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FOR  
FINANCE AND PLANNING COMMITTEE**

**Committee Meeting:** 2/19/2025

**Board Meeting:** 2/20/2025  
Austin, Texas

*Janiece Longoria, Chairman*  
*Robert P. Gauntt*  
*Jodie Lee Jiles*  
*Stuart W. Stedman*  
*Kelcy L. Warren*  
*Rad Weaver*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>A. CONVENE JOINT MEETING WITH AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE</b>	<i>3:00 p.m.</i> <i>Chairman Longoria</i>		
1. <b>U.T. System: Fiscal Year 2024 Consolidated Annual Financial Report, including the Independent Auditors' Report, and audits of the financial statements of U.T. Austin, U.T.M.D. Anderson Cancer Center, U.T. Southwestern Medical Center, and U.T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&amp;M Investment Management Company (UTIMCO)</b>	<b>Report/Discussion</b> <i>Mr. Pruitt</i> <i>Mr. Peppers</i> <i>Mr. Blake Rodgers,</i> <i>Deloitte &amp; Touche</i>	<b>Report</b>	<b>40</b>
<b>B. ADJOURN JOINT MEETING AND CONVENE FINANCE AND PLANNING COMMITTEE IN OPEN SESSION</b>	<i>3:15 p.m.</i>		
2. <b>U.T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>	<b>Discussion</b>	<b>Action</b>	<b>71</b>
3. <b>U.T. System: Financial Status Presentation and Monthly Financial Report</b>	<b>Report/Discussion</b> <i>Mr. Pruitt</i>	Not on Agenda	<b>72</b>
4. <b>U.T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds and authorization to complete all related transactions</b>	<b>Action</b> <i>Mr. Hull</i>	<b>Action</b>	<b>101</b>
5. <b>U.T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions</b>	<b>Action</b> <i>Mr. Hull</i>	<b>Action</b>	<b>103</b>

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
6. <b>U.T. System Board of Regents: The University of Texas/Texas A&amp;M Investment Management Company (UTIMCO) Update</b>	<b>Report/Discussion</b> <i>Mr. Hall</i>	Not on Agenda	<b>105</b>
<b>C. ADJOURN</b>	<i>3:30 p.m.</i>		

1. **U.T. System: Fiscal Year 2024 Consolidated Annual Financial Report, including the Independent Auditors' Report, and audits of the financial statements of U.T. Austin, U.T.M.D. Anderson Cancer Center, U.T. Southwestern Medical Center, and U.T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO)**

Executive Vice Chancellor Pruitt will discuss the Fiscal Year 2024 Consolidated Annual Financial Report (AFR) highlights. A PowerPoint presentation is included on the following pages for additional detail. The [AFR](#) is available online

Mr. Blake Rodgers, Deloitte & Touche LLP, will report on the results of the audit of the U.T. System AFR and audits of the financial statements of U.T. Austin, U.T.M.D. Anderson Cancer Center, U.T. Southwestern Medical Center, and U.T. Medical Branch - Galveston and for the funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO) for Fiscal Year 2024. Deloitte's PowerPoint presentation with required communications to the Audit, Compliance, and Risk Management Committee is set forth following the AFR highlights presentation.

#### **BACKGROUND INFORMATION**

The AFR is prepared in compliance with Governmental Accounting Standards Board pronouncements and State Comptroller of Public Accounts directives and filed with the oversight agencies on November 20 of each year as required by *Texas Government Code*, Section 2101.011. Deloitte & Touche LLP issued an unqualified opinion on the U. T. System Consolidated Financial Statements on December 13, 2024.

# Annual Financial Report & Highlights Fiscal Year 2024

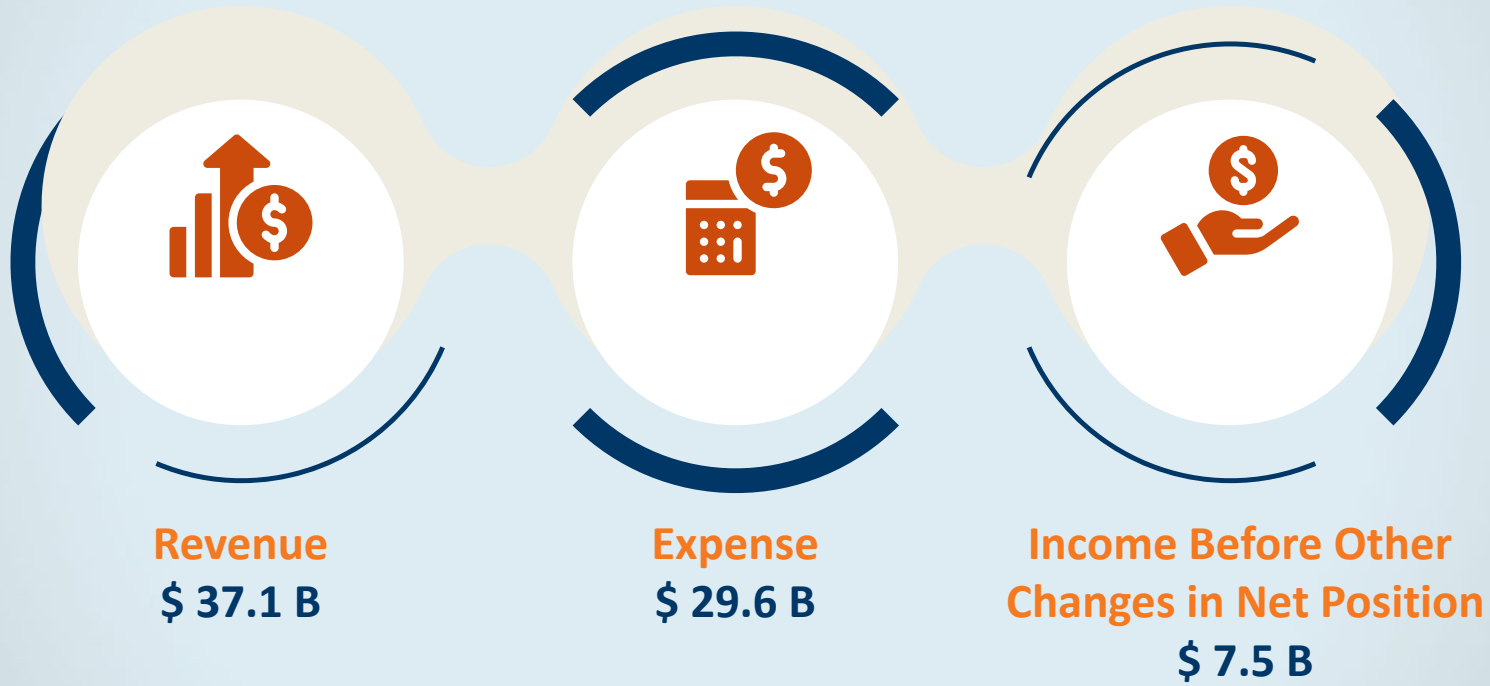
Jonathan Pruitt, Executive Vice Chancellor for Business Affairs

U.T. System Board of Regents Meeting  
Joint Meeting of the Finance and Planning Committee  
and Audit, Compliance, and Risk Management Committee  
February 2025



# U.T. System Consolidated Fiscal Year Summary

Revenue and Income Before Other Changes in Net Position have increased from last year



# FY24 Assets & Liabilities



## Financial Performance

Year-over-Year Performance (millions)			
Category	2024	2023	2022
<b>Assets*</b>	<b>\$122,195</b>	\$112,999	\$106,683
<b>Liabilities*</b>	<b>\$42,150</b>	\$39,150	\$40,726
<b>Net Position</b>	<b>\$78,174</b>	\$70,664	\$66,689

\*Excluding deferred inflows and outflows



The University of Texas System

# FY24 Assets & Liabilities (cont.)



## Financial Performance

Large Drivers (millions)			
Category	2024	2023	2022
Debt Related Liability	\$13,868	\$13,350	\$12,723
Other Postemployment Benefits Liability	\$8,786	\$8,090	\$14,696
Pension Liability	\$7,888	\$6,558	\$3,347

# FY24 Revenue & Expenses



## Financial Performance

Year-over-Year Trends (millions)			
Category	2024	2023	2022
Revenue	\$37,150	\$31,213	\$24,615
Expenses	\$29,691	\$27,100	\$24,916
Income before other changes in Net Position	\$7,459	\$4,113	(\$300)



# FY24 Revenue & Expenses Highlights



## Financial Performance

Large Drivers (millions)			
Category	2024	2023	2022
Clinical – Net Patient Services Revenue	\$13,615	\$12,216	\$11,092
Govt. & Private – Sponsored Programs	\$6,366	\$5,737	\$5,670
Comp. & Benefit Expense	\$16,655	\$14,899	\$13,462
Investment Income	\$6,352	\$4,744	\$5,619
Change in Fair Value of Investments	\$2,572	\$479	(\$5,017)

**Deloitte.**



**Report to The University of Texas System Board of Regents  
Joint Meeting of Audit, Compliance, and Risk Management Committee and the Finance  
and Planning Committee**

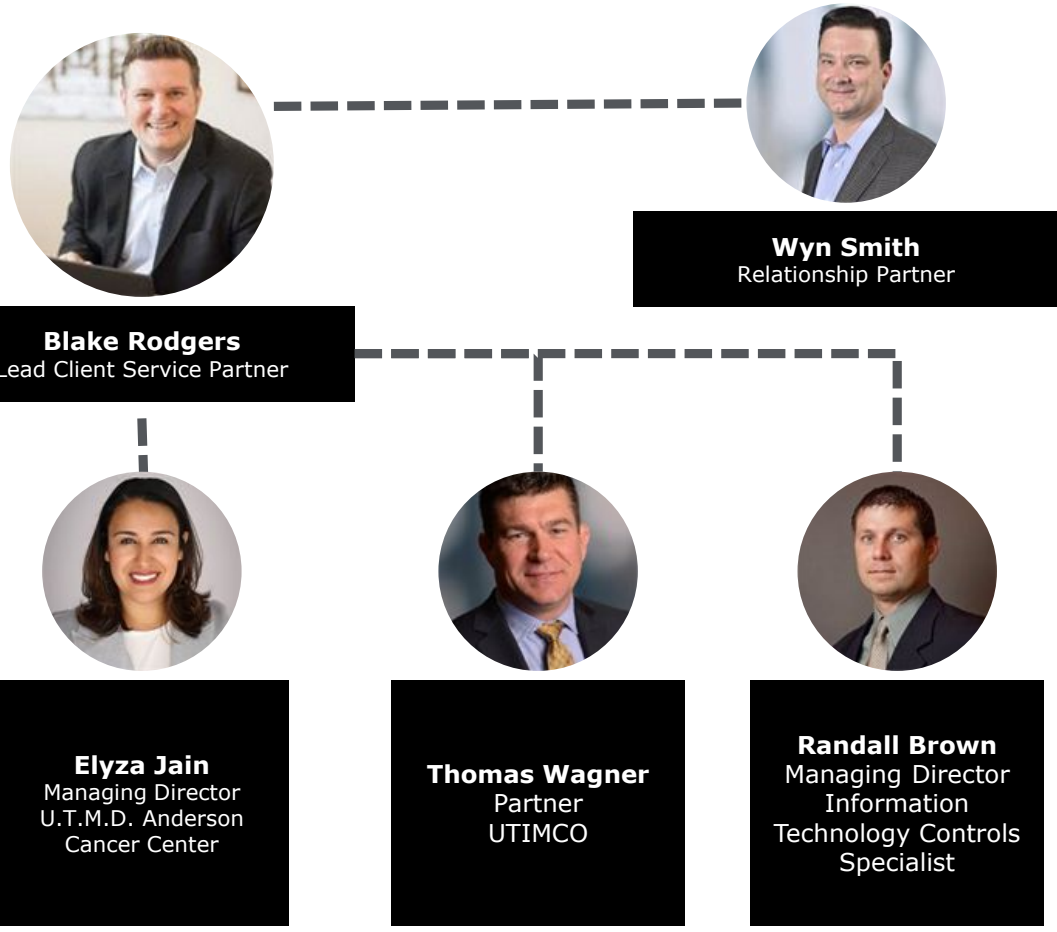
Blake Rodgers | Audit & Assurance Partner | February 2025

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- Appendix B: Other Required Communications
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# Deloitte Team Leadership

Meeting with You Today





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February 19, 2025

Audit, Compliance, and Risk Management Committee of The University of Texas System Board of Regents (the "Committee")  
210 West 7th Street  
Austin, Texas

Dear Committee:

We have performed an audit of the consolidated financial statements of The University of Texas System ("U.T. System") as of and for the year ended August 31, 2024 (the "financial statements"), in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and the standards applicable to financial audits contain in *Government Auditing Standards* ("GAGAS"), issued by the Comptroller of the United States, and have issued our report thereon dated December 13, 2024.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of U.T. System is responsible.

This report is intended solely for the information and use of the Committee, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

*Deloitte & Touche LLP*

cc: The Management of U.T. System

# Audit Scope

## **Financial Statement Audits:**

- U.T. System – Consolidated
- U.T.M.D. Anderson Cancer Center
- U.T. Southwestern Medical Center
- U.T. Medical Branch Galveston
- U.T. Austin
- UTIMCO Funds

## **Status:**

- UTIMCO Funds audits were completed in October 2024
- All other audits were completed in December 2024

## Summary of Corrected/Uncorrected Misstatements and Disclosures

Our audit of the financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

There were no significant corrected/uncorrected misstatements or disclosure items passed during our audit.

## Control-Related Matters

Based upon our procedures performed, we did not identify any adjustments as a result of our audit which gave rise to a material weakness or significant deficiency.

- A *deficiency in internal control* over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.
- A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.
- A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



## Spotlight on Certain Upcoming GASB Standards

**GASB Statement No. 101, *Compensated Absences***, effective 2025, updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**GASB Statement No. 102, *Certain Risk Disclosures***, effective 2025, provides users of financial statements information about risks related to vulnerabilities due to certain concentrations or constraints limiting ability to acquire resources or control spending.

**GASB Statement No. 103, *Financial Reporting Model Improvements***, effective 2026, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing accountability. New or modified information requirements relate to MD&A, unusual or infrequent items, presentation of proprietary fund statement, major component unit and budgetary comparison.

**GASB Statement No. 104, *Disclosure of Certain Capital Assets***, effective 2026, provides essential information about certain types of capital assets by requiring separate disclosure and additional disclosures for capital assets held for sale.

U.T. System is evaluating the effect that these statements will have on its financial statements.

# Appendix A: Accounting Estimates

## Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. Our assessment of the significant qualitative aspects of U.T. System's particularly sensitive accounting estimates is below.

# Accounting Estimates—Patient Accounts Receivable—Valuation

## Management’s Methodology

- During FY 2024 and FY 2023, management at U.T. health institutions applied a consistent approach to estimating the allowance for doubtful accounts and contractual allowances.
- Management develops an estimate of historical and expected net collections, business and economic conditions, and other collection indicators.
- Management performs reviews of historical collections and write-offs. Adverse changes in business office operations, payor mix, and economic conditions could affect the collection of accounts receivable, cash flows, and results of operations.

(in millions)	August 31, 2024	August 31, 2023
Patient Receivables, net	\$1,734	\$1,487

## Audit Procedures

- Tested the adequacy of certain U.T. institutions’ methodologies and procedures used to establish the valuation reserves for patient accounts receivable and evaluation key assumptions used by management.
- For institutions with significant receivable balances, we computed an independent estimate of the allowance for contractals and bad debt for each significant financial class of patient receivable after independently testing the collection percentages.
- Performed testing of the adequacy of doubtful accounts allowances through the review of collections and aging statistics and a look-back analysis.
- Tested for compliance with GASB guidance on the presentation in the financial statements of allowance for doubtful accounts.

# Accounting Estimates—Fair Value of PUF Lands

## Management’s Methodology

- Management has a consistent methodology from FY 2023 to FY 2024 as it relates to the PUF Lands valuation, which consist of interests in Surface Land and in Oil & Gas Reserve.
- For surface land valuation, Management is using what it terms as the "comparative sales approach" based on an acreage multiplied by the per acre value/price of the land, obtained from the American Society of Farm Managers and Rural Appraisers (ASFMRA) report.
- For oil and gas reserve analysis, Management engages a third-party specialist to develop the reserves for the three categories of reserves (1) proved; (2) possible and (3) probable. Management and the specialists determine reasonable assumptions related to discount rates/factors, reserve adjustment factors, and overall valuation methodology. Management with University Lands compiles data from producers related to production and royalty percentages for submission to the third-party specialist.
- Management ensures the proper disclosures are in the Annual Financial Reports as it relates to the fair value of the PUF lands.

## Audit Procedures

### For Surface Land Valuation:

- Analyzed the trend of CY surface land values compared to PY and investigate for fluctuations.
- Analyze the land evaluation supporting documents with the assistance of Deloitte fair value and real estate specialists and tested various assumptions as it relates to the valuation approach.

### For Oil & Gas Reserve Valuation:

- Read the reserve study with the assistance of Deloitte fair value and oil and gas specialists and tested various assumptions as it relates to discount rates, reserve adjustment factors and valuation techniques.
- Performed testing on the accuracy and completeness of the data submitted to the third-party specialists.
- Performed a lookback analysis on current year production estimates used in the reserve methodology.

(in millions)	August 31, 2024	August 31, 2023
PUF Lands	\$10,391	\$11,111

# Accounting Estimates—Investments without Readily Determinable Market Values

## Management’s Methodology

- Significant accounting estimates reflected in the U.T. System financial statements include valuation of certain investments which are specifically the investments in hedge funds, private investments, and private placements whose fair values have been estimated by management using the practical expedient (net asset value) or certain valuations obtained from third-party investment managers.
- Management's estimates are based on financial information from the underlying funds provided at various interim dates during the year, other information from the underlying funds, as well as information from other relevant sources.

(in millions)	August 31, 2024	August 31, 2023
Investments Valued Using Net Asset Value	\$55,747	\$49,476

## Audit Procedures

- Confirmed investment balances directly with the underlying managers and obtained the most recent audited financial statements for the underlying fund.
- Re-computed U.T. System’s investment as of the most recent audit report date (for most, 12/31/2023) using the audited financial statements.
- Subjected the contribution/subscription, withdrawal, redemption, and distribution activity to the underlying funds to sampling.
- Determined an appropriate benchmark and prepared an analytical review of the year end fair values for selections (e.g. the fair value of the fund investment). Compared the expectation of the performance of the fund to the final fair value and documented our understanding of the performance.

# Accounting Estimates—Teachers’ Retirement System Plan

## Management’s Methodology

- The Teacher Retirement System of Texas (“TRS”) pension plan is a state-wide, multi-employer cost sharing plan. Using external actuaries, TRS calculates the total pension liability for the plan. Participating employers record their proportionate share of the net pension liability, pension expense, and related deferred inflows and outflows of resources.
- The State Auditor’s Office (“SAO”) audits the TRS plan and the proportionate share, and related net pension liability, of each employer. The SAO also audits retiree and active census data.
- U.T. System is responsible for tracking and accurately reporting census data on active participants to TRS and also for contributing the appropriate amounts to TRS.
- Management ensures the proper disclosures are in the Annual Financial Reports as it relates to the plan and the required supplementary information.

## Audit Procedures

- Read the TRS actuarial study with the assistance of Deloitte actuaries.
- Deloitte actuaries evaluated the methodology and significant assumptions used within the TRS actuarial study.
- Recalculated the proportionate share of U.T. System as it relates to net pension liability, deferred inflows, outflows, annual amortization, and pension expense.
- Read the disclosures and required supplementary information in the Annual Financial Reports to determine compliance with generally accepted accounting principles.
- Based on the procedures performed, the net pension liability, pension expense, and related deferred outflows of resources and deferred inflows of resources appear reasonable in the context of the financial statements as a whole.

(in millions)	August 31, 2024	August 31, 2023
Net Pension Liability	\$6,961	\$5,682*
This increase compared to prior year was result of current year investment earnings falling below projections.		
*Updated for inclusion of Stephen F. Austin State University for comparative purposes only		

# Accounting Estimates—U.T.M.D. Anderson Supplemental Retirement Plan

## Overview

- U.T.M.D. Anderson Physicians Referral Service Supplemental Retirement Plan / Retirement Benefit Plan (“SRP/RBP Plans”) are nonqualified plans described by Section 457(f) of the Internal Revenue Code of 1986, as amended. Using external actuaries, U.T.M.D. Anderson calculates the total pension liability for the SRP/RBP Plans.
- U.T.M.D. Anderson is responsible for tracking and accurately reporting census data on participants to the actuary.
- Management ensures the proper disclosures are in the Annual Financial Reports as it relates to the plan and the required supplementary information.

(in millions)	August 31, 2024	August 31, 2023
Total Pension Liability	\$926	\$919

## Qualitative Assessment

- Read the actuarial study with the assistance of Deloitte actuaries.
- Deloitte actuaries evaluated the methodology and significant assumptions used within the actuarial study.
- Perform testing of census data used by U.T.M.D. Anderson to estimate the total pension liability and related deferred outflows of resources, deferred inflows of resources, and pension expense.
- Read the disclosures and required supplementary information in the Annual Financial Reports to determine compliance with generally accepted accounting principles.
- Based on the procedures performed, the total pension liability, pension expense, and related deferred outflows of resources and deferred inflows of resources appear reasonable in the context of the financial statements as a whole.



# Accounting Estimates—Other Postemployment Benefit Plan

## Management’s Methodology

- U.T. System’s other postemployment benefit (“OPEB”) plan is a single-employer plan. Management engages an external actuary to determine the liability related to the OPEB plan.
- Management within the Office of Employee Benefits (“OEB”) is responsible for tracking and accurately reporting census data of participants to the actuary. This data is submitted by the individual U.T. institutions to the OEB.
- Management ensures the proper disclosures and required supplementary information for the plan are in the Annual Financial Report.

(in millions)	August 31, 2024	August 31, 2023
Total OPEB Liability	\$8,786	\$8,240*
Increase in the Total OPEB Liability is primarily due to annual service and interest costs in excess of annual benefit payments		
*Updated for inclusion of Stephen F. Austin State University for comparative purposes only		

## Audit Procedures

- Obtained the actuarial study with the assistance of Deloitte actuaries, evaluated methodology and tested various assumptions such as discount rates and mortality assumptions.
- Perform testing of census data used by U.T. System to estimate the total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense.
- Recalculated the proportionate share of U.T. System as it relates to total OPEB liability, deferred inflows of resources, deferred outflows of resources, annual amortization, and OPEB expense.
- Evaluated the disclosures and required supplementary information in the Annual Financial Reports to determine compliance with generally accepted accounting principles.
- Based on the procedures performed, the total OPEB liability, OPEB expense, and related deferred outflows of resources and deferred inflows of resources appear reasonable in the context of the financial statements as a whole.

