



## TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

**Committee Meeting: 5/3/2012**

Paul L. Foster, Chairman  
 Printice L. Gary, Vice Chairman  
 Alex M. Cranberg  
 Wallace L. Hall, Jr.  
 Brenda Pejovich

**Board Meeting: 5/3/2012**  
 Austin, Texas

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	8:00 a.m. <i>Chairman Foster</i>		
1. <b>U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration</b>	8:00 a.m. <b>Action</b>	<b>Action</b>	<b>79</b>
2. <b>U. T. System: Key Financial Indicators Report and Monthly Financial Report</b>	8:05 a.m. <b>Report/Discussion</b> <i>Dr. Kelley</i>	Not on Agenda	<b>80</b>
3. <b>U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 29, 2012</b>	8:15 a.m. <b>Report/Discussion</b> <i>Mr. Zimmerman</i>	<b>Report</b>	<b>114</b>
4. <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>	8:25 a.m. <b>Action</b> <i>Chancellor Cigarroa</i> <i>Dr. Kelley</i>	<b>Action</b>	<b>120</b>
<b>Adjourn</b>	8:30 a.m.		

1. **U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration**

(The proposed Consent Agenda is at the end 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 81 - 88](#) and the March Monthly Financial Report on [Pages 89 - 113](#). 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 2008 through February 2012. Ratios requiring balance sheet data are provided for Fiscal Year 2007 through Fiscal Year 2011.


















# THE UNIVERSITY OF TEXAS SYSTEM



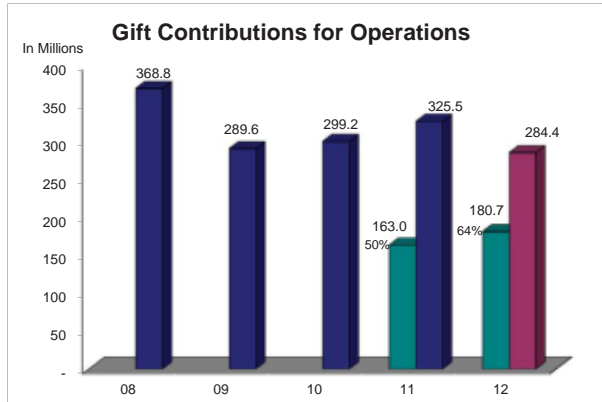
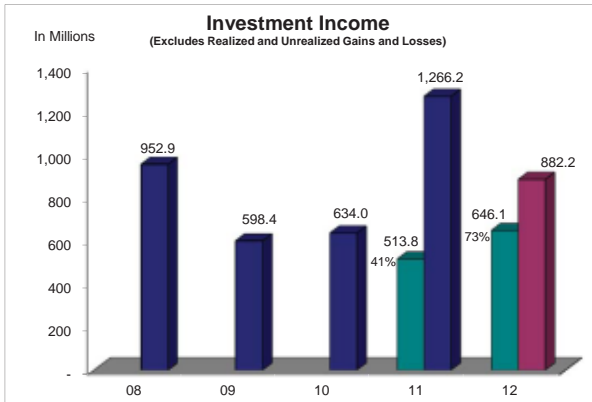
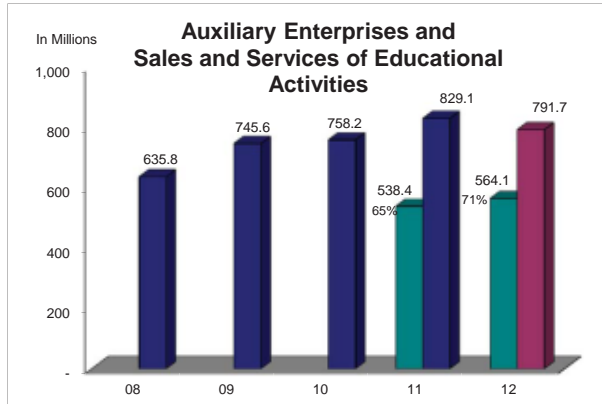
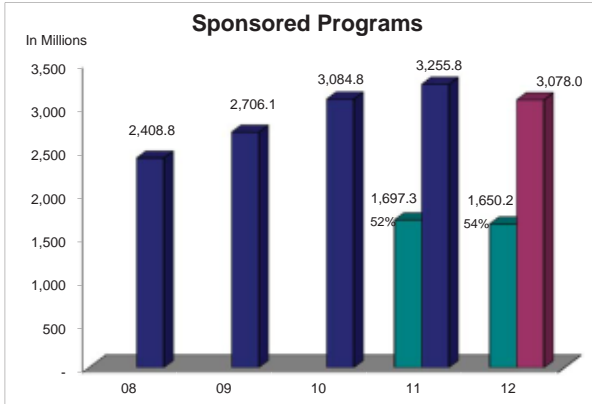
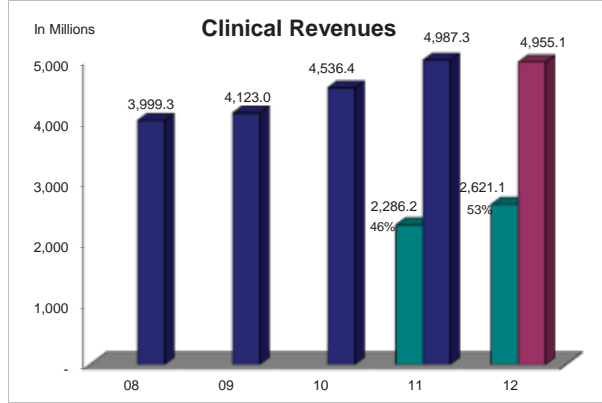
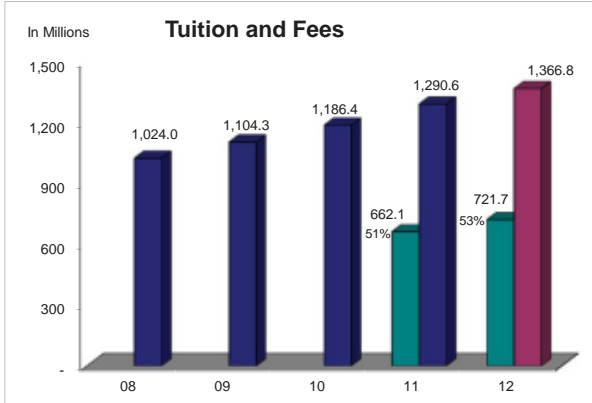
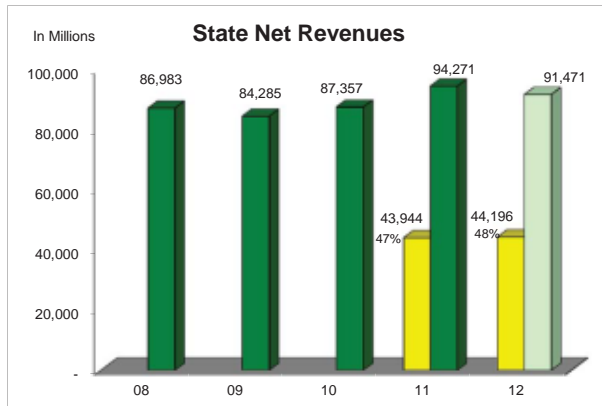
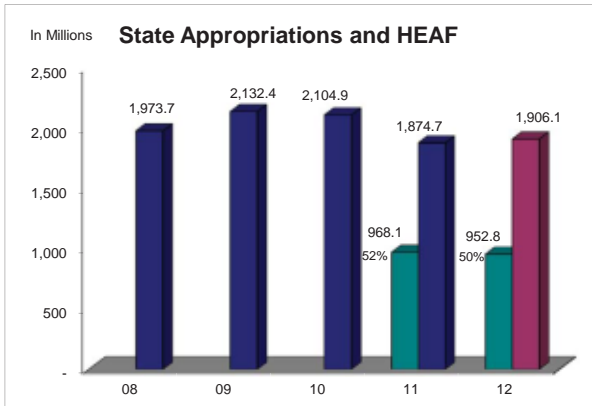
## KEY FINANCIAL INDICATORS REPORT

**2ND QUARTER FY 2012**

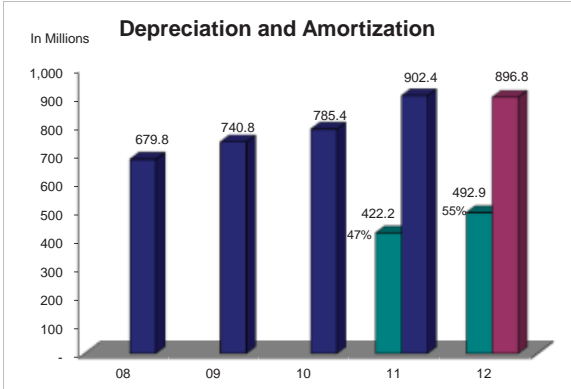
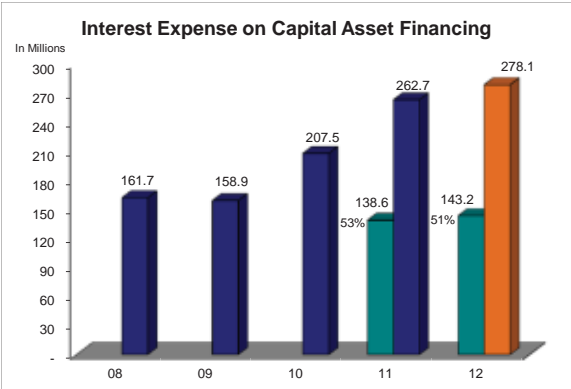
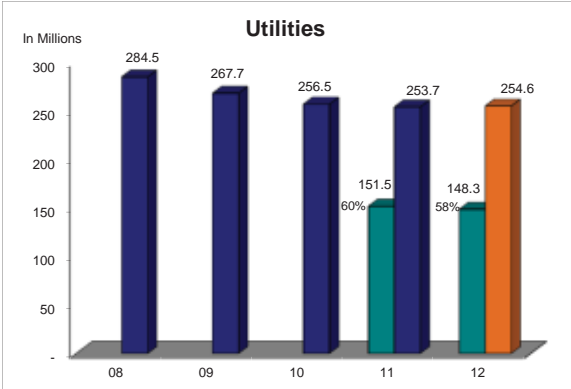
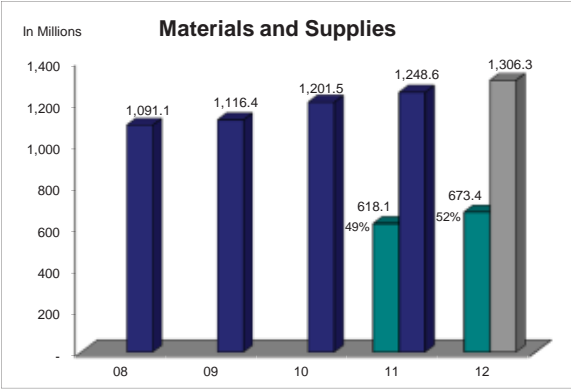
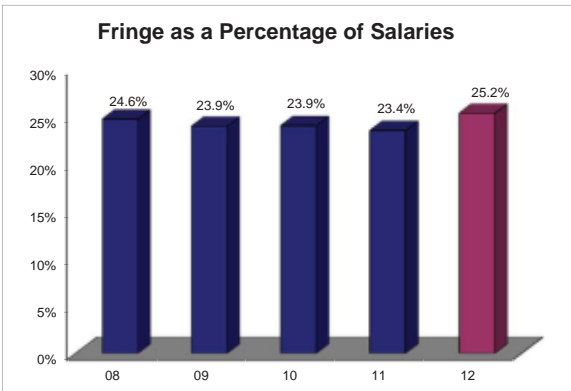
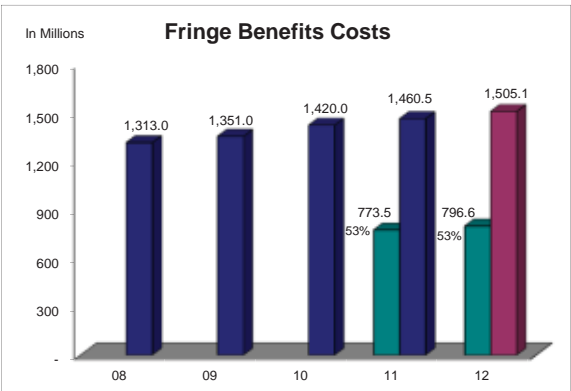
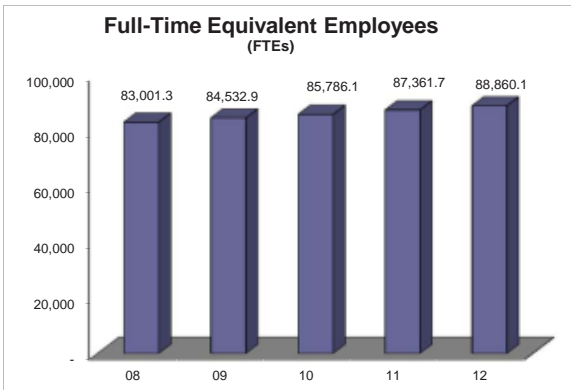
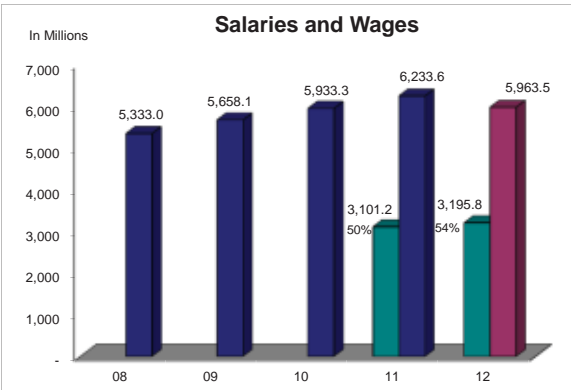
KEY

-  Actual Annual Amounts  
(SOURCE: Annual Financial Reports)
-  Adjustment to Actual Annual Amounts to exclude the Increase in Net OPEB Obligation  
(SOURCE: Annual Financial Reports)
-  Budget amounts  
(SOURCE: Operating Budget Summary)
-  Projected Amounts based on the average change of the previous three years of data
-  Monthly Financial Report Year-to-Date Amounts
-  Annual State Net Revenue Collections  
(SOURCE: Texas Revenue History by Source and Texas Net Revenue by Source, State Comptroller's Office)
-  Year-to-Date State Net Revenue Collections  
(SOURCE: State Comptroller's Office)
-  Estimated State Revenue Collections  
(SOURCE: Biennial Revenue Estimate, State Comptroller's Office)
-  Annual and Quarterly Average of FTEs  
(SOURCE: State Auditor's Office Quarterly FTE Report)
-  Year-to-Date Margin  
(SOURCE: Monthly Financial Report)
-  Projected Amounts based on Monthly Financial Report
-  Year-to-Date Margin  
(SOURCE: Monthly Financial Report)
-  Target Normalized Rates
-  Aaa Median  
(SOURCE: Moody's)
-  A2 Median  
(SOURCE: Moody's)
-  Good Facilities Condition Index (Below 5%)
-  Fair Facilities Condition Index (5% - 10%)

