

ANNUAL FINANCIAL REPORT

of the

**UNIVERSITY OF NORTH TEXAS
HEALTH SCIENCE CENTER**

FORT WORTH, TEXAS

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

For the Year Ended August 31, 2016



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November 18, 2016

Dr. Michael R. Williams, DO, MD, MBA
President
University of North Texas Health Science Center
Fort Worth, Texas

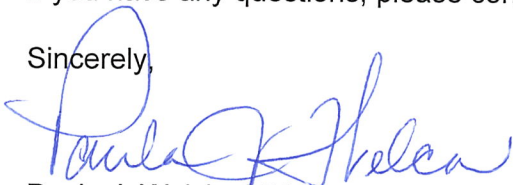
Dear Dr. Williams:

We are pleased to submit the Annual Financial Report of the University of North Texas Health Science Center for the year ended August 31, 2016, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report* (CAFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

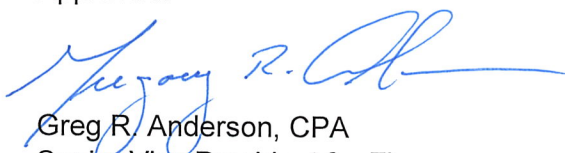
If you have any questions, please contact Paula Welch at (817)735-2536.

Sincerely,

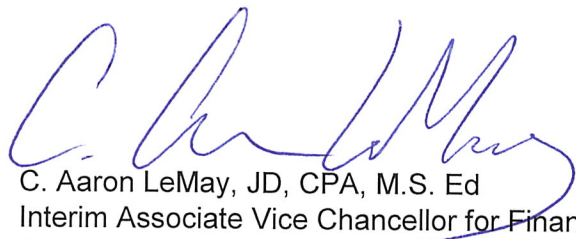


Paula J. Welch, CPA
Associate Controller

Approved:



Greg R. Anderson, CPA
Senior Vice President for Finance
& CFO



C. Aaron LeMay, JD, CPA, M.S. Ed
Interim Associate Vice Chancellor for Finance &
System Controller



UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER

ORGANIZATIONAL DATA

August 31, 2016

BOARD OF REGENTS

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

Brint Ryan (Term expires 5-22-21) Dallas
A.K. Mago..... (Term expires 5-22-21) Dallas
Laura Wright (Term expires 5-22-21) Dallas

STUDENT REGENT

Christopher Lee..... (Term expires 5-31-17) Houston

OFFICERS OF THE BOARD

Brint Ryan Chairman
Donald Potts Vice Chairman
Rosemary R. Haggett Secretary

ADMINISTRATIVE OFFICERS

Lee F. Jackson Chancellor
Michael R. Williams President
Greg Anderson Interim Senior Vice President for Finance and CFO

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Statement of Net Position
As of August 31, 2016

| | August 31, |
|--|--------------------------|
| | 2016 |
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents: | |
| Cash on Hand | \$ 7,111.43 |
| Cash in Bank | 8,915,612.41 |
| Cash in Transit/Reimburse from Treasury | 519,790.56 |
| Cash in State Treasury | 4,189,136.68 |
| Cash Equivalents | 33,026,039.10 |
| Restricted Cash and Cash Equivalents: | |
| Cash in Bank | 12,850,175.14 |
| Legislative Appropriations | 22,439,165.82 |
| Receivables From: | |
| Accounts Receivable | 1,911,583.05 |
| Federal | 5,384,422.27 |
| Other Intergovernmental | 1,044,046.51 |
| Clinical Practice | 13,263,049.94 |
| Other Receivables | 529,176.06 |
| Due From Other Agencies | 7,578,381.75 |
| Due from Other Components | 145,986.20 |
| Consumable Inventories | 240,382.85 |
| Pre-Paid Items | 1,832,987.29 |
| Loans and Contracts | 712,135.83 |
| Total Current Assets | \$ 114,589,182.89 |
| Non-Current Assets | |
| Restricted Investments (Note 3) | \$ 28,023,909.54 |
| Loans and Contracts | 4,102,104.76 |
| Investments (Note 3) | 43,207,522.64 |
| Capital Assets (Note 2): | |
| Non-Depreciable or Non-Amortizable | 31,160,031.05 |
| Depreciable or Amortizable, Net | 111,844,729.47 |
| Total Non-Current Assets | \$ 218,338,297.46 |
| Total Assets | \$ 332,927,480.35 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Outflows of Resources | \$ 838,793.29 |
| Total Deferred Outflows of Resources | \$ 838,793.29 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 333,766,273.64 |

