COMBINED FINANCIAL REPORT

of the

UNIVERSITY OF NORTH TEXAS SYSTEM

DENTON, TEXAS

Lee Jackson, Chancellor

For the fiscal year ended August 31, 2013

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UNT | SYSTEM

UNT
UNT | Health Science Center
UNT | Dallas
UNT | System Office

November 20, 2013

Lee Jackson
Chancellor
University of North Texas System
1901 Main Street
Dallas, TX 75201

Dear Chancellor Jackson:

We are pleased to submit the Annual Financial Report of the University of North Texas System for the year ended August 31, 2013 in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact Lee Miara at (940) 565-3231. Kellie Garrett –Ekeland may be contacted at (940) 565-3214 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Allen Clemson
Interim Chief Financial Officer

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Dallas, Texas 75201

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UNIVERSITY OF NORTH TEXAS SYSTEM

ORGANIZATIONAL DATA

August 31, 2013

Brint Ryan	(Term expires 5-22-15)	Dallas
Michael R. Bradford	(Term expires 5-22-15)	Midland
Steve Mitchell	(Term expires 5-22-15)	Richardson
Donald Potts	(Term expires 5-22-17)	Dallas
Al Silva	(Term expires 5-22-17)	San Antonio
Milton B. Lee	(Term expires 5-22-17)	San Antonio
Rusty Reid	(Term expires 5-22-19)	Ft. Worth
Gwyn Shea	(Term expires 5-22-19)	Irving
B. Glen Whitley	(Term expires 5-22-19)	Hurst

STUDENT REGENT

Rudy Reynoso	(Term expires 5-31-14)	Sherman

OFFICERS OF THE BOARD

Jack A. Wall	Chairman
Brint Ryan	Vice Chairman
Julia A. Boyce	Secretary

ADMINISTRATIVE OFFICERS

Lee Jackson	Chancellor
Allen Clemson	Interim System Chief Financial Officer
Carlos Hernandez	Interim System Controller

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Management's Discussion and Analysis
For the Year Ended August 31, 2013

Introduction

The University of North Texas System (the System) was established by the 76th Legislature, and legislative funding was provided for the fiscal year beginning September 1, 1999. The System is currently comprised of four components funded by the Legislature: the University of North Texas System Administration (Est. 1999), the University of North Texas (Est. 1890), the University of North Texas Health Science Center (HSC) at Fort Worth (Est. 1970) and the University of North Texas at Dallas (Est. 1999). The UNT System components are agencies of the State of Texas.

The System serves the North Texas area, boosting economic activity in the region by nearly $2 billion annually. Approximately 39,000 students are enrolled in undergraduate, graduate and professional programs. The System awarded more than 9,100 degrees this past academic year, including the largest number of master's and doctoral degrees in the region. More than 100,000 of its alumni live and work in the North Texas area. The System is governed by a nine-member Board of Regents appointed by the Governor of Texas and confirmed by the Texas Senate. Three members are appointed every odd-numbered year for six-year terms. In addition, the Governor appoints a student Regent for a one-year term.

Overview of the Financial Analysis

The objective of Management's Discussion and Analysis (MD&A) is to provide an overview of the financial position and activities of the System for the year ended August 31, 2013, with selected comparative information for the year ended August 31, 2012. The MD&A was prepared by management and should be read in conjunction with the accompanying financial statements and notes. The emphasis of discussion about these financial statements will focus on the current year data. Unless otherwise indicated, years in this MD&A refer to the fiscal years ended August 31. The System combined financial report includes three primary financial statements: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. The financial statements of the System have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Highlights

- FY 2013 fall semester headcount enrollment at UNT, UNT at Dallas, and the HSC reflected an overall increase of approximately 1.57% compared to the previous fall semester. The enrollment growth experienced by the System is notable during a time of decreasing enrollments across higher education as a whole.

- Total operating revenues remained relatively flat compared to last year. There was an increase in tuition and fees of 7.65% due to approved tuition and fee increases and enrollment increases, however, there was also an increase in discounts and allowances of 19% resulting in a net increase in tuition and fees of 4.2%.

- The system and foundation recognized approximately $32.3 million in cash contributions, non-cash capital donations, and pledged gifts as revenue in the 2013 fiscal year. This will be an area of increased focus in the new fiscal year as we move into the public phase of a multi-year capital campaign.

- Federal, state, and other grant revenues were a strong $148 million. We anticipate that these activities will continue to increase.

- The Texas College of Osteopathic Medicine (TCOM) remains among the top 20 primary care medical schools in the nation and the very best in Texas as designated by US News & World Report. Overall, revenues for UNTHSC decreased approximately $1.5 million from fiscal year 2012, primarily as a result of reduced legislative appropriations; however, tuition and fees and federal revenues were up from fiscal year 2012. During the fiscal year, UNTHealth Patient Services (UNTHealth) generated about $78.5 million in

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revenue; UNTHealth is UNTHSC's Practice Plan. Research awards to our scientists exceeded $32.9 million and UNTHSC raised approximately $12 million in pledges and philanthropic gifts.

Investments in capital asset additions were $92.5 million in 2013. Major capital projects completed in 2013 include:

- Land Acquisition UNT Dallas – 4306 Aztec Drive
- Land Improvement UNT – 403 South Welch
- Building Acquisition UNT Dallas – Community Engagement & Education Programs (CEEP) House
- Building Improvements UNT – Bruce Hall, Business Leadership Building, Coliseum, Crumley Hall, Discovery Park, Eagle Student Services Center, Kerr Hall, Kristin Farmer Autism Center, Life Sciences Complex, Matthews Hall, Music Building, Music Practice North, Physical Education Building, Physics Building, Research Collection Library, Sage Hall, Sycamore Hall, West Hall, Woodhill Four, and Wooten Hall
- Infrastructure UNT – I-35E Pedestrian Bridge and Energy Performance Improvements
- Facilities & Other UNT – Improvements to Campus Parking Lots and Wooten Hall Plaza
- Facilities & Other UNT-HSC – Improvements to Library Courtyard

Overview of the Financial Statements

The System combined financial report includes three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. This report has been prepared in accordance with GASB Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public College and Universities; GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments; Omnibus, GASB Statement No. 38, Certain Financial Statement Disclosures; GASB Statement No. 40, Deposit and Investment Risk Disclosures; GASB 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and GASB 51, Accounting and Financial Reporting for Intangible Assets. These reporting standards were established to make financial statements presented by public colleges and universities more comparable to those issued by the private sector.

These statements are prepared applying the following principles and standards:

- Reporting is on a full accrual basis of accounting. All current year revenues and expenses are recognized when earned or incurred, regardless of when the cash is received or disbursed.

- Depreciation expense on capital assets is reported as an operating expense on the Statement of Revenues, Expenses, and Changes in Net Position. The historical value of capital assets and the accumulated depreciation are reported on the Statement of Net Position.

- Revenues and expenses are categorized as operating or nonoperating. Revenues from state appropriations, gifts, and investment income are reported as nonoperating revenue in accordance with GASB Statement No. 35.

Statement of Net Position

The Statement of Net Position reports all financial and capital resources (assets, liabilities, and net position) of the System as of the end of the fiscal year using the accrual basis of accounting. This is consistent with the accounting method used by private-sector institutions. The statement reports the difference between the assets and liabilities as net position rather than fund balances or equity. This statement represents the System's financial health or position. Nonfinancial factors such as student enrollment trends and the condition of the campus buildings are also important considerations. Definitions of the various categories of assets, liabilities and net position reported on the Statement of Net Position are included in Note 1 of the accompanying Notes to the Combined Financial Statements.

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The net position section of the statement is reported by three major categories: 1) Invested in Capital Assets, Net of Related Debt; 2) Restricted; and 3) Unrestricted. The Invested in Capital Assets, Net of Related Debt section, represents the System's equity in property, plant, and equipment, net of accumulated depreciation, and reduced by outstanding balances for bonds and other debt that are attributed to the acquisition, construction or improvement of those assets. Restricted is divided into two categories: 1) Non-Expendable; 2) Expendable. Unrestricted is available for any lawful purpose of the institution.

The following table reflects the Condensed Comparative Statement of Net Position for the System as of August 31, 2013 and 2012:

Condensed Comparative Statement of Net Position
As of August 31, 2013 and 2012
($ in millions)

	2013	2012	% Incr/Decr
Assets and Deferred Outflows			
Current Assets	$ 476.1	$ 538.5	
Noncurrent Assets			
Capital Assets, Net	893.4	853.7	
Other Noncurrent Assets	181.4	145.7	
Total Assets and Deferred Outflows	**$ 1,550.9**	**$ 1,537.8**	**0.9%**
Liabilities and Deferred Inflows			
Current Liabilities	324.5	271.5	
Noncurrent Liabilities			
Bonded Indebtedness	417.6	441.6	
Other Noncurrent Liabilities	50.3	60.5	
Total Liabilities and Deferred Inflows	**792.5**	**773.6**	**2.4%**
Net Position			
Invested in Capital Assets, Net of Related Debt	395.3	348.3	
Restricted			
Non-Expendable	47.9	46.4	
Expendable	100.4	103.4	
Total Restricted	148.4	149.8	
Unrestricted	214.8	266.1	
Total Net Position	**758.5**	**764.2**	**-0.7%**
Total Liabilities and Net Position	**$ 1,550.9**	**$ 1,537.8**	**0.9%**

- Increase in total assets: $13.1 million
  - $39.7 million increase in capital assets-land, buildings and construction in progress
  - $13.8 million net decrease in cash and cash equivalents and investments
  - $ 8.2 million decrease in legislative appropriations
  - $ 4.6 million decrease in receivables and other assets

- Increase in total liabilities: $18.9 million
  - $23.7 million increase in deferred revenues
  - $ 9.1 million decrease in current and noncurrent revenue bonds/notes payable
  - $ 4.3 million increase in accounts payable and payroll payable

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- Decrease in total net position: $5.7 million
  - $51.2 million decrease in unrestricted net assets
  - $47.0 million increase in invested in capital assets, net of related debt
  - $ 9.2 million increase expendable funds held for permanent investment
  - $ 7.7 million decrease in restricted for capital projects
  - $ 3.9 million decrease in other restricted
  - $ 1.5 million increase in nonexpendable funds held for permanent investment
  - $ 0.6 million decrease in debt retirement

Unrestricted of $214.8 million represent funds that have not been designated for specific purposes by external parties; however, the System's administration has committed most of these funds to meet institutional initiatives and for future operating budgets related to academic programs, special activities, and capital projects.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position reports the System's operations for the fiscal year. Revenues are reported by major source and expenses are reported on the face of the statement by the National Association of College and University Business Officers' functional (programmatic) categories. A matrix immediately follows the statement showing the expenses by natural classifications. Both revenues and expenses on the statement are reported as either operating or nonoperating. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the primary mission of the System. Nonoperating activities are those activities not related to the provision of goods or services to customers. Examples of nonoperating items include the revenue appropriated to the System by the State Legislature and revenue and expenses related to capital financing and investing activities.

The following table reflects the System's Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended August 31, 2013 and 2012:

Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended August 31, 2013 and 2012
($ in millions)

	2013	2012	% Incr/Decr
Operating Revenues	$ 530.0	$ 514.4	3.0%
Operating Expenses	823.8	794.6	3.7%
Operating Income/(Loss)	**(293.7)**	**(280.1)**	**6.7%**
Nonoperating Revenues/(Expenses)	255.0	256.4	-0.5%
Income/(Loss) Before Other Revenues, Expenses, Gains, Losses and Transfers	(38.7)	(23.7)	63.1%
Other Revenues, Expenses, Gains, Losses and Funds Held as Permanent Investments	33.0	34.4	-4.0%
Change in Net Position	**(5.7)**	**10.7**	**-153.4%**
Net Position, Beginning of Year	764.2	753.5	
Restatements	-	-	
Restated Net Position, Beginning of Year	764.2	753.5	1.4%
Net Position, End of Year	**$ 758.5**	**$ 764.2**	**-0.7%**

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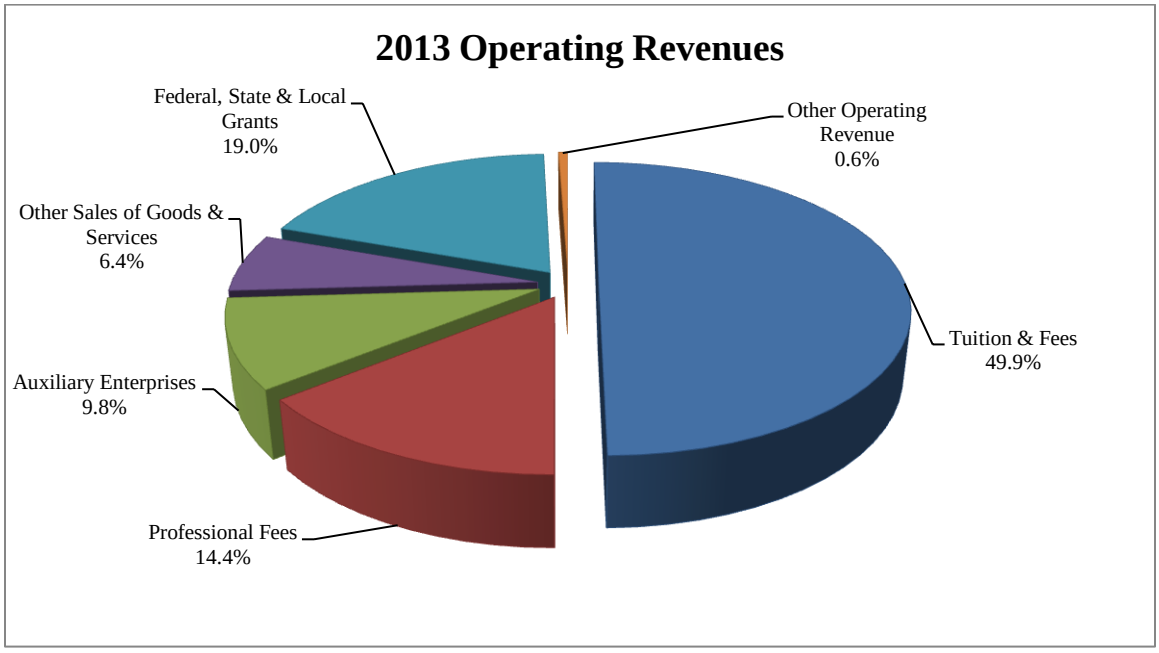
The significant operating loss reported for the current and prior fiscal years on this statement is reflective of GASB Statement No. 35 reporting requirements, which stipulate that revenue from legislative appropriations is to be reported as nonoperating revenue, but the expenditure of these funds must be reported as operating expense.

Included in nonoperating revenue above are legislative appropriations for the current fiscal year totaling $166.7 million, additional appropriated revenue for state-paid fringe benefits of $39.4 million, and proceeds from federal non-exchange sponsored programs of $47.4 million. Also, the System Higher Education Fund (HEF) annual revenue totaling $36.6 million that is constitutionally-appropriated by the State for capital asset acquisitions and major improvements is reported as Other Revenue rather than operating revenue or nonoperating revenue, but the HEF expenditures are reported as operating expenses.

As the operating revenue pie chart below shows, 49.9% of the System operating revenue for this fiscal year was generated from student tuition and fees. The total tuition and fee revenue for the fiscal year amounted to $264.4 million. This figure is net of the scholarship discounts that have been subtracted from the gross tuition and fee revenue in accordance with GASB 35 reporting requirements.

The System operating revenue from all federal, state, and private grants and contracts, including pass through grant revenue, increased by approximately 4.9% during this fiscal year. This increase is primarily due to increases in private grants and contracts. Total sponsored activities (both operating and non-operating) remained stable while efforts to increase extramural funding and advance the University's research initiatives continue to increase.



