

LINT HEALTH

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LINT HEALTH

November 18, 2019

**Dr. Michael R. Williams
President**

University of North Texas Health Science Center

Fort Worth, Texas

Dear Dr. Williams:

We are pleased to submit the annual financial report of the University of North Texas Health Science Center for the year ended August 31, 2019, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No.

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UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER

ORGANIZATIONAL DATA

August 31, 2019

BOARD OF REGENTS

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

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

Mary Denny.....(Term expires 5/22/23).....Aubrey
Milton B. Lee.....(Term expires 5/22/23).....San Antonio
Carlos Munguia.....(Term expires 5/22/23).....University Park

STUDENT REGENT

Alexandra Harrel.....(Term expires 5/31/20).....Corpus Christi

OFFICERS OF THE BOARD

Laura Wright.....Chairman
Milton B. Lee.....Vice Chairman
Rosemary R. Haggett.....Secretary

ADMINISTRATIVE OFFICERS

Leslie Roe.....Chancellor
Michael R.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
 Statement of Net Position
 As of August 31, 2019

| | August 31, 2019 |
|---|--------------------------|
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents: | |
| Cash on Hand | \$ 5,859.35 |
| Cash in Bank | 18,440,846.58 |
| Cash in State Treasury | 6,985,200.59 |
| Cash Equivalents | 54,592,579.28 |
| Restricted Cash and Cash Equivalents: | |
| Cash on Hand | 50.00 |
| Cash in Bank | 4,736,870.09 |
| Legislative Appropriations | 38,614,471.82 |
| Receivables From: | |
| Accounts Receivable | 4,113,111.01 |
| Federal | 3,209,910.65 |
| Other Intergovernmental | 622,390.13 |
| Clinical Practice | 2,937,821.08 |
| Interest and Dividend | 128,714.51 |
| Other Receivables | 1,547,764.87 |
| Due From Other Agencies | 7,712,878.90 |
| Due from Other Components | 87,789.35 |
| Consumable Inventories | 462,988.68 |
| Prepaid Items | 2,043,819.13 |
| Loans and Contracts | 3,729,437.28 |
| Other Current Assets | 254,790.00 |
| Total Current Assets | <u>\$ 150,227,293.30</u> |
| Non Current Assets | |
| Restricted Investments | \$ 36,696,684.75 |
| Loans and Contracts | 2,984,896.78 |
| Investments | 95,926,903.89 |
| Capital Assets: | |
| Non Depreciable or Non Amortizable | 34,552,674.13 |
| Depreciable or Amortizable, Net | 238,591,001.32 |
| Total Non Current Assets | <u>\$ 408,752,160.87</u> |
| Total Assets | <u>\$ 558,979,454.17</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Outflows of Resources | \$ 863,038.24 |
| Total Deferred Outflows of Resources | <u>\$ 863,038.24</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 559,842,492.41</u> |

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UNAUDITED

August 31,
2019

LIABILITIES

Current Liabilities

Payables From:

Accounts Payable

\$ 14,739,178.64

Payroll Payable

13,038,091.18

Other Payables

752,590.49

Due To Other Agencies

58,788.26

Due to Other Components

1,886,588.99

Unearned Revenue

14,821,560.71

Claims and Judgments

511,259.00

Employees' Compensable Leave

1,192,526.41

Funds Held for Others

492,120.30

Total Current Liabilities

\$ 47,492,703.98

Non Current Liabilities

Claims and Judgments

\$ 323,284.00

Employees' Compensable Leave

6,892,842.95

Asset Retirement Obligation

1,236,375.00

Other Non Current Liabilities

715,032.45

Total Non Current Liabilities

\$ 9,167,534.40

Total Liabilities

\$ 56,660,238.38

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources

\$ r

Total Deferred Inflows of Resources

\$ r

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

\$ 56,660,238.38

NET POSITION

Net Investment in Capital Assets

\$ 273,143,675.45

Restricted For:

