

**FINANCIAL REPORT**

**of the**

**UNIVERSITY OF NORTH TEXAS  
HEALTH SCIENCE CENTER**

**FORT WORTH, TEXAS**

**Scott Ransom, DO, MBA, MPH, President**

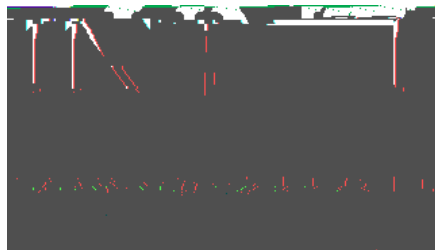
**For the year ended August 31, 2011**











**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER**

**ORGANIZATIONAL DATA**

**August 31, 2011**

**BOARD OF REGENTS**





**UNAUDITED**

<b>LIABILITIES AND DEFERRED INFLOWS</b>	<b>August 31,</b>		<b>August 31,</b>
	<b>2011</b>		<b>2010</b>
Current Liabilities			
Payables From:			
Accounts Payable	\$ 7,831,921.59	\$	3,727,506.50
Payroll Payable	10,762,129.38		11,088,795.97
Other Payables	1,137,320.84		1,404,846.09
Due to Other Agencies	-		22,845.63
Due to Other Components	146,165.10		3,900.00
Deferred Revenues	10,155,527.47		7,938,595.14
Revenue Bonds Payable, Net	4,484,976.00		4,549,976.00
Employees' Compensable Leave			

**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Fiscal Year Ended August 31, 2011**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>OPERATING REVENUES</b>		
Sales of Goods and Services:		
Tuition and Fees - Pledged	\$ 16,538,693.20	\$ 13,709,071.96
Discounts and Allowances	(199,680.82)	(156,169.66)
Professional Fees - Non-Pledged	86,069,912.02	85,036,620.86
Other Sales of Goods and Services - Pledged	5,703,939.25	3,587,343.01
Federal Revenue - Operating <sup>(2)</sup>	26,291,940.22	25,663,749.02
Federal Pass Through Revenue	659,351.03	564,081.77
State Grant Revenue	2,383,394.28	2,249,122.16
State Grant Pass Through Revenue	597,838.52	269,617.59
Other Grants and Contracts - Operating	5,067,182.42	4,528,797.47
Other Operating Revenues	83,186.93	71,585.39
<b>Total Operating Revenues</b>	<b>143,195,757.05</b>	<b>135,523,819.57</b>
<b>OPERATING EXPENSES <sup>(1)</sup></b>		
Instruction	31,186,154.27	30,302,080.34
Research	34,364,039.68	33,368,121.74
Public Service	6,227,589.11	5,054,735.86
Academic Support	93,901,239.31	90,125,692.85
Student Services	2,894,866.03	2,790,842.22
Institutional Support	15,770,117.82	15,196,629.69
06      2	15,196,629.69	2,790,842.22

**UNAUDITED**

**August 31,  
2011**

**August 31,**

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**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)**

**Note 1: Matrix of Operating Expenses Reported by Function**

**For the Fiscal Year Ended August 31, 2011**

<b>Operating Expenses</b>	<b>Instruction</b>	<b>Research</b>	<b>Public Service</b>	<b>Academic Support</b>	<b>Student Services</b>
<b>Salaries and Wages</b>	\$ 22,710,077.87	\$ 18,490,787.31	\$ 3,678,883.39	\$ 54,267,597.80	\$ 1,801,711.62
<b>Payroll Related Costs</b>	4,967,966.29	3,560,507.70	773,576.14	10,472,500.67	462,591.91
<b>Professional Fees &amp; Svcs</b>	500,327.12	3,755,085.14	107,474.79	18,135,187.11	241,414.67
<b>Federal Pass-Through Expense</b>	-	373,511.29	-	-	-
<b>Travel</b>	100,818.15	586,912.11	43,072.96	536,664.66	63,968.96
<b>Material and Supplies</b>	1,258,433.26	4,483,883.69	270,287.95	3,932,293.60	335,270.98
<b>Communication &amp; Utilities</b>	127,468.45	28,258.91	24,870.96	302,724.78	9,560.00
<b>Repairs and Maintenance</b>	224,029.29	404,851.55	18,930.72	1,922,560.05	27,098.20
<b>Rentals and Leases</b>	116,228.56	276,101.88	25,183.19	805,101.38	43,529.53
<b>Printing and Reproduction</b>	15,055.18	139,548.30	43,529.53	1,922,560.05	