Continued on Next Page

UNAUDITED

| | August 31, 2016 |
|--|----------------------------------|
| LIABILITIES | |
| Current Liabilities | |
| Payables From: | |
| Accounts Payable | \$ 18,697,240.05 |
| Payroll Payable | 16,046,403.42 |
| Other Payables | 3,198.45 |
| Interest | 951,372.09 |
| Due To Other Agencies | 192,395.87 |
| Due to Other Components | 14,017,239.16 |
| Unearned Revenue | 12,313,188.52 |
| Revenue Bonds Payable (Note 5, 6) | 7,297,470.08 |
| Claims and Judgments (Note 5) | 890,607.00 |
| Employees' Compensable Leave (Note 5) | 1,055,607.35 |
| Funds Held for Others | 399,556.02 |
| Total Current Liabilities | \$ 71,864,278.01 |
| Non-Current Liabilities | |
| Revenue Bonds Payable (Note 5, 6) | \$ 49,607,477.04 |
| Claims and Judgments (Note 5) | 960,317.00 |
| Employees' Compensable Leave (Note 5) | 7,891,801.09 |
| Total Non-Current Liabilities | \$ 58,459,595.13 |
| Total Liabilities | \$ 130,323,873.14 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | \$ 130,323,873.14 |
| NET POSITION | |
| Net Investment in Capital Assets | \$ 72,961,606.69 |
| Restricted For: | |
| Funds Held as Permanent Investments | |
| Non-Expendable | 26,253,741.83 |
| Expendable | 2,494,654.24 |
| Other Restricted | 17,565,238.75 |
| Unrestricted | 84,167,158.99 |
| Total Net Position | \$ 203,442,400.50 |

Concluded

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended August 31, 2016

| | <u>August 31,</u> <u>2016</u> |
|---|----------------------------------|
| OPERATING REVENUES | |
| Tuition and Fees | \$ 32,745,185.89 |
| Discounts and Allowances | (2,655,894.60) |
| Professional Fees | 110,947,043.17 |
| Discounts and Allowances | (69,633,398.30) |
| Auxiliary Enterprises | 356,806.76 |
| Sales of Goods and Services | 49,653,910.45 |
| Federal Grant Revenue | 26,666,509.09 |
| Federal Pass-Through Revenue | 143,180.50 |
| State Grant Revenue | 1,834,011.18 |
| State Grant Pass-Through Revenue | 3,415,849.83 |
| Other Contracts and Grants | 19,602,026.27 |
| Other Operating Revenues | 99,245.07 |
| Total Operating Revenues | <u>\$ 173,174,475.31</u> |
| OPERATING EXPENSES (1) | |
| Instruction | \$ 111,484,005.76 |
| Research | 38,507,912.43 |
| Public Service | 33,008,485.98 |
| Academic Support | 23,456,942.57 |
| Student Services | 5,024,130.80 |
| Institutional Support | 19,360,659.94 |
| Operation and Maintenance of Plant | 12,236,722.30 |
| Scholarships and Fellowships | 882,492.13 |
| Auxiliary Enterprises | 315,920.11 |
| Depreciation and Amortization | 9,887,388.08 |
| Total Operating Expenses | <u>\$ 254,164,660.10</u> |
| Operating Loss | <u>\$ (80,990,184.79)</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| Legislative Appropriations (GR) | \$ 83,282,949.00 |
| Additional Appropriations (GR) | 14,431,357.19 |
| Gifts | 1,772,443.12 |
| Investment Income | 3,324,660.46 |
| Interest Expense and Fiscal Charges | (2,350,394.29) |
| Gain on Sale of Capital Assets | 24,061.38 |
| Net Increase in Fair Value of Investments | 2,131,520.96 |
| Other Nonoperating Revenues | 212,726.84 |
| Other Nonoperating Expenses | (6,645,117.75) |
| Total Nonoperating Revenues (Expenses) | <u>\$ 96,184,206.91</u> |
| Income Before Other Revenues, Expenses and Transfers | <u>\$ 15,194,022.12</u> |
| OTHER REVENUES, EXPENSES AND TRANSFERS | |
| Capital Contributions | \$ 7,602.36 |
| Capital Appropriations (HEAF) | 11,394,570.00 |
| Interagency Transfers of Capital Assets-Decrease | (342,031.48) |
| Interagency Transfers of Capital Assets-Increase | 683.04 |
| Transfers From Other State Agencies | 10,828.00 |
| Legislative Transfers In | 14,257.00 |
| Legislative Transfers Out | (5,589,684.71) |
| Transfers Between Components | (6,062,336.00) |
| Total Other Revenues, Expenses and Transfers | <u>\$ (566,111.79)</u> |
| CHANGE IN NET POSITION | <u>\$ 14,627,910.33</u> |
| Beginning Net Position | <u>\$ 189,077,848.55</u> |
| Restatement | (263,358.38) |
| Beginning Net Position, as Restated | <u>\$ 188,814,490.17</u> |
| ENDING NET POSITION | <u>\$ 203,442,400.50</u> |

