



# UNT | SYSTEM™

## Schedule of Events for Board of Regents Finance & Facilities Committee Meeting

July 31, 2015, 9:00 am  
University of North Texas System Building  
1901 Main St, Room 712 A&B  
Dallas, TX 75201

### **Friday, July 31, 2015**

**9:00 am**      **CONVENE FINANCE & FACILITIES COMMITTEE**

#### **Action Items:**

UNT      Approval of Amendment to University of North Texas Endowment Policy

#### **Briefings:**

*Updated Capital Projects Procedures & Overview of Tuition Revenue Bond Projects*

- James Davis, UNT System, Associate Vice Chancellor for Facilities Planning & Development

*Preliminary FY16 Consolidated Budget – UNT Dallas, UNT, UNT Health Science Center, UNT System* **Revised on 7/28/15**

- Janet Waldron, UNT System, Vice Chancellor for Finance
- Paige Smith, UNT System, Associate Vice Chancellor for Budget
- Ron Brown, UNT Dallas, President
- Dan Edelman, UNT Dallas, Chief Financial Officer
- Neal Smatresk, UNT, President
- Bob Brown, UNT, Chief Financial Officer
- Michael Williams, UNTHSC, President
- John Harman, UNTHSC, Chief Financial Officer

*Capital Project Financing & Debt Management* **Revised on 7/28/15**

- James Mauldin, UNT System, Associate Vice Chancellor for Treasury

**11:30 am**      **ADJOURN FINANCE & FACILITIES COMMITTEE\***

\*Please note that if the work of the Finance & Facilities Committee is not complete, the committee may recess to accommodate the schedule of the full Board meeting scheduled for July 31.



## Board Briefing

**Committee:** Finance & Facilities

**Date Filed:** July 22, 2015

**Title:** Approval of Amendment to University of North Texas Endowment Policy

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### Background:

The University of North Texas' Endowment Policy sets rules and guidance for the acceptance, management, investment, and distribution of endowment funds. UNT's Endowment Policy dictates that endowments that may be invested in equities are unitized when added to the Fund, which allows diversification of each endowment by pooling the investments.

UNT recognizes the need for spendable income by the beneficiaries of the endowment funds and thus sets a target for annual distributions. In the course of reviewing the University of North Texas' Endowment Policy it is recommended to change the target annual distribution rate to 3.75% of the average unit market value.

Attached to this briefing and order is a redline copy of the University of North Texas Endowment Policy, which highlight the proposed change to assist the Board of Regents in their review.

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### Financial Analysis/History:

The proposed change would reduce the target annual distribution rate from 4% to 3.75% of the average unit market value. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May and August. The distribution amount shall be recalculated each quarter based on a 12 quarter rolling average. The calculation for distribution will mirror the UNT Foundation management's model.

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Institution Chief Financial Officer

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Vice Chancellor for Finance

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### Legal Review:

This item has been reviewed by General Counsel.

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Vice Chancellor/General Counsel

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**Schedule:** Effective upon Board approval.

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**Recommendation:**

It is recommended that the Board of Regents approve the attached amended University of North Texas Endowment Policy.

**Recommended By:**

Bob Brown

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Vice President for  
Finance and Administration

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President

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Chancellor

Attachments Filed Electronically:

- Proposed Amended UNT Policy 7.6, *Endowment Policy*



**Board Order**

**Title:** Approval of Amendment to University of North Texas Endowment Policy

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 27-28, 2015, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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Whereas, the UNT Foundation and UNT's Chief Financial Officer have proposed the change to Spending Policy for Unitized Endowments be amended and adopted as restated,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Amendments to the University of North Texas' Endowment Policy.
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VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Don Potts, Vice Chairman  
Board of Regents

<b>Policies of the University of North Texas</b>	Chapter -10
<b>7.6 Endowment Policy</b>	Fiscal Management

**Policy Statement.** This policy sets rules and guidance for the acceptance, management, investment, and distribution of endowment funds.

**Application of Policy.** Total University

**Definitions.** None

**Procedures and Responsibilities.**

**Preface**

Gifts are critical to UNT's mission to develop and maintain quality in faculty, students and facilities. The UNT System Board of Regents recognizes the importance of establishing policies and procedures to meet the development needs of UNT and of directing vigorous efforts to attract private fund support. This policy is intended to establish administrative processes to accept and administer gifts in a fiduciarily prudent and efficient manner. When this policy does not indicate the appropriate course of action, or is inappropriate in light of all aspects of a specific situation, the Vice President for Finance and Administration is to work with the Finance Committee to establish the recommended course of action. This policy shall be reviewed annually.

An endowment is established with a gift, which comprises the corpus or principal of the endowment. The corpus is invested, and the income or the capital gain is used to fund a project or need. Endowments are divided into the following three categories:

**Permanent endowments**

Permanent endowments, also referred to as "true" or "pure" endowments, are assets designated by the donor to be held in perpetuity. The corpus of these endowments may never be spent. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor. However, it must be recognized that the corpus may decline during unfavorable market conditions.

**Term endowments**

Term endowments are established when the donor specifies that the endowment shall terminate following a particular date or event and that the corpus of the endowment may be expended in accordance with the terms and conditions specified by the donor. Until

the passage of the specific date or event, term endowments operate in a manner similar to permanent endowments with expenditures made in accordance with the conditions established by the donor.

### **Quasi-endowments**

Quasi-endowments are funds functioning as endowments. The University Administration will specify the use of the assets and spendable income, and set other terms and conditions relating to the fund. The University Administration may change the terms and conditions of the endowment or terminate the endowment.

### **Gifts to Establish Endowments**

A written donative instrument should be provided for each new endowment fund established. This instrument would provide:

A statement providing that additions to the endowment from any other person or entity, unless prohibited, are made subject to the provisions of the donative instrument, and

A statement that if, in the opinion of the Board of Regents, future circumstances change so that the purposes for which the endowment is established become illegal, impractical or no longer able to be carried out to meet the needs of UNT, the Board may designate an alternative use for the endowment payout to further the objectives and purposes of UNT, giving consideration to the donor's special interest as evidenced by the original purpose of the endowment.

In cases where an endowment is established pursuant to a component solicitation or campaign, the solicitation letter or document sent to the donor or donors may be used as the donative instrument to evidence the donative intent and purposes.

The Board of Regents reserves the right to establish the amount required for a permanent endowment for an academic position (i.e. chairs, professorships, lectureships, and fellowships). In no case will an endowment for an academic position be established without prior approval of the President.

### **Fiduciary Responsibility**

The University of North Texas System Board of Regents has a fiduciary responsibility to comply with the restrictions imposed by the donors of endowment funds. The Regents also have a legal responsibility to ensure that the management of endowment funds is in compliance with Subchapter A, Chapter 51, Education Code, Section 51.0031 and, to the extent applicable, Section 117 Property Code (the Uniform Prudent Investor Act).

The primary and constant standard for making investment decisions for endowment is the "Prudent Person Standard" which states that the investment manager may trade and retain investments... "that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment".

### **Investment Policy**

No endowment shall be accepted in which the donor directs the investment transactions or holdings or may approve investment policy or strategy. The endowment fund shall be under the sole control of the University of North Texas System Board of Regents.

It is the specific and strong preference of the Board of Regents that all endowment gifts be eligible for commingling for investment purposes with other endowment funds. This commingling permits enhancement of long-term investment programs, affords appropriate risk control through diversification, and provides for optimization of asset mix through time.

The financial goal for management of endowment funds is to preserve the real (i.e. inflation adjusted) purchasing power of principal and income after accounting for endowment spending, inflation and costs of investment management. Performance of the endowment fund against this objective is to be measured over rolling 5-year periods.

### **Unitization of Endowments**

The commingled endowment funds, excluding endowments not permitted to be invested in equities, shall be unitized and each new endowment gift added to the Fund shall receive units in the fund based upon the market value of the gift and the unit value of the Fund for the preceding quarter. The unit value of the endowment fund shall be determined at least quarterly. Income determined under the "Spending Policy for Unitized Endowments" section below should be calculated on a unit basis for distribution purposes.

### **Spending Policy for Unitized Endowments**

UNT recognizes the need for spendable income by the beneficiaries of the endowment funds under their custodianship. The following spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives defined herein while protecting the real value of the endowment principal.

An endowment should be excluded from the target distribution until the endowment has been established for one complete quarter.

The target distribution of spendable income to each unit of the endowment fund will be between 3 to 6 percent of the average market value of a unit of the endowment fund for the preceding 12

quarters. Unless otherwise determined by the Finance Committee of the Board of Regents the target annual distribution rate shall be ~~4 percent~~ 3.75 percent of the average unit market value. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May and August. This distribution amount shall be recalculated each quarter based on a 12 quarter rolling average. The calculation for distribution will mirror the UNT Foundation management's model.

### **Investment of Endowment Funds**

The endowment funds shall be invested in the UNT Foundation Endowment Account.

### **Asset allocation for Unitized Endowments**

To achieve the goal and objectives of the endowment fund, the fund's assets will mirror the UNT Foundation Endowments.

The asset allocation shall be monitored on an ongoing basis and reviewed on a yearly basis or as needed during the fiscal year.

### **Endowments Not Unitized**

Endowments that do not provide for investments in equities will not be unitized and they will receive interest and dividends on their funds invested in fixed income securities.

### **Management Fees**

The UNT Foundation will manage the UNT endowments. Management fees will be charged based on the official agreement with the UNT Foundation.

### **Reporting**

The performance of endowment investments will be reported with the investment reports submitted each quarter to the Board of Regents. The report shall contain a summary of:

- Book value, by asset class;
- Market value, by asset class;
- Performances measures;
- Benchmarks against which to measure performance; and
- Beginning and ending market values for the quarter, with changes in market values

### **References and Cross-references.**

Approved: 4/9/2013

Effective: 4/9/2013

Revised: 8/2010; 4/2013



The seal of the University of North Texas System is visible in the background on the left side of the slide. It features a central torch on a pedestal, surrounded by a laurel wreath and the text "UNIVERSITY OF NORTH TEXAS SYSTEM".

# Updated Capital Projects Procedures & Overview of Tuition Revenue Bond Projects

UNT System Board of Regents

July 31, 2015

Presented by:

**James K. Davis, Associate Vice Chancellor for Facilities Planning & Development**

# Capital Projects – Updated Procedures

1. Goals
2. Data Requirements for Projects List
3. Scope and Budget Modifications
4. Project Status Reporting

# Capital Projects – Updated Procedures

## Goals

1. Support strategic focus on capital improvement issues through development of a five year capital plan.
2. Simplify and consolidate Board oversight and approval of capital projects through an annual action on listed capital projects.

# Data Requirements for Projects List

Projects in current year plan will be seeking Board approval; in order to effectively support this, each project will include the following information:

- Project description and explanation or justification
- Scope description
- Budget based on estimate
- Preliminary schedule
- Identified funding sources and availability

UNIVERSITY of NORTH TEXAS SYSTEM

UNIVERSITY OF NORTH TEXAS  
COLLEGE OF VISUAL ARTS AND DESIGN  
Capital Project No. 16-1.20



PROJECT DESCRIPTION

This project will construct approximately 145,000 gross square feet. The building will be multi story construction with brick façade located east of the existing Art Building on university undeveloped property. Project is in compliance with the 2013 campus master plan. The facility is planned to include classrooms, computer laboratories, teaching labs, study areas, seminar rooms, multimedia learning, art galleries, student exhibition spaces, and critique areas. It will also include advanced and graduate student studios, administrative offices, meeting rooms, and informal work areas.

PROJECT INFORMATION

**JUSTIFICATION:** Currently the College of Visual Arts and Design (CVAD) is located in seven facilities across the campus. With the construction of this project, the CVAD will be consolidated as much as possible. The additional space will also accommodate new and expanding programs within the College.

**LOCATION:** Denton Main Campus  
**SIZE (ASF/GSF):** GSF: 145,000 ASF: 95,000  
**CIP PROJECT TYPE (NEW CONST. OR RENO.):** New Construction  
**MANAGEMENT TYPE (SYSTEM OR CAMPUS):** System  
**HISTORICALLY SIGNIFICANT? (Y or N):** N  
**CONSISTENT WITH MASTER PLAN (Y or N):** Y

PROJECT BUDGET

*(Provide supporting estimates and cost model. Cost Estimates from Consultants should be provided as necessary. Total Project costs should be consistent with the CIP and CPS line-items and support docs.)*

Design Fees	\$ 4,800,000
Construction Costs	\$52,300,000
Other Cost (Commissioning, Inspection, etc)	\$ 1,100,000
Furniture, Fixtures, and Equipment	\$ 5,800,000
Contingency and Fees	\$ 6,000,000
<b>Total Project</b>	<b>\$70,000,000</b>

PROJECT FUNDING (in \$ Millions)

*(Provide Identified Funding Source and Availability for this project. If debt funds are planned, attach completed VC Finance debt finance check list.)*

Project No.	Funding Source Abrv.	Funding Source	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Source Total
1.20	Bonds	TRB	\$ 6.8	\$ 63.2	\$ -	\$ -	\$ -	\$ 70.0
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>FY Total</b>	<b>\$ 6.8</b>	<b>\$ 63.2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70.0</b>

UNIVERSITY of NORTH TEXAS SYSTEM

UNIVERSITY OF NORTH TEXAS  
COLLEGE OF VISUAL ARTS AND DESIGN  
Capital Project No. 16-1.20



PROJECT SCHEDULE

**PREVAILING APPROVALS FROM BOARD OF REGENTS:** N/A  
**PROGRAMMING/PLANNING:** September 2015 – December 2015  
**DESIGN:** December 2015 – December 2016  
**CONSTRUCTION:** January 2017 – August 2018  
**SUBSTANTIAL COMPLETION:** July 2018

LOCATION MAP

*(Provide an area locator map identifying the location and specific site map. Provide other graphics or photos as available.)*



FY 2016 (in \$Million)



Proj. No. Project	Funding Source	Prior Yrs Costs	2016	2017	2018	2019	2020+	Total Project
<b>Previously Approved Projects:</b>								
1.06	Student Residence Hall	RFS	36.53	37.10				73.63
1.17	University Union Renovation/ Scouler/Stovall Relocations	AUX	5.10					5.10
		CP	25.08					25.08
		CP	82.90					82.90
		CP	3.00					3.00
		Local/Cash	2.60					2.60
		HEAF Reserve	1.00					1.00
2.20	Matthews Hall MEP	HEAF	7.68					7.68
2.21	Wooten Hall MEP	HEAF	2.40					2.40
2.22	Hickory Hall MEP	HEAF	3.25					3.25
1.42	Central Path Extension at Clark Park	HEAF	1.50					1.50
2.23	Willis Library MEP	HEAF	0.74	16.50				17.24
		HEAF Reserve	0.45	3.40				3.85
		HEAF Reserve	4.80					4.80
	<b>Previously Approved Projects Total</b>		<b>173.82</b>	<b>39.51</b>	<b>3.40</b>			<b>216.73</b>
<b>New Projects for Approval:</b>								
16-1.20	College of Visual Arts and Design	TRB	6.80	63.20				70.00
16-1.21	Applied Physics	RFS	0.80	12.00				12.80
16-2.25	General Academic Building MEP	RFS	0.50					0.50
16-2.50	Life Science Lab Exhaust Upgrade	RFS		7.00				7.00
16-2.55	Discovery Park MEP Upgrade	HEAF	0.20	3.00				3.20
16-2.62	Lobby Renovation at Historic Res Hall (2016/2017 Maple)	AUX	0.15	1.50				1.65
16-2.63	Kerr Hall Kitchen Renovation	HEAF	0.04	7.48				7.52
16-2.65	Sycamore Hall 2nd Floor Renovation	AUX	0.70	3.30				4.00
16-2.66	Coliseum Concourse Renovation	RFS	5.50	2.50				8.00
16-2.67	1500 I-35 Building	RFS	3.00	4.00				7.00
16-2.77	Wooten Hall Code Upgrade	HEAF	2.00	2.00				4.00
16-2.78	Child Care Relocation	HEAF	0.03	2.00				2.03
16-2.79	McCConnell Hall MEP	AUX	2.00					2.00
16-2.80	Foots Field Demolition	Local/Cash	0.05					0.05
16-2.81	Fraternity Row Site Development	RFS	2.24	4.95				7.19
16-2.82	Track and Field Stadium and Sports Fields	RFS	0.50	1.50				2.00
		GIFT		2.00				2.00
16-2.83	Bruce Hall Renovation	AUX	1.70	1.60				3.30
		AUX	1.70					1.70
	<b>New Project for Approval Total</b>		<b>0.04</b>	<b>27.09</b>	<b>125.73</b>			<b>152.86</b>

FY 2016 Capital Projects  
UNIVERSITY OF NORTH TEXAS SYSTEM



FY 2016 (in \$Million)

University of North Texas

Proj. No. Project	Funding Source	Prior Yrs Costs	2016	2017	2018	2019	2020+	Total Project
<b>Previously Approved Projects:</b>								
1.06	Student Residence Hall	PP	36.53	(36.53)				
		RB		37.10				37.10
1.17	University Union Renovation/ Scouler/Stovall Relocations	AUX	5.10					5.10
		CP	25.08	(25.08)				
		PP	82.90	(82.90)				
		SF		8.00				8.00
		Local/Cash		2.60				2.60
		RB		120.40				120.40
		HEAF	1.00					1.00
		CP	7.68	(7.68)				
2.20	Matthews Hall MEP	HEAF	2.40	1.80				4.20
2.21	Wooten Hall MEP	HEAF	3.25	1.20				4.45
2.28	Hickory Hall MEP	HEAF	3.00					3.00
1.42	Central Path Extension at Clark Park	HEAF	1.50	-				1.50
		HEAF	4.19					4.19
		RFS	0.74	15.50				16.24
2.33	Willis Library MEP	HEAF	0.45	0.50	3.40			4.35
		HEAF Reserve		4.60				4.60
	<b>Previously Approved Projects Total</b>		<b>173.82</b>	<b>39.51</b>	<b>3.40</b>			<b>216.73</b>
<b>New Projects for Approval:</b>								
16-1.20	College of Visual Arts and Design	TRB	6.80	63.20				70.00
16-1.21	Applied Physics	RFS	0.80	12.00				12.80
16-2.25	General Academic Building MEP	HEAF	0.50					0.50
16-2.50	Life Science Lab Exhaust Upgrade	RFS		7.00				7.00
16-2.55	Discovery Park MEP Upgrade	HEAF	0.20	3.00				3.20
		HEAF	0.60	10.00				10.60
16-2.62	Lobby Renovation at Historic Res Hall (2016/2017 Maple)	AUX	0.15	1.50				1.65
16-2.63	Kerr Hall Kitchen Renovation	HEAF	0.04	7.48				7.52
16-2.65	Sycamore Hall 2nd Floor Renovation	AUX	0.70	3.30				4.00
16-2.66	Coliseum Concourse Renovation	RFS	5.50	2.50				8.00
16-2.67	1500 I-35 Building	RFS	3.00	4.00				7.00
16-2.77	Wooten Hall Code Upgrade	HEAF	2.00	2.00				4.00
16-2.78	Child Care Relocation	HEAF	0.03	2.00				2.03
16-2.79	McCConnell Hall MEP	AUX	2.00					2.00
16-2.80	Foots Field Demolition	Local/Cash	0.05					0.05
16-2.81	Fraternity Row Site Development	RFS	2.24	4.95				7.19
16-2.82	Track and Field Stadium and Sports Fields	RFS	0.50	1.50				2.00
		GIFT		2.00				2.00
16-2.83	Bruce Hall Renovation	AUX	1.70	1.60				3.30
		AUX	1.70					1.70
	<b>New Project for Approval Total</b>		<b>0.04</b>	<b>27.09</b>	<b>125.73</b>			<b>152.86</b>



FY 2016 SUMMARY (in \$Million)

NEW PROJECTS FOR FY 2016

Proj. No.	Project	Funding Source	Prior Yrs Costs	2016	2017	2018	2019	2020+	Total Project	
<b>University of North Texas</b>										
16-1.20	College of Visual Arts and Design	TRB		6.80	63.20				70.00	
16-1.21	Applied Physics	RFS		0.80	12.00				12.80	
16-2.25	General Academic Building MEP	HEAF		0.50						
		RFS			7.00				7.50	
16-2.50	Life Science Lab Exhaust Upgrade	HEAF		0.20	3.00				3.20	
16-2.55	Discovery Park MEP Upgrade	HEAF		0.60						
		RFS			10.00				10.60	
16-2.62	Lobby Renovation at Historic Res Hall (2016/2017 Maple)	AUX		0.15	1.50				1.65	
16-2.63	Kerr Hall Kitchen Renovation	AUX	0.04	0.72	7.48				8.24	
16-2.66	Sycamore Hall 2nd Floor Renovation	HEAF		0.30	3.00				3.30	
16-2.68	Goleisum Concourse Renovation	RFS		5.50	2.50				8.00	
16-2.67	1500 1-35 Building	RFS		3.00	4.00				7.00	
16-2.77	Wooten Hall Code Upgrade	HEAF		0.03	2.00				2.03	
16-2.78	Child Care Relocation	HEAF		2.00					2.00	
16-2.79	McConnell Hall MEP	AUX		2.00					2.00	
16-2.80	Fouts Field Demolition	Local/Cash		0.05						
		AUX			4.95				5.00	
16-2.81	Fraternity Row Site Development	RFS		2.24					2.24	
16-2.82	Track and Field Stadium and Sports Fields	RFS		0.50	1.50					
		GIFT			2.00					
		AUX			1.80				5.60	
16-2.83	Bruce Hall Renovation	AUX		1.70					1.70	
<b>University of North Texas Total</b>				<b>0.04</b>	<b>27.09</b>	<b>125.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152.86</b>
<b>University of North Texas Dallas</b>										
16-1.01	Student Learning and Success Center	TRB		2.00	14.00	33.40	13.60		63.00	
16-1.04	Campus Infrastructure	HEAF		1.65					1.65	
<b>University of North Texas Dallas Total</b>				<b>-</b>	<b>3.65</b>	<b>14.00</b>	<b>33.40</b>	<b>13.60</b>	<b>-</b>	<b>64.65</b>
<b>University of North Texas Health Science Center</b>										
16-1.40	Interdisciplinary Research Building	TRB			35.70	44.30				
		RFS	0.39	7.87	12.57	20.20			121.00	
16-2.96	Research and Education (RES) Level 4	RFS		3.00	1.50				4.50	
16-2.94	Patient Care Center Level 6	RFS		0.50	1.00	1.00			2.50	
<b>University of North Texas Health Science Center Total</b>				<b>0.36</b>	<b>11.37</b>	<b>38.20</b>	<b>57.87</b>	<b>20.20</b>	<b>-</b>	<b>128.00</b>
<b>University of North Texas System</b>										
16-2.01	Renovate Dallas Municipal Bldg and Assoc Law Bldgs	TRB		1.62	10.92	25.20	18.26		56.00	
<b>University of North Texas System Total</b>				<b>-</b>	<b>1.62</b>	<b>10.92</b>	<b>25.20</b>	<b>18.26</b>	<b>-</b>	<b>56.00</b>
<b>Capital Improvement Plan Total</b>				<b>0.40</b>	<b>43.73</b>	<b>188.85</b>	<b>116.47</b>	<b>52.06</b>	<b>-</b>	<b>401.51</b>

Summary by Funding Source

	Funding Source	Prior Yrs Costs	2016	2017	2018	2019	2020	Total	
HEAF	HEAF	-	5.28	8.00	-	-	-	13.28	
HEAF Reserve	HEAF Reserve	-	-	-	-	-	-	-	
Tuition Revenue Bonds	TRB	-	10.42	123.82	102.90	31.88	-	269.00	
Commercial Paper	CP	-	-	-	-	-	-	-	
Private Placement	PP	-	-	-	-	-	-	-	
Revenue Bonds	RB	-	-	-	-	-	-	-	
Revenue Financing System Bonds	RFS	0.36	23.41	39.50	13.57	20.20	-	97.04	
Auxiliary Reserves	AUX	0.04	4.57	15.53	-	-	-	20.14	
Grants	GRNT	-	-	-	-	-	-	-	
Student Fees	SF	-	-	-	-	-	-	-	
Housing Revenue	HR	-	-	-	-	-	-	-	
Gift/Donations	GIFT	-	-	2.00	-	-	-	2.00	
Annual Budget, Operating and Capital	Local/Cash	-	0.05	-	-	-	-	0.05	
<b>Total</b>			<b>0.40</b>	<b>43.73</b>	<b>188.85</b>	<b>116.47</b>	<b>52.06</b>	<b>0.00</b>	<b>401.51</b>



## FY 2016 New Capital Projects

Campus	Number of Projects	Total Project (in Millions)
University of North Texas	17	152.86
University of North Texas Dallas	2	64.65
University of North Texas Health Science Center	3	128.00
University of North Texas System	1	56.00
<b>Project Totals</b>	<b>23</b>	<b>\$ 401.51</b>

Funding Source	UNT	UNTD	UNTHSC	UNTS	Total (in Millions)
Tuition Revenue Bonds	70.00	63.00	80.00	56.00	269.00
Revenue Financing System Bonds	49.04		48.00		97.04
Other Funds (HEAF, Local, etc.)	33.82	1.65			35.47
<b>Total</b>	<b>\$ 152.86</b>	<b>\$ 64.65</b>	<b>\$ 128.00</b>	<b>\$ 56.00</b>	<b>\$ 401.51</b>

# Scope and Budget Modifications

The Board approval should include authority for a limited range of potential scope and budget changes which would not require additional Board action;

- Plus or minus 10% would be a reasonable threshold with appropriate confirmation of funds.

Changes in scope or budget greater than 10% of approved amount would require Board approval. In addition, changes in any project's debt financing would require Board approval.

## Project Status Reporting

Quarterly progress reporting to the Board would be incorporated in our standard Construction Status Report.

## FY 2016 New Capital Projects

Campus	Number of Projects	Total Project (in Millions)
University of North Texas	17	152.86
University of North Texas Dallas	2	64.65
University of North Texas Health Science Center	3	128.00
University of North Texas System	1	56.00
<b>Project Totals</b>	<b>23</b>	<b>\$ 401.51</b>

## Four major projects under consideration for Tuition Revenue Bond financing:

- UNT College of Visual Arts and Design Facilities
- UNT Health Science Center Interdisciplinary Research Building
- UNT Dallas Student Learning and Success Center
- UNT System College of Law Buildings

# UNT College of Visual Arts and Design Facilities

Approx. 145,000 GSF

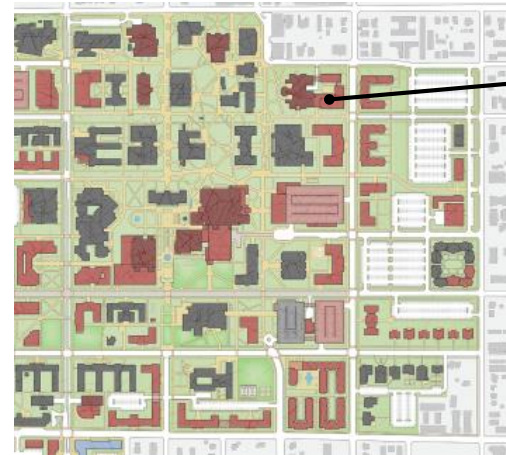
## Project Budget:

- \$70,000,000 Tuition Revenue Bonds

## Program:

- Studios, classrooms and seminar rooms
- Specialized instructional space including 3D graphics and visualization labs
- Specialized teaching labs
- Art galleries & student exhibition spaces
- Informal collaborative study areas
- Administrative and Faculty Offices and support areas

To be sited just east of current Art Building in the Northeast corner of main campus:



Proposed Site

# UNT Health Science Center Interdisciplinary Research Building

Approx. 170,000 GSF

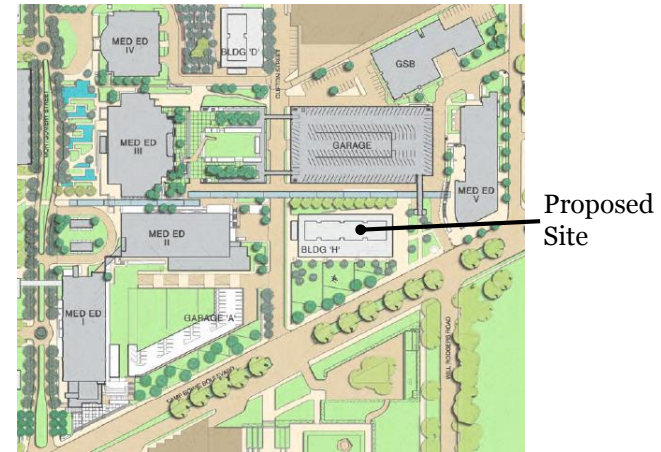
Project Budget: \$121,000,000

- \$80,000,000 Tuition Revenue Bonds
- \$41,000,000 HSC Designated Tuition Bonds

## Program:

- Facility will support:
  - College of Pharmacy
  - North Texas Eye Research Institute (NTERI)
  - Institute for Molecular Diagnostic & Therapeutic Development (IMDTD)
- Wet Labs
- Vivarium
- Classrooms
- Teaching Labs
- Study Areas
- Support Space

To be sited just east of Med Ed II:



# UNT Dallas Student Learning and Success Center

Approx. 153,000 GSF

Project Budget: \$63,000,000

- \$63,000,000 Tuition Revenue Bonds

Potential Program Space:

- Library/Learning Commons
- Offices for Student Services including enrollment management, financial aid, student advising, tutoring, remedial education, aptitude testing, student employment, and student life
- Classrooms and other instructional space
- Auditorium

Two possible locations noted in Master Plan:



# UNT System College of Law Building

107,000 GSF

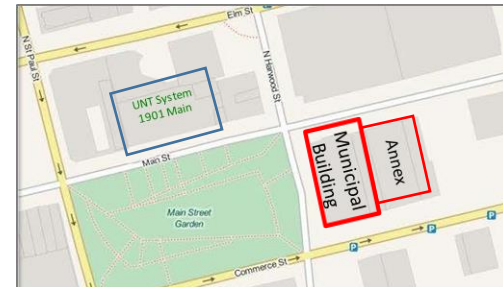
LAR Project Budget: \$101,000,000

- \$56,000,000 Tuition Revenue Bonds for Municipal Building Interior Restoration
- \$16,000,000 in Gifts and donations in City funded exterior restoration
- \$29 million in related 1901 Main renovations already expended



## Program:

- Historic Renovation of the Municipal Building in Downtown Dallas
- Classrooms and seminar rooms
- Instructional laboratory spaces
- Clinic resource center
- Faculty and administrative offices
- Support areas for student, faculty, and staff







**END**

# Board of Regents - Finance Committee

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Fiscal Year 2016 Preliminary Consolidated Operating Budget

Presented by: Janet Waldron, Vice Chancellor for Finance

Date: July 31, 2015

- We are presenting Preliminary FY '16 Consolidated Budget for Board consideration and input.
- This Budget is presented in a new Budget Template that captures All Funds (Current and Non-Current).
- This Budget is built from the new Chart of Accounts and is pulled from Hyperion.
- The Board of Regents will be asked to approve the Current Budget.
- The Non-Current Funds are presented to show All Funds and are best estimates subject to unexpected events.
- The new template provides a stronger connection to the Consolidated Annual Financial Report while improving accountability, budget integrity and transparency.

- The budget is an estimate of revenue and expenditures based on assumptions, forecasts, expected events, and known information while Financial reports reflect actual financial activity.
- This is our first year and will be your first year with the new format.
- We will need to look at this year as a “shake down” period but hope that any ongoing adjustments will be minimal so as to exercise discipline that can result in budget continuity.
- We will be providing quarterly reports to the Board with identified variance analysis.
- The All Funds Budget provides information on the impact of revenues and expenditures to fund balances.

- At year-end close the intent is to reconcile component and consolidated budgets to the Annual Financial Reports and Consolidated Financial Report.
- At year-end close we will provide the Board with the impact to financial ratios.
- A significant addition this year is the initial integration into the All Funds Operating Budget of our Capital Expenditures and Capital funding and financing.
- This is a significant revenue and expenditure area that may have variations due to timing associated with capital project planning and construction.

- Building the new Chart of Accounts required the mapping of over 16,000 Department IDs, each reflecting a separate account.
- The mapping was extremely work intensive and complicated.
- The integration with the Capital Budget process has also been very time consuming and complicated.
- The complete change limits detailed trend data as this budget information for example contains information that was not contained in prior budgets.
- There are a number of key people to thank for their incredible efforts and contributions.
- We are very excited at what we believe is a “leading practices” budget and trust that it will meet your governance and information needs.

- Lastly, you are being provided with a Consolidated Operating Budget Summary Document which contains more detailed information and metrics.
- Moving forward we expect with the use of PeopleSoft, Hyperion, and Cognos to provide the Board with a higher level of financial reporting. This is just the beginning.
- Budgets support the critical and core academic, research, student and public support missions of our institutions.
- Thanks to the increased support of our State Legislature and Governor and the institutional leadership, we have many exciting strategic initiatives contained in the budgets before you today.

