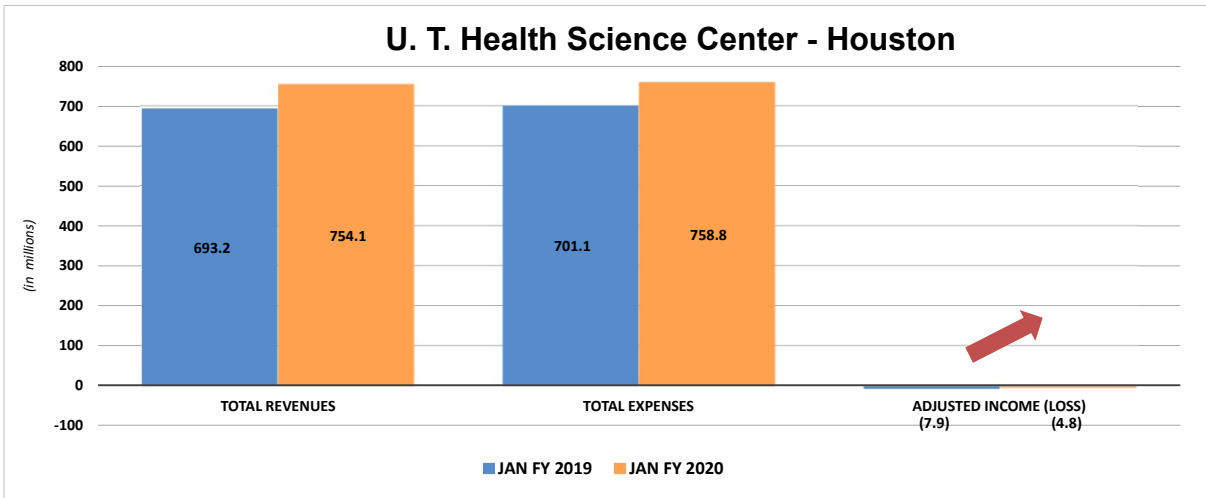
U. T. Medical Branch - Galveston
Expense Variances
FY 2019 vs. FY 2020



Monthly Financial Report

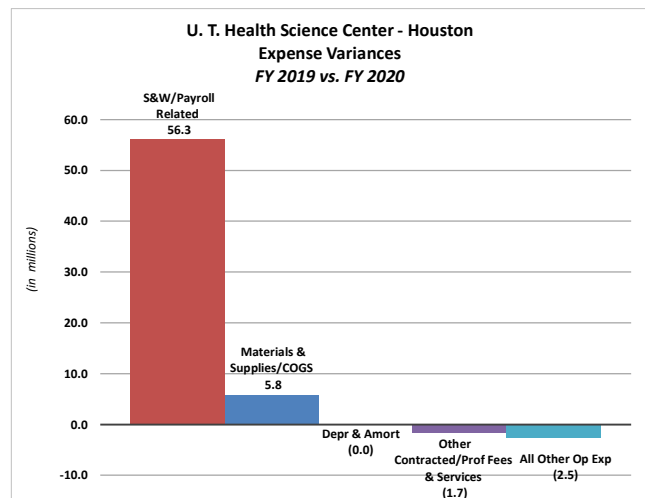
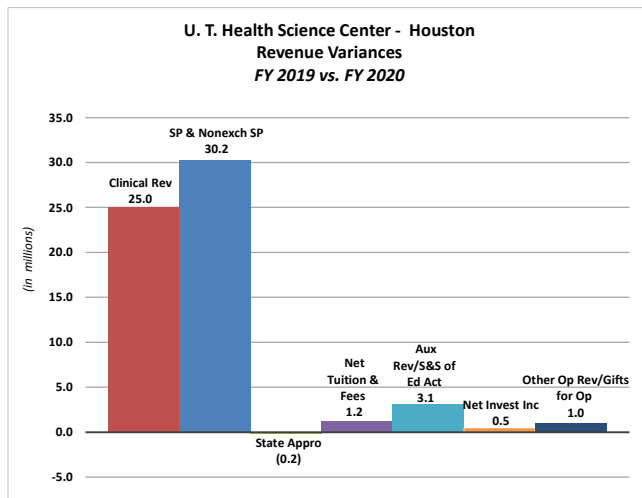
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Health Science Center - Houston incurred a year-to-date adjusted loss of \$4.8 million, a decrease in adjusted loss of \$3.1 million (39%) from the prior year. The decrease was primarily attributable to the following: 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; and an increase in clinical revenues primarily as a result of increases in new patient revenue in neurosurgery, uncompensated care revenue and clinical productivity. The most current projection received from *U. T. Health Science Center - Houston* reflects income of \$5.0 million for the year.

