

ANNUAL FINANCIAL REPORT

of the

UNIVERSITY OF NORTH TEXAS AT DALLAS

DALLAS, TEXAS

Bob Mong, President

For the Year Ended August 31, 2016



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November 18, 2016

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

Dear Mr. Mong:

We are pleased to submit the annual financial report of the University of North Texas at Dallas for the year ended August 31, 2016, 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

Dan Edelman, PhD
CFO & Executive VP for Finance & Administration

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



UNIVERSITY OF NORTH TEXAS AT DALLAS

ORGANIZATIONAL DATA

August 31, 2016

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

Christopher Lee..... (*Term expires 5-31-17*) Houston

OFFICERS OF THE BOARD

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

ADMINISTRATIVE OFFICERS

Lee F. Jackson Chancellor
Daniel Edelman Executive VP for Administration/CFO
Elaina Blount..... Assistant Controller

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)

Statement of Net Position

As of August 31, 2016

	August 31, 2016
ASSETS	
Current Assets	
Cash and Cash Equivalents:	
Cash on Hand	\$ 508.09
Cash in Bank	625,107.26
Cash in Transit/Reimburse from Treasury	1,138,433.08
Cash in State Treasury	3,589,590.92
Cash Equivalents	6,867,777.14
Restricted Cash and Cash Equivalents:	
Cash in Bank	813,694.41
Cash Equivalents	378,920.16
Short Term Investments (Note 3)	750,000.00
Legislative Appropriations	3,602,667.37
Receivables From:	
Accounts Receivable	5,663,472.49
Federal	302,560.03
Other Intergovernmental	776.45
Interest and Dividends	611.78
Other Receivables	18,267.93
Due From Other Agencies	4,634.00
Due from Other Components	16,950.00
Pre-Paid Items	3,389,190.94
Loans and Contracts	259,194.18
Total Current Assets	\$ 27,422,356.23
Non-Current Assets	
Restricted Investments (Note 3)	\$ 840,504.76
Investments (Note 3)	5,830,147.26
Capital Assets (Note 2):	
Non-Depreciable or Non-Amortizable	8,182,926.51
Depreciable or Amortizable, Net	41,904,635.05
Total Non-Current Assets	\$ 56,758,213.58
Total Assets	\$ 84,180,569.81
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 84,180,569.81

Continued on Next Page

UNAUDITED

	August 31, 2016
LIABILITIES	
Current Liabilities	
Payables From:	
Accounts Payable	\$ 3,225,372.45
Payroll Payable	2,275,243.19
Other Payables	271,610.32
Interest	719,941.88
Due to Other Components	1,011,315.94
Unearned Revenue	9,686,035.76
Revenue Bonds Payable (Note 5, 6)	2,467,292.76
Employees' Compensable Leave (Note 5)	112,436.50
Funds Held for Others	17,141.89
Total Current Liabilities	\$ 19,786,390.69
Non-Current Liabilities	
Revenue Bonds Payable (Note 5, 6)	\$ 30,048,998.96
Employees' Compensable Leave (Note 5)	492,873.26
Total Non-Current Liabilities	\$ 30,541,872.22
Total Liabilities	\$ 50,328,262.91
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources	\$ 225,603.47
Total Deferred Inflows of Resources	\$ 225,603.47
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	\$ 50,553,866.38
NET POSITION	
Net Investment in Capital Assets	\$ 16,878,666.38
Restricted For:	
Funds Held as Permanent Investments	
Non-Expendable	754,134.12
Expendable	641,659.80
Other Restricted	1,309,406.81
Unrestricted	14,042,836.32
Total Net Position	\$ 33,626,703.43

