

# Memo

TEXAS HIGHER EDUCATION  
COORDINATING BOARD

MAR 05 2012

PLANNING AND  
ACCOUNTABILITY

**To:** Holders of the University of North Texas System  
FY11 Combined Financial Report (in binder)

**Date:** February 29, 2012

**Re:** Replacement pages FY11 UNT-SYS AFR

Enclosed are the replacement pages for the University of North Texas System FY11 Combined Financial Report. The pages are indicated numerically with the appropriate component section.

Replacement pages	Section	Component
5 - 6	MDA	UNT-Combined
11 - 12	MDA	UNT-Combined
15 - 18	SNA	UNT-Combined
21 - 24	Cash Flow	UNT-Combined
27 - 28	Note 2	UNT-Combined
39 - 40	Note 16	UNT-Combined
55 - 56	Sch 3	UNT-Combined
3 - 6	SNA	UNT
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3 - 6	SNA	UNT-Dallas
9 - 12	Cash Flow	UNT-Dallas
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UNT  
UNIVERSITY OF  
NORTH TEXAS  
SYSTEM

**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**

**Combined Statement of Net Assets**

**For the Year Ended August 31, 2011**

	<u>August 31,</u> <u>2011</u>	<u>August 31,</u> <u>2010</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current Assets		
Cash and Cash Equivalents		
Cash on Hand	\$ 142,753.10	\$ 136,480.52
Cash in Bank	(7,009,901.81)	(11,585,097.34)
Reimbursement Due from Treasury	15,445,901.83	16,246,087.91
Cash in State Treasury	29,005,506.98	20,238,635.22
Cash Equivalents	309,876,667.08	305,026,514.99
Restricted:		
Cash and Cash Equivalents		
Cash on Hand	10,270.85	5,993.70
Cash in Bank	(538,863.15)	(1,064,938.13)
Cash Equivalents	39,761,806.39	33,349,068.94
Legislative Appropriations	80,139,055.27	65,048,819.08
Receivables from:		
Federal	28,059,400.71	29,912,431.38
Other Intergovernmental	936,167.08	475,279.34
Interest and Dividends	802,812.06	1,225,739.36
Accounts Receivable	47,964,807.95	54,023,425.52
Gifts Receivable	719,176.34	2,534,100.93
Other Receivables	7,380,256.25	-
Due From Other Agencies	6,977,885.57	5,161,856.22
Consumable Inventories	1,662,793.35	1,772,114.45
Merchandise Inventories	339,512.77	458,540.89
Loans and Contracts	7,794,895.41	6,793,656.12
Other Current Assets	20,145,936.39	20,533,991.13
Total Current Assets	<u>589,616,840.42</u>	<u>550,292,700.24</u>
Non-Current Assets and Deferred Outflows		
Restricted:		
Investments	64,658,670.81	67,296,073.99
Loans and Contracts	6,209,658.47	5,929,336.13
Investments	53,823,103.71	147,662,354.47
Gift Receivables	1,832,852.08	2,085,377.34
Capital Assets:		
Non-Depreciable or Non-Amortizable		
Land and Land Improvements	67,533,344.87	66,869,463.09
Construction in Progress	11,827,610.08	108,673,487.95
Other Tangible Capital Assets	23,728,836.44	23,682,182.81
Depreciable or Amortizable		
Buildings and Building Improvements	788,183,741.69	626,029,073.04
Less Accumulated Depreciation	(317,281,798.19)	(296,109,831.57)
Infrastructure	39,315,566.58	9,348,550.11
Less Accumulated Depreciation	(8,142,715.84)	(7,965,796.48)
Facilities and Other Improvement	117,488,640.67	16,907,597.78
Less Accumulated Depreciation	(10,527,855.60)	(9,714,697.46)
Furniture and Equipment	118,184,137.85	109,961,422.89
Less Accumulated Depreciation	(74,391,600.53)	(68,065,236.97)
Vehicles, Boats and Aircraft	8,534,859.09	8,255,013.12
Less Accumulated Depreciation	(6,160,153.54)	(5,659,615.44)
Other Capital Assets	98,483,362.11	99,821,934.47
Less Accumulated Depreciation	(48,347,677.32)	(52,838,824.28)
Computer Software	22,057,453.64	21,785,703.64
Less Accumulated Amortization	(20,605,475.91)	(19,941,124.05)
Other Non-Current Assets	303,032.21	268,267.62
Total Non-Current Assets and Deferred Outflows	<u>936,707,593.37</u>	<u>854,280,712.20</u>
<b>Total Assets and Deferred Outflows</b>	<u><b>\$ 1,526,324,433.79</b></u>	<u><b>\$ 1,404,573,412.44</b></u>

**UNAUDITED**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
Current Liabilities		
Payables From:		
Accounts Payable	\$ 58,050,060.36	30,198,645.39
Payroll Payable	37,931,759.32	36,079,539.69
Other Payables	1,699,480.85	1,878,055.07
Due to Other Agencies	20,517.24	29,892.63
Deferred Revenues	155,693,832.99	142,909,724.51
Notes and Loans Payable	20,902,800.00	2,093,000.00
Revenue Bonds Payable, Net	18,919,204.00	19,399,192.00
Pollution Remediation Obligation	-	12,424.10
Employees' Compensable Leave	2,380,290.62	2,116,965.29
Capital Lease Obligations	6,986.76	-
Funds Held for Others	11,947,276.38	13,410,879.81
Other Current Liabilities	6,324,777.68	5,600,596.34
<b>Total Current Liabilities</b>	<b>313,876,986.20</b>	<b>253,728,914.83</b>
Non-Current Liabilities and Deferred Inflows		
Notes and Loans Payable	33,977,200.00	5,287,000.00
Contra Liability-Due From Other Components-CP	-	-
Revenue Bonds Payable, Net	402,136,626.90	421,055,842.90
Employees' Compensable Leave	18,574,797.68	17,025,619.71
Capital Lease Obligations	9,897.91	-
Funds Held for Others	2,490,688.15	2,405,831.50
Other Non-Current Liabilities	1,779,057.37	1,757,386.92
<b>Total Non-Current Liabilities and Deferred Inflows</b>	<b>458,968,268.01</b>	<b>447,531,681.03</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>772,845,254.21</b>	<b>701,260,595.86</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	334,393,162.33	190,161,107.07
Restricted for:		
Debt Retirement	220,340.53	19,691.31
Capital Projects	48,651,824.24	146,476,797.92
Funds Held as Permanent Investments		
Non-Expendable	44,661,951.94	40,603,811.43
Expendable	2,672,530.88	3,354,035.19
Other Restricted	49,522,094.40	57,376,516.17
Unrestricted	273,357,275.26	265,320,857.49
<b>Total Net Assets</b>	<b>753,479,179.58</b>	<b>703,312,816.58</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,526,324,433.79</b>	<b>\$ 1,404,573,412.44</b>

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Combined Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Fiscal Year Ended August 31, 2011**

