

**FINANCIAL REPORT**

**of the**

**UNIVERSITY OF NORTH TEXAS SYSTEM  
ADMINISTRATION**

**DENTON, TEXAS**

**Lee Jackson, Chancellor**

**For the fiscal year ended August 31, 2013**



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November 20, 2013

Lee J. ...



**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION**

**ORGANIZATIONAL DATA**

**August 31, 2013**

**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**

Rudy Reynoso.....(Term expires 5-31-14)..... Sherman

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Statement of Net Position**  
**For the Fiscal Year Ended August 31, 2013**

|  | <b>August 31,</b><br><b>2013</b> | <b>August 31,</b><br><b>2012</b> |
|--|----------------------------------|----------------------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS</b>                              |                                  |                                  |
| Current Assets   |                                  |                                  |
| Cash and Cash Equivalents  |                                  |                                  |
| Cash in Bank   | \$ 25,390.78                     | \$ (875,344.07)                  |
| Reimbursement Due from Treasury                                  | 1,071.89                         | 3,132,042.09                     |
| Cash Equivalents   | 17,154,368.64                    | 15,379,833.54                    |
| Restricted:  |                                  |                                  |
| Legislative Appropriations                                       | 711,493.73                       | 4,038,434.16                     |
| Receivables from:  |                                  |                                  |
| Accounts Receivable  | 482,457.47                       | 586,575.68                       |
| Other Receivables  | 10,032.96                        | 14,244.71                        |
| Due From Other Components  | 1,480,246.71                     | -                                |
| Merchandise Inventories  | 6,160.00                         | -                                |
| Other Current Assets   | 1,000.00                         | 1,000.00                         |
| Total Current Assets   | 19,872,222.18                    | 22,276,786.11                    |
| Non-Current Assets   |                                  |                                  |
| Investments  | 139,558.09                       | 687,272.71                       |
| Unrestricted Investments   | 7,380,800.72                     | 4,602,503.76                     |
| Capital Assets:  |                                  |                                  |
| Non-Depreciable or Non-Amortizable<br>Land and Land Improvements | 3,211,500.00                     | 3,211,500.00                     |

Total Assets:

181 (2,607,972) (9,498) 10 (3,008,000) (1,209,500) 1,520,600 (9,385,176) 1,048,000 (500,000) 1,500 (3,255,874) 1,762ets



|  | <b>August 31,<br/>2013</b>     | <b>August 31,<br/>2012</b>     |
|--|--------------------------------|--------------------------------|
| Non-Current Liabilities and Deferred Inflows       |                                |                                |
| Notes and Loans Payable                            | 29,497,000.00                  | 39,198,000.00                  |
| Contra-Due to Other Components-CP                  | (43,462,000.00)                | (41,632,000.00)                |
| Revenue Bonds Payable                              | 14,885,000.00                  | 15,270,000.00                  |
| Employees Compensable Leave                        | 1,873,523.64                   | 2,038,218.48                   |
| Total Non-Current Liabilities and Deferred Inflows | <u>2,793,523.64</u>            | <u>14,874,218.48</u>           |
| <b>Total Liabilities and Deferred Inflows</b>      | <b><u>34,935,336.28</u></b>    | <b><u>23,620,638.52</u></b>    |
| NET POSITION                                       |                                |                                |
| Invested in Capital Assets, Net of Related Debt    | 7,292,933.78                   | 1,098,924.38                   |
| Restricted for:                                    |                                |                                |
| Capital Projects                                   | 139,558.09                     | 1,650,088.87                   |
| Other Restricted                                   | -                              | 10,484.00                      |
| Unrestricted                                       | 20,647,686.62                  | 18,011,599.19                  |
| <b>Total Net Position</b>                          | <b><u>28,080,178.49</u></b>    | <b><u>20,771,096.44</u></b>    |
| <b>Total Liabilities and Net Position</b>          | <b><u>\$ 63,015,514.77</u></b> | <b><u>\$ 44,391,734.96</u></b> |





