

FINANCIAL REPORT

of the

UNIVERSITY OF NORTH TEXAS

DENTON, TEXAS

Neal J. Smatresk, President

For the fiscal year ended August 31, 2014



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UNIVERSITY OF NORTH TEXAS

ORGANIZATIONAL DATA

August 31, 2014

BOARD OF REGENTS

|                          |  |             |
|--------------------------|--|-------------|
| Brint Ryan.....          | (Term expires <del>22-15</del> ) ..... | Dallas      |
| Michael R. Bradford..... | (Term expires <del>22-15</del> ) ..... | Midland     |
| Steve Mitchell.....      | (Term expires <del>22-15</del> ) ..... | Richardson  |
| Donald Potts.....        | (Term expires <del>22-17</del> ) ..... | Dallas      |
| Al Silva .....           | (Term expires <del>22-17</del> ) ..... | San Antonio |
| Milton B. Lee.....       | (Term expires <del>22-17</del> ) ..... | San Antonio |
| Rusty Reid.....          | (Term expires <del>22-19</del> ) ..... | Ft. Worth   |
| Gwyn Shea.....           | (Term expires <del>22-19</del> ) ..... | Irving      |
| B. Glen Whitley .....    | (Term expires <del>22-19</del> ) ..... | Hurst       |

STUDENT REGENT

|                         |  |          |
|-------------------------|--|----------|
| Christophe D. Vera..... | (Term expires <del>31-15</del> ) ..... | Victoria |
|-------------------------|--|----------|

OFFICERS OF THE BOARD

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

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UNIVERSITY OF NORTH TEXAS (752)  
Statement of Net Position

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|   | August 31,<br>2014  |
|---|---------------------|
| <b>ASSETS</b>                           |                     |
| Current Assets:                         |                     |
| Cash and Cash Equivalents (Note 3)      |                     |
| Cash on Hand                            | \$ 115,642.00       |
| Cash in Bank                            | (7,666,201.57)      |
| Cash in Transit/Reimburse from Treasury | 3,141,340.35        |
| Cash in State Treasury                  | 7,608,704.93        |
| Cash Equivalents                        | 139,215,683.06      |
| Restricted:                             |                     |
| Cash and Cash Equivalents (Note 3)      |                     |
| Cash on Hand                            | 50,484.20           |
| Legislative Appropriations              | 53,508,674.68       |
| Receivables from:                       |                     |
| Federal                                 | 29,076,688.05       |
| Other Intergovernmental                 | 155,362.77          |
| Interest and Dividends                  | 1,439,110.13        |
| Accounts Receivable                     | 66,866,887.07       |
| Gifts, Pledges and Donations            | 2,518,640.12        |
| Other                                   | 1,008,603.14        |
| Due From Other Agencies                 | 862,854.21          |
| Consumable Inventories                  | 198,783.78          |
| Merchandise Inventories                 | 1,874,213.99        |
| Loans and Contracts                     | 1,092,093.94        |
| Other Current Assets                    | 27,118,036.52       |
| 7 R W & X U \$ H Q W H W V              |                     |
| Non-Current Assets:                     |                     |
| Restricted:                             |                     |
| Investments (Note 3)                    | 44,095,325.71       |
| Loans and Contracts                     | 1,670,774.12        |
| Investments (Note 3)                    | 95,059,964.98       |
| Gifts, Pledges and Donations            | 1,689,198.79        |
| Capital Assets (Note 2):                |                     |
| Non-Depreciable or Non-Amortizable      | 154,492,722.,198.79 |



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Non-Current Liabilities:

|  |                |
|--|----------------|
| Revenue Bonds Payable (Note 5, 6)  | 275,809,513.00 |
| Employees' Compensable Leave (Note 5)                                      | 8,795,594.81   |
| Capital Lease Obligations (Note 5, 8)                                      | 59,984.70      |
| Assets Held for Others   | 1,474,271.53   |
| 7 R W I D R O O & X U U H Q W<br>/ L D E L O L W I L B E L T R L W D L O V | 618,397,869.0  |

NET POSITION

|                                      |                |
|--------------------------------------|----------------|
| Net Investment in Capital Assets     | 341,804,950.12 |
| Restricted for:                      |                |
| Funds Held as Permanent Investments: |                |
| Expendable                           | 7,165,606.88   |
| Nonexpendable                        | 23,664,121.11  |
| Other                                | 13,274,327.29  |
| Unrestricted                         | 171,404,961.68 |