	August 31, 2011	August 31, 2010
<b>OPERATING REVENUES</b>		
Sales of Goods and Services:		
Tuition and Fees - Non-Pledged	\$ 8,275,985.27	\$ 6,301,879.88
Tuition and Fees - Pledged	287,461,711.77	269,227,967.14
Discounts and Allowances	(60,145,128.46)	(48,594,039.75)
Professional Fees - Non-Pledged	86,069,912.02	85,036,620.86
Auxiliary Enterprises - Non-Pledged	1,050,493.61	1,074,368.35
Auxiliary Enterprises - Pledged	48,288,368.24	44,520,377.17
Discounts and Allowances	(217,861.78)	(196,133.09)
Other Sales of Goods and Services - Pledged	27,485,114.54	27,213,533.29
Federal Revenue - Operating <sup>(2)</sup>	50,088,824.04	89,129,741.81
Federal Pass Through Revenue	4,502,053.62	4,031,932.89
State Grant Revenue	3,327,560.31	3,464,429.94
State Grant Pass Through Revenue	22,616,601.61	17,749,991.44
Other Grants and Contracts - Operating	9,747,010.38	9,830,589.46
Other Operating Revenues	134,345.71	185,281.15
<b>Total Operating Revenues</b>	<b>488,684,990.88</b>	<b>508,976,540.54</b>
<b>OPERATING EXPENSES <sup>(1)</sup></b>		
Instruction	226,517,570.10	211,220,354.29
Research	54,873,719.02	51,199,409.72
Public Service	14,187,145.28	12,063,613.74
Academic Support	152,240,839.39	151,082,253.55
Student Services	58,503,476.65	55,077,944.29
Institutional Support	69,672,650.72	68,978,213.60
Operations and Maintenance of Plant	39,466,241.65	38,372,402.86
Scholarships and Fellowships	62,393,919.08	57,644,420.05
Auxiliary Enterprises	45,018,178.73	39,391,944.03
Depreciation and Amortization	38,000,828.76	33,357,528.49
<b>Total Operating Expenses</b>	<b>760,874,569.38</b>	<b>718,388,084.62</b>
<b>Operating Income/(Loss)</b>	<b>(272,189,578.50)</b>	<b>(209,411,544.08)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Legislative Appropriations (GR)	179,084,296.00	168,267,674.73
Additional Appropriations (GR)	46,617,856.86	43,203,214.84
Federal Revenue <sup>(2)</sup>	48,846,495.45	-
Federal Grant Pass Through Revenue	12,316,674.80	10,384,569.20
Gifts	6,008,369.64	7,133,731.32
Investment Income	5,440,359.37	7,228,920.79
Interest Expense and Fiscal Charges	(9,697,926.80)	(23,883,496.44)
Gain/(Loss) on Sale of Capital Assets	(2,331,757.18)	(1,112,867.27)

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<b>Institutional Support</b>	<b>Operation and Maintenance of Plant</b>	<b>Scholarships and Fellowships</b>	<b>Auxiliary Enterprises</b>	<b>Depreciation and Amortization</b>	<b>2011 Total Expenditures</b>
\$ 337,211.65	\$ 85,276.79	\$ -	\$ 29,239.60	\$ -	\$ 734,513.20
41,317,666.27	6,733,632.69	764,200.77	17,363,917.93	-	385,153,615.81
12,562,733.47	3,220,668.44	69,443.67	5,130,409.26	-	92,277,507.83
1,799,256.45	1,712,316.11	7,048.77	619,279.83	-	32,625,732.22
-	-	-	-	-	795,210.68
-	-	-	-	-	54,279.62
675,611.18	69,818.96	23,039.33	93,986.70	-	9,275,986.18
1,104,438.47	5,535,666.18	36,739.30	8,679,310.21	-	48,644,371.14
(754,918.25)	10,917,187.01	-	4,006,933.79	-	16,861,110.14
4,048,271.25	5,741,001.91	1,472.40	3,894,166.55	-	19,906,247.71
693,982.61	234,871.37	1,747.00	1,076,965.84	-	7,269,703.73
849,485.32	10,772.70	115.25	372,394.61	-	3,638,341.43
-	-	-	-	38,000,828.76	38,000,828.76
1,582,885.13	-	-	1,418,622.51	-	4,244,203.17
3.17	-	-	-	-	3.17
-	-	61,423,011.32	-	-	64,213,137.39
5,456,024.00	5,205,029.49	67,101.27	2,332,951.90	-	37,179,777.20
<b>\$ 69,672,650.72</b>	<b>\$ 39,466,241.65</b>	<b>\$ 62,393,919.08</b>	<b>\$ 45,018,178.73</b>	<b>\$ 38,000,828.76</b>	<b>\$ 760,874,569.38</b>

UNAUDITED

**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**

**Combined Statement of Cash Flows**

**For the Fiscal Year Ended August 31, 2011**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from Tuition and Fees	\$ 242,746,073.16	\$ 224,610,872.26
Proceeds Received from Customers	119,424,127.49	118,745,890.25
Proceeds from Sponsored Projects	90,255,756.58	114,703,836.83
Proceeds from Loan Programs	5,595,255.13	9,921,003.14
Proceeds from Auxiliaries	49,121,000.07	43,946,574.20
Proceeds from Other Revenues	711,691.61	1,225,023.58
Payments to Suppliers for Goods and Services	(143,647,203.80)	(154,120,874.25)
Payments to Employees for Salaries and Benefits	(473,766,400.71)	(453,256,086.04)
Payments for Loans Provided	(6,665,967.78)	(9,796,151.41)
Payments for Other Expenses	(83,680,647.31)	(58,131,488.45)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(199,906,315.56)</b>	<b>(162,151,399.89)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from State Appropriations	227,641,582.82	218,922,175.07
Proceeds from Gifts	7,750,061.43	6,783,351.08
Proceeds from Endowments	568,893.10	354,282.57
Proceeds of Transfers from Other Agencies	1,123,498.07	-
Proceeds from Grant Receipts	60,039,672.18	10,384,569.20
Proceeds from Other Revenues	1,054,576.94	1,066,552.50
Payments of Interest	(17,806.28)	(71,529.80)
Payments for Transfers to Other Agencies	(9,286,456.18)	(3,548,534.61)
Payments for Other Uses	(4,983,970.40)	(585,171.81)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>283,890,051.68</b>	<b>233,305,694.20</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from State Appropriations - HEF	32,626,108.74	36,363,724.03
Proceeds from Disposal of Capital Assets	34,709.50	47,021.25
Proceeds from Debt Issuance	90,230,652.66	256,178,914.92
Payments for Additions to Fixed Assets	(216,357,147.09)	(122,821,060.71)
Payments of Principal on Debt Issuance	(47,891,341.03)	(94,874,821.55)
Payments of Interest on Debt Issuance	(7,510,174.55)	(21,538,943.02)
Payments of Other Costs of Debt Issuance	(6,062.34)	(599,599.71)
Payments for Transfers to Other Components	(554,938.56)	-
Payments for Disposal of Capital Assets	(315,818.93)	(952,928.97)
<b>Net Cash Provided (Used) From Capital &amp; Related Financing Activities</b>	<b>(149,744,011.60)</b>	<b>51,802,306.24</b>

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	<u>August 31,</u> <u>2011</u>	<u>August 31,</u> <u>2010</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	135,773,920.46	67,916,162.72
Proceeds from Interest and Investment Income	6,300,212.10	7,118,636.08
Payments to Acquire Investments	(51,972,461.63)	(135,399,782.67)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>90,101,670.93</b>	<b>(60,364,983.87)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>24,341,395.45</b>	<b>62,591,616.68</b>
<b>Cash and Cash Equivalents --September 1, 2010 and 2009</b>	362,352,745.82	299,707,442.57
<b>Restatements to Beginning Cash and Cash Equivalents</b>	-	53,686.57
<b>Cash and Cash Equivalents --August 31, 2011 and 2010</b>	<b>\$ 386,694,141.27</b>	<b>\$ 362,352,745.82</b>
Displayed as:		
Unrestricted Cash and Cash Equivalents (Statement of Net Assets)	\$ 347,460,927.18	\$ 330,062,621.31
Restricted Cash and Cash Equivalents (Statement of Net Assets)	39,233,214.09	32,290,124.51
	<b>\$ 386,694,141.27</b>	<b>\$ 362,352,745.82</b>
<b>Reconciliation of Operating Income to</b>		
<b>Net Cash Provided by Operating Activities</b>		
<b>Operating Income/(Loss)</b>	<b>\$ (272,189,578.50)</b>	<b>\$ (209,411,544.08)</b>
<b>Adjustments to Reconcile Operating Income to</b>		
<b>Net Cash Provided by Operating Activities</b>		
Depreciation and Amortization	38,000,828.76	33,357,528.49
Bad Debt Expense	4,244,203.17	(1,111,026.53)
Operating Income and Cash Flow Categories		
Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	7,118,427.76	(13,524,670.52)
(Increase) Decrease in Inventories	228,349.22	8,246.78
(Increase) Decrease in Loans & Contracts	(239,122.51)	(158,147.64)
(Increase) Decrease in Other Assets	(7,292,438.52)	1,846,392.32
(Increase) Decrease in Prepaid Expenses	396,335.79	(102,011.11)
Increase (Decrease) in Payables	20,934,551.79	15,272,410.83
Increase (Decrease) in Deferred Income	8,892,127.48	11,671,421.57
<b>Total Adjustments</b>	<b>72,283,262.94</b>	<b>47,260,144.19</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (199,906,315.56)</b>	<b>\$ (162,151,399.89)</b>
<b>Non Cash Transactions</b>		
Net Increase (Decrease) in FMV of Investments	\$ 2,327,766.73	\$ (431,856.24)
Amortization of Investment Premiums/(Discounts)	\$ 845,875.52	\$ 366,626.26
Amortization of Bond Premiums/(Discounts)	\$ 971,352.00	\$ 359,886.45
Gain/(Loss) on disposal of Capital Assets	\$ (281,109.43)	\$ (1,112,867.27)

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



UNAUDITED

UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2011

**Note 1: Summary of Significant Accounting Policies**

**General Introduction**

The University of North Texas System is an agency of the state of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies and Universities.