(1) See Matrix of Operating Expenses Reported by Function.

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UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2016

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services | Institutional Support | Operation and Maintenance of Plant | Scholarships and Fellowships | Auxiliary Enterprises | Depreciation and Amortization | Total Expenditures |
|---------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|------------------------------------|------------------------------|-----------------------|-------------------------------|--------------------------|
| Cost of Goods Sold | \$ 14,462.21 | \$ 5,625.00 | \$ - | \$ - | \$ 2,610.75 | \$ - | \$ - | \$ - | \$ 2,465.37 | \$ - | \$ 25,163.33 |
| Salaries and Wages | 78,965,786.84 | 18,170,098.95 | 7,276,326.65 | 13,452,495.22 | 2,966,415.32 | 12,370,140.00 | 5,419,634.82 | 11,276.04 | 128,847.52 | - | 138,761,021.36 |
| Payroll Related Costs | 16,885,799.13 | 3,885,437.65 | 1,555,947.14 | 2,876,639.89 | 634,329.06 | 2,644,665.21 | 1,139,784.20 | 2,411.23 | 47,213.25 | - | 29,672,226.76 |
| Professional Fees and Services | 4,210,929.58 | 8,710,541.33 | 22,037,510.27 | 1,514,256.44 | 121,869.68 | 1,893,424.39 | 56,693.95 | 19,388.62 | 24,101.48 | - | 38,588,715.74 |
| Federal Pass-Through Expenses | - | 559,246.05 | - | - | - | - | - | - | - | - | 559,246.05 |
| State Pass-Through Expenses | - | 137,125.78 | - | - | - | - | - | - | - | - | 137,125.78 |
| Travel | 818,701.78 | 694,816.08 | 162,397.28 | 287,907.71 | 156,183.94 | 145,271.94 | 43,294.98 | - | 462.24 | - | 2,309,035.95 |
| Materials and Supplies | 3,078,089.52 | 4,588,775.42 | 1,069,334.75 | 2,991,136.82 | 386,781.22 | 441,753.95 | 1,280,811.30 | 20.47 | 80,975.62 | - | 13,917,679.07 |
| Communications and Utilities | 77,893.73 | 24,358.68 | 21,859.91 | 4,055.07 | 498.81 | 335,930.17 | 2,070,889.69 | - | - | - | 2,535,486.06 |
| Repairs and Maintenance | 722,224.08 | 251,835.71 | 82,084.49 | 533,208.21 | 14,499.11 | 166,152.69 | 1,998,291.19 | - | 19,299.96 | - | 3,787,595.44 |
| Rentals and Leases | 2,261,923.16 | 165,103.89 | 390,933.36 | 559,160.36 | 143,212.00 | 224,177.08 | 14,037.42 | - | - | - | 3,758,547.27 |
| Printing and Reproduction | 177,059.29 | 203,777.23 | 60,737.74 | 32,500.59 | 64,186.52 | 196,050.79 | 43,159.71 | 399.95 | 9,508.22 | - | 787,380.04 |
| Depreciation and Amortization | - | - | - | - | - | - | - | - | - | 9,887,388.08 | 9,887,388.08 |
| Scholarships | 529,325.43 | 274,738.36 | 749.93 | 106,562.54 | 127,497.24 | 195,139.21 | 7,271.27 | 829,391.62 | 849.06 | - | 2,071,524.66 |
| Claims and Losses | 758,405.15 | - | - | - | - | 80,000.00 | - | - | - | - | 838,405.15 |
| Other Operating Expenses | 2,983,405.86 | 836,432.30 | 350,604.46 | 1,099,019.72 | 406,047.15 | 667,954.51 | 162,853.77 | 19,604.20 | 2,197.39 | - | 6,528,119.36 |
| Total Operating Expenses | \$ 111,484,005.76 | \$ 38,507,912.43 | \$ 33,008,485.98 | \$ 23,456,942.57 | \$ 5,024,130.80 | \$ 19,360,659.94 | \$ 12,236,722.30 | \$ 882,492.13 | \$ 315,920.11 | \$ 9,887,388.08 | \$ 254,164,660.10 |