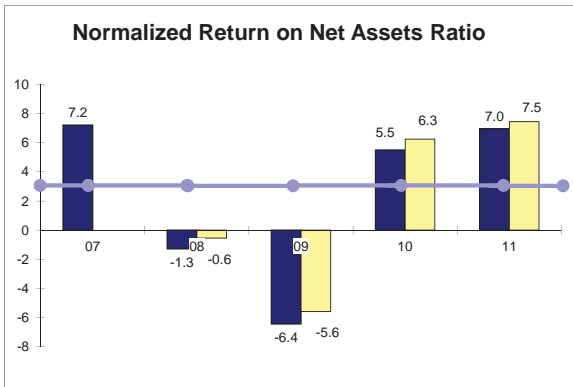
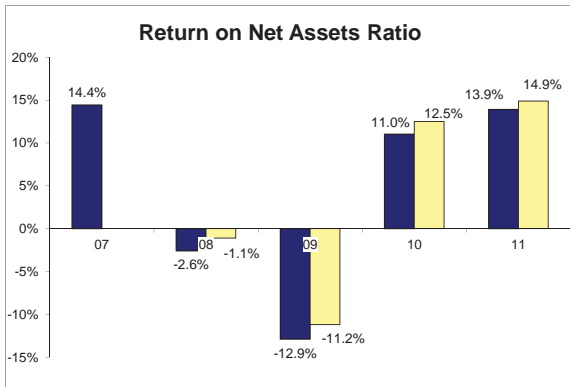
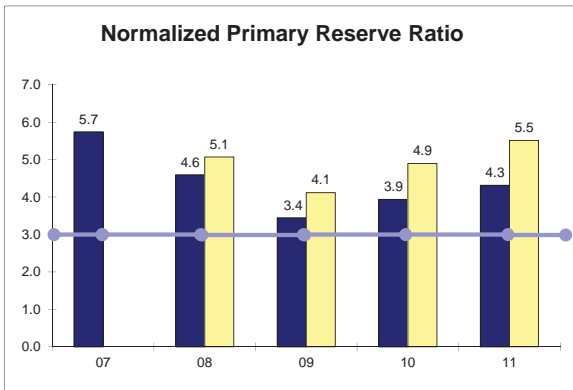
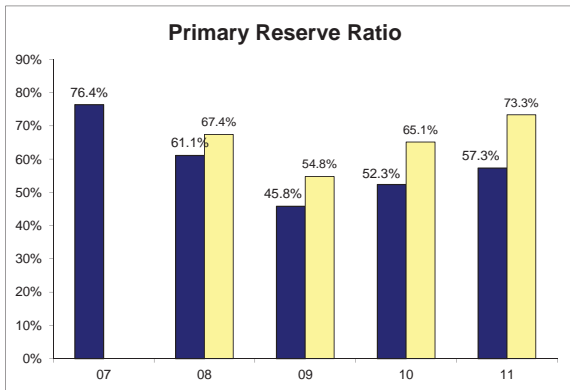
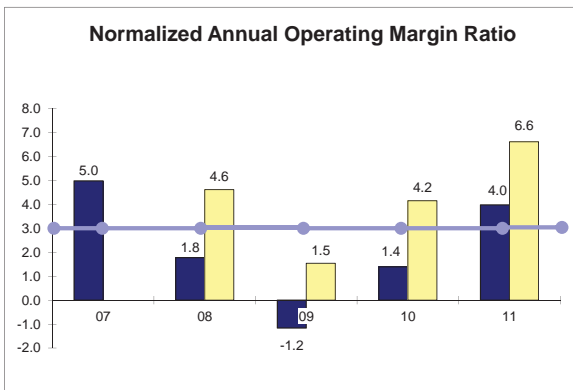
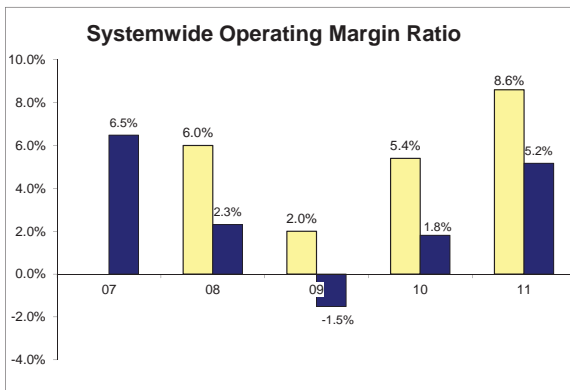
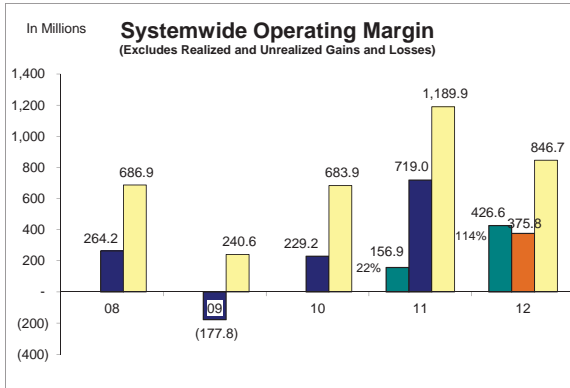
**KEY INDICATORS OF REVENUES  
ACTUAL 2008 THROUGH 2011  
PROJECTED 2012  
YEAR-TO-DATE 2011 AND 2012 FROM FEBRUARY MONTHLY FINANCIAL REPORT**



**KEY INDICATORS OF EXPENSES**  
**ACTUAL 2008 THROUGH 2011**  
**PROJECTED 2012**  
**YEAR-TO-DATE 2011 AND 2012 FROM FEBRUARY MONTHLY FINANCIAL REPORT**

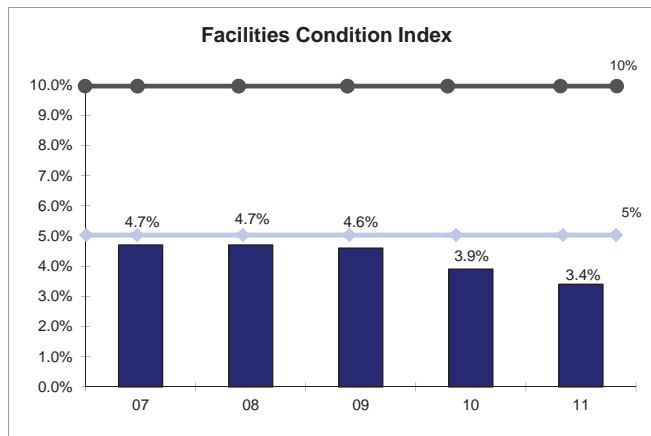
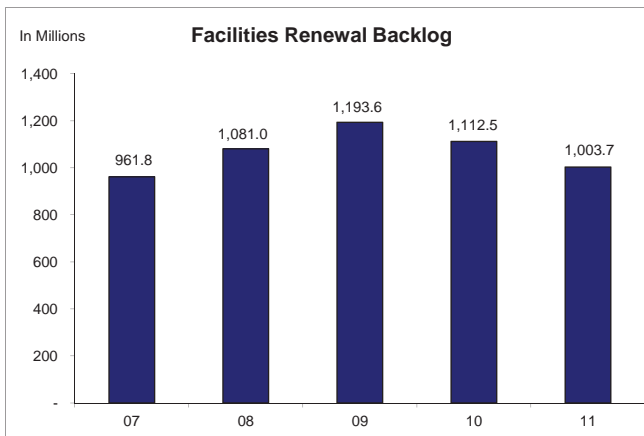
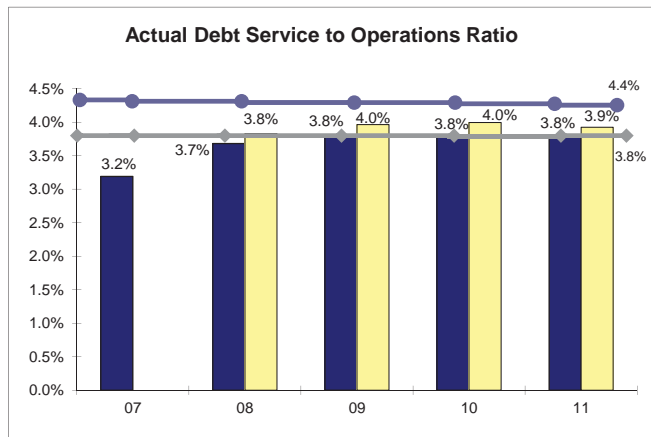
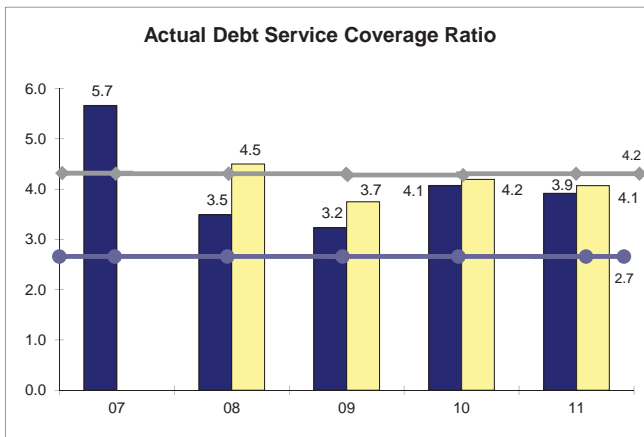
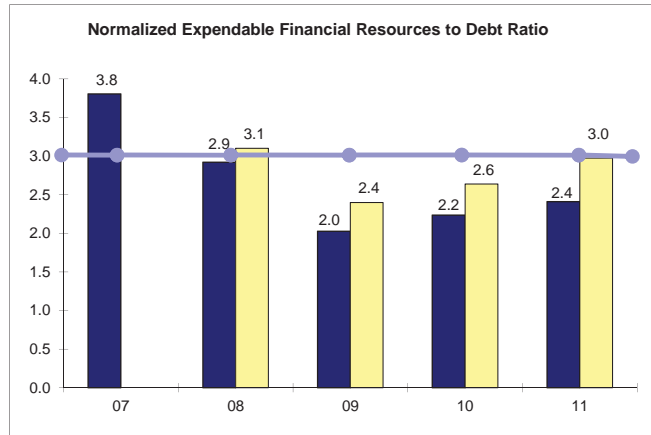
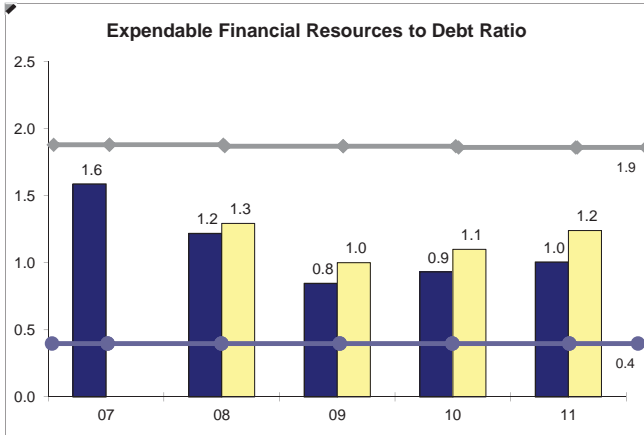


**KEY INDICATORS OF RESERVES**  
**ACTUAL 2007 THROUGH 2011**  
**PROJECTED 2012**  
**YEAR-TO-DATE 2011 AND 2012 FROM FEBRUARY MONTHLY FINANCIAL REPORT**

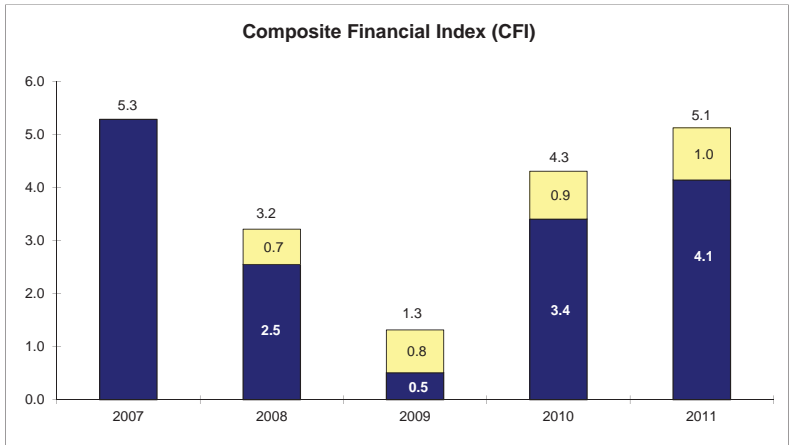




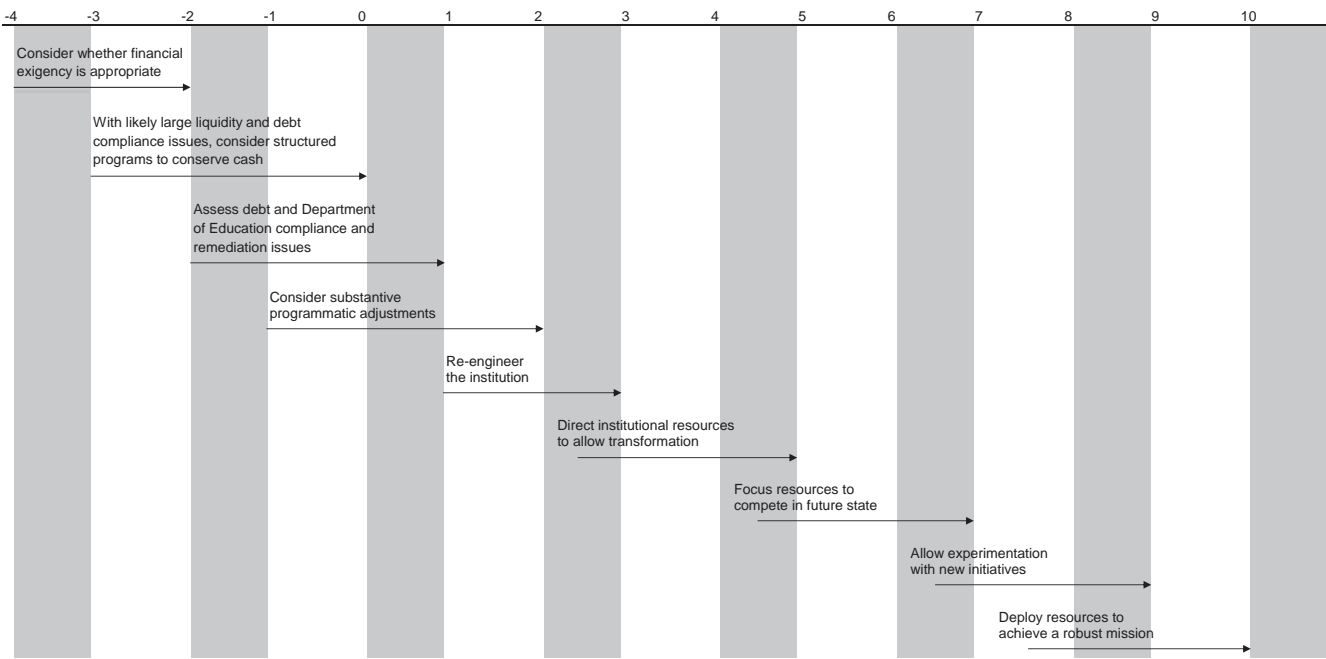
## KEY INDICATORS OF CAPITAL NEEDS AND CAPACITY 2007 THROUGH 2011



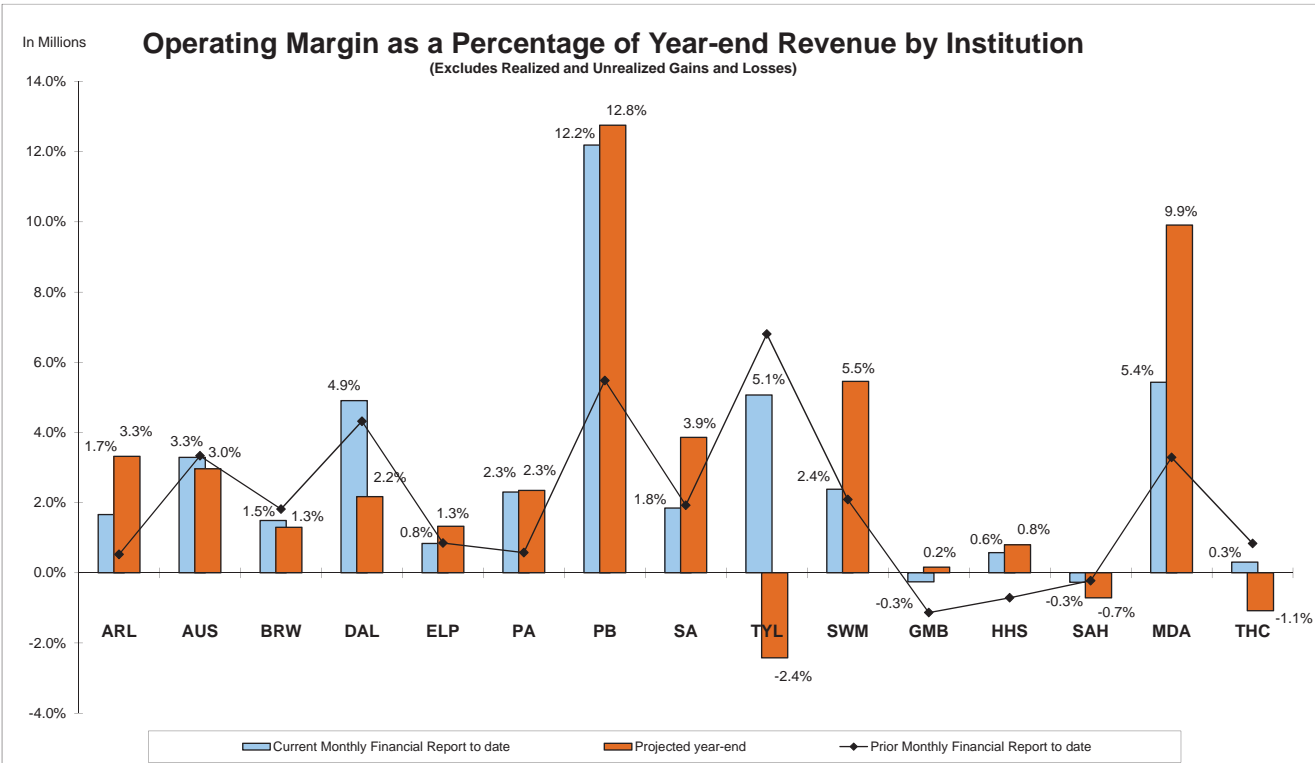
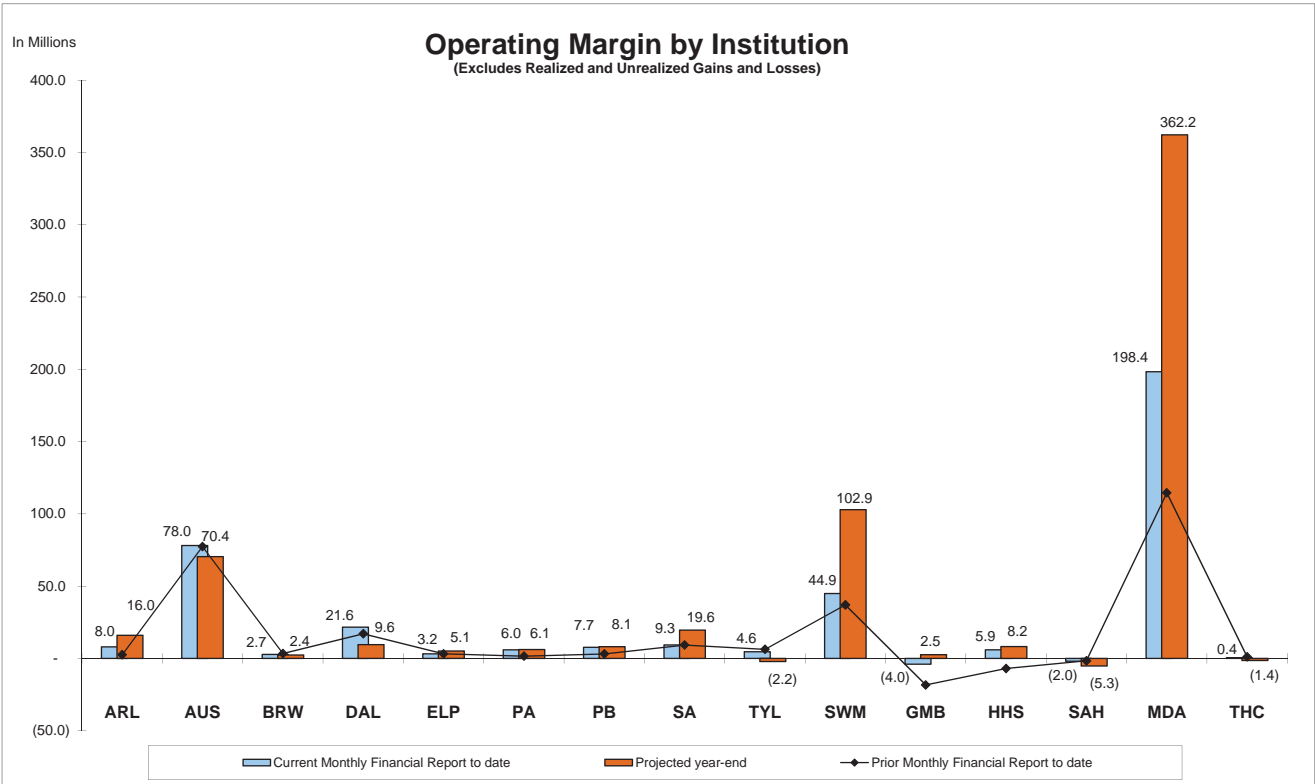
**KEY INDICATORS OF FINANCIAL HEALTH  
2007 THROUGH 2011**