The University of North Texas is the fourth-largest university in Texas and defines itself as a recognized student-centered public research university where the power of ideas is harnessed through a culture of learning based on diverse viewpoints, interdisciplinary endeavors, creativity and disciplined excellence. The University of North Texas Health Science Center at Fort Worth's mission is to improve the health and quality of life for the people of Texas and beyond through excellence in education, research, clinical care, community engagement and to provide national leadership in primary care.

The UNT System has no blended component units. The UNT System is reporting The University of North Texas Foundation, Inc. as a discrete component unit. Financial activity for the University of North Texas Health Science Center at Fort Worth Texas College of Osteopathic Medicine Foundation, Inc. (Foundation) is reported in UNTHSC's agency funds. The Foundation is a non-profit organization with the sole purpose of supporting the educational and other activities of UNTHSC. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The financial operations of the Foundation are overseen by a 27 member board of community business leaders, elected for a three-year term. The Executive Director, who is appointed by the Board and approved by the President of UNTHSC, is also the Vice President of Development.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic 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.

**Fund Structure**

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

**Proprietary Fund Types**

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Enterprise Funds

Enterprise funds are used to account for any activity where a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met.

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services, including capital costs such as depreciation or debt service, be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds in institutions of higher education are reported in the proprietary funds.

UNAUDITED

UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2011

Restricted Net Assets

Restricted Net Assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

Unrestricted Net Assets consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified.

**INTERFUND TRANSACTIONS AND BALANCES**

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Not Applicable to proprietary funds.

UNAUDITED

UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
 NOTES TO THE COMBINED FINANCIAL STATEMENTS  
 AUGUST 31, 2011

Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2011, is presented below:

BUSINESS-TYPE ACT.	Balance 9/1/2010	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2011
			Completed CIP	Increase Interagency Transfers	Decrease Interagency Transfers			
<b>Non-Depreciable or Non-Amortizable Assets:</b>	\$	\$	\$	\$	\$	\$	\$	\$
Land & Land Improvements	66,869,463.09			5,553,223.65	(5,553,223.65)	663,881.78		67,533,344.87
Construction in Progress	108,673,487.95		(267,962,679.27)	32,229,420.65	(32,229,420.65)	171,116,801.40		11,827,610.08
Other Tangible Capital Assets	23,682,182.81	(21,842.37)		21,842.37	(21,842.37)	68,496.00		23,728,836.44
<b>Total Non-Depreciable or Non-Amortizable Assets:</b>	<b>199,225,133.85</b>	<b>(21,842.37)</b>	<b>(267,962,679.27)</b>	<b>37,804,486.67</b>	<b>(37,804,486.67)</b>	<b>171,849,179.18</b>		<b>103,089,791.39</b>
<b>Depreciable Assets:</b>								
Buildings & Building Improvements	626,029,073.04		137,623,621.10	20,837,400.26	(20,837,400.26)	24,531,047.55		788,183,741.69
Infrastructure	9,348,550.11		29,967,016.47					39,315,566.58
Facilities & Other Improvements	16,907,597.78		100,372,041.70			209,001.19		117,488,640.67
Furniture & Equipment	109,961,422.89	(165,619.27)		1,268,965.96	(1,200,605.31)	11,885,492.94	(3,565,519.36)	118,184,137.85
Vehicles, Boats & Aircraft	8,255,013.12			55,568.50	(55,568.50)	565,810.15	(285,964.18)	8,534,859.09
Other Capital Assets	99,821,934.47	21,842.37		81,815.70	(81,815.70)	9,810,685.23	(11,171,099.96)	98,483,362.11
<b>Total Accumulated Depreciation</b>	<b>870,323,591.41</b>	<b>(143,776.90)</b>	<b>267,962,679.27</b>	<b>22,243,750.42</b>	<b>(22,175,389.77)</b>	<b>47,002,037.06</b>	<b>(15,022,583.50)</b>	<b>1,170,190,307.99</b>
<b>Less Accumulated Depreciation for:</b>								
Buildings & Improvements	(296,109,831.57)			(3,194,227.39)	3,194,227.39	(21,171,966.62)		(317,281,798.19)
Infrastructure	(7,965,796.48)					(176,919.36)		(8,142,715.84)
Facilities & Other Improvements	(9,714,697.46)					(813,158.14)		(10,527,855.60)
Furniture & Equipment	(68,065,236.97)	74,582.19		(407,779.74)	515,758.81	(9,760,080.50)	3,251,155.68	(74,391,600.53)
Vehicles, Boats & Aircraft	(5,659,615.44)			(31,901.66)	31,901.66	(773,198.84)	272,660.74	(6,160,153.54)
Other Capital Assets	(52,838,824.28)			(10,058.00)	10,058.00	(4,641,153.44)	9,132,300.40	(48,347,677.32)
<b>Total Accumulated Depreciation</b>	<b>(440,354,002.20)</b>	<b>74,582.19</b>		<b>(3,643,966.79)</b>	<b>3,751,945.86</b>	<b>(37,336,476.90)</b>	<b>12,656,116.82</b>	<b>(464,851,801.02)</b>
<b>Depreciable Assets, Net</b>	<b>429,969,589.21</b>	<b>(69,194.71)</b>	<b>267,962,679.27</b>	<b>18,599,783.63</b>	<b>(18,423,443.91)</b>	<b>9,665,560.16</b>	<b>(2,366,466.68)</b>	<b>705,338,506.97</b>
<b>Amortizable Assets - Intangible:</b>								
Land Use Rights								
Computer Software	21,785,703.64			9,358,818.83	(9,358,818.83)	271,750.00		22,057,453.64
Other Capital Intangible Assets								
<b>Total Amortizable Assets - Intangible</b>	<b>21,785,703.64</b>			<b>9,358,818.83</b>	<b>(9,358,818.83)</b>	<b>271,750.00</b>		<b>22,057,453.64</b>
<b>Less Accumulated Amortization for :</b>								
Land Use Rights								
Computer Software	(19,941,124.05)			(9,342,164.03)	9,342,164.03	(664,351.86)		(20,605,475.91)
Other Intangible Capital Assets								
<b>Total Accumulated Amortization</b>	<b>(19,941,124.05)</b>			<b>(9,342,164.03)</b>	<b>9,342,164.03</b>	<b>(664,351.86)</b>		<b>(20,605,475.91)</b>
<b>Amortizable Assets - Intangible, Net</b>	<b>1,844,579.59</b>			<b>16,654.80</b>	<b>16,654.80</b>	<b>(392,601.86)</b>		<b>1,451,977.73</b>
<b>Business-Type Activities Capital Assets, Net:</b>	<b>631,039,302.65</b>	<b>(91,037.08)</b>	<b>0.00</b>	<b>56,420,925.10</b>	<b>(56,244,585.38)</b>	<b>181,122,137.48</b>	<b>(2,366,466.68)</b>	<b>809,880,276.09</b>

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2011**

**Note 9: Pension Plans**

The state has established an optional retirement program for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System and is available to certain eligible employees. The contributions made by plan members and employers for the fiscal year ended August 31, 2011 are:

<b>ORP Participation</b>	
Member Contributions	\$9,515,811.00
Employer Contributions	10,540,000.00
<b>Total</b>	<b>\$20,055,811.00</b>

**Note 10: Deferred Compensation**

Not Applicable.

**Note 11: Post Employment Health Care and Life Insurance Benefits**

Not Applicable.