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Statement of Cash Flows
For the Year Ended August 31, 2016

| | <u>August 31,</u> <u>2016</u> |
|---|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Proceeds from Customers | \$ 89,530,591.39 |
| Proceeds from Tuition and Fees | 27,941,440.58 |
| Proceeds from Research Grants and Contracts | 47,307,554.24 |
| Proceeds from Auxiliaries | 356,806.76 |
| Proceeds from Other Revenues | 99,245.07 |
| Payments to Suppliers for Goods and Services | (91,555,898.79) |
| Payments to Employees | (159,266,080.84) |
| Payments for Loans Provided | (625,731.73) |
| Payments for Other Expenses | (5,495,580.74) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (91,707,654.06)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Proceeds from State Appropriations | \$ 84,151,794.15 |
| Proceeds from Gifts | 1,772,443.12 |
| Proceeds from Transfers from Other Agencies | 10,828.00 |
| Proceeds from Legislative Transfers | 14,257.00 |
| Proceeds from Other Revenues | 2,283,221.68 |
| Payments for Legislative Transfers | (5,589,684.71) |
| Payments for Transfers to Other Components | (6,898,168.00) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>\$ 75,744,691.24</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Proceeds from Sale of Capital Assets | \$ 84,250.63 |
| Proceeds from State Appropriations | 11,394,570.00 |
| Proceeds from Debt Issuance | 14,100,000.00 |
| Payments for Additions to Capital Assets | (18,669,776.57) |
| Payments of Principal on Debt Issuance | (6,678,000.00) |
| Payments of Interest on Debt Issuance | (2,792,596.94) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>\$ (2,561,552.88)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from Sale of Investments | \$ 12,478,548.85 |
| Proceeds from Interest and Investment Income | 3,324,660.46 |
| Payments to Acquire Investments | (356.17) |
| Net Cash Provided (Used) by Investing Activities | <u>\$ 15,802,853.14</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | <u>\$ (2,721,662.56)</u> |
| Cash and Cash Equivalents, September 1, 2015 | \$ 62,229,527.88 |
| Cash and Cash Equivalents, August 31, 2016 | <u><u>\$ 59,507,865.32</u></u> |

