



TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

Committee Meeting: 5/3/2023

Board Meeting: 5/4/2023
Austin, Texas

Janiece Longoria, Chairman
R. Steven Hicks
Jodie Lee Jiles
Stuart W. Stedman
Kelcy L. Warren
Rad Weaver

	Committee Meeting	Board Meeting	Page
Convene	<i>2:45 p.m.</i> <i>Chairman Longoria</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	42
2. U. T. System: Financial Status Presentation and Monthly Financial Report	Report/Discussion <i>Mr. Pruitt</i>	Not on Agenda	43
Adjourn	<i>3:15 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 Board will be asked to approve the Consent Agenda beginning on [Page 109](#).

2. **U. T. System: Financial Status Presentation and Monthly Financial Report**

REPORT

Mr. Jonathan Pruitt, Executive Vice Chancellor for Business Affairs, will discuss the Financial Status Presentation, the highlights of which are set forth in the PowerPoint on the following pages and the February Monthly Financial Report, which follows the PowerPoint. The monthly financial report represents the consolidated and individual operating detail of the U. T. institutions.

U. T. System

Fiscal Year-to-Date Actuals and Projected Fiscal Year-End

Jonathan Pruitt

Executive Vice Chancellor for Business Affairs

U. T. System Board of Regents Meeting

Finance and Planning Committee

May 2023



THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

U. T. System Consolidated Summary

Fiscal Year Summary
Period Ending February 28, 2023



Revenues
\$13,862.2 M



Expenses
\$13,136.6 M



Adjusted Income
\$725.6 M



FYE Projection
\$1,871.1 M

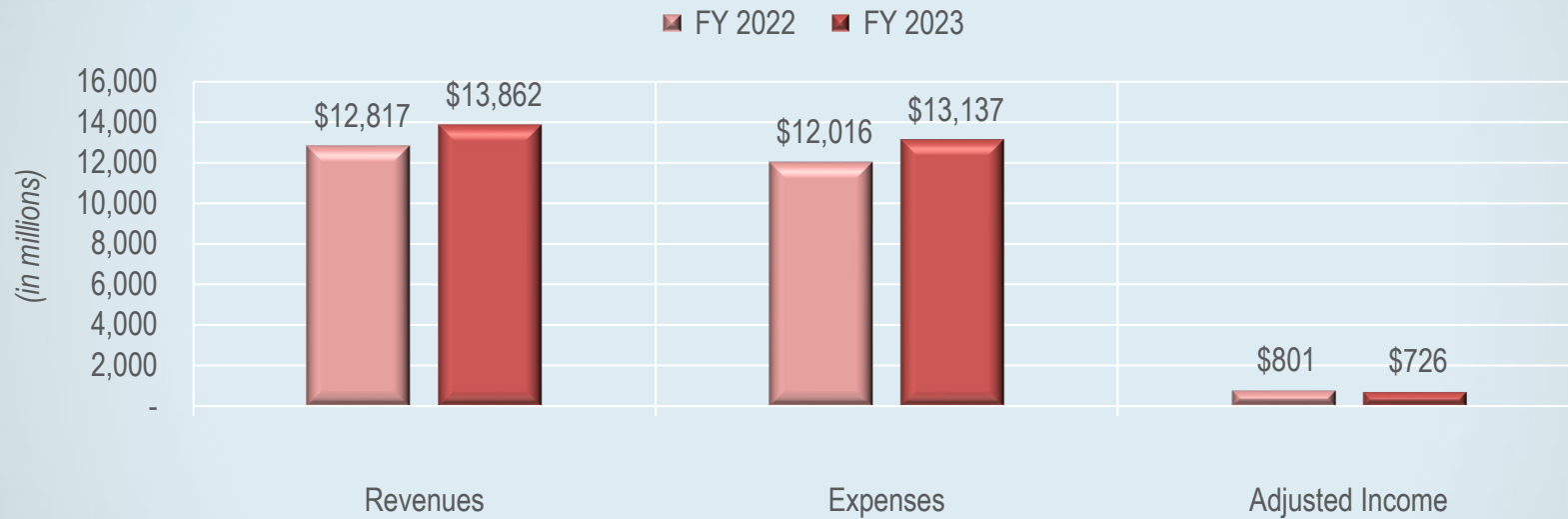


THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Excludes OPEB & Pension Expenses

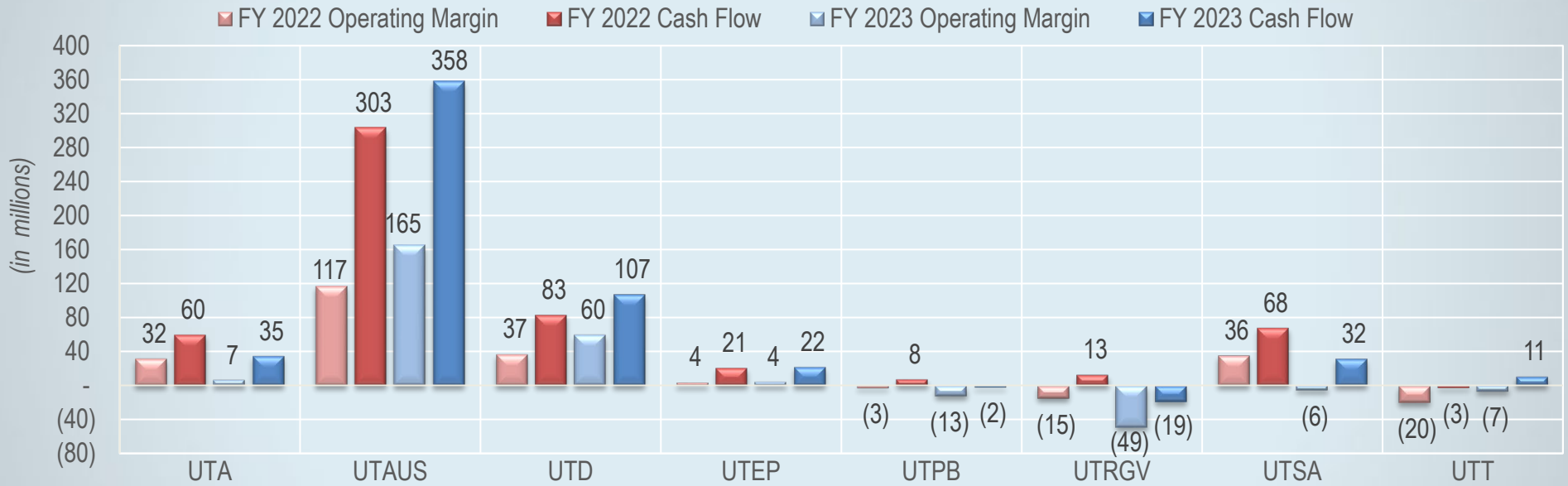
U. T. System Consolidated Revenue & Expenses

Year-Over-Year Comparison (February)



Adjusted Income – Academic Institutions

Year-Over-Year Comparison (February)

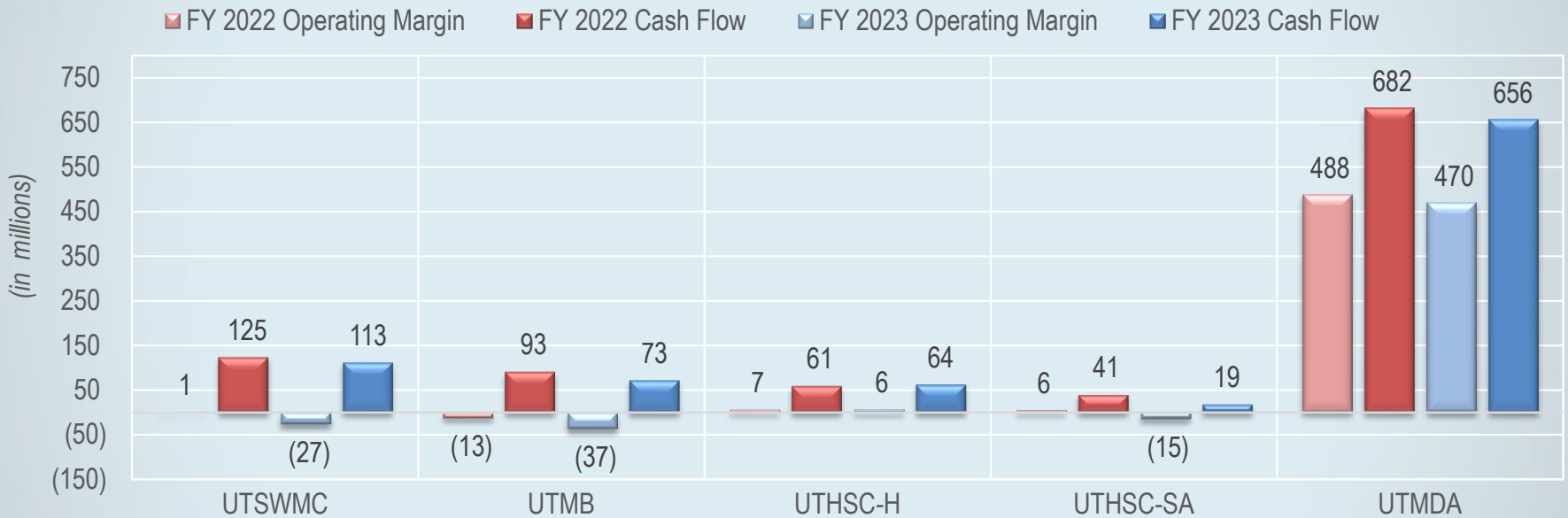


THE UNIVERSITY of TEXAS SYSTEM
 THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Operating Margin – with depreciation
 Cash Flow – without depreciation

Adjusted Income – Health Institutions

Year-Over-Year Comparison (February)



Budget to Actuals – Academic Institutions

FY 2023
February

	Budget (\$ Millions)				Actuals (\$ Millions)				
	Revenues	Expenses	Operating Margin	Margin Ratio	Revenues	Expenses	Operating Margin	Margin Ratio	
U. T. Arlington	\$782.7	\$796.4	(\$13.7)	-1.7%	\$395.6	\$389.0	\$6.6	1.7%	▲
U. T. Austin	\$2,972.8	\$3,066.3	(\$93.5)	-3.1%	\$2,128.9	\$1,963.7	\$165.2	7.8%	▲
U. T. Dallas	\$792.4	\$797.2	(\$4.8)	-0.6%	\$444.9	\$385.3	\$59.7	13.4%	▲
U. T. El Paso	\$531.0	\$542.4	(\$11.5)	-2.2%	\$280.0	\$275.5	\$4.4	1.6%	▲
U. T. Permian Basin	\$94.1	\$110.5	(\$16.4)	-17.5%	\$52.4	\$65.0	(\$12.6)	-24.0%	▼
U. T. Rio Grande Valley	\$632.5	\$681.0	(\$48.5)	-7.7%	\$350.1	\$399.4	(\$49.2)	-14.1%	▼
U. T. San Antonio	\$684.9	\$720.8	(\$35.9)	-5.2%	\$365.6	\$371.1	(\$5.5)	-1.5%	▼
U. T. Tyler	\$535.9	\$550.6	(\$14.8)	-2.8%	\$274.1	\$281.1	(\$7.1)	-2.6%	▼
Total	\$7,026.1	\$7,265.2	(\$239.1)	-3.4%	\$4,291.6	\$4,130.1	\$161.5	3.8%	▲



Budget to Actuals – Health Institutions

FY 2023
February

	Budget (\$ Millions)				Actuals (\$ Millions)				
	Revenues	Expenses	Operating Margin	Margin Ratio	Revenues	Expenses	Operating Margin	Margin Ratio	
U. T. Southwestern Medical Center	\$4,580.3	\$4,510.5	\$69.7	1.5%	\$2,325.6	\$2,352.5	(\$26.9)	-1.2%	▼
U. T. Medical Branch - Galveston	\$2,734.9	\$2,753.0	(\$18.1)	-0.7%	\$1,406.3	\$1,443.7	(\$37.5)	-2.7%	▼
U. T. Health Science Center - Houston	\$2,258.1	\$2,254.8	\$3.3	0.1%	\$1,132.5	\$1,126.2	\$6.3	0.6%	▲
U.T. Health Science Center - San Antonio	\$1,205.4	\$1,223.4	(\$18.0)	-1.5%	\$609.7	\$624.5	(\$14.8)	-2.4%	▼
U. T. M. D. Anderson Cancer Center	\$7,101.4	\$6,300.0	\$801.4	11.3%	\$3,563.8	\$3,094.0	\$469.9	13.2%	▲
Total	\$17,880.1	\$17,041.8	\$838.3	4.7%	\$9,037.9	\$8,640.8	\$397.1	4.4%	▲



Financial Summary

Systemwide Operations February 2023

	Budget	Actuals	% of Budget
U. T. System Administration (AUF)	\$60,998,033	\$29,884,886	49%
Direct Campus Support (AUF)	\$61,700,000	\$27,314,960	44%
Service Departments & Other Non-AUF	\$62,805,782	\$26,194,716	42%
Total	\$185,503,815	\$83,394,562	45%



THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF BUDGET AND PLANNING

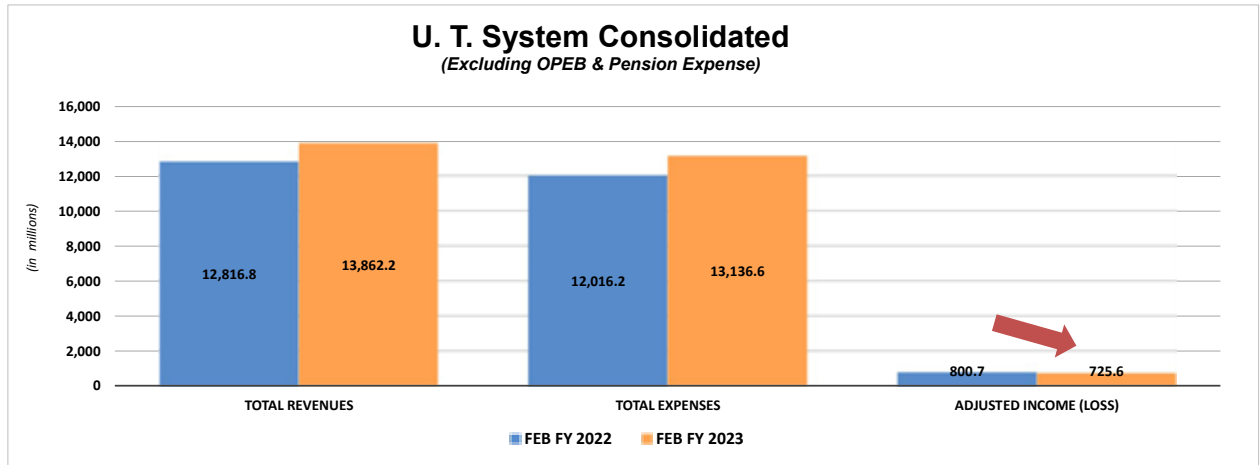
MONTHLY FINANCIAL REPORT *(unaudited)*

February 2023
FY 2023



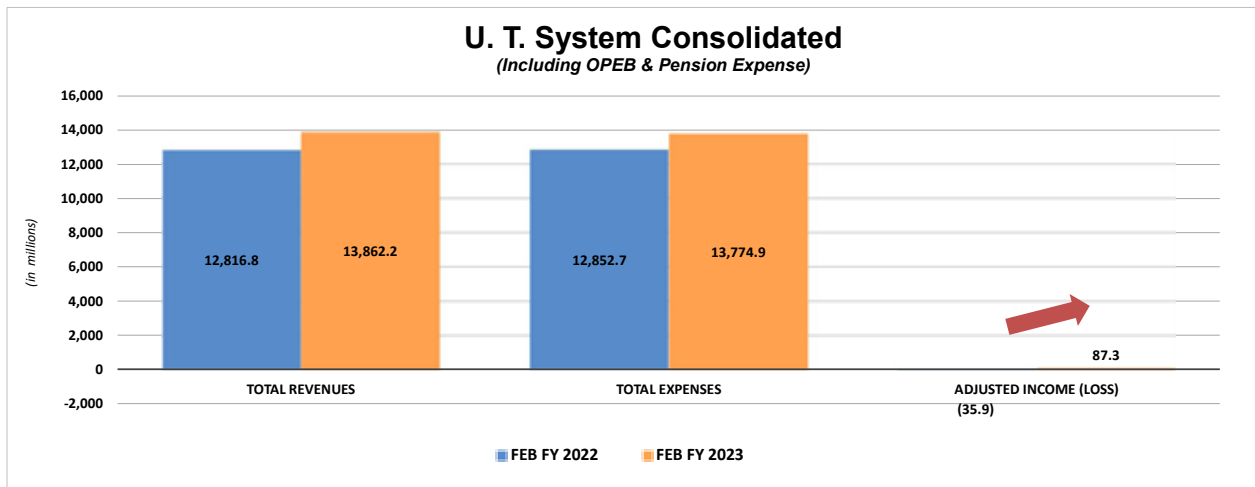
210 West Seventh Street
Austin, Texas 78701
512.499.4792
www.utsystem.edu/offices/budget-and-planning

Monthly Financial Report Comparison of Operating Results, Margin and Projected Year-End For the Period Ending February 28, 2023

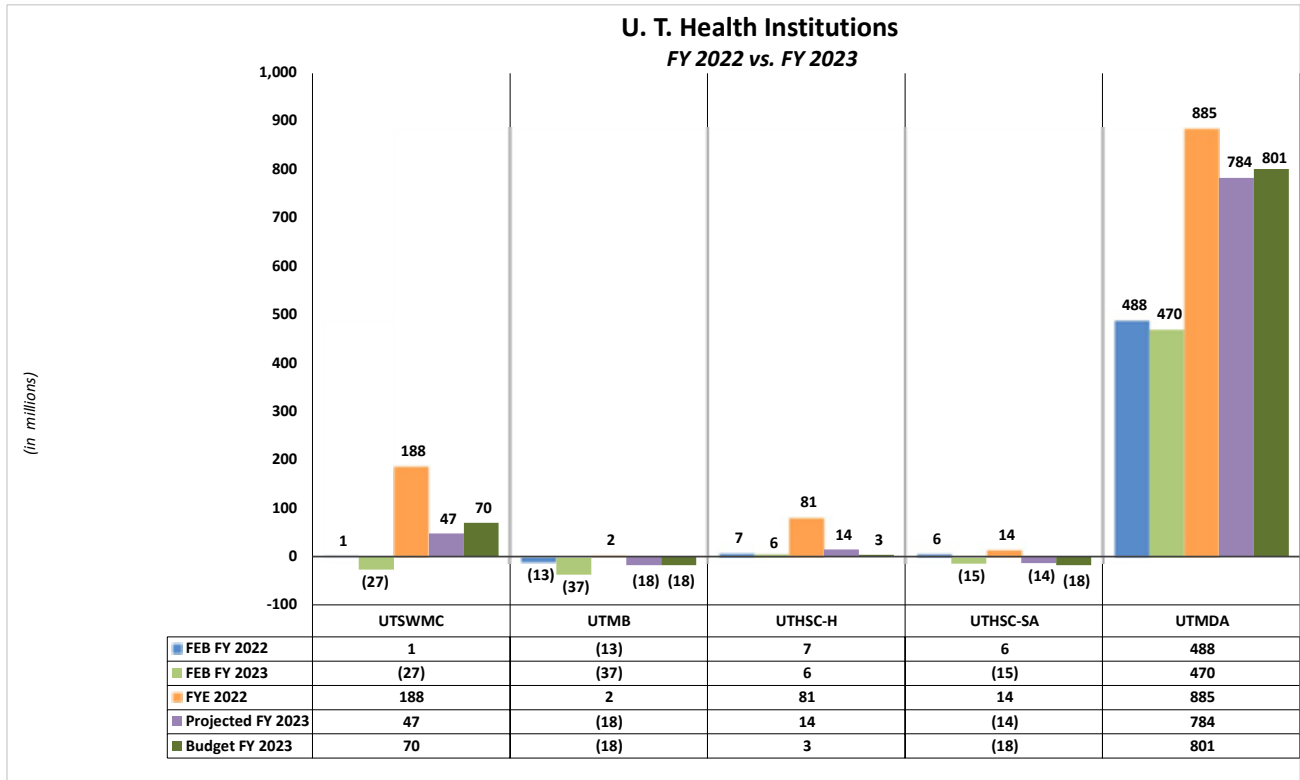
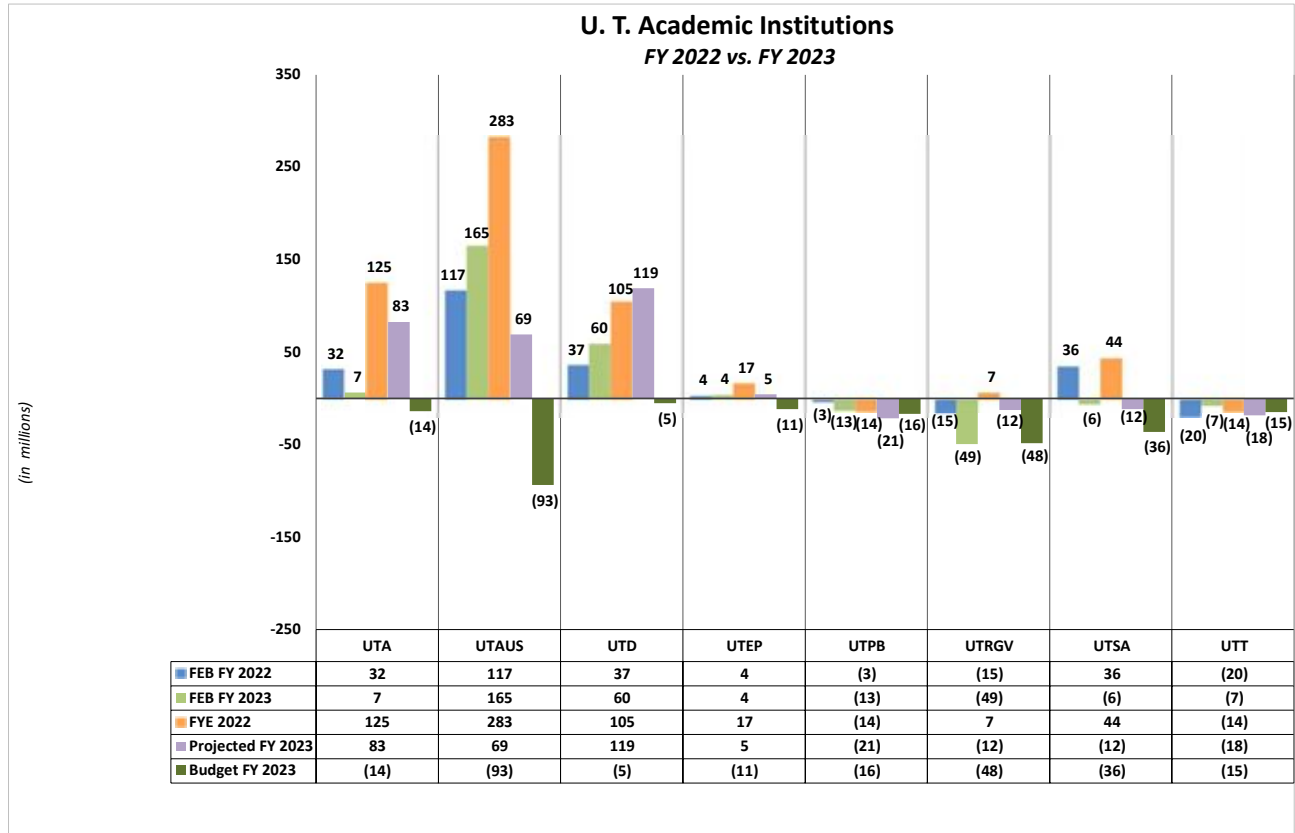


Excluding other postemployment benefits (OPEB) and pension expense, *U. T. System Consolidated* shows year-to-date adjusted income of \$725.6 million, a decrease in adjusted income of \$75.0 million (9%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs across most of the institutions as a result of increases in faculty and staff positions and merit increases.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023
Clinical Revenues	\$ 5,382.1	5,883.7	501.6	12,064.6
Sponsored Programs/Nonexchange Sponsored Programs	2,676.6	2,683.6	7.0	5,610.6
State Appropriations	1,172.4	1,187.6	15.3	2,377.5
Net Tuition and Fees	1,046.1	1,103.6	57.4	2,208.4
Auxiliary Revenues/Sales & Services of Educational Activities	718.8	764.2	45.3	1,270.9
Net Investment Income	1,271.5	1,565.1	293.6	2,787.9
Other Operating Revenues/Gift Contributions for Operations	549.2	674.4	125.1	1,273.6
Total Revenues	12,816.8	13,862.2	1,045.4	27,593.4
Salaries and Wages/Payroll Related Costs	7,051.3	7,776.9	725.7	15,119.4
Materials and Supplies/Cost of Goods Sold	1,638.1	1,832.7	194.6	3,638.5
Depreciation and Amortization	887.0	922.3	35.3	1,842.7
Other Contracted Services/Professional Fees & Services	844.6	913.6	69.0	1,794.2
All Other Operating Expenses	1,595.2	1,691.1	95.9	3,327.5
Total Expenses (Excluding OPEB & Pension Exp)	\$ 12,016.2	13,136.6	1,120.4	25,722.3
Adjusted Income (Loss) Excluding OPEB & Pension Exp	800.7	725.6	(75.0)	1,871.1
OPEB Expense	498.0	575.3	77.3	1,150.5
Pension Expense	338.5	63.0	(275.5)	126.0
Adjusted Income (Loss)	(35.9)	87.3	123.2	594.6
Adjusted Income (Loss) Excluding Depr & Amort Exp	851.2	1,009.7	158.5	2,437.2



**Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending February 28, 2023**



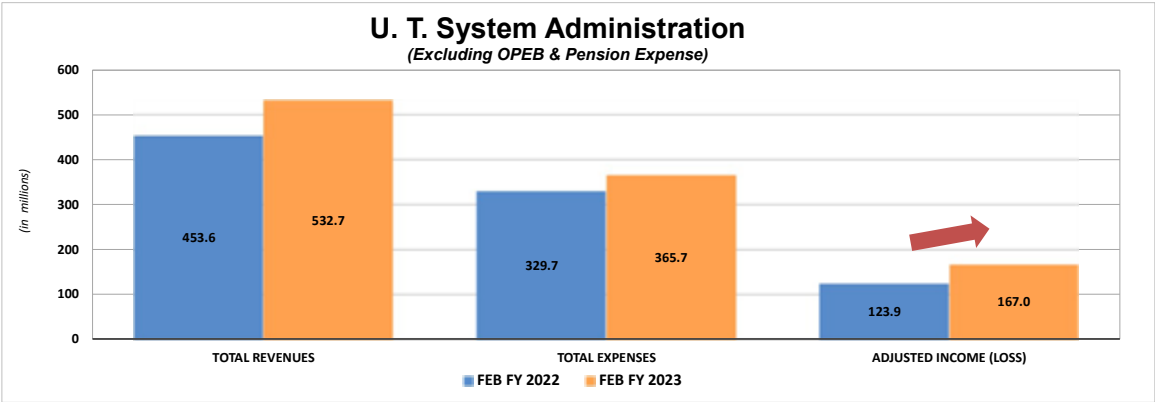
**Monthly Financial Report
Comparison of Adjusted Income (Loss)
For the Period Ending February 28, 2023**

Executive Summary of Adjusted Income (Loss)*

	February FYTD 2022 (millions)	February FYTD 2023 (millions)	Variance %	Comments
U. T. System Administration (excluding OPEB & Pension Expense)	\$ 123.9	167.0	35%	Increase in Net Investment Income Projected income of \$845.1 million for the FY
U. T. Arlington	31.9	6.6	-79%	Decrease in Other Operating Revenues Increase in Salaries & Wages/Payroll Related Costs Projected income of \$83.0 million for the FY
U. T. Austin	117.1	165.2	41%	Increase in Net Investment Income Projected income of \$69.3 million for the FY
U. T. Dallas	36.9	59.7	62%	Increase in Net Tuition and Fees Projected income of \$119.3 million for the FY
U. T. El Paso	3.8	4.4	17%	Increase in Gift Contributions for Operations Projected income of \$4.6 million for the FY
U. T. Permian Basin	(2.8)	(12.6)	-348%	Decrease in Gift Contributions for Operations Increase in Materials & Supplies Projected loss of (\$21.4) million for the FY
U. T. Rio Grande Valley	(15.1)	(49.2)	-227%	Increases in Salaries & Wages/Payroll Related Costs, Materials & Supplies, Depreciation & Amortization, Other Contracted Services Decrease in Clinical Revenues Projected loss of (\$12.4) million for the FY
U. T. San Antonio	35.5	(5.5)	-116%	Increases in Salaries & Wages/Payroll Related Costs, Depreciation & Amortization Decrease in Gift Contributions for Operations Projected loss of (\$11.6) million for the FY
U. T. Tyler	(20.0)	(7.1)	65%	Increase in Clinical Revenues Projected loss of (\$18.3) million for the FY
Southwestern	1.0	(26.9)	-2,842%	Increase in Salaries & Wages/Payroll Related Costs Projected income of \$47.4 million for the FY
UTMB	(12.6)	(37.5)	-197%	Increase in Salaries & Wages/Payroll Related Costs Projected loss of (\$18.1) million for the FY
UTHSC-Houston	6.8	6.3	-7%	Increase in Salaries & Wages/Payroll Related Costs Projected income of \$14.4 million for the FY
UTHSC-San Antonio	6.0	(14.8)	-344%	Increase in Salaries & Wages/Payroll Related Costs Projected loss of (\$13.8) million for the FY
M. D. Anderson	488.2	469.9	-4%	Increase in Salaries & Wages/Payroll Related Costs Projected income of \$783.6 million for the FY
Total Adjusted Income (Loss)	\$ 800.7	725.6	-9%	

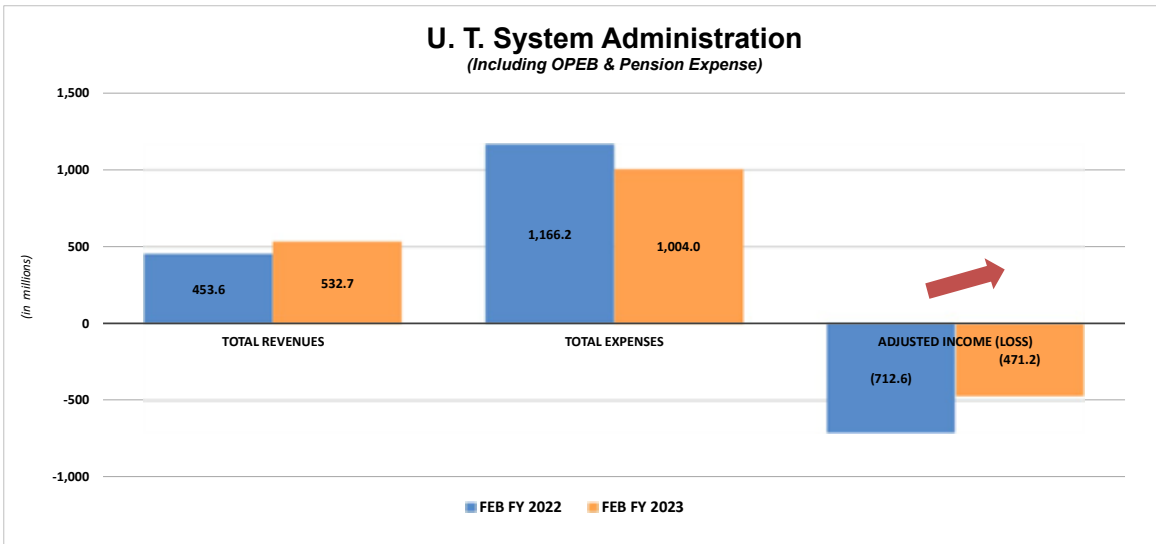
* For additional details on the variances, please see pages 4 through 18.

Monthly Financial Report
Comparison of Operating Results, Margin and Projected Year-End
For the Period Ending February 28, 2023



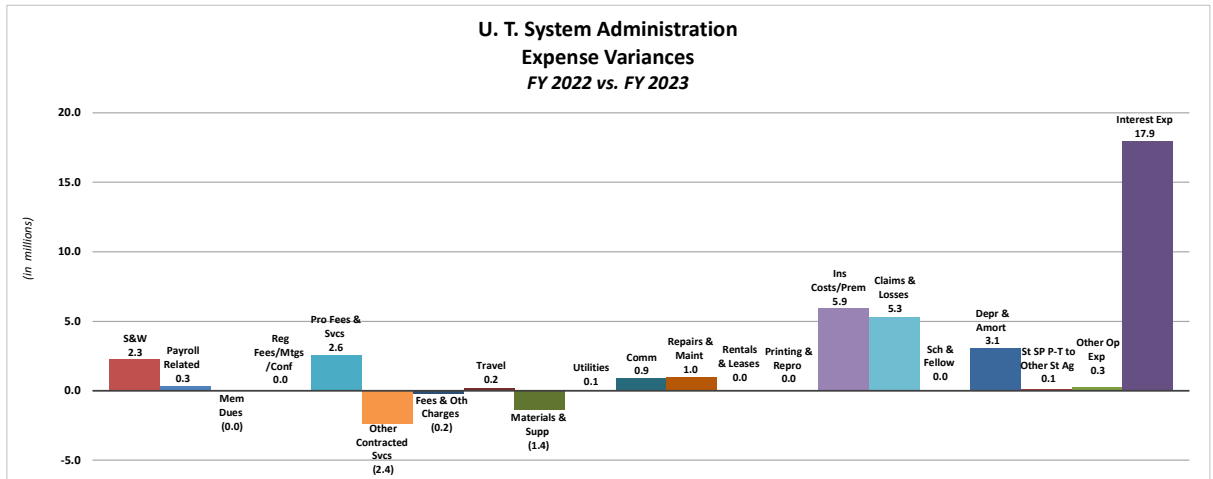
Excluding OPEB and pension expense, *U. T. System Administration* reported year-to-date adjusted income of \$167.0 million, an increase in adjusted income of \$43.1 million (35%) from the prior year. The increase was primarily attributable to an increase in net investment income as a result of the quarterly Long Term Fund (LTF) distribution from prior-year gains, as well as increases in oil royalties and surface easements. Decreases in gas royalties, mineral lease bonuses, and drilling utilization bonuses partially offset the increase. The most current projection, excluding OPEB and pension expense, reflects income of \$845.1 million for the year.

<i>(in millions)</i>	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023
Sponsored Programs/Nonexchange Sponsored Programs	\$ 29.8	15.6	(14.2)	50.3
State Appropriations	4.0	3.5	(0.4)	7.0
Auxiliary Revenues/Sales & Services of Educational Activities	8.4	9.8	1.4	19.6
Net Investment Income/Available University Fund (AUF)	394.3	484.5	90.2	968.9
Other Operating Revenues/Gift Contributions for Operations	17.2	19.4	2.2	38.6
Total Revenues	453.6	532.7	79.2	1,084.5
Salaries and Wages/Payroll Related Costs	28.3	30.9	2.6	(382.1)
Materials and Supplies/Cost of Goods Sold	17.5	16.2	(1.4)	1.8
Depreciation and Amortization	8.4	11.5	3.1	22.9
Other Contracted Services/Professional Fees & Services	36.5	36.6	0.2	60.2
All Other Operating Expenses	239.0	270.6	31.6	536.5
Total Expenses (Excluding OPEB & Pension Exp)	\$ 329.7	365.7	36.0	239.3
Adjusted Income (Loss) Excluding OPEB & Pension Exp	123.9	167.0	43.1	845.1
OPEB Expense	498.0	575.3	77.3	1,150.5
Pension Expense	338.5	63.0	(275.5)	126.0
Adjusted Income (Loss)	(712.6)	(471.2)	241.4	(431.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(704.2)	(459.8)	244.4	(408.5)



Monthly Financial Report Detailed Expense Break-out for U. T. System Administration For the Period Ending February 28, 2023

<i>(in millions)</i>	February YTD FY 2022	February YTD FY 2023	Actual Year-End FY 2022	Annual Projected FY 2023
Salaries and Wages	\$ 22.3	24.5	46.3	49.1
Payroll Related Costs	6.0	6.3	(431.7)	(431.2) *
Membership Dues	0.3	0.3	0.3	0.6
Registration Fees, Meetings, Conferences	0.1	0.1	0.2	0.2
Professional Fees and Services	2.7	5.3	6.5	10.6
Other Contracted Services	33.7	31.3	49.6	49.6
Fees and Other Charges	0.6	0.3	0.7	0.7
Travel	0.1	0.3	0.5	0.6
Materials and Supplies	17.5	16.2	12.7	1.8
Utilities	0.2	0.2	0.3	0.5
Communications	3.3	4.2	3.7	5.0
Repairs and Maintenance	6.5	7.4	7.9	14.9
Rentals and Leases	0.1	0.1	0.3	0.2
Printing and Reproduction	0.1	0.1	0.1	0.1
Insurance Costs/Premiums	39.9	45.8	18.4	91.6
Claims and Losses	175.1	180.4	273.1	360.7
Scholarships and Fellowships	0.0	0.1	0.7	0.1
Depreciation and Amortization	8.4	11.5	16.8	22.9
State Sponsored Program Pass-Through to Other State Agencies	2.6	2.7	5.0	4.2
Other Operating Expenses	0.7	1.0	1.4	1.9
Interest Expense	9.6	27.5	45.0	55.1
Total Expenses (Excluding OPEB & Pension Expense)	329.7	365.7	57.8	239.3
OPEB Expense	498.0	575.3	1,150.5	1,150.5
Pension Expense	338.5	63.0	126.0	126.0
Total Expenses (Including OPEB & Pension Expense)	\$ 1,166.2	1,004.0	1,334.3	1,515.8



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

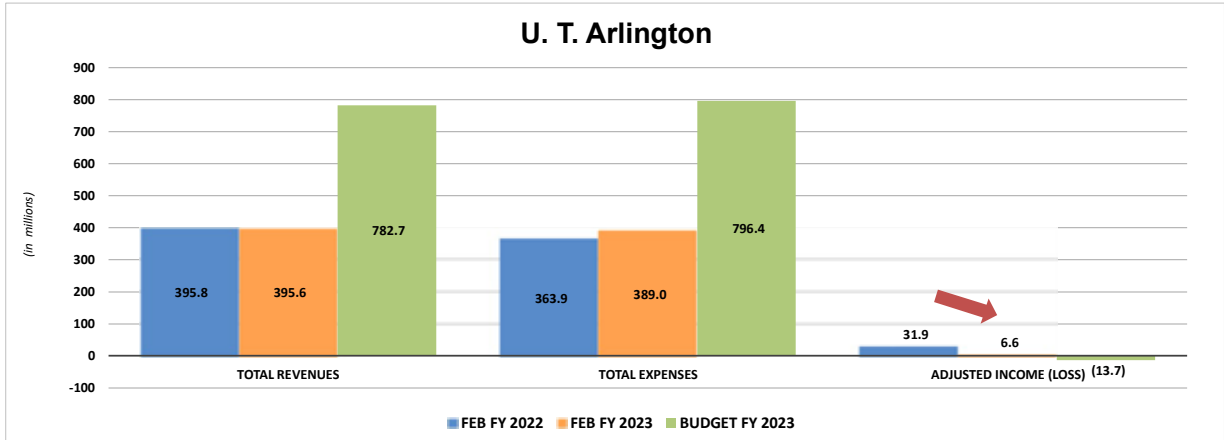
***Payroll Related Costs** - the negative payroll related costs at year-end relate to the pension entry to defer pension contributions made after the measurement date for the entire System.