# Appendix B: Other Required Communications

## Other Required Communications



### **Our Responsibility under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards**

Our responsibility under generally accepted auditing standards and generally accepted government auditing standards has been described in our agreement with the Board of Regents of U.T. System dated August 1, 2022. As described in that agreement, our responsibilities under generally accepted auditing standards and generally accepted government auditing standards include forming and expressing opinions about whether the financial statements that have been prepared by management with the oversight of the Committee are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”). The audit of the financial statements does not relieve management or the Committee of their responsibilities. We considered internal control relevant to U.T. System’s preparation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of U.T. System’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of U.T. System’s internal control over financial reporting.

## Other Required Communications (continued)



### Significant Accounting Policies

U.T. System's significant accounting policies are set forth in Note 4 to U.T. System's 2024 financial statements. We are aware of the following changes in previously adopted significant accounting policies:

- Other than the portion of this statement implemented in 2022 and 2023, the remainder of GASB Statement No. 99, *Omnibus 2022*, is effective in 2024. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective 2024. As a result of implementing GASB 99, reclassifications of \$101,989,500 and \$61,930,000 for FY24 and FY23, respectively, were made from net investment income to net increase (decrease) upon hedge termination in the Statement of Revenues, Expenses, and Changes in Net Position.
- GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective 2024, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. U.T. System adopted this standard to account for the changes in reporting entity for fiscal year 2024.

We have evaluated the significant qualitative aspects of the U.T. System's accounting practices, including accounting policies, accounting estimates and financial statement disclosures and concluded that the policies are appropriate, adequately disclosed, and consistently applied by management.

## Other Required Communications (continued)



### Significant Difficulties Encountered in Performing the Audit

In our judgment, we received the full cooperation of U.T. System’s management and staff and had unrestricted access to U.T. System’s senior management in the performance of our audit.



### Disagreements with Management

We have not had any disagreements with management related to matters that are material to U.T. System’s 2024 financial statements.



### Our Views about Significant Matters That Were the Subject of Consultation with Other Accountants

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2024.



### Emphasis of Matter

As discussed in Note 1, the financial statements of U.T. System are intended to present the financial position, the changes in financial position, and where applicable, cash flows of only that portion of the State of Texas that is attributable to the transactions of U.T. System. They do not purport to, and do not, present fairly the financial position of the State of Texas as of August 31, 2024 and 2023, the changes in its financial position, or its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Other Required Communications (continued)



### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, the Schedule of the U.T. System’s Proportionate Share of Changes in Employer Total OPEB Liability and Related Ratios, the Schedule of the U.T. System’s Proportionate Share of Total OPEB Liability, the Schedule of the U.T. System’s Proportionate Share of the Net Pension Liability for the Teacher Retirement System Pension Plan, the Schedule of the U.T. System’s Contributions for the Teacher Retirement System Pension Plan, and the Schedule of U.T.M.D. Anderson’s PRS SRP/RBP Pension Liability be presented to supplement the consolidated financial statements. Such information is the responsibility of management and, although not a part of the consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the consolidated financial statements, and other knowledge we obtained during our audit of the consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise U.T. System’s consolidated financial statements. The U.T. System Administration and Institution Financial Information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the U.T. System Administration and Institution Financial Information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

# Appendix C: Representations from Management

## Management's Representations

We have made specific inquiries of U.T. System's management about the representations embodied in the financial statements. In addition, we have requested that management provide to us the written representations U.T. System is required to provide to its independent auditors under generally accepted auditing standards. A copy of the representation letter obtained from management was provided separately to the Board.





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36 USC 220506

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

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on [Page 222](#).

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

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

# U.T. System

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

Jonathan Pruitt

Executive Vice Chancellor for Business Affairs

U.T. System Board of Regents Meeting

Finance and Planning Committee

February 2025



# U.T. System Consolidated Summary

Fiscal Year Summary  
Period Ending November 30, 2024



**Revenues**  
\$7,986.2 M



**Expenses**  
\$7,181.5 M



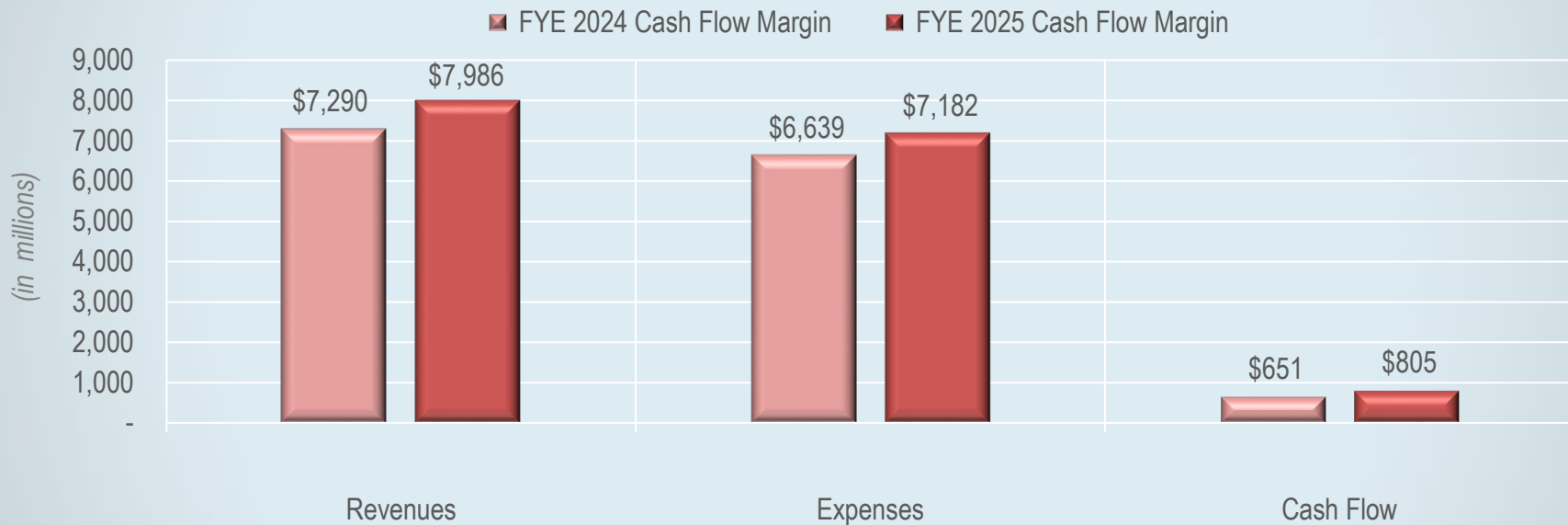
**Cash Flow Margin**  
\$804.7 M



**FYE Projected Cash Flow**  
\$3,196.5 M

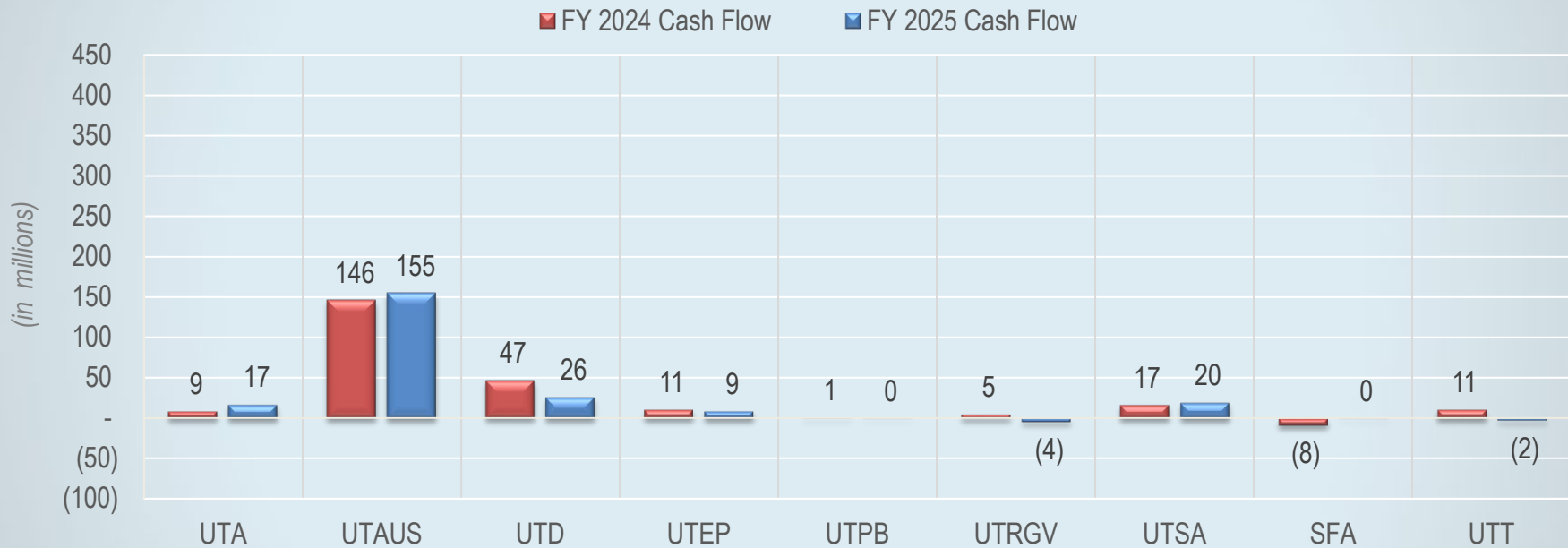
# U.T. System Consolidated Revenue & Expenses

## Year-Over-Year Comparison (November)



# Cash Flow Margin – Academic Institutions

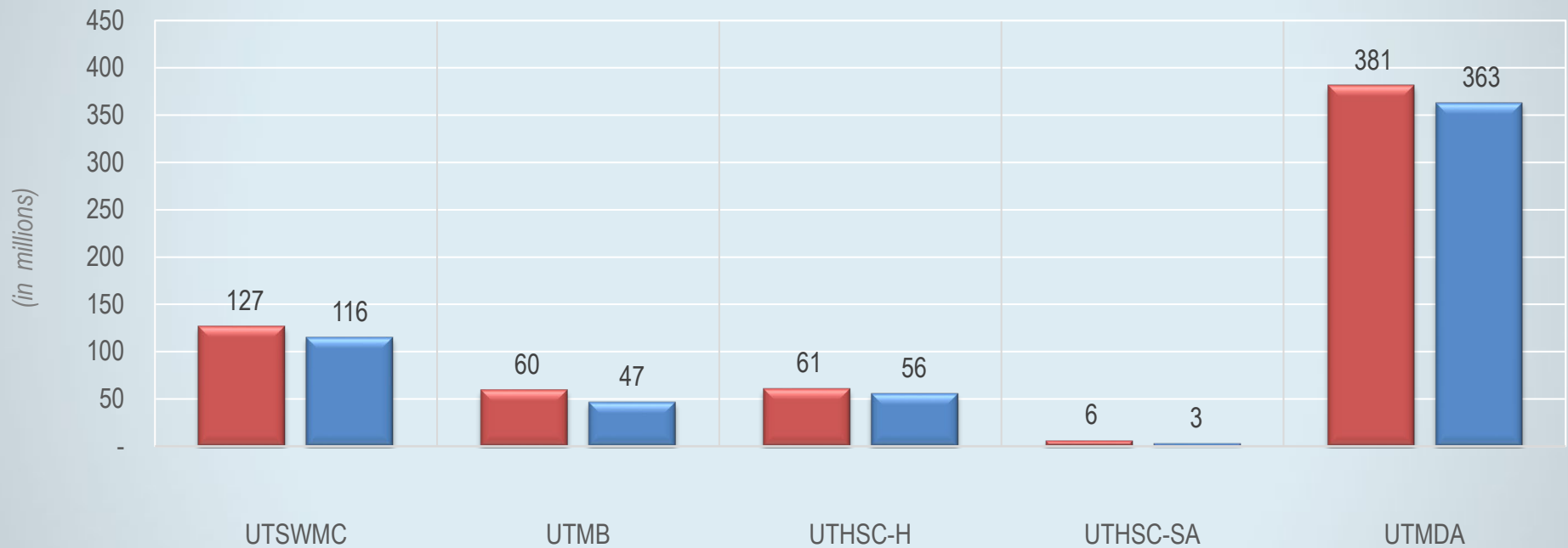
## Year-Over-Year Comparison (November)



# Cash Flow Margin – Health Institutions

## Year-Over-Year Comparison (November)

FY 2024 Cash Flow FY 2025 Cash Flow



Excludes Depreciation Expense



# Budget to Projected – Academic Institutions

## Projected FY 2025

	Budget (\$ Millions)				Projected (\$ Millions)				
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio	
U.T. Arlington	\$920.8	\$870.8	\$50.0	5.4%	\$968.2	\$800.3	\$167.8	17.3%	▲
U.T. Austin	\$4,272.5	\$3,942.8	\$329.7	7.7%	\$4,609.8	\$4,092.9	\$516.9	11.2%	▲
U.T. Dallas	\$938.7	\$845.9	\$92.8	9.9%	\$895.4	\$789.7	\$105.7	11.8%	▲
U.T. El Paso	\$621.2	\$589.6	\$31.6	5.1%	\$613.3	\$576.0	\$37.3	6.1%	▲
U.T. Permian Basin	\$104.5	\$100.3	\$4.2	4.0%	\$101.7	\$103.2	(\$1.5)	-1.5%	▼
U.T. Rio Grande Valley	\$680.4	\$666.7	\$13.7	2.0%	\$695.4	\$672.3	\$23.1	3.3%	▲
U.T. San Antonio	\$792.2	\$694.0	\$98.2	12.4%	\$808.1	\$726.1	\$82.1	10.2%	▲
Stephen F. Austin	\$218.4	\$211.0	\$7.3	3.4%	\$215.4	\$213.1	\$2.2	1.0%	▲
U.T. Tyler	\$632.2	\$596.5	\$35.7	5.6%	\$651.7	\$637.8	\$13.8	2.1%	▲
<b>Total</b>	<b>\$9,180.9</b>	<b>\$8,517.6</b>	<b>\$663.3</b>	<b>7.2%</b>	<b>\$9,558.9</b>	<b>\$8,611.4</b>	<b>\$947.5</b>	<b>9.9%</b>	<b>▲</b>

# Budget to Projected – Health Institutions

## Projected FY 2025

	Budget (\$ Millions)				Projected (\$ Millions)				
	Revenues	Expenses	Cash Flow	Cash Flow Ratio	Revenues	Expenses	Cash Flow	Cash Flow Ratio	
U.T. Southwestern Medical Center	\$5,534.2	\$5,192.0	\$342.2	6.2%	\$5,709.7	\$5,369.5	\$340.2	6.0%	▲
U.T. Medical Branch - Galveston	\$3,330.1	\$3,142.3	\$187.9	5.6%	\$3,443.1	\$3,251.5	\$191.6	5.6%	▲
U.T. Health Science Center - Houston	\$2,702.9	\$2,572.5	\$130.4	4.8%	\$2,749.7	\$2,610.9	\$138.8	5.0%	▲
U.T. Health Science Center - San Antonio	\$1,671.6	\$1,625.3	\$46.3	2.8%	\$1,678.3	\$1,631.7	\$46.6	2.8%	▲
U.T.M.D. Anderson Cancer Center	\$8,647.9	\$7,356.7	\$1,291.2	14.9%	\$8,746.1	\$7,439.1	\$1,306.9	14.9%	▲
<b>Total</b>	<b>\$21,886.7</b>	<b>\$19,888.7</b>	<b>\$1,998.0</b>	<b>9.1%</b>	<b>\$22,326.9</b>	<b>\$20,302.8</b>	<b>\$2,024.1</b>	<b>9.1%</b>	<b>▲</b>

# Financial Summary

## Systemwide Operations November 2024

	Budget	Actuals	% of Budget
U.T. System Administration (AUF)	\$61,100,200	\$18,668,250	31%
Direct Campus Support (AUF)	\$76,396,700	\$27,375,471	36%
Service Departments & Other Non-AUF*	\$84,461,261	\$23,323,753	28%
<b>Total**</b>	<b>\$221,958,161</b>	<b>\$69,367,474</b>	<b>31%</b>

*\*The Board of Regents has approved the budget related to University Lands; 2/3 of the overall University Lands budget and November YTD actuals are represented in the above amounts. The Board of Regents has also approved the portion (1/3 of the overall University Lands budget) that supports Texas A&M University.*

*\*\*Budget does not include PUF Debt or Capital Construction Assistance Projects (CCAP) Interest (All Institutions) or Depreciation. Also excluded are self-insurance funds, federal Medicare-related reimbursements, U.T. System Building debt service, and certain Systemwide software licenses centrally negotiated and reimbursed by the institutions.*

## Funding for the U.T. Austin Dell Medical School

*For fiscal years 2015 - 2024*

In May 2012, the Board of Regents committed AUF resources to support the creation of a medical school at U.T. Austin and approved reviewing the funding 10 years after its establishment, consistent with the Board’s fiduciary responsibilities. The following chart details AUF funding for Dell Medical School for the 10 years after accreditation was received.

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
\$6,564,652	\$10,314,628	\$25,986,198	\$44,126,723	\$62,209,191	\$51,255,061
FY 2021	FY 2022	FY 2023	FY 2024	Total	
\$32,439,856	\$25,231,816	\$31,468,886	\$40,687,340	\$330,284,351	



Source: Available University Fund Reports

# THE UNIVERSITY OF TEXAS SYSTEM OFFICE OF BUDGET AND PLANNING

## MONTHLY FINANCIAL REPORT *(unaudited)*

NOVEMBER 2024  
FY 2025



210 West Seventh Street  
Austin, Texas 78701  
512.499.4792  
[www.utsystem.edu/offices/budget-and-planning](http://www.utsystem.edu/offices/budget-and-planning)

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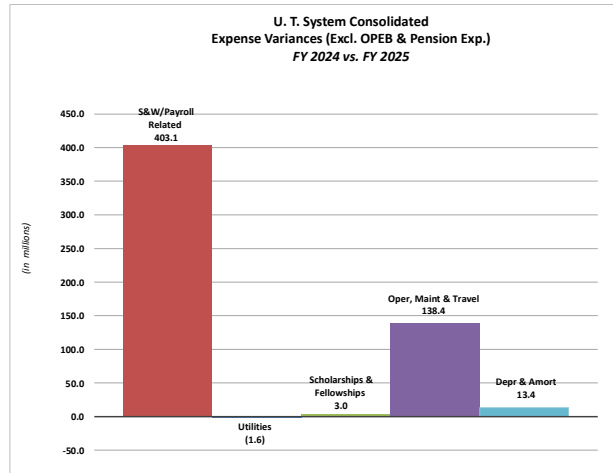
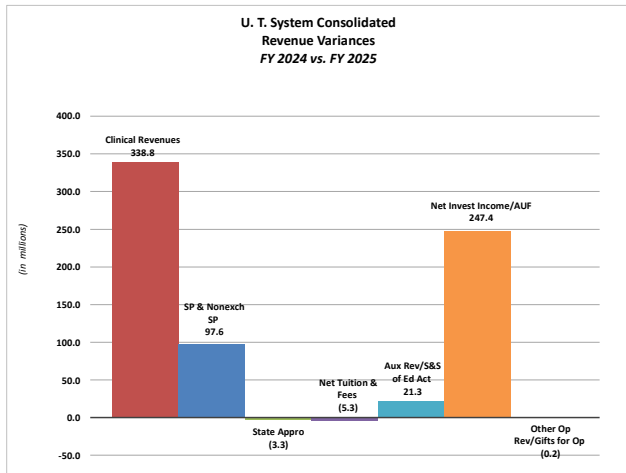
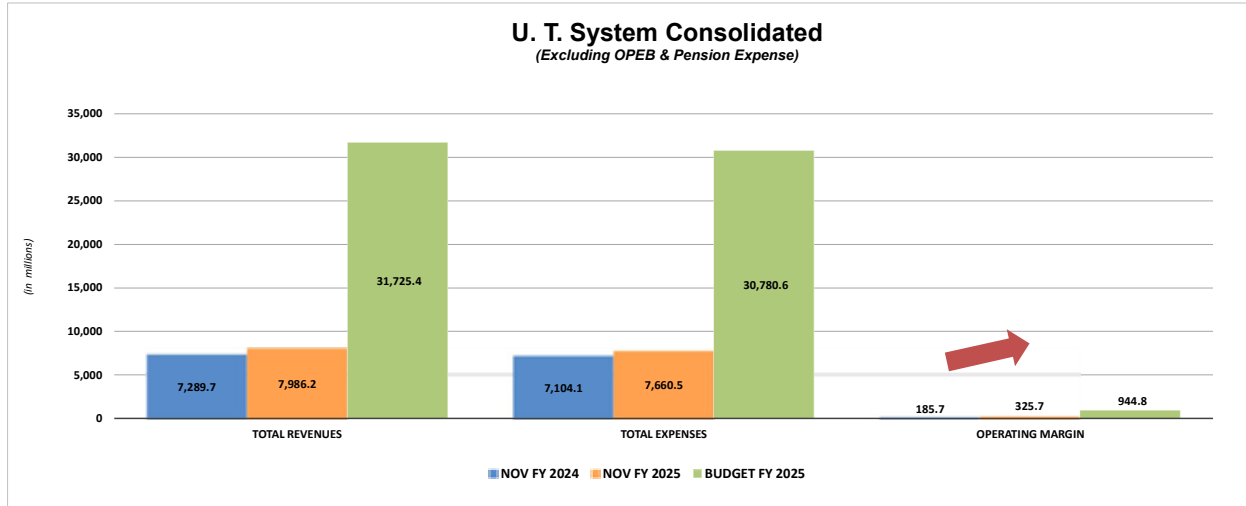
**Monthly Financial Report  
Comparison of Cash Flow Margin  
For the Period Ending November 30, 2024**

**Executive Summary of Cash Flow Margin (Loss)\***  
(Excludes OPEB, Pension, Depreciation and Amortization Expense)

	November FYTD 2024 (millions)	November FYTD 2025 (millions)	Variance %	Comments
U. T. Arlington	9.0	17.1	91%	Increase in Net Investment Income, Sales & Services of Educational Activities <b>Projected cash flow margin of \$167.8 million for the FY</b>
U. T. Austin	146.3	155.1	6%	Increase in Gift Contributions for Operations <b>Projected cash flow margin of \$516.9 million for the FY</b>
U. T. Dallas	47.1	26.4	-44%	Decrease in Net Tuition and Fees Increase in Salaries & Wages/Payroll Related Costs <b>Projected cash flow margin of \$105.7 million for the FY</b>
U. T. El Paso	11.0	9.1	-17%	Increase in Salaries & Wages/Payroll Related Costs <b>Projected cash flow margin of \$37.3 million for the FY</b>
U. T. Permian Basin	1.0	0.1	-93%	Increase in Oper., Maint. & Travel (Professional Fees & Services) Decrease in Net Tuition and Fees <b>Projected cash flow margin loss of (\$1.5) million for the FY</b>
U. T. Rio Grande Valley	5.0	(3.9)	-177%	Increase in Salaries & Wages/Payroll Related Costs, Oper., Maint. & Travel (Professional Fees & Services, Other Contracted Services) <b>Projected cash flow margin of \$23.1 million for the FY</b>
U. T. San Antonio	16.9	19.6	16%	Increase in Net Investment Income, Gift Contributions for Operations <b>Projected cash flow margin of \$82.1 million for the FY</b>
Stephen F. Austin State University	(8.4)	0.0	100%	Increase in Nonexchange Sponsored Programs, Net Investment Income, Gift Contributions for Operations Decrease in Oper., Maint. & Travel (Other Contracted Services) <b>Projected cash flow margin of \$2.2 million for the FY</b>
U. T. Tyler	11.1	(1.9)	-117%	Increase in Salaries & Wages/Payroll Related Costs, Oper., Maint. & Travel (Materials & Supplies) <b>Projected cash flow margin of \$13.8 million for the FY</b>
Southwestern	127.0	115.6	-9%	Increase in Salaries & Wages/Payroll Related Costs, Oper., Maint. & Travel (Materials & Supplies) <b>Projected cash flow margin of \$340.2 million for the FY</b>
UTMB	59.9	47.2	-21%	Increase in Salaries & Wages/Payroll Related Costs, Oper., Maint. & Travel (Materials & Supplies) <b>Projected cash flow margin of \$191.6 million for the FY</b>
UTHSC-Houston	61.3	56.3	-8%	Increase in Salaries & Wages, Oper., Maint. & Travel (Costs of Goods Sold, Materials & Supplies) <b>Projected cash flow margin of \$138.8 million for the FY</b>
UTHSC-San Antonio	6.2	3.1	-49%	Increase in Salaries & Wages/Payroll Related Costs, Oper., Maint. & Travel (Materials & Supplies) <b>Projected cash flow margin of \$46.6 million for the FY</b>
M. D. Anderson	381.0	362.9	-5%	Increase in Salaries & Wages/Payroll Related Costs, Oper., Maint. & Travel (Materials & Supplies) <b>Projected cash flow margin of \$1,306.9 million for the FY</b>
U. T. System Administration (excluding OPEB & Pension Expense)	(223.2)	(2.1)	99%	Increase in Net Investment Income Decrease in Oper., Maint. & Travel <b>Projected cash flow margin of \$224.9 million for the FY</b>
<b>Total Cash Flow Margin</b>	<b>\$ 651.2</b>	<b>804.7</b>	<b>24%</b>	

\* For additional details on the variances, please see pages 3 through 17 of the MFR.

