

**FINANCIAL REPORT**

**of the**

**UNIVERSITY OF NORTH TEXAS  
AT DALLAS**

**DALLAS, TEXAS**

**Ronald T. Brown, President**

**For the fiscal year ended August 31, 2014**



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November 20, 2014

Dr. Ronald T. Brown  
President  
University of North Texas at Dallas  
7300 University Hills Blvd.  
Dallas, Texas 75241-4605

Dear Dr. Brown:

We are pleased to submit the Annual Financial Report of the University of North Texas at Dallas for the year ended August 31, 2014, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basis Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the 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; 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. Elaina may also be contacted for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,



Dr. Dan Edelman  
VP Finance & Administration/CFO

cc: Marshall Campbell  
Associate VP Finance & Administration



**UNIVERSITY OF NORTH TEXAS DALLAS**

**ORGANIZATIONAL DATA**

**August 31, 2014**

**BOARD OF REGENTS**

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  
  
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

**STUDENT REGENT**

Christopher D. Vera.....(Term expires 5-31-15).....Victoria

**OFFICERS OF THE BOARD**

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

**ADMINISTRATIVE OFFICERS**

Lee F. Jackson..... Chancellor  
Ronald T. Brown..... President  
Dan Edelman.....Vice President for Finance & Administration and Chief Financial Officer

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**UNIVERSITY OF NORTH TEXAS AT DALLAS (773)**  
**Statement of Net Position**  
**As of August 31, 2014**

	<b>August 31, 2014</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	\$ 4,008.90
Cash in Bank	(125,489.90)
Cash in Transit/Reimburse from Treasury	451,663.76
Cash in State Treasury	2,460,044.27
Cash Equivalents	7,978,720.13
Legislative Appropriations	2,553,113.88
Receivables from:	
Accounts Receivable	2,239,312.26
Gifts, Pledges and Donations	400,000.00
Loans and Contracts	171,897.08
Other Current Assets	363,685.00
<b>Total Current Assets</b>	<b>16,496,955.38</b>
Non-Current Assets:	
Restricted:	
Investments (Note 3)	183,641.62
Investments (Note 3)	2,773,629.72
Non-Depreciable or Non-Amortizable	5,553,223.65
Depreciable or Amortizable, Net	47,272,424.07
<b>Total Non-Current Assets</b>	<b>55,782,919.06</b>
<b>TOTAL ASSETS</b>	<b>\$ 72,279,874.44</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Payables from:	
Accounts Payables	\$ 554,274.84
Payroll Payables	1,001,653.81
Interest	675,251.25
Due To Other Agencies	97,922.98
Due To Other Components	311,692.11
Unearned Revenues	5,736,915.46
Revenue Bonds Payable (Note 5, 6)	2,196,688.04
Employees' Compensable Leave (Note 5)	160,018.12
<b>Total Current Liabilities</b>	<b>10,734,416.61</b>

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Non-Current Liabilities:	
Revenue Bonds Payable (Note 5, 6)	35,092,576.53
Employees' Compensable Leave (Note 5)	187,740.84
<b>Total Non-Current Liabilities</b>	<b>35,280,317.37</b>
<b>Total Liabilities</b>	<b>46,014,733.98</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	15,561,383.33
Restricted for:	
Funds Held as Permanent Investments:	
Expendable	238,542.84
Nonexpendable	1,124,355.88
Unrestricted	9,340,858.41
<b>Total Net Position</b>	<b>26,265,140.46</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 72,279,874.44</b>

*Concluded*

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**UNIVERSITY OF NORTH TEXAS AT DALLAS (773)**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended August 31, 2014**