Insurance Costs/Premiums - increase of \$5.9 million primarily due to an increase in Comprehensive Property Protection Plan (CPPP) Fire and All Other Perils, CPPP Wind & Flood, Directors & Officers/Employment Practices Liability, Rolling Owner Controlled Insurance Program, and medical self-insurance plan insurance costs. Reimbursement for CPPP Fire and AOP, CPPP Wind & Flood, and D&O EPL insurance costs/premiums expected in the fourth quarter of fiscal year 2023.

Claims and Losses - increase of \$5.3 million primarily a result of an increase in CPPP Fire and AOP claims.

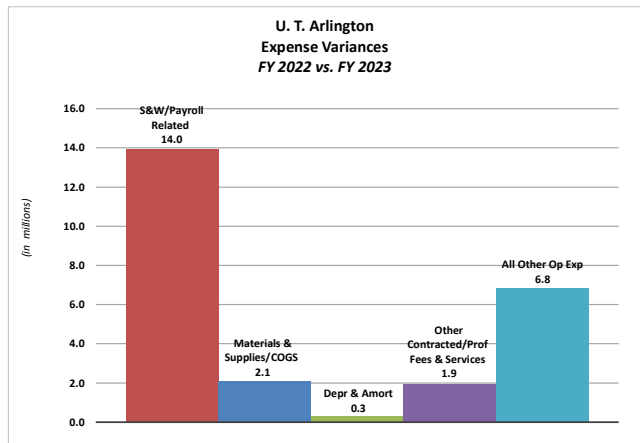
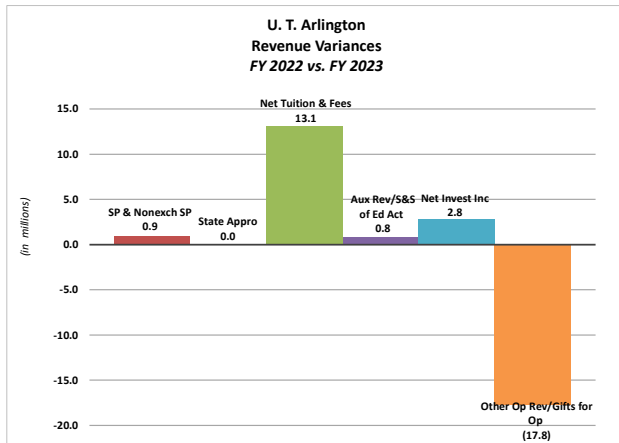
Interest Expense - increase of \$17.9 million largely attributable to an increase in Permanent University Fund interest expense.

Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

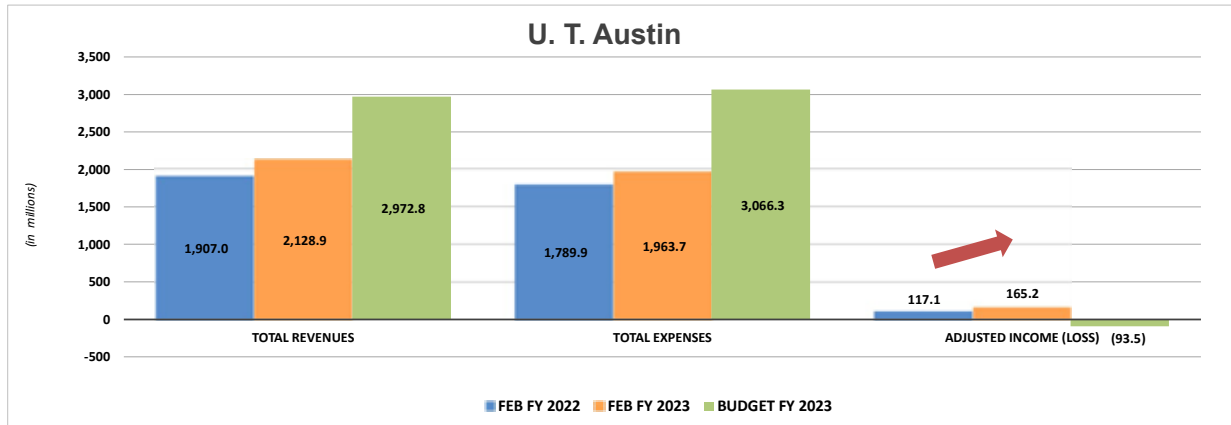


U. T. Arlington reported year-to-date adjusted income of \$6.6 million, a decrease in adjusted income of \$25.3 million (79%) from the prior year. The decrease was primarily attributable to the following: a decrease in other operating revenues due to a Direct Loans misclassification in the prior year; and an increase in salaries and wages and payroll related costs attributable to merit increases. The most current projection received from U. T. Arlington reflects income of \$83.0 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 84.7	85.5	0.9	204.1	
State Appropriations	68.0	68.1	0.0	161.1	
Net Tuition and Fees	165.9	179.0	13.1	376.3	
Auxiliary Revenues/Sales & Services of Educational Activities	33.8	34.6	0.8	79.4	
Net Investment Income	16.4	19.2	2.8	34.9	
Other Operating Revenues/Gift Contributions for Operations	26.9	9.2	(17.8)	20.9	
Total Revenues	395.8	395.6	(0.2)	876.7	782.7
Salaries and Wages/Payroll Related Costs	216.1	230.1	14.0	463.2	
Materials and Supplies/Cost of Goods Sold	25.5	27.6	2.1	48.4	
Depreciation and Amortization	28.1	28.3	0.3	56.7	
Other Contracted Services/Professional Fees & Services	35.3	37.2	1.9	73.6	
All Other Operating Expenses	59.0	65.8	6.8	151.8	
Total Expenses	\$ 363.9	389.0	25.1	793.6	796.4
Adjusted Income (Loss)	31.9	6.6	(25.3)	83.0	(13.7)
Adjusted Income (Loss) Excluding Depr & Amort Exp	60.0	35.0	(25.0)	139.7	43.0

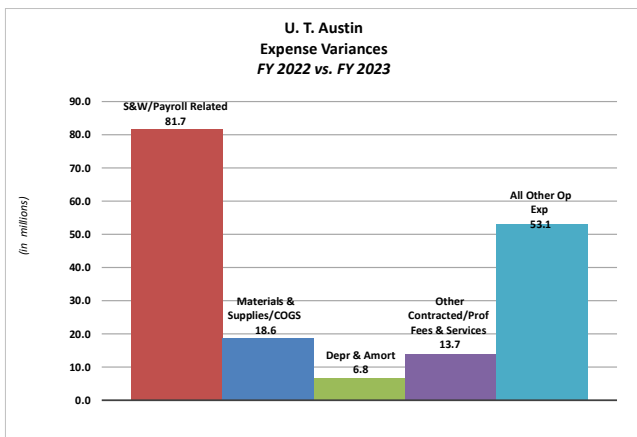
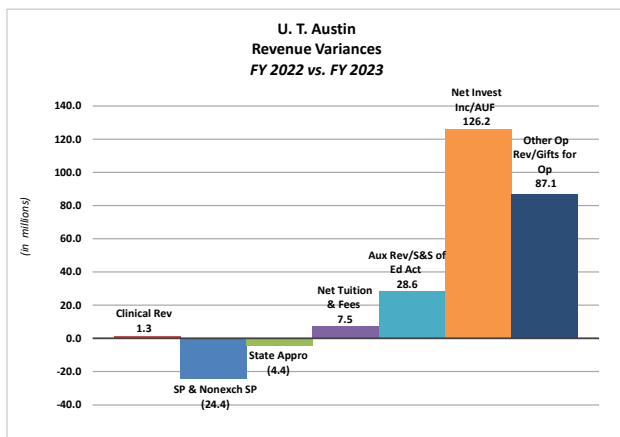


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

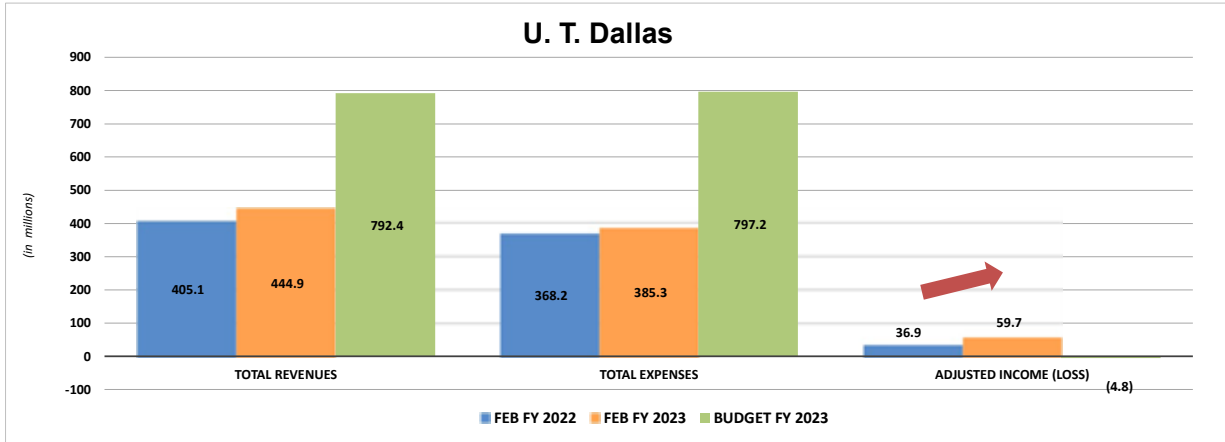


U. T. Austin reported year-to-date adjusted income of \$165.2 million, an increase in adjusted income of \$48.1 million (41%) from the prior year. The increase was primarily due to an increase in net investment income attributable to COVID-19 technology royalties received from the National Institutes of Health. The most current projection received from *U. T. Austin* reflects income of \$69.3 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 6.5	7.8	1.3	16.0	
Sponsored Programs/Nonexchange Sponsored Programs	494.6	470.1	(24.4)	1,070.3	
State Appropriations	184.2	179.8	(4.4)	359.6	
Net Tuition and Fees	270.5	278.0	7.5	556.0	
Auxiliary Revenues/Sales & Services of Educational Activities	440.8	469.3	28.6	684.8	
Net Investment Income/Available University Fund (AUF)	413.8	539.9	126.2	904.1	
Other Operating Revenues/Gift Contributions for Operations	96.7	183.8	87.1	298.5	
Total Revenues	1,907.0	2,128.9	221.9	3,889.3	2,972.8
Salaries and Wages/Payroll Related Costs	1,030.7	1,112.4	81.7	2,133.5	
Materials and Supplies/Cost of Goods Sold	97.4	116.0	18.6	202.0	
Depreciation and Amortization	186.3	193.0	6.8	386.0	
Other Contracted Services/Professional Fees & Services	126.9	140.6	13.7	284.9	
All Other Operating Expenses	348.7	401.7	53.1	813.6	
Total Expenses	\$ 1,789.9	1,963.7	173.8	3,820.0	3,066.3
Adjusted Income (Loss)	117.1	165.2	48.1	69.3	(93.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	303.3	358.2	54.9	455.3	286.5

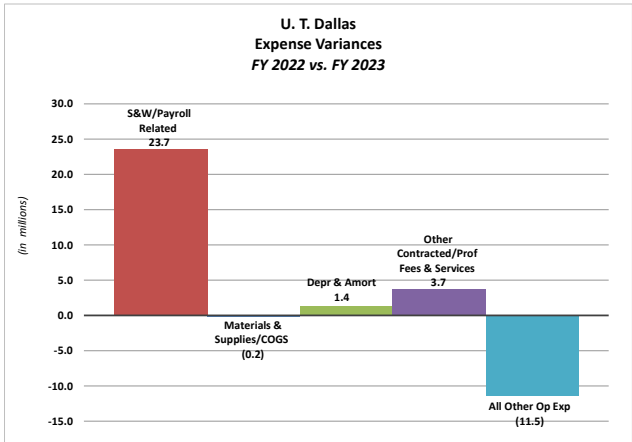
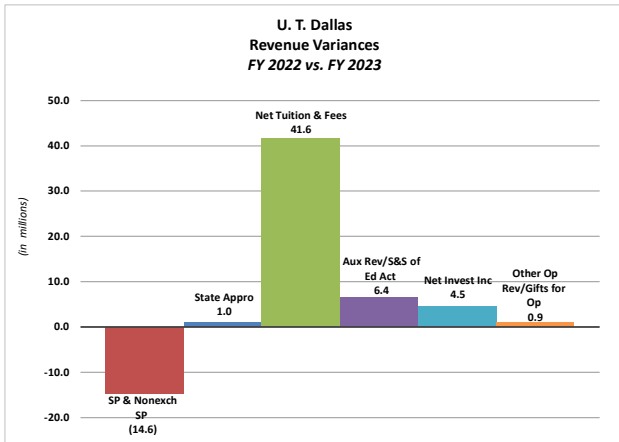