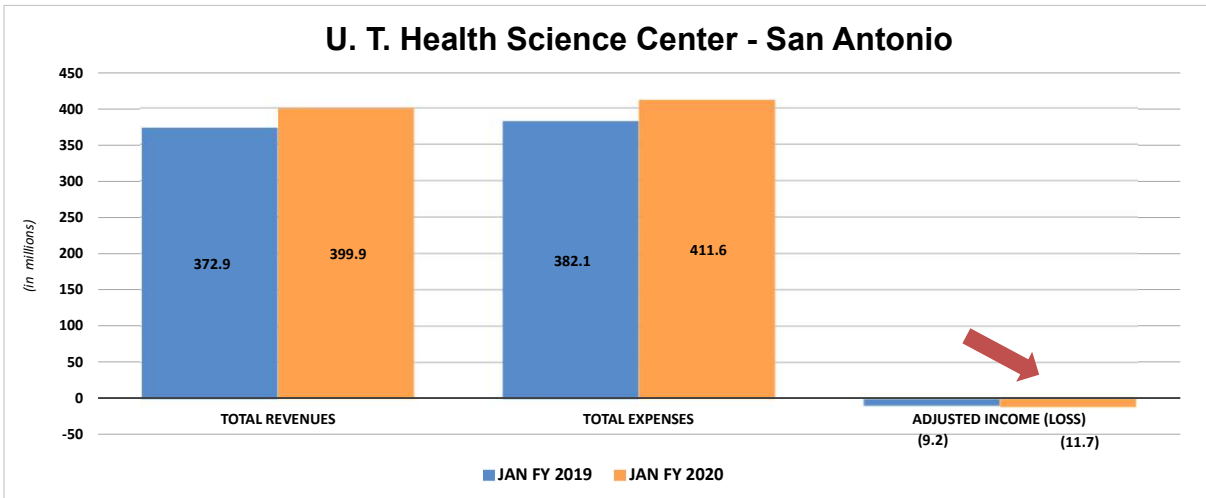
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 185.7	210.7	25.0	508.9
Sponsored Programs/Nonexchange Sponsored Programs	317.0	347.2	30.2	846.9
State Appropriations	90.1	89.9	(0.2)	214.6
Net Tuition and Fees	27.2	28.5	1.2	63.1
Auxiliary Revenues/Sales & Services of Educational Activities	28.9	31.9	3.1	66.5
Net Investment Income	19.9	20.4	0.5	71.7
Other Operating Revenues/Gift Contributions for Operations	24.5	25.4	1.0	74.9
Total Revenues	693.2	754.1	60.8	1,846.5
Salaries and Wages/Payroll Related Costs	509.7	566.0	56.3	1,383.6
Materials and Supplies/Cost of Goods Sold	35.9	41.7	5.8	95.5
Depreciation and Amortization	28.0	28.0	(0.0)	67.2
Other Contracted Services/Professional Fees & Services	54.5	52.8	(1.7)	146.9
All Other Operating Expenses	72.9	70.4	(2.5)	148.3
Total Expenses	\$ 701.1	758.8	57.8	1,841.6
Adjusted Income (Loss)	(7.9)	(4.8)	3.1	5.0
Adjusted Income (Loss) Excluding Depr & Amort Exp	20.2	23.2	3.1	72.2



