

FINANCIAL REPORT

of the

**UNIVERSITY OF NORTH TEXAS
AT DALLAS**

DALLAS, TEXAS

Bob Mong, President

For the fiscal year ended August 31, 2015



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November 18, 2015

Mr. Robert Mong
President
University of North Texas Dallas
Dallas, Texas

Dear Mr. Mong:

We are pleased to submit the annual financial report of the University of North Texas System for the year ended August 31, 2015, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

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

If you have any questions, please contact Elaina Blount at (972) 338-1423.

Sincerely,

Elaina Blount, MBA
Assistant Controller

Approved:

Dan Edelman, PhD
Executive VP for Finance & Administration

Daniel Stephens, CPA, MBA
Associate Vice Chancellor for Finance & System
Controller



UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION

ORGANIZATIONAL DATA

August 31, 2015

BOARD OF REGENTS

Donald Potts (Term expires 5-22-17) Dallas
Al Silva..... (Term expires 5-22-17) San Antonio
Milton B. Lee..... (Term expires 5-22-17) San Antonio

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

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

STUDENT REGENT

Courtney Haning (Term expires 5-31-16) Kaufman

OFFICERS OF THE BOARD

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

ADMINISTRATIVE OFFICERS

Lee F. Jackson Chancellor
Robert Mong..... President
Dan Edelman..... Vice President for Finance & Administration and Chief Financial Officer

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)

Statement of Net Position

As of August 31, 2015

	<u>August 31,</u> <u>2015</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents:	
Cash on Hand	\$ 3,348.09
Cash in Bank	931,435.39
Cash in Transit/Reimburse from Treasury	16,134.21
Cash in State Treasury	1,293,056.65
Cash Equivalents	6,729,204.93
Restricted Cash and Cash Equivalents:	
Cash Equivalents	25,114.41
Legislative Appropriations	2,587,747.45
Receivables From:	
Accounts Receivable	3,353,247.97
Federal	1,624,189.68
Other Intergovernmental	21,871.96
Due From Other Agencies	4,634.00
Loans and Contracts	292,578.83
Other Current Assets	1,403,731.40
Total Current Assets	<u>\$ 18,286,294.97</u>
Non-Current Assets	
Restricted Investments (Note 3)	\$ 823,723.60
Investments (Note 3)	2,476,994.56
Capital Assets (Note 2):	
Non-Depreciable or Non-Amortizable	5,841,778.70
Depreciable or Amortizable, Net	44,467,017.40
Total Non-Current Assets	<u>\$ 53,609,514.26</u>
Total Assets	<u>\$ 71,895,809.23</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 71,895,809.23</u>
LIABILITIES	
Current Liabilities	
Payables From:	
Accounts Payable	\$ 905,411.15
Payroll Payable	1,028,178.33
Other Payables	(1,131,552.36)
Interest	482,583.61
Due to Other Components	675,602.67
Unearned Revenue	6,074,333.63
Revenue Bonds Payable (Note 5, 6)	2,410,216.61
Employees' Compensable Leave (Note 5)	114,351.86
Total Current Liabilities	<u>\$ 10,559,125.50</u>

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	August 31, 2015
Non-Current Liabilities	
Revenue Bonds Payable (Note 5, 6)	\$ 32,516,291.71
Employees' Compensable Leave (Note 5)	<u>270,889.38</u>
Total Non-Current Liabilities	<u>\$ 32,787,181.09</u>
Total Liabilities	<u>\$ 43,346,306.59</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources	<u>\$ 250,670.52</u>
Total Deferred Inflows of Resources	<u>\$ 250,670.52</u>
NET POSITION	
Net Investment in Capital Assets	\$ 15,156,731.67
Restricted For:	
Funds Held as Permanent Investments	
Non-Expendable	754,955.91
Expendable	107,779.60
Unrestricted	<u>12,279,364.94</u>
Total Net Position	<u>\$ 28,298,832.12</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 71,895,809.23</u>

