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FOR  
FINANCE AND PLANNING COMMITTEE**

**Committee Meeting:** 5/11/2016

**Board Meeting:** 5/12/2016  
Austin, Texas

*R. Steven Hicks, Chairman  
David J. Beck  
Wallace L. Hall, Jr.  
Jeffery D. Hildebrand  
Sara Martinez Tucker*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>2:45 p.m. Chairman Hicks</i>		
1. <b>U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>	<i>3:00 p.m. Discussion</i>	<b>Action</b>	<b>67</b>
2. <b>U. T. System: Key Financial Indicators Report and Monthly Financial Report</b>	<i>3:05 p.m. Report/Discussion Dr. Kelley</i>	Not on Agenda	<b>68</b>
3. <b>U. T. System Board of Regents: Report on activities of the University Lands Advisory Board</b>	<i>3:15 p.m. Report/Discussion Regent Cranberg Mr. Houser</i>	Not on Agenda	<b>102</b>
4. <b>U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions</b>	<i>3:30 p.m. Action Mr. Hull</i>	<b>Action</b>	<b>103</b>
5. <b>U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 29, 2016</b>	<i>3:35 p.m. Report/Discussion Mr. Zimmerman</i>	<b>Report</b>	<b>105</b>
6. <b>U. T. System Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund</b>	<i>3:50 p.m. Action Dr. Kelley</i>	<b>Action</b>	<b>111</b>
<b>Adjourn</b>	<i>3:45 p.m.</i>		

1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration**

RECOMMENDATION

The proposed Consent Agenda is located at the back of the book. Consent Agenda items assigned to this Committee are on [Pages 264 - 269](#).

**2. U. T. System: Key Financial Indicators Report and Monthly Financial Report**

REPORT

Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, will discuss the Key Financial Indicators Report, as set forth on [Pages 69 - 76](#) and the March Monthly Financial Report on [Pages 77 - 101](#). The reports represent the consolidated and individual operating detail of the U. T. System institutions.

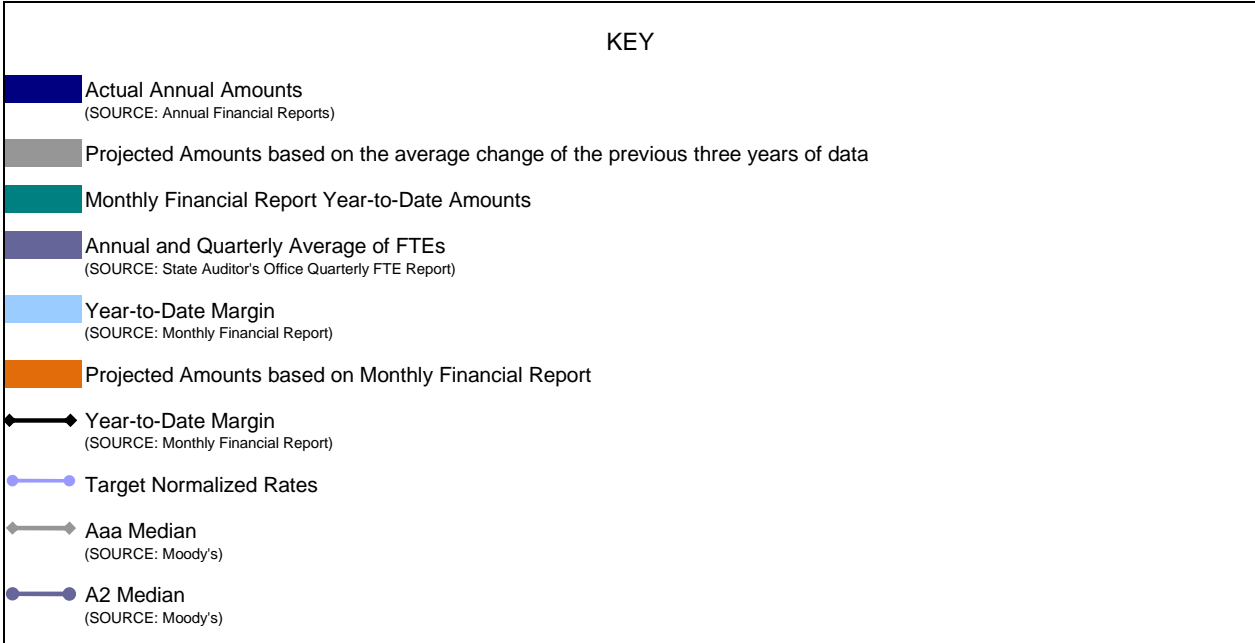
The Key Financial Indicators Report compares the Systemwide quarterly results of operations, key revenues and expenses, reserves, and key financial ratios in a graphical presentation from Fiscal Year 2012 through February 2016. Ratios requiring balance sheet data are provided for Fiscal Year 2011 through Fiscal Year 2015.

**THE UNIVERSITY OF TEXAS SYSTEM**

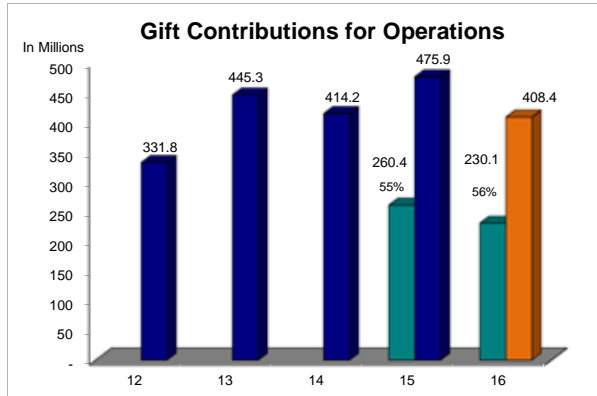
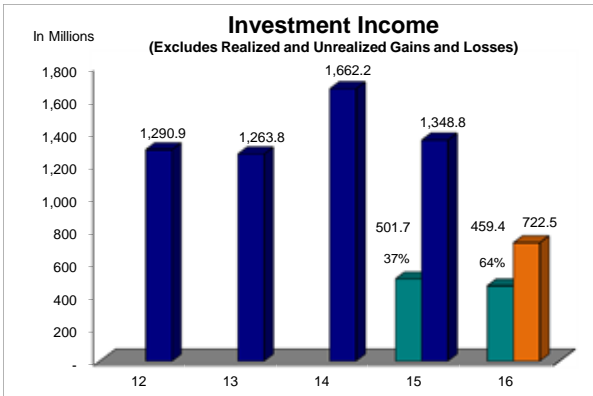
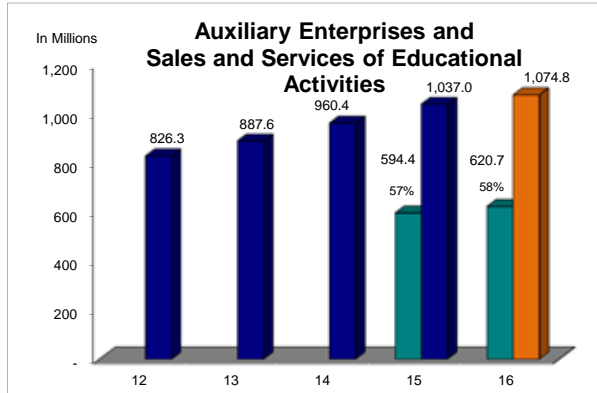
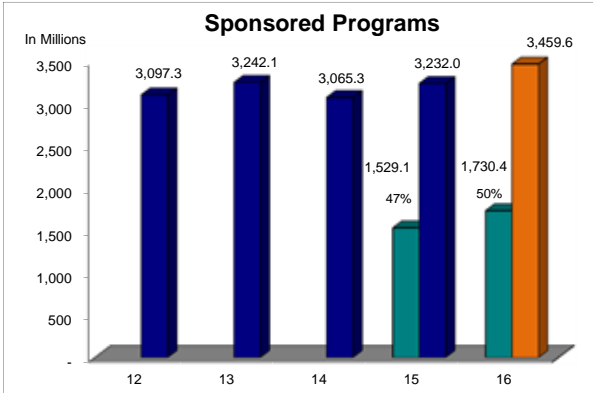
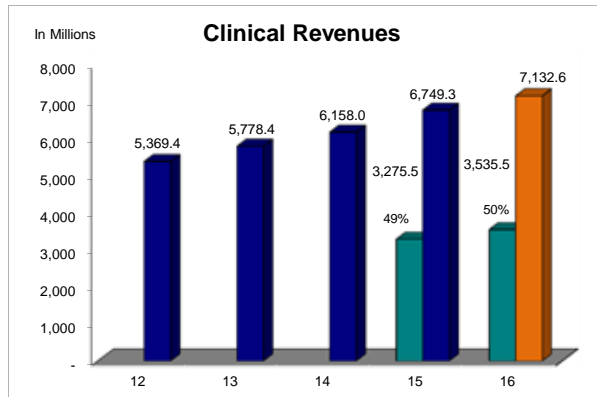
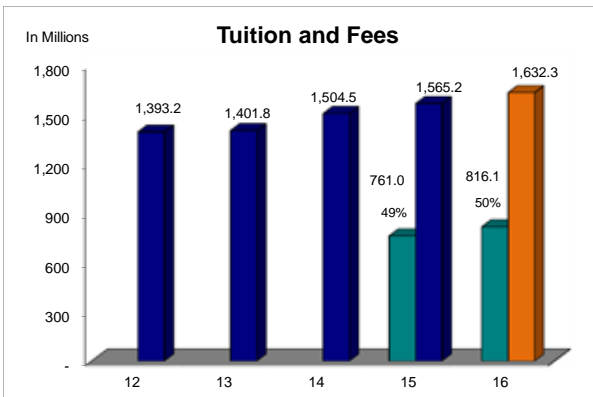
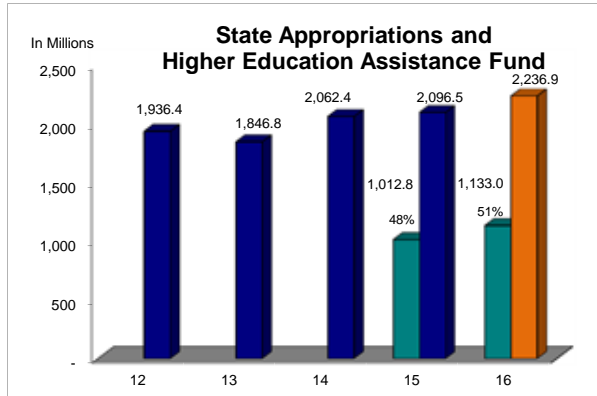
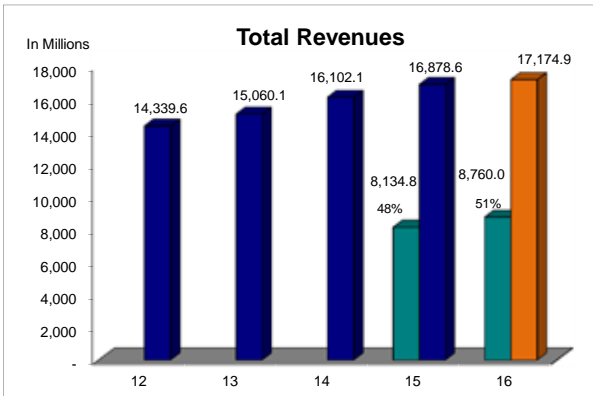


**KEY FINANCIAL  
INDICATORS REPORT**

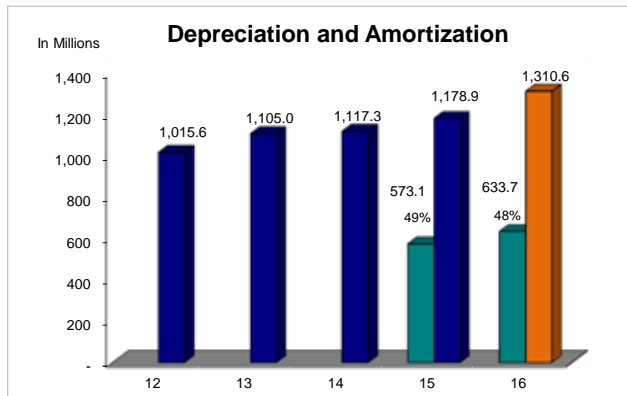
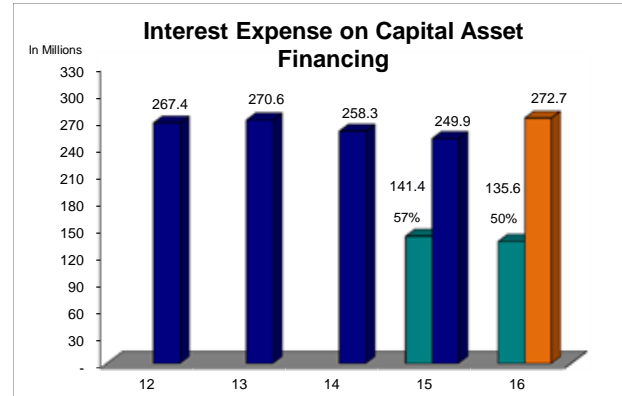
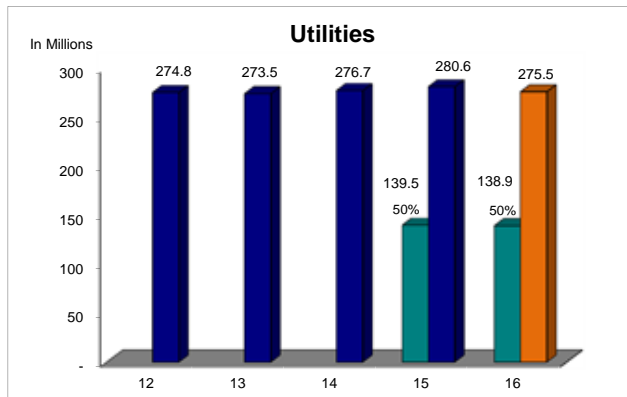
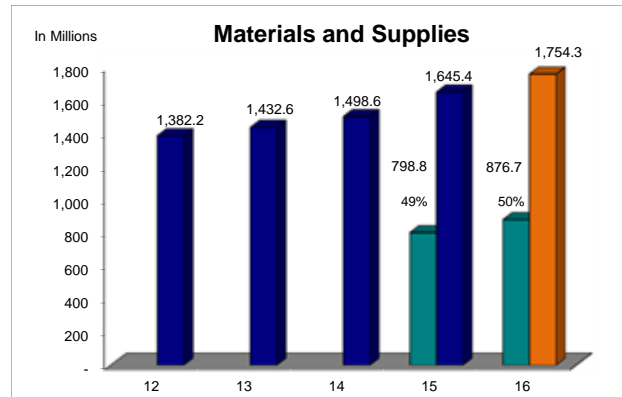
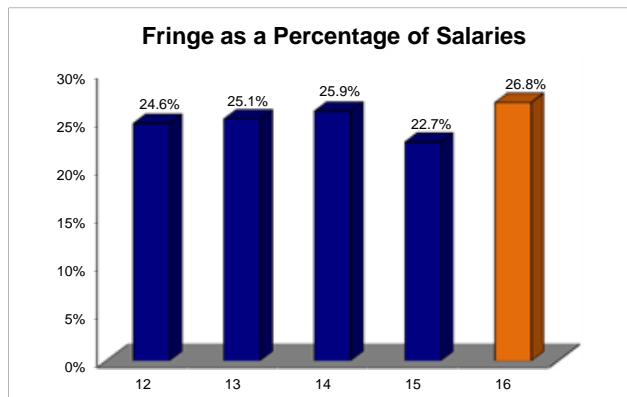
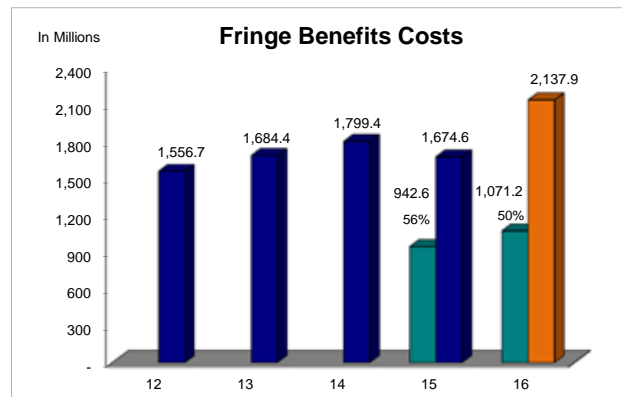
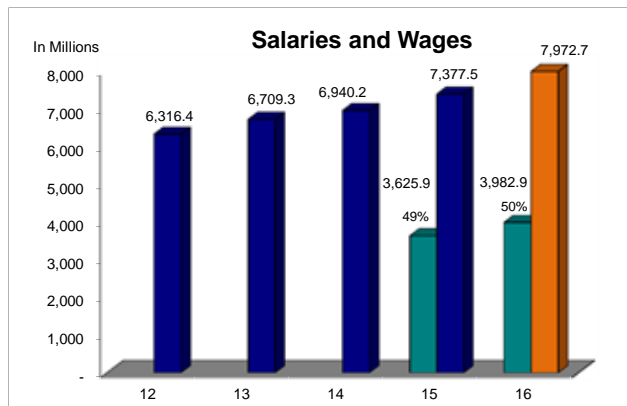
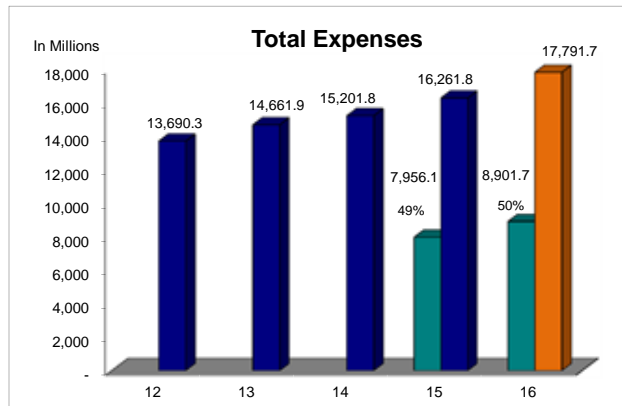
**FEBRUARY 2016**