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Statement of Cash Flows
For the Year Ended August 31, 2016

| | August 31, 2016 |
|---|----------------------------|
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) | |
| BY OPERATING ACTIVITIES | |
| Operating Loss | \$ (80,990,184.79) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) | |
| by Operating Activities: | |
| Depreciation and Amortization | \$ 9,887,388.08 |
| Employee Benefits Paid by State | 9,010,822.39 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in Receivables | (5,610,619.60) |
| (Increase) Decrease in Inventories | 66,622.08 |
| (Increase) Decrease in Loans and Contracts | (625,731.73) |
| (Increase) Decrease in Prepaid Expenses | 346,037.46 |
| Increase (Decrease) in Payables | (4,715,828.34) |
| Increase (Decrease) in Unearned Revenue | (2,328,217.67) |
| Increase (Decrease) in Other Liabilities | (16,747,941.94) |
| Total Adjustments | \$ (10,717,469.27) |
| Net Cash Provided (Used) by Operating Activities | \$ (91,707,654.06) |
| NON-CASH TRANSACTIONS | |
| Net Change in Fair Value of Investments | \$ 2,131,520.96 |
| Donation of Capital Assets | 7,602.36 |
| Gain (Loss) on Sales/Disposals of Capital Assets | 24,061.38 |
| Amortization of Bond Premiums (Discounts) | 543,212.99 |
| Amortization of Deferred Inflows/Outflows from Refunding Bonds | 194,043.50 |
| Capital Assets Acquired with Payables | 992,919.71 |
| Nonoperating Expenses with Payables | 8,715,612.59 |
| Interagency Transfer of Capital Assets | (341,348.44) |

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER
Notes to Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2016

Note 1: Nonmonetary Assistance

N/A

Note 2: Reconciliation

Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of Federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

| | |
|---|-------------------------|
| Federal Revenues - per Statement of Changes in Revenues, Expenses and Net Position | |
| Federal Grants and Contracts | \$ 26,666,509.09 |
| Federal Pass-Through Grants from Other State Agencies/Universities - Operating | 143,180.50 |
| Federal Pass-Through Grants from Other State Agencies/Universities - Nonoperating | - |
| Subtotal | <u>\$ 26,809,689.59</u> |
| Reconciling Items: | |
| Health Professions Student Loans, Including Primary Care Loans/ Loans for Disadvantaged Students - New Loans Processed | \$ 73,559.00 |
| Federal Perkins Loan Program | 577,470.00 |
| Direct Student Loans | <u>45,929,944.00</u> |
| Total Pass - Through & Expenditures per Federal Schedule | <u>\$ 73,390,662.59</u> |

Note 3: Student Loans

| Federal Grantor/ <u>CFDA Number/Program Name</u> | <u>New Loans Processed</u> | <u>Admin. Costs Recovered</u> | <u>Total Loans Processed & Adm. Costs Recovered</u> | <u>Ending Balances of Previous Year's Loans</u> |
|---|--------------------------------|-----------------------------------|---|---|
| U.S. Department of Health and Human Services | | | | |
| 93.342 Health Professions Student Loans, including Primary Care Loans/Loans for Disadvantaged Students | \$ 73,559.00 | \$ - | \$ - | \$ 3,555,729.05 |
| Total U.S. Department of Health and Human Services | <u>\$ 73,559.00</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,555,729.05</u> |
| U.S. Department of Education | | | | |
| 84.038 Federal Perkins Loan Program | \$ 577,470.00 | \$ - | \$ 577,470.00 | \$ 3,653,886.88 |
| 84.268 Federal Direct Student Loans | 45,929,944.00 | - | 45,929,944.00 | - |
| Total U.S. Department of Education | <u>\$ 46,507,414.00</u> | <u>\$ -</u> | <u>\$ 46,507,414.00</u> | <u>\$ 3,653,886.88</u> |
| Total Loans and Recoveries | <u>\$ 46,580,973.00</u> | <u>\$ -</u> | <u>\$ 46,507,414.00</u> | <u>\$ 7,209,615.93</u> |

Note 4: Depository Libraries for Government Publications

N/A

Note 5: Unemployment Insurance Funds (Agency 320 only)

N/A

Note 6: Rebates from the Special Supplemental Food Program for Women, Infant and Children (WIC)(Agency 537 only)

N/A

Note 7: Federal Deferred Income

N/A

Note 8: Disaster Grants - Public Assistance

N/A

Note 9: Economic Adjustment Assistance

N/A

Note 10: 10% de Minimis Indirect Cost Rate

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UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
Schedule 1B - Schedule of State Grant Pass-Through From/To State Agencies
For the Year Ended August 31, 2016

