

THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF THE CONTROLLER

MONTHLY FINANCIAL REPORT *(unaudited)*

JULY 2020



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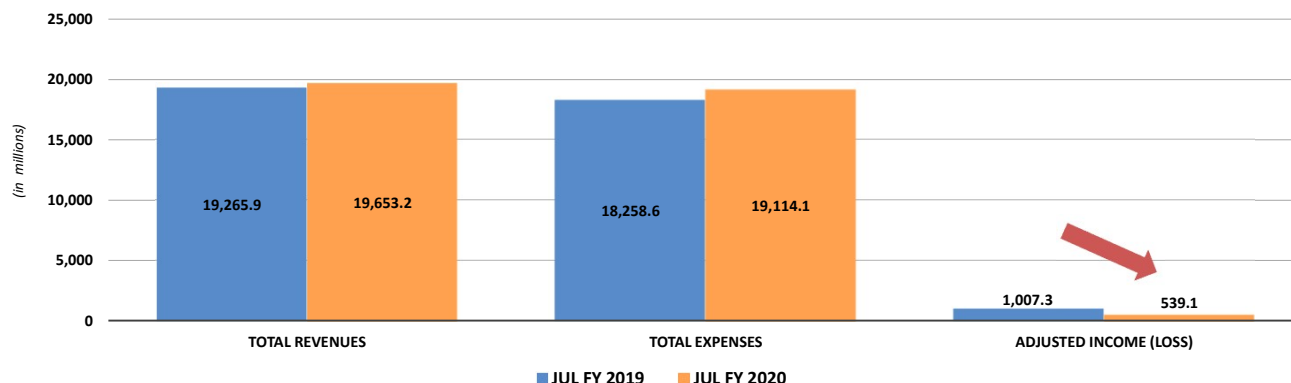
Monthly Financial Report

Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020

U. T. System Consolidated

(Excluding OPEB & Pension Expense)

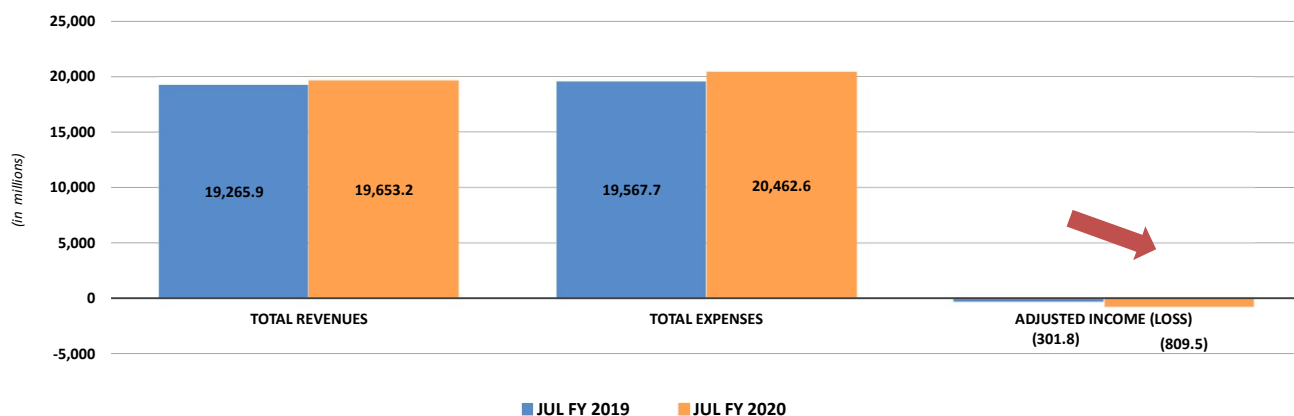


Excluding other postemployment benefits (OPEB) and pension expense, *U. T. System Consolidated* shows year-to-date adjusted income of \$539.1 million, a decrease of \$468.2 million (46%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages to support faculty and clinical services; a decrease in net investment income; a decrease in auxiliary, sales and services, and clinical revenues as a result of COVID-19; and an increase in materials and supplies required for hospital operations.

(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 8,209.9	8,168.3	(41.6)	8,933.3
Sponsored Programs/Nonexchange Sponsored Programs	3,507.9	4,036.1	528.2	4,501.3
State Appropriations	1,930.7	2,055.2	124.6	2,238.1
Net Tuition and Fees	1,681.0	1,769.2	88.1	1,961.1
Auxiliary Revenues/Sales & Services of Educational Activities	1,254.1	1,065.0	(189.1)	1,034.7
Net Investment Income	1,840.7	1,427.8	(413.0)	1,562.4
Other Operating Revenues/Gift Contributions for Operations	841.5	1,131.6	290.0	1,337.5
Total Revenues	19,265.9	19,653.2	387.3	21,568.3
Salaries and Wages/Payroll Related Costs	10,826.6	11,650.8	824.2	12,289.7
Materials and Supplies/Cost of Goods Sold	2,365.7	2,500.1	134.4	2,684.0
Depreciation and Amortization	1,370.0	1,419.0	49.0	1,560.1
Other Contracted Services/Professional Fees & Services	1,353.5	1,320.8	(32.7)	1,450.5
All Other Operating Expenses	2,342.8	2,223.4	(119.3)	2,521.5
Total Expenses (Excluding OPEB & Pension Exp)	\$ 18,258.6	19,114.1	855.5	20,505.7
Adjusted Income (Loss) Excluding OPEB & Pension Exp	1,007.3	539.1	(468.2)	1,062.6
OPEB Expense	773.0	609.4	(163.6)	664.8
Pension Expense	536.1	739.1	203.0	806.3
Adjusted Income (Loss)	(301.8)	(809.5)	(507.7)	(408.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	1,068.2	609.6	(458.7)	1,151.6

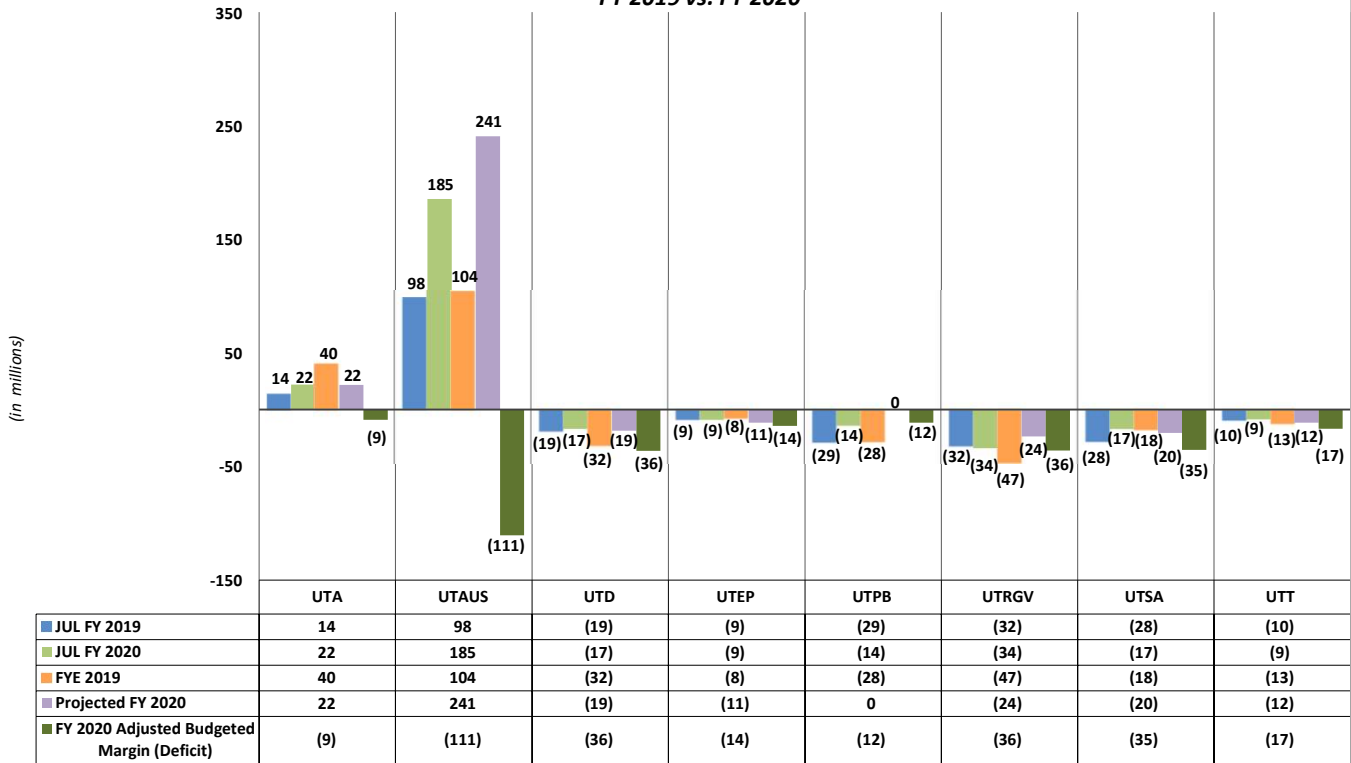
U. T. System Consolidated

(Including OPEB & Pension Expense)

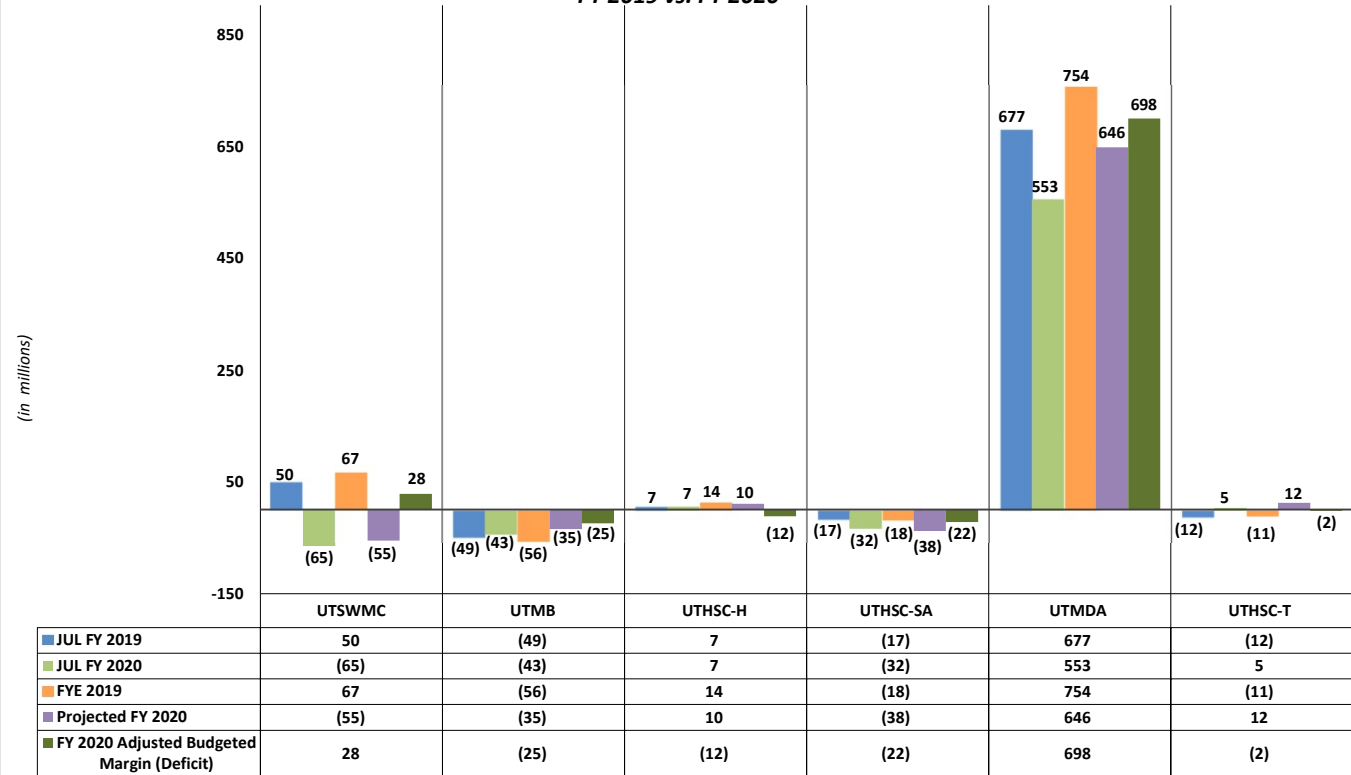


Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending July 31, 2020

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 July 31, 2020

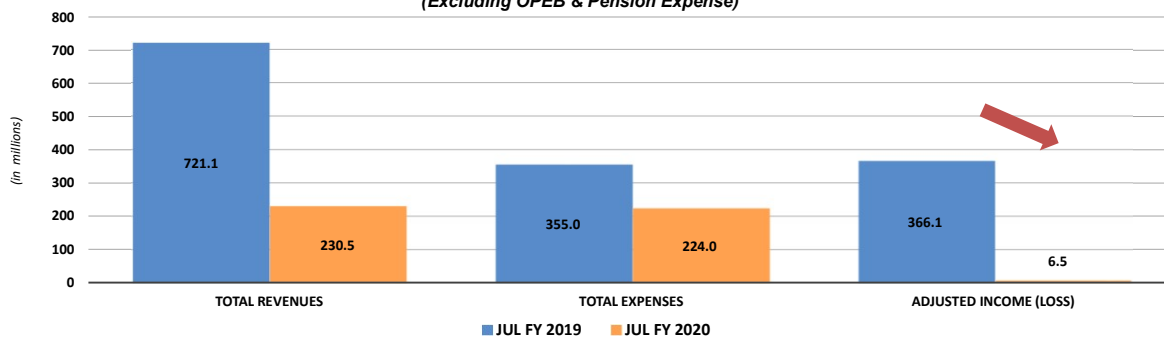
Executive Summary of Adjusted Income (Loss)