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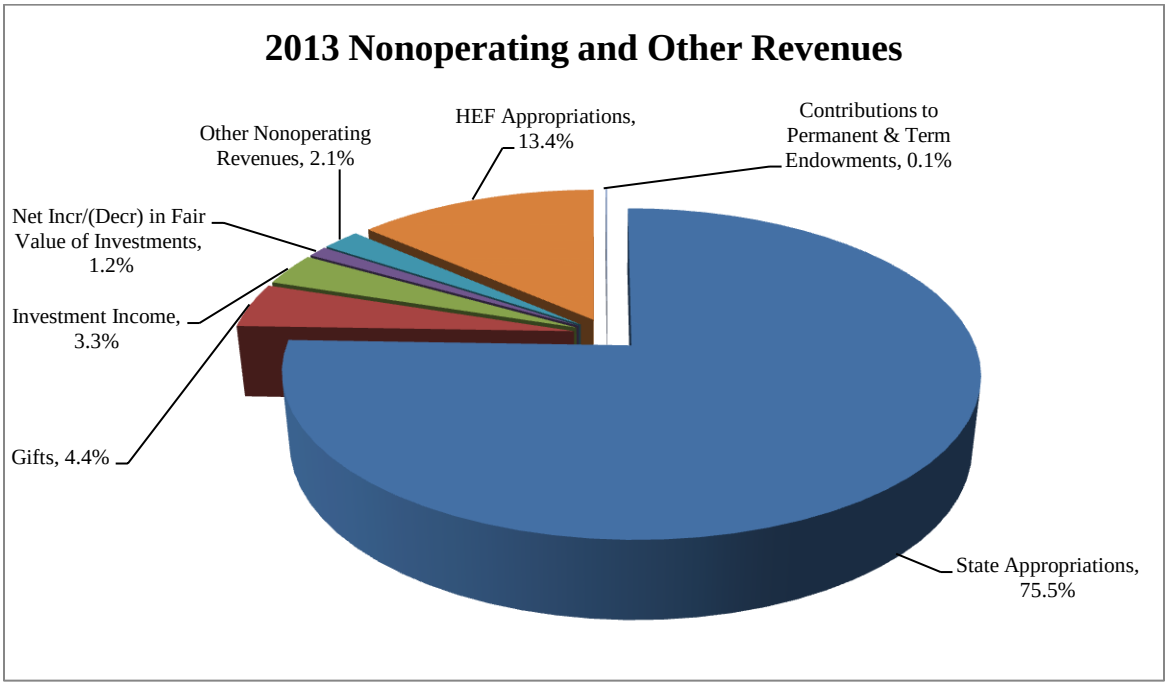
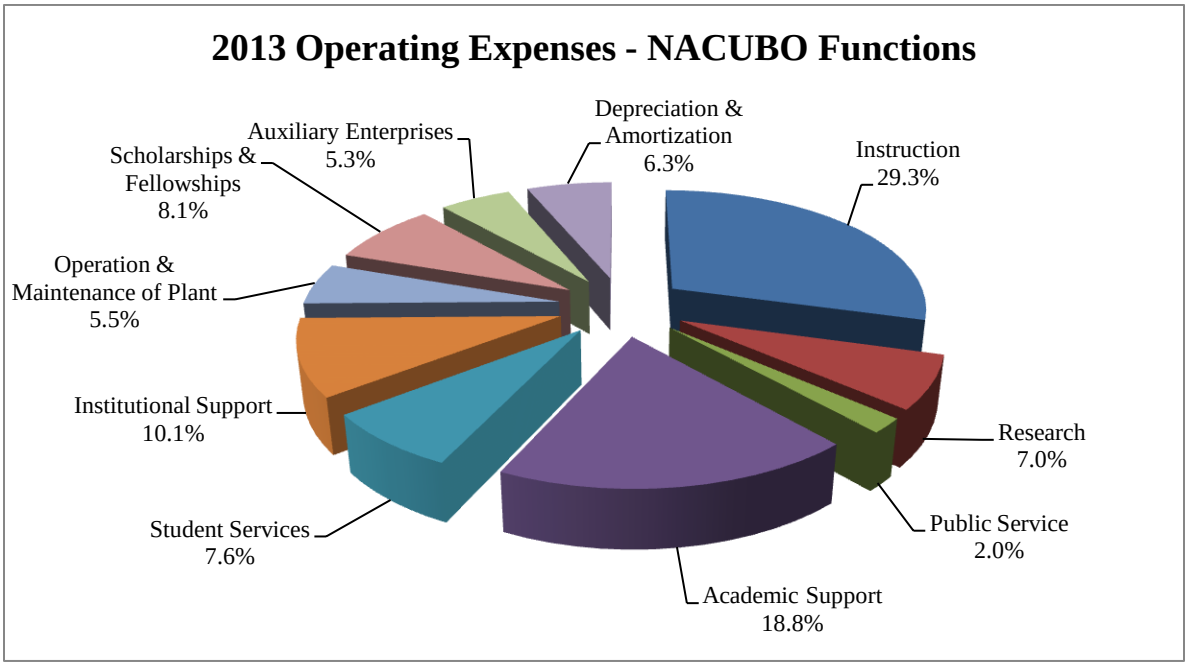
State appropriations, which represent the largest percentage of other non-operating revenues, decreased by 4.2%.



The System operating expenses reflect a 3.7% increase during the fiscal year. Increase is due primarily to a 4.6% increase in depreciation expense as new facilities are placed in service offset by decreases in all other functions.

The first table below shows the percentage of each NACUBO functional (programmatic) operating expense classification of total operating expenses. The second table shows the percentages of each type of operating expense based on a natural classification.



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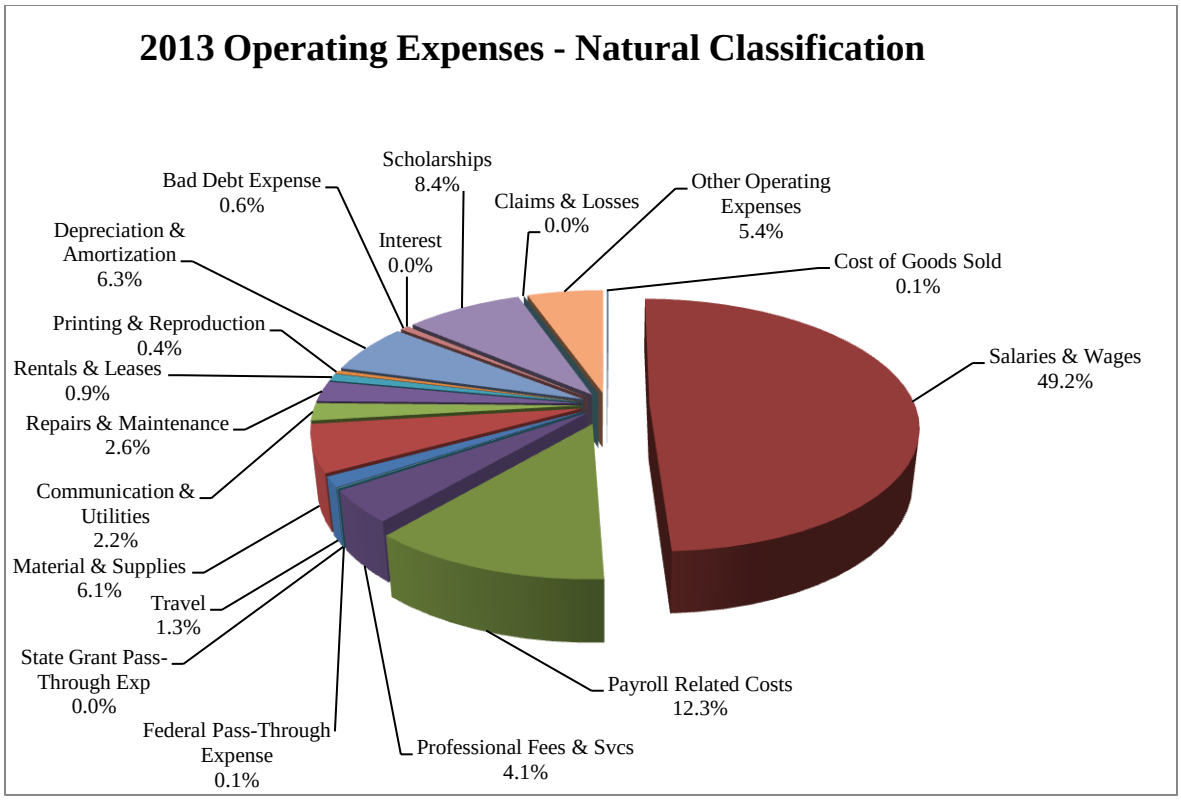
For the Year Ended August 31, 2013



Statement of Cash Flows

The Statement of Cash Flows is prepared using the direct method and reports the major sources and uses of the System cash and cash equivalents during the fiscal year. Cash equivalents are short-term highly liquid investments with an original maturity of three months or less. When used with the information provided on the two statements previously discussed, the information from the cash flow statement should assist the financial statement user in evaluating the System's ability to generate future cash flows, its ability to meet obligations as they come due, its needs for external financing, and the reasons for the differences between the operating income (loss) and associated cash receipts and payments.

The statement consists of five sections. The first section reports cash receipts and payments from operating activities. The second section reflects the cash flows from non-capital financing activities, including such items as receipts from state appropriations and gifts. The third section shows cash flows related to capital and related financing activities, including HEF appropriations, gift receipts designated for capital-related items, all payments for capital-related acquisitions, and receipts and payments associated with capital-related debt financing. The fourth section reports cash flows from investing activities and shows the purchases, proceeds, and interest received from investing. The fifth section is a reconciliation of the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position. The table below is a Condensed Comparative System Statement of Cash Flows.

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Condensed Comparative Statement of Cash Flows
For the Fiscal Years Ended August 31, 2013 and 2012
($ in millions)

	2013	2012	% Incr/Decr
Cash Provided (Used) by:			
Operating Activities	$ (204.1)	$ (288.4)	
Noncapital Financing Activities	262.8	286.8	
Capital and Related Financing Activities	(76.4)	(52.8)	
Investing Activities	(69.8)	(25.3)	
Net Change in Cash & Cash Equivalents	**(87.6)**	**(79.7)**	
Cash & Cash Equivalents, Beginning of Year	**307.0**	**386.7**	
Restatement to Beginning Cash & Cash Equivalents Balance	-	-	
Cash & Cash Equivalents, End of Year	**$ 219.4**	**$ 307.0**	**-28.5%**

It is important to note that state appropriations and federal revenues from Pell grants provide a significant portion of the cash used to fund operating activities related to academic programs, the administration of the System, and the debt service on tuition revenue bonds. The appropriations and Pell grants, however, are reported in the noncapital financing activities section of the Statement of Cash Flows in accordance with GASB Statement No. 35 guidelines.

Although operating revenues from sponsored projects and auxiliaries increased, operating expenses had a greater increase in the areas of salaries and wages and payroll benefits, payments to suppliers, and payments for other expenses; this resulted in a greater use of cash for operating activities in fiscal year 2013.

The net decline in overall cash was primarily driven by uses for capital and investing activities. This was the result of the completion of various projects where bond proceeds were invested until needed for construction payments.

Capital Asset and Debt Administration

The System capital asset additions from acquisitions, donations, and construction during the fiscal year totaled $94.2 million; included in the increase in capital assets are Land and Land improvement purchases at both UNT and UNTHSC, Zero Energy Lab, Energy Performance Improvements and the purchase of new Shuttle Buses.

Bond ratings remained constant in 2013. More detailed information regarding the System bonded indebtedness is provided in Note 6 of the accompanying Notes to the Combined Financial Statements.

The following table sets forth the Pledged Revenues under the Revenue Financing System for each of the three most recent fiscal years and an estimate of Pledged Revenues for fiscal year 2013-14:

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	2011	2012	2013	2014 (Est.)
Available Pledged Revenues (not including Fund Balances) [1][3]	$ 261,130,698	$ 309,907,458	$ 411,907,506	$ 420,923,925
Pledgeable Unappropriated Funds (Funds and Reserve Balances) [2][3]	178,746,394	313,438,470	228,034,433	200,988,596
Total Pledged Revenues [3]	$ 439,877,092	$ 623,345,928	$ 639,941,939	$ 621,912,521

[1]The Available Pledged Revenues include the gross revenues of the University Building System, the pledged student tuition (Skiles Act), the Student Union Fee, pledged general tuition (which includes general use fees), and investment income or moneys on deposit in the Interest and Sinking Fund, and the Reserve Fund.
[2]In addition to current year Pledged Revenues, any unappropriated or reserve fund balances remaining at year end are available for payment of the subsequent year's debt service.
[3]Available Pledged Revenues and Pledgeable Unappropriated Funds do not include UNTHealth and loan reserves at the Health Science Center.

Economic Outlook

Texas statutes set baseline, or statutory tuition and authorize the Board of Regents of each university/university system to set a rates for graduate (board authorized tuition—BAT) and designated (board designated tuition—BDT). BAT has been fixed at $50 per semester credit hour (SCH) for several years. The Board of Regents has authorized increases in BDT each fall for several consecutive years. The table below provides BDT rates from fall 2009 to present:

Semester	BD Tuition	
Fall 2009	$128.67/SCH UNT	$90.50/SCH UNT Dallas
Fall 2010	$138.76/SCH UNT	$155.00/SCH UNT Dallas*
Fall 2011	$156.13/SCH UNT	$160.00/SCH UNT Dallas*
Fall 2012	$166.24/SCH UNT	$185.00/SCH UNT Dallas*
Fall 2013	$177.79/SCH UNT	$195.00/SCH UNT Dallas*

**UNT Dallas BD Tuition includes course, laboratory and special services fees.*

Expanding its research enterprise and soliciting external funds through grants and contracts continue to be priorities for the University. Research is a primary component of goal two of the four bold goals of the University of North Texas and as such has been identified as one of its highest priorities. UNT is ranked by the Carnegie Foundation as a Research University-High Research Activity University and by the Texas Higher Education Coordinating Board as an Emerging Research University. In 2008-2009, UNT made its initial commitment to invest substantially in multi-disciplinary collaborative research clusters in Bio/Nano-Photonics, Materials Modeling and Simulation, Developmental Physiology and Genetics, Signaling Mechanisms in Plants, and Advanced Research in Technology and the Arts. Recruitment of faculty into the clusters began immediately. In 2009, UNT chose two additional research clusters to build: one in Sub Antarctic Biocultural Conservation and Research and another in Renewable Bioproducts. In 2010, UNT expanded the program to build four additional research clusters in Computational Chemical Biology, Renewable Energy and Conservation, Knowledge Discovery from Massive Digital Information Sources, and Multi-Scale Surface Science and Engineering. Another component of this phase was the decision to expand the scope of two existing Phase I clusters (Plant Signaling and Renewable Bioproducts) to create synergies in biochemical engineering and production. Phase II will also involve focused investments in additional strategic areas for future growth. In 2012, four additional clusters were added: Hazards and Disaster Research to Respond to Global Crises; Human Security, Democracy, and Global Development; Consumer Experiences in Digital Environments; and Complex Logistics Systems. Including the new clusters added, there are now a total of fifteen research clusters and six strategic areas of investment. To date, twenty-three senior and junior faculty members have been successfully hired. Between research cluster hiring and regular faculty hiring, UNT now has three National Academy members on the faculty roster.

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The University of North Texas is one of eight Emerging Research Universities (ERUs) designated by the state of Texas. As such, UNT is able to compete for special state funding to build up research programs, endowments and other efforts that define great research campuses. Funding programs provided by HB51 from the 81st Texas legislature include the Texas Research Incentive Program ($50 million over 2 years) that will match private gifts and scholarships secured by a university; and the National Research University Fund which rewards a university if it crosses certain thresholds of excellence.