	<b>August 31, 2014</b>
<b>OPERATING REVENUES</b>	
Sales of Goods and Services	
Tuition and Fees	\$ 11,009,723.92
Tuition and Fees - Discounts and Allowances	(1,518,202.37)
Auxiliary Enterprises	143,388.50
Federal Revenue - Operating	505,339.42
Federal Grant Pass-Through Revenue	17,406.28
State Grant Revenue	68,722.31
State Grant Pass Through Revenue	11,099.98
Other Contract and Grants - Operating	462,215.00
Other Operating Revenue	179,817.57
<b>Total Operating Revenues</b>	<b>10,879,510.61</b>
<b>OPERATING EXPENSES <sup>(1)</sup></b>	
Instruction	6,744,986.66
Research	25,595.13
Public Service	628,493.52
Academic Support	2,002,292.30
Student Services	2,933,871.61
Institutional Support	4,948,048.27
Operations and Maintenance of Plant	1,287,271.57
Scholarships and Fellowships	25,000.65
Auxiliary Enterprises	202,198.45
Depreciation and Amortization	3,149,108.38
<b>Total Operating Expenses</b>	<b>21,946,866.54</b>
<b>Operating Income (Loss)</b>	<b>(11,067,355.93)</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>	
Legislative Revenue (GR)	13,435,560.00
Additional Appropriations (GR)	2,156,660.17
Gifts	99,620.86
Investment Income	111,471.96
Interest Expenses and Fiscal Charges	(1,589,399.06)
Gain (Loss) on Sale of Capital Assets	(121,006.78)
Net Increase (Decrease) in Fair Value of Investments	227,732.15
Settlement of Claims	2,366.49
Other Nonoperating Revenues	2,555.67
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>14,325,561.46</b>
<b>Income (Loss) Before Other Revenues, Expenses and Transfers</b>	<b>3,258,205.53</b>
<b>OTHER REVENUES, EXPENSES AND TRANSFERS</b>	
Capital Appropriations (HEAF)	780,000.00
Contributions to Permanent and Term Endowments	863.08
Transfers Out to Other State Components	(237,962.53)
Transfer Out to other State Agencies	(195,442.70)
Legislative Transfer Out	(1,539,000.00)
<b>Total Other Revenue, Expenses and Transfers</b>	<b>(1,191,542.15)</b>
<b>CHANGE IN NET POSITION</b>	<b>2,066,663.38</b>
Net Position, Beginning	21,101,699.34
Restatements	3,096,777.74
Net Position, Beginning, as Restated	24,198,477.08
<b>NET POSITION ENDING</b>	<b>\$ 26,265,140.46</b>

(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 Fiscal Year Ended August 31, 2014

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation	2014 Total Expenditures
Salaries and Wages	\$ 5,438,387.44	\$ 8,443.85	\$ 320,740.89	\$ 1,427,377.30	\$ 1,881,501.28	\$ 2,480,714.70	\$ 185,220.21	\$ 24,982.24	\$ 43,932.21	\$ -	\$ 11,811,300.12
Payroll Related Costs	1,144,656.97	1,759.54	76,722.66	311,047.26	392,973.38	290,497.23	34,050.06	18.41	17,099.17	-	2,268,824.68
Professional Fees and Services	33,625.00	-	79,433.36	32,972.32	39,995.06	72,943.95	10,679.25	-	56.39	-	269,705.33
Travel	43,178.64	7,468.64	12,389.34	58,412.06	86,674.59	44,942.00	8,057.71	-	9,582.22	-	270,705.20
Materials and Supplies	34,383.37	439.37	83,428.37	68,190.95	248,795.90	478,999.87	88,656.93	-	13,294.58	-	1,016,189.34
Communications and Utilities	-	-	2,404.82	-	91.24	18,225.77	410,565.68	-	-	-	431,287.51
Repairs and Maintenance	-	-	2,232.78	1,699.00	14,724.21	4,991.34	148,460.88	-	963.76	-	173,071.97
Rentals and Leases	678.56	-	20,384.08	11,211.80	30,042.05	191,514.77	6,193.40	-	-	-	260,024.66
Printing and Reproduction	43.41	-	2,128.54	552.54	40,996.08	13,801.56	-	-	2,477.51	-	59,999.64
Depreciation	-	-	-	-	-	-	-	-	-	3,149,108.38	3,149,108.38
Other Operating Expenses	50,033.27	7,483.73	28,628.68	90,829.07	198,077.82	1,351,417.08	395,387.45	-	114,792.61	-	2,236,649.71
<b>Total Operating Expenses</b>	<b>\$ 6,744,986.66</b>	<b>\$ 25,595.13</b>	<b>\$ 628,493.52</b>	<b>\$ 2,002,292.30</b>	<b>\$ 2,933,871.61</b>	<b>\$ 4,948,048.27</b>	<b>\$ 1,287,271.57</b>	<b>\$ 25,000.65</b>	<b>\$ 202,198.45</b>	<b>\$ 3,149,108.38</b>	<b>\$ 21,946,866.54</b>