**Monthly Financial Report**  
**Comparison of Operating Results, Margin, Budget and Projected Year-End**  
**For the Period Ending November 30, 2024**



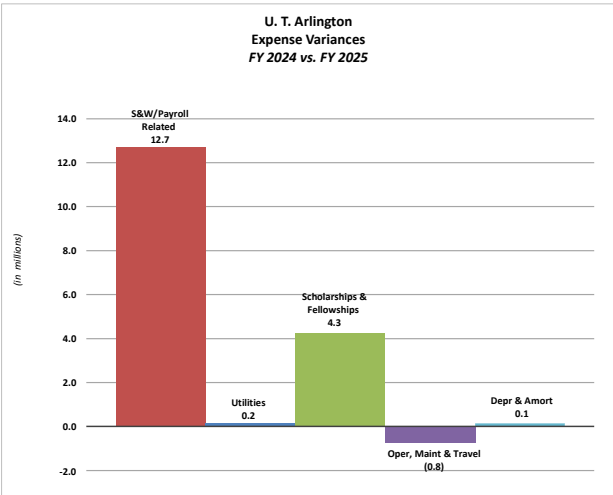
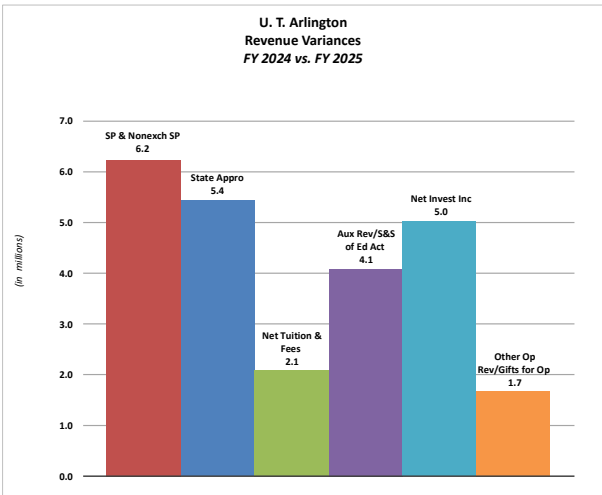
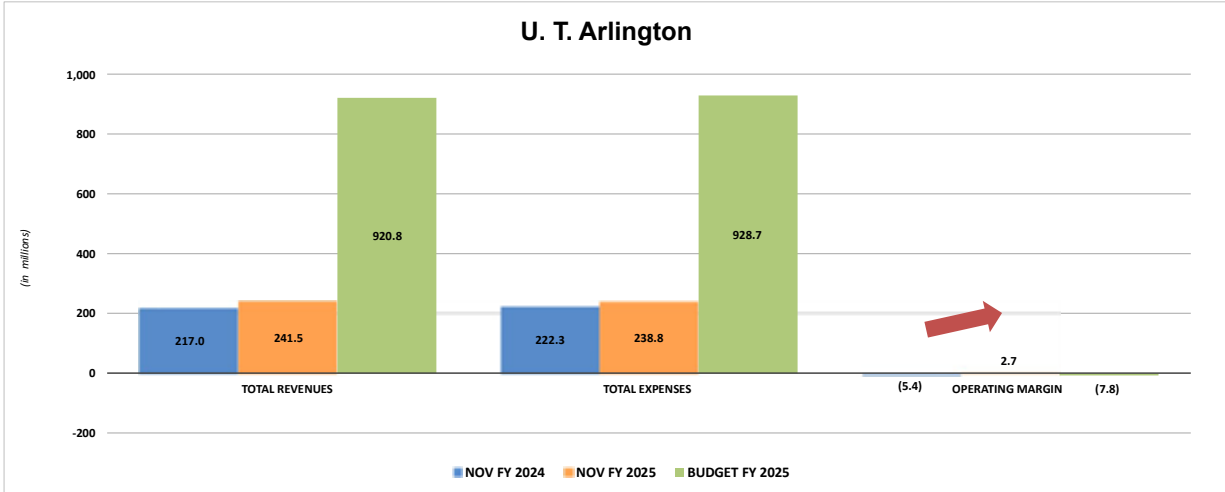
<i>(in millions)</i>	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Clinical Revenues	\$ 3,255.8	3,594.6	338.8	14,533.5	14,785.1	251.7
Sponsored Programs/Nonexchange Sponsored Programs	1,461.0	1,558.7	97.6	6,684.3	6,928.4	244.1
State Appropriations	693.5	690.2	(3.3)	2,807.0 *	2,774.7	(32.3)
Net Tuition and Fees	575.0	569.8	(5.3)	2,261.3	2,205.6	(55.6)
Auxiliary Revenues/Sales & Services of Educational Activities	428.3	449.6	21.3	1,396.1	1,549.8	153.6
Net Investment Income	530.8	778.3	247.4	2,631.6	2,839.5	207.9
Other Operating Revenues/Gift Contributions for Operations	345.2	345.1	(0.2)	1,411.7	1,457.5	45.9
<b>Total Revenues</b>	<b>7,289.7</b>	<b>7,986.2</b>	<b>696.5</b>	<b>31,725.4</b>	<b>32,540.7</b>	<b>815.3</b>
Salaries and Wages/Payroll Related Costs	4,248.7	4,651.8	403.1	18,289.1	18,559.4	270.3
Utilities	90.6	89.0	(1.6)	348.5	323.3	(25.3)
Scholarships and Fellowships	147.7	150.7	3.0	696.6	671.1	(25.5)
Operations, Maintenance and Travel	2,151.6	2,290.0	138.4	9,485.4 *	9,790.4	304.9
Depreciation and Amortization	465.5	479.0	13.4	1,960.9	1,942.7	(18.2)
<b>Total Expenses (Excluding OPEB &amp; Pension Exp)</b>	<b>\$ 7,104.1</b>	<b>7,660.5</b>	<b>556.4</b>	<b>30,780.6</b>	<b>31,286.9</b>	<b>506.3</b>
<b>Operating Margin (Excluding OPEB &amp; Pension Exp)</b>	<b>185.7</b>	<b>325.7</b>	<b>140.1</b>	<b>944.8</b>	<b>1,253.8</b>	<b>308.9</b>
<b>Cash Flow Margin (Excluding OPEB, Pension, Depr &amp; Amort Exp)</b>	<b>651.2</b>	<b>804.7</b>	<b>153.5</b>	<b>2,905.8</b>	<b>3,196.5</b>	<b>290.7</b>

\*State appropriations and corresponding expense for TRB/CCAP for all U. T. institutions have been excluded.

Excluding other postemployment benefits (OPEB), pension, and depreciation expense, *U. T. System Consolidated* shows a year-to-date positive cash flow margin of \$804.7 million, an increase of \$153.5 million (24%) from the prior year. The increase was primarily due to increases in clinical revenues and net investment income.



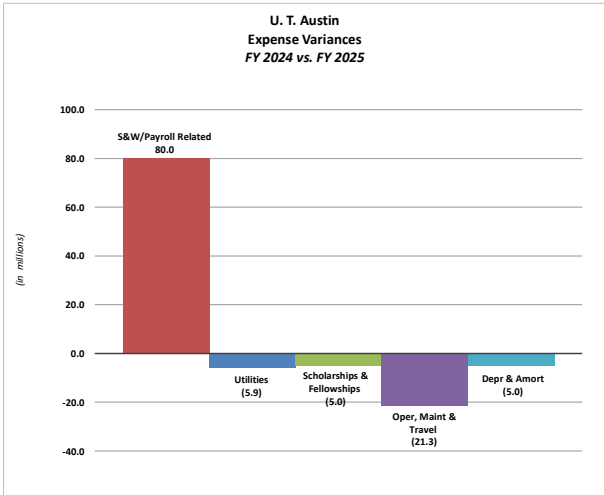
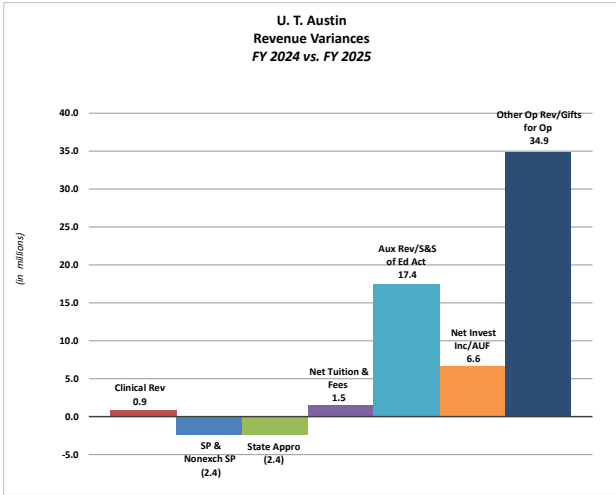
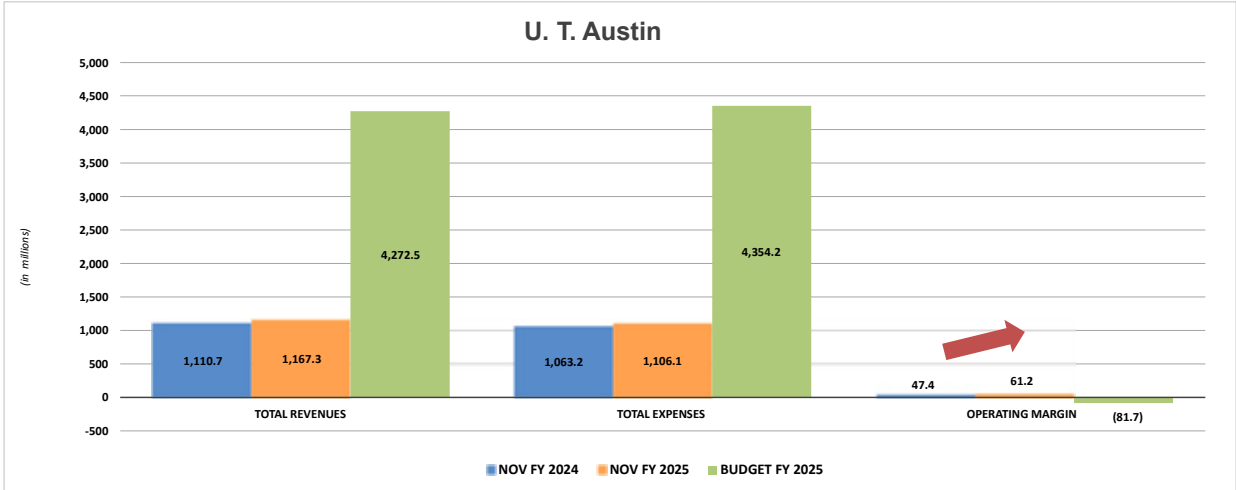
**Monthly Financial Report**  
**Comparison of Operating Results, Margin, Budget and Projected Year-End**  
**For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 52.0	58.2	6.2	232.1	253.7	21.6
State Appropriations	38.0	43.4	5.4	173.6	173.6	0.0
Net Tuition and Fees	94.7	96.8	2.1	387.0	387.0	0.0
Auxiliary Revenues/Sales & Services of Educational Activities	18.1	22.1	4.1	77.4	77.4	0.0
Net Investment Income	11.6	16.6	5.0	37.1	52.6	15.5
Other Operating Revenues/Gift Contributions for Operations	2.7	4.4	1.7	13.6	23.9	10.3
<b>Total Revenues</b>	<b>217.0</b>	<b>241.5</b>	<b>24.5</b>	<b>920.8</b>	<b>968.2</b>	<b>47.4</b>
Salaries and Wages/Payroll Related Costs	124.2	136.8	12.7	529.1	483.5	(45.6)
Utilities	2.6	2.8	0.2	11.1	11.1	0.0
Scholarships and Fellowships	19.5	23.8	4.3	79.9	95.0	15.2
Operations, Maintenance and Travel	61.7	61.0	(0.8)	250.7	210.7	(40.1)
Depreciation and Amortization	14.3	14.5	0.1	57.8	57.8	0.0
<b>Total Expenses</b>	<b>\$ 222.3</b>	<b>238.8</b>	<b>16.5</b>	<b>928.7</b>	<b>858.2</b>	<b>(70.5)</b>
<b>Operating Margin</b>	<b>(5.4)</b>	<b>2.7</b>	<b>8.0</b>	<b>(7.8)</b>	<b>110.0</b>	<b>117.8</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>9.0</b>	<b>17.1</b>	<b>8.2</b>	<b>50.0</b>	<b>167.8</b>	<b>117.8</b>

U. T. Arlington reported a year-to-date positive cash flow margin of \$17.1 million, an increase of \$8.2 million (91%) from the prior year. The increase was primarily attributable to the following: an increase in net investment income due to improved financial market conditions; and an increase in sales and services of educational activities as a result of an increase in the Center for Global Academic Initiatives program. The most current projection received from U. T. Arlington reflects a cash flow margin of \$167.8 million for the year.

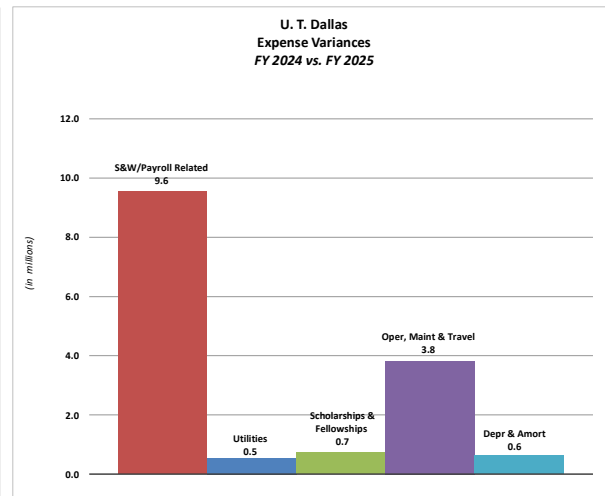
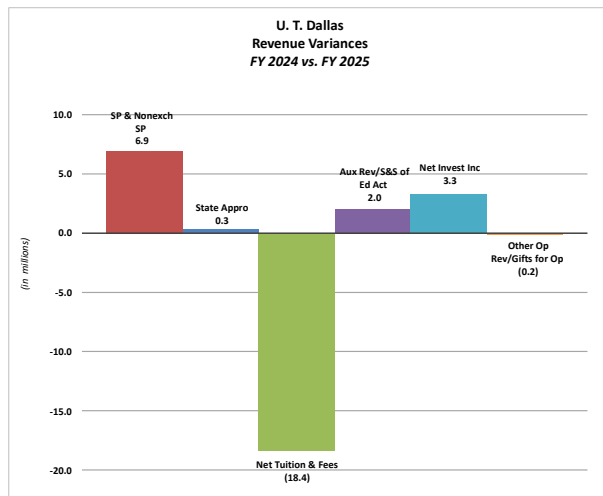
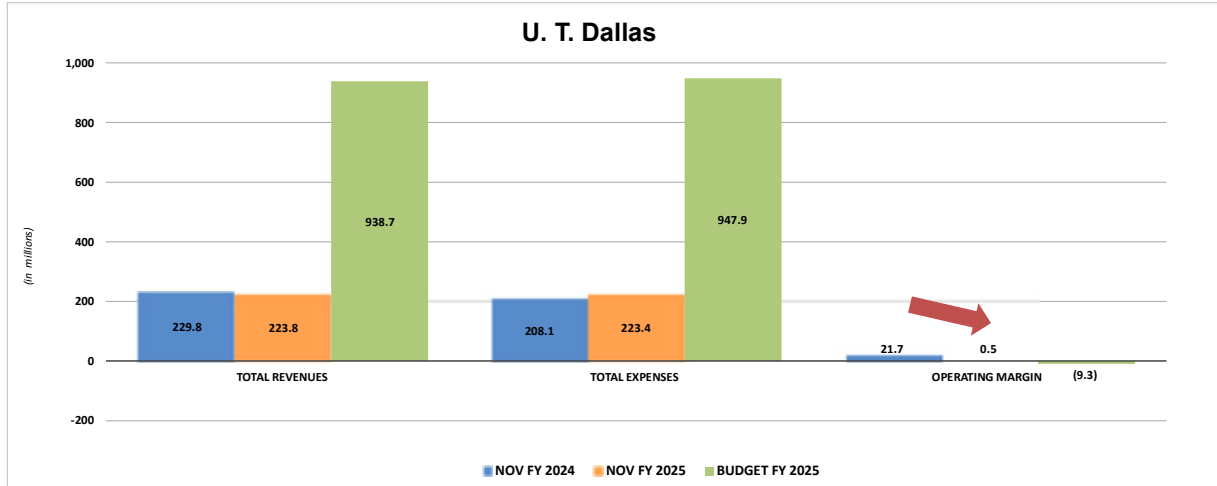
**Monthly Financial Report  
Comparison of Operating Results, Margin, Budget and Projected Year-End  
For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Clinical Revenues	\$ 4.2	5.1	0.9	27.1	24.4	(2.7)
Sponsored Programs/Nonexchange Sponsored Programs	297.2	294.8	(2.4)	1,297.6	1,373.8	76.2
State Appropriations	103.1	100.7	(2.4)	413.8	406.9	(6.9)
Net Tuition and Fees	141.0	142.5	1.5	574.0	570.0	(4.0)
Auxiliary Revenues/Sales & Services of Educational Activities	241.5	258.9	17.4	721.4	831.6	110.2
Net Investment Income/Available University Fund (AUF)	273.8	280.4	6.6	918.6	1,062.4	143.8
Other Operating Revenues/Gift Contributions for Operations	49.9	84.8	34.9	320.0	340.7	20.7
<b>Total Revenues</b>	<b>1,110.7</b>	<b>1,167.3</b>	<b>56.6</b>	<b>4,272.5</b>	<b>4,609.8</b>	<b>337.3</b>
Salaries and Wages/Payroll Related Costs	589.9	670.0	80.0	2,344.9	2,558.2	213.3
Utilities	34.4	28.6	(5.9)	91.7	76.2	(15.5)
Scholarships and Fellowships	61.9	56.9	(5.0)	268.5	227.5	(41.0)
Operations, Maintenance and Travel	278.1	256.8	(21.3)	1,237.7	1,231.0	(6.7)
Depreciation and Amortization	98.9	93.9	(5.0)	411.4	375.5	(35.9)
<b>Total Expenses</b>	<b>\$ 1,063.2</b>	<b>1,106.1</b>	<b>42.8</b>	<b>4,354.2</b>	<b>4,468.4</b>	<b>114.2</b>
<b>Operating Margin</b>	<b>47.4</b>	<b>61.2</b>	<b>13.8</b>	<b>(81.7)</b>	<b>141.4</b>	<b>223.0</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>146.3</b>	<b>155.1</b>	<b>8.8</b>	<b>329.7</b>	<b>516.9</b>	<b>187.2</b>

U. T. Austin reported a year-to-date positive cash flow margin of \$155.1 million, an increase of \$8.8 million (6%) from the prior year. The increase was primarily due to an increase in gift contributions for operations as a result of a large gift received from the Michael and Susan Dell Foundation. The most current projection received from U. T. Austin reflects a cash flow margin of \$516.9 million for the year.