Expanding research infrastructure is a key component to UNT's research growth. In 2013, UNT's new Net Zero Energy Research Laboratory building was completed, construction continued and is now nearing completion on a $6 million cleanroom facility at Discovery Park and a $2.2 million consolidation and modernization of UNT's premier materials characterization and analysis facility, the Center for Advanced Research and Technology (CART). Approximately $1 million of the CART renovation is from a grant from the National Science Foundation. These construction projects will bring the two facilities (CART and the cleanroom) together into a new Nanofabrication Analysis and Research Facility (NARF). New greenhouse facilities are being added as plant sciences research continues to excel. Creation of new research space at Discovery Park has continued. UNT had pursued constructions of a new $98 million Science and Technology Research Building using Tuition Revenue Bonds (TRB); however, the 2013 State Legislature did not approve funding for the TRB program. UNT initiated renovation of the Science Research Building (SRB) but ran into significant building structural and HVAC issues. The renovation is currently on hold while options are being explored. Also without any TRB funding UNT is discussing options that would enable us to build a research building from the dollars that had been committed to matching funds for the originally proposed science building.

In recent years, UNT has made significant progress in expanding its research activities. For example, Restricted Research Expenditures have increased from $11.2 million in FY2009 to $17.7 million in FY2013, a 58% increase. Federally Reported Research Expenditures have increased 104% over that same period of time from $24.1 million to $49.1 million.

Expanding the research enterprise and soliciting external funds through grants and contracts continue to be a priority for UNTHSC as well. Research awards reached more than $32.9 million in fiscal year 2013. UNTHSC research efforts are primarily funded by federal support from the National Institutes of Health (NIH) and other Department of Health and Human Services agencies, considered the gold standard when judging quality of biomedical research. UNTHSC growth in research funding from the NIH dramatically exceeds the overall national average. Last fiscal year alone, faculty submitted grant proposals totaling more than $192 million.

Although the System was challenged by an uncertain external environment, campuses continued to experience student growth. UNTHSC was home to 2,143 students at the end of the fiscal year 2013, an increase of 10.3 percent from fiscal year 2012. Enrollments at UNT and UNT Dallas have also continued to show modest increases during this same time period. Incremental revenues from enrollment growth and approved tuition increases will continue to be critical in advancing institutional goals. Additionally, UNT engaged external consultants to identify opportunities for increased efficiency and cost savings. These recommendations have been or are in the process of being implemented and are expected to generate significant cash flows that will further sustain ongoing fiscal stability and growth. UNT Dallas successfully received accreditation from the Southern Association of Colleges and Schools as of June 2013, retroactively to January 2013. This significant attainment will be the catalyst for additional programs, increased fund raising efforts, and filing of Department of Education participation agreement for financial aid programs, all of which may lead to increased enrollments.

UNTHSC remains committed to its role in primary care delivery, and has built our patient care network to bring much-needed physician services to the North Texas region. UNT Health Patient Services is one of the largest multi-specialty physician groups in Tarrant County with approximately 230 healthcare providers, of which 170 are clinical faculty physicians representing 28 different medical specialties. UNTHSC providers had over 559,000 patient encounters last year in our 29 clinical locations across the county. As a result, UNT Health generated about$78.5 million in revenue from both its clinical and correctional medicine operations. UNTHSC is confident that this area of activity will expand and generate additional income in future periods.

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Management's Discussion and Analysis
For the Year Ended August 31, 2013

The UNT System and its components continue to explore and adopt cost containment alternatives to increase operational efficiency and effectiveness. In FY 2012 the UNT System engaged external consultants to design a model for a centralized controllership function for the system as a whole. These recommendations will be implemented during upcoming fiscal year and while these are not expected to generate any immediate increase in financial efficiencies, they have the potential to do so in future periods. The Information Technology Shared Services, Business Services Center and Human Resource administration continue to redesign business processes and explore innovative cost-effective solutions for the System as a whole.

The System is committed to increasing its resources from endowed gifts and other contributions through ambitious development efforts. UNT is in the public phase of Comprehensive Campaign to sustain the institution's Four Bold Goals. As the institution continues its progress towards achieving National Research University status, these contributions will be a critical supplement to the funding received from the State and a significant factor in the supporting student financial need and advancing academic and research programs.

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Statement of Net Position
For the Fiscal Year Ended August 31, 2013

	August 31, 2013	August 31, 2012
ASSETS AND DEFERRED OUTFLOWS		
Current Assets and Deferred Outflows		
Cash and Cash Equivalents	184,769,995.42	258,876,479.88
Cash in State Treasury	12,881,728.04	10,120,025.02
Restricted Cash and Cash Equivalents	21,719,303.13	37,988,788.66
Short Term Investments	37,494,964.22	-
Legislative Appropriations	71,391,952.72	79,608,485.14
Accounts Receivable, net:		
Federal, net of allowance	32,484,507.60	31,612,680.30
Other Intergovernmental, net of allowance	415,618.09	524,364.72
Interest and Dividends, net of allowance	1,332,464.39	463,857.47
Accounts Receivable, net of allowance	65,308,733.94	62,061,727.73
Gifts Receivable, net of allowance	2,227,156.69	3,944,774.90
Other Receivables, net of allowance	4,555,749.14	8,053,457.55
Due From Other Agencies	6,177,490.48	6,215,315.24
Inventories	2,130,637.52	2,214,576.04
Loans and Contracts, net of allowance	4,048,435.92	7,235,618.45
Other Current Assets	29,177,495.94	29,554,535.24
Total Current Assets	476,116,233.24	538,474,686.34
Non-Current Assets and Deferred Outflows		
Cash and Cash Equivalents, noncurrent restricted	-	-
Restricted Investments	4,121,916.31	25,934,106.10
Unrestricted Investments	171,295,545.53	113,130,447.45
Loans and Contracts, net of allowance	4,976,779.74	5,038,670.89
Gift Receivables, net of allowance	983,448.73	1,335,196.49
Capital and Intangible Assets:		
Non-Depreciable	160,138,775.01	116,408,579.80
Depreciable	1,309,300,780.84	1,265,564,876.30
Less accumulated depreciation/amortization	(576,060,127.33)	(528,318,791.47)
Other Non-Current Assets	37,875.00	230,066.42
Total Non-Current Assets and Deferred Outflows	1,074,794,993.83	999,323,151.98
Total Assets and Deferred Outflows	**$ 1,550,911,227.07**	**$ 1,537,797,838.32**
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities and Deferred Inflows		
Accounts Payable	21,146,467.32	23,224,678.54
Payroll Payable	33,663,667.70	29,962,800.42
Other Payables	1,313,439.98	3,278,016.03
Due to Other Agencies	59,037.15	130,721.89
Deferred Inflows	189,868,375.47	166,139,991.51
Notes, Loans, and Lease Payable, current portion	27,027,911.15	2,440,986.76
Revenue Bonds Payable, current portion	23,988,044.00	23,488,044.00
Employees Compensable Leave, current portion	2,651,968.24	2,737,142.60
Funds Held for Others	17,179,162.62	13,804,481.42
Other Current Liabilities	7,638,473.96	6,320,107.27
Total Current Liabilities and Deferred Inflows	324,536,547.59	271,526,970.44

	August 31, 2013	August 31, 2012
Non-Current Liabilities and Deferred Inflows		
Notes, Loans, and Lease Payable	29,497,000.00	39,200,911.15
Revenue Bonds Payable	417,587,994.08	441,576,038.08
Employees Compensable Leave	17,833,146.83	18,082,738.68
Funds Held for Others	1,117,859.33	1,701,615.67
Other Non-Current Liabilities	1,881,175.98	1,555,303.35
Total Non-Current Liabilities and Deferred Inflows	467,917,176.22	502,116,606.93
Total Liabilities and Deferred Inflows	**792,453,723.81**	**773,643,577.37**
NET POSITION		
Invested in Capital Assets, Net of Related Debt	395,278,479.29	348,265,998.54
Restricted:		
Non-Expendable	47,932,188.67	46,439,677.10
Expendable	100,425,912.65	103,390,896.94
Total Restricted	148,358,101.32	149,830,574.04
Unrestricted	214,820,922.65	266,057,688.37
Total Net Position	**758,457,503.26**	**764,154,260.95**
Total Liabilities and Net Position	**$ 1,550,911,227.07**	**$ 1,537,797,838.32**

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
As of August 31, 2013
(unaudited)

	August 31, 2013	Audited August 31, 2012
ASSETS:		
Cash	$ 8,745,272	$ 7,594,575
Investments	252,069,626	163,006,341
Stock (restricted)	-	-
Trust Assets	4,167,588	3,804,300
Annuity Assets	1,307,725	1,046,751
Accounts Receivable	76,076	27,318
Contributions Receivable (net)	19,889,262	20,180,336
Prepaid Expenses	1,114	6,359
Real Estate	12,860	111,735
Trust Property	110,000	110,000
Inventory	7,500	7,500
Cash Value of Life Insurance Policies	458,065	435,352
Total ASSETS	$ 286,845,088	$ 196,330,567
LIABILITIES:		
Accounts Payable	$ 1,397,964	$ 61,005
Agency Funds	116,721	269,385
Trust and Annuity Obligations	1,996,385	1,859,041
Assets Held for Others	167,454,665	85,368,734
Total LIABILITIES	170,965,735	87,558,165
NET ASSETS:		
Unrestricted-Undesignated	2,110,670	421,486
Unrestricted-Market Loss over Historical Cost	(1,710,325)	(2,483,380)
Unrestricted Board-Designated	1,162,929	1,137,649
Temporarily Restricted	38,044,127	39,262,564
Permanently Restricted	76,271,952	70,434,083
Total NET ASSETS	115,879,353	108,772,402
Total LIABILITIES & NET ASSETS	$ 286,845,088	$ 196,330,567

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended August 31, 2013

	August 31, 2013	August 31, 2012
OPERATING REVENUES		
Tuition and Fees	$ 340,952,927.62	$ 316,736,084.73
Discounts and Allowances	(76,505,701.88)	(64,211,055.42)
Professional Fees	76,143,705.07	78,726,571.02
Auxiliary Enterprises	54,034,670.98	52,411,073.22
Discounts and Allowances	(2,164,458.29)	(273,484.46)
Other Sales of Goods and Services	33,951,500.40	34,551,458.58
Sponsored programs	100,643,641.15	95,940,015.52
Other Operating Revenues	2,951,643.61	559,184.12
Total Operating Revenues	**530,007,928.66**	**514,439,847.31**
OPERATING EXPENSES [(1)]		
Instruction	241,290,171.42	244,641,958.97
Research	57,910,509.59	58,906,603.32
Public Service	16,123,658.56	14,870,109.31
Academic Support	154,479,498.54	151,818,863.53
Student Services	62,253,813.17	64,019,605.52
Institutional Support	83,758,693.18	60,533,562.12
Operations and Maintenance of Plant	45,328,183.80	44,704,805.88
Scholarships and Fellowships	66,881,911.44	61,679,831.84
Auxiliary Enterprises	43,670,605.21	43,620,394.52
Depreciation	52,056,953.11	49,768,580.05
Total Operating Expenses	**823,753,998.02**	**794,564,315.07**
Operating Income (Loss)	**(293,746,069.36)**	**(280,124,467.76)**
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	206,054,263.38	215,092,783.91
Federal Revenue	47,449,729.90	44,179,907.83
Gifts	10,827,652.05	12,283,883.94
Investment Income	8,914,150.36	4,615,800.18
Investing Activities Expense	(5,242.59)	(148,446.63)
Interest Expense and Fiscal Charges	(19,252,144.25)	(21,587,263.83)
Gain/(Loss) on Sale of Capital Assets	(598,038.66)	(582,753.16)
Net Increase (Decrease) in Fair Value of Investments	2,977,592.98	1,718,476.75
Settlement of Claims	(296,103.74)	(263,623.02)
Other Nonoperating Revenues	2,905,230.92	2,062,563.95
Other Nonoperating Expenses	(3,951,924.70)	(988,311.50)
Total Nonoperating Revenues /(Expenses)	**255,025,165.65**	**256,383,018.42**
Income/(Loss) before Other Revenues, Expenses, Gain/Losses and Transfers	**(38,720,903.71)**	**(23,741,449.34)**
OTHER REVENUES, EXPENSES, GAINS LOSSES AND TRANSFERS		
Capital Contributions	1,309,079.00	1,617,468.19
Capital Appropriations - Higher Education Fund	36,617,741.00	35,837,741.00
Contributions to Permanent and Term Endowments	281,293.21	1,687,686.03
Transfers-Out (to other State agencies)	(5,183,967.19)	(4,726,364.51)
Legislative Transfers-In	-	-
Legislative Transfers-Out	-	-
Total Other Revenue, Expenses, Gain/Losses and Transfers	**33,024,146.02**	**34,416,530.71**
CHANGE IN NET POSITION	**(5,696,757.69)**	**10,675,081.37**

	August 31, 2013	August 31, 2012
Net Position, Beginning	764,154,260.95	753,479,179.58
Restatements	-	-
Net Position, Beginning, as Restated	764,154,260.95	753,479,179.58
NET POSITION, ENDING	**$ 758,457,503.26**	**$ 764,154,260.95**

(1) See Note 1: Matrix of Operating Expenses Reported by Function on Page 24

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For the Twelve Months Ended August 31, 2013

(unaudited)

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	Eight Month Period Ended August 31, 2012
REVENUES, GAINS AND OTHER SUPPORT:					
Gifts	$ -	$ 3,955,568	$ 6,412,517	10,368,085	2,848,002
Gifts in Kind	-	(88,557)	463,636	375,079	107,771
Investment Income/(Loss)	(45,421)	6,086,519	-	6,041,098	5,880,459
Royalty Income	-	4,898	-	4,898	2,167
FMV of Goods Recd and Other	-	125,346	-	125,346	261,067
Actuarial Gain/(Loss) on Annuity/Trust agreements	-	-	175,360	175,360	55,901
Revenue from Life Insurance Policies	-	-	22,713	22,713	17,629
Internal Management Fee Income	934,967	-	-	934,967	569,006
External Management Fee Income	451,978	-	-	451,978	52,917
Cost Share Income	69,121	-	-	69,121	-
Total REVENUES, GAINS AND OTHER SUPPORT	1,410,645	10,083,774	7,074,226	18,568,645	9,794,919
Interfund Transfers	2,157,923	(2,164,573)	6,650	-	-
Release of Donor Restrictions	10,380,645	(9,137,638)	(1,243,007)	-	-
PROGRAM SERVICES:					
Scholarships & Awards	1,896,155			1,896,155	623,414
Distributions to UNT	5,090,374			5,090,374	4,145,370
Distributions to Other Institutions	23,500			23,500	15,000
Services Purchased	2,410,577			2,410,577	314,641
Maintenance & Repairs	-			-	-
Expense Reimbursements	4,057			4,057	11,358
Internal Management Fee	934,967			934,967	569,006
Life Insurance Premiums	13,695			13,695	8,574
Total PROGRAM SERVICES	10,373,325			10,373,325	5,687,363
MANAGEMENT & GENERAL EXPENSES:					
Payroll & Benefits	840,274			840,274	395,490
Administrative Expense	27,224			27,224	18,874
Travel	12,079			12,079	8,983
Professional Development	9,904			9,904	4,934
Consulting Services	27,124			27,124	19,667
Annual Audit and Tax Preparation	21,000			21,000	22,000
Attorney Fees	6			6	-
Office & Computer Equipment and Software	3,872			3,872	2,429
Bank Charges & Credit card discount	42,785			42,785	7,165
Insurance - Property & Liability	4,381			4,381	9,467
Uses of Operating Reserves	99,720			99,720	16,924
Total MANAGEMENT & GENERAL EXPENSES	1,088,369			1,088,369	505,933
FUND-RAISING EXPENSES:					
Appreciation Events, Plaques, Awards	-			-	
Total FUND-RAISING EXPENSES	-			-	
Total SERVICES & EXPENSES	11,461,694			11,461,694	6,193,296
NET CHANGE IN ASSETS	2,487,519	(1,218,437)	5,837,869	7,106,951	3,601,623
NET ASSETS BEGINNING OF YEAR	(924,245)	39,262,564	70,434,083	108,772,402	105,170,779
NET ASSETS END OF PERIOD	$ 1,563,274	$ 38,044,127	$ 76,271,952	$ 115,879,353	$ 108,772,402