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UNIVERSITY OF NORTH TEXAS (752)  
Statement of Revenues, Expenses and Changes in Net Pos

|                                   | August 31         |
|-----------------------------------|-------------------|
|                                   | 2014              |
| OPERATING REVENUES                |                   |
| Sales of Goods and Services       |                   |
| Tuition and Fees                  | \$ 325,769,178.57 |
| Discounts and Allowances          | (80,180,821.09)   |
| Auxiliary Enterprises             | 52,367,673.68     |
| Other Sales of Goods and Services | 35,918,815.89     |

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UNIVERSITY OF NORTH TEXAS (752)  
Statement of Cash Flow:

|  | August 31,<br>2014 |
|--|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>      |                    |
| Proceeds from Customers                          | \$ 35,918,815.89   |
| Proceeds from Tuition & Fees                     | 242,242,909.16     |
| Proceeds from Research Grants & Contracts        | 56,554,576.18      |
| Proceeds from Loan Programs                      | 2,389,666.24       |
| Proceeds from Auxiliaries                        | 52,367,673.68      |
| Proceeds from Other Revenues                     | 5,050,282.88       |
| Payments to Suppliers for Goods and Services     | (128,524,808.84)   |
| Payments to Employees                            | (302,916,831.89)   |
| Payments for Other Expenses                      | (65,976,878.88)    |
| Net Cash Provided (Used) by Operating Activities | (102,894,595.58)   |

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UNIVERSITY OF NORTH TEXAS (752)  
 Statement of Cash Flows - Reconciliation to Net Income (Loss)  
 For the Year Ended August 31, 2014

|  | August 31,<br>2014         |
|--|----------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED<br>(USED) BY OPERATING ACTIVITIES     |                            |
| Operating Income (Loss)  | \$ (166,901,385.96)        |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities |                            |
| Amortization and Depreciation  | 38,624,939.06              |
| Employee Benefits Paid by the State  | 22,015,278.40              |
| Changes in Assets and Liabilities:   |                            |
| (Increase) Decrease in Receivables   | (14,376,350.54)            |
| (Increase) Decrease in Inventories   | (165,722.19)               |
| (Increase) Decrease in Loans & Contracts   | 2,389,666.24               |
| (Increase) Decrease in Prepaid Expenses  | 437,254.21                 |
| Increase (Decrease) in Payables  | 808,819.83                 |
| Increase (Decrease) in Unearned Revenue  | 9,543,201.53               |
| Increase (Decrease) in Other Liabilities   | 4,729,703.84               |
| Total Adjustments  | <u>64,006,790.38</u>       |
| Net Cash Provided (Used) by Operating Activities:  | <u>\$ (102,894,595.58)</u> |
| NON CASH TRANSACTIONS  |                            |
| Net increase in fair value of investments  | \$ 13,408,397.15           |
| Donation of capital assets   | 1,109,223.30               |
| Amortization of bond premiums  | 2,252,499.14               |
| Amortization of deferred outflows from refunding bonds   | (412,441.00)               |
| Borrowing under capital lease purchase   | 294,996.82                 |
| Capital assets acquired with payables  | 8,952,872.50               |

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UNIVERSITY OF NORTH TEXAS (752)

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 Revenues, Expenses, and Changes in Net Position

|   |                  |
|---|------------------|
| Federal Grants and Contracts - Operating  | \$ 23,642,172.79 |
| Federal Grants and Contracts - Nonoperating   | 49,779,659.47    |
| Federal Pass-Through Grants from Other State Agencies/Universities - Operating          | 2,299,583.59     |
| Total Federal Revenues per Statement of Revenues, Expenses, and Changes in Net Position | \$ 75,721,415.85 |

Reconciling Items:

|  |                  |
|--|------------------|
| New Loans Processed:                                     |                  |
| Federal Perkins Loan Program                             | \$ 298,873.00    |
| Federal Direct Student Loans (Direct Loans)              | 187,734,320.00   |
| Total Pass Through and Expenditures per Federal Schedule | \$ 263,754,608.8 |

Note 3a Student Loans Processed & Administrative Costs Recovered

| Federal Grantor/<br>CFDA Number/Program Name | New Loans<br>Processed | Admin. Costs<br>Recovered | Total Loans<br>Processed & Adm.<br>Costs Recovered | Ending Balances<br>of Previous<br>Year's Loans |
|--|------------------------|---------------------------|--|--|
| U.S. Department of Education                 |                        |                           |  |  |
| 84.038 Federal Perkins Loan Program          | \$ 298,873.00          | \$ 132,659.00             | \$ 431,532.00                                      | \$ 720,590.51                                  |
| 84.268 Federal Direct Student Loans          | 187,734,320.00         | -                         | 187,734,320.00                                     | -  |
| Total U.S. Department of Education           | \$ 188,033,193.00      |                           |  |  |