Funds Held as Permanent Investment

Non Expendable

32,191,321.93

Expendable

7,183,224.58

Other Restricted

18,273,507.52

Unrestricted

172,390,524.55

Total Net Position

\$ 503,182,254.03

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
 Statement of Revenues, Expenses and Changes in Net Position
 For the Year Ended August 31, 2019

| | August 31, 2019 |
|--|--------------------------|
| OPERATING REVENUES | |
| Tuition and Fees | \$ 32,938,777.45 |
| Discounts and Allowances | (2,339,957.39) |
| Professional Fees | 25,430,549.34 |
| Discounts and Allowances | (14,012,392.80) |
| Auxiliary Enterprises | 667,918.26 |
| Sales of Goods and Services | 45,978,671.84 |
| Federal Grant Revenue | 35,129,871.51 |
| Federal Pass Through Revenue | 957,028.65 |
| State Grant Revenue | 1,581,103.42 |
| State Grant Pass Through Revenue | 1,885,622.88 |
| Other Contracts and Grants | 4,722,443.25 |
| Other Operating Revenues | 178,841.27 |
| Total Operating Revenues | \$ 133,118,477.68 |
| OPERATING EXPENSES | |
| Instruction | \$ 68,283,585.53 |
| Research | 36,962,580.23 |
| Public Service | 42,252,757.66 |
| Academic Support | 21,256,226.07 |
| Student Services | 6,085,741.68 |
| Institutional Support | 17,303,302.54 |
| Operation and Maintenance of Plant | 19,136,349.97 |
| Scholarships and Fellowship | 1,186,093.73 |
| Auxiliary Enterprises | 686,321.31 |
| Depreciation and Amortization | 16,769,886.34 |
| Total Operating Expenses | \$ 229,922,845.06 |
| Operating Loss | \$ (96,804,367.38) |
| NONOPERATING REVENUES (EXPENSES) | |
| Legislative Appropriations (GR) | \$ 88,302,840.00 |
| Additional Appropriations (GR) | 15,237,682.67 |
| Gifts | 3,346,745.77 |
| Investment Income | 7,424,795.10 |
| Loss on Sale of Capital Assets | (210,998.46) |
| Net Decrease in Fair Value of Investment | (1,324,572.78) |
| Other Nonoperating Revenue | 525,017.98 |
| Other Nonoperating Expenses | (716,209.09) |
| Total Nonoperating Revenues (Expenses) | \$ 112,585,301.19 |
| Income Before Other Revenues, Expenses and Transfers | \$ 15,780,933.81 |
| OTHER REVENUES, EXPENSES AND TRANSFERS | |
| Capital Contribution | \$ 1,811,098.26 |
| Capital Appropriations (HEF) | 17,091,856.00 |
| Contributions To Permanent and Term Endowment | 2,000,000.00 |
| Interagency Transfers of Capital Assets Increases | 8,389.94 |
| Interagency Transfers of Capital Assets Decreases | (7,517.16) |
| Transfers From Other State Agencies | 6,322.00 |
| Legislative Transfers In | 10,853.00 |
| Legislative Transfers to Other Components | (17,555,918.32) |
| Legislative Appropriation Lapses | (3,886.74) |
| Transfers From Other Component | 96,906,195.44 |
| Transfers To Other Component | (37,980,049.85) |
| Total Other Revenues, Expenses and Transfers | \$ 62,287,342.57 |
| CHANGE IN NET POSITION | \$ 78,068,276.38 |
| Beginning Net Position | \$ 425,429,132.06 |
| Restatement | (315,154.41) |
| Beginning Net Position as Restated | \$ 425,113,977.65 |
| ENDING NET POSITION | \$ 503,182,254.03 |

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

UNAUDITED

UNIVERSITY OF NORTH TEXAS

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
 Statement of Cash Flows
 For the Year Ended August 31, 2019