**Note 12: Interfund Activity and Transactions**

The UNT System experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activity at August 31, 2011, follows:

<b>Current Portion</b>	<b>Current Interfund Receivable</b>	<b>Current Interfund Payable</b>
ENTERPRISE FUND (05)	\$ 0.00	\$ 0.00
<b>Total Interfund Receivable/Payable</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

<b>Non-Current Portion</b>	<b>Non-Current Interfund Receivable</b>	<b>Non-Current Interfund Payable</b>
ENTERPRISE FUND (05)	\$ 0.00	\$ 0.00
<b>Total Interfund Receivable/Payable</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

	<b>Legislative Transfers In</b>	<b>Legislative Transfers Out</b>
ENTERPRISE FUND (05)	\$ 0.00	\$ 0.00
<b>Total Legislative Transfers</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

The detailed State Grant Pass Through information is listed on Schedule 1B – Schedule of State Grant Pass Throughs From/To State Agencies.

**Note 13: Continuance Subject to Review**

Not Applicable.

**Note 14: Adjustments to Fund Balances and Net Assets**

A restatement decrease of \$91,037.08 in beginning net assets resulted from corrections for prior year accounting errors in the recording of capital equipment. Procedures have been corrected and due diligence completed to confirm that the same error was not made in fiscal year 2011.

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UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2011

**Note 15: Contingencies and Commitments**

The UNT System receives several grants for specific purposes that are subject to review and audit by the federal, state, private and non-profit grant sponsors. Such audits could lead to a request for reimbursements to grant sponsors for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial. As of August 31, 2011, there are no known contingent liabilities that are likely to have a material effect on the System.

**Note 16: Subsequent Events**

UNT System anticipates issuing Revenue Financing System Bonds Series 2012 in the spring of 2012 in the amount of \$100,000,000 for the purpose of refunding a portion of outstanding bonds; acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure.

**Note 17: Risk Management**

The UNT System is exposed to a variety of civil claims resulting from the performance of its duties. It is the UNT System policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The UNT System assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of System-wide commercial general liability insurance for any of the UNT System components as an entity, nor is the UNT System involved in any risk pools with other government entities. General liability policies are purchased only on an as-needed basis to address unique exposures.

The UNT System's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated.

All state employees are insured by the State. The UNT System has various insured and self-insured arrangements for coverage of employees in the areas of liability and workers' compensation. There are no claims pending or significant nonaccrued liabilities, as stated in Note 5.

The State provides coverage for unemployment benefits from appropriations made to other state agencies for UNT System employees. The current General Appropriations Act provides that the UNT System components must reimburse General Revenue Fund – Consolidated, from UNT System appropriations, one-half of the unemployment benefits for former and current employees. The Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. The UNT System Administration component has only one appropriated fund type. The UNT System components must reimburse the General Revenue Fund 100% of the cost for unemployment compensation for any employees paid from funds held in local bank accounts and local funds held in the state treasury.

Unemployment compensation is on a pay-as-you-go basis through the State of Texas, with the exception of locally funded enterprises that have fund expenses and set-aside amounts based on a percentage of payroll amounts. No material outstanding claims are pending at August 31, 2011.

UNT System maintains reserves for unemployment compensation and workers' compensation payments made for all claims and settlements not eligible for state funding. There were no material outstanding claims pending at August 31, 2011. Health benefits are provided through the various state contracts administered by the Employee Retirement System (ERS).

The University of North Texas (UNT) and the Health Science Center (UNTHSC) are required by certain bond covenants to carry fire and/or extended coverage and boiler insurance on buildings financed through the issuance of

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Schedule 2E - Combined Defeased Bonds Outstanding**  
**For the Fiscal Year Ended August 31, 2011**

<u>Description of Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
RFS Bonds Series, 2001	2010	\$ 25,615,000.00
RFS Bonds Series, 2002	2010	37,630,000.00
RFS Bonds Series, 2002A	2010	<u>6,085,000.00</u>
		<u>\$ 69,330,000.00</u>

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Schedule 3 - Combined 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 0258	\$ 24,287,342.76	\$ -	\$ 24,287,342.76
Local Revenue Fund 0280	3,480,744.29	-	3,480,744.29
Local Revenue Fund 0292	549,998.76	-	549,998.76
Local Revenue Fund 0819	687,421.17	-	687,421.17
<b>Total Cash in State Treasury (Statement of Net Assets)</b>	<u><u>\$ 29,005,506.98</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 29,005,506.98</u></u>

**UNIVERSITY OF NORTH TEXAS**

**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 5-31-12).....Dallas

**OFFICERS OF THE BOARD**

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

**ADMINISTRATIVE OFFICERS**

Lee Jackson.....Chancellor  
V. Lane Rawlins .....President  
Andrew M. Harris ..... Vice President for Finance & Administration  
J. Carlos Hernandez ..... Associate VP of Finance /Controller



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**UNIVERSITY OF NORTH TEXAS (752)**  
**Statement of Net Assets**  
**For the Year Ended August 31, 2011**

	August 31, 2011	August 31, 2010
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current Assets		
Cash and Cash Equivalents		
Cash on Hand	\$ 131,235.00	\$ 119,324.97
Cash in Bank	(6,287,496.90)	(14,723,387.32)
Reimbursement Due from Treasury	14,263,814.65	14,413,954.98
Cash in State Treasury	24,287,342.76	16,011,025.75
Cash Equivalents	205,858,789.64	224,375,529.81
Restricted:		
Cash and Cash Equivalents		
Cash on Hand	10,270.85	5,993.70
Cash in Bank	(1,231,973.51)	(1,751,279.33)
Cash Equivalents	40,336,016.11	26,688,439.12
Legislative Appropriations	50,572,486.87	47,878,476.15
Receivables from:		
Federal	25,410,360.28	28,188,709.78
Other Intergovernmental	722,009.14	251,412.28
Interest and Dividends	802,812.06	1,225,739.36
Accounts Receivable	42,716,025.23	41,704,343.79
Gifts Receivable	719,176.34	1,709,838.20
Due From Other Agencies	663,244.39	202,627.65
Due From Other Components	317,584.80	2,175,724.46
Consumable Inventories	1,470,556.53	1,470,556.53
Merchandise Inventories	317,708.90	436,737.02
Loans and Contracts	7,336,131.96	6,542,169.01
Other Current Assets	19,701,031.62	20,513,206.37
Total Current Assets	428,117,126.72	417,439,142.28
Non-Current Assets and Deferred Outflows		
Restricted:		
Investments	35,433,752.49	38,300,719.99
Loans and Contracts	2,358,000.72	2,172,985.08
Investments	50,989,273.33	131,370,905.88
Gift Receivables	1,334,347.41	2,085,377.34
Capital Assets:		
Non-Depreciable or Non-Amortizable		
Land and Land Improvements	35,781,653.47	35,117,771.69
Construction in Progress	9,720,970.94	75,622,304.78
Other Tangible Capital Assets	23,546,795.17	23,478,381.17
Depreciable or Amortizable		
Buildings and Building Improvements	560,167,590.36	450,681,791.72
Less Accumulated Depreciation	(244,691,490.13)	(232,253,480.62)
Infrastructure	39,315,566.58	9,348,550.11
Less Accumulated Depreciation	(8,142,715.84)	(7,965,796.48)
Facilities and Other Improvement	116,166,385.03	15,585,342.14
Less Accumulated Depreciation	(9,558,463.65)	(8,789,058.11)
Furniture and Equipment	80,565,567.94	75,597,769.20
Less Accumulated Depreciation	(50,585,436.21)	(46,353,023.47)
Vehicles, Boats and Aircraft	7,884,938.03	7,550,758.71
Less Accumulated Depreciation	(5,688,968.16)	(5,166,600.76)
Other Capital Assets	92,532,520.37	83,809,500.47
Less Accumulated Depreciation	(47,346,122.69)	(43,209,163.34)
Computer Software	21,523,950.60	12,165,131.77
Less Accumulated Amortization	(20,423,760.50)	(10,525,602.08)
Other Non-Current Assets	303,032.21	268,267.62
Total Non-Current Assets and Deferred Outflows	691,187,387.47	608,892,832.81
<b>Total Assets and Deferred Outflows</b>	<b>\$ 1,119,304,514.19</b>	<b>\$ 1,026,331,975.09</b>

