

FINANCIAL REPORT

of the

**UNIVERSITY OF NORTH TEXAS
HEALTH SCIENCE CENTER**

FORT WORTH, TEXAS

Michael R. Williams, DO, MD, MBA, President

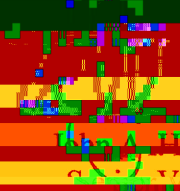
For the fiscal year ended August 31, 2013

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MINI-MEAL

President

West York, Texas 75390



John F. Kennedy
President of the United States

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER

ORGANIZATIONAL DATA

August 31, 2013

BOARD OF REGENTS

Brint Ryan.....(Term expires 5-22-15)..... Dallas
Michael R. Bradford(Term expires 5-22-15).....Midland
Steve Mitchell(Term expires 5-22-15)..... Richardson

Donald Potts.....(Term expires 5-22-17)..... Dallas
Al Silva(Term expires 5-22-17)..... San Antonio
Milton B. Lee..... (Term expires 5-22-17)..... San Antonio

Rusty Reid.....(Term expires 5-22-19).....Ft. Worth
Gwyn Shea.....(Term expires 5-22-19)..... Irving
B. Glen Whitley(Term expires 5-22-19)..... Hurst

STUDENT REGENT

Rudy Re

	August 31, 2013	August 31, 2012
Computer Software	539,272.19	669,436.19
Less Accumulated Amortization	(245,219.64)	(267,529.44)
Total Non-Current Assets and Deferred Outflows	207,870,595.15	188,268,179.76
Total Assets and Deferred Outflows	\$ 292,723,505.71	\$ 306,234,336.87

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities

Payables From:

Accounts Payable	4,901,241.47	3,501,603.50
Payroll Payable	8,323,194.98	10,893,825.73
Other Payables	1,584.06	2,431,940.50
Due to Other Agencies	12,621.86	64,488.92
Due to Other Components	688,718.61	63,542.30
Deferred Inflows	12,218,773.64	10,908,623.08
Revenue Bonds Payable	6,243,020.00	6,133,020.00
Employees Compensable Leave	947,277.70	946,159.19
Funds Held for Others	14,182,336.88	11,553,312.81
Other Current Liabilities	1,317,524.83	-
Total Current Liabilities	48,836,294.03	46,496,516.03

Non-Current Liabilities and Deferred Inflows

Revenue Bonds Payable	71,624,608.00	77,867,628.00
Employee's Compensable Leave	6,846,368.30	7,315,205.81
Other Non-Current Liabilities	30,846.99	16,486.40
Total Non-Current Liabilities and Deferred Inflows	78,501,823.29	85,199,320.21
Total Liabilities and Deferred Inflows	127,338,117.32	131,695,836.24

NET POSITION

Invested in Capital Assets, Net of Related Debt	56,621,261.12	54,549,869.24
Restricted for:		
Debt Retirement	19,091.31	19,091.31
Funds Held as Permanent Investments		
Non-Expendable	25,723,859.96	25,329,916.58
Expendable	10,000,000.00	-
Other Restricted	25,460,905.31	12,075,192.01
Unrestricted	47,560,270.69	82,564,431.49
Total Net Position	165,385,388.39	174,538,500.63
Total Liabilities and Net Position	\$ 292,723,505.71	\$ 306,234,336.87

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended August 31, 2013

	August 31, 2013	August 31, 2012
OPERATING REVENUES		
Tuition and Fees - Non-Pledged		
Tuition and Fees - Pledged	\$ 23,814,502.37	\$ 21,634,988.49
Discounts and Allowances	(747,315.11)	(669,712.04)
Professional Fees	76,143,705.07	78,726,571.02
Other Sales of Goods and Services	2,924,480.43	3,375,842.53
Federal Revenue - Operating	27,677,061.21	26,125,086.87
Federal Pass Through Revenue	1,467,661.99	1,269,332.87
State Grant Revenue	2,438,818.75	2,059,751.58
State Grant Pass Through Revenue	953,118.47	756,304.06
Other Grants and Contracts - Operating	9,930,403.15	9,203,542.26
Other Operating Revenues	1,991,400.94	79,312.52
Total Operating Revenues	146,593,837.27	142,561,020.16
OPERATING EXPENSES ⁽¹⁾		
Instruction	37,159,965.08	36,216,930.81
Research	33,959,101.89	35,091,597.39
Public Service	8,217,481.03	6,376,912.06
Academic Support	99,881,239.30	94,338,522.05
Student Services	5,353,564.48	4,081,085.98
Institutional Support	15,916,172.07	15,230,742.04
Operations and Maintenance of Plant	15,234,255.82	16,689,619.95
Scholarships and Fellowships	1,674,535.95	1,272,715.83
Auxiliary Enterprises	371,230.18	356,135.19
Depreciation	9,289,158.52	9,335,776.62
Total Operating Expenses	227,056,704.32	218,990,037.92
Operating Income (Loss)	(80,462,867.05)	(76,429,017.76)
NONOPERATING REVENUES (EXPENSES)		
Legislative Appropriations (GR)	53,886,456.00	59,235,376.00
Additional Appropriations (GR)	9,788,338.00	9,404,914.33
Gifts	1,223,450.74	36,042.49
Investment Income	3,544,892.29	2,857,059.51
Investing Activities Expense	(5,242.59)	(148,446.63)
Interest Expense and Fiscal Charges	(3,261,566.62)	(4,084,763.55)
Gain/(Loss) on Sale/Disposal of Capital Assets	(32,994.22)	(522,388.55)
Net Increase (Decrease) in Fair Value of Investments	402,672.73	(630,848.77)
Settlement of Claims	(278,097.99)	(250,438.97)
Other Nonoperating Revenues	2,478.00	1,307,815.00
Total Nonoperating Revenues/(Expenses)	65,270,386.34	67,204,320.86
Income/(Loss) before Other Revenues, Expenses, Gain/Losses and Transfers	(15,192,480.71)	(9,224,696.90)
OTHER REVENUES, EXPENSES, GAINS		
LOSSES AND TRANSFERS		
Capital Contributions	-	173,395.51
Capital Appropriations - HEF (GR)	8,771,265.00	8,771,265.00
Interagency Transfers Cap Assets-Decrease	(443,851.72)	(409,577.46)
Transfers-Out	(1,515,044.81)	(389,491.03)
Legislative Transfers-Out	(773,000.00)	(1,806,301.56)
Total Other Revenue, Expenses, Gain/Losses and Transfers	6,039,368.47	6,339,290.46