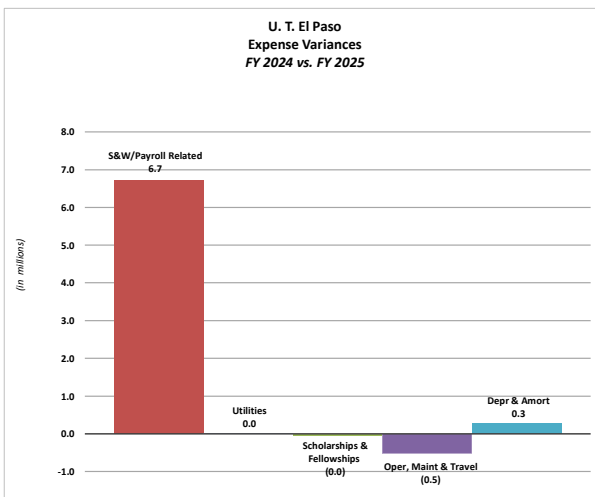
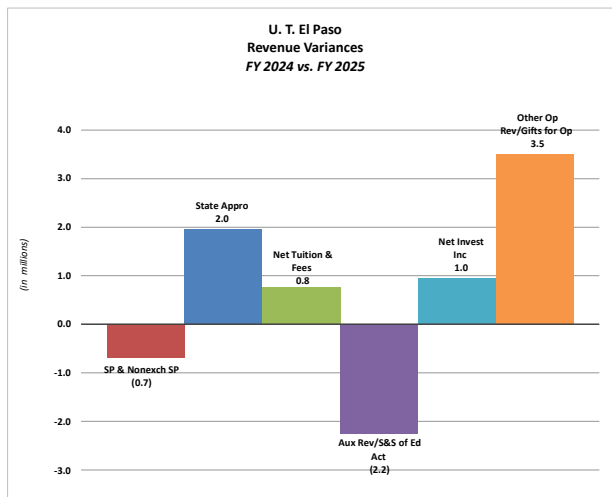
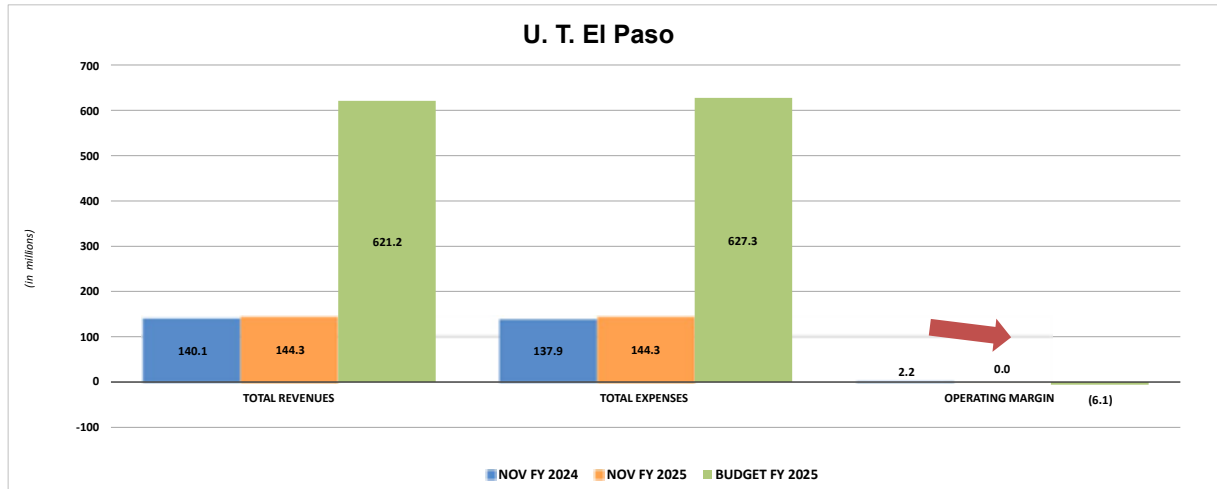
**Monthly Financial Report  
Comparison of Operating Results, Margin, Budget and Projected Year-End  
For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 34.6	41.5	6.9	170.6	165.9	(4.7)
State Appropriations	45.0	45.3	0.3	187.0	181.1	(5.9)
Net Tuition and Fees	103.5	85.1	(18.4)	374.8	340.4	(34.3)
Auxiliary Revenues/Sales & Services of Educational Activities	24.1	26.1	2.0	99.3	104.5	5.2
Net Investment Income	17.0	20.3	3.3	78.3	81.2	2.8
Other Operating Revenues/Gift Contributions for Operations	5.7	5.6	(0.2)	28.7	22.2	(6.5)
<b>Total Revenues</b>	<b>229.8</b>	<b>223.8</b>	<b>(6.0)</b>	<b>938.7</b>	<b>895.4</b>	<b>(43.3)</b>
Salaries and Wages/Payroll Related Costs	127.0	136.5	9.6	562.4	546.1	(16.3)
Utilities	3.7	4.2	0.5	17.3	16.9	(0.4)
Scholarships and Fellowships	11.3	12.0	0.7	50.6	48.0	(2.6)
Operations, Maintenance and Travel	40.8	44.7	3.8	215.5	178.6	(36.9)
Depreciation and Amortization	25.3	26.0	0.6	102.1	103.9	1.9
<b>Total Expenses</b>	<b>\$ 208.1</b>	<b>223.4</b>	<b>15.3</b>	<b>947.9</b>	<b>893.6</b>	<b>(54.4)</b>
<b>Operating Margin</b>	<b>21.7</b>	<b>0.5</b>	<b>(21.3)</b>	<b>(9.3)</b>	<b>1.8</b>	<b>11.1</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>47.1</b>	<b>26.4</b>	<b>(20.6)</b>	<b>92.8</b>	<b>105.7</b>	<b>12.9</b>

U. T. Dallas reported a year-to-date positive cash flow margin of \$26.4 million, a decrease of \$20.6 million (44%) from the prior year. The decrease was primarily attributable to the following: a decrease in net student tuition and fees as a result of a decrease in graduate enrollment hours; and an increase in salaries and wages and payroll related costs due to an increase in staff and faculty positions, as well as retention adjustments. The most current projection received from U. T. Dallas reflects a cash flow margin of \$105.7 million for the year.

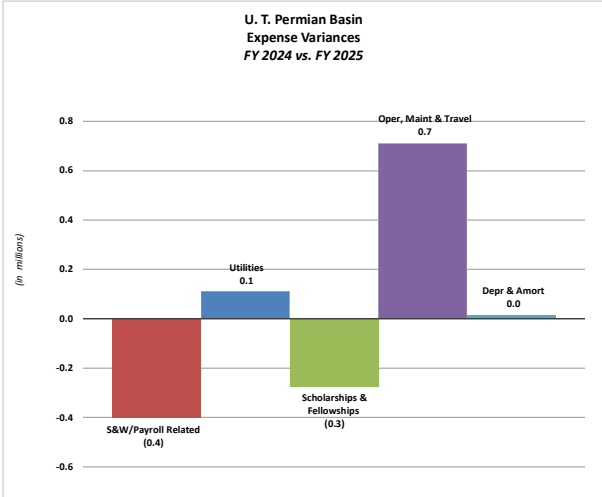
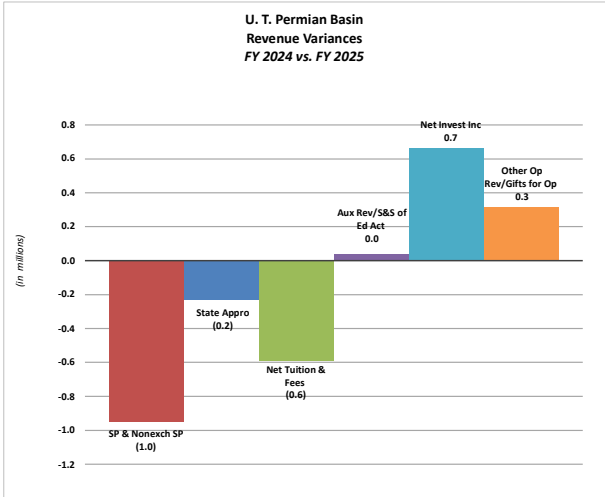
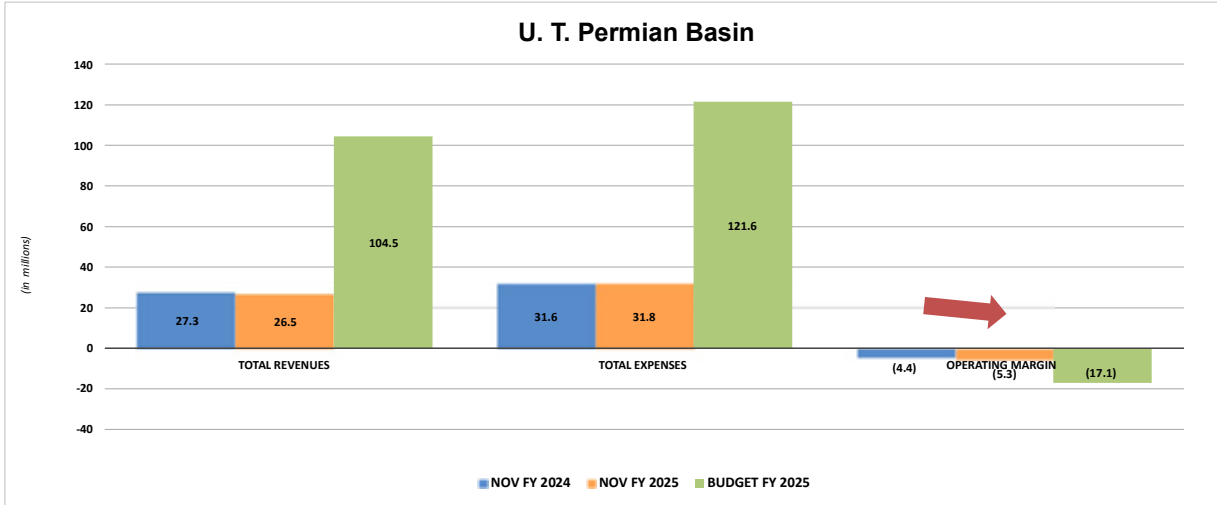
**Monthly Financial Report**  
**Comparison of Operating Results, Margin, Budget and Projected Year-End**  
**For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 41.4	40.7	(0.7)	221.4	233.6	12.2
State Appropriations	31.7	33.7	2.0	135.5	126.8	(8.7)
Net Tuition and Fees	39.2	39.9	0.8	151.1	132.3	(18.8)
Auxiliary Revenues/Sales & Services of Educational Activities	18.0	15.8	(2.2)	71.2	71.8	0.6
Net Investment Income	8.2	9.2	1.0	32.0	35.7	3.7
Other Operating Revenues/Gift Contributions for Operations	1.5	5.1	3.5	10.1	13.1	3.1
<b>Total Revenues</b>	<b>140.1</b>	<b>144.3</b>	<b>4.2</b>	<b>621.2</b>	<b>613.3</b>	<b>(7.9)</b>
Salaries and Wages/Payroll Related Costs	79.6	86.3	6.7	339.9	335.4	(4.6)
Utilities	2.0	2.1	0.0	9.9	10.3	0.4
Scholarships and Fellowships	10.6	10.5	(0.0)	84.1	89.7	5.5
Operations, Maintenance and Travel	36.8	36.3	(0.5)	155.7	140.7	(15.0)
Depreciation and Amortization	8.8	9.1	0.3	37.7	36.9	(0.8)
<b>Total Expenses</b>	<b>137.9</b>	<b>144.3</b>	<b>6.4</b>	<b>627.3</b>	<b>612.9</b>	<b>(14.4)</b>
<b>Operating Margin</b>	<b>2.2</b>	<b>0.0</b>	<b>(2.2)</b>	<b>(6.1)</b>	<b>0.4</b>	<b>6.5</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>11.0</b>	<b>9.1</b>	<b>(1.9)</b>	<b>31.6</b>	<b>37.3</b>	<b>5.7</b>

U. T. El Paso reported a year-to-date positive cash flow margin of \$9.1 million, a decrease of \$1.9 million (17%) from the prior year. The decrease was primarily due to an increase in salaries and wages and payroll related costs attributable to merit increases, as well as an increase in staff and faculty positions. The most current projection received from U. T. El Paso reflects a cash flow margin of \$37.3 million for the year.

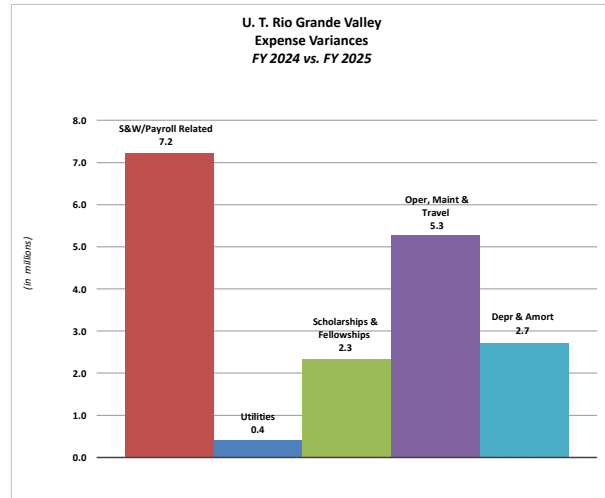
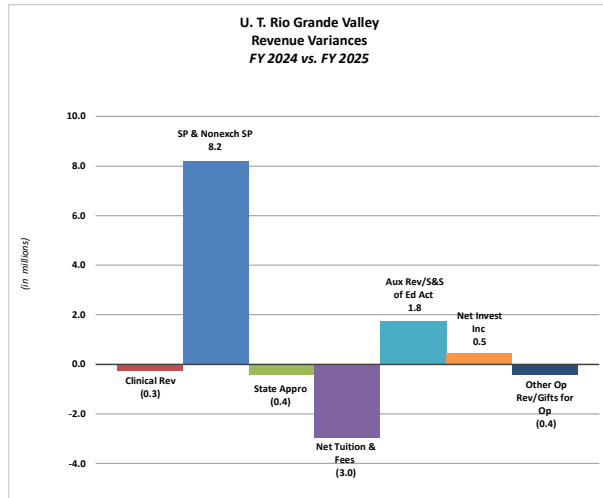
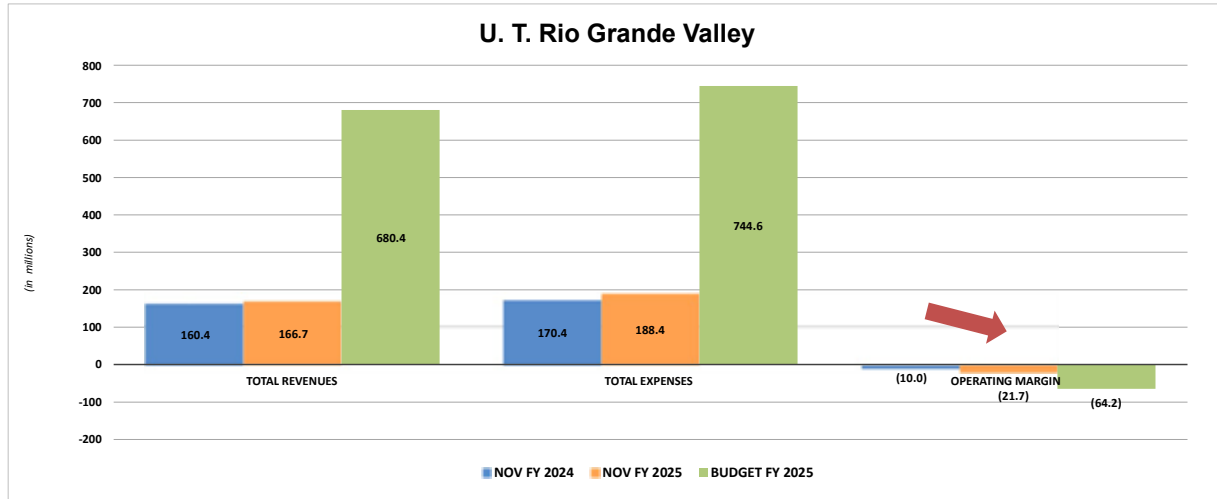
**Monthly Financial Report  
Comparison of Operating Results, Margin, Budget and Projected Year-End  
For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 5.5	4.5	(1.0)	22.3	22.7	0.4
State Appropriations	7.6	7.4	(0.2)	31.0	29.5	(1.5)
Net Tuition and Fees	7.8	7.2	(0.6)	30.4	28.7	(1.7)
Auxiliary Revenues/Sales & Services of Educational Activities	2.1	2.1	0.0	8.4	8.7	0.3
Net Investment Income	1.8	2.4	0.7	4.2	5.3	1.1
Other Operating Revenues/Gift Contributions for Operations	2.6	2.9	0.3	8.2	6.8	(1.3)
<b>Total Revenues</b>	<b>27.3</b>	<b>26.5</b>	<b>(0.8)</b>	<b>104.5</b>	<b>101.7</b>	<b>(2.8)</b>
Salaries and Wages/Payroll Related Costs	15.1	14.7	(0.4)	62.6	57.5	(5.1)
Utilities	0.3	0.4	0.1	3.2	2.6	(0.6)
Scholarships and Fellowships	3.3	3.0	(0.3)	9.7	12.1	2.4
Operations, Maintenance and Travel	7.5	8.2	0.7	24.8	30.9	6.1
Depreciation and Amortization	5.3	5.3	0.0	21.3	21.4	0.1
<b>Total Expenses</b>	<b>\$ 31.6</b>	<b>31.8</b>	<b>0.2</b>	<b>121.6</b>	<b>124.5</b>	<b>3.0</b>
<b>Operating Margin</b>	<b>(4.4)</b>	<b>(5.3)</b>	<b>(0.9)</b>	<b>(17.1)</b>	<b>(22.9)</b>	<b>(5.8)</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>1.0</b>	<b>0.1</b>	<b>(0.9)</b>	<b>4.2</b>	<b>(1.5)</b>	<b>(5.7)</b>

U. T. Permian Basin reported a year-to-date positive cash flow margin of \$0.1 million, a decrease of \$0.9 million (93%) from the prior year. The decrease was primarily attributable to the following: an increase in operations, maintenance and travel as a result of an increase in professional fees and services due to a timing difference related to payments made to Apollidon; and a decrease in net student tuition and fees attributable to a decrease in enrollment and semester credit hours. The most current projection received from U. T. Permian Basin reflects a cash flow margin loss of \$1.5 million for the year.

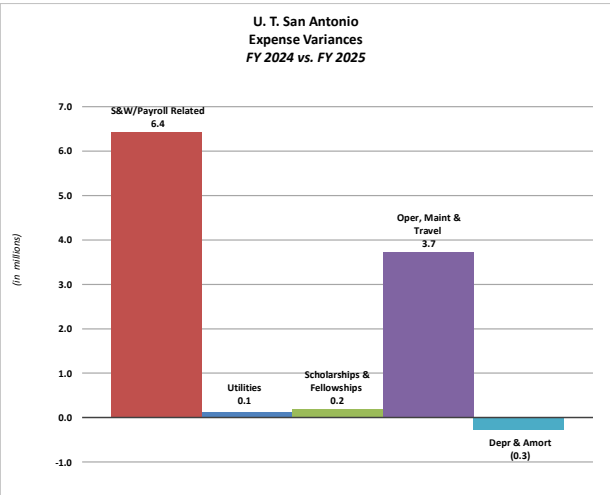
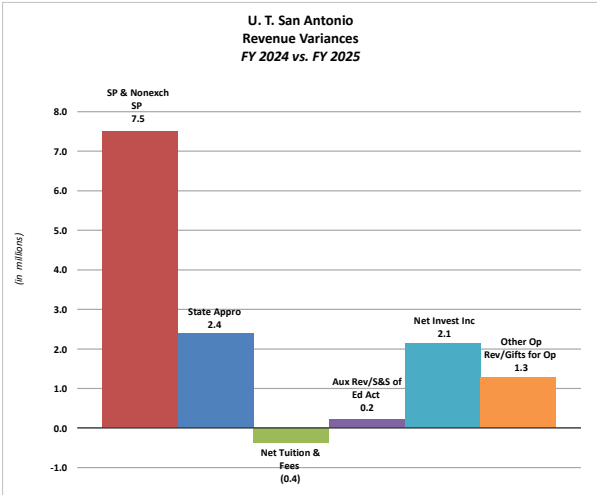
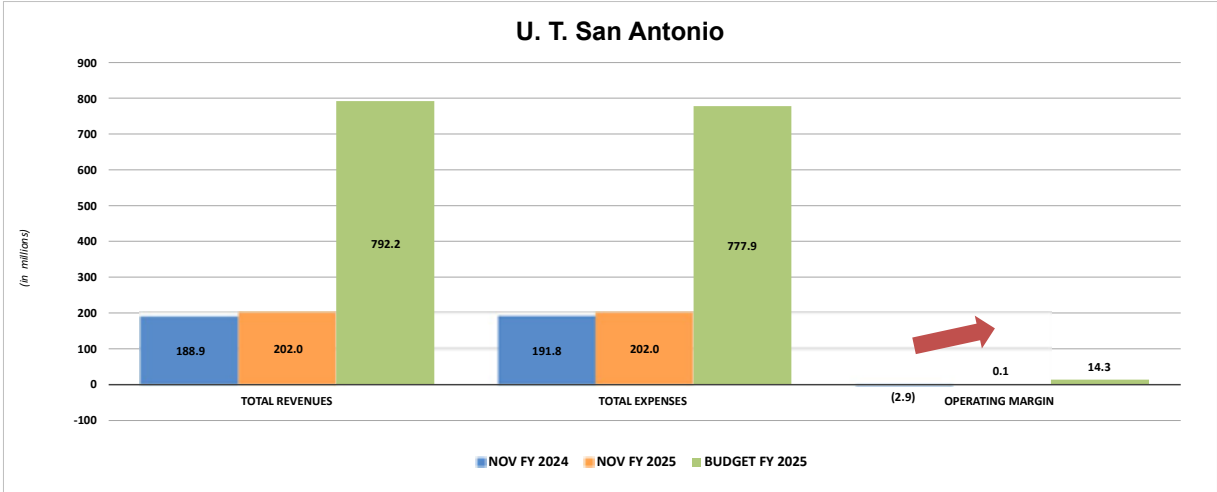
**Monthly Financial Report  
Comparison of Operating Results, Margin, Budget and Projected Year-End  
For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Clinical Revenues	\$ 4.5	4.3	(0.3)	19.5	18.4	(1.1)
Sponsored Programs/Nonexchange Sponsored Programs	47.1	55.3	8.2	265.2	277.9	12.7
State Appropriations	47.6	47.2	(0.4)	187.3	188.4	1.1
Net Tuition and Fees	37.4	34.5	(3.0)	147.1	137.8	(9.3)
Auxiliary Revenues/Sales & Services of Educational Activities	8.8	10.5	1.8	22.5	22.6	0.0
Net Investment Income	7.1	7.5	0.5	22.7	23.7	1.0
Other Operating Revenues/Gift Contributions for Operations	7.9	7.5	(0.4)	16.1	26.7	10.6
<b>Total Revenues</b>	<b>160.4</b>	<b>166.7</b>	<b>6.3</b>	<b>680.4</b>	<b>695.4</b>	<b>15.0</b>
Salaries and Wages/Payroll Related Costs	113.4	120.6	7.2	477.1	478.0	0.9
Utilities	2.0	2.4	0.4	12.9	12.5	(0.3)
Scholarships and Fellowships	12.6	14.9	2.3	66.3	64.0	(2.3)
Operations, Maintenance and Travel	27.4	32.7	5.3	110.4	117.7	7.3
Depreciation and Amortization	15.1	17.8	2.7	77.9	79.5	1.6
<b>Total Expenses</b>	<b>\$ 170.4</b>	<b>188.4</b>	<b>18.0</b>	<b>744.6</b>	<b>751.7</b>	<b>7.1</b>
<b>Operating Margin</b>	<b>(10.0)</b>	<b>(21.7)</b>	<b>(11.7)</b>	<b>(64.2)</b>	<b>(56.4)</b>	<b>7.9</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>5.0</b>	<b>(3.9)</b>	<b>(8.9)</b>	<b>13.7</b>	<b>23.1</b>	<b>9.5</b>

U. T. Rio Grande Valley incurred a year-to-date cash flow margin loss of \$3.9 million, a decrease of \$8.9 million (177%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages and payroll related costs attributable to an increase in staff and faculty positions; and an increase in operations, maintenance and travel as a result of a combined increase in professional fees and services and other contracted services due to increases in School of Podiatric Medicine consultants, transportation services, and Graduate Medical Education hospital contracts. The most current projection received from U. T. Rio Grande Valley reflects a cash flow margin of \$23.1 million for the year.