# Board of Regents - Finance Committee

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Fiscal Year 2016 Preliminary Consolidated Operating Budget

Presented by: Paige Smith, Associate Vice Chancellor for Budget

Date: July 31, 2015



- Combined, All Funds Consolidated Revenue for the University of North Texas System are estimated to Total \$1.1 billion of which \$361.2 million or approx. 33 %are Educational and General Fund Revenues.
- All Fund Consolidated Expenditures are estimated to Total \$1.1 billion of which approx. \$605 million or approx. 55% is associated with salaries, wages, and benefits.
- Approximately 92% of total revenues are in current funds with approx. 90% of total expenditures in current funds. The Board will be asked to vote on the Total Current Fund Budget.
- The aggregate estimated impact on Total Fund Balances is small with the use of fund balances primarily directed to capital projects. These capital projects will ultimately be reflected in an increase to Capital Assets at year end on our financial statements.
- The consolidated and individual component unit revenue and expense budgets are balanced with fund balances directed to capital projects as identified.

- With appreciation to the Legislature and the Governor, UNTS benefits from the tremendous support demonstrated for Higher Education during the recent legislative session.
- State Appropriation increases impacted the budget from FY '15 and include a number of areas which I will review with you briefly. These positive increases provide opportunities for strategic investments and assist in maintaining the excellence and affordability of our institutions as will be shared in the individual presentations.
- Tuition and fee revenue increases have resulted both from modest tuition and fee adjustments and a continued path of enrollment growth for all our component institutions.

- Expenditure growth has been contained by institutional leadership and directed to areas of strategic need.
- Contained in this budget are expected capital project investments which exceed in total \$109 million . These investments are important to the continued delivery of program excellence to our students, faculty, employees, clients, and community.
- The transfers reflected in the All Fund budget are intended to provide transparency and accountability.
- The Planned Use of Fund Balances totals \$25.2 million which will be explained by each institution but include planned projects such as UNT's Student Union, HSC's Interdisciplinary Research Building and the residential hall at UNT Dallas.
- In closing, the budget as presented promises to move and continue UNTS' transformation and competitive position.



# Board of Regents - Finance Committee

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Fiscal Year 2016 Preliminary Consolidated Operating Budget

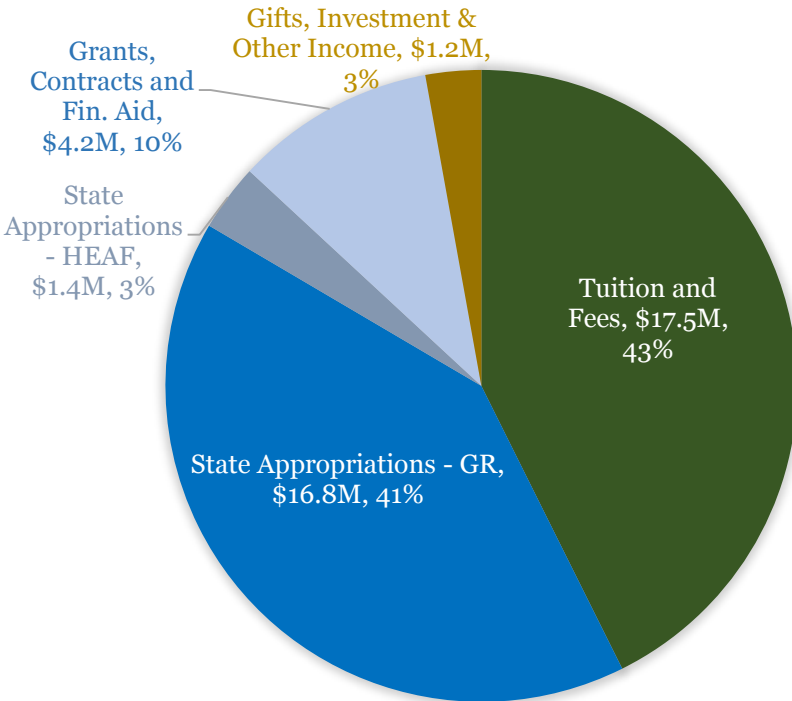
*Presented by:*

Ron Brown, President

Dan Edelman, CFO & Vice President

Date: July 31, 2015

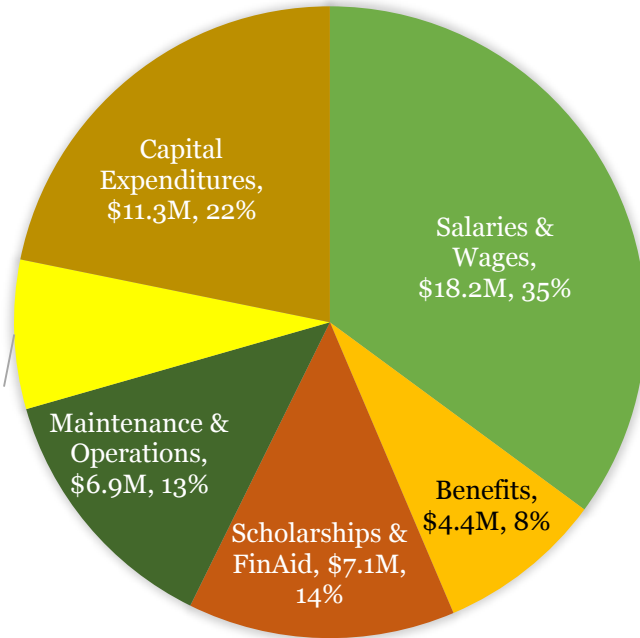
## FY2016 Budgeted Revenues - \$49.8M



REVENUES (Millions)	FY 2015	FY 2016	% Change
	Total Budget	All Funds Total	
Tuition and Fees	\$11.1	\$17.5	58.3%
State Appropriations - GR	\$15.8	\$16.8	6.3%
State Appropriations - HEAF	\$0.8	\$1.4	80.6%
Grants, Contracts and Fin. Aid	\$0.7	\$4.2	544.0%
Gifts, Investment & Other Income	\$0.3	\$1.2	313.9%
Bond Issuance	\$0.0	\$8.6	0.0%

*NOTE: State Appropriations-GR includes the allocation to the College of Law of \$3,454,110 that will be transferred to UNT Dallas from the UNT System.*

## FY2016 Budgeted Expenses - \$51.7M



<b>EXPENSES (Millions)</b>	<b>FY 2015 Total Budget</b>	<b>FY 2016 All Funds Total</b>	<b>% Change</b>
Salaries & Wages	\$12.5	\$18.2	45.6%
Benefits	\$3.1	\$4.4	43.2%
Scholarships & Fin. Aid	\$2.4	\$7.1	191.2%
Maintenance & Operations	\$4.4	\$6.9	56.7%
Debt Service	\$3.5	\$3.9	13.6%
Capital Expenditures	\$0.8	\$11.3	1310.9%

*NOTE: Reflective of UNT Dallas College of Law transition to the UNT Dallas in FY16.*

# Overview – Summary & Highlights

**Mission:** Transforming the lives of students, families and communities by providing high-quality, student-focused education in preparation for tomorrow's careers.

- Significant improvement in student recruiting, student academic advisement, student retention, and institutional branding. The FY 2016 includes strategic funding to these areas to enhance student access and success.
- Resources allocated to intramural sports program, a veteran's center, and expanding the budget for disability services.
- New programs in Hospitality Management, Biology, and Forensic Accounting (adding new faculty and adjunct positions)
- New construction:
  - 120-bed residence hall with classroom space
  - 153,000 square foot student learning and success center

## Overview – Summary & Highlights

- Revenues
  - State Appropriation – GR increased by 6.3% overall-enrollment at the main campus continues to grow; \$3.4 m for COL will be transferred in from System
  - Tuition and Fees increased by 58.3% overall; College of Law is included in FY 2016 and is starting second cohort; main campus had actual 13.28% growth in SCH over FY 2014, projecting a continued growth of 12% in SCH for FY 2016.
- Expenses
  - The main campus added ten additional faculty positions; the College of Law added several new positions to handle the needs of the second cohort.
  - Additional staff positions added such as Title IX coordinator, assistant registrar, university police, veteran’s center coordinator, and staff to cover needs for the new residence hall.
  - Additional funds budgeted to bolster the marketing student recruitment and retention of students by Enrollment Management.



## Overview – Summary & Highlights

- Capital Expenditures
  - \$1.7 million for infrastructure improvements associated with the additional buildings on the main campus.
  - Approximately \$300,000 will be spent on technology upgrades to classrooms and computer labs
  - The residence hall is scheduled to be completed in FY 2016 and work will begin on the student learning and success center.
  - Planning for the construction of the student learning and success center.

## Overview – Summary & Highlights

- Budget Margin – Expected Impact on Fund Balances
  - All non-capital expenditures are expected to be covered by operating revenue with the exception of a small projected use of reserves from the Student Services Fee.
- Use of Reserves
  - HEAF reserves of \$2 million will be spent for capital expenditures.

# Overview – Summary & Highlights

## Methodology

- Revenue
  - Tuition & Fees – In FY 2015, the main campus experienced approximately a 20% growth in SCH from FY 2014 (a 13% increase over the projected amount for FY 2015). Based on the current Fall 2015 trend, a continued growth of 12% over FY 2015 actual SCH is expected (an increase of 27% over the FY 2015 projection). The increase for the College of Law approximately doubled with the addition of the second cohort of law students.
- Expenses
  - Percentage increases over FY15
    - Salaries & Wages – Increased 45.6% over FY15 Budget
      - College of Law salaries included in FY 2016 (accounts for 26.3%)
      - Additional faculty positions on both main campus and COL
    - Scholarships & Other Financial Aid – Increased 191% over FY15 Budget
      - Pell Grants (\$3.3m) included in FY 2016; increased set-asides



# Board of Regents - Finance Committee

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Fiscal Year 2016 Preliminary Consolidated Operating Budget

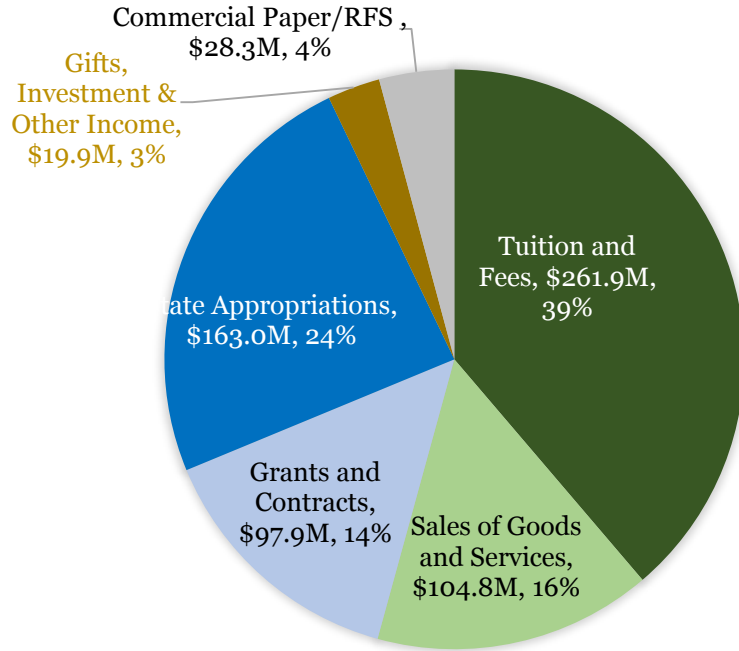
*Presented by:*

Neal Smatresk, President

Bob Brown, Vice President for Finance & Administration

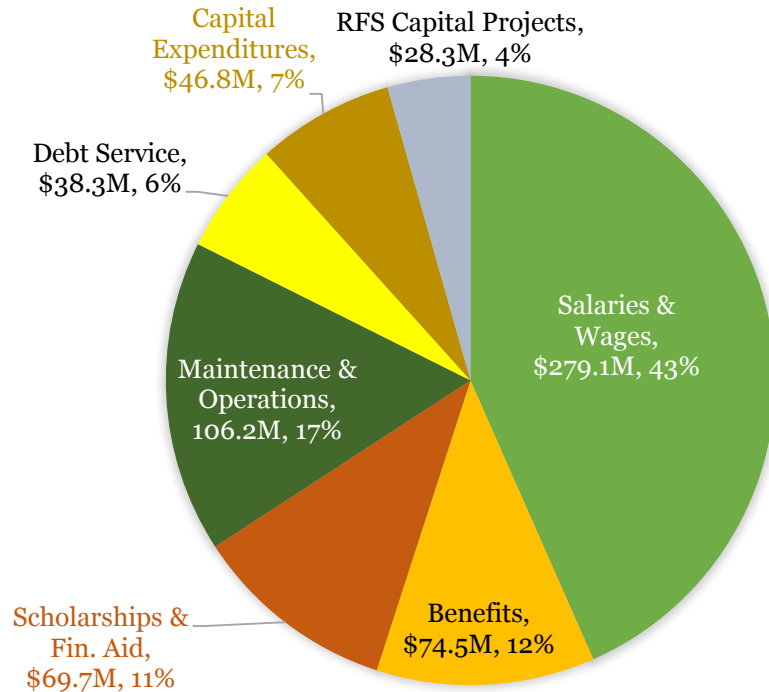
Date: July 31, 2015

## FY2016 Budgeted Revenues - \$675.8M



REVENUES (Millions)	FY 2015 Total Budget	FY 2016 All Funds Total	% Change
Tuition and Fees	\$246.4	\$261.9	6.3%
Sales of Goods and Services	\$89.8	\$104.8	16.8%
Grants and Contracts	\$102.7	\$97.9	-4.6%
State Appropriations	\$148.2	\$163.0	10.0%
Gifts, Investment & Other Income	\$12.9	\$19.9	54.3%
Commercial Paper/RFS	n.a.	\$28.3	0.0%

## FY2016 Budgeted Expenses - \$642.9M



EXPENSES (Millions)	FY 2015	FY 2016	% Change
	Total Budget	All Funds Total	
Salaries & Wages	\$256.3	\$279.1	8.9%
Benefits	\$62.6	\$74.5	19.1%
Scholarships & Fin. Aid	\$75.3	\$69.7	-7.4%
Maintenance & Operations	\$99.5	\$106.2	6.8%
Debt Service	\$28.4	\$38.3	34.7%
Capital Expenditures	\$17.3	\$46.8	170.0%
RFS Capital Projects	n.a.	\$28.3	0.0%

# Overview – Summary & Highlights

## Increased Revenues and Achievement of UNT's Strategic Goals

- The FY 2016 Budget reflects the strategic priorities of UNT and a continued strong investment in its core mission as a major public research university deeply committed to advancing educational excellence and preparing students to become thoughtful, engaged citizens of the world.
- Increased support from the 84<sup>th</sup> Texas Legislative session will help UNT continue transforming an increasingly first-generation student population into the workforce and leaders of tomorrow.
- Use of \$19.9 million of reserves for plant and facilities
  - New Student Union Building - \$8M (FY 2015 Union Fee)
  - Capital Renovations for Housing - \$8.6M (Fee Based)
  - Parking and Transportation Improvements - \$1.3M (Fee Based)
  - Anticipated Land Purchases - \$2.0M (HEF)

# Overview – Summary & Highlights

Revenues \$647.56M, an increase of \$47.59M or 7.9%

- Net Tuition and Fees - \$261.95M, an increase of 6.3% or \$15.50M
- Sales & Services \$104.83M increase of 16.8% or \$15.05M
  - Dining \$2.95M increase, Housing \$3.14M increase
  - Other Sales & Services \$8.80M self-funded, activity specific revenue (camps, conferences, etc.) not previously budgeted
- Grants/Contracts/Financial Aid \$97.91M, a decrease of 4.6% or -\$4.75M
  - Pell Grants decrease \$2M –based on actual FY 15 projected
  - Federal Grants & Contracts decrease \$3M - based on actual FY 16 projected
- State Appropriations \$163.02M, an increase of 10.0% or \$14.79M
  - General Revenue \$137.98M, an increase of 14.6% or \$17.59M
  - HEF Capital \$25.04M, a decrease of 10.1% or -\$2.8M  
*HEF increases to \$37.56M per year for 2017-2020*
- Gifts/Investments/Other Income \$19.86M, an increase of 54.3% of \$6.99M
  - New gifts from fund raising initiatives of \$0.5M
  - Restricted current funds gifts not previously budgeted \$3M
  - Restricted non-current funds gifts not previously budgeted \$2.58M



# Overview – Summary & Highlights

Expenses \$642.9 M, an increase of 14.0% or \$75.56M

- Salaries & Wages \$279.14M an increase of 8.9% or \$22.82M
  - Merit pool of 2.5% or \$5.5M effective Dec. 1<sup>st</sup> contingent on increased enrollment estimates
  - Additional faculty salaries \$4.78M & Academic support staff salaries \$2.4M
  - Auxiliary staff for new Union & Rawlins Hall \$1.5M
  - Staff for self-funded, activity specific revenue (camps, conferences, etc.) not previously budgeted \$3.4M
  - Service department staff not previously budgeted due to self-funded revenue \$4.8M
- Benefits \$74.11M an increase of 18.4% or \$11.54M
  - To align with FY 2015 projected expense in the reconciliation of State benefits and increased faculty and academic support staff
- Scholarships/Financial Aid \$69.68M a decrease of 7.4% or -5.61M
  - Reduction reflected for change in 5% set-aside B-On-Time Loan discontinued by Legislature
  - Additional financial aid offsets in net tuition for exemptions and waivers (Hazlewood, etc.)
- M&O & Utilities \$106.56M an increase of 7.1% or \$7.09M
  - M&O expenses for self-funded, activity specific revenue (camps, conferences, etc.) not previously budgeted
- Capital Outlay \$46.78M an increase of \$29.45M
  - Reserves \$19.9 - \$8 Union construction (FY 15 fee) \$8.6 Housing renovations \$1.29 Parking improvements \$2 Land HEF \$25.04 Academic building renovations & capitalized equip., Restricted Grants \$1.5 (capitalized lab equip., etc.)
- Debt Service \$38.28M an increase of 34.7% or \$9.85M
  - Rawlins Hall \$2.8M , Student Union (FY 16 fee) \$8M, TRB decrease \$1.1M

# Overview – Summary & Highlights

## Strategic Investments for FY 2016

- **Academic Affairs priorities of \$7.37M funded**
  - \$4.78M for additional faculty salaries, of which \$731k is dedicated specifically for summer school;
  - \$2.4M for academic support staff salaries with over \$577k for academic advisors.
- **Enrollment Management priorities of \$ 1.47M funded**
  - \$318k for financial aid verification and additional financial aid counselors;
  - \$420k for recruiting Eagle Advantage and Oklahoma students;
  - \$730k is for new recruitment management software (HEF funded).
- **Athletics scholarships \$175,000 additional funding**
  - FY 2015 was the final \$500,000 payment on the \$2M entrance fee to Conference USA.
  - Additional costs of over \$1M covered within the existing Athletics budget for:
    - NCAA Cost of Attendance
    - Tuition, Housing, Board and Fee Increases
    - Contractual obligations to coaches

# Overview – Summary & Highlights

## Budget Margin

- Balanced budget for Education & General and Designated
- Increase in reserves of \$5.8M Auxiliary

## Planned Use of Reserves

- \$400,000 to Athletics from Student Service Fees Reserve  
*Fall 2015 differential due to increased Athletics fee beginning Spring 2016. Prior years Student Service Fee supported Athletics.*
- Plant and Facilities \$19.9M
  - \$8.0M Union construction (FY 15 fee)
  - \$8.6M Housing renovations (Fee based)
  - \$1.3M Parking improvements (Fee based)
  - \$2.0M Land (Fee based)

## Requested RFS Capital Projects for FY 16

- \$15.5M Science Research Building
- \$8.5M – Coliseum renovations (\$5.5M) and 1500 I-35 renovations (\$3.0M)
- \$2.24M Greek Row site development
- \$1.3M – Preparation, architectural costs for Applied Physics building at Discovery Park (\$0.8M) and Track and Field/Recreational Sports fields (\$0.5M)

# Overview – Summary & Highlights

## Methodology

- Revenue
  - Net tuition and fees \$261.95M, an increase of 6.3% or \$15.5M
    - 1.75% increase in semester credit hours
    - 3.9% increase for undergraduate tuition rate
  - Auxiliaries
    - \$2.95M increase Dining
    - Housing \$3.14M increase (Rawlins Hall open Fall 2015)
- Expenses
  - Percentage increases over FY15
    - Salaries & Wages - Increased 8.9 % over FY15 Budget
      - Merit Pool – 24% is attributable to the 2.5% merit pool
      - Faculty Salaries – 23% is attributable to Faculty Salaries
    - Benefits – Increased 19.1% over FY15 Budget
    - Scholarships & Other Financial Aid – Decreased 7.4% over FY15 Budget



# Board of Regents - Finance Committee

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Fiscal Year 2016 Preliminary Consolidated Operating Budget

*Presented by:*

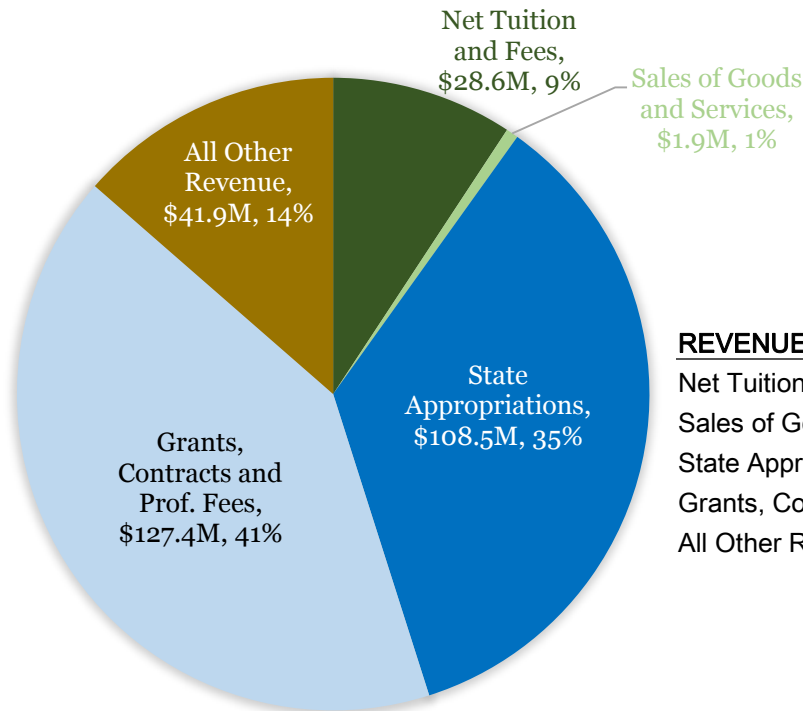
Michael Williams, President

John Harman, SVP Finance & CFO

Date: July 31, 2015

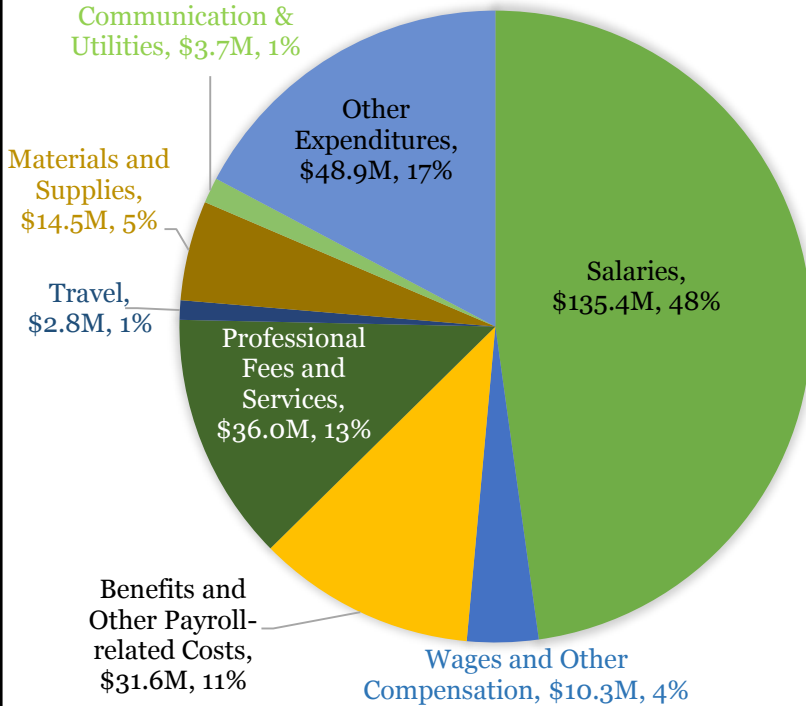
Revised July 28, 2015

## FY2016 Budgeted Revenues - \$308.2M



REVENUES (Millions)	FY 2015	FY 2016	% Change
	Total Budget	All Funds Total	
Net Tuition and Fees	\$26.7	\$28.6	7.1%
Sales of Goods and Services	\$2.1	\$1.9	-7.8%
State Appropriations	\$93.3	\$108.5	16.2%
Grants, Contracts and Prof. Fees	\$124.4	\$127.4	2.4%
All Other Revenue	\$19.0	\$41.9	120.4%

## FY2016 Budgeted Expenses - \$283.2M



EXPENSES (Millions)	FY 2015 Total Budget	FY 2016 All Funds Total	% Change
Salaries	\$128.5	\$135.4	5.4%
Wages and Other Compensation	\$12.6	\$10.3	-17.8%
Benefits and Other Payroll-related Costs	\$30.1	\$31.6	5.0%
Professional Fees and Services	\$34.2	\$36.0	5.4%
Travel	\$2.7	\$2.8	5.4%
Materials and Supplies	\$13.7	\$14.5	5.4%
Communication & Utilities	\$3.5	\$3.7	5.4%
Other Expenditures	\$33.1	\$48.9	47.6%

## Overview – Summary & Highlights

FY 2016 Budget is mission based and aligned with the FY 2016 Strategic Plan.  
The four focused strategy areas include:

- Learning and Discovery
- Quality Outcomes and Experiences
- People and Values
- Growth in Finance and Resources



# Overview – Summary & Highlights

## FY 2016: UNTHSC new strategic initiatives:

- Reconfigure academic schools into Academies and Institutes to enhance inter-professional education across multiple disciplines
- Operationalize joint clinical practice “Acclaim” with our affiliated hospital partner John Peter Smith Health Network
- Collaborate with TCU to begin development of an Allopathic School of Medicine
- Create an Institute for Patient Safety & Preventable Harm with the goal of reducing medical errors and related health care costs
- Implement a reward “compensation” system based on measurable individual performance
- Incorporate “lean” philosophies to reduce waste and improve work-flows and design
- Plan and design a new research building and renovate selected facilities to address educational and research space needs

# Overview – Summary & Highlights

## Revenues

Net revenues will increase by \$21.1M (8%) over FY 2015. The budget directs resources to key strategic priorities, such as:

- College of Pharmacy (\$1.4M)
- Texas Missing Persons and Human Identification (\$1.3M)
- Institute for Patient Safety and Preventable Harm (\$2.0M)
- Graduate Medical Education (GME) (\$0.4M)
- Recruitment, retention of faculty and staff (\$2.1M)

# Overview – Summary & Highlights

## Expenses

Expenditures will increase by \$24.8M (10%) over FY 2015. Significant areas of growth in expenditures include:

- Salaries, Wages & Benefits (\$6.2M) – Growth to fund recruitment and retention along with various programs such as the College of Pharmacy and the Institute for Patient Safety and Preventable Harm. The Table below provides projections for anticipated growth in FTEs for FY 2016:

FTE Categories	FY 2015	FY 2016	% Change
	Estimate	Budget	
Administrators	28	29	4%
Faculty	440	465	6%
Other Staff	1,192	1,237	4%
<b>Total</b>	<b>1,660</b>	<b>1,731</b>	<b>4%</b>

- Professional Fees & Services (\$1.8M) – are anticipated to increase due to purchased contract services for educational and health care activities

# Overview – Summary & Highlights

## Capital Expenditures

For FY 2016, UNTHSC will renovate several campus facilities to insure program accreditation, accommodate enrollment growth and improve the student experience. Also, UNTHSC will acquire strategically located property along with beginning the planning and design phases of the new interdisciplinary research building. Projects expected to be underway in FY2016 include:

- Professional Building Renovation (\$5M)
- Interdisciplinary Research Building- Construction (\$121M)
- Research and Education Building (RES) Renovation- Level 4 (\$4.5M)
- Patient Care Center Renovation- Level 6 (\$2.5M)
- Ambulatory Surgical Center Purchase- (\$6.5M)

# Overview – Summary & Highlights

## Budget Margin

The FY 2016 budget reflects an operating margin (surplus) of approximately \$7M. The margin is primarily related to non-recurring revenue items including:

- 1115 Waiver Program - surplus of revenues over expenditures for the program in Demonstration Year 4
- HEF Funds - not currently anticipated to be fully expended
- Endowment Funds - dollars recognized and aligned with UNTHSC

# Overview – Summary & Highlights

## Methodology

### Revenue

- Tuition & Fees – increase is specifically attributable to enrollment growth in College of Pharmacy. Historical data was used to extrapolate the increase in tuition and fees
- Sales of Goods & Services & Gifts– historical data along with institutional knowledge of operations was used to extrapolate changes to revenue streams
- Grants, Contracts, & Professional Fees – revenue estimates were obtained from key individuals within these operational areas whom have specific knowledge about future revenue collections

### Expenses

- All Expenditure Categories – final expenditure estimates were based on a combination of factors. These included submitted budgets by all Vice Presidents & Deans, institutional knowledge of upcoming expenditures, and historical data which was then used to extrapolate future expenses

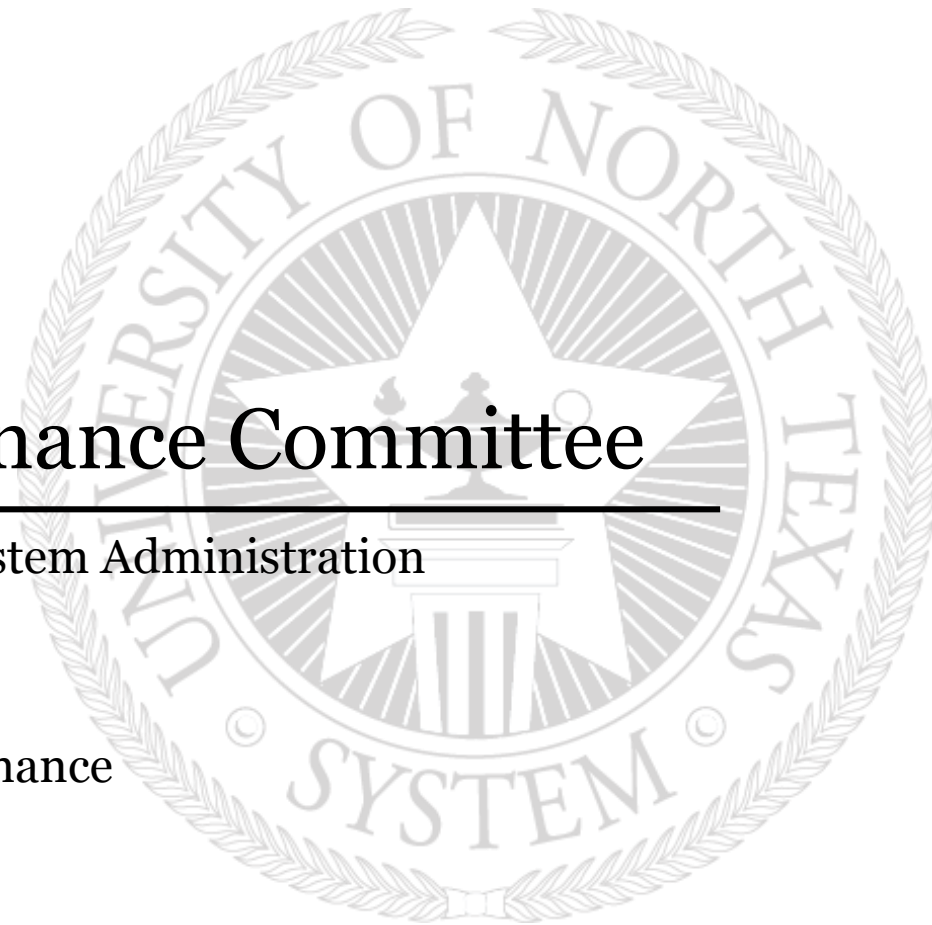
# Board of Regents - Finance Committee

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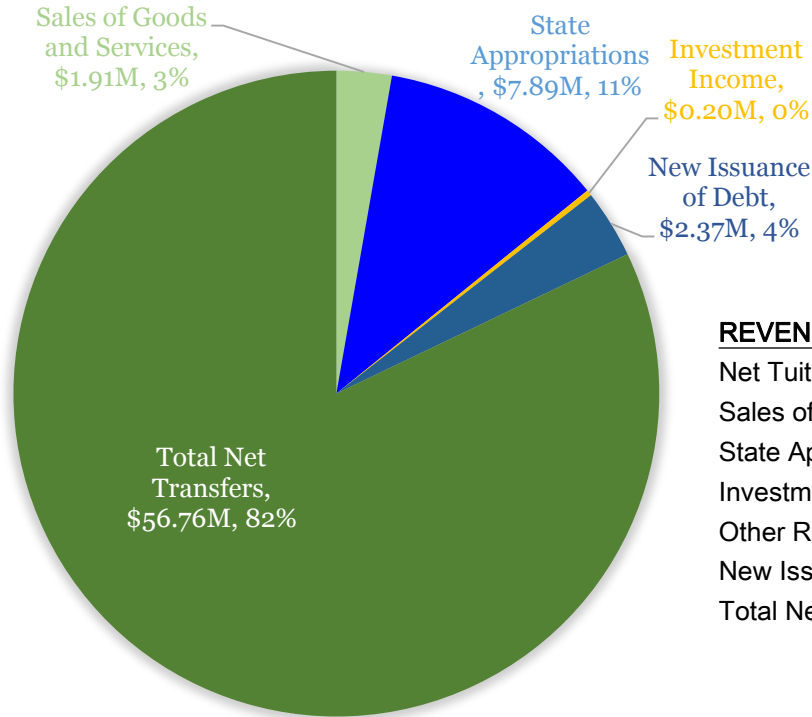
Fiscal Year 2016 Preliminary UNT System Administration  
Operating Budget

*Presented by:*  
Janet Waldron, Vice Chancellor for Finance

Date: July 31, 2015



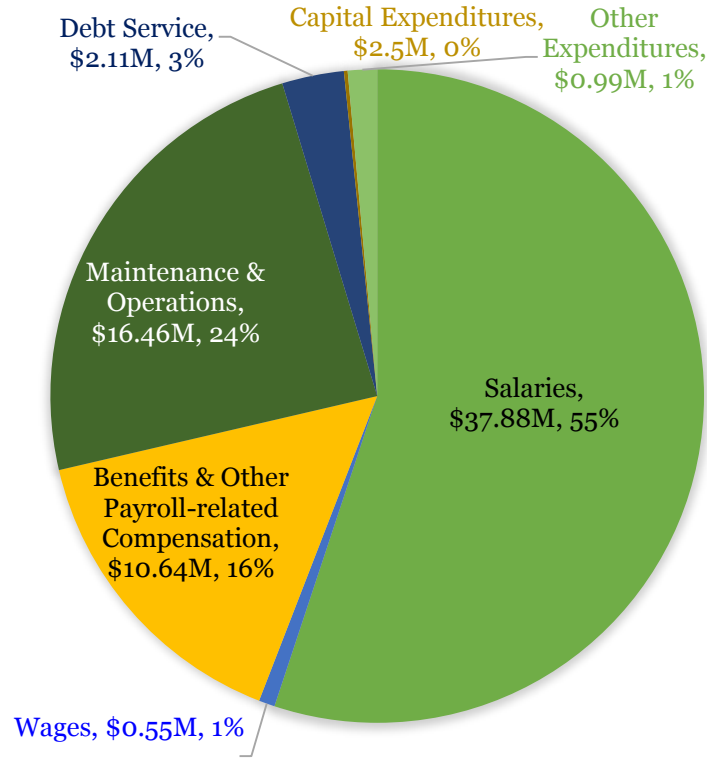
# FY2016 Budgeted Revenues - \$69.1M



REVENUES (Millions)	FY 2015	FY 2016	% Change
Net Tuition and Fees	\$1.66	\$0.00	-100.0%
Sales of Goods and Services	\$2.41	\$1.91	-20.7%
State Appropriations	\$9.20	\$7.89	-14.2%
Investment Income	\$0.25	\$0.20	-20.0%
Other Revenue	\$1.85	\$0.00	-100.0%
New Issuance of Debt	\$0.00	\$2.37	0.0%
Total Net Transfers	\$42.70	\$56.76	33.0%



# FY2016 Budgeted Expenditures - \$71.1M



EXPENSES (Millions)	FY 2015	FY 2016	% Change
Salaries	\$33.10	\$37.88	14.4%
Wages	\$1.07	\$0.55	-48.8%
Benefits & Other Payroll-related Compensation	\$8.27	\$10.64	28.6%
Maintenance & Operations	\$14.88	\$16.46	10.6%
Debt Service	\$1.71	\$2.11	23.0%
Capital Expenditures	\$0.45	\$2.50	455.2%
Other Expenditures	\$0.00	\$0.99	0.0%

# Overview – Summary & Highlights

The responsibility of the UNT System Administration is to provide high quality governance, leadership, and administrative services to support the strategic missions of the institutions, the Board of Regents, and a significant delivery of shared business services.