	July FYTD 2019 (millions)	July FYTD 2020 (millions)	Variance %	Comments
U. T. System Administration (excluding OPEB & Pension Expense)	\$ 366.1	6.5	-98%	Decrease in Net Investment Income Projected income of \$344.1 million for the FY
U. T. Arlington	14.1	22.1	57%	Increase in Net Tuition & Fees, State Appropriations Projected income of \$21.9 million for the FY
U. T. Austin	98.3	185.3	89%	Increase in Gifts for Operations, Available University Fund (AUF) transfer, Net Investment Income Projected income of \$240.8 million for the FY
U. T. Dallas	(19.2)	(17.0)	12%	Increase in State Appropriations, Net Tuition & Fees, Gifts for Operations Projected loss of (\$18.5) million for the FY
U. T. El Paso	(9.1)	(9.1)	0%	Increase in Salaries & Wages, Payroll Related Increase in Net Tuition & Fees, State Appropriations Projected loss of (\$11.3) million for the FY
U. T. Permian Basin	(28.9)	(14.4)	50%	Increase in Net Tuition & Fees, prior year understated Projected income of \$0.1 million for the FY
U. T. Rio Grande Valley	(32.2)	(33.9)	-5%	Increase in Salaries & Wages, Payroll Related, Scholarships Depreciation & Amortization Projected loss of (\$23.6) million for the FY
U. T. San Antonio	(28.2)	(17.1)	39%	Increase in State Appropriations, Net Tuition & Fees Projected loss of (\$20.4) million for the FY
U. T. Tyler	(9.7)	(8.6)	11%	Increase in Nonexchange Sponsored Programs, Net Tuition & Fees Projected loss of (\$11.5) million for the FY
Southwestern	49.9	(64.9)	-230%	Increase in Salaries & Wages, Payroll Related, Materials & Supplies Clinical revenues negatively impacted by COVID-19 Projected loss of (\$55.2) million for the FY
UTMB	(48.8)	(42.8)	12%	Increase in Clinical Revenues, DSRIP July results negatively impacted by COVID-19 Projected loss of (\$34.6) million for the FY
UTHSC-Houston	6.7	7.1	5%	Increase in Sponsored Programs, Clinical Revenues, State Appropriations July results negatively impacted by COVID-19 Projected income of \$10.4 million for the FY
UTHSC-San Antonio	(16.5)	(32.4)	-97%	Increase in Salaries & Wages, Payroll Related, Materials & Supplies, Depreciation & Amortization Decrease in Gifts for Operations July results negatively impacted by COVID-19 Projected loss of (\$38.1) million for the FY
M. D. Anderson	677.4	553.5	-18%	Increase in Salaries & Wages, Payroll Related Clinical revenues negatively impacted by COVID-19 Projected income of \$646.4 million for the FY
UTHSC-Tyler	(12.5)	4.8	139%	Increase in Clinical Revenues, DSRIP, Gifts for Operations July results negatively impacted by COVID-19 Projected income of \$12.3 million for the FY
Total Adjusted Income (Loss)	\$ 1,007.3	539.1	-46%	

* 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 July 31, 2020

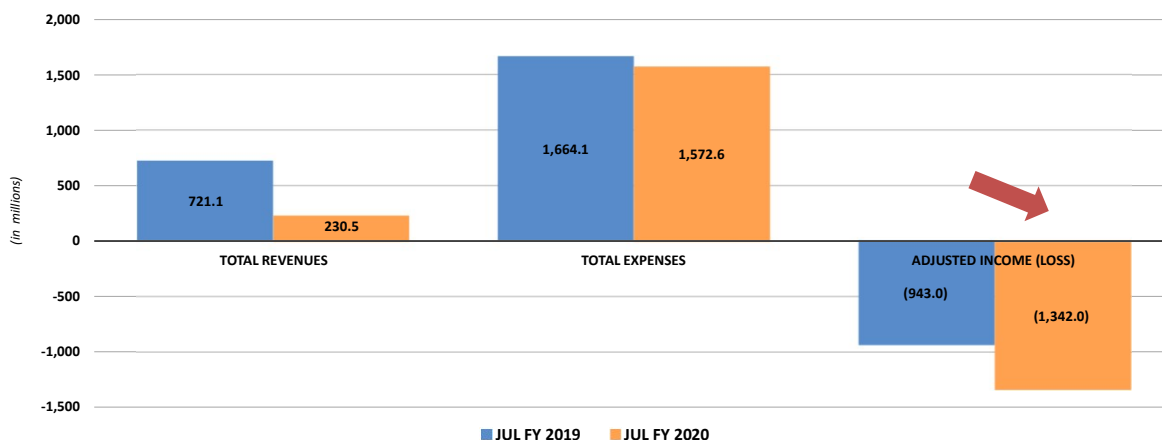
U. T. System Administration
(Excluding OPEB & Pension Expense)



Excluding OPEB and pension expense, *U. T. System Administration* reported year-to-date adjusted income of \$6.5 million, a decrease of \$359.6 million (98%) 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) oil and gas royalties, mineral lease bonus sales, 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 \$344.1 million for the year.

<i>(in millions)</i>	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 48.5	48.1	(0.4)	63.9
State Appropriations	3.0	3.5	0.5	3.8
Auxiliary Revenues/Sales & Services of Educational Activities	9.8	14.5	4.7	15.9
Net Investment Income/Available University Fund (AUF)	634.4	57.6	(576.8)	65.7
Other Operating Revenues/Gift Contributions for Operations	25.2	106.8	81.6	116.5
Total Revenues	721.1	230.5	(490.5)	265.7
Salaries and Wages/Payroll Related Costs	66.0	62.0	(4.1)	(253.8)
Materials and Supplies/Cost of Goods Sold	25.9	13.2	(12.7)	14.4
Depreciation and Amortization	22.4	15.5	(6.9)	16.7
Other Contracted Services/Professional Fees & Services	33.1	35.6	2.5	38.1
All Other Operating Expenses	207.5	97.7	(109.8)	106.2
Total Expenses (Excluding OPEB & Pension Exp)	\$ 355.0	224.0	(131.0)	(78.4)
Adjusted Income (Loss) Excluding OPEB & Pension Exp	366.1	6.5	(359.6)	344.1
OPEB Expense	773.0	609.4	(163.6)	664.8
Pension Expense	536.1	739.1	203.0	806.3
Adjusted Income (Loss)	(943.0)	(1,342.0)	(399.0)	(1,127.0)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(920.6)	(1,326.5)	(406.0)	(1,110.4)

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

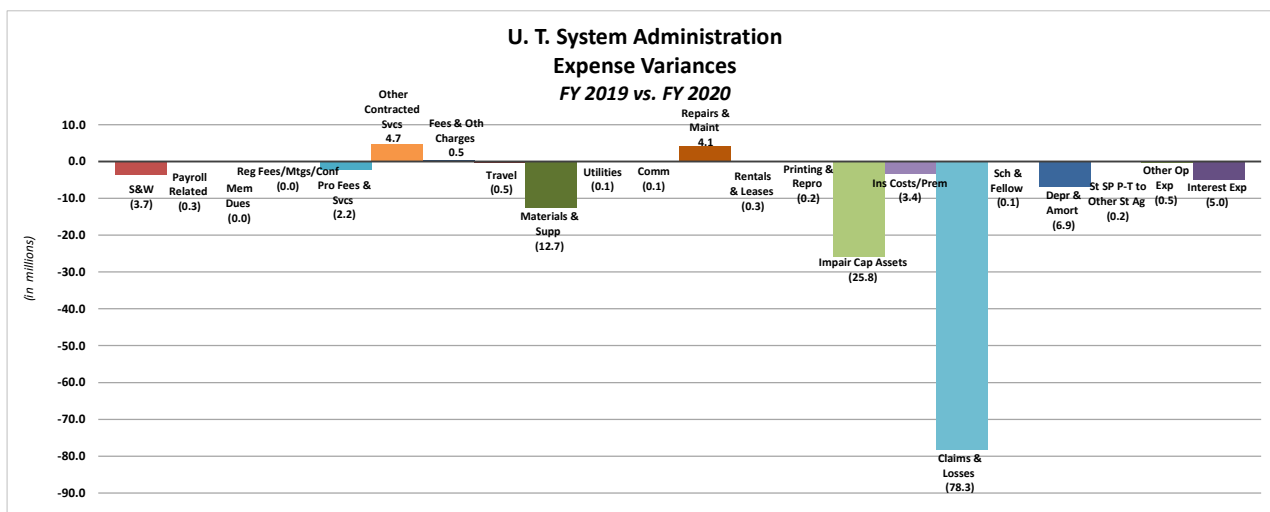


Monthly Financial Report

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

For the Period Ending July 31, 2020

(in millions)	July YTD FY 2019	July YTD FY 2020	Actual Year-End FY 2019	Annual Projected FY 2020
Salaries and Wages	\$ 53.1	49.4	57.9	53.1
Payroll Related Costs	12.9	12.6	(306.4)	(306.9) *
Membership Dues	0.5	0.5	0.5	0.5
Registration Fees, Meetings, Conferences	0.4	0.4	0.4	0.4
Professional Fees and Services	12.4	10.2	15.4	11.1
Other Contracted Services	20.7	25.4	25.7	26.9
Fees and Other Charges	0.1	0.6	0.1	0.7
Travel	1.3	0.7	1.5	0.8
Materials and Supplies	25.9	13.2	11.4	14.4
Utilities	0.4	0.3	0.4	0.3
Communications	3.5	3.4	3.6	3.5
Repairs and Maintenance	3.3	7.4	5.8	8.1
Rentals and Leases	2.8	2.5	2.8	2.8
Printing and Reproduction	0.3	0.1	0.3	0.1
Impairment of Capital Assets	25.8	-	25.8	-
Insurance Costs/Premiums	24.6	21.2	10.5	23.2
Claims and Losses	104.5	26.2	65.5	28.6
Scholarships and Fellowships	1.1	1.0	1.5	1.1
Depreciation and Amortization	22.4	15.5	23.8	16.7
State Sponsored Program Pass-Through to Other State Agencies	4.8	4.6	4.4	4.8
Other Operating Expenses	1.7	1.2	1.7	1.3
Interest Expense	32.7	27.7	31.6	30.3
Total Expenses (Excluding OPEB & Pension Expense)	355.0	224.0	(16.0)	(78.4)
OPEB Expense	773.0	609.4	664.8	664.8
Pension Expense	536.1	739.1	584.8	806.3
Total Expenses (Including OPEB & Pension Expense)	\$ 1,664.1	1,572.6	1,233.7	1,392.8



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.

Materials and Supplies – decrease of \$12.7 million due to the timing of Microsoft Agreement revenue received and corresponding service department elimination, as well as Oracle Maintenance Agreement software licenses reclassified to repairs and maintenance. An increase in computer software expenses for Systemwide expenses partially offset the decrease.

Impairment of Capital Assets – decrease of \$25.8 million related to prior year software impairments for Project DOC and TEx 2.0.

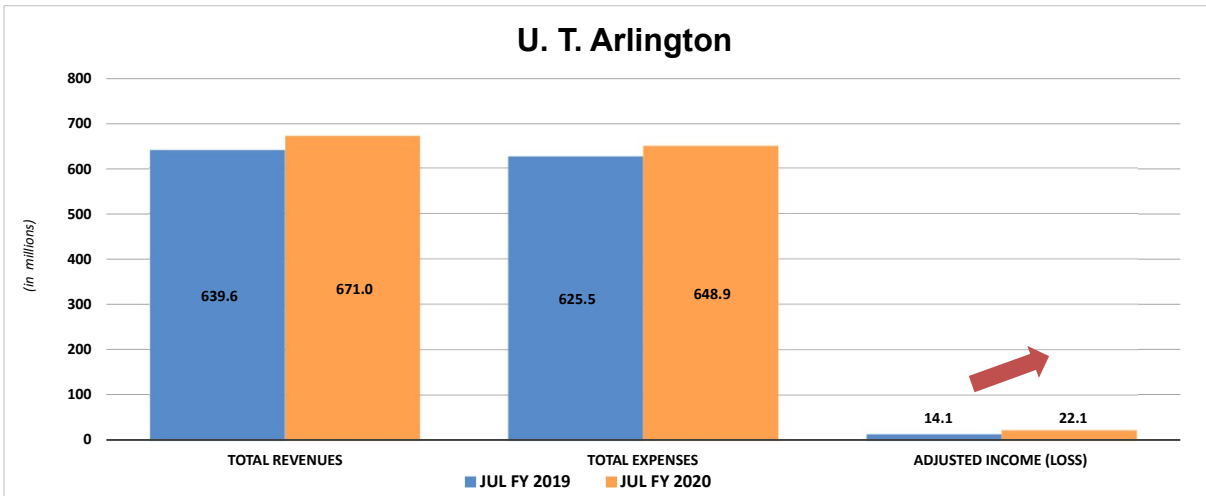
Claims and Losses – decrease of \$78.3 million as a result of the service department elimination.

Depreciation and Amortization – decrease of \$6.9 million due to PeopleSoft being fully depreciated in April 2019 and TEx 2.0 being written off in July 2019.