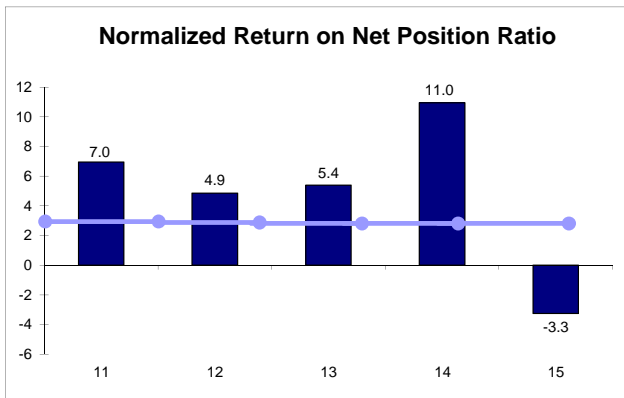
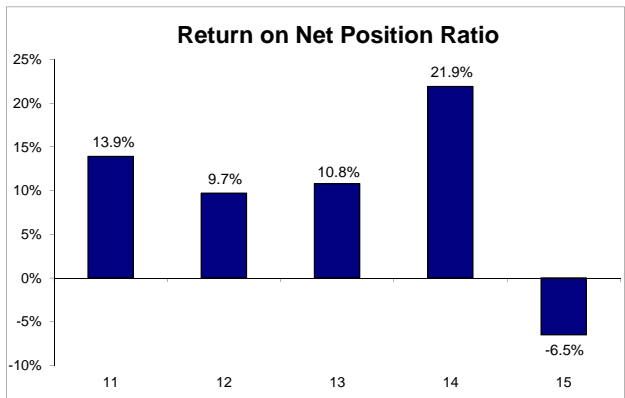
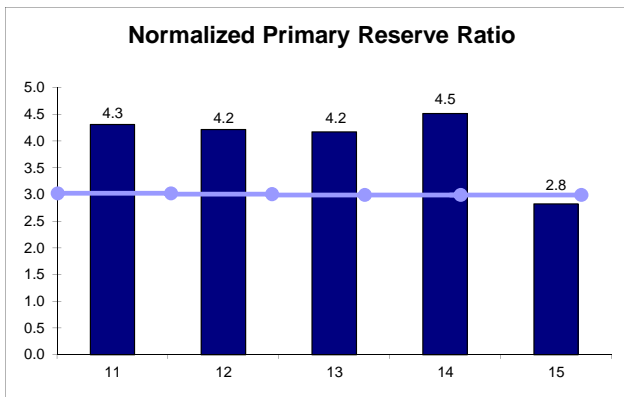
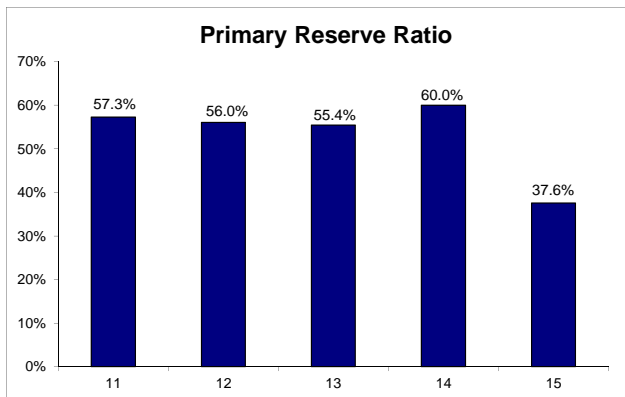
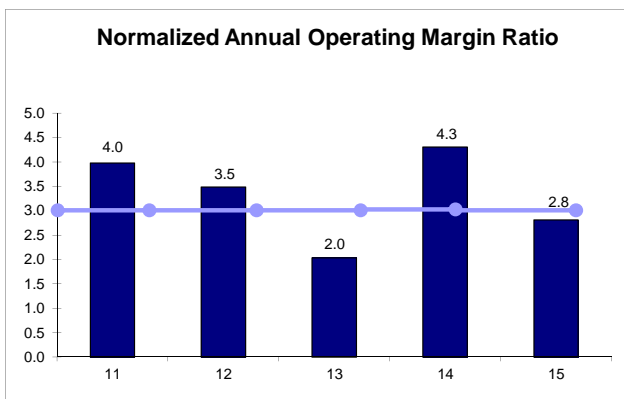
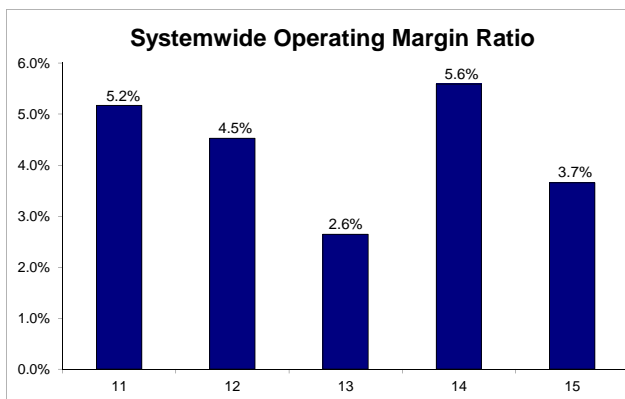
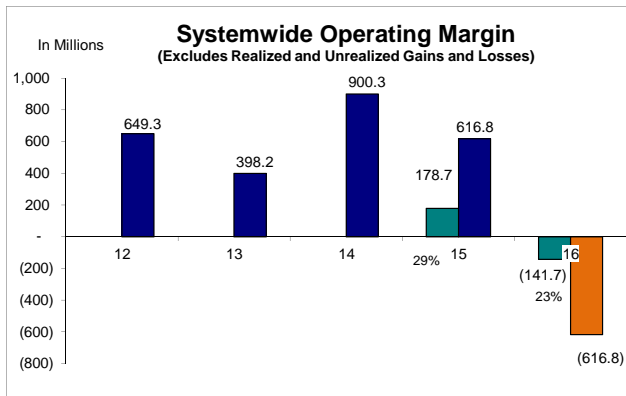
**KEY INDICATORS OF REVENUES  
ACTUAL 2012 THROUGH 2015  
PROJECTED 2016  
YEAR-TO-DATE 2015 AND 2016 FROM FEBRUARY MONTHLY FINANCIAL REPORT**



**KEY INDICATORS OF EXPENSES**  
**ACTUAL 2012 THROUGH 2015**  
**PROJECTED 2016**  
**YEAR-TO-DATE 2015 AND 2016 FROM FEBRUARY MONTHLY FINANCIAL REPORT**

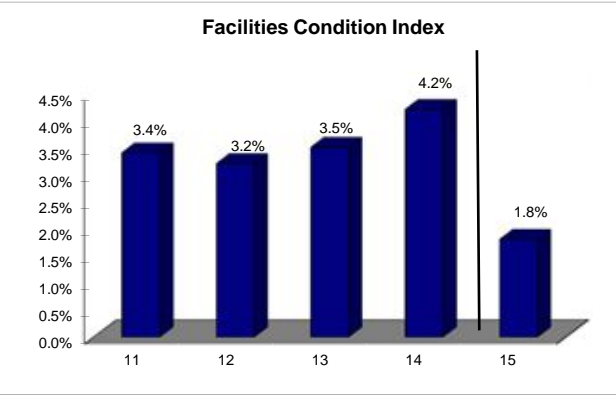
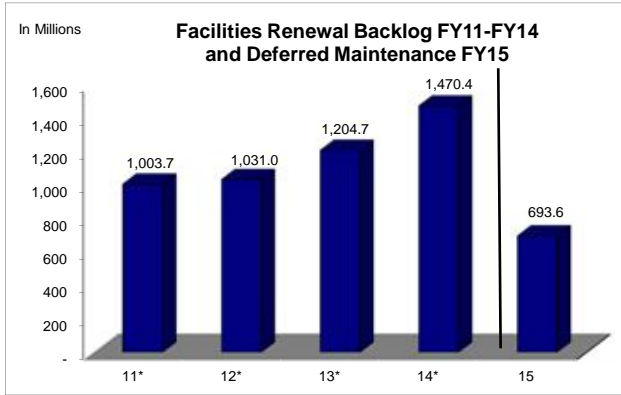
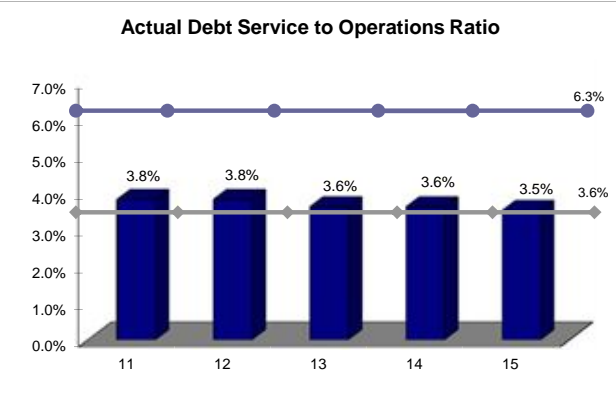
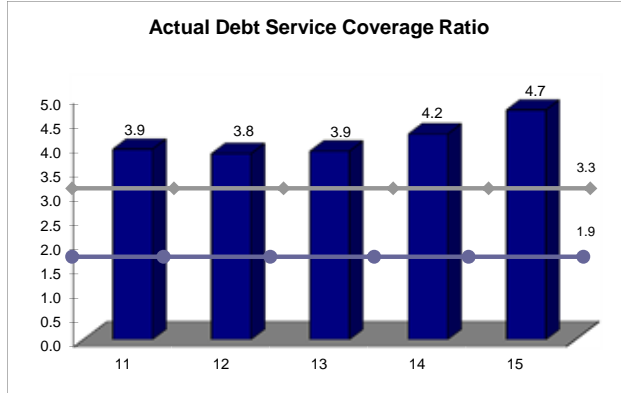
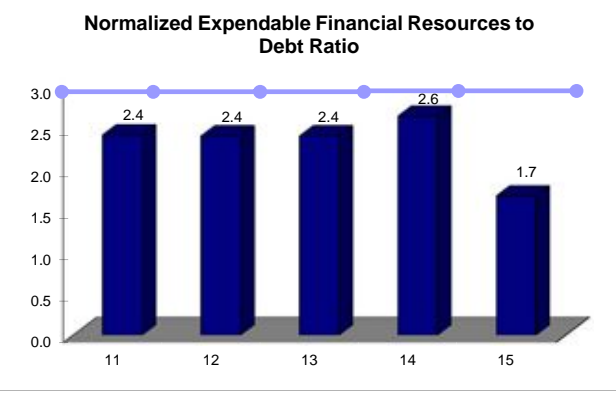
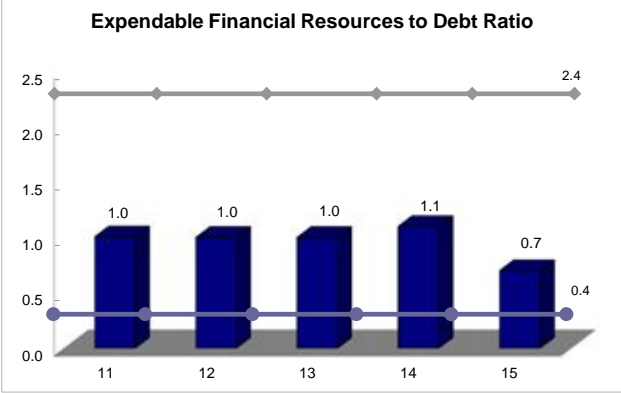


**KEY INDICATORS OF RESERVES  
ACTUAL 2011 THROUGH 2015  
PROJECTED 2016  
YEAR-TO-DATE 2015 AND 2016 FROM FEBRUARY MONTHLY FINANCIAL REPORT**





**KEY INDICATORS OF CAPITAL NEEDS AND CAPACITY  
2011 THROUGH 2015**

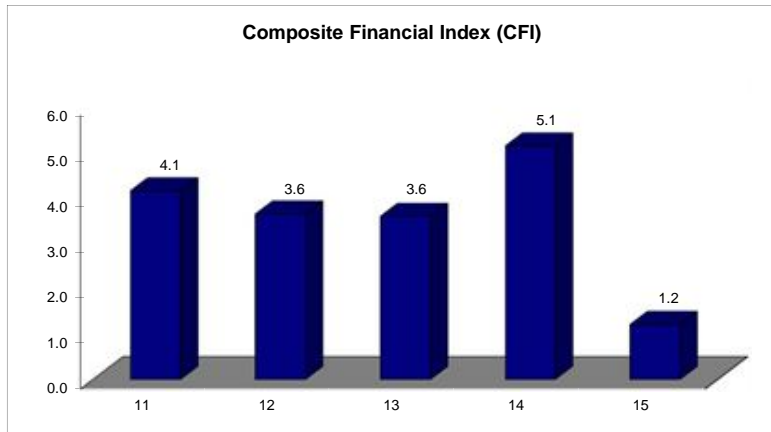


\*For FY 2011 through 2014 the source of backlog data is the Facilities' Renewal Model (FRRM) and those systems that have exceeded their Life Cycle Age. Beginning in FY 2015, the deferred maintenance data is taken from the new annual BOR Campus Condition Report and the facilities' executives assessment of those systems that have failed or will fail within the current budget cycle (within one year).

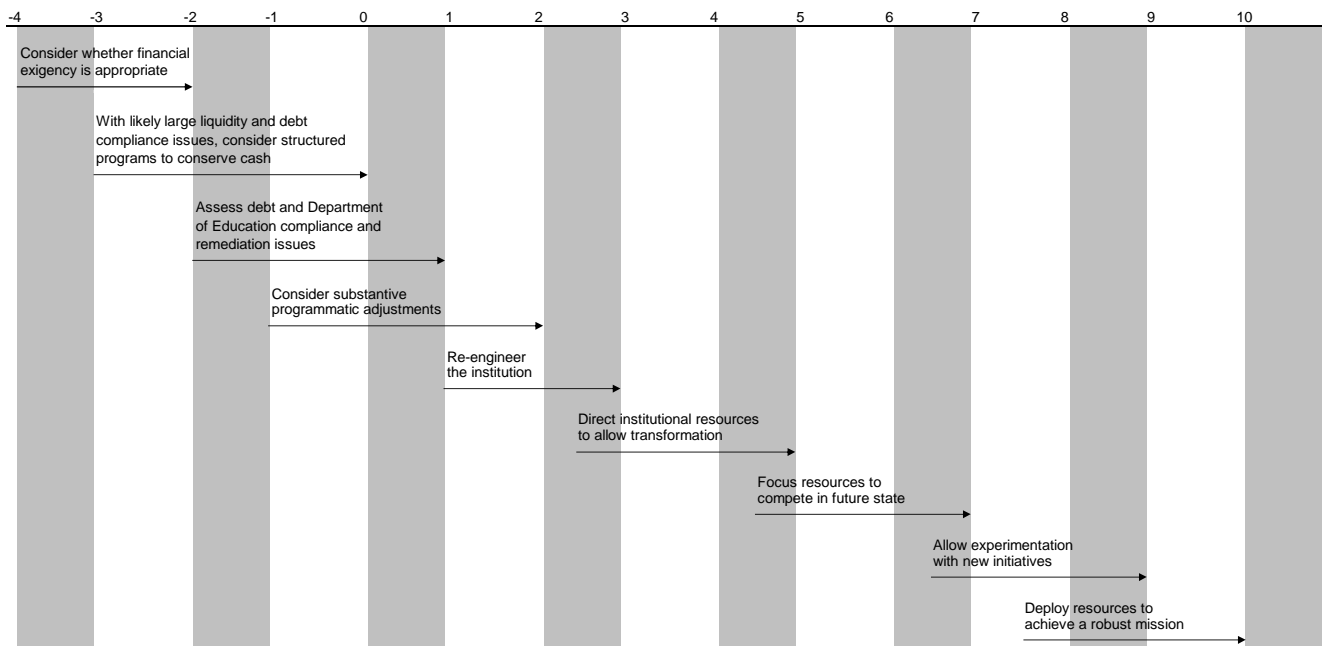
Note: Line between FY 2014 and 2015 indicates a change in the source data.

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**KEY INDICATORS OF FINANCIAL HEALTH  
2011 THROUGH 2015**

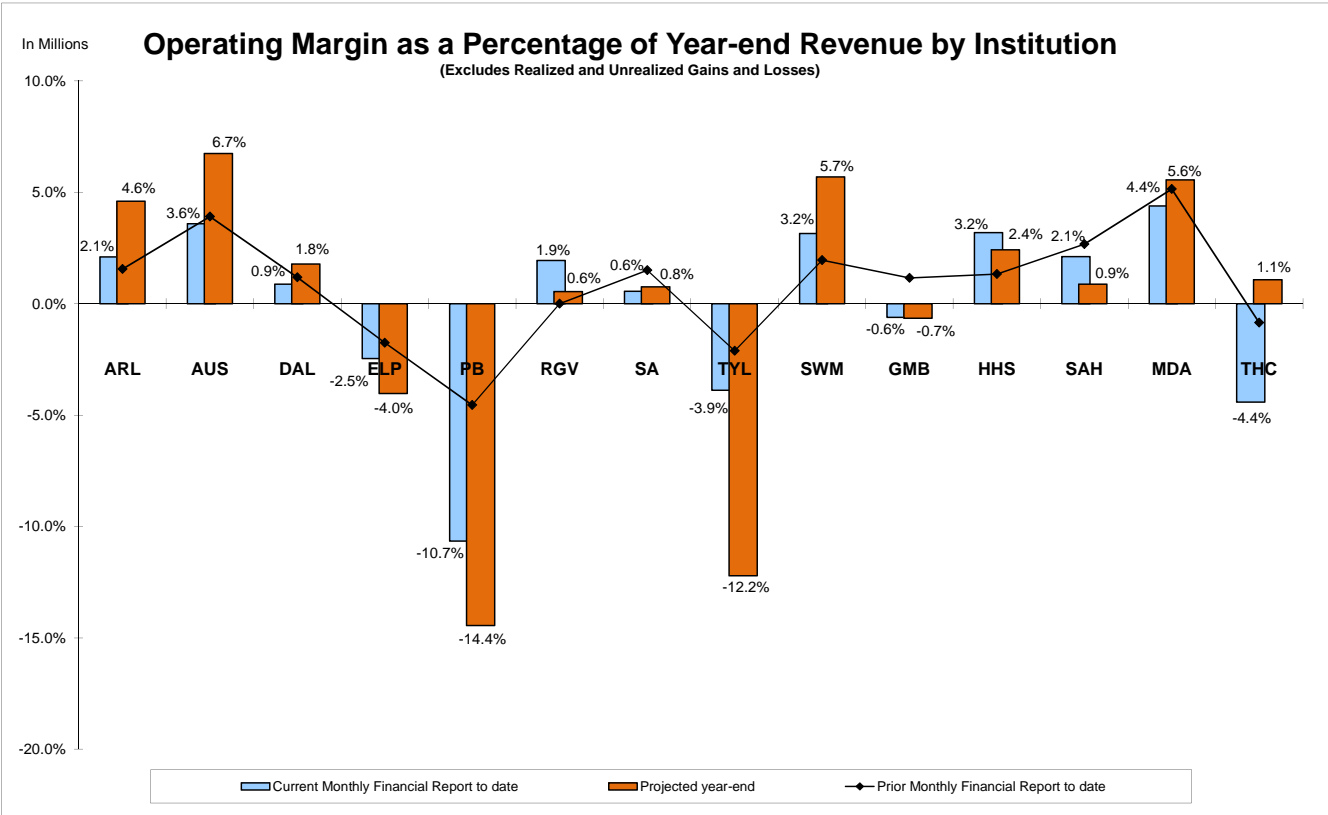
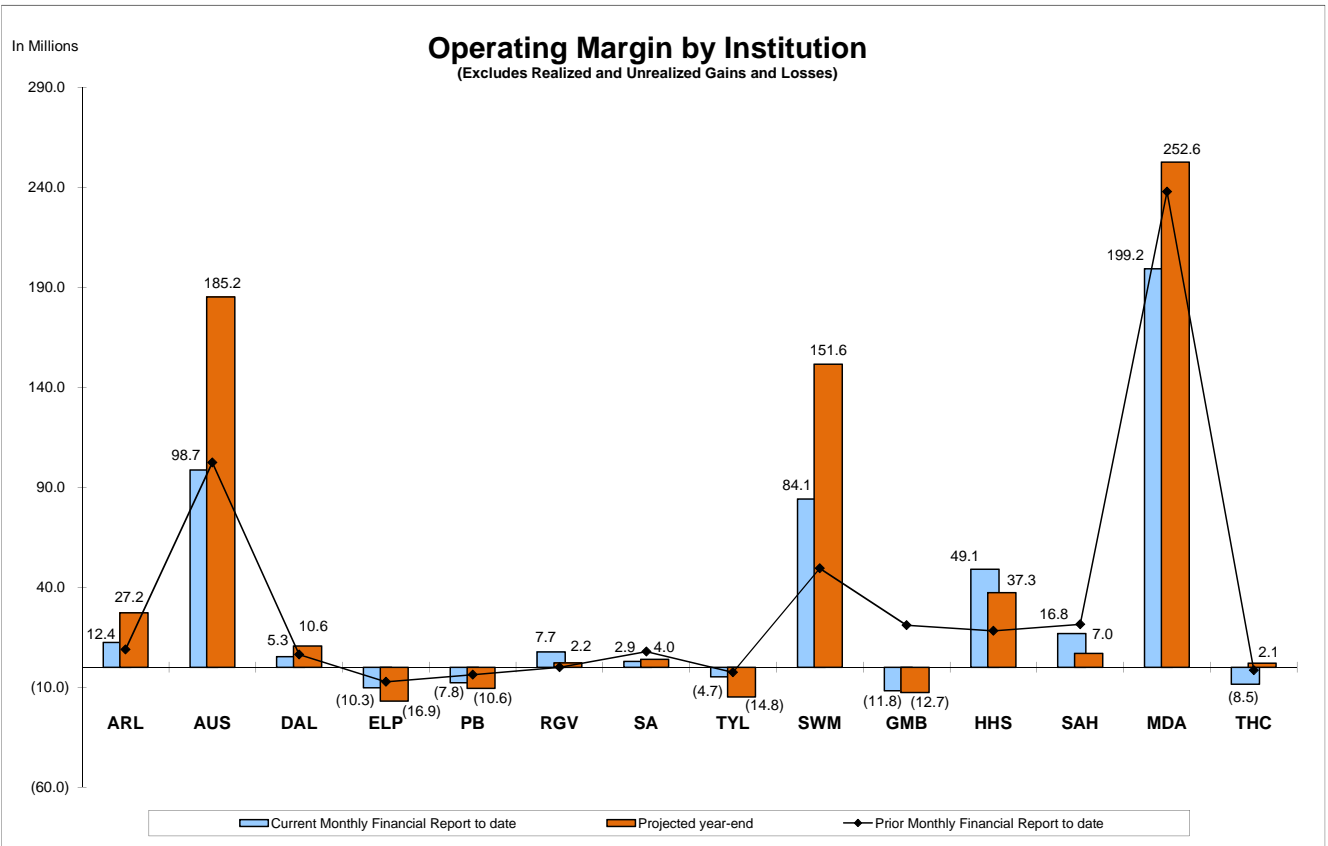


**Scale for Charting CFI Performance**



Source: Strategic Financial Analysis for Higher Education, Seventh Edition

## KEY INDICATORS OF RESERVES YEAR-TO-DATE 2015 AND 2016 FROM FEBRUARY MONTHLY FINANCIAL REPORT PROJECTED 2016 YEAR-END MARGIN



THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER

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MONTHLY FINANCIAL REPORT  
*(unaudited)*

MARCH 2016



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Austin, Texas 78701  
512.499.4527  
[www.utsystem.edu/cont](http://www.utsystem.edu/cont)

**THE UNIVERSITY OF TEXAS SYSTEM  
MONTHLY FINANCIAL REPORT  
(Unaudited)  
FOR THE SEVEN MONTHS ENDING  
March 31, 2016**

**The University of Texas System  
Monthly Financial Report**

**Foreword**

The Monthly Financial Report (MFR) compares the results of operations between the current year-to-date cumulative amounts and the prior year-to-date cumulative amounts. Explanations are provided for institutions having the largest variances in Adjusted Income (Loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. In addition, although no significant variance may exist, institutions with losses may be discussed.