Pass-through From State Agencies:
To University of North Texas Health Science Center (763)

| | |
|---|-------------------------------|
| Texas Department of Public Safety (Agency 405) | |
| Missing Persons DNA Database | \$ 825,000.00 |
| Cancer Prevention and Research Institute of Texas (Agency 542) | |
| DP150091--Bridging the Gap: Early Translational Research Awards Award Slate | 231,856.61 |
| PP110190--Evidence-Based Cancer Prevention Services | 300,528.16 |
| PP120213--Evidence-Based Cancer Prevention Services | 556,729.15 |
| PP130074--Evidence-Based Cancer Prevention Services | 484,089.75 |
| University of Texas System (Agency 720) | |
| Joint Admission Medical Program (JAMP) | 192,359.33 |
| Texas Higher Education Coordinating Board (Agency 781) | |
| Family Practice Residency Program | 150,000.00 |
| Minority Health Research and Education | 80,223.81 |
| College Work Study Program | 10,715.02 |
| GME Expansion HB1025 | 410,000.00 |
| Family Practice HB1025 | 174,348.00 |
| Primary Care Innovation | |
| Total Pass-Through from State Agencies | |
| (Statement of Revenues, Expenses, and Changes in Net Position) | <u><u>\$ 3,415,849.83</u></u> |

Pass-through To State Agencies:
To University of North Texas Health Science Center (763)

| | |
|---|-------------------------------|
| University of Texas MD Anderson Cancer Center (Agency 506) | |
| DP150091 Selective Tumor Delivery of Anti-Cancer Agents in Ovarian Cancer Therapy | \$ (137,125.78) |
| Total Pass-Through to State Agencies | <u><u>\$ (137,125.78)</u></u> |

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
 Schedule 2A - Miscellaneous Bond Information
 For the Year Ended August 31, 2016

| Description of Issue | Bonds Issued to Date | Range of Interest Rates | Terms of Variable Interest Rates | Scheduled Maturities | | First Call Date |
|---|----------------------------|----------------------------|---|-------------------------|--------------|-----------------------|
| | | | | First Year | Last Year | |
| 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 |
| RFS Refunding Bonds, Series 2015 | 6,085,000.00 | 1.9500% - 1.9500% | N/A | 2016 | 2019 | N/A |
| Total | \$ 83,410,000.00 | | | | | |

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
 Schedule 2B - Changes in Bonded Indebtedness
 For the Year Ended August 31, 2016

| Description of Issue | Bonds Outstanding 09/01/15 | Bonds Matured or Retired | Bonds Outstanding 08/31/16 | Unamortized Premium | Net Bonds Outstanding 08/31/16 | Amounts Due Within One Year | Bonds Outstanding 08/31/16 |
|---|----------------------------------|--------------------------------|----------------------------------|------------------------|--------------------------------------|-----------------------------------|----------------------------------|
| RFS Bonds, Series 2009 | \$ 27,050,000.00 | \$ 1,555,000.00 | \$ 25,495,000.00 | \$ - | \$ 25,495,000.00 | \$ 1,635,000.00 | \$ 23,860,000.00 |
| RFS Refunding Bonds, Series 2009B | 855,000.00 | 200,000.00 | 655,000.00 | 19,541.96 | 674,541.96 | 219,660.36 | 454,881.60 |
| RFS Refunding Bonds, Series 2010 | 11,475,000.00 | 1,430,000.00 | 10,045,000.00 | 563,649.16 | 10,608,649.16 | 1,655,438.73 | 8,953,210.43 |
| RFS Refunding and Improvement Bonds, Series 2012A | 15,725,000.00 | 1,380,000.00 | 14,345,000.00 | 1,686,756.00 | 16,031,756.00 | 1,762,371.00 | 14,269,385.00 |
| RFS Refunding Bonds, Series 2015 | 6,085,000.00 | 1,990,000.00 | 4,095,000.00 | - | 4,095,000.00 | 2,025,000.00 | 2,070,000.00 |
| Total | \$ 61,190,000.00 | \$ 6,555,000.00 | \$ 54,635,000.00 | \$ 2,269,947.12 | \$ 56,904,947.12 | \$ 7,297,470.09 | \$ 49,607,477.03 |

