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**Committee Meeting: 5/13/2015**

**Board Meeting: 5/14/2015**  
Austin, Texas

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

\*pending Board approval on 5/13/2015

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	10:15 a.m.		
1. <b>U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration</b>	10:15 a.m. <b>Action</b>	<b>Action</b>	<b>143</b>
2. <b>U. T. System: Key Financial Indicators Report and Monthly Financial Report</b>	10:17 a.m. <b>Report/Discussion</b> <i>Dr. Kelley</i>	Not on Agenda	<b>144</b>
3. <b>U. T. System: Approval of the Fiscal Year 2016 Budget Preparation Policies and Calendar for budget operations</b>	10:27 a.m. <b>Action</b> <i>Mr. Wallace</i>	<b>Action</b>	<b>178</b>
4. <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 28, 2015</b>	10:30 a.m. <b>Report/Discussion</b> <i>Mr. Zimmerman</i>	<b>Report</b>	<b>182</b>
5. <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>	10:40 a.m. <b>Action</b> <i>Dr. Kelley</i>	<b>Action</b>	<b>188</b>
6. <b>U. T. System Board of Regents: Report on activities of the University Lands Advisory Board</b>	10:45 a.m. <b>Report/Discussion</b> <i>Regent Cranberg</i> <i>Mr. Houser</i>	Not on Agenda	<b>191</b>
7. <b>U. T. System: Approval of \$7.0 million in Available University Funds for a Shared Services spend analytics project</b>	10:55 a.m. <b>Action</b> <i>Dr. Kelley</i> <i>Mr. St. Onge</i>	<b>Action</b>	<b>192</b>
<b>Adjourn</b>	11:15 a.m.		

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

RECOMMENDATION

The proposed Consent Agenda is located at the back of the book.

**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 145 - 152](#) and the March Monthly Financial Report on [Pages 153 - 177](#). The reports represent the consolidated and individual operating detail of the U. T. System institutions.

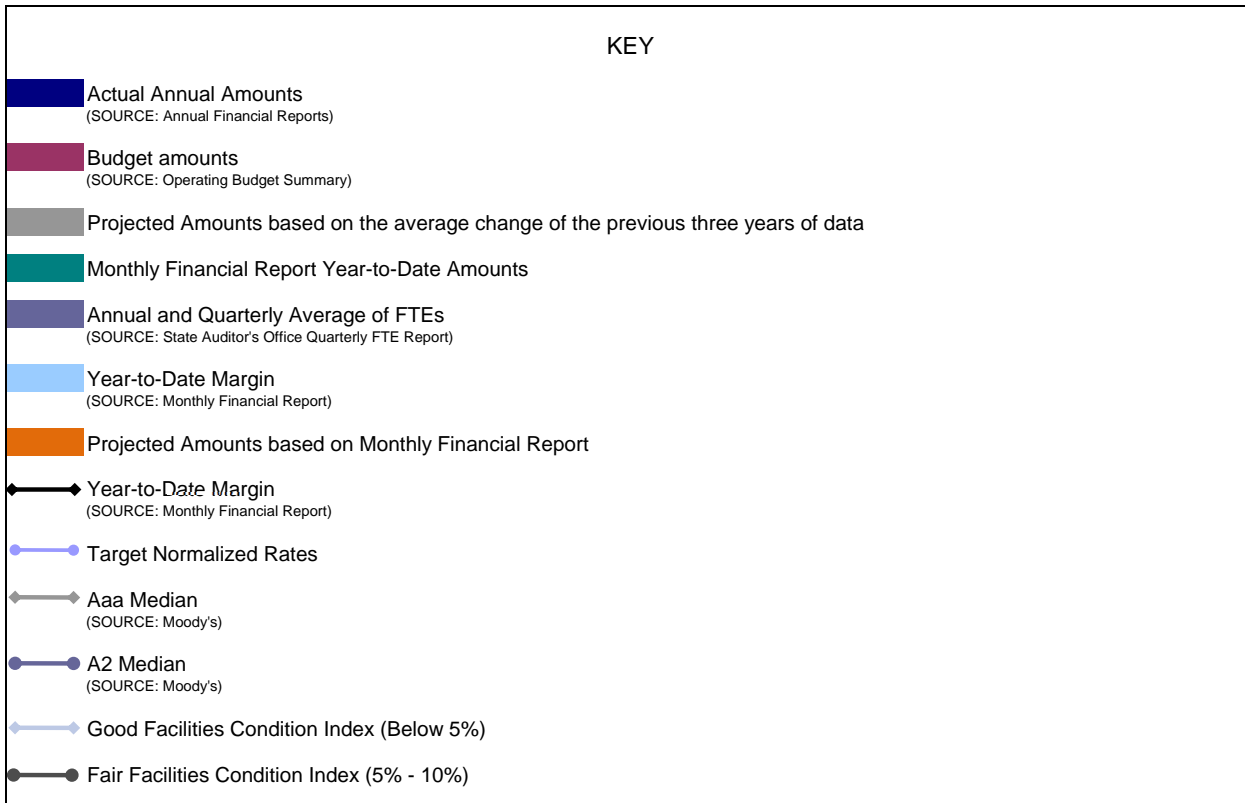
The Key Financial Indicators Report compares the Systemwide quarterly results of operations, key revenues and expenses, reserves, and key financial ratios in a graphical presentation from Fiscal Year 2011 through February 2015. Ratios requiring balance sheet data are provided for Fiscal Year 2010 through Fiscal Year 2014.

# THE UNIVERSITY OF TEXAS SYSTEM

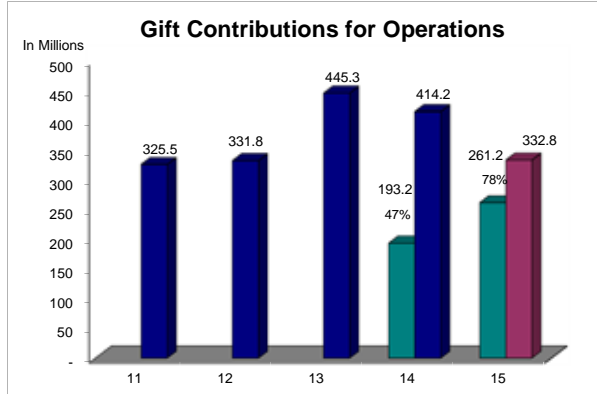
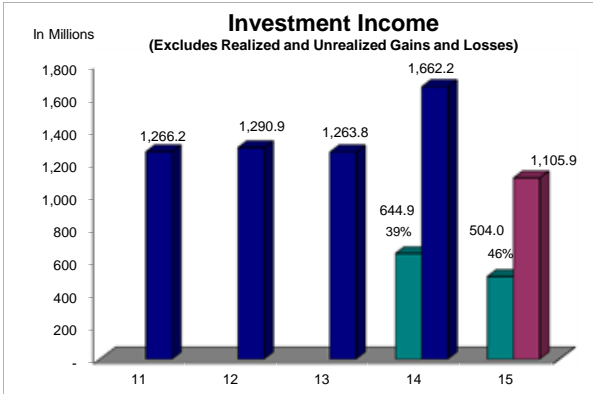
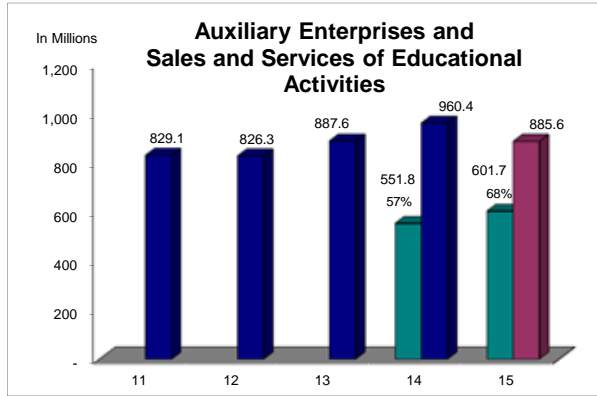
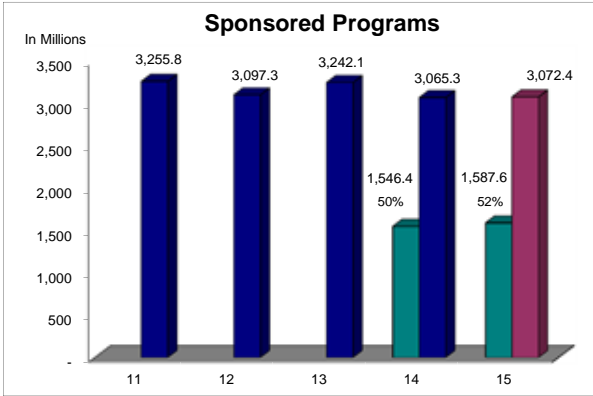
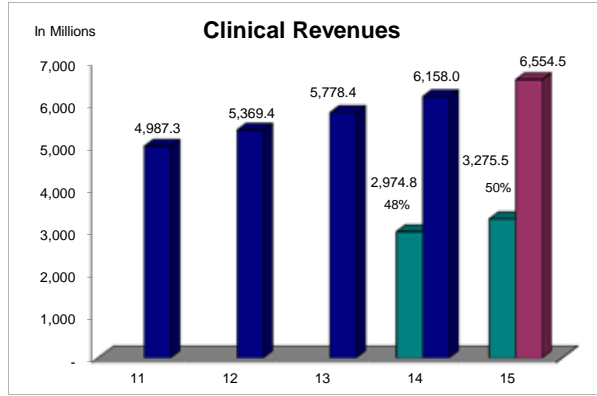
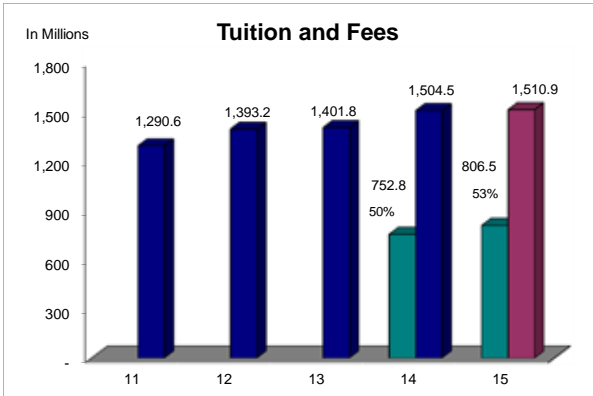
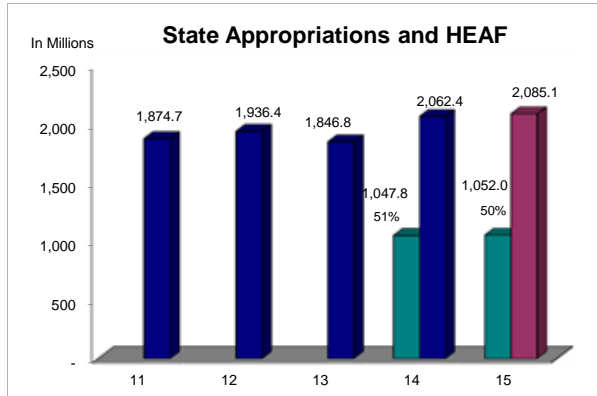
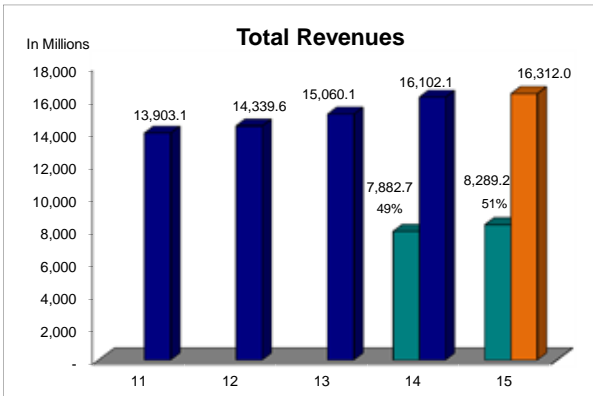


## KEY FINANCIAL INDICATORS REPORT

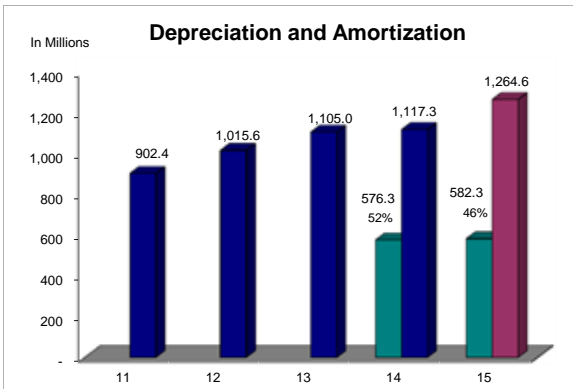
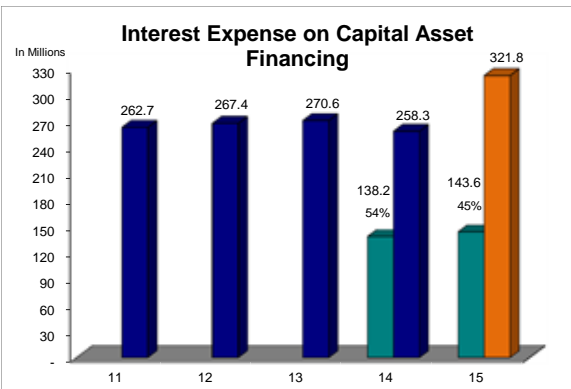
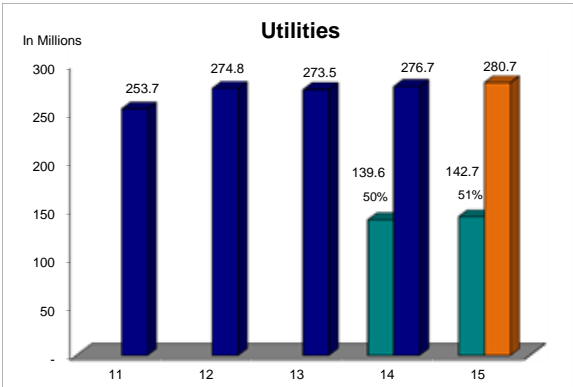
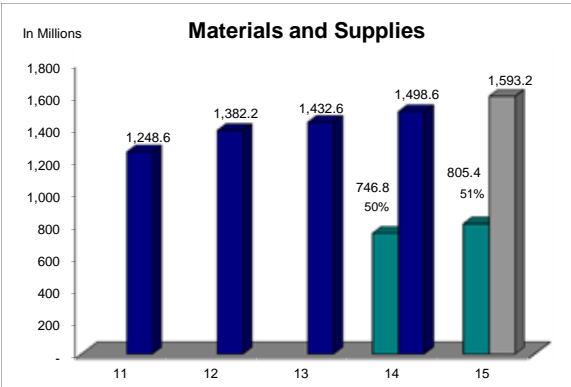
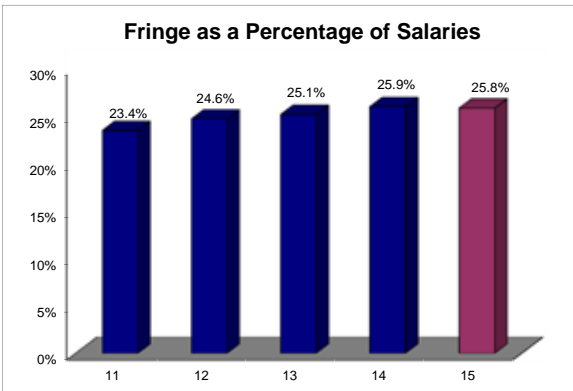
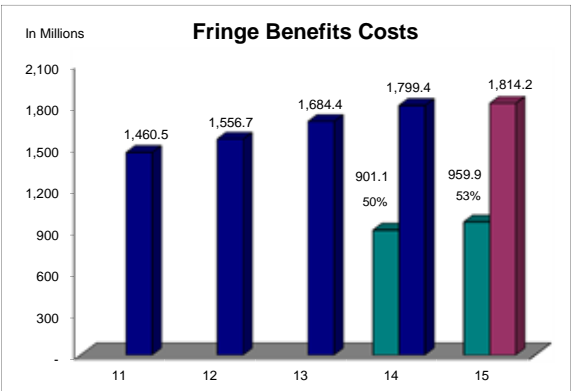
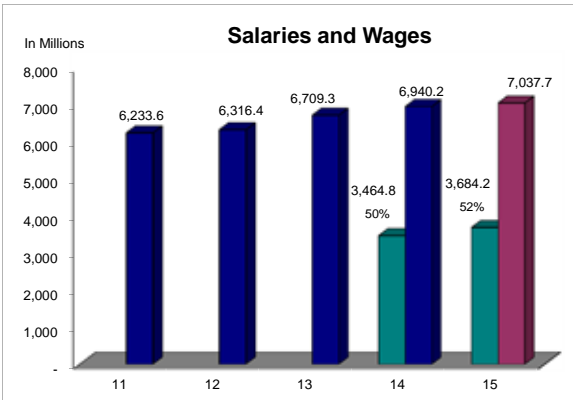
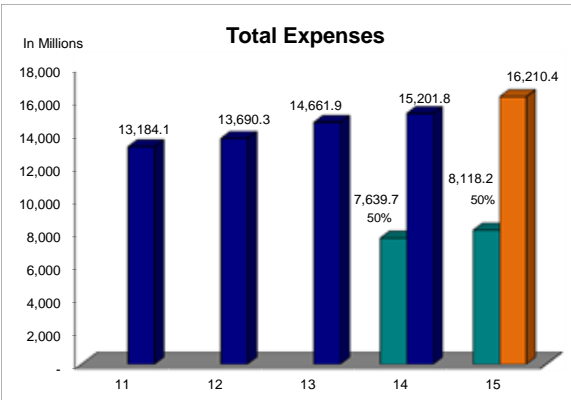
**FEBRUARY 2015**