UNT System Administration includes:

## **Core Services**

- Academic Affairs
- Board of Regents
- Chancellor's Office
- Facilities, Planning & Construction
- Finance
- External Relations
- General Counsel
- Government Relations
- Internal Audit

## **Shared Services**

- Information Technology
- Business Support Services
- Human Resources

Budget increases generally support the financial transformation initiative which will ensure greater accuracy, integrity and accountability, new construction projects for the institutions, and anticipated issuance of new long-term debt.

# Overview – Summary & Highlights

- Revenues
  - System Administration Appropriation – Supports salaries for the System Administration; remainder of the appropriation supports the UCD and the College of Law (which is being transferred to UNT Dallas).
  - Auxiliary – 1900 Elm Lofts
    - The Lofts maintain average 97% occupancy. Due to healthy downtown market, rents continue to increase for newly signed leases.
    - Oven & Cellar Restaurant currently under construction and will open in FY2016.
    - Currently seeking tenants for other available retail space.
- Transfers
  - Transfers from UNTS institutions support the governance, leadership, and administrative activities of the System Administration.
  - Project based construction management fees support the operation of OFPC.
  - Financial systems upgrade and process improvement projects, as part of the financial transformation; ongoing projects are funded by proportional distribution of costs incurred.
  - New methodology adopted for System Allocations affords institutions flexibility in determining Method of Finance, allowing for more efficient utilization of resources system-wide.

# Overview – Summary & Highlights

- Expenditures
  - Increased expenditures support a budgeted net increase of 55 FTE over FY15 budget to:
    - Strengthen and deepen the Office of Finance, including Treasury, Budget, Financial Planning, Policy and Analysis, Business Process Improvement and centralized Controller function.
    - Enhance responsibility for the Office of Internal Audit.
    - Plan and manage the increased construction project volume by the Office of Facilities, Planning and Construction
  - The budget anticipates the issuance of long-term debt.

# Overview – Summary & Highlights

- Budget Margin – Expected Impact on Fund Balances/Use of Reserves
  - Balanced budget for E&G and Auxiliary Funds.
  - \$2.2M impact to Designated Operating fund balance due to anticipated transfer of assets to UNTD for the College of Law.
  - Beginning Capital Replacement and Renewal Fund with \$200K transfer from Designated Operating to Plant and Debt Funds.



# PRELIMINARY 2016 Consolidated Operating Budget

University of North Texas System

**Janet Waldron, Vice Chancellor for Finance**

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DALLAS, TEXAS 75201  
(214) 752-5541

**Revised July 28, 2015 – Pages 6, 7, 8, 26, 28, 29, 30**

PRELIMINARY CONSOLIDATED OPERATING BUDGET – JULY 31, 2015

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# Consolidated Budget Overview

## Executive Summary and Highlights

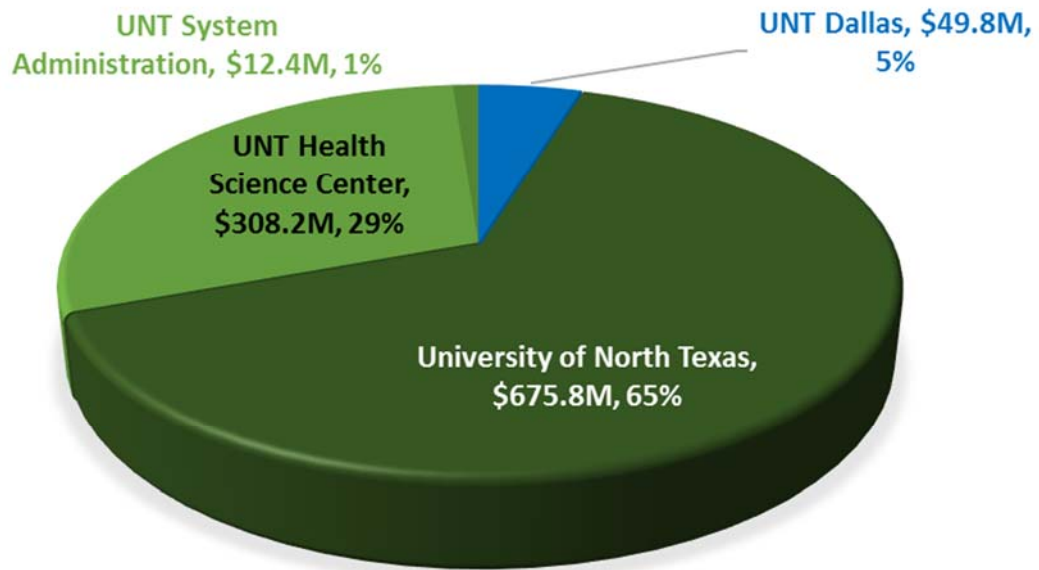
The University of North Texas System plays a major role in providing affordable, high-quality education to more than 41,000 students in undergraduate, graduate, and professional programs and increases economic activity in North Texas by over \$5 billion annually.

This document presents The University of North Texas System’s fiscal 2016 Consolidated Operating Budget including the component institutions and System Administration. This document also presents details of the new budget process, trends for revenue and expenditure estimates, drivers, and methodologies. Each institution has provided an overview with highlights and assertions providing support that their budget submissions support their individual strategic goals and objectives, as well as the overarching strategic vision of the UNT System.

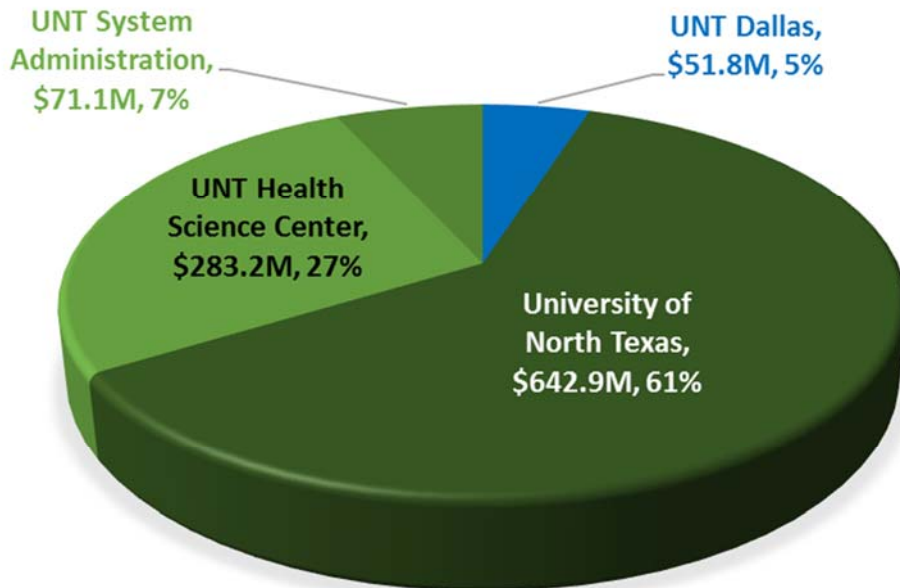


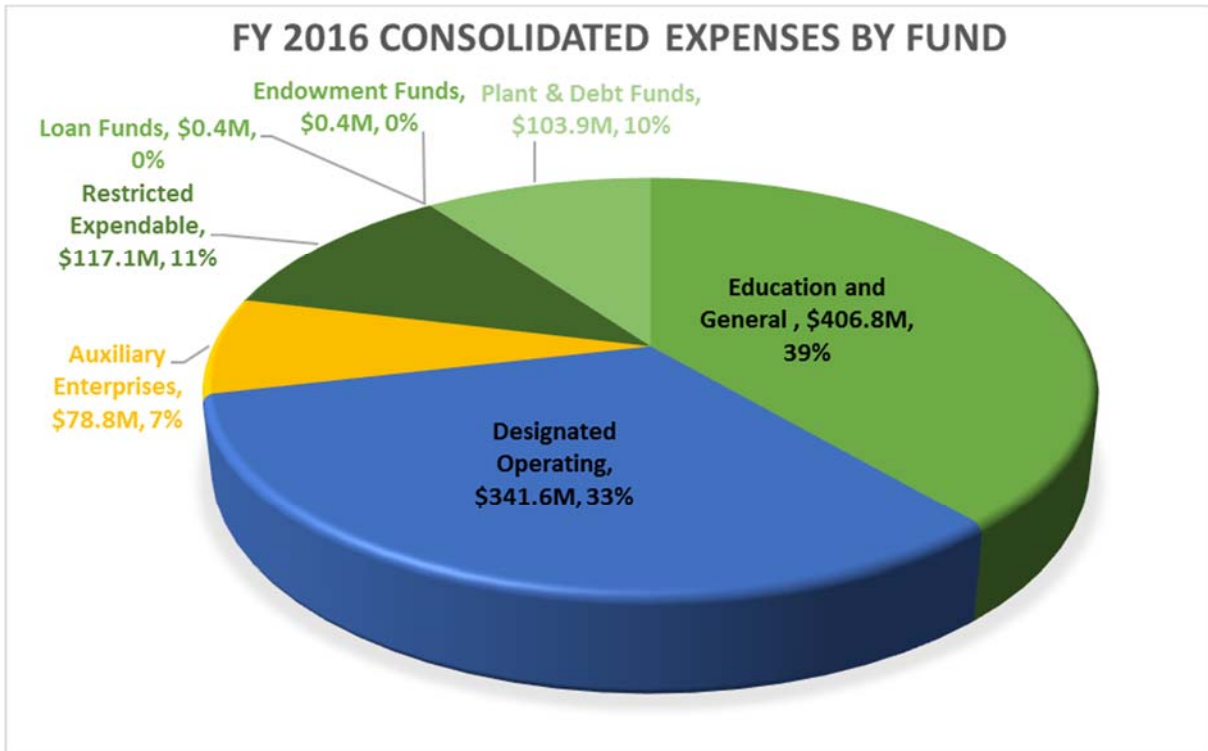
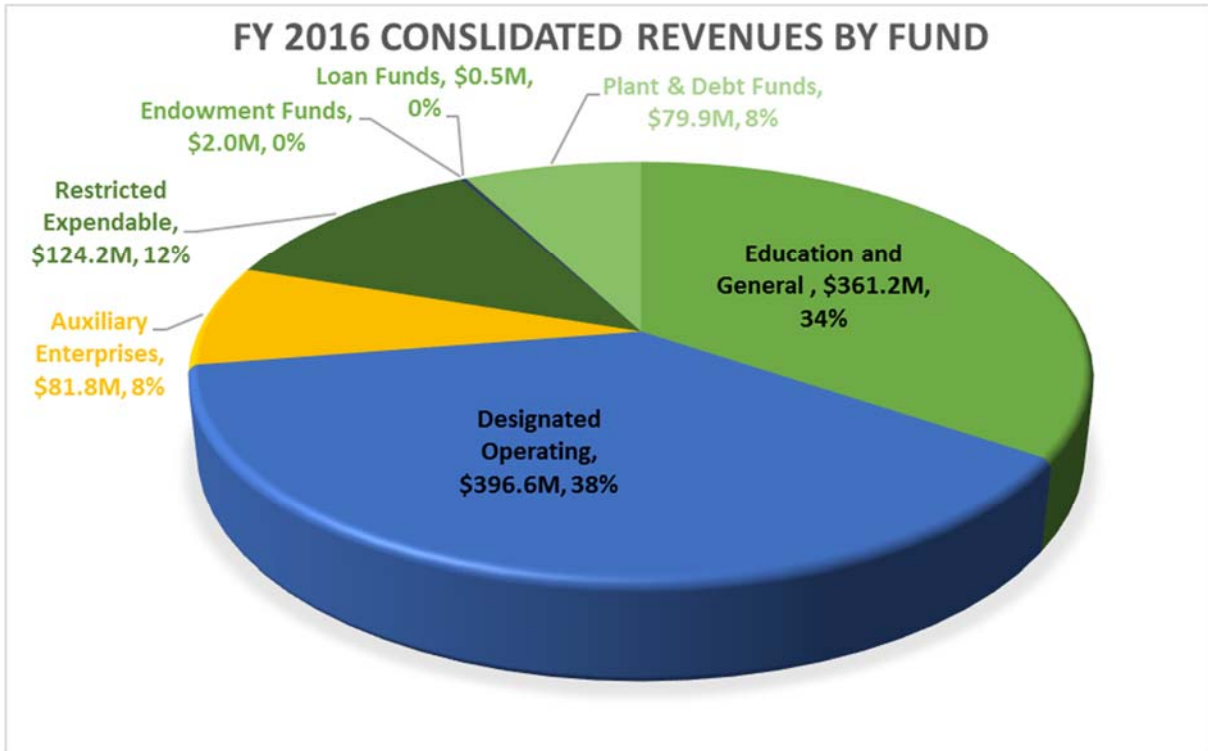


**FY 2016 TOTAL REVENUE BY INSTITUTION**



**FY 2016 TOTAL EXPENSE BY INSTITUTION**





**FY2016 UNTS CONSOLIDATED BUDGET FOR REVENUES, EXPENSES  
& OTHER CHANGES IN FUND BALANCES**

<b>UNIVERSITY OF NORTH TEXAS SYSTEM CONSOLIDATED</b>	
<b>FY2016 Budget for Revenues, Expenses and Other Changes in Fund Balances</b>	
<b>ALL FUNDS</b>	<b>Budget FY2016</b>
<b>Revenues</b>	
Tuition and Fees - Net	\$ 308,037,935
Sales of Goods and Services	108,828,345
Grant & Contracts (Operating Federal & State)	214,884,551
Other Operating Revenues	31,964,280
Legislative Appropriations (GR)	214,576,817
Additional Appropriations (GR)	45,155,156
Capital Appropriations (HEAF)	37,844,609
Gifts	15,445,838
Investment Income	8,503,608
New Issuance of Debt	60,908,037
<b>Total</b>	<b>\$ 1,046,149,176</b>
<b>Expenses</b>	
Salaries	\$ 481,447,182
Benefits and Payroll Related Costs	121,182,154
Supplies and Other	134,592,841
Travel	11,620,127
Purchased Services	55,615,081
Scholarships, Exemptions, and Financial Aid	78,771,555
Debt Service Principal	35,605,617
Depreciation and Amortization*	-
Capital Outlay	109,527,245
Federal and State Pass-Through Expense	156,178
Interest Expense and Fiscal Charges	18,090,186
<b>Total</b>	<b>\$ 1,046,608,166</b>
<b>Income (Loss)</b>	<b>\$ (458,990)</b>
<b>OTHER REVENUES, EXPENSES, GAINS, LOSSES &amp; TRANSFERS</b>	
<b>Transfers Between UNTS Components:</b>	
Transfers In/(Out)	599,570
<b>Other Transfers:</b>	
Other Legislative Transfers In/(Out)	(141,856)
<b>Total Other Revenue, Expenses, and Transfers</b>	<b>\$ 457,714</b>
<b>Budget Margin (Deficit) - Estimated Impact on Fund Balances</b>	<b>\$ (1,276)</b>
<b>Planned use of Fund Balances</b>	<b>\$ 25,221,690</b>
*Plan to fund Reserve for Renewal & Replacement beginning FY17	

FISCAL YEAR 2016 UNTS CONSOLIDATED BUDGET DETAIL  
BY FUND GROUP – CURRENT

University of North Texas System Consolidated					
FY16 - Revenues, Expenditures, and Transfers - By Fund Group					
FY16 Budget - Current Funds					
	Education and General	Designated Operating	Auxiliary Enterprises	Restricted Expendable	Current Funds
<b>REVENUES</b>					
Net Tuition and Fees	\$ 55,442,528	\$ 251,852,812	\$ 15,000	\$ 327,595	\$ 307,637,935
Sales of Goods and Services	3,917,950	22,809,822	81,795,573	-	108,523,345
Grants and Contracts	21,279,512	82,043,838	-	111,511,152	214,834,502
State Appropriations	259,731,973	-	-	-	259,731,973
Capital Appropriations - HEF	19,931,244	-	-	-	19,931,244
Net Professional Fees	-	16,296,418	-	-	16,296,418
Gift Income	-	3,125,000	-	12,170,838	15,295,838
Investment Income	90,561	5,819,047	16,000	-	5,925,608
Other Revenue	790,685	14,675,866	-	151,000	15,617,551
New Issuance of Debt	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 361,184,453</b>	<b>\$ 396,622,803</b>	<b>\$ 81,826,573</b>	<b>\$ 124,160,585</b>	<b>\$ 963,794,414</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	158,555,846	44,776,503	-	7,545,234	\$ 210,877,583
Salaries - Staff	111,989,100	87,240,905	16,171,746	14,021,597	229,423,348
Wages and Other Compensation	7,832,251	23,671,039	6,708,954	2,934,007	41,146,251
Benefits and Other Payroll-Related Costs	76,138,845	33,408,210	6,501,286	5,133,813	121,182,154
Subtotal - Personnel Costs	\$ 354,516,042	\$ 189,096,657	\$ 29,381,986	\$ 29,634,651	\$ 602,629,336
Cost of Goods Sold	12,673	895,988	3,580,335	429	4,489,425
Professional Fees and Services	3,054,003	41,710,628	1,194,560	9,225,890	55,185,081
Travel	557,816	9,645,242	131,491	1,285,578	11,620,127
Materials and Supplies	2,658,246	25,496,417	8,133,010	5,487,377	41,775,050
Communication and Utilities	1,278,589	10,241,300	6,531,022	108,665	18,159,576
Repairs and Maintenance	2,618,828	9,019,318	4,235,742	381,594	16,255,482
Rentals and Leases	1,679,135	4,460,940	1,291,064	198,922	7,630,061
Printing and Reproduction	12,218	4,033,743	363,914	113,650	4,523,525
Debt Service - Principal	7,105,000	5,447,612	15,401,321	-	27,953,933
Debt Service - Interest	6,260,279	4,759,358	5,572,240	-	16,591,877
Capital Expenditures	10,943,898	3,701,946	147,855	2,388,605	17,182,304
Federal and State Pass-Through Expense	-	-	-	156,178	156,178
Depreciation and Amortization	-	-	-	-	-
Scholarships, Exemptions and Financial Aid	12,674,324	3,785,492	2,505	62,309,234	78,771,555
Other Expenditures	3,395,725	29,286,145	2,829,026	5,798,826	41,309,722
<b>Total Expenditures</b>	<b>\$ 406,766,776</b>	<b>\$ 341,580,786</b>	<b>\$ 78,796,071</b>	<b>\$ 117,089,599</b>	<b>\$ 944,233,232</b>
<b>TRANSFERS</b>					
<i>Intro-campus Transfers Between Funds:</i>					
Inter-fund Transfers In/(Out)	46,110,510	(56,103,490)	1,638,928	(4,080,463)	\$ (12,434,515.00)
<i>Transfers Between UNTS Components:</i>					
Shared Services	-	2,233,371	-	-	2,233,371
Core Services	-	-	-	-	-
Other Inter-Unit Transfers In/(Out)	(1,039,299)	(1,721,213)	1,126,711	-	(1,633,801)
<i>Other Transfers:</i>					
Transfer to Other State Agencies In/(Out)	-	-	-	-	-
Other Legislative Transfers In/(Out)	(141,856)	-	-	-	(141,856)
<b>Total Transfers</b>	<b>\$ 44,929,355</b>	<b>\$ (55,591,332)</b>	<b>\$ 2,765,639</b>	<b>\$ (4,080,463)</b>	<b>\$ (11,976,801)</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>\$ (652,968)</b>	<b>\$ (549,315)</b>	<b>\$ 5,796,141</b>	<b>\$ 2,990,523</b>	<b>\$ 7,584,381</b>
<b>Planned Use of Fund Balances</b>	<b>2,000,000</b>	<b>3,308,690</b>	<b>-</b>	<b>11,000</b>	<b>5,319,690</b>

**FISCAL YEAR 2016 UNTS CONSOLIDATED BUDGET DETAIL  
BY FUND GROUP – NONCURRENT**

University of North Texas System Consolidated					
FY16 - Revenues, Expenditures, and Transfers - By Fund Group					
	FY16 Estimates- Non-Current Funds				FY16
	Endowment Funds	Loan Funds	Plant & Debt Funds	Non-Current Funds	All Funds Total
<b>REVENUES</b>					
Net Tuition and Fees	-	\$ 400,000	-	\$ 400,000	\$ 308,037,935
Sales of Goods and Services	305,000	-	-	305,000.00	108,828,345
Grants and Contracts	-	50,049	-	50,049.00	214,884,551
State Appropriations	-	-	-	-	259,731,973
Capital Appropriations - HEF	-	-	17,913,365	17,913,365.00	37,844,609
Net Professional Fees	-	-	-	-	16,296,418
Gift Income	150,000	-	-	150,000.00	15,445,838
Investment Income	1,503,000	-	1,075,000	2,578,000.00	8,503,608
Other Revenue	-	50,311	-	50,311.00	15,667,862
New Issuance of Debt	-	-	60,908,037	60,908,037.00	60,908,037
<b>Total Revenues</b>	<b>\$ 1,958,000</b>	<b>\$ 500,360</b>	<b>\$ 79,986,402</b>	<b>\$ 82,354,762</b>	<b>\$ 1,046,149,176</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	-	-	-	-	\$ 210,877,583
Salaries - Staff	-	-	-	-	229,423,348
Wages and Other Compensation	-	-	-	-	41,146,251
Benefits and Other Payroll-Related Costs	-	-	-	-	121,182,154
Subtotal - Personnel Costs	\$ -	\$ -	\$ -	\$ -	\$ 602,629,336
Cost of Goods Sold	-	-	-	-	4,489,425
Professional Fees and Services	430,000	-	-	430,000	55,615,081
Travel	-	-	-	-	11,620,127
Materials and Supplies	-	-	-	-	41,775,050
Communication and Utilities	-	-	-	-	18,159,576
Repairs and Maintenance	-	-	-	-	16,255,482
Rentals and Leases	-	-	-	-	7,630,061
Printing and Reproduction	-	-	-	-	4,523,525
Debt Service - Principal	-	-	7,651,684	7,651,684	35,605,617
Debt Service - Interest	-	-	1,498,309	1,498,309	18,090,186
Capital Expenditures	-	-	92,344,941	92,344,941	109,527,245
Federal and State Pass-Through Expense	-	-	-	-	156,178
Depreciation and Amortization	-	-	-	-	-
Scholarships, Exemptions and Financial Aid	-	-	-	-	78,771,555
Other Expenditures	-	450,000	-	450,000	41,759,722
<b>Total Expenditures</b>	<b>\$ 430,000</b>	<b>\$ 450,000</b>	<b>\$ 101,494,934</b>	<b>\$ 102,374,934</b>	<b>\$ 1,046,608,166</b>
<b>TRANSFERS</b>					
<i>Intra-campus Transfers Between Funds:</i>					
Inter-fund Transfers In/(Out)	(1,207,000)	(50,049)	13,691,564	\$ 12,434,515.00	\$ -
<i>Transfers Between UNTS Components:</i>					
Shared Services	-	-	-	-	2,233,371
Core Services	-	-	-	-	-
Other Inter-Unit Transfers In/(Out)	-	-	-	-	(1,633,801)
<i>Other Transfers:</i>					
Transfer to Other State Agencies In/(Out)	-	-	-	-	-
Other Legislative Transfers In/(Out)	-	-	-	-	(141,856)
<b>Total Transfers</b>	<b>\$ (1,207,000)</b>	<b>\$ (50,049)</b>	<b>\$ 13,691,564</b>	<b>\$ 12,434,515</b>	<b>\$ 457,714</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>\$ 321,000</b>	<b>\$ 311</b>	<b>\$ (7,906,968)</b>	<b>\$ (7,585,657)</b>	<b>\$ (1,276)</b>
<b>Planned Use of Fund Balances</b>	<b>-</b>	<b>-</b>	<b>19,902,000</b>	<b>19,902,000</b>	<b>25,221,690</b>

FISCAL YEAR 2016 UNTS CONSOLIDATED REVENUE BREAKOUT BY FUND

University of North Texas System Consolidated					
FY16 - Estimated Revenue Breakout - Current Funds					
	Education and General	Designated Operating	Auxiliary Enterprises	Restricted Expendable	Current Funds
<b>REVENUES</b>					
<b>Net Tuition and Fees:</b>					
<b>Gross Undergraduate Tuition:</b>					
Resident Undergraduate Tuition	35,883,585	164,692,745	-	-	200,576,330
Non-resident Undergraduate Tuition	27,136,895	12,851,697	-	-	39,988,592
Other Undergraduate Tuition	-	170,000	-	-	170,000
Waivers - UG Tuition	(14,437,500)	(159,534)	-	-	(14,597,034)
<b>Subtotal - Gross Undergraduate Tuition</b>	<b>\$ 48,582,980</b>	<b>\$ 177,554,908</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226,137,888</b>
<b>Gross Graduate Tuition:</b>					
Resident Graduate Tuition	17,787,985	26,495,603	-	-	44,283,588
Non-resident Graduate Tuition	9,777,945	11,639,092	-	-	21,417,037
Other Graduate Tuition	-	-	-	-	-
Waivers - Grad Tuition	(4,131,012)	(557,607)	-	-	(4,688,619)
<b>Subtotal - Gross Graduate Tuition</b>	<b>\$ 23,434,918</b>	<b>\$ 37,577,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 61,012,006</b>
<b>Gross Fees:</b>					
Fees - Instructional	359,505	24,632,585	-	-	24,992,090
Fees - Mandatory	-	65,678,346	15,000	327,595	66,020,941
Fees - Incidental	19,766	10,948,514	-	-	10,968,280
Waivers - Fees	(926)	(151,280)	-	-	(152,206)
<b>Subtotal - Gross Fees</b>	<b>\$ 378,345</b>	<b>\$ 101,108,165</b>	<b>\$ 15,000</b>	<b>\$ 327,595</b>	<b>\$ 101,829,105</b>
<b>Discount and Allowances:</b>					
Disc and Allowances - Tuition and Fees	(16,953,715)	(64,387,349)	0	0	(81,341,064)
<b>Net Tuition and Fees</b>	<b>\$ 55,442,528</b>	<b>\$ 251,852,812</b>	<b>\$ 15,000</b>	<b>\$ 327,595</b>	<b>\$ 307,637,935</b>
<b>Sales of Goods and Services:</b>					
Athletics	-	-	-	-	-
Auxiliary Enterprises	-	11,502,343	559,136	-	12,061,479
Discounts and Allowances - Auxiliaries	-	-	79,328,567	-	79,328,567
Other Sales of Goods and Services	3,917,950	11,307,479	1,907,870	-	17,133,299
<b>Sales of Goods and Services:</b>	<b>\$ 3,917,950</b>	<b>\$ 22,809,822</b>	<b>\$ 81,795,573</b>	<b>\$ -</b>	<b>\$ 108,523,345</b>
<b>Grants and Contracts</b>					
Federal Programs and Contracts	-	24,000,000	-	43,534,167	67,534,167
Federal Financial Aid	-	-	-	51,532,136	51,532,136
State Programs and Contracts	1,177,453	-	-	4,762,087	5,939,540
State Financial Aid	20,102,059	-	-	-	20,102,059
Other Grants and Contracts	-	58,043,838	-	11,682,762	69,726,600
<b>Grants and Contracts</b>	<b>\$ 21,279,512</b>	<b>\$ 82,043,838</b>	<b>\$ -</b>	<b>\$ 111,511,152</b>	<b>\$ 214,834,502</b>
<b>State Appropriations:</b>					
State Appropriations - General	214,394,997	-	-	-	214,394,997
State Appropriations - Additional	45,336,976	-	-	-	45,336,976
<b>State Appropriations</b>	<b>\$ 259,731,973</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 259,731,973</b>
<b>Capital Appropriations - HEF</b>					
	\$ 19,931,244	\$ -	\$ -	\$ -	\$ 19,931,244
<b>Net Professional Fees:</b>					
Gross Professional Fees	-	32,179,923	-	-	32,179,923
Contractual Allowances and Discounts	-	(15,883,505)	-	-	(15,883,505)
<b>Net Professional Fees</b>	<b>\$ -</b>	<b>\$ 16,296,418</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,296,418</b>
Gift Income	-	3,125,000	-	12,170,838	15,295,838
Investment Income	90,561	5,819,047	16,000	-	5,925,608
Other Revenue	790,685	14,675,866	-	151,000	15,617,551
<b>Total Revenues</b>	<b>\$ 361,184,453</b>	<b>\$ 396,622,803</b>	<b>\$ 81,826,573</b>	<b>\$ 124,160,585</b>	<b>\$ 963,794,414</b>

# UNT Dallas Budget Overview

## Executive Summary and Highlights

### Strategic Impact and Major Goals Addressed by FY 2016 Budget

The University of North Texas at Dallas continues to grow in both enrollment and in the number of facilities on campus. Construction on two additional buildings, a residence hall and a student learning and success center, is planned for the coming year. Construction also continues on the DART station adjacent to campus which will link the university with direct access to the downtown corridor and to the rest of the city. This will put the university in a very strategic position to reach the citizens of Dallas County with the very best in experiential education, while the residence hall will open the doors to draw students from all over the State of Texas and beyond.

The University of North Texas at Dallas College of Law will merge with the university on September 1, 2015. The College of Law will serve as a downtown extension of the excellence and commitment shared on the UNT Dallas main campus. Like UNT Dallas' main campus, the College of Law emphasizes affordable access to education with an annual tuition that is significantly lower than all other law schools, public or private, in Texas.