**Scale for Charting CFI Performance**



**KEY INDICATORS OF RESERVES  
YEAR-TO-DATE 2011 AND 2012 FROM FEBRUARY MONTHLY FINANCIAL REPORT  
PROJECTED 2012 YEAR-END MARGIN**



THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER

---

MONTHLY FINANCIAL REPORT  
*(unaudited)*

MARCH 2012



---

201 Seventh Street, ASH 5<sup>th</sup> Floor  
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, 2012**

**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, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	832,360,876.18	770,785,802.14	61,575,074.04	8.0%
Sponsored Programs	1,621,496,385.09	1,666,568,221.11	(45,071,836.02)	-2.7%
Net Sales and Services of Educational Activities	329,594,516.31	351,873,774.16	(22,279,257.85)	-6.3%
Net Sales and Services of Hospitals	2,382,840,853.04	2,042,977,954.74	339,862,898.30	16.6%
Net Professional Fees	701,880,575.57	673,846,068.85	28,034,506.72	4.2%
Net Auxiliary Enterprises	288,906,475.60	267,332,974.23	21,573,501.37	8.1%
Other Operating Revenues	93,655,695.23	100,772,134.06	(7,116,438.83)	-7.1%
<b>Total Operating Revenues</b>	<b>6,250,735,377.02</b>	<b>5,874,156,929.29</b>	<b>376,578,447.73</b>	<b>6.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	3,731,335,224.09	3,628,275,858.82	103,059,365.27	2.8%
Payroll Related Costs	932,641,511.07	911,748,526.34	20,892,984.73	2.3%
Cost of Goods Sold	58,870,350.22	55,142,582.08	3,727,768.14	6.8%
Professional Fees and Services	192,143,343.29	189,700,957.78	2,442,385.51	1.3%
Other Contracted Services	324,004,000.81	291,346,893.24	32,657,107.57	11.2%
Travel	73,114,415.47	69,839,800.42	3,274,615.05	4.7%
Materials and Supplies	793,454,729.94	736,178,433.96	57,276,295.98	7.8%
Utilities	170,998,309.27	174,137,388.36	(3,139,079.09)	-1.8%
Communications	69,660,898.48	75,881,722.23	(6,220,823.75)	-8.2%
Repairs and Maintenance	140,464,863.59	142,226,202.53	(1,761,338.94)	-1.2%
Rentals and Leases	78,941,422.89	81,562,290.35	(2,620,867.46)	-3.2%
Printing and Reproduction	15,642,475.07	18,382,190.21	(2,739,715.14)	-14.9%
Bad Debt Expense	1,225,376.63	349,080.12	876,296.51	251.0%
Claims and Losses	7,782,483.28	7,365,896.42	416,586.86	5.7%
Increase in Net OPEB Obligation	274,685,210.33	265,263,724.83	9,421,485.50	3.6%
Scholarships and Fellowships	325,656,956.77	328,677,265.73	(3,020,308.96)	-0.9%
Depreciation and Amortization	576,442,424.09	492,799,792.76	83,642,631.33	17.0%
Federal Sponsored Program Pass-Through to Other State Agencies	14,256,536.98	15,027,078.09	(770,541.11)	-5.1%
State Sponsored Program Pass-Through to Other State Agencies	476,948.88	1,089,457.63	(612,508.75)	-56.2%
Other Operating Expenses	184,478,208.21	204,153,192.69	(19,674,984.48)	-9.6%
<b>Total Operating Expenses</b>	<b>7,966,275,689.36</b>	<b>7,689,148,334.59</b>	<b>277,127,354.77</b>	<b>3.6%</b>
<b>Operating Loss</b>	<b>(1,715,540,312.34)</b>	<b>(1,814,991,405.30)</b>	<b>99,451,092.96</b>	<b>5.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,109,518,440.65	1,119,834,905.70	(10,316,465.05)	-0.9%
Nonexchange Sponsored Programs	271,311,505.63	285,153,004.66	(13,841,499.03)	-4.9%
Gift Contributions for Operations	209,364,308.03	192,605,120.21	16,759,187.82	8.7%
Net Investment Income	750,672,191.13	830,711,361.83	(80,039,170.70)	-9.6%
Interest Expense on Capital Asset Financings	(161,204,589.80)	(155,421,152.38)	(5,783,437.42)	-3.7%
<b>Net Other Nonoperating Adjustments</b>	<b>2,179,661,855.64</b>	<b>2,272,883,240.02</b>	<b>(93,221,384.38)</b>	<b>-4.1%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>464,121,543.30</b>	<b>457,891,834.72</b>	<b>6,229,708.58</b>	<b>1.4%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>5.4%</b>	<b>5.5%</b>		
Investment Gain (Losses)	213,459,076.14	2,852,104,265.88	(2,638,645,189.74)	-92.5%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>677,580,619.44</b>	<b>3,309,996,100.60</b>	<b>(2,632,415,481.16)</b>	<b>-79.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>7.7%</b>	<b>29.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>1,040,563,967.39</b>	<b>950,691,627.48</b>	<b>89,872,339.91</b>	<b>9.5%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>12.1%</b>	<b>11.5%</b>		

**The University of Texas System  
Comparison of Adjusted Income (Loss)  
For the Seven Months Ending March 31, 2012**

	<u>Including Depreciation and Amortization Expense</u>			Variance	Fluctuation Percentage
	March Year-to-Date FY 2012	March Year-to-Date FY 2011			
	\$	\$			
UT System Administration	152,468,202.39	269,969,343.09	(117,501,140.70)	(1)	-43.5%
UT Arlington	8,263,101.76	2,402,862.01	5,860,239.75	(2)	243.9%
UT Austin	74,640,493.69	79,659,073.43	(5,018,579.74)		-6.3%
UT Brownsville	3,029,768.70	3,283,801.72	(254,033.02)		-7.7%
UT Dallas	15,175,295.44	7,339,636.17	7,835,659.27	(3)	106.8%
UT El Paso	3,675,878.48	5,325,317.50	(1,649,439.02)	(4)	-31.0%
UT Pan American	7,695,828.62	1,209,606.78	6,486,221.84	(5)	536.2%
UT Permian Basin	7,760,492.16	2,188,635.50	5,571,856.66	(6)	254.6%
UT San Antonio	9,397,854.33	11,076,778.80	(1,678,924.47)		-15.2%
UT Tyler	5,263,905.24	5,063,810.95	200,094.29	(7)	4.0%
UT Southwestern Medical Center	46,583,607.03	46,903,789.86	(320,182.83)		-0.7%
UT Medical Branch - Galveston	(3,978,924.40)	(18,670,408.61)	14,691,484.21	(8)	78.7%
UT Health Science Center - Houston	7,576,215.68	(1,774,465.34)	9,350,681.02	(9)	527.0%
UT Health Science Center - San Antonio	(859,727.45)	3,646,799.62	(4,506,527.07)	(10)	-123.6%
UT MD Anderson Cancer Center	231,227,199.08	141,187,286.39	90,039,912.69	(11)	63.8%
UT Health Science Center - Tyler	945,685.88	2,697,466.85	(1,751,780.97)	(12)	-64.9%
Elimination of AUF Transfer	(104,743,333.33)	(103,617,500.00)	(1,125,833.33)		-1.1%
Total Adjusted Income (Loss)	464,121,543.30	457,891,834.72	6,229,708.58		1.4%
Investment Gains (Losses)	213,459,076.14	2,852,104,265.88	(2,638,645,189.74)		-92.5%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b>\$ 677,580,619.44</b>	<b>\$ 3,309,996,100.60</b>	<b>\$ (2,632,415,481.16)</b>		<b>-79.5%</b>

	<u>Excluding Depreciation and Amortization Expense</u>			Variance	Fluctuation Percentage
	March Year-to-Date FY 2012	March Year-to-Date FY 2011			
	\$	\$			
UT System Administration	156,955,082.31	277,227,051.64	(120,271,969.33)		-43.4%
UT Arlington	28,481,200.60	19,734,448.09	8,746,752.51		44.3%
UT Austin	217,045,876.15	191,061,521.39	25,984,354.76		13.6%
UT Brownsville	7,603,570.86	6,629,940.65	973,630.21		14.7%
UT Dallas	37,088,893.07	26,019,719.50	11,069,173.57		42.5%
UT El Paso	18,036,712.36	16,293,828.81	1,742,883.55		10.7%
UT Pan American	15,912,877.01	9,512,036.12	6,400,840.89		67.3%
UT Permian Basin	14,505,613.09	5,458,984.56	9,046,628.53		165.7%
UT San Antonio	33,210,556.88	33,515,095.43	(304,538.55)		-0.9%
UT Tyler	11,872,676.11	11,415,491.62	457,184.49		4.0%
UT Southwestern Medical Center	105,440,001.42	97,575,845.72	7,864,155.70		8.1%
UT Medical Branch - Galveston	45,632,559.94	27,140,783.69	18,491,776.25		68.1%
UT Health Science Center - Houston	37,744,933.12	26,802,642.60	10,942,290.52		40.8%
UT Health Science Center - San Antonio	25,973,605.88	24,821,799.62	1,151,806.26		4.6%
UT MD Anderson Cancer Center	383,734,063.78	274,346,404.99	109,387,658.79		39.9%
UT Health Science Center - Tyler	6,069,078.14	6,753,533.05	(684,454.91)		-10.1%
Elimination of AUF Transfer	(104,743,333.33)	(103,617,500.00)	(1,125,833.33)		-1.1%
Total Adjusted Income (Loss)	1,040,563,967.39	950,691,627.48	89,872,339.91		9.5%
<b>Total Adjusted Income (Loss) Excluding Depreciation and Amortization</b>	<b>\$ 1,040,563,967.39</b>	<b>\$ 950,691,627.48</b>	<b>\$ 89,872,339.91</b>		<b>9.5%</b>



THE UNIVERSITY OF TEXAS SYSTEM  
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT  
For the Seven Months Ending March 31, 2012

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) UT System Administration - The \$117.5 million (43.5%) decrease in adjusted income over the same period last year was primarily due to a decrease in net other operating revenues and in net investment income related to decreased oil and gas lease bonus sales in 2012. The decrease in net other operating revenues is due to an increase in inpatient medical care utilization for *UT System's* self-insured medical/dental plan, the Affordable Care Act expanding the population of insured, and *UT System* offering twice the amount of basic and accidental death and dismemberment insurance to employees. Excluding depreciation and amortization expense, *UT System Administration's* adjusted income was \$157.0 million or 29.3%. Although *UT System Administration* is currently reporting a positive margin of \$152.5 million, they anticipate ending the year with a \$20.0 million positive margin, which represents 3.0% of projected revenues and includes an accrual of \$470.9 million for Other Post Employment Benefits (OPEB) expense for the entire System.
- (2) UT Arlington - The \$5.8 million (243.9%) increase in adjusted income over the same period last year was primarily attributable to an increase in tuition and fees due to increased enrollment and an increase in sales and services of educational activities due to an increase in the Executive MBA Program. Excluding depreciation and amortization expense, *UT Arlington's* adjusted income was \$28.5 million or 10.2%.
- (3) UT Dallas - The \$7.8 million (106.8%) increase in adjusted income over the same period last year was primarily due to an increase in tuition and fees as a result of increased student enrollment of 10.1% in the fall. Excluding depreciation and amortization expense, *UT Dallas'* adjusted income was \$37.1 million or 14.6%.
- (4) UT El Paso - The \$1.6 million (31%) decrease in adjusted income over the same period last year was primarily due to a decrease in state appropriations resulting from the state-wide budget cuts mandated by the state's leadership. Excluding depreciation and amortization expense, *UT El Paso's* adjusted income was \$18 million or 7.4%.
- (5) UT Pan American - The \$6.5 million (536.2%) increase in adjusted income over the same period last year was primarily due to decreases in the following: a decrease in salaries and wages and payroll related costs as a result of the reduction in force and voluntary separation incentive program during the first quarter of 2011; a decrease in other operating expenses related to decreased information technology administrative support and fewer project expenses in 2012; a reduction in repairs and maintenance due to the Board of Regents not requiring the institutions to pay for the Microsoft license fee in 2012; and a reduction in utilities due to lower electric rates as a result of a new contract and energy supplier. In addition, gift contributions for operations increased over the prior year. Excluding depreciation and amortization expense, *UT Pan American's* adjusted income was \$15.9 million or 9.2%.
- (6) UT Permian Basin - The \$5.6 million (254.6%) increase in adjusted income over the same period last year was primarily due to a \$6.9 million reduction in scholarships and fellowships expense to correct an overstatement of these expenses which occurred in 2011. The correction was identified by specialists hired by *UT System Administration* after the 2011 AFR was completed. Excluding depreciation and amortization expense, *UT Permian Basin's* adjusted income was \$14.5 million or 37.3%. Due to the correction of the overstated scholarships and fellowships expense, *UT Permian Basin* is no longer forecasting a year-end loss.
- (7) UT Tyler - The \$200,000 (4.0%) increase in adjusted income over the same period last year was primarily attributable to an increase in net auxiliary enterprises due to an increase in housing income with more students living on campus. Excluding depreciation and amortization expense, *UT Tyler's* adjusted income was \$11.9 million or 20.1%. Although *UT Tyler* is currently reporting a positive margin, they anticipate ending the year with a \$4.3 million loss which represents -4.8% of projected revenues and includes \$11.3 million of depreciation and amortization expense. The projected loss is the result of the absence of ARRA funding in 2012, fewer gift contributions for operations and a number of campus renovation projects that will likely be expensed. *UT Tyler's* use

of prior year balances was approved by *UT System Administration* for 2012 for one-time nonrecurring expenses.

- (8) *UT Medical Branch - Galveston* - The \$14.7 million (78.7%) decrease in adjusted loss over the same period last year was primarily due to a decrease in overall total operating expenses. The decreases in expenses are mainly associated with Correctional Managed Care, patient care costs, and hospital contracts. Although total operating expenses decreased \$19.5 million, *UTMB* still incurred a year-to-date loss of \$4.0 million primarily due to lower than anticipated net patient care revenue, as well as higher than expected Hurricane *Ike* related operating expenses with lower than anticipated reimbursements. *UTMB* has asked the Legislative Budget Board (LBB) to approve use of the \$150 million *Ike* appropriation to offset non-Federal Emergency Management Agency (FEMA) reimbursed operating expenses incurred in 2012. In December, the LBB approved the use of the \$6.3 million remaining balance in the Supplemental Appropriations Request (SAR) from the previous biennium to offset year-to-date Texas Department of Criminal Justice (TDCJ) contract losses. The LBB also authorized TDCJ to draw on 2013 appropriations to cover 2012 contract losses. *UTMB* has recognized the entire \$6.3 million remaining SAR and \$3.2 million from the 2013 spend-forward funding. The TDCJ contract reflects a year-to-date loss of \$0.4 million, which is attributable to depreciation not reimbursable through either the spend-forward funding or the SAR. *UTMB* is forecasting a year-end margin of \$19,000, which represents 0% of projected revenues and includes \$81.8 million of depreciation expense. If *UTMB* is unsuccessful in gaining access to the *Ike* funds to cover non-FEMA reimbursed expenses, *UTMB's* year-end forecast would be reduced. *UTMB* is closely monitoring financial performance and may adjust the year-end forecast as more information is available.
- (9) *UT Health Science Center - Houston* - The \$9.4 million (527%) increase in adjusted income over the same period last year was primarily due to the following: recognition of \$2.6 million in loan forgiveness related to UT Physicians' loan with Memorial Hermann Hospital System (MHH); a \$2.9 million increase in tuition and fees related to a 13% increase in nonresident students and rate increases; a \$0.8 million increase in the Hemophilia/Thrombophilia Pharmacy Program due to price increases, increase in commercial payors and increased usage; and a \$1.6 million increase in gift contributions for operations. Excluding depreciation and amortization expense, *UTHSC-Houston's* adjusted income was \$37.7 million or 6.4%.
- (10) *UT Health Science Center - San Antonio* - The \$4.5 million (123.6%) decrease in adjusted income over the same period last year was primarily due to a decrease in state appropriations resulting from the state-wide budget cuts mandated by the state's leadership. As a result, *UTHSC-San Antonio* incurred a year-to-date loss of \$860,000. Excluding depreciation and amortization expense, *UTHSC-San Antonio's* adjusted income was \$26 million or 6.2%. *UTHSC-San Antonio* anticipates ending the year with a \$3.8 million loss due to the reductions in state appropriations imposed by the state's leadership for the 2012-2013 biennium. The projected loss of \$3.8 million represents -0.5% of projected revenues and includes \$46 million of depreciation and amortization expense.
- (11) *UT MD Anderson Cancer Center* - The \$90 million (63.8%) increase in adjusted income over the same period last year was primarily due to an increase in net sales and services of hospitals as a result of increased inpatient and outpatient visits. Excluding depreciation and amortization expense, *MD Anderson's* adjusted income was \$383.7 million or 17.9%.
- (12) *UT Health Science Center - Tyler* - The \$1.7 million (64.9%) decrease in adjusted income over the same period last year was primarily due to a decrease in net sales and services of hospitals attributable to a 25% decrease in hospital admissions mainly in cardiology. Excluding depreciation and amortization expense, *UTHSC-Tyler's* adjusted income was \$6.1 million or 8.4%. Although *UTHSC-Tyler* is currently reporting a positive margin, they are forecasting a year-end loss of \$479,000 which represents -0.4% of projected revenues and includes \$8.8 million of depreciation and amortization expense. The projected loss is a result of the additional depreciation expense associated with the new Academic Center.