	August 31, 2013	August 31, 2012
CHANGE IN NET POSITION	(9,153,112.24)	(2,885,406.44)
Net Position, Beginning	174,538,500.63	177,423,907.07
Restatements	-	-
Net Position, Beginning, as Restated	174,538,500.63	177,423,907.07
NET POSITION, ENDING	\$ 165,385,388.39	\$ 174,538,500.63

⁽¹⁾ See Note 1: Matrix of Operating Expenses Reported by Function on Page 8.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Note 1: Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2013

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Wages	24,856,712.64	17,972,213.24	3,979,127.96	57,526,271.81	2,383,775.44

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation	2013 Total Expenditures
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,359,550.70	4,507,225.96	8,053.06	119,488.51	-	122,712,419.32
1,851,803.42	1,052,962.66	(0.02)	47,139.17	-	25,128,522.56
244,787.52	449,247.01	2,450.51	5,929.53	-	23,275,224.28
-	-	-	-	-	717,200.04
-	-	-	-	-	-
31,337.69	6,411.24	-	8,278.13	-	1,860,697.35
873,832.10	2,290,179.38	3,187.40	156,119.59	-	16,080,614.13
17,377.46	2,202,726.44	-	1,603.23	-	2,419,561.10
493,392.48	3,182,654.58	8,000.00	12,478.76	-	4,941,984.13
88,751.41	183,905.95	-	82.50	-	1,618,307.25
43,179.54	1,467.93	165.00	3,047.45	-	264,111.98
-	-	-	-	9,289,158.52	9,289,158.52
-	-	-	-	-	836,442.22
29.80	-	-	-	-	29.80
60,142.00	-	1,651,680.00	-	-	2,549,451.54
851,987.95	1,357,474.67	1,000.00	17,063.31	-	15,362,980.10
\$ 15,916,172.07	\$ 15,234,255.82	\$ 1,674,535.95	\$ 371,230.18	\$ 9,289,158.52	\$ 227,056,704.32

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2013

August 31,

August 31,u

**August 31,
2013**

**August 31,
2012**

**Reconciliation of Operating Income to
Net Cash Provided (Used) by Operating Activities**

Operating

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER
Notes to Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2013

Note 1: Nonmonetary Assistance

N/A

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies
For the Fiscal Year Ended August 31, 2013

Pass-Through From State Agencies:

To University of North Texas Health Science Center (763)

Cancer Prevention and Research Institute of Texas (Agency 542)

Dallas 8.76 0j68.76 ewxas (Agenit7 - o)

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Schedule 2A - Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2013

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Terms of Variable Interest Rate	Scheduled Maturities		First Call Date
				First Year	Last Year	
RFS Refunding Bonds, Series 2003A	\$ 2,915,000.00	5.3750% - 5.5000%	N/A	2015	2017	4/15/2013
RFS Refunding and Improvement Bonds, Series 2005	11,250,000.00	3.2500% - 5.2500%	N/A	2006	2019	4/15/2015
RFS Bonds, Series 2009	38,650,000.00	3.0000% - 5.2500%	N/A	2009	2028	4/15/2018
RFS Refunding Bonds, Series 2009B	3,455,000.00	3.0000% - 4.7500%	N/A	2010	2019	N/A
RFS Refunding Bonds, Series 2010	15,540,000.00	3.0000% - 5.0000%	N/A	2011	2022	4/15/2020
RFS Refunding and Improvement Bonds, Series 2012A	19,680,000.00	2.0000% - 5.0000%	N/A	2013	2032	4/15/2022
Total	\$ 91,490,000.00					