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
 Schedule 2C - Debt Service Requirements
 For the Fiscal Year Ended August 31, 2016

| Description of Issue | Year | Principal | Interest* |
|---|-----------|--------------------------------|--------------------------------|
| Revenue Bonds | | | |
| RFS Bonds, Series 2009 | 2017 | \$ 1,635,000.00 | \$ 1,256,637.50 |
| | 2018 | 1,685,000.00 | 1,203,500.00 |
| | 2019 | 1,745,000.00 | 1,144,525.00 |
| | 2020 | 1,835,000.00 | 1,052,912.50 |
| | 2021 | 1,930,000.00 | 956,575.00 |
| | 2022-2026 | 11,295,000.00 | 3,150,650.00 |
| | 2027-2028 | 5,370,000.00 | 406,000.00 |
| | | | <u>\$ 25,495,000.00</u> |
| RFS Refunding Bonds, Series 2009B | 2017 | \$ 210,000.00 | \$ 27,887.50 |
| | 2018 | 220,000.00 | 19,487.50 |
| | 2019 | 225,000.00 | 10,687.50 |
| | | | <u>\$ 655,000.00</u> |
| RFS Refunding Bonds, Series 2010 | 2017 | \$ 1,500,000.00 | \$ 453,800.00 |
| | 2018 | 1,560,000.00 | 393,800.00 |
| | 2019 | 1,640,000.00 | 315,800.00 |
| | 2020 | 1,705,000.00 | 250,200.00 |
| | 2021 | 1,775,000.00 | 182,000.00 |
| | 2022 | 1,865,000.00 | 93,250.00 |
| | | | <u>\$ 10,045,000.00</u> |
| RFS Refunding and Improvement Bonds, Series 2012A | 2017 | \$ 1,445,000.00 | \$ 696,600.00 |
| | 2018 | 1,525,000.00 | 624,350.00 |
| | 2019 | 1,595,000.00 | 550,500.00 |
| | 2020 | 1,660,000.00 | 486,700.00 |
| | 2021 | 1,740,000.00 | 403,700.00 |
| | 2022-2026 | 3,390,000.00 | 1,108,950.00 |
| | 2027-2031 | 2,430,000.00 | 516,500.00 |
| | 2032 | 560,000.00 | 28,000.00 |
| | | | <u>\$ 14,345,000.00</u> |
| RFS Refunding Bonds, Series 2015 | 2017 | \$ 2,025,000.00 | \$ 79,852.50 |
| | 2018 | 1,025,000.00 | 40,365.00 |
| | 2019 | 1,045,000.00 | 20,377.50 |
| | | | <u>\$ 4,095,000.00</u> |
| Total | | <u>\$ 54,635,000.00</u> | <u>\$ 15,473,607.50</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.

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
 Schedule 2D - Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2016

| Description of Issue | Pledged and Other Sources and Related Expenditures | | | |
|--|--|--|-------------------------------|-------------------------------|
| | Total Pledged and Other Sources | Operating Expenses/ Expenditures & Capital Outlay | Debt Service | |
| | | | Principal | Interest * |
| RFS Bonds Series '09, 09B, '10, '12A, '15 | \$ 171,741,607.12 | \$ 46,703.75 | \$ 6,555,000.00 | \$ 2,774,888.44 |
| Total | <u>\$ 171,741,607.12</u> | <u>\$ 46,703.75</u> | <u>\$ 6,555,000.00</u> | <u>\$ 2,774,888.44</u> |

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

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UNAUDITED

UNIVERSITY OF NORTH HEALTH SCIENCE CENTER (763)
Schedule 3 - Reconciliation of Cash in State Treasury
For the Year Ended August 31, 2016

| <u>Cash in State Treasury</u> | <u>Unrestricted</u> | <u>Current Year Total</u> |
|---|------------------------|-------------------------------|
| Local Revenue Fund 0280 | \$ 4,189,136.68 | \$ 4,189,136.68 |
| Total Cash in State Treasury (Statement of Net Position) | <u>\$ 4,189,136.68</u> | <u>\$ 4,189,136.68</u> |