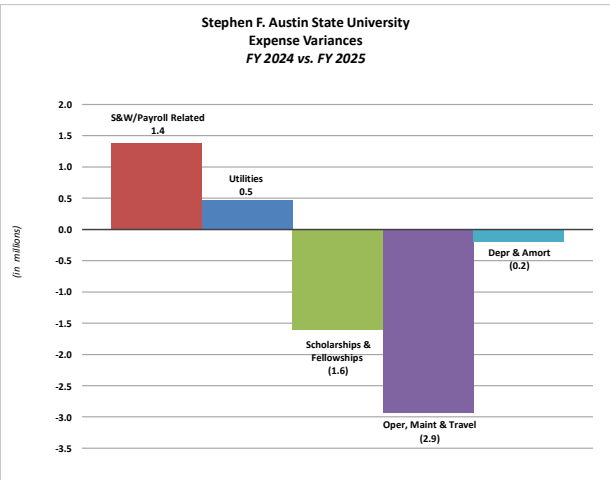
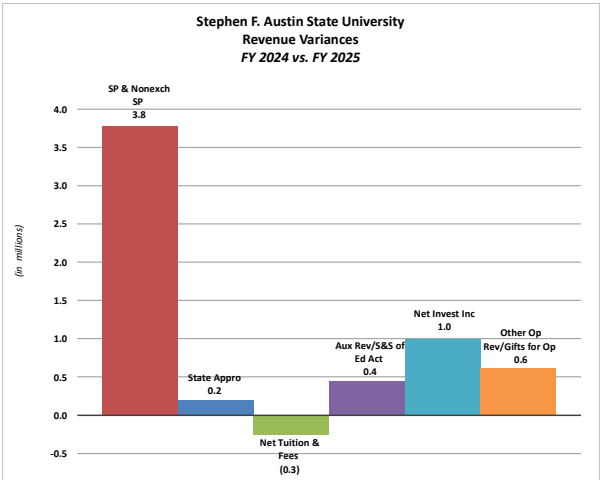
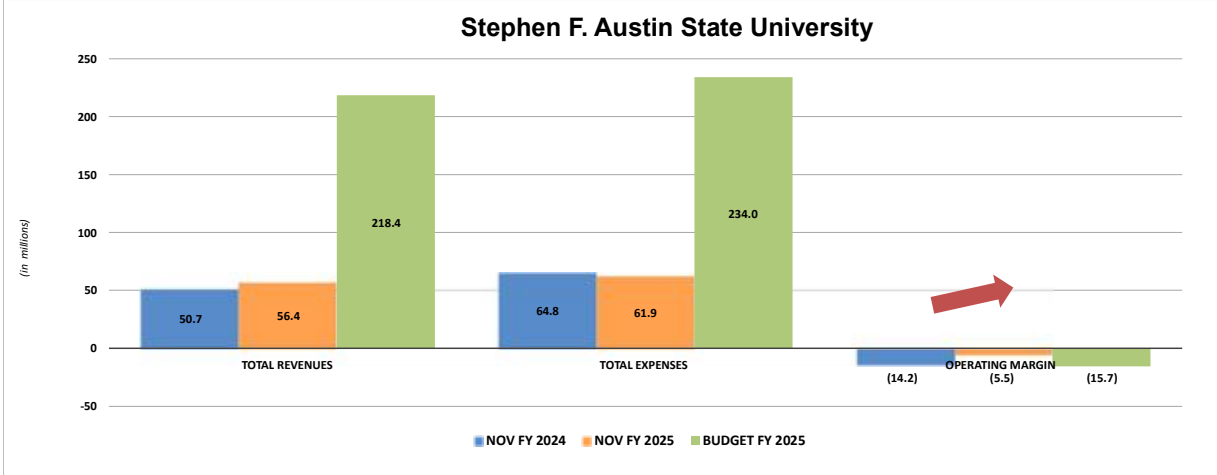
**Monthly Financial Report**  
**Comparison of Operating Results, Margin, Budget and Projected Year-End**  
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(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 47.8	55.3	7.5	233.8	221.1	(12.7)
State Appropriations	45.6	48.0	2.4	176.3	192.0	15.7
Net Tuition and Fees	64.3	63.9	(0.4)	249.2	255.6	6.4
Auxiliary Revenues/Sales & Services of Educational Activities	20.5	20.7	0.2	79.6	82.9	3.3
Net Investment Income	8.2	10.4	2.1	35.9	41.4	5.5
Other Operating Revenues/Gift Contributions for Operations	2.5	3.8	1.3	17.4	15.2	(2.2)
<b>Total Revenues</b>	<b>188.9</b>	<b>202.0</b>	<b>13.2</b>	<b>792.2</b>	<b>808.1</b>	<b>16.0</b>
Salaries and Wages/Payroll Related Costs	108.9	115.3	6.4	448.7	461.3	12.6
Utilities	4.4	4.5	0.1	19.0	18.0	(1.0)
Scholarships and Fellowships	16.3	16.5	0.2	79.6	66.0	(13.7)
Operations, Maintenance and Travel	42.4	46.1	3.7	146.7	180.8	34.1
Depreciation and Amortization	19.8	19.5	(0.3)	83.9	78.0	(5.9)
<b>Total Expenses</b>	<b>\$ 191.8</b>	<b>202.0</b>	<b>10.2</b>	<b>777.9</b>	<b>804.1</b>	<b>26.3</b>
<b>Operating Margin</b>	<b>(2.9)</b>	<b>0.1</b>	<b>3.0</b>	<b>14.3</b>	<b>4.0</b>	<b>(10.3)</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>16.9</b>	<b>19.6</b>	<b>2.7</b>	<b>98.2</b>	<b>82.1</b>	<b>(16.2)</b>

U. T. San Antonio reported a year-to-date positive cash flow margin of \$19.6 million, an increase of \$2.7 million (16%) from the prior year. The increase was primarily attributable to the following: an increase in net investment income as a result of improved market conditions; and an increase in gift contributions from operations due to an overall increase in gift revenue as compared the prior year. The most current projection received from U. T. San Antonio reflects a cash flow margin of \$82.1 million for the year.

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**Comparison of Operating Results, Margin, Budget and Projected Year-End**  
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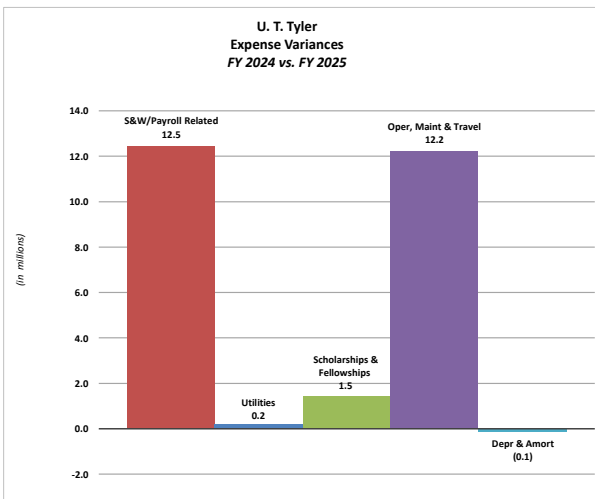
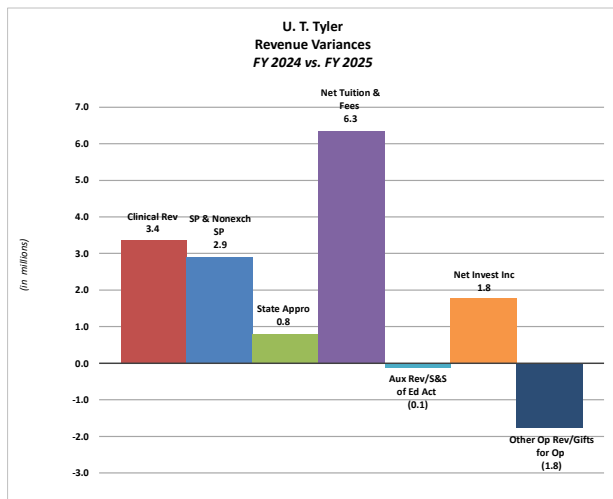
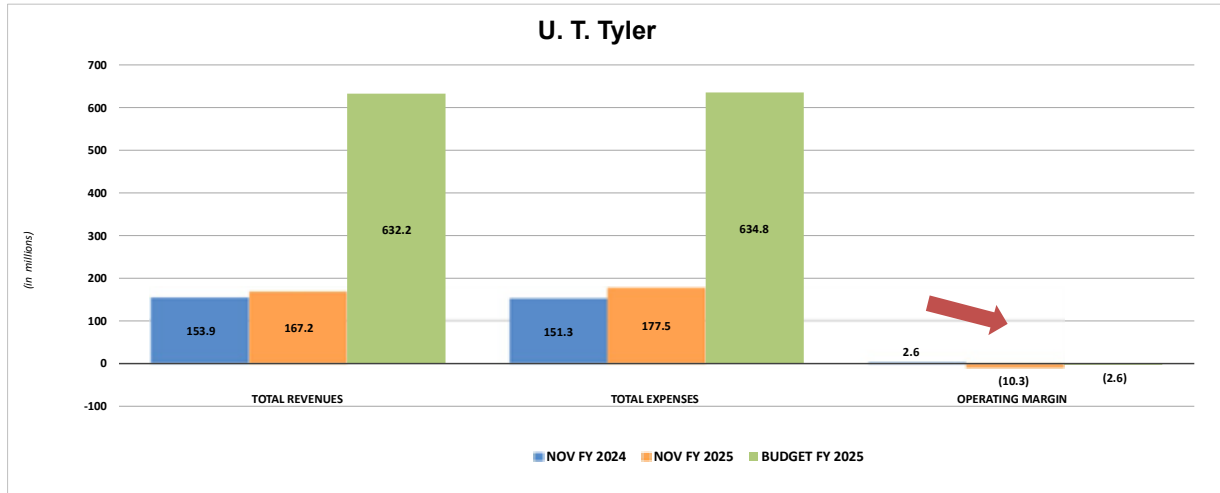


(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ 7.8	11.5	3.8	41.3	41.3	0.0
State Appropriations	13.2	13.4	0.2	53.5	53.5	0.0
Net Tuition and Fees	14.2	13.9	(0.3)	56.7	55.7	(1.0)
Auxiliary Revenues/Sales & Services of Educational Activities	10.5	10.9	0.4	43.9	41.9	(2.0)
Net Investment Income	3.9	4.9	1.0	10.7	11.1	0.5
Other Operating Revenues/Gift Contributions for Operations	1.1	1.7	0.6	12.3	11.8	(0.5)
<b>Total Revenues</b>	<b>50.7</b>	<b>56.4</b>	<b>5.8</b>	<b>218.4</b>	<b>215.4</b>	<b>(3.0)</b>
Salaries and Wages/Payroll Related Costs	37.6	39.0	1.4	143.8	147.0	3.2
Utilities	1.5	2.0	0.5	5.1	5.6	0.5
Scholarships and Fellowships	2.8	1.2	(1.6)	3.5	3.5	0.0
Operations, Maintenance and Travel	17.2	14.3	(2.9)	58.6	57.0	(1.6)
Depreciation and Amortization	5.7	5.5	(0.2)	23.0	23.0	0.0
<b>Total Expenses</b>	<b>\$ 64.8</b>	<b>61.9</b>	<b>(2.9)</b>	<b>234.0</b>	<b>236.1</b>	<b>2.1</b>
<b>Operating Margin</b>	<b>(14.2)</b>	<b>(5.5)</b>	<b>8.7</b>	<b>(15.7)</b>	<b>(20.8)</b>	<b>(5.1)</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>(8.4)</b>	<b>0.0</b>	<b>8.5</b>	<b>7.3</b>	<b>2.2</b>	<b>(5.1)</b>

Stephen F. Austin State University reported a year-to-date positive cash flow margin under \$0.1 million, an increase of \$8.5 million (100%) from the prior year. The increase was primarily attributable to the following: an increase in nonexchange sponsored programs related to a timing difference in revenue recognition reported in fiscal year 2025 compared to the prior year; an increase in net investment income; a decrease in operations, maintenance and travel attributable to a decrease in other contracted services as a result of decreased payments to Chartwells for dining services; and an increase in gift contributions for operations due to an increase in donations as compared to the prior year. The most current projection received from Stephen F. Austin State University reflects a cash flow margin of \$2.2 million for the year.



**Monthly Financial Report  
Comparison of Operating Results, Margin, Budget and Projected Year-End  
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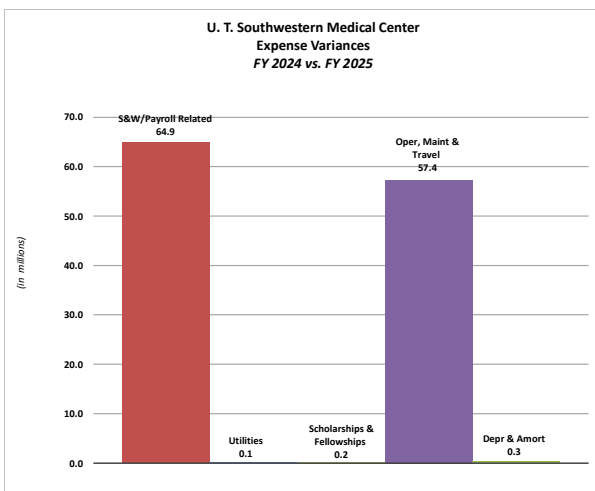
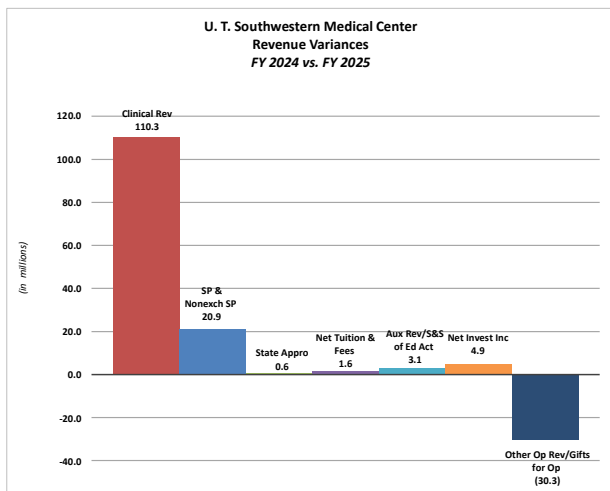
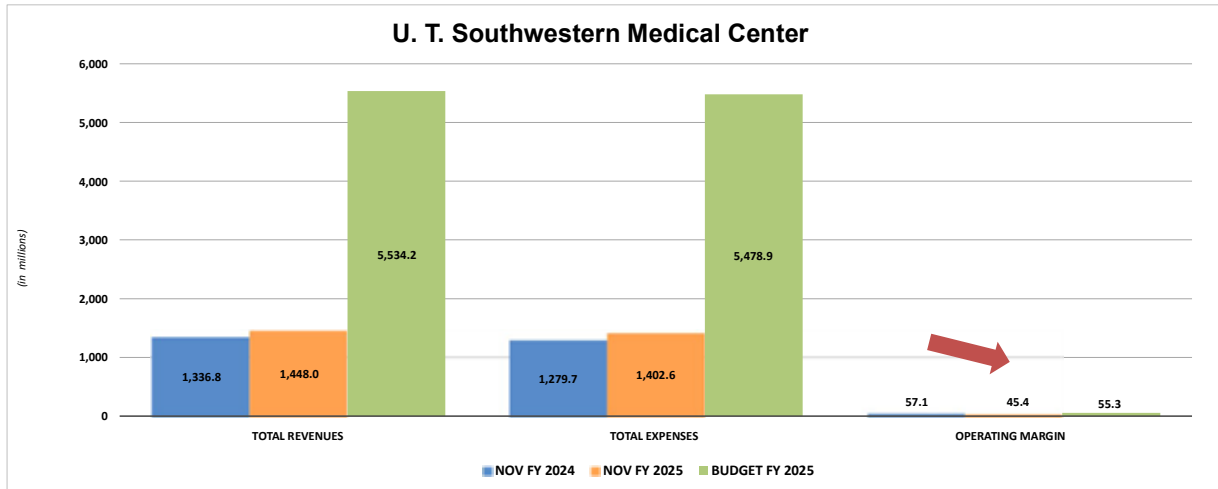


(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Clinical Revenues	\$ 47.9	51.3	3.4	213.4	205.1	(8.3)
Sponsored Programs/Nonexchange Sponsored Programs	40.5	43.4	2.9	168.3	174.7	6.4
State Appropriations	25.2	26.0	0.8	103.0	104.0	1.0
Net Tuition and Fees	15.3	21.6	6.3	71.5	74.6	3.1
Auxiliary Revenues/Sales & Services of Educational Activities	10.0	9.9	(0.1)	41.1	38.0	(3.1)
Net Investment Income	3.1	4.9	1.8	13.6	14.5	0.9
Other Operating Revenues/Gift Contributions for Operations	11.8	10.0 *	(1.8)	21.3	40.8 *	19.5
<b>Total Revenues</b>	<b>153.9</b>	<b>167.2</b>	<b>13.3</b>	<b>632.2</b>	<b>651.7</b>	<b>19.5</b>
Salaries and Wages/Payroll Related Costs	96.1	108.5	12.5	411.2	423.8	12.7
Utilities	1.4	1.6	0.2	5.9	5.7	(0.2)
Scholarships and Fellowships	3.9	5.3	1.5	9.7	15.4	5.7
Operations, Maintenance and Travel	41.4	53.6	12.2	169.7	192.9	23.2
Depreciation and Amortization	8.5	8.4	(0.1)	38.3	33.6	(4.7)
<b>Total Expenses</b>	<b>\$ 151.3</b>	<b>177.5</b>	<b>26.2</b>	<b>634.8</b>	<b>671.4</b>	<b>36.6</b>
<b>Operating Margin</b>	<b>2.6</b>	<b>(10.3)</b>	<b>(12.9)</b>	<b>(2.6)</b>	<b>(19.7)</b>	<b>(17.1)</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>11.1</b>	<b>(1.9)</b>	<b>(13.1)</b>	<b>35.7</b>	<b>13.8</b>	<b>(21.9)</b>

\*Other Operating Income includes 30% of UTHET's net adjusted loss which was \$0.1 million through November. U. T. Tyler's year-end projection includes \$1.6 million of UTHET's net adjusted income for the year.

U. T. Tyler incurred a year-to-date cash flow margin loss of \$1.9 million, a decrease of \$13.1 million (117%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages and payroll related costs attributable to increases in faculty and staff positions; and an increase in operations, maintenance and travel as a result of an increase in materials and supplies related to an increase in pharmaceutical expenses. The most current projection received from U. T. Tyler reflects a cash flow margin of \$13.8 million for the year.

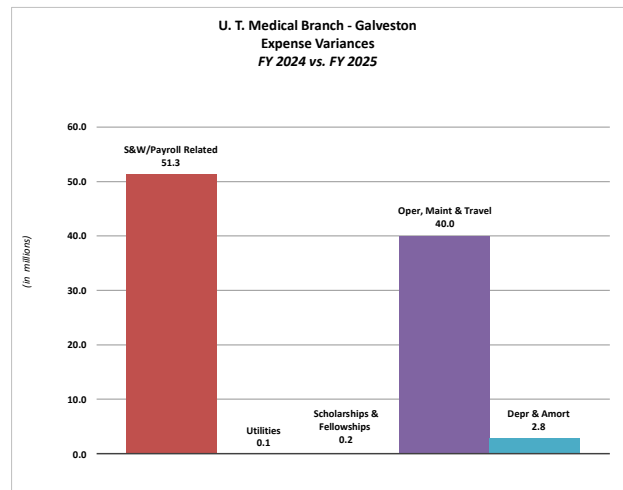
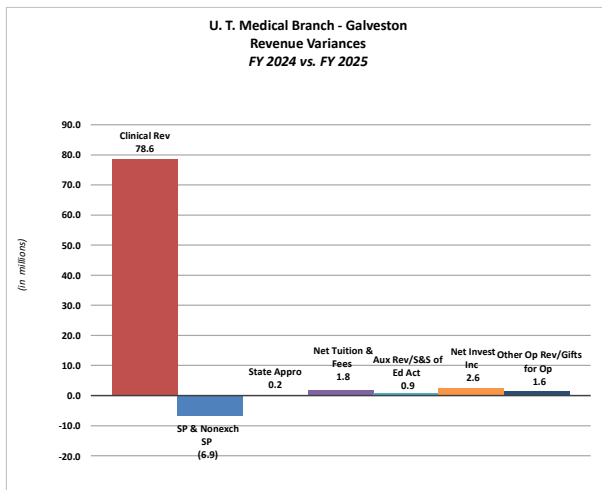
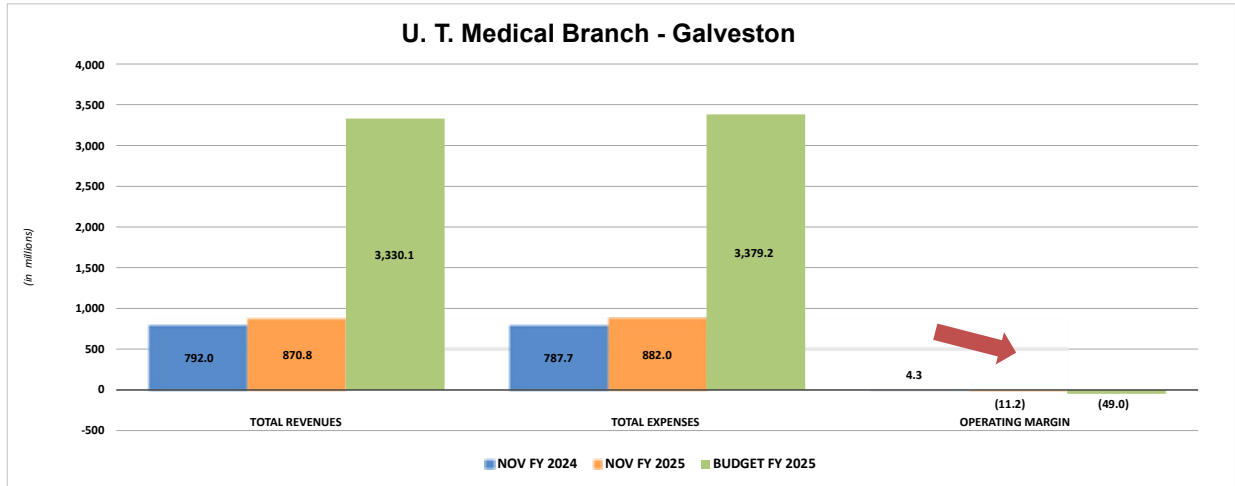
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(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Clinical Revenues	\$ 854.1	964.4	110.3	3,647.0	3,714.1	67.1
Sponsored Programs/Nonexchange Sponsored Programs	227.3	248.2	20.9	1,025.9	1,122.0	96.1
State Appropriations	53.3	53.9	0.6	233.4	218.1	(15.3)
Net Tuition and Fees	7.0	8.7	1.6	29.9	31.7	1.8
Auxiliary Revenues/Sales & Services of Educational Activities	14.0	17.1	3.1	56.4	55.0	(1.4)
Net Investment Income	67.1	72.0	4.9	188.2	206.4	18.2
Other Operating Revenues/Gift Contributions for Operations	114.0	83.7	(30.3)	353.4	362.4	9.0
<b>Total Revenues</b>	<b>1,336.8</b>	<b>1,448.0</b>	<b>111.3</b>	<b>5,534.2</b>	<b>5,709.7</b>	<b>175.5</b>
Salaries and Wages/Payroll Related Costs	806.3	871.3	64.9	3,534.6	3,542.3	7.7
Utilities	7.5	7.7	0.1	32.7	33.9	1.2
Scholarships and Fellowships	0.9	1.1	0.2	7.4	8.6	1.1
Operations, Maintenance and Travel	395.0	452.4	57.4	1,617.3	1,784.8	167.5
Depreciation and Amortization	69.9	70.2	0.3	286.9	283.9	(3.0)
<b>Total Expenses</b>	<b>\$ 1,279.7</b>	<b>1,402.6</b>	<b>122.9</b>	<b>5,478.9</b>	<b>5,653.4</b>	<b>174.5</b>
<b>Operating Margin</b>	<b>57.1</b>	<b>45.4</b>	<b>(11.6)</b>	<b>55.3</b>	<b>56.3</b>	<b>1.0</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>127.0</b>	<b>115.6</b>	<b>(11.4)</b>	<b>342.2</b>	<b>340.2</b>	<b>(2.1)</b>

U. T. Southwestern Medical Center reported a year-to-date positive cash flow margin of \$115.6 million, a decrease of \$11.4 million (9%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages and payroll related costs as a result of an increase in staff and faculty positions attributable to growth in clinical operations and research activities; and an increase in operations, maintenance and travel due to an increase in materials and supplies as a result of increased drugs and medical supplies driven by patient volumes. The most current projection received from U. T. Southwestern Medical Center reflects a cash flow margin of \$340.2 million for the year.