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**UNIVERSITY OF NORTH TEXAS AT DALLAS (773)**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2014**

	<b>August 31, 2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Proceeds from Customers	\$ 179,817.57
Proceeds from Tuition & Fees	9,934,921.42
Proceeds from Research Grants & Contracts	1,300,727.39
Proceeds from Loan Programs	118,720.59
Proceeds from Auxiliaries	143,388.50
Payments to Suppliers for Goods and Services	(4,418,132.04)
Payments to Employees	(12,883,009.71)
Net Cash Provided (Used) by Operating Activities	<u>(5,623,566.28)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from State Appropriations	14,227,588.88
Proceeds from Gifts	254,402.08
Proceeds from Endowments	863.08
Proceeds of Transfers from Other Agencies	97,922.98
Proceeds from Transfers from Other Components	71,194.35
Proceeds from Legislative Transfers	(1,539,000.00)
Payments for Transfers to Other Components	(237,962.53)
Payments for Transfers to Other Agencies	(195,442.70)
Payments for Other Uses	4,922.16
Net Cash Provided (Used) by Noncapital Financing Activities	<u>12,684,488.30</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from State Appropriations	780,000.00
Payments for Additions to Capital Assets	(253,852.46)
Payments of Principal on Debt Issuance	(1,890,000.00)
Payments of Interest on Debt Issuance	(1,816,886.25)
Payments for Transfers from Other Agencies	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,180,738.71)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Interest and Investment Income	111,471.96
Payments to Acquire Investments	(1,475,640.32)
Net Cash Provided (Used) by Investing Activities	<u>(1,364,168.36)</u>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b><u>2,516,014.95</u></b>
Cash and Cash Equivalents, Beginning	8,187,453.71
Restatement to Beginning Cash and Cash Equivalents	65,478.50
Cash and Cash Equivalents, Beginning, as Restated	<u>8,252,932.21</u>
<b>Cash and Cash Equivalents, Ending</b>	<b><u>\$ 10,768,947.16</u></b>

*See Accompanying Notes to the Consolidated Financial Statements*

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**UNIVERSITY OF NORTH TEXAS AT DALLAS (773)**  
**Statement of Cash Flows - Reconciliation to Net Income (Loss)**  
**For the Year Ended August 31, 2014**

	<b>August 31, 2014</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating Income (Loss)	\$ (11,067,355.93)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Amortization and Depreciation	3,149,108.38
Employee Benefits Paid by the State	1,335,073.19
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(173,409.84)
(Increase) Decrease in Loans & Contracts	118,720.59
(Increase) Decrease in Prepaid Expenses	323,544.19
Increase (Decrease) in Payables	(162,000.97)
Increase (Decrease) in Unearned Revenue	852,754.11
Total Adjustments	5,443,789.65
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (5,623,566.28)</b>
 <b>NON CASH TRANSACTIONS</b>	
Net Change in Fair Value of Investments	\$ 227,732.15
Loss on Disposals of Capital Assets	(226,209.78)
Amortization of Bond Premium	227,487.20

*See Accompanying Notes to the Consolidated Financial Statements*

**UNIVERSITY OF NORTH TEXAS AT DALLAS (773)**  
**Notes to Schedule 1A - Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2014**

**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 Position	
Federal Grants and Contracts - Operating	\$ 505,339.42
Federal Pass-Through Grants from Other State Agencies/Universities - Operating	17,406.28
Total Federal Revenues per Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 522,745.70</u>

Reconciling Items:

New Loans Processed:	
Federal Perkins Loan Program	\$ -
Federal Direct Student Loans (Direct Loans)	-
Federal Grants from Texas A&M Research Foundation	-
Total Pass Through and Expenditures per Federal Schedule	<u>\$ 522,745.70</u>

**Note 3a: Student Loans Processed & Administrative Costs Recovered**

Federal Grantor/ CFDA Number/Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Adm. Costs Recovered	Ending Balances of Previous Year's 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 at Dallas does not have any Federal Deferred Revenue to report.