21 -98-(373 Td(48.9 -0 9 2Tf12 43 )P Tm.71728303(7030(48./T )FJ/TT0 167 )f-48.21 -98-(3,932,293.60)FJ8.973 Td(Pr( 31T1 1 )48.21 tTT0 1 T30.72)FJ8.24

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<b>Institutional Support</b>	<b>Operation and Maintenance of Plant</b>	<b>Scholarships and Fellowships</b>	<b>Auxiliary Enterprises</b>	<b>Depreciation and Amortization</b>	<b>2011 Total Expenditures</b>
\$ 11,028,988.96	\$ 3,674,776.48	\$ -	\$ 297,829.00	\$ -	\$ 115,950,652.43
3,651,758.45	756,117.54	-	97,357.08	-	24,742,375.78
171,713.58	425,879.10	-	5,996.30	-	23,343,077.81
-	-	-	-	-	373,511.29
66,714.60	6,046.30	-	1,203.26	-	1,405,401.00
339,425.78	3,356,234.39	128.67	52,053.24	-	14,028,011.56
112,700.05	2,883,801.18	-	1,739.40	-	3,491,123.73
188,770.70	591,310.20	-	5,216.88	-	3,382,767.59
71,385.47	159,165.75	-	430.17	-	1,497,125.93
13,258.76	1,997.65	-	2,561.33	-	346,206.69
-	-	-	-	8,627,793.13	8,627,793.13
-	-	-	-	-	472,200.55
3.17	-	-	-	-	3.17
-	-	1,171,879.00	-	-	2,133,526.99
125,398.30	1,600,777.69	1,000.00	19,655.38	-	8,291,177.69
<b>\$ 15,770,117.82</b>	<b>\$ 13,456,106.28</b>	<b>\$ 1,173,007.67</b>	<b>\$ 484,042.04</b>	<b>\$ 8,627,793.13</b>	<b>\$ 208,084,955.34</b>

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UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2011

	August 31, 2011	August 31, 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from Tuition and Fees	\$ 18,628,291.62	\$ 14,864,332.64
Proceeds Received from Customers	92,914,582.83	91,289,108.20
Proceeds from Sponsored Projects	33,148,478.76	33,241,964.65
Proceeds from Loan Programs	147,388.45	282,999.37
Proceeds from Other Revenues	83,186.93	71,585.39
Payments to Suppliers for Goods and Services	(43,389,299.22)	(50,118,300.47)
Payments to Employees for Salaries and Benefits	(139,843,369.80)	(134,004,685.26)
Payments for Other Expenses	(18,233,898.39)	(5,659,009.17)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(56,544,638.82)</b>	<b>(50,032,004.65)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from State Appropriations	72,194,783.07	65,472,809.46
Proceeds from Gifts	23,865.00	33,305.17
Proceeds of Transfers from Other Agencies	1,123,498.07	-
Proceeds from Grant Receipts	-	2,314,555.93
Proceeds from Other Revenues	1,026,299.08	1,062,286.64
Payments for Transfers to Other Agencies	(369,178.61)	(354,553.97)
Payments for Transfers to Other Components	(1,365,890.10)	(1,383,854.49)
Payments for Other Uses	(2,926,707.79)	(294,916.76)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>69,706,668.72</b>	<b>66,849,631.98</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from State Appropriations - HEF	8,771,265.00	7,994,676.00
Proceeds from Debt Issuance	-	21,341,562.05
Proceeds of Transfers from Other Components - Commercial Paper	8,530,000.00	-
Payments for Additions to Fixed Assets	(19,088,784.53)	(17,917,505.79)
Payments of Principal on Debt Issuance	(4,370,000.00)	(23,715,000.00)
Payments of Interest on Debt Issuance	(2,940,137.86)	(4,493,581.07)
Payments of Other Costs of Debt Issuance	(3,251.41)	(180,056.75)
<b>Net Cash Provided (Used) From Capital &amp; Related Financing Activities</b>	<b>(9,100,908.80)</b>	<b>(16,969,905.56)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	242,714.59	127,934.56
Proceeds from Interest and Investment Income	3,249,891.64	2,728,800.50
Payments to Acquire Investments	(557,807.25)	(338,226.12)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>2,934,798.98</b>	<b>2,518,508.94</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>6,995,920.08</b>	<b>2,366,230.71</b>
<b>Cash and Cash Equivalents --September 1, 2010 and 2009</b>	<b>83,344,337.45</b>	<b>80,978,106.74</b>
<b>Cash and Cash Equivalents --August 31, 2011 and 2010</b>	<b>\$ 90,340,257.53</b>	<b>\$ 83,344,337.45</b>
Displayed as:		
Unrestricted Cash and Cash Equivalents (Statement of Net Assets)	\$ 90,935,460.59	\$ 76,608,766.72
Restricted Cash and Cash Equivalents (Statement of Net Assets)	(595,203.06)	6,735,570.73
	<b>\$ 90,340,257.53</b>	<b>\$ 83,344,337.45</b>