The data is reported in three sections: (1) Operating Revenues, (2) Operating Expenses, and (3) Other Nonoperating Adjustments. Presentation of state appropriation revenues are required under GASB 35 to be reflected as nonoperating revenues, so all institutions will report an Operating Loss prior to this adjustment. The MFR provides an Adjusted Income (Loss), which takes into account the nonoperating adjustments associated with core operating activities. An Adjusted Margin (as a percentage of operating and nonoperating revenue adjustments) is calculated for each period and is intended to reflect relative operating contributions to financial health.

UNAUDITED

The University of Texas System Consolidated  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	957,955,280.56	885,589,210.17	72,366,070.39	8.2%
Sponsored Programs	1,795,627,618.51	1,629,691,108.13	165,936,510.38	10.2%
Net Sales and Services of Educational Activities	363,160,571.04	346,986,394.20	16,174,176.84	4.7%
Net Sales and Services of Hospitals	3,125,647,854.25	2,975,889,583.88	149,758,270.37	5.0%
Net Professional Fees	957,804,352.55	870,472,329.07	87,332,023.48	10.0%
Net Auxiliary Enterprises	360,809,591.61	343,368,667.75	17,440,923.86	5.1%
Other Operating Revenues	259,944,938.51	227,719,681.98	32,225,256.53	14.2%
<b>Total Operating Revenues</b>	<b>7,820,950,207.03</b>	<b>7,279,716,975.18</b>	<b>541,233,231.85</b>	<b>7.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	4,657,822,206.98	4,241,916,177.72	415,906,029.26	9.8%
Payroll Related Costs	1,264,680,089.15	1,110,163,127.76	154,516,961.39	13.9%
Cost of Goods Sold	85,926,963.88	74,126,778.08	11,800,185.80	15.9%
Professional Fees and Services	314,794,004.82	236,402,242.08	78,391,762.74	33.2%
Other Contracted Services	467,376,756.16	444,085,538.42	23,291,217.74	5.2%
Travel	80,371,587.71	74,137,401.65	6,234,186.06	8.4%
Materials and Supplies	1,030,188,693.86	949,092,741.85	81,095,952.01	8.5%
Utilities	159,423,667.93	161,763,533.73	(2,339,865.80)	-1.4%
Communications	67,218,682.53	67,561,983.41	(343,300.88)	-0.5%
Repairs and Maintenance	187,069,292.48	172,768,801.32	14,300,491.16	8.3%
Rentals and Leases	99,137,237.34	93,350,948.95	5,786,288.39	6.2%
Printing and Reproduction	21,832,603.11	20,144,381.61	1,688,221.50	8.4%
Bad Debt Expense	561,534.61	612,121.38	(50,586.77)	-8.3%
Claims and Losses	5,451,402.66	30,826,325.55	(25,374,922.89)	-82.3%
Increase in Net OPEB Obligation	388,991,548.75	326,590,952.92	62,400,595.83	19.1%
Pension Expense	124,188,614.35	-	124,188,614.35	100.0%
Scholarships and Fellowships	264,421,854.02	225,568,984.93	38,852,869.09	17.2%
Depreciation and Amortization	740,516,200.34	667,839,654.31	72,676,546.03	10.9%
Federal Sponsored Program Pass-Through to Other State Agencies	15,617,314.73	11,123,431.04	4,493,883.69	40.4%
State Sponsored Program Pass-Through to Other State Agencies	10,973,801.85	1,672,831.21	9,300,970.64	556.0%
Other Operating Expenses	262,687,623.84	248,188,488.04	14,499,135.80	5.8%
<b>Total Operating Expenses</b>	<b>10,249,251,681.10</b>	<b>9,157,936,445.96</b>	<b>1,091,315,235.14</b>	<b>11.9%</b>
<b>Operating Loss</b>	<b>(2,428,301,474.07)</b>	<b>(1,878,219,470.78)</b>	<b>(550,082,003.29)</b>	<b>-29.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,318,904,661.42	1,182,117,613.75	136,787,047.67	11.6%
Nonexchange Sponsored Programs	208,773,612.15	156,686,665.94	52,086,946.21	33.2%
Gift Contributions for Operations	300,918,649.54	296,741,147.84	4,177,501.70	1.4%
Net Investment Income	525,845,686.13	596,387,710.48	(70,542,024.35)	-11.8%
Interest Expense on Capital Asset Financings	(159,452,753.75)	(158,786,222.42)	(666,531.33)	-0.4%
<b>Net Other Nonoperating Adjustments</b>	<b>2,194,989,855.49</b>	<b>2,073,146,915.59</b>	<b>121,842,939.90</b>	<b>5.9%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(233,311,618.58)</b>	<b>194,927,444.81</b>	<b>(428,239,063.39)</b>	<b>-219.7%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-2.3%</b>	<b>2.0%</b>		
Investment Gain (Losses)	(1,222,227,534.72)	149,309,079.32	(1,371,536,614.04)	-918.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(1,455,539,153.30)</b>	<b>344,236,524.13</b>	<b>(1,799,775,677.43)</b>	<b>-522.8%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-16.3%</b>	<b>3.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>507,204,581.76</b>	<b>862,767,099.12</b>	<b>(355,562,517.36)</b>	<b>-41.2%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>5.0%</b>	<b>9.1%</b>		

**The University of Texas System  
Comparison of Adjusted Income (Loss)  
For the Seven Months Ending March 31, 2016**

	<b>Including Depreciation and Amortization Expense</b>			
	<b>March</b>	<b>March</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
	<b>Year-to-Date FY 2016</b>	<b>Year-to-Date FY 2015</b>		
U. T. System Administration	\$ (485,556,831.45)	\$ (164,704,834.41)	(320,851,997.04)	(1) -194.8%
U. T. Arlington	23,555,053.75	8,386,913.39	15,168,140.36	(2) 180.9%
U. T. Austin	124,610,715.07	114,261,375.75	10,349,339.32	9.1%
U. T. Brownsville	(640,964.65)	(5,528,427.55)	4,887,462.90	88.4%
U. T. Dallas	4,406,214.94	4,959,089.27	(552,874.33)	-11.1%
U. T. El Paso	(11,138,662.30)	(8,064,301.47)	(3,074,360.83)	(3) -38.1%
U. T. Permian Basin	(3,263,086.51)	(3,938,847.29)	675,760.78	17.2%
U. T. Rio Grande Valley	7,670,604.43	-	7,670,604.43	100.0%
U. T. San Antonio	3,099,158.19	9,312,859.13	(6,213,700.94)	(5) -66.7%
U. T. Tyler	(6,518,211.60)	(4,065,666.33)	(2,452,545.27)	(6) -60.3%
U. T. Southwestern Medical Center	119,451,557.31	60,171,756.24	59,279,801.07	(7) 98.5%
U. T. Medical Branch - Galveston	(13,311,551.83)	20,235,084.77	(33,546,636.60)	(8) -165.8%
U. T. Health Science Center - Houston	53,916,808.49	17,901,402.92	36,015,405.57	(9) 201.2%
U. T. Health Science Center - San Antonio	13,669,697.80	19,802,292.00	(6,132,594.20)	(10) -31.0%
U. T. M. D. Anderson Cancer Center	122,906,414.92	283,417,600.71	(160,511,185.79)	(11) -56.6%
U. T. Health Science Center - Tyler	(8,393,419.56)	(1,619,257.76)	(6,774,161.80)	(12) -418.3%
Elimination of AUF Transfer	(177,775,115.58)	(155,599,594.56)	(22,175,521.02)	-14.3%
Total Adjusted Income (Loss)	(233,311,618.58)	194,927,444.81	(428,239,063.39)	-219.7%
Investment Gains (Losses)	(1,222,227,534.72)	149,309,079.32	(1,371,536,614.04)	-918.6%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b>\$ (1,455,539,153.30)</b>	<b>\$ 344,236,524.13</b>	<b>\$ (1,799,775,677.43)</b>	<b>-522.8%</b>

	<b>Excluding Depreciation and Amortization Expense</b>			
	<b>March</b>	<b>March</b>	<b>Variance</b>	<b>Fluctuation Percentage</b>
	<b>Year-to-Date FY 2016</b>	<b>Year-to-Date FY 2015</b>		
U. T. System Administration	\$ (475,114,297.69)	\$ (154,274,423.26)	(320,839,874.43)	-208.0%
U. T. Arlington	50,258,275.78	34,626,970.58	15,631,305.20	45.1%
U. T. Austin	268,985,715.07	254,261,375.75	14,724,339.32	5.8%
U. T. Brownsville	(285,810.06)	(570,978.05)	285,167.99	49.9%
U. T. Dallas	41,495,714.94	38,560,900.49	2,934,814.45	7.6%
U. T. El Paso	7,110,582.37	9,446,312.54	(2,335,730.17)	-24.7%
U. T. Permian Basin	4,883,163.49	3,662,334.14	1,220,829.35	33.3%
U. T. Rio Grande Valley	29,747,306.94	-	29,747,306.94	100.0%
U. T. San Antonio	31,014,836.58	37,781,865.42	(6,767,028.84)	-17.9%
U. T. Tyler	1,586,684.13	2,961,581.09	(1,374,896.96)	-46.4%
U. T. Southwestern Medical Center	210,864,671.73	148,633,280.81	62,231,390.92	41.9%
U. T. Medical Branch - Galveston	55,453,183.58	78,445,127.29	(22,991,943.71)	-29.3%
U. T. Health Science Center - Houston	89,916,303.38	52,753,646.64	37,162,656.74	70.4%
U. T. Health Science Center - San Antonio	44,586,364.47	50,427,292.00	(5,840,927.53)	-11.6%
U. T. M. D. Anderson Cancer Center	326,532,063.47	456,797,191.40	(130,265,127.93)	-28.5%
U. T. Health Science Center - Tyler	(2,055,060.84)	4,854,216.84	(6,909,277.68)	-142.3%
Elimination of AUF Transfer	(177,775,115.58)	(155,599,594.56)	(22,175,521.02)	-14.3%
Total Adjusted Income (Loss)	507,204,581.76	862,767,099.12	(355,562,517.36)	-41.2%
<b>Total Adjusted Income (Loss) Excluding Depreciation and Amortization</b>	<b>\$ 507,204,581.76</b>	<b>\$ 862,767,099.12</b>	<b>\$ (355,562,517.36)</b>	<b>-41.2%</b>



THE UNIVERSITY OF TEXAS SYSTEM  
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT  
For the Seven Months Ending March 31, 2016

Explanations are provided for institutions having the largest variances in adjusted income (loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. Explanations are also provided for institutions with a current year-to-date adjusted loss and/or a projected year-to-date loss.

- (1) U. T. System Administration - The \$320.9 million (194.8%) increase in adjusted loss over the same period last year was primarily due to a decrease in oil and gas royalties, which are a component of net investment income. Additionally, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, became effective in 2015. *U. T. System Administration* recognized an accrual of \$124.2 million for the entire *U. T. System* for the first seven months of 2016; however, in 2015 the pension expense was not recognized until July. Also contributing to the increase in the adjusted loss was an increase of \$62.4 million in the accrual for Other Postemployment Benefits (OPEB) expense for the entire *U. T. System*. Finally, in 2015, *U. T. System Administration* recognized \$41.6 million of gifts for operations for *U. T. Rio Grande Valley* with no comparable gifts in 2016. As a result of these factors, *U. T. System Administration* incurred a year-to-date loss of \$485.6 million. Excluding depreciation and amortization expense, *U. T. System Administration's* adjusted loss was \$475.1 million or -218.7% of revenues. *U. T. System Administration* anticipates ending the year with a \$905.2 million loss, -302.2% of projected revenues, which includes \$17.9 million of depreciation and amortization expense, as well as a \$666.8 million accrual for OPEB and a \$212.9 million accrual for pension expense.
- (2) U. T. Arlington - The \$15.2 million (180.9%) increase in adjusted income over the same period last year was primarily attributable to an increase in nonexchange sponsored programs as a result of increased Texas Research Incentive Program funds received in 2016 and an increase in state appropriations. Excluding depreciation and amortization expense, *U. T. Arlington's* adjusted income was \$50.3 million or 14.7% of revenues.
- (3) U. T. El Paso - The \$3.1 million (38.1%) increase in adjusted loss over the same period last year was largely attributable to an increase in salaries and wages and payroll related costs due to merit increases implemented in 2016. As a result, *U. T. El Paso* incurred a year-to-date loss of \$11.1 million. Other factors contributing to the loss include the following: an increase in tuition exemption scholarship expense, primarily related to the Hazelwood and Hazelwood Legacy programs; and an increase in depreciation expense over the last five years as a result of the rapid growth of buildings and research infrastructure on campus. Excluding depreciation and amortization expense, *U. T. El Paso's* adjusted income was \$7.1 million or 2.9% of revenues. *U. T. El Paso* anticipates ending the year with a \$13.9 million loss, -3.2% of projected revenues, which includes \$32.0 million of depreciation and amortization expense. *U. T. El Paso* is implementing measures to reduce spending, including a hiring freeze on positions that are not mission critical, utility savings efforts, and other cost savings measures.
- (4) U. T. Permian Basin incurred a year-to-date loss of \$3.3 million primarily due to the following: an increase in salaries and wages and payroll related costs driven by merit increases and additional faculty to accommodate the increased enrollment; an increase in payroll related costs attributable to increased premium sharing rates; and a decrease in gift contributions for operations as a result of large contributions for the football program received in 2015 with no comparable gifts received in 2016. Excluding depreciation and amortization expense, *U. T. Permian Basin's* adjusted income was \$4.9 million or 10.3% of revenues. *U. T. Permian Basin* anticipates ending the year with a \$5.5 million loss, -7.4% of projected revenues, which includes \$13.0 million of depreciation and amortization expense.
- (5) U. T. San Antonio - The \$6.2 million (66.7%) decrease in adjusted income over the same period last year was primarily due to increases in salaries and wages and payroll related costs as a result of merit increases. Additionally, the monthly amount for Retiree Premium Sharing was not recorded in the prior year, which also contributed to the increase in payroll related costs. Excluding depreciation and amortization expense, *U. T. San Antonio's* adjusted income was \$31.0 million or 10.1% of revenues.
- (6) U. T. Tyler - The \$2.5 million (60.3%) increase in adjusted loss over the same period last year was largely due to an increase in salaries and wages and payroll related costs driven by merit and market increases. The number of full-time equivalents also increased as a result of the new College of Pharmacy and the implementation of PeopleSoft. As a result of these factors, combined with an increase in depreciation and amortization expense for the new Pharmacy Building, *U. T. Tyler* incurred a year-to-date loss of \$6.5 million. Excluding depreciation and amortization expense, *U. T. Tyler's* adjusted income was \$1.6 million or 2.2% of revenues. *U. T. Tyler* anticipates ending the year with a \$13.6 million loss, -11.0% of projected revenues, which includes \$14.6 million of depreciation and amortization expense. The projected loss is the result of an increase in personnel and renovation projects across the campus not meeting the threshold for capitalization.