Monthly Financial Report

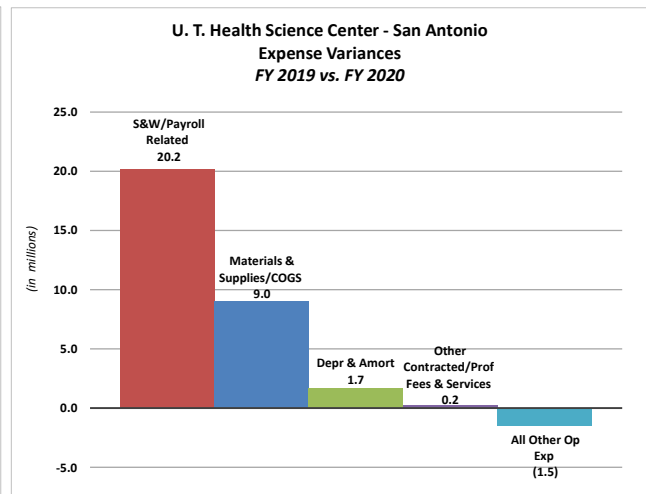
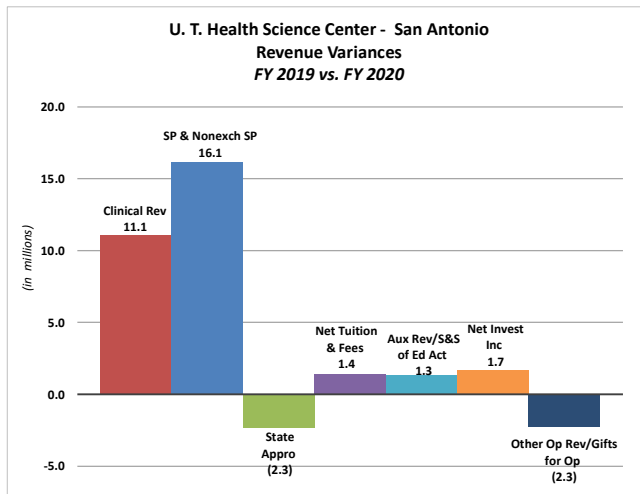
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Health Science Center - San Antonio incurred a year-to-date adjusted loss of \$11.7 million, an increase in adjusted loss of \$2.6 million (28%) 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 UT Nursing Clinical Enterprise and the Pediatrics-Hemophilia Center; and a decrease in other operating revenues attributable to a decline in DSRIP revenues. The most current projection received from *U. T. Health Science Center - San Antonio* reflects a loss of \$22.3 million for the year due to expansion of the clinical enterprise and strengthening of the research mission.