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UNIVERSITY OF NORTH TEXAS (752)  
 Schedule B - Schedule of State Grant Pass-Throughs From/To State Agency  
 For the Year Ended August 31, 2014

Pass-through From State Agencies:

To University of North Texas (752)

Cancer Prevention and Research Institute of Texas (542)

RP130597--High-Impact/High-Risk Research Awards \$ 66,981.22

Texas A&M AgriLife Extension Service (555)

Quail Education and Research Initiative 53,769.14

Texas Education Agency (701)

Available School Fund - Per Capita 94,617.00

Foundation School Program (FSP) - Formula 2,262,105.00

Texas A&M Engineering Experiment Station (712)

Nuclear Power Institute - TSTC 12,050.00

50Tj 0.02 Tc -448.32 -12.24 Td [(Un)6.995(i)1.005(0.02 Tc -448.32 -12.24 T(l) -12.2-0 )Tj .005(P)-8.99Co(d)-16(I)-0.995l(0.02 Tc

UNIVERSITY OF NORTH TEXAS (752)  
Schedule 2A - Miscellaneous Bond Information



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UNIVERSITY OF NORTH TEXAS (752)  
 Schedule 2B - Changes in Bonded Indebtedness  
 For the Fiscal Year Ended August 31, 2014

| Description of Issue                              | Bonds<br>Outstanding<br>09/01/13 | Bonds<br>Issued | Bonds<br>Matured<br>or Retired | Bonds<br>Refunded or<br>Extinguished | Bonds<br>Outstanding<br>08/31/14 | Unamortized<br>Premium | Unamortized<br>Discount | Unamortized<br>Gain/(Loss) on<br>Refunding | Net Bonds<br>Outstanding<br>08/31/14 | Amounts<br>Due Within<br>One Year |
|---|----------------------------------|-----------------|--------------------------------|--------------------------------------|----------------------------------|------------------------|-------------------------|--|--------------------------------------|-----------------------------------|
| RFS Refunding Bonds, Series 2003A                 | \$ 3,270,000.00                  | \$ -            | \$ -                           | \$ -                                 | \$ 3,270,000.00                  | \$ -                   | \$ -                    | \$ -                                       | \$ 3,270,000.00                      | \$ 890,000.00                     |
| RFS Refunding and Improvement Bonds, Series 2005  | 22,915,000.00                    | -               | 3,155,000.00                   | -                                    | 19,760,000.00                    | 454,862.00             | -                       | (274,604.00)                               | 19,940,258.00                        | 3,420,268.00                      |
| RFS Bonds, Series 2007                            | 34,235,000.00                    | -               | 860,000.00                     | -                                    | 33,375,000.00                    | 806,268.00             | -                       | -  | 34,181,268.00                        | 960,326.00                        |
| RFS Bonds, Series 2009A                           | 120,145,000.00                   | -               | 3,025,000.00                   | -                                    | 117,120,000.00                   | 6,073,016.00           | -                       | -  | 123,193,016.00                       | 3,654,842.00                      |
| RFS Refunding Bonds, Series 2009B                 | 10,670,000.00                    | -               | 830,000.00                     | -                                    | 9,840,000.00                     | 340,079.00             | -                       | (257,762.00)                               | 9,922,317.00                         | 1,925,460.00                      |
| RFS Refunding Bonds, Series 2010                  | 37,880,000.00                    | -               | 3,865,000.00                   | -                                    | 34,015,000.00                    | 3,123,360.00           | -                       | (2,212,969.00)                             | 34,925,391.00                        | 2,833,738.00                      |
| RFS Refunding and Improvement Bonds, Series 2012A | 54,465,000.00                    | -               | 2,205,000.00                   | -                                    | 52,260,000.00                    | 7,709,794.00           | -                       | (568,143.00)                               | 59,401,651.00                        | 3,063,232.00                      |
| RFS Refunding Bonds, Taxable Series 2012B         | 4,740,000.00                     | -               | 150,000.00                     | -                                    | 4,590,000.00                     | -                      | -                       | (160,267.00)                               | 4,429,733.00                         | 180,000.00                        |
| Total   | \$ 288,320,000.00                | -               |                                | 4                                    |                                  |                        |                         |  |                                      | 5                                 |

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UNIVERSITY OF NORTH TEXAS (752)  
Schedule 2C - Debt Service Requirements

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Description of Issue

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UNIVERSITY OF NORTH TEXAS (752)  
Schedule 3 - Reconciliation of Cash in State Treasury  
For the Fiscal Year Ended August 31, 2014

| Cash in State Treasury | Unrestricted | Restricted | Current<br>Year Total |
|------------------------|--------------|------------|-----------------------|
|------------------------|--------------|------------|-----------------------|

