

FINANCIAL REPORT

of the

**UNIVERSITY OF NORTH TEXAS
AT DALLAS**

DALLAS, TEXAS

John Ellis Price, President

For the year ended August 31, 2011

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November 20, 2011

John Ellis Price
President
University of North Texas at Dallas
Denton, Texas


Dear Dr. Price:

We are pleased to submit the Annual Financial Report (AFR) of the University of North Texas at Dallas for the year ended August 31, 2011, in compliance with Tex. Gov't Code Ann. §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

The financial report is unaudited, and subject to audit by the state auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report.

If you have any questions pertaining to the Dallas AFR or related to the Schedule of Expenditures of Federal Awards please contact Controller Barry Lewis, or me.

Sincerely,



Wayne Ustry
CFO/VP Finance & Administration



UNIVERSITY OF NORTH TEXAS DALLAS

ORGANIZATIONAL DATA

August 31, 2011

BOARD OF REGENTS

Jack Wall (Term expires 5-22-13) Dallas
Gwyn Shea (Term expires 5-22-13) Irving
Don A. Buchholz (Term expires 5-22-13) Dallas

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

Don Potts (Term expires 5-22-17) Dallas
Al Silva (Term expires 5-22-17) San Antonio
Michael R. Williams (Term expires 5-22-17) Fredericksburg

STUDENT REGENT

Christian Dean (Term expires 5-31-11) Dallas

OFFICERS OF THE BOARD

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

ADMINISTRATIVE OFFICERS

John Ellis Price President
Wayne Usry CFO V/P Finance & Administration
Barry Lewis Controller

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Statement of Net Assets
For the Year Ended August 31, 2011

	August 31, 2011
ASSETS AND DEFERRED OUTFLOWS	
Current Assets	
Cash and Cash Equivalents	
Cash in Bank	\$ (57,269.53)
Reimbursement Due from Treasury	6,511.77
Cash in State Treasury	549,998.76
Cash Equivalents	5,369,785.71
Restricted:	
Cash and Cash Equivalents	
Cash in Bank	(15,258.39)
Cash Equivalents	1,430,679.74
Legislative Appropriations	5,753,876.42
Receivables from:	
Federal	42,239.99
Other Intergovernmental	759.51
Accounts Receivable*	1,792,201.66
Due From Other Agencies	17,292.31
Due From Other Components	1,141,765.19
Loans and Contracts	239,122.51
Other Current Assets	422,648.96
Total Current Assets	16,694,354.61
Non-Current Assets and Deferred Outflows	
Restricted:	
Investments	5,267.14
Investments	19,769.25
Gift Receivables	498,504.67
Capital Assets:	
Non-Depreciable or Non-Amortizable	
Land and Land Improvements	5,553,223.65
Depreciable or Amortizable	
Buildings and Building Improvements	58,661,953.55
Less Accumulated Depreciation	(6,118,047.54)
Furniture and Equipment	414,073.73
Less Accumulated Depreciation	(206,495.27)
Vehicles, Boats and Aircraft	70,782.72
Less Accumulated Depreciation	(30,462.03)
Other Capital Assets	115,521.96
Less Accumulated Depreciation	(17,398.49)
Total Non-Current Assets and Deferred Outflows	58,966,693.34
Total Assets and Deferred Outflows	\$ 75,661,047.95
LIABILITIES AND DEFERRED INFLOWS	
Current Liabilities	
Payables From:	
Accounts Payable	\$ 545,750.26
Payroll Payable	2,318,787.60
Due to Other Agencies	-
Due to Other Components	-
Deferred Revenues	3,891,981.00
Revenue Bonds Payable, Net	1,793,096.00
Employees' Compensable Leave	103,000.00
Other Current Liabilities	860,698.34
Total Current Liabilities	9,513,313.20
Non-Current Liabilities and Deferred Inflows	
Revenue Bonds Payable, Net	41,340,701.70
Employees' Compensable Leave	258,519.26
Total Non-Current Liabilities and Deferred Inflows	41,599,220.96
Total Liabilities and Deferred Inflows	51,112,534.16