Great strides have been made in the areas of student recruiting, student academic advisement, student retention, and institutional branding. These efforts directly improve student success and university growth. Additional resources have been allocated to ensure students have greater access and the support necessary to succeed and thrive in college. An intramural sports program was recently created. A Veteran's center has been established to accommodate the growing number of former military students entering UNT Dallas. To increase brand awareness and to drive enrollment and advancement growth the marketing and communications budget was increased by 38% over the FY15 budget.

## Revenues

### *State Appropriations*

The UNT Dallas main campus continues to show growth in semester credit hour production which is reflected in an increase in the formula funding received as a part of its state appropriation. The general revenue appropriation has increased 6.3% from \$15,793,452 to \$16,783,331. In addition, Higher Educational Fund (HEF) revenue increased 80.6% from \$780,000 to \$1,408,669, which includes an amount of \$135,593 specifically allocated to the College of Law.

The College of Law, for the first time, will receive formula funding as a part of its state appropriation which resulted in a significant increase in the appropriation amount. The general revenue appropriation for the College of Law increased 135%, going up from \$1,470,000 to \$3,454,110. Even though the merger with UNT Dallas is effective September 1, 2015, the state appropriation for the College of Law is included

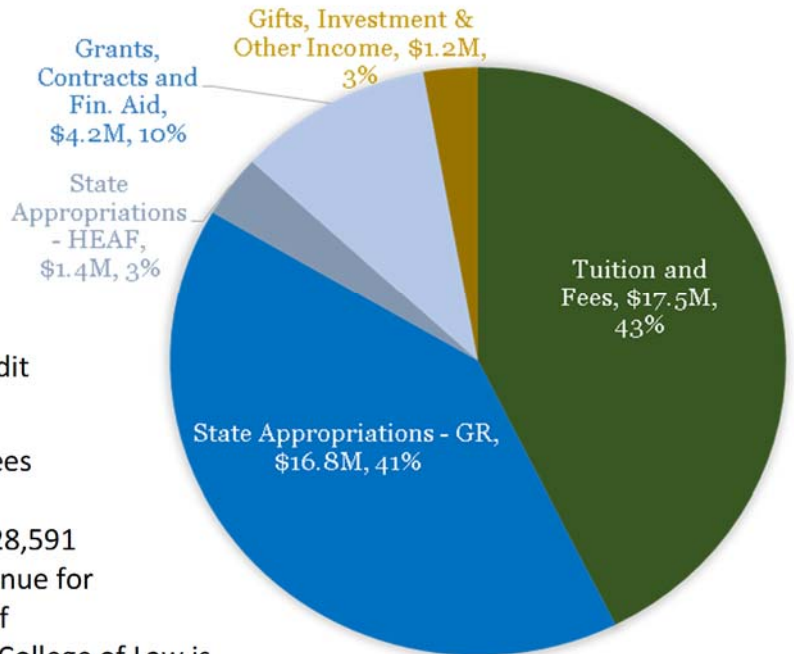
in the amount allocated to the UNT System and, therefore, will be shown as a part of the intra-system transfers in the budget.

*Tuition and Fees*

UNT Dallas main campus experienced a 13.28% growth in semester credit hour production from FY 2014 to FY 2015. Preliminary enrollment numbers reflect a continuing increase for the Fall 2015 semester. Estimated tuition and fee revenue is based on a 12% growth rate over the FY 2015 actual semester credit hours. In addition, the College of Law will admit its second cohort of students which will double the amount of semester credit hours.

The overall increase in budgeted tuition and fees for the university will be 36.8%, going from \$12,804,338 (\$11,075,747 for UNTD and \$1,728,591 for COL) to \$17,521,697. The projected revenue for the main campus is estimated at an increase of approximately \$3.1 million, or 27.3%, and the College of Law is projecting an increase of approximately \$1.6 million, or 94.4%.

**FY2016 Budgeted Revenues - \$49.8M**



*Reserves*

UNT Dallas will add two new buildings to the main campus. Construction of a 120-bed residence hall with classroom space is scheduled to be completed by the Fall 2016 semester. In addition, the Texas Legislature has approved the issuance of \$63 million of tuition revenue bonds for the construction of a student learning and success center. Infrastructure improvements needed to support these two buildings in the amount of \$1.7 million will be funded with HEAF reserves. Additional HEAF reserves of \$300,000 will be utilized to upgrade technology in the classrooms and computer labs to provide a greater ability to meet the demands of a state-of-the-art education experience.

**Expenses**

*Faculty and Staff Salaries and Wages*

With the increase in enrollment comes the need for additional faculty and staff. At the main campus, a total of ten new faculty positions have been included in the budget to address the increase in programs being offered as well as the additional course sections needed to manage the growth. These include positions in accounting, criminal justice, biology, chemistry, education, marketing, psychology, counseling, digital communication, and hospitality management. The College of Law has also increased faculty positions to handle the incoming second cohort by adding additional professors of practice.



Additional staff positions have also been budgeted to cover needs such as a Title IX coordinator, an assistant registrar, a veteran’s center coordinator, an international student advisor, two additional academic advisors, and a residence life coordinator and additional police officers who will be needed for the new residence hall.

FTE Categories	FY 2015 Estimate	FY 2016 Budget		% Change
		UNTD	COL	
Administrators	19.5	20.0	6.0	33%
Faculty	90.5	71.0	15.0	-5%
Adjunct		40.0		
Other Staff	<u>100.4</u>	<u>104.0</u>	<u>22.0</u>	<u>25%</u>
<b>Total FTE</b>	<b>210.4</b>	<b>235.0</b>	<b>43.0</b>	<b>32%</b>

Overall salaries and wages are projected to increase from \$14,849,904 (\$12,474,070 for UNTD and \$2,375,834 for COL) to \$18,162,037 or 22.3%.

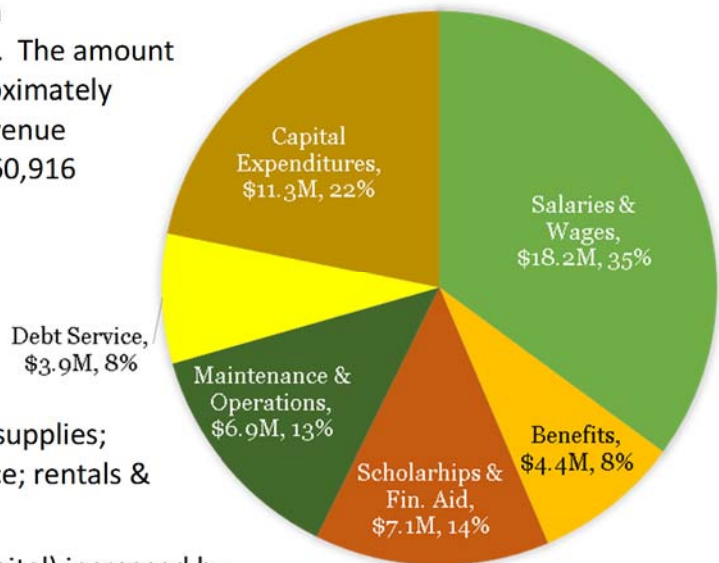
*Benefits*

**FY2016 Budgeted Expenses - \$51.7M**

The increase in salaries and wages will result in a corresponding increase in the benefits expenses. The amount budgeted is based on the historical rate of approximately 25% of total salaries and wages. The general revenue portion of the state appropriation includes \$2,360,916 specifically for fringe benefits.

*Maintenance and Operations*

Beginning in FY 2016, the maintenance and operations budget has been separated into eight specific categories of expenses: professional fees & services; travel; materials & supplies; communication & utilities; repairs & maintenance; rentals & leases; printing & reproduction; and other.



Overall, the amount budgeted for M&O (non-capital) increased by approximately \$700,000, or 11.5%, to a total of \$6,871,984. For FY 2016, the marketing and communications budget has been increased by \$170,000 or 38%. This represents an increase in funds designed for direct marketing and a position to assist with the creative and digital marketing needs of the university. In the academic area, travel funds in the amount of \$64,000 have been set aside for the Provost to use to encourage faculty members to present their research at conferences and other events throughout the year. There has also been a significant increase in the M&O budget for Enrollment Management, particularly in travel funds, as we continue to recruit and retain students according to the mission of the university.

**FY2016 UNT DALLAS BUDGET FOR REVENUES, EXPENSES  
& OTHER CHANGES IN FUND BALANCES**

<b>UNIVERSITY OF NORTH TEXAS DALLAS</b>	
<b>FY2016 Budget for Revenues, Expenses and Other Changes in Fund Balances</b>	
<b>ALL FUNDS</b>	<b>Budget FY2016</b>
<b>Revenues</b>	
Tuition and Fees - Net	\$ 17,532,162
Sales of Goods and Services	169,000
Grant & Contracts (Federal & State)	4,219,807
Other Operating Revenues	145,475
Legislative Appropriations (GR)	14,422,415
Additional Appropriations (GR)	2,360,916
Capital Appropriations (HEAF)	1,408,669
Gifts	785,000
Investment Income	73,000
New Issuance of Debt	8,637,109
<b>Total</b>	<b>\$ 49,753,553</b>
<b>Expenses</b>	
Salaries	\$ 18,162,037
Benefits and Payroll Related Costs	4,401,483
Supplies and Other	5,333,717
Travel	590,960
Purchased Services	947,309
Scholarships, Exemptions, and Financial Aid	7,080,588
Debt Service Principal	2,075,000
Depreciation and Amortization*	-
Capital Outlay	11,287,109
Federal and State Pass-Through Expense	-
Interest Expense and Fiscal Charges	1,869,950
<b>Total</b>	<b>\$ 51,748,153</b>
<b>Income (Loss)</b>	<b>\$ (1,994,600)</b>
<b>OTHER REVENUES, EXPENSES, GAINS, LOSSES &amp; TRANSFERS</b>	
<b>Transfers Between UNTS Components:</b>	
Transfers In/(Out)	(2,961,388)
<b>Other Transfers:</b>	
Other Legislative Transfers In/(Out)	2,950,298
<b>Total Other Revenue, Expenses, and Transfers</b>	<b>\$ (11,090)</b>
<b>Budget Margin (Deficit) - Estimated Impact on Fund Balances</b>	<b>\$ (2,005,690)</b>
<b>Planned use of Fund Balances</b>	<b>\$ 2,008,690</b>
*Plan to fund Reserve for Renewal & Replacement beginning FY17	

**FISCAL YEAR 2016 UNT DALLAS BUDGET DETAIL  
BY FUND GROUP – CURRENT**

<b>University of North Texas Dallas</b>					
<b>FY16 - Revenues, Expenditures, and Transfers - By Fund Group</b>					
	<i>FY16 Budget - Current Funds</i>				
	Education and General	Designated Operating	Auxiliary Enterprises	Restricted Expendable	Current Funds
<b>REVENUES</b>					
Net Tuition and Fees	3,462,336	14,069,826	-	-	17,532,162
Sales of Goods and Services	-	40,000	129,000	-	169,000
Grants and Contracts	-	-	-	4,219,807	4,219,807
State Appropriations	16,783,331	-	-	-	16,783,331
Capital Appropriations - HEF	1,408,669	-	-	-	1,408,669
Net Professional Fees	-	-	-	-	-
Gift Income	-	125,000	-	660,000	785,000
Investment Income	-	70,000	-	-	70,000
Other Revenue	-	145,475	-	-	145,475
New Issuance of Debt	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 21,654,336</b>	<b>\$ 14,450,301</b>	<b>\$ 129,000</b>	<b>\$ 4,879,807</b>	<b>\$ 41,113,444</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	6,242,102	1,300,000	-	-	7,542,102
Salaries - Staff	8,786,735	828,900	44,475	371,000	10,031,110
Wages and Other Compensation	-	521,065	-	67,760	588,825
Benefits and Other Payroll-Related Costs	3,008,200	1,271,392	12,500	109,391	4,401,483
<b>Subtotal - Personnel Costs</b>	<b>18,037,037</b>	<b>3,921,357</b>	<b>56,975</b>	<b>548,151</b>	<b>22,563,520</b>
Cost of Goods Sold	-	-	-	-	-
Professional Fees and Services	-	862,309	85,000	-	947,309
Travel	-	579,760	-	11,200	590,960
Materials and Supplies	135,600	1,085,895	30,350	17,700	1,269,545
Communication and Utilities	88,055	389,412	26,200	9,600	513,267
Repairs and Maintenance	752	223,612	-	-	224,364
Rentals and Leases	752	142,052	-	-	142,804
Printing and Reproduction	-	332,275	5,475	-	337,750
Debt Service - Principal	1,820,000	255,000	-	-	2,075,000
Debt Service - Interest	1,416,700	453,250	-	-	1,869,950
Capital Expenditures	2,000,000	-	-	650,000	2,650,000
Federal and State Pass-Through Expense	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-
Scholarships, Exemptions and Financial Aid	1,076,508	2,461,514	-	3,542,566	7,080,588
Other Expenditures	1,273,075	1,357,320	4,000	211,592	2,845,987
<b>Total Expenditures</b>	<b>\$ 25,848,479</b>	<b>\$ 12,063,756</b>	<b>\$ 208,000</b>	<b>\$ 4,990,809</b>	<b>\$ 43,111,044</b>
<b>INTERNAL INCOME AND CHARGES</b>					
Internal Income	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Charges	-	-	-	-	-
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>					
<i>Intra-campus Transfers Between Funds:</i>					
Inter-Fund Transfers In/(Out)	\$ -	\$ (79,000)	\$ 79,000	\$ -	\$ -
<i>Transfers Between UNTS Components:</i>					
Shared Services	-	(1,400,967)	-	-	(1,400,967)
Core Services	-	(375,466)	-	-	(375,466)
Other Inter-Unit Transfers In/(Out)	(756,155)	(428,800)	-	-	(1,184,955)
<i>Other Transfers:</i>					
Transfer to other State Agencies In/(Out)	-	-	-	-	-
Other Legislative Transfers In/(Out)	2,950,298	-	-	-	2,950,298
<b>Total Transfers</b>	<b>\$ 2,194,143</b>	<b>\$ (2,284,233)</b>	<b>\$ 79,000</b>	<b>\$ -</b>	<b>\$ (11,090)</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>(2,000,000)</b>	<b>102,312</b>	<b>-</b>	<b>(111,002)</b>	<b>(2,008,690)</b>
<b>Planned Use of Fund Balances</b>	<b>\$ 2,000,000</b>	<b>\$ 8,690</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,008,690</b>

**FISCAL YEAR 2016 UNT DALLAS BUDGET DETAIL  
BY FUND GROUP – NONCURRENT**

<b>University of North Texas Dallas</b>					
<b>FY16 - Revenues, Expenditures, and Transfers - By Fund Group</b>					
	<i>FY16 Estimates- Non-Current Funds</i>				<i>FY16</i>
	<b>Endowment Funds</b>	<b>Loan Funds</b>	<b>Plant &amp; Debt Funds</b>	<b>Non-Current Funds</b>	<b>All Funds Total</b>
<b>REVENUES</b>					
Net Tuition and Fees	-	-	-	-	17,532,162
Sales of Goods and Services	-	-	-	-	169,000
Grants and Contracts	-	-	-	-	4,219,807
State Appropriations	-	-	-	-	16,783,331
Capital Appropriations - HEF	-	-	-	-	1,408,669
Net Professional Fees	-	-	-	-	-
Gift Income	-	-	-	-	785,000
Investment Income	3,000	-	-	3,000	73,000
Other Revenue	-	-	-	-	145,475
New Issuance of Debt	-	-	8,637,109	8,637,109	8,637,109
<b>Total Revenues</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ 8,637,109</b>	<b>\$ 8,640,109</b>	<b>\$ 49,753,553</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	-	-	-	-	7,542,102
Salaries - Staff	-	-	-	-	10,031,110
Wages and Other Compensation	-	-	-	-	588,825
Benefits and Other Payroll-Related Costs	-	-	-	-	4,401,483
<b>Subtotal - Personnel Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,563,520</b>
Cost of Goods Sold	-	-	-	-	-
Professional Fees and Services	-	-	-	-	947,309
Travel	-	-	-	-	590,960
Materials and Supplies	-	-	-	-	1,269,545
Communication and Utilities	-	-	-	-	513,267
Repairs and Maintenance	-	-	-	-	224,364
Rentals and Leases	-	-	-	-	142,804
Printing and Reproduction	-	-	-	-	337,750
Debt Service - Principal	-	-	-	-	2,075,000
Debt Service - Interest	-	-	-	-	1,869,950
Capital Expenditures	-	-	8,637,109	8,637,109	11,287,109
Federal and State Pass-Through Expense	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-
Scholarships, Exemptions and Financial Aid	-	-	-	-	7,080,588
Other Expenditures	-	-	-	-	2,845,987
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,637,109</b>	<b>\$ 8,637,109</b>	<b>\$ 51,748,153</b>
<b>INTERNAL INCOME AND CHARGES</b>					
Internal Income	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Charges	-	-	-	-	-
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>					
<i>Intra-campus Transfers Between Funds:</i>					
Inter-Fund Transfers In/(Out)	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Transfers Between UNTS Components:</i>					
Shared Services	-	-	-	-	(1,400,967)
Core Services	-	-	-	-	(375,466)
Other Inter-Unit Transfers In/(Out)	-	-	-	-	(1,184,955)
<i>Other Transfers:</i>					
Transfer to other State Agencies In/(Out)	-	-	-	-	-
Other Legislative Transfers In/(Out)	-	-	-	-	2,950,298
<b>Total Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11,090)</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>(2,005,690)</b>
<b>Planned Use of Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,008,690</b>

**FISCAL YEAR 2016 UNT DALLAS REVENUE BREAKOUT BY FUND**

University of North Texas Dallas					
FY16 - Estimated Revenue Breakout - Current Funds					
	Education and General	Designated Operating	Auxiliary Enterprises	Restricted Expendable	Current Funds
<b>REVENUES</b>					
<b>Net Tuition and Fees:</b>					
<b>Gross Undergraduate Tuition:</b>					
Resident Undergraduate Tuition	2,391,480	9,599,329	-	-	11,990,809
Non-resident Undergraduate Tuition	-	3,783,821	-	-	3,783,821
Other Undergraduate Tuition	-	170,000	-	-	170,000
Waivers - UG Tuition	-	(159,534)	-	-	(159,534)
<b>Subtotal - Gross Undergraduate Tuition</b>	<b>\$ 2,391,480</b>	<b>\$ 13,393,616</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,785,096</b>
<b>Gross Graduate Tuition:</b>					
Resident Graduate Tuition	1,070,856	-	-	-	1,070,856
Non-resident Graduate Tuition	-	-	-	-	-
Other Graduate Tuition	-	-	-	-	-
Waivers - Grad Tuition	-	-	-	-	-
<b>Subtotal - Gross Graduate Tuition</b>	<b>\$ 1,070,856</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,070,856</b>
<b>Gross Fees:</b>					
Fees - Instructional	-	-	-	-	-
Fees - Mandatory	-	603,580	-	-	603,580
Fees - Incidental	-	72,630	-	-	72,630
Waivers - Fees	-	-	-	-	-
<b>Subtotal - Gross Fees</b>	<b>\$ -</b>	<b>\$ 676,210</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 676,210</b>
<b>Discount and Allowances:</b>					
Disc and Allowances - Tuition and Fees	-	-	-	-	-
<b>Net Tuition and Fees</b>	<b>\$ 3,462,336</b>	<b>\$ 14,069,826</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,532,162</b>
<b>Sales of Goods and Services:</b>					
Athletics	-	-	-	-	-
Auxiliary Enterprises	-	-	129,000	-	129,000
Discounts and Allowances - Auxiliaries	-	-	-	-	-
Other Sales of Goods and Services	-	40,000	-	-	40,000
<b>Sales of Goods and Services:</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ 129,000</b>	<b>\$ -</b>	<b>\$ 169,000</b>
<b>Grants and Contracts</b>					
Federal Programs and Contracts	-	-	-	356,057	356,057
Federal Financial Aid	-	-	-	3,300,000	3,300,000
State Programs and Contracts	-	-	-	-	-
State Financial Aid	-	-	-	-	-
Other Grants and Contracts	-	-	-	563,750	563,750
<b>Grants and Contracts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,219,807</b>	<b>\$ 4,219,807</b>
<b>State Appropriations:</b>					
State Appropriations - General	16,783,331	-	-	-	16,783,331
State Appropriations - Additional	-	-	-	-	-
<b>State Appropriations</b>	<b>\$ 16,783,331</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,783,331</b>
<b>Capital Appropriations - HEF</b>	<b>\$ 1,408,669</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,408,669</b>
<b>Net Professional Fees:</b>					
Gross Professional Fees	-	-	-	-	-
Contractual Allowances and Discounts	-	-	-	-	-
<b>Net Professional Fees</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Gift Income</b>	<b>-</b>	<b>125,000</b>	<b>-</b>	<b>660,000</b>	<b>785,000</b>
<b>Investment Income</b>	<b>-</b>	<b>70,000</b>	<b>-</b>	<b>-</b>	<b>70,000</b>
<b>Other Revenue</b>	<b>-</b>	<b>145,475</b>	<b>-</b>	<b>-</b>	<b>145,475</b>
<b>Total Revenues</b>	<b>\$ 21,654,336</b>	<b>\$ 14,450,301</b>	<b>\$ 129,000</b>	<b>\$ 4,879,807</b>	<b>\$ 41,113,444</b>

**FISCAL YEAR 2016 UNT DALLAS REVENUE CURRENT FUNDS BY QUARTER**

<b>University of North Texas Dallas</b>				
FY16 - Revenues, Expenditures, and Transfers - Current Funds by Quarter				
	Q1 FYTD	Q2 FYTD	Q3 FYTD	Q4 FYTD FY16
	Estimate	Estimate	Estimate	Budget
<b>REVENUES</b>				
Net Tuition and Fees	\$ 7,451,170	\$ 14,902,340	\$ 17,532,162	\$ 17,532,162
Sales of Goods and Services	42,250	84,500	126,750	169,000
Grants and Contracts	1,714,952	3,429,904	3,989,855	4,219,807
State Appropriations	15,282,415	16,142,415	16,783,331	16,783,331
Capital Appropriations - HEF	1,408,669	1,408,669	1,408,669	1,408,669
Net Professional Fees	-	-	-	-
Gift Income	133,750	392,500	651,250	785,000
Investment Income	17,500	35,000	52,500	70,000
Other Revenue	36,369	72,738	109,107	145,475
<b>Total Revenues</b>	<b>\$ 26,087,075</b>	<b>\$ 36,468,066</b>	<b>\$ 40,653,624</b>	<b>\$ 41,113,444</b>
<b>EXPENDITURES</b>				
Salaries - Faculty	\$ 2,380,701	\$ 4,761,402	\$ 7,142,103	\$ 7,542,102
Salaries - Staff	2,507,778	5,015,556	7,523,334	10,031,110
Wages and Other Compensation	147,207	294,414	441,621	588,825
Benefits and Other Payroll-Related Costs	1,219,463	2,438,926	3,658,389	4,401,483
<b>Subtotal - Personnel Costs</b>	<b>6,255,149</b>	<b>12,510,298</b>	<b>18,765,447</b>	<b>22,563,520</b>
Cost of Goods Sold	-	-	-	-
Professional Fees and Services	236,828	473,656	710,484	947,309
Travel	147,740	295,480	443,220	590,960
Materials and Supplies	317,387	634,774	952,161	1,269,545
Communication and Utilities	128,317	256,634	384,951	513,267
Repairs and Maintenance	56,091	112,182	168,273	224,364
Rentals and Leases	35,701	71,402	107,103	142,804
Printing and Reproduction	84,438	168,876	253,314	337,750
Debt Service - Principal	-	-	2,075,000	2,075,000
Debt Service - Interest	833,725	833,725	1,869,950	1,869,950
Capital Expenditures	450,000	1,025,000	2,250,000	2,650,000
Federal and State Pass-Through Expense	-	-	-	-
Depreciation and Amortization	-	-	-	-
Scholarships, Exemptions and Financial Aid	2,933,676	5,867,351	6,836,911	7,080,588
Other Expenditures	711,497	1,422,994	2,134,491	2,845,987
<b>Total Expenditures</b>	<b>\$ 12,190,549</b>	<b>\$ 23,672,372</b>	<b>\$ 36,951,305</b>	<b>\$ 43,111,044</b>
<b>INTERNAL INCOME AND CHARGES</b>				
Internal Income	\$ -	\$ -	\$ -	\$ -
Internal Charges	-	-	-	-
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>				
<i>Intra-campus Transfers Between Funds:</i>				
Inter-Fund Transfers In/(Out)	-	-	-	-
<i>Transfers Between UNTS Components:</i>				
Shared Services	(350,242)	(700,484)	(1,050,725)	(1,400,967)
Core Services	(93,867)	(187,733)	(281,600)	(375,466)
Other Inter-Unit Transfers In/(Out)	(770,723)	(867,467)	(1,126,211)	(1,184,955)
<i>Other Transfers:</i>				
Transfer to Other State Agencies In/(Out)	-	-	-	-
Other Legislative Transfers In/(Out)	2,950,298	2,950,298	2,950,298	2,950,298
<b>Total Transfers</b>	<b>\$ 1,735,466</b>	<b>\$ 1,194,614</b>	<b>\$ 491,762</b>	<b>\$ (11,090)</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>15,631,992</b>	<b>13,990,308</b>	<b>4,194,081</b>	<b>(2,008,690)</b>
<b>Planned Use of Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,008,690</b>

# UNT Budget Overview

## Executive Summary

### Strategic Impact and Major Goals Addressed by FY 2016 Budget

In the past year, the University of North Texas has focused intently on financial transformation, making significant strides in this area while strategically growing its enrollment and maintaining its operations. During the past year, in partnership with the UNT System, UNT has:

- Implemented a first-class accounting system with proper controls, and as part of that, the university has reconciled its accounts for the past two years
- Restored integrity to its financial systems and built a team of experienced finance and accounting professionals
- Balanced its books and is using strategic priorities to ensure a sound operating budget

In conjunction, the university has overhauled its recruiting and enrollment management operations to be more focused, streamlined and effective. It has established the Division of Enrollment and hired a founding vice president to ensure the university achieves sustainable enrollment growth while balancing both quality and quantity of UNT's student population. The university is also in the process of launching Customer Relations Management (CRM) software to better recruit, enroll and retain students while improving its financial aid awards process.

UNT's FY 2016 budget reflects its commitment to strategic priorities for core enrollment components and academic infrastructure. The university is seeking to expand enrollment, improve retention and strengthen summer school by implementing strategic initiatives and hiring in key areas - all aimed at providing stronger student support.

This commitment continues to build on the base funding added in FY 2015 for salary baselines for eligible faculty, increased funding for summer school and additional part-time faculty lines, and enrollment management initiatives which include the Eagle Express Tuition Plan and the Eagle Advantage guaranteed admission program.

Operations will remain a priority in FY 2016 with dedicated funding for building and facilities improvements in key areas, property/land acquisition, and new buildings such as the Student Union and Rawlins Hall that will be opening in the Fall of 2015.

To grow its research enterprise and strengthen research infrastructure, the university is tackling core issues in FY 2016 which include renovation of the Science Research Building and expansion of graduate student support.

The FY 2016 Budget reflects UNT's strategic priorities and a continued strong investment in its core mission as a major public research university deeply committed to advancing educational excellence and preparing students to become thoughtful, engaged citizens of the world.

**Revenues**

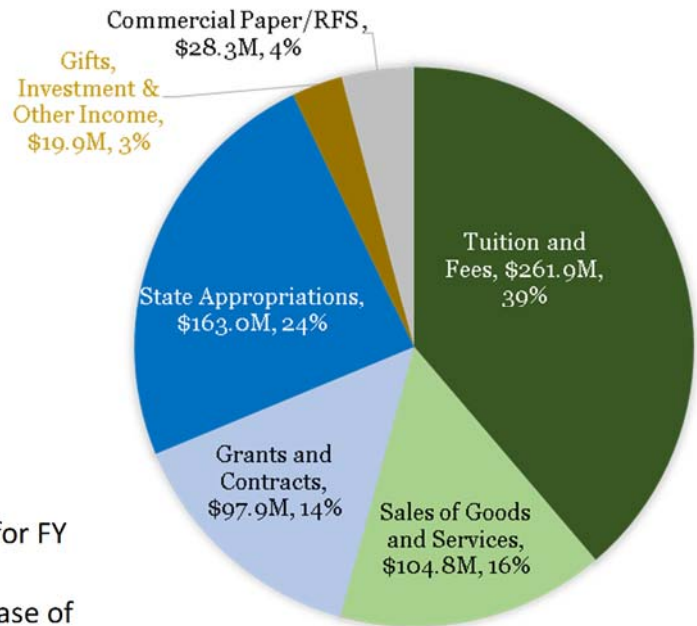
*State Appropriations*

Increased support from the 84th Texas Legislative session will help UNT continue transforming an increasingly first-generation college student population into the workforce and leaders of tomorrow.

For FY 2016 UNT will receive:

- \$137.98 million in General Revenue Fund and allocations for employee benefits, an increase of \$17.69 million or 14.6% annually
- \$25.04 million in capital appropriation for Higher Education (HEF) funds
  - A decrease of \$2.8 million from FY 2015
  - Set to increase to \$37.56 per year for FY 2017 – 2020
- \$3.23 million in research funding, an increase of \$1.69 million annually
- \$1.87 million in support of TAMS, an increase of \$800,000 annually

**FY2016 Budgeted Revenues - \$675.8M**



*Tuition and Fees*

UNT’s headcount enrollment is expected to increase by 1% in FY 2016, to 36,526 from FY 2015’s enrollment of 36,164. With both headcount enrollment growth and increased semester credit hours, UNT anticipates net tuition and fees of \$261.95 million in FY 2016, an increase of \$15.5 million or 6.3%.

The estimated \$15.5 million increase includes a 1.75% growth in semester credit hours and reflects the UNT System Board of Regent’s approved 3.9% increased tuition rate for undergraduates.

Undergraduates can choose between two tuition rates. The rate for the Eagle Express Tuition Plan, a fixed rate plan, increases by 3.9% for each entering class and is locked in for four years. In FY 2015, 4,900 students opted into the Eagle Express plan. The \$15.5 million increase includes the impacts of the first Eagle Express cohort of FY 2015, the upcoming second Eagle Express cohort for FY 2016, and the traditional tuition plan.

**Expenses**

*Enrollment Management*

Creating more robust recruitment and enrollment growth is highly dependent on having the right systems, software and people. UNT is making strategic investments to better track students through the recruitment process, create more recruitment incentives, and improve the financial aid process.

- \$ 1.47 million for Enrollment Management priorities of which:
  - \$730,000 for new recruitment management software



- \$420,000 for recruiting students via the Eagle Advantage guaranteed admission program and special tuition rate for Oklahoma students
- \$318,000 for financial aid verification and additional financial aid counselors

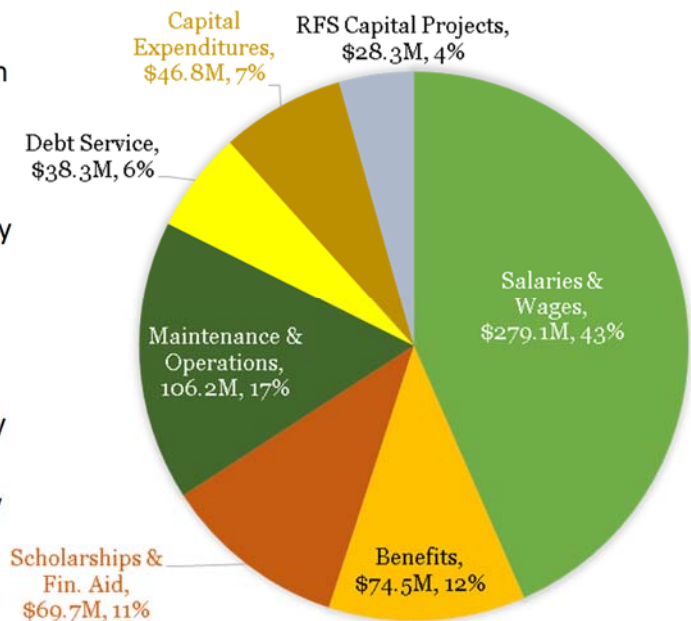
*Faculty and Staff Salaries and Wages*

UNT is continually reviewing areas to address career progression and compensation issues to maintain a supportive environment for staff and faculty members. In FY 2015, UNT provided 1% merit raises in recognition of outstanding faculty and staff members and established salary floors for faculty members (for faculty with the rank of assistant, associate or professor currently and lecturers and clinical faculty ranks) to be more market competitive.

In FY 2016 the university will hire more part-time and summer faculty to expand summer school enrollment and offerings while hiring more advising, financial aid, and academic support staff to provide better support to students. The university will also address faculty equity issues in FY 2016.

**FY2016 Budgeted Expenses - \$642.9M**

- \$7.37 million for Academic Affairs, which includes:
  - \$3.10 million for additional faculty salaries
  - \$1.68 million for part-time faculty of which \$731,000 is dedicated specifically for summer school
  - \$2.43 million for academic support staff salaries of which \$577,000 is dedicated specifically for academic advisors
- \$5.5 million (2.5%) merit pool for faculty and staff, of which \$3.9 million is centrally funded, to be awarded effective December 1, 2015 after verification of fall enrollment.