**UNAUDITED**

	August 31, 2011	August 31, 2010
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
<b>Operating Income/(Loss)</b>	<b>\$ (64,889,198.29)</b>	<b>\$ (61,328,254.69)</b>
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>		
Depreciation and Amortization	8,627,793.13	7,215,687.21
Bad Debt Expense	472,200.55	234,911.59
Operating Income and Cash Flow Categories Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(266,368.33)	3,026,964.59
(Increase) Decrease in Inventories	109,321.10	20,560.02
(Increase) Decrease in Other Assets	(7,292,438.52)	1,846,392.32
Increase (Decrease) in Payables	4,477,119.21	(2,342,283.02)
Increase (Decrease) in Deferred Income	2,216,932.33	1,294,017.33
<b>Total Adjustments</b>	<b>8,344,559.47</b>	<b>11,296,250.04</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (56,544,638.82)</b>	<b>\$ (50,032,004.65)</b>
<b>Non Cash Transactions</b>		
Net Increase (Decrease) in FMV of Investments	\$ 1,186,029.87	\$ 397,288.04
Amortization of Bond 1pc0Udums(LDdl in FMV 29t I70d3288.04\$		

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**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)**  
**Notes to Schedule 1A - Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2011**

**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 Assets		
Federal Grants and Contracts - Operating		\$ 26,291,940.22
Federal Pass-Through Grants from Other State Agencies/Universities - Operating		659,351.03
Federal Pass-Through Grants from Other State Agencies/Universities - Nonoperating		1,123,498.07
Subtotal		<u>\$ 28,074,789.32</u>
Reconciling Items:		
New Loans Processed:		
Disadvantaged Student Loans		\$ 311,268.00
Federal Perkins Loan Program		72,190.00
Federal Direct Student Loans (Direct Loans)		32,605,769.00
Total Pass - Through & Expenditures per Federal Schedule		<u>\$ 61,064,016.32</u>

**Note 3: Student Loans Processed and Administrative Costs Recovered**

Federal Grantor/ CFDA Number/Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Admin Costs Recovered	Ending Balances of Previous Year's Loans
<i>U.S. Dept. of Health and Human Services</i>				
93.342 Health Professions/Disadvantaged Student Loan	\$ 311,268.00	\$ -	\$ 311,268.00	\$ 2,923,054.05
<i>Total U.S. Dept. of Health and Human Services</i>	<u>\$ 311,268.00</u>	<u>\$ -</u>	<u>\$ 311,268.00</u>	<u>\$ 2,923,054.05</u>
<i>U.S. Department of Education</i>				
84.038 Federal Perkins Loan Program	\$ 72,190.00	\$ -	\$ 72,190.00	\$ 3,091,033.94
84.268 Federal Direct Student Loans	32,605,769.00	-	32,605,769.00	-
<i>Total U.S. Department of Education</i>	<u>32,677,959.00</u>	<u>-</u>	<u>32,677,959.00</u>	<u>3,091,033.94</u>
<b>TOTAL LOANS AND RECOVERIES</b>	<u><u>\$ 32,989,227.00</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,989,227.00</u></u>	<u><u>\$ 6,014,087.99</u></u>

**Note 3b: Federally Funded Loans Processed and Administrative Cost Recovered**

N/A

**Note 4: Depository Libraries for Government Publications**

N/A

**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 Health Science Center does not report any Federal Deferred Revenue



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**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)**  
**Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies**  
**For the Fiscal Year Ended August 31, 2011**