Concluded

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended August 31, 2016

	August 31, 2016
OPERATING REVENUES	
Tuition and Fees	\$ 18,693,498.39
Discounts and Allowances	(4,178,479.27)
Auxiliary Enterprises	67,201.70
Sales of Goods and Services	92,304.56
Federal Grant Revenue	510,495.58
Federal Pass-Through Revenue	52,500.00
State Grant Revenue	(5,091.38)
State Grant Pass-Through Revenue	762,940.04
Other Contracts and Grants	69,069.21
Other Operating Revenues	31,841.26
Total Operating Revenues	\$ 16,096,280.09
OPERATING EXPENSES (1)	
Instruction	\$ 9,459,094.46
Research	46,390.35
Public Service	444,583.93
Academic Support	4,130,299.91
Student Services	6,010,576.62
Institutional Support	5,981,900.87
Operation and Maintenance of Plant	1,960,207.08
Scholarships and Fellowships	3,329,263.80
Auxiliary Enterprises	201,768.15
Depreciation and Amortization	3,399,387.71
Total Operating Expenses	\$ 34,963,472.88
Operating Loss	\$ (18,867,192.79)
NONOPERATING REVENUES (EXPENSES)	
Legislative Appropriations (GR)	\$ 14,422,415.00
Additional Appropriations (GR)	3,016,045.87
Federal Revenue	2,588,608.74
Gifts	140,487.75
Investment Income	66,044.73
Interest Expense and Fiscal Charges	(1,426,817.74)
Gain on Sale of Capital Assets	100.00
Net Increase in Fair Value of Investments	312,631.22
Total Nonoperating Revenues (Expenses)	\$ 19,119,515.57
Income Before Other Revenues, Expenses and Transfers	\$ 252,322.78
OTHER REVENUES, EXPENSES AND TRANSFERS	
Capital Contributions	\$ 451,685.80
Capital Appropriations (HEAF)	1,408,669.00
Interagency Transfers of Capital Assets-Decrease	(64,981.88)
Interagency Transfers of Capital Assets-Increase	460,309.04
Transfers To Other State Agencies	(91,992.34)
Transfers From Other State Agencies	11,345.00
Legislative Transfers In	3,469,047.00
Legislative Transfers Out	(1,234,419.11)
Transfers Between Components	665,886.02
Total Other Revenues, Expenses and Transfers	\$ 5,075,548.53
CHANGE IN NET POSITION	\$ 5,327,871.31
Beginning Net Position	\$ 28,298,832.12
ENDING NET POSITION	\$ 33,626,703.43

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

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
 Matrix of Operating Expenses Reported by Function
 For the Year Ended August 31, 2016

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
Cost of Goods Sold	\$ -	\$ -	\$ -	\$ -	\$ 1,380.00	\$ -	\$ -	\$ -	\$ -	\$ -	1,380.00
Salaries and Wages	7,976,477.29	4,251.00	287,993.76	2,796,346.78	3,245,422.32	2,503,646.89	536,870.11	-	43,960.88	-	\$ 17,394,969.03
Payroll Related Costs	994,720.44	1,133.51	61,929.94	503,341.53	830,954.89	1,604,917.27	125,879.15	-	24,678.31	-	4,147,555.04
Professional Fees and Services	58,778.09	253.63	18,614.58	66,057.32	412,552.35	801,165.35	3,103.57	1,075.36	7,733.69	-	1,369,333.94
Travel	43,609.22	4,422.02	3,293.89	64,638.79	125,261.63	148,668.81	62.79	-	-	-	389,957.15
Materials and Supplies	72,005.39	1,862.36	22,230.22	289,446.50	655,579.57	396,226.40	64,717.17	1,711.62	5,182.00	-	1,508,961.23
Communications and Utilities	45,913.94	-	1,126.24	44,197.71	4,702.04	5,246.13	469,389.66	750.00	24,900.00	-	596,225.72
Repairs and Maintenance	3,923.00	-	903.75	1,281.53	40,651.00	80,796.29	669,348.81	2,324.29	9,884.61	-	809,113.28
Rentals and Leases	2,092.50	526.00	7,095.91	137,216.36	198,666.57	117,722.13	156.96	-	12,112.30	-	475,588.73
Printing and Reproduction	4,632.14	-	8,646.29	9,802.03	112,778.98	68,583.67	53,555.35	-	4,827.78	-	262,826.24
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	3,399,387.71	3,399,387.71
Scholarships	183,129.66	16,000.00	1,250.00	-	-	-	-	3,319,039.20	-	-	3,519,418.86
Other Operating Expenses	73,812.79	17,941.83	31,499.35	217,971.36	382,627.27	254,927.93	37,123.51	4,363.33	68,488.58	-	1,088,755.95
Total Operating Expenses	\$ 9,459,094.46	\$ 46,390.35	\$ 444,583.93	\$ 4,130,299.91	\$ 6,010,576.62	\$ 5,981,900.87	\$ 1,960,207.08	\$ 3,329,263.80	\$ 201,768.15	\$ 3,399,387.71	\$ 34,963,472.88