## 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, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Sponsored Programs	12,311,770.65	8,435,205.35	3,876,565.30	46.0%
Net Sales and Services of Educational Activities	31,319,426.30	22,191,647.77	9,127,778.53	41.1%
Other Operating Revenues	10,577,173.91	47,348,195.45	(36,771,021.54)	-77.7%
<b>Total Operating Revenues</b>	<b>54,208,370.86</b>	<b>77,975,048.57</b>	<b>(23,766,677.71)</b>	<b>-30.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	19,580,234.14	20,300,031.71	(719,797.57)	-3.5%
Payroll Related Costs	4,844,211.89	5,186,750.75	(342,538.86)	-6.6%
Professional Fees and Services	2,094,545.86	883,894.10	1,210,651.76	137.0%
Other Contracted Services	6,190,837.14	3,827,584.06	2,363,253.08	61.7%
Travel	692,712.10	802,591.49	(109,879.39)	-13.7%
Materials and Supplies	8,400,560.42	1,994,278.95	6,406,281.47	321.2%
Utilities	289,139.12	273,661.42	15,477.70	5.7%
Communications	2,945,873.92	2,855,204.49	90,669.43	3.2%
Repairs and Maintenance	6,392,250.89	609,276.36	5,782,974.53	949.2%
Rentals and Leases	488,718.56	621,498.90	(132,780.34)	-21.4%
Printing and Reproduction	115,147.67	154,636.99	(39,489.32)	-25.5%
Claims and Losses	7,782,423.28	7,365,896.42	416,526.86	5.7%
Increase in Net OPEB Obligation	274,685,210.33	265,263,724.83	9,421,485.50	3.6%
Scholarships and Fellowships	361,050.00	541,250.00	(180,200.00)	-33.3%
Depreciation and Amortization	4,486,879.92	7,257,708.55	(2,770,828.63)	-38.2%
State Sponsored Program Pass-Through to Other State Agencies	476,948.88	1,079,098.64	(602,149.76)	-55.8%
Other Operating Expenses	6,948,556.90	5,188,661.49	1,759,895.41	33.9%
<b>Total Operating Expenses</b>	<b>346,775,301.02</b>	<b>324,205,749.15</b>	<b>22,569,551.87</b>	<b>7.0%</b>
<b>Operating Loss</b>	<b>(292,566,930.16)</b>	<b>(246,230,700.58)</b>	<b>(46,336,229.58)</b>	<b>-18.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	842,858.60	989,672.15	(146,813.55)	-14.8%
Nonexchange Sponsored Programs	14,869,897.21	14,896,208.61	(26,311.40)	-0.2%
Gift Contributions for Operations	724,718.62	567,730.23	156,988.39	27.7%
Net Investment Income	446,179,506.79	514,806,711.84	(68,627,205.05)	-13.3%
Interest Expense on Capital Asset Financings	(36,613,535.00)	(34,153,146.08)	(2,460,388.92)	-7.2%
<b>Net Other Nonoperating Adjustments</b>	<b>426,003,446.22</b>	<b>497,107,176.75</b>	<b>(71,103,730.53)</b>	<b>-14.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>133,436,516.06</b>	<b>250,876,476.17</b>	<b>(117,439,960.11)</b>	<b>-46.8%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>25.8%</b>	<b>41.2%</b>		
Available University Fund Transfer	19,031,686.33	19,092,866.92	(61,180.59)	-0.3%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>152,468,202.39</b>	<b>269,969,343.09</b>	<b>(117,501,140.70)</b>	<b>-43.5%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>28.5%</b>	<b>43.0%</b>		
Investment Gain (Losses)	279,103,625.06	1,860,456,045.40	(1,581,352,420.34)	-85.0%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$431,571,827.45</b>	<b>\$2,130,425,388.49</b>	<b>(1,698,853,561.04)</b>	<b>-79.7%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>53.0%</b>	<b>85.6%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>156,955,082.31</b>	<b>277,227,051.64</b>	<b>(120,271,969.33)</b>	<b>-43.4%</b>
<b>Adjusted Margin % with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>29.3%</b>	<b>44.1%</b>		



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

UNAUDITED

The University of Texas at Arlington  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	108,126,948.09	94,535,538.40	13,591,409.69	14.4%
Sponsored Programs	42,958,755.11	41,002,883.92	1,955,871.19	4.8%
Net Sales and Services of Educational Activities	10,491,083.60	8,864,490.69	1,626,592.91	18.3%
Net Auxiliary Enterprises	16,599,407.05	15,353,659.86	1,245,747.19	8.1%
Other Operating Revenues	2,928,816.25	2,135,454.82	793,361.43	37.2%
<b>Total Operating Revenues</b>	<b>181,105,010.10</b>	<b>161,892,027.69</b>	<b>19,212,982.41</b>	<b>11.9%</b>
<b>Operating Expenses</b>				
Salaries and Wages	127,452,809.71	126,909,332.33	543,477.38	0.4%
Payroll Related Costs	30,457,957.47	29,960,138.51	497,818.96	1.7%
Cost of Goods Sold	5,862.13	180.00	5,682.13	3,156.7%
Professional Fees and Services	2,898,548.73	2,586,430.17	312,118.56	12.1%
Other Contracted Services	24,229,332.52	16,354,617.18	7,874,715.34	48.1%
Travel	3,629,021.44	3,322,847.99	306,173.45	9.2%
Materials and Supplies	14,453,127.64	13,996,821.02	456,306.62	3.3%
Utilities	5,512,514.09	6,770,594.34	(1,258,080.25)	-18.6%
Communications	4,137,124.95	4,505,320.25	(368,195.30)	-8.2%
Repairs and Maintenance	6,147,516.57	5,067,764.82	1,079,751.75	21.3%
Rentals and Leases	2,267,526.95	2,116,503.13	151,023.82	7.1%
Printing and Reproduction	1,238,301.83	1,587,011.21	(348,709.38)	-22.0%
Bad Debt Expense	70,161.35	41,118.70	29,042.65	70.6%
Scholarships and Fellowships	17,123,153.20	15,593,844.45	1,529,308.75	9.8%
Depreciation and Amortization	20,218,098.84	17,331,586.08	2,886,512.76	16.7%
Federal Sponsored Program Pass-Through to Other State Agencies	935,464.30	889,179.68	46,284.62	5.2%
State Sponsored Program Pass-Through to Other State Agencies	-	10,358.99	(10,358.99)	-100.0%
Other Operating Expenses	4,689,400.16	4,176,812.00	512,588.16	12.3%
<b>Total Operating Expenses</b>	<b>265,465,921.88</b>	<b>251,220,460.85</b>	<b>14,245,461.03</b>	<b>5.7%</b>
<b>Operating Loss</b>	<b>(84,360,911.78)</b>	<b>(89,328,433.16)</b>	<b>4,967,521.38</b>	<b>5.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	66,219,930.58	60,622,130.92	5,597,799.66	9.2%
Nonexchange Sponsored Programs	24,500,000.00	27,102,534.67	(2,602,534.67)	-9.6%
Gift Contributions for Operations	2,078,297.37	3,674,454.67	(1,596,157.30)	-43.4%
Net Investment Income	6,571,163.95	7,387,404.63	(816,240.68)	-11.0%
Interest Expense on Capital Asset Financings	(6,745,378.36)	(7,055,229.72)	309,851.36	4.4%
<b>Net Other Nonoperating Adjustments</b>	<b>92,624,013.54</b>	<b>91,731,295.17</b>	<b>892,718.37</b>	<b>1.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>8,263,101.76</b>	<b>2,402,862.01</b>	<b>5,860,239.75</b>	<b>243.9%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>2.9%</b>	<b>0.9%</b>		
Investment Gain (Losses)	(1,441,450.14)	24,371,416.80	(25,812,866.94)	-105.9%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>6,821,651.62</b>	<b>26,774,278.81</b>	<b>(19,952,627.19)</b>	<b>-74.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.4%</b>	<b>9.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>28,481,200.60</b>	<b>19,734,448.09</b>	<b>8,746,752.51</b>	<b>44.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>10.2%</b>	<b>7.6%</b>		

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

UNAUDITED

The University of Texas at Austin  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	282,916,666.67	265,416,666.67	17,500,000.00	6.6%
Sponsored Programs	306,421,846.21	328,226,133.91	(21,804,287.70)	-6.6%
Net Sales and Services of Educational Activities	222,969,824.82	221,650,589.11	1,319,235.71	0.6%
Net Auxiliary Enterprises	163,862,802.01	153,519,376.45	10,343,425.56	6.7%
Other Operating Revenues	4,056,537.48	3,722,014.28	334,523.20	9.0%
<b>Total Operating Revenues</b>	<b>980,227,677.19</b>	<b>972,534,780.42</b>	<b>7,692,896.77</b>	<b>0.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	642,639,720.53	651,350,524.30	(8,710,803.77)	-1.3%
Payroll Related Costs	159,260,513.25	156,435,262.22	2,825,251.03	1.8%
Professional Fees and Services	19,904,022.84	17,009,312.89	2,894,709.95	17.0%
Other Contracted Services	78,818,029.41	72,415,618.66	6,402,410.75	8.8%
Travel	25,999,971.12	24,308,843.42	1,691,127.70	7.0%
Materials and Supplies	75,110,683.71	81,852,407.26	(6,741,723.55)	-8.2%
Utilities	52,937,190.60	60,014,763.73	(7,077,573.13)	-11.8%
Communications	31,881,106.69	35,070,649.50	(3,189,542.81)	-9.1%
Repairs and Maintenance	30,389,783.56	34,464,230.59	(4,074,447.03)	-11.8%
Rentals and Leases	10,196,897.92	10,775,344.23	(578,446.31)	-5.4%
Printing and Reproduction	5,760,539.03	5,790,209.21	(29,670.18)	-0.5%
Bad Debt Expense	660,121.07	-	660,121.07	100.0%
Claims and Losses	60.00	-	60.00	100.0%
Scholarships and Fellowships	70,058,333.33	68,587,342.33	1,470,991.00	2.1%
Depreciation and Amortization	142,405,382.46	111,402,447.96	31,002,934.50	27.8%
Federal Sponsored Program Pass-Through to Other State Agencies	1,772,084.77	1,668,285.65	103,799.12	6.2%
Other Operating Expenses	48,972,441.19	48,566,854.83	405,586.36	0.8%
<b>Total Operating Expenses</b>	<b>1,396,766,881.48</b>	<b>1,379,712,096.78</b>	<b>17,054,784.70</b>	<b>1.2%</b>
<b>Operating Loss</b>	<b>(416,539,204.29)</b>	<b>(407,177,316.36)</b>	<b>(9,361,887.93)</b>	<b>-2.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	177,291,639.69	186,672,972.78	(9,381,333.09)	-5.0%
Nonexchange Sponsored Programs	38,773,368.62	34,895,244.88	3,878,123.74	11.1%
Gift Contributions for Operations	85,890,411.68	70,129,968.88	15,760,442.80	22.5%
Net Investment Income	111,655,290.67	118,774,323.21	(7,119,032.54)	-6.0%
Interest Expense on Capital Asset Financings	(27,174,346.01)	(27,253,619.96)	79,273.95	0.3%
<b>Net Other Nonoperating Adjustments</b>	<b>386,436,364.65</b>	<b>383,218,889.79</b>	<b>3,217,474.86</b>	<b>0.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(30,102,839.64)</b>	<b>(23,958,426.57)</b>	<b>(6,144,413.07)</b>	<b>-25.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-2.2%</b>	<b>-1.7%</b>		
Available University Fund Transfer	104,743,333.33	103,617,500.00	1,125,833.33	1.1%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>74,640,493.69</b>	<b>79,659,073.43</b>	<b>(5,018,579.74)</b>	<b>-6.3%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>5.0%</b>	<b>5.4%</b>		
Investment Gain (Losses)	(43,717,724.28)	338,716,335.66	(382,434,059.94)	-112.9%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$30,922,769.41</b>	<b>\$418,375,409.09</b>	<b>(387,452,639.68)</b>	<b>-92.6%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>2.1%</b>	<b>22.9%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>217,045,876.15</b>	<b>191,061,521.39</b>	<b>25,984,354.76</b>	<b>13.6%</b>
<b>Adjusted Margin % with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>14.5%</b>	<b>12.9%</b>		

## UNAUDITED

The University of Texas at Brownsville  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	14,355,162.27	12,885,773.84	1,469,388.43	11.4%
Sponsored Programs	46,906,348.23	51,829,695.98	(4,923,347.75)	-9.5%
Net Sales and Services of Educational Activities	1,460,193.91	1,410,828.33	49,365.58	3.5%
Net Auxiliary Enterprises	1,283,261.88	774,394.61	508,867.27	65.7%
Other Operating Revenues	6,021.36	61,054.35	(55,032.99)	-90.1%
<b>Total Operating Revenues</b>	<b>64,010,987.65</b>	<b>66,961,747.11</b>	<b>(2,950,759.46)</b>	<b>-4.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	40,564,084.04	43,199,634.27	(2,635,550.23)	-6.1%
Payroll Related Costs	11,148,413.05	11,700,066.40	(551,653.35)	-4.7%
Professional Fees and Services	271,704.69	259,536.31	12,168.38	4.7%
Other Contracted Services	696,365.14	561,700.43	134,664.71	24.0%
Travel	687,615.04	551,552.85	136,062.19	24.7%
Materials and Supplies	1,894,647.43	2,507,551.86	(612,904.43)	-24.4%
Utilities	2,228,013.31	2,113,990.65	114,022.66	5.4%
Communications	803,006.15	812,747.87	(9,741.72)	-1.2%
Repairs and Maintenance	1,177,975.63	1,241,030.97	(63,055.34)	-5.1%
Rentals and Leases	1,308,217.09	1,165,165.98	143,051.11	12.3%
Printing and Reproduction	151,199.34	181,604.72	(30,405.38)	-16.7%
Scholarships and Fellowships	47,322,203.95	50,224,362.78	(2,902,158.83)	-5.8%
Depreciation and Amortization	4,573,802.16	3,346,138.93	1,227,663.23	36.7%
Federal Sponsored Program Pass-Through to Other State Agencies	113,627.90	28,275.43	85,352.47	301.9%
Other Operating Expenses	3,341,723.37	3,380,838.78	(39,115.41)	-1.2%
<b>Total Operating Expenses</b>	<b>116,282,598.29</b>	<b>121,274,198.23</b>	<b>(4,991,599.94)</b>	<b>-4.1%</b>
<b>Operating Loss</b>	<b>(52,271,610.64)</b>	<b>(54,312,451.12)</b>	<b>2,040,840.48</b>	<b>3.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	21,200,925.08	22,635,752.94	(1,434,827.86)	-6.3%
Nonexchange Sponsored Programs	34,457,144.14	35,114,468.89	(657,324.75)	-1.9%
Gift Contributions for Operations	327,347.00	306,856.34	20,490.66	6.7%
Net Investment Income	781,929.02	744,985.64	36,943.38	5.0%
Interest Expense on Capital Asset Financings	(1,465,965.90)	(1,205,810.97)	(260,154.93)	-21.6%
<b>Net Other Nonoperating Adjustments</b>	<b>55,301,379.34</b>	<b>57,596,252.84</b>	<b>(2,294,873.50)</b>	<b>-4.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>3,029,768.70</b>	<b>3,283,801.72</b>	<b>(254,033.02)</b>	<b>-7.7%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>2.5%</b>	<b>2.6%</b>		
Investment Gain (Losses)	(201,882.61)	3,102,957.52	(3,304,840.13)	-106.5%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>2,827,886.09</b>	<b>6,386,759.24</b>	<b>(3,558,873.15)</b>	<b>-55.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.3%</b>	<b>5.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>7,603,570.86</b>	<b>6,629,940.65</b>	<b>973,630.21</b>	<b>14.7%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>6.3%</b>	<b>5.3%</b>		