Monthly Financial Report

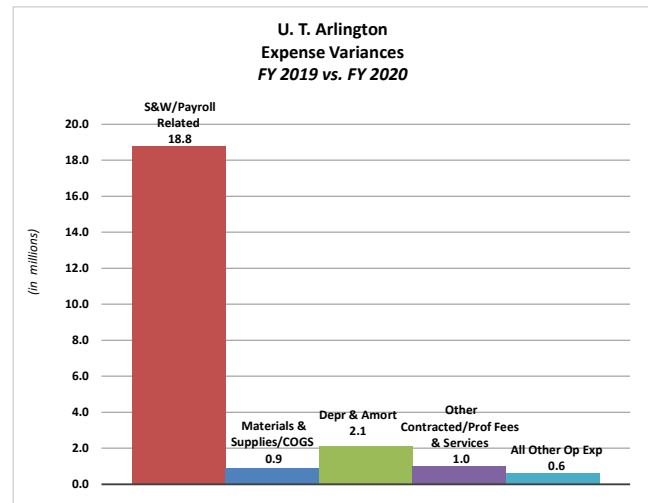
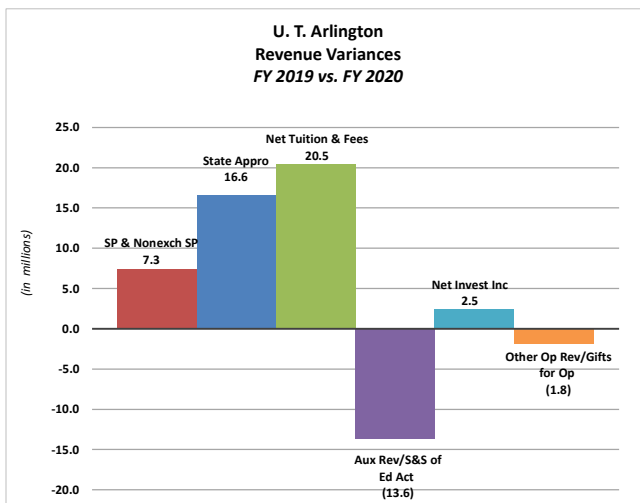
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Arlington reported year-to-date adjusted income of \$22.1 million, an increase of \$8.0 million (57%) from the prior year. The increase was primarily attributable to the following: an increase in net student tuition and fees due to an increase tuition rates, as well as an increase in summer enrollment; and an increase in state appropriations as a result of additional General Revenue funds awarded by the state. *U. T. Arlington* estimated a total of \$8.0 million of nonmandatory student fees for housing, meal plans, and student parking would be refunded in 2020 due to COVID-19. For the period ending July 31, 2020, *U. T. Arlington* refunded \$6.7 million of those fees. The most current projection received from *U. T. Arlington* reflects income of \$21.9 million for the year.

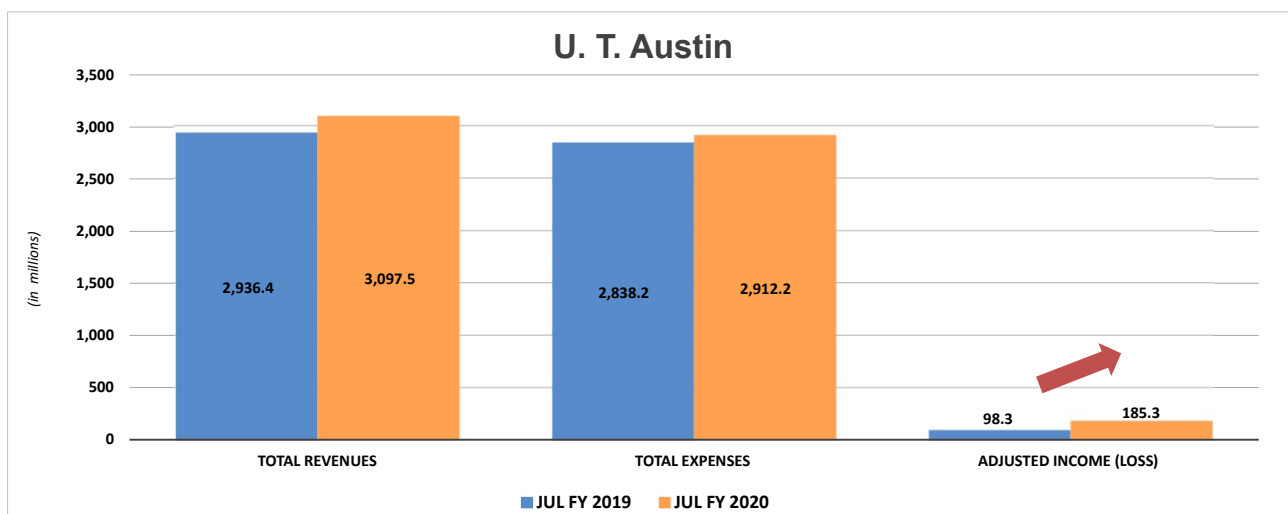
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 135.4	142.7	7.3	156.4
State Appropriations	109.9	126.5	16.6	136.8
Net Tuition and Fees	290.0	310.5	20.5	337.7
Auxiliary Revenues/Sales & Services of Educational Activities	67.6	54.0	(13.6)	69.7
Net Investment Income	21.2	23.7	2.5	25.2
Other Operating Revenues/Gift Contributions for Operations	15.5	13.7	(1.8)	15.3
Total Revenues	639.6	671.0	31.4	741.0
Salaries and Wages/Payroll Related Costs	344.8	363.6	18.8	397.7
Materials and Supplies/Cost of Goods Sold	31.1	32.0	0.9	35.6
Depreciation and Amortization	50.4	52.5	2.1	57.9
Other Contracted Services/Professional Fees & Services	82.9	83.9	1.0	93.1
All Other Operating Expenses	116.2	116.9	0.6	134.7
Total Expenses	\$ 625.5	648.9	23.4	719.1
Adjusted Income (Loss)	14.1	22.1	8.0	21.9
Adjusted Income (Loss) Excluding Depr & Amort Exp	64.5	74.6	10.1	79.9



Monthly Financial Report

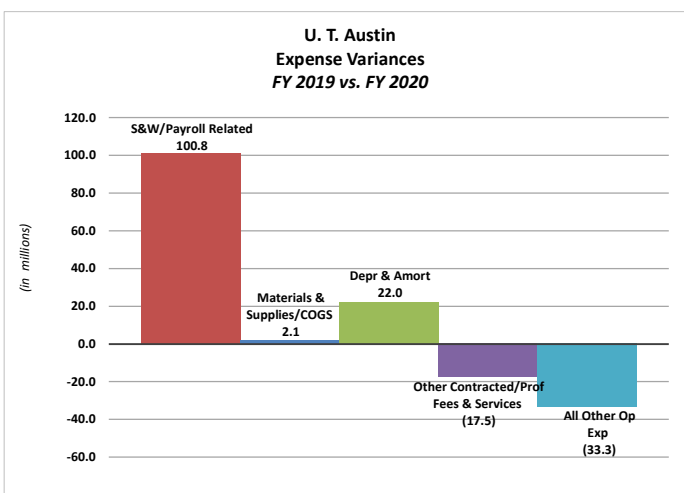
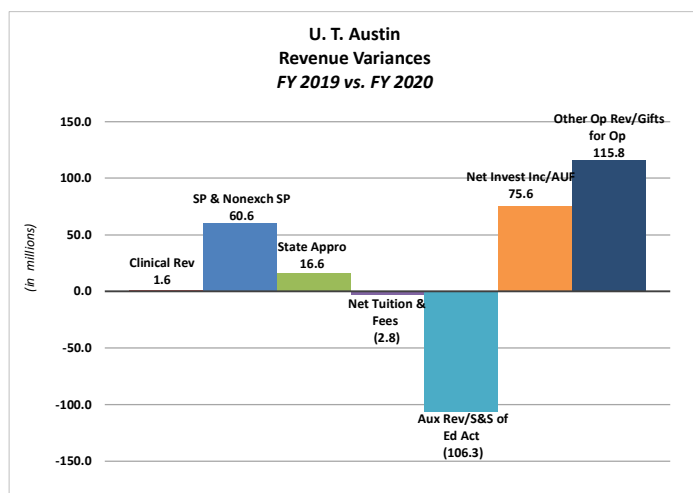
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Austin reported year-to-date adjusted income of \$185.3 million, an increase of \$87.1 million (89%) 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. *U. T. Austin* estimated a total of \$26.1 million of nonmandatory student fees for housing, meal plans, and student parking would be refunded in 2020 due to COVID-19. For the period ending July 31, 2020, *U. T. Austin* refunded \$23.4 million of those fees. The most current projection received from *U. T. Austin* reflects income of \$240.8 million for the year.

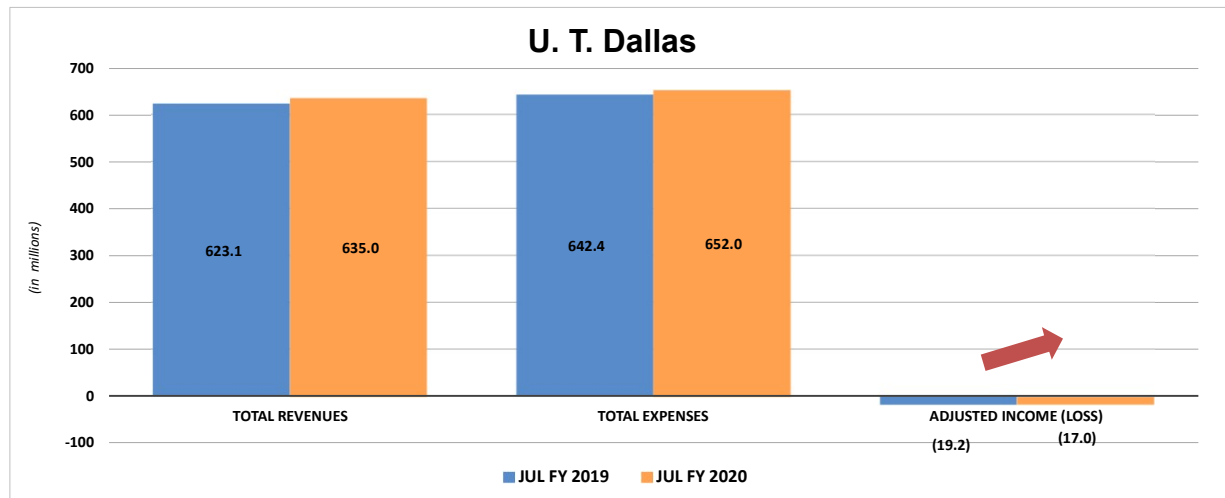
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 5.5	7.0	1.6	7.8
Sponsored Programs/Nonexchange Sponsored Programs	609.7	670.3	60.6	769.5
State Appropriations	308.5	325.1	16.6	354.6
Net Tuition and Fees	476.7	473.9	(2.8)	519.0
Auxiliary Revenues/Sales & Services of Educational Activities	742.4	636.1	(106.3)	557.6
Net Investment Income/Available University Fund (AUF)	621.2	696.8	75.6	758.1
Other Operating Revenues/Gift Contributions for Operations	172.4	288.3	115.8	321.3
Total Revenues	2,936.4	3,097.5	161.1	3,287.9
Salaries and Wages/Payroll Related Costs	1,630.3	1,731.1	100.8	1,796.6
Materials and Supplies/Cost of Goods Sold	153.0	155.1	2.1	138.6
Depreciation and Amortization	287.8	309.8	22.0	338.0
Other Contracted Services/Professional Fees & Services	189.3	171.8	(17.5)	190.0
All Other Operating Expenses	577.7	544.4	(33.3)	583.9
Total Expenses	\$ 2,838.2	2,912.2	74.0	3,047.1
Adjusted Income (Loss)	98.3	185.3	87.1	240.8
Adjusted Income (Loss) Excluding Depr & Amort Exp	386.1	495.2	109.1	578.8



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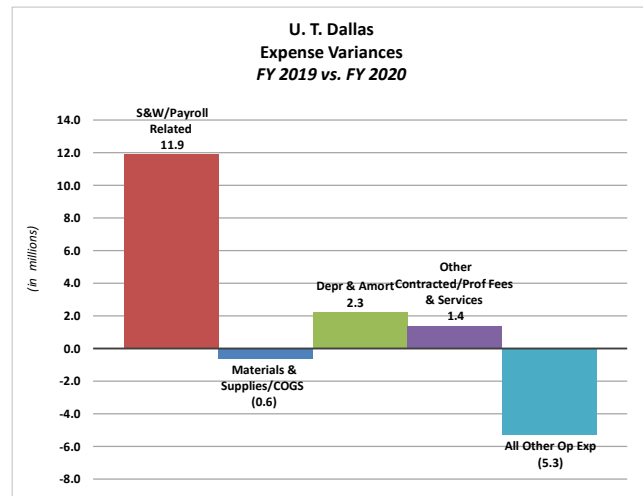
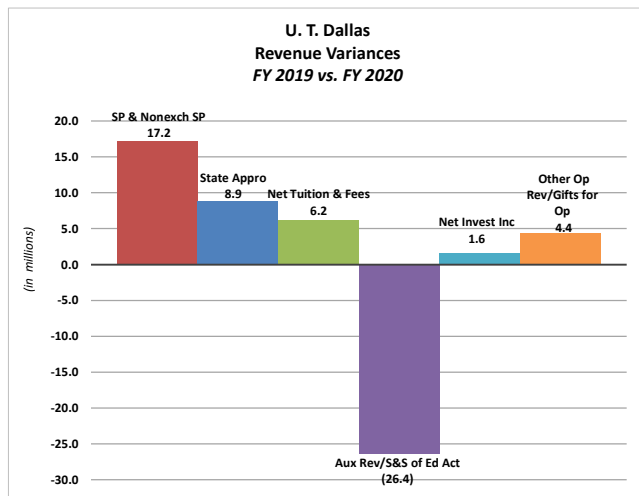
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Dallas incurred a year-to-date adjusted loss of \$17.0 million, a decrease in adjusted loss of \$2.3 million (12%) from the prior year. The decrease was primarily attributable to the following: an increase in state appropriations due to additional General Revenue funds awarded by the state; an increase in net student tuition and fees as a result of an increase in summer enrollment; and an increase in gift contributions for operations. *U. T. Dallas* estimated a total of \$8.5 million of nonmandatory student fees for housing, meal plans, and student parking would be refunded in 2020 as a result of COVID-19. For the period ending July 31, 2020, *U. T. Dallas* refunded \$7.6 million of those fees. The most current projection received from *U. T. Dallas* reflects a loss of \$18.5 million for the year.