| | August 31, 2019 |
|---|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Proceeds from Customers | \$ 60,934,615.06 |
| Proceeds from Tuition and Fees | 27,867,927.08 |
| Proceeds from Research Grants and Contracts | 49,851,946.61 |
| Proceeds from Auxiliaries | 667,918.26 |
| Proceeds from Other Revenues | 29,321.33 |
| Payments to Suppliers for Goods and Services | (75,417,799.10) |
| Payments to Employees | (123,557,953.29) |
| Payments for Loans Provided | (25,877.36) |
| Payments for Other Expenses | (9,193,791.38) |
| Net Cash Used by Operating Activities | <u>\$ (68,843,692.79)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Proceeds from State Appropriations | \$ 88,759,886.93 |
| Proceeds from Gifts | 3,346,745.77 |
| Proceeds from Endowments | 2,000,000.00 |
| Proceeds from Transfers from Other Agencies | 6,322.00 |
| Proceeds from Transfers from Other Components | 126,887,359.00 |
| Proceeds from Legislative Transfers | 10,853.00 |
| Proceeds from Other Revenues | 525,017.98 |
| Payments for Legislative Transfers | (17,555,918.32) |
| Payments for Transfers to Other Components | (37,980,049.85) |
| Payments for Legislative Appropriations | (3,886.74) |
| Payments for Other Uses | (1,176.64) |
| Net Cash Provided by Noncapital Financing Activities | <u>\$ 165,995,153.13</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Proceeds from Sale of Capital Assets | \$ 73,391.16 |
| Proceeds from State Appropriations | 17,091,856.00 |
| Proceeds from Capital Contributions | 1,000,000.00 |
| Payments for Additions to Capital Assets | (45,949,648.96) |
| Payments of Interest on Debt Issuance | (15,361.98) |
| Payments for Transfers to Other Components on Debt Issuance | (15,150,860.07) |
| Net Cash Used by Capital and Related Financing Activities | <u>\$ (42,950,623.85)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from Sale of Investments | \$ 163,788,646.51 |
| Proceeds from Interest and Investment Income | 7,407,250.51 |
| Payments to Acquire Investments | (214,050,806.16) |
| Net Cash Used by Investing Activities | <u>\$ (42,854,909.14)</u> |
| Net Increase in Cash and Cash Equivalents | <u>\$ 11,345,927.35</u> |
| Cash and Cash Equivalents September 1, 2018 | \$ 73,415,478.54 |
| Cash and Cash Equivalents August 31, 2019 | <u>\$ 84,761,405.89</u> |

UNAUDITED

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (763)
 Statement of Cash Flows
 For the Year Ended August 31, 2019

| | August 31, 2019 |
|---|--------------------|
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | |
| Operating Loss | \$ (96,804,367.38) |
| Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities: | |
| Depreciation and Amortization Expense | \$ 16,769,886.34 |
| Asset Retirement Obligation Expense | 58,182.35 |
| Employee Benefits Paid by State | 9,647,493.86 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in Receivables | 5,751,246.67 |
| (Increase) Decrease in Inventories | (69,263.88) |
| (Increase) Decrease in Prepaid Expenses | 105,359.30 |
| (Increase) Decrease in Loans and Contracts | (25,877.36) |
| (Increase) Decrease in Other Assets | (178,765.00) |
| Increase (Decrease) in Payables | (3,769,134.34) |
| Increase (Decrease) in Unearned Revenue | 482,003.99 |
| Increase (Decrease) in Other Liabilities | (810,457.34) |
| Total Adjustments | \$ 27,960,674.59 |
| Net Cash Used by Operating Activities | \$ (68,843,692.79) |
| NON CASH TRANSACTIONS | |
| Net Change in Fair Value of Investments | \$ (1,324,572.78) |
| Donation of Capital Assets | 811,098.26 |
| Loss on Sale of Capital Assets | (210,998.46) |
| Capital Assets Acquired with Payables | 629,410.00 |
| Interagency Transfer of Capital Assets | 872.78 |

| Federal Grantor/Pass Through Grantor/Program Title | CFDA Number | NSE Name/Identifying Number | Agency/Univ No | Pass Through From Agencies/Universities Amount | Pass Through From Non State Entities Amount | Direct Program Amount | Total PT From and Direct Prog. Amount | Agency/Univ No. | Pass Through Agencies or Universities Amount | Pass Through To Non State Entities Amount | Expenditures Amount | Total PT and Expenditures Amount |
|---|-------------|-----------------------------|----------------|--|---|-----------------------|---------------------------------------|-----------------|--|---|---------------------|----------------------------------|
| National Center on Sleep Disorders Research Pass Through University of Texas Health Science Center at San Antonio | 93.233 | | | | | 410,895.2 | 410,895.2 | | | | | 410,895.2 |
| Mental Health Research Grants Alcohol Research Program | 93.242 | | | | | 377,517.6 | 377,517.6 | 745 | 410,895.2 | 342,445,848.66 | 694,817.0 | 342,445,848.66 |

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UNIVERSITY OF NORTH HEASTON CENTER (763)
 Schedule 3 r Reconciliation Cash in State Treasury
 For the Year Ended August 31, 2019

| Cash in State Treasury | Unrestricted | Current Year Total |
|--|------------------------|------------------------|
| Local Revenue Fund 0280 | \$ 6,064,088.18 | \$ 6,064,088.18 |
| Local Revenue Fund 0819 | 921,112.41 | 921,112.41 |
| Total Cash in State Treasury (Statement of Net Position) | <u>\$ 6,985,200.59</u> | <u>\$ 6,985,200.59</u> |