## UNAUDITED

The University of Texas at Dallas  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	112,149,890.65	95,716,172.42	16,433,718.23	17.2%
Sponsored Programs	29,973,918.16	26,374,769.16	3,599,149.00	13.6%
Net Sales and Services of Educational Activities	3,733,417.37	9,142,477.74	(5,409,060.37)	-59.2%
Net Auxiliary Enterprises	7,892,819.34	4,986,486.50	2,906,332.84	58.3%
Other Operating Revenues	2,206,533.01	1,415,437.90	791,095.11	55.9%
<b>Total Operating Revenues</b>	<b>155,956,578.53</b>	<b>137,635,343.72</b>	<b>18,321,234.81</b>	<b>13.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	117,538,478.53	108,795,986.08	8,742,492.45	8.0%
Payroll Related Costs	24,682,823.98	24,336,615.19	346,208.79	1.4%
Professional Fees and Services	5,838,635.55	5,347,924.51	490,711.04	9.2%
Other Contracted Services	4,710,414.67	6,276,660.31	(1,566,245.64)	-25.0%
Travel	3,084,398.58	2,922,049.05	162,349.53	5.6%
Materials and Supplies	11,770,015.05	16,277,648.46	(4,507,633.41)	-27.7%
Utilities	4,871,241.49	5,258,242.86	(387,001.37)	-7.4%
Communications	235,522.55	823,962.66	(588,440.11)	-71.4%
Repairs and Maintenance	2,607,656.42	1,807,753.80	799,902.62	44.2%
Rentals and Leases	1,593,175.00	1,218,941.36	374,233.64	30.7%
Printing and Reproduction	942,008.97	825,869.09	116,139.88	14.1%
Scholarships and Fellowships	24,456,991.90	17,557,745.20	6,899,246.70	39.3%
Depreciation and Amortization	21,913,597.63	18,680,083.33	3,233,514.30	17.3%
Federal Sponsored Program Pass-Through to Other State Agencies	194,022.55	215,104.34	(21,081.79)	-9.8%
Other Operating Expenses	8,089,203.33	5,561,592.87	2,527,610.46	45.4%
<b>Total Operating Expenses</b>	<b>232,528,186.20</b>	<b>215,906,179.11</b>	<b>16,622,007.09</b>	<b>7.7%</b>
<b>Operating Loss</b>	<b>(76,571,607.67)</b>	<b>(78,270,835.39)</b>	<b>1,699,227.72</b>	<b>2.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	59,630,444.19	53,538,949.00	6,091,495.19	11.4%
Nonexchange Sponsored Programs	18,289,950.65	22,428,685.06	(4,138,734.41)	-18.5%
Gift Contributions for Operations	10,984,841.14	7,444,914.80	3,539,926.34	47.5%
Net Investment Income	9,213,791.14	8,490,754.00	723,037.14	8.5%
Interest Expense on Capital Asset Financings	(6,372,124.01)	(6,292,831.30)	(79,292.71)	-1.3%
<b>Net Other Nonoperating Adjustments</b>	<b>91,746,903.11</b>	<b>85,610,471.56</b>	<b>6,136,431.55</b>	<b>7.2%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>15,175,295.44</b>	<b>7,339,636.17</b>	<b>7,835,659.27</b>	<b>106.8%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>6.0%</b>	<b>3.2%</b>		
Investment Gain (Losses)	(3,423,745.47)	35,738,499.01	(39,162,244.48)	-109.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>11,751,549.97</b>	<b>43,078,135.18</b>	<b>(31,326,585.21)</b>	<b>-72.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>4.7%</b>	<b>16.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>37,088,893.07</b>	<b>26,019,719.50</b>	<b>11,069,173.57</b>	<b>42.5%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>14.6%</b>	<b>11.3%</b>		

## UNAUDITED

The University of Texas at El Paso  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	65,449,545.00	63,818,146.66	1,631,398.34	2.6%
Sponsored Programs	43,461,758.62	44,293,707.88	(831,949.26)	-1.9%
Net Sales and Services of Educational Activities	2,539,245.91	2,964,811.19	(425,565.28)	-14.4%
Net Auxiliary Enterprises	15,994,058.42	16,881,014.66	(886,956.24)	-5.3%
Other Operating Revenues	66,480.78	150,132.27	(83,651.49)	-55.7%
<b>Total Operating Revenues</b>	<b>127,511,088.73</b>	<b>128,107,812.66</b>	<b>(596,723.93)</b>	<b>-0.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	91,348,939.44	91,839,689.54	(490,750.10)	-0.5%
Payroll Related Costs	23,113,182.84	23,088,175.19	25,007.65	0.1%
Professional Fees and Services	802,114.67	601,755.11	200,359.56	33.3%
Other Contracted Services	11,766,601.98	10,220,455.61	1,546,146.37	15.1%
Travel	4,402,070.61	3,970,656.14	431,414.47	10.9%
Materials and Supplies	13,458,008.85	13,983,623.46	(525,614.61)	-3.8%
Utilities	3,976,757.50	3,752,585.99	224,171.51	6.0%
Communications	367,381.83	394,318.61	(26,936.78)	-6.8%
Repairs and Maintenance	2,303,340.96	2,939,093.91	(635,752.95)	-21.6%
Rentals and Leases	2,102,531.48	2,272,803.23	(170,271.75)	-7.5%
Printing and Reproduction	544,167.40	499,350.95	44,816.45	9.0%
Scholarships and Fellowships	62,448,964.42	64,678,077.73	(2,229,113.31)	-3.4%
Depreciation and Amortization	14,360,833.88	10,968,511.31	3,392,322.57	30.9%
Federal Sponsored Program Pass-Through to Other State Agencies	864,413.95	709,781.20	154,632.75	21.8%
Other Operating Expenses	3,747,399.24	3,535,850.27	211,548.97	6.0%
<b>Total Operating Expenses</b>	<b>235,606,709.05</b>	<b>233,454,728.25</b>	<b>2,151,980.80</b>	<b>0.9%</b>
<b>Operating Loss</b>	<b>(108,095,620.32)</b>	<b>(105,346,915.59)</b>	<b>(2,748,704.73)</b>	<b>-2.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	51,787,085.00	54,724,404.00	(2,937,319.00)	-5.4%
Nonexchange Sponsored Programs	47,894,920.40	48,633,254.53	(738,334.13)	-1.5%
Gift Contributions for Operations	9,479,525.12	4,612,114.95	4,867,410.17	105.5%
Net Investment Income	6,972,809.63	6,774,824.06	197,985.57	2.9%
Interest Expense on Capital Asset Financings	(4,362,841.35)	(4,072,364.45)	(290,476.90)	-7.1%
<b>Net Other Nonoperating Adjustments</b>	<b>111,771,498.80</b>	<b>110,672,233.09</b>	<b>1,099,265.71</b>	<b>1.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>3,675,878.48</b>	<b>5,325,317.50</b>	<b>(1,649,439.02)</b>	<b>-31.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.5%</b>	<b>2.2%</b>		
Investment Gain (Losses)	(2,053,241.34)	24,268,238.39	(26,321,479.73)	-108.5%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>1,622,637.14</b>	<b>29,593,555.89</b>	<b>(27,970,918.75)</b>	<b>-94.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>0.7%</b>	<b>11.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>18,036,712.36</b>	<b>16,293,828.81</b>	<b>1,742,883.55</b>	<b>10.7%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>7.4%</b>	<b>6.7%</b>		

## UNAUDITED

The University of Texas - Pan American  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	32,978,388.17	32,808,551.96	169,836.21	0.5%
Sponsored Programs	37,502,479.04	45,532,274.00	(8,029,794.96)	-17.6%
Net Sales and Services of Educational Activities	3,557,340.26	3,468,667.35	88,672.91	2.6%
Net Auxiliary Enterprises	5,602,878.67	5,248,244.24	354,634.43	6.8%
Other Operating Revenues	772,913.34	1,128,339.50	(355,426.16)	-31.5%
<b>Total Operating Revenues</b>	<b>80,413,999.48</b>	<b>88,186,077.05</b>	<b>(7,772,077.57)</b>	<b>-8.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	61,468,717.98	64,494,324.10	(3,025,606.12)	-4.7%
Payroll Related Costs	17,044,906.06	17,327,170.41	(282,264.35)	-1.6%
Cost of Goods Sold	333,193.47	305,970.08	27,223.39	8.9%
Professional Fees and Services	881,121.39	780,316.74	100,804.65	12.9%
Other Contracted Services	2,832,047.66	4,885,551.40	(2,053,503.74)	-42.0%
Travel	2,093,823.82	2,150,056.80	(56,232.98)	-2.6%
Materials and Supplies	7,374,241.82	6,874,219.01	500,022.81	7.3%
Utilities	2,992,973.67	3,204,173.83	(211,200.16)	-6.6%
Communications	568,082.44	285,685.34	282,397.10	98.8%
Repairs and Maintenance	1,918,258.81	2,257,930.30	(339,671.49)	-15.0%
Rentals and Leases	543,825.63	677,379.31	(133,553.68)	-19.7%
Printing and Reproduction	163,045.99	158,381.32	4,664.67	2.9%
Bad Debt Expense	53,047.12	69,460.96	(16,413.84)	-23.6%
Scholarships and Fellowships	54,255,336.38	61,754,122.78	(7,498,786.40)	-12.1%
Depreciation and Amortization	8,217,048.39	8,302,429.34	(85,380.95)	-1.0%
Federal Sponsored Program Pass-Through to Other State Agencies	119,495.54	137,061.43	(17,565.89)	-12.8%
Other Operating Expenses	1,739,043.94	2,461,487.95	(722,444.01)	-29.3%
<b>Total Operating Expenses</b>	<b>162,598,210.11</b>	<b>176,125,721.10</b>	<b>(13,527,510.99)</b>	<b>-7.7%</b>
<b>Operating Loss</b>	<b>(82,184,210.63)</b>	<b>(87,939,644.05)</b>	<b>5,755,433.42</b>	<b>6.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	41,180,041.58	41,379,868.15	(199,826.57)	-0.5%
Nonexchange Sponsored Programs	46,235,742.77	46,486,593.49	(250,850.72)	-0.5%
Gift Contributions for Operations	2,336,426.47	1,497,935.05	838,491.42	56.0%
Net Investment Income	2,333,358.54	2,112,005.47	221,353.07	10.5%
Interest Expense on Capital Asset Financings	(2,205,530.11)	(2,327,151.33)	121,621.22	5.2%
<b>Net Other Nonoperating Adjustments</b>	<b>89,880,039.25</b>	<b>89,149,250.83</b>	<b>730,788.42</b>	<b>0.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>7,695,828.62</b>	<b>1,209,606.78</b>	<b>6,486,221.84</b>	<b>536.2%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>4.5%</b>	<b>0.7%</b>		
Investment Gain (Losses)	(187,620.04)	6,061,561.17	(6,249,181.21)	-103.1%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>7,508,208.58</b>	<b>7,271,167.95</b>	<b>237,040.63</b>	<b>3.3%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>4.4%</b>	<b>3.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>15,912,877.01</b>	<b>9,512,036.12</b>	<b>6,400,840.89</b>	<b>67.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>9.2%</b>	<b>5.3%</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, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	10,184,883.47	8,878,258.75	1,306,624.72	14.7%
Sponsored Programs	922,162.40	2,128,125.39	(1,205,962.99)	-56.7%
Net Sales and Services of Educational Activities	23,894.38	236,097.34	(212,202.96)	-89.9%
Net Auxiliary Enterprises	3,332,647.00	2,417,433.88	915,213.12	37.9%
Other Operating Revenues	1,156,961.20	703,226.84	453,734.36	64.5%
<b>Total Operating Revenues</b>	<b>15,620,548.45</b>	<b>14,363,142.20</b>	<b>1,257,406.25</b>	<b>8.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	10,261,129.86	13,049,472.98	(2,788,343.12)	-21.4%
Payroll Related Costs	2,535,275.76	3,306,338.10	(771,062.34)	-23.3%
Professional Fees and Services	431,807.17	1,642,460.40	(1,210,653.23)	-73.7%
Other Contracted Services	2,421,587.50	941.00	2,420,646.50	257,241.9%
Travel	620,781.18	503,290.87	117,490.31	23.3%
Materials and Supplies	1,610,009.59	2,120,137.22	(510,127.63)	-24.1%
Utilities	1,450,127.02	1,385,249.47	64,877.55	4.7%
Communications	354,212.75	401,130.71	(46,917.96)	-11.7%
Repairs and Maintenance	419,383.47	459,917.28	(40,533.81)	-8.8%
Rentals and Leases	174,592.17	337,849.44	(163,257.27)	-48.3%
Printing and Reproduction	35,539.57	105,914.94	(70,375.37)	-66.4%
Bad Debt Expense	45,753.27	-	45,753.27	100.0%
Scholarships and Fellowships	383,083.72	4,790,406.72	(4,407,323.00)	-92.0%
Depreciation and Amortization	6,745,120.93	3,270,349.06	3,474,771.87	106.3%
Other Operating Expenses	601,881.94	385,649.53	216,232.41	56.1%
<b>Total Operating Expenses</b>	<b>28,090,285.90</b>	<b>31,759,107.72</b>	<b>(3,668,821.82)</b>	<b>-11.6%</b>
<b>Operating Loss</b>	<b>(12,469,737.45)</b>	<b>(17,395,965.52)</b>	<b>4,926,228.07</b>	<b>28.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	17,738,102.08	15,085,602.58	2,652,499.50	17.6%
Nonexchange Sponsored Programs	3,473,527.74	4,212,100.43	(738,572.69)	-17.5%
Gift Contributions for Operations	1,212,943.02	900,453.04	312,489.98	34.7%
Net Investment Income	893,135.92	1,493,465.06	(600,329.14)	-40.2%
Interest Expense on Capital Asset Financings	(3,087,479.15)	(2,107,020.09)	(980,459.06)	-46.5%
<b>Net Other Nonoperating Adjustments</b>	<b>20,230,229.61</b>	<b>19,584,601.02</b>	<b>645,628.59</b>	<b>3.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>7,760,492.16</b>	<b>2,188,635.50</b>	<b>5,571,856.66</b>	<b>254.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>19.9%</b>	<b>6.1%</b>		
Investment Gain (Losses)	(291,910.36)	3,394,760.87	(3,686,671.23)	-108.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>7,468,581.80</b>	<b>5,583,396.37</b>	<b>1,885,185.43</b>	<b>33.8%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>19.3%</b>	<b>14.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>14,505,613.09</b>	<b>5,458,984.56</b>	<b>9,046,628.53</b>	<b>165.7%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>37.3%</b>	<b>15.1%</b>		

## UNAUDITED

The University of Texas at San Antonio  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	117,911,789.86	112,124,526.83	5,787,263.03	5.2%
Sponsored Programs	45,792,348.58	41,564,148.79	4,228,199.79	10.2%
Net Sales and Services of Educational Activities	6,136,792.13	5,188,913.07	947,879.06	18.3%
Net Auxiliary Enterprises	18,311,696.92	15,153,638.46	3,158,058.46	20.8%
Other Operating Revenues	1,524,851.62	1,349,978.71	174,872.91	13.0%
<b>Total Operating Revenues</b>	<b>189,677,479.11</b>	<b>175,381,205.86</b>	<b>14,296,273.25</b>	<b>8.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	126,438,025.26	126,944,340.63	(506,315.37)	-0.4%
Payroll Related Costs	34,101,315.50	31,820,653.60	2,280,661.90	7.2%
Cost of Goods Sold	466,666.67	618,651.29	(151,984.62)	-24.6%
Professional Fees and Services	3,728,207.76	2,143,482.57	1,584,725.19	73.9%
Other Contracted Services	8,655,580.26	7,711,257.02	944,323.24	12.2%
Travel	6,107,743.52	4,337,015.87	1,770,727.65	40.8%
Materials and Supplies	18,055,646.34	15,833,618.13	2,222,028.21	14.0%
Utilities	6,767,527.67	6,577,302.08	190,225.59	2.9%
Communications	2,135,313.34	1,477,308.11	658,005.23	44.5%
Repairs and Maintenance	4,608,008.10	5,029,244.30	(421,236.20)	-8.4%
Rentals and Leases	2,909,841.04	2,075,557.87	834,283.17	40.2%
Printing and Reproduction	684,426.47	810,326.99	(125,900.52)	-15.5%
Bad Debt Expense	392,787.16	238,711.46	154,075.70	64.5%
Scholarships and Fellowships	31,592,949.69	24,566,280.98	7,026,668.71	28.6%
Depreciation and Amortization	23,812,702.55	22,438,316.63	1,374,385.92	6.1%
Federal Sponsored Program Pass-Through to Other State Agencies	1,567,144.08	1,833,277.26	(266,133.18)	-14.5%
Other Operating Expenses	7,709,224.37	8,518,509.02	(809,284.65)	-9.5%
<b>Total Operating Expenses</b>	<b>279,733,109.78</b>	<b>262,973,853.81</b>	<b>16,759,255.97</b>	<b>6.4%</b>
<b>Operating Loss</b>	<b>(90,055,630.67)</b>	<b>(87,592,647.95)</b>	<b>(2,462,982.72)</b>	<b>-2.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	65,023,614.43	65,405,328.44	(381,714.01)	-0.6%
Nonexchange Sponsored Programs	32,482,339.03	34,219,665.36	(1,737,326.33)	-5.1%
Gift Contributions for Operations	3,612,685.39	3,208,333.33	404,352.06	12.6%
Net Investment Income	7,300,994.39	5,159,262.00	2,141,732.39	41.5%
Interest Expense on Capital Asset Financings	(8,966,148.24)	(9,323,162.38)	357,014.14	3.8%
<b>Net Other Nonoperating Adjustments</b>	<b>99,453,485.00</b>	<b>98,669,426.75</b>	<b>784,058.25</b>	<b>0.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>9,397,854.33</b>	<b>11,076,778.80</b>	<b>(1,678,924.47)</b>	<b>-15.2%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>3.2%</b>	<b>3.9%</b>		
Investment Gain (Losses)	10,489,134.70	23,839,212.42	(13,350,077.72)	-56.0%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>19,886,989.03</b>	<b>34,915,991.22</b>	<b>(15,029,002.19)</b>	<b>-43.0%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>6.4%</b>	<b>11.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>33,210,556.88</b>	<b>33,515,095.43</b>	<b>(304,538.55)</b>	<b>-0.9%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>11.1%</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, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	15,017,055.67	15,050,000.00	(32,944.33)	-0.2%
Sponsored Programs	7,636,550.01	7,650,013.88	(13,463.87)	-0.2%
Net Sales and Services of Educational Activities	1,866,823.09	1,654,810.59	212,012.50	12.8%
Net Auxiliary Enterprises	3,996,379.92	3,290,794.71	705,585.21	21.4%
Other Operating Revenues	224,770.01	73,579.66	151,190.35	205.5%
<b>Total Operating Revenues</b>	<b>28,741,578.70</b>	<b>27,719,198.84</b>	<b>1,022,379.86</b>	<b>3.7%</b>
<b>Operating Expenses</b>				
Salaries and Wages	24,045,736.88	22,612,264.38	1,433,472.50	6.3%
Payroll Related Costs	6,550,330.52	6,192,192.40	358,138.12	5.8%
Cost of Goods Sold	17,362.18	19,801.94	(2,439.76)	-12.3%
Professional Fees and Services	775,374.89	1,207,424.31	(432,049.42)	-35.8%
Other Contracted Services	3,004,984.45	2,809,987.83	194,996.62	6.9%
Travel	971,471.09	792,269.85	179,201.24	22.6%
Materials and Supplies	1,918,333.35	2,404,833.32	(486,499.97)	-20.2%
Utilities	922,252.98	1,122,433.77	(200,180.79)	-17.8%
Communications	525,713.10	663,748.08	(138,034.98)	-20.8%
Repairs and Maintenance	799,722.85	754,440.59	45,282.26	6.0%
Rentals and Leases	201,510.86	170,331.52	31,179.34	18.3%
Printing and Reproduction	425,300.44	387,241.91	38,058.53	9.8%
Scholarships and Fellowships	3,301,692.28	3,908,333.00	(606,640.72)	-15.5%
Depreciation and Amortization	6,608,770.87	6,351,680.67	257,090.20	4.0%
Federal Sponsored Program Pass-Through to Other State Agencies	-	25,435.52	(25,435.52)	-100.0%
Other Operating Expenses	1,307,765.97	1,301,268.78	6,497.19	0.5%
<b>Total Operating Expenses</b>	<b>51,376,322.71</b>	<b>50,723,687.87</b>	<b>652,634.84</b>	<b>1.3%</b>
<b>Operating Loss</b>	<b>(22,634,744.01)</b>	<b>(23,004,489.03)</b>	<b>369,745.02</b>	<b>1.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	18,446,874.37	18,770,944.41	(324,070.04)	-1.7%
Nonexchange Sponsored Programs	8,492,550.01	8,405,377.28	87,172.73	1.0%
Gift Contributions for Operations	472,933.95	593,739.51	(120,805.56)	-20.3%
Net Investment Income	2,777,029.72	2,672,158.58	104,871.14	3.9%
Interest Expense on Capital Asset Financings	(2,290,738.80)	(2,373,919.80)	83,181.00	3.5%
<b>Net Other Nonoperating Adjustments</b>	<b>27,898,649.25</b>	<b>28,068,299.98</b>	<b>(169,650.73)</b>	<b>-0.6%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>5,263,905.24</b>	<b>5,063,810.95</b>	<b>200,094.29</b>	<b>4.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>8.9%</b>	<b>8.7%</b>		
Investment Gain (Losses)	(1,145,341.58)	10,595,832.08	(11,741,173.66)	-110.8%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>4,118,563.66</b>	<b>15,659,643.03</b>	<b>(11,541,079.37)</b>	<b>-73.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>7.1%</b>	<b>22.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>11,872,676.11</b>	<b>11,415,491.62</b>	<b>457,184.49</b>	<b>4.0%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>20.1%</b>	<b>19.6%</b>		