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	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
Current Liabilities		
Payables From:		
Accounts Payable	\$ 48,963,468.64	\$ 21,061,469.85
Payroll Payable	24,737,326.82	23,257,170.88
Other Payables	553,612.60	473,208.98
Due to Other Agencies	20,517.24	7,047.00
Due to Other Components	688,423.00	-
Deferred Revenues	141,646,324.52	134,934,029.37
Revenue Bonds Payable, Net	12,286,132.00	12,447,092.00
Pollution Remediation Obligation	-	12,424.10
Employees' Compensable Leave	1,222,690.01	1,202,435.88
Capital Lease Obligations	6,986.76	-
Funds Held for Others	2,287,800.55	2,368,657.72
Other Current Liabilities	5,177,446.63	4,611,069.25
<b>Total Current Liabilities</b>	<b>237,590,728.77</b>	<b>200,374,605.03</b>
Non-Current Liabilities and Deferred Inflows		
Contra Liability-Due From Other Components-CP	46,350,000.00	7,380,000.00
Revenue Bonds Payable, Net	284,096,157.20	291,613,970.15
Employees' Compensable Leave	9,943,668.13	9,515,107.62
Capital Lease Obligations	9,897.91	-
Funds Held for Others	2,490,985.81	2,404,252.50
Other Non-Current Liabilities	1,779,057.37	1,750,779.51
<b>Total Non-Current Liabilities and Deferred Inflows</b>	<b>344,669,766.42</b>	<b>312,664,109.78</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>582,260,495.19</b>	<b>513,038,714.81</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	256,730,009.25	122,764,848.56
Restricted for:		
Debt Retirement	201,249.22	600.00
Capital Projects	41,320,959.25	134,145,741.61
Funds Held as Permanent Investments		
Non-Expendable	17,951,366.56	15,892,480.82
Expendable	3,054,541.69	3,337,156.11
Other Restricted	43,760,137.75	41,927,030.10
Unrestricted	174,025,755.28	195,225,403.08
<b>Total Net Assets</b>	<b>537,044,019.00</b>	<b>513,293,260.28</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,119,304,514.19</b>	<b>\$ 1,026,331,975.09</b>

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**UNIVERSITY OF NORTH TEXAS (752)**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Fiscal Year Ended August 31, 2011**

	August 31, 2011	August 31, 2010
<b>OPERATING REVENUES</b>		
Sales of Goods and Services:		
Tuition and Fees - Non-Pledged	\$ 7,972,574.72	\$ 6,301,879.88
Tuition and Fees - Pledged	262,668,516.80	255,244,075.18
Discounts and Allowances	(58,170,883.21)	(48,437,870.09)
Auxiliary Enterprises - Non-Pledged	1,050,318.61	1,074,368.35
Auxiliary Enterprises - Pledged	46,847,134.45	43,127,988.56
Discounts and Allowances	(217,861.78)	(196,133.09)
Other Sales of Goods and Services - Pledged	21,365,764.18	23,008,268.62
Federal Revenue - Operating <sup>(2)</sup>	23,754,643.83	63,465,992.79
Federal Pass Through Revenue	3,842,702.59	3,467,851.12
State Grant Revenue	804,357.53	905,471.26
State Grant Pass Through Revenue	21,946,859.26	17,462,277.68
Other Grants and Contracts - Operating	4,633,447.96	3,810,531.51
Other Operating Revenues	51,158.78	113,695.76
<b>Total Operating Revenues</b>	<b>336,548,733.72</b>	<b>369,348,397.53</b>
<b>OPERATING EXPENSES <sup>(1)</sup></b>		
Instruction	187,984,345.61	177,421,266.67
Research	20,459,233.80	17,827,582.61
Public Service	7,165,580.06	6,159,147.32
Academic Support	56,079,549.93	56,688,830.01
Student Services	53,343,556.95	50,959,405.73
Institutional Support	38,053,076.17	39,461,533.52
Operations and Maintenance of Plant	26,394,062.42	26,661,292.78
Scholarships and Fellowships	61,130,796.50	56,615,234.12
Auxiliary Enterprises	43,375,164.03	37,877,883.86
Depreciation and Amortization	25,850,349.28	23,908,716.01
<b>Total Operating Expenses</b>	<b>519,835,714.75</b>	<b>493,580,892.63</b>
<b>Operating Income/(Loss)</b>	<b>(183,286,981.03)</b>	<b>(124,232,495.10)</b>

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<b>Institutional Support</b>	<b>Operation and Maintenance of Plant</b>	<b>Scholarships and Fellowships</b>	<b>Auxiliary Enterprises</b>	<b>Depreciation and Amortization</b>	<b>2011 Total Expenditures</b>
\$ 337,211.65	\$ 85,276.79	\$ -	\$ 29,239.60	\$ -	\$ 734,513.20
22,159,891.58	5,360,929.83	703,244.27	17,066,088.93	-	254,906,141.93
7,151,496.47	2,148,875.87	68,173.06	5,033,052.18	-	63,659,520.55
1,073,622.63	1,153,496.51	7,048.77	331,238.92	-	8,105,616.96
-	-	-	-	-	421,699.39
-	-	-	-	-	54,279.62
414,544.33	63,772.66	17,539.33	92,783.44	-	7,520,463.33
(2,176,479.94)	1,928,263.39	34,270.63	8,600,471.08	-	30,751,890.59
(1,018,159.76)	7,521,112.81	-	3,829,959.50	-	12,448,713.36
3,766,826.16	4,782,087.66	1,472.40	3,706,466.78	-	15,853,208.38
760,031.77	57,376.33	1,747.00	1,037,349.17	-	5,273,026.51
807,123.61	8,551.05	115.25	368,592.58	-	3,190,987.75
-	-	-	-	25,850,349.28	25,850,349.28
1,541,132.18	-	-	1,426,930.31	-	3,738,557.47
-	-	60,230,998.76	-	-	62,059,386.84
-	-	-	-	-	-
3,235,835.49	3,284,319.52	66,187.03	1,852,991.54	-	25,267,359.59
<b>\$ 38,053,076.17</b>	<b>\$ 26,394,062.42</b>	<b>\$ 61,130,796.50</b>	<b>\$ 43,375,164.03</b>	<b>\$ 25,850,349.28</b>	<b>\$ 519,835,714.75</b>

UNAUDITED

**UNIVERSITY OF NORTH TEXAS (752)**

**Statement of Cash Flows**

**For the Fiscal Year Ended August 31, 2011**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from Tuition and Fees	\$ 217,334,433.65	\$ 209,471,719.62
Proceeds Received from Customers	22,202,152.55	26,838,860.39
Proceeds from Sponsored Projects	56,842,617.31	79,800,262.36
Proceeds from Loan Programs	5,296,783.96	9,638,003.77
Proceeds from Auxiliaries	47,679,591.28	42,554,780.37
Proceeds from Other Revenues	617,536.16	1,168,020.16
Payments to Suppliers for Goods and Services	(84,455,181.03)	(97,477,967.53)
Payments to Employees for Salaries and Benefits	(316,636,691.90)	(304,936,497.87)
Payments for Loans Provided	(6,275,762.55)	(9,796,151.41)
Payments for Other Expenses	(62,071,810.94)	(52,472,479.28)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(119,466,331.51)</b>	<b>(95,211,449.42)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from State Appropriations	137,488,007.00	136,549,310.60
Proceeds from Gifts	7,410,610.36	7,318,475.91
Proceeds from Endowments	568,893.10	354,282.57
Proceeds of Transfers from Other Components	2,703,753.22	2,313,531.00
Proceeds from Grant Receipts	56,620,679.76	6,489,005.69
Proceeds from Other Revenues	28,277.86	4,265.86
Payments of Interest	(17,806.28)	(12,285.91)
Payments for Transfers to Other Agencies	(3,718,339.71)	(3,193,980.64)
Payments for Transfers to Other Components	(15,663,396.77)	(5,657,584.11)
Payments for Other Uses	(1,528,322.38)	(278,756.37)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>183,892,356.16</b>	<b>143,886,264.60</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from State Appropriations - HEF	23,854,843.74	28,369,048.03
Proceeds from Disposal of Capital Assets	34,699.50	47,021.25
Proceeds from Debt Issuance	4,365,000.00	196,845,883.70
Proceeds of Transfers from Other Components - Commercial Paper	40,905,000.00	3,849,000.00
Payments for Additions to Fixed Assets	(190,193,742.01)	(76,171,547.11)
Payments of Principal on Debt Issuance	(12,026,888.28)	(67,404,821.55)
Payments of Interest on Debt Issuance	(3,361,641.19)	(14,895,141.40)
Payments of Other Costs of Debt Issuance	(42,144.66)	(367,494.22)
Payments for Transfers to Other Components - Commercial Paper	(1,935,000.00)	(850,000.00)
Payments for Transfers to Other Components	-	-
Payments for Disposal of Capital Assets	(315,818.93)	(952,928.97)
<b>Net Cash Provided (Used) From Capital &amp; Related Financing Activities</b>	<b>(138,715,691.83)</b>	<b>68,469,019.73</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	120,245,462.43	46,871,056.44
Proceeds from Interest and Investment Income	3,021,995.46	4,334,667.79
Payments to Acquire Investments	(36,749,393.79)	(100,937,563.63)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>86,518,064.10</b>	<b>(49,731,839.40)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>12,228,396.92</b>	<b>67,411,995.51</b>