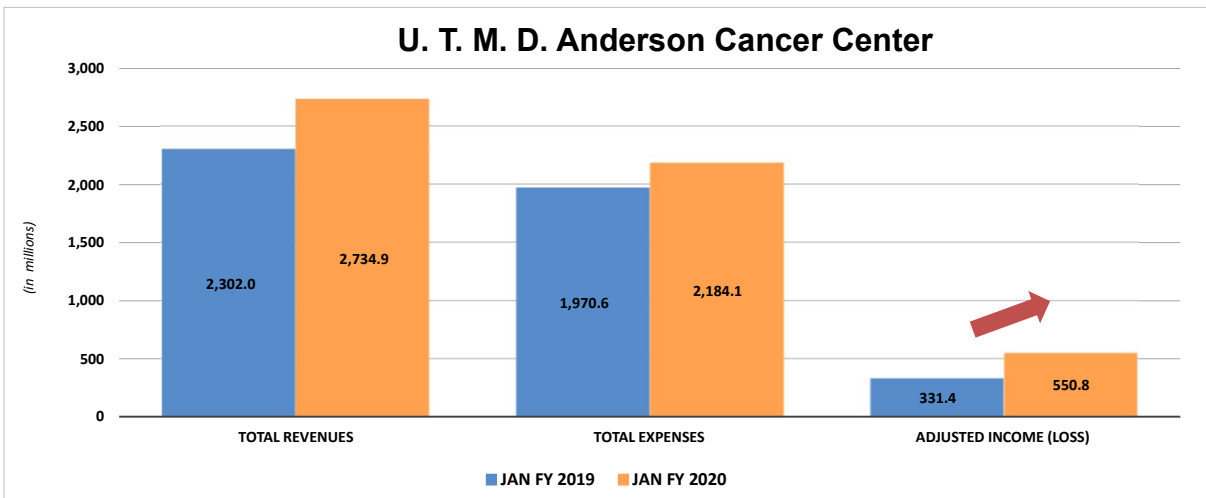
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 94.1	105.2	11.1	266.8
Sponsored Programs/Nonexchange Sponsored Programs	135.1	151.2	16.1	366.8
State Appropriations	72.9	70.5	(2.3)	169.3
Net Tuition and Fees	20.1	21.5	1.4	48.1
Auxiliary Revenues/Sales & Services of Educational Activities	15.5	16.9	1.3	31.8
Net Investment Income	19.4	21.1	1.7	45.2
Other Operating Revenues/Gift Contributions for Operations	15.8	13.5	(2.3)	41.4
Total Revenues	372.9	399.9	27.0	969.4
Salaries and Wages/Payroll Related Costs	255.6	275.8	20.2	673.1
Materials and Supplies/Cost of Goods Sold	32.5	41.6	9.0	103.5
Depreciation and Amortization	23.8	25.4	1.7	61.0
Other Contracted Services/Professional Fees & Services	22.4	22.6	0.2	47.6
All Other Operating Expenses	47.8	46.3	(1.5)	106.4
Total Expenses	\$ 382.1	411.6	29.5	991.6
Adjusted Income (Loss)	(9.2)	(11.7)	(2.6)	(22.3)
Adjusted Income (Loss) Excluding Depr & Amort Exp	14.6	13.7	(0.9)	38.7



Monthly Financial Report

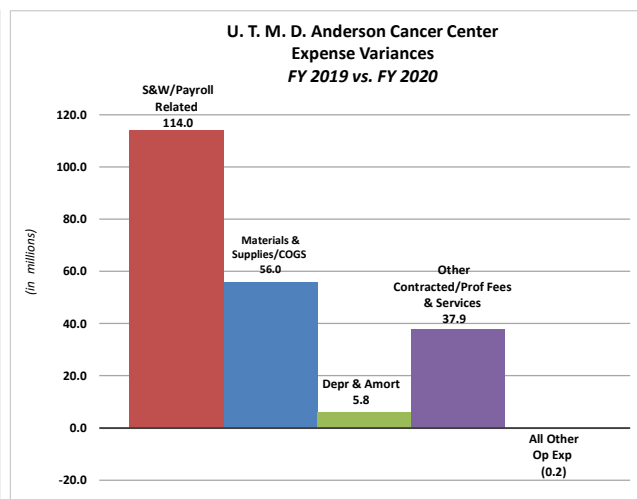
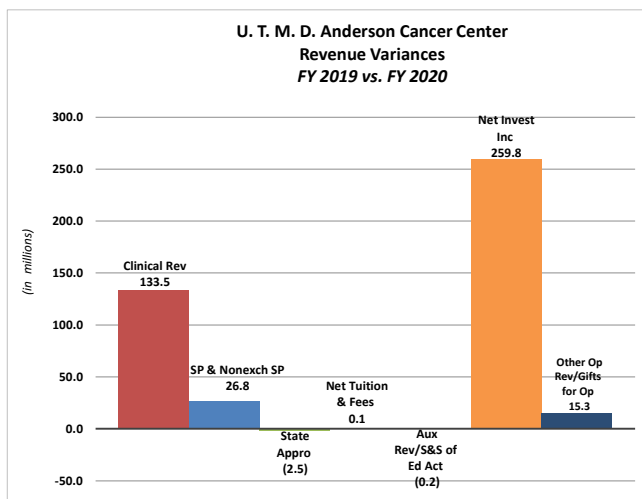
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$550.8 million, an increase of \$219.4 million (66%) 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. The most current projection received from *U. T. M. D. Anderson Cancer Center* reflects income of \$854.6 million for the year.