RFS - Revenue Financing System

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Schedule 2B - Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2013

Description of Issue	Bonds Outstanding 09/01/12	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/13
RFS Refunding Bonds, Series 2003A	\$ 2,915,000.00	\$ -	\$ -	\$ -	\$ 2,915,000.00
RFS Refunding and Improvement Bonds, Series 2005	7,590,000.00	-	1,305,000.00	-	6,285,000.00
RFS Bonds, Series 2009	31,430,000.00	-	1,410,000.00	-	30,020,000.00
RFS Refunding Bonds, Series 2009B	2,025,000.00	-	480,000.00	-	1,545,000.00
RFS Refunding Bonds, Series 2010	15,360,000.00	-	1,230,000.00	-	14,130,000.00
RFS Refunding and Improvement Bonds, Series 2012A	19,680,000.00	-	1,365,000.00	-	18,315,000.00
Total	\$ 79,000,000.00	\$ -	\$ 5,790,000.00	\$ -	\$ 73,210,000.00

*Bonds premiums and issuance costs greater than 5% of the par value of the bond issue are capitalized and amortized over the life of the bonds.

	Unamortized Premium *	Unamortized Discount	Unamortized Gain/(Loss) on Refunding	Net Bonds Outstanding 08/31/13	Amounts Due Within One Year
\$	-	\$	-	\$	-
	-		-	2,915,000.00	
	-		-	6,285,000.00	1,370,000.00
	-		-	30,020,000.00	1,460,000.00
	-		-	1,545,000.00	500,000.00

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2013

Description of Issue	Year	Principal	Interest*
Revenue Bonds			
RFS Refunding Bonds, Series 2003A	2014	\$ -	\$ 159,175.00
	2015	920,000.00	159,175.00
	2016	970,000.00	109,725.00
	2017	1,025,000.00	56,375.00
		<u>2,915,000.00</u>	<u>484,450.00</u>
RFS Refunding and Improvement Bonds, Series 2005	2014	1,370,000.00	313,012.50
	2015	890,000.00	251,362.50
	2016	930,000.00	211,312.50
	2017	980,000.00	162,487.50
	2018	1,030,000.00	111,037.50
	2019	1,085,000.00	56,962.50
		<u>6,285,000.00</u>	<u>1,106,175.00</u>
RFS Bonds, Series 2009	2014	1,460,000.00	1,430,787.50
	2015	1,510,000.00	1,379,687.50
	2016	1,555,000.00	1,334,387.50
	2017	1,635,000.00	1,256,637.50
	2018	1,685,000.00	1,203,500.00
	2019-2023	9,685,000.00	4,757,675.00
	2024-2028	12,490,000.00	1,952,987.50
		<u>30,020,000.00</u>	<u>13,315,662.50</u>
RFS Refunding Bonds, Series 2009B	2014	500,000.00	63,487.50
	2015	190,000.00	43,487.50
	2016	200,000.00	35,887.50
	2017	210,000.00	27,887.50
	2018	220,000.00	19,487.50
	2019	225,000.00	10,687.50
		<u>1,545,000.00</u>	<u>200,925.00</u>
RFS Refunding Bonds, Series 2010	2014	1,295,000.00	658,050.00
	2015	1,360,000.00	593,300.00
	2016	1,430,000.00	525,300.00
	2017	1,500,000.00	453,800.00
	2018	1,560,000.00	393,800.00
	2019-2022	6,985,000.00	841,250.00
		<u>14,130,000.00</u>	<u>3,465,500.00</u>
RFS Refunding and Improvement Bonds, Series 2012A	2014	1,275,000.00	869,600.00
	2015	1,315,000.00	831,350.00
	2016	1,380,000.00	765,600.00
	2017	1,445,000.00	696,600.00
	2018	1,525,000.00	624,350.00
	2019-2023	7,185,000.00	1,983,350.00
	2024-2028	2,100,000.00	843,500.00
	2029-2032	2,090,000.00	267,500.00
		<u>18,315,000.00</u>	<u>6,881,850.00</u>
Total		<u>\$ 73,210,000.00</u>	<u>\$ 25,454,562.50</u>

* In accordance with the State Comptroller's reporting requirements, the interest amounts on this schedule represent interest expense per the bond amortization schedules rather than interest on a full accrual basis.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Schedule 2D - Analysis of Funds Available for Debt Service
For the Fiscal Year Ended August 31, 2013

Description of Issue	Total Pledged and Other Sources	Operating Expenses/ Expenditures & Capital Outlay	Principal	Interest *
RFS Bonds Series				
1r SCIC				

UNIVERSITY OF NORTH HEALTH SCIENCE CENTER (763)
Schedule 3 - Reconciliation of Cash in State Treasury
For the Fiscal Year Ended August 31, 2013

Cash in State Treasury	Unrestricted	Restricted	Current Year Total
Local Revenue Fund 0280	4,258,323.43	-	4,258,323.43
Local Revenue Fund 0819	709,748.18	-	709,748.18
Total Cash in State Treasury (Statement of Net Position)	\$ 4,968,071.61	\$ -	\$ 4,968,071.61