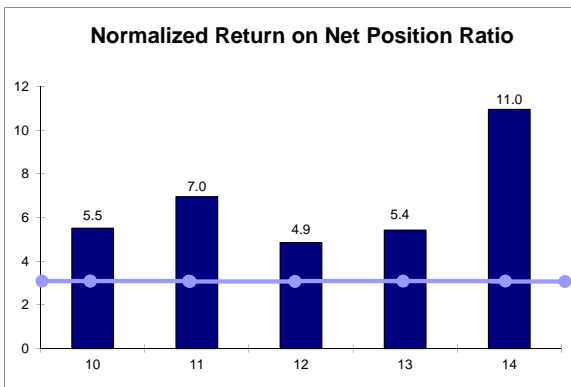
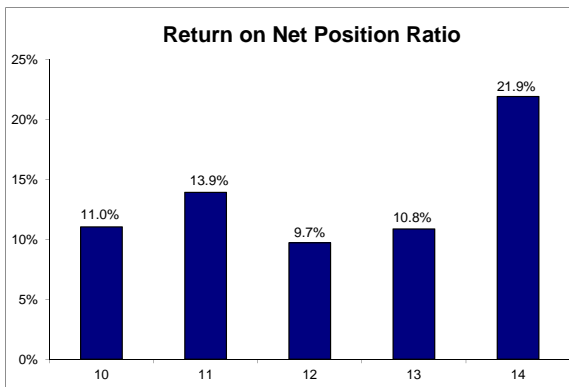
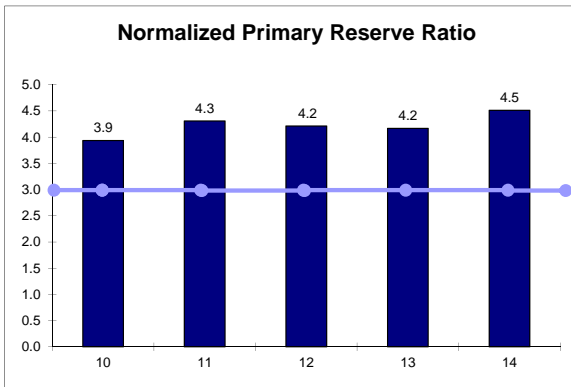
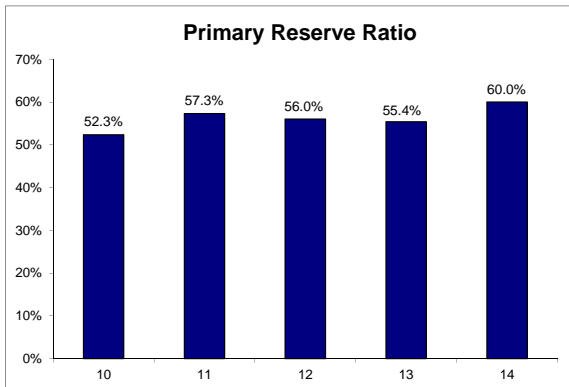
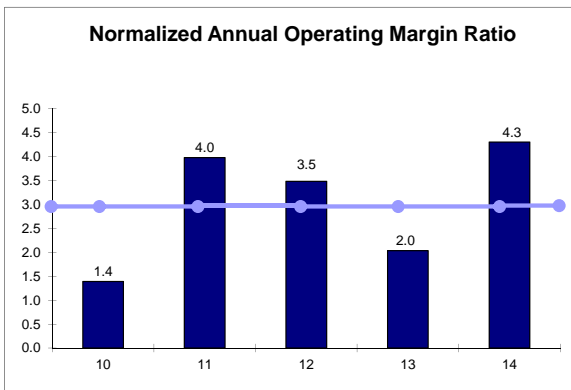
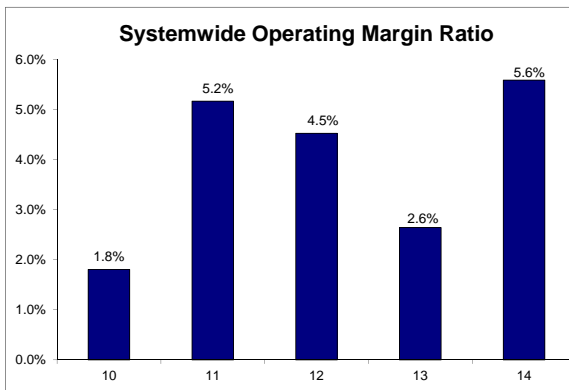
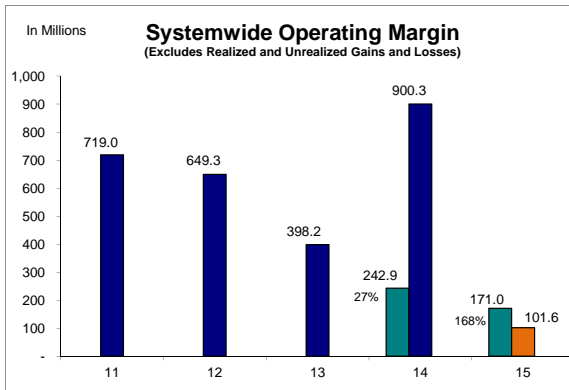
**KEY INDICATORS OF REVENUES  
ACTUAL 2011 THROUGH 2014  
PROJECTED 2015  
YEAR-TO-DATE 2014 AND 2015 FROM FEBRUARY MONTHLY FINANCIAL REPORT**



**KEY INDICATORS OF EXPENSES**  
**ACTUAL 2011 THROUGH 2014**  
**PROJECTED 2015**  
**YEAR-TO-DATE 2014 AND 2015 FROM FEBRUARY MONTHLY FINANCIAL REPORT**

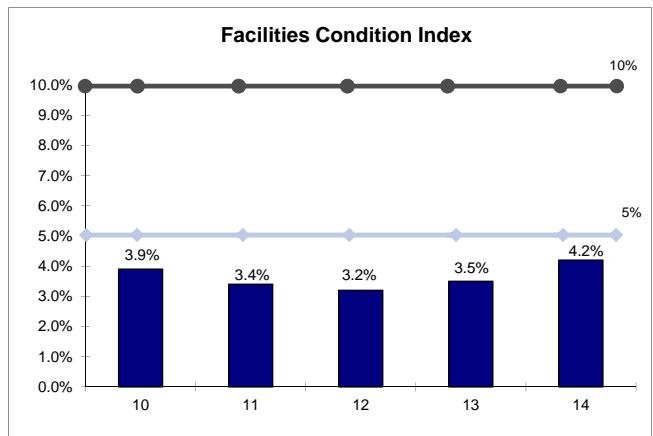
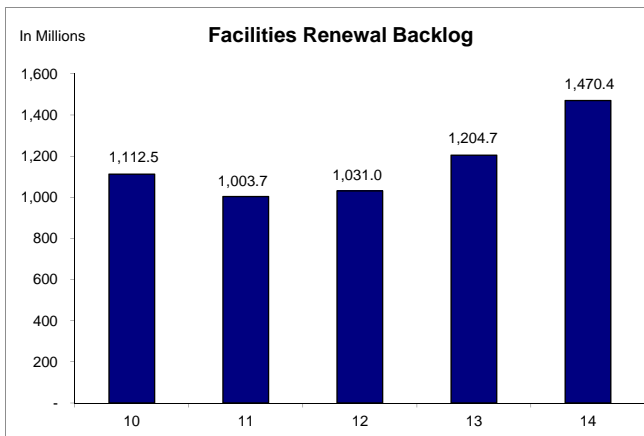
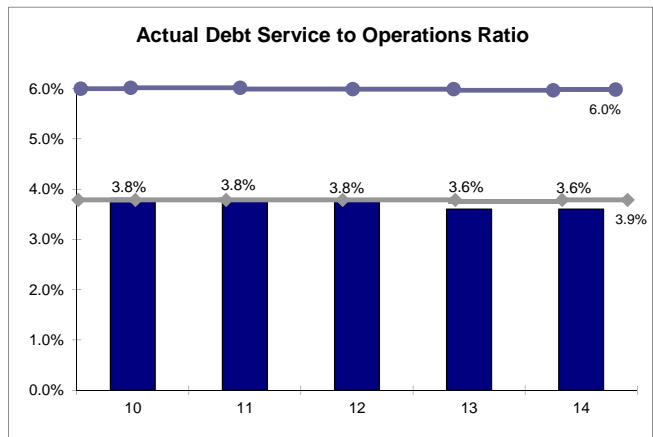
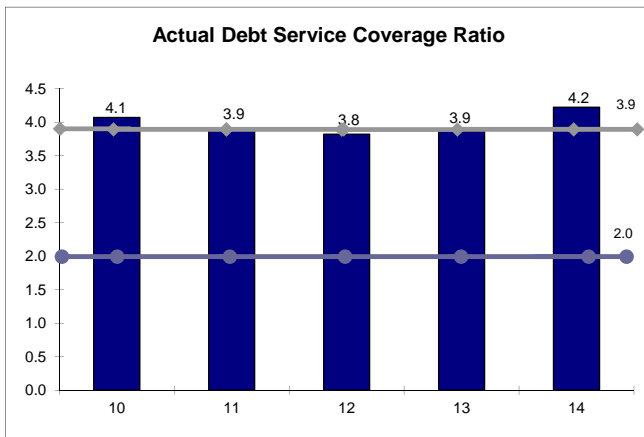
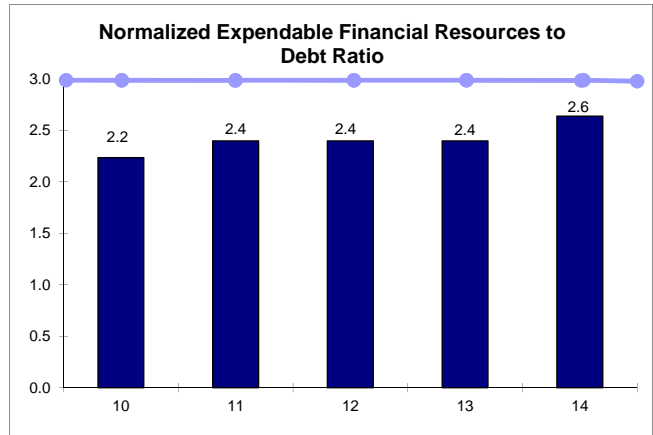
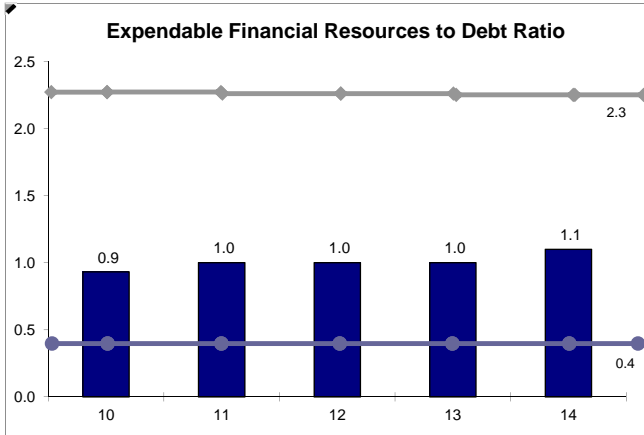


**KEY INDICATORS OF RESERVES**  
**ACTUAL 2010 THROUGH 2014**  
**PROJECTED 2015**  
**YEAR-TO-DATE 2014 AND 2015 FROM FEBRUARY MONTHLY FINANCIAL REPORT**

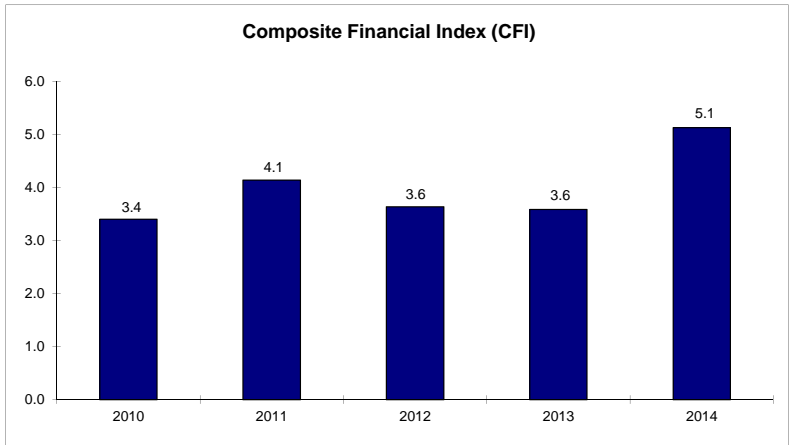




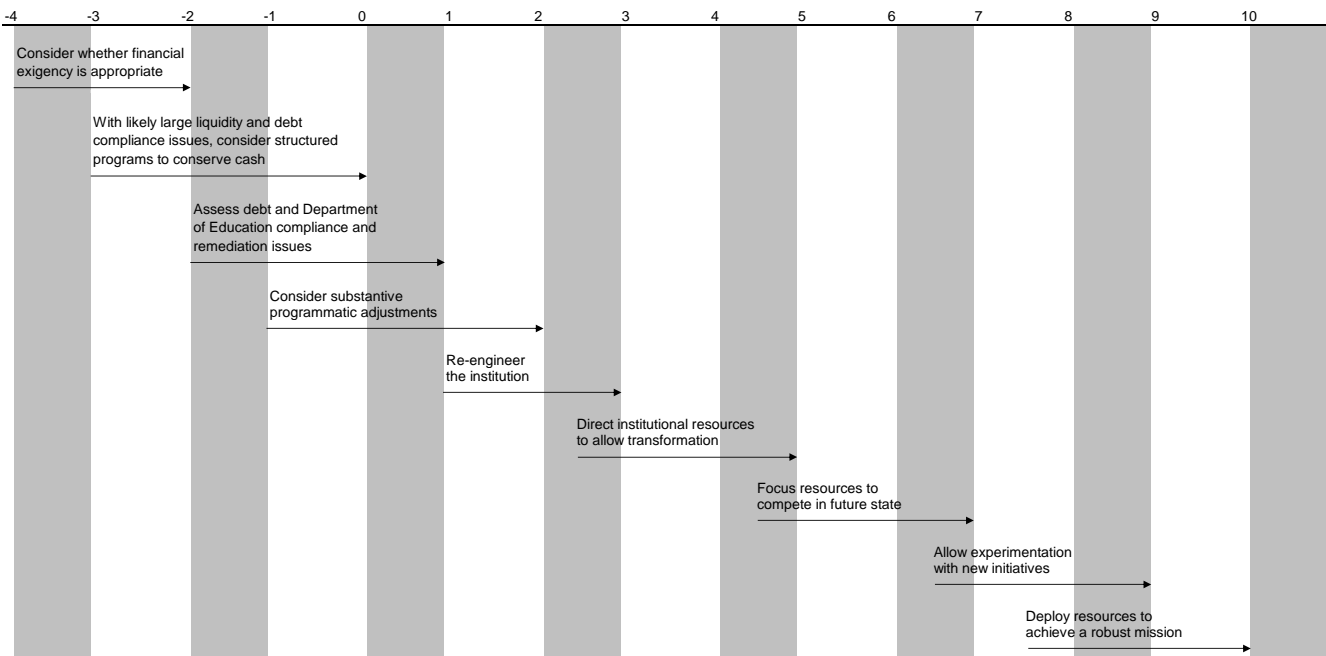
**KEY INDICATORS OF CAPITAL NEEDS AND CAPACITY  
2010 THROUGH 2014**



**KEY INDICATORS OF FINANCIAL HEALTH  
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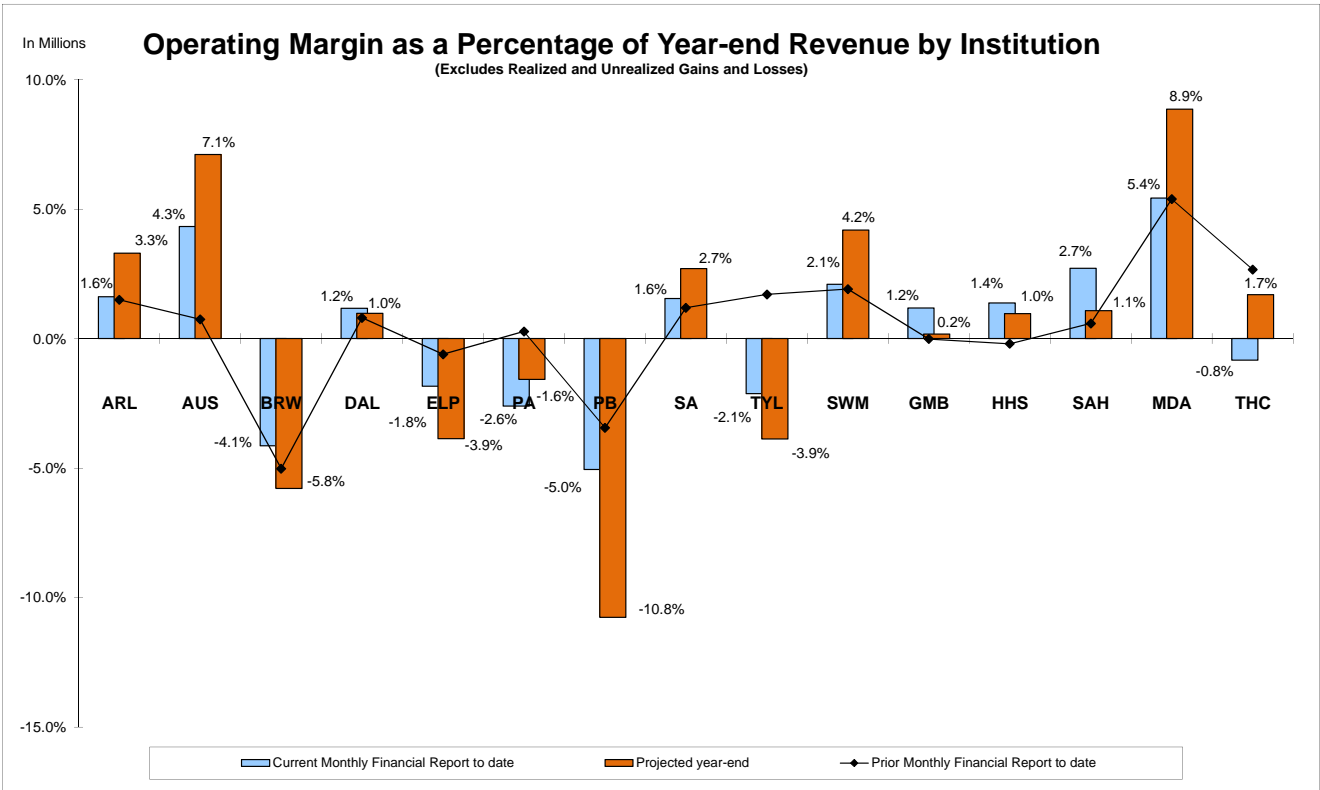
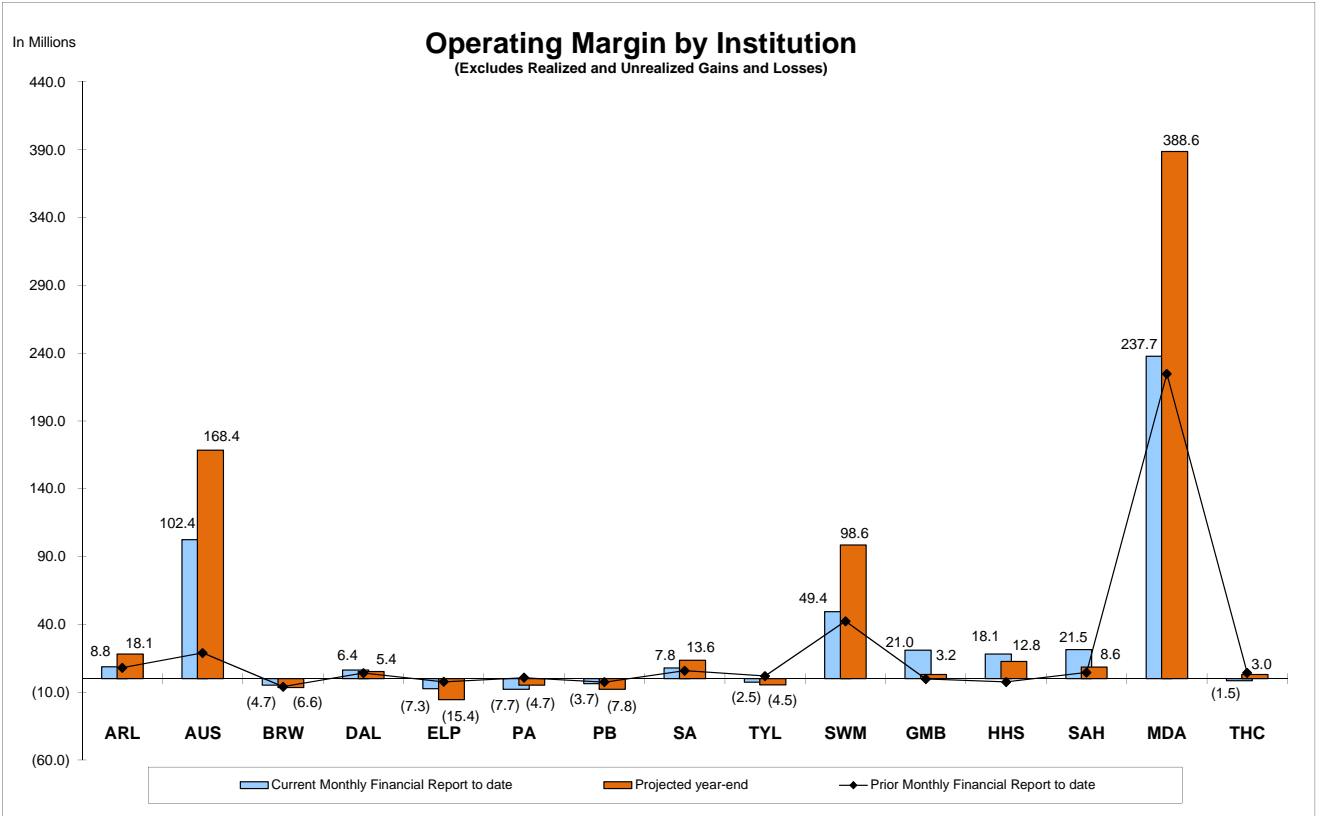