**UNAUDITED**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>Cash and Cash Equivalents --September 1, 2010 and 2009</b>	265,139,601.68	207,206,539.35
<b>Restatements to Beginning Cash and Cash Equivalents</b>	-	(9,478,933.18)
<b>Cash and Cash Equivalents --August 31, 2011 and 2010</b>	<b>\$ 277,367,998.60</b>	<b>\$ 265,139,601.68</b>
 Displayed as:		
Unrestricted Cash and Cash Equivalents (Statement of Net Assets)	\$ 238,253,685.15	\$ 240,196,448.19
Restricted Cash and Cash Equivalents (Statement of Net Assets)	39,114,313.45	24,943,153.49
	<b>\$ 277,367,998.60</b>	<b>\$ 265,139,601.68</b>
 <b>Reconciliation of Operating Income to</b>		
<b>Net Cash Provided by Operating Activities</b>		
<b>Operating Income/(Loss)</b>	<b>\$ (183,286,981.03)</b>	<b>\$ (124,232,495.10)</b>
 <b>Adjustments to Reconcile Operating Income to</b>		
<b>Net Cash Provided by Operating Activities</b>		
Depreciation and Amortization	25,850,349.28	23,908,716.01
Bad Debt Expense	3,738,557.47	(1,346,532.90)
Operating Income and Cash Flow Categories		
Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	6,132,238.42	(16,341,775.01)
(Increase) Decrease in Inventories	119,028.12	(12,313.24)
(Increase) Decrease in Loans & Contracts	-	(158,147.64)
(Increase) Decrease in Prepaid Expenses	812,174.75	(94,201.11)
Increase (Decrease) in Payables	20,456,006.33	12,724,995.33
Increase (Decrease) in Deferred Income	6,712,295.15	10,340,304.24
<b>Total Adjustments</b>	<b>63,820,649.52</b>	<b>29,021,045.68</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (119,466,331.51)</b>	<b>\$ (95,211,449.42)</b>
 <b>Non Cash Transactions</b>		
Net Increase (Decrease) in FMV of Investments	\$ 1,115,546.04	\$ (829,144.28)
Amortization of Investment Premiums/(Discounts)	\$ 845,875.52	\$ 366,626.26
Amortization of Bond Premiums/(Discounts)	\$ 801,132.00	\$ 284,821.55
Gain/(Loss) on disposal of Capital Assets	\$ (281,119.43)	\$ (914,155.82)

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

**UNAUDITED**

**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 Changes in Revenues, Expenses and Net Assets	
Federal Grants and Contracts - Operating	\$ 23,754,643.83
Federal Grants and Contracts - Nonoperating	48,846,495.45
Federal Pass-Through Grants from Other State Agencies/Universities - Operating	3,842,702.59
Federal Pass-Through Grants from Other State Agencies/Universities - Nonoperating	7,774,184.31
Subtotal	<u>\$ 84,218,026.18</u>
Reconciling Items:	
Federal Perkins Loan Program	\$ 112,000.00
Federal Direct Student Loans (Direct Loans)	184,477,799.00
Federal Grants from Texas A&M Research Foundation	(34,649.94)
Total Pass - Through & Expenditures per Federal Schedule	<u>\$ 268,773,175.24</u>

**Note 3a: 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
<i>U.S. Department of Education</i>				
84.038 Federal Perkins Loan Program	\$ 112,000.00	\$ 118,492.00	\$ 230,492.00	\$ 1,518,138.17
84.268 Federal Direct Student Loans	184,477,799.00	-	184,477,799.00	-
<i>Total U.S. Department of Education</i>	<u>184,589,799.00</u>	<u>118,492.00</u>	<u>184,708,291.00</u>	<u>1,518,138.17</u>
<b>TOTAL LOANS AND RECOVERIES</b>	<u>\$ 184,589,799.00</u>	<u>\$ 118,492.00</u>	<u>\$ 184,708,291.00</u>	<u>\$ 1,518,138.17</u>

The University of North Texas' 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 collections 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 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

UNAUDITED

**UNIVERSITY OF NORTH TEXAS (752)**  
**Schedule 2E - Defeased Bonds Outstanding**  
**For the Fiscal Year Ended August 31, 2011**

<u>Description of Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
RFS Bonds Series, 2001	2010	\$ 25,615,000.00
RFS Bonds Series, 2002	2010	21,540,000.00
RFS Bonds Series, 2002A	2010	<u>6,085,000.00</u>
		<u>\$ 53,240,000.00</u>



UNAUDITED

UNIVERSITY OF NORTH TEXAS (752)  
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 0258	\$ 24,287,342.76	\$ -	\$ 24,287,342.76
<b>Total Cash in State Treasury (Statement of Net Assets)</b>	<u><u>\$ 24,287,342.76</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,287,342.76</u></u>

**FINANCIAL REPORT**

**of the**

**UNIVERSITY OF NORTH TEXAS SYSTEM  
ADMINISTRATION**

**DENTON, TEXAS**

**Lee Jackson, Chancellor**

**For the year ended August 31, 2011**



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November 20, 2011

Lee Jackson  
Chancellor  
University of North Texas System  
1901 Main Street  
Dallas, TX 75201

Dear Chancellor Jackson:

We are pleased to submit the Annual Financial Report of the University of North Texas System Administration 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.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic 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 (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 J. Carlos Hernandez at (940) 565-3231. Kellie Garrett – Ekeland may be contacted at (940) 565-3214 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Terry Pankratz  
Vice Chancellor for Finance



**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION**

**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**

Lee Jackson ..... Chancellor  
Terry Pankratz ..... Vice Chancellor for Finance  
J. Carlos Hernandez ..... System Controller



**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Statement of Net Assets**  
**For the Year Ended August 31, 2011**