- (7) U. T. Southwestern Medical Center - The \$59.3 million (98.5%) increase in adjusted income over the same period last year was primarily attributable to an increase in net sales and services of hospitals as a result of increased outpatient and inpatient revenue and an increase in net professional fees attributable to an increase in volume in managed care, Medicare and charity care. Other operating revenues also increased primarily due to increases in revenue from the Delivery System Reform Incentive Payments (DSRIP) and the Network Access Improvement Program. These increases in revenue were partially offset by increases in salaries and wages and payroll related costs as a result of additional employees, a 3% merit increase and increased premium sharing rates. Excluding depreciation and amortization expense, *Southwestern's* adjusted income was \$210.9 million or 13.2% of revenues.
- (8) U. T. Medical Branch - Galveston - The \$33.5 million (165.8%) increase in adjusted loss as compared to adjusted income over the same period last year was primarily attributable to an increase in salaries and wages and payroll related costs due to merit increases, and additional staffing resulting from clinical recruitment and preparation for the opening of Jennie Sealy and League City Hospitals. Payroll related costs also increased as a result of increased premium sharing rates. Other operating revenues also decreased primarily due to decreased revenue from DSRIP and Meaningful Use revenues. As a result of these factors, *UTMB* incurred a year-to-date loss of \$13.3 million. Excluding depreciation and amortization, *UTMB's* adjusted income was \$55.5 million or 5.0% of revenues. *UTMB* anticipates ending the year with a \$12.2 million loss which represents -0.6% of projected revenues and includes \$132.5 million of depreciation and amortization expense.
- (9) U. T. Health Science Center - Houston - The \$36.0 million (201.2%) increase in adjusted income as compared to the same period last year was primarily attributable to an increase in sponsored program revenue related to growth of the physician practice plan. Net professional fees also increased due to an increase in gross charges as a result of faculty recruitments and the planned expansion and growth of the physician practice plan, as well as an increase in uncompensated care revenue. These revenue increases were partially offset by increased salaries and wages and payroll related costs as a result of the ongoing recruitment efforts related to the planned expansion and growth of the physician practice plan. Excluding depreciation and amortization expense, *UTHSC-Houston's* adjusted income was \$89.9 million or 9.9% of revenues.
- (10) U. T. Health Science Center - San Antonio - The \$6.1 million (31.0%) decrease in adjusted income over the same period last year was primarily due to increases in other contracted services, materials and supplies and professional fees and services. Other contracted services increased due to increases in service agreements associated with the South Texas DSRIP programs and sub-recipient payments related to federal sponsored programs. Materials and supplies increased as a result of increases in drug and medication supplies at the Cancer Therapy and Research Center Pharmacy and UT Medicine clinics due to increase in clinical volumes, as well as costs related to the new Center for Oral Health Care & Research building, which was placed into service in July 2015 and increased clinical and research laboratory supplies. Professional fees and services increased primarily due to engagements with external consultants to develop a clinical transformation strategy associated with the physician practice plan. Excluding depreciation and amortization expense, *UTHSC-San Antonio's* adjusted income was \$44.6 million or 9.3% of revenues.
- (11) U. T. M. D. Anderson Cancer Center - The \$160.5 million (56.6%) decrease in adjusted income over the same period last year was primarily attributable to an increase in expenses combined with a decrease in patient revenues as a result of the implementation of the new EPIC Electronic Health Record system (EHR). Expenses increased due to the following: salaries and wages and payroll related costs increased due to an increase in full-time employees, salary increases and increased premium sharing rates; professional fees and services increased as a result of increased consulting expenses primarily related to the EPIC EHR project; and depreciation and amortization increased as a result of the completion of several large projects such as the Zayed Building, which was placed into service in February 2015, and the EPIC EHR system, which was placed into service in March 2016, as well as various other facility management and software projects. Excluding depreciation and amortization expense, *M. D. Anderson's* adjusted income was \$326.5 million or 12.5% of revenues. *M. D. Anderson* anticipated a material impact to revenues and expenses as a result of the EPIC EHR implementation. The post implementation strategy will focus on clinical productivity and operational efficiencies to return to normalized operations by year-end.
- (12) U. T. Health Science Center - Tyler - The \$6.8 million (418.3%) increase in adjusted loss over the same period last year was primarily attributable to the following: a decrease in other operating revenues driven by a decrease of \$1.9 million in Meaningful Use and Physician Quality Reporting System healthcare incentive revenue; and an increase in salaries and wages and payroll related costs as a result of the hiring of 66 behavioral health employees due to the dissolution of the main psychiatric subcontractor, as well as the addition of new employees for the new Population/Community Health Program and for the opening of the clinic in Lindale. As a result of these factors, *UTHSC-Tyler* incurred a year-to-date loss of \$8.4 million. Excluding depreciation and amortization expense, *UTHSC-Tyler's* adjusted loss was \$2.1 million or -1.9% of revenues. *UTHSC-Tyler* anticipates ending the year with a positive margin of \$2.1 million as a result of adjustments to the workforce size currently underway, a 3% institution-wide expense reduction initiative implemented for the second half of 2016, and anticipated growth in clinical services with a corresponding increase in net patient revenue. This represents 1.1% of projected revenues and includes \$10.9 million of depreciation and amortization expense.

## GLOSSARY OF TERMS

### OPERATING REVENUES:

**NET STUDENT TUITION** - All student tuition and fee revenues earned at the UT institution for educational purposes, net of tuition discounting.

**SPONSORED PROGRAMS** - Funding received from local, state and federal governments or private agencies, organizations or individuals, excluding Federal Pell Grant Program which is reported as nonoperating. Includes amounts received for services performed on grants, contracts, and agreements from these entities for current operations. This also includes indirect cost recoveries and pass-through federal and state grants.

**NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES** - Revenues that are related to the conduct of instruction, research, and public service and revenues from activities that exist to provide an instructional and laboratory experience for students that create goods and services that may be sold.

**NET SALES AND SERVICES OF HOSPITALS** - Revenues (net of discounts, allowances, and bad debt expense) generated from UT health institution's daily patient care, special or other services, as well as revenues from health clinics that are part of a hospital.

**NET PROFESSIONAL FEES** - Revenues (net of discounts, allowances, and bad debt expense) derived from the fees charged by the professional staffs at UT health institutions as part of the Medical Practice Plans. These revenues are also identified as Practice Plan income. Examples of such fees include doctor's fees for clinic visits, medical and dental procedures, professional opinions, and anatomical procedures, such as analysis of specimens after a surgical procedure, etc.

**NET AUXILIARY ENTERPRISES** - Revenues derived from a service to students, faculty, or staff in which a fee is charged that is directly related to, although not necessarily equal to the cost of the service (e.g., bookstores, dormitories, dining halls, snack bars, inter-collegiate athletic programs, etc.).

**OTHER OPERATING REVENUES** - Other revenues generated from sales or services provided to meet current fiscal year operating expenses, which are not included in the preceding categories (e.g., certified nonprofit healthcare company revenues, donated drugs, interest on student loans, etc.) Other receipts for settlements, judgments and lawsuits are considered nonoperating revenues.

### OPERATING EXPENSES:

**SALARIES AND WAGES** - Expenses for all salaries and wages of individuals employed by the institution including full-time, part-time, longevity, hourly, seasonal, etc. Includes salary augmentation and incentive compensation.

**PAYROLL RELATED COSTS** - Expenses for all employee benefits paid by the institution or paid by the state on behalf of the institution. Includes supplemental retirement annuities.

**COST OF GOODS SOLD** - Purchases of goods for resale and raw materials purchased for use in the manufacture of products intended for sale to others.

**PROFESSIONAL FEES AND SERVICES** - Payments for services rendered on a fee, contract, or other basis by a person, firm, corporation, or company recognized as possessing a high degree of learning and responsibility. Includes such items as services of a consultant, legal counsel, financial or audit fees, medical contracted services, guest lecturers (not employees) and expert witnesses.

**OTHER CONTRACTED SERVICES** - Payments for services rendered on a contractual basis by a person, firm, corporation or company that possess a lesser degree of learning and responsibility than that required for Professional Fees and Services. Includes such items as temporary employment expenses, janitorial services, dry cleaning services, etc.

**TRAVEL** - Payments for travel costs incurred by employees and board members for meetings and training.

**MATERIALS AND SUPPLIES** - Payments for consumable items. Includes, but is not limited to: computer consumables, office supplies, paper products, soap, lights, plants, fuels and lubricants, chemicals and gasses, medical supplies and copier supplies. Also includes postal services, and subscriptions and other publications not for permanent retention.

**UTILITIES** - Payments for the purchase of electricity, natural gas, water, and thermal energy.

**COMMUNICATIONS** - Electronically transmitted communications services (telephone, internet, computation center services, etc.).

**REPAIRS AND MAINTENANCE** - Payments for the maintenance and repair of equipment, furnishings, motor vehicles, buildings and other plant facilities, and waste disposal. Includes, but is not limited to repair and maintenance to copy machines, furnishings, equipment - including medical and laboratory equipment, office equipment and aircraft.

**RENTALS AND LEASES** - Payments for rentals or leases of furnishings and equipment, vehicles, land and office buildings (all rental of space).

**PRINTING AND REPRODUCTION** - Printing and reproduction costs associated with the printing/copying of the institution's documents and publications.

**BAD DEBT EXPENSE** - Expenses incurred by the university related to nonrevenue receivables such as non-payment of student loans.

CLAIMS AND LOSSES - Payments for claims from self-insurance programs. Other claims for settlements, judgments and lawsuits are considered nonoperating expenses.

INCREASE IN NET OPEB OBLIGATION - The change in the actuarially estimated liability of the cost of providing healthcare benefits to UT System's employees after they separate from employment (retire).

PENSION EXPENSE - An estimate of year-end expense which will be allocated from the Texas Comptroller's Office based upon prior year amounts.

SCHOLARSHIPS AND FELLOWSHIPS - Payments made for scholarship grants to students authorized by law, net of tuition discounting.

DEPRECIATION AND AMORTIZATION - Depreciation on capital assets and amortization expense on intangible assets.

FEDERAL SPONSORED PROGRAM PASS-THROUGHS TO OTHER STATE AGENCIES - Pass-throughs to other Texas state agencies, including other universities, of federal grants and contracts.

STATE SPONSORED PROGRAM PASS-THROUGHS TO OTHER STATE AGENCIES - Pass-throughs to other Texas state agencies, including Texas universities.

OTHER OPERATING EXPENSES - Other operating expenses not identified in other line items above (e.g., certified non-profit healthcare company expenses, property taxes, insurance premiums, credit card fees, hazardous waste disposal expenses, meetings and conferences, etc.). Other claims for settlements, judgments and lawsuits are considered nonoperating expenses.

**OPERATING LOSS** - Total operating revenues less total operating expenses before other nonoperating adjustments like state appropriations.

**OTHER NONOPERATING ADJUSTMENTS:**

STATE APPROPRIATIONS - Appropriations from the State General Revenue fund, which supplement the UT institutional revenue in meeting operating expenses, such as faculty salaries, utilities, and institutional support.

NONEXCHANGE SPONSORED PROGRAMS - Funding received for the Federal Pell Grant Program, the portion of "state appropriations" funded by the American Recovery and Reinvestment Act, Texas Research Incentive Program (TRIP) and Enrollment Growth funding.

GIFT CONTRIBUTIONS FOR OPERATIONS - Consist of gifts from donors received for use in current operations, excluding gifts for capital acquisition and endowment gifts. Gifts for capital acquisition which can only be used to build or buy capital assets are excluded because they cannot be used to support current operations. Endowment gifts must be held in perpetuity and cannot be spent. The distributed income from endowment gifts must be spent according to the donor's stipulations.

NET INVESTMENT INCOME (on institutions' sheets) - Interest and dividend income on treasury balances, bank accounts, Short Term Fund, Intermediate Term Fund and Long Term Fund. It also includes distributed earnings from the Permanent Health Fund and patent and royalty income.

NET INVESTMENT INCOME (on the consolidated sheet) - Interest and dividend earnings of the Permanent University Fund, Short Term Fund, Intermediate Term Fund, Long Term Fund and Permanent Health Fund. This line item also includes the Available University Fund surface income, oil and gas royalties, and mineral lease bonus sales.

INTEREST EXPENSE ON CAPITAL ASSET FINANCINGS - Interest expenses associated with bond and note borrowings utilized to finance capital improvement projects by an institution. This consists of the interest portion of mandatory debt service transfers under the Revenue Financing System, Tuition Revenue bond and Permanent University Fund (PUF) bond programs. PUF interest expense is reported on System Administration as the debt legally belongs to the Board of Regents.

**ADJUSTED INCOME (LOSS) including Depreciation and Amortization** - Total operating revenues less total operating expenses including depreciation and amortization expense plus net other nonoperating adjustments.

**ADJUSTED MARGIN % including Depreciation and Amortization** - Percentage of Adjusted Income (Loss) including depreciation and amortization expense divided by Total Operating Revenues plus Net Nonoperating Adjustments less Interest Expense on Capital Asset Financings.

AVAILABLE UNIVERSITY FUND TRANSFER - Includes Available University Fund (AUF) transfer to System Administration for Educational and General operations and to UT Austin for Excellence Funding. These transfers are funded by investment earnings from the Permanent University Fund (PUF), which are required by law to be reported in the PUF at System Administration. On the MFR, investment income for System Administration has been reduced for the amount of the System Administration transfer so as not to overstate investment income for System Administration. The AUF transfers are eliminated at the consolidated level to avoid overstating System-wide revenues, as the amounts will be reflected as transfers at year-end.

INVESTMENT GAINS (LOSSES) - Realized and unrealized gains and losses on investments.

**ADJUSTED INCOME (LOSS) excluding Depreciation and Amortization** - Total operating revenues less total operating expenses excluding depreciation and amortization expense plus net other nonoperating adjustments.

**ADJUSTED MARGIN % excluding Depreciation and Amortization** - Percentage of Adjusted Income (Loss) excluding depreciation and amortization expense divided by Total Operating Revenues plus Net Nonoperating Adjustments less Interest Expense on Capital Asset Financings.

UNAUDITED

The University of Texas System Administration  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Sponsored Programs	11,631,794.00	7,172,414.48	4,459,379.52	62.2%
Net Sales and Services of Educational Activities	24,147,196.07	17,543,946.86	6,603,249.21	37.6%
Other Operating Revenues	15,286,810.39	12,243,127.73	3,043,682.66	24.9%
<b>Total Operating Revenues</b>	<b>51,065,800.46</b>	<b>36,959,489.07</b>	<b>14,106,311.39</b>	<b>38.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	38,020,732.36	34,229,665.75	3,791,066.61	11.1%
Payroll Related Costs	8,624,368.54	8,394,350.79	230,017.75	2.7%
Professional Fees and Services	8,671,708.18	8,281,795.50	389,912.68	4.7%
Other Contracted Services	15,342,152.01	16,330,116.62	(987,964.61)	-6.0%
Travel	887,253.00	876,963.42	10,289.58	1.2%
Materials and Supplies	12,769,789.26	5,815,208.50	6,954,580.76	119.6%
Utilities	193,850.79	229,459.84	(35,609.05)	-15.5%
Communications	6,086,758.44	4,883,717.70	1,203,040.74	24.6%
Repairs and Maintenance	15,310,072.95	4,122,457.66	11,187,615.29	271.4%
Rentals and Leases	3,393,535.52	2,267,588.80	1,125,946.72	49.7%
Printing and Reproduction	1,048,401.17	210,040.07	838,361.10	399.1%
Claims and Losses	5,451,402.66	30,826,325.55	(25,374,922.89)	-82.3%
Increase in Net OPEB Obligation	388,991,548.75	326,590,952.92	62,400,595.83	19.1%
Pension Expense	124,188,614.35	-	124,188,614.35	100.0%
Scholarships and Fellowships	393,891.67	398,500.00	(4,608.33)	-1.2%
Depreciation and Amortization	10,442,533.76	10,430,411.15	12,122.61	0.1%
State Sponsored Program Pass-Through to Other State Agencies	1,112,462.12	973,024.35	139,437.77	14.3%
Other Operating Expenses	23,987,369.06	18,862,174.50	5,125,194.56	27.2%
<b>Total Operating Expenses</b>	<b>664,916,444.59</b>	<b>473,722,753.12</b>	<b>191,193,691.47</b>	<b>40.4%</b>
<b>Operating Loss</b>	<b>(613,850,644.13)</b>	<b>(436,763,264.05)</b>	<b>(177,087,380.08)</b>	<b>-40.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,654,901.11	1,001,375.64	653,525.47	65.3%
Nonexchange Sponsored Programs	13,712,379.80	13,574,111.80	138,268.00	1.0%
Gift Contributions for Operations	881,522.07	42,613,101.98	(41,731,579.91)	-97.9%
Net Investment Income	89,758,103.22	211,550,478.01	(121,792,374.79)	-57.6%
Interest Expense on Capital Asset Financings	(37,884,758.35)	(38,733,628.37)	848,870.02	2.2%
<b>Net Other Nonoperating Adjustments</b>	<b>68,122,147.85</b>	<b>230,005,439.06</b>	<b>(161,883,291.21)</b>	<b>-70.4%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(545,728,496.28)</b>	<b>(206,757,824.99)</b>	<b>(338,970,671.29)</b>	<b>-163.9%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-347.4%</b>	<b>-67.6%</b>		
Available University Fund Transfer	60,171,664.83	42,052,990.58	18,118,674.25	43.1%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>(485,556,831.45)</b>	<b>(164,704,834.41)</b>	<b>(320,851,997.04)</b>	<b>-194.8%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>-223.5%</b>	<b>-47.4%</b>		
Investment Gain (Losses)	(571,598,248.97)	264,196,464.72	(835,794,713.69)	-316.4%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>(1,057,155,080.42)</b>	<b>\$99,491,630.31</b>	<b>(1,156,646,710.73)</b>	<b>-1,162.6%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>298.3%</b>	<b>16.3%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>(475,114,297.69)</b>	<b>(154,274,423.26)</b>	<b>(320,839,874.43)</b>	<b>-208.0%</b>
<b>Adjusted Margin % with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>-218.7%</b>	<b>-44.4%</b>		

UNAUDITED

The University of Texas at Arlington  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	143,024,341.81	132,949,770.99	10,074,570.82	7.6%
Sponsored Programs	38,284,667.65	41,679,176.19	(3,394,508.54)	-8.1%
Net Sales and Services of Educational Activities	11,326,892.60	12,687,564.00	(1,360,671.40)	-10.7%
Net Auxiliary Enterprises	23,795,175.43	21,480,977.21	2,314,198.22	10.8%
Other Operating Revenues	5,395,264.13	4,312,864.13	1,082,400.00	25.1%
<b>Total Operating Revenues</b>	<b>221,826,341.62</b>	<b>213,110,352.52</b>	<b>8,715,989.10</b>	<b>4.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	146,105,563.29	143,121,777.16	2,983,786.13	2.1%
Payroll Related Costs	35,960,137.32	33,156,313.70	2,803,823.62	8.5%
Cost of Goods Sold	3,622.76	4,687.69	(1,064.93)	-22.7%
Professional Fees and Services	5,366,058.37	5,487,306.97	(121,248.60)	-2.2%
Other Contracted Services	32,196,174.35	30,745,667.48	1,450,506.87	4.7%
Travel	3,956,893.59	3,603,760.10	353,133.49	9.8%
Materials and Supplies	13,681,606.21	11,800,444.61	1,881,161.60	15.9%
Utilities	5,833,333.33	5,834,536.51	(1,203.18)	-
Communications	4,883,593.72	4,869,935.79	13,657.93	0.3%
Repairs and Maintenance	4,199,576.61	7,036,307.55	(2,836,730.94)	-40.3%
Rentals and Leases	2,229,248.64	1,852,264.46	376,984.18	20.4%
Printing and Reproduction	1,584,452.38	1,439,912.70	144,539.68	10.0%
Bad Debt Expense	153,796.71	360,658.56	(206,861.85)	-57.4%
Scholarships and Fellowships	19,129,784.92	18,360,459.00	769,325.92	4.2%
Depreciation and Amortization	26,703,222.03	26,240,057.19	463,164.84	1.8%
Federal Sponsored Program Pass-Through to Other State Agencies	2,785,271.93	1,871,244.26	914,027.67	48.8%
State Sponsored Program Pass-Through to Other State Agencies	85,184.27	136,498.71	(51,314.44)	-37.6%
Other Operating Expenses	7,660,874.05	7,233,424.86	427,449.19	5.9%
<b>Total Operating Expenses</b>	<b>312,518,394.48</b>	<b>303,155,257.30</b>	<b>9,363,137.18</b>	<b>3.1%</b>
<b>Operating Loss</b>	<b>(90,692,052.86)</b>	<b>(90,044,904.78)</b>	<b>(647,148.08)</b>	<b>-0.7%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	76,698,411.42	69,781,999.58	6,916,411.84	9.9%
Nonexchange Sponsored Programs	33,955,734.98	26,250,000.00	7,705,734.98	29.4%
Gift Contributions for Operations	2,891,666.96	4,546,855.72	(1,655,188.76)	-36.4%
Net Investment Income	7,550,197.62	5,278,325.87	2,271,871.75	43.0%
Interest Expense on Capital Asset Financings	(6,848,904.37)	(7,425,363.00)	576,458.63	7.8%
<b>Net Other Nonoperating Adjustments</b>	<b>114,247,106.61</b>	<b>98,431,818.17</b>	<b>15,815,288.44</b>	<b>16.1%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>23,555,053.75</b>	<b>8,386,913.39</b>	<b>15,168,140.36</b>	<b>180.9%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>6.9%</b>	<b>2.6%</b>		
Investment Gain (Losses)	(20,834,453.97)	(1,327,188.41)	(19,507,265.56)	-1,469.8%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>2,720,599.78</b>	<b>7,059,724.98</b>	<b>(4,339,125.20)</b>	<b>-61.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>0.8%</b>	<b>2.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>50,258,275.78</b>	<b>34,626,970.58</b>	<b>15,631,305.20</b>	<b>45.1%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>14.7%</b>	<b>10.9%</b>		