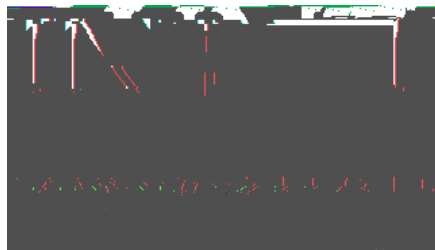
**Pass-Through From: State Agencies**

**To University of North Texas Health Science Center (763)**

Cancer Prevention and Research Institute of Texas (Agency 542)	
Planning Award to Develop Research Strategy for Predictive Biomarker Assays for Prostate Cancer in Different Ethnic Populations	\$ 5,775.35
Dallas Cancer Disparities Community Coalition: Breast Cancer Prevention Education	154,210.00
Culturally Sensitive HPV Vaccine Education in Tarrant County	64,197.11
Cellular Targets of Salinomycin: Novel Cancer Stem-Cell Specific Drug Studied in Yeast	30,304.66
The Rural Texas Physician Cancer Screening Education Program in High-Risk Cancer Cluster Regions	50,637.58
University of Texas System (720)	
Joint Admission Medical Program (JAMP)	164,271.92
Texas Higher Education Coordinating Board (Agency 781)	
Family Practice Residency	146,817.32
Advanced Research Program	(9,276.36)
College Work Study Program	7,713.88
Work Study Mentorship Program	(16,812.94)
Total Pass-Through From Other Agencies	
(Statement of Revenues, Expenses, and Changes in Net Assets)	<u>\$ 597,838.52</u>

**Pass-Through To Other Agencies:**

N/A



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**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)**  
**Schedule 2A - Miscellaneous Bond Information**  
**For the Fiscal Year Ended August 31, 2011**

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Terms of Variable Interest Rates	Scheduled Maturities		First Call Date
				First Year	Last Year	
RFS Bonds, Series 2002	\$ 27,130,000.00	2.00% - 5.00%	N/A	2003	2022	04/15/12
RFS Refunding Bonds, Series 2003A	2,915,000.00	5.375% - 5.500%	N/A	2003	2017	04/15/13
RFS Refunding and Improvement Bonds, Series 2005	11,250,000.00	3.25% - 5.25%	N/A	2006	2025	04/15/15
RFS Bonds, Series 2009	38,650,000.00	3.00% - 5.25%	N/A	2009	2028	04/15/18
RFS Refunding Bonds, Series 2009B	3,455,000.00	3.00% - 4.75%	N/A	2010	2019	N/A
RFS Refunding Bonds, Series 2010	15,540,000.00	3.00% - 5.00%	N/A	2011	2024	04/15/20
Total	<u>\$ 98,940,000.00</u>					

\*RFS - Revenue Financing System

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<u>Unamortized Premium</u>	<u>Unamortized Discount</u>	<u>Unamortized Gain/(Loss) on Refunding</u>	<u>Net Bonds Outstanding 8/31/2011</u>	<u>Amounts Due Within One Year</u>
\$ -	\$ -	\$ -	\$ 1,240,000.00	\$ 1,240,000.00
-	-	-	2,915,000.00	-
-	-	-	8,835,000.00	1,245,000.00
-	-	-	32,790,000.00	1,360,000.00
-	-	-	2,485,000.00	460,000.00
1,919,744.00	-	-	17,279,744.00	179,976.00
<u>\$ 1,919,744.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,544,744.00</u>	<u>\$ 4,484,976.00</u>

Net Bonds Payable per Statement of Net Assets

\$ 65,544,744.00



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**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)**  
**Schedule 2D - Analysis of Funds Available for Debt Service**  
**For the Fiscal Year Ended August 31, 2011**

<u>Description of Issue</u>	<u>Pledged and other Sources and Related Expenditures for FY 2011</u>			
	<u>Total Pledged and Other Sources</u>	<u>Operating Expenses/ Expenditures &amp; Capital Outlay</u>	<u>Debt Service</u>	
			<u>Principal</u>	<u>Interest*</u>
Revenue Financing System Bonds, Series '02, '03A, '05, '09, '09B & '10	\$ 35,551,262.00	\$ -	\$ 4,370,000.00	\$ 2,918,077.51
Total	<u>\$ 35,551,262.00</u>	<u>\$ -</u>	<u>\$ 4,370,000.00</u>	<u>\$ 2,918,077.51</u>

\* In accordance with the State Comptroller's reporting requirements, the interest amounts on this schedule represent interest per the bonds 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.

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**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)**  
**Schedule 2E - Defeased Bonds Outstanding**  
**For the Fiscal Year Ended August 31, 2011**

<u>Description of Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
RFS Bonds Series, 2002	2010	<u>\$ 16,090,000.00</u>
		<u><u>\$ 16,090,000.00</u></u>



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**UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)  
Schedule 3 - Reconciliation of Cash in State Treasury**

<b>Cash in State Treasury</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Current Year Total</b>
Local Revenue Fund 0280	\$ 3,480,744.29	\$ -	\$ 3,480,744.29
Local Revenue Fund 0819	687,421.17	-	687,421.17
<b>Total Cash in State Treasury (Statement of Net Assets)</b>			