**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Note 1: Matrix of Operating Expenses Reported by Function**  
**For the Fiscal Year Ended August 31, 2013**

| <b>Operating Expenses</b>       | <b>Instruction</b>   | <b>Research</b> | <b>Public Service</b> | <b>Academic Support</b> | <b>Student Services</b> |
|---------------------------------|----------------------|-----------------|-----------------------|-------------------------|-------------------------|
| Salaries and Wages              | \$ 253,352.37        | \$ -            | \$ -                  | \$ -                    | \$ -                    |
| Payroll Related Costs           | 105,930.82           | -               | -                     | -                       | -                       |
| Professional Fees and Services  | 45,170.00            | -               | -                     | 163,148.52              | -                       |
| Travel                          | 1,437.20             | -               | -                     | 1,618.83                | -                       |
| Materials and Supplies          | 3,587.74             | -               | -                     | 124.06                  | -                       |
| Communications and Utilities    | 1,537.93             | -               | -                     | -                       | -                       |
| Repairs and Maintenance         | -                    | -               | -                     | -                       | -                       |
| Rentals and Leases              | 55,441.64            | -               | 289.31                | 578.64                  | 1,015.98                |
| Printing and Reproduction       | 354.00               | -               | -                     | -                       | -                       |
| Depreciation                    | -                    | -               | -                     | -                       | -                       |
| Bad Debt Expense                | -                    | -               | -                     | -                       | -                       |
| Other Operating Expenses        | 25,029.09            | -               | 116.72                | 233.45                  | 409.89                  |
| <b>Total Operating Expenses</b> | <b>\$ 491,840.79</b> | <b>\$ -</b>     | <b>\$ 406.03</b>      | <b>\$ 165,703.50</b>    | <b>\$ 1,425.87</b>      |

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|           | <b>Institutional<br/>Support</b> | <b>Operation and<br/>Maintenance of<br/>Plant</b> | <b>Scholarships<br/>and Fellowships</b> | <b>Auxiliary<br/>Enterprises</b> | <b>Depreciation</b>    | <b>2013<br/>Total<br/>Expenditures</b> |
|-----------|----------------------------------|---|---|----------------------------------|------------------------|--|
| \$        | 22,216,009.98                    | \$ 534,095.98                                     | \$ -                                    | \$ 120,187.92                    | \$ -                   | \$ 23,123,646.25                       |
|           | 5,521,643.21                     | 223,831.89  | -                                       | 20,682.55                        | -                      | 5,872,088.47                           |
|           | 1,474,758.98                     | 148,440.51  | -                                       | 320,942.09                       | -                      | 2,152,460.10                           |
|           | 265,941.47                       | -   | -                                       | -                                | -                      | 268,997.50                             |
|           | 784,568.54                       | 139,550.37  | -                                       | 11,220.78                        | -                      | 939,051.49                             |
|           | 1,866,131.09                     | 380,882.24  | -                                       | 263,772.90                       | -                      | 2,512,324.16                           |
|           | 4,454,978.23                     | 20,927.00   | -                                       | 203,934.78                       | -                      | 4,679,840.01                           |
|           | 123,920.02                       | 276,666.25  | -                                       | 312,583.74                       | -                      | 770,495.58                             |
|           | 37,898.87                        | -   | -                                       | 892.58                           | -                      | 39,145.45                              |
|           | -                                | -   | -                                       | -                                | 1,617,645.99           | 1,617,645.99                           |
|           | -                                | -   | -                                       | (9,556.61)                       | -                      | (9,556.61)                             |
|           | 860,635.58                       | 124,924.53  | -                                       | 332,184.72                       | -                      | 1,343,533.98                           |
| <b>\$</b> | <b>37,606,485.97</b>             | <b>\$ 1,849,318.77</b>                            | <b>\$ -</b>                             | <b>\$ 1,576,845.45</b>           | <b>\$ 1,617,645.99</b> | <b>\$ 43,309,672.37</b>                |