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The University of Texas at Austin  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	281,166,666.67	282,916,666.67	(1,750,000.00)	-0.6%
Sponsored Programs	326,365,780.49	323,477,810.03	2,887,970.46	0.9%
Net Sales and Services of Educational Activities	240,196,827.99	238,562,133.29	1,634,694.70	0.7%
Net Auxiliary Enterprises	193,055,611.13	185,974,794.06	7,080,817.07	3.8%
Other Operating Revenues	4,815,551.72	3,641,876.06	1,173,675.66	32.2%
<b>Total Operating Revenues</b>	<b>1,045,600,438.00</b>	<b>1,034,573,280.11</b>	<b>11,027,157.89</b>	<b>1.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	691,808,442.20	664,146,430.03	27,662,012.17	4.2%
Payroll Related Costs	200,962,639.40	182,791,650.09	18,170,989.31	9.9%
Cost of Goods Sold	15,528,251.44	14,917,047.90	611,203.54	4.1%
Professional Fees and Services	17,617,827.23	19,558,175.76	(1,940,348.53)	-9.9%
Other Contracted Services	90,066,337.17	83,992,188.85	6,074,148.32	7.2%
Travel	23,554,917.96	23,560,942.18	(6,024.22)	-
Materials and Supplies	75,816,348.48	84,491,916.95	(8,675,568.47)	-10.3%
Utilities	49,874,055.96	52,246,788.23	(2,372,732.27)	-4.5%
Communications	22,738,691.39	25,851,651.73	(3,112,960.34)	-12.0%
Repairs and Maintenance	41,119,163.90	38,903,650.53	2,215,513.37	5.7%
Rentals and Leases	12,936,171.63	11,570,436.42	1,365,735.21	11.8%
Printing and Reproduction	4,909,457.47	5,314,150.25	(404,692.78)	-7.6%
Bad Debt Expense	275,316.10	184,295.56	91,020.54	49.4%
Scholarships and Fellowships	70,000,000.00	70,000,000.00	-	-
Depreciation and Amortization	144,375,000.00	140,000,000.00	4,375,000.00	3.1%
Federal Sponsored Program Pass-Through to Other State Agencies	2,088,476.20	2,255,283.66	(166,807.46)	-7.4%
State Sponsored Program Pass-Through to Other State Agencies	9,230,625.00	-	9,230,625.00	100.0%
Other Operating Expenses	67,428,440.53	63,590,162.39	3,838,278.14	6.0%
<b>Total Operating Expenses</b>	<b>1,540,330,162.06</b>	<b>1,483,374,770.53</b>	<b>56,955,391.53</b>	<b>3.8%</b>
<b>Operating Loss</b>	<b>(494,729,724.06)</b>	<b>(448,801,490.42)</b>	<b>(45,928,233.64)</b>	<b>-10.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	215,070,564.63	192,540,969.01	22,529,595.62	11.7%
Nonexchange Sponsored Programs	25,666,666.67	27,766,666.67	(2,100,000.00)	-7.6%
Gift Contributions for Operations	95,314,044.74	81,574,460.26	13,739,584.48	16.8%
Net Investment Income	132,275,055.35	133,568,827.81	(1,293,772.46)	-1.0%
Interest Expense on Capital Asset Financings	(26,761,007.84)	(27,987,652.14)	1,226,644.30	4.4%
<b>Net Other Nonoperating Adjustments</b>	<b>441,565,323.55</b>	<b>407,463,271.61</b>	<b>34,102,051.94</b>	<b>8.4%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(53,164,400.51)</b>	<b>(41,338,218.81)</b>	<b>(11,826,181.70)</b>	<b>-28.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-3.5%</b>	<b>-2.8%</b>		
Available University Fund Transfer	177,775,115.58	155,599,594.56	22,175,521.02	14.3%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>124,610,715.07</b>	<b>114,261,375.75</b>	<b>10,349,339.32</b>	<b>9.1%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>7.4%</b>	<b>7.0%</b>		
Investment Gain (Losses)	(196,921,355.19)	(52,327,332.69)	(144,594,022.50)	-276.3%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>(72,310,640.12)</b>	<b>\$61,934,043.06</b>	<b>(134,244,683.18)</b>	<b>-216.8%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>-4.8%</b>	<b>3.9%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>268,985,715.07</b>	<b>254,261,375.75</b>	<b>14,724,339.32</b>	<b>5.8%</b>
<b>Adjusted Margin % with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>15.9%</b>	<b>15.6%</b>		

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The University of Texas at Brownsville  
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 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	-	18,569,767.43	(18,569,767.43)	-100.0%
Sponsored Programs	-	14,430,825.73	(14,430,825.73)	-100.0%
Net Sales and Services of Educational Activities	-	1,321,599.88	(1,321,599.88)	-100.0%
Net Auxiliary Enterprises	-	1,165,392.75	(1,165,392.75)	-100.0%
Other Operating Revenues	-	46,208.48	(46,208.48)	-100.0%
<b>Total Operating Revenues</b>	<b>-</b>	<b>35,533,794.27</b>	<b>(35,533,794.27)</b>	<b>-100.0%</b>
<b>Operating Expenses</b>				
Salaries and Wages	-	29,196,974.83	(29,196,974.83)	-100.0%
Payroll Related Costs	-	8,817,576.35	(8,817,576.35)	-100.0%
Professional Fees and Services	232.40	713,100.51	(712,868.11)	-100.0%
Other Contracted Services	-	439,775.12	(439,775.12)	-100.0%
Travel	-	843,382.40	(843,382.40)	-100.0%
Materials and Supplies	74,001.70	2,985,765.90	(2,911,764.20)	-97.5%
Utilities	-	1,071,869.39	(1,071,869.39)	-100.0%
Communications	-	147,987.28	(147,987.28)	-100.0%
Repairs and Maintenance	211,575.96	634,087.39	(422,511.43)	-66.6%
Rentals and Leases	-	2,169,574.88	(2,169,574.88)	-100.0%
Printing and Reproduction	-	166,354.34	(166,354.34)	-100.0%
Scholarships and Fellowships	-	18,973,026.20	(18,973,026.20)	-100.0%
Depreciation and Amortization	355,154.59	4,957,449.50	(4,602,294.91)	-92.8%
Federal Sponsored Program Pass-Through to Other State Agencies	-	94,510.21	(94,510.21)	-100.0%
Other Operating Expenses	-	2,700,785.33	(2,700,785.33)	-100.0%
<b>Total Operating Expenses</b>	<b>640,964.65</b>	<b>73,912,219.63</b>	<b>(73,271,254.98)</b>	<b>-99.1%</b>
<b>Operating Loss</b>	<b>(640,964.65)</b>	<b>(38,378,425.36)</b>	<b>37,737,460.71</b>	<b>98.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	-	23,565,717.27	(23,565,717.27)	-100.0%
Nonexchange Sponsored Programs	-	9,358,433.16	(9,358,433.16)	-100.0%
Gift Contributions for Operations	-	266,497.54	(266,497.54)	-100.0%
Net Investment Income	-	1,289,913.81	(1,289,913.81)	-100.0%
Interest Expense on Capital Asset Financings	-	(1,630,563.97)	1,630,563.97	100.0%
<b>Net Other Nonoperating Adjustments</b>	<b>-</b>	<b>32,849,997.81</b>	<b>(32,849,997.81)</b>	<b>-100.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(640,964.65)</b>	<b>(5,528,427.55)</b>	<b>4,887,462.90</b>	<b>88.4%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>N/A</b>	<b>-7.9%</b>		
Investment Gain (Losses)	(0.04)	(968,644.74)	968,644.70	100.0%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(640,964.69)</b>	<b>(6,497,072.29)</b>	<b>5,856,107.60</b>	<b>90.1%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>N/A</b>	<b>-9.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>(285,810.06)</b>	<b>(570,978.05)</b>	<b>285,167.99</b>	<b>49.9%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>N/A</b>	<b>-0.8%</b>		



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The University of Texas at Dallas  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	165,902,459.09	156,506,849.31	9,395,609.78	6.0%
Sponsored Programs	34,103,711.31	34,235,358.59	(131,647.28)	-0.4%
Net Sales and Services of Educational Activities	10,665,571.87	8,731,491.24	1,934,080.63	22.2%
Net Auxiliary Enterprises	16,261,330.91	16,945,713.82	(684,382.91)	-4.0%
Other Operating Revenues	2,679,908.70	3,177,363.66	(497,454.96)	-15.7%
<b>Total Operating Revenues</b>	<b>229,612,981.88</b>	<b>219,596,776.62</b>	<b>10,016,205.26</b>	<b>4.6%</b>
<b>Operating Expenses</b>				
Salaries and Wages	166,212,902.41	152,391,973.21	13,820,929.20	9.1%
Payroll Related Costs	39,039,536.07	36,433,203.33	2,606,332.74	7.2%
Professional Fees and Services	6,042,457.82	5,627,823.93	414,633.89	7.4%
Other Contracted Services	9,209,761.07	11,015,667.31	(1,805,906.24)	-16.4%
Travel	3,740,655.60	3,107,995.80	632,659.80	20.4%
Materials and Supplies	19,307,223.83	14,933,535.57	4,373,688.26	29.3%
Utilities	6,492,063.06	6,914,512.12	(422,449.06)	-6.1%
Communications	422,249.78	121,229.44	301,020.34	248.3%
Repairs and Maintenance	3,465,406.81	2,910,473.19	554,933.62	19.1%
Rentals and Leases	4,173,831.85	4,019,465.03	154,366.82	3.8%
Printing and Reproduction	1,227,743.20	1,142,262.65	85,480.55	7.5%
Scholarships and Fellowships	23,506,454.47	28,268,856.51	(4,762,402.04)	-16.8%
Depreciation and Amortization	37,089,500.00	33,601,811.22	3,487,688.78	10.4%
Federal Sponsored Program Pass-Through to Other State Agencies	43,753.14	17,349.80	26,403.34	152.2%
State Sponsored Program Pass-Through to Other State Agencies	232,682.37	280,079.54	(47,397.17)	-16.9%
Other Operating Expenses	12,932,738.27	9,368,101.20	3,564,637.07	38.1%
<b>Total Operating Expenses</b>	<b>333,138,959.75</b>	<b>310,154,339.85</b>	<b>22,984,619.90</b>	<b>7.4%</b>
<b>Operating Loss</b>	<b>(103,525,977.87)</b>	<b>(90,557,563.23)</b>	<b>(12,968,414.64)</b>	<b>-14.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	64,529,784.77	70,373,281.58	(5,843,496.81)	-8.3%
Nonexchange Sponsored Programs	31,194,407.42	13,682,940.83	17,511,466.59	128.0%
Gift Contributions for Operations	7,583,333.33	7,630,106.93	(46,773.60)	-0.6%
Net Investment Income	13,601,894.15	12,877,384.54	724,509.61	5.6%
Interest Expense on Capital Asset Financings	(8,977,226.86)	(9,047,061.38)	69,834.52	0.8%
<b>Net Other Nonoperating Adjustments</b>	<b>107,932,192.81</b>	<b>95,516,652.50</b>	<b>12,415,540.31</b>	<b>13.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>4,406,214.94</b>	<b>4,959,089.27</b>	<b>(552,874.33)</b>	<b>-11.1%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.3%</b>	<b>1.5%</b>		
Investment Gain (Losses)	(13,492,246.50)	(6,827,386.94)	(6,664,859.56)	-97.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(9,086,031.56)</b>	<b>(1,868,297.67)</b>	<b>(7,217,733.89)</b>	<b>-386.3%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-2.7%</b>	<b>-0.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>41,495,714.94</b>	<b>38,560,900.49</b>	<b>2,934,814.45</b>	<b>7.6%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>12.0%</b>	<b>11.9%</b>		

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The University of Texas at El Paso  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	68,496,426.95	65,656,158.45	2,840,268.50	4.3%
Sponsored Programs	53,407,478.56	46,334,560.07	7,072,918.49	15.3%
Net Sales and Services of Educational Activities	4,552,768.20	3,749,255.50	803,512.70	21.4%
Net Auxiliary Enterprises	18,682,205.90	23,010,580.10	(4,328,374.20)	-18.8%
Other Operating Revenues	(7,902.63)	49,835.83	(57,738.46)	-115.9%
<b>Total Operating Revenues</b>	<b>145,130,976.98</b>	<b>138,800,389.95</b>	<b>6,330,587.03</b>	<b>4.6%</b>
<b>Operating Expenses</b>				
Salaries and Wages	110,369,830.70	99,414,291.97	10,955,538.73	11.0%
Payroll Related Costs	29,084,382.17	26,552,989.39	2,531,392.78	9.5%
Professional Fees and Services	6,701,928.24	1,864,375.17	4,837,553.07	259.5%
Other Contracted Services	7,145,995.90	19,632,280.56	(12,486,284.66)	-63.6%
Travel	4,717,252.62	4,562,765.55	154,487.07	3.4%
Materials and Supplies	11,542,976.33	11,104,081.13	438,895.20	4.0%
Utilities	4,982,683.03	4,858,956.69	123,726.34	2.5%
Communications	595,559.89	743,557.58	(147,997.69)	-19.9%
Repairs and Maintenance	3,823,783.97	3,158,501.77	665,282.20	21.1%
Rentals and Leases	1,931,081.53	2,528,160.23	(597,078.70)	-23.6%
Printing and Reproduction	682,625.19	811,150.20	(128,525.01)	-15.8%
Scholarships and Fellowships	44,818,748.16	39,660,842.53	5,157,905.63	13.0%
Depreciation and Amortization	18,249,244.67	17,510,614.01	738,630.66	4.2%
Federal Sponsored Program Pass-Through to Other State Agencies	2,971,813.54	168,854.82	2,802,958.72	1,660.0%
State Sponsored Program Pass-Through to Other State Agencies	-	34,450.69	(34,450.69)	-100.0%
Other Operating Expenses	7,223,002.91	5,616,426.52	1,606,576.39	28.6%
<b>Total Operating Expenses</b>	<b>254,840,908.85</b>	<b>238,222,298.81</b>	<b>16,618,610.04</b>	<b>7.0%</b>
<b>Operating Loss</b>	<b>(109,709,931.87)</b>	<b>(99,421,908.86)</b>	<b>(10,288,023.01)</b>	<b>-10.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	65,232,895.00	58,707,187.00	6,525,708.00	11.1%
Nonexchange Sponsored Programs	26,615,854.72	26,824,163.02	(208,308.30)	-0.8%
Gift Contributions for Operations	3,694,877.54	2,956,292.80	738,584.74	25.0%
Net Investment Income	7,216,784.26	7,428,426.73	(211,642.47)	-2.8%
Interest Expense on Capital Asset Financings	(4,189,141.95)	(4,558,462.16)	369,320.21	8.1%
<b>Net Other Nonoperating Adjustments</b>	<b>98,571,269.57</b>	<b>91,357,607.39</b>	<b>7,213,662.18</b>	<b>7.9%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(11,138,662.30)</b>	<b>(8,064,301.47)</b>	<b>(3,074,360.83)</b>	<b>-38.1%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-4.5%</b>	<b>-3.4%</b>		
Investment Gain (Losses)	(14,234,379.75)	(3,859,399.22)	(10,374,980.53)	-268.8%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(25,373,042.05)</b>	<b>(11,923,700.69)</b>	<b>(13,449,341.36)</b>	<b>-112.8%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-10.9%</b>	<b>-5.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>7,110,582.37</b>	<b>9,446,312.54</b>	<b>(2,335,730.17)</b>	<b>-24.7%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>2.9%</b>	<b>4.0%</b>		

UNAUDITED

The University of Texas of the Permian Basin  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	9,265,786.80	9,801,308.25	(535,521.45)	-5.5%
Sponsored Programs	5,095,986.05	4,503,930.92	592,055.13	13.1%
Net Sales and Services of Educational Activities	1,215,740.12	1,636,155.51	(420,415.39)	-25.7%
Net Auxiliary Enterprises	4,186,008.05	1,800,447.12	2,385,560.93	132.5%
Other Operating Revenues	230,247.19	375,365.40	(145,118.21)	-38.7%
<b>Total Operating Revenues</b>	<b>19,993,768.21</b>	<b>18,117,207.20</b>	<b>1,876,561.01</b>	<b>10.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	19,556,541.93	15,638,704.60	3,917,837.33	25.1%
Payroll Related Costs	4,680,804.85	3,536,790.21	1,144,014.64	32.3%
Cost of Goods Sold	5,935.29	6,870.79	(935.50)	-13.6%
Professional Fees and Services	1,875,547.04	2,053,458.64	(177,911.60)	-8.7%
Other Contracted Services	2,019,824.18	1,993,862.66	25,961.52	1.3%
Travel	842,571.23	684,893.82	157,677.41	23.0%
Materials and Supplies	3,149,841.82	2,671,136.64	478,705.18	17.9%
Utilities	1,274,876.10	1,710,140.19	(435,264.09)	-25.5%
Communications	403,309.40	408,574.44	(5,265.04)	-1.3%
Repairs and Maintenance	(151,416.11)	686,106.54	(837,522.65)	-122.1%
Rentals and Leases	377,234.83	337,579.71	39,655.12	11.7%
Printing and Reproduction	75,135.70	41,387.07	33,748.63	81.5%
Scholarships and Fellowships	4,474,389.10	7,351,495.57	(2,877,106.47)	-39.1%
Depreciation and Amortization	8,146,250.00	7,601,181.43	545,068.57	7.2%
Federal Sponsored Program Pass-Through to Other State Agencies	(44,024.12)	-	(44,024.12)	100.0%
Other Operating Expenses	824,150.36	799,053.27	25,097.09	3.1%
<b>Total Operating Expenses</b>	<b>47,510,971.60</b>	<b>45,521,235.58</b>	<b>1,989,736.02</b>	<b>4.4%</b>
<b>Operating Loss</b>	<b>(27,517,203.39)</b>	<b>(27,404,028.38)</b>	<b>(113,175.01)</b>	<b>-0.4%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	20,750,980.40	17,011,627.01	3,739,353.39	22.0%
Nonexchange Sponsored Programs	4,169,136.83	3,580,841.25	588,295.58	16.4%
Gift Contributions for Operations	1,622,197.90	4,980,692.76	(3,358,494.86)	-67.4%
Net Investment Income	860,369.62	1,221,272.57	(360,902.95)	-29.6%
Interest Expense on Capital Asset Financings	(3,148,567.87)	(3,329,252.50)	180,684.63	5.4%
<b>Net Other Nonoperating Adjustments</b>	<b>24,254,116.88</b>	<b>23,465,181.09</b>	<b>788,935.79</b>	<b>3.4%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(3,263,086.51)</b>	<b>(3,938,847.29)</b>	<b>675,760.78</b>	<b>17.2%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-6.9%</b>	<b>-8.8%</b>		
Investment Gain (Losses)	(2,361,006.68)	(514,542.91)	(1,846,463.77)	-358.9%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(5,624,093.19)</b>	<b>(4,453,390.20)</b>	<b>(1,170,702.99)</b>	<b>-26.3%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-12.5%</b>	<b>-10.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>4,883,163.49</b>	<b>3,662,334.14</b>	<b>1,220,829.35</b>	<b>33.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>10.3%</b>	<b>8.2%</b>		