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	August 31, 2011
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	15,231,258.58
Restricted for:	
Capital Projects	42,363.84
Non-Expendable	812,966.03
Expendable	(398,720.02)
Other Restricted	863,595.87
Unrestricted	7,997,049.49
Total Net Assets	24,548,513.79
Total Liabilities and Net Assets	\$ 75,661,047.95

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Statement of Revenues, Expenses and Changes in Net Assets
For the Fiscal Year Ended August 31, 2011

	August 31, 2011
OPERATING REVENUES	
Sales of Goods and Services:	
Tuition and Fees - Non-Pledged	\$ 303,410.55
Tuition and Fees - Pledged	7,952,796.77
Discounts and Allowances	(1,774,564.43)
Auxiliary Enterprises - Non-Pledged	175.00
Auxiliary Enterprises - Pledged	51,525.16
Other Sales of Goods and Services - Pledged	349,957.92
Federal Revenue - Operating ⁽²⁾	42,239.99
State Grant Revenue	198,010.04
State Grant Pass Through Revenue	71,903.83
Other Grants and Contracts - Operating	46,380.00
Total Operating Revenues	7,241,834.83
OPERATING EXPENSES ⁽¹⁾	
Instruction	6,179,912.60
Research	35,161.16
Public Service	793,976.11
Academic Support	2,174,205.67
Student Services	2,264,482.43
Institutional Support	8,086,610.36
Operations and Maintenance of Plant	1,573,294.73
Scholarships and Fellowships	90,114.91
Auxiliary Enterprises	17,105.50
Depreciation and Amortization	2,959,493.12
Total Operating Expenses	24,174,356.59
Operating Income/(Loss)	(16,932,521.76)
NONOPERATING REVENUES (EXPENSES)	
Additional Appropriations (GR)	1,320,946.05
Gifts	315,586.07
Investment Income	15,336.09
Interest Expense and Fiscal Charges	(1,986,284.98)
Net Increase (Decrease) in Fair Value of Investments	26,190.82
Settlement of Claims	(16,579.02)
Other Nonoperating Revenues - Non-Pledged	663,569.17
Total Nonoperating Revenues/(Expenses)	338,764.20
Income/(Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	(16,593,757.56)

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	<u>August 31,</u> <u>2011</u>
OTHER REVENUES, EXPENSES, GAINS	
LOSSES AND TRANSFERS	
Interagency Transfers Cap Assets-Increase	55,691,315.79
Transfers-Out	(31,942,237.73)
Legislative Transfers-In	17,670,514.00
Legislative Transfers-Out	(277,320.71)
Total Other Revenue, Expenses, Gain/Losses and Transfers	<u>41,142,271.35</u>
CHANGE IN NET ASSETS	<u>24,548,513.79</u>
Net Assets, Beginning	-
Restatements	-
Net Assets, Beginning, as Restated	-
NET ASSETS, ENDING	<u><u>\$ 24,548,513.79</u></u>

⁽¹⁾ See Note 1: Matrix of Operating Expenses Reported by Function on Page 8.

⁽²⁾ Federal Revenue related to Pell Grants was changed from Operating Revenue to Nonoperating Revenue in FY 2011.

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Note 1: Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2011

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Wages	4,591,116.57	25,286.80	479,639.75	1,562,356.01	1,440,195.88
Payroll Related Costs	970,687.21	3,414.76	95,313.09	327,371.49	307,748.85
Professional Fees & Svcs	-	533.30	76,127.91	13,207.53	9,117.05
Travel	50,620.64	4,236.16	19,895.11	19,231.74	47,116.67
Material and Supplies	195,837.46	1,221.00	54,807.20	133,442.34	192,401.41
Communication & Utilities	-	-	2,154.76	-	13,925.00
Repairs and Maintenance	-	361.14	1,044.21	861.77	35,204.28
Rentals and Leases	3,830.76	-	8,828.64	14,777.71	61,427.45
Printing and Reproduction	20,510.48	-	6,488.35	5,910.63	29,205.36
Depreciation and Amortization	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-
Scholarships	-	-	-	-	90.00
Other Operating Expenses	347,309.48	108.00	49,677.09	97,046.45	128,050.48
Total Operating Expenses	\$ 6,179,912.60	\$ 35,161.16	\$ 793,976.11	\$ 2,174,205.67	\$ 2,264,482.43