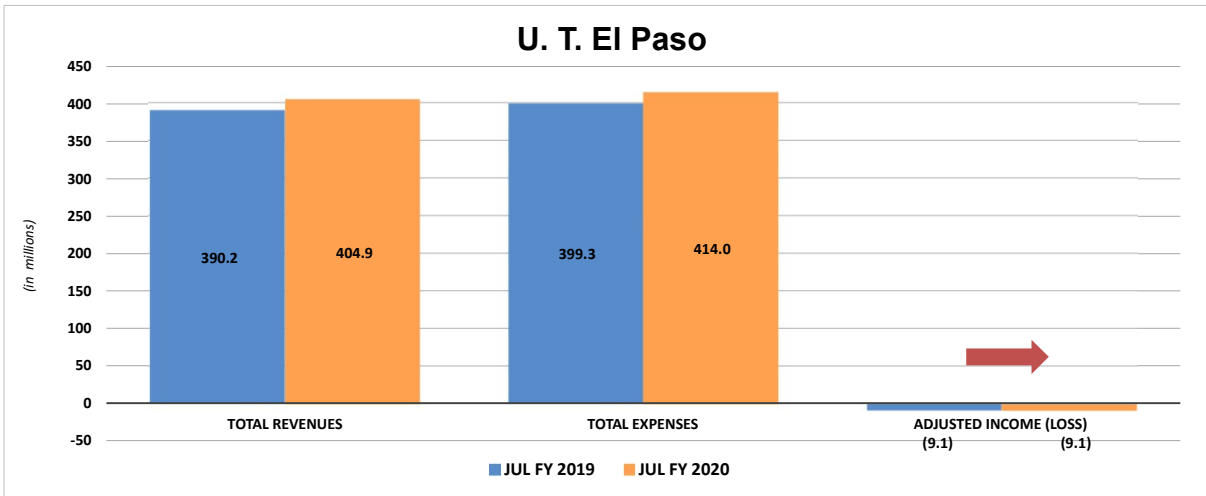
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 99.4	116.6	17.2	127.2
State Appropriations	104.9	113.7	8.9	124.1
Net Tuition and Fees	280.9	287.0	6.2	313.1
Auxiliary Revenues/Sales & Services of Educational Activities	93.3	66.9	(26.4)	73.0
Net Investment Income	29.2	30.8	1.6	33.6
Other Operating Revenues/Gift Contributions for Operations	15.5	19.9	4.4	21.7
Total Revenues	623.1	635.0	11.9	692.8
Salaries and Wages/Payroll Related Costs	366.9	378.8	11.9	413.3
Materials and Supplies/Cost of Goods Sold	30.4	29.7	(0.6)	32.4
Depreciation and Amortization	75.2	77.4	2.3	84.4
Other Contracted Services/Professional Fees & Services	31.5	32.8	1.4	35.8
All Other Operating Expenses	138.5	133.2	(5.3)	145.3
Total Expenses	\$ 642.4	652.0	9.6	711.3
Adjusted Income (Loss)	(19.2)	(17.0)	2.3	(18.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	55.9	60.4	4.5	65.9



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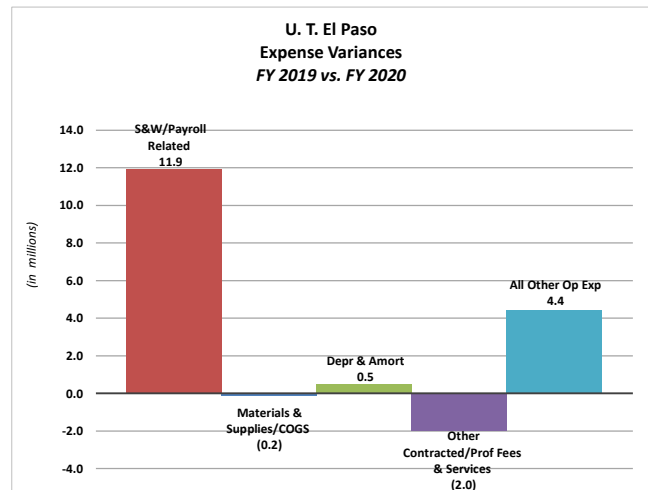
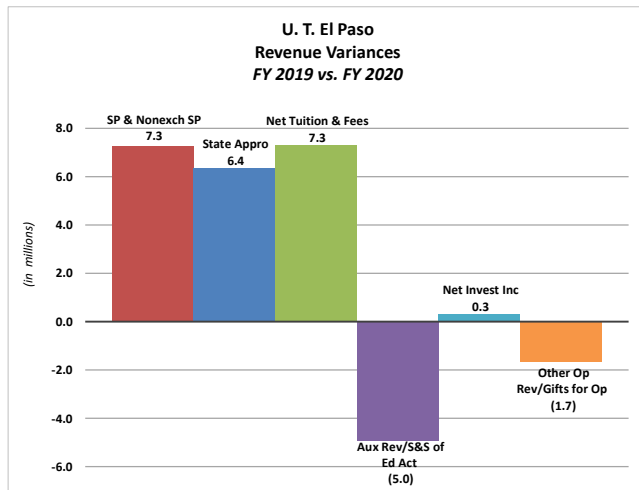
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. El Paso incurred a year-to-date adjusted loss of \$9.1 million, which equaled the adjusted loss from the prior year. While operating expenses increased primarily due to an increase in salaries and wages and payroll related costs attributable to increased faculty levels and merit increases, these higher expenses were largely offset by an increase in net student tuition and fees attributable to an increase in designated tuition and an increase in state appropriations due to additional General Revenue funds awarded by the state. *U. T. El Paso* estimated a total of \$1.3 million of nonmandatory student fees for housing, meal plans, and student parking would be refunded in 2020 due to COVID-19. For the period ending July 31, 2020, *U. T. El Paso* refunded \$0.8 million of those fees. The most current projection received from *U. T. El Paso* reflects a loss of \$11.3 million for the year.

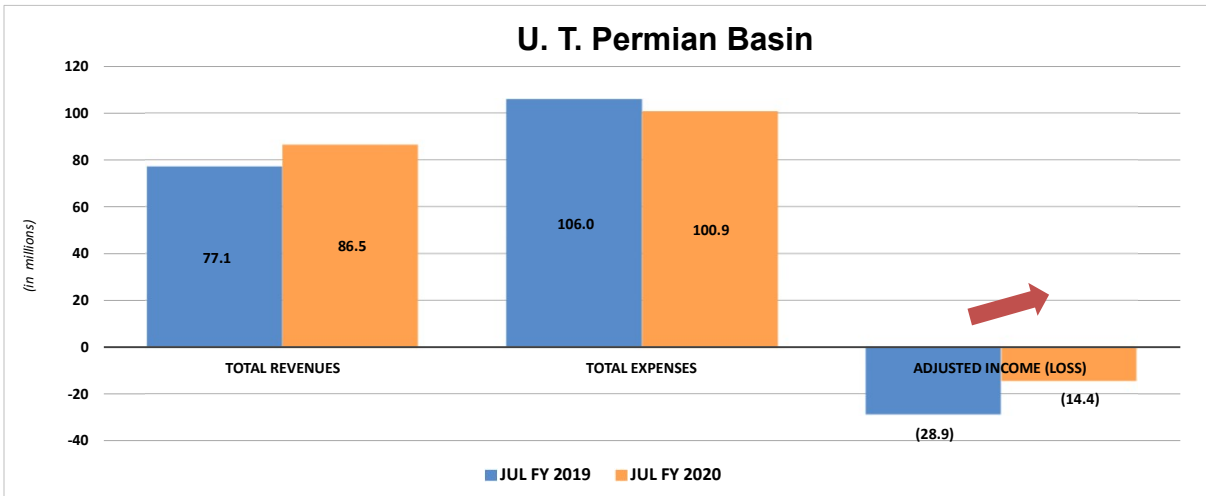
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 112.6	119.8	7.3	156.2
State Appropriations	88.7	95.0	6.4	102.5
Net Tuition and Fees	129.1	136.4	7.3	147.9
Auxiliary Revenues/Sales & Services of Educational Activities	39.8	34.8	(5.0)	37.4
Net Investment Income	14.8	15.1	0.3	16.6
Other Operating Revenues/Gift Contributions for Operations	5.3	3.6	(1.7)	5.0
Total Revenues	390.2	404.9	14.6	465.6
Salaries and Wages/Payroll Related Costs	231.2	243.2	11.9	259.9
Materials and Supplies/Cost of Goods Sold	17.8	17.6	(0.2)	22.2
Depreciation and Amortization	27.5	27.9	0.5	32.0
Other Contracted Services/Professional Fees & Services	29.6	27.6	(2.0)	32.2
All Other Operating Expenses	93.2	97.7	4.4	130.6
Total Expenses	\$ 399.3	414.0	14.7	476.9
Adjusted Income (Loss)	(9.1)	(9.1)	(0.0)	(11.3)
Adjusted Income (Loss) Excluding Depr & Amort Exp	18.4	18.8	0.4	20.6



Monthly Financial Report

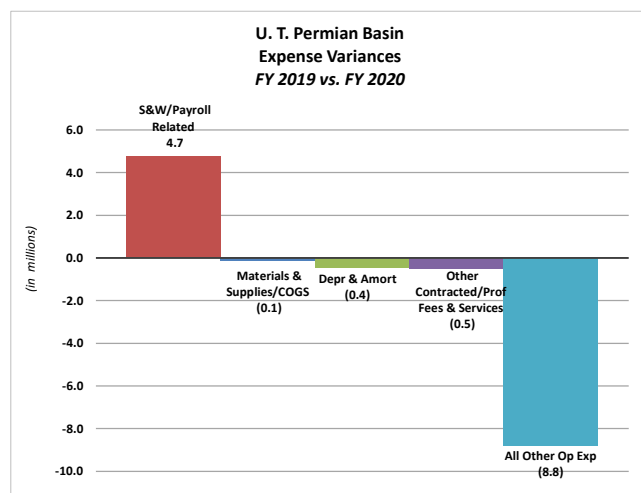
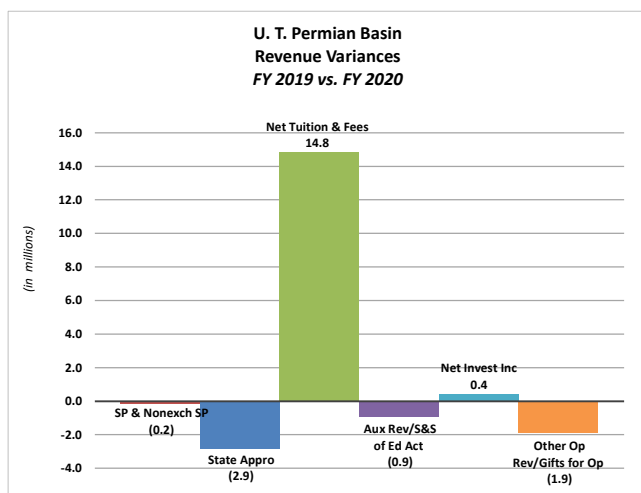
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Permian Basin incurred a year-to-date adjusted loss of \$14.4 million, a decrease in adjusted loss of \$14.5 million (50%) from the prior year. The decrease was primarily attributable an increase in net student tuition and fees due to the understatement of prior year revenue. *U. T. Permian Basin* estimated a total of \$1.2 million of nonmandatory student fees for housing, meal plans, and student parking would be refunded in 2020 as a result of COVID-19. For the period ending July 31, 2020, *U. T. Permian Basin* refunded \$1.1 million of those fees. The most current projection received from *U. T. Permian Basin* reflects income of \$0.1 million for the year due to correcting entries identified in the 2019 audit that need to be made to the general ledger.