UNAUDITED

The University of Texas Rio Grande Valley  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	-	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>					
Net Student Tuition and Fees	70,639,809.87	-		70,639,809.87	100.0%
Sponsored Programs	58,742,553.62	-		58,742,553.62	100.0%
Net Sales and Services of Educational Activities	2,612,790.46	-		2,612,790.46	100.0%
Net Professional Fees	131,602.58	-		131,602.58	100.0%
Net Auxiliary Enterprises	6,646,340.37	-		6,646,340.37	100.0%
Other Operating Revenues	5,701,254.46	-		5,701,254.46	100.0%
<b>Total Operating Revenues</b>	<b>144,474,351.36</b>	<b>-</b>		<b>144,474,351.36</b>	<b>100.0%</b>
<b>Operating Expenses</b>					
Salaries and Wages	115,595,441.93	-		115,595,441.93	100.0%
Payroll Related Costs	33,825,127.04	-		33,825,127.04	100.0%
Cost of Goods Sold	269,059.21	-		269,059.21	100.0%
Professional Fees and Services	1,259,013.11	-		1,259,013.11	100.0%
Other Contracted Services	4,995,024.36	-		4,995,024.36	100.0%
Travel	4,113,082.38	-		4,113,082.38	100.0%
Materials and Supplies	8,448,457.49	-		8,448,457.49	100.0%
Utilities	4,542,672.12	-		4,542,672.12	100.0%
Communications	304,706.14	-		304,706.14	100.0%
Repairs and Maintenance	2,749,680.95	-		2,749,680.95	100.0%
Rentals and Leases	2,812,593.75	-		2,812,593.75	100.0%
Printing and Reproduction	400,059.74	-		400,059.74	100.0%
Bad Debt Expense	4,700.38	-		4,700.38	100.0%
Scholarships and Fellowships	59,267,930.11	-		59,267,930.11	100.0%
Depreciation and Amortization	22,076,702.51	-		22,076,702.51	100.0%
Federal Sponsored Program Pass-Through to Other State Agencies	145,273.37	-		145,273.37	100.0%
Other Operating Expenses	4,849,838.52	-		4,849,838.52	100.0%
<b>Total Operating Expenses</b>	<b>265,659,363.11</b>	<b>-</b>		<b>265,659,363.11</b>	<b>100.0%</b>
<b>Operating Loss</b>	<b>(121,185,011.75)</b>	<b>-</b>		<b>(121,185,011.75)</b>	<b>100.0%</b>
<b>Other Nonoperating Adjustments</b>					
State Appropriations	88,992,512.00	-		88,992,512.00	100.0%
Nonexchange Sponsored Programs	34,458,985.07	-		34,458,985.07	100.0%
Gift Contributions for Operations	5,653,670.05	-		5,653,670.05	100.0%
Net Investment Income	3,435,857.92	-		3,435,857.92	100.0%
Interest Expense on Capital Asset Financings	(3,685,408.86)	-		(3,685,408.86)	100.0%
<b>Net Other Nonoperating Adjustments</b>	<b>128,855,616.18</b>	<b>-</b>		<b>128,855,616.18</b>	<b>100.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>7,670,604.43</b>	<b>-</b>		<b>7,670,604.43</b>	<b>100.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>2.8%</b>				
Investment Gain (Losses)	(4,268,324.63)	-		(4,268,324.63)	100.0%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>3,402,279.80</b>	<b>-</b>		<b>3,402,279.80</b>	<b>100.0%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>1.2%</b>				
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>29,747,306.94</b>	<b>-</b>		<b>29,747,306.94</b>	<b>100.0%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>10.7%</b>				

UNAUDITED

The University of Texas at San Antonio  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	106,898,041.77	113,838,010.13	(6,939,968.36)	-6.1%
Sponsored Programs	35,805,583.55	35,474,416.73	331,166.82	0.9%
Net Sales and Services of Educational Activities	8,809,640.02	8,051,502.39	758,137.63	9.4%
Net Auxiliary Enterprises	26,409,668.51	24,692,475.17	1,717,193.34	7.0%
Other Operating Revenues	2,148,351.51	1,858,765.24	289,586.27	15.6%
<b>Total Operating Revenues</b>	<b>180,071,285.36</b>	<b>183,915,169.66</b>	<b>(3,843,884.30)</b>	<b>-2.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	141,659,109.11	131,524,689.21	10,134,419.90	7.7%
Payroll Related Costs	36,232,619.35	33,592,439.69	2,640,179.66	7.9%
Cost of Goods Sold	175,000.00	228,860.34	(53,860.34)	-23.5%
Professional Fees and Services	3,734,088.73	3,476,062.29	258,026.44	7.4%
Other Contracted Services	8,225,082.85	9,966,192.82	(1,741,109.97)	-17.5%
Travel	6,343,774.17	5,600,353.64	743,420.53	13.3%
Materials and Supplies	17,842,970.14	17,779,330.20	63,639.94	0.4%
Utilities	7,226,784.33	7,758,333.33	(531,549.00)	-6.9%
Communications	1,727,996.26	1,378,390.45	349,605.81	25.4%
Repairs and Maintenance	4,894,097.83	5,089,768.97	(195,671.14)	-3.8%
Rentals and Leases	1,353,955.77	1,395,542.17	(41,586.40)	-3.0%
Printing and Reproduction	868,683.48	1,004,089.14	(135,405.66)	-13.5%
Bad Debt Expense	127,721.42	46,666.67	81,054.75	173.7%
Scholarships and Fellowships	25,811,258.67	22,982,842.86	2,828,415.81	12.3%
Depreciation and Amortization	27,915,678.39	28,469,006.29	(553,327.90)	-1.9%
Federal Sponsored Program Pass-Through to Other State Agencies	962,430.23	906,980.34	55,449.89	6.1%
Other Operating Expenses	8,884,592.41	8,793,058.89	91,533.52	1.0%
<b>Total Operating Expenses</b>	<b>293,985,843.14</b>	<b>279,992,607.30</b>	<b>13,993,235.84</b>	<b>5.0%</b>
<b>Operating Loss</b>	<b>(113,914,557.78)</b>	<b>(96,077,437.64)</b>	<b>(17,837,120.14)</b>	<b>-18.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	75,099,225.25	71,800,298.50	3,298,926.75	4.6%
Nonexchange Sponsored Programs	29,895,801.25	27,257,501.25	2,638,300.00	9.7%
Gift Contributions for Operations	4,666,666.67	4,348,193.43	318,473.24	7.3%
Net Investment Income	15,938,570.49	11,197,565.74	4,741,004.75	42.3%
Interest Expense on Capital Asset Financings	(8,586,547.69)	(9,213,262.15)	626,714.46	6.8%
<b>Net Other Nonoperating Adjustments</b>	<b>117,013,715.97</b>	<b>105,390,296.77</b>	<b>11,623,419.20</b>	<b>11.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>3,099,158.19</b>	<b>9,312,859.13</b>	<b>(6,213,700.94)</b>	<b>-66.7%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.0%</b>	<b>3.1%</b>		
Investment Gain (Losses)	(25,643,439.57)	29,415,511.53	(55,058,951.10)	-187.2%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(22,544,281.38)</b>	<b>38,728,370.66</b>	<b>(61,272,652.04)</b>	<b>-158.2%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-8.1%</b>	<b>11.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>31,014,836.58</b>	<b>37,781,865.42</b>	<b>(6,767,028.84)</b>	<b>-17.9%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>10.1%</b>	<b>12.7%</b>		

UNAUDITED

The University of Texas at Tyler  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	23,683,559.68	22,262,486.98	1,421,072.70	6.4%
Sponsored Programs	6,783,132.57	8,544,475.54	(1,761,342.97)	-20.6%
Net Sales and Services of Educational Activities	4,152,620.05	2,267,019.77	1,885,600.28	83.2%
Net Auxiliary Enterprises	4,879,623.00	3,848,439.00	1,031,184.00	26.8%
Other Operating Revenues	255,285.77	177,657.62	77,628.15	43.7%
<b>Total Operating Revenues</b>	<b>39,754,221.07</b>	<b>37,100,078.91</b>	<b>2,654,142.16</b>	<b>7.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	39,856,303.94	33,454,874.15	6,401,429.79	19.1%
Payroll Related Costs	9,514,736.43	8,592,583.80	922,152.63	10.7%
Cost of Goods Sold	17,739.57	16,616.65	1,122.92	6.8%
Professional Fees and Services	1,529,431.13	2,024,559.32	(495,128.19)	-24.5%
Other Contracted Services	3,392,945.10	3,310,648.12	82,296.98	2.5%
Travel	1,149,158.90	1,007,755.03	141,403.87	14.0%
Materials and Supplies	4,902,407.84	4,488,431.44	413,976.40	9.2%
Utilities	1,510,742.36	1,307,626.01	203,116.35	15.5%
Communications	374,860.10	736,246.15	(361,386.05)	-49.1%
Repairs and Maintenance	1,582,664.13	1,957,495.14	(374,831.01)	-19.1%
Rentals and Leases	396,617.03	349,619.16	46,997.87	13.4%
Printing and Reproduction	811,876.41	785,627.86	26,248.55	3.3%
Bad Debt Expense	-	20,500.59	(20,500.59)	-100.0%
Scholarships and Fellowships	1,624,136.62	3,665,582.84	(2,041,446.22)	-55.7%
Depreciation and Amortization	8,104,895.73	7,027,247.42	1,077,648.31	15.3%
Federal Sponsored Program Pass-Through to Other State Agencies	-	23,303.00	(23,303.00)	-100.0%
Other Operating Expenses	2,064,322.21	1,691,798.93	372,523.28	22.0%
<b>Total Operating Expenses</b>	<b>76,832,837.50</b>	<b>70,460,515.61</b>	<b>6,372,321.89</b>	<b>9.0%</b>
<b>Operating Loss</b>	<b>(37,078,616.43)</b>	<b>(33,360,436.70)</b>	<b>(3,718,179.73)</b>	<b>-11.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	23,243,528.00	21,283,346.00	1,960,182.00	9.2%
Nonexchange Sponsored Programs	5,718,524.00	4,616,526.00	1,101,998.00	23.9%
Gift Contributions for Operations	1,061,227.15	3,144,577.28	(2,083,350.13)	-66.3%
Net Investment Income	2,584,275.89	2,707,230.16	(122,954.27)	-4.5%
Interest Expense on Capital Asset Financings	(2,047,150.21)	(2,456,909.07)	409,758.86	16.7%
<b>Net Other Nonoperating Adjustments</b>	<b>30,560,404.83</b>	<b>29,294,770.37</b>	<b>1,265,634.46</b>	<b>4.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(6,518,211.60)</b>	<b>(4,065,666.33)</b>	<b>(2,452,545.27)</b>	<b>-60.3%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-9.0%</b>	<b>-5.9%</b>		
Investment Gain (Losses)	(3,775,564.56)	(1,200,351.77)	(2,575,212.79)	-214.5%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(10,293,776.16)</b>	<b>(5,266,018.10)</b>	<b>(5,027,758.06)</b>	<b>-95.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-15.0%</b>	<b>-7.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>1,586,684.13</b>	<b>2,961,581.09</b>	<b>(1,374,896.96)</b>	<b>-46.4%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>2.2%</b>	<b>4.3%</b>		

UNAUDITED

The University of Texas Southwestern Medical Center  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	13,257,600.53	12,979,211.57	278,388.96	2.1%
Sponsored Programs	329,949,473.17	315,939,493.27	14,009,979.90	4.4%
Net Sales and Services of Educational Activities	7,929,856.35	6,346,396.46	1,583,459.89	25.0%
Net Sales and Services of Hospitals	621,759,202.72	522,113,862.73	99,645,339.99	19.1%
Net Professional Fees	311,576,860.13	275,877,185.00	35,699,675.13	12.9%
Net Auxiliary Enterprises	16,526,135.19	13,815,345.42	2,710,789.77	19.6%
Other Operating Revenues	65,371,049.15	36,305,984.81	29,065,064.34	80.1%
<b>Total Operating Revenues</b>	<b>1,366,370,177.24</b>	<b>1,183,377,479.26</b>	<b>182,992,697.98</b>	<b>15.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	747,121,152.63	673,860,449.04	73,260,703.59	10.9%
Payroll Related Costs	198,252,657.07	158,035,842.43	40,216,814.64	25.4%
Cost of Goods Sold	3,775,035.09	3,205,977.64	569,057.45	17.7%
Professional Fees and Services	48,674,644.52	31,886,231.20	16,788,413.32	52.7%
Other Contracted Services	68,970,563.04	70,508,163.66	(1,537,600.62)	-2.2%
Travel	6,970,597.89	6,184,953.30	785,644.59	12.7%
Materials and Supplies	218,992,367.21	200,598,540.59	18,393,826.62	9.2%
Utilities	11,168,148.18	14,685,120.19	(3,516,972.01)	-23.9%
Communications	6,623,593.35	6,485,370.50	138,222.85	2.1%
Repairs and Maintenance	8,204,766.90	6,028,401.87	2,176,365.03	36.1%
Rentals and Leases	4,973,795.06	3,972,259.24	1,001,535.82	25.2%
Printing and Reproduction	1,389,159.17	1,832,993.23	(443,834.06)	-24.2%
Scholarships and Fellowships	796,576.81	1,483,108.67	(686,531.86)	-46.3%
Depreciation and Amortization	91,413,114.42	88,461,524.57	2,951,589.85	3.3%
Federal Sponsored Program Pass-Through to Other State Agencies	1,346,014.18	882,723.38	463,290.80	52.5%
Other Operating Expenses	37,585,576.95	37,459,600.44	125,976.51	0.3%
<b>Total Operating Expenses</b>	<b>1,456,257,762.47</b>	<b>1,305,571,259.95</b>	<b>150,686,502.52</b>	<b>11.5%</b>
<b>Operating Loss</b>	<b>(89,887,585.23)</b>	<b>(122,193,780.69)</b>	<b>32,306,195.46</b>	<b>26.4%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	108,354,051.00	99,731,386.14	8,622,664.86	8.6%
Nonexchange Sponsored Programs	-	-	-	-
Gift Contributions for Operations	60,708,408.67	46,193,481.88	14,514,926.79	31.4%
Net Investment Income	58,122,477.06	53,218,106.51	4,904,370.55	9.2%
Interest Expense on Capital Asset Financings	(17,845,794.19)	(16,777,437.60)	(1,068,356.59)	-6.4%
<b>Net Other Nonoperating Adjustments</b>	<b>209,339,142.54</b>	<b>182,365,536.93</b>	<b>26,973,605.61</b>	<b>14.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>119,451,557.31</b>	<b>60,171,756.24</b>	<b>59,279,801.07</b>	<b>98.5%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>7.5%</b>	<b>4.4%</b>		
Investment Gain (Losses)	(84,252,207.79)	(33,268,567.30)	(50,983,640.49)	-153.2%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>35,199,349.52</b>	<b>26,903,188.94</b>	<b>8,296,160.58</b>	<b>30.8%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.3%</b>	<b>2.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>210,864,671.73</b>	<b>148,633,280.81</b>	<b>62,231,390.92</b>	<b>41.9%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>13.2%</b>	<b>10.8%</b>		

UNAUDITED

The University of Texas Medical Branch at Galveston  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	21,139,899.21	21,081,223.85	58,675.36	0.3%
Sponsored Programs	114,019,923.76	105,583,487.58	8,436,436.18	8.0%
Net Sales and Services of Educational Activities	9,714,844.83	14,436,886.22	(4,722,041.39)	-32.7%
Net Sales and Services of Hospitals	585,067,584.96	539,134,622.34	45,932,962.62	8.5%
Net Professional Fees	101,506,757.14	93,912,429.93	7,594,327.21	8.1%
Net Auxiliary Enterprises	5,721,001.21	5,320,047.92	400,953.29	7.5%
Other Operating Revenues	25,606,765.36	32,876,441.81	(7,269,676.45)	-22.1%
<b>Total Operating Revenues</b>	<b>862,776,776.47</b>	<b>812,345,139.65</b>	<b>50,431,636.82</b>	<b>6.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	560,193,185.56	514,790,544.65	45,402,640.91	8.8%
Payroll Related Costs	152,883,681.10	139,846,752.54	13,036,928.56	9.3%
Cost of Goods Sold	50,625,760.74	43,056,716.61	7,569,044.13	17.6%
Professional Fees and Services	21,446,257.16	19,551,306.00	1,894,951.16	9.7%
Other Contracted Services	68,752,014.89	58,767,262.70	9,984,752.19	17.0%
Travel	4,208,558.69	4,042,045.13	166,513.56	4.1%
Materials and Supplies	91,547,172.79	84,501,350.82	7,045,821.97	8.3%
Utilities	20,001,062.95	18,288,724.30	1,712,338.65	9.4%
Communications	5,648,374.17	5,343,891.20	304,482.97	5.7%
Repairs and Maintenance	27,286,075.55	26,900,763.44	385,312.11	1.4%
Rentals and Leases	15,110,731.50	15,700,668.08	(589,936.58)	-3.8%
Printing and Reproduction	878,129.89	837,960.96	40,168.93	4.8%
Scholarships and Fellowships	4,472,004.10	4,425,999.92	46,004.18	1.0%
Depreciation and Amortization	68,764,735.41	58,210,042.52	10,554,692.89	18.1%
Federal Sponsored Program Pass-Through to Other State Agencies	378,557.09	816,377.45	(437,820.36)	-53.6%
Other Operating Expenses	21,132,205.68	24,343,481.15	(3,211,275.47)	-13.2%
<b>Total Operating Expenses</b>	<b>1,113,328,507.27</b>	<b>1,019,423,887.47</b>	<b>93,904,619.80</b>	<b>9.2%</b>
<b>Operating Loss</b>	<b>(250,551,730.80)</b>	<b>(207,078,747.82)</b>	<b>(43,472,982.98)</b>	<b>-21.0%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	211,836,667.82	202,785,965.77	9,050,702.05	4.5%
Nonexchange Sponsored Programs	769,013.20	840,846.00	(71,832.80)	-8.5%
Gift Contributions for Operations	5,382,584.52	3,841,056.53	1,541,527.99	40.1%
Net Investment Income	27,000,071.84	23,790,994.39	3,209,077.45	13.5%
Interest Expense on Capital Asset Financings	(7,748,158.41)	(3,945,030.10)	(3,803,128.31)	-96.4%
<b>Net Other Nonoperating Adjustments</b>	<b>237,240,178.97</b>	<b>227,313,832.59</b>	<b>9,926,346.38</b>	<b>4.4%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(13,311,551.83)</b>	<b>20,235,084.77</b>	<b>(33,546,636.60)</b>	<b>-165.8%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-1.2%</b>	<b>1.9%</b>		
Investment Gain (Losses)	(47,735,678.36)	(9,880,820.08)	(37,854,858.28)	-383.1%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(61,047,230.19)</b>	<b>10,354,264.69</b>	<b>(71,401,494.88)</b>	<b>-689.6%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-5.8%</b>	<b>1.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>55,453,183.58</b>	<b>78,445,127.29</b>	<b>(22,991,943.71)</b>	<b>-29.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>5.0%</b>	<b>7.5%</b>		