**UNIVERSITY OF NORTH TEXAS SYSTEM (769)**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended August 31, 2013**

|   | <b>August 31,<br/>2013</b> | <b>August 31,<br/>2012</b> |
|---|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                            |                            |
| Proceeds Received from Customers  | \$ 27,278,388.97           | \$ 19,685,655.54           |
| Proceeds from Sponsored Projects  | -                          | 1,729,427.50               |
| Proceeds from Auxiliaries   | 1,700,051.51               | 1,722,626.78               |
| Proceeds from Other Revenues  | 1,803,144.44               | 127,366.60                 |
| Payments to Suppliers for Goods and Services  | (11,371,515.83)            | (3,974,802.47)             |
| Payments to Employees for Salaries and Benefits                                     | (31,687,888.60)            | (19,804,437.92)            |
| Payments for Other Expenses   | -                          | (633,347.05)               |
| <b>Net Cash Provided (Used) by Operating Activities</b>                             | <b>(12,277,819.51)</b>     | <b>(1,147,511.02)</b>      |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                              |                            |                            |
| Proceeds from State Appropriations  | 11,003,105.20              | 4,713,117.02               |
| Proceeds from Legislative Transfers   | 2,215,995.85               | 693,052.88                 |
| Proceeds of Transfers from Other Components   | 4,499,727.47               | 8,641,161.20               |
| Proceeds from Other Revenues  | 6,261.61                   | -                          |
| Payments for Transfers to Other Agencies  | (13,755.70)                | -                          |
| Payments for Other Uses   | (355,159.54)               | -                          |
| <b>Net Cash Provided (Used) by Noncapital<br/>Financing Activities</b>              | <b>17,356,174.89</b>       | <b>14,047,331.10</b>       |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>                 |                            |                            |
| Proceeds from Disposal of Capital Assets  | 31,834.85                  | -                          |
| Proceeds from Debt Issuance   | 15,000.00                  | 20,359.58                  |
| Proceeds of Transfers from Other Components   | 13,060,000.00              | 13,248,000.00              |
| Payments for Additions to Fixed Assets  | (14,481,815.75)            | (3,092,414.94)             |
| Payments of Principal on Debt Issuance  | (385,000.00)               | (13,603,000.00)            |
| Payments of Interest on Debt Issuance   | (925,119.05)               | (747,737.50)               |
| Payments of Other Costs of Debt Issuance  | (4,447.39)                 | -                          |
| <b>Net Cash Provided (Used) From Capital &amp; Related<br/>Financing Activities</b> | <b>(2,689,547.34)</b>      | <b>(4,174,792.86)</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                            |                            |
| Proceeds from Sale of Investments   | 130,950.99                 | 12,767,141.63              |
| Proceeds from Interest and Investment Income  | 166,867.00                 | 86,426.17                  |
| Payments to Acquire Investments   | (3,142,326.28)             | (15,643,500.54)            |
| <b>Net Cash Provided (Used) by Investing Activities</b>                             | <b>(2,844,508.29)</b>      | <b>(2,789,932.74)</b>      |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                         | <b>(455,700.25)</b>        | <b>5,935,094.48</b>        |
| <b>Cash and Cash Equivalents--September 1, 2012 and 2011</b>                        | <b>17,636,531.56</b>       | <b>11,701,437.08</b>       |
| <b>Restatements to Beginning Cash and Cash Equivalents</b>                          | <b>-</b>                   | <b>-</b>                   |
| <b>Cash and Cash Equivalents--August 31, 2013 and 2012</b>                          | <b>\$ 17,180,831.31</b>    | <b>\$ 17,636,531.56</b>    |
| Displayed as:   |                            |                            |
| Unrestricted Cash and Cash Equivalents (Statement of Net Position)                  | \$ 17,180,831.31           | \$ 17,636,531.56           |
|   | <b>\$ 17,180,831.31</b>    | <b>\$ 17,636,531.56</b>    |

|  | <u>August 31,<br/>2013</u>       | <u>August 31,<br/>2012</u>      |
|--|----------------------------------|---------------------------------|
| <b>Reconciliation of Operating Income to<br/>Net Cash Provided (Used) by Operating Activities</b>        |                                  |                                 |
| <b>Operating Income/(Loss)</b>   | <b>\$ (12,632,205.66)</b>        | <b>\$ (9,261,700.14)</b>        |
| <b>Adjustments to Reconcile Operating Income to<br/>Net Cash Provided (Used) by Operating Activities</b> |                                  |                                 |
| Depreciation   | 1,617,645.99                     | 498,791.83                      |
| Bad Debt Expense   | (9,556.61)                       | 126,143.15                      |
| Operating Income and Cash Flow Categories<br>Classification Differences                                  |                                  |                                 |
| Changes in Assets and Liabilities:   |                                  |                                 |
| (Increase) Decrease in Receivables   | 104,118.22                       | 1,096,080.45                    |
| (Increase) Decrease in Inventories   | (6,160.00)                       | -                               |
| Increase (Decrease) in Payables  | (1,351,661.45)                   | 6,393,173.69                    |
| <b>Total Adjustments</b>   | <b>354,386.15</b>                | <b>8,114,189.12</b>             |
| <b>Net Cash Provided (Used) by Operating Activities</b>  | <b><u>\$ (12,277,819.51)</u></b> | <b><u>\$ (1,147,511.02)</u></b> |
| <b>Non Cash Transactions</b>   |                                  | -                               |
| Net Increase (Decrease) in FMV of Investments  | \$ 172,636.32                    | \$ -                            |
| Gain/(Loss) on disposal of Capital Assets  | \$ (31,834.85)                   | \$ -                            |