FTE Categories	FY 2015	FY 2016	
	Estimate	Budget	% Change
Administrators	62.0	62.0	0%
Faculty	1648.0	1668.0	1.2%
Other Staff	3596.0	3616.0	0.6%
<b>Total FTE</b>	<b>5306.0</b>	<b>5346.0</b>	<b>0.8%</b>

### *Benefits*

UNT has budgeted \$11.5 million in additional benefit expenses for FY 2016. Staffing increases in faculty and staff support, alignment of actual FY 2015 expenses, and reconciliation of state benefits have resulted in the increase in benefits expenditures. Additional state appropriation revenue specifically for fringe benefits is budgeted at \$28.0 million, an increase of \$8.0 million over the FY 2015 budget.

### *Maintenance and Operations*

In FY 2016, UNT is authorized to issue Tuition Revenue Bonds of \$70 million to begin building a new home for the College of Visual Arts and Design. The new Student Union Building and Rawlins Hall will open in the Fall of 2015. Other plant increases for FY 2016 include:

- \$19.9 million from fund balance reserves for plant and facilities
  - \$8 million for the Student Union.
  - \$8.6 million for housing renovations
  - \$1.3 million for parking and transportation improvements
  - \$2 million for anticipated land purchases

Pending approval, capital projects to be funded by Revenue Financing System (RFS) bonds include:

- \$15.5 million for Science Research Building renovations
- \$5.5 million for Coliseum renovations
- \$3 million for renovations of 1500 N. I-35E
- \$2.24 million for Greek Row site development
- \$1.3 million for planning and architectural costs of the Applied Physics Building at Discovery Park and Track and Field/ Recreational Sports fields

### **Strategic Impacts**

The FY 2016 Budget reflects UNT's strategic priorities and a continued strong investment in its core mission as a major public research university deeply committed to advancing educational excellence and preparing students to become thoughtful, engaged citizens of the world. The President's Planning Implementation Workshop on August 19, 2014 set the tone for both short-term and long-term priorities. Comprehensive plans are underway for continued strategic alignment of resources for FY 2017 and beyond.

## FY2016 UNT BUDGET FOR REVENUES, EXPENSES & OTHER CHANGES IN FUND BALANCES

<b>UNIVERSITY OF NORTH TEXAS</b>	
<b>FY2016 Budget for Revenues, Expenses and Other Changes in Fund Balances</b>	
<b>ALL FUNDS</b>	<b>Budget FY2016</b>
<b>Revenues</b>	
Tuition and Fees - Net	\$261,946,581
Sales of Goods and Services	104,825,837
Grant & Contracts (Federal & State)	97,909,404
Other Operating Revenues	4,335,475
Legislative Appropriations (GR)	108,978,512
Additional Appropriations (GR)	29,000,000
Capital Appropriations (HEAF)	25,041,370
Gifts	11,111,000
Investment Income	4,416,000
New Issuance of Debt	28,267,467
<b>Total</b>	<b>\$675,831,646</b>
<b>Expenses</b>	
Salaries	\$279,143,697
Benefits and Payroll Related Costs	74,514,524
Supplies and Other	89,930,324
Travel	7,926,164
Purchased Services	8,379,744
Scholarships, Exemptions, and Financial Aid	69,682,082
Debt Service Principal	26,290,279
Depreciation and Amortization*	-
Capital Outlay	75,048,897
Federal and State Pass-Through Expense	(37,302)
Interest Expense and Fiscal Charges	11,993,371
<b>Total</b>	<b>\$642,871,780</b>
<b>Income (Loss)</b>	<b>\$ 32,959,866</b>
<b>OTHER REVENUES, EXPENSES, GAINS, LOSSES &amp; TRANSFERS</b>	
<i>Transfers Between UNTS Components:</i>	
Transfers In/(Out)	(45,053,126)
<i>Other Transfers:</i>	
Other Legislative Transfers In/(Out)	187,402
<b>Total Other Revenue, Expenses, and Transfers</b>	<b>\$ (44,865,724)</b>
<b>Budget Margin (Deficit) - Estimated Impact on Fund Balances</b>	<b>\$ (11,905,858)</b>
<b>Planned use of Fund Balances</b>	<b>\$ 20,302,000</b>
*Plan to fund Reserve for Renewal & Replacement beginning FY17	

## FISCAL YEAR 2016 UNT BUDGET DETAIL BY FUND GROUP – CURRENT

<b>University of North Texas</b>					
<b>FY16 - Revenues, Expenditures, and Transfers - By Fund Group</b>					
<i>FY16 Budget - Current Funds</i>					
	<b>Education and General</b>	<b>Designated Operating</b>	<b>Auxiliary Enterprises</b>	<b>Restricted Expendable</b>	<b>Current Funds</b>
<b>REVENUES</b>					
Net Tuition and Fees	41,683,991	219,534,995	-	327,595	261,546,581
Sales of Goods and Services	3,917,950	21,274,320	79,328,567	-	104,520,837
Grants and Contracts	20,088,059	-	-	77,821,345	97,909,404
State Appropriations	137,978,512	-	-	-	137,978,512
Capital Appropriations - HEF	7,128,005	-	-	-	7,128,005
Net Professional Fees	-	1,667,790	-	-	1,667,790
Gift Income	-	3,000,000	-	7,961,000	10,961,000
Investment Income	75,000	1,750,000	16,000	-	1,841,000
Other Revenue	790,685	1,827,000	-	-	2,617,685
New Issuance of Debt	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 211,662,202</b>	<b>\$ 249,054,105</b>	<b>\$ 79,344,567</b>	<b>\$ 86,109,940</b>	<b>\$ 626,170,814</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	120,375,031	2,736,917	-	3,267,027	126,378,975
Salaries - Staff	60,952,377	38,862,431	15,813,020	7,452,336	123,080,164
Wages and Other Compensation	4,242,085	17,216,029	6,649,922	1,576,522	29,684,558
Benefits and Other Payroll-related Costs	54,077,185	11,643,584	6,395,546	2,398,209	74,514,524
<b>Subtotal - Personnel Costs</b>	<b>239,646,678</b>	<b>70,458,961</b>	<b>28,858,488</b>	<b>14,694,094</b>	<b>353,658,221</b>
Cost of Goods Sold	6,069	886,081	3,580,335	-	4,472,485
Professional Fees and Services	13,012	3,529,333	447,400	3,959,999	7,949,744
Travel	456,646	6,451,863	127,741	889,914	7,926,164
Materials and Supplies	113,494	14,777,583	7,975,638	2,508,930	25,375,645
Communication and Utilities	8,380	6,367,603	6,148,486	48,282	12,572,751
Repairs and Maintenance	114,883	3,691,780	3,750,514	200,895	7,758,072
Rentals and Leases	14,126	3,159,571	1,145,384	123,533	4,442,614
Printing and Reproduction	1,703	3,085,639	350,939	70,535	3,508,816
Debt Service - Principal	5,285,000	5,192,612	14,715,983	-	25,193,595
Debt Service - Interest	2,036,664	4,306,108	4,152,290	-	10,495,062
Capital Expenditures	7,128,005	845,981	-	1,492,079	9,466,065
Federal and State Pass-Through Expense	-	-	-	(37,302)	(37,302)
Depreciation and Amortization	-	-	-	-	-
Scholarships, Exemptions and Financial Aid	11,312,634	467,010	-	57,902,438	69,682,082
Other Expenditures	68,146	24,049,327	2,295,228	4,937,240	31,349,941
<b>Total Expenditures</b>	<b>\$ 266,205,440</b>	<b>\$ 147,269,452</b>	<b>\$ 73,548,426</b>	<b>\$ 86,790,637</b>	<b>\$ 573,813,955</b>
<b>INTERNAL INCOME AND CHARGES</b>					
Internal Income	9,691,749	11,749,855	6,147,004	-	27,588,608
Internal Charges	(9,691,749)	(11,749,855)	(6,147,004)	-	(27,588,608)
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>					
<i>Intra-campus Transfers Between Funds:</i>					
Inter-Fund Transfers In/(Out)	54,638,980	(57,414,671)	-	680,697	(2,094,994)
<i>Transfers Between UNTS Components:</i>					
Shared Services	-	(25,957,622)	-	-	(25,957,622)
Core Services	-	(14,758,206)	-	-	(14,758,206)
Other Inter-Unit Transfers In/(Out)	(283,144)	(4,054,154)	-	-	(4,337,298)
<i>Other Transfers:</i>					
Transfer to Other State Agencies In/(Out)	-	-	-	-	-
Other Legislative Transfers In/(Out)	187,402	-	-	-	187,402
<b>Total Transfers</b>	<b>\$ 54,543,238</b>	<b>\$ (102,184,653)</b>	<b>\$ -</b>	<b>\$ 680,697</b>	<b>\$ (46,960,718)</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>-</b>	<b>(400,000)</b>	<b>5,796,141</b>	<b>-</b>	<b>5,396,141</b>
<b>Planned Use of Fund Balance</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>

## FISCAL YEAR 2016 UNT BUDGET DETAIL BY FUND GROUP – NONCURRENT

<b>University of North Texas</b>						
FY16 - Revenues, Expenditures, and Transfers - By Fund Group						
	<i>FY16 Estimates- Non-Current Funds</i>				<i>FY16</i>	
	Endowment Funds	Loan Funds	Plant & Debt Funds	Non-Current Funds	All Funds Total	
<b>REVENUES</b>						
Net Tuition and Fees	-	400,000	-	400,000	261,946,581	
Sales of Goods and Services	305,000	-	-	305,000	104,825,837	
Grants and Contracts	-	-	-	-	97,909,404	
State Appropriations	-	-	-	-	137,978,512	
Capital Appropriations - HEF	-	-	17,913,365	17,913,365	25,041,370	
Net Professional Fees	-	-	-	-	1,667,790	
Gift Income	150,000	-	-	150,000	11,111,000	
Investment Income	1,500,000	-	1,075,000	2,575,000	4,416,000	
Other Revenue	-	50,000	-	50,000	2,667,685	
New Issuance of Debt	-	-	28,267,467	28,267,467	28,267,467	
<b>Total Revenues</b>	<b>\$ 1,955,000</b>	<b>\$ 450,000</b>	<b>\$ 47,255,832</b>	<b>\$ 49,660,832</b>	<b>\$ 675,831,646</b>	
<b>EXPENDITURES</b>						
Salaries - Faculty	-	-	-	-	126,378,975	
Salaries - Staff	-	-	-	-	123,080,164	
Wages and Other Compensation	-	-	-	-	29,684,558	
Benefits and Other Payroll-related Costs	-	-	-	-	74,514,524	
<i>Subtotal - Personnel Costs</i>	-	-	-	-	353,658,221	
Cost of Goods Sold	-	-	-	-	4,472,485	
Professional Fees and Services	430,000	-	-	430,000	8,379,744	
Travel	-	-	-	-	7,926,164	
Materials and Supplies	-	-	-	-	25,375,645	
Communication and Utilities	-	-	-	-	12,572,751	
Repairs and Maintenance	-	-	-	-	7,758,072	
Rentals and Leases	-	-	-	-	4,442,614	
Printing and Reproduction	-	-	-	-	3,508,816	
Debt Service - Principal	-	-	1,096,684	1,096,684	26,290,279	
Debt Service - Interest	-	-	1,498,309	1,498,309	11,993,371	
Capital Expenditures	-	-	65,582,832	65,582,832	75,048,897	
Federal and State Pass-Through Expense	-	-	-	-	(37,302)	
Depreciation and Amortization	-	-	-	-	-	
Scholarships, Exemptions and Financial Aid	-	-	-	-	69,682,082	
Other Expenditures	-	450,000	-	450,000	31,799,941	
<b>Total Expenditures</b>	<b>\$ 430,000</b>	<b>\$ 450,000</b>	<b>\$ 68,177,825</b>	<b>\$ 69,057,825</b>	<b>\$ 642,871,780</b>	
<b>INTERNAL INCOME AND CHARGES</b>						
Internal Income	-	-	-	-	27,588,608	
Internal Charges	-	-	-	-	(27,588,608)	
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>TRANSFERS</b>						
<i>Intra-campus Transfers Between Funds:</i>						
Inter-Fund Transfers In/(Out)	-	-	2,094,994	2,094,994	-	
<i>Transfers Between UNTS Components:</i>						
Shared Services	-	-	-	-	(25,957,622)	
Core Services	-	-	-	-	(14,758,206)	
Other Inter-Unit Transfers In/(Out)	-	-	-	-	(4,337,298)	
<i>Other Transfers:</i>						
Transfer to Other State Agencies In/(Out)	-	-	-	-	-	
Other Legislative Transfers In/(Out)	-	-	-	-	187,402	
<b>Total Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,094,994</b>	<b>\$ 2,094,994</b>	<b>\$ (44,865,724)</b>	
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>1,525,000</b>	<b>-</b>	<b>(18,826,999)</b>	<b>(17,301,999)</b>	<b>(11,905,858)</b>	
<b>Planned Use of Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,902,000</b>	<b>\$ 19,902,000</b>	<b>\$ 20,302,000</b>	

## FISCAL YEAR 2016 UNT REVENUE BREAKOUT BY FUND

University of North Texas					
FY16 - Estimated Revenue Breakout - Current Funds					
	Education and General	Designated Operating	Auxiliary Enterprises	Restricted Expendable	Current Funds
<b>REVENUES</b>					
<b>Net Tuition and Fees:</b>					
<b>Gross Undergraduate Tuition:</b>					
Resident Undergraduate Tuition	33,492,105	155,093,416	-	-	188,585,521
Non-resident Undergraduate Tuition	27,136,895	9,067,876	-	-	36,204,771
Other Undergraduate Tuition	-	-	-	-	-
Waivers - UG Tuition	(14,437,500)	-	-	-	(14,437,500)
<b>Subtotal - Gross Undergraduate Tuition</b>	<b>\$ 46,191,500</b>	<b>\$ 164,161,292</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 210,352,792</b>
<b>Gross Graduate Tuition:</b>					
Resident Graduate Tuition	7,228,125	15,867,415	-	-	23,095,540
Non-resident Graduate Tuition	5,921,875	10,148,198	-	-	16,070,073
Waivers - Grad Tuition	(2,066,500)	(2,100)	-	-	(2,068,600)
<b>Subtotal - Gross Graduate Tuition</b>	<b>\$ 11,083,500</b>	<b>\$ 26,013,513</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,097,013</b>
<b>Gross Fees:</b>					
Fees - Instructional	359,505	22,134,919	-	-	22,494,424
Fees - Mandatory	-	62,858,765	-	327,595	63,186,360
Fees - Incidental	-	7,646,429	-	-	7,646,429
Waivers - Fees	-	-	-	-	-
<b>Subtotal - Gross Fees</b>	<b>\$ 359,505</b>	<b>\$ 92,640,113</b>	<b>\$ -</b>	<b>\$ 327,595</b>	<b>\$ 93,327,213</b>
<b>Discount and Allowances:</b>					
Disc and Allowances - Tuition and Fees	(15,950,514)	(63,279,923)	-	-	(79,230,437)
<b>Net Tuition and Fees</b>	<b>\$ 41,683,991</b>	<b>\$ 219,534,995</b>	<b>\$ -</b>	<b>\$ 327,595</b>	<b>\$ 261,546,581</b>
<b>Sales of Goods and Services:</b>					
Athletics	-	-	-	-	-
Auxiliary Enterprises	-	11,502,343	-	-	11,502,343
Discounts and Allowances - Auxiliaries	-	-	79,328,567	-	79,328,567
Other Sales of Goods and Services	3,917,950	9,771,977	-	-	13,689,927
<b>Sales of Goods and Services:</b>	<b>\$ 3,917,950</b>	<b>\$ 21,274,320</b>	<b>\$ 79,328,567</b>	<b>\$ -</b>	<b>\$ 104,520,837</b>
<b>Grants and Contracts</b>					
Federal Programs and Contracts	-	-	-	22,582,886	22,582,886
Federal Financial Aid	-	-	-	47,762,136	47,762,136
State Programs and Contracts	-	-	-	1,955,733	1,955,733
State Financial Aid	20,088,059	-	-	-	20,088,059
Other Grants and Contracts	-	-	-	5,520,590	5,520,590
<b>Grants and Contracts</b>	<b>\$ 20,088,059</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 77,821,345</b>	<b>\$ 97,909,404</b>
<b>State Appropriations:</b>					
State Appropriations - General	108,978,512	-	-	-	108,978,512
State Appropriations - Additional	29,000,000	-	-	-	29,000,000
<b>State Appropriations</b>	<b>\$ 137,978,512</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,978,512</b>
<b>Capital Appropriations - HEF</b>					
	<b>\$ 7,128,005</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,128,005</b>
<b>Net Professional Fees:</b>					
Gross Professional Fees	-	1,667,790	-	-	1,667,790
Contractual Allowances and Discounts	-	-	-	-	-
<b>Net Professional Fees</b>	<b>\$ -</b>	<b>\$ 1,667,790</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,667,790</b>
Gift Income	-	3,000,000	-	7,961,000	10,961,000
Investment Income	75,000	1,750,000	16,000	-	1,841,000
Other Revenue	790,685	1,827,000	-	-	2,617,685
<b>TOTAL REVENUES</b>	<b>\$ 211,662,202</b>	<b>\$ 249,054,105</b>	<b>\$ 79,344,567</b>	<b>\$ 86,109,940</b>	<b>\$ 626,170,814</b>

## FISCAL YEAR 2016 UNT CURRENT FUND BY QUARTER

<b>University of North Texas</b>				
<b>FY16 - Revenues, Expenditures, and Transfers - Current Funds by Quarter</b>				
	Q1 FYTD	Q2 FYTD	Q3 FYTD	Q4 FYTD FY16
	Estimate	Estimate	Estimate	Budget
<b>REVENUES</b>				
Net Tuition and Fees	197,414,724	229,170,211	255,257,574	261,546,581
Sales of Goods and Services	44,905,264	84,729,501	92,145,931	104,520,837
Grants and Contracts	36,151,347	73,299,876	81,446,935	97,909,404
State Appropriations	115,358,512	123,478,512	128,698,512	137,978,512
Capital Appropriations - HEF	7,128,005	7,128,005	7,128,005	7,128,005
Net Professional Fees	166,779	366,914	850,573	1,667,790
Gift Income	1,644,150	3,288,300	5,480,500	10,961,000
Investment Income	128,870	828,450	1,399,160	1,841,000
Other Revenue	654,421	1,308,842	1,963,264	2,617,685
<b>Total Revenues</b>	<b>\$ 403,552,072</b>	<b>\$ 523,598,611</b>	<b>\$ 574,370,454</b>	<b>\$ 626,170,814</b>
<b>EXPENDITURES</b>				
Salaries - Faculty	38,889,727	77,683,237	116,342,704	126,378,975
Salaries - Staff	30,478,564	60,753,024	91,046,954	123,080,164
Wages and Other Compensation	7,459,335	14,157,753	21,862,322	29,684,558
Benefits & Other Payroll-Related Costs	16,303,427	35,515,825	54,957,316	74,514,524
<b>Subtotal - Personnel Costs</b>	<b>93,131,053</b>	<b>188,109,839</b>	<b>284,209,296</b>	<b>353,658,221</b>
Cost of Goods Sold	309,580	483,233	681,346	4,472,485
Professional Fees and Services	1,718,465	3,378,964	5,372,977	7,949,744
Travel	1,980,180	3,658,660	5,970,571	7,926,164
Materials and Supplies	6,137,956	11,862,583	17,737,869	25,375,645
Communication and Utilities	2,304,946	4,810,518	7,309,202	12,572,751
Repairs and Maintenance	1,589,855	3,580,958	5,188,144	7,758,072
Rentals and Leases	1,293,902	2,211,874	3,131,590	4,442,614
Printing and Reproduction	770,635	1,566,155	2,415,888	3,508,816
Debt Service - Principal	6,824,253	13,393,201	20,079,647.00	25,193,595
Debt Service - Interest	2,602,362	3,932,259	5,895,408	10,495,062
Capital Expenditures	1,893,213	3,786,426	6,626,245	9,466,065
Federal and State Pass-Through Expense	-	-	-	(37,302)
Depreciation and Amortization	-	-	-	-
Scholarships, Exemptions and Financial Aid	53,655,203	62,017,053	68,288,440	69,682,082
Other Expenditures	7,639,900	14,914,069	21,017,194	31,349,941
<b>Total Expenditures</b>	<b>\$ 181,851,503</b>	<b>\$ 317,705,792</b>	<b>\$ 453,923,817</b>	<b>\$ 573,813,955</b>
<b>INTERNAL INCOME AND CHARGES</b>				
Internal Income	6,824,253	6,568,948	6,686,446	7,508,962
Internal Charges	(6,824,253)	(6,568,948)	(6,686,446)	(7,508,962)
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>				
<i>Intra-campus Transfers Between Funds:</i>				
Inter-Fund Transfers In/(Out)	\$ (5,031,861)	\$ (2,094,994)	\$ (2,094,994)	\$ (2,094,994)
<i>Transfers Between UNTS Components:</i>				
Shared Services	(6,489,406)	(12,978,811)	(19,468,217)	(25,957,622)
Core Services	(3,689,552)	(7,379,103)	(11,068,655)	(14,758,206)
Other Inter-Unit Transfers In/(Out)	(1,084,325)	(2,168,649)	(3,252,974)	(4,337,298)
<i>Other Transfers:</i>				
Transfer to Other State Agencies In/(Out)	-	-	-	-
Other Legislative Transfers In/(Out)	187,402	187,402	187,402	187,402
<b>Total Transfers</b>	<b>\$ (16,107,742)</b>	<b>\$ (24,434,155)</b>	<b>\$ (35,697,438)</b>	<b>\$ (46,960,718)</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>205,592,827</b>	<b>181,458,664</b>	<b>84,749,199</b>	<b>5,396,141</b>
<b>Planned Use of Fund Balances</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>

# UNT Health Science Center Budget Overview

## Executive Summary and Highlights

### Strategic Impact and Major Goals Addressed by FY 2016 Budget

UNTHSC is committed to adding value while transforming and improving lives in all areas of education, discovery and healthcare. The UNTHSC budget is mission-based and aligned with the FY 2016 Strategic Plan. Our four broad strategy areas include:

- Learning and Discovery
- Quality Outcomes and Experiences
- People and Values
- Sustainable Growth in Finance and Resources

For FY 2016, we reconfigured our academic schools and departments into Academies and Institutes. This will enhance inter-professional education across multiple disciplines resulting in a more integrated educational experience focused on team-based care. In addition, the System College of Pharmacy will enroll its third class. The UNTHSC will also implement several new initiatives, including operationalizing the joint clinical practice “Acclaim” with our affiliated hospital partner John Peter Smith Health Network. A newly-established collaboration to develop a privately-funded Allopathic School of Medicine will evolve with Texas Christian University (TCU). The State-supported Institute for Patient Safety & Preventable Harm will develop educational programs, host conferences and catalyze research activities designed to reduce medical errors and related health care costs.

UNTHSC continues to invest in the professional growth and development of its people, both faculty and staff. Two years ago, UNTHSC updated the compensation structure by introducing strategies designed to align salaries with regional industry benchmarks, as well as to reward exceptional performers. This upcoming fiscal year, a reward system based on measurable individual performance is being developed and will be implemented.

UNTHSC will engage a national organization to train employees on developing and incorporating “lean” philosophies into planning, operational processes and management activities in order to reduce waste, while improving work-flows and design, ultimately resulting in operational savings through improved efficiencies and utilization of people and resources.

In order to enhance the student experience, support inter-professional education (IPE) and facilitate a more conducive learning experience, UNTHSC is renovating education and research space in several buildings. UNTHSC also plans to acquire property strategically located to the campus, which will provide additional research and education space, in advance of completion of the new Inter-professional Research Building. This 150,000 square foot building was approved by the 84<sup>th</sup> Texas Legislature and will be funded from a combination of Tuition Revenue Bonds and Revenue Financing System bonds.



**Revenues**

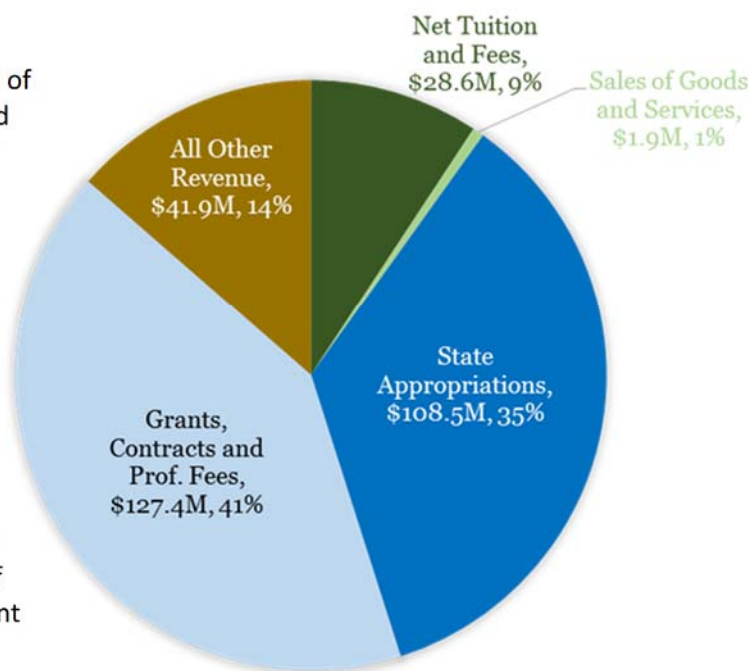
The budget was developed with a focus on directing resources to strategic priorities, while also funding the core mission areas of education, research and clinical practice. Some key areas supported by new state funding include:

- College of Pharmacy (\$1.4 million)
- Texas Missing Persons and Human Identification (\$1.3 million)
- Institute for Patient Safety and Preventable Harm (\$2 million)
- Graduate Medical Education (GME) (\$0.4 million)
- Recruitment, retention of faculty and staff to support and enhance established programs

**FY2016 Budgeted Revenues - \$308.2M**

*State Appropriations*

The 84<sup>th</sup> Legislative session resulted in an increase of \$15.1 million to UNTHSC. This 16% increase is comprised of \$10.2 million in additional General Revenue, primarily related to increases in formula-funding, including UNT System College of Pharmacy, and new special item funding. UNTHSC also received an increase of \$2.3 million for State-paid benefits and \$2.6 million in Higher Education Funds (HEF). State support comprises 38% of total budgeted revenues, excluding revenue from bond proceeds and commercial paper.



*Enrollment*

For FY 2016, UNTHSC expects enrollment growth to reach 2,850 Full Time Student Equivalents, a 6% increase over the prior year. The increase is related to the UNT System College of Pharmacy, which will enroll its third cohort of students this fall. The Table below provides projected student enrollment for FY 2016.

**Projected FTSE Enrollment by School**

School	FY 2015	FY 2016
School of Health Professions	578	578
Graduate School of Biomedical Sciences	552	552
Texas College of Osteopathic Medicine	927	927
College of Pharmacy	259	418
School of Public Health	375	375
<b>Total</b>	<b>2,691</b>	<b>2,850</b>

*Net Tuition and Fees*

As a result of increased enrollment in the UNT System College of Pharmacy, net tuition and fees are expected to increase by \$1.9 million (7%) in FY 2016. This increase is specifically attributable to enrollment growth in this program, since UNTHSC did not request an increase in Board designated tuition rates for FY 2016. As such, historical data for the UNT System College of Pharmacy was used to extrapolate the increase in tuition and fees.

*Contracts, Grants and Professional Fees*

UNTHSC expects to generate \$127.4 million in FY 2016 from Contracts, Grants and Professional Fees. This is a net increase of \$3 million (2%) over the prior fiscal year, largely due to additional revenue generated from the Bureau of Prisons. This increase helps offset a continuing decline in Federal grant funding, such as the National Institutes of Health.

At mid-year, when the new joint clinical enterprise model with JPS Health Network, known as “Acclaim”, becomes operational, contract revenue will replace most professional (clinical) fee revenue. Contracts, Grants and Professional Fees constitute 44% of total budgeted revenues, excluding revenue from bond proceeds and commercial paper issuances.

*Revenue Summary*

Overall, UNTHSC expects to generate \$286.6 million in total operating revenue over the next fiscal year, excluding revenue from bond proceeds and commercial paper issuances. This represents a net increase of \$21.1 million (8%) over the prior fiscal year. Unlike the FY 2015 budget that included \$7.5 million in roll-forward reserve funding, the FY 2016 Budget does not include any reserve funds. The strategic budgeting process directs focused resources to prioritized needs as identified through a collaborative process with the institutional leadership, while also covering ongoing operating expenses.

**Expenses**

Expenses reflected in the FY 2016 operating budget include all operational and support functions of the institution. Conversely, transfers for capital outlay (\$4.9 million) and estimates for depreciation and amortization are excluded. Combined operational expenses for FY 2016 are \$283.2 million, up \$24.8 million (10%) from the prior year. Significant areas of growth in expenditures compared to FY 2015 are Salaries, Wages & Benefits and Professional Fees & Services.

*Salaries, Wages & Benefits*

Salaries, Wages & Benefits expenses are estimated to increase by \$6.2 million (4%) over the prior fiscal year. While a modest portion of the increase is for a compensation pool, the majority of additional funding will support new or continuing academic and research faculty and corresponding programs, such as the aforementioned State-funded strategic priorities. Salaries, Wages & Benefits comprise 63% of total budgeted expenditures. The Table below provides projections for growth in FTEs for FY 2016:

**Projected Growth in Faculty and Staff FTEs**

<b>FTE Categories</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Budget</b>	<b>% Change</b>
Administrators	28	29	4%
Faculty	440	465	6%
Other Staff	1,192	1,237	4%
<b>Total</b>	<b>1,660</b>	<b>1,731</b>	<b>4%</b>

*Professional Fees & Services*

Professional Fees & Services are expected to increase by \$1.8 million (5%) as purchased educational services, such as those for lecturers and for graduate medical education, and purchased clinical services continue to expand. Professional Fees & Services comprise 13% of total budgeted expenses for FY 2016.

*Capital Projects*

As part of the FY 2016 capital plan, UNTHSC has will begin renovation of several campus facilities in order to insure program accreditation, accommodate enrollment growth and improve the student experience. UNTHSC will also acquire property that is strategically located as part of the Campus Master Plan in addition to beginning the planning and design phases of the new interdisciplinary research building. These initiatives will be financed in large part through a combination of TRB and RFS debt financing.

Projects expected to be underway in FY2016 include:

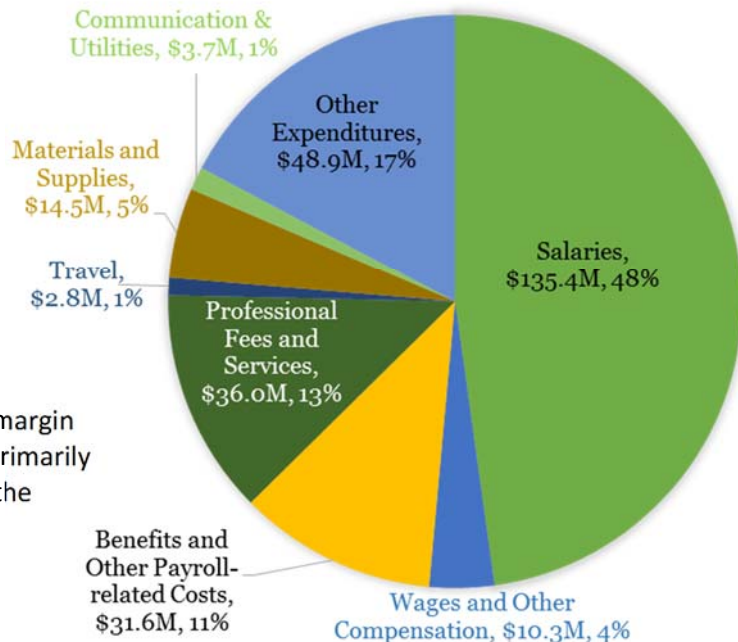
- Professional Building Renovation (\$5 million)
- Interdisciplinary Research Building- Construction (\$121 million)
- Research and Education Building (RES) Renovation- Level 4 (\$4.5 million)
- Patient Care Center Renovation- Level 6 (\$2.5 million)
- Ambulatory Surgical Center Purchase- (\$6.5 million)

*Budget Summary*

The UNTHSC FY 2016 budget reflects an operating margin (surplus) of approximately \$7 million. The margin is primarily related to non-recurring revenue items including: the surplus of revenues over expenditures for the 1115 Waiver in Demonstration Year 4, HEF Funding that might not be fully expended and Endowment dollars recognized and aligned with UNTHSC.

UNTHSC continues to have a positive impact on the local economy. A recent analysis and report compiled by Economic Modeling Specialists International (EMSI) on HRIs across the state estimated that UNTHSC contributes over \$463.6 million annually in additional income to the North Central Texas economy. The FY 2016 budget will enable UNTHSC to enhance the quality and scope of educational programs, improve the healthcare of the region in collaboration with its affiliated hospital partners, invest in its people and advance research in key focus areas consistent with organizational strengths and the strategic vision of the institution.