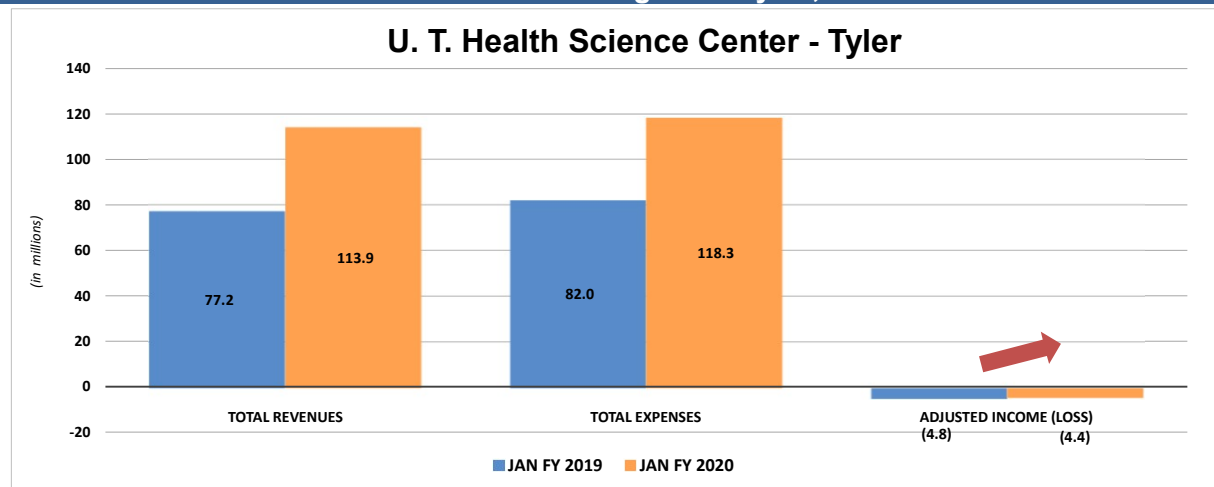
(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 1,838.7	1,972.2	133.5	4,714.6
Sponsored Programs/Nonexchange Sponsored Programs	147.2	174.0	26.8	403.7
State Appropriations	87.3	84.8	(2.5)	205.8
Net Tuition and Fees	1.4	1.5	0.1	1.9
Auxiliary Revenues/Sales & Services of Educational Activities	20.3	20.1	(0.2)	50.5
Net Investment Income	91.6	351.4	259.8	389.5
Other Operating Revenues/Gift Contributions for Operations	115.5	130.7	15.3	247.5
Total Revenues	2,302.0	2,734.9	432.9	6,013.6
Salaries and Wages/Payroll Related Costs	1,119.3	1,233.3	114.0	2,848.6
Materials and Supplies/Cost of Goods Sold	447.8	503.8	56.0	1,190.2
Depreciation and Amortization	149.3	155.1	5.8	379.9
Other Contracted Services/Professional Fees & Services	119.3	157.2	37.9	417.4
All Other Operating Expenses	134.9	134.7	(0.2)	322.9
Total Expenses	\$ 1,970.6	2,184.1	213.5	5,159.0
Adjusted Income (Loss)	331.4	550.8	219.4	854.6
Adjusted Income (Loss) Excluding Depr & Amort Exp	480.6	705.9	225.3	1,234.5