**Scale for Charting CFI Performance**



Source: Strategic Financial Analysis for Higher Education, Seventh Edition

**KEY INDICATORS OF RESERVES  
YEAR-TO-DATE 2014 AND 2015 FROM FEBRUARY MONTHLY FINANCIAL REPORT  
PROJECTED 2015 YEAR-END MARGIN**



THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER

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MONTHLY FINANCIAL REPORT  
*(unaudited)*

MARCH 2015



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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, 2015**

**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, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	938,685,373.51	877,557,883.46	61,127,490.05	7.0%
Sponsored Programs	1,663,815,755.52	1,608,609,259.26	55,206,496.26	3.4%
Net Sales and Services of Educational Activities	349,951,733.73	321,220,758.95	28,730,974.78	8.9%
Net Sales and Services of Hospitals	2,975,889,583.88	2,722,655,884.81	253,233,699.07	9.3%
Net Professional Fees	870,472,329.07	772,704,044.71	97,768,284.36	12.7%
Net Auxiliary Enterprises	348,569,606.88	311,928,640.12	36,640,966.76	11.7%
Other Operating Revenues	228,766,228.74	196,749,156.40	32,017,072.34	16.3%
<b>Total Operating Revenues</b>	<b>7,376,150,611.33</b>	<b>6,811,425,627.71</b>	<b>564,724,983.62</b>	<b>8.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	4,310,784,399.85	4,050,877,593.76	259,906,806.09	6.4%
Payroll Related Costs	1,130,456,492.23	1,056,389,105.23	74,067,387.00	7.0%
Cost of Goods Sold	74,293,670.36	67,453,942.01	6,839,728.35	10.1%
Professional Fees and Services	237,252,172.68	208,994,208.42	28,257,964.26	13.5%
Other Contracted Services	446,885,912.31	416,521,970.12	30,363,942.19	7.3%
Travel	77,018,260.94	75,163,282.26	1,854,978.68	2.5%
Materials and Supplies	956,775,442.40	874,524,195.86	82,251,246.54	9.4%
Utilities	165,533,796.86	163,179,384.05	2,354,412.81	1.4%
Communications	68,134,619.85	73,809,663.85	(5,675,044.00)	-7.7%
Repairs and Maintenance	174,388,431.61	152,906,847.92	21,481,583.69	14.0%
Rentals and Leases	94,080,870.53	86,046,447.19	8,034,423.34	9.3%
Printing and Reproduction	20,363,068.81	19,161,136.20	1,201,932.61	6.3%
Bad Debt Expense	644,272.58	1,499,507.21	(855,234.63)	-57.0%
Claims and Losses	30,826,325.55	7,645,740.02	23,180,585.53	303.2%
Increase in Net OPEB Obligation	326,590,952.92	312,439,800.75	14,151,152.17	4.5%
Scholarships and Fellowships	275,452,190.67	277,135,017.45	(1,682,826.78)	-0.6%
Depreciation and Amortization	678,588,534.04	671,996,310.69	6,592,223.35	1.0%
Federal Sponsored Program Pass-Through to Other State Agencies	11,249,033.75	19,757,266.83	(8,508,233.08)	-43.1%
State Sponsored Program Pass-Through to Other State Agencies	1,672,831.21	4,098,141.74	(2,425,310.53)	-59.2%
Other Operating Expenses	253,987,361.82	212,774,104.25	41,213,257.57	19.4%
<b>Total Operating Expenses</b>	<b>9,334,978,640.97</b>	<b>8,752,373,665.81</b>	<b>582,604,975.16</b>	<b>6.7%</b>
<b>Operating Loss</b>	<b>(1,958,828,029.64)</b>	<b>(1,940,948,038.10)</b>	<b>(17,879,991.54)</b>	<b>-0.9%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,227,989,898.41	1,219,942,890.37	8,047,008.04	0.7%
Nonexchange Sponsored Programs	182,202,075.39	186,037,317.18	(3,835,241.79)	-2.1%
Gift Contributions for Operations	298,767,928.85	232,150,655.42	66,617,273.43	28.7%
Net Investment Income	599,046,241.34	807,108,023.73	(208,061,782.39)	-25.8%
Interest Expense on Capital Asset Financings	(161,218,405.20)	(155,298,366.13)	(5,920,039.07)	-3.8%
<b>Net Other Nonoperating Adjustments</b>	<b>2,146,787,738.79</b>	<b>2,289,940,520.57</b>	<b>(143,152,781.78)</b>	<b>-6.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>187,959,709.15</b>	<b>348,992,482.47</b>	<b>(161,032,773.32)</b>	<b>-46.1%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.9%</b>	<b>3.8%</b>		
Investment Gain (Losses)	147,342,709.98	2,195,895,661.62	(2,048,552,951.64)	-93.3%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>335,302,419.13</b>	<b>2,544,888,144.09</b>	<b>(2,209,585,724.96)</b>	<b>-86.8%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>3.4%</b>	<b>22.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>866,548,243.19</b>	<b>1,020,988,793.16</b>	<b>(154,440,549.97)</b>	<b>-15.1%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>8.9%</b>	<b>11.0%</b>		

**The University of Texas System**  
**Comparison of Adjusted Income (Loss)**  
**For the Seven Months Ending March 31, 2015**

	<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 2015</b>	<b>Year-to-Date FY 2014</b>		
U. T. System Administration	\$ (164,704,834.41)	\$ 130,203,066.51	(294,907,900.92) (1)	-226.5%
U. T. Arlington	8,386,913.39	15,749,467.80	(7,362,554.41) (2)	-46.7%
U. T. Austin	114,261,375.75	14,526,532.00	99,734,843.75 (3)	686.6%
U. T. Brownsville	(5,528,427.55) (4)	(7,285,776.02)	1,757,348.47	24.1%
U. T. Dallas	4,959,089.27	5,936,474.78	(977,385.51)	-16.5%
U. T. El Paso	(8,064,301.47)	(2,953,357.80)	(5,110,943.67) (5)	-173.1%
U. T. Pan American	(6,967,735.66)	2,977,102.03	(9,944,837.69) (6)	-334.0%
U. T. Permian Basin	(3,938,847.29)	(3,004,455.19)	(934,392.10) (7)	-31.1%
U. T. San Antonio	9,312,859.13	6,632,495.14	2,680,363.99 (8)	40.4%
U. T. Tyler	(4,065,666.33)	589,694.32	(4,655,360.65) (9)	-789.5%
U. T. Southwestern Medical Center	60,171,756.24	66,373,854.92	(6,202,098.68)	-9.3%
U. T. Medical Branch - Galveston	20,235,084.77	(3,546,815.05)	23,781,899.82 (10)	670.5%
U. T. Health Science Center - Houston	17,901,402.92	(2,879,696.04)	20,781,098.96 (11)	721.6%
U. T. Health Science Center - San Antonio	19,802,292.00	6,195,726.16	13,606,565.84 (12)	219.6%
U. T. M. D. Anderson Cancer Center	283,417,600.71	254,935,915.50	28,481,685.21	11.2%
U. T. Health Science Center - Tyler	(1,619,257.76)	2,731,775.74	(4,351,033.50) (13)	-159.3%
Elimination of AUF Transfer	(155,599,594.56)	(138,189,522.33)	(17,410,072.23)	-12.6%
Total Adjusted Income (Loss)	<u>187,959,709.15</u>	<u>348,992,482.47</u>	<u>(161,032,773.32)</u>	<u>-46.1%</u>
Investment Gains (Losses)	<u>147,342,709.98</u>	<u>2,195,895,661.62</u>	<u>(2,048,552,951.64)</u>	<u>-93.3%</u>
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b><u>\$ 335,302,419.13</u></b>	<b><u>\$ 2,544,888,144.09</u></b>	<b><u>\$ (2,209,585,724.96)</u></b>	<b><u>-86.8%</u></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 2015</b>	<b>Year-to-Date FY 2014</b>		
U. T. System Administration	\$ (154,274,423.26)	\$ 134,510,871.06	(288,785,294.32)	-214.7%
U. T. Arlington	34,626,970.58	41,768,480.19	(7,141,509.61)	-17.1%
U. T. Austin	254,261,375.75	190,693,198.67	63,568,177.08	33.3%
U. T. Brownsville	(570,978.05)	(2,401,270.28)	1,830,292.23	76.2%
U. T. Dallas	38,560,900.49	36,532,530.12	2,028,370.37	5.6%
U. T. El Paso	9,446,312.54	13,426,580.38	(3,980,267.84)	-29.6%
U. T. Pan American	3,781,144.07	12,276,227.87	(8,495,083.80)	-69.2%
U. T. Permian Basin	3,662,334.14	4,987,211.48	(1,324,877.34)	-26.6%
U. T. San Antonio	37,781,865.42	33,850,066.09	3,931,799.33	11.6%
U. T. Tyler	2,961,581.09	7,268,836.67	(4,307,255.58)	-59.3%
U. T. Southwestern Medical Center	148,633,280.81	134,767,961.84	13,865,318.97	10.3%
U. T. Medical Branch - Galveston	78,445,127.29	57,277,251.92	21,167,875.37	37.0%
U. T. Health Science Center - Houston	52,753,646.64	30,495,655.19	22,257,991.45	73.0%
U. T. Health Science Center - San Antonio	50,427,292.00	35,362,392.83	15,064,899.17	42.6%
U. T. M. D. Anderson Cancer Center	456,797,191.40	419,944,318.98	36,852,872.42	8.8%
U. T. Health Science Center - Tyler	4,854,216.84	8,418,002.48	(3,563,785.64)	-42.3%
Elimination of AUF Transfer	(155,599,594.56)	(138,189,522.33)	(17,410,072.23)	-12.6%
Total Adjusted Income (Loss)	<u>866,548,243.19</u>	<u>1,020,988,793.16</u>	<u>(154,440,549.97)</u>	<u>-15.1%</u>
<b>Total Adjusted Income (Loss) Excluding Depreciation and Amortization</b>	<b><u>\$ 866,548,243.19</u></b>	<b><u>\$ 1,020,988,793.16</u></b>	<b><u>\$ (154,440,549.97)</u></b>	<b><u>-15.1%</u></b>



THE UNIVERSITY OF TEXAS SYSTEM  
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT  
For the Seven Months Ending March 31, 2015

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 \$294.9 million (226.5%) increase in adjusted loss as compared to adjusted income for the same period last year was primarily due to a decrease in oil royalties and the lack of mineral lease bonus sales in 2015, which are a component of net investment income. Also contributing to the variance was a decrease in sponsored program revenue received for the 2014-2015 biennium for the Joint Admission Medical Program as it was all recognized in 2014, and an increase in claims paid for the Medical Dental Self-Insurance Plan. As a result, U. T. System Administration incurred a year-to-date loss of \$164.7 million. Excluding depreciation and amortization expense, U. T. System Administration's adjusted loss was \$154.3 million or -44.4% of revenues. U. T. System Administration anticipates ending the year with a \$310.5 million loss, -55.3% of projected revenues, and includes \$17.9 million of depreciation and amortization expense, as well as a \$559.9 million accrual for Other Postemployment Benefits (OPEB) expense for the entire U. T. System.
- (2) U. T. Arlington - The \$7.4 million (46.7%) decrease in adjusted income over the same period last year was primarily attributable to the following: an increase in salaries and wages expense due to a 3.0% merit increase in 2015; an increase in professional fees and services due to temporary staff and training expenses related to the Texas Manufacturing Assistance Center (TMAC); and a decrease in net investment income. Excluding depreciation and amortization expense, U. T. Arlington's adjusted income was \$34.6 million or 10.9% of revenues.
- (3) U. T. Austin - The \$99.7 million (686.6%) increase in adjusted income over the same period last year was primarily attributable to the following: a decrease in depreciation and amortization expense as a result of gifted software licenses that were fully amortized in 2014; a decrease in scholarships and fellowships expense due to a lower estimate used in 2015 to more closely approximate the 2014 actual results; an increase in gift contributions for operations due to an understatement of pledged revenue in 2014; and an increase in the funding from the Available University Fund primarily for operations and the new medical school. Excluding depreciation and amortization expense, U. T. Austin's adjusted income was \$254.3 million or 15.6% of revenues.
- (4) U. T. Brownsville - U. T. Brownsville incurred a year-to-date loss of \$5.5 million which was primarily attributable to \$1.9 million of U. T. Rio Grande Valley related expenses and a decrease in student enrollment. Excluding depreciation and amortization expense, U. T. Brownsville's adjusted loss was \$571,000 or -0.8% of revenues. U. T. Brownsville anticipates ending the year with a \$7.7 million loss, -6.8% of projected revenues, and includes \$8.5 million of depreciation and amortization expense.
- (5) U. T. El Paso - The \$5.1 million (173.1%) increase in adjusted loss as compared to the same period last year was attributable to an increase in tuition exemption scholarship expense, primarily related to the Hazelwood and Hazelwood Legacy programs. Also contributing to the variance were the following: an increase in salaries and wages due to a 2.5% merit pool increase implemented in 2015; and an increase in depreciation expense related to the rapid growth of buildings and research infrastructure on campus. As a result, U. T. El Paso incurred a year-to-date loss of \$8.1 million. Excluding depreciation and amortization expense, U. T. El Paso's adjusted income was \$9.4 million or 4.0% of revenues. U. T. El Paso anticipates ending the year with a \$14.2 million loss, -3.5% of projected revenues, and includes \$30.5 million of depreciation and amortization expense.
- (6) U. T. Pan American - The \$9.9 million (334.0%) increase in adjusted loss as compared to adjusted income for the same period last year was primarily due to the following: an increase in salaries and wages and payroll related expense partially due to the addition of U. T. Rio Grande Valley salaries in anticipation of the opening of the new school in the fall of 2015; an increase in other contracted services due to expenses incurred for U. T. Rio Grande Valley; an increase in depreciation expense resulting from the Fine Arts Complex and the Student Academic Center which were placed into service late in 2014; an increase in materials and supplies attributable to the purchase of library furniture, Blackboard Managed Hosting Storage, soccer and track complex equipment, dining hall furniture, and lab computers; and an increase in utilities expense as a result of increased utility rates and a one-time payment of prior balances. As a result, U. T. Pan American incurred a year-to-date loss of \$7.0 million. Excluding depreciation and amortization expense, U. T. Pan American's adjusted income was \$3.8 million or 2.2% of revenues. Partially due to costs related to the new U. T. Rio Grande Valley medical school, U. T. Pan American anticipates ending the year with a \$9.4 million loss, -3.2% of projected revenues, and includes \$19.1 million of depreciation and amortization expense.
- (7) U. T. Permian Basin - The \$934,000 (31.1%) increase in adjusted loss over the same period last year was primarily attributable to the following: a decrease in net auxiliary enterprises revenue as a result of housing revenue received in August 2014 for the fall of 2015 which was not deferred; an increase in salaries and wages as a result of merit increases and additional adjunct faculty to support enrollment growth; and an increase in other contracted services attributable to increased payments for food

service, a long-term contract on a sponsored program and increased costs for cleaning services at the Noel Wagner Performing Arts Center. Partially offsetting the negative impact of these items on the operating margin was an increase in gift contributions for operations as a result of gifts received in 2015 for football. As a result, *U. T. Permian Basin* incurred a year-to-date loss of \$3.9 million. Excluding depreciation and amortization expense, *U. T. Permian Basin's* adjusted income was \$3.7 million or 8.2% of revenues. *U. T. Permian Basin* anticipates ending the year with an \$8.5 million loss, -11.8% of projected revenues, and includes \$13.0 million of depreciation and amortization expense.