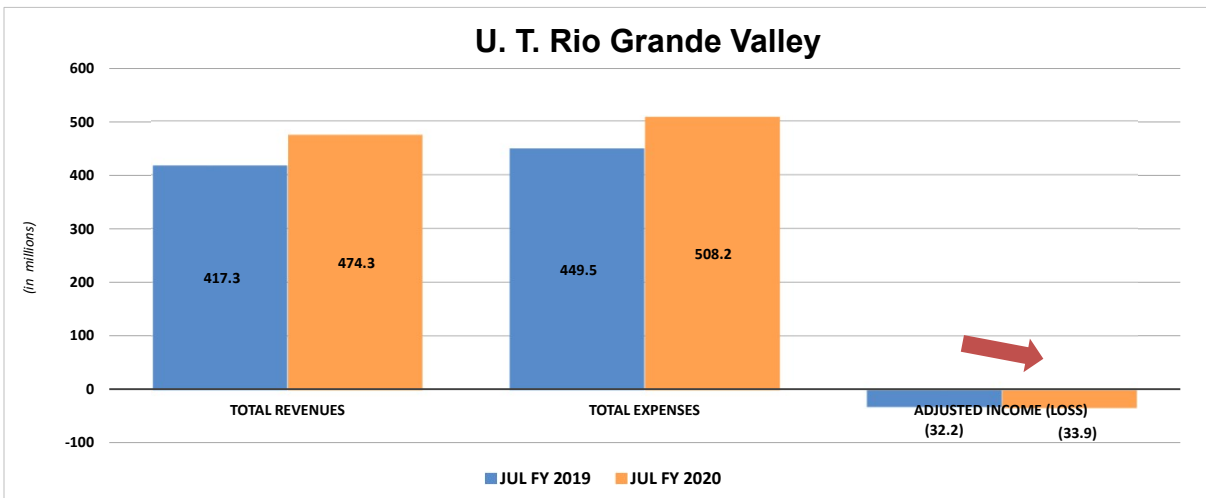
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 32.5	32.4	(0.2)	35.3
State Appropriations	23.0	20.1	(2.9)	21.9
Net Tuition and Fees	6.8	21.6	14.8	53.3
Auxiliary Revenues/Sales & Services of Educational Activities	5.9	4.9	(0.9)	9.0
Net Investment Income	2.0	2.4	0.4	2.6
Other Operating Revenues/Gift Contributions for Operations	7.0	5.1	(1.9)	5.5
Total Revenues	77.1	86.5	9.4	127.7
Salaries and Wages/Payroll Related Costs	45.1	49.9	4.7	53.9
Materials and Supplies/Cost of Goods Sold	5.9	5.7	(0.1)	6.0
Depreciation and Amortization	17.4	17.0	(0.4)	18.5
Other Contracted Services/Professional Fees & Services	11.6	11.1	(0.5)	12.0
All Other Operating Expenses	26.0	17.2	(8.8)	37.1
Total Expenses	\$ 106.0	100.9	(5.1)	127.5
Adjusted Income (Loss)	(28.9)	(14.4)	14.5	0.1
Adjusted Income (Loss) Excluding Depr & Amort Exp	(11.5)	2.6	14.0	18.6



Monthly Financial Report

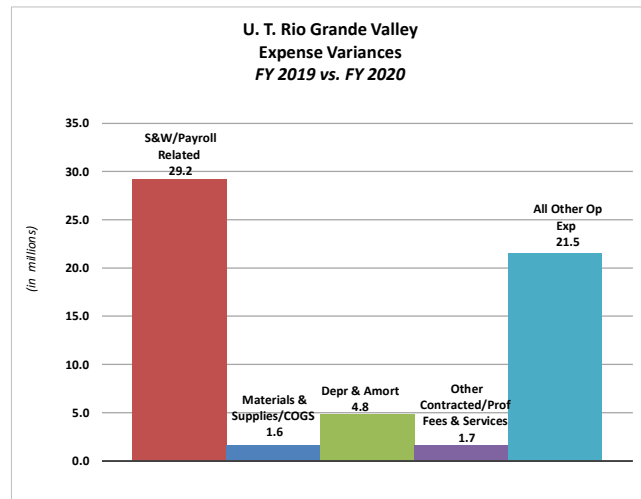
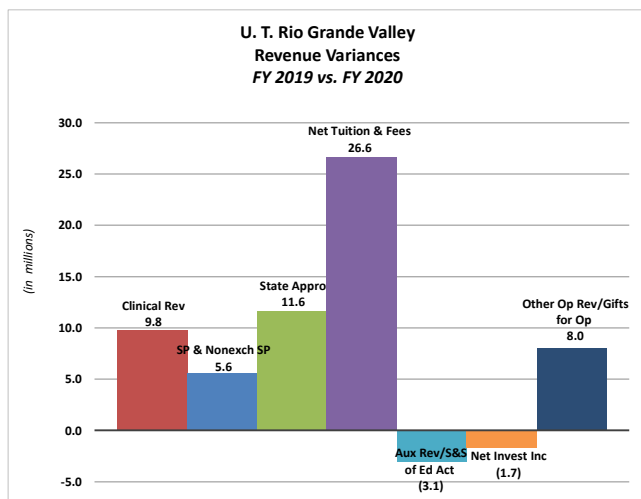
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$33.9 million, an increase in adjusted loss of \$1.8 million (5%) 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; an increase in scholarships and fellowships due to additional CARES Act and COVID-19 related institutionally funded scholarships, as well as increased enrollment; and an increase in depreciation and amortization expense attributable to new buildings placed into service. *U. T. Rio Grande Valley* estimated a total of \$1.7 million of nonmandatory student fees for housing, meal plans, and student parking would be refunded in 2020 as a result of COVID-19. For the period ending July 31, 2020, *U. T. Rio Grande Valley* refunded \$1.6 million of those fees. The most current projection received from *U. T. Rio Grande Valley* reflects a loss of \$23.6 million for the year.

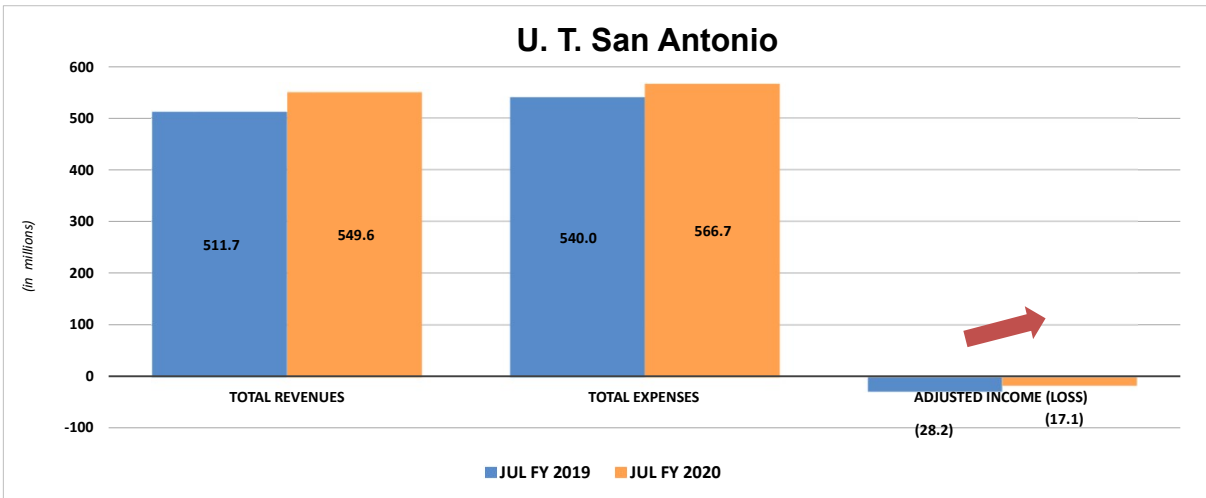
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 4.2	13.9	9.8	15.9
Sponsored Programs/Nonexchange Sponsored Programs	162.1	167.8	5.6	240.4
State Appropriations	119.3	130.9	11.6	140.8
Net Tuition and Fees	90.6	117.2	26.6	127.9
Auxiliary Revenues/Sales & Services of Educational Activities	15.7	12.6	(3.1)	13.2
Net Investment Income	9.6	7.9	(1.7)	8.5
Other Operating Revenues/Gift Contributions for Operations	15.9	23.9	8.0	24.9
Total Revenues	417.3	474.3	56.9	571.5
Salaries and Wages/Payroll Related Costs	301.7	330.9	29.2	359.6
Materials and Supplies/Cost of Goods Sold	18.2	19.8	1.6	21.5
Depreciation and Amortization	41.8	46.6	4.8	52.1
Other Contracted Services/Professional Fees & Services	15.8	17.5	1.7	19.7
All Other Operating Expenses	71.9	93.4	21.5	142.2
Total Expenses	449.5	508.2	58.7	595.1
Adjusted Income (Loss)	(32.2)	(33.9)	(1.8)	(23.6)
Adjusted Income (Loss) Excluding Depr & Amort Exp	9.6	12.7	3.1	28.5



Monthly Financial Report

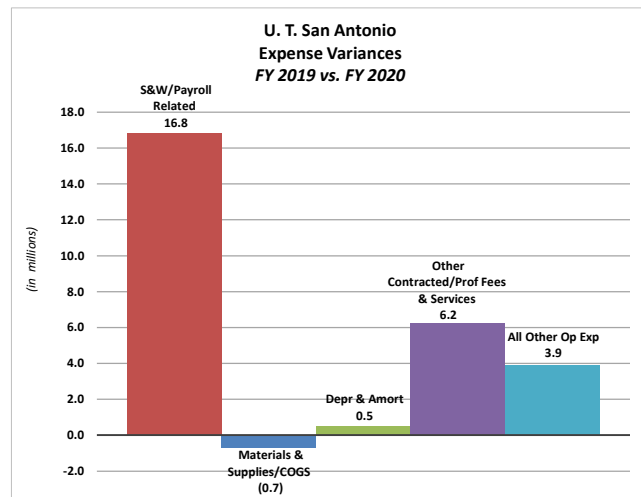
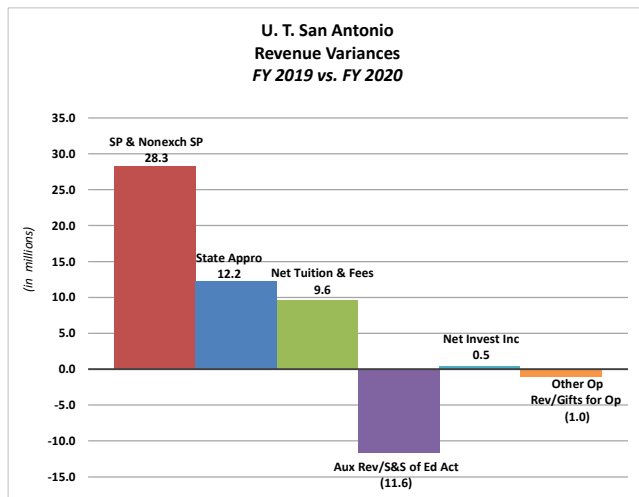
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. San Antonio incurred a year-to-date adjusted loss of \$17.1 million, a decrease in adjusted loss of \$11.1 million (39%) from the prior year. The decrease was primarily attributable to the following: an increase in state appropriations as a result of additional General Revenue funds awarded by the state; and an increase in net student tuition and fees attributable to fewer class days in the prior year. *U. T. San Antonio* estimated a total of \$10.0 million of nonmandatory student fees for housing, meal plans, and student parking would be refunded in 2020 as a result of COVID-19. For the period ending July 31, 2020, *U. T. San Antonio* refunded \$9.4 million of those fees. The most current projection received from *U. T. San Antonio* reflects a loss of \$20.4 million for the year.

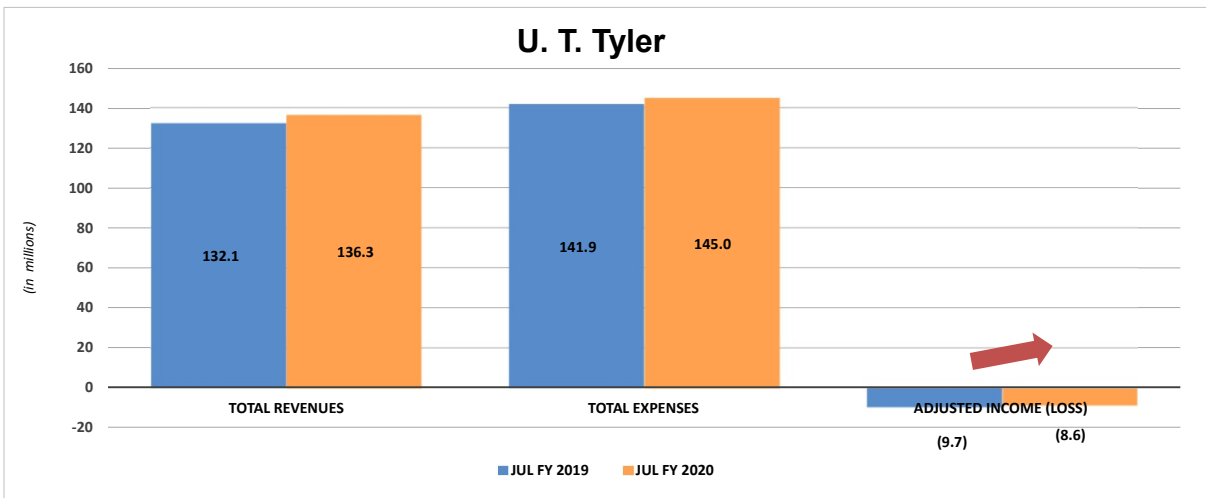
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 128.0	156.2	28.3	170.4
State Appropriations	106.7	119.0	12.2	129.8
Net Tuition and Fees	191.6	201.1	9.6	219.4
Auxiliary Revenues/Sales & Services of Educational Activities	55.5	43.9	(11.6)	47.9
Net Investment Income	20.6	21.0	0.5	20.9
Other Operating Revenues/Gift Contributions for Operations	9.4	8.3	(1.0)	9.2
Total Revenues	511.7	549.6	37.8	597.7
Salaries and Wages/Payroll Related Costs	309.8	326.6	16.8	356.5
Materials and Supplies/Cost of Goods Sold	27.3	26.6	(0.7)	27.8
Depreciation and Amortization	45.7	46.2	0.5	50.4
Other Contracted Services/Professional Fees & Services	28.8	35.0	6.2	39.2
All Other Operating Expenses	128.4	132.3	3.9	144.2
Total Expenses	\$ 540.0	566.7	26.7	618.1
Adjusted Income (Loss)	(28.2)	(17.1)	11.1	(20.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	17.5	29.1	11.6	30.0