	<u>August 31,</u> <u>2011</u>	<u>August 31,</u> <u>2010</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current Assets		
Cash and Cash Equivalents		
Cash on Hand	\$ -	\$ 250.00
Cash in Bank	(305,031.71)	2,479,839.54
Reimbursement Due from Treasury	522,020.56	1,291,475.94
Cash Equivalents	12,185,765.88	9,485,840.92
Restricted:		
Cash and Cash Equivalents		
Cash in Bank	18,005.96	152,361.01
Cash Equivalents	(719,323.61)	459,039.28
Legislative Appropriations	2,747,848.86	3,389,657.28
Receivables from:		
Other Intergovernmental	-	24,620.00
Accounts Receivable	(46,771.37)	704,191.53
Due From Other Agencies	1,729,427.50	166,914.74
Other Current Assets	1,000.00	7,810.00
Total Current Assets	16,132,942.07	18,162,000.24
Non-Current Assets and Deferred Outflows		
Restricted:		
Investments	(166,113.54)	1,017,482.38
Investments	2,814,061.13	16,291,448.59
Capital Assets:		
Non-Depreciable or Non-Amortizable		
Land and Land Improvements	3,211,500.00	8,764,723.65
Construction in Progress	2,106,639.14	33,051,183.17
Other Tangible Capital Assets	4,150.00	25,992.37
Depreciable or Amortizable		
Buildings and Building Improvements	10,349,255.17	31,186,655.43
Less Accumulated Depreciation	(1,792,417.43)	(4,539,745.26)
Furniture and Equipment	1,091,516.65	1,550,889.19
Less Accumulated Depreciation	(1,026,825.83)	(1,377,348.03)
Vehicles, Boats and Aircraft	34,379.00	89,947.50
Less Accumulated Depreciation	(34,379.00)	(63,719.42)
Other Capital Assets	-	81,815.70
Less Accumulated Depreciation	-	(10,058.00)
Computer Software	12,166.85	9,370,985.68
Less Accumulated Amortization	(12,166.85)	(9,279,386.89)
Total Non-Current Assets and Deferred Outflows	16,591,765.29	86,160,866.06
<b>Total Assets and Deferred Outflows</b>	<b>\$ 32,724,707.36</b>	<b>\$ 104,322,866.30</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
Current Liabilities		
Payables From:		
Accounts Payable	\$ 708,919.87	\$ 5,409,669.04
Payroll Payable	113,515.52	1,733,572.84
Other Payables	8,547.41	-
Due to Other Components	702,059.89	2,249,122.66
Deferred Revenues	-	37,100.00
Notes and Loans Payable	20,902,800.00	2,093,000.00
Revenue Bonds Payable, Net	355,000.00	2,402,124.00
Employees' Compensable Leave	40,836.18	63,429.22
Other Current Liabilities	286,632.71	989,527.09
Total Current Liabilities	23,118,311.58	14,977,544.85

**UNAUDITED**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>Non-Current Liabilities and Deferred Inflows</b>		
Notes and Loans Payable	33,977,200.00	5,287,000.00
Contra Liability-Due From Other Components-CP	(54,880,000.00)	(7,380,000.00)
Revenue Bonds Payable, Net	15,640,000.00	63,897,128.75
Employees' Compensable Leave	406,753.72	558,316.28
Funds Held for Others	(297.66)	1,579.00
Total Non-Current Liabilities and Deferred Inflows	<u>(4,856,343.94)</u>	<u>62,364,024.03</u>
<b>Total Liabilities and Deferred Inflows</b>	<b><u>18,261,967.64</u></b>	<b><u>77,341,568.88</u></b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	(2,137,430.30)	7,896,356.31
Restricted for:		
Capital Projects	7,288,501.15	12,331,056.31
Other Restricted	(10,434.60)	1,058,242.81
Unrestricted	9,322,103.47	5,695,641.99
<b>Total Net Assets</b>	<b><u>14,462,739.72</u></b>	<b><u>26,981,297.42</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 32,724,707.36</u></b>	<b><u>\$ 104,322,866.30</u></b>

**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Fiscal Year Ended August 31, 2011**

	August 31, 2011	August 31, 2010
<b>OPERATING REVENUES</b>		
Sales of Goods and Services:		
Tuition and Fees - Pledged	\$ 301,705.00	\$ 274,820.00
Auxiliary Enterprises - Pledged	1,389,708.63	1,392,388.61
Other Sales of Goods and Services - Pledged	65,453.19	617,921.66
State Grant Revenue	(58,201.54)	309,836.52
State Grant Pass Through Revenue	-	18,096.17
Other Grants and Contracts - Operating	-	1,491,260.48
<b>Total Operating Revenues</b>	<b>1,698,665.28</b>	<b>4,104,323.44</b>
<b>OPERATING EXPENSES <sup>(1)</sup></b>		
Instruction	1,167,157.62	3,497,007.28
Research	15,284.38	3,705.37
Public Service	-	849,730.56
Academic Support	85,844.48	4,267,730.69
Student Services	571.24	1,327,696.34
Institutional Support	7,762,846.37	14,320,050.39
Operations and Maintenance of Plant	(1,957,221.78)	380,083.42
Scholarships and Fellowships	-	18,066.93
Auxiliary Enterprises	1,141,867.16	1,057,921.48
Depreciation and Amortization	563,193.23	2,233,125.27
<b>Total Operating Expenses</b>	<b>8,779,542.70</b>	<b>27,955,117.73</b>
<b>Operating Income/(Loss)</b>	<b>(7,080,877.42)</b>	<b>(23,850,794.29)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Legislative Appropriations (GR)	14,791,839.00	13,326,352.69
Additional Appropriations (GR)	1,204,199.28	2,308,109.49
Federal Grant Pass Through Revenue	3,418,992.42	1,581,007.58
Gifts	-	(568,430.00)
Investment Income	12,988.91	55,167.78
Interest Expense and Fiscal Charges	(9,353.25)	(2,550,501.85)
Gain/(Loss) on Sale of Capital Assets	10.00	(1,041.38)
Settlement of Claims	(13,856.54)	(11,498.68)
Other Nonoperating Revenues - Non-Pledged	-	212,205.09
Other Nonoperating Expenses	(697,691.05)	-
<b>Total Nonoperating Revenues /(Expenses)</b>	<b>18,707,128.77</b>	<b>14,351,370.72</b>
<b>Income/(Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</b>	<b>11,626,251.35</b>	<b>(9,499,423.57)</b>

**UNAUDITED**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>OTHER REVENUES, EXPENSES, GAINS LOSSES AND TRANSFERS</b>		
Interagency Transfers Cap Assets-Increase	-	8,212.13
Interagency Transfers Cap Assets-Decrease	(55,708,215.10)	-
Transfers-In	40,251,605.97	10,447,678.49
Legislative Transfers-In	4,142,562.08	6,622,001.26
Legislative Transfers-Out	(12,830,762.00)	(2,313,531.00)
<b>Total Other Revenue, Expenses, Gain/Losses and Transfers</b>	<b>(24,144,809.05)</b>	<b>14,764,360.88</b>
<b>CHANGE IN NET ASSETS</b>	<b>(12,518,557.70)</b>	<b>5,264,937.31</b>
Net Assets, Beginning	26,981,297.42	12,183,740.36
Restatements	-	9,532,619.75
Net Assets, Beginning, as Restated	26,981,297.42	21,716,360.11
<b>NET ASSETS, ENDING</b>	<b>\$ 14,462,739.72</b>	<b>\$ 26,981,297.42</b>

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

**UNAUDITED**

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

**Note 1: Matrix of Operating Expenses Reported by Function**

**For the Fiscal Year Ended August 31, 2011**

<b>Operating Expenses</b>	<b>Instruction</b>	<b>Research</b>	<b>Public Service</b>	<b>Academic Support</b>	<b>Student Services</b>
<b>Cost of Goods Sold</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Salaries and Wages</b>	310,518.61	-	-	-	39.22
<b>Payroll Related Costs</b>	79,422.20	15,284.38	-	(586.69)	532.02
<b>Professional Fees &amp; Svcs</b>	25,151.41	-	-	83,994.90	-
<b>Travel</b>	7,578.30	-	-	1,590.98	-
<b>Material and Supplies</b>	64,030.27	-	-	942.39	-
<b>Communication &amp; Utilities</b>	67,143.92	-	-	-	-
<b>Repairs and Maintenance</b>	(9,960.99)	-	-	-	-
<b>Rentals and Leases</b>	490,605.57	-	-	-	-
<b>Printing and Reproduction</b>	8,464.52	-	-	-	-
<b>Depreciation and Amortization</b>	-	-	-	-	-
<b>Bad Debt Expense</b>	-	-	-	-	-
<b>Other Operating Expenses</b>	124,203.81	-	-	(97.10)	-
<b>Total Operating Expenses</b>	<b>\$ 1,167,157.62</b>	<b>\$ 15,284.38</b>	<b>\$ -</b>	<b>\$ 85,844.48</b>	<b>\$ 571.24</b>