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

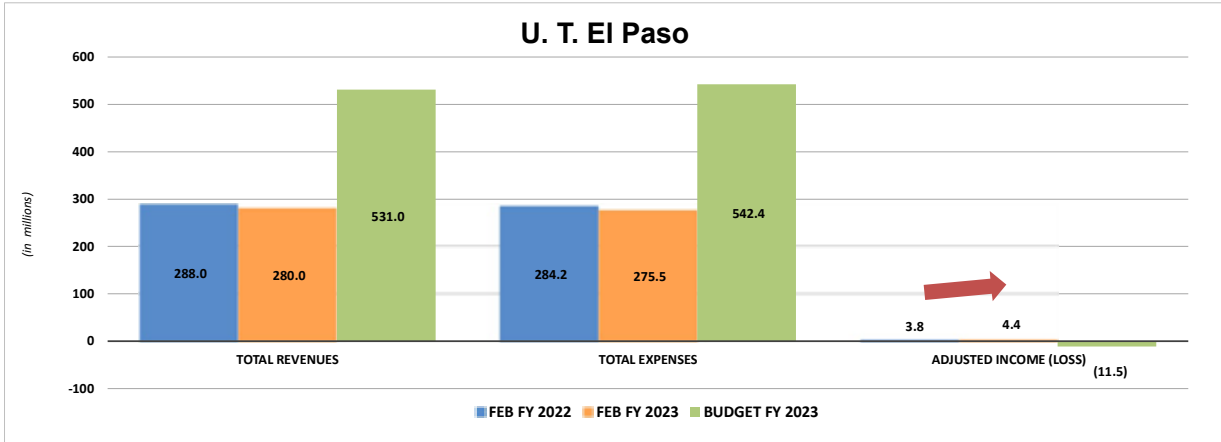


U. T. Dallas reported year-to-date adjusted income of \$59.7 million, an increase in adjusted income of \$22.7 million (62%) from the prior year. The increase was primarily attributable to an increase in net student tuition and fees due to increased enrollment of undergraduate and graduate students. The most current projection received from U. T. Dallas reflects income of \$119.3 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 85.9	71.3	(14.6)	142.6	
State Appropriations	69.0	69.9	1.0	139.9	
Net Tuition and Fees	176.7	218.3	41.6	436.5	
Auxiliary Revenues/Sales & Services of Educational Activities	41.8	48.3	6.4	96.6	
Net Investment Income	21.2	25.7	4.5	51.4	
Other Operating Revenues/Gift Contributions for Operations	10.5	11.4	0.9	22.8	
Total Revenues	405.1	444.9	39.8	889.8	792.4
Salaries and Wages/Payroll Related Costs	204.8	228.5	23.7	457.1	
Materials and Supplies/Cost of Goods Sold	18.0	17.8	(0.2)	35.7	
Depreciation and Amortization	46.3	47.7	1.4	95.3	
Other Contracted Services/Professional Fees & Services	18.4	22.1	3.7	44.2	
All Other Operating Expenses	80.6	69.1	(11.5)	138.3	
Total Expenses	\$ 368.2	385.3	17.1	770.5	797.2
Adjusted Income (Loss)	36.9	59.7	22.7	119.3	(4.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	83.2	107.3	24.1	214.7	83.4

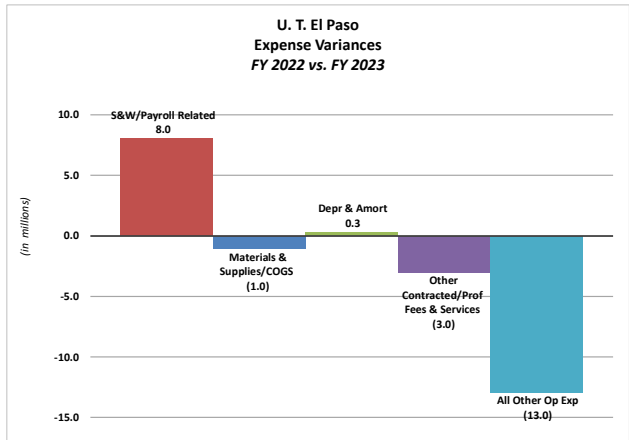
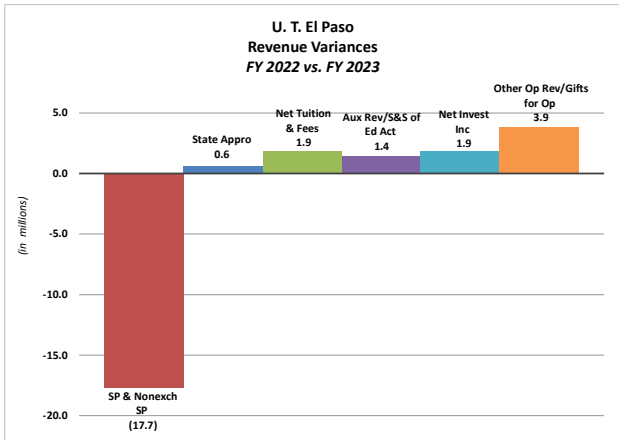


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

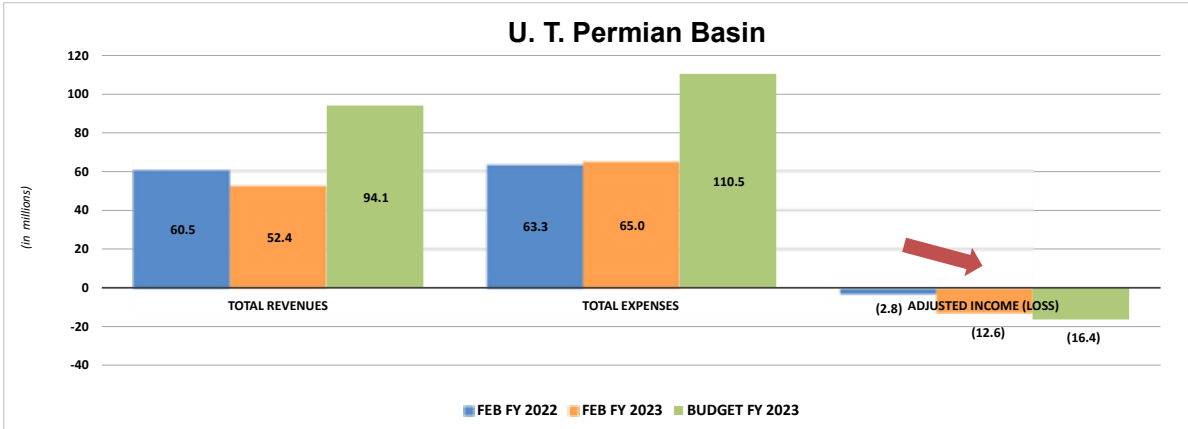


U. T. El Paso reported year-to-date adjusted income of \$4.4 million, an increase in adjusted income of \$0.6 million (17%) from the prior year. The increase was primarily due to an increase in gift contributions for operations attributable to a \$3 million gift received in the current fiscal year, as well as an increase in pledge commitments as compared to the prior year. The most current projection received from *U. T. El Paso* reflects income of \$4.6 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 115.3	97.6	(17.7)	202.7	
State Appropriations	55.8	56.4	0.6	107.6	
Net Tuition and Fees	76.8	78.7	1.9	148.8	
Auxiliary Revenues/Sales & Services of Educational Activities	24.6	26.0	1.4	51.8	
Net Investment Income	10.6	12.4	1.9	26.1	
Other Operating Revenues/Gift Contributions for Operations	4.9	8.8	3.9	9.2	
Total Revenues	288.0	280.0	(8.0)	546.3	531.0
Salaries and Wages/Payroll Related Costs	142.6	150.6	8.0	284.9	
Materials and Supplies/Cost of Goods Sold	13.2	12.2	(1.0)	29.7	
Depreciation and Amortization	17.3	17.6	0.3	35.2	
Other Contracted Services/Professional Fees & Services	20.6	17.6	(3.0)	32.5	
All Other Operating Expenses	90.5	77.5	(13.0)	159.3	
Total Expenses	284.2	275.5	(8.6)	541.6	542.4
Adjusted Income (Loss)	3.8	4.4	0.6	4.6	(11.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	21.1	22.0	0.9	39.8	23.6

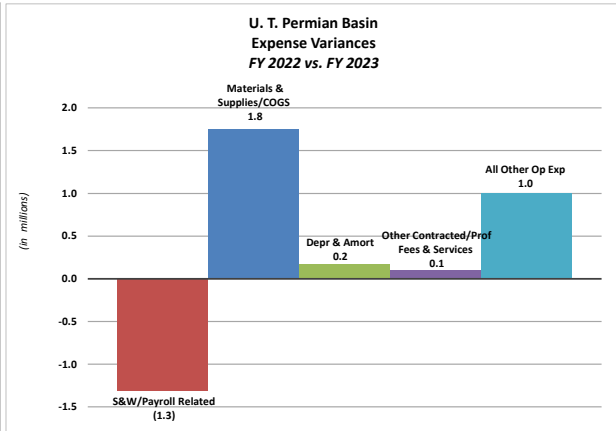
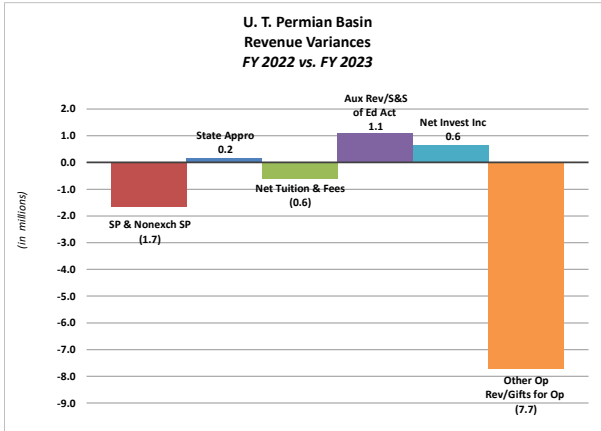


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

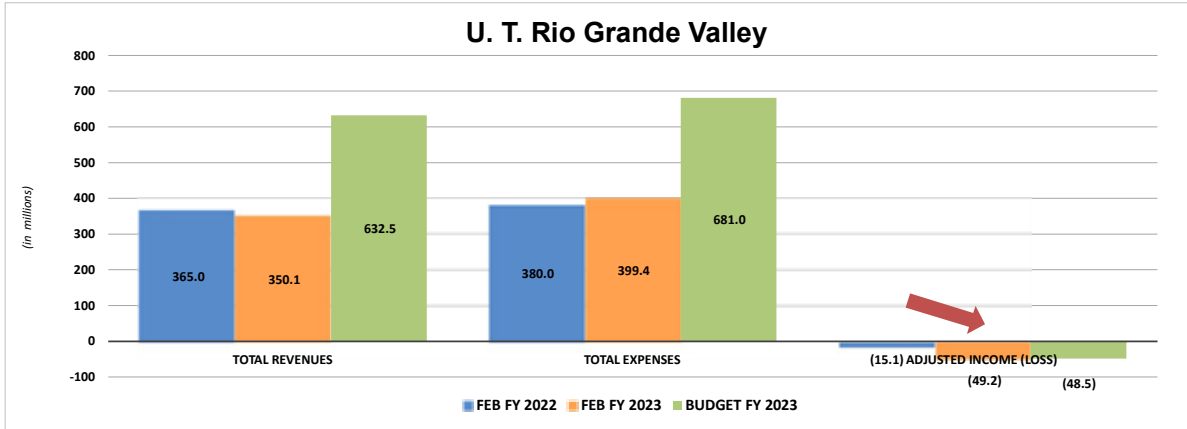


U. T. Permian Basin incurred a year-to-date adjusted loss of \$12.6 million, an increase in adjusted loss of \$9.8 million (348%) from the prior year. The increase was primarily attributable to the following: a decrease in gift contributions for operations as a result of a \$10.7 million gift received in 2022 with no such comparable gift received in the current fiscal year; and an increase in materials and supplies attributable to an increase in furnishings and equipment due to several building and office remodeling projects on campus, as well as an increase in computer software expenses. The most current projection received from U. T. Permian Basin reflects a loss of \$21.4 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 14.6	12.9	(1.7)	24.1	
State Appropriations	12.5	12.7	0.2	25.3	
Net Tuition and Fees	16.4	15.8	(0.6)	31.6	
Auxiliary Revenues/Sales & Services of Educational Activities	3.4	4.5	1.1	8.9	
Net Investment Income	1.9	2.5	0.6	4.7	
Other Operating Revenues/Gift Contributions for Operations	11.8	4.1	(7.7)	6.1	
Total Revenues	60.5	52.4	(8.1)	100.7	94.1
Salaries and Wages/Payroll Related Costs	31.2	29.8	(1.3)	55.1	
Materials and Supplies/Cost of Goods Sold	2.9	4.6	1.8	6.0	
Depreciation and Amortization	10.5	10.6	0.2	21.3	
Other Contracted Services/Professional Fees & Services	5.5	5.6	0.1	11.7	
All Other Operating Expenses	13.3	14.3	1.0	28.0	
Total Expenses	\$ 63.3	65.0	1.7	122.1	110.5
Adjusted Income (Loss)	(2.8)	(12.6)	(9.8)	(21.4)	(16.4)
Adjusted Income (Loss) Excluding Depr & Amort Exp	7.7	(1.9)	(9.6)	(0.1)	4.8