Concluded

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended August 31, 2015

	<u>August 31,</u> <u>2015</u>
OPERATING REVENUES	
Tuition and Fees	\$ 14,052,450.69
Discounts and Allowances	(1,051,540.81)
Professional Fees	5,823.00
Auxiliary Enterprises	111,016.23
Sales of Goods and Services	202,827.16
Federal Grant Revenue	681,191.49
State Grant Pass-Through Revenue	39,284.65
Other Contracts and Grants	994,400.65
Total Operating Revenues	<u>\$ 15,035,453.06</u>
OPERATING EXPENSES (1)	
Instruction	\$ 7,843,904.46
Research	4,129.86
Public Service	748,447.66
Academic Support	2,260,891.66
Student Services	3,118,481.08
Institutional Support	5,701,023.22
Operation and Maintenance of Plant	1,225,303.97
Scholarships and Fellowships	2,641,975.42
Auxiliary Enterprises	205,007.97
Depreciation and Amortization	3,172,053.85
Total Operating Expenses	<u>\$ 26,921,219.15</u>
Operating Income (Loss)	<u>\$ (11,885,766.09)</u>
NONOPERATING REVENUES (EXPENSES)	
Legislative Appropriations (GR)	\$ 13,435,318.00
Additional Appropriations (GR)	1,660,714.04
Federal Revenue	1,584,867.00
Gifts	270,924.65
Investment Income	106,009.55
Interest Expense and Fiscal Charges	(1,441,733.43)
Net Increase (Decrease) in Fair Value of Investments	(370,690.75)
Total Nonoperating Revenues (Expenses)	<u>\$ 15,245,409.06</u>
Income (Loss) Before Other Revenues, Expenses and Transfers	<u>\$ 3,359,642.97</u>
OTHER REVENUES, EXPENSES AND TRANSFERS	
Capital Appropriations (HEAF)	\$ 780,000.00
Contributions To Permanent and Term Endowments	(379,431.62)
Transfers To Other State Agencies	(348,369.26)
Transfers From Other State Agencies	4,634.00
Legislative Transfers Out	(764,603.60)
Transfers Between Components	(618,180.83)
Total Other Revenues, Expenses and Transfers	<u>\$ (1,325,951.31)</u>
CHANGE IN NET POSITION	<u>\$ 2,033,691.66</u>
Beginning Net Position	<u>\$ 26,265,140.46</u>
ENDING NET POSITION	<u>\$ 28,298,832.12</u>

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

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2015

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenditures
Salaries and Wages	\$ 6,153,178.53	\$ (1,260.03)	\$ 456,812.00	\$ 1,598,803.96	\$ 1,956,376.23	\$ 2,503,305.48	\$ 208,949.85	\$ 26,619.91	\$ 54,762.34	\$ -	\$ 12,957,548.27
Payroll Related Costs	1,347,605.32	(100.38)	113,828.77	361,637.44	440,976.57	696,081.01	35,697.17	295.49	24,336.41	-	3,020,357.80
Professional Fees and Services	70,941.18	-	73,392.50	55,288.48	290,172.04	624,577.21	71,584.83	-	95,471.51	-	1,281,427.75
Travel	35,604.52	2,644.95	19,526.33	52,985.59	80,291.42	51,019.39	3,006.32	-	699.13	-	245,777.65
Materials and Supplies	33,224.91	2,053.72	34,540.79	88,470.06	209,249.95	589,978.99	71,000.60	-	7,979.75	-	1,036,498.77
Communications and Utilities	-	-	3,843.28	150.00	150.00	6,233.78	407,017.12	-	2,800.00	-	420,194.18
Repairs and Maintenance	-	-	24,659.45	13,308.06	(61,643.88)	135,191.69	179,484.75	-	858.43	-	291,858.50
Rentals and Leases	6,999.83	-	8,299.46	12,553.58	46,216.13	110,998.10	-	-	55.56	-	185,122.66
Printing and Reproduction	69.00	-	1,003.23	2,047.59	66,774.75	11,413.39	310.44	-	1,056.00	-	82,674.40
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	3,172,053.85	3,172,053.85
Scholarships	159,804.85	-	4,000.00	45.00	5,360.13	545,667.30	-	2,613,310.67	-	-	3,328,187.95
Other Operating Expenses	36,476.32	791.60	8,541.85	75,601.90	84,557.74	426,556.88	248,252.89	1,749.35	16,988.84	-	899,517.37
Total Operating Expenses	\$ 7,843,904.46	\$ 4,129.86	\$ 748,447.66	\$ 2,260,891.66	\$ 3,118,481.08	\$ 5,701,023.22	\$ 1,225,303.97	\$ 2,641,975.42	\$ 205,007.97	\$ 3,172,053.85	\$ 26,921,219.15

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Statement of Cash Flows
For the Year Ended August 31, 2015