Monthly Financial Report

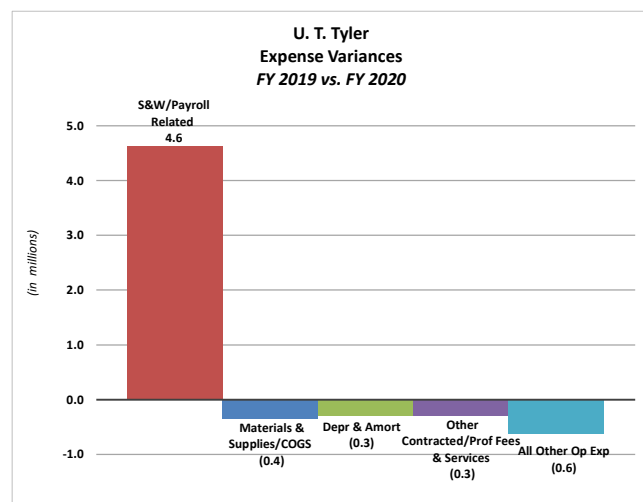
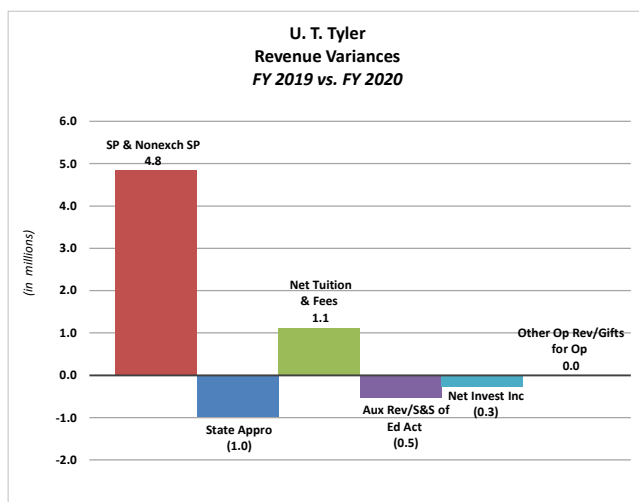
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Tyler incurred a year-to-date adjusted loss of \$8.6 million, a decrease in adjusted loss of \$1.1 million (11%) from the prior year. The decrease was primarily due to the following: an increase in nonexchange sponsored programs attributable to CARES Act Relief funds; and an increase in net student tuition and fees as a result of an increase in designated tuition rates. *U. T. Tyler* estimated a total of \$3.0 million of nonmandatory student fees for housing, meal plans, and student parking would be refunded in 2020 as a result of COVID-19. For the period ending July 31, 2020, *U. T. Tyler* refunded \$1.7 million of those fees. The most current projection received from *U. T. Tyler* reflects a loss of \$11.5 million for the year.

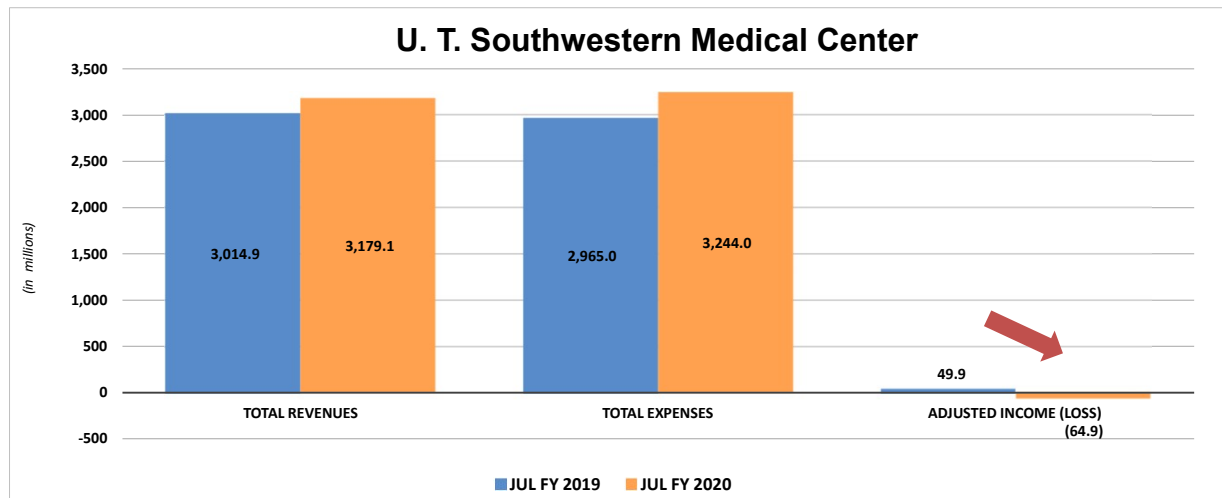
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Sponsored Programs/Nonexchange Sponsored Programs	\$ 22.3	27.1	4.8	31.6
State Appropriations	31.5	30.5	(1.0)	33.2
Net Tuition and Fees	49.9	51.0	1.1	56.4
Auxiliary Revenues/Sales & Services of Educational Activities	21.3	20.8	(0.5)	21.0
Net Investment Income	5.2	4.9	(0.3)	6.2
Other Operating Revenues/Gift Contributions for Operations	2.0	2.0	0.0	2.4
Total Revenues	132.1	136.3	4.2	150.9
Salaries and Wages/Payroll Related Costs	82.6	87.2	4.6	94.0
Materials and Supplies/Cost of Goods Sold	8.8	8.5	(0.4)	10.1
Depreciation and Amortization	16.0	15.7	(0.3)	17.1
Other Contracted Services/Professional Fees & Services	10.2	9.9	(0.3)	12.3
All Other Operating Expenses	24.3	23.6	(0.6)	28.9
Total Expenses	\$ 141.9	145.0	3.1	162.4
Adjusted Income (Loss)	(9.7)	(8.6)	1.1	(11.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	6.3	7.1	0.8	5.6



Monthly Financial Report

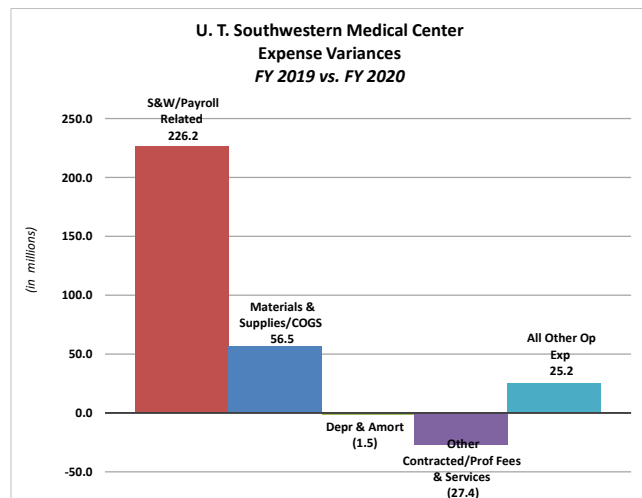
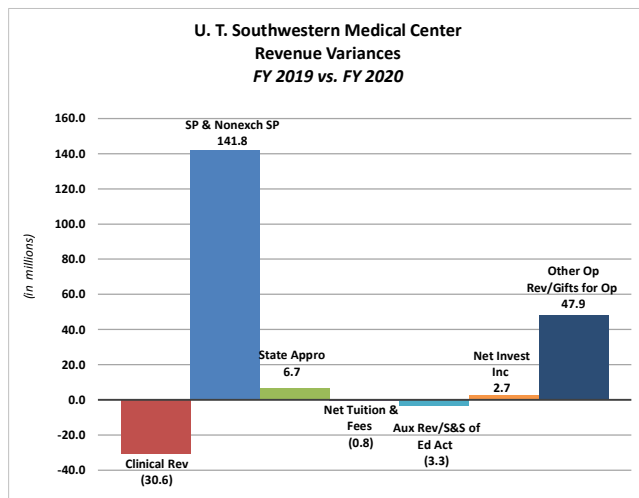
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Southwestern Medical Center incurred a year-to-date adjusted loss of \$64.9 million, a decrease of \$114.7 million (230%) 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; an increase in materials and supplies primarily due to increased drugs and medical supplies driven by patient volumes and patient acuity; and a decrease in clinical revenues due to COVID-19 restrictions on patient visits partially offset by \$42.4 million of CARES Act Relief Funds in nonexchange sponsored programs. The most current projection received from *U. T. Southwestern Medical Center* reflects a loss of \$55.2 million for the year.

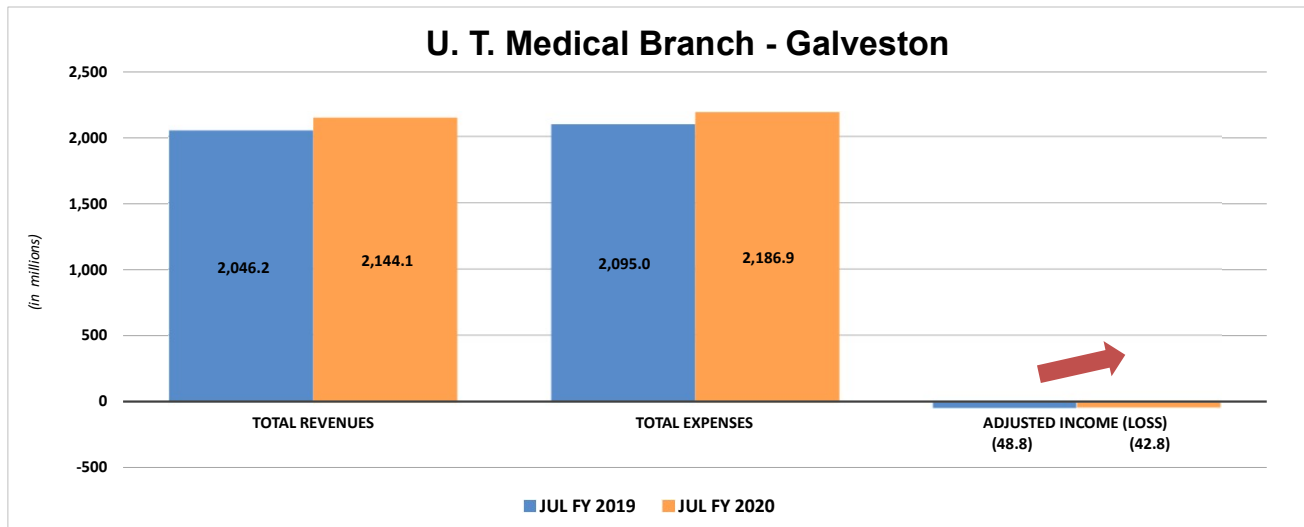
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 1,988.6	1,958.0	(30.6)	2,143.9
Sponsored Programs/Nonexchange Sponsored Programs	539.3	681.1	141.8	736.4
State Appropriations	160.2	166.8	6.7	182.3
Net Tuition and Fees	24.8	24.0	(0.8)	26.3
Auxiliary Revenues/Sales & Services of Educational Activities	29.8	26.5	(3.3)	31.0
Net Investment Income	117.6	120.2	2.7	129.7
Other Operating Revenues/Gift Contributions for Operations	154.6	202.5	47.9	221.3
Total Revenues	3,014.9	3,179.1	164.2	3,470.9
Salaries and Wages/Payroll Related Costs	1,828.9	2,055.1	226.2	2,226.5
Materials and Supplies/Cost of Goods Sold	558.4	615.0	56.5	667.7
Depreciation and Amortization	167.4	165.9	(1.5)	182.1
Other Contracted Services/Professional Fees & Services	220.1	192.7	(27.4)	206.2
All Other Operating Expenses	190.2	215.4	25.2	243.6
Total Expenses	\$ 2,965.0	3,244.0	279.0	3,526.1
Adjusted Income (Loss)	49.9	(64.9)	(114.7)	(55.2)
Adjusted Income (Loss) Excluding Depr & Amort Exp	217.2	101.0	(116.2)	126.9



Monthly Financial Report

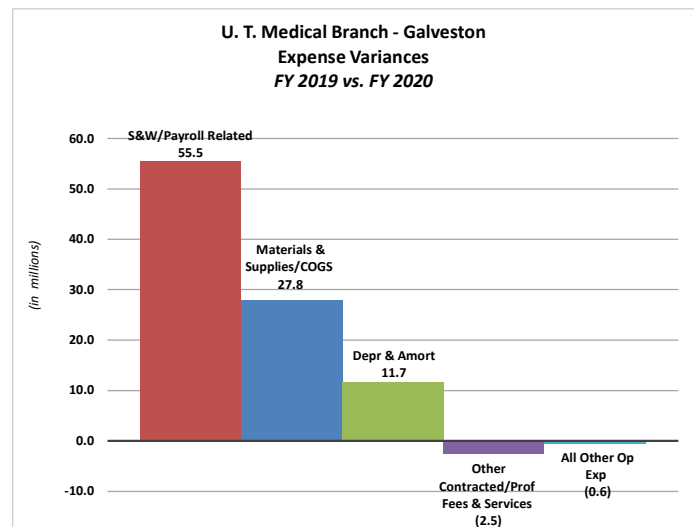
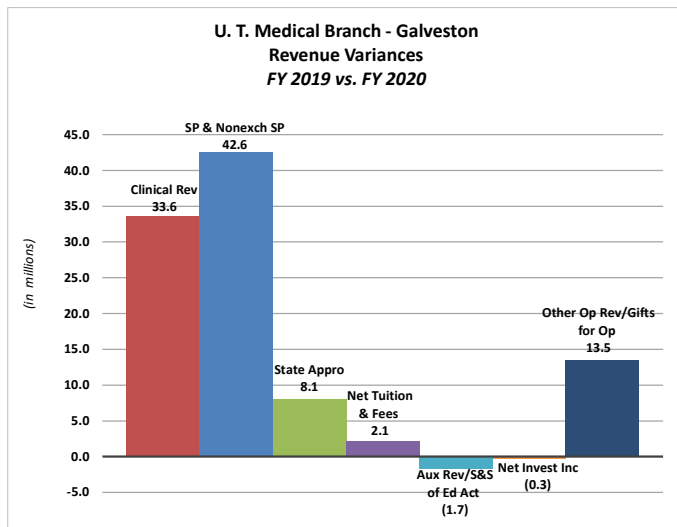
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Medical Branch - Galveston incurred a year-to-date adjusted loss of \$42.8 million, a decrease in adjusted loss of \$6.0 million (12%) from the prior year. The decrease was primarily due to the following: an increase in clinical revenues attributable to the addition of the Clear Lake Campus; and an increase in other operating revenues due to an increase in Delivery System Reform Incentive Payment (DSRIP) revenues. For the period ending July 31, 2020, *U. T. Medical Branch - Galveston* reported \$41.7 million of CARES Act Relief Funds in nonexchange sponsored programs. While *U. T. Medical Branch - Galveston* is showing improvement in clinical revenues, July results were negatively impacted by COVID-19. The most current projection received from *U. T. Medical Branch - Galveston* reflects a loss of \$34.6 million for the year.