- (8) *U. T. San Antonio* - The \$2.7 million (40.4%) increase in adjusted income over the same period last year was primarily attributable to an increase in sales and services of educational activities due to an increase in course and instructor fees, and an increase in investment income. Excluding depreciation and amortization expense, *U. T. San Antonio's* adjusted income was \$37.8 million or 12.7% of revenues.
- (9) *U. T. Tyler* - The \$4.7 million (789.5%) increase in adjusted loss as compared to adjusted income for the same period last year was primarily attributable to a decrease in gift contributions for operations due to a large gift received in 2014 with no comparable gifts received thus far in 2015, and an increase in salaries and wages expense due to merit and market increases. As a result, *U. T. Tyler* incurred a year-to-date loss of \$4.1 million. Excluding depreciation and amortization expense, *U. T. Tyler's* adjusted income was \$3.0 million or 4.3% of revenues. *U. T. Tyler* anticipates ending the year with a \$3.5 million loss, -3.0% of projected revenues, and includes \$12.0 million of depreciation and amortization expense.
- (10) *U. T. Medical Branch - Galveston* - The \$23.8 million (670.5%) increase in adjusted income as compared to adjusted loss for the same period last year was primarily attributable to increased net sales and services of hospitals due to increased volumes related to the Angleton Danbury Campus, which was acquired effective August 16, 2014, Texas Department of Criminal Justice Hospital and Contracts, and UTMB Hospitals and Clinics. Additionally, other operating revenues increased due to Delivery System Reform Incentive Payment (DSRIP) revenues received for milestones accomplished in 2015. Excluding depreciation and amortization expense, *UTMB's* adjusted income was \$78.4 million or 7.5% of revenues.
- (11) *U. T. Health Science Center - Houston* - The \$20.8 million (721.6%) increase in adjusted income as compared to adjusted loss for the same period last year was primarily attributable to an increase in net professional fees related to an increase in gross charges as a result of increased faculty recruitments and the planned expansion and growth of the physician practice plan combined with an effort to improve the overall collection rate, and an increase in gift contributions for operations primarily due to new pledges in 2015 for stem cell therapeutics research. Additionally, other operating revenues increased due to an increase in DSRIP revenue. Excluding depreciation and amortization expense, *UTHSC-Houston's* adjusted income was \$52.8 million or 6.7% of revenues.
- (12) *U. T. Health Science Center - San Antonio* - The \$13.6 million (219.6%) increase in adjusted income over the same period last year was primarily due to increased net professional fees as a result of improved billing efforts, an increase in clinical contracts, and an increase in South Texas DSRIP contract revenue and DSRIP incentive revenues other than South Texas. Excluding depreciation and amortization expense, *UTHSC-San Antonio's* adjusted income was \$50.4 million or 10.7% of revenues.
- (13) *U. T. Health Science Center - Tyler* - The \$4.4 million (159.3%) increase in adjusted loss as compared to adjusted income for the same period last year was primarily attributable to \$13.5 million of DSRIP revenue recognized in 2015, as compared to \$18.8 million of DSRIP revenue recognized as of March 2014. Also, an increase in salaries and wages and payroll related expense contributed to the variance due to the addition of new faculty and staff for psychiatric programs. As a result of these factors, *UTHSC-Tyler* incurred a year-to-date loss of \$1.6 million. Excluding depreciation and amortization expense, *UTHSC-Tyler's* adjusted income was \$4.9 million or 4.9% of revenues. *UTHSC-Tyler* anticipates ending the year with a positive margin of \$2.4 million, 1.4% of projected revenues, and includes \$11.1 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).

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

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.

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

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, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Sponsored Programs	7,172,414.48	16,067,474.83	(8,895,060.35)	-55.4%
Net Sales and Services of Educational Activities	17,543,946.86	16,634,432.24	909,514.62	5.5%
Other Operating Revenues	12,243,127.73	35,260,203.27	(23,017,075.54)	-65.3%
<b>Total Operating Revenues</b>	<b>36,959,489.07</b>	<b>67,962,110.34</b>	<b>(31,002,621.27)</b>	<b>-45.6%</b>
<b>Operating Expenses</b>				
Salaries and Wages	34,229,665.75	25,938,832.93	8,290,832.82	32.0%
Payroll Related Costs	8,394,350.79	7,031,048.47	1,363,302.32	19.4%
Professional Fees and Services	8,281,795.50	2,539,356.85	5,742,438.65	226.1%
Other Contracted Services	16,330,116.62	18,425,594.33	(2,095,477.71)	-11.4%
Travel	876,963.42	728,361.55	148,601.87	20.4%
Materials and Supplies	5,815,208.50	6,041,578.31	(226,369.81)	-3.7%
Utilities	229,459.84	318,838.51	(89,378.67)	-28.0%
Communications	4,883,717.70	3,318,546.32	1,565,171.38	47.2%
Repairs and Maintenance	4,122,457.66	3,942,519.74	179,937.92	4.6%
Rentals and Leases	2,267,588.80	550,729.07	1,716,859.73	311.7%
Printing and Reproduction	210,040.07	109,013.41	101,026.66	92.7%
Claims and Losses	30,826,325.55	7,645,740.02	23,180,585.53	303.2%
Increase in Net OPEB Obligation	326,590,952.92	312,439,800.75	14,151,152.17	4.5%
Scholarships and Fellowships	398,500.00	424,200.00	(25,700.00)	-6.1%
Depreciation and Amortization	10,430,411.15	4,307,804.55	6,122,606.60	142.1%
State Sponsored Program Pass-Through to Other State Agencies	973,024.35	938,493.26	34,531.09	3.7%
Other Operating Expenses	18,862,174.50	15,084,073.44	3,778,101.06	25.0%
<b>Total Operating Expenses</b>	<b>473,722,753.12</b>	<b>409,784,531.51</b>	<b>63,938,221.61</b>	<b>15.6%</b>
<b>Operating Loss</b>	<b>(436,763,264.05)</b>	<b>(341,822,421.17)</b>	<b>(94,940,842.88)</b>	<b>-27.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,001,375.64	9,957,053.93	(8,955,678.29)	-89.9%
Nonexchange Sponsored Programs	13,574,111.80	13,756,907.73	(182,795.93)	-1.3%
Gift Contributions for Operations	42,613,101.98	630,381.82	41,982,720.16	6,659.9%
Net Investment Income	211,550,478.01	454,858,713.34	(243,308,235.33)	-53.5%
Interest Expense on Capital Asset Financings	(38,733,628.37)	(35,530,996.22)	(3,202,632.15)	-9.0%
<b>Net Other Nonoperating Adjustments</b>	<b>230,005,439.06</b>	<b>443,672,060.60</b>	<b>(213,666,621.54)</b>	<b>-48.2%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(206,757,824.99)</b>	<b>101,849,639.43</b>	<b>(308,607,464.42)</b>	<b>-303.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-67.6%</b>	<b>18.6%</b>		
Available University Fund Transfer	42,052,990.58	28,353,427.08	13,699,563.50	48.3%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>(164,704,834.41)</b>	<b>130,203,066.51</b>	<b>(294,907,900.92)</b>	<b>-226.5%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>-47.4%</b>	<b>22.6%</b>		
Investment Gain (Losses)	264,196,464.72	1,463,754,997.23	(1,199,558,532.51)	-82.0%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$99,491,630.31</b>	<b>\$1,593,958,063.74</b>	<b>(1,494,466,433.43)</b>	<b>-93.8%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>16.3%</b>	<b>78.2%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>(154,274,423.26)</b>	<b>134,510,871.06</b>	<b>(288,785,294.32)</b>	<b>-214.7%</b>
<b>Adjusted Margin % with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>-44.4%</b>	<b>23.4%</b>		

## UNAUDITED

The University of Texas at Arlington  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	132,949,770.99	129,280,320.35	3,669,450.64	2.8%
Sponsored Programs	41,679,176.19	41,292,143.60	387,032.59	0.9%
Net Sales and Services of Educational Activities	12,687,564.00	11,681,392.08	1,006,171.92	8.6%
Net Auxiliary Enterprises	21,480,977.21	20,901,565.38	579,411.83	2.8%
Other Operating Revenues	4,312,864.13	2,721,822.78	1,591,041.35	58.5%
<b>Total Operating Revenues</b>	<b>213,110,352.52</b>	<b>205,877,244.19</b>	<b>7,233,108.33</b>	<b>3.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	143,121,777.16	136,885,053.66	6,236,723.50	4.6%
Payroll Related Costs	33,156,313.70	34,027,791.33	(871,477.63)	-2.6%
Cost of Goods Sold	4,687.69	2,389.05	2,298.64	96.2%
Professional Fees and Services	5,487,306.97	3,777,941.38	1,709,365.59	45.2%
Other Contracted Services	30,745,667.48	27,723,300.20	3,022,367.28	10.9%
Travel	3,603,760.10	3,915,954.93	(312,194.83)	-8.0%
Materials and Supplies	11,800,444.61	11,700,441.46	100,003.15	0.9%
Utilities	5,834,536.51	5,716,362.98	118,173.53	2.1%
Communications	4,869,935.79	5,070,587.30	(200,651.51)	-4.0%
Repairs and Maintenance	7,036,307.55	6,802,587.25	233,720.30	3.4%
Rentals and Leases	1,852,264.46	2,314,020.33	(461,755.87)	-20.0%
Printing and Reproduction	1,439,912.70	1,506,991.20	(67,078.50)	-4.5%
Bad Debt Expense	360,658.56	583,333.33	(222,674.77)	-38.2%
Scholarships and Fellowships	18,360,459.00	18,260,458.08	100,000.92	0.5%
Depreciation and Amortization	26,240,057.19	26,019,012.39	221,044.80	0.8%
Federal Sponsored Program Pass-Through to Other State Agencies	1,871,244.26	832,240.13	1,039,004.13	124.8%
State Sponsored Program Pass-Through to Other State Agencies	136,498.71	54,186.99	82,311.72	151.9%
Other Operating Expenses	7,233,424.86	5,392,084.38	1,841,340.48	34.1%
<b>Total Operating Expenses</b>	<b>303,155,257.30</b>	<b>290,584,736.37</b>	<b>12,570,520.93</b>	<b>4.3%</b>
<b>Operating Loss</b>	<b>(90,044,904.78)</b>	<b>(84,707,492.18)</b>	<b>(5,337,412.60)</b>	<b>-6.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	69,781,999.58	68,975,306.75	806,692.83	1.2%
Nonexchange Sponsored Programs	26,250,000.00	26,250,000.00	-	-
Gift Contributions for Operations	4,546,855.72	4,872,544.81	(325,689.09)	-6.7%
Net Investment Income	5,278,325.87	8,142,082.01	(2,863,756.14)	-35.2%
Interest Expense on Capital Asset Financings	(7,425,363.00)	(7,782,973.59)	357,610.59	4.6%
<b>Net Other Nonoperating Adjustments</b>	<b>98,431,818.17</b>	<b>100,456,959.98</b>	<b>(2,025,141.81)</b>	<b>-2.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>8,386,913.39</b>	<b>15,749,467.80</b>	<b>(7,362,554.41)</b>	<b>-46.7%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>2.6%</b>	<b>5.0%</b>		
Investment Gain (Losses)	(1,327,188.41)	17,339,614.18	(18,666,802.59)	-107.7%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>7,059,724.98</b>	<b>33,089,081.98</b>	<b>(26,029,357.00)</b>	<b>-78.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.2%</b>	<b>10.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>34,626,970.58</b>	<b>41,768,480.19</b>	<b>(7,141,509.61)</b>	<b>-17.1%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>10.9%</b>	<b>13.3%</b>		

## UNAUDITED

The University of Texas at Austin  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	282,916,666.67	271,250,000.00	11,666,666.67	4.3%
Sponsored Programs	323,477,810.03	318,541,713.16	4,936,096.87	1.5%
Net Sales and Services of Educational Activities	238,562,133.29	220,134,633.66	18,427,499.63	8.4%
Net Auxiliary Enterprises	185,974,794.06	170,634,377.71	15,340,416.35	9.0%
Other Operating Revenues	3,641,876.06	4,160,131.09	(518,255.03)	-12.5%
<b>Total Operating Revenues</b>	<b>1,034,573,280.11</b>	<b>984,720,855.62</b>	<b>49,852,424.49</b>	<b>5.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	664,146,430.03	647,199,055.85	16,947,374.18	2.6%
Payroll Related Costs	182,791,650.09	175,084,966.18	7,706,683.91	4.4%
Cost of Goods Sold	14,917,047.90	14,808,900.36	108,147.54	0.7%
Professional Fees and Services	19,558,175.76	19,374,786.46	183,389.30	0.9%
Other Contracted Services	83,992,188.85	84,743,049.24	(750,860.39)	-0.9%
Travel	23,560,942.18	24,198,080.04	(637,137.86)	-2.6%
Materials and Supplies	84,491,916.95	69,023,014.24	15,468,902.71	22.4%
Utilities	52,246,788.23	50,589,680.66	1,657,107.57	3.3%
Communications	25,851,651.73	34,716,113.31	(8,864,461.58)	-25.5%
Repairs and Maintenance	38,903,650.53	31,667,908.90	7,235,741.63	22.8%
Rentals and Leases	11,570,436.42	10,376,058.30	1,194,378.12	11.5%
Printing and Reproduction	5,314,150.25	5,382,074.01	(67,923.76)	-1.3%
Bad Debt Expense	184,295.56	632,973.46	(448,677.90)	-70.9%
Scholarships and Fellowships	70,000,000.00	92,166,666.67	(22,166,666.67)	-24.1%
Depreciation and Amortization	140,000,000.00	176,166,666.67	(36,166,666.67)	-20.5%
Federal Sponsored Program Pass-Through to Other State Agencies	2,255,283.66	2,011,552.77	243,730.89	12.1%
Other Operating Expenses	63,590,162.39	56,338,596.71	7,251,565.68	12.9%
<b>Total Operating Expenses</b>	<b>1,483,374,770.53</b>	<b>1,494,480,143.83</b>	<b>(11,105,373.30)</b>	<b>-0.7%</b>
<b>Operating Loss</b>	<b>(448,801,490.42)</b>	<b>(509,759,288.21)</b>	<b>60,957,797.79</b>	<b>12.0%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	192,540,969.01	192,709,921.65	(168,952.64)	-0.1%
Nonexchange Sponsored Programs	27,766,666.67	27,416,666.67	350,000.00	1.3%
Gift Contributions for Operations	81,574,460.26	70,054,532.15	11,519,928.11	16.4%
Net Investment Income	133,568,827.81	123,715,807.19	9,853,020.62	8.0%
Interest Expense on Capital Asset Financings	(27,987,652.14)	(27,800,629.78)	(187,022.36)	-0.7%
<b>Net Other Nonoperating Adjustments</b>	<b>407,463,271.61</b>	<b>386,096,297.88</b>	<b>21,366,973.73</b>	<b>5.5%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(41,338,218.81)</b>	<b>(123,662,990.33)</b>	<b>82,324,771.52</b>	<b>66.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-2.8%</b>	<b>-8.8%</b>		
Available University Fund Transfer	155,599,594.56	138,189,522.33	17,410,072.23	12.6%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>114,261,375.75</b>	<b>14,526,532.00</b>	<b>99,734,843.75</b>	<b>686.6%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>7.0%</b>	<b>0.9%</b>		
Investment Gain (Losses)	(52,327,332.69)	212,998,873.78	(265,326,206.47)	-124.6%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$61,934,043.06</b>	<b>\$227,525,405.78</b>	<b>(165,591,362.72)</b>	<b>-72.8%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>3.9%</b>	<b>13.0%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>254,261,375.75</b>	<b>190,693,198.67</b>	<b>63,568,177.08</b>	<b>33.3%</b>
<b>Adjusted Margin % with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>15.6%</b>	<b>12.4%</b>		

## UNAUDITED

The University of Texas at Brownsville  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	18,569,767.43	18,436,364.19	133,403.24	0.7%
Sponsored Programs	14,430,825.73	13,533,549.86	897,275.87	6.6%
Net Sales and Services of Educational Activities	1,321,599.88	1,456,015.15	(134,415.27)	-9.2%
Net Auxiliary Enterprises	1,165,392.75	1,130,135.44	35,257.31	3.1%
Other Operating Revenues	46,208.48	3,967.75	42,240.73	1,064.6%
<b>Total Operating Revenues</b>	<b>35,533,794.27</b>	<b>34,560,032.39</b>	<b>973,761.88</b>	<b>2.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	29,196,974.83	28,689,089.39	507,885.44	1.8%
Payroll Related Costs	8,817,576.35	8,544,776.65	272,799.70	3.2%
Professional Fees and Services	713,100.51	901,336.13	(188,235.62)	-20.9%
Other Contracted Services	439,775.12	296,126.13	143,648.99	48.5%
Travel	843,382.40	539,093.82	304,288.58	56.4%
Materials and Supplies	2,985,765.90	2,197,540.40	788,225.50	35.9%
Utilities	1,071,869.39	1,062,134.95	9,734.44	0.9%
Communications	147,987.28	547,178.66	(399,191.38)	-73.0%
Repairs and Maintenance	634,087.39	1,631,026.74	(996,939.35)	-61.1%
Rentals and Leases	2,169,574.88	2,122,367.45	47,207.43	2.2%
Printing and Reproduction	166,354.34	104,725.87	61,628.47	58.8%
Scholarships and Fellowships	18,973,026.20	15,789,241.47	3,183,784.73	20.2%
Depreciation and Amortization	4,957,449.50	4,884,505.74	72,943.76	1.5%
Federal Sponsored Program Pass-Through to Other State Agencies	94,510.21	53,885.04	40,625.17	75.4%
Other Operating Expenses	2,700,785.33	3,837,589.18	(1,136,803.85)	-29.6%
<b>Total Operating Expenses</b>	<b>73,912,219.63</b>	<b>71,200,617.62</b>	<b>2,711,602.01</b>	<b>3.8%</b>
<b>Operating Loss</b>	<b>(38,378,425.36)</b>	<b>(36,640,585.23)</b>	<b>(1,737,840.13)</b>	<b>-4.7%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	23,565,717.27	18,916,642.78	4,649,074.49	24.6%
Nonexchange Sponsored Programs	9,358,433.16	10,885,689.16	(1,527,256.00)	-14.0%
Gift Contributions for Operations	266,497.54	189,727.78	76,769.76	40.5%
Net Investment Income	1,289,913.81	901,401.41	388,512.40	43.1%
Interest Expense on Capital Asset Financings	(1,630,563.97)	(1,538,651.92)	(91,912.05)	-6.0%
<b>Net Other Nonoperating Adjustments</b>	<b>32,849,997.81</b>	<b>29,354,809.21</b>	<b>3,495,188.60</b>	<b>11.9%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(5,528,427.55)</b>	<b>(7,285,776.02)</b>	<b>1,757,348.47</b>	<b>24.1%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-7.9%</b>	<b>-11.1%</b>		
Investment Gain (Losses)	(968,644.74)	2,020,757.92	(2,989,402.66)	-147.9%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(6,497,072.29)</b>	<b>(5,265,018.10)</b>	<b>(1,232,054.19)</b>	<b>-23.4%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-9.4%</b>	<b>-7.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>(570,978.05)</b>	<b>(2,401,270.28)</b>	<b>1,830,292.23</b>	<b>76.2%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>-0.8%</b>	<b>-3.7%</b>		