	<u>August 31,</u> <u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Customers	\$ 202,827.16
Proceeds from Tuition and Fees	12,224,392.34
Proceeds from Research Grants and Contracts	64,181.15
Proceeds from Auxiliaries	5,823.00
Proceeds from Other Revenues	111,016.23
Payments to Suppliers for Goods and Services	(6,456,201.37)
Payments to Employees	(14,680,700.39)
Payments for Loans Provided	(120,681.75)
Payments for Other Expenses	<u>(3,328,187.95)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (11,977,531.58)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from State Appropriations	\$ 13,828,199.59
Proceeds from Gifts	670,924.65
Proceeds from Transfers from Other Agencies	4,634.00
Proceeds from Grant Receipts	1,584,867.00
Payments for Legislative Transfers	(764,603.60)
Payments for Transfers to Other Agencies	(446,292.24)
Payments for Transfers to Other Components	(254,270.27)
Payments for Other Uses	<u>(379,431.62)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ 14,244,027.51</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from State Appropriations	\$ 780,000.00
Proceeds from Debt Issuance	13,170,000.00
Payments for Additions to Capital Assets	(655,202.23)
Payments of Principal on Debt Issuance	(15,020,000.00)
Payments of Other Costs of Debt Issuance	(254,163.72)
Payments of Interest on Debt Issuance	<u>(1,449,655.44)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (3,429,021.39)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Interest and Investment Income	\$ 106,009.55
Payments to Acquire Investments	<u>(714,137.57)</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ (608,128.02)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>\$ (1,770,653.48)</u>
Cash and Cash Equivalents, September 1, 2014	<u>\$ 10,768,947.16</u>
Cash and Cash Equivalents, August 31, 2015	<u>\$ 8,998,293.68</u>

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Statement of Cash Flows
For the Year Ended August 31, 2015

	August 31, 2015
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (11,885,766.09)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	3,172,053.85
Employee Benefits Paid by State	1,233,198.88
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(2,764,631.35)
(Increase) Decrease in Loans and Contracts	(120,681.75)
(Increase) Decrease in Prepaid Expenses	(1,040,046.40)
Increase (Decrease) in Payables	(909,076.89)
Increase (Decrease) in Unearned Revenue	337,418.17
Total Adjustments	\$ (91,765.49)
Net Cash Provided (Used) by Operating Activities	\$ (11,977,531.58)
NON-CASH TRANSACTIONS	
Net Change in Fair Value of Investments	\$ (370,690.75)
Amortization of Bond Premiums	512,756.25
Amortization of Deferred Outflows from Refunding Bonds	7,922.01

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Notes to Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2015

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 Revenues, Expenses, and Changes in Net Assets	
Federal Grants and Contracts - Operating	\$ 660,043.47
Federal Grants and Contracts - Nonoperating	
Federal Pass-Through Grants from Other State Agencies/Universities - Operating	
Federal Pass-Through Grants from Other State Agencies/Universities - Nonoperating	-
Total Federal Revenues per Statement of Revenues, Expenses, and Changes in Net Assets	<u>\$ 660,043.47</u>
Reconciling Items:	
New Loans Processed:	
Federal Perkins Loan Program	\$ 1,584,867.00
Federal Direct Student Loans (Direct Loans)	-
Federal Grants from Texas A&M Research Foundation	-
Total Pass Through and Expenditures per Federal Schedule	<u>\$ 2,244,910.47</u>

Note 3a: Student Loans Processed & Administrative Costs Recovered

Federal Grantor/ CFDA Number/ Program Name	New Loans Processed	Admin Costs Recovered	Processed & Admin Costs Recovered	Ending Balance of Previous Years' Loans
<i>Department of Education</i>				
84.032 Federal Family Education Loans	\$ -	\$ -	\$ -	\$ -
84.038 Federal Perkins Loan Program	-	-	-	-
84.268 Federal Direct Student Loans	-	-	-	-
<i>Total Department of Education</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 at Dallas 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 government 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 does not report any Federal Deferred Revenue

Note 8: Supplemental Nutrition Assistance Program (SNAP)

N/A

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies
For the Fiscal Year Ended August 31, 2015

Pass-Through From: State Agencies

To University of North Texas at Dallas (773)

Texas Higher Education Coordinating Board (Agency 781)

Work Study Mentorship Program

\$ 39,284.65

Total Pass-Through From Other Agencies

(Statement of Revenues, Expenses, and Changes in Net Assets)

\$ 39,284.65

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
 Schedule 2A - Miscellaneous Bond Information
 For the Year Ended August 31, 2015