**Note 8: Supplemental Nutrition Assistance Program (SNAP)**

N/A

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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, 2014

<u>Pass-Through From</u>	<u>Grant ID</u>	<u>Agency Number</u>	<u>Amount</u>
<b>Higher Education Performance Incentive Initiative</b>			
Work Study Mentorship Program	781.0029		
Texas Higher Education Coordinating Board		781	\$ (7,942.02)
			(7,942.02)
<b>Hazlewood Exemption Program HB1025</b>	781.0061		
Texas Higher Education Coordinating Board		781	\$ 19,042.00
			19,042.00
Total Pass-Through from Other Agencies (exh. II):			<u>\$ 11,099.98</u>

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UNIVERSITY OF NORTH TEXAS AT DALLAS (773)  
 Schedule 2A - Miscellaneous Bond Information  
 For the Fiscal Year Ended August 31, 2014

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Terms of Variable Interest Rate	Scheduled Maturities		First Call Date
				First Year	Last Year	
RFS Refunding and Improvement Bonds, Series 2005	\$ 22,655,000.00	3.2500% - 5.2500%	N/A	2006	2025	4/15/2015
RFS Bonds, Series 2009A	27,120,000.00	3.0000% - 5.0000%	N/A	2010	2029	4/15/2019
<b>Total</b>	<b>\$ 49,775,000.00</b>					

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, 2014

Description of Issue	Bonds Outstanding 09/01/13	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/14	Unamortized Premium	Unamortized Discount	Unamortized Gain/(Loss) on Refunding	Net Bonds Outstanding 08/31/14	Amounts Due Within One Year
RFS Refunding and Improvement Bonds, Series 2005	\$ 14,970,000.00	\$ -	\$ 945,000.00	\$ -	\$ 14,025,000.00	\$ 349,994.93	\$ -	\$ -	\$ 14,374,994.93	\$ 1,038,926.71
RFS Bonds, Series 2009A	22,410,000.00	-	945,000.00	-	21,465,000.00	1,449,269.64	-	-	22,914,269.64	1,157,761.33
<b>Total</b>	<b>\$ 37,380,000.00</b>	<b>\$ -</b>	<b>\$ 1,890,000.00</b>	<b>\$ -</b>	<b>\$ 35,490,000.00</b>	<b>\$ 1,799,264.57</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,289,264.57</b>	<b>\$ 2,196,688.04</b>

Net Bonds Payable per Statement of Net Position	\$ 37,289,264.57
Deferred Outflows of Resources from Refunding per Statement of Net Position	-
<b>Net Bonds Outstanding per Schedule 2B</b>	<b>\$ 37,289,264.57</b>

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**UNIVERSITY OF NORTH TEXAS AT DALLAS (773)**

**Schedule 2C - Debt Service Requirements**

**For the Fiscal Year Ended August 31, 2014**

<b>Description of Issue</b>	<b>Year</b>	<b>Principal</b>	<b>Interest*</b>
<b>Revenue Bonds</b>			
RFS Refunding and Improvement Bonds, Series 2005	2015	\$ 985,000.00	\$ 688,275.00
	2016	1,030,000.00	643,950.00
	2017	1,085,000.00	589,875.00
	2018	1,140,000.00	532,912.50
	2019	1,200,000.00	473,062.50
	2020-2024	6,980,000.00	1,393,112.50
	2025	1,605,000.00	72,225.00
			<u>14,025,000.00</u>
RFS Bonds, Series 2009A	2015	995,000.00	1,073,250.00
	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
	2020-2024	7,015,000.00	3,325,500.00
	2025-2029	8,955,000.00	1,387,750.00
			<u>21,465,000.00</u>
<b>Total</b>		<b><u>\$ 35,490,000.00</u></b>	<b><u>\$ 13,949,912.50</u></b>

\* 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 Fiscal Year Ended August 31, 2014

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2014			
	Total Pledged and Other Sources	Operating Expenses/ Expenditures & Capital Outlay	Debt Service	
			Principal	Interest *
RFS Bonds Series '05 & 09A	\$ 20,664,378.65	\$ -	\$ 1,890,000.00	\$ 1,851,300.00
Total	<u>\$ 20,664,378.65</u>	<u>\$ -</u>	<u>\$ 1,890,000.00</u>	<u>\$ 1,851,300.00</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 Fiscal Year Ended August 31, 2014

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0292	\$ 2,460,044.27	-	\$ 2,460,044.27
<b>Total Cash in State Treasury (Statement of Net Position)</b>	<b>\$ 2,460,044.27</b>	<b>\$ -</b>	<b>\$ 2,460,044.27</b>