## UNAUDITED

The University of Texas at Dallas  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	156,506,849.31	140,210,734.99	16,296,114.32	11.6%
Sponsored Programs	34,235,358.59	34,096,133.19	139,225.40	0.4%
Net Sales and Services of Educational Activities	8,731,491.24	6,804,817.50	1,926,673.74	28.3%
Net Auxiliary Enterprises	16,945,713.82	14,173,681.97	2,772,031.85	19.6%
Other Operating Revenues	3,177,363.66	1,048,142.34	2,129,221.32	203.1%
<b>Total Operating Revenues</b>	<b>219,596,776.62</b>	<b>196,333,509.99</b>	<b>23,263,266.63</b>	<b>11.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	152,391,973.21	143,872,468.09	8,519,505.12	5.9%
Payroll Related Costs	36,433,203.33	33,134,122.60	3,299,080.73	10.0%
Professional Fees and Services	5,627,823.93	6,830,105.68	(1,202,281.75)	-17.6%
Other Contracted Services	11,015,667.31	6,720,186.68	4,295,480.63	63.9%
Travel	3,107,995.80	3,059,746.17	48,249.63	1.6%
Materials and Supplies	14,933,535.57	14,137,691.94	795,843.63	5.6%
Utilities	6,914,512.12	5,765,216.21	1,149,295.91	19.9%
Communications	121,229.44	369,132.36	(247,902.92)	-67.2%
Repairs and Maintenance	2,910,473.19	2,307,178.14	603,295.05	26.1%
Rentals and Leases	4,019,465.03	2,543,719.50	1,475,745.53	58.0%
Printing and Reproduction	1,142,262.65	1,004,518.92	137,743.73	13.7%
Scholarships and Fellowships	28,268,856.51	27,515,684.30	753,172.21	2.7%
Depreciation and Amortization	33,601,811.22	30,596,055.34	3,005,755.88	9.8%
Federal Sponsored Program Pass-Through to Other State Agencies	17,349.80	59,245.31	(41,895.51)	-70.7%
State Sponsored Program Pass-Through to Other State Agencies	280,079.54	-	280,079.54	100.0%
Other Operating Expenses	9,368,101.20	9,373,227.87	(5,126.67)	-0.1%
<b>Total Operating Expenses</b>	<b>310,154,339.85</b>	<b>287,288,299.11</b>	<b>22,866,040.74</b>	<b>8.0%</b>
<b>Operating Loss</b>	<b>(90,557,563.23)</b>	<b>(90,954,789.12)</b>	<b>397,225.89</b>	<b>0.4%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	70,373,281.58	68,495,636.88	1,877,644.70	2.7%
Nonexchange Sponsored Programs	13,682,940.83	16,426,071.30	(2,743,130.47)	-16.7%
Gift Contributions for Operations	7,630,106.93	7,823,773.19	(193,666.26)	-2.5%
Net Investment Income	12,877,384.54	11,213,517.05	1,663,867.49	14.8%
Interest Expense on Capital Asset Financings	(9,047,061.38)	(7,067,734.52)	(1,979,326.86)	-28.0%
<b>Net Other Nonoperating Adjustments</b>	<b>95,516,652.50</b>	<b>96,891,263.90</b>	<b>(1,374,611.40)</b>	<b>-1.4%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>4,959,089.27</b>	<b>5,936,474.78</b>	<b>(977,385.51)</b>	<b>-16.5%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.5%</b>	<b>2.0%</b>		
Investment Gain (Losses)	(6,827,386.94)	23,393,913.75	(30,221,300.69)	-129.2%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(1,868,297.67)</b>	<b>29,330,388.53</b>	<b>(31,198,686.20)</b>	<b>-106.4%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-0.6%</b>	<b>9.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>38,560,900.49</b>	<b>36,532,530.12</b>	<b>2,028,370.37</b>	<b>5.6%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>11.9%</b>	<b>12.2%</b>		

## UNAUDITED

The University of Texas at El Paso  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	65,656,158.45	65,443,168.00	212,990.45	0.3%
Sponsored Programs	46,334,560.07	47,408,663.15	(1,074,103.08)	-2.3%
Net Sales and Services of Educational Activities	3,749,255.50	3,325,818.38	423,437.12	12.7%
Net Auxiliary Enterprises	23,010,580.10	15,670,079.30	7,340,500.80	46.8%
Other Operating Revenues	49,835.83	55,428.34	(5,592.51)	-10.1%
<b>Total Operating Revenues</b>	<b>138,800,389.95</b>	<b>131,903,157.17</b>	<b>6,897,232.78</b>	<b>5.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	99,414,291.97	97,785,852.78	1,628,439.19	1.7%
Payroll Related Costs	26,552,989.39	25,818,018.10	734,971.29	2.8%
Professional Fees and Services	1,864,375.17	1,365,941.68	498,433.49	36.5%
Other Contracted Services	19,632,280.56	11,598,602.20	8,033,678.36	69.3%
Travel	4,562,765.55	4,670,131.09	(107,365.54)	-2.3%
Materials and Supplies	11,104,081.13	13,569,243.94	(2,465,162.81)	-18.2%
Utilities	4,858,956.69	4,001,759.06	857,197.63	21.4%
Communications	743,557.58	344,400.37	399,157.21	115.9%
Repairs and Maintenance	3,158,501.77	3,252,152.56	(93,650.79)	-2.9%
Rentals and Leases	2,528,160.23	2,570,958.15	(42,797.92)	-1.7%
Printing and Reproduction	811,150.20	767,672.36	43,477.84	5.7%
Scholarships and Fellowships	39,660,842.53	40,408,057.69	(747,215.16)	-1.8%
Depreciation and Amortization	17,510,614.01	16,379,938.18	1,130,675.83	6.9%
Federal Sponsored Program Pass-Through to Other State Agencies	168,854.82	551,883.06	(383,028.24)	-69.4%
State Sponsored Program Pass-Through to Other State Agencies	34,450.69	-	34,450.69	100.0%
Other Operating Expenses	5,616,426.52	4,265,640.27	1,350,786.25	31.7%
<b>Total Operating Expenses</b>	<b>238,222,298.81</b>	<b>227,350,251.49</b>	<b>10,872,047.32</b>	<b>4.8%</b>
<b>Operating Loss</b>	<b>(99,421,908.86)</b>	<b>(95,447,094.32)</b>	<b>(3,974,814.54)</b>	<b>-4.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	58,707,187.00	58,495,584.00	211,603.00	0.4%
Nonexchange Sponsored Programs	26,824,163.02	27,724,496.48	(900,333.46)	-3.2%
Gift Contributions for Operations	2,956,292.80	3,190,781.38	(234,488.58)	-7.3%
Net Investment Income	7,428,426.73	7,827,792.11	(399,365.38)	-5.1%
Interest Expense on Capital Asset Financings	(4,558,462.16)	(4,744,917.45)	186,455.29	3.9%
<b>Net Other Nonoperating Adjustments</b>	<b>91,357,607.39</b>	<b>92,493,736.52</b>	<b>(1,136,129.13)</b>	<b>-1.2%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(8,064,301.47)</b>	<b>(2,953,357.80)</b>	<b>(5,110,943.67)</b>	<b>-173.1%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-3.4%</b>	<b>-1.3%</b>		
Investment Gain (Losses)	(3,859,399.22)	16,281,183.58	(20,140,582.80)	-123.7%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(11,923,700.69)</b>	<b>13,327,825.78</b>	<b>(25,251,526.47)</b>	<b>-189.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-5.2%</b>	<b>5.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>9,446,312.54</b>	<b>13,426,580.38</b>	<b>(3,980,267.84)</b>	<b>-29.6%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>4.0%</b>	<b>5.9%</b>		

## UNAUDITED

The University of Texas-Pan American  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	53,096,163.34	41,773,448.39	11,322,714.95	27.1%
Sponsored Programs	34,124,647.39	34,347,401.75	(222,754.36)	-0.6%
Net Sales and Services of Educational Activities	2,965,339.53	3,161,907.24	(196,567.71)	-6.2%
Net Auxiliary Enterprises	5,200,939.13	4,950,952.71	249,986.42	5.0%
Other Operating Revenues	1,046,546.76	858,702.06	187,844.70	21.9%
<b>Total Operating Revenues</b>	<b>96,433,636.15</b>	<b>85,092,412.15</b>	<b>11,341,224.00</b>	<b>13.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	68,868,222.13	65,708,166.04	3,160,056.09	4.8%
Payroll Related Costs	20,293,364.47	18,959,634.54	1,333,729.93	7.0%
Cost of Goods Sold	166,892.28	164,074.23	2,818.05	1.7%
Professional Fees and Services	849,930.60	1,074,188.93	(224,258.33)	-20.9%
Other Contracted Services	2,800,373.89	1,283,865.56	1,516,508.33	118.1%
Travel	2,880,859.29	2,863,745.41	17,113.88	0.6%
Materials and Supplies	7,682,700.55	6,612,758.67	1,069,941.88	16.2%
Utilities	3,770,263.13	3,249,238.51	521,024.62	16.0%
Communications	572,636.44	412,086.96	160,549.48	39.0%
Repairs and Maintenance	1,619,630.29	1,379,196.77	240,433.52	17.4%
Rentals and Leases	729,921.58	464,600.40	265,321.18	57.1%
Printing and Reproduction	218,687.20	315,519.45	(96,832.25)	-30.7%
Bad Debt Expense	32,151.20	39,341.31	(7,190.11)	-18.3%
Scholarships and Fellowships	49,883,205.74	36,735,588.53	13,147,617.21	35.8%
Depreciation and Amortization	10,748,879.73	9,299,125.84	1,449,753.89	15.6%
Federal Sponsored Program Pass-Through to Other State Agencies	125,602.71	40,535.53	85,067.18	209.9%
Other Operating Expenses	5,798,873.78	6,125,653.95	(326,780.17)	-5.3%
<b>Total Operating Expenses</b>	<b>177,042,195.01</b>	<b>154,727,320.63</b>	<b>22,314,874.38</b>	<b>14.4%</b>
<b>Operating Loss</b>	<b>(80,608,558.86)</b>	<b>(69,634,908.48)</b>	<b>(10,973,650.38)</b>	<b>-15.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	45,872,284.66	45,432,607.42	439,677.24	1.0%
Nonexchange Sponsored Programs	25,515,409.45	24,571,671.72	943,737.73	3.8%
Gift Contributions for Operations	2,026,781.01	2,184,481.05	(157,700.04)	-7.2%
Net Investment Income	2,658,530.86	2,701,511.55	(42,980.69)	-1.6%
Interest Expense on Capital Asset Financings	(2,432,182.78)	(2,278,261.23)	(153,921.55)	-6.8%
<b>Net Other Nonoperating Adjustments</b>	<b>73,640,823.20</b>	<b>72,612,010.51</b>	<b>1,028,812.69</b>	<b>1.4%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(6,967,735.66)</b>	<b>2,977,102.03</b>	<b>(9,944,837.69)</b>	<b>-334.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-4.0%</b>	<b>1.9%</b>		
Investment Gain (Losses)	(1,966,369.34)	4,075,059.89	(6,041,429.23)	-148.3%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(8,934,105.00)</b>	<b>7,052,161.92</b>	<b>(15,986,266.92)</b>	<b>-226.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-5.2%</b>	<b>4.3%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>3,781,144.07</b>	<b>12,276,227.87</b>	<b>(8,495,083.80)</b>	<b>-69.2%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>2.2%</b>	<b>7.7%</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, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	9,801,308.25	9,996,728.45	(195,420.20)	-2.0%
Sponsored Programs	4,503,930.92	1,971,861.29	2,532,069.63	128.4%
Net Sales and Services of Educational Activities	1,636,155.51	563,817.93	1,072,337.58	190.2%
Net Auxiliary Enterprises	1,800,447.12	3,339,361.90	(1,538,914.78)	-46.1%
Other Operating Revenues	375,365.40	35,642.94	339,722.46	953.1%
<b>Total Operating Revenues</b>	<b>18,117,207.20</b>	<b>15,907,412.51</b>	<b>2,209,794.69</b>	<b>13.9%</b>
<b>Operating Expenses</b>				
Salaries and Wages	15,638,704.60	13,834,778.66	1,803,925.94	13.0%
Payroll Related Costs	3,536,790.21	3,719,755.50	(182,965.29)	-4.9%
Cost of Goods Sold	6,870.79	-	6,870.79	100.0%
Professional Fees and Services	2,053,458.64	1,554,823.24	498,635.40	32.1%
Other Contracted Services	1,993,862.66	1,519,891.61	473,971.05	31.2%
Travel	684,893.82	867,483.27	(182,589.45)	-21.0%
Materials and Supplies	2,671,136.64	2,315,900.66	355,235.98	15.3%
Utilities	1,710,140.19	1,314,455.26	395,684.93	30.1%
Communications	408,574.44	402,080.04	6,494.40	1.6%
Repairs and Maintenance	686,106.54	244,888.78	441,217.76	180.2%
Rentals and Leases	337,579.71	200,805.04	136,774.67	68.1%
Printing and Reproduction	41,387.07	62,984.51	(21,597.44)	-34.3%
Bad Debt Expense	-	(6,345.00)	6,345.00	100.0%
Scholarships and Fellowships	7,351,495.57	5,593,440.78	1,758,054.79	31.4%
Depreciation and Amortization	7,601,181.43	7,991,666.67	(390,485.24)	-4.9%
Other Operating Expenses	799,053.27	520,620.69	278,432.58	53.5%
<b>Total Operating Expenses</b>	<b>45,521,235.58</b>	<b>40,137,229.71</b>	<b>5,384,005.87</b>	<b>13.4%</b>
<b>Operating Loss</b>	<b>(27,404,028.38)</b>	<b>(24,229,817.20)</b>	<b>(3,174,211.18)</b>	<b>-13.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	17,011,627.01	16,979,799.69	31,827.32	0.2%
Nonexchange Sponsored Programs	3,580,841.25	3,023,279.30	557,561.95	18.4%
Gift Contributions for Operations	4,980,692.76	2,893,263.07	2,087,429.69	72.1%
Net Investment Income	1,221,272.57	1,234,545.16	(13,272.59)	-1.1%
Interest Expense on Capital Asset Financings	(3,329,252.50)	(2,905,525.21)	(423,727.29)	-14.6%
<b>Net Other Nonoperating Adjustments</b>	<b>23,465,181.09</b>	<b>21,225,362.01</b>	<b>2,239,819.08</b>	<b>10.6%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(3,938,847.29)</b>	<b>(3,004,455.19)</b>	<b>(934,392.10)</b>	<b>-31.1%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-8.8%</b>	<b>-7.5%</b>		
Investment Gain (Losses)	(514,542.91)	2,264,764.42	(2,779,307.33)	-122.7%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(4,453,390.20)</b>	<b>(739,690.77)</b>	<b>(3,713,699.43)</b>	<b>-502.1%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-10.0%</b>	<b>-1.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>3,662,334.14</b>	<b>4,987,211.48</b>	<b>(1,324,877.34)</b>	<b>-26.6%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>8.2%</b>	<b>12.5%</b>		

Meeting of the U. T. System Board of Regents - Finance and Planning Committee

UNAUDITED

The University of Texas at San Antonio  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	113,838,010.13	105,251,549.57	8,586,460.56	8.2%
Sponsored Programs	35,474,416.73	37,076,653.83	(1,602,237.10)	-4.3%
Net Sales and Services of Educational Activities	8,051,502.39	5,966,365.64	2,085,136.75	34.9%
Net Auxiliary Enterprises	24,692,475.17	23,081,645.29	1,610,829.88	7.0%
Other Operating Revenues	1,858,765.24	2,034,930.74	(176,165.50)	-8.7%
<b>Total Operating Revenues</b>	<b>183,915,169.66</b>	<b>173,411,145.07</b>	<b>10,504,024.59</b>	<b>6.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	131,524,689.21	131,629,270.47	(104,581.26)	-0.1%
Payroll Related Costs	33,592,439.69	34,337,358.95	(744,919.26)	-2.2%
Cost of Goods Sold	228,860.34	408,333.33	(179,472.99)	-44.0%
Professional Fees and Services	3,476,062.29	2,701,877.01	774,185.28	28.7%
Other Contracted Services	9,966,192.82	7,830,200.34	2,135,992.48	27.3%
Travel	5,600,353.64	6,335,534.04	(735,180.40)	-11.6%
Materials and Supplies	17,779,330.20	14,819,186.05	2,960,144.15	20.0%
Utilities	7,758,333.33	7,408,333.33	350,000.00	4.7%
Communications	1,378,390.45	1,519,688.06	(141,297.61)	-9.3%
Repairs and Maintenance	5,089,768.97	4,796,660.86	293,108.11	6.1%
Rentals and Leases	1,395,542.17	2,891,523.11	(1,495,980.94)	-51.7%
Printing and Reproduction	1,004,089.14	641,237.65	362,851.49	56.6%
Bad Debt Expense	46,666.67	250,109.76	(203,443.09)	-81.3%
Scholarships and Fellowships	22,982,842.86	20,990,218.11	1,992,624.75	9.5%
Depreciation and Amortization	28,469,006.29	27,217,570.95	1,251,435.34	4.6%
Federal Sponsored Program Pass-Through to Other State Agencies	906,980.34	1,488,531.08	(581,550.74)	-39.1%
Other Operating Expenses	8,793,058.89	5,544,206.87	3,248,852.02	58.6%
<b>Total Operating Expenses</b>	<b>279,992,607.30</b>	<b>270,809,839.97</b>	<b>9,182,767.33</b>	<b>3.4%</b>
<b>Operating Loss</b>	<b>(96,077,437.64)</b>	<b>(97,398,694.90)</b>	<b>1,321,257.26</b>	<b>1.4%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	71,800,298.50	71,416,450.89	383,847.61	0.5%
Nonexchange Sponsored Programs	27,257,501.25	28,350,000.00	(1,092,498.75)	-3.9%
Gift Contributions for Operations	4,348,193.43	5,541,666.67	(1,193,473.24)	-21.5%
Net Investment Income	11,197,565.74	8,375,271.54	2,822,294.20	33.7%
Interest Expense on Capital Asset Financings	(9,213,262.15)	(9,652,199.06)	438,936.91	4.5%
<b>Net Other Nonoperating Adjustments</b>	<b>105,390,296.77</b>	<b>104,031,190.04</b>	<b>1,359,106.73</b>	<b>1.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>9,312,859.13</b>	<b>6,632,495.14</b>	<b>2,680,363.99</b>	<b>40.4%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>3.1%</b>	<b>2.3%</b>		
Investment Gain (Losses)	29,415,511.53	18,987,589.58	10,427,921.95	54.9%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>38,728,370.66</b>	<b>25,620,084.72</b>	<b>13,108,285.94</b>	<b>51.2%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>11.8%</b>	<b>8.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>37,781,865.42</b>	<b>33,850,066.09</b>	<b>3,931,799.33</b>	<b>11.6%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>12.7%</b>	<b>11.8%</b>		