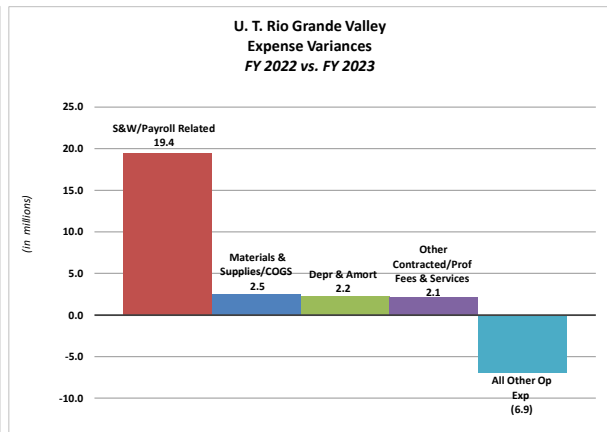
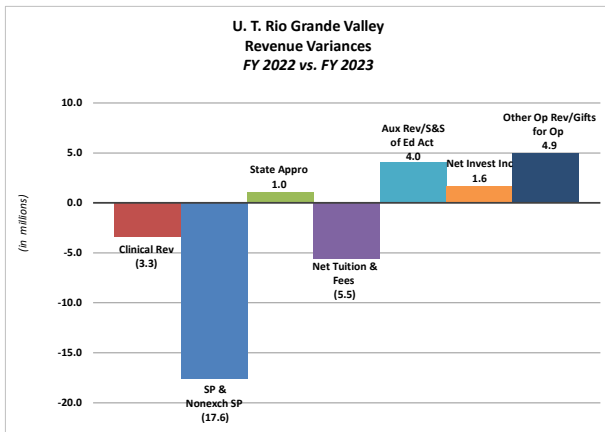


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

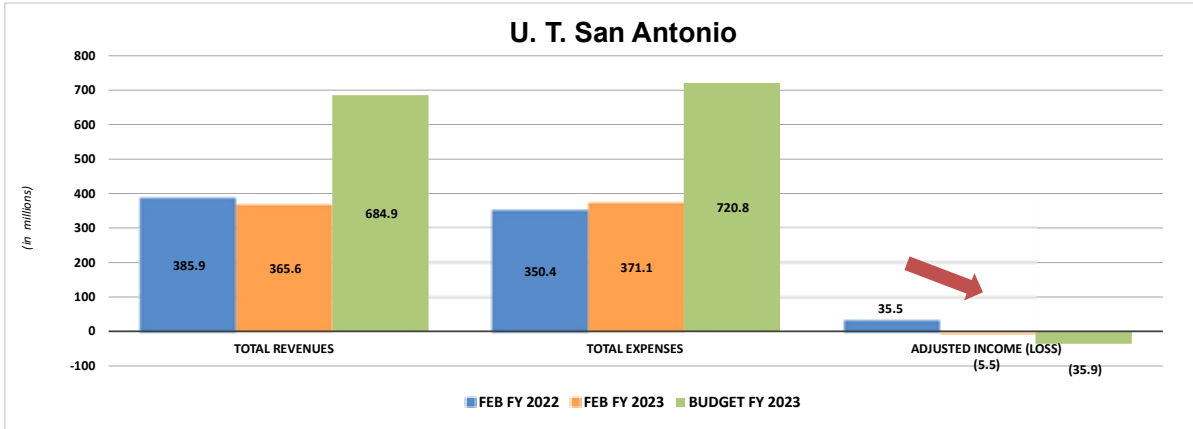


U. T. Rio Grande Valley incurred a year-to-date adjusted loss of \$49.2 million, an increase in adjusted loss of \$34.2 million (227%) from the prior year. The increase was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of an increase in faculty and staff positions and annual merit increases; a decrease in clinical revenues due to a decrease in patient volume attributable to the economic downturn; an increase in materials and supplies as a result of an increase in computing system maintenance expenses, as well as an increase in library books and materials; an increase in depreciation and amortization expense attributable to new buildings placed into service; and an increase in other contracted services due to increases in security, transportation services, and Accelerated Program marketing expenses. The most current projection received from *U. T. Rio Grande Valley* reflects a loss of \$12.4 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 11.2	7.8	(3.3)	18.7	
Sponsored Programs/Nonexchange Sponsored Programs	168.0	150.4	(17.6)	275.8	
State Appropriations	88.5	89.6	1.0	163.7	
Net Tuition and Fees	73.9	68.3	(5.5)	136.7	
Auxiliary Revenues/Sales & Services of Educational Activities	8.7	12.8	4.0	20.7	
Net Investment Income	7.3	9.0	1.6	20.6	
Other Operating Revenues/Gift Contributions for Operations	7.4	12.3	4.9	19.4	
Total Revenues	365.0	350.1	(14.9)	655.7	632.5
Salaries and Wages/Payroll Related Costs	209.7	229.1	19.4	420.9	
Materials and Supplies/Cost of Goods Sold	15.8	18.3	2.5	32.1	
Depreciation and Amortization	28.0	30.2	2.2	62.0	
Other Contracted Services/Professional Fees & Services	10.9	13.1	2.1	22.4	
All Other Operating Expenses	115.7	108.8	(6.9)	130.7	
Total Expenses	\$ 380.0	399.4	19.3	668.0	681.0
Adjusted Income (Loss)	(15.1)	(49.2)	(34.2)	(12.4)	(48.5)
Adjusted Income (Loss) Excluding Depr & Amort Exp	12.9	(19.1)	(32.0)	49.6	13.5

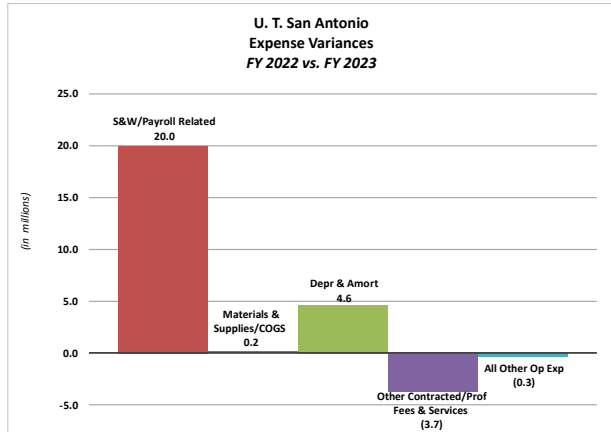
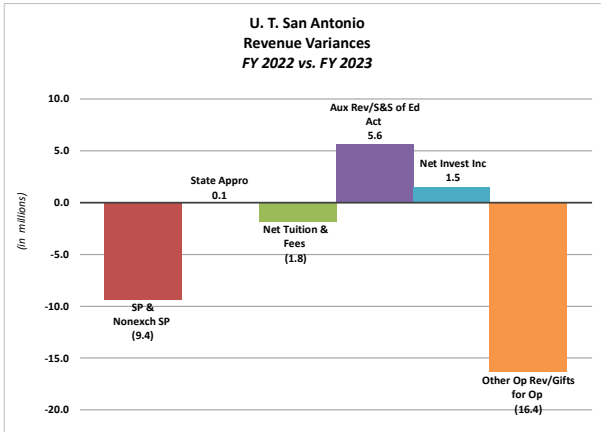


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

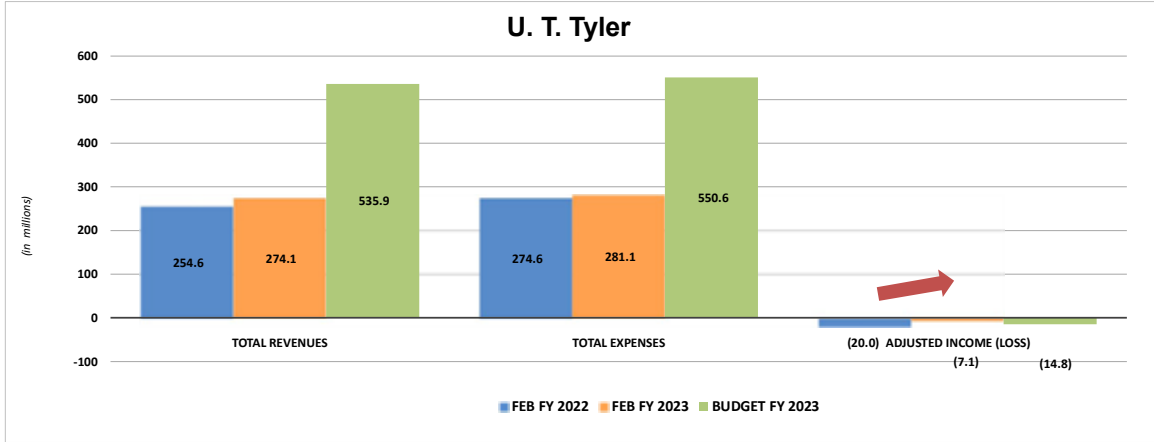


U. T. San Antonio incurred a year-to-date adjusted loss of \$5.5 million, a decrease of \$41.1 million (116%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to the university implementing its strategic compensation plan last year, as well as an increase in annual merit increases; a decrease in gift contributions for operations as a result of a \$20 million gift received in 2022 with no such comparable gift received in the current fiscal year; and an increase in depreciation and amortization expense attributable to new buildings placed into service. The most current projection received from U. T. San Antonio reflects a loss of \$11.6 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Sponsored Programs/Nonexchange Sponsored Programs	\$ 113.9	104.5	(9.4)	208.7	
State Appropriations	76.2	76.3	0.1	152.5	
Net Tuition and Fees	129.4	127.6	(1.8)	255.2	
Auxiliary Revenues/Sales & Services of Educational Activities	31.0	36.6	5.6	73.2	
Net Investment Income	11.9	13.4	1.5	26.8	
Other Operating Revenues/Gift Contributions for Operations	23.6	7.3	(16.4)	14.5	
Total Revenues	385.9	365.6	(20.3)	730.8	684.9
Salaries and Wages/Payroll Related Costs	187.8	207.8	20.0	415.6	
Materials and Supplies/Cost of Goods Sold	19.6	19.8	0.2	39.6	
Depreciation and Amortization	32.6	37.2	4.6	74.5	
Other Contracted Services/Professional Fees & Services	22.4	18.6	(3.7)	37.3	
All Other Operating Expenses	88.0	87.7	(0.3)	175.4	
Total Expenses	\$ 350.4	371.1	20.7	742.4	720.8
Adjusted Income (Loss)	35.5	(5.5)	(41.1)	(11.6)	(35.9)
Adjusted Income (Loss) Excluding Depr & Amort Exp	68.1	31.7	(36.4)	62.9	36.8

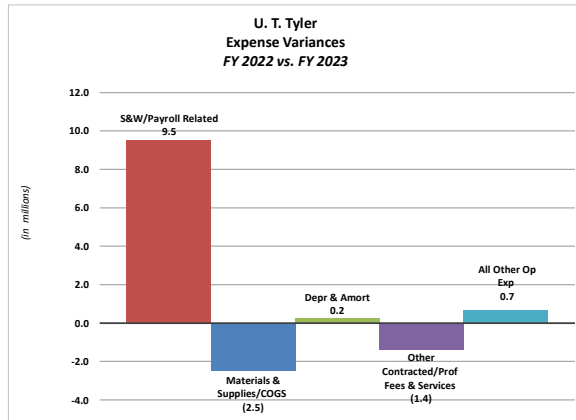
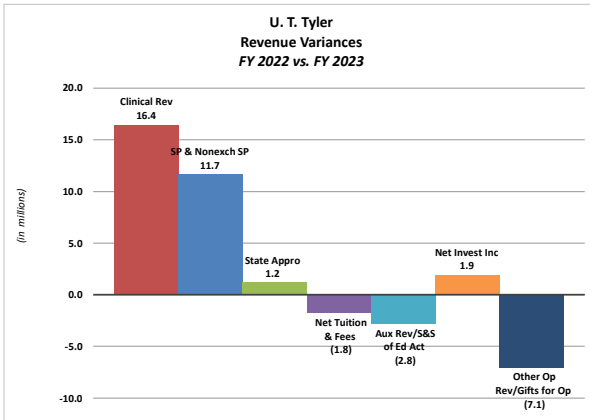


Monthly Financial Report
Comparison of Operating Results, Margin, Projected Year-End and Budget
For the Period Ending February 28, 2023