See accompanying notes to the combined financial statements

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Note 1: Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2013

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	$ (2,657.18)	$ -	$ -	$ 167,330.86	$ 151,767.41
Salaries and Wages	169,336,416.57	29,500,163.58	7,832,127.18	91,587,210.76	31,507,093.81
Payroll Related Costs	45,271,613.73	6,399,594.89	1,679,435.34	18,323,324.20	6,260,607.81
Professional Fees and Services	2,157,474.57	5,792,037.00	2,866,967.15	17,484,259.59	639,543.08
Federal Pass-Through Expenses	289,485.00	561,691.40	44,422.66	-	-
State Pass-through Expenses	-	157,131.14	-	-	-
Travel	2,437,665.93	1,912,380.91	273,373.14	2,545,857.94	3,040,701.53
Materials and Supplies	8,641,685.35	6,559,412.87	1,213,871.61	9,695,969.26	6,603,876.96
Communications and Utilities	641,865.09	70,912.26	39,397.75	551,021.60	1,086,075.33
Repairs and Maintenance	1,346,820.38	1,446,662.01	79,645.22	2,178,842.29	994,410.09
Rentals and Leases	1,630,129.83	212,122.16	410,872.38	1,339,872.01	1,244,465.34
Printing and Reproduction	897,543.81	69,586.52	134,490.75	562,081.15	729,612.53
Depreciation	-	-	-	-	-
Bad Debt Expense	257,911.52	(16,608.36)	(637.76)	844,846.49	(167,198.18)
Interest	-	-	-	-	-
Scholarships	1,786,280.54	858,679.84	360,129.41	38,110.00	77,020.56
Other Operating Expenses	6,597,936.28	4,386,743.37	1,189,563.73	9,160,772.39	10,085,836.90
Total Operating Expenses	**$ 241,290,171.42**	**$ 57,910,509.59**	**$ 16,123,658.56**	**$ 154,479,498.54**	**$ 62,253,813.17**

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation	2013 Total Expenditures
$ 508,762.24	$ 4,972.47	$ -	$ 18,754.23	$ -	$ 848,930.03
44,920,129.11	13,277,686.12	589,517.53	16,649,620.12	-	405,199,964.78
11,677,258.26	4,760,364.75	111,850.24	5,144,865.47	-	99,628,914.69
3,142,339.00	1,300,057.03	56,492.20	733,844.94	-	34,173,014.56
-	-	-	-	-	895,599.06
-	-	-	-	-	157,131.14
688,149.26	70,195.00	44,044.01	104,181.58	-	11,116,549.30
3,772,948.49	3,966,613.18	31,361.62	9,357,012.37	-	49,842,751.71
1,791,944.43	9,516,296.94	26.97	4,666,424.04	-	18,363,964.41
6,117,107.83	6,988,693.79	13,983.00	2,507,830.81	-	21,673,995.42
852,887.56	523,641.58	10,284.44	1,569,137.90	-	7,793,413.20
791,875.75	7,774.01	2,940.61	277,242.46	-	3,473,147.59
-	-	-	-	52,056,953.11	52,056,953.11
2,917,233.18	-	(60,313.41)	920,008.23	-	4,695,241.71
72.58	-	-	-	-	72.58
60,142.00	-	66,008,617.73	-	-	69,188,980.08
6,517,843.49	4,911,888.93	73,106.50	1,721,683.06	-	44,645,374.65
$ 83,758,693.18	**$ 45,328,183.80**	**$ 66,881,911.44**	**$ 43,670,605.21**	**$ 52,056,953.11**	**$ 823,753,998.02**

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2013

	August 31, 2013	August 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from Tuition and Fees	$ 278,888,011.69	$ 256,321,874.53
Proceeds Received from Customers	112,424,021.13	123,341,964.35
Proceeds from Sponsored Projects	101,259,186.97	97,122,436.92
Proceeds from Loan Programs	14,545,378.02	8,201,461.31
Proceeds from Auxiliaries	51,853,183.52	52,137,588.76
Proceeds from Other Revenues	5,800,295.67	551,673.33
Payments to Suppliers for Goods and Services	(177,181,448.83)	(236,280,218.76)
Payments to Employees for Salaries and Benefits	(501,411,216.29)	(499,160,277.73)
Payments for Loans Provided	(10,714,650.30)	(6,193,174.76)
Payments for Other Expenses	(79,587,271.35)	(84,449,985.87)
Net Cash Provided (Used) by Operating Activities	**(204,124,509.77)**	**(288,406,657.92)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from State Appropriations	204,549,185.47	224,452,010.70
Proceeds from Debt Issuance	-	-
Proceeds from Legislative Transfers	899,000.00	1,806,301.56
Proceeds from Gifts	13,449,553.81	10,831,573.22
Proceeds from Endowments	281,293.21	1,687,686.03
Proceeds of Transfers from Other Agencies	-	2,742,586.51
Proceeds of Transfers from Other Components	4,997,266.82	10,329,910.23
Proceeds from Grant Receipts	47,449,729.90	44,179,907.83
Proceeds from Other Revenues	28,739.61	3,647,194.68
Proceeds from Contributed Capital	-	-
Payments of Principal on Debt Issuance	-	-
Payments of Interest	(96,448.96)	(171.91)
Payments of Other Costs of Debt Issuance	-	-
Payments for Legislative Transfers	(773,000.00)	-
Payments for Transfers to Other Agencies	(268,303.77)	(389,491.03)
Payments for Transfers to Other Components	(6,238,805.23)	(11,537,144.11)
Payment for Grant Disbursements	-	-
Payments for Other Uses	(1,493,030.10)	(968,446.00)
Net Cash Provided (Used) by Noncapital Financing Activities	**262,785,180.76**	**286,781,917.71**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from State Appropriations	38,615,315.34	25,153,248.96
Proceeds from Disposal of Capital Assets	565,044.44	-
Proceeds from Debt Issuance	1,601,928.00	55,997,173.60
Proceeds from Capital Contributions	-	1,444,072.68
Proceeds of Transfers from Other Components	14,890,000.00	17,549,000.00
Payments for Additions to Fixed Assets	(104,941,021.08)	(89,309,483.02)
Payments of Principal on Debt Issuance	(8,060,082.76)	(19,708,082.76)
Payments of Interest on Debt Issuance	(19,016,320.85)	(25,557,243.22)
Payments of Other Costs of Debt Issuance	(504,679.54)	(743,329.26)
Payments for Transfers From Other Agencies	423,539.44	-
Payments for Transfers to Other Components	-	(17,549,000.00)
Payments for Disposal of Capital Assets	-	(81,636.00)
Net Cash Provided (Used) From Capital & Related Financing Activities	**(76,426,277.01)**	**(52,805,279.02)**

	August 31, 2013	August 31, 2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	25,018,498.32	34,064,325.03
Proceeds from Interest and Investment Income	7,237,256.83	4,519,517.16
Proceeds from Principal Payments on Loans	-	-
Payments to Acquire Investments	(102,104,416.11)	(63,862,670.67)
Net Cash Provided (Used) by Investing Activities	**(69,848,660.96)**	**(25,278,828.48)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(87,614,266.98)**	**(79,708,847.71)**
Cash and Cash Equivalents--September 1, 2012 and 2011	306,985,293.56	386,694,141.27
Restatements to Beginning Cash and Cash Equivalents	-	-
Cash and Cash Equivalents--August 31, 2013 and 2012	**$ 219,371,026.59**	**$ 306,985,293.56**
Displayed as:		
Unrestricted Cash and Cash Equivalents (Statement of Net Position)	197,651,723.46	268,996,504.90
Short-term Investments (Statement of Net Position)	-	-
Restricted Cash and Cash Equivalents (Statement of Net Position)	21,719,303.13	37,988,788.66
Restricted Short-term Investments (Statement of Net Position)	-	-
	$ 219,371,026.59	**$ 306,985,293.56**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income/(Loss)	**$ (293,746,069.36)**	**$ (280,124,467.76)**
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation	52,056,953.11	49,768,580.05
Bad Debt Expense	4,695,241.71	419,790.45
Operating Income and Cash Flow Categories		
Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(3,545,697.20)	(16,034,997.66)
(Increase) Decrease in Inventories	349,280.44	(477,611.84)
(Increase) Decrease in Loans & Contracts	3,102,534.29	1,209,455.20
(Increase) Decrease in Other Assets	7,186,174.14	(853,405.10)
(Increase) Decrease in Prepaid Expenses	381,451.29	(9,396,229.15)
Increase (Decrease) in Payables	1,343,554.57	(42,325,370.81)
Increase (Decrease) in Due to Other Components	625,176.31	(82,622.80)
Increase (Decrease) in Deferred Inflows	23,464,852.00	9,490,221.50
Increase (Decrease) in Other Liabilities	(37,961.07)	-
Total Adjustments	**89,621,559.59**	**(8,282,190.16)**
Net Cash Provided (Used) by Operating Activities	**$ (204,124,509.77)**	**$ (288,406,657.92)**
	-	
Non Cash Transactions		
Net Increase (Decrease) in FMV of Investments	$ 2,827,885.31	$ 1,743,289.82
Amortization of Investment Premiums/(Discounts)	$ 15,700.98	$ 440,635.70
Amortization of Bond Premiums/(Discounts)	$ 1,723,044.00	$ 1,224,879.68
Gain/(Loss) on disposal of Capital Assets	$ (598,038.66)	$ (582,753.16)

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Note 1: Summary of Significant Accounting Policies

General Introduction

The University of North Texas System is an agency of the state of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies and Universities.

The University of North Texas is the fourth-largest university in Texas and defines itself as a recognized student-centered public research university where the power of ideas is harnessed through a culture of learning based on diverse viewpoints, interdisciplinary endeavors, creativity and disciplined excellence. The University of North Texas Health Science Center at Fort Worth's mission is to improve the health and quality of life for the people of Texas and beyond through excellence in education, research, clinical care, community engagement and to provide national leadership in primary care.

The UNT System has no blended component units. The UNT System is reporting the University of North Texas Foundation, Inc. as a discrete component unit. Financial activity for the University of North Texas Health Science Center at Fort Worth Texas College of Osteopathic Medicine Foundation, Inc. (Foundation) is reported in UNTHSC's agency funds. The Foundation is a non-profit organization with the sole purpose of supporting the educational and other activities of UNTHSC. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The financial operations of the Foundation are overseen by a 27 member board of community business leaders, elected for a three-year term. The Executive Director, who is appointed by the Board and approved by the President of UNTHSC, is also the Vice President of Development.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Proprietary Fund Types

Enterprise Funds

Enterprise funds are used to account for any activity where a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met.

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services, including capital costs such as depreciation or debt service, be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds in institutions of higher education are reported in the proprietary funds.

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Component Units
The UNT System has no blended component units. The University of North Texas Foundation, Inc. is reported as a discrete component unit because the Foundation's governing body is not substantively the same as the governing body of the UNT System. Additional information may be found in Note 19.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Restricted Net Assets

When both restricted and unrestricted net assets are available for use, restricted resources are used first, and then unrestricted resources are used as they are needed.

Assets, Liabilities, and Fund Balances/Net Position

ASSETS

Cash and Cash Equivalents
Short-term highly liquid investments that are both readily convertible to known amounts of cash and having an original maturity of three months or less are considered cash equivalents.

Securities Lending Collateral
The UNT System had no securities lending collateral transactions during the fiscal year.

Derivatives
The UNT System had no investments in derivatives at August 31, 2013.

Restricted Assets
Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

Inventories and Prepaid Items
Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the first-in-, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the proprietary fund types. The cost of these items is expensed when the items are consumed.

Capital Assets
Assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated.

All capital assets acquired by proprietary funds are reported at cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date.

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According to GASB No. 34, No. 35, and No. 51, the UNT System is required to depreciate and amortize capital assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets; generally, 10 to 30 years for buildings, 10 to 45 years for infrastructure, 4 to 15 years for equipment, and 15 years for library books.

GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*, requires all intangible assets not specifically excluded by scope provisions to be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable.

Current Receivables – Other
Other Receivables include year-end revenue accruals not included in any other receivable category.

Non-Current Receivables – Other
There are no Non-Current Receivables – Other reported for fiscal year 2013.

LIABILITIES

Accounts Payable
Accounts Payable represent the liability for the value of assets or services received at the statement of net assets date for which payment is pending.

Other Payables
Other Payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions.

Employees' Compensable Leave
Employees' Compensable Leave represents the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net position.

Capital Lease Obligations
Capital Lease Obligations represent the liability for future lease payments under capital lease contracts. Liabilities are reported separately as either current or non-current in the statement of net position.

Bonds Payable – Revenue Bonds
Revenue bonds are generally accounted for in the proprietary funds. The bonds payable are reported at par value. Bond discounts and premiums are not amortized over the life of the bonds in proprietary funds if they are not individually greater than 5 percent of the par value of the bond issue. Revenue Bonds Payable is reported separately as either current or non-current in the statement of net position.

FUND BALANCE/NET POSITION

The difference between fund assets and liabilities is 'Net Position' on the proprietary fund statements.

Invested in Capital Assets, Net of Related Debt
Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

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Restricted Net Position
Restricted Net Position result when constraints placed on equity use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position
Unrestricted Net Position consists of equity which do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources, which are imposed by management, but can be removed or modified.

INTERFUND TRANSACTIONS AND BALANCES

Not Applicable to proprietary funds.