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The University of Texas Health Science Center at Houston  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	30,681,191.32	27,029,025.37	3,652,165.95	13.5%
Sponsored Programs	412,305,157.48	342,959,715.86	69,345,441.62	20.2%
Net Sales and Services of Educational Activities	22,660,649.48	17,609,368.47	5,051,281.01	28.7%
Net Sales and Services of Hospitals	43,940,018.48	37,423,719.34	6,516,299.14	17.4%
Net Professional Fees	196,276,117.75	160,712,026.77	35,564,090.98	22.1%
Net Auxiliary Enterprises	16,839,652.03	15,948,904.00	890,748.03	5.6%
Other Operating Revenues	34,272,159.18	30,498,750.95	3,773,408.23	12.4%
<b>Total Operating Revenues</b>	<b>756,974,945.72</b>	<b>632,181,510.76</b>	<b>124,793,434.96</b>	<b>19.7%</b>
<b>Operating Expenses</b>				
Salaries and Wages	486,477,071.19	435,050,809.98	51,426,261.21	11.8%
Payroll Related Costs	110,919,538.94	94,545,849.14	16,373,689.80	17.3%
Cost of Goods Sold	13,978,456.70	9,731,759.15	4,246,697.55	43.6%
Professional Fees and Services	40,820,702.37	31,143,779.04	9,676,923.33	31.1%
Other Contracted Services	44,636,010.71	44,262,708.38	373,302.33	0.8%
Travel	6,068,202.64	5,707,448.32	360,754.32	6.3%
Materials and Supplies	35,578,277.38	30,791,532.02	4,786,745.36	15.5%
Utilities	9,462,858.39	9,832,605.13	(369,746.74)	-3.8%
Communications	3,285,035.39	2,865,872.62	419,162.77	14.6%
Repairs and Maintenance	7,557,428.44	7,699,194.88	(141,766.44)	-1.8%
Rentals and Leases	20,040,181.33	17,731,487.53	2,308,693.80	13.0%
Printing and Reproduction	3,992,081.17	3,084,999.35	907,081.82	29.4%
Scholarships and Fellowships	3,542,013.26	3,546,498.77	(4,485.51)	-0.1%
Depreciation and Amortization	35,999,494.89	34,852,243.72	1,147,251.17	3.3%
Federal Sponsored Program Pass-Through to Other State Agencies	3,542,361.24	4,160,578.03	(618,216.79)	-14.9%
Other Operating Expenses	23,808,795.52	24,095,416.95	(286,621.43)	-1.2%
<b>Total Operating Expenses</b>	<b>849,708,509.56</b>	<b>759,102,783.01</b>	<b>90,605,726.55</b>	<b>11.9%</b>
<b>Operating Loss</b>	<b>(92,733,563.84)</b>	<b>(126,921,272.25)</b>	<b>34,187,708.41</b>	<b>26.9%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	120,176,139.09	116,440,162.39	3,735,976.70	3.2%
Nonexchange Sponsored Programs	339,112.00	357,965.29	(18,853.29)	-5.3%
Gift Contributions for Operations	11,913,016.89	16,323,685.51	(4,410,668.62)	-27.0%
Net Investment Income	20,574,274.32	18,484,701.00	2,089,573.32	11.3%
Interest Expense on Capital Asset Financings	(6,352,169.97)	(6,783,839.02)	431,669.05	6.4%
<b>Net Other Nonoperating Adjustments</b>	<b>146,650,372.33</b>	<b>144,822,675.17</b>	<b>1,827,697.16</b>	<b>1.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>53,916,808.49</b>	<b>17,901,402.92</b>	<b>36,015,405.57</b>	<b>201.2%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>5.9%</b>	<b>2.3%</b>		
Investment Gain (Losses)	(20,079,243.24)	(8,550,614.82)	(11,528,628.42)	-134.8%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>33,837,565.25</b>	<b>9,350,788.10</b>	<b>24,486,777.15</b>	<b>261.9%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>3.8%</b>	<b>1.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>89,916,303.38</b>	<b>52,753,646.64</b>	<b>37,162,656.74</b>	<b>70.4%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>9.9%</b>	<b>6.7%</b>		

UNAUDITED

The University of Texas Health Science Center at San Antonio  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	22,468,119.92	20,885,939.08	1,582,180.84	7.6%
Sponsored Programs	173,764,308.61	175,456,656.06	(1,692,347.45)	-1.0%
Net Sales and Services of Educational Activities	12,552,926.12	11,770,229.08	782,697.04	6.6%
Net Professional Fees	106,852,953.25	95,759,399.84	11,093,553.41	11.6%
Net Auxiliary Enterprises	3,183,140.71	3,377,150.12	(194,009.41)	-5.7%
Other Operating Revenues	23,243,611.15	27,530,232.18	(4,286,621.03)	-15.6%
<b>Total Operating Revenues</b>	<b>342,065,059.76</b>	<b>334,779,606.36</b>	<b>7,285,453.40</b>	<b>2.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	243,628,604.09	245,247,077.24	(1,618,473.15)	-0.7%
Payroll Related Costs	68,588,858.21	65,610,004.48	2,978,853.73	4.5%
Professional Fees and Services	13,722,623.55	11,651,102.82	2,071,520.73	17.8%
Other Contracted Services	19,314,520.20	14,809,667.71	4,504,852.49	30.4%
Travel	2,711,484.42	2,718,277.23	(6,792.81)	-0.2%
Materials and Supplies	27,425,008.15	22,681,887.25	4,743,120.90	20.9%
Utilities	10,847,998.00	10,208,333.33	639,664.67	6.3%
Communications	6,399,559.41	7,356,506.64	(956,947.23)	-13.0%
Repairs and Maintenance	3,374,551.26	3,196,187.84	178,363.42	5.6%
Rentals and Leases	3,324,874.15	3,042,237.94	282,636.21	9.3%
Printing and Reproduction	1,013,047.69	957,002.92	56,044.77	5.9%
Scholarships and Fellowships	4,576,971.47	4,437,403.18	139,568.29	3.1%
Depreciation and Amortization	30,916,666.67	30,625,000.00	291,666.67	1.0%
Federal Sponsored Program Pass-Through to Other State Agencies	904,166.67	875,000.00	29,166.67	3.3%
Other Operating Expenses	21,848,847.81	22,558,979.28	(710,131.47)	-3.1%
<b>Total Operating Expenses</b>	<b>458,597,781.75</b>	<b>445,974,667.86</b>	<b>12,623,113.89</b>	<b>2.8%</b>
<b>Operating Loss</b>	<b>(116,532,721.99)</b>	<b>(111,195,061.50)</b>	<b>(5,337,660.49)</b>	<b>-4.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	98,361,163.83	102,803,777.42	(4,442,613.59)	-4.3%
Nonexchange Sponsored Programs	758,333.33	729,166.67	29,166.66	4.0%
Gift Contributions for Operations	13,846,498.69	11,396,393.52	2,450,105.17	21.5%
Net Investment Income	22,011,865.66	21,202,311.42	809,554.24	3.8%
Interest Expense on Capital Asset Financings	(4,775,441.72)	(5,134,295.53)	358,853.81	7.0%
<b>Net Other Nonoperating Adjustments</b>	<b>130,202,419.79</b>	<b>130,997,353.50</b>	<b>(794,933.71)</b>	<b>-0.6%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>13,669,697.80</b>	<b>19,802,292.00</b>	<b>(6,132,594.20)</b>	<b>-31.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>2.9%</b>	<b>4.2%</b>		
Investment Gain (Losses)	(33,217,275.72)	(9,781,276.98)	(23,435,998.74)	-239.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(19,547,577.92)</b>	<b>10,021,015.02</b>	<b>(29,568,592.94)</b>	<b>-295.1%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-4.4%</b>	<b>2.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>44,586,364.47</b>	<b>50,427,292.00</b>	<b>(5,840,927.53)</b>	<b>-11.6%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>9.3%</b>	<b>10.7%</b>		

UNAUDITED

The University of Texas M. D. Anderson Cancer Center  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	1,253,036.96	1,039,018.17	214,018.79	20.6%
Sponsored Programs	180,038,998.79	164,579,116.29	15,459,882.50	9.4%
Net Sales and Services of Educational Activities	1,315,312.21	1,275,581.07	39,731.14	3.1%
Net Sales and Services of Hospitals	1,843,201,874.19	1,841,354,688.75	1,847,185.44	0.1%
Net Professional Fees	232,339,461.27	235,733,863.28	(3,394,402.01)	-1.4%
Net Auxiliary Enterprises	24,484,119.79	25,865,003.85	(1,380,884.06)	-5.3%
Other Operating Revenues	60,862,525.96	58,676,151.33	2,186,374.63	3.7%
<b>Total Operating Revenues</b>	<b>2,343,495,329.17</b>	<b>2,328,523,422.74</b>	<b>14,971,906.43</b>	<b>0.6%</b>
<b>Operating Expenses</b>				
Salaries and Wages	1,096,724,467.77	1,024,166,662.84	72,557,804.93	7.1%
Payroll Related Costs	319,544,878.48	296,167,709.38	23,377,169.10	7.9%
Cost of Goods Sold	1,461,161.60	2,893,460.93	(1,432,299.33)	-49.5%
Professional Fees and Services	130,529,005.73	88,014,997.91	42,514,007.82	48.3%
Other Contracted Services	86,327,018.01	70,767,188.28	15,559,829.73	22.0%
Travel	10,752,271.48	11,291,364.27	(539,092.79)	-4.8%
Materials and Supplies	475,267,738.29	442,481,290.31	32,786,447.98	7.4%
Utilities	24,952,007.27	25,432,346.04	(480,338.77)	-1.9%
Communications	7,006,608.53	5,847,042.79	1,159,565.74	19.8%
Repairs and Maintenance	60,097,804.04	61,184,742.84	(1,086,938.80)	-1.8%
Rentals and Leases	25,341,130.81	25,673,961.33	(332,830.52)	-1.3%
Printing and Reproduction	2,912,510.67	2,464,409.51	448,101.16	18.2%
Scholarships and Fellowships	1,915,410.88	1,952,804.00	(37,393.12)	-1.9%
Depreciation and Amortization	203,625,648.55	173,379,590.69	30,246,057.86	17.4%
Federal Sponsored Program Pass-Through to Other State Agencies	365,786.98	(1,092,656.61)	1,458,443.59	133.5%
State Sponsored Program Pass-Through to Other State Agencies	312,848.09	248,777.92	64,070.17	25.8%
Other Operating Expenses	20,224,974.98	19,037,693.11	1,187,281.87	6.2%
<b>Total Operating Expenses</b>	<b>2,467,361,272.16</b>	<b>2,249,911,385.54</b>	<b>217,449,886.62</b>	<b>9.7%</b>
<b>Operating Loss</b>	<b>(123,865,942.99)</b>	<b>78,612,037.20</b>	<b>(202,477,980.19)</b>	<b>-257.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	117,467,845.58	109,022,475.49	8,445,370.09	7.7%
Nonexchange Sponsored Programs	1,519,662.88	1,847,504.00	(327,841.12)	-17.7%
Gift Contributions for Operations	85,322,912.30	66,777,068.22	18,545,844.08	27.8%
Net Investment Income	62,292,257.94	48,081,139.06	14,211,118.88	29.6%
Interest Expense on Capital Asset Financings	(19,830,320.79)	(20,922,623.26)	1,092,302.47	5.2%
<b>Net Other Nonoperating Adjustments</b>	<b>246,772,357.91</b>	<b>204,805,563.51</b>	<b>41,966,794.40</b>	<b>20.5%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>122,906,414.92</b>	<b>283,417,600.71</b>	<b>(160,511,185.79)</b>	<b>-56.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>4.7%</b>	<b>11.1%</b>		
Investment Gain (Losses)	(181,219,842.57)	(15,094,105.44)	(166,125,737.13)	-1,100.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(58,313,427.65)</b>	<b>268,323,495.27</b>	<b>(326,636,922.92)</b>	<b>-121.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-2.4%</b>	<b>10.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>326,532,063.47</b>	<b>456,797,191.40</b>	<b>(130,265,127.93)</b>	<b>-28.5%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>12.5%</b>	<b>17.9%</b>		

UNAUDITED

The University of Texas Health Science Center at Tyler  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2016

	March Year-to-Date FY 2016	March Year-to-Date FY 2015	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	78,339.98	73,773.92	4,566.06	6.2%
Sponsored Programs	15,329,068.90	9,319,670.79	6,009,398.11	64.5%
Net Sales and Services of Educational Activities	1,306,934.67	997,264.46	309,670.21	31.1%
Net Sales and Services of Hospitals	31,679,173.90	35,862,690.72	(4,183,516.82)	-11.7%
Net Professional Fees	9,120,600.43	8,477,424.25	643,176.18	7.6%
Net Auxiliary Enterprises	139,579.38	123,397.21	16,182.17	13.1%
Other Operating Revenues	14,084,056.47	15,949,056.75	(1,865,000.28)	-11.7%
<b>Total Operating Revenues</b>	<b>71,737,753.73</b>	<b>70,803,278.10</b>	<b>934,475.63</b>	<b>1.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	54,492,857.87	45,681,253.06	8,811,604.81	19.3%
Payroll Related Costs	16,566,124.18	14,089,072.44	2,477,051.74	17.6%
Cost of Goods Sold	86,941.48	64,780.38	22,161.10	34.2%
Professional Fees and Services	6,802,479.24	5,068,167.02	1,734,312.22	34.2%
Other Contracted Services	6,783,332.32	7,544,148.15	(760,815.83)	-10.1%
Travel	354,913.14	344,501.46	10,411.68	3.0%
Materials and Supplies	13,842,506.94	11,968,289.92	1,874,217.02	15.7%
Utilities	1,060,532.06	1,384,182.43	(323,650.37)	-23.4%
Communications	717,786.56	522,009.10	195,777.46	37.5%
Repairs and Maintenance	3,344,059.29	3,260,661.71	83,397.58	2.6%
Rentals and Leases	742,253.94	740,103.97	2,149.97	0.3%
Printing and Reproduction	39,239.78	52,041.36	(12,801.58)	-24.6%
Scholarships and Fellowships	92,283.78	61,564.88	30,718.90	49.9%
Depreciation and Amortization	6,338,358.72	6,473,474.60	(135,115.88)	-2.1%
Federal Sponsored Program Pass-Through to Other State Agencies	127,434.28	143,882.70	(16,448.42)	-11.4%
Other Operating Expenses	2,231,894.58	2,038,331.22	193,563.36	9.5%
<b>Total Operating Expenses</b>	<b>113,622,998.16</b>	<b>99,436,464.40</b>	<b>14,186,533.76</b>	<b>14.3%</b>
<b>Operating Loss</b>	<b>(41,885,244.43)</b>	<b>(28,633,186.30)</b>	<b>(13,252,058.13)</b>	<b>-46.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	31,435,991.52	25,268,044.95	6,167,946.57	24.4%
Nonexchange Sponsored Programs	-	-	-	-
Gift Contributions for Operations	376,022.06	148,683.48	227,338.58	152.9%
Net Investment Income	2,451,965.96	2,438,042.28	13,923.68	0.6%
Interest Expense on Capital Asset Financings	(772,154.67)	(840,842.17)	68,687.50	8.2%
<b>Net Other Nonoperating Adjustments</b>	<b>33,491,824.87</b>	<b>27,013,928.54</b>	<b>6,477,896.33</b>	<b>24.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(8,393,419.56)</b>	<b>(1,619,257.76)</b>	<b>(6,774,161.80)</b>	<b>-418.3%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-7.9%</b>	<b>-1.6%</b>		
Investment Gain (Losses)	(2,594,267.18)	(702,665.63)	(1,891,601.55)	-269.2%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(10,987,686.74)</b>	<b>(2,321,923.39)</b>	<b>(8,665,763.35)</b>	<b>-373.2%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-10.6%</b>	<b>-2.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>(2,055,060.84)</b>	<b>4,854,216.84</b>	<b>(6,909,277.68)</b>	<b>-142.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>-1.9%</b>	<b>4.9%</b>		

3. **U. T. System Board of Regents: Report on activities of the University Lands Advisory Board**

REPORT

Regent Cranberg, Chairman of the University Lands Advisory Board (ULAB), and Mr. Mark Houser, Chief Executive Officer - University Lands, will report on activities related to the ULAB.

BACKGROUND INFORMATION

The ULAB was established by the Board of Regents on May 15, 2014, to advise the Board on operations and management of the University Lands Office, to review and recommend budgets to the Board, and to provide strategic direction for University Lands.

**4. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents

- a. adopt a Supplemental Resolution, substantially in the form previously approved by the U. T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed \$925 million to be used to refund certain outstanding RFS Bonds, to refund RFS Commercial Paper Notes, to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U. T. System as set forth in the Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such RFS Bonds.

BACKGROUND INFORMATION

On August 20, 2015, the Board of Regents adopted the 29th Supplemental Resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed \$600 million. This authority was utilized to issue \$255,825,000 of Revenue Financing System Taxable Bonds, Series 2016A on January 14, 2016, and \$206,040,000 of Revenue Financing System Bonds, Series 2016B (Green Bonds) on January 22, 2016. Adoption of this 30th Supplemental Resolution would provide additional capacity to finance additional projects, including tuition revenue bond projects, under the same provisions as the prior resolution.

Adoption of the Supplemental Resolution would authorize the advance or current refunding of a portion of certain outstanding RFS Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Supplemental Resolution will provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing.

The Supplemental Resolution would also authorize the current refunding of all or a portion of the RFS Commercial Paper Notes. The RFS Commercial Paper Note program is used to provide interim financing for RFS projects approved by the Board. Adoption of the Supplemental

Resolution will permit the interim financing provided through the Notes to be replaced with long-term financing. The Supplemental Resolution also authorizes the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Supplemental Resolution would also authorize the appropriate officers and employees of the U. T. System to refund outstanding RFS Bonds pursuant to a tender program and to use lawfully available funds to defease outstanding RFS Bonds when economically advantageous.

The proposed Supplemental Resolution has been reviewed by outside bond counsel and the U. T. System Office of General Counsel.

Note: The proposed Resolution is available online at <http://www.utsystem.edu/board-of-regents/meetings/board-meeting-2016-05-11>.

5. **U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 29, 2016**

REPORT

The February 29, 2016 UTIMCO Performance Summary Report is set forth on [Page 106](#).

The Investment Reports for the quarter ended February 29, 2016, are set forth on [Pages 107 - 110](#).

Item I on [Page 107](#) reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was negative 3.89% versus its composite benchmark return of negative 4.39%. The PUF's net asset value decreased by \$572 million during the quarter to \$16,978 million. The decrease was due to \$119 million PUF Lands receipts, less a net investment return of negative \$691 million. No distribution was made to the Available University Fund (AUF) during the quarter.

Item II on [Page 108](#) reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was negative 3.82% versus its composite benchmark return of negative 4.39%. The GEF's net asset value decreased by \$322 million during the quarter to \$7,820 million.

Item III on [Page 109](#) reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was negative 3.65% versus its composite benchmark return of negative 2.42%. The net asset value increased during the quarter to \$7,134 million due to net contributions of \$354 million, less net investment return of negative \$261 million and distributions of \$54 million.

All exposures were within their asset class and investment type ranges. Liquidity was within policy.

Item IV on [Page 110](#) presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus and Fidelity money market fund, increased by \$504 million to \$2,515 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$20 million versus \$20 million at the beginning of the period; equities: \$85 million versus \$240 million at the beginning of the period; and other investments: \$1 million versus \$2 million at the beginning of the period.



### UTIMCO Performance Summary

February 29, 2016

	Net Asset Value 2/29/2016 (in Millions)	Periods Ended February 29, 2016 (Returns for Periods Longer Than One Year are Annualized)							
		Short Term		Year to Date		Historic Returns			
		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>ENDOWMENT FUNDS</b>									
Permanent University Fund	\$ 16,978	(0.33%)	(3.89%)	(4.31%)	(3.00%)	(4.91%)	4.22%	4.60%	4.99%
Permanent Health Fund	1,004								
Long Term Fund	6,816								
General Endowment Fund	7,820	(0.32%)	(3.82%)	(4.37%)	(3.06%)	(4.75%)	4.33%	4.71%	5.10%
Separately Invested Funds	239								
Total Endowment Funds	25,037								
<b>OPERATING FUNDS</b>									
Intermediate Term Fund	7,134	(0.29%)	(3.65%)	(4.26%)	(2.85%)	(7.67%)	0.90%	2.10%	3.75%
Short Term Fund and Debt Proceeds Fund	2,383								
Total Operating Funds	9,517								
Total Assets Under Management	\$ 34,554								
<b>VALUE ADDED (Percent)</b>									
Permanent University Fund		(0.43%)	0.50%	(1.37%)	(1.13%)	(0.99%)	0.66%	0.81%	1.56%
General Endowment Fund		(0.42%)	0.57%	(1.43%)	(1.19%)	(0.83%)	0.77%	0.92%	1.67%
Intermediate Term Fund		(0.60%)	(1.23%)	(1.42%)	(1.05%)	(1.30%)	0.85%	1.30%	1.88%
<b>VALUE ADDED (\$ IN MILLIONS)</b>									
Permanent University Fund		(\$73)	\$88	(\$241)	(\$197)	(\$176)	\$321	\$624	\$2,209
General Endowment Fund		(34)	46	(119)	(97)	(69)	184	370	1,297
Intermediate Term Fund		(43)	(89)	(104)	(76)	-98	139	333	849
Total Value Added		(\$150)	\$45	(\$464)	(\$370)	(\$343)	\$644	\$1,327	\$4,355

Footnote available upon request.