**FY2016 Budgeted Expenses - \$283.2M**



**FY2016 UNT HEALTH SCIENCE CENTER BUDGET FOR REVENUES, EXPENSES & OTHER CHANGES IN FUND BALANCES**

<b>UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER</b>	
<b>FY2016 Budget for Revenues, Expenses and Other Changes in Fund Balances</b>	
<b>ALL FUNDS</b>	<b>Budget FY2016</b>
<b>Revenues</b>	
Tuition and Fees - Net	\$ 28,559,192
Sales of Goods and Services	1,927,052
Grant & Contracts (Federal & State)	112,755,340
Other Operating Revenues	27,483,330
Legislative Appropriations (GR)	83,282,949
Additional Appropriations (GR)	13,794,240
Capital Appropriations (HEAF)	11,394,570
Gifts	3,549,838
Investment Income	3,814,608
New Issuance of Debt	21,632,794
<b>Total</b>	<b>\$ 308,193,913</b>
<b>Expenses</b>	
Salaries	\$ 145,717,740
Benefits and Payroll Related Costs	31,628,092
Supplies and Other	32,409,578
Travel	2,809,189
Purchased Services	36,045,011
Scholarships, Exemptions, and Financial Aid	2,008,886
Debt Service Principal	6,555,000
Depreciation and Amortization*	-
Capital Outlay	23,063,384
Federal and State Pass-Through Expense	193,480
Interest Expense and Fiscal Charges	2,806,915
<b>Total</b>	<b>\$ 283,237,275</b>
<b>Income (Loss)</b>	<b>\$ 24,956,638</b>
<b>OTHER REVENUES, EXPENSES, GAINS, LOSSES &amp; TRANSFERS</b>	
<b>Transfers Between UNTS Components:</b>	
Transfers In/(Out)	(6,216,330)
<b>Other Transfers:</b>	
Other Legislative Transfers In/(Out)	(4,423,968)
<b>Total Other Revenue, Expenses, and Transfers</b>	<b>\$ (10,640,298)</b>
<b>Budget Margin (Deficit) - Estimated Impact on Fund Balances</b>	<b>\$ 14,316,340</b>
<b>Planned use of Fund Balances</b>	<b>\$ -</b>
*Plan to fund Reserve for Renewal & Replacement beginning FY17	

**FISCAL YEAR 2016 UNT HEALTH SCIENCE CENTER BUDGET DETAIL  
BY FUND GROUP – CURRENT**

University of North Texas Health Science Center FY16 - Revenues, Expenditures, and Transfers - By Fund Group					
	<i>FY16 Budget - Current Funds</i>				
	Education and General	Designated Operating	Auxiliary Enterprises	Restricted Expendable	Current Funds
<b>REVENUES</b>					
Net Tuition and Fees	10,296,201	18,247,991	15,000	-	28,559,192
Sales of Goods and Services	-	1,495,502	431,550	-	1,927,052
Grants and Contracts	1,191,453	82,043,838	-	29,470,000	112,705,291
State Appropriations	97,077,189	-	-	-	97,077,189
Capital Appropriations - HEF	11,394,570	-	-	-	11,394,570
Net Professional Fees	-	14,628,628	-	-	14,628,628
Gift Income	-	-	-	3,549,838	3,549,838
Investment Income	15,561	3,799,047	-	-	3,814,608
Other Revenue	-	12,703,391	-	151,000	12,854,391
New Issuance of Debt	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 119,974,974</b>	<b>\$ 132,918,397</b>	<b>\$ 446,550</b>	<b>\$ 33,170,838</b>	<b>\$ 286,510,759</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	31,938,711	40,739,587	-	4,278,208	76,956,506
Salaries - Staff	35,196,212	16,874,073	166,195	6,198,261	58,434,741
Wages and Other Compensation	3,456,854	5,524,360	55,552	1,289,727	10,326,493
Benefits and Other Payroll-Related Costs	16,327,928	12,632,723	41,228	2,626,213	31,628,092
<b>Subtotal - Personnel Costs</b>	<b>\$ 86,919,705</b>	<b>\$ 75,770,743</b>	<b>\$ 262,975</b>	<b>\$ 14,392,409</b>	<b>\$ 177,345,832</b>
Cost of Goods Sold	-	8,019	-	429	8,448
Professional Fees and Services	3,014,575	27,749,306	15,239	5,265,891	36,045,011
Travel	74,758	2,346,217	3,750	384,464	2,809,189
Materials and Supplies	2,329,908	9,098,136	86,050	2,960,747	14,474,841
Communication and Utilities	191,616	3,452,827	7,000	50,783	3,702,226
Repairs and Maintenance	2,476,778	1,958,018	21,600	180,699	4,637,095
Rentals and Leases	1,664,260	1,064,943	-	76,384	2,805,587
Printing and Reproduction	10,515	600,099	7,500	43,117	661,231
Debt Service - Principal	-	-	-	-	-
Debt Service - Interest	2,806,915	-	-	-	2,806,915
Capital Expenditures	1,815,893	2,855,965	20,000	246,526	4,938,384
Federal and State Pass-Through Expense	-	-	-	193,480	193,480
Depreciation and Amortization	-	-	-	-	-
Scholarships, Exemptions and Financial Aid	285,183	856,967	2,506	864,230	2,008,886
Other Expenditures	2,028,087	3,423,340	18,730	649,993	6,120,150
<b>Total Expenditures</b>	<b>\$ 103,618,193</b>	<b>\$ 129,184,580</b>	<b>\$ 445,350</b>	<b>\$ 25,309,152</b>	<b>\$ 258,557,275</b>
<b>INTERNAL INCOME AND CHARGES</b>					
Internal Income	-	-	-	-	-
Internal Charges	-	-	-	-	-
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>					
<i>Intra-campus Transfers Between Funds:</i>					
Inter-Fund Transfers In/(Out)	(10,785,869)	5,407,508	-	(4,761,160)	(10,139,521)
<i>Transfers Between UNTS Components:</i>					
Shared Services	-	(2,417,083)	-	-	(2,417,083)
Core Services	-	(2,682,248)	-	-	(2,682,248)
Other Inter-Unit Transfers In/(Out)	-	(1,116,999)	-	-	(1,116,999)
Transfer to Other State Agencies In/Out	-	-	-	-	-
Other Legislative Transfers In/(Out)	(4,423,968)	-	-	-	(4,423,968)
<b>Total Transfers</b>	<b>\$ (15,209,837)</b>	<b>\$ (808,822)</b>	<b>\$ -</b>	<b>\$ (4,761,160)</b>	<b>\$ (20,779,819)</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>1,146,944</b>	<b>2,924,995</b>	<b>1,200</b>	<b>3,100,526</b>	<b>7,173,665</b>
<b>Planned Use of Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**FISCAL YEAR 2016 UNT HEALTH SCIENCE CENTER BUDGET DETAIL  
BY FUND GROUP – NONCURRENT**

University of North Texas Health Science Center					
FY16 - Revenues, Expenditures, and Transfers - By Fund Group					
	<i>FY16 Estimates- Non-Current Funds</i>				<i>FY16</i>
	Endowment Funds	Loan Funds	Plant & Debt Funds	Non-Current Funds	All Funds Total
<b>REVENUES</b>					
Net Tuition and Fees	-	-	-	-	28,559,192
Sales of Goods and Services	-	-	-	-	1,927,052
Grants and Contracts	-	50,049	-	50,049	112,755,340
State Appropriations	-	-	-	-	97,077,189
Capital Appropriations - HEF	-	-	-	-	11,394,570
Net Professional Fees	-	-	-	-	14,628,628
Gift Income	-	-	-	-	3,549,838
Investment Income	-	-	-	-	3,814,608
Other Revenue	-	311	-	311	12,854,702
New Issuance of Debt	-	-	21,632,794	21,632,794	21,632,794
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 50,360</b>	<b>\$ 21,632,794</b>	<b>\$ 21,683,154</b>	<b>\$ 308,193,913</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	-	-	-	-	76,956,506
Salaries - Staff	-	-	-	-	58,434,741
Wages and Other Compensation	-	-	-	-	10,326,493
Benefits and Other Payroll-Related Costs	-	-	-	-	31,628,092
<b>Subtotal - Personnel Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 177,345,832</b>
Cost of Goods Sold	-	-	-	-	8,448
Professional Fees and Services	-	-	-	-	36,045,011
Travel	-	-	-	-	2,809,189
Materials and Supplies	-	-	-	-	14,474,841
Communication and Utilities	-	-	-	-	3,702,226
Repairs and Maintenance	-	-	-	-	4,637,095
Rentals and Leases	-	-	-	-	2,805,587
Printing and Reproduction	-	-	-	-	661,231
Debt Service - Principal	-	-	6,555,000	6,555,000	6,555,000
Debt Service - Interest	-	-	-	-	2,806,915
Capital Expenditures	-	-	18,125,000	18,125,000	23,063,384
Federal and State Pass-Through Expense	-	-	-	-	193,480
Depreciation and Amortization	-	-	-	-	-
Scholarships, Exemptions and Financial Aid	-	-	-	-	2,008,886
Other Expenditures	-	-	-	-	6,120,150
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,680,000</b>	<b>\$ 24,680,000</b>	<b>\$ 283,237,275</b>
<b>INTERNAL INCOME AND CHARGES</b>					
Internal Income	-	-	-	-	-
Internal Charges	-	-	-	-	-
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>					
<i>Intra-campus Transfers Between Funds:</i>					
Inter-Fund Transfers In/(Out)	(1,207,000)	(50,049)	11,396,570	10,139,521	-
<i>Transfers Between UNTS Components:</i>					
Shared Services	-	-	-	-	(2,417,083)
Core Services	-	-	-	-	(2,682,248)
Other Inter-Unit Transfers In/(Out)	-	-	-	-	(1,116,999)
Transfer to Other State Agencies In/Out	-	-	-	-	-
Other Legislative Transfers In/(Out)	-	-	-	-	(4,423,968)
<b>Total Transfers</b>	<b>\$ (1,207,000)</b>	<b>\$ (50,049)</b>	<b>\$ 11,396,570</b>	<b>\$ 10,139,521</b>	<b>\$ (10,640,298)</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>(1,207,000)</b>	<b>311</b>	<b>8,349,364</b>	<b>7,142,675</b>	<b>14,316,340</b>
<b>Planned Use of Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**FISCAL YEAR 2016 UNT HEALTH SCIENCE CENTER  
REVENUE BREAKOUT BY FUND**

University of North Texas Health Science Center					
FY16 - Estimated Revenue Breakout - Current Funds					
	Education and General	Designated Operating	Auxiliary Enterprises	Restricted Expendable	Current Funds
<b>REVENUES</b>					
<b>Net Tuition and Fees:</b>					
<b>Gross Undergraduate Tuition:</b>					
Resident Undergraduate Tuition	-	-	-	-	-
Non-resident Undergraduate Tuition	-	-	-	-	-
Other Undergraduate Tuition	-	-	-	-	-
Waivers - UG Tuition	-	-	-	-	-
<b>Subtotal - Gross Undergraduate Tuition</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Gross Graduate Tuition:</b>					
<b>Resident Graduate Tuition</b>	9,489,004	10,628,187	-	-	20,117,191
<b>Non-resident Graduate Tuition</b>	3,856,070	1,490,894	-	-	-
<b>Other Graduate Tuition</b>	-	-	-	-	-
Waivers - Grad Tuition	(2,064,512)	(555,507)	-	-	(2,620,019)
<b>Subtotal - Gross Graduate Tuition</b>	<b>\$ 11,280,562</b>	<b>\$ 11,563,574</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,844,136</b>
<b>Gross Fees:</b>					
Fees - Instructional	-	2,497,668	-	-	2,497,668
Fees - Mandatory	-	2,216,000	15,000	-	2,231,000
Fees - Incidental	19,766	3,229,455	-	-	3,249,221
Waivers - Fees	(926)	(151,280)	-	-	(152,206)
<b>Subtotal - Gross Fees</b>	<b>\$ 18,840</b>	<b>\$ 7,791,843</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 7,825,683</b>
<b>Discount and Allowances:</b>					
Discount Allowances - Tuition and Fees	(1,003,201)	(1,107,426)	-	-	(2,110,627)
<b>Net Tuition and Fees</b>	<b>\$ 10,296,201</b>	<b>\$ 18,247,991</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 28,559,192</b>
<b>Sales of Goods and Services:</b>					
Athletics	-	-	-	-	-
Auxiliary Enterprises	-	-	430,136	-	430,136
Discounts and Allowances - Auxiliaries	-	-	-	-	-
Other Sales of Goods and Services	-	1,495,502	1,414	-	1,496,916
<b>Sales of Goods and Services:</b>	<b>\$ -</b>	<b>\$ 1,495,502</b>	<b>\$ 431,550</b>	<b>\$ -</b>	<b>\$ 1,927,052</b>
<b>Grants and Contracts</b>					
Federal Programs and Contracts	-	24,000,000	-	20,595,224	44,595,224
Federal Financial Aid	-	-	-	470,000	470,000
State Programs and Contracts	1,177,453	-	-	2,806,354	3,983,807
State Financial Aid	14,000	-	-	-	14,000
Other Grants and Contracts	-	58,043,838	-	5,598,422	63,642,260
<b>Grants and Contracts</b>	<b>\$ 1,191,453</b>	<b>\$ 82,043,838</b>	<b>\$ -</b>	<b>\$ 29,470,000</b>	<b>\$ 112,705,291</b>
<b>State Appropriations:</b>					
State Appropriations - General	83,282,949	-	-	-	83,282,949
State Appropriations - Additional	13,794,240	-	-	-	13,794,240
<b>State Appropriations</b>	<b>\$ 97,077,189</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 97,077,189</b>
<b>Capital Appropriations - HEF</b>	<b>\$ 11,394,570</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,394,570</b>
<b>Net Professional Fees:</b>					
Gross Professional Fees	-	30,512,133	-	-	30,512,133
Contractual Allowances and Discounts	-	(15,883,505)	-	-	(15,883,505)
<b>Net Professional Fees</b>	<b>\$ -</b>	<b>\$ 14,628,628</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,628,628</b>
Gift Income	-	-	-	3,549,838	3,549,838
Investment Income	15,561	3,799,047	-	-	3,814,608
Other Revenue	-	12,703,391	-	151,000	12,854,391
<b>Total Revenues</b>	<b>\$ 119,974,974</b>	<b>\$ 132,918,397</b>	<b>\$ 446,550</b>	<b>\$ 33,170,838</b>	<b>\$ 286,510,759</b>

**FISCAL YEAR 2016 UNT HEALTH SCIENCE CENTER  
CURRENT FUNDS BY QUARTER**

<b>University of North Texas Health Science Center</b>				
<b>FY16 - Revenues, Expenditures, and Transfers - Current Funds by Quarter</b>				
<i>FY2016 Budget for Revenues, Expenses and Other Changes in Fund Balances</i>	<b>Q1 FYTD Estimate</b>	<b>Q2 FYTD Estimate</b>	<b>Q3 FYTD Estimate</b>	<b>Q4 FYTD FY16 Budget</b>
<b>REVENUES</b>				
Net Tuition and Fees	10,200,035	22,597,860	24,745,417	28,559,192
Sales of Goods and Services	466,726	1,142,279	1,424,247	1,927,052
Grants and Contracts	13,258,075	29,300,766	65,337,038	112,705,291
State Appropriations	89,639,987	92,119,055	94,598,122	97,077,189
Capital Appropriations - HEF	11,394,570	11,394,570	11,394,570	11,394,570
Net Professional Fees	7,778,848	14,598,628	14,613,628	14,628,628
Grant & Contracts (Federal & State)	3,305,599	3,333,637	3,360,140	3,549,838
Investment Income	472,749	1,948,304	2,881,456	3,814,608
Other Revenue	12,730,518	12,771,809	12,813,100	12,854,391
<b>Total Revenues</b>	<b>\$ 149,247,107</b>	<b>\$ 189,206,908</b>	<b>\$ 231,167,718</b>	<b>\$ 286,510,759</b>
<b>EXPENDITURES</b>				
Salaries - Faculty	18,984,181	38,150,280	56,517,122	76,956,506
Salaries - Staff	14,288,384	28,705,851	42,372,461	58,434,742
Wages and Other Compensation	2,558,114	5,229,061	7,356,612	10,326,492
Benefits & Other Payroll-Related Costs	7,301,920	15,812,679	23,269,808	31,628,092
<b>Subtotal - Personnel Costs</b>	<b>43,132,599</b>	<b>87,897,871</b>	<b>129,516,003</b>	<b>177,345,832</b>
Cost of Goods Sold	-	-	429	8,449
Professional Fees and Services	8,400,663	14,331,492	22,790,181	36,045,011
Travel	616,498	1,140,868	1,879,485	2,809,189
Materials and Supplies	2,624,832	5,648,485	9,070,937	14,474,841
Communication and Utilities	905,993	1,080,581	2,392,552	3,702,225
Repairs and Maintenance	1,285,090	2,147,471	3,062,998	4,637,096
Rentals and Leases	880,976	1,577,630	2,135,021	2,805,787
Printing and Reproduction	87,459	237,502	383,643	661,231
Debt Service - Principal	-	-	-	-
Debt Service - Interest	1,393,990	1,405,715	-	2,806,915
Capital Expenditures	1,218,698	2,344,516	3,311,885	4,938,384
Federal and State Pass-Through Expense	48,370	96,740	145,110	193,480
Depreciation and Amortization	-	-	-	-
Scholarships, Exemptions and Financial Aid	724,539	1,408,399	1,796,066	2,008,885
Other Expenditures	1,501,045	2,286,448	3,341,424	6,120,150
<b>Total Expenditures</b>	<b>\$ 62,820,752</b>	<b>\$ 121,603,718</b>	<b>\$ 179,825,734</b>	<b>\$ 258,557,475</b>
<b>INTERNAL INCOME AND CHARGES</b>				
Internal Income	-	-	-	-
Internal Charges	-	-	-	-
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>				
<i>Intra-campus Transfers Between Funds:</i>				
Inter-Fund Transfers In/(Out)	(1,522,088)	(1,893,565)	(8,828,189)	(10,139,521)
<i>Transfers Between UNTS Components:</i>				
Shared Services	(500,000)	(2,417,083)	(2,417,083)	(2,417,083)
Core Services	(2,000,000)	(2,682,248)	(2,682,248)	(2,682,248)
Other Inter-Unit Transfers In/(Out)	-	-	(1,116,999)	(1,116,999)
Transfer to Other State Agencies In/Out	-	-	-	-
Other Legislative Transfers In/(Out)	(4,423,968)	(4,423,968)	(4,423,968)	(4,423,968)
<b>Total Transfers</b>	<b>\$ (8,446,056)</b>	<b>\$ (11,416,864)</b>	<b>\$ (19,468,487)</b>	<b>\$ (20,779,819)</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>10,538,125</b>	<b>26,733,416</b>	<b>37,048,635</b>	<b>7,173,465</b>
<b>Planned Use of Reserves</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# UNT System Administration Budget Overview

## Executive Summary and Highlights

### Strategic Impact and Major Goals Addressed by FY 2016 Budget

UNT System Administration’s budget for Fiscal Year 2016 reflects a dynamic organization that is strengthening its service to the UNT System institutions, in a time of innovation and expansion, with investments in talented and experienced employees, and rigorous upgrades to processes and systems. The systemwide financial transformation initiative, which will ensure greater accuracy, integrity and accountability, and provide a more robust foundation for governance, leadership, and decision-making, will continue through Fiscal Year 2016. The budget also anticipates the issuance of long-term debt to fund capacity for enrollment growth, program expansion and research and other strategic initiatives.

UNT System Administration includes:

*Core Services*

- Academic Affairs
- Board of Regents
- Chancellor’s Office
- External Relations
- Facilities, Planning & Construction
- Finance
- General Counsel
- Government Relations
- Internal Audit

*Shared Services*

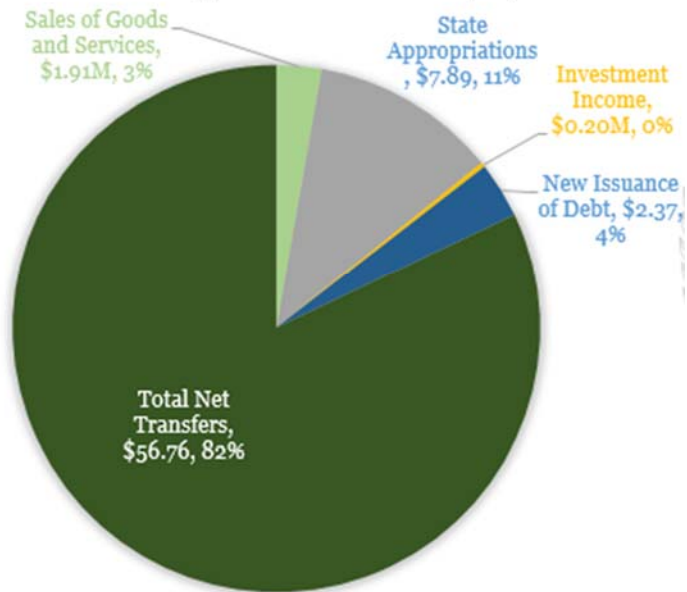
- Information Technology
- Business Support Services
- Human Resources

### Revenues

*State Appropriations*

- Supports salaries for the System Administration; remainder of the appropriation supports the Universities Center at Dallas and the College of Law (which is being transferred to UNT Dallas).

**FY2016 Budgeted Revenues - \$69.1M**



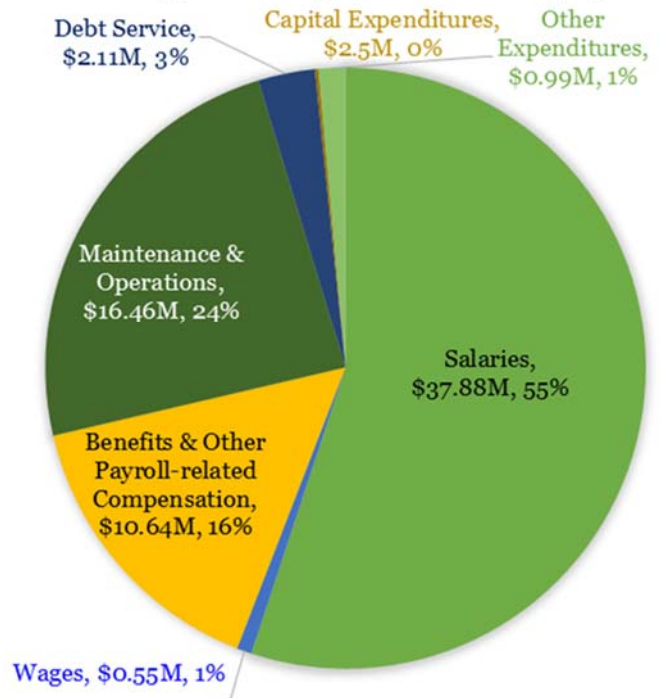
## Auxiliary – 1900 Elm Lofts

- The Lofts maintain average 97% occupancy. Due to healthy downtown market, rents continue to increase for newly signed leases.
- Oven & Cellar Restaurant currently under construction and will open in FY2016.
- Currently seeking tenants for other available retail space.

## Transfers

- Transfers from UNTS institutions support both core and shared services provided to the institutions.
- Project based construction management fees support the operation of the Office of Facilities, Planning and Construction.
- Financial systems upgrade and process improvement projects, as part of the financial transformation; ongoing projects are funded by proportional distribution of costs incurred.
- New methodology adopted for System Allocations affords institutions flexibility in determining Method of Finance, allowing for more efficient utilization of resources system-wide.

**FY2016 Budgeted Expenditures - \$69.1M**



## Expenses

Increased expenditures support a budgeted net increase of 55 FTE over FY15 budget to:

- Strengthen and deepen the Office of Finance, including Treasury, Budget, Financial Planning, Policy and Analysis, Business Process Improvement and centralized Controller function.
- Enhance responsibility for the Office of Internal Audit.
- Plan and manage the increased construction project volume by the Office of Facilities, Planning and Construction

FTE Categories	FY 2015 Estimate	FY 2016 Budget	% Change
Administrators	16.2	16.0	-1%
Faculty	5.9	0.0	-100%
Other Staff	<u>478.6</u>	<u>513.0</u>	<u>7%</u>
<b>Total FTE</b>	<b>500.7</b>	<b>529.0</b>	<b>6%</b>

## *Budget Margin*

### Expected Impact on Fund Balances/Use of Reserves

- Balanced budget for Educational & General funds and Auxiliary funds.
- \$2.2M impact to Designated Operating fund balance due to anticipated transfer of assets to UNTD for the College of Law.
- Beginning Capital Replacement and Renewal Fund with \$200K transfer from Designated Operating to Plant and Debt Funds.

**FY2016 UNT SYSTEM ADMINISTRATION BUDGET FOR REVENUES, EXPENSES & OTHER CHANGES IN FUND BALANCES**

<b>UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION</b>	
<b>FY2016 Budget for Revenues, Expenses and Other Changes in Net Position</b>	
<b>ALL FUNDS</b>	<b>Budget FY2016</b>
<b>Revenues</b>	
Tuition and Fees - Net	\$ -
Sales of Goods and Services	1,906,456
Grant & Contracts (Operating Federal & State)	-
Other Operating Revenues	-
Legislative Appropriations (GR)	7,892,941
Additional Appropriations (GR)	-
Capital Appropriations (HEAF)	-
Gifts	-
Investment Income	200,000
New Issuance of Debt	2,370,667
<b>Total</b>	<b>\$ 12,370,064</b>
<b>Expenses</b>	
Salaries	\$ 38,423,708
Benefits and Payroll Related Costs	10,638,055
Supplies and Other	6,919,018
Travel	293,816
Purchased Services	10,243,016
Scholarships, Exemptions, and Financial Aid	-
Debt Service Principal	685,336
Depreciation and Amortization	-
Capital Outlay	2,498,526
Federal and State Pass-Through Expense	-
Interest Expense and Fiscal Charges	1,419,950
<b>Total</b>	<b>\$ 71,121,425</b>
<b>Income (Loss)</b>	<b>\$ (58,751,361)</b>
<b>OTHER REVENUES, EXPENSES, GAINS, LOSSES &amp; TRANSFERS</b>	
<b>Transfers Between UNTS Components:</b>	
Transfers In/(Out)	55,030,414
<b>Other Transfers:</b>	
Other Legislative Transfers In/(Out)	1,144,412
<b>Total Other Revenue, Expenses, and Transfers</b>	<b>\$ 56,174,826</b>
<b>Budget Margin (Deficit) - Estimated Impact on Fund Balances</b>	<b>\$ (2,576,535)</b>
<b>Planned use of Fund Balances</b>	<b>\$ 2,911,000</b>

**FISCAL YEAR 2016 UNT SYSTEM ADMINISTRATION BUDGET DETAIL  
BY FUND GROUP – CURRENT**

University of North Texas System Administration					
FY16 - Revenues, Expenditures, and Transfers - By Fund Group					
<i>FY16 Budget - Current Funds</i>					
	Education and General	Designated Operating	Auxiliary Enterprises	Restricted Expendable	Current Funds
<b>REVENUES</b>					
Net Tuition and Fees	-	-	-	-	-
Sales of Goods and Services	-	-	1,906,456	-	1,906,456
Grants and Contracts	-	-	-	-	-
State Appropriations	7,892,941	-	-	-	7,892,941
Capital Appropriations - HEF	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Gift Income	-	-	-	-	-
Investment Income	-	200,000	-	-	200,000
Other Revenue	-	-	-	-	-
New Issuance of Debt	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 7,892,941</b>	<b>\$ 200,000</b>	<b>\$ 1,906,456</b>	<b>\$ -</b>	<b>\$ 9,999,397</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	-	-	-	-	-
Salaries - Staff	8,053,864	29,675,412	148,056	-	37,877,332
Wages and Other Compensation	133,312	409,584	3,480	-	546,376
Benefits and Other Payroll-Related Costs	2,725,532	7,860,511	52,012	-	10,638,055
<b>Subtotal - Personnel Costs</b>	<b>10,912,708</b>	<b>37,945,507</b>	<b>203,548</b>	<b>-</b>	<b>49,061,763</b>
Cost of Goods Sold	6,604	1,888	-	-	8,492
Professional Fees and Services	26,416	9,569,680	646,920	-	10,243,016
Travel	26,412	267,404	-	-	293,816
Materials and Supplies	79,244	534,804	40,972	-	655,020
Communication and Utilities	990,536	31,460	349,335	-	1,371,331
Repairs and Maintenance	26,416	3,145,908	463,627	-	3,635,951
Rentals and Leases	-	94,376	144,480	-	238,856
Printing and Reproduction	-	15,728	-	-	15,728
Debt Service - Principal	-	-	685,336	-	685,336
Debt Service - Interest	-	-	1,419,950	-	1,419,950
Capital Expenditures	-	-	127,859	-	127,859
Federal and State Pass-Through Expense	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-
Scholarships, Exemptions and Financial Aid	-	-	-	-	-
Other Expenditures	26,416	456,156	511,068	-	993,640
<b>Total Expenditures</b>	<b>\$ 12,094,752</b>	<b>\$ 52,062,911</b>	<b>\$ 4,593,095</b>	<b>\$ -</b>	<b>\$ 68,750,758</b>
<b>INTERNAL INCOME AND CHARGES</b>					
Internal Income	-	3,290,646	-	-	3,290,646
Internal Charges	-	(3,290,646)	-	-	(3,290,646)
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>					
<b><i>Intra-campus Transfers Between Funds:</i></b>					
Inter-Fund Transfers In/(Out)	2,257,399	(4,017,327)	1,559,928	-	(200,000)
<b><i>Transfers Between UNTS Components:</i></b>					
Shared Services	200,000	32,009,043	-	-	32,209,043
Core Services	-	17,815,920	-	-	17,815,920
Other Inter-Unit Transfers In/(Out)	-	3,878,740	1,126,711	-	5,005,451
<b><i>Other Transfers:</i></b>					
Transfer to Other State Agencies In/(Out)	-	-	-	-	-
Other Legislative Transfers In/(Out)	1,144,412	-	-	-	1,144,412
<b>Total Transfers</b>	<b>\$ 3,601,811</b>	<b>\$ 49,686,376</b>	<b>\$ 2,686,639</b>	<b>\$ -</b>	<b>\$ 55,974,826</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>(600,000)</b>	<b>(2,176,535)</b>	<b>-</b>	<b>-</b>	<b>(2,776,535)</b>
<b>Planned Use of Fund Balances</b>	<b>\$ -</b>	<b>\$ 2,900,000</b>	<b>\$ -</b>	<b>\$ 11,000</b>	<b>\$ 2,911,000</b>

FISCAL YEAR 2016 UNT SYSTEM ADMINISTRATION BUDGET DETAIL  
BY FUND GROUP – NONCURRENT

University of North Texas System Administration						
FY16 - Revenues, Expenditures, and Transfers - By Fund Group						
	FY16 Estimates- Non-Current Funds				FY16	
	Endowment Funds	Loan Funds	Plant & Debt Funds	Non-Current Funds	All Funds Total	
<b>REVENUES</b>						
Net Tuition and Fees	-	-	-	-	-	-
Sales of Goods and Services	-	-	-	-	-	1,906,456
Grants and Contracts	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	7,892,941
Capital Appropriations - HEF	-	-	-	-	-	-
Net Professional Fees	-	-	-	-	-	-
Gift Income	-	-	-	-	-	-
Investment Income	-	-	-	-	-	200,000
Other Revenue	-	-	-	-	-	-
New Issuance of Debt	-	-	2,370,667	2,370,667	-	2,370,667
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,370,667</b>	<b>\$ 2,370,667</b>	<b>\$ -</b>	<b>\$ 12,370,064</b>
<b>EXPENDITURES</b>						
Salaries - Faculty	-	-	-	-	-	-
Salaries - Staff	-	-	-	-	-	37,877,332
Wages and Other Compensation	-	-	-	-	-	546,376
Benefits and Other Payroll-Related Costs	-	-	-	-	-	10,638,055
<b>Subtotal - Personnel Costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,061,763</b>
Cost of Goods Sold	-	-	-	-	-	8,492
Professional Fees and Services	-	-	-	-	-	10,243,016
Travel	-	-	-	-	-	293,816
Materials and Supplies	-	-	-	-	-	655,020
Communication and Utilities	-	-	-	-	-	1,371,331
Repairs and Maintenance	-	-	-	-	-	3,635,951
Rentals and Leases	-	-	-	-	-	238,856
Printing and Reproduction	-	-	-	-	-	15,728
Debt Service - Principal	-	-	-	-	-	685,336
Debt Service - Interest	-	-	-	-	-	1,419,950
Capital Expenditures	-	-	2,370,667	2,370,667	-	2,498,526
Federal and State Pass-Through Expense	-	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
Scholarships, Exemptions and Financial Aid	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	993,640
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,370,667</b>	<b>\$ 2,370,667</b>	<b>\$ -</b>	<b>\$ 71,121,425</b>
<b>INTERNAL INCOME AND CHARGES</b>						
Internal Income	-	-	-	-	-	3,290,646
Internal Charges	-	-	-	-	-	(3,290,646)
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>						
<b>Intra-campus Transfers Between Funds:</b>						
Inter-Fund Transfers In/(Out)	-	-	200,000	200,000	\$ -	-
<b>Transfers Between UNTS Components:</b>						
Shared Services	-	-	-	-	-	32,209,043
Core Services	-	-	-	-	-	17,815,920
Other Inter-Unit Transfers In/(Out)	-	-	-	-	-	5,005,451
<b>Other Transfers:</b>						
Transfer to Other State Agencies In/(Out)	-	-	-	-	-	-
Other Legislative Transfers In/(Out)	-	-	-	-	-	1,144,412
<b>Total Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 56,174,826</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>(2,576,535)</b>
<b>Planned Use of Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,911,000</b>