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Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2013, is presented below:

			Reclassifications					
BUSINESS-TYPE ACT.	**Balance 9/1/2012**	**Adjustments**	**Completed CIP**	**Increase Interagency Transfers**	**Decrease Interagency Transfers**	**Additions**	**Deletions**	**Balance 8/31/2013**
Non-Depreciable or Non-Amortizable Assets:	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Land and Land Improvements	70,471,362.35	-	-	-	-	292,259.88	-	70,763,622.23
Infrastructure	-	-	-	-	-	-	-	-
Construction-in-Progress	22,060,168.56	-	(20,770,107.40)	-	-	63,721,664.73	-	65,011,725.89
Other Tangible Capital Assets	23,877,048.89	-	-	-	-	486,378.00	-	24,363,426.89
Land Use Rights	-	-	-	-	-	-	-	-
Other Intangible Capital Assets	-	-	-	-	-	-	-	-
Total Non-Depreciable or Non-Amortizable Assets:	**116,408,579.80**	-	**(20,770,107.40)**	-	-	**64,500,302.61**	-	**160,138,775.01**
Depreciable Assets:								
Buildings and Building Improvements	820,645,899.97	-	18,836,362.43	-	-	1,480,837.96	(484,498.71)	840,478,601.65
Infrastructure	56,362,657.69	-	1,026,830.62	-	-	3,469,206.20	-	60,858,694.51
Facilities and Other Improvements	120,155,967.10	-	791,600.77	-	-	2,597,479.45	-	123,545,047.32
Furniture and Equipment	125,537,894.07	(3,984.18)	115,313.58	13,377,742.90	(13,377,742.90)	11,710,369.23	(3,434,302.54)	133,925,290.16
Vehicles, Boats and Aircraft	11,995,059.42	-	-	202,107.57	(202,107.57)	790,380.62	(904,635.64)	11,880,804.40
Other Capital Assets	107,786,626.91	-	-	-	-	7,904,136.27	(29,027.52)	115,661,735.66
Total Depreciable Assets:	**1,242,484,105.16**	**(3,984.18)**	**20,770,107.40**	**13,579,850.47**	**(13,579,850.47)**	**27,952,409.73**	**(4,852,464.41)**	**1,286,350,173.70**
Less Accumulated Depreciation for:								
Buildings and Improvements	(342,902,108.67)	-	-	-	-	(28,128,150.21)	33,125.74	(370,997,133.14)
Infrastructure	(9,548,115.98)	-	-	-	-	(1,957,128.90)	-	(11,505,244.88)
Facilities and Other Improvements	(13,924,753.35)	-	-	-	-	(3,344,032.83)	-	(17,268,786.18)
Furniture and Equipment	(80,442,554.78)	83.25	-	(8,842,042.37)	8,842,042.37	(11,091,500.45)	3,286,665.93	(88,247,306.05)
Vehicles, Boats and Aircraft	(6,399,361.30)	-	-	(136,874.22)	136,874.22	(943,122.63)	842,488.03	(6,499,995.90)
Other Capital Assets	(53,853,024.26)	-	-	-	-	(5,914,607.43)	23,090.30	(59,744,541.39)
Total Accumulated Depreciation	**(507,069,918.34)**	**83.25**	-	**(8,978,916.59)**	**8,978,916.59**	**(51,378,542.45)**	**4,185,370.00**	**(554,263,007.54)**
Depreciable Assets, Net	**735,414,186.82**	**(3,900.93)**	**20,770,107.40**	**4,600,933.88**	**(4,600,933.88)**	**(23,426,132.72)**	**(667,094.41)**	**732,087,166.16**
Amortizable Assets - Intangible:								
Land Use Rights	-	-	-	-	-	-	-	-
Computer Software	23,080,771.14	-	-	12,046,408.35	(12,046,408.35)	-	(130,164.00)	22,950,607.14
Other Intangible Capital Assets	-	-	-	-	-	-	-	-
Total Amortizable Intangibles	**23,080,771.14**	-	-	**12,046,408.35**	**(12,046,408.35)**	-	**(130,164.00)**	**22,950,607.14**
Less Accumulated Amortization for:								
Land Use Rights	-	-	-	-	-	-	-	-
Computer Software	(21,248,873.13)	-	-	(11,868,391.82)	11,868,391.82	(678,410.66)	130,164.00	(21,797,119.79)
Other Intangible Capital Assets	-	-	-	-	-	-	-	-
Total Accumulated Amortization	**(21,248,873.13)**	-	-	**(11,868,391.82)**	**11,868,391.82**	**(678,410.66)**	**130,164.00**	**(21,797,119.79)**
Amortizable Assets, Net	**1,831,898.01**	-	-	**178,016.53**	**(178,016.53)**	**(678,410.66)**	-	**1,153,487.35**
Business-Type Activities Capital Assets, Net:	**853,654,664.63**	**(3,900.93)**	-	**4,778,950.41**	**(4,778,950.41)**	**40,395,759.23**	**(667,094.41)**	**893,379,428.52**

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Note 3: Deposits, Investments and Repurchase Agreements

The Texas Education Code, Title III, Chapter 51.0031 grants authority for a governing board to invest funds under prudent person standards "if a governing board has under its control at least $25 million in book value of endowment funds."

The UNT System adopted regulation 10.100, Investment Management, of the University of North Texas System Regulations in 2012. The investment policy stipulates that the investment policy of each member institution must be reviewed and approved by the UNT System Board of Regents annually, serves to standardize the investment approach across the member campuses, to document the investment strategy of the UNT System and replace the four existing institution policies. The UNT System's policy authorizes the following types of investments: U.S. Government obligations, U.S. Government Agency obligations, other government obligations, corporate obligations, corporate asset and mortgage backed securities, equity, international obligations, international equity, certificates of deposit, banker's acceptances, money market mutual funds, mutual funds, repurchase agreements, private equity, hedge funds, Real Estate Investment Trusts (REITs), derivatives, energy and real estate.

There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2013, the carrying amount of deposits was $39,508,163.99 for Proprietary Funds and $8,745,272.00 for University of North Texas Foundation, Inc. as presented below.

Business-Type Activities	
CASH IN BANK – CARRYING VALUE	**$39,508,163.99**
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalents	-
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	-
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	-
Cash in Bank per AFR	**$39,508,163.99**
Proprietary Funds Current Assets Cash in Bank	20,213,384.72
Proprietary Funds Current Assets Restricted Cash in Bank	19,294,779.27
Cash in Bank per AFR	**$39,508,163.99**

Discrete Component Unit	
CASH IN BANK – CARRYING VALUE	**$8,745,272**
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalents	-
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	-
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	-
Cash in Bank per AFR	**$8,745,272.00**
Discrete Component Unit Current Assets Cash in Bank	8,745,272.00
Discrete Component Unit Current Assets Restricted Cash in Bank	-
Discrete Component Unit Non-Current Restricted Cash in Bank	-
Cash in Bank per AFR	**$8,745,272.00**

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These amounts consist of all cash in local banks and a portion of short-term investments. These amounts are included on the Combined Statement of Net Position as part of the Cash and Cash Equivalents accounts.

As of August 31, 2013, the total bank balance was as follows:

Business-Type Activities	$50,099,200.28
Discrete Component Unit	$1,709,306.00

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The University of North Texas Foundation, Inc., presented as a discrete component unit, maintains cash balances at times in excess of $100,000 in banks, which are insured by the Federal Deposit Insurance Corporation up to $250,000 (effective October 3, 2008). The total amount of checking account deposits with Wells Fargo Bank N.A. as of August 31, 2013 was $190,871. In addition to the checking account balance, the Foundation had cash balances of $1,709,306 at August 31, 2013 invested with Wells Fargo Bank N.A. under a sweep agreement collateralized by Treasury-backed money market funds. The Foundation also maintains short-term cash investments in money-market mutual funds, which are not insured. The amount held in money market mutual funds was $5,467,530 at August 31, 2013.

Investments

The University of North Texas System's investment portfolio is invested pursuant to Section 51.0032 of the Texas Education Code; Public Funds Collateral Act, Chapter 2257 of the Texas Government Code; the Public Funds Investment Act (PFIA); and the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Chapter 163 of the Texas Property Code. Under the PFIA the University of North Texas' governing board is required to adopt a written investment policy and strategy, review the policy and strategy not less than annually, appoint an investment office, and adopt internal controls to safeguard the University's funds. Chapter 2257, Government Code, The Public Funds Collateral Act sets the standards for collateralization of public funds in Texas.

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As of August 31, 2013, the fair values of investments are presented below.

Business-Type Activities	Fair Value
U.S. Government	-
U.S. Treasury Securities	-
U.S. Treasury Strips	-
U.S. Treasury TIPS	-
U. S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Sallie Mae, etc.)	$ 2,007,552.13
U. S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	-
Corporate Obligations	-
Corporate Asset and Mortgage Backed Securities	-
Equity	-
Endowment Funds- collective	-
International Obligations (Govt. and Corp.)	-
International Equity	-
Repurchase Agreement	48,854,718.56
Repurchase Agreement (Texas Treasury Safekeeping Trust Co.)	-
Domestic Mutual Funds	12,688,994..43
International Mutual Funds	7,987,328.95
Fixed Income Money Market and Bond Mutual Fund	56,043,579.80
Other Commingled Funds	53,709,243.87
Other Commingled Funds (Texpool)	18,396,591.20
Commercial Paper	-
Securities Lending Collateral Investment Pool	-
Real Estate	548,570.41
Externally Managed Investments-Domestic	123,049,553.18
Externally Managed Investments-Foreign	42,335,333.00
Misc. (limited partnerships, guaranteed investment contract, political subdivision, bankers' acceptance, negotiable CD)	12,680,035.29
Total	**$ 378,301,500.82**

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. The exposure to foreign risk at August 31, 2013, was as follows:

Fund Type	GAAP Fund	Currency	Balance
5	0001	US$	$42,335,333.00

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. As of August 31, 2013, UNT System's credit quality distribution for securities with credit risk exposure was as follows:

Standard and Poor's

Fund Type	GAAP Fund	Investment Type	AAA	AAAm	AA	A	BBB	BB	B	CCC	Unrated
			$	$	$	$	$	$	$	$	$
5	0001	U.S. Government Agency Obligations			2,007,552						
		Corporate Obligations									
		International Obligations									
		Repurchase Agreement				48,854,719					
		Fixed Income Money Market and Bond Mutual Fund		37,314,248	4,602,250	6,686,194	487,302	583,285	4,240,767		2,129,534
		Externally Managed Investments									165,384,886
		Miscellaneous			657,000	384,357		280,696	852,603		10,505,379

In February of 2012 the Board of Regents of the UNT System approved the creation of the UNT System Long Term Investment Pool to create a standardized investment approach across the member campuses. Authority to invest funds is granted to the Board of Regents as established in the Public Funds Investment act (Texas Government Code, Chapter 2256) Section 51.0031 and rule 10.100 of the Rules of the Board of Regents of the

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University of North Texas System investment policy. No violations of applicable law, Board policy or contract provisions occurred during fiscal year 2013.

The UNT System Long Term Investment Pool funds are invested with external investment managers who invest in equity and fixed income funds both domestic and international. The policy allows for the asset allocation to be maintained within the following parameters (+/- 2%); 18% US All–Cap Stocks, 10% US Large-Cap Quality Stocks, 19% International Large-Cap Stocks, 5% Emerging Market Stocks, 23% US/Global Fixed Income, 3% US inflation Protected Bonds, 12% Hedge Funds and 10% Real Assets. As of August 31, 2013, the UNT System's externally managed Long Term Pool investment was $127,746,896.
The UNT System Endowment is invested with external investment managers who invest in equity and fixed income funds both domestic and international. As of August 31, 2013, the UNT System's externally managed Endowment Investment was $37,637,990.

Hedge funds within the externally managed Long Term Investment Pool and Endowment are invested with external investment managers who invest in equity and fixed income funds both domestic and international. These investment managers may invest both long and short in securities and may utilize leverage in their portfolios. They may also utilize credit default swaps and total return swaps as part of their investment strategies. The funds invested may be subject to a lock-up restriction of one or more years before the investment may be withdrawn from the manager without significant penalty. There are certain risks associated with these investments, some of which include investment manager risk, market risk and liquidity risk, as well as the risk of utilizing leverage in the portfolios. When credit default swaps or total return swaps are used, there is additional risk of counterparty non-performance and unanticipated movements in the fair value of the underlying securities. As of August 31, 2013, the UNT System's Long Term Pool Investment in hedge funds was $15,101,679 and the Endowment Investment was $4,322,042.

International and emerging market funds within the externally managed Long Term Investment Pool are invested with external investment managers who may employ the use of forward currency exchange contracts as a hedge in connection with portfolio purchases and sales of securities denominated in foreign currencies. These instruments are subject to market, credit and counterparty risk. The contracts are valued at the prevailing forward exchange rate of the underlying currencies and the unrealized gain (loss) is recorded daily. Unrealized gains and losses that represent the difference between the value of the forward contract to buy and the forward contract to sell are included in the net realized gain (loss) from the forward contracts. As of August 31, 2013, the UNT System's Long Term Pool investment in international funds that may employ forward currency exchange contracts was $32,915,158 and the Endowment Investment was $9,420,182.

Reverse Repurchase Agreements

The UNT System components, by statute, are authorized to enter into reverse repurchase agreements. The UNT System did not enter into any reverse repurchase agreements during the current fiscal year.

Securities Lending Transactions

The UNT System did not participate in any securities-lending program.

Derivatives

The UNT System did not participate in any derivatives. Investment managers in invested vehicles such as hedge funds may employ derivatives, the value of which is reflected in those securities.

Note 4: Short-Term Debt

University of North Texas System issues commercial paper with the intent and ability to treat it as long-term debt (reported in Note 5 Notes & Loans Payable). The commercial paper debt service requirement due within one year includes $27,025,000.00 principal and $118,696.20 interest.

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Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2013, the following changes occurred in long-term liabilities:

Business-Type Activities	Balance 09-01-12	Additions	Reductions	Balance 08-31-13	Amounts Due Within One Year	Amounts Due Thereafter
	$	$	$	$	$	$
Notes & Loans Payable - Commercial Paper	41,632,000.00	23,060,000.00	(8,170,000.00)	56,522,000.00	27,025,000.00	29,497,000.00
Revenue Bonds Payable	465,064,082.08	-	(23,488,044.00)	441,576,038.08	23,988,044.00	417,587,994.08
Claims & Judgments	1,214,520.01	-	-	1,214,520.01	1,214,520.01	-
Capital Lease Obligations	9,897.91	-	(6,986.76)	2,911.15	2,911.15	-
Compensable Leave	20,819,881.28	1,678,804.55	(2,013,570.76)	20,485,115.07	2,651,968.24	17,833,146.83
Pollution Remediation Obligation	-	-	-	-	-	-
Total Business - Type Activities	**528,740,381.28**	**24,738,804.55**	**(33,678,601.52)**	**519,800,584.31**	**54,882,443.40**	**464,918,140.91**

Notes & Loans Payable

The University of North Texas System increased the commercial paper program in fiscal year 2009. The issuance of commercial paper notes may not exceed, in aggregate, the principal amount of $100,000,000 of which $25,000,000 may be used as taxable notes. Additionally, the University of North Texas System Revenue Financing System Commercial Paper Notes, Series A in the amount of $23,060,000 were issued during the fiscal year to finance various capital projects and notes in the amount of $8,170,000 matured. The outstanding balance at August 31, 2013, is $56,522,000 with interest rates of 0.11%, 0.12%, 0.13%, 0.14%, and 0.28%, for the outstanding issues. The University of North Texas System will provide liquidity support for $100,000,000 in commercial paper notes by utilizing available funds of The University of North Texas System in lieu of or in addition to bank liquidity support.

The maximum maturity for commercial paper is 270 days. In practice, UNT System rolls, pays off, and/or issues new commercial paper at each maturity. Commercial paper will continue to be used as interim funding until long-term bonds are approved and issued or gifts are received to retire the commercial paper debt.

Long-Term Liabilities are presented for each component with an offsetting contra-account representing the amount due from/to other components.

The debt service requirements for Commercial Paper are as follows:

Year	Principal	Interest	Total
2014	$ 27,025,000.00	$ 118,696.20	$ 27,143,696.20
2015	1,790,000.00	61,943.70	1,851,943.70
2016	1,115,000.00	58,184.70	1,173,184.70
2017	742,000.00	55,843.20	797,843.20
2018	670,000.00	54,285.00	724,285.00
2019-2021	$ 25,180,000.00	$ 154,129.50	$ 25,334,129.50

The average variable interest rate for 2013 of 0.21% was used to estimate interest in future years. The actual rate will fluctuate based upon market conditions in each year.

Claims and Judgments

There are no outstanding material judgments as of August 31, 2013. There is one material claim that remains unresolved and therefore has not been paid.

The University of North Texas has a conditional settlement agreement with the City of Denton pending the outcome of a declaratory judgment action regarding a statutory discount rate for utilities provided to institutions of higher education. The declaratory judgment action is City of Denton, Texas, Acting by and through its Electric Utility Department, Denton Municipal Electric v. University of North Texas, which is currently pending in the 158th State District Court, Denton County, Texas. Payment under the settlement agreement by the University is not due unless and until the University loses upon final appeal in this matter. It is reasonably possible that the University could lose on appeal. In the event the University loses on final appeal, it will owe the City of Denton One Million Seventy One Thousand Two Hundred Forty-five and 49/100 ($1,071,245.49) plus statutory interest of 9.25% per year, and attorney's fees of up to Forty-five Thousand Five Hundred and no/100 Dollars ($45,500.00).