## UNAUDITED

The University of Texas Southwestern Medical Center  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	9,839,000.37	13,425,126.92	(3,586,126.55)	-26.7%
Sponsored Programs	277,842,521.69	276,369,638.46	1,472,883.23	0.5%
Net Sales and Services of Educational Activities	7,021,839.69	12,847,959.98	(5,826,120.29)	-45.3%
Net Sales and Services of Hospitals	383,717,050.83	302,691,670.45	81,025,380.38	26.8%
Net Professional Fees	233,213,929.93	235,856,943.84	(2,643,013.91)	-1.1%
Net Auxiliary Enterprises	10,325,434.47	10,092,749.24	232,685.23	2.3%
Other Operating Revenues	11,874,440.82	4,139,545.56	7,734,895.26	186.9%
<b>Total Operating Revenues</b>	<b>933,834,217.80</b>	<b>855,423,634.45</b>	<b>78,410,583.35</b>	<b>9.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	558,012,051.25	517,632,376.98	40,379,674.27	7.8%
Payroll Related Costs	117,043,395.73	118,281,707.00	(1,238,311.27)	-1.0%
Cost of Goods Sold	1,350,095.93	1,333,944.47	16,151.46	1.2%
Professional Fees and Services	20,081,634.68	16,630,990.74	3,450,643.94	20.7%
Other Contracted Services	57,395,487.93	43,374,550.70	14,020,937.23	32.3%
Travel	5,152,417.13	5,180,876.86	(28,459.73)	-0.5%
Materials and Supplies	143,989,777.34	123,928,769.76	20,061,007.58	16.2%
Utilities	17,973,935.08	19,459,727.38	(1,485,792.30)	-7.6%
Communications	2,696,078.24	4,572,122.11	(1,876,043.87)	-41.0%
Repairs and Maintenance	6,951,290.27	9,581,181.16	(2,629,890.89)	-27.4%
Rentals and Leases	3,572,604.86	3,386,582.01	186,022.85	5.5%
Printing and Reproduction	413,957.89	1,731,618.12	(1,317,660.23)	-76.1%
Scholarships and Fellowships	421,874.83	5,437,197.94	(5,015,323.11)	-92.2%
Depreciation and Amortization	58,856,394.39	50,672,055.86	8,184,338.53	16.2%
Federal Sponsored Program Pass-Through to Other State Agencies	459,395.31	850,062.86	(390,667.55)	-46.0%
Other Operating Expenses	21,947,742.69	33,594,359.17	(11,646,616.48)	-34.7%
<b>Total Operating Expenses</b>	<b>1,016,318,133.55</b>	<b>955,648,123.12</b>	<b>60,670,010.43</b>	<b>6.3%</b>
<b>Operating Loss</b>	<b>(82,483,915.75)</b>	<b>(100,224,488.67)</b>	<b>17,740,572.92</b>	<b>17.7%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	91,851,080.58	96,393,602.82	(4,542,522.24)	-4.7%
Nonexchange Sponsored Programs	26,405.00	2,380,955.33	(2,354,550.33)	-98.9%
Gift Contributions for Operations	11,679,611.63	14,990,869.87	(3,311,258.24)	-22.1%
Net Investment Income	46,566,037.84	51,066,215.98	(4,500,178.14)	-8.8%
Interest Expense on Capital Asset Financings	(21,055,612.27)	(17,703,365.47)	(3,352,246.80)	-18.9%
<b>Net Other Nonoperating Adjustments</b>	<b>129,067,522.78</b>	<b>147,128,278.53</b>	<b>(18,060,755.75)</b>	<b>-12.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>46,583,607.03</b>	<b>46,903,789.86</b>	<b>(320,182.83)</b>	<b>-0.7%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>4.3%</b>	<b>4.6%</b>		
Investment Gain (Losses)	(15,291,448.51)	159,393,942.42	(174,685,390.93)	-109.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>31,292,158.52</b>	<b>206,297,732.28</b>	<b>(175,005,573.76)</b>	<b>-84.8%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.9%</b>	<b>17.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>105,440,001.42</b>	<b>97,575,845.72</b>	<b>7,864,155.70</b>	<b>8.1%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>9.7%</b>	<b>9.6%</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, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	18,875,889.31	16,657,277.11	2,218,612.20	13.3%
Sponsored Programs	133,671,963.86	161,767,017.59	(28,095,053.73)	-17.4%
Net Sales and Services of Educational Activities	8,667,535.89	10,077,041.29	(1,409,505.40)	-14.0%
Net Sales and Services of Hospitals	435,339,406.34	415,942,576.47	19,396,829.87	4.7%
Net Professional Fees	77,268,341.44	75,237,351.38	2,030,990.06	2.7%
Net Auxiliary Enterprises	3,871,906.62	3,960,913.76	(89,007.14)	-2.2%
Other Operating Revenues	6,612,430.43	(8,451,075.52)	15,063,505.95	178.2%
<b>Total Operating Revenues</b>	<b>684,307,473.89</b>	<b>675,191,102.08</b>	<b>9,116,371.81</b>	<b>1.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	457,878,978.45	462,689,833.22	(4,810,854.77)	-1.0%
Payroll Related Costs	118,386,228.64	118,875,355.56	(489,126.92)	-0.4%
Cost of Goods Sold	37,834,752.61	38,098,552.95	(263,800.34)	-0.7%
Professional Fees and Services	21,454,249.68	25,615,955.40	(4,161,705.72)	-16.2%
Other Contracted Services	42,418,177.72	45,590,322.75	(3,172,145.03)	-7.0%
Travel	3,423,163.58	3,664,843.97	(241,680.39)	-6.6%
Materials and Supplies	70,494,768.43	72,227,756.70	(1,732,988.27)	-2.4%
Utilities	18,055,847.56	16,154,465.81	1,901,381.75	11.8%
Communications	7,547,387.12	8,884,582.36	(1,337,195.24)	-15.1%
Repairs and Maintenance	21,867,857.31	23,504,644.67	(1,636,787.36)	-7.0%
Rentals and Leases	13,688,210.71	12,803,005.63	885,205.08	6.9%
Printing and Reproduction	752,473.95	914,589.51	(162,115.56)	-17.7%
Bad Debt Expense	-	(211.00)	211.00	100.0%
Scholarships and Fellowships	4,663,246.66	3,776,913.95	886,332.71	23.5%
Depreciation and Amortization	49,611,484.34	45,811,192.30	3,800,292.04	8.3%
Federal Sponsored Program Pass-Through to Other State Agencies	1,595,497.78	2,212,480.53	(616,982.75)	-27.9%
Other Operating Expenses	19,198,371.78	27,560,054.87	(8,361,683.09)	-30.3%
<b>Total Operating Expenses</b>	<b>888,870,696.32</b>	<b>908,384,339.18</b>	<b>(19,513,642.86)</b>	<b>-2.1%</b>
<b>Operating Loss</b>	<b>(204,563,222.43)</b>	<b>(233,193,237.10)</b>	<b>28,630,014.67</b>	<b>12.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	181,740,638.69	194,523,307.41	(12,782,668.72)	-6.6%
Nonexchange Sponsored Programs	401,375.25	600,341.53	(198,966.28)	-33.1%
Gift Contributions for Operations	5,092,807.72	5,991,497.94	(898,690.22)	-15.0%
Net Investment Income	17,892,446.16	18,217,230.83	(324,784.67)	-1.8%
Interest Expense on Capital Asset Financings	(4,542,969.79)	(4,809,549.22)	266,579.43	5.5%
<b>Net Other Nonoperating Adjustments</b>	<b>200,584,298.03</b>	<b>214,522,828.49</b>	<b>(13,938,530.46)</b>	<b>-6.5%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(3,978,924.40)</b>	<b>(18,670,408.61)</b>	<b>14,691,484.21</b>	<b>78.7%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-0.4%</b>	<b>-2.1%</b>		
Investment Gain (Losses)	(5,372,204.31)	60,253,276.28	(65,625,480.59)	-108.9%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(9,351,128.71)</b>	<b>41,582,867.67</b>	<b>(50,933,996.38)</b>	<b>-122.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-1.1%</b>	<b>4.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>45,632,559.94</b>	<b>27,140,783.69</b>	<b>18,491,776.25</b>	<b>68.1%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>5.1%</b>	<b>3.0%</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, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	24,354,908.51	21,408,809.55	2,946,098.96	13.8%
Sponsored Programs	261,483,738.21	261,762,012.36	(278,274.15)	-0.1%
Net Sales and Services of Educational Activities	15,118,843.52	27,709,510.04	(12,590,666.52)	-45.4%
Net Sales and Services of Hospitals	39,857,633.66	21,528,102.05	18,329,531.61	85.1%
Net Professional Fees	91,263,929.02	83,940,818.93	7,323,110.09	8.7%
Net Auxiliary Enterprises	13,127,754.64	13,371,370.43	(243,615.79)	-1.8%
Other Operating Revenues	9,356,902.78	6,106,484.28	3,250,418.50	53.2%
<b>Total Operating Revenues</b>	<b>454,563,710.34</b>	<b>435,827,107.64</b>	<b>18,736,602.70</b>	<b>4.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	318,806,087.24	303,972,463.66	14,833,623.58	4.9%
Payroll Related Costs	70,192,309.07	66,944,536.07	3,247,773.00	4.9%
Cost of Goods Sold	15,366,908.32	11,532,886.68	3,834,021.64	33.2%
Professional Fees and Services	23,634,196.81	29,499,636.11	(5,865,439.30)	-19.9%
Other Contracted Services	28,159,569.69	25,931,625.26	2,227,944.43	8.6%
Travel	3,991,694.30	4,245,329.73	(253,635.43)	-6.0%
Materials and Supplies	26,213,781.27	27,283,023.30	(1,069,242.03)	-3.9%
Utilities	10,227,084.91	9,924,413.49	302,671.42	3.0%
Communications	2,095,626.46	2,316,673.61	(221,047.15)	-9.5%
Repairs and Maintenance	4,171,703.07	5,487,256.71	(1,315,553.64)	-24.0%
Rentals and Leases	11,943,856.79	12,335,435.00	(391,578.21)	-3.2%
Printing and Reproduction	2,735,969.38	3,813,606.06	(1,077,636.68)	-28.3%
Bad Debt Expense	3,506.66	-	3,506.66	100.0%
Scholarships and Fellowships	3,216,844.69	3,088,185.68	128,659.01	4.2%
Depreciation and Amortization	30,168,717.44	28,577,107.94	1,591,609.50	5.6%
Federal Sponsored Program Pass-Through to Other State Agencies	4,404,482.25	4,944,537.61	(540,055.36)	-10.9%
Other Operating Expenses	16,843,173.32	18,746,200.83	(1,903,027.51)	-10.2%
<b>Total Operating Expenses</b>	<b>572,175,511.67</b>	<b>558,642,917.74</b>	<b>13,532,593.93</b>	<b>2.4%</b>
<b>Operating Loss</b>	<b>(117,611,801.33)</b>	<b>(122,815,810.10)</b>	<b>5,204,008.77</b>	<b>4.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	102,077,263.76	93,642,071.00	8,435,192.76	9.0%
Nonexchange Sponsored Programs	330,973.14	5,013,294.27	(4,682,321.13)	-93.4%
Gift Contributions for Operations	13,369,580.14	11,824,018.80	1,545,561.34	13.1%
Net Investment Income	15,532,929.17	16,961,295.31	(1,428,366.14)	-8.4%
Interest Expense on Capital Asset Financings	(6,122,729.20)	(6,399,334.62)	276,605.42	4.3%
<b>Net Other Nonoperating Adjustments</b>	<b>125,188,017.01</b>	<b>121,041,344.76</b>	<b>4,146,672.25</b>	<b>3.4%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>7,576,215.68</b>	<b>(1,774,465.34)</b>	<b>9,350,681.02</b>	<b>527.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.3%</b>	<b>-0.3%</b>		
Investment Gain (Losses)	(2,271,071.36)	50,706,308.31	(52,977,379.67)	-104.5%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>5,305,144.32</b>	<b>48,931,842.97</b>	<b>(43,626,698.65)</b>	<b>-89.2%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>0.9%</b>	<b>8.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>37,744,933.12</b>	<b>26,802,642.60</b>	<b>10,942,290.52</b>	<b>40.8%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>6.4%</b>	<b>4.8%</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, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	19,218,213.00	17,228,305.50	1,989,907.50	11.6%
Sponsored Programs	167,489,466.59	161,531,020.96	5,958,445.63	3.7%
Net Sales and Services of Educational Activities	12,171,481.81	22,755,386.31	(10,583,904.50)	-46.5%
Net Professional Fees	88,038,243.93	81,143,167.48	6,895,076.45	8.5%
Net Auxiliary Enterprises	3,520,239.39	3,039,573.36	480,666.03	15.8%
Other Operating Revenues	6,093,895.53	6,881,171.43	(787,275.90)	-11.4%
<b>Total Operating Revenues</b>	<b>296,531,540.25</b>	<b>292,578,625.04</b>	<b>3,952,915.21</b>	<b>1.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	226,889,691.87	226,597,722.51	291,969.36	0.1%
Payroll Related Costs	60,595,195.54	60,434,116.80	161,078.74	0.3%
Professional Fees and Services	9,764,911.08	7,689,189.35	2,075,721.73	27.0%
Other Contracted Services	10,006,741.54	14,270,002.30	(4,263,260.76)	-29.9%
Travel	2,947,418.13	2,865,573.85	81,844.28	2.9%
Materials and Supplies	26,242,692.66	24,864,412.26	1,378,280.40	5.5%
Utilities	11,103,824.67	9,507,638.00	1,596,186.67	16.8%
Communications	7,161,651.82	7,119,939.15	41,712.67	0.6%
Repairs and Maintenance	2,568,067.71	2,830,593.40	(262,525.69)	-9.3%
Rentals and Leases	3,370,649.90	3,578,559.94	(207,910.04)	-5.8%
Printing and Reproduction	1,295,119.47	1,107,970.56	187,148.91	16.9%
Scholarships and Fellowships	3,498,481.22	3,317,221.49	181,259.73	5.5%
Depreciation and Amortization	26,833,333.33	21,175,000.00	5,658,333.33	26.7%
Federal Sponsored Program Pass-Through to Other State Agencies	1,020,833.33	875,000.00	145,833.33	16.7%
Other Operating Expenses	21,703,304.34	24,913,528.56	(3,210,224.22)	-12.9%
<b>Total Operating Expenses</b>	<b>415,001,916.61</b>	<b>411,146,468.17</b>	<b>3,855,448.44</b>	<b>0.9%</b>
<b>Operating Loss</b>	<b>(118,470,376.36)</b>	<b>(118,567,843.13)</b>	<b>97,466.77</b>	<b>0.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	94,098,662.00	100,359,893.33	(6,261,231.33)	-6.2%
Nonexchange Sponsored Programs	729,166.67	583,333.33	145,833.34	25.0%
Gift Contributions for Operations	9,880,208.69	8,713,922.28	1,166,286.41	13.4%
Net Investment Income	18,948,661.07	18,243,845.67	704,815.40	3.9%
Interest Expense on Capital Asset Financings	(6,046,049.52)	(5,686,351.86)	(359,697.66)	-6.3%
<b>Net Other Nonoperating Adjustments</b>	<b>117,610,648.91</b>	<b>122,214,642.75</b>	<b>(4,603,993.84)</b>	<b>-3.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(859,727.45)</b>	<b>3,646,799.62</b>	<b>(4,506,527.07)</b>	<b>-123.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-0.2%</b>	<b>0.9%</b>		
Investment Gain (Losses)	(6,688,479.25)	62,440,180.05	(69,128,659.30)	-110.7%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(7,548,206.70)</b>	<b>66,086,979.67</b>	<b>(73,635,186.37)</b>	<b>-111.4%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-1.8%</b>	<b>13.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>25,973,605.88</b>	<b>24,821,799.62</b>	<b>1,151,806.26</b>	<b>4.6%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>6.2%</b>	<b>5.9%</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, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	982,535.14	832,647.53	149,887.61	18.0%
Sponsored Programs	199,323,989.79	199,413,663.65	(89,673.86)	-
Net Sales and Services of Educational Activities	1,499,230.50	920,500.95	578,729.55	62.9%
Net Sales and Services of Hospitals	1,497,871,889.44	1,272,128,488.26	225,743,401.18	17.7%
Net Professional Fees	205,424,031.67	190,963,047.04	14,460,984.63	7.6%
Net Auxiliary Enterprises	21,097,060.20	19,111,912.39	1,985,147.81	10.4%
Other Operating Revenues	35,346,833.32	33,693,438.06	1,653,395.26	4.9%
<b>Total Operating Revenues</b>	<b>1,961,545,570.06</b>	<b>1,717,063,697.88</b>	<b>244,481,872.18</b>	<b>14.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	875,760,532.05	816,156,195.08	59,604,336.97	7.3%
Payroll Related Costs	242,294,478.57	228,339,925.43	13,954,553.14	6.1%
Cost of Goods Sold	3,451,198.29	3,213,155.25	238,043.04	7.4%
Professional Fees and Services	75,513,272.78	73,513,549.41	1,999,723.37	2.7%
Other Contracted Services	39,263,695.92	32,684,627.34	6,579,068.58	20.1%
Travel	9,015,620.08	9,924,762.28	(909,142.20)	-9.2%
Materials and Supplies	364,350,805.98	322,606,536.07	41,744,269.91	12.9%
Utilities	30,115,603.88	26,561,463.33	3,554,140.55	13.4%
Communications	5,741,163.04	5,096,956.33	644,206.71	12.6%
Repairs and Maintenance	46,717,390.71	44,644,900.85	2,072,489.86	4.6%
Rentals and Leases	24,384,096.03	27,494,279.57	(3,110,183.54)	-11.3%
Scholarships and Fellowships	2,540,343.00	846,840.00	1,693,503.00	200.0%
Depreciation and Amortization	152,506,864.70	133,159,118.60	19,347,746.10	14.5%
Federal Sponsored Program Pass-Through to Other State Agencies	976,936.47	582,018.20	394,918.27	67.9%
Other Operating Expenses	16,003,691.58	15,123,797.60	879,893.98	5.8%
<b>Total Operating Expenses</b>	<b>1,888,635,693.08</b>	<b>1,739,948,125.34</b>	<b>148,687,567.74</b>	<b>8.5%</b>
<b>Operating Loss</b>	<b>72,909,876.98</b>	<b>(22,884,427.46)</b>	<b>95,794,304.44</b>	<b>418.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	93,599,638.28	93,653,088.92	(53,450.64)	-0.1%
Nonexchange Sponsored Programs	354,145.00	180,947.00	173,198.00	95.7%
Gift Contributions for Operations	52,063,144.93	57,964,449.84	(5,901,304.91)	-10.2%
Net Investment Income	35,616,041.91	36,313,665.42	(697,623.51)	-1.9%
Interest Expense on Capital Asset Financings	(23,315,648.02)	(24,040,437.33)	724,789.31	3.0%
<b>Net Other Nonoperating Adjustments</b>	<b>158,317,322.10</b>	<b>164,071,713.85</b>	<b>(5,754,391.75)</b>	<b>-3.5%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>231,227,199.08</b>	<b>141,187,286.39</b>	<b>90,039,912.69</b>	<b>63.8%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>10.8%</b>	<b>7.4%</b>		
Investment Gain (Losses)	6,631,221.46	182,482,027.88	(175,850,806.42)	-96.4%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>237,858,420.54</b>	<b>323,669,314.27</b>	<b>(85,810,893.73)</b>	<b>-26.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>11.1%</b>	<b>15.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>383,734,063.78</b>	<b>274,346,404.99</b>	<b>109,387,658.79</b>	<b>39.9%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>17.9%</b>	<b>14.4%</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, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Sponsored Programs	7,796,767.94	8,687,909.83	(891,141.89)	-10.3%
Net Sales and Services of Educational Activities	1,017,543.13	790,042.41	227,500.72	28.8%
Net Sales and Services of Hospitals	26,054,872.77	30,687,117.51	(4,632,244.74)	-15.1%
Net Professional Fees	6,672,099.58	6,704,740.18	(32,640.60)	-0.5%
Net Auxiliary Enterprises	88,129.07	131,411.68	(43,282.61)	-32.9%
Other Operating Revenues	850,133.39	315,156.47	534,976.92	169.7%
<b>Total Operating Revenues</b>	<b>42,479,545.88</b>	<b>47,316,378.08</b>	<b>(4,836,832.20)</b>	<b>-10.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	32,650,006.86	31,731,667.05	918,339.81	2.9%
Payroll Related Costs	10,390,973.20	9,519,522.71	871,450.49	9.2%
Cost of Goods Sold	44,310.62	19,439.42	24,871.20	127.9%
Professional Fees and Services	4,068,994.71	4,289,099.66	(220,104.95)	-5.1%
Other Contracted Services	3,434,547.28	4,431,391.39	(996,844.11)	-22.5%
Travel	294,493.75	297,239.40	(2,745.65)	-0.9%
Materials and Supplies	8,117,630.06	7,422,797.18	694,832.88	9.4%
Utilities	1,574,275.72	2,056,682.21	(482,406.49)	-23.5%
Communications	465,654.08	601,373.05	(135,718.97)	-22.6%
Repairs and Maintenance	1,424,657.26	1,546,942.82	(122,285.56)	-7.9%
Rentals and Leases	195,167.90	533,053.23	(337,885.33)	-63.4%
Printing and Reproduction	385,277.67	313,858.63	71,419.04	22.8%
Scholarships and Fellowships	12,407.50	9,140.70	3,266.80	35.7%
Depreciation and Amortization	5,123,392.26	4,056,066.20	1,067,326.06	26.3%
Federal Sponsored Program Pass-Through to Other State Agencies	233,138.75	56,578.38	176,560.37	312.1%
Other Operating Expenses	1,635,284.09	1,137,726.14	497,557.95	43.7%
<b>Total Operating Expenses</b>	<b>70,050,211.71</b>	<b>68,022,578.17</b>	<b>2,027,633.54</b>	<b>3.0%</b>
<b>Operating Loss</b>	<b>(27,570,665.83)</b>	<b>(20,706,200.09)</b>	<b>(6,864,465.74)</b>	<b>-33.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	26,789,641.74	21,437,316.85	5,352,324.89	25.0%
Gift Contributions for Operations	158,825.16	183,860.68	(25,035.52)	-13.6%
Net Investment Income	2,405,378.88	2,400,347.21	5,031.67	0.2%
Interest Expense on Capital Asset Financings	(837,494.07)	(617,857.80)	(219,636.27)	-35.5%
<b>Net Other Nonoperating Adjustments</b>	<b>28,516,351.71</b>	<b>23,403,666.94</b>	<b>5,112,684.77</b>	<b>21.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>945,685.88</b>	<b>2,697,466.85</b>	<b>(1,751,780.97)</b>	<b>-64.9%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.3%</b>	<b>3.8%</b>		
Investment Gain (Losses)	(678,785.83)	6,283,671.62	(6,962,457.45)	-110.8%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>266,900.05</b>	<b>8,981,138.47</b>	<b>(8,714,238.42)</b>	<b>-97.0%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>0.4%</b>	<b>11.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>6,069,078.14</b>	<b>6,753,533.05</b>	<b>(684,454.91)</b>	<b>-10.1%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>8.4%</b>	<b>9.5%</b>		