## FISCAL YEAR 2016 UNT SYSTEM ADMINISTRATION REVENUE BREAKOUT BY FUND

University of North Texas System Administration					
FY16 - Estimated Revenue Breakout - Current Funds					
	Education and General	Designated Operating	Auxiliary Enterprises	Restricted Expendable	Current Funds
<b>REVENUES</b>					
<b>Net Tuition and Fees:</b>					
<b>Gross Undergraduate Tuition:</b>					
Resident Undergraduate Tuition	-	-	-	-	-
Non-resident Undergraduate Tuition	-	-	-	-	-
Other Undergraduate Tuition	-	-	-	-	-
Waivers - UG Tuition	-	-	-	-	-
<b>Subtotal - Gross Undergraduate Tuition</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Gross Graduate Tuition:</b>					
Resident Graduate Tuition	-	-	-	-	-
Non-resident Graduate Tuition	-	-	-	-	-
Waivers - Grad Tuition	-	-	-	-	-
<b>Subtotal - Gross Graduate Tuition</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Gross Fees:</b>					
Fees - Instructional	-	-	-	-	-
Fees - Mandatory	-	-	-	-	-
Fees - Incidental	-	-	-	-	-
Waivers - Fees	-	-	-	-	-
<b>Subtotal - Gross Fees</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Discount and Allowances:</b>					
Disc and Allowances - Tuition and Fees	-	-	-	-	-
<b>Net Tuition and Fees</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Sales of Goods and Services:</b>					
Athletics	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-
Discounts and Allowances - Auxiliaries	-	-	-	-	-
Other Sales of Goods and Services	-	-	1,906,456	-	1,906,456
<b>Sales of Goods and Services:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,906,456</b>	<b>\$ -</b>	<b>1,906,456</b>
<b>Grants and Contracts</b>					
Federal Programs and Contracts	-	-	-	-	-
Federal Financial Aid	-	-	-	-	-
State Programs and Contracts	-	-	-	-	-
State Financial Aid	-	-	-	-	-
Other Grants and Contracts	-	-	-	-	-
<b>Grants and Contracts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>State Appropriations:</b>					
<b>State Appropriations - General</b>	5,350,205	-	-	-	5,350,205
State Appropriations - Additional	2,542,736	-	-	-	2,542,736
<b>State Appropriations</b>	<b>\$ 7,892,941</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,892,941</b>
<b>Capital Appropriations - HEF</b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Professional Fees:</b>					
Gross Professional Fees	-	-	-	-	-
Contractual Allowances and Discounts	-	-	-	-	-
<b>Net Professional Fees</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Gift Income</b>					
Investment Income	-	200,000	-	-	200,000
Other Revenue	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 7,892,941</b>	<b>\$ 200,000</b>	<b>\$ 1,906,456</b>	<b>\$ -</b>	<b>\$ 9,999,397</b>

## FISCAL YEAR 2016 UNT SYSTEM ADMINISTRATION CURRENT FUNDS BY QUARTER

<b>University of North Texas System Administration</b>				
FY16 - Revenues, Expenditures, and Transfers - Current Funds by Quarter				
	Q1 FYTD Estimate	Q2 FYTD Estimate	Q3 FYTD Estimate	Q4 FYTD FY16 Budget
<b>REVENUES</b>				
Net Tuition and Fees	\$ -	-	-	\$ -
Sales of Goods and Services	476,614	953,228	1,429,842	1,906,456
Grants and Contracts	-	-	-	-
State Appropriations	5,985,889	6,621,573	7,257,257	7,892,941
Capital Appropriations - HEF	-	-	-	-
Net Professional Fees	-	-	-	-
Gift Income	-	-	-	-
Investment Income	50,000	100,000	150,000	200,000
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>\$ 6,512,503</b>	<b>\$ 7,674,801</b>	<b>\$ 8,837,099</b>	<b>\$ 9,999,397</b>
<b>EXPENDITURES</b>				
Salaries - Faculty	\$ -	-	-	\$ -
Salaries - Staff	9,469,333	18,938,666	28,407,999	37,877,332
Wages and Other Compensation	136,594	273,188	409,782	546,376
Benefits and Other Payroll-Related Costs	2,659,514	5,319,027	7,978,541	10,638,055
<i>Subtotal - Personnel Costs</i>	12,265,441	24,530,881	36,796,322	49,061,763
Cost of Goods Sold	2,123	4,246	6,369	8,492
Professional Fees and Services	2,560,754	5,121,508	7,682,262	10,243,016
Travel	73,454	146,908	220,362	293,816
Materials and Supplies	163,755	327,510	491,265	655,020
Communication and Utilities	342,833	685,666	1,028,499	1,371,332
Repairs and Maintenance	908,988	1,817,976	2,726,964	3,635,952
Rentals and Leases	59,714	119,428	179,142	238,856
Printing and Reproduction	3,932	7,864	11,796	15,728
Debt Service - Principal	-	-	685,338	685,338
Debt Service - Interest	1,028,007	1,028,007	1,419,950	1,419,950
Capital Expenditures	-	42,616	127,855	127,855
Federal and State Pass-Through Expense	-	-	-	-
Depreciation and Amortization	-	-	-	-
Scholarships, Exemptions and Financial Aid	-	-	-	-
Other Expenditures	248,410	496,820	745,230	993,640
<b>Total Expenditures</b>	<b>\$ 17,657,411</b>	<b>\$ 34,329,430</b>	<b>\$ 52,121,354</b>	<b>\$ 68,750,758</b>
<b>INTERNAL INCOME AND CHARGES</b>				
Internal Income	\$ 822,662	\$ 1,645,323	\$ 2,467,985	3,290,646
Internal Charges	\$ (822,662)	\$ (1,645,323)	\$ (2,467,985)	(3,290,646)
<b>Net Internal Income and Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS</b>				
<i>Intra-campus Transfers Between Funds:</i>				
Inter-fund Transfers In/(Out)	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)
<i>Transfers Between UNTS Components:</i>				
Shared Services	6,847,990	17,613,063	24,461,053	32,809,043
Core Services	6,283,418	10,249,084	14,032,502	17,815,920
Other Inter-Unit Transfers In/(Out)	1,635,049	1,394,471	2,324,029	4,994,451
<i>Other Transfers:</i>				
Transfer to other State Agencies In/(Out)	-	-	-	-
Other Legislative Transfers In/(Out)	1,144,412	1,144,412	1,144,412	1,144,412
<b>Total Transfers</b>	<b>\$ 15,710,869</b>	<b>\$ 30,201,030</b>	<b>\$ 41,761,996</b>	<b>\$ 56,563,826</b>
<b>Estimated Budgeted Impact on Fund Balances</b>	<b>4,565,961</b>	<b>3,546,401</b>	<b>(1,522,259)</b>	<b>(2,187,535)</b>
<b>Planned Use of Fund Balances</b>	<b>\$ -</b>	<b>\$ 2,911,000</b>	<b>\$ 2,911,000</b>	<b>\$ 2,911,000</b>



# Capital Project Financing / Debt Management

Presented by: James Mauldin

Associate Vice Chancellor for Treasury

Date: July 31, 2015

\*REVISED July 27, 2015\*

Revisions reflect current year-to-date balances as adjusted for payments made and formula corrections. Revised numbers in blue.

# Project Financing Tools

## ➤ Interim Financing

### ➤ Commercial Paper

- \$100 Million Program with \$76 Million outstanding

### ➤ Series 2014 Direct Purchase Bonds

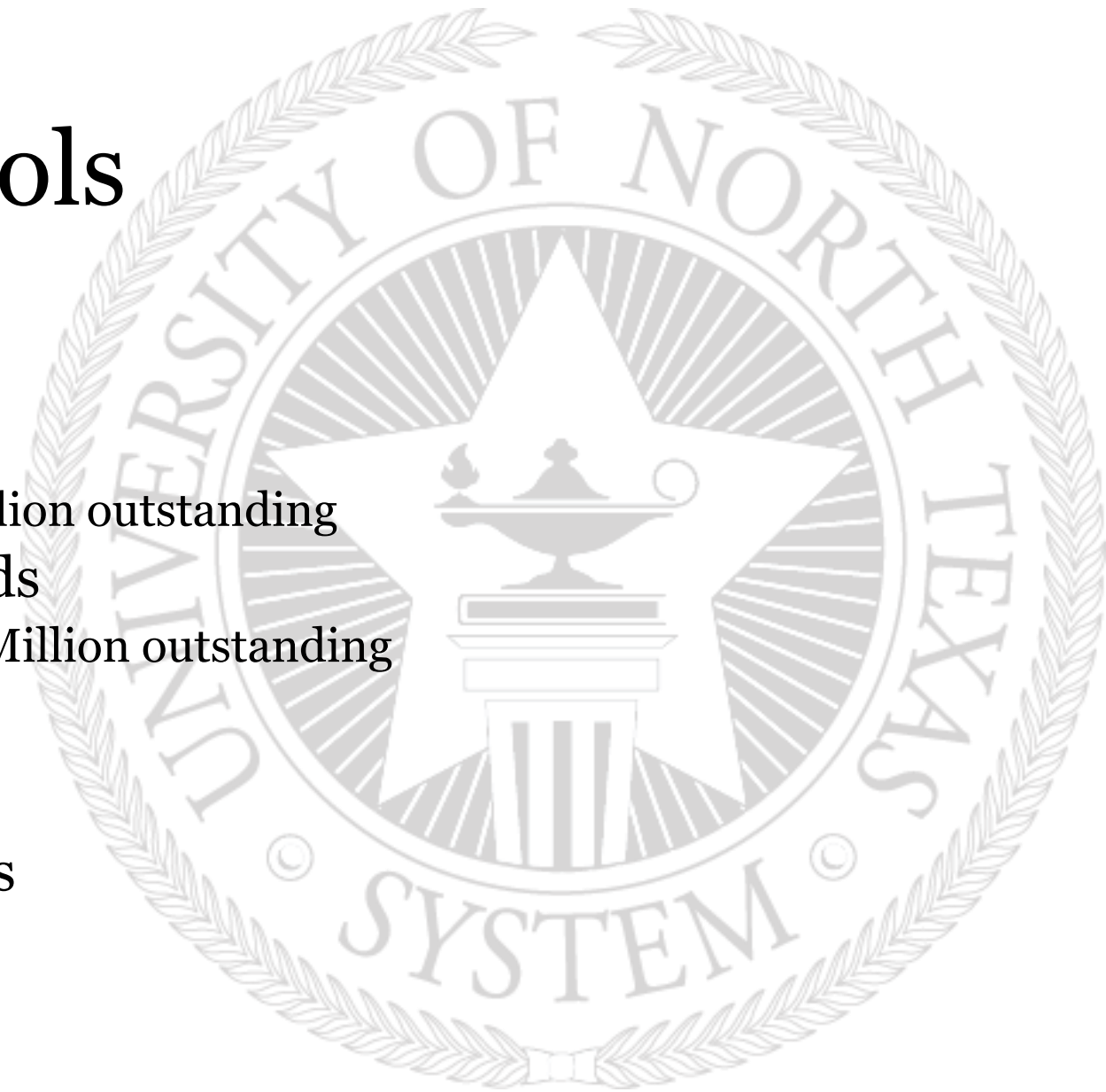
- \$120 Million Issue Size with \$81.5 Million outstanding

- June 2016 Maturity

## ➤ Long-term Financing

### ➤ Revenue Financing System Bonds

- \$368.9 Million outstanding



# Project Financing Strategy

- Resume Issuance of Commercial Paper (CP)
  - Provides low-cost financing during construction
- Refund CP with Long-term Bonds after Project Completion
  - Generally once per year
- Pre-fund TRB Projects Annually with Long-term Bonds
  - Beginning in late FY16

# Debt Management

- Restated Sixteenth Supplemental Resolution – Delegated Sale
  - Delegates Authority to Issue Bonds within Predefined Parameters to Vice Chancellor for Finance
- The Plan
  - First Half of FY16
    - Issue bonds to refund interim financing for completed projects and refundable outstanding bonds
  - Late FY16
    - Begin annual process of refunding interim financing for completed projects and pre-funding TRB cash needs for upcoming 12 months

# Projected Debt Structure

(Millions)

Projected Fiscal Year 2015													
Institution	Current Short Term	Projected CP Additions	Series 2014 Additions	CP Refunded to RFS	CP Refunded to TRB	Series 2014 Refunded to Long-term	Projected Short Term (8/31/15)	Current Long-term	Long-term Additions (Refund)	Long-term Additions (New Money)	Long-term Redemptions	Projected Long-term (8/31/15)	
UNT	137.76	-	-	-	-	-	137.76	259.59	-	-	-	259.59	
HSC	-	3.06	-	-	-	-	3.06	61.19	-	-	-	61.19	
UNT-Dallas	-	0.67	-	-	-	-	0.67	33.64	-	-	-	33.64	
System	19.81	-	-	-	-	-	19.81	14.49	-	-	-	14.49	
<b>System-wide Total</b>	<b>157.57</b>	<b>3.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161.29</b>	<b>368.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368.90</b>	

Projected Fiscal Year 2016													
Institution	Beginning Short Term	CP Additions	Series 2014 Additions	CP Refunded to RFS	CP Refunded to TRB	Series 2014 Refunded to RFS	Projected Short Term (8/31/16)	Beginning Long-term	Long-term Additions (Refund)	Long-term Additions (New Money)	Long-term Redemptions	Projected Long-term (8/31/16)	
UNT	137.76	28.27	38.50	(56.26)	(4.57)	(120.00)	23.69	259.59	180.83	24.38	(14.78)	450.02	
HSC	3.06	21.63	-	(11.50)	(7.31)	-	5.88	61.19	18.81	28.13	(6.56)	101.58	
UNT-Dallas	0.67	8.64	-	-	(2.79)	-	6.51	33.64	2.79	18.38	(2.26)	52.55	
System	19.81	2.37	-	(19.81)	(2.37)	-	0.00	14.49	22.18	13.91	(0.42)	50.15	
<b>System-wide Total</b>	<b>161.29</b>	<b>60.91</b>	<b>38.50</b>	<b>(87.57)</b>	<b>(17.04)</b>	<b>(120.00)</b>	<b>36.09</b>	<b>368.90</b>	<b>224.61</b>	<b>84.80</b>	<b>(24.01)</b>	<b>654.30</b>	

**RESTATED SIXTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**

RESTATED SIXTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER  
RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF  
BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM  
REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND  
APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES  
RELATING THERETO

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**RESTATED SIXTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**

WHEREAS, on February 12, 1999, the Board adopted the "*Amended and Restated Master Resolution Establishing the Revenue Financing System Under the Authority and Responsibility of the Board of Regents of the University of North Texas*" (referred to herein as the "Master Resolution"); and

WHEREAS, the Board heretofore has adopted a "**FIRST SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 1997; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "First Supplement") and pursuant to the First Supplement issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 1997**" in the aggregate principal amount of \$4,380,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**SECOND SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 1999; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Second Supplement"); and

WHEREAS, the Second Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Second Supplement, and pursuant to the terms of the Second Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 1999**" in the aggregate principal amount of \$32,540,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**THIRD SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 1999-A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Third Supplement"); and

WHEREAS, the Third Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Third Supplement, and pursuant to the terms of the Third Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 1999-A**" in the aggregate principal amount of \$15,535,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**FOURTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2001; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fourth Supplement"); and

WHEREAS, the Fourth Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Fourth Supplement, and pursuant to the terms of the Fourth Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2001**" in the aggregate principal amount of \$33,860,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**FIFTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fifth Supplement"); and

WHEREAS, the Fifth Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Fifth Supplement, and pursuant to the terms of the Fifth Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002**" in the aggregate principal amount of \$63,470,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**SIXTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Sixth Supplement"); and

WHEREAS, the Sixth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Sixth Supplement, and pursuant to the terms of the Sixth Supplement the Vice Chancellor for Finance for the University System authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF**

*NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002A*" in the aggregate principal amount of \$9,500,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a **"SEVENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2003; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Seventh Supplement"); and

WHEREAS, the Seventh Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Seventh Supplement, and pursuant to the terms of the Seventh Supplement the Pricing Committee authorized the sale, and the Board issued its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2003"** in the aggregate principal amount of \$31,180,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted an **"EIGHTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2003A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Eighth Supplement"); and

WHEREAS, the Eighth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Eighth Supplement, and pursuant to the terms of the Eighth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2003A"** in the aggregate principal amount of \$6,185,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a **"NINTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, TAXABLE SERIES 2003B; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Ninth Supplement"); and

WHEREAS, the Ninth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Ninth Supplement, and pursuant to the terms of the Ninth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its **"BOARD OF REGENTS OF THE UNIVERSITY OF**

***NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, TAXABLE SERIES 2003B*** in the aggregate principal amount of \$4,980,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted an **"AMENDED AND RESTATED TENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM, AUTHORIZING THE ISSUANCE OF TAX-EXEMPT AND TAXABLE COMMERCIAL PAPER NOTES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Tenth Supplement") and pursuant to the Tenth Supplement to the Master Resolution has the authority to issue from time to time and at any one time outstanding up to \$100,000,000 in aggregate principal amount of its commercial paper notes as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted an **"ELEVENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2005; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Eleventh Supplement"); and

WHEREAS, the Eleventh Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Eleventh Supplement, and pursuant to the terms of the Eleventh Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its ***"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2005"*** in the aggregate principal amount of \$76,795,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a **"TWELFTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2006; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Twelfth Supplement"); and

WHEREAS, the Twelfth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Twelfth Supplement, and pursuant to the terms of the Twelfth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its ***"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2007"*** in the aggregate principal amount of \$56,050,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a **"THIRTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE,**

**SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2009; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Thirteenth Supplement"); and

WHEREAS, the Thirteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Thirteenth Supplement, and pursuant to the terms of the Thirteenth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2009**" in the aggregate principal amount of \$38,650,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**FOURTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fourteenth Supplement"); and

WHEREAS, the Fourteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Fourteenth Supplement, and pursuant to the terms of the Fourteenth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2009A**" in the aggregate principal amount of \$159,310,000, its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2009B**" in the aggregate principal amount of \$15,800,000, and its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2010**" in the aggregate principal amount of \$57,625,000, as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on August 19, 2010, the Board adopted a "**FIFTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (the "2010 Fifteenth Supplement"); and

WHEREAS, the authority delegated to the Vice Chancellor for Finance for the University System to effect the sale of all or any portion of the bonds authorized to be sold pursuant to the terms of the 2010 Fifteenth Supplement expired on August 31, 2011; and

WHEREAS, the authority so delegated was not exercised on or before August 31, 2011, and the 2010 Fifteenth Supplement was of no force and effect; and

WHEREAS, on August 18, 2011, the Board adopted a "**RESTATED FIFTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fifteenth Supplement"); and

WHEREAS, the Fifteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Fifteenth Supplement, and pursuant to the terms of the Fifteenth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2012A**" in the aggregate principal amount of \$75,890,000, and its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, TAXABLE SERIES 2012B**" in the aggregate principal amount of \$4,820,000, as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on August 16, 2013, the Board adopted a "**SIXTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (the "2013 Sixteenth Supplement"); and

WHEREAS, the 2013 Sixteenth Supplement authorized the issuance of bonds in an aggregate principal amount not to exceed \$415,000,000, none of the bonds authorized by the 2013 Sixteenth Supplement were sold, and the authority to issue bonds under the 2013 Sixteenth Supplement expired on August 29, 2014; and

WHEREAS, on February 20, 2014, the Board adopted a "**SEVENTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM, SERIES B; AUTHORIZING THE ISSUANCE OF TAX-EXEMPT AND TAXABLE COMMERCIAL PAPER NOTES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Seventeenth Supplement") and pursuant to the Seventeenth Supplement to the Master Resolution has the authority to issue from time to time and at any one time outstanding up to \$100,000,000 in aggregate principal amount of its commercial paper notes as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, none of the commercial paper notes authorized by the Seventeenth Supplement have been sold; and

WHEREAS, on February 20, 2014, the Board adopted an "**EIGHTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING**

**THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO** (the "Eighteenth Supplement"); and

WHEREAS, the Eighteenth Supplement authorizes the issuance of bonds in an aggregate principal amount not to exceed \$200,000,000 for the purpose of refinancing commercial paper notes sold under authority of the Tenth Supplement and the Seventeenth Supplement, and none of the bonds authorized by the Eighteenth Supplement have been sold; and

WHEREAS, on May 15, 2014, the Board adopted an "**NINETEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM DIRECT PURCHASE BONDS, SERIES 2014; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO** " (the "Nineteenth Supplement"); and

WHEREAS, the Nineteenth Supplement authorizes the issuance of bonds in installments, in an aggregate principal amount not to exceed \$120,000,000, and \$81,500,000 in bonds have been delivered as Parity Obligations under the Master Resolution; and

WHEREAS, on April 9, 2015, the Board adopted a "**TWENTIETH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2015; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Twentieth Supplement"); and

WHEREAS, pursuant to the terms of the Twentieth Supplement, the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2015**" in the aggregate principal amount of \$38,265,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Parity Obligations issued under the terms of the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement, the Sixth Supplement, the Seventh Supplement, the Eighth Supplement, the Ninth Supplement, and the Eleventh Supplement are no longer outstanding; and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution; and

WHEREAS, the Master Resolution establishes that the Revenue Financing System is to be comprised of the University, UNT-Dallas, the Health Science Center and the Law School, and pledges the Pledged Revenues to the payment of Parity Obligations to be outstanding under the Master Resolution; and



WHEREAS, the Board has determined to implement the Revenue Financing System in order to establish a system of financing improvements at the University, UNT-Dallas, the Health Science Center and the Law School in a manner consistent with Chapter 55, Texas Education Code; and

WHEREAS, the Board deems it necessary to amend and restate the 2013 Sixteenth Supplement to issue, pursuant to the terms and conditions of this resolution (this "Sixteenth Supplement"), the bonds hereinafter authorized as Parity Obligations issued pursuant to the Master Resolution, for the purposes hereinafter described; and

WHEREAS, the bonds authorized to be issued by this Sixteenth Supplement (the "Bonds") are to be issued and delivered under authority of applicable provisions of Chapter 55, Texas Education Code, including specifically, but not by way of limitation, Sections 55.13 and 55.1755, Texas Education Code, and Chapters 1207 and 1371, Texas Government Code.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM THAT:**

Section 1. **DEFINITIONS.** In addition to the definitions set forth in the preamble of this Sixteenth Supplement, the terms used in this Sixteenth Supplement (except in the FORM OF BONDS) and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit "A" to this Sixteenth Supplement attached hereto and made a part hereof.

Section 2. **AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS.** (a) *Amount and Designation of Bonds.* The "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS**", are hereby authorized to be issued and delivered, in one or more series, in an aggregate principal amount not to exceed \$380,000,000 **FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR PARTICIPANTS IN THE REVENUE FINANCING SYSTEM, (ii) FUNDING, TO THE EXTENT PERMITTED BY APPLICABLE LAW, CAPITALIZED INTEREST ON THE BONDS, (iii) REFUNDING THE REFUNDABLE BONDS, (iv) REFUNDING ANY OUTSTANDING COMMERCIAL PAPER NOTES, AND (v) PAYING THE COSTS OF ISSUANCE RELATED TO THE SALE OF THE BONDS.**

(b) *New Money Authorization.* The Bonds authorized for the purposes described in clauses (i) and (ii) of subsection (a) of this Section are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Sections 55.13, 55.1755 and 55.17\_\_ thereof, and Chapter 1371, Texas Government Code. The principal amount of the Bonds hereby authorized by the Board that may be issued, in one or more series, for the purposes described in clauses (i) and (ii) of subsection (a) of this Section may not exceed \$100,000,000. The Vice Chancellor for Finance for the University System shall execute a certificate providing such documentation as may be required by the Public Finance Division of the Office of the Attorney General to (i) describe the specific projects for which the Bonds are being issued, and which specific projects are being financed with

the proceeds of the Bonds issued under authority of Section 55.1755 and 55.17\_\_, Texas Education Code, and (ii) evidence the approval, if any, required to be obtained from the Texas Higher Education Coordinating Board for the projects to be financed with the proceeds of the Bonds.

(c) **Refunded Bonds.** The Bonds hereby authorized to be issued, in one or more series, by the Board for the purposes described in clause (iii) of subsection (a) of this Section are being issued to refund the Refunded Bonds. The refunding of the Refunded Bonds shall be accomplished in a manner that will result in a target net present value savings for the transaction of at least three percent (3.00%) of the Refunded Bonds and a positive gross savings being achieved, which constitutes a public purpose. The foregoing notwithstanding, the refunding of the Nineteenth Series Bonds may not result in a net present value loss to the University System in excess of \$\_\_\_\_\_, and the aggregate increase of payments may not exceed \$\_\_\_\_\_, which amounts are attributable primarily to additional interest payments resulting from the extension of the final maturity of the Nineteenth Series Bonds beyond June 30, 2016, the refunding of the aggregate principal amount of the Nineteenth Series Bonds will be in the best interests of the University System, for the following reasons: at the time the University System issued the Nineteenth Series Bonds, it was anticipated that it would be necessary to refund the Nineteenth Series Bonds to avoid the balloon maturity payment due on the Nineteenth Series Bonds on June 30, 2016, a date within ten years of the dated date of the Nineteenth Series Bonds, and current economic conditions make it favorable to effect a refunding of the Nineteenth Series Bonds in a manner that minimizes the loss to be incurred as a result of the refunding of such balloon payment due on the Nineteenth Series Bonds and extending the maturity thereof beyond June 30, 2016. This finding is made in accordance with the provisions of Section 1207.008, Texas Government Code.

the refunding of the Nineteenth Series Bonds

(d) **Refunded Commercial Paper Notes.** The Bonds hereby authorized to be issued by the Board for the purposes described in clause (iv) of subsection (a) of this Section are being issued under authority of Chapters 1207 and 1371, Texas Government Code, to refund the Refunded Commercial Paper Notes. The Refunded Commercial Paper Notes are being refunded to convert interim financing into long-term fixed rate financing, as contemplated by the Board in the operation of the interim financing program as provided for in the Tenth Supplement. Therefore, the manner in which the refunding of the Refunded Commercial Paper Notes is being undertaken by the Board does not make it practicable to make the determinations required by subsection (a) of Section 1207.008, Texas Government Code. The Refunded Commercial Paper Notes shall be those outstanding Commercial Paper Notes, not to exceed \$100,000,000 in principal amount, designated by the Vice Chancellor for Finance for the University System be refunded and retired with a portion of the proceeds of the Bonds. The principal amount of the Refunded Commercial Paper Notes shall be specifically identified in a certificate executed by the Vice Chancellor for Finance for the University System and delivered to (i) the Attorney General of Texas in connection with the submission of proceedings pertaining to approval of Bonds thereby and (ii) the Board.

**Section 3. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS.** (a) **Terms of Bonds.** Initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, in one or more series, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or

portions thereof (in each case, the "Registered Owner"), in the denomination of \$5,000 or any integral multiple thereof (an "Authorized Denomination"), maturing not later than April 15, 2055, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as shall be determined and established in accordance with this Sixteenth Supplement.

(b) *Sale of Bonds.* (i) *Method of Sale.* As authorized by Chapter 1371, Texas Government Code, the Vice Chancellor for Finance for the University System is hereby authorized to determine the method of sale for all or any portion of the Bonds authorized to be sold by this Sixteenth Supplement, whether by competitive sale or by negotiated sale. The determination of the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, relating to the method of and the terms and conditions relating to the sale of Bonds pursuant to this Sixteenth Supplement shall have the same force and effect as if such determination were made by the Board. In effecting the sale of the Bonds authorized to be sold by this Sixteenth Supplement, the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, may determine any additional or different designation or title by which any series of Bonds shall be known, the aggregate principal amount of Bonds, if any, to be issued to fund the projects to be described by the certificate executed by the Vice Chancellor for Finance for the University System in accordance with Section 2(b) hereof, the aggregate principal amount of Bonds, if any, to be issued to refund the Refunded Bonds as described in Section 2(c) hereof, the aggregate principal amount of Bonds, if any, to be issued to refund Commercial Paper Notes as described in Section 2(d) hereof, the aggregate principal amount of the Bonds, if any, to be issued as obligations, the interest on which is excluded from gross income for purposes of section 103 of the Code, and the aggregate principal amount of the Bonds, if any, issued as obligations that are not intended to be issued as obligations, the interest on which is excluded from gross income for purposes of section 103 of the Code. Prior to the delivery of any Bonds authorized to be sold by this Sixteenth Supplement, whether by competitive sale or negotiated sale, the Vice Chancellor for Finance for the University System shall execute a certificate addressing the matters described in this subsection with respect to the Bonds sold under authority granted by this Sixteenth Supplement.

(ii) *Competitive Sale.* The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is hereby authorized to seek competitive bids for the sale of the Bonds authorized to be sold by this Sixteenth Supplement, and is hereby authorized to prepare and distribute the Bidding Instructions and the Official Bid Form with respect to seeking competitive bids for the sale of the Bonds. The Bidding Instructions shall contain the terms and conditions relating to the sale of the Bonds, including the date bids for the purchase of the Bonds are to be received, the date of the Bonds, any additional designation or title by which the Bonds shall be known, the aggregate principal amount of the Bonds to be sold, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale and delivery of the Bonds so sold including, without limitation, the use of municipal bond insurance for the Bonds. The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is hereby authorized to receive and accept bids for the sale of Bonds in accordance with the Bidding Instructions on such date as determined

thereby. The Bonds so sold shall be sold at such price as the Vice Chancellor for Finance for the University System shall determine to be the most advantageous to the Issuer, which determination shall be evidenced by the execution thereby of the Official Bid Form submitted by the best and winning bidder. The sale of the Bonds, including specifically the terms of the purchase price of the Bonds, shall be subject to the provisions in subsection (e) of this Section. One Bond in the principal amount maturing on each maturity date as set forth in the Official Bid Form shall be delivered to the initial purchasers thereof, and such purchasers shall have the right to exchange such bonds as provided in Section 5 hereof without cost. The Bonds shall initially be registered in the name as set forth in the Official Bid Form. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(iii) *Negotiated Sale.* The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is hereby authorized to sell all or any portion of the Bonds authorized to be sold by this Sixteenth Supplement by negotiated sale, and should the Vice Chancellor for Finance for the University System determine to sell Bonds by negotiated sale, the Vice Chancellor for Finance for the University System may designate the senior managing underwriter from the underwriting pool for the Bonds so sold by a negotiated sale pursuant to this Sixteenth Supplement, and such additional investment banking firms as she deems appropriate to assure that the Bonds are sold on the most advantageous terms to the Financing System. Should Bonds be sold through a negotiated sale, the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is authorized to enter into and carry out a Bond Purchase Agreement with the Underwriters for the Bonds so sold by a negotiated sale pursuant to this Sixteenth Supplement, at such price, with and subject to such terms as determined by the Vice Chancellor for Finance for the University System, subject to the provisions of this Sixteenth Supplement. The sale of the Bonds, including specifically the terms of the purchase price of the Bonds, shall be subject to the provisions in subsection (e) of this Section. One Bond in the principal amount maturing on each maturity date as set forth in the Bond Purchase Agreement shall be delivered to the Underwriters, and the Underwriters shall have the right to exchange such Bonds as provided in Section 5 hereof without cost. The Bonds shall initially be registered in the name designated by the Underwriters as set forth in the Bond Purchase Agreement. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Bond Purchase Agreement shall be substantially in the form and substance previously approved by the Board in connection with the authorization of Parity Debt, as shall be acceptable to the Vice Chancellor for Finance for the University System, including, without limitation, to contain such terms and conditions as may be provided in accordance with subsection (d) of this Section.

(c) *In General.* The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and (vi) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS, as revised to conform the Bonds to the terms of the Bond Purchase Agreement, in the

case of a negotiated sale, or the Bidding Instructions and Official Bid Form, in the case of a competitive sale. The Bonds of any series shall be numbered consecutively from R-1 upward.

(d) ***Bond Purchase Agreement.*** Should Bonds be sold by a negotiated sale, the Vice Chancellor for Finance for the University System is hereby authorized, appointed, and designated to act on behalf of the Board in the selling and delivering the Bonds and carrying out the other procedures specified in this Sixteenth Supplement, including determining and fixing the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the aggregate principal amount of the Bonds to be sold, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds, including, without limitation, the use of municipal bond insurance for the Bonds, all of which shall be specified in the Bond Purchase Agreement. The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is authorized to enter into with the Underwriters and carry out the conditions specified in a Bond Purchase Agreement for the Bonds, at such price and subject to such terms as are set forth therein. The sale of the Bonds, including specifically the terms of the purchase price of the Bonds, shall be subject to the provisions in subsection (e) of this Section.