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time, provided the employee has had continuous employment with the State for six months and 1.5 compensatory time accrued, in the event of the employee's resignation, dismissal, or separation from State employment. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. An expense and liability for proprietary fund types is recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Pollution Remediation Obligations

In accordance with GASB 41 and the 2013 pollution remediation survey results no disclosure is required as there are no obliging events regarding pollution remediation as of August 31, 2013.

Note 6: Bonded Indebtedness

Bonds Payable

Detailed supplemental bond information is disclosed in Schedule 2A - Combined Miscellaneous Bond Information, Schedule 2B - Combined Changes in Bonded Indebtedness, Schedule 2C - Combined Debt Service Requirements, Schedule 2D- Combined Analysis of Funds Available for Debt Service, Schedule 2E- Combined Defeased Bonds Outstanding, and Schedule 2F - Combined Early Extinguishment and Refunding.

General information related to bonds is summarized below:

University of North Texas System Administration

Revenue Financing System Bonds, Series 2007

- To provide funds for the purposes of refunding a portion of the Board's outstanding commercial paper notes, and for acquiring, renovating and equipping property in Dallas for academic and administrative purposes
- Issued 01-01-2007
- $16,980,000; all authorized bonds have been issued
- Source of revenue for debt service – all pledged revenues of the participants of the University of North Texas System Revenue Financing System

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University of North Texas

Revenue Financing System Bonds, Series 2003

- To provide funds for the purposes of constructing a 600-bed residence hall and dining facility for University students, and for paying costs of bond issuance
- Issued 05-01-2003
- $31,180,000; all authorized bonds have been issued
- Source of revenue for debt service – all pledged revenues of the participants of the University of North Texas System Revenue Financing System

Revenue Financing System Refunding Bonds, Series 2003A

- To provide funds for the purposes of refunding portions of Consolidated University Revenue Bonds Series 1994, Health Science Center Tuition Revenue Bonds Series 1994, Consolidated University Revenue Bonds Series 1996, Revenue Financing System Tuition Revenue Bonds Series 1999, and Revenue Financing System Tuition Revenue Bonds Series 2002, and for paying costs of bond issuance
- Issued 09-01-2003
- $3,270,000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System

Revenue Financing System Bonds, Taxable Series 2003B

- To provide funds for the purposes of constructing and equipping student sorority housing facilities to be owned by the University, for paying a portion of accrued interest and for paying certain costs of bond issuance
- Issued 09-01-2003
- $4,980,000; all authorized bonds have been issued
- Source of revenue for debt service – fees charged for the occupancy of sorority facilities as well as pledged revenues of the participants of the University of North Texas System Revenue Financing System

Revenue Financing System Refunding and Improvement Bonds, Series 2005

- To provide funds for the purposes of advance refunding a portion ($37.7 million par value) of the Board's outstanding bonds, for refunding a portion of the Board's outstanding commercial paper notes, for constructing and equipping a student wellness and career center, for paying a portion of accrued interest, and for paying certain costs of bond issuance
- Issued 10-01-2005
- $42,890,000; all authorized bonds have been issued
- Source of revenue for debt service – pledged revenues of the participants of the University of North Texas System Revenue Financing System

Revenue Financing System Bonds, Series 2007

- To provide funds for the purposes of refunding a portion of the Board's outstanding commercial paper notes, for constructing and equipping two residence halls, for paying a portion of accrued interest, and for paying certain costs of bond issuance
- Issued 01-01-2007
- $39,070,000; all authorized bonds have been issued
- Source of revenue for debt service – pledged revenues of the participants of the University of North Texas System Revenue Financing System

Revenue Financing System Bonds, Series 2009A

- To provide funds for the purposes of constructing and equipping the Business Leadership Building, for constructing and equipping Apogee Stadium for paying a portion of accrued interest and for paying certain costs of bond issuance
- Issued 12-02-2009

- $132,190.000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System

Revenue Financing System Refunding Bonds, Series 2009B
- To provide funds for the purposes of refunding outstanding Consolidated University Revenue Bonds Series 1994, Revenue Financing System Bonds Series 1999A, and Revenue Financing System Bonds Series 2001 and for paying costs of bond issuance
- Issued 12-02-2009
- $12,345,000; all authorized bonds have been issued
- Source of revenue for debt service – pledged revenues of the participants of the University of North Texas System Revenue Financing System

Revenue Financing System Refunding Bonds, Series 2010
- To provide funds for the purposes of refunding Revenue Financing System Bonds Series 2001, Revenue Financing System Bonds Series 2002, and Revenue Financing System Bonds Series 2002A
- Issued 07-23-2010
- $42,085,000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System

Revenue Financing System Refunding and Improvement Bonds, Series 2012A
- To provide funds for the purposes of refunding Revenue Financing System Bonds Series 2003A, for refunding a portion of the Board's outstanding commercial paper notes and for purchasing, constructing, improving, renovating, enlarging, and equipping property, buildings, structures, facilities, roads, or infrastructure related to the UNT ESCO project and UNT Woodhill Square acquisition
- Issued 06-01-2012
- $56,210,000; all authorized bonds have been issued (total issue $75,890,000 - $19,680,000 Health Science portion)
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financial System

Revenue Financing System Refunding Bonds, Series 2012B
- To provide funds for the purposes of refunding Revenue Financing System Bonds Series 2003B
- Issued 06-01-2012
- $4,820,000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financial System

University of North Texas Health Science Center

Detailed supplemental bond information is disclosed in Schedule 2A - Miscellaneous Bond Information; Schedule 2B - Changes in Bond Indebtedness; Schedule 2C - Debt Service Requirements Schedule; Schedule 2D - Analysis of Funds Available for Debt Service; Schedule 2E - Schedule of Defeased Bonds Outstanding.

General information related to bonds is summarized below:

Revenue Financing System Refunding and Improvement bond Series 1999A
- Proceeds from the sale of the bonds will be used for the purposes of (i) constructing a parking garage at UNTHSC, (ii) refunding certain of the currently outstanding UNTHSC General Tuition Revenue Bonds, Series 1994 and (iii) paying the municipal bond insurance premium for the bonds, and (iv) paying certain costs of issuing the Bonds.
- Issued 09-01-1999 $15,535,000; all authorized bonds have been issued

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- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System.

Revenue Financing System Bonds, Series 2002
- To acquire, purchase, construct, improve renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for UNTHSC, pay the municipal bond insurance premium for the bonds, and to pay costs of issuing the bonds
- Issued 08-01-02
- $27,130,000: all authorized bonds have been issued.
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System.

UNT Revenue Financing System Refunding Bonds, Series 2003A
- To advance refund a portion of the Board's outstanding bonds in order to reduce debt service requirements of the Board in certain years
- Issued 09-01-03
- $2,915,000: all authorized bonds have been issued.
- Source of revenue for debt service – Pledged UNTHSC revenue including all funds and balances lawfully available to the Board.

Revenue Financing System Refunding and Improvement Bonds, Series 2005
- To provide funds for the purposes of (1) advance refunding a portion ($11.43 million par value) of the Board's outstanding bonds, (2) paying a portion of the accrued interest, and (3) paying certain costs of issuing the bonds
- Issued 10-01-05
- $11,250,000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System.

Revenue Financing System Refunding and Improvement Bonds, Series 2009
- To provide funds for the purposes of refunding a portion ($18.175 million par value) of the Board's outstanding commercial paper notes; constructing and equipping a Public Health Education Building; paying a portion of the interest accruing on the bonds; and paying certain costs of issuing the bonds
- Issued 02-19-09
- $38,650,000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System.

Revenue Financing System Refunding and Improvement Bonds, Series 2009B
- To provide funds for the purposes of (1) refunding the currently outstanding UNTHSC General Tuition Revenue Bonds, Series 1999A, (2) paying a portion of the accrued interest and (3) paying certain costs of issuing the bonds
- Issued 11-15-09
- $3,455,000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System.

Revenue Financing System Refunding and Improvement Bonds, Series 2010
- To provide funds for the purposes of (1) refunding a portion of the Board's outstanding Tuition Revenue Bonds, Series 2002 and (2) paying certain costs of issuing the bonds
- Issued 07-23-10
- $15,540,000; all authorized bonds have been issued

- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System.

Revenue Financing System Refunding and Improvement Bonds, Series 2012A

- To provide funds for the purposes of (1) refunding a portion of the Board's outstanding commercial paper notes, (2) building completions and renovations and (3) paying certain costs of issuing the bonds
- Issued 06-01-12
- $19,680,000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System.

University of North Texas at Dallas

Detailed supplemental bond information is disclosed in Schedule 2A - Miscellaneous Bond Information; Schedule 2B - Changes in Bond Indebtedness; Schedule 2C - Debt Service Requirements Schedule; Schedule 2D - Analysis of Funds Available for Debt Service; Schedule 2E - Schedule of Defeased Bonds Outstanding.

Revenue Financing System Refunding and Improvement Bonds, Series 2005

- To provide funds for constructing and equipping a building for the UNT-Dallas campus including a library, classrooms, offices, and related parking.
- Issued 10-01-2005
- $22,655,000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System.

Revenue Financing System Bonds, Series 2009A

- To provide funds for constructing and equipping the second academic building for the UNT-Dallas campus
- Issued 12-02-2009
- $27,120,000; all authorized bonds have been issued
- Source of revenue for debt service – legislative appropriation and all pledged revenues of the participants of the University of North Texas System Revenue Financing System

Pledged Future Revenues

GASB statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, makes a basic distinction between sales of receivables and future revenues, on the one hand, and the pledging of receivables or future revenues to repay a borrowing (a collateralized borrowing), on the other. The following table provides the pledged future revenue information for UNT System's revenue bonds:

	Government Activities	Business – Type Activities	Component Units
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	N/A	$ 628,382,977.50	N/A
Term of Commitment Year Ending 08/31		2040	
Percentage of Pledged Revenue		100%	
Current Year Pledged Revenue		640,015,089.81	
Current Year Principal and Interest Paid		$ 42,212,625.53	
Pledged revenue sources: Business – type activities – tuition and fees, operating income from residential housing, dining services Component Units -			

Note 7: Derivatives

The UNT System had no investments in derivatives for the financial year ended August 31, 2013.

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Note 8: Leases

The UNT System does not have any non-cancelable operating leases.

Leases that are purchases in substance are reported as capital lease obligations. The capital assets are recorded at full value of the lease payments.

For governmental and business-type activities, the assets and liabilities are recorded in the government-wide financial statements.

The table below is a summary of the future minimum lease payments for capital leases.

Business-Type Activities			
	Principal	**Interest**	**Total Future Minimum Lease Payments**
2014 (Future Year 1)	$2,911.15	-	$2,911.15
Total Lease Payments	**$2,911.15**	-	**$2,911.15**

The following table represents an analysis of the property recorded under capital leases by asset category at August 31, 2013.

Business-Type Activities		
Type	**Assets Under Capital Lease**	**Accumulated Depreciation**
Furniture and Equipment	$ 20,960.28	$ 6,737.04
Total	**$ 20,960.28**	**$ 6,737.04**

Note 9: Pension Plans

The state has established an optional retirement program for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System and is available to certain eligible employees. The contributions made by plan members and employers for the fiscal year ended August 31, 2013 are:

ORP Participation	
Member Contributions	$ 9,393,392.77
Employer Contributions	10,197,507.21
Total	**$ 19,590,899.98**

Note 10: Deferred Compensation

Not Applicable.

Note 11: Post Employment Health Care and Life Insurance Benefits

Not Applicable.

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Note 12: Interfund Activity and Transactions

The UNT System experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activity at August 31, 2013, follows:

Current Portion	Current Interfund Receivable	Current Interfund Payable
ENTERPRISE FUND (05)	-	-
Total Interfund Receivable/Payable	**$ 0.00**	**$ 0.00**

Non-Current Portion	Non-Current Interfund Receivable	Non-Current Interfund Payable
ENTERPRISE FUND (05)	-	-
Total Interfund Receivable/Payable	**$ 0.00**	**$ 0.00**

	Legislative Transfers In	Legislative Transfers Out
ENTERPRISE FUND (05)	-	-
Total Legislative Transfers	**$ 0.00**	**$ 0.00**

The detailed State Grant Pass Through information is listed on Schedule 1B – Schedule of State Grant Pass Throughs From/To State Agencies.

Note 13: Continuance Subject to Review

This note does not apply to the UNT System.

Note 14: Adjustments to Fund Balances and Net Position

This note does not apply to the UNT System.

Note 15: Contingencies and Commitments

The UNT System receives several grants for specific purposes that are subject to review and audit by the federal state, private and non-profit grant sponsors. Such audits could lead to a request for reimbursements to grant sponsors for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

As of August 31, 2013, there are no known contingent liabilities that are likely to have a material effect on the System.

Note 16: Subsequent Events

The UNT System does not have any material reportable subsequent events as of August 31, 2013.

Note 17: Risk Management

The UNT System is exposed to a variety of civil claims resulting from the performance of its duties. It is the UNT System policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The UNT System assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of System-wide commercial general liability insurance for any of the UNT

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System components as an entity, nor is the UNT System involved in any risk pools with other government entities. General liability policies are purchased only on an as-needed basis to address unique exposures.

The UNT System's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated.

All state employees are insured by the State. The UNT System has various insured and self-insured arrangements for coverage of employees in the areas of liability and workers' compensation. There are no claims pending or significant non-accrued liabilities, except as stated in Note 5.

The State provides coverage for unemployment benefits from appropriations made to other state agencies for UNT System employees. The current General Appropriations Act provides that the UNT System components must reimburse General Revenue Fund – Consolidated, from UNT System appropriations, one-half of the unemployment benefits for former and current employees. The Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. The UNT System Administration component has only one appropriated fund type. The UNT System components must reimburse the General Revenue Fund 100% of the cost for unemployment compensation for any employees paid from funds held in local bank accounts and local funds held in the state treasury.

Unemployment compensation is on a pay-as-you-go basis through the State of Texas, with the exception of locally funded enterprises that have fund expenses and set-aside amounts based on a percentage of payroll amounts. No material outstanding claims are pending at August 31, 2013.

UNT System maintains reserves for unemployment compensation and workers' compensation payments made for all claims and settlements not eligible for state funding. There were no material outstanding claims pending as of August 31, 2013. Health benefits are provided through the various state contracts administered by the Employee Retirement System (ERS).

The University of North Texas (UNT) and the Health Science Center (UNTHSC) are required by certain bond covenants to carry fire and/or extended coverage and boiler insurance on buildings financed through the issuance of bonds using pledged Auxiliary or other non-Educational and General Funds. The insurance protects the bondholders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments. The following insurance coverage was in force and all premium payments paid in full at the close of the fiscal year:

> Standard Fire and Extended Coverage (Property) – $1,000,000,000 shared limit through the state-wide property program. Limit of liability exceeds bond requirements. Carriers: Westport Insurance Corp., Lexington Insurance Company and several other Carriers.

The Texas Motor Vehicle Safety Responsibility Act requires that vehicles operated on a state highway be insured for minimum limits of liability in the amount of $30,000/$60,000 bodily injury and $25,000 property damage. In addition, UNT System has chosen to carry liability insurance on its licensed vehicles in the amount of $1,000,000 combined single limit for bodily injury and property damage. Carrier: The Hartford Insurance Company.

Medical Professional Liability - The UNT Student Health and Wellness Center has medical professional liability coverage with Columbia Casualty Insurance Company for a maximum per incident limit of $250,000 and an aggregate of $500,000 with a $10,000 deductible.

UNTHSC manages a self-insurance plan for its physicians. As of August 31, 2013, UNTHSC had sufficient self-insurance reserves for known claims against its health care professionals. Medical professional liability coverage is purchased for allied health care professionals and medical students with entity coverage, which provides a maximum per incident of $1,000,000 and an aggregate limit of $3,000,000 with no deductible. Carrier: Columbia Insurance Casualty Company.