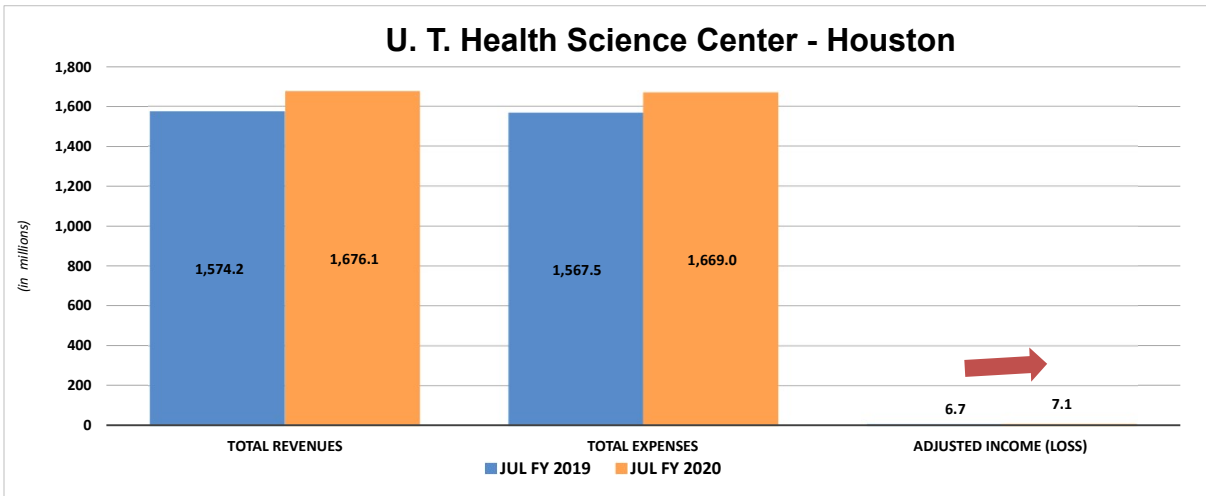
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 1,363.3	1,396.9	33.6	1,534.0
Sponsored Programs/Nonexchange Sponsored Programs	183.8	226.4	42.6	209.0
State Appropriations	323.3	331.4	8.1	361.3
Net Tuition and Fees	39.9	42.0	2.1	46.3
Auxiliary Revenues/Sales & Services of Educational Activities	26.5	24.8	(1.7)	28.3
Net Investment Income	57.7	57.4	(0.3)	63.9
Other Operating Revenues/Gift Contributions for Operations	51.8	65.2	13.5	126.7
Total Revenues	2,046.2	2,144.1	97.9	2,369.4
Salaries and Wages/Payroll Related Costs	1,275.3	1,330.8	55.5	1,449.3
Materials and Supplies/Cost of Goods Sold	258.0	285.8	27.8	320.3
Depreciation and Amortization	165.3	176.9	11.7	193.7
Other Contracted Services/Professional Fees & Services	187.7	185.2	(2.5)	207.7
All Other Operating Expenses	208.7	208.1	(0.6)	233.0
Total Expenses	\$ 2,095.0	2,186.9	91.9	2,404.0
Adjusted Income (Loss)	(48.8)	(42.8)	6.0	(34.6)
Adjusted Income (Loss) Excluding Depr & Amort Exp	116.5	134.2	17.7	159.2



Monthly Financial Report

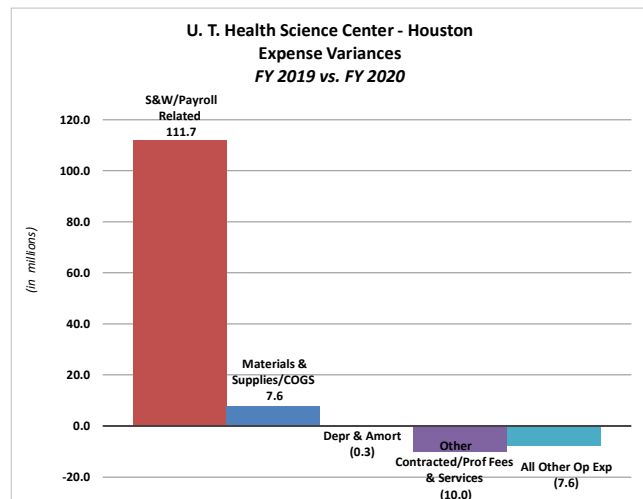
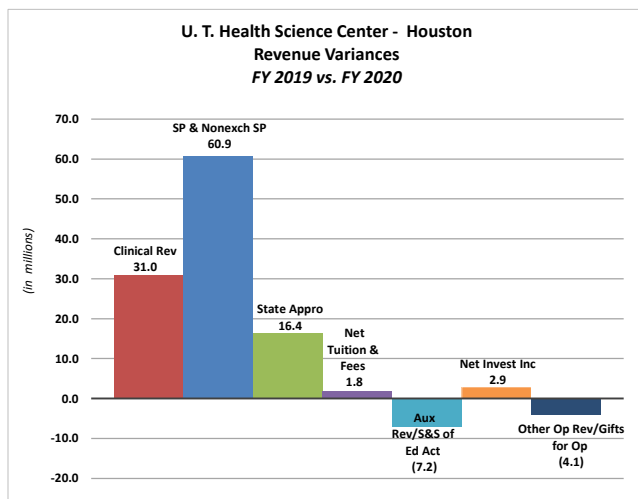
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Health Science Center - Houston reported year-to-date adjusted income of \$7.1 million, an increase of \$0.4 million (5%) from the prior year. The increase 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; an increase in clinical revenues primarily attributable to new patient revenue from neurosurgery combined with increases in uncompensated care revenue and productivity; and an increase in state appropriations as a result of additional General Revenue funds awarded by the state. For the period ending July 31, 2020, *U. T. Health Science Center - Houston* reported \$9.6 million of CARES Act Relief Funds primarily in nonexchange sponsored programs. While *U. T. Health Science Center - Houston* is showing improvement in clinical revenues, July results were negatively impacted by COVID-19. The most current projection received from *U. T. Health Science Center - Houston* reflects income of \$10.4 million for the year.

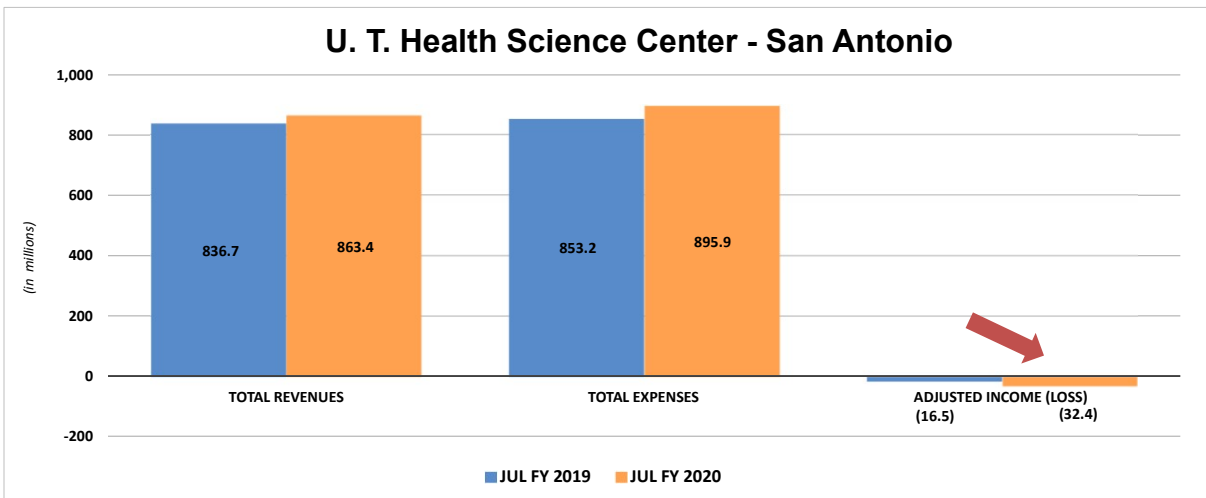
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 417.4	448.4	31.0	488.8
Sponsored Programs/Nonexchange Sponsored Programs	732.8	793.7	60.9	873.9
State Appropriations	181.8	198.2	16.4	216.3
Net Tuition and Fees	55.9	57.7	1.8	61.6
Auxiliary Revenues/Sales & Services of Educational Activities	66.7	59.5	(7.2)	60.1
Net Investment Income	44.5	47.4	2.9	59.1
Other Operating Revenues/Gift Contributions for Operations	75.2	71.1	(4.1)	93.9
Total Revenues	1,574.2	1,676.1	101.8	1,853.6
Salaries and Wages/Payroll Related Costs	1,152.1	1,263.9	111.7	1,391.7
Materials and Supplies/Cost of Goods Sold	82.0	89.5	7.6	97.9
Depreciation and Amortization	61.6	61.3	(0.3)	67.8
Other Contracted Services/Professional Fees & Services	126.0	116.0	(10.0)	132.0
All Other Operating Expenses	145.8	138.3	(7.6)	153.9
Total Expenses	\$ 1,567.5	1,669.0	101.5	1,843.3
Adjusted Income (Loss)	6.7	7.1	0.4	10.4
Adjusted Income (Loss) Excluding Depr & Amort Exp	68.3	68.4	0.1	78.2



Monthly Financial Report

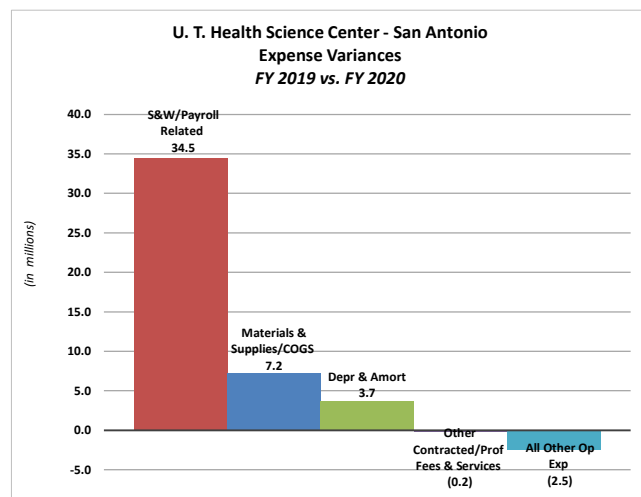
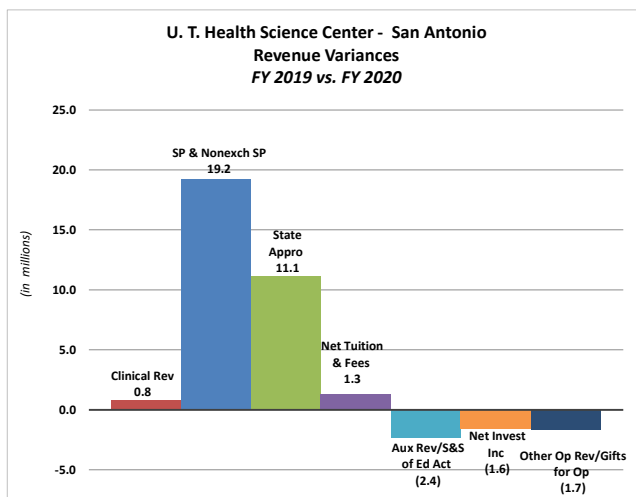
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Health Science Center - San Antonio incurred a year-to-date adjusted loss of \$32.4 million, an increase in adjusted loss of \$15.9 million (97%) 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; a decrease in gift contributions for operations as a result of a decline in pledges as compared to the prior year; and an increase in depreciation and amortization expense attributable to the completion of campus renovations. For the period ending July 31, 2020, *U. T. Health Science Center - San Antonio* reported \$4.9 million of CARES Act Relief Funds in nonexchange sponsored programs. While *U. T. Health Science Center - San Antonio* is showing a slight improvement in clinical revenues, July results were negatively impacted by COVID-19. The most current projection received from *U. T. Health Science Center - San Antonio* reflects a loss of \$38.1 million for the year.