## UNAUDITED

The University of Texas at Tyler  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	22,262,486.98	17,839,166.33	4,423,320.65	24.8%
Sponsored Programs	8,544,475.54	6,126,226.64	2,418,248.90	39.5%
Net Sales and Services of Educational Activities	2,267,019.77	3,677,631.31	(1,410,611.54)	-38.4%
Net Auxiliary Enterprises	3,848,439.00	2,649,792.96	1,198,646.04	45.2%
Other Operating Revenues	177,657.62	236,309.38	(58,651.76)	-24.8%
<b>Total Operating Revenues</b>	<b>37,100,078.91</b>	<b>30,529,126.62</b>	<b>6,570,952.29</b>	<b>21.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	33,454,874.15	29,549,938.74	3,904,935.41	13.2%
Payroll Related Costs	8,592,583.80	8,465,098.58	127,485.22	1.5%
Cost of Goods Sold	16,616.65	20,939.41	(4,322.76)	-20.6%
Professional Fees and Services	2,024,559.32	880,922.49	1,143,636.83	129.8%
Other Contracted Services	3,310,648.12	4,506,792.74	(1,196,144.62)	-26.5%
Travel	1,007,755.03	1,165,053.70	(157,298.67)	-13.5%
Materials and Supplies	4,488,431.44	3,056,585.75	1,431,845.69	46.8%
Utilities	1,307,626.01	1,064,623.76	243,002.25	22.8%
Communications	736,246.15	785,797.72	(49,551.57)	-6.3%
Repairs and Maintenance	1,957,495.14	1,138,674.64	818,820.50	71.9%
Rentals and Leases	349,619.16	152,291.02	197,328.14	129.6%
Printing and Reproduction	785,627.86	276,506.48	509,121.38	184.1%
Bad Debt Expense	20,500.59	94.35	20,406.24	21,628.2%
Scholarships and Fellowships	3,665,582.84	2,683,333.33	982,249.51	36.6%
Depreciation and Amortization	7,027,247.42	6,679,142.35	348,105.07	5.2%
Federal Sponsored Program Pass-Through to Other State Agencies	23,303.00	3,339.73	19,963.27	597.8%
Other Operating Expenses	1,691,798.93	1,196,991.97	494,806.96	41.3%
<b>Total Operating Expenses</b>	<b>70,460,515.61</b>	<b>61,626,126.76</b>	<b>8,834,388.85</b>	<b>14.3%</b>
<b>Operating Loss</b>	<b>(33,360,436.70)</b>	<b>(31,097,000.14)</b>	<b>(2,263,436.56)</b>	<b>-7.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	21,283,346.00	20,928,980.18	354,365.82	1.7%
Nonexchange Sponsored Programs	4,616,526.00	4,660,053.00	(43,527.00)	-0.9%
Gift Contributions for Operations	3,144,577.28	5,109,404.37	(1,964,827.09)	-38.5%
Net Investment Income	2,707,230.16	3,031,465.35	(324,235.19)	-10.7%
Interest Expense on Capital Asset Financings	(2,456,909.07)	(2,043,208.44)	(413,700.63)	-20.2%
<b>Net Other Nonoperating Adjustments</b>	<b>29,294,770.37</b>	<b>31,686,694.46</b>	<b>(2,391,924.09)</b>	<b>-7.5%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(4,065,666.33)</b>	<b>589,694.32</b>	<b>(4,655,360.65)</b>	<b>-789.5%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-5.9%</b>	<b>0.9%</b>		
Investment Gain (Losses)	(1,200,351.77)	6,597,316.60	(7,797,668.37)	-118.2%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(5,266,018.10)</b>	<b>7,187,010.92</b>	<b>(12,453,029.02)</b>	<b>-173.3%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-7.8%</b>	<b>10.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>2,961,581.09</b>	<b>7,268,836.67</b>	<b>(4,307,255.58)</b>	<b>-59.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>4.3%</b>	<b>11.3%</b>		

## UNAUDITED

The University of Texas Southwestern Medical Center  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	12,979,211.57	11,017,319.54	1,961,892.03	17.8%
Sponsored Programs	315,939,493.27	297,066,400.12	18,873,093.15	6.4%
Net Sales and Services of Educational Activities	6,346,396.46	5,691,282.11	655,114.35	11.5%
Net Sales and Services of Hospitals	522,113,862.73	468,375,132.61	53,738,730.12	11.5%
Net Professional Fees	275,877,185.00	256,287,318.00	19,589,867.00	7.6%
Net Auxiliary Enterprises	13,815,345.42	11,311,269.03	2,504,076.39	22.1%
Other Operating Revenues	36,305,984.81	22,975,806.13	13,330,178.68	58.0%
<b>Total Operating Revenues</b>	<b>1,183,377,479.26</b>	<b>1,072,724,527.54</b>	<b>110,652,951.72</b>	<b>10.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	673,860,449.04	618,863,970.89	54,996,478.15	8.9%
Payroll Related Costs	158,035,842.43	143,486,300.78	14,549,541.65	10.1%
Cost of Goods Sold	3,205,977.64	1,506,316.75	1,699,660.89	112.8%
Professional Fees and Services	31,886,231.20	26,238,768.87	5,647,462.33	21.5%
Other Contracted Services	70,508,163.66	68,938,774.08	1,569,389.58	2.3%
Travel	6,184,953.30	6,090,595.74	94,357.56	1.5%
Materials and Supplies	200,598,540.59	171,770,756.77	28,827,783.82	16.8%
Utilities	14,685,120.19	15,092,185.29	(407,065.10)	-2.7%
Communications	6,485,370.50	6,141,144.15	344,226.35	5.6%
Repairs and Maintenance	6,028,401.87	7,034,917.74	(1,006,515.87)	-14.3%
Rentals and Leases	3,972,259.24	2,652,075.70	1,320,183.54	49.8%
Printing and Reproduction	1,832,993.23	1,763,206.76	69,786.47	4.0%
Scholarships and Fellowships	1,483,108.67	437,509.92	1,045,598.75	239.0%
Depreciation and Amortization	88,461,524.57	68,394,106.92	20,067,417.65	29.3%
Federal Sponsored Program Pass-Through to Other State Agencies	882,723.38	1,223,190.28	(340,466.90)	-27.8%
Other Operating Expenses	37,459,600.44	20,957,683.58	16,501,916.86	78.7%
<b>Total Operating Expenses</b>	<b>1,305,571,259.95</b>	<b>1,160,591,504.22</b>	<b>144,979,755.73</b>	<b>12.5%</b>
<b>Operating Loss</b>	<b>(122,193,780.69)</b>	<b>(87,866,976.68)</b>	<b>(34,326,804.01)</b>	<b>-39.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	99,731,386.14	98,369,091.72	1,362,294.42	1.4%
Gift Contributions for Operations	46,193,481.88	19,119,076.37	27,074,405.51	141.6%
Net Investment Income	53,218,106.51	51,976,266.45	1,241,840.06	2.4%
Interest Expense on Capital Asset Financings	(16,777,437.60)	(15,223,602.94)	(1,553,834.66)	-10.2%
<b>Net Other Nonoperating Adjustments</b>	<b>182,365,536.93</b>	<b>154,240,831.60</b>	<b>28,124,705.33</b>	<b>18.2%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>60,171,756.24</b>	<b>66,373,854.92</b>	<b>(6,202,098.68)</b>	<b>-9.3%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>4.4%</b>	<b>5.3%</b>		
Investment Gain (Losses)	(33,268,567.30)	149,283,028.36	(182,551,595.66)	-122.3%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>26,903,188.94</b>	<b>215,656,883.28</b>	<b>(188,753,694.34)</b>	<b>-87.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.0%</b>	<b>15.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>148,633,280.81</b>	<b>134,767,961.84</b>	<b>13,865,318.97</b>	<b>10.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>10.8%</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, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	21,081,223.85	20,704,270.68	376,953.17	1.8%
Sponsored Programs	105,583,487.58	111,725,503.99	(6,142,016.41)	-5.5%
Net Sales and Services of Educational Activities	14,436,886.22	10,072,139.24	4,364,746.98	43.3%
Net Sales and Services of Hospitals	539,134,622.34	487,919,471.00	51,215,151.34	10.5%
Net Professional Fees	93,912,429.93	82,370,097.32	11,542,332.61	14.0%
Net Auxiliary Enterprises	5,320,047.92	3,600,708.19	1,719,339.73	47.8%
Other Operating Revenues	32,876,441.81	12,774,379.39	20,102,062.42	157.4%
<b>Total Operating Revenues</b>	<b>812,345,139.65</b>	<b>729,166,569.81</b>	<b>83,178,569.84</b>	<b>11.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	514,790,544.65	482,967,073.99	31,823,470.66	6.6%
Payroll Related Costs	139,846,752.54	129,663,976.79	10,182,775.75	7.9%
Cost of Goods Sold	43,056,716.61	40,911,291.93	2,145,424.68	5.2%
Professional Fees and Services	19,551,306.00	18,251,557.69	1,299,748.31	7.1%
Other Contracted Services	58,767,262.70	50,843,398.02	7,923,864.68	15.6%
Travel	4,042,045.13	3,836,155.06	205,890.07	5.4%
Materials and Supplies	84,501,350.82	76,488,958.30	8,012,392.52	10.5%
Utilities	18,288,724.30	18,195,341.92	93,382.38	0.5%
Communications	5,343,891.20	5,108,893.17	234,998.03	4.6%
Repairs and Maintenance	26,900,763.44	24,991,069.66	1,909,693.78	7.6%
Rentals and Leases	15,700,668.08	14,828,003.82	872,664.26	5.9%
Printing and Reproduction	837,960.96	646,534.26	191,426.70	29.6%
Scholarships and Fellowships	4,425,999.92	4,385,674.01	40,325.91	0.9%
Depreciation and Amortization	58,210,042.52	60,824,066.97	(2,614,024.45)	-4.3%
Federal Sponsored Program Pass-Through to Other State Agencies	816,377.45	1,808,094.81	(991,717.36)	-54.8%
Other Operating Expenses	24,343,481.15	20,107,430.84	4,236,050.31	21.1%
<b>Total Operating Expenses</b>	<b>1,019,423,887.47</b>	<b>953,857,521.24</b>	<b>65,566,366.23</b>	<b>6.9%</b>
<b>Operating Loss</b>	<b>(207,078,747.82)</b>	<b>(224,690,951.43)</b>	<b>17,612,203.61</b>	<b>7.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	202,785,965.77	199,596,915.45	3,189,050.32	1.6%
Nonexchange Sponsored Programs	840,846.00	416,270.00	424,576.00	102.0%
Gift Contributions for Operations	3,841,056.53	4,248,297.26	(407,240.73)	-9.6%
Net Investment Income	23,790,994.39	21,144,064.85	2,646,929.54	12.5%
Interest Expense on Capital Asset Financings	(3,945,030.10)	(4,261,411.18)	316,381.08	7.4%
<b>Net Other Nonoperating Adjustments</b>	<b>227,313,832.59</b>	<b>221,144,136.38</b>	<b>6,169,696.21</b>	<b>2.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>20,235,084.77</b>	<b>(3,546,815.05)</b>	<b>23,781,899.82</b>	<b>670.5%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.9%</b>	<b>-0.4%</b>		
Investment Gain (Losses)	(9,880,820.08)	48,855,238.62	(58,736,058.70)	-120.2%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>10,354,264.69</b>	<b>45,308,423.57</b>	<b>(34,954,158.88)</b>	<b>-77.1%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>1.0%</b>	<b>4.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>78,445,127.29</b>	<b>57,277,251.92</b>	<b>21,167,875.37</b>	<b>37.0%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>7.5%</b>	<b>6.0%</b>		



## UNAUDITED

The University of Texas Health Science Center at Houston  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	27,029,025.37	25,164,719.16	1,864,306.21	7.4%
Sponsored Programs	342,959,715.86	309,483,668.37	33,476,047.49	10.8%
Net Sales and Services of Educational Activities	17,609,368.47	17,330,128.12	279,240.35	1.6%
Net Sales and Services of Hospitals	37,423,719.34	34,516,705.64	2,907,013.70	8.4%
Net Professional Fees	160,712,026.77	126,722,466.23	33,989,560.54	26.8%
Net Auxiliary Enterprises	15,948,904.00	14,267,876.52	1,681,027.48	11.8%
Other Operating Revenues	30,498,750.95	17,003,416.24	13,495,334.71	79.4%
<b>Total Operating Revenues</b>	<b>632,181,510.76</b>	<b>544,488,980.28</b>	<b>87,692,530.48</b>	<b>16.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	435,050,809.98	386,064,307.87	48,986,502.11	12.7%
Payroll Related Costs	94,545,849.14	84,516,741.82	10,029,107.32	11.9%
Cost of Goods Sold	9,731,759.15	7,052,220.44	2,679,538.71	38.0%
Professional Fees and Services	31,143,779.04	29,363,220.42	1,780,558.62	6.1%
Other Contracted Services	44,262,708.38	46,299,735.30	(2,037,026.92)	-4.4%
Travel	5,707,448.32	5,055,116.11	652,332.21	12.9%
Materials and Supplies	30,791,532.02	28,425,439.32	2,366,092.70	8.3%
Utilities	9,832,605.13	9,657,422.25	175,182.88	1.8%
Communications	2,865,872.62	2,602,653.09	263,219.53	10.1%
Repairs and Maintenance	7,699,194.88	5,631,177.79	2,068,017.09	36.7%
Rentals and Leases	17,731,487.53	13,712,732.98	4,018,754.55	29.3%
Printing and Reproduction	3,084,999.35	2,869,741.88	215,257.47	7.5%
Scholarships and Fellowships	3,546,498.77	4,102,076.98	(555,578.21)	-13.5%
Depreciation and Amortization	34,852,243.72	33,375,351.23	1,476,892.49	4.4%
Federal Sponsored Program Pass-Through to Other State Agencies	4,160,578.03	1,779,944.83	2,380,633.20	133.7%
Other Operating Expenses	24,095,416.95	22,021,570.23	2,073,846.72	9.4%
<b>Total Operating Expenses</b>	<b>759,102,783.01</b>	<b>682,529,452.54</b>	<b>76,573,330.47</b>	<b>11.2%</b>
<b>Operating Loss</b>	<b>(126,921,272.25)</b>	<b>(138,040,472.26)</b>	<b>11,119,200.01</b>	<b>8.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	116,440,162.39	115,133,409.59	1,306,752.80	1.1%
Nonexchange Sponsored Programs	357,965.29	304,101.82	53,863.47	17.7%
Gift Contributions for Operations	16,323,685.51	9,528,258.99	6,795,426.52	71.3%
Net Investment Income	18,484,701.00	16,771,861.91	1,712,839.09	10.2%
Interest Expense on Capital Asset Financings	(6,783,839.02)	(6,576,856.09)	(206,982.93)	-3.1%
<b>Net Other Nonoperating Adjustments</b>	<b>144,822,675.17</b>	<b>135,160,776.22</b>	<b>9,661,898.95</b>	<b>7.1%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>17,901,402.92</b>	<b>(2,879,696.04)</b>	<b>20,781,098.96</b>	<b>721.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>2.3%</b>	<b>-0.4%</b>		
Investment Gain (Losses)	(8,550,614.82)	32,431,837.80	(40,982,452.62)	-126.4%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>9,350,788.10</b>	<b>29,552,141.76</b>	<b>(20,201,353.66)</b>	<b>-68.4%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>1.2%</b>	<b>4.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>52,753,646.64</b>	<b>30,495,655.19</b>	<b>22,257,991.45</b>	<b>73.0%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>6.7%</b>	<b>4.4%</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, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	20,885,939.08	20,003,397.75	882,541.33	4.4%
Sponsored Programs	175,456,656.06	166,814,544.37	8,642,111.69	5.2%
Net Sales and Services of Educational Activities	11,770,229.08	12,243,500.29	(473,271.21)	-3.9%
Net Professional Fees	95,759,399.84	83,184,861.55	12,574,538.29	15.1%
Net Auxiliary Enterprises	3,377,150.12	3,183,131.55	194,018.57	6.1%
Other Operating Revenues	27,530,232.18	12,058,394.88	15,471,837.30	128.3%
<b>Total Operating Revenues</b>	<b>334,779,606.36</b>	<b>297,487,830.39</b>	<b>37,291,775.97</b>	<b>12.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	245,247,077.24	234,183,633.79	11,063,443.45	4.7%
Payroll Related Costs	65,610,004.48	62,256,958.07	3,353,046.41	5.4%
Professional Fees and Services	11,651,102.82	8,879,485.18	2,771,617.64	31.2%
Other Contracted Services	14,809,667.71	14,412,908.26	396,759.45	2.8%
Travel	2,718,277.23	2,701,527.10	16,750.13	0.6%
Materials and Supplies	22,681,887.25	21,114,496.62	1,567,390.63	7.4%
Utilities	10,208,333.33	10,347,187.08	(138,853.75)	-1.3%
Communications	7,356,506.64	6,518,699.05	837,807.59	12.9%
Repairs and Maintenance	3,196,187.84	2,797,586.11	398,601.73	14.2%
Rentals and Leases	3,042,237.94	3,013,810.89	28,427.05	0.9%
Printing and Reproduction	957,002.92	1,023,029.37	(66,026.45)	-6.5%
Scholarships and Fellowships	4,437,403.18	4,484,824.32	(47,421.14)	-1.1%
Depreciation and Amortization	30,625,000.00	29,166,666.67	1,458,333.33	5.0%
Federal Sponsored Program Pass-Through to Other State Agencies	875,000.00	1,166,666.67	(291,666.67)	-25.0%
Other Operating Expenses	22,558,979.28	21,242,340.04	1,316,639.24	6.2%
<b>Total Operating Expenses</b>	<b>445,974,667.86</b>	<b>423,309,819.22</b>	<b>22,664,848.64</b>	<b>5.4%</b>
<b>Operating Loss</b>	<b>(111,195,061.50)</b>	<b>(125,821,988.83)</b>	<b>14,626,927.33</b>	<b>11.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	102,803,777.42	101,630,912.83	1,172,864.59	1.2%
Nonexchange Sponsored Programs	729,166.67	700,000.00	29,166.67	4.2%
Gift Contributions for Operations	11,396,393.52	12,713,913.20	(1,317,519.68)	-10.4%
Net Investment Income	21,202,311.42	22,419,762.77	(1,217,451.35)	-5.4%
Interest Expense on Capital Asset Financings	(5,134,295.53)	(5,446,873.81)	312,578.28	5.7%
<b>Net Other Nonoperating Adjustments</b>	<b>130,997,353.50</b>	<b>132,017,714.99</b>	<b>(1,020,361.49)</b>	<b>-0.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>19,802,292.00</b>	<b>6,195,726.16</b>	<b>13,606,565.84</b>	<b>219.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>4.2%</b>	<b>1.4%</b>		
Investment Gain (Losses)	(9,781,276.98)	40,013,335.48	(49,794,612.46)	-124.4%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>10,021,015.02</b>	<b>46,209,061.64</b>	<b>(36,188,046.62)</b>	<b>-78.3%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.2%</b>	<b>9.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>50,427,292.00</b>	<b>35,362,392.83</b>	<b>15,064,899.17</b>	<b>42.6%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>10.7%</b>	<b>8.1%</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, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	1,039,018.17	1,117,445.74	(78,427.57)	-7.0%
Sponsored Programs	164,579,116.29	165,309,455.34	(730,339.05)	-0.4%
Net Sales and Services of Educational Activities	1,275,581.07	1,611,229.13	(335,648.06)	-20.8%
Net Sales and Services of Hospitals	1,841,354,688.75	1,700,267,729.93	141,086,958.82	8.3%
Net Professional Fees	235,733,863.28	217,544,848.63	18,189,014.65	8.4%
Net Auxiliary Enterprises	25,865,003.85	22,937,769.30	2,927,234.55	12.8%
Other Operating Revenues	58,676,151.33	66,123,552.46	(7,447,401.13)	-11.3%
<b>Total Operating Revenues</b>	<b>2,328,523,422.74</b>	<b>2,174,912,030.53</b>	<b>153,611,392.21</b>	<b>7.1%</b>
<b>Operating Expenses</b>				
Salaries and Wages	1,024,166,662.84	967,977,398.32	56,189,264.52	5.8%
Payroll Related Costs	296,167,709.38	275,265,967.59	20,901,741.79	7.6%
Cost of Goods Sold	2,893,460.93	2,526,579.81	366,881.12	14.5%
Professional Fees and Services	88,014,997.91	80,779,303.73	7,235,694.18	9.0%
Other Contracted Services	70,767,188.28	61,890,096.23	8,877,092.05	14.3%
Travel	11,291,364.27	8,822,733.42	2,468,630.85	28.0%
Materials and Supplies	442,481,290.31	422,305,661.36	20,175,628.95	4.8%
Utilities	25,432,346.04	27,597,872.48	(2,165,526.44)	-7.8%
Communications	5,847,042.79	5,524,560.10	322,482.69	5.8%
Repairs and Maintenance	61,184,742.84	52,435,462.10	8,749,280.74	16.7%
Rentals and Leases	25,673,961.33	26,966,055.00	(1,292,093.67)	-4.8%
Printing and Reproduction	2,464,409.51	2,662,232.32	(197,822.81)	-7.4%
Scholarships and Fellowships	1,952,804.00	3,107,897.30	(1,155,093.30)	-37.2%
Depreciation and Amortization	173,379,590.69	165,008,403.48	8,371,187.21	5.1%
Federal Sponsored Program Pass-Through to Other State Agencies	(1,092,656.61)	8,679,978.79	(9,772,635.40)	-112.6%
State Sponsored Program Pass-Through to Other State Agencies	248,777.92	3,105,461.49	(2,856,683.57)	-92.0%
Other Operating Expenses	19,037,693.11	19,178,545.41	(140,852.30)	-0.7%
<b>Total Operating Expenses</b>	<b>2,249,911,385.54</b>	<b>2,133,834,208.93</b>	<b>116,077,176.61</b>	<b>5.4%</b>
<b>Operating Loss</b>	<b>78,612,037.20</b>	<b>41,077,821.60</b>	<b>37,534,215.60</b>	<b>91.4%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	109,022,475.49	107,952,745.46	1,069,730.03	1.0%
Nonexchange Sponsored Programs	1,847,504.00	1,552,110.00	295,394.00	19.0%
Gift Contributions for Operations	66,777,068.22	83,845,221.29	(17,068,153.07)	-20.4%
Net Investment Income	48,081,139.06	42,063,377.90	6,017,761.16	14.3%
Interest Expense on Capital Asset Financings	(20,922,623.26)	(21,555,360.75)	632,737.49	2.9%
<b>Net Other Nonoperating Adjustments</b>	<b>204,805,563.51</b>	<b>213,858,093.90</b>	<b>(9,052,530.39)</b>	<b>-4.2%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>283,417,600.71</b>	<b>254,935,915.50</b>	<b>28,481,685.21</b>	<b>11.2%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>11.1%</b>	<b>10.6%</b>		
Investment Gain (Losses)	(15,094,105.44)	153,919,576.37	(169,013,681.81)	-109.8%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>268,323,495.27</b>	<b>408,855,491.87</b>	<b>(140,531,996.60)</b>	<b>-34.4%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>10.6%</b>	<b>15.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>456,797,191.40</b>	<b>419,944,318.98</b>	<b>36,852,872.42</b>	<b>8.8%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>17.9%</b>	<b>17.4%</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, 2015