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Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	2011 Total Expenditures
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,073,310.64	162,875.10	60,956.50	-	-	11,395,737.25
679,902.69	34,127.12	1,270.61	-	-	2,419,835.82
225,269.36	65,860.31	-	-	-	390,115.46
48,803.60	-	5,500.00	-	-	195,403.92
2,651,023.95	249,205.22	2,340.00	13,203.17	-	3,493,481.75
60,411.63	481,572.13	-	-	-	558,063.52
58,094.41	220,728.61	-	-	-	316,294.42
256,439.78	18,329.29	-	-	-	363,633.63
22,477.80	224.00	-	-	-	84,816.62
-	-	-	-	2,959,493.12	2,959,493.12
41,752.95	-	-	-	-	41,752.95
-	-	20,133.56	-	-	20,223.56
969,123.55	340,372.95	(85.76)	3,902.33	-	1,935,504.57
\$ 8,086,610.36	\$ 1,573,294.73	\$ 90,114.91	\$ 17,105.50	\$ 2,959,493.12	\$ 24,174,356.59

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2011

	August 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Tuition and Fees	\$ 6,481,642.89
Proceeds Received from Customers	4,241,938.92
Proceeds from Sponsored Projects	298,242.05
Proceeds from Loan Programs	151,082.72
Proceeds from Auxiliaries	51,700.16
Proceeds from Other Revenues	-
Payments to Suppliers for Goods and Services	(7,255,965.54)
Payments to Employees for Salaries and Benefits	(11,135,266.21)
Payments for Loans Provided	(390,205.23)
Payments for Other Expenses	(1,812,425.22)
Net Cash Provided (Used) by Operating Activities	(9,369,255.46)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from State Appropriations	1,320,946.05
Proceeds from Gifts	315,586.07
Proceeds of Transfers from Other Components	17,393,193.29
Payments for Transfers to Other Agencies	(5,198,937.86)
Payments for Transfers to Other Components	(33,084,002.92)
Payments for Other Uses	(515,083.69)
Net Cash Provided (Used) by Noncapital Financing Activities	(19,768,299.06)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Debt Issuance	43,133,797.70
Payments for Additions to Fixed Assets	(5,711,329.61)
Payments of Interest on Debt Issuance	(452,261.33)
Payments of Other Costs of Debt Issuance	(9,756.14)
Payments for Transfers to Other Components	(554,938.56)
Net Cash Provided (Used) From Capital & Related Financing Activities	36,405,512.06
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of Investments	1,154.43
Proceeds from Interest and Investment Income	15,336.09
Net Cash Provided (Used) by Investing Activities	16,490.52
Net Increase/(Decrease) in Cash and Cash Equivalents	7,284,448.06
Cash and Cash Equivalents --September 1, 2010 and 2009	-
Restatements to Beginning Cash and Cash Equivalents	-
Cash and Cash Equivalents --August 31, 2011 and 2010	\$ 7,284,448.06
Displayed as:	
Unrestricted Cash and Cash Equivalents (Statement of Net Assets)	\$ 5,869,026.71
Restricted Cash and Cash Equivalents (Statement of Net Assets)	1,415,421.35
	\$ 7,284,448.06

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	<u>August 31,</u> <u>2011</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income/(Loss)	\$ (16,932,521.76)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation and Amortization	2,959,493.12
Bad Debt Expense	41,752.95
Operating Income and Cash Flow Categories Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	2,039,487.53
(Increase) Decrease in Loans & Contracts	(239,122.51)
(Increase) Decrease in Prepaid Expenses	(422,648.96)
Increase (Decrease) in Payables	3,184,304.17
Total Adjustments	7,563,266.30
Net Cash Provided by Operating Activities	\$ (9,369,255.46)
Non Cash Transactions	
Net Increase (Decrease) in FMV of Investments	\$ 26,190.82
Amortization of Bond Premiums/(Discounts)	\$ 78,096.00

The accompanying Notes to the Combined Financial Statements are an integral part of the financial statements.