3. **U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 29, 2012**

REPORT

The February 29, 2012 UTIMCO Performance Summary Report is attached on [Page 115](#).

The Investment Reports for the quarter ended February 29, 2012, are set forth on [Pages 116 - 119](#).

Item I on [Page 116](#) reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 3.97% versus its composite benchmark return of 4.64%. The PUF's net asset value increased during the quarter to \$12,971 million. The increase was due to \$145 million PUF Land receipts, net investment return of \$495 million, less distributions to the Available University Fund (AUF) of \$59 million.

Item II on [Page 117](#) reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 3.99% versus its composite benchmark return of 4.64%. The GEF's net asset value increased by \$222 million during the quarter to \$7,029 million.

Item III on [Page 118](#) reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 4.16% versus its composite benchmark return of 5.00%. The net asset value increased during the quarter to \$4,826 million due to net investment return of \$194 million, net contributions of \$36 million, less distributions of \$35 million.

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

Item IV on [Page 119](#) 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 money market fund, increased by \$423 million to \$2,335 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$75 million versus \$74 million at the beginning of the period; equities: \$51 million versus \$47 million at the beginning of the period; and other investments: \$1 million versus \$4 million at the beginning of the period.

## UTIMCO Performance Summary

February 29, 2012

	Net Asset Value 2/29/2012 (in Millions)	Periods Ended February 29, 2012 (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	\$ 12,971	2.09%	3.97%	1.23%	5.13%	2.05%	16.03%	3.36%	7.37%
General Endowment Fund		2.10	3.99	1.23	5.15	2.10	16.05	3.41	7.49
Permanent Health Fund	981	2.11	3.99	1.18	5.16	2.10	15.95	3.34	7.40
Long Term Fund	6,048	2.11	3.99	1.18	5.16	2.11	15.95	3.34	7.41
Separately Invested Funds	150	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Endowment Funds</b>	<b>20,150</b>								
<b>OPERATING FUNDS</b>									
Intermediate Term Fund	4,825	1.71	4.16	1.66	5.08	2.05	15.90	3.77	N/A
Debt Proceeds Fund	768	0.01	0.04	0.06	0.03	N/A	N/A	N/A	N/A
Short Term Fund	1,544	0.01	0.03	0.06	0.03	0.15	0.25	1.66	2.13
<b>Total Operating Funds</b>	<b>7,137</b>								
<b>Total Investments</b>	<b>\$ 27,287</b>								
<b>VALUE ADDED (1) (Percent)</b>									
Permanent University Fund		0.03%	(0.67%)	(1.73%)	(0.17%)	(0.14%)	1.89%	2.17%	1.94%
General Endowment Fund		0.04	(0.65)	(1.73)	(0.15)	(0.09)	1.91	2.22	2.06
Intermediate Term Fund		(0.09)	(0.84)	(0.09)	(0.07)	1.20	1.71	2.60	N/A
Debt Proceeds Fund		0.01	0.04	0.06	0.03	N/A	N/A	N/A	N/A
Short Term Fund		0.01	0.03	0.06	0.03	0.07	0.11	0.34	0.21
<b>VALUE ADDED (\$ IN MILLIONS)</b>									
Permanent University Fund		\$ 4	\$ (83)	\$ (220)	\$ (21)	\$ (19)	\$ 605	\$ 1,284	\$ 2,191
General Endowment Fund		3	(44)	(123)	(10)	(4)	344	739	1,263
Intermediate Term Fund		(4)	(39)	(5)	(3)	56	208	544	N/A
<b>Total Value Added</b>		<b>\$ 3</b>	<b>\$ (166)</b>	<b>\$ (348)</b>	<b>\$ (34)</b>	<b>\$ 33</b>	<b>\$ 1,157</b>	<b>\$ 2,567</b>	<b>\$ 3,454</b>

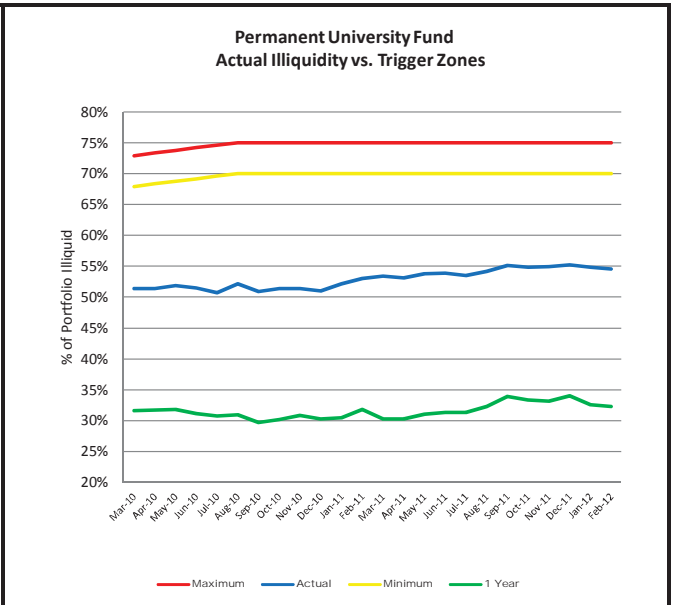
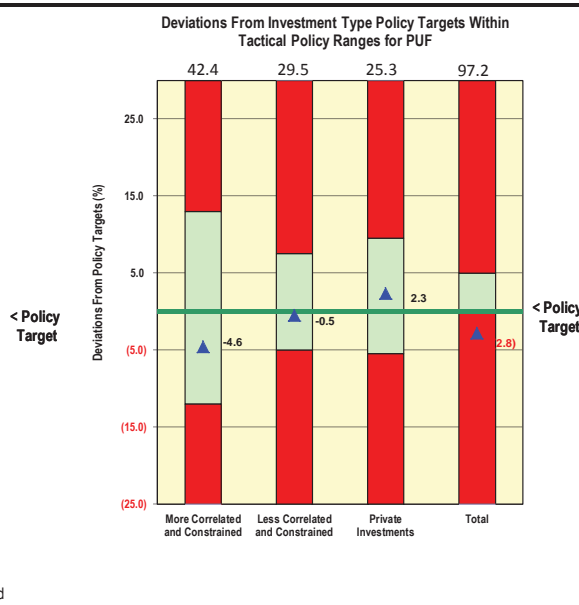
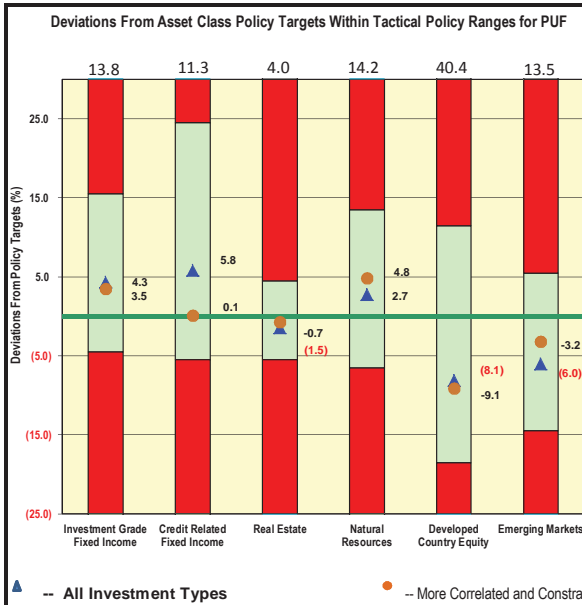
Footnotes available upon request

**I. PERMANENT UNIVERSITY FUND**  
**Investment Reports for Periods Ended February 29, 2012**

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows				
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended February 29, 2012	Fiscal Year to Date February 29, 2012	
Beginning Net Assets	\$ 10,725	\$ 12,390	\$ 12,688	
PUF Lands Receipts	896	145	589	
Investment Return (Net of Expenses)	1,573	495	153	
Distributions to AUF	(506)	(59)	(459)	
Ending Net Assets	\$ 12,688	\$ 12,971	\$ 12,971	

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	0.34%	-0.51%	-0.08%	0.06%	-0.02%
Credit-Related	7.92%	7.40%	0.00%	0.00%	0.00%
Real Estate	2.77%	4.59%	0.00%	-0.04%	-0.04%
Natural Resources	-4.15%	-2.22%	-0.42%	-0.12%	-0.54%
Developed Country	3.53%	8.27%	-0.07%	-0.93%	-1.00%
Emerging Markets	3.73%	5.27%	-0.11%	-0.26%	-0.37%
<b>Total More Correlated and Constrained</b>	<b>0.83%</b>	<b>4.69%</b>	<b>-0.68%</b>	<b>-1.29%</b>	<b>-1.97%</b>
<b>Less Correlated and Constrained</b>	<b>3.11%</b>	<b>1.07%</b>	<b>0.19%</b>	<b>0.45%</b>	<b>0.64%</b>
<b>Private Investments</b>	<b>-0.11%</b>	<b>0.70%</b>	<b>-0.30%</b>	<b>-0.10%</b>	<b>-0.40%</b>
<b>Total</b>	<b>1.23%</b>	<b>2.96%</b>	<b>-0.79%</b>	<b>-0.94%</b>	<b>-1.73%</b>