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Directors and Officers (D&O)/Employment Practices Liability (EPL) insure all UNT System and its component institution employees and volunteers including coverage for the entity. The policy provides for a maximum limit of $5,000,000 with a $100,000 deductible per insured individual for EPL and $50,000 deductible per insured individual for D&O, a $50,000 deductible for the entity, and a $25,000 deductible for volunteers. For D&O claims that are not indemnified there is no deductible. Carrier: Westchester Fire Insurance Company.

Other lines of insurance purchased include: athletic accident/medical, contractual bonuses, camp and day care accident/medical, commercial crime, fine arts, inland marine, foreign liability, global medical, kidnap and extortion, specialized general liability and property insurance for the Elm Fork Education Center, and student intern professional liability. A workers' compensation policy is purchased as required to address a unique exposure out of state employees.

Note 18: Management Discussion and Analysis

This note is not used by the UNT System. The UNT System's Management Discussion and Analysis is included as a separate section of the report.

Note 19: The Financial Reporting Entity

Component Units

The University of North Texas Foundation, Inc. is reported as a discrete component unit. The Foundation is a separate nonprofit organization that is organized for various purposes, including transferring or using all or any part of the corpus or income for the benefit of University of North Texas in accordance with the general or specific purposes stipulated by the donors, grantors or testators. Or, in the absence of such stipulations, for such uses as may be determined by the Board of Directors. Further to promptly distribute all net income in excess of operating requirements to promote the educational advancement of University of North Texas. The governing board is comprised of elected members separate from the University Regents. The direction and management of the affairs of the Foundation and the control and disposition of its assets are vested in the directors of the Foundation. The University has no liability with regard to the Foundation's liabilities. The majority of endowments supporting University scholarships and other University programs are owned by the Foundation; therefore, it would be misleading to exclude the Foundation's financial reports.
The Foundation is a necessary component of the UNT program for university advancement and for the development of private sources of funding for capital acquisition operations, endowments, and other purposes relating to the mission of the UNT.

In August of 2003, the University of North Texas entered into an agreement with the University of North Texas Foundation, Inc. to better define the relationship between the two entities and to comply with the statutory requirements of Chapters 2255 and 2260 of the Texas Government Code. The 2003 agreement provided that the development leadership for the University would be provided by the Foundation's Chief Executive Officer.

An amended agreement was approved by the UNT Foundation Board of Directors in their June 2009 meeting, and was subsequently approved by the UNT Board of Regents in August 2009. Under the amended agreement, the University's Vice President for Advancement will serve as the Foundation's Director of Development and will oversee, coordinate and have decision making authority over the fundraising activities of both the University and the Foundation. In this dual position, the University's Vice President for Advancement/Foundation's Director of Development (VPA/FDD) shall have no decision making authority in regard to governance of the Foundation or expenditure of funds by the Foundation. The person in the VPA/FDD position will be an employee of the University, and compensation for the position is the sole obligation of the University. Based on this amended agreement, UNT continues to report UNT Foundation, Inc. as a discrete component unit in the UNT Consolidated Financial Reports.

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The Foundation has a fiscal year end of August 31. The Foundation issued scholarships that total $1,895,155 to the University, made direct cash transfers that total $5,100,374 and made payments of $2,059,358 on the University's behalf as of August 31, 2013.

As of August 31, 2013, the fair values of investments are presented below.

Discrete Component Unit	Fair Value
U.S. Government	-
U.S. Treasury Securities	-
U.S. Treasury Strips	-
U.S. Treasury TIPS	-
U. S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Sallie Mae, etc.)	-
U. S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	-
Corporate Obligations	-
Corporate Asset and Mortgage Backed Securities	-
Equity	$ 67,987,265.36
Endowment Funds- collective	-
International Obligations (Govt. and Corp.)	-
International Equity	64,191,679.11
Repurchase Agreement	-
Repurchase Agreement (Texas Treasury Safekeeping Trust Co.)	-
Domestic Mutual Funds	2,935,490.00
International Mutual Funds	-
Fixed Income Money Market and Bond Mutual Fund	57,647,750
Other Commingled Funds	-
Other Commingled Funds (Texpool)	-
Commercial Paper	-
Securities Lending Collateral Investment Pool	-
Real Estate	-
Alternative Investments-Domestic	53,542,503
Alternative Investments-Foreign	-
Misc. (limited partnerships, guaranteed investment contract, political subdivision, bankers' acceptance, negotiable CD)	5,764,939.00
Total *	**$ 252,069,626.47**

*Total agreed to UNT Foundation, INC. note 2 depicting fair value and allocation of investments. Relates to note 3, disclosure of investments.

Note 20: Stewardship, Compliance and Accountability

Changes to the financial reports of the UNT System are discussed in Note 1. The UNT System had no material violations of finance related to legal and contract provisions. Per the laws of the State of Texas, the UNT System cannot spend amounts in excess of appropriations granted by the State of Texas Legislature and there are no deficits reported in the net position or retained earnings.

Note 21: Tobacco Settlement

This note is reserved for the State Comptroller of Public Accounts' use.

Note 22: Donor Restricted Endowments

The University's spending policy for unitized endowments reflects an objective to distribute as much total return as is consistent with overall investment objectives while protecting the real value of the endowment principal. An endowment is excluded from target distribution until the endowment has been established for one year.

The target distribution of spendable income to each unit of the endowment fund will be between 3 and 6 percent of the moving 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 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. If, at any point of distribution, the fair market value of the endowment is below the

corpus of the endowment, the distribution shall be net current yield. The distribution is made in accordance with the Texas Uniform Prudent Management of Institutional Funds Act. The quarterly distribution is based on an endowment management model developed by the American Institute of Certified Public Accountants.

The amount of net appreciation on University donor-restricted endowments that was available for distribution and expenditure during the fiscal year was $281,737.70. All distributions had been made as of the end of the fiscal year; therefore, none of this appreciation amount is reflected in the Net Position section.

UNTHSC credits all investment earnings to corresponding operation accounts of the endowments unless directed otherwise by the donor. Currently, only one endowment requires a portion of earnings to be returned to the corpus. Spending authority of the operations accounts is limited to the present available balance. This authority cannot be exceeded based on future projections. The net appreciation for authorization for expenditure was $240,589 at August 31, 2013.

Note 23: Extraordinary and Special Items

The UNT System does not have any special or extraordinary items to report for the year ended August 31, 2013.

Note 24: Disaggregation of Receivable and Payable Balances

A summary of accounts receivable and other receivables, net of allowances, for the year ended August 31, 2013 is presented below:

Accounts Receivable:	**Gross**	**Allowance for Doubtful Accounts**	**Net Balance**
Current Accounts Receivable:	**$**	**$**	$
Federal	32,702,899.66	(218,392.06)	32,484,507.60
Other Intergovernmental	415,618.09	-	415,618.09
Interest and Dividends	1,332,464.39	-	1,332,464.39
Accounts Receivable	77,394,520.37	(12,085,786.43)	65,308,733.94
Gifts Receivable	2,227,156.69	-	2,227,156.69
Notes/Loans and Contracts *	8,634,794.18	(4,586,358.26)	4,048,435.92
Other Receivables	4,555,749.14	-	4,555,749.14
Total Current Accounts Receivable:	**127,263,202.52**	**(16,890,536.75)**	**110,372,665.77**
Non-Current Accounts Receivable:			
Gifts Receivable *	983,448.73	-	983,448.73
Loans and Contracts	5,349,807.23	(373,027.49)	4,976,779.74
Total Non-Current Accounts Receivable:	**6,333,255.96**	**(373,027.49)**	**5,960,228.47**
Other Receivables:			
ERS and Payroll Overpayments	1,280,459.13	-	1,280,459.13
Health Receivable	3,275,290.01	-	3,275,290.01
Total Other Receivables:	**4,555,749.14**	**-**	**4,555,749.14**

* Loans receivable consists of Federal Perkins loans and emergency student loans.

Note 25: Termination Benefits

As of August 31, 2013, the UNT system has not incurred obligations to pay voluntary or involuntary termination benefits in fiscal year 2014.

Note 26: Segment Information

The UNT System does not have any significant identifiable segment activity for the year ended August 31, 2013.

NOTES TO THE

FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC

DENTON, TEXAS

For the years ended August 31, 2013 and 2012

NOTE 1 – PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses for the Foundation's pro-rata share of the investments are included in the change in net assets in the accompanying Statement of Activities

Real Estate

Real estate consists of property that has been donated to the Foundation. The property is stated at the estimated fair value at the time of the donation.

Trust Property

Trust Property consists of property that is held in a Charitable Remainder Trust. Periodically the property is appraised and the property is carried at the most current appraised value.

Inventory

Inventory consists of paintings donated to the Foundation and held for sale. The paintings are recorded at their fair value as of the date of donation.

Agency Funds

Agency funds consist of resources held by the Foundation as an agent for resource providers and will be transferred to third-party recipients specified by the resource provider.

NOTE 2 – INVESTMENTS

Investment securities consist of the following:

	August 31, 2013		August 31, 2012	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Equities	$ 117,805,333	$ 132,178,944	$ 71,908,863	$ 78,183,890
Bonds	58,927,497	57,647,750	33,796,317	35,919,579
Alternatives	52,646,271	53,542,503	32,027,595	32,938,708
Cash & equivalents	5,764,939	5,764,939	14,319,513	14,319,513
DFA	2,392,222	2,935,490	1,542,178	1,644,651
	$ 237,536,262	$252,069,626	$ 153,594,466	$ 163,006,341

Investment Income consists of interest and dividends earned, realized gains and losses plus changes in unrealized appreciation and depreciation.

NOTE 3 – CONTRIBUTIONS AND OTHER RECEIVABLES

Contributions and other receivables were as follows:

	August 31, 2013	August 31, 2012
Contributions Receivable in less than one year	$ 4,277,791	$ 2,850,033
Contributions Receivable in one to five years	24,142,677	25,998,543
Contributions Receivable in six to ten years	192,750	303,331
Contributions Receivable in over ten years	1,525	925
Total Contributions Receivable	28,614,743	29,152,832
Less discounts to net present value (8% discount rate)	(4,054,228)	(5,781,859)
Less Allowance for uncollectible pledges (10% of discounted pledge receivables – plus specific reserves)	(4,671,253)	(3,190,637)
Net Contributions Receivable	19,889,262	20,180,336
Other amounts receivable	76,076	27,318
Total Contributions and Other Receivables	$ 19,965,338	$ 20,207,654

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of contributions from donors who have specified certain programs or scholarships within the University of North Texas for use of the contributions. Temporarily restricted net assets also include income from endowment funds that is available for distribution upon satisfaction of the specific program restriction stated in the endowment agreement.

NOTE 5 – PERMANENTLY RESTRICTED NET ASSETS

Net assets were permanently restricted for the following purposes:

	August 31, 2013	August 31, 2012
Endowments and other permanently restricted funds to support various programs, scholarships, and other activities of the University of North Texas	$ 75,813,887	$ 69,998,731
Cash value of life insurance policies that will provide proceeds, upon the death of the insured, for endowments	458,065	435,352
Total	$ 76,271,952	$ 70,434,083

NOTE 6 – REAL PROPERTY

Real property donated to the Foundation is recorded at fair value at the date of the donation. Real property consists of the following at August 31, 2013:

	Fair Value Recorded	Fair Value Current
Mineral Rights	$ 12,860	Not Determined

NOTE 7 – LIFE INSURANCE POLICIES

Several endowments have been established which are to be funded or partially funded by life insurance policies for which the Foundation has been named owner and beneficiary. Donors of the policies reimburse premium payments made by the Foundation. As of the end of the period, there were a total of 24 such policies with death benefits totaling $1,657,722 and cash values totaling $458,065.

NOTE 8 – INCOME TAX STATUS

The Foundation has received a letter of determination from the Internal Revenue Service advising that it qualifies as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to income tax. The Foundation is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

NOTE 9 – RETIREMENT PLAN

The Foundation sponsors a defined contribution retirement plan covering all full time employees of the Foundation. The Foundation contributes 8.5% of eligible employees' compensation to the plan, and employees are required to contribute a minimum of 6.65% of eligible compensation to the plan. Employees may make voluntary contributions in addition to the required contribution, up to the limits prescribed by the Internal Revenue Code. The year to date expense for the current year is $55,413.

NOTE 10 – ASSETS HELD UNDER SPLIT INTEREST AGREEMENTS

The Foundation is the Trustee or Co-Trustee of various charitable remainder trusts and administers numerous gift annuity contracts. The agreements require annuity payments to the income beneficiaries for life, with the remaining assets of the trusts or agreements creating endowments upon the death of the income beneficiary. The Foundation has recorded the present value of the annuity payments as annuity obligations.

The annuity obligations are recorded at the present value of the expected future cash payments based on published life expectancy tables using a discount rate of six percent.

NOTE 11 – ASSETS HELD FOR OTHERS

The Foundation holds and invests certain funds in trust on behalf of the University of North Texas System (UNTS). Pursuant to an investment agreement dated March 15, 2012, certain UNTS long-term assets have been placed with the Foundation and invested in the Foundation's Consolidated Investment Pool. The UNTS investment funds are subject to the same investment management policy as the Foundation's investments, but receive monthly distributions of interest, dividends, and realized gains/losses. The initial term of the agreement ended February 28, 2013, with a provision to automatically renew annually thereafter.

The Foundation also holds and invests certain funds in trust on behalf of the University of North Texas (UNT). Pursuant to an investment management agreement dated August 24, 2012, certain UNT endowment assets have been placed with the Foundation and invested in the Foundation's Consolidated Investment Pool or the Foundation's DFA Short-Term Government fund. The UNT endowment funds residing in the Foundation's Consolidated Investment Pool are subject to the same investment management and distribution policies as the Foundation's investments. The initial term of the agreement ends August 31, 2013, with a provision to automatically renew annually thereafter.

UNTS and UNT are independent of the Foundation in all respects. UNTS and UNT are not subsidiaries or affiliates of the Foundation and are not directly or indirectly controlled by the Foundation. The Board of Regents of UNTS makes all decisions regarding the business and affairs of UNTS and UNT, and their long-term assets and endowment assets managed by the Foundation are the exclusive property of UNTS and UNT respectively. Since the Foundation does not have ownership of any of the UNTS

or UNT assets, neither the principal nor income generated by these assets is included in the amount of net assets of the Foundation.

Also, two trusts for which the Foundation serves as Trustee currently name the Foundation as the remainder beneficiary, however, the donors have retained the right to change the remainder beneficiary to other charitable organizations. As a result, the Foundation has recorded the assets held under these trusts as assets held for others.

	August 31, 2013	August 31, 2012
UNTS long-term assets managed by Foundation	$ 127,746,896	$ 83,527,593
UNT endowment assets managed by Foundation	37,637,195	0
Trusts for which beneficiary can be changed	2,070,574	1,841,141
Assets Held for Others	$ 167,454,665	$ 85,368,734

The assets held under these agreements are included in the Statement of Financial Position at fair value.

NOTE 12 – DEFERRED GIFTS

The Foundation has been advised by many donors of bequests and other deferred gifts to the Foundation and/or the University to be made in the future. The total of such deferred gifts of which the Foundation has been informed was approximately $80.3 million (unaudited) at August 31, 2013.

These gifts do not meet the requirements of unconditional promises to give; therefore they are not recorded in the financial statements of the Foundation.

NOTE 13 – CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances in excess of $100,000 in banks, which are insured by Federal Deposit Insurance Corporation up to $250,000. The total amount of checking account deposits with Wells Fargo Bank as of August 31, 2013 was $190,871. In addition to the checking account balance, the Foundation had cash balances of $1,709,306 at August 31, 2013 invested with Wells Fargo Bank under a sweep agreement collateralized by Treasury-backed money market funds.