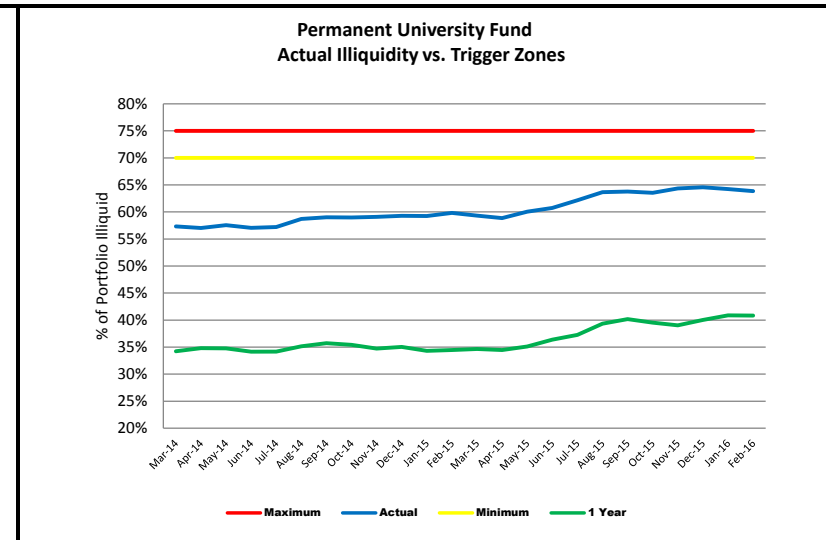
UTIMCO 3/31/2016

**I. PERMANENT UNIVERSITY FUND**  
**Investment Reports for Periods Ended February 29, 2016**

Prepared in accordance with *Texas Education Code Sec. 51.0032*

	Fiscal Year to Date							
	Asset Allocation		Returns		Value Added			
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total	
<b>More Correlated and Constrained:</b>								
Investment Grade	8.6%	6.5%	0.18%	2.68%	0.04%	-0.16%	-0.12%	
Credit-Related	0.1%	0.0%	0.04%	-3.88%	0.00%	0.00%	0.00%	
Real Estate	2.3%	2.5%	-6.54%	1.28%	-0.01%	-0.20%	-0.21%	
Natural Resources	5.5%	7.5%	-12.18%	-6.43%	0.10%	-0.43%	-0.33%	
Developed Country	12.1%	14.0%	-10.41%	-5.18%	0.07%	-0.76%	-0.69%	
Emerging Markets	<u>8.9%</u>	<u>9.5%</u>	<u>-5.57%</u>	<u>-8.85%</u>	<u>-0.01%</u>	<u>0.33%</u>	<u>0.32%</u>	
<b>Total More Correlated and Constrained</b>	<b>37.5%</b>	<b>40.0%</b>	<b>-7.20%</b>	<b>-4.56%</b>	<b>0.19%</b>	<b>-1.22%</b>	<b>-1.03%</b>	
<b>Less Correlated and Constrained</b>	<b>27.9%</b>	<b>29.0%</b>	<b>-5.53%</b>	<b>-5.05%</b>	<b>-0.08%</b>	<b>-0.02%</b>	<b>-0.10%</b>	
<b>Private Investments</b>	<b><u>34.6%</u></b>	<b><u>31.0%</u></b>	<b><u>0.01%</u></b>	<b><u>1.07%</u></b>	<b><u>0.02%</u></b>	<b><u>-0.26%</u></b>	<b><u>-0.24%</u></b>	
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>-4.31%</u></b>	<b><u>-2.94%</u></b>	<b><u>0.13%</u></b>	<b><u>-1.50%</u></b>	<b><u>-1.37%</u></b>	

	Summary of Capital Flows		
(\$ millions)	Fiscal Year Ended August 31, 2015	Quarter Ended February 29, 2016	Fiscal Year to Date August 31, 2016
Beginning Net Assets	\$17,365	\$17,550	\$17,490
PUF Lands Receipts	807	119	259
Investment Return (Net of Expenses)	82	(691)	(771)
Distributions to AUF	(764)	0	0
Ending Net Assets	<u>\$17,490</u>	<u>\$16,978</u>	<u>\$16,978</u>

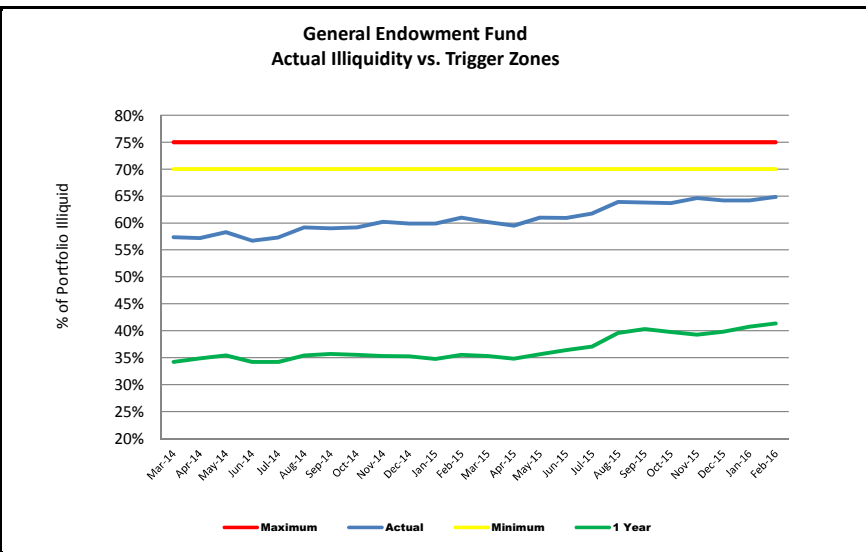


**II. GENERAL ENDOWMENT FUND**  
**Investment Reports for Periods Ended February 29, 2016**

Prepared in accordance with *Texas Education Code Sec. 51.0032*

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	6.8%	6.5%	0.99%	2.68%	0.04%	-0.11%	-0.07%
Credit-Related	0.1%	0.0%	0.04%	-3.88%	0.00%	0.00%	0.00%
Real Estate	2.3%	2.5%	-6.53%	1.28%	0.00%	-0.20%	-0.20%
Natural Resources	5.7%	7.5%	-12.16%	-6.43%	0.10%	-0.44%	-0.34%
Developed Country	12.6%	14.0%	-10.24%	-5.18%	0.04%	-0.71%	-0.67%
Emerging Markets	<u>9.1%</u>	<u>9.5%</u>	<u>-6.53%</u>	<u>-8.85%</u>	<u>0.00%</u>	<u>0.22%</u>	<u>0.22%</u>
<b>Total More Correlated and Constrained</b>	<b>36.6%</b>	<b>40.0%</b>	<b>-7.30%</b>	<b>-4.56%</b>	<b>0.18%</b>	<b>-1.24%</b>	<b>-1.06%</b>
<b>Less Correlated and Constrained</b>	<b>28.3%</b>	<b>29.0%</b>	<b>-5.53%</b>	<b>-5.05%</b>	<b>-0.10%</b>	<b>-0.03%</b>	<b>-0.13%</b>
<b>Private Investments</b>	<b><u>35.1%</u></b>	<b><u>31.0%</u></b>	<b><u>0.00%</u></b>	<b><u>1.07%</u></b>	<b><u>0.02%</u></b>	<b><u>-0.26%</u></b>	<b><u>-0.24%</u></b>
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>-4.37%</u></b>	<b><u>-2.94%</u></b>	<b><u>0.10%</u></b>	<b><u>-1.53%</u></b>	<b><u>-1.43%</u></b>

	Summary of Capital Flows		
(\$ millions)	Fiscal Year Ended August 31, 2015	Quarter Ended February 29, 2016	Fiscal Year to Date August 31, 2016
Beginning Net Assets	\$8,325	\$8,142	\$8,237
Contributions	230	94	150
Withdrawals	(43)	(1)	(4)
Distributions	(366)	(102)	(203)
Investment Return (Net of Expenses)	<u>91</u>	<u>(313)</u>	<u>(360)</u>
Ending Net Assets	<u>\$8,237</u>	<u>\$7,820</u>	<u>\$7,820</u>

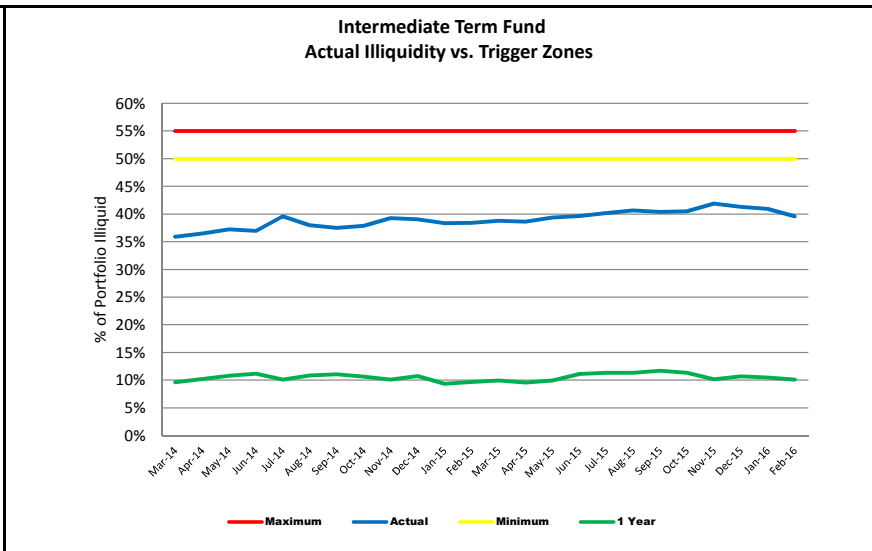


### III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended February 29, 2016

Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date							
	Asset Allocation		Returns		Value Added			
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total	
<b>More Correlated and Constrained:</b>								
Investment Grade	34.3%	30.0%	1.22%	2.68%	0.08%	-0.42%	-0.34%	
Credit-Related	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Real Estate	2.5%	3.0%	-6.53%	1.28%	0.02%	-0.22%	-0.20%	
Natural Resources	4.9%	7.0%	-12.15%	-6.43%	0.10%	-0.41%	-0.31%	
Developed Country	7.8%	9.0%	-10.33%	-5.18%	0.02%	-0.48%	-0.46%	
Emerging Markets	5.0%	6.0%	-6.45%	-8.85%	0.02%	0.15%	0.17%	
<b>Total More Correlated and Constrained</b>	<b>54.5%</b>	<b>55.0%</b>	<b>-3.22%</b>	<b>-1.05%</b>	<b>0.24%</b>	<b>-1.38%</b>	<b>-1.14%</b>	
<b>Less Correlated and Constrained</b>	<b>45.5%</b>	<b>45.0%</b>	<b>-5.54%</b>	<b>-5.05%</b>	<b>-0.28%</b>	<b>0.00%</b>	<b>-0.28%</b>	
<b>Private Investments</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-4.26%</b>	<b>-2.84%</b>	<b>-0.04%</b>	<b>-1.38%</b>	<b>-1.42%</b>	

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2015	Quarter Ended February 29, 2016	Fiscal Year to Date August 31, 2016
Beginning Net Assets	\$6,665	\$7,095	\$7,037
Contributions	1,448	428	707
Withdrawals	(627)	(74)	(196)
Distributions	(210)	(54)	(107)
Investment Return (Net of Expenses)	(239)	(261)	(307)
Ending Net Assets	<u>\$7,037</u>	<u>\$7,134</u>	<u>\$7,134</u>



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at February 29, 2016**  
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND SHORT TERM FUND)		TOTAL	
BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	
<b>Cash &amp; Equivalents:</b>																
Beginning value 11/30/15	10,247	10,247	3,645	3,645	98,013	98,013	1,859	1,859	739	739	114,503	114,503	1,895,989	1,895,989	2,010,492	2,010,492
Increase/(Decrease)	(10,246)	(10,246)	(2,043)	(2,042)	(343)	(343)	(261)	(261)	481	481	(12,412)	(12,411)	516,616	516,616	504,204	504,205
Ending value 02/29/16	1	1	1,602	1,603	97,670	97,670	1,598	1,598	1,220	1,220	102,091	102,092	2,412,605	2,412,605	2,514,696	2,514,697
<b>Debt Securities:</b>																
Beginning value 11/30/15	-	-	11	12	11,353	11,554	8,908	8,713	-	-	20,272	20,279	-	-	20,272	20,279
Increase/(Decrease)	-	-	(4)	(6)	(136)	(272)	288	(46)	-	-	148	(324)	-	-	148	(324)
Ending value 02/29/16	-	-	7	6	11,217	11,282	9,196	8,667	-	-	20,420	19,955	-	-	20,420	19,955
<b>Equity Securities:</b>																
Beginning value 11/30/15	180,941	177,399	575	575	41,432	50,047	12,534	12,355	-	-	235,482	240,376	-	-	235,482	240,376
Increase/(Decrease)	(176,985)	(166,451)	(41)	(31)	533	12,662	-	(1,214)	-	-	(176,493)	(155,034)	-	-	(176,493)	(155,034)
Ending value 02/29/16	3,956	10,948	534	544	41,965	62,709	12,534	11,141	-	-	58,989	85,342	-	-	58,989	85,342
<b>Other:</b>																
Beginning value 11/30/15	-	-	973	973	2	2	4	4	931	931	1,910	1,910	-	-	1,910	1,910
Increase/(Decrease)	-	-	(159)	(159)	(2)	(2)	1	1	(479)	(479)	(639)	(639)	-	-	(639)	(639)
Ending value 02/29/16	-	-	814	814	-	-	5	5	452	452	1,271	1,271	-	-	1,271	1,271
<b>Total Assets:</b>																
Beginning value 11/30/15	191,188	187,646	5,204	5,205	150,800	159,616	23,305	22,931	1,670	1,670	372,167	377,068	1,895,989	1,895,989	2,268,156	2,273,057
Increase/(Decrease)	(187,231)	(176,697)	(2,247)	(2,238)	52	12,045	28	(1,520)	2	2	(189,396)	(168,408)	516,616	516,616	327,220	348,208
Ending value 02/29/16	3,957	10,949	2,957	2,967	150,852	171,661	23,333	21,411	1,672	1,672	182,771	208,660	2,412,605	2,412,605	2,595,376	2,621,265

Details of individual assets by account furnished upon request.

UTIMCO 3/22/2016

**6. U. T. System Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund**

RECOMMENDATION

The Chancellor concurs with the Deputy Chancellor and the Executive Vice Chancellor for Business Affairs in the recommendation that

- a. the Fiscal Year 2017 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be increased from \$772,876,690 to \$839,441,000 effective September 1, 2016. This distribution equates to 5.00% of the trailing 12-quarter average of the net asset value of the PUF;
- b. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0606 per unit to \$0.0612 per unit for Fiscal Year 2017 (effective with November 30, 2016 distribution);
- c. the distribution rate for the U. T. System Long Term Fund (LTF) be increased from \$0.3472 per unit to \$0.3507 per unit for Fiscal Year 2017 (effective with November 30, 2016 distribution); and
- d. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2017.

BACKGROUND INFORMATION

The PUF Investment Policy states that the Board of Regents will approve an annual distribution from the PUF to the AUF. Regents' Rule 80303 provides that the default distribution shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF for the quarter ending February of each fiscal year unless the average annual rate of return of the PUF investments over the trailing 12 quarters exceeds the Expected Return by 25 basis points or more, in which case distribution shall be an amount equal to 5.0% of the trailing 12-quarter average. "Expected Return" is the Expected Annual Return or Benchmarks set out in Exhibit A to the PUF Investment Policy Statement.

As shown in the table below, the average annual return of the PUF investments for the trailing 12 quarters ending February 29, 2016, did not exceed the Expected Return by 25 basis points or more ( $\geq 25\%$ ). Therefore, as outlined in Regents' Rule 80303, the "default" distribution rate for Fiscal Year 2016-2017 would be 4.75%, or \$797,468,950.

	Trailing 12 Quarters Ending February 29, 2016	Expected or Benchmark	Excess/(Deficit)
Average Annual Rate of Return	4.22%	5.40%	(1.18%)

Due to continued relatively strong royalty income and a desire to continue to enhance quality and invest in the U. T. System institutions even during a period of moderate capital market returns, it is the recommendation of the Chancellor and the Executive Vice Chancellor for Business Affairs that the distribution from the PUF to the AUF for Fiscal Year 2017 be \$839,441,000 or 5.00% of the trailing 12-quarter average of the net asset value of the PUF. This calculation is shown below:

<u>Quarter Ended</u>	<u>Net Asset Value</u>
05/31/2013	14,630,924,697
08/31/2013	14,852,538,510
11/30/2013	15,625,425,857
02/28/2014	16,284,907,290
05/31/2014	16,912,325,818
08/31/2014	17,364,902,520
11/30/2014	17,533,457,255
02/28/2015	18,043,442,921
05/31/2015	18,200,267,855
08/31/2015	17,490,041,365
11/30/2015	17,549,833,950
02/29/2016	16,977,772,075
	\$ 201,465,840,112
Number of quarters	12
Average Net Asset Value	\$ 16,788,820,009
Distribution Percentage	5.00%
FY 2016-17 Distribution	\$ 839,441,000

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the Board of Regents of The University Texas System (Board of Regents) in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The Constitution further limits the Board of Regents' discretion to set annual PUF distributions to the satisfaction of three tests:

1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The proposed distribution of \$839,441,000 is substantially greater than PUF bond debt service of \$290,306,000 projected for FY 2016-2017.

<u>System</u>	<u>Debt Service</u>
U. T.	\$ 154,155,000
TAMU	136,151,000
Total:	\$ 290,306,000

Sources: U. T. System Office of Finance  
 Texas A&M University System Office of  
 Treasury Services

2. The Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule below indicates, the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 29, 2016, was 3.67%, which indicates that the purchasing power test was met.

<b>Average Annual</b>	<b>Percent</b>
Rate of Total Return, Net of Investment Manager Fees	5.11%
Mineral Interest Receipts	4.88%
Expense Rate	(0.17)% <sup>(1)</sup>
Inflation Rate	(1.57)%
Distribution Rate	(4.58)%
<b>Net Real Return</b>	<b>3.67%</b>

(1) The expense rate as shown is a 10-year annualized average and includes PUF Land Expenses and PUF investment management costs other than investment manager fees. Investment management fees are a reduction to the Rate of Total Return.

3. The annual distribution from the PUF to the AUF during any fiscal year made by the Board of Regents may not exceed an amount equal to 7% of the average net fair market value of PUF investment assets as determined by the Board of Regents (except as necessary to pay PUF bond debt service). The annual distribution rate calculated using the trailing 12-quarter average value of the PUF is within the 7% maximum allowable distribution rate.

<b>Value of PUF Investments (1)</b>	<b>Proposed Distribution</b>	<b>Proposed Distribution as a % of Value of PUF Investments</b>	<b>Maximum Allowed Rate</b>
\$16,788,820,009	\$ 839,441,000	5.00%	7.00%

(1) Source: UTIMCO

The spending policy objectives of the PHF and LTF are to

- a. provide a predictable stable stream of distributions over time;
- b. ensure that the inflation-adjusted value of the distributions is maintained over the long term; and
- c. ensure that the inflation-adjusted value of the assets of the PHF and the LTF, as appropriate after distributions, is maintained over the long term.

The increase in the consumer price index for the prior three years as of November 30, 2015, was 1.0%. The recommended 1.0% increase in the PHF distribution rate of \$0.0606 to \$0.0612 per unit will increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 4.7%.

The recommended 1.4% increase in the LTF distribution rate from \$0.3472 to \$0.3507 per unit will increase the distributions by the average rate of inflation for the trailing 12 quarters. The LTF's distribution rate calculated using the prior 12-quarter average value of the LTF is 4.9%.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the Board of Regents on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The recommendation for Fiscal Year 2017 is to continue a distribution rate of 3.0%.