	March Year-to-Date FY 2015	March Year-to-Date FY 2014	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition and Fees	73,773.92	69,250.32	4,523.60	6.5%
Sponsored Programs	9,319,670.79	7,747,865.77	1,571,805.02	20.3%
Net Sales and Services of Educational Activities	997,264.46	865,648.93	131,615.53	15.2%
Net Sales and Services of Hospitals	35,862,690.72	31,576,845.63	4,285,845.09	13.6%
Net Professional Fees	8,477,424.25	6,594,452.98	1,882,971.27	28.6%
Net Auxiliary Enterprises	123,397.21	96,292.87	27,104.34	28.1%
Other Operating Revenues	15,949,056.75	19,398,326.61	(3,449,269.86)	-17.8%
<b>Total Operating Revenues</b>	<b>70,803,278.10</b>	<b>66,348,683.11</b>	<b>4,454,594.99</b>	<b>6.7%</b>
<b>Operating Expenses</b>				
Salaries and Wages	45,681,253.06	39,728,702.29	5,952,550.77	15.0%
Payroll Related Costs	14,089,072.44	12,076,589.28	2,012,483.16	16.7%
Cost of Goods Sold	64,780.38	52,896.70	11,883.68	22.5%
Professional Fees and Services	5,068,167.02	4,480,592.68	587,574.34	13.1%
Other Contracted Services	7,544,148.15	9,489,449.20	(1,945,301.05)	-20.5%
Travel	344,501.46	313,970.81	30,530.65	9.7%
Materials and Supplies	11,968,289.92	10,944,942.07	1,023,347.85	9.3%
Utilities	1,384,182.43	1,798,731.80	(414,549.37)	-23.0%
Communications	522,009.10	428,103.19	93,905.91	21.9%
Repairs and Maintenance	3,260,661.71	2,853,840.14	406,821.57	14.3%
Rentals and Leases	740,103.97	686,696.43	53,407.54	7.8%
Printing and Reproduction	52,041.36	25,147.75	26,893.61	106.9%
Scholarships and Fellowships	61,564.88	50,145.96	11,418.92	22.8%
Depreciation and Amortization	6,473,474.60	5,686,226.74	787,247.86	13.8%
Federal Sponsored Program Pass-Through to Other State Agencies	143,882.70	58,178.80	85,703.90	147.3%
Other Operating Expenses	2,038,331.22	1,587,848.82	450,482.40	28.4%
<b>Total Operating Expenses</b>	<b>99,436,464.40</b>	<b>90,262,062.66</b>	<b>9,174,401.74</b>	<b>10.2%</b>
<b>Operating Loss</b>	<b>(28,633,186.30)</b>	<b>(23,913,379.55)</b>	<b>(4,719,806.75)</b>	<b>-19.7%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	25,268,044.95	24,951,831.15	316,213.80	1.3%
Gift Contributions for Operations	148,683.48	205,332.02	(56,648.54)	-27.6%
Net Investment Income	2,438,042.28	2,377,156.06	60,886.22	2.6%
Interest Expense on Capital Asset Financings	(840,842.17)	(889,163.94)	48,321.77	5.4%
<b>Net Other Nonoperating Adjustments</b>	<b>27,013,928.54</b>	<b>26,645,155.29</b>	<b>368,773.25</b>	<b>1.4%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(1,619,257.76)</b>	<b>2,731,775.74</b>	<b>(4,351,033.50)</b>	<b>-159.3%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-1.6%</b>	<b>2.9%</b>		
Investment Gain (Losses)	(702,665.63)	3,678,574.06	(4,381,239.69)	-119.1%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(2,321,923.39)</b>	<b>6,410,349.80</b>	<b>(8,732,273.19)</b>	<b>-136.2%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-2.4%</b>	<b>6.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>4,854,216.84</b>	<b>8,418,002.48</b>	<b>(3,563,785.64)</b>	<b>-42.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>4.9%</b>	<b>9.0%</b>		

3. **U. T. System: Approval of the Fiscal Year 2016 Budget Preparation Policies and Calendar for budget operations**

RECOMMENDATION

With the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs, the Chancellor recommends that the U. T. System Board of Regents approve the Budget Preparation Policies below and Calendar on [Page 181](#) for use in preparing the Fiscal Year (FY) 2016 Operating Budget for the U. T. System as set out below:

U. T. System Fiscal Year 2016 Budget Preparation Policies

1. General Guidelines - The regulations and directives that will be included in the General Appropriations Act enacted by the 84th Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the FY 2016 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the General Appropriations Act. The Chancellor will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

The president of each institution should examine the resources used at the institution and, where possible, redirect resources toward high priority mission critical activities and strategic competitive investments that are consistent with the goals and objectives included in the institution's Strategic Plan.

Overall budget totals, including retaining reasonable reserves for potential future financial shortfall, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, and limited use of institutional unappropriated balances.

2. Maintenance of Operating Margin and Use of Prior Year Balances - Institutions should make all reasonable efforts to maintain a favorable operating margin within the FY 2016 Operating Budget. Use of prior year balances should be limited to critical items, unique opportunities, or projects funded from prior year income committed for that purpose. Generally, balance usage should be reserved for nonrecurring activities. Balance usage cannot be recommended to the U. T. System Board of Regents for approval without the consent of the Chancellor, the appropriate Executive Vice Chancellor, and the Associate Vice Chancellor, Controller, and Chief Budget Officer.
3. Salary Guidelines - Recommendations regarding salary policy are subject to the following directives:
  - A. Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in *Texas Education Code* Section 51.009 (a) and (c), shall be proportional to the source of funds.

- B. Merit Increases and Promotions - Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

As defined in *Texas Education Code* Section 51.962, administrative and professional staff and classified staff must have been employed by the institution for at least six consecutive months immediately preceding the effective date of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments. In accordance with the Regents' *Rules and Regulations*, performance appraisals are required to be conducted annually for all employees of the U. T. System. To verify compliance with this policy, U. T. System presidents and the Executive Vice Chancellor for Business Affairs for U. T. System Administration shall annually certify that all eligible employees (including staff and faculty) have completed performance appraisals. Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

- C. Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments should also consider merit where appropriate, subject to available resources. Subject to guidance issued by the Chancellor, such increases should be noted and explained in the supplemental data accompanying the budget.
- D. New Positions - Subject to available resources, new administrative and professional staff, classified staff, and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.
- E. Reporting - The Chancellor will issue guidance on reporting of salary changes and amounts. It is expected that required reports will encompass high-ranking staff covered by Regents' *Rules and Regulations*, Rules 20203 and 20204 along with those staff receiving significant changes in compensation.
4. Staff Benefits Guidelines - Recommendations regarding the State contribution for employee staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the General Appropriations Act. Payments for benefits, including for retirees, should comply with the provisions of Accounting Policy Statements No. 11, "Benefits Proportional by Fund" and the General Appropriations Act. The Chancellor will issue instructions regarding the implementation of the benefits into the budget process.
5. Other Employee Benefits - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.

6. Other Operating Expenses Guidelines - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, or for correcting past deferrals or deficiencies.
7. Calendar - In the event of unforeseen circumstances, authority is delegated to the Chancellor to modify the Calendar.

#### BACKGROUND INFORMATION

The U. T. System FY 2016 Budget Preparation Policies are consistent with the regulations and directives included in the General Appropriations Act and other general law to be enacted by the 84th Texas Legislature. As written, this policy provides general direction to the U. T. System institutions and may be modified as necessary to conform to the legislation, as finally passed.



**THE UNIVERSITY OF TEXAS SYSTEM  
FY 2016 OPERATING BUDGET CALENDAR**

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January 2015 – August 2015	Performance appraisal focal period
April 14, 2015	Request for Library, Equipment, Repair and Rehabilitation new project instructions and information on balances subject to lapse are sent to institutions
May 14, 2015	U. T. System Board of Regents takes appropriate action on budget preparation policies
June 1, 2015	New Library, Equipment, Repair and Rehabilitation project requests are due to U. T. System
June 1 - 12, 2015	Major goals, priorities, and resource allocation hearings with U. T. System Administration
June 29, 2015	Draft budget documents due to U. T. System
July 2 – 7, 2015	Technical budget review with U. T. System
July 17, 2015	Final budget documents due to U. T. System
July 20, 2015	Reports on highly compensated staff covered by Regents' Rules 20203 and 20204, high-ranking staff salaries, and institutional Top Ten salaries due to U. T. System
August 7, 2015	Operating Budget Summaries provided to the U. T. System Board of Regents
August 15, 2015	Salary change report due to U. T. System
August 20, 2015	U. T. System Board of Regents takes appropriate action on Operating Budget and President and Executive Officer compensation



4. **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 28, 2015**

REPORT

The February 28, 2015 UTIMCO Performance Summary Report is attached on [Page 183](#).

The Investment Reports for the quarter ended February 28, 2015, are set forth on [Pages 184 - 187](#).

Item I on [Page 184](#) reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 1.69% versus its composite benchmark return of .49%. The PUF's net asset value increased by \$509 million during the quarter to \$18,043 million. The increase was due to \$211 million PUF Lands receipts, plus a net investment return of \$298 million. No distribution was made to the Available University Fund (AUF) during the quarter.

Item II on [Page 185](#) reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 1.80% versus its composite benchmark return of .49%. The GEF's net asset value increased by \$84 million during the quarter to \$8,323 million.

Item III on [Page 186](#) reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 1.35% versus its composite benchmark return of .53%. The net asset value increased during the quarter to \$6,998 million due to net contributions of \$182 million and net investment return of \$93 million, less distributions of \$51 million.

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

Item IV on [Page 187](#) 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 \$262 million to \$2,238 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: \$73 million versus \$74 million at the beginning of the period; and other investments: \$9 million versus \$2 million at the beginning of the period.

**UTIMCO Performance Summary**

February 28, 2015

	Net Asset Value 2/28/2015 (in Millions)	Periods Ended February 28, 2015 (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	\$ 18,043	2.67%	1.69%	1.06%	2.43%	7.15%	8.87%	9.08%	6.79%
Permanent Health Fund	1,105								
Long Term Fund	<u>7,218</u>								
General Endowment Fund	<u>8,323</u>	2.63%	1.80%	1.47%	2.21%	7.30%	8.97%	9.17%	6.86%
Separately Invested Funds	<u>217</u>								
Total Endowment Funds	<u>26,583</u>								
<b>OPERATING FUNDS</b>									
Intermediate Term Fund	6,998	1.70%	1.35%	0.29%	1.87%	3.75%	5.59%	6.63%	N/A
Short Term Fund and Debt Proceeds Fund	<u>2,123</u>								
Total Operating Funds	<u>9,121</u>								
Total Assets Under Management	<u>\$ 35,704</u>								
<b>VALUE ADDED (1) (Percent)</b>									
Permanent University Fund		0.90%	1.20%	1.42%	0.62%	1.66%	1.83%	1.44%	1.53%
General Endowment Fund		0.86%	1.31%	1.83%	0.40%	1.81%	1.93%	1.53%	1.60%
Intermediate Term Fund		0.42%	0.82%	1.82%	0.63%	2.15%	2.30%	2.19%	N/A
<b>VALUE ADDED (1) (\$ IN MILLIONS)</b>									
Permanent University Fund		\$160	\$212	\$253	\$109	\$279	\$856	\$1,101	\$2,242
General Endowment Fund		71	108	153	33	142	462	610	1,276
Intermediate Term Fund		<u>29</u>	<u>56</u>	<u>126</u>	<u>43</u>	<u>144</u>	<u>399</u>	<u>594</u>	-
Total Value Added		<u>\$260</u>	<u>\$376</u>	<u>\$532</u>	<u>\$185</u>	<u>\$565</u>	<u>\$1,717</u>	<u>\$2,305</u>	<u>\$3,518</u>

Footnote available upon request

UTIMCO 4/1/2015

**I. PERMANENT UNIVERSITY FUND**  
**Investment Reports for Periods Ended February 28, 2015**

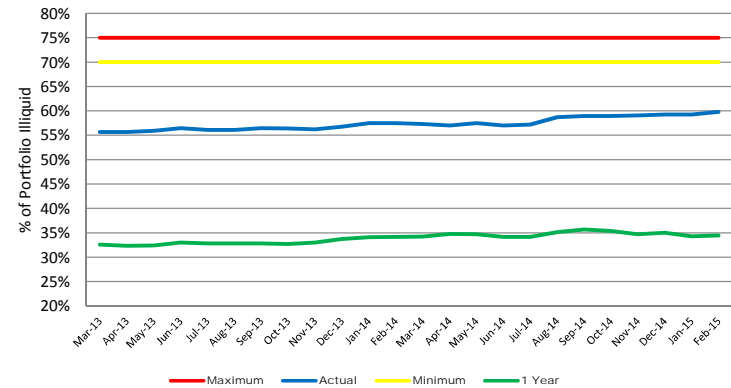
Prepared in accordance with Texas Education Code Sec. 51.0032