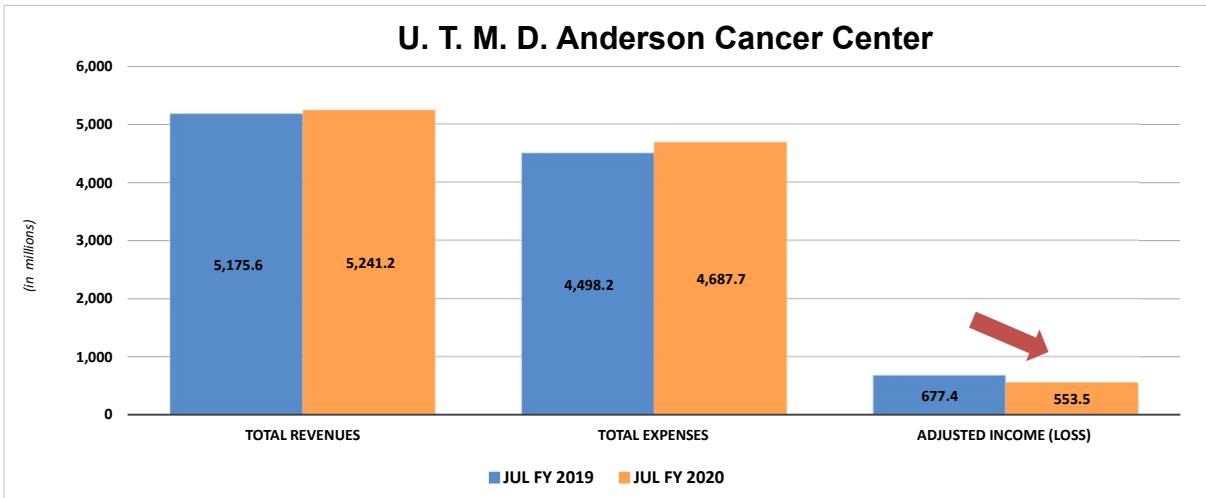
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 216.7	217.5	0.8	240.0
Sponsored Programs/Nonexchange Sponsored Programs	319.1	338.3	19.2	351.1
State Appropriations	144.1	155.2	11.1	169.3
Net Tuition and Fees	43.1	44.3	1.3	49.7
Auxiliary Revenues/Sales & Services of Educational Activities	30.5	28.1	(2.4)	30.6
Net Investment Income	41.8	40.2	(1.6)	42.6
Other Operating Revenues/Gift Contributions for Operations	41.5	39.8	(1.7)	42.9
Total Revenues	836.7	863.4	26.8	926.1
Salaries and Wages/Payroll Related Costs	568.7	603.2	34.5	661.1
Materials and Supplies/Cost of Goods Sold	81.9	89.2	7.2	93.3
Depreciation and Amortization	52.3	55.9	3.7	61.0
Other Contracted Services/Professional Fees & Services	54.6	54.4	(0.2)	54.9
All Other Operating Expenses	95.7	93.2	(2.5)	93.9
Total Expenses	853.2	895.9	42.7	964.2
Adjusted Income (Loss)	(16.5)	(32.4)	(15.9)	(38.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	35.7	23.5	(12.3)	22.9



Monthly Financial Report

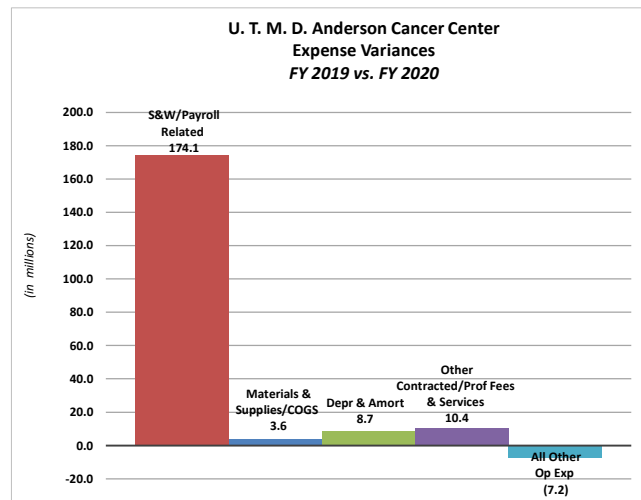
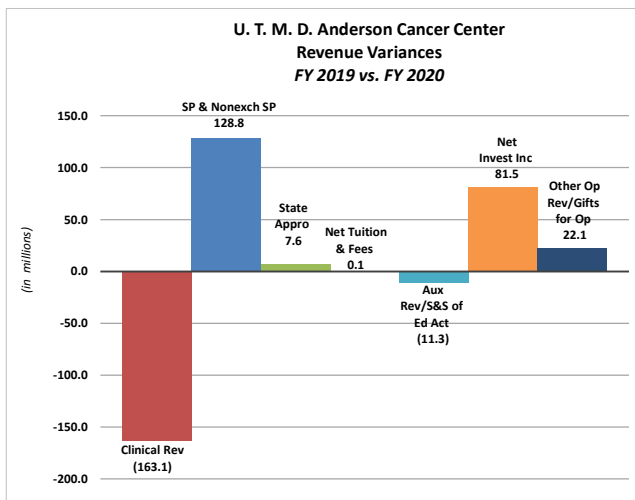
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$553.5 million, a decrease of \$123.9 million (18%) from the prior year. 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 a decrease in clinical revenues due to COVID-19 restrictions on patient visits partially offset by \$83.7 million of CARES Act Relief Funds in nonexchange sponsored programs. The most current projection received from U. T. M. D. Anderson Cancer Center reflects income of \$646.4 million for the year.

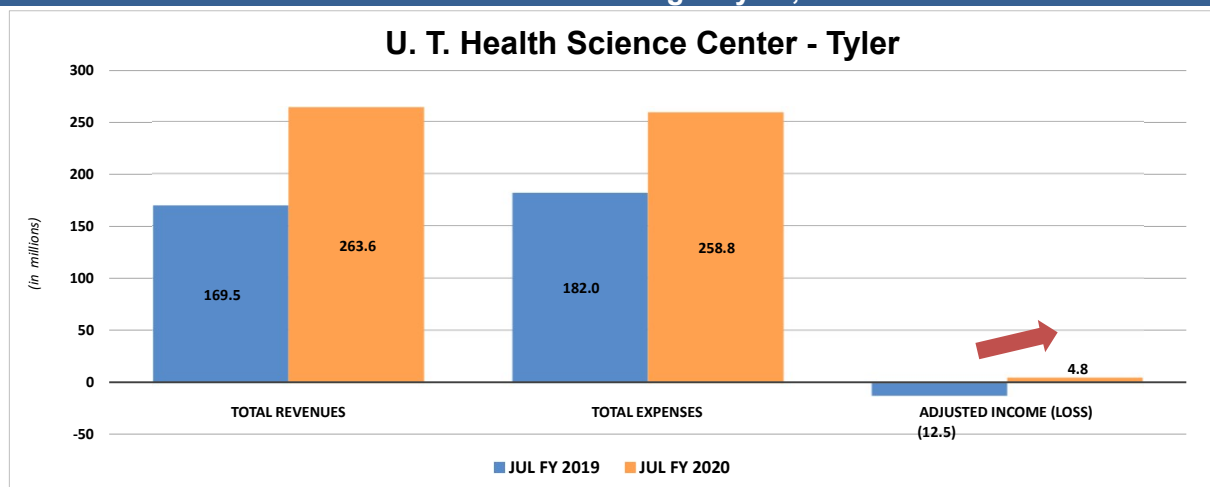
(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 4,157.7	3,994.6	(163.1)	4,359.2
Sponsored Programs/Nonexchange Sponsored Programs	352.9	481.7	128.8	543.2
State Appropriations	181.7	189.2	7.6	206.9
Net Tuition and Fees	1.8	1.9	0.1	2.0
Auxiliary Revenues/Sales & Services of Educational Activities	44.7	33.4	(11.3)	35.6
Net Investment Income	217.6	299.0	81.5	326.1
Other Operating Revenues/Gift Contributions for Operations	219.3	241.4	22.1	280.4
Total Revenues	5,175.6	5,241.2	65.6	5,753.3
Salaries and Wages/Payroll Related Costs	2,511.3	2,685.5	174.1	2,931.6
Materials and Supplies/Cost of Goods Sold	1,046.3	1,049.9	3.6	1,128.6
Depreciation and Amortization	325.9	334.6	8.7	370.8
Other Contracted Services/Professional Fees & Services	310.3	320.7	10.4	348.5
All Other Operating Expenses	304.4	297.2	(7.2)	327.5
Total Expenses	\$ 4,498.2	4,687.7	189.5	5,107.0
Adjusted Income (Loss)	677.4	553.5	(123.9)	646.4
Adjusted Income (Loss) Excluding Depr & Amort Exp	1,003.3	888.1	(115.2)	1,017.1



Monthly Financial Report

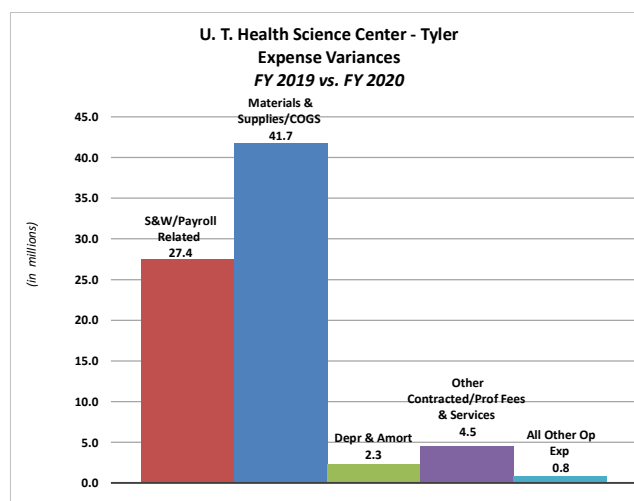
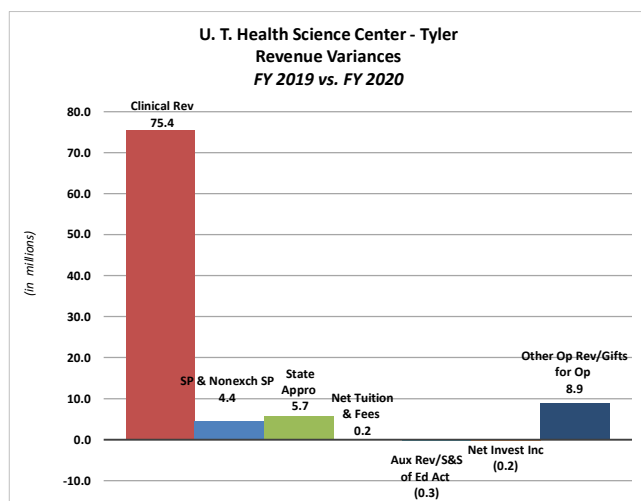
Comparison of Operating Results, Margin and Projected Year-End

For the Period Ending July 31, 2020



U. T. Health Science Center - Tyler reported year-to-date adjusted income of \$4.8 million, an increase of \$17.3 million (139%) from the prior year. The increase was primarily due to the following: an increase in clinical revenues related to the acquisition of the Hope Oncology practice; an increase in other operating revenues as a result of an increase in Delivery System Reform Incentive Payment (DSRIP) revenues; and an increase in gift contributions for operations attributable to the recently announced medical school initiative. For the period ending July 31, 2020, *U. T. Health Science Center - Tyler* reported \$3.8 million of CARES Act Relief Funds in nonexchange sponsored programs. While *U. T. Health Science Center - Tyler* is showing improvement in clinical revenues, July results were negatively impacted by COVID-19. The most current projection received from *U. T. Health Science Center - Tyler* reflects income of \$12.3 million for the year due to a recently executed major gift pledge agreement.

(in millions)	July YTD FY 2019	July YTD FY 2020	Variance	Annual Projected FY 2020
Clinical Revenues	\$ 56.6	132.0	75.4	143.9
Sponsored Programs/Nonexchange Sponsored Programs	29.5	33.9	4.4	36.8
State Appropriations	44.3	50.0	5.7	54.6
Net Tuition and Fees	0.2	0.4	0.2	0.4
Auxiliary Revenues/Sales & Services of Educational Activities	4.5	4.1	(0.3)	4.5
Net Investment Income	3.3	3.2	(0.2)	3.5
Other Operating Revenues/Gift Contributions for Operations	31.0	39.9 *	8.9	50.6 *
Total Revenues	169.5	263.6	94.1	294.2
Salaries and Wages/Payroll Related Costs	111.7	139.1	27.4	151.8
Materials and Supplies/Cost of Goods Sold	20.7	62.4	41.7	67.5
Depreciation and Amortization	13.4	15.7	2.3	17.3
Other Contracted Services/Professional Fees & Services	22.0	26.6	4.5	29.0
All Other Operating Expenses	14.2	15.0	0.8	16.3
Total Expenses	\$ 182.0	258.8	76.8	281.9
Adjusted Income (Loss)	(12.5)	4.8	17.3	12.3
Adjusted Income (Loss) Excluding Depr & Amort Exp	0.9	20.5	19.6	29.6



*Other Operating Income includes 30% of UT Health East Texas' (UTHET's) net adjusted income which was \$8.0 million through July. The projected income of \$12.3 million includes \$6.9 million of UTHET's net adjusted income for the year.