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Statement of Cash Flows
For the Year Ended August 31, 2016

	<u>August 31, 2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Customers	\$ 74,036.63
Proceeds from Tuition and Fees	15,816,496.73
Proceeds from Research Grants and Contracts	2,732,638.61
Proceeds from Loan Programs	33,384.65
Proceeds from Auxiliaries	67,201.70
Proceeds from Other Revenues	31,841.26
Payments to Suppliers for Goods and Services	(3,869,976.62)
Payments to Employees	(18,107,229.01)
Payments for Other Expenses	(5,488,029.60)
Net Cash Provided (Used) by Operating Activities	<u>\$ (8,709,635.65)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from State Appropriations	\$ 14,455,379.27
Proceeds from Gifts	140,487.75
Proceeds from Transfers from Other Agencies	11,345.00
Proceeds from Transfers from Other Components	517,649.29
Proceeds from Legislative Transfers	3,469,047.00
Proceeds from Grant Receipts	2,588,608.74
Payments for Legislative Transfers	(1,234,419.11)
Payments for Transfers to Other Agencies	(91,992.34)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ 19,856,105.60</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Sale of Capital Assets	\$ 100.00
Proceeds from State Appropriations	1,408,669.00
Proceeds from Debt Issuance	690,000.00
Proceeds from Capital Contributions	451,685.81
Payments for Additions to Capital Assets	(1,691,574.56)
Payments of Principal on Debt Issuance	(2,478,000.00)
Payments of Interest on Debt Issuance	(1,369,743.13)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (2,988,862.88)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of Investments	\$ 113,489.39
Proceeds from Interest and Investment Income	65,432.95
Payments to Acquire Investments	(3,920,792.03)
Net Cash Provided (Used) by Investing Activities	<u>\$ (3,741,869.69)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>\$ 4,415,737.38</u>
Cash and Cash Equivalents, September 1, 2015	\$ 8,998,293.68
Cash and Cash Equivalents, August 31, 2016	<u><u>\$ 13,414,031.06</u></u>

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Statement of Cash Flows
For the Year Ended August 31, 2016

	August 31, 2016
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Loss	\$ (18,867,192.79)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	\$ 3,399,387.71
Employee Benefits Paid by State	1,968,161.68
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(985,767.29)
(Increase) Decrease in Loans and Contracts	33,384.65
(Increase) Decrease in Prepaid Expenses	(1,985,459.54)
Increase (Decrease) in Payables	3,878,937.40
Increase (Decrease) in Unearned Revenue	3,611,702.13
Increase (Decrease) in Other Liabilities	237,210.40
Total Adjustments	\$ 10,157,557.14
Net Cash Provided (Used) by Operating Activities	\$ (8,709,635.65)
 NON-CASH TRANSACTIONS	
Net Change in Fair Value of Investments	\$ 312,631.22
Gain (Loss) on Sales/Disposals of Capital Assets	100.00
Amortization of Bond Premiums (Discounts)	155,216.61
Amortization of Deferred Inflows/Outflows from Refunding Bonds	25,067.05
Capital Assets Acquired with Payables	1,091,251.44
Interagency Transfer of Capital Assets	395,327.16

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Notes to Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2016

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 expenditure for the reporting period.