	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	6.9%	7.0%	-1.43%	-4.73%	0.07%	0.17%	0.24%
Credit-Related	0.1%	0.0%	-4.51%	-3.56%	0.00%	0.00%	0.00%
Real Estate	2.5%	2.5%	1.63%	5.45%	-0.02%	-0.09%	-0.11%
Natural Resources	6.7%	7.5%	-19.29%	-14.57%	0.01%	-0.41%	-0.40%
Developed Country	15.5%	14.0%	9.07%	2.14%	0.06%	0.92%	0.98%
Emerging Markets	<u>9.8%</u>	<u>9.9%</u>	<u>-6.70%</u>	<u>-8.30%</u>	<u>0.04%</u>	<u>0.15%</u>	<u>0.19%</u>
<b>Total More Correlated and Constrained</b>	<b>41.5%</b>	<b>40.9%</b>	<b>-2.26%</b>	<b>-4.52%</b>	<b>0.16%</b>	<b>0.74%</b>	<b>0.90%</b>
<b>Less Correlated and Constrained</b>	<b>30.6%</b>	<b>30.0%</b>	<b>3.78%</b>	<b>2.47%</b>	<b>0.03%</b>	<b>0.35%</b>	<b>0.38%</b>
<b>Private Investments</b>	<b><u>27.9%</u></b>	<b><u>29.1%</u></b>	<b><u>3.25%</u></b>	<b><u>2.72%</u></b>	<b><u>-0.05%</u></b>	<b><u>0.19%</u></b>	<b><u>0.14%</u></b>
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>1.06%</u></b>	<b><u>-0.36%</u></b>	<b><u>0.14%</u></b>	<b><u>1.28%</u></b>	<b><u>1.42%</u></b>

Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2014	Quarter Ended February 28, 2015	Fiscal Year to Date August 31, 2015
Beginning Net Assets	\$14,853	\$17,534	\$17,365
PUF Lands Receipts	1,129	211	488
Investment Return (Net of Expenses)	2,260	298	190
Distributions to AUF	(877)	0	0
Ending Net Assets	<u>\$17,365</u>	<u>\$18,043</u>	<u>\$18,043</u>

**Permanent University Fund**  
**Actual Illiquidity vs. Trigger Zones**

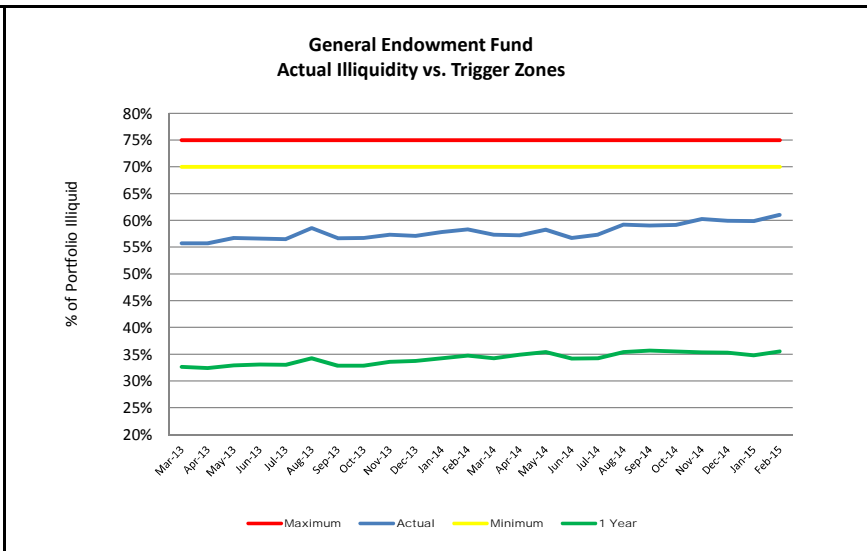


**II. GENERAL ENDOWMENT FUND**  
**Investment Reports for Periods Ended February 28, 2015**

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	5.2%	7.0%	-0.80%	-4.73%	0.09%	0.19%	0.28%
Credit-Related	0.1%	0.0%	-4.51%	-3.56%	0.00%	0.00%	0.00%
Real Estate	2.6%	2.5%	1.63%	5.45%	-0.01%	-0.09%	-0.10%
Natural Resources	6.8%	7.5%	-19.31%	-14.57%	0.03%	-0.41%	-0.38%
Developed Country	15.2%	14.0%	9.05%	2.14%	0.07%	0.93%	1.00%
Emerging Markets	10.0%	9.9%	-3.06%	-8.30%	0.01%	0.53%	0.54%
<b>Total More Correlated and Constrained</b>	<b>39.9%</b>	<b>40.9%</b>	<b>-1.29%</b>	<b>-4.52%</b>	<b>0.19%</b>	<b>1.15%</b>	<b>1.34%</b>
<b>Less Correlated and Constrained</b>	<b>31.3%</b>	<b>30.0%</b>	<b>3.78%</b>	<b>2.47%</b>	<b>0.03%</b>	<b>0.34%</b>	<b>0.37%</b>
<b>Private Investments</b>	<b>28.8%</b>	<b>29.1%</b>	<b>3.25%</b>	<b>2.72%</b>	<b>-0.08%</b>	<b>0.20%</b>	<b>0.12%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.47%</b>	<b>-0.36%</b>	<b>0.14%</b>	<b>1.69%</b>	<b>1.83%</b>

	Summary of Capital Flows		
	Fiscal Year Ended August 31, 2014	Quarter Ended February 28, 2015	Fiscal Year to Date August 31, 2015
Beginning Net Assets	\$7,396	\$8,239	\$8,325
Contributions	225	41	80
Withdrawals	(13)	(9)	(11)
Distributions	(371)	(97)	(194)
Investment Return (Net of Expenses)	1,088	149	123
Ending Net Assets	<u>\$8,325</u>	<u>\$8,323</u>	<u>\$8,323</u>

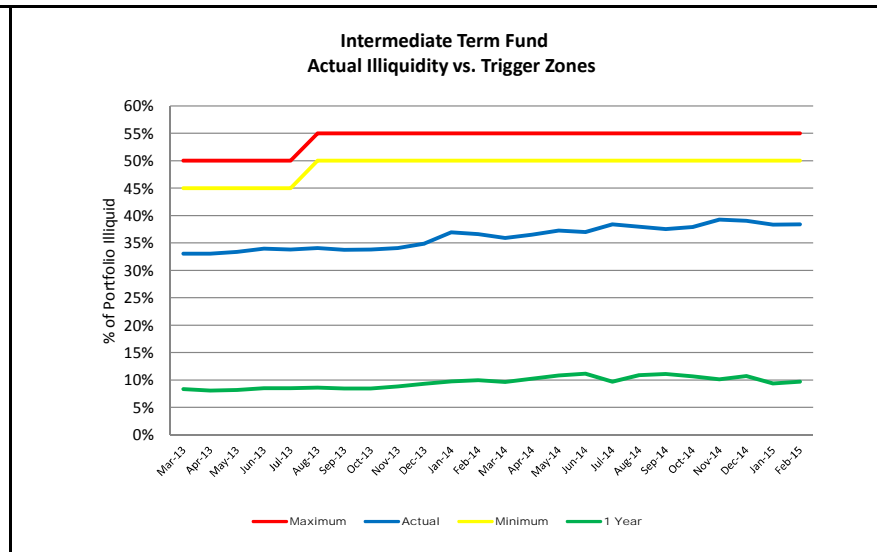


### III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended February 28, 2015

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	30.3%	30.0%	-2.09%	-4.73%	0.01%	0.77%	0.78%
Credit-Related	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	2.9%	3.0%	1.64%	5.45%	-0.01%	-0.12%	-0.13%
Natural Resources	6.3%	7.0%	-19.08%	-14.57%	0.05%	-0.36%	-0.31%
Developed Country	9.4%	9.0%	9.15%	2.14%	0.01%	0.62%	0.63%
Emerging Markets	5.9%	6.0%	-3.10%	-8.30%	-0.01%	0.31%	0.30%
<b>Total More Correlated and Constrained</b>	<b>54.8%</b>	<b>55.0%</b>	<b>-2.44%</b>	<b>-4.72%</b>	<b>0.05%</b>	<b>1.22%</b>	<b>1.27%</b>
<b>Less Correlated and Constrained</b>	<b>45.2%</b>	<b>45.0%</b>	<b>3.78%</b>	<b>2.47%</b>	<b>-0.02%</b>	<b>0.57%</b>	<b>0.55%</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>0.29%</b>	<b>-1.53%</b>	<b>0.03%</b>	<b>1.79%</b>	<b>1.82%</b>

	Summary of Capital Flows		
	Fiscal Year Ended August 31, 2014	Quarter Ended February 28, 2015	Fiscal Year to Date August 31, 2015
(\$ millions)			
Beginning Net Assets	\$5,520	\$6,774	\$6,665
Contributions	2,111	423	1,074
Withdrawals	(1,391)	(241)	(661)
Distributions	(186)	(51)	(102)
Investment Return (Net of Expenses)	611	93	22
Ending Net Assets	<u>\$6,665</u>	<u>\$6,998</u>	<u>\$6,998</u>



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at February 28, 2015**  
 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 11/30/14	-	-	14,358	14,358	44,621	44,621	1,786	1,786	1,567	1,567	62,332	62,332	1,913,584	1,913,584	1,975,916	1,975,916
Increase/(Decrease)	-	-	(10,863)	(10,863)	63,595	63,595	(309)	(309)	825	825	53,248	53,248	209,039	209,039	262,287	262,287
Ending value 02/28/15	-	-	3,495	3,495	108,216	108,216	1,477	1,477	2,392	2,392	115,580	115,580	2,122,623	2,122,623	2,238,203	2,238,203
<b>Debt Securities:</b>																
Beginning value 11/30/14	-	-	13	14	11,310	11,897	7,659	7,857	-	-	18,982	19,768	-	-	18,982	19,768
Increase/(Decrease)	-	-	-	-	(6)	(141)	302	176	-	-	296	35	-	-	296	35
Ending value 02/28/15	-	-	13	14	11,304	11,756	7,961	8,033	-	-	19,278	19,803	-	-	19,278	19,803
<b>Equity Securities:</b>																
Beginning value 11/30/14	1,160	10,585	881	857	40,972	50,236	12,121	12,456	-	-	55,134	74,134	-	-	55,134	74,134
Increase/(Decrease)	1	(2,337)	(605)	(585)	539	732	479	659	-	-	414	(1,531)	-	-	414	(1,531)
Ending value 02/28/15	1,161	8,248	276	272	41,511	50,968	12,600	13,115	-	-	55,548	72,603	-	-	55,548	72,603
<b>Other:</b>																
Beginning value 11/30/14	-	-	322	322	6	6	537	111	1,670	1,670	2,535	2,109	-	-	2,535	2,109
Increase/(Decrease)	-	-	(117)	(117)	1	1	23	2	6,923	6,923	6,830	6,809	-	-	6,830	6,809
Ending value 02/28/15	-	-	205	205	7	7	560	113	8,593	8,593	9,365	8,918	-	-	9,365	8,918
<b>Total Assets:</b>																
Beginning value 11/30/14	1,160	10,585	15,574	15,551	96,909	106,760	22,103	22,210	3,237	3,237	138,983	158,343	1,913,584	1,913,584	2,052,567	2,071,927
Increase/(Decrease)	1	(2,337)	(11,585)	(11,565)	64,129	64,187	495	528	7,748	7,748	60,788	58,561	209,039	209,039	269,827	267,600
Ending value 02/28/15	1,161	8,248	3,989	3,986	161,038	170,947	22,598	22,738	10,985	10,985	199,771	216,904	2,122,623	2,122,623	2,322,394	2,339,527

Details of individual assets by account furnished upon request.

**5. 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 Executive Vice Chancellor for Business Affairs in the recommendation that

- a. the Fiscal Year 2016 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be increased from \$763,552,645 to \$772,876,690 effective September 1, 2015. 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 \$0.0597 per unit to \$0.0606 per unit for Fiscal Year 2016 (effective with November 30, 2015 distribution),
- c. the distribution rate for the U. T. System Long Term Fund (LTF) be increased from \$0.3423 per unit to \$0.3472 per unit for Fiscal Year 2016 (effective with November 30, 2015 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 2016.

**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 the default distribution shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the Fund 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 the 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 28, 2015, has exceeded 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 2015-2016 would be 5.0%, or \$772,876,690.

	<b>Trailing 12 Quarters Ending February 28, 2015</b>	<b>Expected or Benchmark</b>	<b>Excess/(Deficit)</b>
Average Annual Rate of Return	8.87%	6.82%	2.05%

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 2016 be \$772,876,690 or 5.00% of the trailing 12-quarter average of the net asset value of the Fund. This calculation is shown below:

<u>Quarter Ended</u>	<u>Net Asset Value</u>
05/31/2012	12,843,337,655
08/31/2012	13,470,262,684
11/30/2012	13,686,958,344
02/28/2013	14,241,921,929
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
	<u>\$ 185,490,405,477</u>
Number of quarters	<u>12</u>
Average Net Asset Value	<u>\$ 15,457,533,790</u>
Distribution Percentage	<u>5.00%</u>
FY 2015-16 Distribution	<u>\$ 772,876,690</u>

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 \$772,876,690 is substantially greater than PUF bond debt service of \$296,800,000 projected for FY 2015-2016.

<u>System</u>	<u>Debt Service</u>
U. T.	\$ 171,100,000
TAMU	125,700,000
Total:	<u>\$ 296,800,000</u>

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 28, 2015, was 5.19%, 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	6.90%
Mineral Interest Receipts	4.78%
Expense Rate	(0.16)%
Inflation Rate	(2.04)%
Distribution Rate	(4.29)%
Net Real Return	<b>5.19%</b>

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>
\$15,457,533,790	\$772,876,690	<b>5.00%</b>	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, 2014, was 1.4%. The recommended 1.4% increase in the PHF distribution rate of \$0.0597 to \$0.0606 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 4.8%.

The recommended 1.4% increase in the LTF distribution rate from \$0.3423 to \$0.3472 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 5.1%.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The recommendation for Fiscal Year 2016 is to continue a distribution rate of 3.0%.

6. **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, and the Regents' *Rules and Regulations*, Rule 10402, regarding Committees and Other Appointments, was subsequently editorially amended to include the ULAB.

On July 10, 2014, the U. T. System Board of Regents appointed the following members to the ULAB:

For terms of two years:

- Regent Cranberg, who has agreed to serve as Chairman;
- Regent Hildebrand; and
- Texas A&M University System Regent Morris Foster.

For terms of three years:

- Mr. Thomas L. Carter, Jr., President, CEO, and Chairman of Black Stone Minerals Company LP; and
- Mr. Frank D. Tsuru, CEO and President of M3Midstream LLC.

Executive Vice Chancellor for Business Affairs Scott Kelley serves as an *ex officio*, nonvoting member.

ULAB members advise the Board on operations and management of the University Lands Office, including hiring the Chief Executive Officer - University Lands, reviewing and recommending budgets to the Board, and providing strategic direction.

**7. U. T. System: Approval of \$7.0 million in Available University Funds for a Shared Services spend analytics project**

**RECOMMENDATION**

The Chancellor and the Executive Vice Chancellor for Health Affairs concur in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents approve \$7.0 million of Available University Funds (AUF) for a Shared Services spend analytics project as described below.

**BACKGROUND INFORMATION**

The U. T. Shared Services program involves cross-campus collaboration projects that save money and improve quality. Potential U. T. System Shared Services projects are brought to the U. T. System Shared Services Executive Committee (Committee) for consideration. The Committee is comprised of the institutions' chief business officers (CBOs) and the U. T. System Executive Vice Chancellor for Business Affairs chairs the Committee. The Committee's role, among others, is to decide whether to recommend to the Board to invest money, time and effort into particular projects.

The U. T. System Supply Chain Alliance (Alliance) is a key component of the U. T. Shared Services program. Acting on behalf of U. T. System institutions, the Alliance conducts group purchases of goods and services that leverage the size and strength of U. T. System. The resulting U. T. System master agreements are designed to achieve lower prices and better purchase terms than any institution could achieve on its own. Since its inception in 2007, the Alliance has put in place more than 70 master agreements that are projected to generate cumulative savings to U. T. System institutions of \$132 million, with the Alliance's costs of operation being funded entirely from vendor-paid administrative fees.

To identify savings from potential group purchases, the Alliance relies on spend data obtained from the campuses themselves and external sources. This information - commonly referred to as "spend analytics" - is essential to identify what the U. T. System health institutions are spending, who their suppliers are, what prices each institution is actually paying, and how these prices compare across the U. T. System health institutions and to prices available to others outside of U. T. System. To date, it has proven very difficult to obtain accurate and timely spend analytics data. The U. T. System health institutions do not share common tools or processes or sources for gathering spend analytics data, with the result that data quality is often poor and unreliable.

The U. T. System health institutions' CBOs wish to have the Alliance conduct a competitive procurement for a significantly improved spend analytics solution. This solution would involve:

- **Data Validation:** acquiring, cleansing, categorizing, and processing unrelated data sets for common use. Data validation services may be performed manually or through the use of software, pending verification by the U. T. System health institutions' subject matter experts (SMEs).

- Analysis software: studying large data sets to identify patterns, trends, and outliers.
- Business Intelligence: using tools and services to conduct benchmarking, clinical value analyses, strategic sourcing, contract management, supplier negotiations, and other spend activities.

To secure this solution, the Alliance would competitively procure spend analytics tools and services that initially would focus on the more than \$3.0 billion in annual, impactable spend by the six U. T. System health institutions. Later, the tools and services could be extended to impactable spend by the nine U. T. System academic institutions as well.

The U. T. System health institutions' SMEs have characterized the institutions' workload to implement the spend analytics project as moderate, with the largest portion of the work involving use of business intelligence, in cooperation with the Alliance, to deliver on more cost savings and improved service levels. Implementation would begin promptly after contracting with a spend analytics supplier, with the Alliance overseeing implementation, and initial spend analytics results would be available for use about six months later.

The spend analytics solution is conservatively projected to achieve incremental savings from cross-campus collaborations of \$40-50 million over a five-year period, generating a return on investment estimated at 6.5 to 1. Savings will result, for example, from lower pricing achieved through greater aggregation of existing spend across campuses, and through subjecting more spend to competitive procurements, in both cases while maintaining or improving the quality of goods and services purchased.

This proposal is part of an overall strategy that identifies future opportunities for the U. T. System health institutions to pursue and collaborate on other activities across the Procure-to-Pay business process. The U. T. System health institutions' CBOs are evaluating these potential additional, internal collaborations, and in the future the U. T. System Board of Regents may be asked to fund investment in other projects designed to drive significant efficiencies in performing these other redundant activities.

The U. T. System Board of Regents is requested to approve AUF funding for a U. T. System investment of up to \$7.0 million for the spend analytics solution, covering the costs of software licenses, related services, project implementation costs, and ongoing project support over a five-year period.