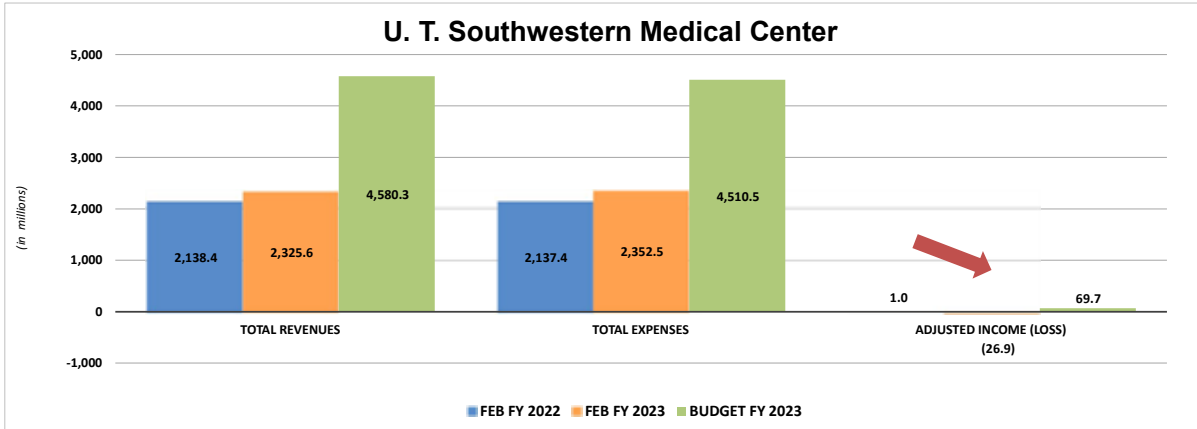
U. T. Tyler incurred a year-to-date adjusted loss of \$7.1 million, a decrease in adjusted loss of \$12.9 million (65%) from the prior year. The decrease was primarily due to an increase in clinical revenues attributable to an increase in outpatient visits, as well as growth in retail pharmacy volumes. The most current projection received from U. T. Tyler reflects a loss of \$18.3 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 82.4	98.8	16.4	184.4	
Sponsored Programs/Nonexchange Sponsored Programs	60.0	71.7	11.7	143.4	
State Appropriations	43.1	44.3	1.2	88.6	
Net Tuition and Fees	30.9	29.1	(1.8)	58.0	
Auxiliary Revenues/Sales & Services of Educational Activities	18.8	15.9	(2.8)	27.0	
Net Investment Income	5.8	7.7	1.9	13.2	
Other Operating Revenues/Gift Contributions for Operations	13.6	6.5 *	(7.1)	17.6 *	
Total Revenues	254.6	274.1	19.5	532.2	535.9
Salaries and Wages/Payroll Related Costs	164.1	173.6	9.5	340.3	
Materials and Supplies/Cost of Goods Sold	38.7	36.2	(2.5)	71.1	
Depreciation and Amortization	17.5	17.7	0.2	36.8	
Other Contracted Services/Professional Fees & Services	25.2	23.9	(1.4)	46.5	
All Other Operating Expenses	29.1	29.7	0.7	55.8	
Total Expenses	\$ 274.6	281.1	6.6	550.5	550.6
Adjusted Income (Loss)	(20.0)	(7.1)	12.9	(18.3)	(14.8)
Adjusted Income (Loss) Excluding Depr & Amort Exp	(2.5)	10.6	13.1	18.5	21.7



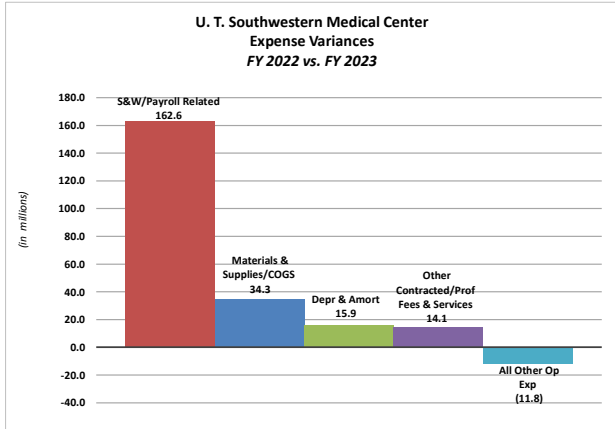
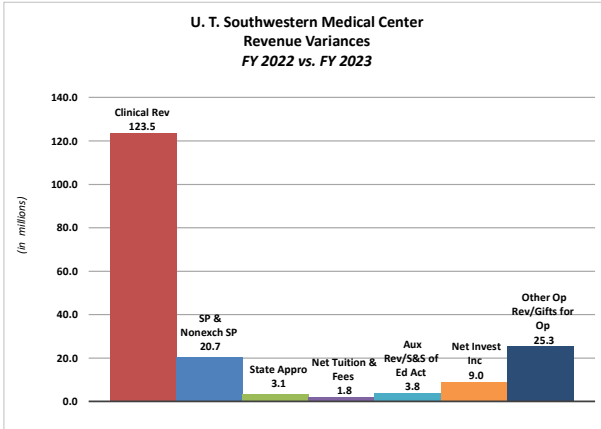
*Other Operating Income includes 30% of UTHET's net adjusted loss which was \$1.7 million through February. The projected loss of \$18.3 million includes \$3.8 million of UTHET's net adjusted income for the year.

Monthly Financial Report
Comparison of Operating Results, Margin, Projected Year-End and Budget
For the Period Ending February 28, 2023

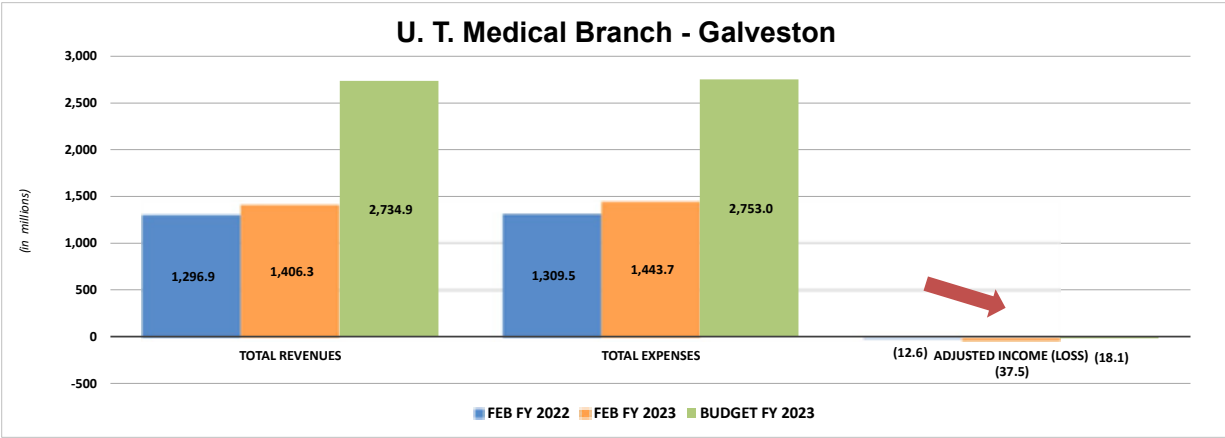


U. T. Southwestern Medical Center incurred a year-to-date adjusted loss of \$26.9 million, a decrease of \$27.9 million (2,842%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions associated with growth in both the hospitals and clinical operations. The most current projection received from U. T. Southwestern Medical Center reflects income of \$47.4 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 1,403.1	1,526.5	123.5	3,102.3	
Sponsored Programs/Nonexchange Sponsored Programs	399.5	420.2	20.7	836.9	
State Appropriations	92.7	95.8	3.1	195.7	
Net Tuition and Fees	12.3	14.1	1.8	28.3	
Auxiliary Revenues/Sales & Services of Educational Activities	18.9	22.7	3.8	45.3	
Net Investment Income	89.6	98.7	9.0	186.2	
Other Operating Revenues/Gift Contributions for Operations	122.3	147.5	25.3	300.3	
Total Revenues	2,138.4	2,325.6	187.2	4,694.9	4,580.3
Salaries and Wages/Payroll Related Costs	1,325.8	1,488.4	162.6	2,973.5	
Materials and Supplies/Cost of Goods Sold	411.6	445.9	34.3	869.3	
Depreciation and Amortization	124.1	139.9	15.9	279.9	
Other Contracted Services/Professional Fees & Services	123.3	137.4	14.1	262.2	
All Other Operating Expenses	152.7	140.8	(11.8)	262.7	
Total Expenses	\$ 2,137.4	2,352.5	215.0	4,647.5	4,510.5
Adjusted Income (Loss)	1.0	(26.9)	(27.9)	47.4	69.7
Adjusted Income (Loss) Excluding Depr & Amort Exp	125.1	113.1	(12.0)	327.3	337.0

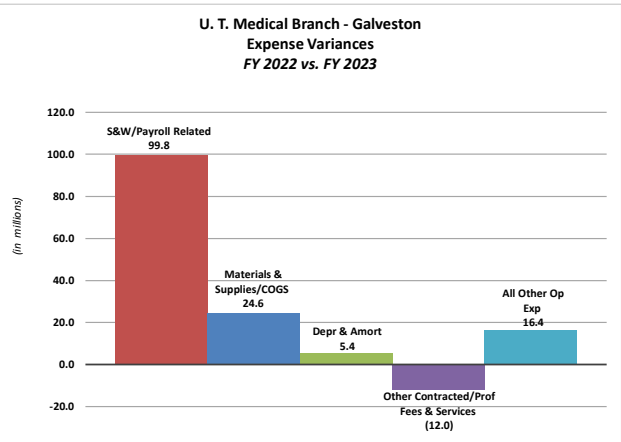
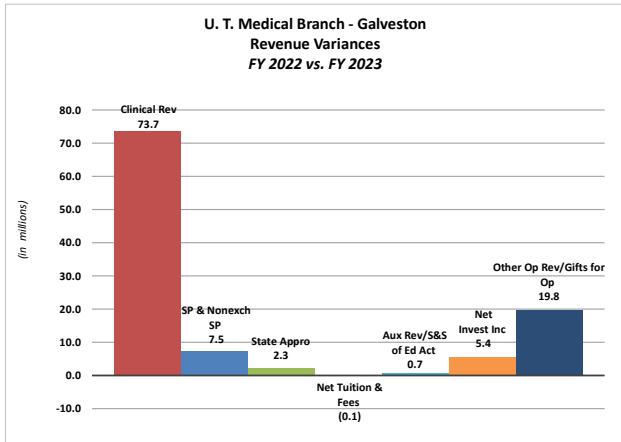


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

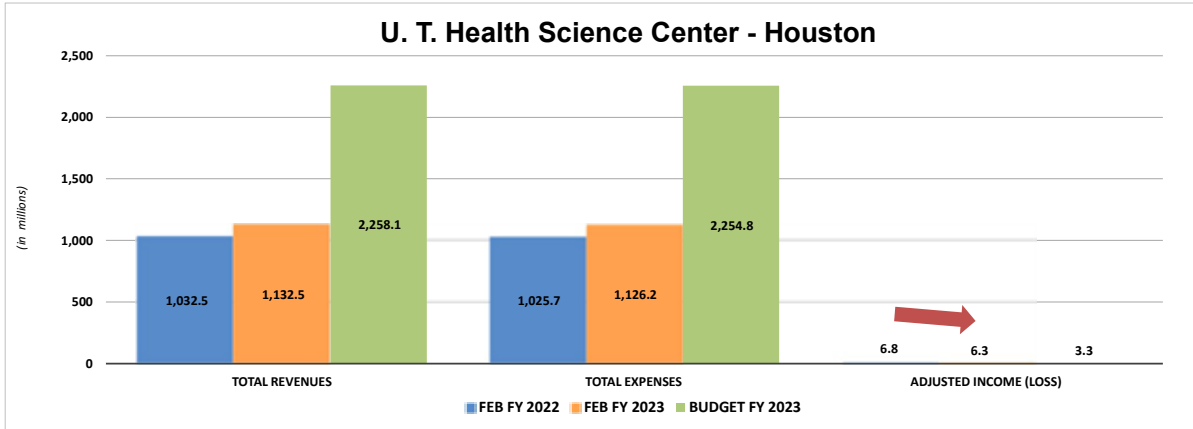


U. T. Medical Branch - Galveston incurred a year-to-date adjusted loss of \$37.5 million, an increase in adjusted loss of \$24.9 million (197%) from the prior year. The increase was primarily attributable to an increase in salaries and wages and payroll related costs as a result of increases in staff and faculty positions combined with merit and market increases. The most current projection received from U. T. Medical Branch - Galveston reflects a loss of \$18.1 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 875.5	949.2	73.7	1,937.0	
Sponsored Programs/Nonexchange Sponsored Programs	120.1	127.6	7.5	266.2	
State Appropriations	179.5	181.8	2.3	362.9	
Net Tuition and Fees	26.8	26.7	(0.1)	52.0	
Auxiliary Revenues/Sales & Services of Educational Activities	12.7	13.4	0.7	27.2	
Net Investment Income	35.5	40.9	5.4	73.0	
Other Operating Revenues/Gift Contributions for Operations	46.9	66.7	19.8	142.1	
Total Revenues	1,296.9	1,406.3	109.4	2,860.4	2,734.9
Salaries and Wages/Payroll Related Costs	780.0	879.9	99.8	1,757.8	
Materials and Supplies/Cost of Goods Sold	189.4	214.0	24.6	419.5	
Depreciation and Amortization	105.3	110.8	5.4	224.3	
Other Contracted Services/Professional Fees & Services	118.6	106.5	(12.0)	213.1	
All Other Operating Expenses	116.1	132.6	16.4	263.8	
Total Expenses	\$ 1,309.5	1,443.7	134.2	2,878.6	2,753.0
Adjusted Income (Loss)	(12.6)	(37.5)	(24.9)	(18.1)	(18.1)
Adjusted Income (Loss) Excluding Depr & Amort Exp	92.8	73.3	(19.4)	206.2	207.5