Federal Revenues - per Statement of Revenues, Expenses, and Changes in Net Assets	
Federal Grants and Contracts - Operating	\$ 510,495.58
Federal Grants and Contracts - Nonoperating	2,588,608.74
Federal Pass-Through Grants from Other State Agencies/Universities - Operating	52,500.00
Federal Pass-Through Grants from Other State Agencies/Universities - Nonoperating	-
Total Federal Revenues per Statement of Revenues, Expenses, and Changes in Net Assets	<u>\$ 3,151,604.32</u>
Total Pass Through and Expenditures per Federal Schedule	\$ 3,151,604.32

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, 2016

Pass-Through From: State Agencies

To University of North Texas at Dallas (773)

Texas Higher Education Coordinating Board (Agency 781)	
TEXAS Grant Program	\$ 709,812.00
College Readiness Initiative	50,000.00
Work Study Mentorship Program	3,128.04

Total Pass-Through From Other Agencies

(Statement of Revenues, Expenses, and Changes in Net Assets)	<u><u>\$ 762,940.04</u></u>
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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
 Schedule 2A - Miscellaneous Bond Information
 For the Year Ended August 31, 2016

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 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, 2016

Description of Issue	Bonds Outstanding 09/01/15	Bonds Matured or Retired	Bonds Outstanding 08/31/16	Unamortized Premium	Unamortized Gain/(Loss) on Refunding	Net Bonds Outstanding 08/31/16	Amounts Due Within One Year
RFS Bonds, Series 2009A	\$ 20,470,000.00	\$ 1,045,000.00	\$ 19,425,000.00	\$ 1,131,291.72	\$ -	\$ 20,556,291.72	\$ 1,242,292.75
RFS Refunding Bonds, Series 2015	13,170,000.00	1,210,000.00	11,960,000.00	-	225,603.47	12,185,603.47	1,225,000.00
Total	\$ 33,640,000.00	\$ 2,255,000.00	\$ 31,385,000.00	\$ 1,131,291.72	\$ 225,603.47	\$ 32,741,895.19	\$ 2,467,292.75

Net Bonds Payable per Statement of Net Position	\$ 32,516,291.72
Deferred Inflows of Resources from Refunding per Statement of Net Position	225,603.47
Net Bonds Outstanding per Schedule 2B	\$ 32,741,895.19

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2016

<u>Description of Issue</u>	<u>Year</u>	<u>Principal</u>	<u>Interest*</u>
Revenue Bonds			
RFS Bonds, Series 2009A	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	1,330,000.00	735,000.00
	2022-2026	7,730,000.00	2,606,750.00
	2027-2029	5,640,000.00	573,000.00
			<u>\$ 19,425,000.00</u>
RFS Refunding Bonds, Series 2015	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	1,325,000.00	134,745.00
	2022-2025	5,585,000.00	275,047.50
			<u>\$ 11,960,000.00</u>
Total		<u>\$ 31,385,000.00</u>	<u>\$ 8,657,147.50</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.

UNAUDITED

UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
 Schedule 2D - Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2016

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	\$ 24,201,775.01	\$ -	\$ 2,255,000.00	\$ 1,269,614.38
Total	<u>\$ 24,201,775.01</u>	<u>\$ -</u>	<u>\$ 2,255,000.00</u>	<u>\$ 1,269,614.38</u>

* 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.

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UNIVERSITY OF NORTH TEXAS at DALLAS (773)
Schedule 3 - Reconciliation of Cash in State Treasury
For the Year Ended August 31, 2016

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0292	\$ 3,589,590.92	\$ 3,589,590.92
Total Cash in State Treasury (Statement of Net Position)	<u>\$ 3,589,590.92</u>	<u>\$ 3,589,590.92</u>