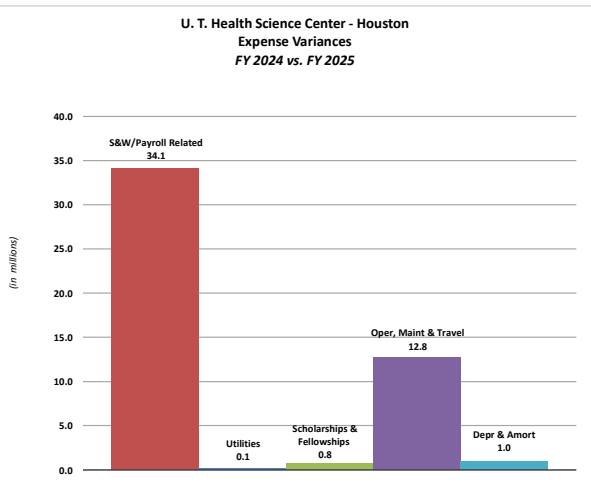
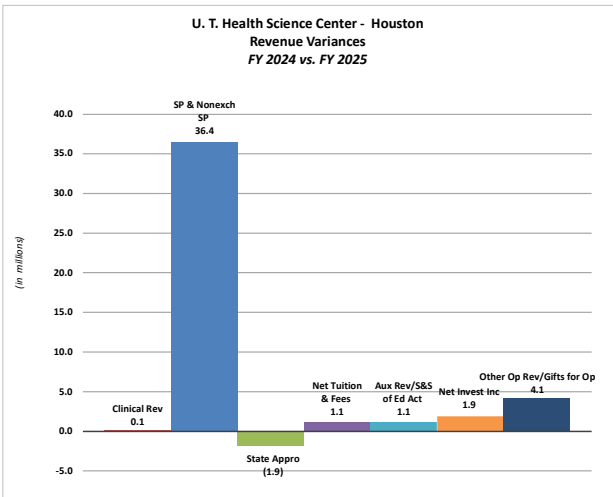
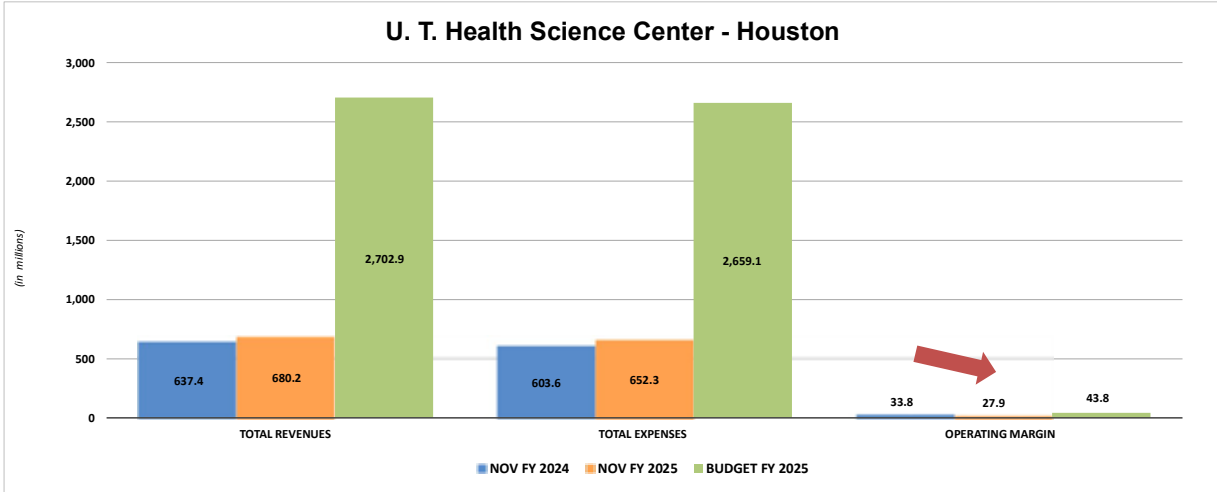
**Monthly Financial Report  
Comparison of Operating Results, Margin, Budget and Projected Year-End  
For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Clinical Revenues	\$ 535.7	614.4	78.6	2,298.7	2,420.9	122.3
Sponsored Programs/Nonexchange Sponsored Programs	79.2	72.3	(6.9)	286.6	311.4	24.8
State Appropriations	97.6	97.8	0.2	392.4	390.8	(1.6)
Net Tuition and Fees	13.4	15.2	1.8	52.9	54.6	1.8
Auxiliary Revenues/Sales & Services of Educational Activities	7.1	8.0	0.9	27.7	30.2	2.6
Net Investment Income	21.6	24.2	2.6	83.4	86.0	2.6
Other Operating Revenues/Gift Contributions for Operations	37.4	39.0	1.6	188.6	149.2	(39.4)
<b>Total Revenues</b>	<b>792.0</b>	<b>870.8</b>	<b>78.8</b>	<b>3,330.1</b>	<b>3,443.1</b>	<b>112.9</b>
Salaries and Wages/Payroll Related Costs	476.8	528.0	51.3	2,076.9	2,111.9	34.9
Utilities	9.2	9.3	0.1	46.4	37.3	(9.0)
Scholarships and Fellowships	2.8	3.0	0.2	12.7	10.0	(2.8)
Operations, Maintenance and Travel	243.3	283.2	40.0	1,006.2	1,092.3	86.1
Depreciation and Amortization	55.6	58.4	2.8	236.9	240.5	3.6
<b>Total Expenses</b>	<b>\$ 787.7</b>	<b>882.0</b>	<b>94.3</b>	<b>3,379.2</b>	<b>3,491.9</b>	<b>112.8</b>
<b>Operating Margin</b>	<b>4.3</b>	<b>(11.2)</b>	<b>(15.5)</b>	<b>(49.0)</b>	<b>(48.9)</b>	<b>0.2</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>59.9</b>	<b>47.2</b>	<b>(12.7)</b>	<b>187.9</b>	<b>191.6</b>	<b>3.8</b>

U. T. Medical Branch - Galveston reported a year-to-date positive cash flow margin of \$47.2 million, a decrease of \$12.7 million (21%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs due to an increase in clinical staffing, combined with merit and market increases; and an increase in operations, maintenance and travel attributable to an increase in materials and supplies associated with increased clinical activities. The most current projection received from U. T. Medical Branch - Galveston reflects a cash flow margin of \$191.6 million for the year.

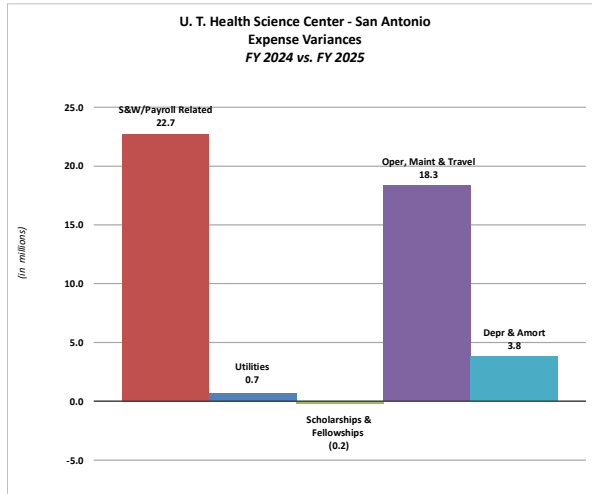
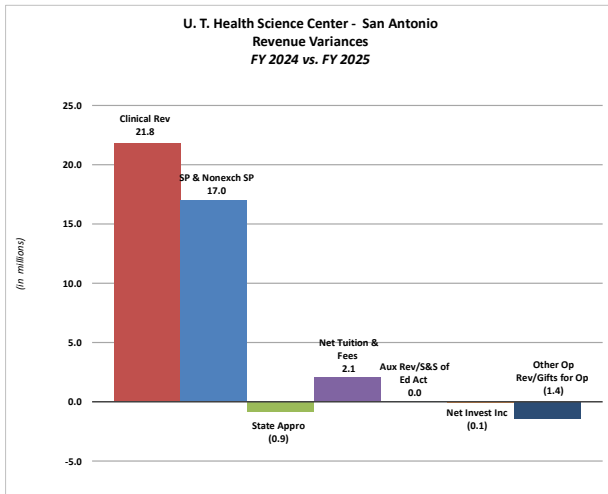
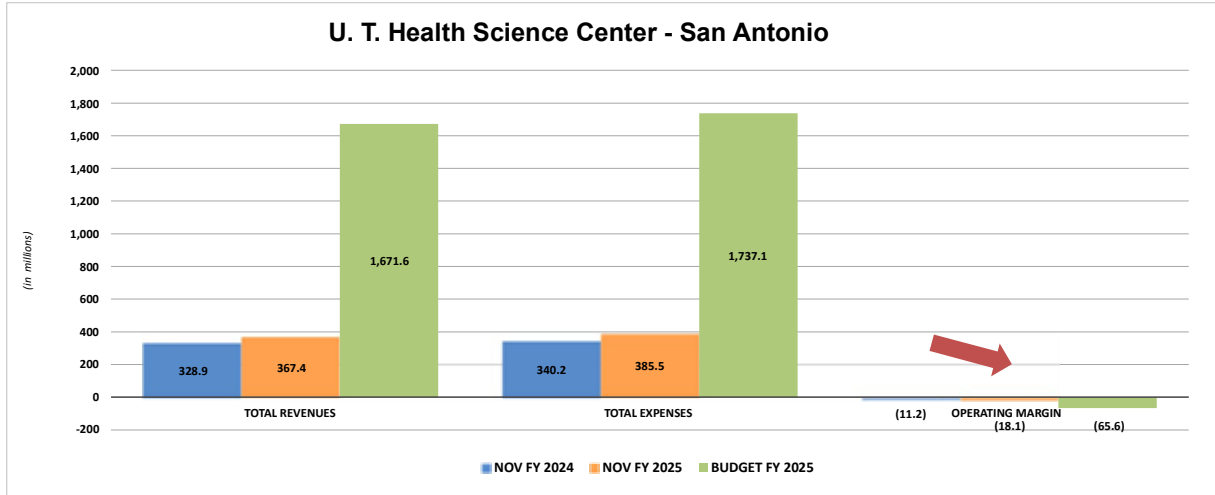
**Monthly Financial Report  
Comparison of Operating Results, Margin, Budget and Projected Year-End  
For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Clinical Revenues	\$ 177.6	177.6	0.1	750.8	748.9	(1.9)
Sponsored Programs/Nonexchange Sponsored Programs	294.2	330.6	36.4	1,338.6	1,330.3	(8.3)
State Appropriations	62.4	60.5	(1.9)	262.7	249.9	(12.9)
Net Tuition and Fees	21.4	22.5	1.1	64.6	65.1	0.5
Auxiliary Revenues/Sales & Services of Educational Activities	22.0	23.0	1.1	57.4	91.6	34.2
Net Investment Income	38.0	40.0	1.9	106.9	121.6	14.7
Other Operating Revenues/Gift Contributions for Operations	21.9	25.9	4.1	121.9	142.4	20.5
<b>Total Revenues</b>	<b>637.4</b>	<b>680.2</b>	<b>42.8</b>	<b>2,702.9</b>	<b>2,749.7</b>	<b>46.8</b>
Salaries and Wages/Payroll Related Costs	472.2	506.3	34.1	2,077.8	2,119.2	41.4
Utilities	3.4	3.5	0.1	16.5	16.1	(0.4)
Scholarships and Fellowships	0.8	1.6	0.8	5.4	12.0	6.6
Operations, Maintenance and Travel	99.8	112.5	12.8	472.7	463.7	(9.1)
Depreciation and Amortization	27.5	28.4	1.0	86.6	111.3	24.7
<b>Total Expenses</b>	<b>603.6</b>	<b>652.3</b>	<b>48.7</b>	<b>2,659.1</b>	<b>2,722.2</b>	<b>63.2</b>
<b>Operating Margin</b>	<b>33.8</b>	<b>27.9</b>	<b>(5.9)</b>	<b>43.8</b>	<b>27.4</b>	<b>(16.4)</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>61.3</b>	<b>56.3</b>	<b>(5.0)</b>	<b>130.4</b>	<b>138.8</b>	<b>8.3</b>

U. T. Health Science Center - Houston reported a year-to-date positive cash flow margin of \$56.3 million, a decrease of \$5.0 million (8%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages attributable to an increase in staff and faculty positions associated with enhanced clinical activities, as well as market adjustments; and an increase in operations, maintenance and travel as a result of increases in cost of goods sold and materials and supplies related to increased pharmaceutical spending. The most current projection received from U. T. Health Science Center - Houston reflects a cash flow margin of \$138.8 million for the year.

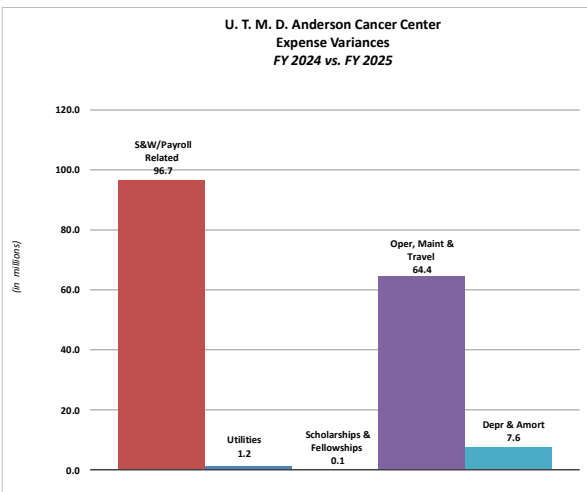
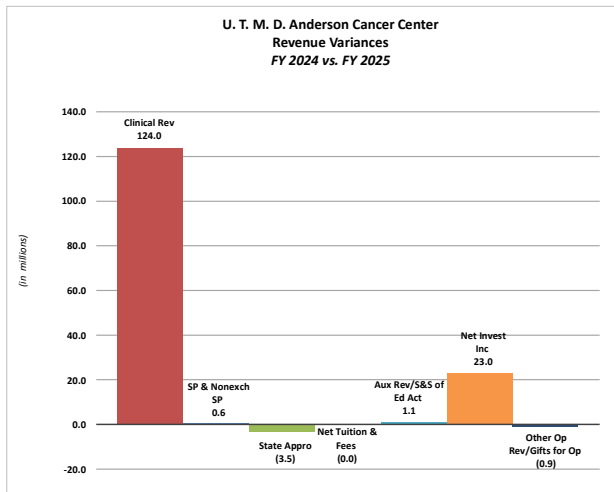
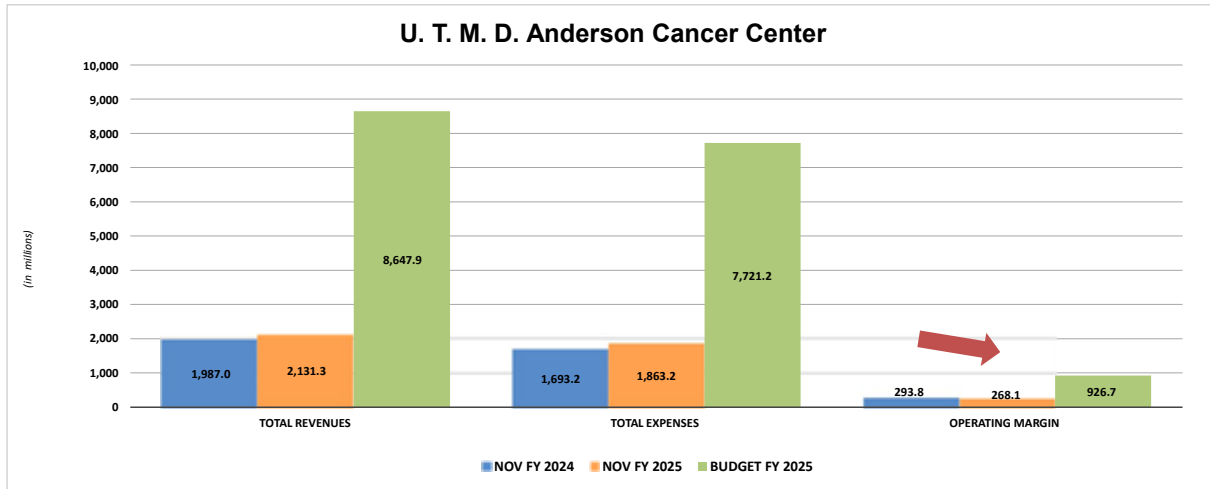
**Monthly Financial Report**  
**Comparison of Operating Results, Margin, Budget and Projected Year-End**  
**For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Clinical Revenues	\$ 88.7	110.5	21.8	593.3	577.1	(16.2)
Sponsored Programs/Nonexchange Sponsored Programs	132.9	149.9	17.0	650.1	659.6	9.5
State Appropriations	53.1	52.3	(0.9)	226.4	231.8	5.5
Net Tuition and Fees	14.7	16.8	2.1	70.0	70.0	(0.0)
Auxiliary Revenues/Sales & Services of Educational Activities	11.0	11.0	0.0	37.7	41.9	4.2
Net Investment Income	20.5	20.4	(0.1)	64.1	64.7	0.5
Other Operating Revenues/Gift Contributions for Operations	8.0	6.6	(1.4)	29.9	33.3	3.4
<b>Total Revenues</b>	<b>328.9</b>	<b>367.4</b>	<b>38.5</b>	<b>1,671.6</b>	<b>1,678.3</b>	<b>6.8</b>
Salaries and Wages/Payroll Related Costs	226.2	249.0	22.7	1,091.8	1,109.9	18.1
Utilities	5.4	6.1	0.7	24.5	24.5	(0.0)
Scholarships and Fellowships	0.9	0.6	(0.2)	14.2	14.6	0.4
Operations, Maintenance and Travel	90.2	108.5	18.3	494.8	482.7	(12.1)
Depreciation and Amortization	17.5	21.3	3.8	111.8	112.1	0.3
<b>Total Expenses</b>	<b>\$ 340.2</b>	<b>385.5</b>	<b>45.4</b>	<b>1,737.1</b>	<b>1,743.8</b>	<b>6.7</b>
<b>Operating Margin</b>	<b>(11.2)</b>	<b>(18.1)</b>	<b>(6.9)</b>	<b>(65.6)</b>	<b>(65.5)</b>	<b>0.1</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>6.2</b>	<b>3.1</b>	<b>(3.1)</b>	<b>46.3</b>	<b>46.6</b>	<b>0.4</b>

U. T. Health Science Center - San Antonio reported a year-to-date positive cash flow margin of \$3.1 million, a decrease of \$3.1 million (49%) from the prior year. The decrease was primarily attributable to the following: an increase in salaries and wages and payroll related costs as a result of increased personnel costs associated with the preparation of the new UT Health San Antonio Multi-Specialty Research Hospital, as well as an increase in clinical faculty and staff positions related to growth in outpatient clinical volumes and research activities; and an increase in operations, maintenance and travel due to an increase in materials and supplies attributable to increased drug supply purchases. The most current projection received from U. T. Health Science Center - San Antonio reflects a cash flow margin of \$46.6 million for the year.