Description of Issue	Bonds		Terms of	Scheduled		First
	Issued to Date	Range of Interest Rates	Variable	Maturities		Call Date
			Interest Rates	First Year	Last Year	
RFS Bonds, Series 2009A	\$ 27,120,000.00	3.0000% - 5.0000%	N/A	2010	2029	4/15/2019
RFS Refunding Bonds, Series 2015	13,170,000.00	1.9500% - 1.9500%	N/A	2016	2025	4/15/2020
Total	\$ 40,290,000.00					

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UNIVERSITY OF NORTH TEXAS at DALLAS (773)
 Schedule 2B - Changes in Bonded Indebtedness
 For the Year Ended August 31, 2015

Description of Issue	Bonds Outstanding 09/01/14	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/15	Unamortized Premium	Unamortized Gain/(Loss) on Refunding	Net Bonds Outstanding 08/31/15	Amounts Due Within One Year
RFS Refunding and Improvement Bonds, Series 2005	\$ 14,025,000.00	\$ -	\$ 985,000.00	\$ 13,040,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
RFS Bonds, Series 2009A	21,465,000.00	-	995,000.00	-	20,470,000.00	1,286,508.32	-	21,756,508.32	1,200,216.61
RFS Refunding Bonds, Series 2015	-	13,170,000.00	-	-	13,170,000.00	-	250,670.52	13,420,670.52	1,210,000.00
Total	\$ 35,490,000.00	\$ 13,170,000.00	\$ 1,980,000.00	\$ 13,040,000.00	\$ 33,640,000.00	\$ 1,286,508.32	\$ 250,670.52	\$ 35,177,178.84	\$ 2,410,216.61

Net Bonds Payable per Statement of Net Position \$ 34,926,508.32

Deferred Inflows of Resources from Refunding per Statement of Net Position 250,670.52

Net Bonds Outstanding per Schedule 2B \$ 35,177,178.84

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
 Schedule 2C - Debt Service Requirements
 For the Year Ended August 31, 2015

<u>Description of Issue</u>	<u>Year</u>	<u>Principal</u>	<u>Interest*</u>
Revenue Bonds			
RFS Bonds, Series 2009A	2016	\$ 1,045,000.00	\$ 1,023,500.00
	2017	1,095,000.00	971,250.00
	2018	1,155,000.00	916,500.00
	2019	1,205,000.00	858,750.00
	2020	1,270,000.00	798,500.00
	2021-2025	7,360,000.00	2,974,750.00
	2026-2029	<u>7,340,000.00</u>	<u>940,000.00</u>
			<u>\$ 20,470,000.00</u>
RFS Refunding Bonds, Series 2015	2016	\$ 1,210,000.00	\$ 246,114.38
	2017	1,225,000.00	233,220.00
	2018	1,250,000.00	209,332.50
	2019	1,275,000.00	184,957.50
	2020	1,300,000.00	160,095.00
	2021-2025	<u>6,910,000.00</u>	<u>409,792.50</u>
			<u>\$ 13,170,000.00</u>
Total		<u>\$ 33,640,000.00</u>	<u>\$ 9,926,761.88</u>

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

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
 Schedule 2D - Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2015

Description of Issue	Pledged and Other Sources and Related Expenditures			
	Total Pledged and Other Sources	Operating Expenses/ Expenditures & Capital Outlay	Debt Service	
			Principal	Interest *
RFS Bonds Series '09A, '15	\$ 19,037,544.97	\$ (85,149.90)	\$ 1,980,000.00	\$ 1,761,525.00
Total	\$ 19,037,544.97	\$ (85,149.90)	\$ 1,980,000.00	\$ 1,761,525.00

* 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.

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
 Schedule 2F - Early Extinguishment and Refunding
 For the Year Ended August 31, 2015

Description of Issue	Category	Amount Extinguished or Refunded	For Refundings Only		
			Refunding Issued Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
Revenue Bonds					
RFS Refunding and Improvement Bonds, Series 2005	Current Refunding	\$ 13,040,000.00	\$ 13,170,000.00	\$ 2,131,625.62	\$ 1,928,613.27
Total Revenue Bonds		\$ 13,040,000.00	\$ 13,170,000.00	\$ 2,131,625.62	\$ 1,928,613.27

UNAUDITED

UNIVERSITY OF NORTH TEXAS at DALLAS (773)
Schedule 3 - Reconciliation of Cash in State Treasury
For the Year Ended August 31, 2015

Cash in State Treasury	Unrestricted	Current Year Total
Local Revenue Fund 0292	\$ 1,293,056.65	\$ 1,293,056.65
Total Cash in State Treasury (Statement of Net Position)	\$ 1,293,056.65	\$ 1,293,056.65