(e) ***Parameters to Sale of Bonds.*** The foregoing provisions of this Section notwithstanding, the purchase price to be paid for the Bonds sold pursuant to this Sixteenth Supplement shall not be less than 95% of the aggregate principal amount thereof, and the Bonds shall not bear a "net effective interest rate" (as defined in and calculated in accordance with the provisions of Chapter 1204, Texas Government Code) of greater than 10%. The Bonds shall not be delivered unless (i) prior to the execution by the Vice Chancellor for Finance for the University System of the Bond Purchase Agreement or the Official Bid Form, as the case may be, the approval of the issuance of the Bonds by the Texas Bond Review Board has been received in the manner prescribed by law, and (ii) prior to their delivery, such Bonds have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by law. The authority hereby granted by the Board to the Vice Chancellor for Finance for the University System to effect the sale of all or any portion of the Bonds authorized to be sold by this Sixteenth Supplement expires at 5:00 p.m., Wednesday, August 31, 2016.

Section 4. **INTEREST.** The Bonds shall bear interest from the dates specified in the FORM OF BONDS and in the Bond Purchase Agreement or the Official Bid Form, as the case may be, to their respective dates of maturity, at the rates, and shall be calculated on the basis and in the manner, set forth in the executed Bond Purchase Agreement, in the case of a negotiated sale, or in the Official Bid Form submitted by the highest and best bidder and accepted by the Vice Chancellor for Finance for the University System, in the case of a competitive sale.

Section 5. **REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY ONLY SYSTEM.** (a) ***Paying Agent/Registrar.*** The Vice Chancellor for Finance for the University System is authorized to solicit bids for and to select a Paying Agent/Registrar for all or any series of Bonds sold pursuant to this Sixteenth Supplement. The Vice Chancellor for Finance for the University System is also authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds in substantially the standard form previously approved by the Board.

(b) ***Registration Books.*** The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar so designated in the Paying Agent/Registrar Agreement (the "Designated Trust Office") books or records for the registration of the transfer, exchange, and replacement of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books at the Designated Trust Office of the Paying Agent/Registrar during regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) ***Ownership of Bonds.*** The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Sixteenth Supplement, whether or not such Bond shall be overdue, and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) ***Payment of Bonds and Interest.*** The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Sixteenth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(e) ***Authentication.*** The Bonds initially issued and delivered pursuant to this Sixteenth Supplement shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF BONDS (the "Authentication Certificate") unless they have been approved by the Attorney General of the State of

Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Sixteenth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate.

(f) ***Transfer, Exchange, or Replacement.*** Each Bond issued and delivered pursuant to this Sixteenth Supplement, to the extent of the unpaid or unredeemed principal amount thereof, may, at the option of the registered owner or such assignee or assignees, as appropriate, upon surrender of such Bond at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall be of the same series and have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the registered owner, and in the aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered Bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Sixteenth Supplement shall constitute one of the Bonds for all purposes of this Sixteenth Supplement, and may again be exchanged or replaced. The Authentication Certificate shall be printed on each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Sixteenth Supplement. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in (e) above, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by the Issuer or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be in typed or printed form as determined by the Vice Chancellor for Finance for the University System. Pursuant to Chapter 1206, Texas Government Code, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Sixteenth Supplement. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for

transferring, and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date, or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

(g) ***Substitute Paying Agent/Registrar.*** The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Sixteenth Supplement, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Sixteenth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Sixteenth Supplement, and a certified copy of this Sixteenth Supplement shall be delivered to each Paying Agent/Registrar.

(h) ***Book-Entry Only System.*** The Bonds issued in exchange for the Bonds initially issued and delivered to the initial purchasers thereof shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC, and except as provided in subsection (i) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no



responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Sixteenth Supplement to the contrary but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Sixteenth Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Sixteenth Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Sixteenth Supplement with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Sixteenth Supplement shall refer to such new nominee of DTC.

(i) ***Successor Securities Depository; Transfers outside Book-Entry Only System.*** In the event that the Board or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter (as referred to in Section 23 of this Sixteenth Supplement) of the Board to DTC or DTC determines to discontinue providing its services with respect to the Bonds, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Sixteenth Supplement.

(j) ***Payments to Cede & Co.*** Notwithstanding any other provision of this Sixteenth Supplement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Board to DTC.

(k) **Notice of Redemption.** In addition to the method of providing a notice of redemption set forth in the FORM OF BONDS, the Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the registered owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

Each notice of redemption, whether required in the FORM OF BONDS or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts called of each maturity of the Bonds, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

Section 6. **FORM OF BONDS.** The form of the Bonds, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bonds initially issued and delivered to the initial purchasers thereof pursuant to this Sixteenth Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Sixteenth Supplement.

Section 7. **ESTABLISHMENT OF FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS.** By adoption of the Master Resolution the Board has established the Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness of the University, UNT-Dallas, the Health Science Center and the Law School. The Master Resolution is intended to establish a master plan under which revenue supported debt of the Financing System can be incurred. This Sixteenth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds. The Master Resolution is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Resolution. As required by Section 5(a) of the Master Resolution, the Board hereby determines, in connection with the issuance of the Bonds, that (i) it will have sufficient funds to meet the financial obligations of each Participant in the Financing System (currently the University, UNT-Dallas, the Health Sciences Center and the Law School), including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of

the Financing System, and to meet all financial obligations of the Board relating to the Financing System and (ii) the University, UNT-Dallas, the Health Sciences Center and the Law School each possess the financial capability to satisfy its respective Direct Obligation (as defined in the Master Resolution) after taking into account the debt service on the Bonds.

Section 8. **SECURITY.** The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to the Master Resolution and this Sixteenth Supplement. The Pledged Revenues are hereby pledged, subject to the liens securing the Prior Encumbered Obligations, to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Board under this Section 8, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues granted by the Board under this Section 8 is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Board agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 9. **PAYMENTS.** On or before each principal or interest payment date while any Bond is outstanding and unpaid, commencing on the first interest payment date for the Bonds as provided therein, the Board shall make available to the Paying Agent/Registrar money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of cancellation.

Section 10. **DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.**

(a) **Replacement Bonds.** In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered a new Bond of the same series, principal amount, maturity, and interest rate, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) **Application for Replacement Bonds.** Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement Bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the

case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) ***Payment in Lieu of Replacement.*** Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) ***Charge for Issuing Replacement Bonds.*** Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Sixteenth Supplement equally and proportionately with any and all other Bonds duly issued under this Sixteenth Supplement.

(e) ***Authority for Issuing Replacement Bonds.*** In accordance with Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement Bond without the necessity of further action by the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(f) of this Sixteenth Supplement for Bonds issued in exchange and replacement for other Bonds.

Section 11. **AMENDMENT OF SUPPLEMENT.** (a) ***Amendments without Consent.*** This Sixteenth Supplement and the rights and obligations of the Board and of the owners of the Bonds may be modified or amended at any time without notice to or the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in this Sixteenth Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Sixteenth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Sixteenth Supplement, upon receipt by the Board of an opinion of Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Sixteenth Supplement;

(iii) To supplement the security for the Bonds, replace or provide additional credit facilities, or change the form of the Bonds or make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as are permitted by Section 19(c)(vi) of this Sixteenth Supplement;

(vi) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vii) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the Board in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

(b) ***Amendments with Consent.*** Subject to the other provisions of this Sixteenth Supplement, the owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Sixteenth Supplement which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Sixteenth Supplement or in the Bonds so as to:

- (1) Make any change in the maturity of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by Outstanding Bonds;
- (3) Reduce the amount of the principal payable on Outstanding Bonds;
- (4) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all Bonds then Outstanding; or
- (6) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) **Notice.** If at any time the Board shall desire to amend this Sixteenth Supplement other than pursuant to subsection (a) of this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds.

(d) **Receipt of Consents.** Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by all of the owners or the owners of at least a majority in Outstanding Principal Amount of Bonds, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Board may adopt the amendatory resolution in substantially the same form.

(e) **Effect of Amendments.** Upon the adoption by the Board of any resolution to amend this Sixteenth Supplement pursuant to the provisions of this Section, this Sixteenth Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the Master Resolution and this Sixteenth Supplement, as amended.

(f) **Consent Irrevocable.** Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the Board, but such revocation shall not be effective if the owners of a majority in Outstanding Principal Amount of Bonds, prior to the attempted revocation, consented to and approved the amendment.

(g) **Ownership.** For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the registration books kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 12. **TAX-EXEMPTION.** The Vice Chancellor for Finance of the University System, acting for and on behalf of the Board, shall designate those Bonds authorized to be sold pursuant to the terms of this Sixteenth Supplement that the Issuer does intend to issue the Bonds in a manner such that the Bonds would constitute obligations described in section 103 of the Code.

(a) **General Covenants.** With respect to such Bonds so designated by the Vice Chancellor for Finance of the University System, the Issuer covenants to refrain from any action which would adversely affect, or to take any action to assure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of such Bonds or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use", as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Sixteenth Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on such Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of such Bonds or the projects financed or refinanced therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of such Bonds (less amounts deposited into a reserve fund, if any), is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in such Bonds being treated as "private activity bonds" within the meaning of section 141(a) of the Code;

(e) to refrain from taking any action that would result in such Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of such Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of such Bonds, other than investment property acquired with B

(1) proceeds of such Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of such Bonds;

(g) to otherwise restrict the use of the proceeds of such Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that such Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of such Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after such Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of such Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to such Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on such Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to such Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on such Bonds under section 103 of the Code. In furtherance of the foregoing, the Chair of the Board, the Chancellor of the University, and the Board Representative each may execute any certificates or other reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of such Bonds. In order to facilitate compliance with the above clause (h), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and the Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of such Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(b) *Allocation of, and Limitation on, Expenditures for the Project.* The Board covenants to account for on its books and records the expenditure of proceeds from the sale of any Bonds, the interest on which is to be excluded from gross income under the Code, and any investment earnings thereon to be used for the financing of any of the improvements described in Section 2(b) hereof and so designated in the certificate described in Section 3(b)(i) hereof (referred to herein and subsection (c) of this Section as a "Project") by allocating proceeds to expenditures within 18 months of the later



of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the Board shall not expend such proceeds or investment earnings more than 60 days after the earlier of (a) the fifth anniversary of the date of delivery of such Bonds or (b) the date such Bonds are retired, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of such Bonds. For purposes of this subsection (b), the Board shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(c) ***Disposition of Project.*** The Board covenants that none of the property constituting a Project financed or refinanced with the proceeds of any Bonds, the interest on which is to be excluded from gross income under the Code, or the Refunded Bonds, will be sold or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of such Bonds. For purposes of this subsection (c), the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this subsection (c), the Board shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(d) ***Written Procedures.*** Written procedures have been established by the Vice Chancellor for Finance for the University System regarding private business use, remedial action, arbitrage and rebate and the application of the covenants set forth in this Section, and the written procedures shall apply to the Bonds.

Section 13. **TAXABLE BONDS.** The Vice Chancellor for Finance of the University System, acting for and on behalf of the Board, shall designate those Bonds authorized to be sold pursuant to the terms of this Sixteenth Supplement that the Issuer does not intend to issue the Bonds in a manner such that the Bonds would constitute obligations described in section 103 of the Code and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

Section 14. **SIXTEENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY.** In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Sixteenth Supplement shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and the pledge made in this Sixteenth Supplement by the Board and the covenants and agreements set forth in this Sixteenth Supplement to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Sixteenth Supplement.

Section 15. **SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 16. **PAYMENT AND PERFORMANCE ON BUSINESS DAYS.** Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Sixteenth Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 17. **LIMITATION OF BENEFITS WITH RESPECT TO THE SIXTEENTH SUPPLEMENT.** With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Sixteenth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Sixteenth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Sixteenth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 18. **CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE.** The Vice Chancellor for Finance for the University System is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State of Texas. The Vice Chancellor for Finance for the University System is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds, in which case the Vice Chancellor for Finance for the University System also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The Vice Chancellor for Finance for the University System is hereby authorized, in connection with the submission to the Attorney General of the State of Texas of a transcript of proceedings for the approval of any series of the Bonds, to pay the fee for the examination of the transcript of proceedings in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed

on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to this Sixteenth Supplement is hereby adopted and made a part of this Sixteenth Supplement for all purposes. The Vice Chancellor for Finance for the University System is hereby authorized to purchase a municipal bond insurance policy from a municipal bond insurance provider that has an underlying rating of "AA" (or its equivalent) or better at the time Bonds are sold (the "Bond Insurer") as additional security for the Bonds. The printing of a legend describing the municipal bond insurance policy issued by the Bond Insurer is hereby authorized. The payment of the premium to the Bond Insurer in consideration for the issuance of said policy, should one be so obtained, is hereby approved. Any insurance commitment issued by the Bond Insurer shall be made a part hereof for all purposes. In addition, it is agreed that should such policy be obtained, the Board will comply with the conditions applicable to the Bonds, as set forth in any insurance commitment issued by the Bond Insurer, as if such conditions were incorporated in this Sixteenth Supplement, and will pay to the Paying Agent/Registrar for the Bonds so insured the debt service due on the Bonds so insured by the Bond Insurer not later than one Business Day prior to each principal or interest payment date of the Bonds. In the event such policy is obtained, the Vice Chancellor for Finance of the University System is hereby authorized to executed any agreements with the Bond Insurer in connection with the issuance of the municipal bond insurance policy. In the event such policy is obtained, the Vice Chancellor for Finance of the University System is hereby instructed to provide notice to the Bond Insurer in the event such payment is not made to the Paying Agent/Registrar on or before the Business Day before the scheduled principal or interest payment date; failure to make such payment to the Paying Agent/Registrar on or before the Business Day before the scheduled principal or interest payment date shall not constitute a default under the terms of this Sixteenth Supplement.

Section 19. **COMPLIANCE WITH RULE 15c2-12.** (a) *Annual Reports.* (i) The Board shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2015, financial information and operating data with respect to the Board of the general type included in the final Official Statement authorized by Section 20 of this Sixteenth Supplement, being the information described in Exhibit C hereto. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the Board may be required to employ from time to time pursuant to state law or regulation. If the Board commissions an audit of such statements and the audit is completed within twelve months after the end of each fiscal year ending in or after 2015, the Board will provide notice that the audited financial statements are not available, and will provide unaudited financial statements by the end of the twelve month period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audited financial statements become available.

(ii) If the Board changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official

statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. Filings shall be made electronically, in such format as prescribed by the MSRB.

(b) ***Disclosure Event Notices.*** The Board shall notify the MSRB, in a timely manner not in excess of ten Business Days after the occurrence of any of the following events, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Board;
13. The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the University System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor Paying Agent/Registrar or change in name of the Paying Agent/Registrar, if material.

The Board shall notify the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by subsection (a) of this Section. As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the University System in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University System, or if jurisdiction has been assumed by leaving the Board and officials or officers of the University System in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or

business of the University System.

(c) ***Limitations, Disclaimers, and Amendments.*** (i) The Board shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Board remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give notice of any deposit made in accordance with this Sixteenth Supplement or applicable law that causes the Bonds no longer to be Outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Board's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Board in observing or performing its obligations under this Section shall comprise a breach of or default under this Sixteenth Supplement for purposes of any other provision of this Sixteenth Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings or provide notices to entities other than the MSRB, the Issuer agrees to undertake such obligation in accordance with the Rule, as amended.

(vi) The provisions of this Section may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either

(a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Sixteenth Supplement that authorizes such an amendment) of the Bonds then outstanding consent to such amendment or (b) a person that is unaffiliated with the Board (such as nationally-recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Board so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 20. **FURTHER PROCEDURES; OFFICIAL STATEMENT.** Each Board Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Sixteenth Supplement, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Bonds. The final Official Statement relating to the offering of any series of Bonds shall be approved by the Vice Chancellor for Finance for the University System. The Vice Chancellor for Finance for the University System is authorized to approve any supplement to the Official Statement incorporating the information contained in the Bond Purchase Agreement, in the case of a negotiated sale, and the Bidding Instructions and Official Bid Form, in the case of a competitive sale, and such additional information as deemed material consistent with the requirements of the Rule and to authorize the distribution of such final Official Statement to the initial purchasers of the Bonds for their use in the sale of the Bonds to members of the general public. The use of such final Official Statement in the offer and sale of the Bonds is hereby approved. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 21. **REFUNDING.** (a) **Refunded Bonds.** The principal amount of Bonds, if any, issued to refund all or any portion of the Refundable Bonds, and the Refunded Bonds to be refunded, shall be specifically identified in the certificate described in Section 3(b)(i) hereof. The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, may elect not to refund any or all of the Refundable Bonds, but in no event shall the Bonds be issued for the purpose of refunding Refunded Bonds if the refunding of the aggregate principal amount of the obligations selected for refunding does not result in the minimum amount of savings established in Section 2(c) hereof being achieved. Should Bonds be sold for the purpose of refunding the Refunded

Bonds, on or before the date of delivery of the Bonds the Vice Chancellor for Finance for the University System shall execute and deliver to the Board a certificate stating that minimum amount of net present value savings and gross savings resulting from the refunding of the Refunded Bonds herein established has been exceeded. The determination of the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, relating to the issuance and sale of Bonds to refund Refunded Bonds in such principal amount as provided in the certificate to be executed by the Vice Chancellor for Finance of the University System as described in Section 3(b)(i) hereof shall have the same force and effect as if such determination were made by the Board. The Vice Chancellor for Finance for the University System is hereby directed to effect the prior redemption of any of the Refundable Bonds, and the redemption date or dates for the Refunded Bonds shall be set forth in the certificate to be executed by the Vice Chancellor for Finance of the University System as described in Section 3(b)(i) hereof.

(b) ***Refunded Commercial Paper Notes.*** The principal amount of Bonds, if any, issued to refund Refunded Commercial Paper Notes shall be specifically identified in the certificate to be executed by the Vice Chancellor for Finance for the University System in accordance with the provisions of Section 2(d) of this Sixteenth Supplement. Concurrently with the delivery of such Bonds, proceeds in the amount of the principal amount of the Refunded Commercial Paper Notes that are to be refunded, if any, and interest thereon, if any, with a portion of the proceeds from the sale of the Bonds shall be deposited to the credit of the "Note Payment Fund", established in accordance with the provisions of the Tenth Supplement, to refund those Refunded Commercial Paper Notes designated by the Vice Chancellor for Finance for the University System to be refunded and retired with a portion of the proceeds of the Bonds. The determination of the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, relating to the issuance and sale of Bonds to refund Refunded Commercial Paper Notes shall have the same force and effect as if such determination were made by the Board.

Section 22. **ESCROW AGREEMENT.** The Board shall cause to be deposited with the Escrow Agent, from the proceeds received from the sale of the Bonds sold for such purpose and other available moneys of the Board, an amount sufficient to provide for the refunding of the Refunded Bonds in accordance with Chapter 1207, Texas Government Code, to the extent Bonds are sold for such purpose. The Vice Chancellor for Finance for the University System is hereby authorized, for and on behalf of the Board, to execute and deliver the Escrow Agreement to accomplish the establishing of firm banking arrangements in connection with the refunding of the Refunded Bonds, in the standard form previously approved by the Board, with such changes as the Vice Chancellor for Finance for the University System deems necessary to effect the sale of the Bonds issued for such purpose, and to take such other actions on behalf of the Board to effect the sale of the Bonds issued for such purpose, including, without limitation, causing the redemption of the Refunded Bonds in accordance with the terms of the Supplement authorizing their issuance.

Section 23. **DTC LETTER OF REPRESENTATION.** The previous execution and delivery of the DTC Blanket Letter of Representations with respect to obligations of the Board is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Bonds.

Section 24. **REPEAL OF CONFLICTING RESOLUTIONS.** All resolutions and all parts of any resolutions (other than the Master Resolution), including the 2013 Sixteenth Supplement, which are in conflict or inconsistent with this Sixteenth Supplement, are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 25. **RULES OF CONSTRUCTION.** For all purposes of this Sixteenth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Sixteenth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Sixteenth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Sixteenth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Sixteenth Supplement is adopted by the Board and any future amendments thereto or successor provisions thereof. Any reference to the payment of principal in this Sixteenth Supplement shall be deemed to include the payment of mandatory sinking fund redemption payments. Any reference to "FORM OF BONDS" shall refer to the form of the Bonds set forth in Exhibit B to this Sixteenth Supplement. References to the Vice Chancellor for Finance for the University System shall mean the person holding that position at the time Bonds are sold, whether acting, interim, or permanent.

Section 26. **PUBLIC NOTICE.** It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the meeting at which this Sixteenth Supplement was adopted; that this Sixteenth Supplement would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.



## SCHEDULE I

### Refundable Bonds

All outstanding maturities of the following series of bonds are eligible to be refunded:

Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2007

The Refundable Bonds may be refunded with the proceeds of tax-exempt bonds, taxable bonds, or a combination of tax-exempt bonds and taxable bonds, as determined by the Vice Chancellor for Finance for the University System, subject to the minimum savings requirement set forth in Section 2(c) of this Sixteenth Supplemental Resolution.

## **EXHIBIT A DEFINITIONS**

As used in this Sixteenth Supplement the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "*Acts*" shall mean, collectively, Chapter 55, Texas Education Code, and Chapters 1207 and 1371, Texas Government Code.

The term "*Authorized Denomination*" shall mean an Authorized Denomination as defined in Section 3(a) of this Sixteenth Supplement.

The term "*Bidding Instructions*" shall mean the Notice of Sale and Bidding Instructions distributed to potential purchasers of Sixteenth Series Bonds sold pursuant to a competitive sale.

The terms "*Board*" and "*Issuer*" shall mean the Board of Regents of the University System.

The term "*Board Representative*" shall mean the Vice Chancellor for Finance for the University System, or such other officials of the University or the Health Science Center appointed by the Board to carry out the functions of the Board specified herein.

The term "*Bond Purchase Agreement*" shall mean a bond purchase agreement between the Board and the Underwriters, pertaining to the purchase by the Underwriters of any Sixteenth Series Bonds sold pursuant to a negotiated sale.

The term "*Bonds*" shall mean the Sixteenth Series Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Sixteenth Supplement; and the term "Bond" means any of the Bonds.

The term "*Business Day*" shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term "*Code*" means the Internal Revenue Code of 1986, as amended.

The term "*Commercial Paper Notes*" shall mean the Board of Regents of The University of North Texas Revenue Financing System Commercial Paper Notes, Series A (consisting of two sub-series, a tax-exempt sub-series and a taxable sub-series), issued pursuant to the provisions of the Master Resolution and the Tenth Supplement.

The term "*Designated Trust Office*" shall have the meaning ascribed to said term in Section 5(b) of this Sixteenth Supplement.

The term "*DTC*" shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term "*DTC Participant*" shall mean securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term "*Eighth Series Bonds*" shall mean the Board of Regents of The University of North Texas System Revenue Financing System Refunding Bonds, Series 2003A, authorized by the Eighth Supplement.

The term "*Eighth Supplement*" shall mean the resolution adopted by the Board on August 21, 2003, authorizing the Eighth Series Bonds.

The term "*Eleventh Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Series 2005, authorized by the Eleventh Supplement.

The term "*Eleventh Supplement*" shall mean the resolution adopted by the Board on August 19, 2005, authorizing the Eleventh Series Bonds.

The term "*Escrow Agent*" shall mean the financial institution named in the Escrow Agreement, as determined by the Vice Chancellor for Finance for the University System.

The term "*Escrow Agreement*" shall mean the Escrow Agreement between the Board and the Escrow Agent, executed in connection with the refunding of the Refunded Bonds.

The term "*Fifteenth Series Bonds*" shall mean, collectively, the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2012A and the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Taxable Series 2012B, authorized by the Fifteenth Supplement.

The term "*Fifteenth Supplement*" shall mean the resolution adopted by the Board on August 18, 2011, authorizing the authorizing the Fifteenth Series Bonds.

The term "*Fourteenth Series Bonds*" shall mean, collectively, the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2009A, the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2009B, and the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2010, authorized by the Fourteenth Supplement.

The term "*Fourteenth Supplement*" shall mean the resolution adopted by the Board of Regents on August 21, 2009, authorizing the Fourteenth Series Bonds.

The term "*Health Science Center*" shall mean the University of North Texas Health Science Center at Fort Worth.

The term "*Law School*" shall mean the University of North Texas at Dallas College of Law.

The term "*MAC*" means the Municipal Advisory Council of Texas.

The term "*Master Resolution*" shall mean the "Amended and Restated Master Resolution Establishing the Revenue Financing System under the Authority and Responsibility of the Board of Regents of the University of North Texas", adopted by the Board on February 12, 1999.

The term "*Maturity*" shall mean the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, declaration of acceleration, or otherwise.

The term "*MSRB*" shall mean the Municipal Securities Rulemaking Board.

The term "*Nineteenth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014, authorized by the Nineteenth Supplement.

The term "*Nineteenth Supplement*" shall mean the resolution adopted by the Board on May 15, 2014, authorizing the Nineteenth Series Bonds.

The term "*Official Bid Form*" shall mean the bid form prepared in accordance with the Bidding Instructions and submitted by potential purchasers of any Sixteenth Series Bonds sold pursuant to a competitive sale.

The terms "*Paying Agent/Registrar*", "*Paying Agent*" or "*Registrar*" shall mean the agent appointed pursuant to Section 5 of this Sixteenth Supplement, or any successor to such agent.

The term "*Paying Agent/Registrar Agreement*" shall mean the agreement between the Board and the Paying Agent/Registrar, with respect to the Bonds.

The term "*Record Date*" shall mean, with respect to the Bonds, the last business day of each month preceding an interest payment date.

The term "*Refundable Bonds*" shall mean the outstanding bonds issued by the Board as shown in Schedule I attached to the Sixteenth Supplement.

The term "*Refunded Bonds*" shall mean those Refundable Bonds selected by the Vice Chancellor for Finance for the University System to be refunded with the proceeds of Bonds authorized to be issued by the Sixteenth Supplement, as more fully described in the certificate to be

delivered by the Vice Chancellor for Finance for the University System in accordance with Section 3(b)(i) of the Sixteenth Supplement.

The term "*Refunded Commercial Paper Notes*" shall mean those Commercial Paper Notes selected by the Vice Chancellor for Finance for the University System to be refunded with the proceeds of Bonds authorized to be issued by the Sixteenth Supplement, as more fully described in the certificate to be delivered by the Vice Chancellor for Finance for the University System in accordance with Section 3(b)(i) of the Sixteenth Supplement.

The term "*Registration Books*" shall mean the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of this Sixteenth Supplement.

The term "*Rule*" shall mean SEC Rule 15c2-12, as amended from time to time.

The term "*SEC*" shall mean the United States Securities and Exchange Commission.

The term "*Sixteenth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, in one or more series, authorized by the Sixteenth Supplement.

The term "*Sixteenth Supplement*" shall mean this resolution authorizing the Bonds.

The term "*Stated Maturity*", shall mean, when used with respect to the Bonds, the scheduled maturity or mandatory sinking fund redemption of the Bonds.

The term "*Tenth Supplement*" shall mean the resolution adopted by the Board on May 8, 2008, authorizing the Commercial Paper Notes.

The term "*Thirteenth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2009, authorized by the Thirteenth Supplement.

The term "*Thirteenth Supplement*" shall mean the resolution adopted by the Board on November 20, 2008, authorizing the Thirteenth Series Bonds.

The term "*Twelfth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2007, authorized by the Twelfth Supplement.

The term "*Twelfth Supplement*" shall mean the resolution adopted by the Board on September 7, 2006, authorizing the Twelfth Series Bonds.

The term "*Twentieth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2015, authorized by the Twentieth Supplement.

The term "*Twentieth Supplement*" shall mean the resolution adopted by the Board on April 8, 2015, authorizing the Twentieth Series Bonds.

The term "*2013 Sixteenth Supplement*" shall have the meaning given said term in the preamble to this resolution.

The term "*Underwriters*" shall mean the investment banking firms listed in a Bond Purchase Agreement.

The term "*University*" shall mean the University of North Texas.

The term "*University System*" shall mean the University of North Texas System.

The term "*UNT-Dallas*" shall mean The University of North Texas at Dallas.

All terms not herein defined shall have the meanings given to such terms by the Master Resolution or as otherwise defined in this Sixteenth Supplement.

**EXHIBIT B**  
**FORM OF BONDS**

UNITED STATES OF AMERICA  
STATE OF TEXAS  
BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM  
REVENUE FINANCING SYSTEM BOND,  
SERIES 201\_\_

<b>NO. R-__</b>			<b>PRINCIPAL AMOUNT</b>
			\$ _____
<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP</u>

REGISTERED OWNER:

PRINCIPAL AMOUNT:     DOLLARS

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM (the "Issuer"), hereby promises to pay to the Registered Owner, specified above, or the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount, specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Date of Delivery, specified above, to the Maturity Date, specified above, or the date of redemption prior to maturity, at the interest rate per annum, specified above; with interest being payable on April 15, 201\_\_, and semiannually on each October 15 and April 15 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Issuer required by the resolution authorizing the issuance of the Bonds to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the designated corporate trust office in \_\_\_\_\_, Texas (the "Designated Trust Office") of \_\_\_\_\_, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to

the registered owner hereof on each interest payment date by check, dated as of such interest payment date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of not less than \$1,000,000 in principal amount of Bonds provided to the Paying Agent/Registrar not later than the Record Date immediately preceding an interest payment date, interest due on such Bonds on such interest payment date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Issuer and the securities depository.

THIS BOND is one of a Series of Bonds, dated as of \_\_\_\_\_, 201\_\_, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$\_\_\_\_\_, issued pursuant to a Sixteenth Supplemental Resolution to the Master Resolution adopted August 29, 2015, and pursuant to the Master Resolution referred therein (collectively, the "Bond Resolution"), FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR PARTICIPANTS IN THE REVENUE FINANCING SYSTEM, (ii) FUNDING, TO THE EXTENT PERMITTED BY APPLICABLE LAW, CAPITALIZED INTEREST ON THE BONDS, (iii) REFUNDING THE REFUNDED BONDS AND THE REFUNDED COMMERCIAL PAPER NOTES, AND (iv) PAYING THE COSTS OF ISSUANCE RELATED TO THE SALE OF THE BONDS. Terms used herein and not otherwise defined have the meaning given in the Bond Resolution.

ON APRIL 15, 20\_\_, or on any date thereafter, the Bonds of this Series maturing on and after April 15, 20\_\_ may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Board (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at par and accrued interest to the date fixed for redemption; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be



redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

THE BONDS maturing on April 15 in each of the years \_\_\_\_ and \_\_\_\_, shall be subject to mandatory sinking fund redemption prior to their scheduled maturities in the following amounts, on April 15 in each of the years set forth below, at a price equal to the principal amount thereof and accrued and unpaid interest to the date of redemption, without premium:

<u>Year</u>	<u>Principal Amount (\$)</u>
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\*Final Maturity

The principal amount of the Bonds required to be redeemed on each such redemption date pursuant to the foregoing operation of the mandatory sinking fund shall be reduced, at the option of the Issuer, by the principal amount of any Bonds, which, at least 45 days prior to the mandatory sinking fund redemption date, (1) shall have been acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Issuer, in either case at a price not exceeding the par or principal amount of such Bonds, or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against mandatory sinking fund redemption. During any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing such interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be published once in a financial publication, journal or reporter of general circulation among securities dealers in The City of New York, New York or in the State of Texas. Such notice also shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the Registration Books on the 45th day prior to such redemption date; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, and it is hereby specifically provided that the publication of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as

redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Bond Resolution.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in The City of New York, New York, or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY AUTHORIZED DENOMINATION may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's fees and charges, if any, for making such transfer or exchange as provided below, but the one requesting such transfer or exchange shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration or exchange of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment,

and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of \$5,000 (an "Authorized Denomination"). As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Series of Bonds of which this Bond is one constitute Parity Obligations under the Master Resolution; and that the interest on and principal of this Bond, together with the other Bonds of this Series and the other outstanding Parity Obligations, are equally and ratably secured by and payable from a lien on and pledge of the Pledged Revenues.

THE ISSUER has reserved the right, subject to the restrictions referred to in the Bond Resolution, (i) to issue additional Parity Obligations which also may be secured by and made payable from a lien on and pledge of the aforesaid Pledged Revenues, in the same manner and to the same extent as this Bond, and (ii) to amend the provisions of the Bond Resolution under the conditions provided in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chair of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

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Secretary, Board of Regents of the  
University of North Texas System

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Chair, Board of Regents of the  
University of North Texas System

(BOARD SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

\_\_\_\_\_,  
Paying Agent/Registrar

Dated

\_\_\_\_\_  
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

\_\_\_\_\_  
/ \_\_\_\_\_ /

(Assignee's Social Security or Taxpayer Identification Number)

\_\_\_\_\_  
(print or typewrite Assignee's name and address, including zip code)

\_\_\_\_\_  
and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond.

[FORM OF REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS TO ACCOMPANY  
THE BONDS UPON INITIAL DELIVERY]

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. \_\_\_\_\_

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond and the proceedings authorizing its issuance have been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

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Comptroller of Public Accounts  
of the State of Texas

(COMPTROLLER'S SEAL)

Should the Bonds be insured by a Bond Insurer, a statement or legend describing the policy to be issued by the Bond Insurer may be printed on the Bonds so insured.

## EXHIBIT C

### DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 19 of this Sixteenth Supplement.

#### Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Board to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

Tables 1 and 2 in the Official Statement; Tables A-1 through A-10, and A-13 through A-18 of Appendix A to the Official Statement; and Appendix B - "Excerpts from the Combined Financial Report of The University of North Texas System for the Year Ended August 31, 2011 with Selected Schedules, including Management's Discussion and Analysis".

#### Accounting Principles

The accounting principles referred to in the Resolution are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above, which are generally accepted accounting principles of fund accounting for colleges and universities.