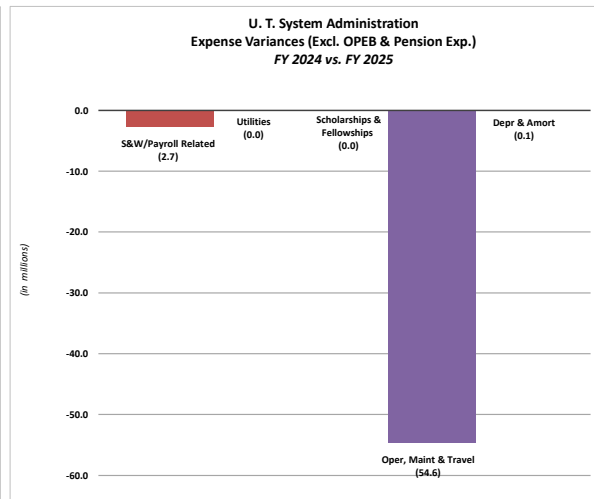
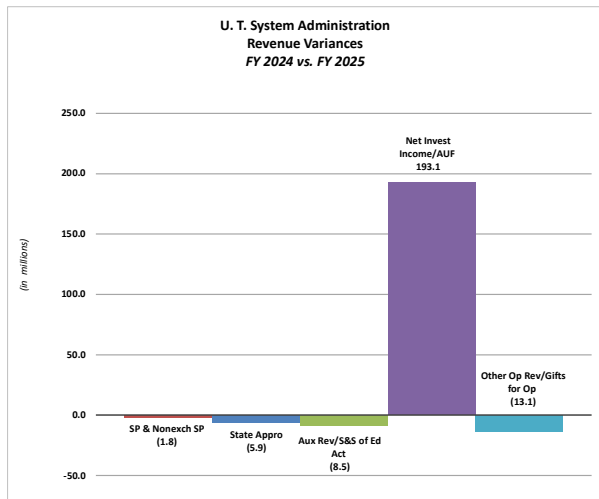
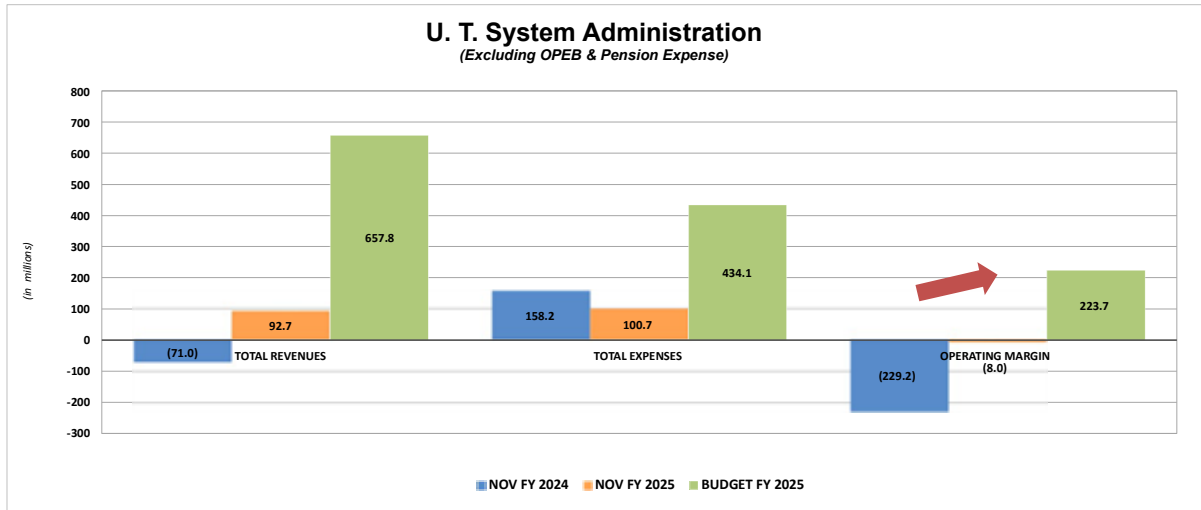
**Monthly Financial Report  
Comparison of Operating Results, Margin, Budget and Projected Year-End  
For the Period Ending November 30, 2024**



(in millions)	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Clinical Revenues	\$ 1,543.1	1,667.0	124.0	6,983.7	7,076.3	92.6
Sponsored Programs/Nonexchange Sponsored Programs	155.2	155.8	0.6	689.2	694.8	5.6
State Appropriations	62.9	59.5	(3.5)	223.0	223.0	0.0
Net Tuition and Fees	1.2	1.2	(0.0)	2.0	2.0	0.0
Auxiliary Revenues/Sales & Services of Educational Activities	11.5	12.6	1.1	48.6	48.6	0.0
Net Investment Income	149.4	172.4	23.0	437.0	437.0	0.0
Other Operating Revenues/Gift Contributions for Operations	63.8	62.9	(0.9)	264.4	264.4	0.0
<b>Total Revenues</b>	<b>1,987.0</b>	<b>2,131.3</b>	<b>144.3</b>	<b>8,647.9</b>	<b>8,746.1</b>	<b>98.2</b>
Salaries and Wages/Payroll Related Costs	958.9	1,055.6	96.7	4,129.9	4,129.9	0.0
Utilities	12.6	13.8	1.2	52.2	52.2	0.0
Scholarships and Fellowships	0.1	0.3	0.1	2.6	2.6	0.0
Operations, Maintenance and Travel	634.4	698.8	64.4	3,171.9	3,254.4	82.5
Depreciation and Amortization	87.2	94.8	7.6	364.5	364.5	0.0
<b>Total Expenses</b>	<b>\$ 1,693.2</b>	<b>1,863.2</b>	<b>170.0</b>	<b>7,721.2</b>	<b>7,803.7</b>	<b>82.5</b>
<b>Operating Margin</b>	<b>293.8</b>	<b>268.1</b>	<b>(25.7)</b>	<b>926.7</b>	<b>942.4</b>	<b>15.7</b>
<b>Cash Flow Margin (Excludes Depr &amp; Amort Exp)</b>	<b>381.0</b>	<b>362.9</b>	<b>(18.1)</b>	<b>1,291.2</b>	<b>1,306.9</b>	<b>15.7</b>

U. T. M. D. Anderson Cancer Center reported a year-to-date positive cash flow margin of \$362.9 million, a decrease of \$18.1 million (5%) from the prior year. The decrease was primarily due to the following: an increase in salaries and wages and payroll related costs attributable to an increase in faculty and staff positions; and an increase in operations, maintenance and travel as a result of an increase in materials and supplies primarily due to increased patient drug charges driven by increased patient volume. The most current projection received from U. T. M. D. Anderson Cancer Center reflects a cash flow margin of \$1,306.9 million for the year.

**Monthly Financial Report**  
**Comparison of Operating Results, Margin, Budget and Projected Year-End**  
**For the Period Ending November 30, 2024**



<i>(in millions)</i>	November YTD FY 2024	November YTD FY 2025	Variance	FY 2025 Budget	Annual Projected FY 2025	Variance
Sponsored Programs/Nonexchange Sponsored Programs	\$ (1.6)	(3.4)	(1.8)	41.5	45.8	4.3
State Appropriations	7.2	1.3	(5.9)	8.1 *	5.3	(2.8)
Auxiliary Revenues/Sales & Services of Educational Activities	9.3	0.8	(8.5)	3.5	3.2	(0.3)
Net Investment Income/Available University Fund (AUF)	(100.3)	92.8	193.1	599.0	596.0	(3.0)
Other Operating Revenues/Gift Contributions for Operations	14.4	1.3	(13.1)	5.8	4.6	(1.2)
<b>Total Revenues</b>	<b>(71.0)</b>	<b>92.7</b>	<b>163.7</b>	<b>657.8</b>	<b>654.9</b>	<b>(2.9)</b>
Salaries and Wages/Payroll Related Costs	16.6	13.9	(2.7)	58.3	55.4	(2.9)
Utilities	0.1	0.0	(0.0)	0.0	0.2	0.2
Scholarships and Fellowships	0.1	0.1	(0.0)	2.3	2.3	0.0
Operations, Maintenance and Travel	135.5	80.9	(54.6)	352.6 *	372.1	19.4
Depreciation and Amortization	6.0	5.9	(0.1)	20.8	20.8	0.0
<b>Total Expenses (Excluding OPEB &amp; Pension Exp)</b>	<b>\$ 158.2</b>	<b>100.7</b>	<b>(57.5)</b>	<b>434.1</b>	<b>450.8</b>	<b>16.7</b>
<b>Operating Margin (Excluding OPEB &amp; Pension Exp)</b>	<b>(229.2)</b>	<b>(8.0)</b>	<b>221.2</b>	<b>223.7</b>	<b>204.1</b>	<b>(19.6)</b>
<b>Cash Flow Margin (Excluding OPEB, Pension, Depr &amp; Amort Exp)</b>	<b>(223.2)</b>	<b>(2.1)</b>	<b>221.1</b>	<b>244.5</b>	<b>224.9</b>	<b>(19.6)</b>

\*State appropriations and corresponding expense for TRB/CCAP for all U. T. institutions have been excluded.

Excluding OPEB, pension, and depreciation expense, *U. T. System Administration* incurred a year-to-date cash flow margin loss of \$2.1 million, a decrease in loss of \$221.1 million (99%) from the prior year. The decrease was primarily attributable to the following: a change in methodology that aligns the fiscal year-to-date net investment income reported to those budgeted as fiscal year-to-date excludes longer-term investment funds that were not budgeted as part of *U. T. System Administration's* annual operating budget; and a change in methodology which excludes fiscal year-to-date service department revenues and expenses to align with the method used in the annual operating budget, which is net of service department activity. The most current projection, excluding OPEB, pension, and depreciation expense, reflects a cash flow margin of \$224.9 million for the year.

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

**RECOMMENDATION**

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

- a. adopt a Resolution, substantially in the form previously approved by the U.T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed \$975 million to be used to refund certain outstanding PUF Bonds, to refund PUF Commercial Paper Notes, to provide new money to fund construction and acquisition costs, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U.T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U.T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such bonds.

**BACKGROUND INFORMATION**

On August 22, 2024, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds in an amount not to exceed \$975 million for Fiscal Year 2025. Adoption of this Resolution would provide \$975 million of authorization for similar purposes through February 2026. Approval of this item does not allocate additional PUF debt for capital projects.

Adoption of this Resolution would authorize the advance or current refunding of a portion of certain outstanding PUF Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date, whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Resolution would provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing. The Resolution provides that additional PUF Bonds may be refunded if such refunding is determined to be in the best interest of the U.T. System.

The Resolution would also authorize the current refunding of all or a portion of the PUF Commercial Paper Notes. The PUF Commercial Paper Note program is used to provide interim financing for PUF projects approved by the Board. Adoption of the Resolution would permit the interim financing provided through the Notes to be replaced with long-term financing. The Resolution would also authorize the issuance of bonds to provide new money to fund the capital costs of eligible projects.



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

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

Note: The proposed Resolution is available [online](#).

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

RECOMMENDATION

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

- a. adopt a Supplemental Resolution, substantially in the form previously approved by the U.T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed \$975 million to be used to refund certain outstanding RFS Bonds, to refund RFS Commercial Paper Notes, to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program, and to pay the costs of issuance; and
- b. authorize appropriate officers and employees of U.T. System as set forth in the Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U.T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such RFS Bonds.

BACKGROUND INFORMATION

On August 22, 2024, the Board of Regents adopted the 41st Supplemental Resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed \$975 million. Adoption of this 42nd Supplemental Resolution would provide \$975 million of authority to finance additional projects approved by the Board of Regents under the same provisions as the prior resolution.

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

The Supplemental Resolution would also authorize the current refunding of all or a portion of the RFS Commercial Paper Notes. The RFS Commercial Paper Note program is used to provide interim financing for RFS projects approved by the Board. Adoption of the Supplemental Resolution will permit the interim financing provided through the Notes to be replaced with long-term financing. The Supplemental Resolution would also authorize the issuance of bonds to provide new money to fund the capital costs of eligible projects.

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

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

Note: The proposed Resolution is available [online](#).

**6. U.T. System Board of Regents: The University of Texas/Texas A&M Investment Management Company (UTIMCO) Update**

Mr. Richard Hall, President, Chief Executive Officer and Chief Investment Officer, will provide an update on The University of Texas/Texas A&M Investment Management Company (UTIMCO) using the PowerPoint set forth on the following pages.



# UTIMCO Update

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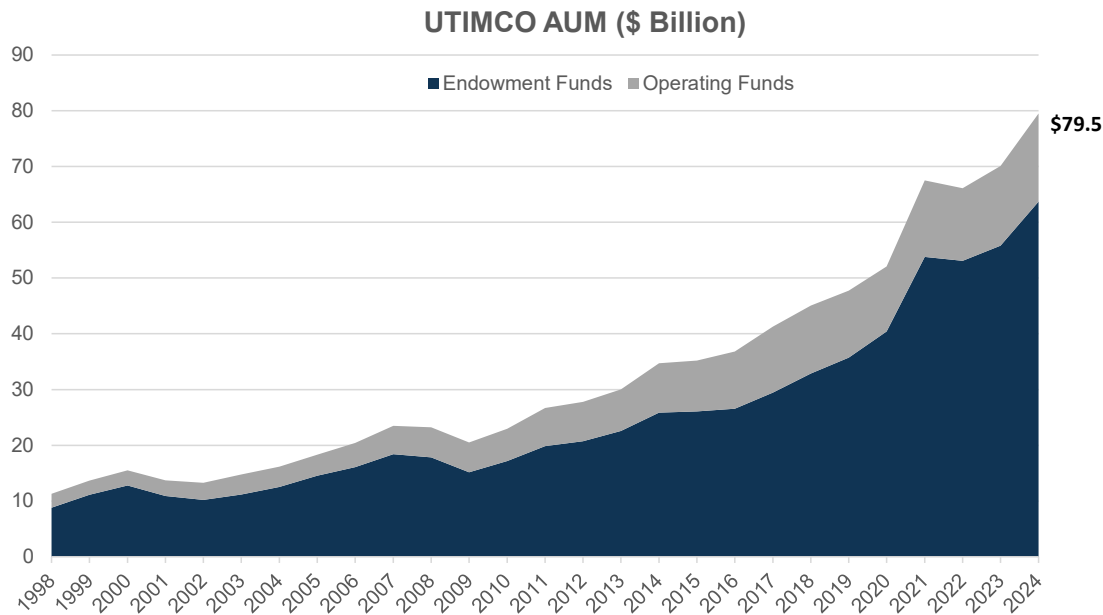
Mr. Richard Hall, President, Chief Executive Officer and Chief Investment Officer  
U.T. System Board of Regents Meeting  
Finance and Planning Committee

February 2025



# Growth in Asset Under Management (AUM)

Total assets through November 30, 2024



### 1-Year Change in AUM

	\$ Billion
<b>Beginning Net Asset Value (NAV)</b>	<b>71.0</b>
Contributions	3.4
Net Investment Income	8.3
Distributions	-3.2
<b>Ending Net Asset Value</b>	<b>79.5</b>

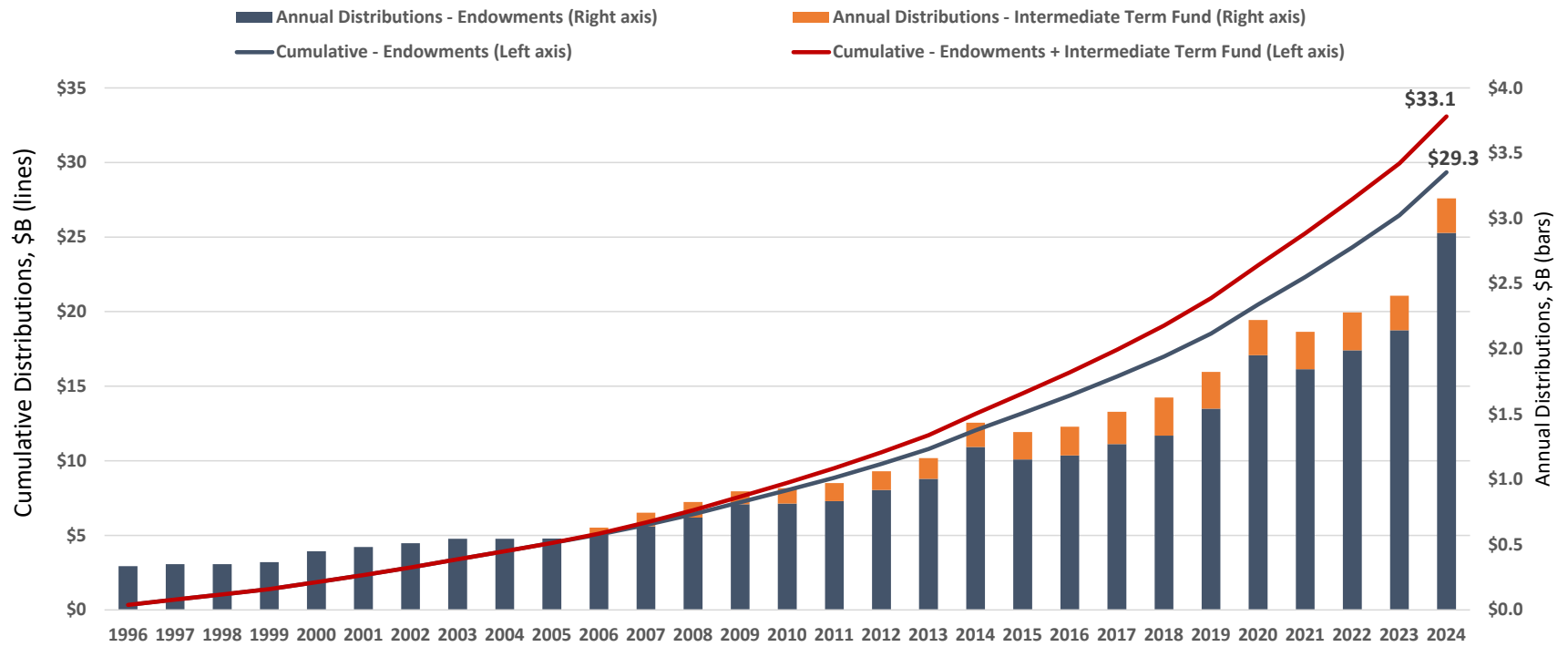
### 3-Year Change in AUM

	\$ Billion
<b>Beginning Net Asset Value</b>	<b>68.3</b>
Contributions	12.7
Net Investment Income	6.2
Distributions	-7.7
<b>Ending Net Asset Value</b>	<b>79.5</b>



# Since Inception Distributions

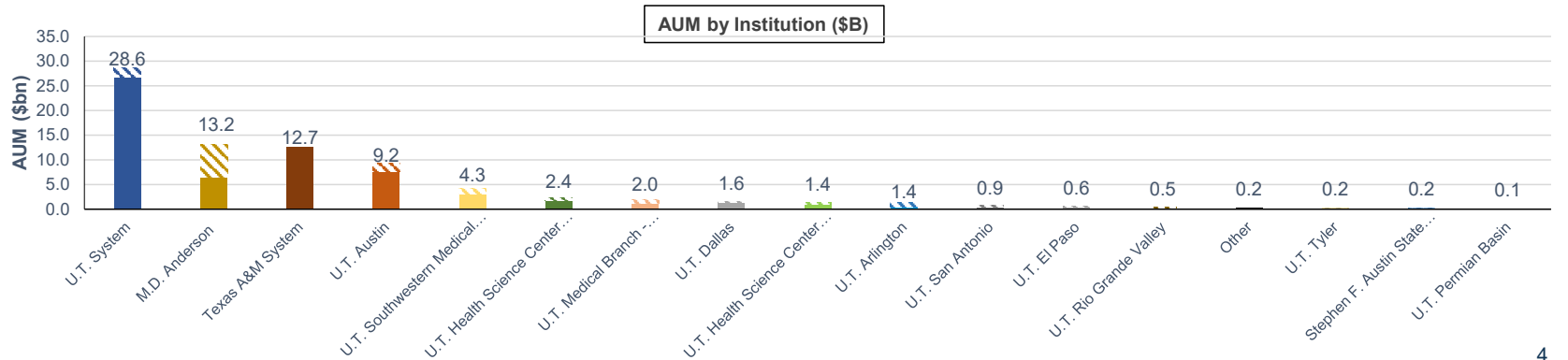
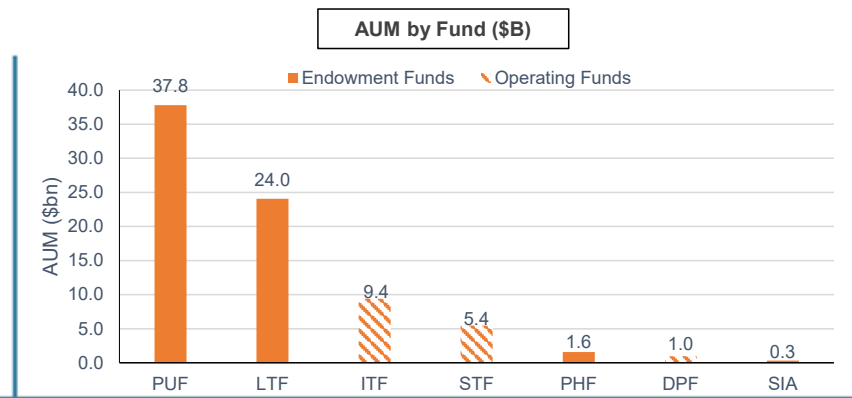
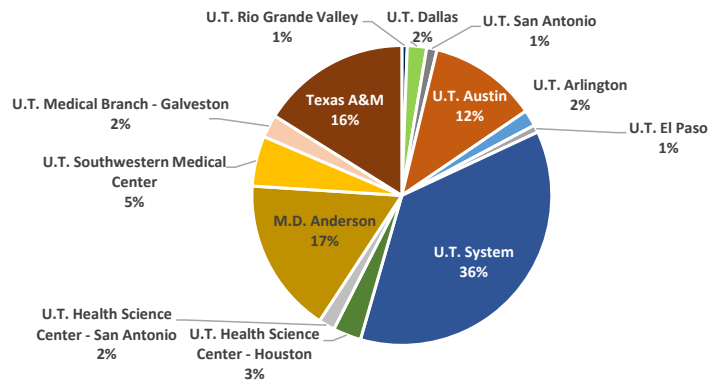
Cumulative and annual distributions based on Fiscal Years ending August 31