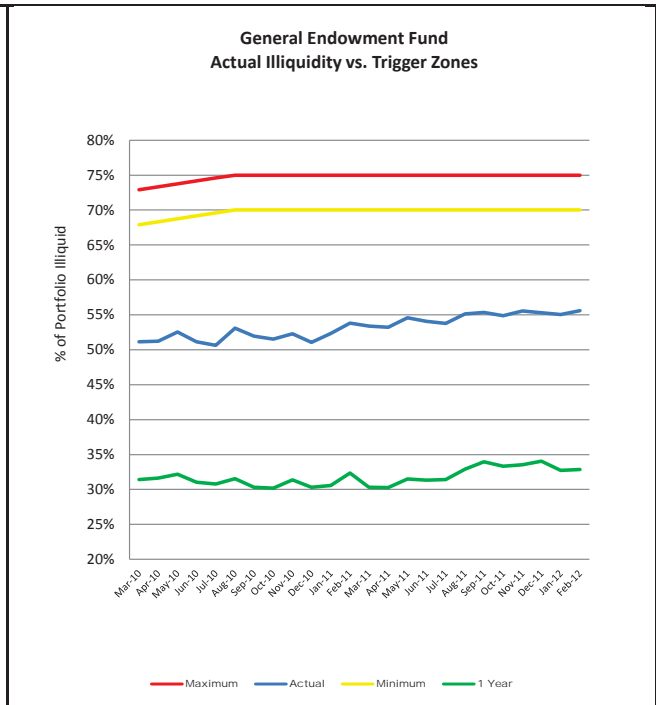
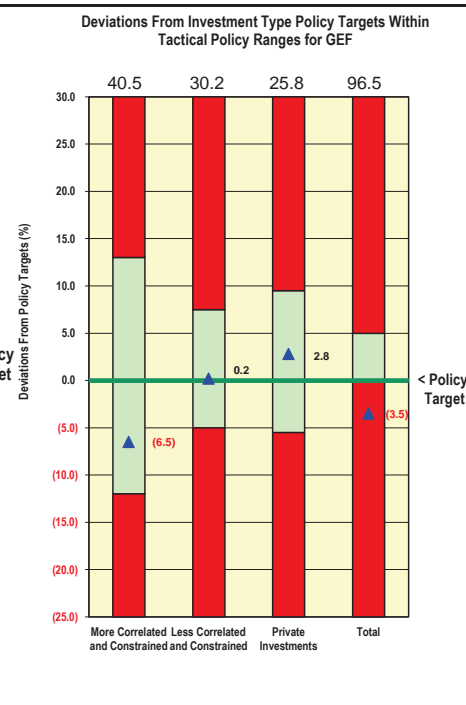
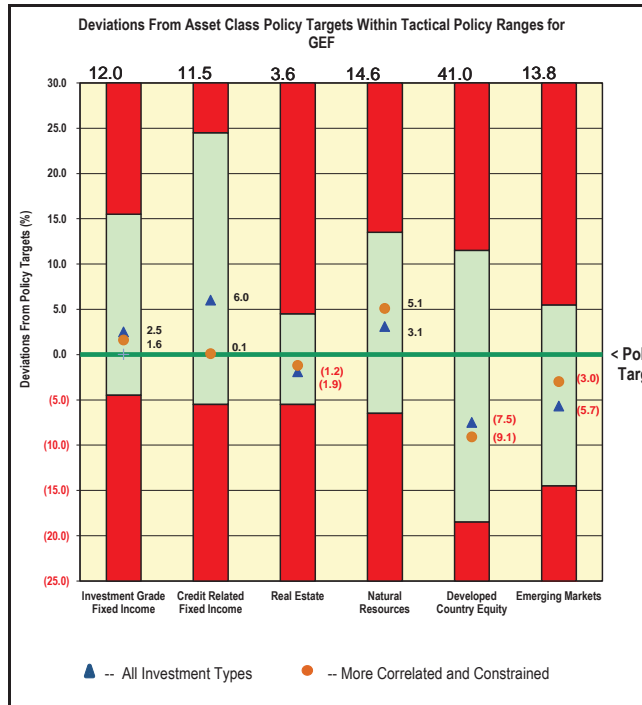
## II. GENERAL ENDOWMENT FUND

### Investment Reports for Periods Ended February 29, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended		Fiscal Year to
	August 31, 2011	Quarter Ended February 29, 2012	Date February 29, 2012
Beginning Net Assets	\$ 6,035	\$ 6,807	\$ 7,049
Contributions	432	34	70
Withdrawals	(12)	(1)	(5)
Distributions	(327)	(85)	(170)
Investment Return (Net of Expenses)	921	274	85
Ending Net Assets	<u>\$ 7,049</u>	<u>\$ 7,029</u>	<u>\$ 7,029</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	0.54%	-0.51%	-0.06%	0.06%	0.00%
Credit-Related	7.92%	7.40%	0.00%	0.00%	0.00%
Real Estate	2.59%	4.59%	0.00%	-0.05%	-0.05%
Natural Resources	-4.19%	-2.22%	-0.42%	-0.14%	-0.56%
Developed Country	3.47%	8.27%	-0.04%	-0.91%	-0.95%
Emerging Markets	3.72%	5.27%	-0.11%	-0.26%	-0.37%
<b>Total More Correlated and Constrained</b>	<b>0.79%</b>	<b>4.69%</b>	<b>-0.63%</b>	<b>-1.30%</b>	<b>-1.93%</b>
<b>Less Correlated and Constrained</b>	<b>3.11%</b>	<b>1.07%</b>	<b>0.18%</b>	<b>0.43%</b>	<b>0.61%</b>
<b>Private Investments</b>	<b>-0.11%</b>	<b>0.70%</b>	<b>-0.29%</b>	<b>-0.12%</b>	<b>-0.41%</b>
<b>Total</b>	<b>1.23%</b>	<b>2.96%</b>	<b>-0.74%</b>	<b>-0.99%</b>	<b>-1.73%</b>



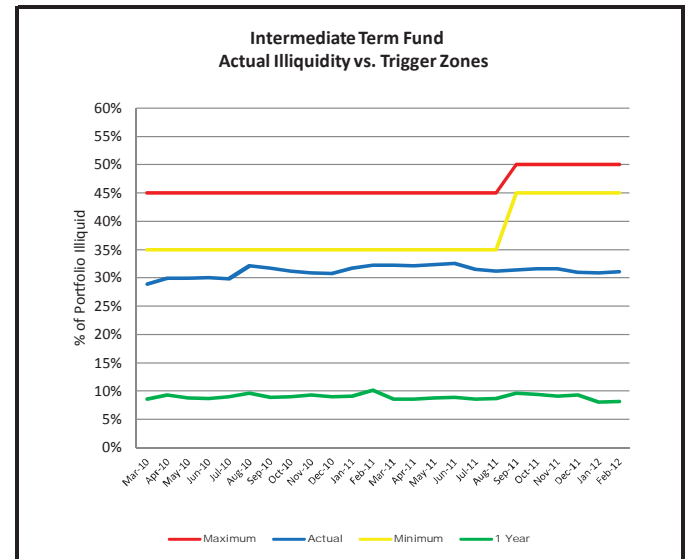
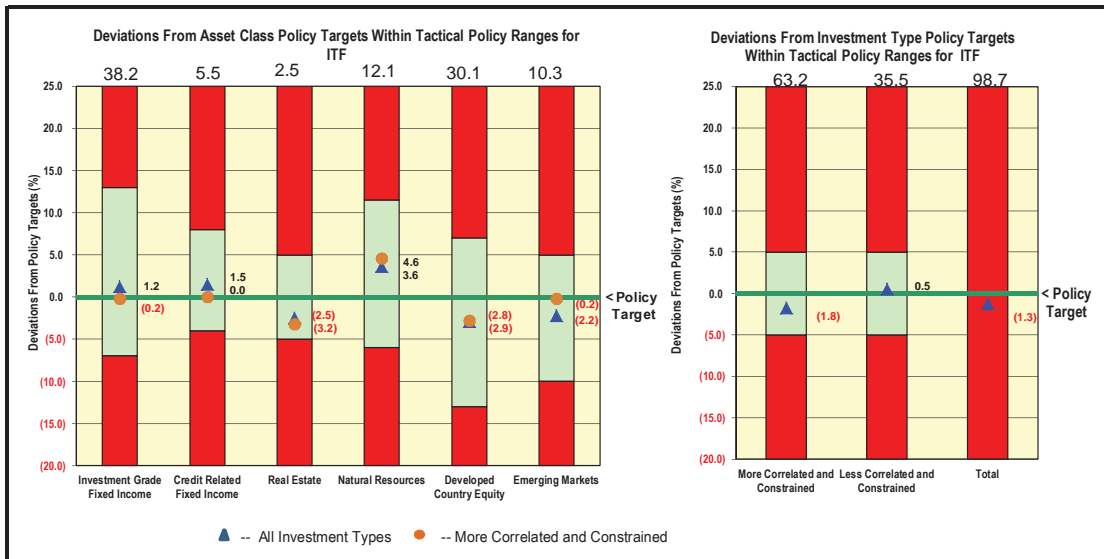


### III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended February 29, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended February 29, 2012	Fiscal Year to Date February 29, 2012
Beginning Net Assets	\$ 4,156	\$ 4,631	\$ 4,662
Contributions	328	100	266
Withdrawals	(168)	(64)	(113)
Distributions	(139)	(35)	(70)
Investment Return (Net of Expenses)	485	194	81
Ending Net Assets	<u>\$ 4,662</u>	<u>\$ 4,826</u>	<u>\$ 4,826</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	1.53%	-0.51%	-0.02%	0.71%	0.69%
Credit-Related	0.00%	7.40%	0.00%	0.00%	0.00%
Real Estate	2.27%	4.59%	-0.03%	-0.13%	-0.16%
Natural Resources	-4.82%	-2.22%	-0.42%	-0.19%	-0.61%
Developed Country	4.52%	8.27%	-0.07%	-0.39%	-0.46%
Emerging Markets	3.62%	5.27%	-0.06%	-0.16%	-0.22%
<b>Total More Correlated and Constrained</b>	<b>0.89%</b>	<b>2.02%</b>	<b>-0.60%</b>	<b>-0.16%</b>	<b>-0.76%</b>
<b>Less Correlated and Constrained</b>	<b>3.14%</b>	<b>1.07%</b>	<b>0.14%</b>	<b>0.53%</b>	<b>0.67%</b>
<b>Private Investments</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>1.66%</b>	<b>1.75%</b>	<b>-0.46%</b>	<b>0.37%</b>	<b>-0.09%</b>



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at February 29, 2012**  
 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 11/30/11	-	-	4,358	4,358	37,426	37,426	1,025	1,025	1,304	1,304	44,113	44,113	1,868,293	1,868,293	1,912,406	1,912,406
Increase/(Decrease)	-	-	(2,170)	(2,170)	28,271	28,271	(77)	(77)	3,022	3,022	29,046	29,046	393,243	393,243	422,289	422,289
Ending value 02/29/12	-	-	2,188	2,188	65,697	65,697	948	948	4,326	4,326	73,159	73,159	2,261,536	2,261,536	2,334,695	2,334,695
<b>Debt Securities:</b>																
Beginning value 11/30/11	-	-	101	101	11,418	12,330	11,850	12,198	-	-	23,369	24,629	49,841	49,704	73,210	74,333
Increase/(Decrease)	-	-	-	-	313	529	(106)	210	-	-	207	739	-	(97)	207	642
Ending value 02/29/12	-	-	101	101	11,731	12,859	11,744	12,408	-	-	23,576	25,368	49,841	49,607	73,417	74,975
<b>Equity Securities:</b>																
Beginning value 11/30/11	460	2,741	1,617	1,606	29,813	30,986	12,817	11,789	-	-	44,707	47,122	-	-	44,707	47,122
Increase/(Decrease)	-	201	(111)	(149)	314	3,107	6	927	-	-	209	4,086	-	-	209	4,086
Ending value 02/29/12	460	2,942	1,506	1,457	30,127	34,093	12,823	12,716	-	-	44,916	51,208	-	-	44,916	51,208
<b>Other:</b>																
Beginning value 11/30/11	-	-	81	81	7	7	419	139	3,420	3,420	3,927	3,647	-	-	3,927	3,647
Increase/(Decrease)	-	-	74	74	5	5	19	3	(3,013)	(3,013)	(2,915)	(2,931)	-	-	(2,915)	(2,931)
Ending value 02/29/12	-	-	155	155	12	12	438	142	407	407	1,012	716	-	-	1,012	716
<b>Total Assets:</b>																
Beginning value 11/30/11	460	2,741	6,157	6,146	78,664	80,749	26,111	25,151	4,724	4,724	116,116	119,511	1,918,134	1,917,997	2,034,250	2,037,508
Increase/(Decrease)	-	201	(2,207)	(2,245)	28,903	31,912	(158)	1,063	9	9	26,547	30,940	393,243	393,146	419,790	424,086
Ending value 02/29/12	460	2,942	3,950	3,901	107,567	112,661	25,953	26,214	4,733	4,733	142,663	150,451	2,311,377	2,311,143	2,454,040	2,461,594

Details of individual assets by account furnished upon request.

**4. 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 and the Executive Vice Chancellor for Business Affairs recommend that

- a. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0561 per unit to \$0.0573 per unit for Fiscal Year 2013 (effective with November 30, 2012 distribution);
- b. the distribution rate for the U. T. System Long Term Fund (LTF) be increased from \$0.3215 per unit to \$0.3283 per unit for Fiscal Year 2013 (effective with November 30, 2012 distribution); and
- c. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2013.

A recommendation on the Fiscal Year 2013 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) will be made at the meeting.

**BACKGROUND INFORMATION**

The PUF Investment Policy states that the UTIMCO Board shall recommend an annual distribution from the PUF to the AUF in 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 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. The Maximum Allowed Distribution is 7.0%.

As shown in the table below, the average annual return of the PUF investments for the trailing 12 quarters ending February 29, 2012, has exceeded the Expected Return by 25 basis points or more (≥.25%). Therefore, as outlined in the PUF Investment Policy, the "default" distribution rate for Fiscal Year 2012-2013 would be 5.0%, or \$565,805,253.

	<u>Trailing 12 - Quarters Ending February 29, 2012</u>	<u>Expected or Benchmarks</u>	<u>Excess</u>
Average Annual Rate of Return	16.03%	8.81%	7.22%

However, the Board of Regents has the authority to distribute an amount that it deems appropriate up to a maximum rate of 7.0% (except as necessary to pay PUF bond debt service). A recommendation on the PUF distribution will be made at the meeting and a revised table will be made available.

<u>Quarter Ended</u>	<u>Net Asset Value</u>
5/31/2009	9,143,803,884
8/31/2009	9,673,908,334
11/30/2009	10,341,053,437
2/28/2010	10,470,036,500
5/31/2010	10,524,153,261
8/31/2010	10,724,962,438
11/30/2010	11,619,582,822
2/28/2011	12,338,732,852
5/31/2011	12,908,189,971
8/31/2011	12,687,945,718
11/30/2011	12,389,608,519
2/29/2012	12,971,283,084
	\$135,793,260,820
number of quarters	12
Average Net Asset Value	\$11,316,105,068
Distribution Percentage	*
FY 2012-13 Distribution	*

\*figure will be forthcoming at the meeting

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.

<u>System</u>	<u>Debt Service</u>
U. T.	\$ 96,600,000
TAMU	91,100,000
Total	\$ 187,700,000

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

2. The Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule below indicates,

the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 29, 2012, was 3.57%, which indicates that the purchasing power test was met.

Average Annual	Percent
Rate of Total Return	7.64%
Mineral Interest Receipts	3.39%
Expense Rate	(0.34)% (1)
Inflation Rate	(2.50)%
Distribution Rate	(4.62)%
Net Real Return	<b>3.57%</b>

(1) The expense rate as shown is a 10-year annualized average and includes all PUF Investment and PUF Land expenses, including the UTIMCO management fee, paid directly by the PUF. Management fees that are netted from asset valuations, and are not paid directly by the PUF are not included, as they are a reduction to the Rate of Total Return.

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

Value of PUF Investments	Proposed Distribution	Proposed Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$11,316,105,068	*	*	7.00%

\*figure will be forthcoming at the meeting

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 spending formula under the PHF Investment Policy Statement and the LTF Investment Policy Statement increases distributions at the rate of inflation subject to a distribution range of 3.5% to 5.5% of the average market value of the PHF assets and LTF assets for each fund's respective trailing 12 fiscal quarters.

The recommended 2.1% increase in the PHF distribution rate of \$0.0561 to \$0.0573 per unit was based on the PHF's Investment Policy Statement to 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 5.2%, within the range of 3.5% to 5.5% set forth in the PHF Investment Policy Statement.

The recommended 2.1% increase in the LTF distribution rate from \$0.3215 to \$0.3283 per unit was based on the LTF's Investment Policy Statement to 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 5.4%, within the range of 3.5% to 5.5% set forth in the LTF Investment Policy Statement. The increase in the consumer price index for the prior three years as of November 30, 2011, was 2.1%.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. System Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The recommendation for Fiscal Year 2013 is to continue a distribution rate of 3.0%.