**UNAUDITED**

<b>Institutional Support</b>	<b>Operation and Maintenance of Plant</b>	<b>Scholarships and Fellowships</b>	<b>Auxiliary Enterprises</b>	<b>Depreciation and Amortization</b>	<b>2011 Total Expenditures</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,055,475.09	(2,464,948.72)	-	-	-	2,901,084.20
1,079,575.86	281,547.91	-	-	-	1,455,775.68
328,650.88	67,080.19	-	282,044.61	-	786,921.99
145,548.65	-	-	-	-	154,717.93
290,468.68	1,963.18	-	13,582.72	-	370,987.24
90,129.83	30,700.89	-	175,234.89	-	363,209.53
34,579.98	146,875.44	-	182,482.89	-	353,977.32
(393,874.41)	-	-	39,186.50	-	135,917.66
6,625.15	-	-	1,240.70	-	16,330.37
-	-	-	-	563,193.23	563,193.23
-	-	-	(8,307.80)	-	(8,307.80)
1,125,666.66	(20,440.67)	-	456,402.65	-	1,685,735.35
<b>\$ 7,762,846.37</b>	<b>\$ (1,957,221.78)</b>	<b>\$ -</b>	<b>\$ 1,141,867.16</b>	<b>\$ 563,193.23</b>	<b>\$ 8,779,542.70</b>

**UNAUDITED**

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

**Statement of Cash Flows**

**For the Fiscal Year Ended August 31, 2011**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from Tuition and Fees	\$ 301,705.00	\$ 274,820.00
Proceeds Received from Customers	65,453.19	617,921.66
Proceeds from Sponsored Projects	(33,581.54)	1,661,609.82
Proceeds from Auxiliaries	1,389,708.63	1,391,793.83
Proceeds from Other Revenues	10,968.52	(14,581.97)
Payments to Suppliers for Goods and Services	(8,546,758.01)	(6,524,606.25)
Payments to Employees for Salaries and Benefits	(6,151,072.80)	(14,314,902.91)
Payments for Other Expenses	(1,562,512.76)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(14,526,089.77)</b>	<b>(16,907,945.82)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from State Appropriations	16,637,846.70	16,900,055.01
Proceeds from Gifts	-	(568,430.00)
Proceeds of Transfers from Other Components	38,704,543.20	7,041,438.60
Proceeds from Grant Receipts	3,418,992.42	1,581,007.58
Payments of Interest	-	(59,243.89)
Payments for Transfers to Other Components	(8,688,199.92)	(2,313,531.00)
Payments for Other Uses	(13,856.54)	(11,498.68)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>50,059,325.86</b>	<b>22,569,797.62</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from Disposal of Capital Assets	10.00	-
Proceeds from Debt Issuance	42,731,854.96	37,991,469.17
Proceeds of Transfers from Other Components - Commercial Paper	-	850,000.00
Payments for Additions to Fixed Assets	(1,363,290.94)	(28,732,007.81)
Payments of Principal on Debt Issuance	(31,494,452.75)	(3,755,000.00)
Payments of Interest on Debt Issuance	(756,134.17)	(2,150,220.55)
Payments of Other Costs of Debt Issuance	49,089.87	(52,048.74)
Payments for Transfers to Other Components - Commercial Paper	(47,500,000.00)	(3,849,000.00)
Payments for Transfers to Other Components	-	-
<b>Net Cash Provided (Used) From Capital &amp; Related Financing Activities</b>	<b>(38,332,923.03)</b>	<b>303,192.07</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	15,284,589.01	20,917,171.72
Proceeds from Interest and Investment Income	12,988.91	55,167.79
Payments to Acquire Investments	(14,665,260.59)	(34,123,992.92)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>632,317.33</b>	<b>(13,151,653.41)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(2,167,369.61)</b>	<b>(7,186,609.54)</b>
<b>Cash and Cash Equivalents --September 1, 2010 and 2009</b>	<b>13,868,806.69</b>	<b>11,522,796.48</b>
<b>Restatements to Beginning Cash and Cash Equivalents</b>	<b>-</b>	<b>9,532,619.75</b>
<b>Cash and Cash Equivalents --August 31, 2011 and 2010</b>	<b>\$ 11,701,437.08</b>	<b>\$ 13,868,806.69</b>
Displayed as:		
Unrestricted Cash and Cash Equivalents (Statement of Net Assets)	\$ 12,402,754.73	\$ 13,257,406.40
Restricted Cash and Cash Equivalents (Statement of Net Assets)	(701,317.65)	611,400.29
	<b>\$ 11,701,437.08</b>	<b>\$ 13,868,806.69</b>

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	August 31, 2011	August 31, 2010
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
<b>Operating Income/(Loss)</b>	<b>\$ (7,080,877.42)</b>	<b>\$ (23,850,794.29)</b>
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>		
Depreciation and Amortization	563,193.23	2,233,125.27
Bad Debt Expense	(8,307.80)	594.78
Operating Income and Cash Flow Categories Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(786,929.86)	(209,860.10)
(Increase) Decrease in Prepaid Expenses	6,810.00	(7,810.00)
Increase (Decrease) in Payables	(7,182,877.92)	4,889,698.52
Increase (Decrease) in Deferred Income	(37,100.00)	37,100.00
<b>Total Adjustments</b>	<b>(7,445,212.35)</b>	<b>6,942,848.47</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (14,526,089.77)</b>	<b>\$ (16,907,945.82)</b>
<b>Non Cash Transactions</b>		
Net Increase (Decrease) in FMV of Investments	\$ -	\$ -
Amortization of Investment Premiums/(Discounts)	\$ -	\$ -
Amortization of Bond Premiums/(Discounts)	\$ 92,124.00	\$ 59,998.00
Gain/(Loss) on disposal of Capital Assets	\$ 10.00	\$ (1,041.38)

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



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**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**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	\$ 3,418,992.42
Federal Pass-Through Grants from Other State Agencies/Universities - Nonoperating	<u>\$ 3,418,992.42</u>
Total Pass - Through & Expenditures per Federal Schedule	<u><u>\$ 3,418,992.42</u></u>

**Note 3a: 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
<b>TOTAL LOANS AND RECOVERIES</b>	\$ -	\$ -	\$ -	\$ -

**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 Texas System Administration does not report any Federal Deferred Revenue

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UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)  
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 Bonds, Series 2007	\$ 16,980,000.00	4.00% - 5.00%	N/A	2008	2036	04/15/16
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, 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	\$ (17,540,000.00)	\$ -	\$ -	\$ -
RFS Bonds, Series 2007	16,335,000.00	-	340,000.00	-	15,995,000.00
RFS Bonds, Series 2009A	* 29,690,000.00	(29,690,000.00)	-	-	-
<b>Total</b>	<u>\$ 63,565,000.00</u>	<u>\$ (47,230,000.00)</u>	<u>\$ 340,000.00</u>	<u>\$ -</u>	<u>\$ 15,995,000.00</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>
-	-	-	\$ -	\$ -
-	-	-	15,995,000.00	355,000.00
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,995,000.00</u>	<u>\$ 355,000.00</u>

Net Bonds Payable per Statement of Net Assets

\$ 15,995,000.00

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**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**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>
<b>Revenue Bonds</b>			
RFS Bonds, Series 2007	2012	355,000.00	747,737.50
	2013	370,000.00	733,537.50
	2014	385,000.00	718,737.50
	2015	400,000.00	703,337.50
	2016	420,000.00	685,337.50
	2017-2021	2,380,000.00	3,139,450.00
	2022-2026	3,005,000.00	2,514,250.00
	2027-2031	3,840,000.00	1,683,750.00
	2032-2036	4,840,000.00	672,525.00
		<u>15,995,000.00</u>	<u>11,598,662.50</u>
Less Accretion:		-	-
Total:		<u>\$ 15,995,000.00</u>	<u>\$ 11,598,662.50</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 SYSTEM ADMINISTRATION (769)**  
**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 &amp; Capital Outlay</u>	<u>Debt Service</u>	
			<u>Principal</u>	<u>Interest*</u>
Revenue Financing System Bonds, Series '07	\$ 8,804,256.90	\$ (47,972.15)	\$ 340,000.00	\$ 761,337.50
Total	<u>\$ 8,804,256.90</u>	<u>\$ (47,972.15)</u>	<u>\$ 340,000.00</u>	<u>\$ 761,337.50</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.