# Assets Under Management Breakdown

As of November 30, 2024

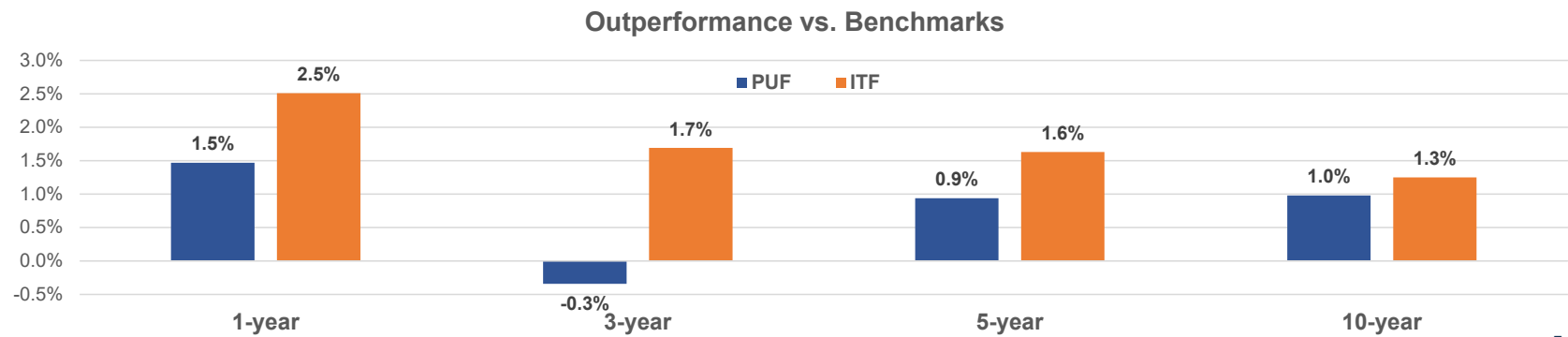
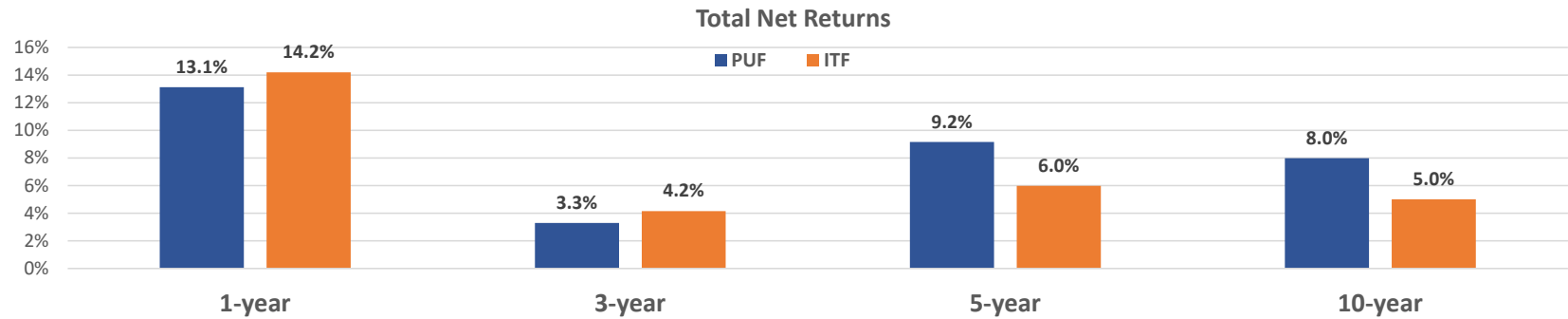






# Portfolio Performance

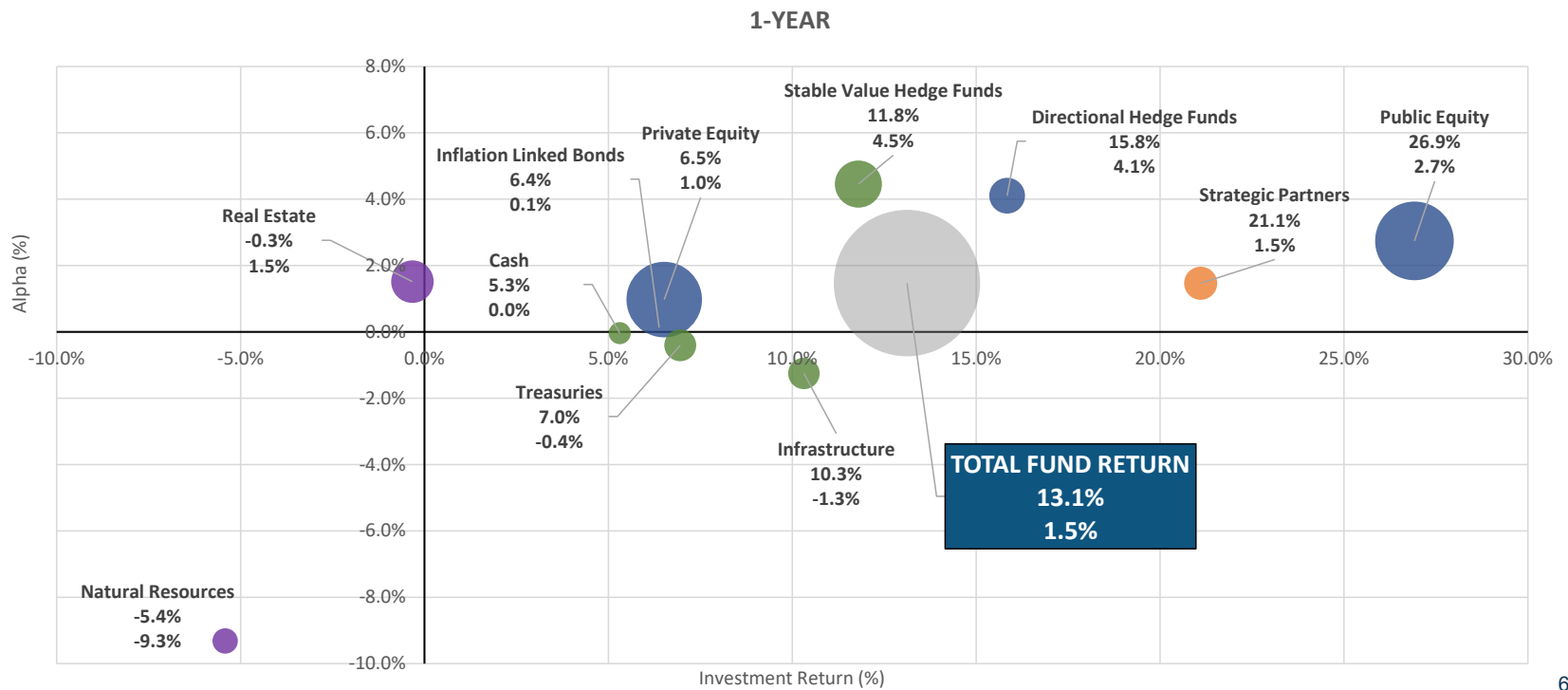
UTIMCO Returns and Alpha as of November 30, 2024





# Portfolio Performance (cont.)

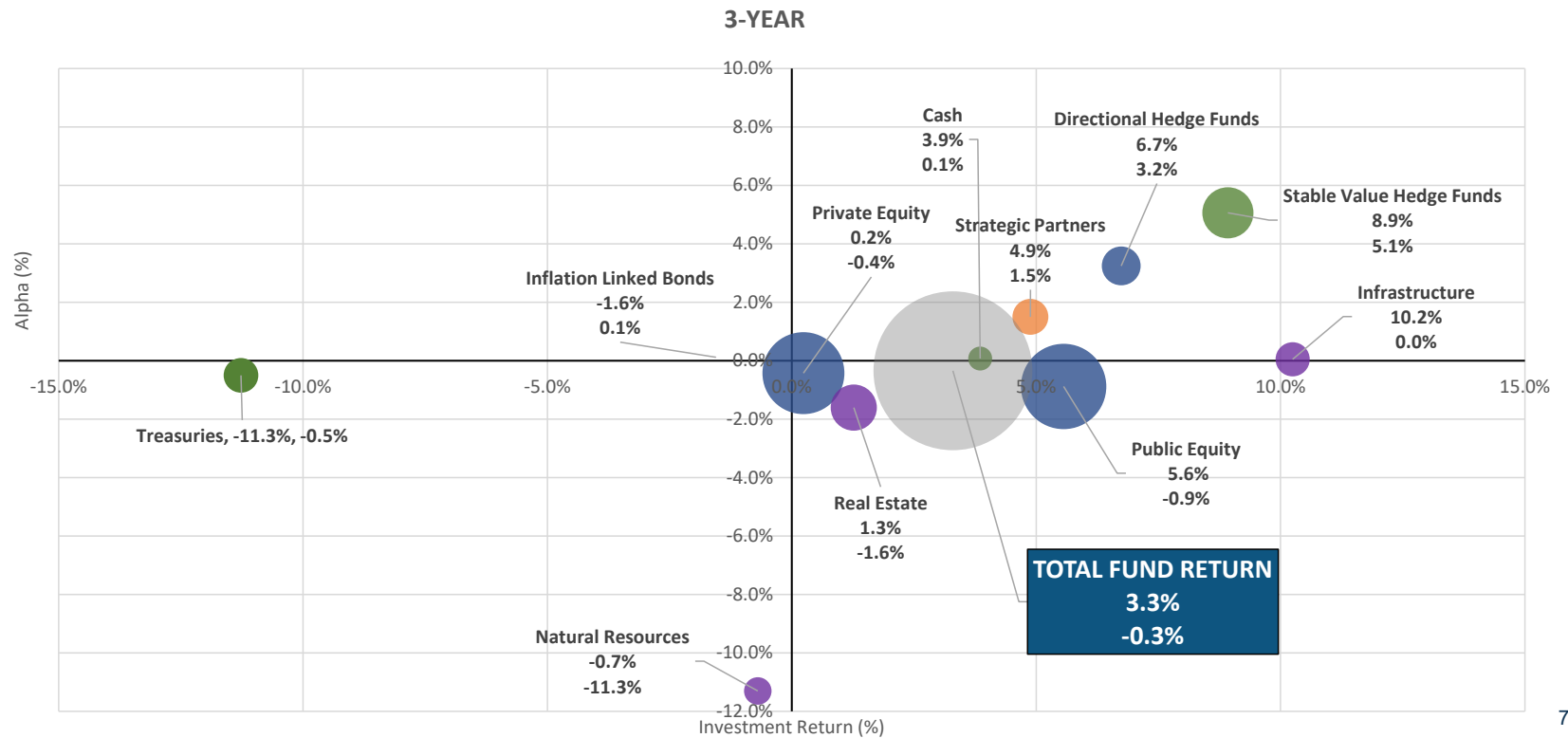
Detailed 1-Year Performance as of November 30, 2024





# Portfolio Performance (cont.)

Detailed 3-Year Performance as of November 30, 2024



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# Market Outlook

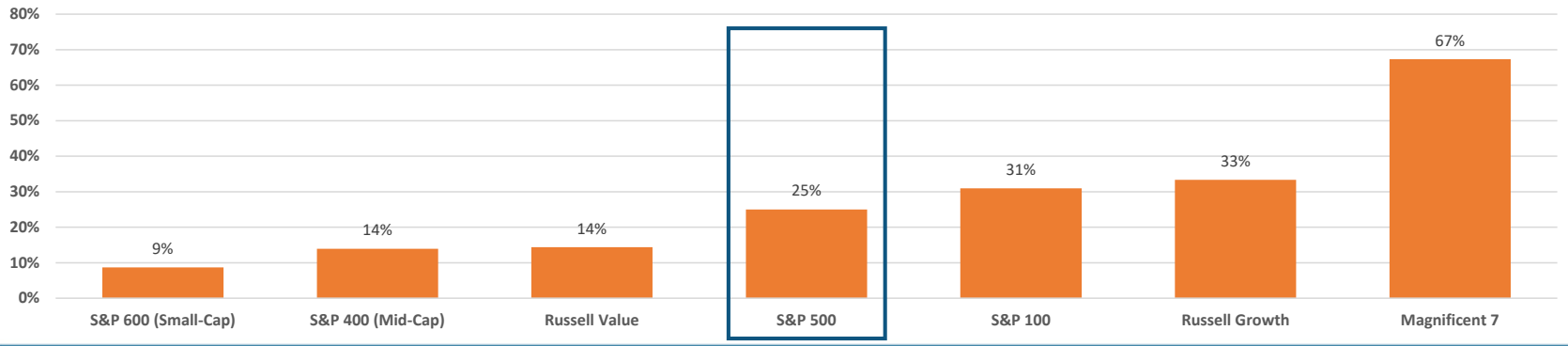
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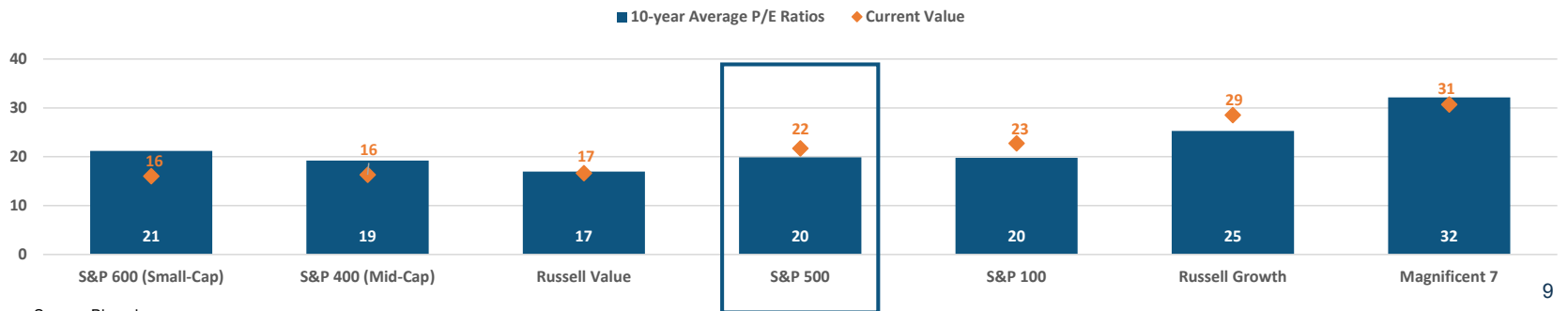


# Market Recap

Returns range widely by market cap and style (December 31, 2024)



## Price to Earnings (P/E) Ratio Next Twelve Months (NTM)

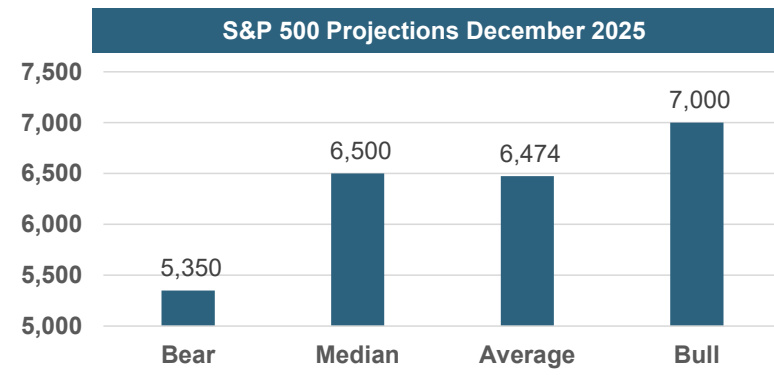
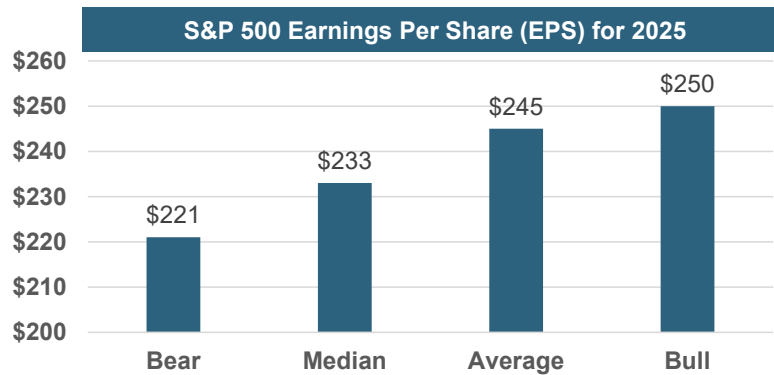


Source: Bloomberg



# Market Outlook

## U.S. Equity Market Expectations



- **Current 2024 Estimate:** \$240 / share
- **2025 Bottom-Up Expectations:** \$274 / share
- **BEAR:** UBS projects \$257 (7% growth) due to decelerating U.S. economic growth
- **MEDIAN / AVERAGE:** Morgan Stanley expects \$271 (13% growth) with earnings growth broadening from Magnificent-7\* as the Fed cuts rates and business cycle indicators improve
- **BULL:** Yardeni expects \$285 (19% growth) from tax cuts, deregulation, and faster productivity growth

- **Last year's 2024 Projection:** 4,850
- **Current Level:** 5,827
- **BEAR:** Bank Credit Analyst (BCA) expects a market correction (-8% return) due to growth being hurt by tariffs but cushioned by fiscal policy support that prevents a bear market
- **MEDIAN / AVERAGE:** Goldman Sachs expects 6,500 (12% gain) being driven entirely from Earnings Per Share (EPS) growth and slight Price/Earnings contraction to 21.5x
- **BULL:** Yardeni projects 7,000 (20% gain) on the back of stronger earnings growth

Note: Current levels as of 1/13/2025 from Bloomberg; Magnificent-7 refers to Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla

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# Appendix

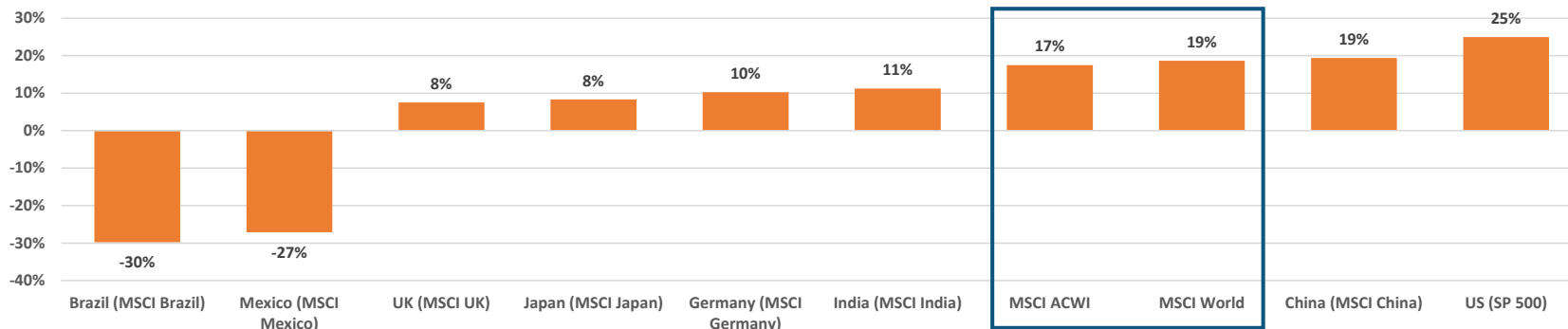
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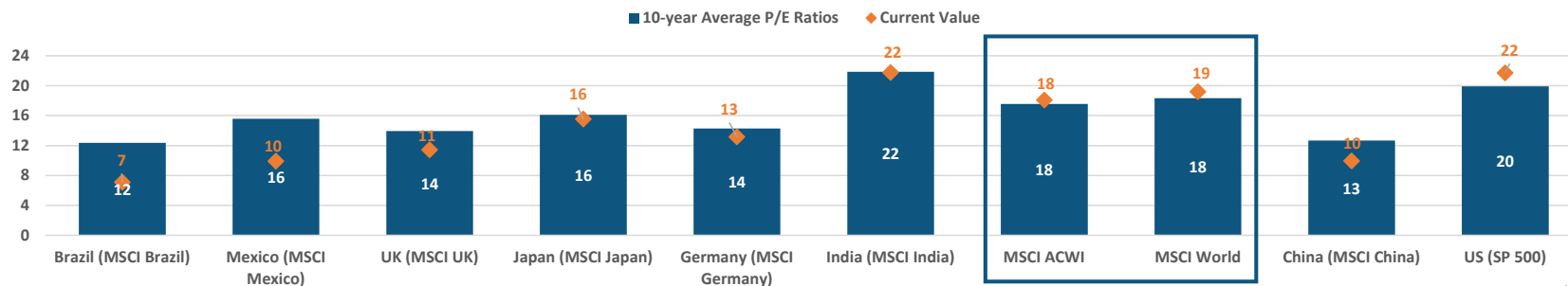


# Market Overview

## Country Performance and Valuation (December 31, 2024)



### P/E Ratio (NTM)



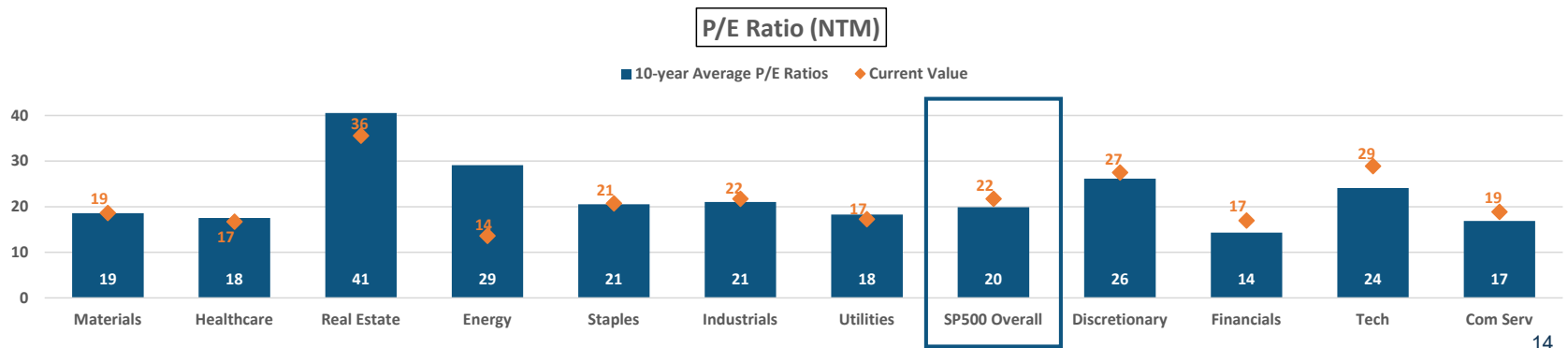
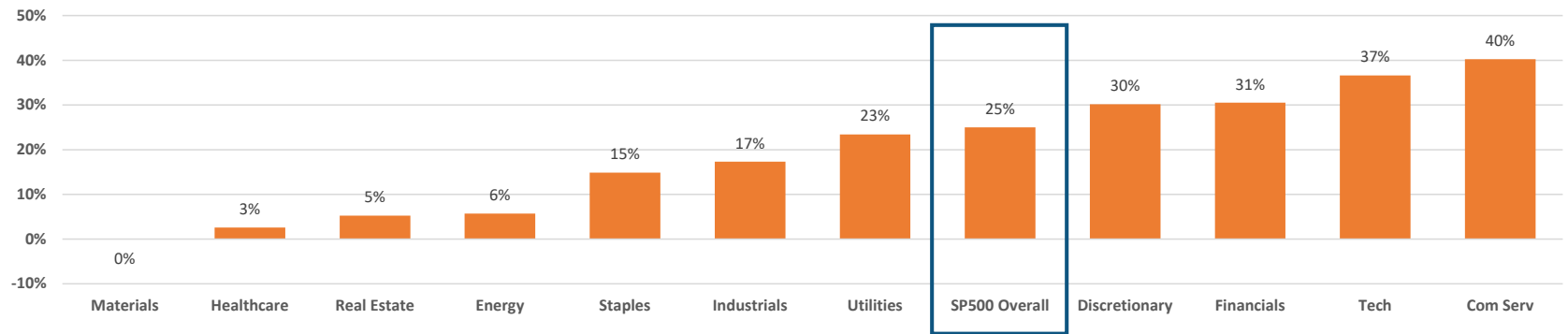
Note: MSCI refers to Morgan Stanley Capital International, ACWI refers to MSCI All Country World Index  
 Source: Bloomberg





# Market Overview (cont.)

## Sector Performance and Valuation (December 31, 2024)



Source: Bloomberg