Monthly Financial Report

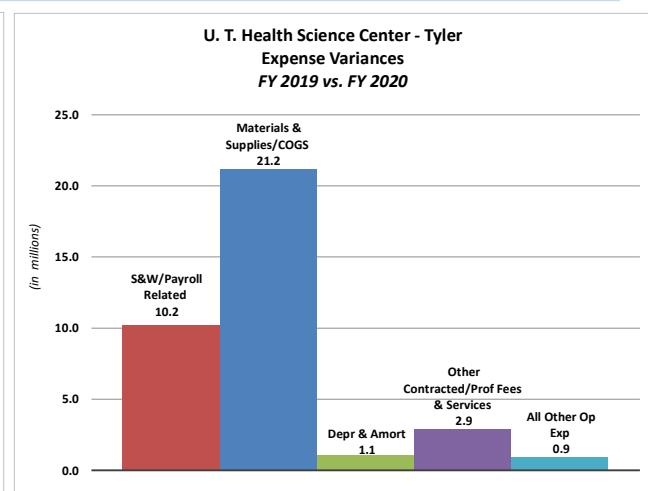
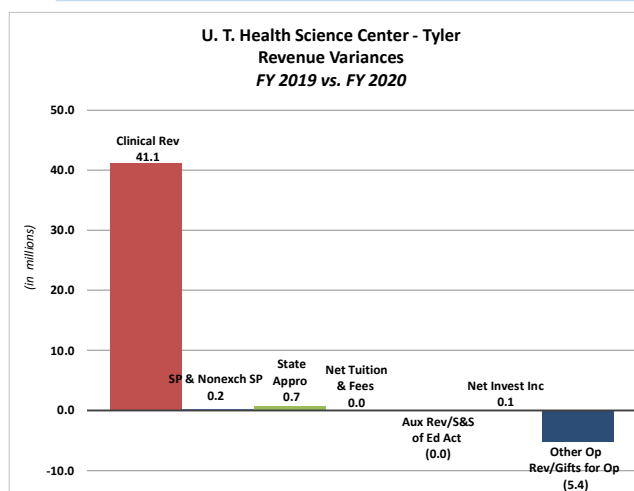
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending January 31, 2020



U. T. Health Science Center - Tyler incurred a year-to-date adjusted loss of \$4.4 million, a decrease in adjusted loss of \$0.5 million (9%) from the prior year. The decrease was primarily due to an increase in clinical revenues related to the acquisition of the Hope Oncology practice. The most current projection received from *U. T. Health Science Center - Tyler* reflects income of \$0.7 million for the year.

(in millions)	January YTD FY 2019	January YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 24.6	65.7	41.1	160.7
Sponsored Programs/Nonexchange Sponsored Programs	12.0	12.3	0.2	29.9
State Appropriations	21.4	22.1	0.7	53.2
Net Tuition and Fees	0.1	0.1	0.0	0.3
Auxiliary Revenues/Sales & Services of Educational Activities	1.9	1.8	(0.0)	4.4
Net Investment Income	1.4	1.5	0.1	3.6
Other Operating Revenues/Gift Contributions for Operations	15.7	10.4 *	(5.4)	29.0 *
Total Revenues	77.2	113.9	36.8	281.1
Salaries and Wages/Payroll Related Costs	51.6	61.8	10.2	148.3
Materials and Supplies/Cost of Goods Sold	8.9	30.1	21.2	68.2
Depreciation and Amortization	6.0	7.1	1.1	17.1
Other Contracted Services/Professional Fees & Services	9.1	12.0	2.9	29.4
All Other Operating Expenses	6.4	7.3	0.9	17.5
Total Expenses	\$ 82.0	118.3	36.3	280.5
Adjusted Income (Loss)	(4.8)	(4.4)	0.5	0.7
Adjusted Income (Loss) Excluding Depr & Amort Exp	1.2	2.7	1.5	17.7



*Other Operating Income includes 30% of UT Health East Texas' (UTHET's) net adjusted loss which was \$0.3 million through January. The projected income of \$0.7 million includes \$0.1 million of UTHET's net adjusted income for the year.