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**

**Notes to Schedule 1A - Schedule of Expenditures of Federal Awards**

**For the Fiscal Year Ended August 31, 2013**

**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  | \$ | - |
| Federal Grants and Contracts - Nonoperating                                       |    | - |



UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)  
 Schedule 2A - Miscellaneous Bond Information  
 For the Fiscal Year Ended August 31, 2013

| 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 Bonds, Series 2007 | \$ 16,980,000.00        | 4.0000% - 5.0000%       | N/A                             | 2008                 | 2036      | 4/15/2016       |
| Total                  | <u>\$ 16,980,000.00</u> |                         |                                 |                      |           |                 |

RFS - Revenue Financing System

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UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)  
 Schedule 2B - Changes in Bonded Indebtedness  
 For the Fiscal Year Ended August 31, 2013

| Description of Issue   | Bonds Outstanding<br>09/01/12 | Bonds Issued | Bonds Matured<br>or Retired | Bonds Refunded or<br>Extinguished | Bonds Outstanding<br>08/31/13 |
|------------------------|-------------------------------|--------------|-----------------------------|-----------------------------------|-------------------------------|
| RFS Bonds, Series 2007 | \$ 15,640,000.00              | \$ -         | \$ 370,000.00               | \$ -                              | \$ 15,270,000.00              |
| Total                  | <u>\$ 15,640,000.00</u>       | <u>\$ -</u>  | <u>\$ 370,000.00</u>        | <u>\$ -</u>                       | <u>\$ 15,270,000.00</u>       |

\*Bonds premiums and issuance costs 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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| Unamortized<br>Premium *                        | Unamortized<br>Discount | Unamortized<br>Gain/(Loss) on<br>Refunding | Net Bonds<br>Outstanding<br>08/31/13 | Amounts<br>Due Within<br>One Year |
|---|-------------------------|--|--------------------------------------|-----------------------------------|
| \$ -  | \$ -                    | \$ -                                       | \$ 15,270,000.00                     | \$ 385,000.00                     |
| <u>\$ -</u>                                     | <u>\$ -</u>             | <u>\$ -</u>                                | <u>\$ 15,270,000.00</u>              | <u>\$ 385,000.00</u>              |
| Net Bonds Payable per Statement of Net Position |                         |  | <u>\$ 15,270,000.00</u>              |                                   |

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)  
 Schedule 2C - Debt Service Requirements  
 For the Fiscal Year Ended August 31, 2013

| Description of Issue   | Year      | Principal               | Interest*               |
|------------------------|-----------|-------------------------|-------------------------|
| Revenue Bonds          |           |                         |                         |
| RFS Bonds, Series 2007 | 2014      | \$ 385,000.00           | 718,737.50              |
|                        | 2015      | 400,000.00              | 703,337.50              |
|                        | 2016      | 420,000.00              | 685,337.50              |
|                        | 2017      | 435,000.00              | 666,437.50              |
|                        | 2018      | 455,000.00              | 649,037.50              |
|                        | 2019-2023 | 2,605,000.00            | 2,916,825.00            |
|                        | 2024-2028 | 3,315,000.00            | 2,206,250.00            |
|                        | 2029-2033 | 4,225,000.00            | 1,294,675.00            |
|                        | 2034-2036 | 3,030,000.00            | 276,750.00              |
|                        |           | <u>15,270,000.00</u>    | <u>10,117,387.50</u>    |
| Total                  |           | <u>\$ 15,270,000.00</u> | <u>\$ 10,117,387.50</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.

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)  
 Schedule 2D - Analysis of Funds Available for Debt Service  
 For the Fiscal Year Ended August 31, 2013

| Description of Issue   | Pledged and Other Sources and Related Expenditures for FY 2013 |  |                      |                      |
|------------------------|--|--|----------------------|----------------------|
|                        | Total<br>Pledged<br>and Other<br>Sources                       | Operating<br>Expenses/<br>Expenditures &<br>Capital Outlay | Debt Service         |                      |
|                        |  |  | Principal            | Interest *           |
| RFS Bonds, Series 2007 | \$ 18,054,548.42   | \$ (3,977.05)  | \$ 370,000.00        | \$ 733,537.50        |
| Total                  | <u>\$ 18,054,548.42</u>  | <u>\$ (3,977.05)</u>                                       | <u>\$ 370,000.00</u> | <u>\$ 733,537.50</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.