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, 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	\$ 42,239.99
Total Pass - Through & Expenditures per Federal Schedule	<u>\$ 42,239.99</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
<u>TOTAL LOANS AND RECOVERIES</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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 at Dallas does not report any Federal Deferred Revenue

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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, 2011

Pass-Through From: State Agencies

To University of North Texas at Dallas (773)

Texas Higher Education Coordinating Board (Agency 781)

Work Study Mentorship Program

\$ 71,903.83

Total Pass-Through From Other Agencies

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

\$ 71,903.83

Pass-Through To Other Agencies:

N/A



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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
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 Refunding and Improvement Bonds, Series 2005	\$ 22,655,000.00	3.25% - 5.25%	N/A	2006	2025	04/15/15
RFS Bonds, Series 2009A	27,120,000.00	3.00% - 5.00%	N/A	2010	2029	04/15/19
Total	<u>\$ 49,775,000.00</u>					

*RFS - Revenue Financing System

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Schedule 2B - Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2011

<u>Description of Issue</u>	<u>Bonds Outstanding 9/1/2010</u>	<u>Bonds Issued</u>	<u>Bonds Matured or Retired</u>	<u>Bonds Refunded or Extinguished</u>	<u>Bonds Outstanding 8/31/2011</u>
RFS Refunding and Improvement Bonds, Series 2005	\$ -	\$ 17,540,000.00	\$ 815,000.00	\$ -	\$ 16,725,000.00
RFS Bonds, Series 2009A	*	25,325,000.00	1,155,000.00	-	24,170,000.00
Total	<u>\$ -</u>	<u>\$ 42,865,000.00</u>	<u>\$ 1,970,000.00</u>	<u>\$ -</u>	<u>\$ 40,895,000.00</u>

Footnotes:

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

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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>
-	-	-	\$ 16,725,000.00	\$ 855,000.00
2,238,797.70	-	-	26,408,797.70	938,096.00
<u>\$ 2,238,797.70</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,133,797.70</u>	<u>\$ 1,793,096.00</u>
Net Bonds Payable per Statement of Net Assets			<u>\$ 43,133,797.70</u>	

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2011

<u>Description of Issue</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>
Revenue Bonds			
RFS Refunding and Improvement Bonds, Series 2005	2012	855,000.00	818,550.00
	2013	900,000.00	775,800.00
	2014	945,000.00	730,800.00
	2015	985,000.00	688,275.00
	2016	1,030,000.00	643,950.00
	2017-2021	6,020,000.00	2,349,562.50
	2022-2025	5,990,000.00	711,625.00
		<u>16,725,000.00</u>	<u>6,718,562.50</u>
RFS Bonds, Series 2009A	2012	860,000.00	1,208,500.00
	2013	900,000.00	1,165,500.00
	2014	945,000.00	1,120,500.00
	2015	995,000.00	1,073,250.00
	2016	1,045,000.00	1,023,500.00
	2017-2021	6,055,000.00	4,280,000.00
	2022-2026	7,730,000.00	2,606,750.00
	2027-2029	5,640,000.00	573,000.00
		<u>24,170,000.00</u>	<u>13,051,000.00</u>
Less Accretion:		-	-
Total:		<u>\$ 40,895,000.00</u>	<u>\$ 19,769,562.50</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.

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)
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 & Capital Outlay</u>	<u>Debt Service</u>	
			<u>Principal</u>	<u>Interest*</u>
Revenue Financing System Bonds, Series '05 & '09A	\$ 9,060,645.65	\$ -	\$ 1,970,000.00	\$ 2,334,287.50
Total	<u>\$ 9,060,645.65</u>	<u>\$ -</u>	<u>\$ 1,970,000.00</u>	<u>\$ 2,334,287.50</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 AT DALLAS (773)
Schedule 3 - Reconciliation of Cash in State Treasury
For the Fiscal Year Ended August 31, 2011

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0292	\$ 549,998.76	\$ -	\$ 549,998.76
Total Cash in State Treasury (Statement of Net Assets)	<u>\$ 549,998.76</u>	<u>\$ -</u>	<u>\$ 549,998.76</u>