The Foundation also maintains short-term cash investments in money-market mutual funds, which are not insured. The amount held in money market mutual funds were $5,467,530 at August 31, 2013.

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Notes to Schedule 1A - Combined Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2013

Note 1: Nonmonetary Assistance
N/A

Note 2: Reconciliation
Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of Federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Federal Revenues - per Statement of Changes in Revenues, Expenses and Net Position	
Federal Grants and Contracts - Operating	$ 51,943,362.80
Federal Grants and Contracts - Nonoperating	47,449,729.90
Federal Pass-Through Grants from Other State Agencies/Universities - Operating	4,650,147.84
Federal Pass-Through Grants from Other State Agencies/Universities - Nonoperating	-
Subtotal	$ 104,043,240.54
Reconciling Items:	
New Loans Processed:	
Disadvantaged Student Loans	$ 88,830.00
Federal Perkins Loan Program	557,832.00
Federal Direct Student Loans	221,988,815.00
Federal Grants from Texas A&M Research Foundation	(7,896.71)
Total Pass - Through & Expenditures per Federal Schedule	$ 326,670,820.83

Note 3a: Student Loans Processed & Administrative Costs Recovered

Federal Grantor/ CFDA Number/Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Adm. Costs Recovered	Ending Balances of Previous Year's Loans
U.S. Department of Health and Human Services				
93.342 Health Professions Student Loans, including Primary	$ 88,830.00	$ -	$ 88,830.00	$ 3,328,340.05
Total U.S. Department of Health and Human Services	$ 88,830.00	$ -	$ 88,830.00	$ 3,328,340.05
U.S. Department of Education				
84.038 Federal Perkins Loan Program	$ 557,832.00	$ 45,395.00	$ 603,227.00	$ 3,681,305.95
84.268 Federal Direct Student Loans	221,988,815.00	-	221,988,815.00	-
Total U.S. Department of Education	222,546,647.00	45,395.00	222,592,042.00	3,681,305.95
TOTAL LOANS AND RECOVERIES	$ 222,635,477.00	$ 45,395.00	$ 222,680,872.00	$ 7,009,646.00

The University of North Texas' general ledger reporting, billing and receiving, and some aspects of collections of the Perkins Loan program are outsourced to Campus Partners. Promissory note generation, final collection efforts, forbearance and deferment decisions are performed by UNT Financial Aid.

Note 3b: Federally Funded Loans Processed and Administrative Cost Recovered
N/A

Note 4: Depository Libraries for Government Publications
The University of North Texas participates as a depository library in the Government Printing Office's Depository Libraries for Government Publications Program, CFDA #40.001. The university is the legal custodian of governmental publications, which remain the property of the federal government. The publications are not assigned a value by the Government Printing Office.

Note 5: Unemployment Insurance Funds
N/A (Agency 320 only)

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

Note 7: Deferred Federal Revenue
The University of North Texas System does not report any Federal Deferred Revenue.

Note 8: Supplemental Nutrition Assistance Program (SNAP)
N/A

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies
For the Fiscal Year Ended August 31, 2013

Pass-Through From State Agencies:	
To University of North Texas (794)	
Texas State Board of Public Accountancy (Agency 457)	
Fifth Year Accounting Student Scholarship Program	$ 15,000.00
Cancer Prevention and Research Institute of Texas (Agency 542)	
Prostate Cancer Model in Zebra Fish	54,723.14
Dallas Cancer Disparities Community Coalition: Breast Cancer Prevention Education	49,537.69
Culturally sensitive HPV Vaccine Education in Tarrant County	60,572.41
Cellular Targets of Salinomycin: Novel Cancer Stem-Cell Specific Drug Studied in Yeast	52,026.11
The Rural Texas Physician Cancer Screening Education Program in High-Risk Cancer Cluster Regions	173,039.66
Comprehensive breast cancer prevention for high-risk women in Dallas County	355,011.63
Texas Commission on Environmental Quality (Agency 582)	
TEHI Asthma Study	40,271.77
Texas Education Agency (Agency 701)	
Available School Fund - Per Capita	166,905.00
Foundation School Program (FSP) - Formula	2,228,478.00
University of Texas System (Agency 720)	
Joint Admission Medical Program (JAMP)	162,814.62
Texas Woman's University (Agency 731)	
College Readiness Initiative	43,781.27
Texas Tech University (Agency 733)	
CPRIT Beam Scanning Radar for Tumor Tracking in Lung Cancer Radiotherapy	29,758.05
University of Texas at Dallas (Agency 738)	
Fast PVT-Tolerant Physical Design of RF IC Components	1,257.43
University of North Texas (Agency 752)	
Texas Environmental Health Institute (TEHI) Asthma Study	12,198.03
Allied Health Pathway: A Minority Male Initiative	53,587.26
Texas Higher Education Coordinating Board (Agency 781)	
Minority Health Research and Education	27,817.29
TEXAS Grant Program	15,129,982.00
Advanced Research Program	(19.79)
Texas Research Incentive Program - HB51	175,000.00
College Work Study Program	163,542.51
College Readiness Initiative	212,632.69
Top 10% Scholarships	1,867,281.00
Work Study Mentorship Program	193,634.85
Texas Research Incentive Program - HB1025	1,315,000.00
Family Practice Residency Program	42,252.32
Texas Commission on the Arts (Agency 813)	
Arts Create	3,793.00
Total Pass-Through from State Agencies (Statement of Revenues, Expenses, and Changes in Net Position)	$ 22,629,877.94
Pass-through To State Agencies:	
Texas A&M University - Kingsville (Agency 732)	
Ozone Near Non-Attainment	91,345.85
University of North Texas Health Science Center at Fort Worth (Agency 763)	
Texas Environmental Health Institute (TEHI) Asthma Study	12,198.03
Allied Health Pathway: A Minority Male Initiative	53,587.26
Total Pass-Through to State Agencies	$ 157,131.14

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Schedule 2A - Combined Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2013

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Terms of Variable Interest Rate	Scheduled Maturities		First Call Date
				First Year	Last Year	
RFS Bonds, Series 2003	$ 31,180,000.00	3.0000% - 5.0000%	N/A	2005	2013	4/15/2013
RFS Refunding Bonds, Series 2003A	6,185,000.00	5.3750% - 5.5000%	N/A	2003	2017	4/15/2013
RFS Bonds, Taxable Series 2003B	4,980,000.00	2.5000% - 6.2000%	N/A	2003	2013	4/15/2013
RFS Refunding and Improvement Bonds, Series 2005	76,795,000.00	3.2500% - 5.2500%	N/A	2006	2025	4/15/2015
RFS Bonds, Series 2007	56,050,000.00	4.0000% - 5.0000%	N/A	2008	2036	4/15/2016
RFS Bonds, Series 2009	38,650,000.00	3.0000% - 5.2500%	N/A	2009	2028	4/15/2018
RFS Bonds, Series 2009A	159,310,000.00	3.0000% - 5.0000%	N/A	2010	2040	4/15/2019
RFS Refunding Bonds, Series 2009B	15,800,000.00	3.0000% - 4.7500%	N/A	2010	2019	N/A
RFS Refunding Bonds, Series 2010	57,625,000.00	3.0000% - 5.0000%	N/A	2011	2024	4/15/2020
RFS Refunding and Improvement Bonds, Series 2012A	75,890,000.00	2.0000% - 5.0000%	N/A	2013	2034	4/15/2022
RFS Refunding Bonds, Taxable Series 2012B	4,820,000.00	0.5500% - 3.2000%	N/A	2013	2034	4/15/2022
Total	$ 527,285,000.00					

RFS - Revenue Financing System

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Schedule 2B - Combined Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2013

Description of Issue	Bonds Outstanding 09/01/12	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/13
RFS Bonds, Series 2003	$ 730,000.00	$ -	$ 730,000.00	$ -	$ -
RFS Refunding Bonds, Series 2003A	6,185,000.00	-	-	-	6,185,000.00
RFS Bonds, Taxable Series 2003B	85,000.00	-	85,000.00	-	-
RFS Refunding and Improvement Bonds, Series 2005	49,395,000.00	-	5,225,000.00	-	44,170,000.00
RFS Bonds, Series 2007	50,705,000.00	-	1,200,000.00	-	49,505,000.00
RFS Bonds, Series 2009	31,430,000.00	-	1,410,000.00	-	30,020,000.00
RFS Bonds, Series 2009A	146,325,000.00	-	3,770,000.00	-	142,555,000.00
RFS Refunding Bonds, Series 2009B	13,475,000.00	-	1,260,000.00	-	12,215,000.00
RFS Refunding Bonds, Series 2010	56,905,000.00	-	4,895,000.00	-	52,010,000.00
RFS Refunding and Improvement Bonds, Series 2012A	75,890,000.00	-	3,110,000.00	-	72,780,000.00
RFS Refunding Bonds, Taxable Series 2012B	4,820,000.00	-	80,000.00	-	4,740,000.00
Total	$ 435,945,000.00	$ -	$ 21,765,000.00	$ -	$ 414,180,000.00

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

Unamortized Premium *	Unamortized Discount	Unamortized Gain/(Loss) on Refunding	Net Bonds Outstanding 08/31/13	Amounts Due Within One Year
$ -	$ -	$ -	$ -	$ -
-	-	-	6,185,000.00	-
-	-	-	-	-
-	-	-	44,170,000.00	5,470,000.00
-	-	-	49,505,000.00	1,245,000.00
-	-	-	30,020,000.00	1,460,000.00
9,340,365.75	-	-	151,895,365.75	4,320,256.00
656,889.15	-	-	12,871,889.15	1,445,968.00
5,965,168.00	-	-	57,975,168.00	5,752,980.00
11,433,615.18	-	-	84,213,615.18	4,143,840.00
-	-	-	4,740,000.00	150,000.00
$ 27,396,038.08	$ -	$ -	$ 441,576,038.08	$ 23,988,044.00

Net Bonds Payable per Statement of Net Position $ 441,576,038.08

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Schedule 2C - Combined Debt Service Requirements
For the Fiscal Year Ended August 31, 2013

Description of Issue	Year	Principal	Interest*
Revenue Bonds			
RFS Refunding Bonds, Series 2003A	2014	$ -	$ 337,912.50
	2015	1,810,000.00	337,912.50
	2016	2,130,000.00	240,625.00
	2017	2,245,000.00	123,475.00
		6,185,000.00	1,039,925.00
RFS Refunding and Improvement Bonds, Series 2005	2014	5,470,000.00	2,165,662.50
	2015	5,190,000.00	1,919,512.50
	2016	4,170,000.00	1,685,962.50
	2017	4,390,000.00	1,467,037.50
	2018	4,610,000.00	1,236,562.50
	2019-2023	14,680,000.00	3,252,800.00
	2024-2025	5,660,000.00	384,750.00
		44,170,000.00	12,112,287.50
RFS Bonds, Series 2007	2014	1,245,000.00	2,329,962.50
	2015	1,300,000.00	2,280,162.50
	2016	1,355,000.00	2,221,662.50
	2017	1,420,000.00	2,160,687.50
	2018	1,470,000.00	2,103,887.50
	2019-2023	8,440,000.00	9,456,525.00
	2024-2028	10,745,000.00	7,153,750.00
	2029-2033	13,690,000.00	4,200,350.00
	2034-2036	9,840,000.00	898,650.00
		49,505,000.00	32,805,637.50
RFS Bonds, Series 2009	2014	1,460,000.00	1,430,787.50
	2015	1,510,000.00	1,379,687.50
	2016	1,555,000.00	1,334,387.50
	2017	1,635,000.00	1,256,637.50
	2018	1,685,000.00	1,203,500.00
	2019-2023	9,685,000.00	4,757,675.00
	2024-2028	12,490,000.00	1,952,987.50
		30,020,000.00	13,315,662.50
RFS Bonds, Series 2009A	2014	3,970,000.00	7,127,750.00
	2015	4,160,000.00	6,929,250.00
	2016	4,375,000.00	6,721,250.00
	2017	4,585,000.00	6,502,500.00
	2018	4,815,000.00	6,273,250.00
	2019-2023	27,930,000.00	27,506,000.00
	2024-2028	35,665,000.00	19,788,500.00
	2029-2033	23,045,000.00	11,550,250.00
	2034-2038	23,085,000.00	6,305,750.00
	2039-2040	10,925,000.00	826,000.00
		142,555,000.00	99,530,500.00
RFS Refunding Bonds, Series 2009B	2014	1,330,000.00	506,225.00
	2015	2,005,000.00	453,025.00
	2016	2,090,000.00	372,825.00
	2017	2,175,000.00	289,225.00

Description of Issue	Year	Principal	Interest*
Revenue Bonds			
	2018	2,265,000.00	202,225.00
	2019	2,350,000.00	111,625.00
		12,215,000.00	1,935,150.00
RFS Refunding Bonds, Series 2010	2014	5,160,000.00	2,447,050.00
	2015	3,660,000.00	2,189,050.00
	2016	3,855,000.00	2,006,050.00
	2017	4,045,000.00	1,813,300.00
	2018	4,200,000.00	1,651,500.00
	2019-2023	28,470,000.00	4,582,700.00
	2024	2,620,000.00	131,000.00
		52,010,000.00	14,820,650.00
RFS Refunding and Improvement Bonds, Series 2012A	2014	3,480,000.00	3,487,925.00
	2015	3,580,000.00	3,383,525.00
	2016	3,765,000.00	3,204,525.00
	2017	3,940,000.00	3,016,275.00
	2018	4,145,000.00	2,819,275.00
	2019-2023	21,090,000.00	11,074,425.00
	2024-2028	14,785,000.00	6,758,350.00
	2029-2033	16,305,000.00	2,705,750.00
	2034	1,690,000.00	84,500.00
		72,780,000.00	36,534,550.00
RFS Refunding Bonds, Taxable Series 2012B	2014	150,000.00	150,270.00
	2015	180,000.00	149,145.00
	2016	175,000.00	147,435.00
	2017	180,000.00	145,335.00
	2018	185,000.00	142,635.00
	2019-2023	1,000,000.00	646,905.00
	2024-2028	1,160,000.00	476,397.50
	2029-2033	1,395,000.00	237,735.00
	2034	315,000.00	12,757.50
		4,740,000.00	2,108,615.00
Total		$ 414,180,000.00	$ 214,202,977.50

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

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Schedule 2D - Combined Analysis of Funds Available for Debt Service
For the Fiscal Year Ended August 31, 2013

	Pledged and Other Sources and Related Expenditures for FY 2013			
	Total Pledged and Other	Operating Expenses/ Expenditures &	Debt Service	
Description of Issue	Sources	Capital Outlay	Principal	Interest *
RFS Bonds Series '03, '03A, '03B, '05, '07, '09 '09A, '09B, '10, '12A & '12B	$ 639,941,939.31	$ 532,996.09	$ 21,765,000.00	$ 20,447,625.53
Total	$ 639,941,939.31	$ 532,996.09	$ 21,765,000.00	$ 20,447,625.53

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

Pledged revenues for the RFS Parity Obligations include all revenues, funds and balances lawfully available and derived from or attributable to any participant of the Revenue Financing System, subject to the lien on the pledged revenues securing Prior Encumbered Obligations.

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Schedule 3 - Reconciliation of Cash in State Treasury
For the Fiscal Year Ended August 31, 2013

Cash in State Treasury	Unrestricted	Restricted	Current Year Total
Local Revenue Fund 0258	$ 5,102,393.16	$ -	$ 5,102,393.16
Local Revenue Fund 0280	4,258,323.43	-	4,258,323.43
Local Revenue Fund 0292	2,811,263.27	-	2,811,263.27
Local Revenue Fund 0819	709,748.18	-	709,748.18
Total Cash in State Treasury (Statement of Net Position)	$ 12,881,728.04	$ -	$ 12,881,728.04

UNIVERSITY OF
NORTH TEXAS
SYSTEM