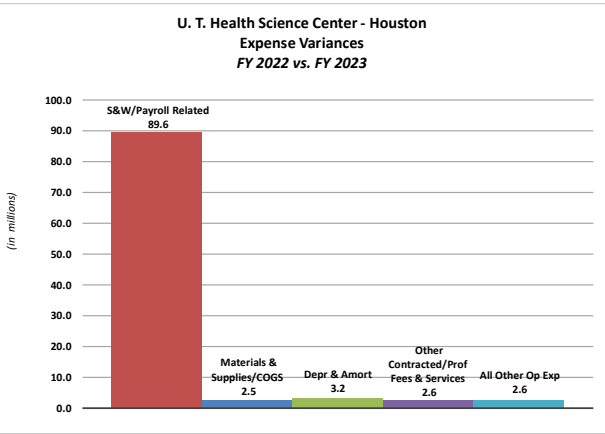
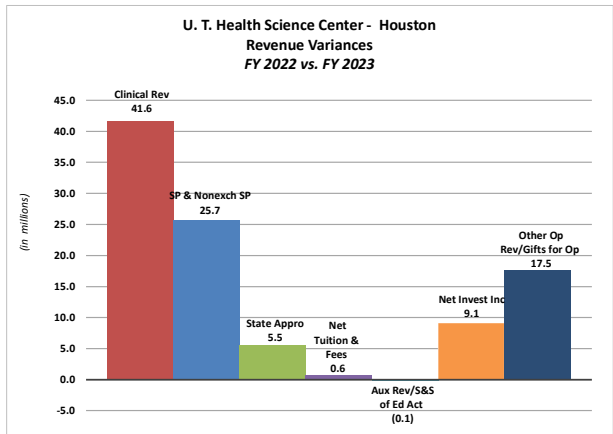


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

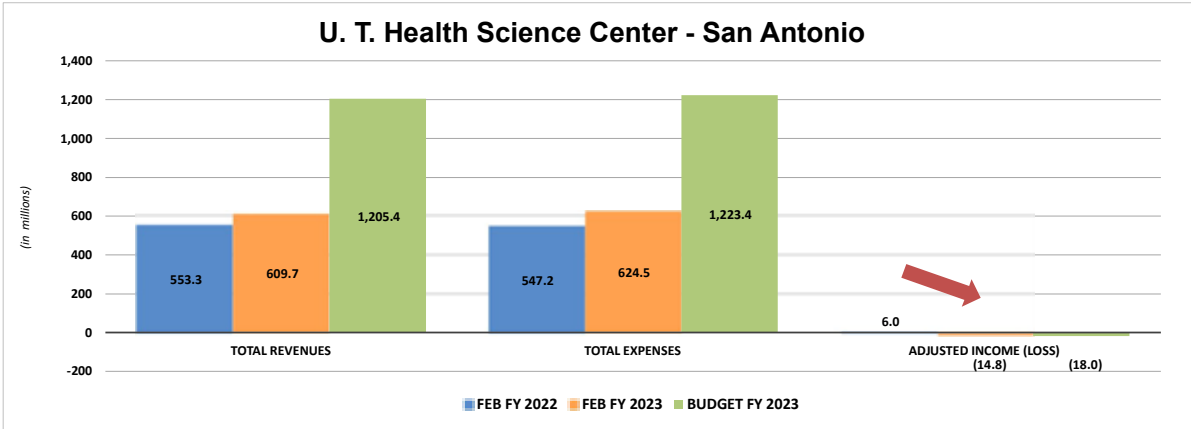


U. T. Health Science Center - Houston reported year-to-date adjusted income of \$6.3 million, a decrease in adjusted income of \$0.5 million (7%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs attributable to an increase in staff and faculty positions largely related to the opening of the Dunn Center Building. The most current projection received from U. T. Health Science Center - Houston reflects income of \$14.4 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 271.1	312.8	41.6	629.9	
Sponsored Programs/Nonexchange Sponsored Programs	508.4	534.1	25.7	1,084.4	
State Appropriations	107.8	113.2	5.5	225.9	
Net Tuition and Fees	38.1	38.7	0.6	70.3	
Auxiliary Revenues/Sales & Services of Educational Activities	35.3	35.2	(0.1)	70.4	
Net Investment Income	44.1	53.2	9.1	86.3	
Other Operating Revenues/Gift Contributions for Operations	27.7	45.2	17.5	93.7	
Total Revenues	1,032.5	1,132.5	100.0	2,260.9	2,258.1
Salaries and Wages/Payroll Related Costs	789.6	879.2	89.6	1,751.1	
Materials and Supplies/Cost of Goods Sold	50.5	53.0	2.5	106.1	
Depreciation and Amortization	54.2	57.4	3.2	114.7	
Other Contracted Services/Professional Fees & Services	58.5	61.0	2.6	122.1	
All Other Operating Expenses	72.9	75.5	2.6	152.5	
Total Expenses	\$ 1,025.7	1,126.2	100.4	2,246.5	2,254.8
Adjusted Income (Loss)	6.8	6.3	(0.5)	14.4	3.3
Adjusted Income (Loss) Excluding Depr & Amort Exp	61.0	63.7	2.7	129.1	80.7

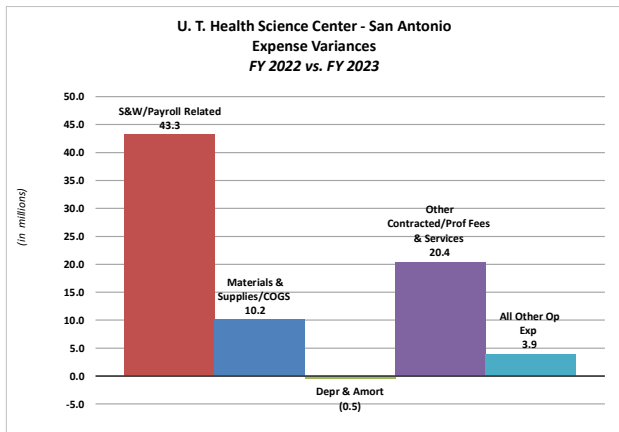
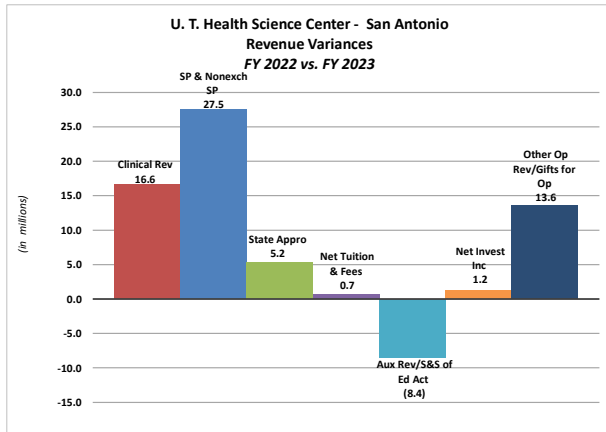


Monthly Financial Report Comparison of Operating Results, Margin, Projected Year-End and Budget For the Period Ending February 28, 2023

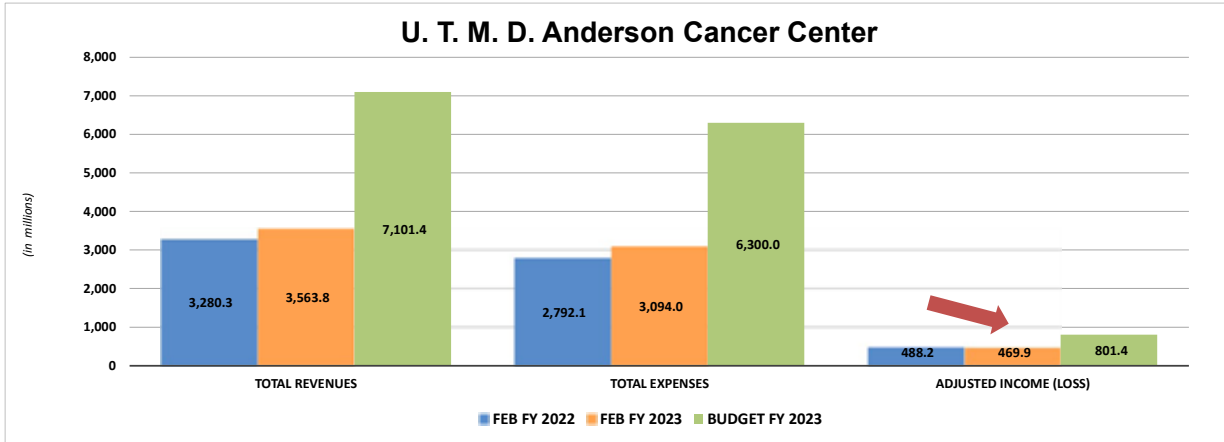


U. T. Health Science Center - San Antonio incurred a year-to-date adjusted loss of \$14.8 million, a decrease of \$20.8 million (344%) from the prior year. The decrease was primarily attributable to an increase in salaries and wages and payroll related costs as a result of an increase in clinical faculty and staff positions associated with increased clinical volume and research growth. The most current projection received from U. T. Health Science Center – San Antonio reflects a loss of \$13.8 million for the year, which represents a \$4.2 million improvement over the planned \$18.0 million operating deficit.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 158.0	174.6	16.6	376.5	
Sponsored Programs/Nonexchange Sponsored Programs	218.0	245.5	27.5	511.4	
State Appropriations	86.4	91.7	5.2	178.0	
Net Tuition and Fees	27.0	27.7	0.7	56.8	
Auxiliary Revenues/Sales & Services of Educational Activities	23.2	14.8	(8.4)	27.7	
Net Investment Income	29.6	30.8	1.2	52.5	
Other Operating Revenues/Gift Contributions for Operations	11.1	24.7	13.6	42.0	
Total Revenues	553.3	609.7	56.4	1,244.8	1,205.4
Salaries and Wages/Payroll Related Costs	368.4	411.7	43.3	843.7	
Materials and Supplies/Cost of Goods Sold	60.5	70.6	10.2	146.3	
Depreciation and Amortization	34.7	34.2	(0.5)	69.8	
Other Contracted Services/Professional Fees & Services	36.3	56.7	20.4	88.8	
All Other Operating Expenses	47.4	51.2	3.9	110.0	
Total Expenses	\$ 547.2	624.5	77.2	1,258.6	1,223.4
Adjusted Income (Loss)	6.0	(14.8)	(20.8)	(13.8)	(18.0)
Adjusted Income (Loss) Excluding Depr & Amort Exp	40.7	19.5	(21.2)	56.0	51.8



Monthly Financial Report
Comparison of Operating Results, Margin, Projected Year-End and Budget
For the Period Ending February 28, 2023



U. T. M. D. Anderson Cancer Center reported year-to-date adjusted income of \$469.9 million, a decrease in adjusted income of \$18.3 million (4%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs attributable to an increase in staff and faculty positions. The most current projection received from U. T. M. D. Anderson Cancer Center reflects income of \$783.6 million for the year.

(in millions)	February YTD FY 2022	February YTD FY 2023	Variance	Annual Projected FY 2023	FY 2023 Budget
Clinical Revenues	\$ 2,574.3	2,806.1	231.8	5,799.9	
Sponsored Programs/Nonexchange Sponsored Programs	264.0	276.5	12.5	589.7	
State Appropriations	104.7	104.6	(0.2)	209.5	
Net Tuition and Fees	1.4	1.5	0.1	2.0	
Auxiliary Revenues/Sales & Services of Educational Activities	17.5	20.4	2.8	38.4	
Net Investment Income	189.7	227.3	37.6	339.2	
Other Operating Revenues/Gift Contributions for Operations	128.6	127.5	(1.1)	248.0	
Total Revenues	3,280.3	3,563.8	283.6	7,226.6	7,101.4
Salaries and Wages/Payroll Related Costs	1,572.1	1,724.9	152.8	3,604.9	
Materials and Supplies/Cost of Goods Sold	677.4	780.4	102.9	1,630.9	
Depreciation and Amortization	194.0	186.2	(7.7)	363.2	
Other Contracted Services/Professional Fees & Services	206.3	236.7	30.4	494.7	
All Other Operating Expenses	142.3	165.7	23.4	349.3	
Total Expenses	\$ 2,792.1	3,094.0	301.8	6,443.0	6,300.0
Adjusted Income (Loss)	488.2	469.9	(18.3)	783.6	801.4
Adjusted Income (Loss) Excluding Depr & Amort Exp	682.1	656.1	(26.0)	1,146.8	1,168.8

