

**FINANCIAL REPORT**

**of the**

**UNIVERSITY OF NORTH TEXAS**

**DENTON, TEXAS**

**V. Lane Rawlins, President**

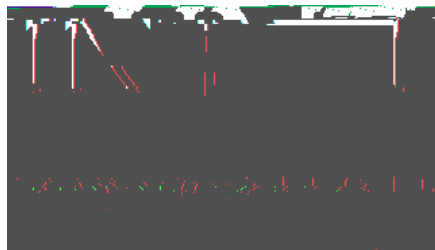
**For the year ended August 31, 2011**



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**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

**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS (752)**  
**Statement of Net Assets**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current Assets		
Cash and Cash Equivalents		
Cash on Hand	\$ 131,235.00	\$ 119,324.97



**UNAUDITED**

**August 31,  
2011**

**August 31,  
2010**

**UNAUDITED**

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

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<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>

**UNAUDITED**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Legislative Appropriations (GR)	101,685,916.00	99,178,320.00
Additional Appropriations (GR)	34,504,469.46	31,185,297.93
Federal Revenue <sup>(2)</sup>	48,846,495.45	-
Federal Grant Pass Through Revenue	7,774,184.31	6,489,005.69
Gifts	5,668,918.57	7,668,856.15
Investment Income	2,599,068.16	4,317,688.22
Interest Expense and Fiscal Charges	(4,758,899.30)	(16,906,193.82)
Gain/(Loss) on Sale of Capital Assets	(281,119.43)	

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**UNIVERSITY OF NORTH TEXAS (752)**

**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>	\$ 23,376.45	\$ -	\$ -	\$ 198,431.95	\$ 60,976.76
<b>Salaries and Wages</b>	135,655,420.52	10,813,638.68	3,263,241.32	32,514,257.48	27,369,429.32
<b>Payroll Related Costs</b>	35,321,474.11	1,913,214.74	803,069.27	6,469,199.89	4,750,964.96
<b>Professional Fees &amp; Svcs</b>	1,060,304.82	2,054,772.86	897,074.29	937,808.37	590,249.79
<b>Federal Pass-Through Expense</b>	-	377,569.05	44,130.34	-	-
<b>State Grant Pass-Through Exp</b>	-	54,279.62	-	-	-
<b>Travel</b>	1,452,355.47	977,363.25	202,105.94	1,768,647.52	2,531,351.39
<b>Material and Supplies</b>	6,866,914.02	2,195,585.00	597,258.38	6,657,944.22	6,047,663.81
<b>Communication &amp; Utilities</b>	607,578.17	62,865.63	43,434.60	413,357.91	988,564.50
<b>Repairs and Maintenance</b>	498,639.35	409,661.62	28,555.82	1,930,937.68	728,560.91
<b>Rentals and Leases</b>	919,013.28	65,149.51	282,962.78	998,036.58	1,151,360.09
<b>Printing and Reproduction</b>	854,072.71	45,073.72	60,821.45	358,962.45	687,674.93
<b>Depreciation and Amortization</b>	-	-	-	-	-
<b>Bad Debt Expense</b>	612,029.34	-	-	-	158,465.64
<b>Scholarships</b>	1,025,643.81	540,052.67	262,691.60	-	-
<b>Claims and Losses</b>	-	-	-	-	-
<b>Other Operating Expenses</b>	3,087,523.56	950,007.45	680,234.27	3,831,965.88	8,278,294.85
<b>Total Operating Expenses</b>	<b>\$ 187,984,345.61</b>	<b>\$ 20,459,233.80</b>	<b>\$ 7,165,580.06</b>	<b>\$ 56,079,549.93</b>	<b>\$ 53,343,556.95</b>

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**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	

**UNAUDITED**

	<u>August 31,</u> <u>2011</u>	<u>August 31,</u> <u>2010</u>
<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>	<u><b>\$ 277,367,998.60</b></u>	<u><b>\$ 265,139,601.68</b></u>
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
	<u><b>\$ 277,367,998.60</b></u>	<u><b>\$ 265,139,601.68</b></u>
<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>	<u><b>63,820,649.52</b></u>	<u><b>29,021,045.68</b></u>
<b>Net Cash Provided by Operating Activities</b>	<u><b>\$ (119,466,331.51)</b></u>	<u><b>\$ (95,211,449.42)</b></u>
<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.*

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**UNIVERSITY OF NORTH TEXAS (752)**  
**Notes to Schedule 1A - Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2011**

**Note 1: Nonmonetary Assistance**

N/A

**Note 2: Reconciliation**

Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Federal Revenues - per Statement of 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	\$ 84,218,026.18
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	\$ 268,773,175.24

**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 (Direct Loans)			8,418,446.47	1,014,268.10



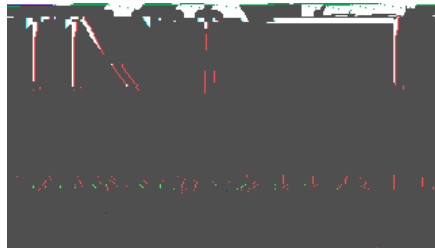
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**UNIVERSITY OF NORTH TEXAS (752)**

**Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies**

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

**Pass-ThrouPass-Throu1d11dTo0066786 66228mgouPass-Throu1d11dTo0556786 66228mhhs Fr:To StateouPass-Throu1d11dTo67403216 6622**



**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS (752)**  
**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 2001	\$ 33,860,000.00	4.00% - 5.50%	N/A	2002	2024	04/15/12
RFS Bonds, Series 2002	36,340,000.00	2.00% - 5.00%	N/A	2003	2022	04/15/12
RFS Bonds, Series 2002A	9,500,000.00	4.00% - 5.00%	N/A	2004	2022	04/15/12
RFS Bonds, Series 2003	31,180,000.00	3.00% - 5.00%	N/A	2005	2034	04/15/13
RFS Refunding Bonds, Series 2003A	3,270,000.00	5.375% - 5.500%	N/A	2003	2017	04/15/13
RFS Bonds, Taxable Series 2003B	4,980,000.00	2.50% - 6.20%	N/A	2003	2034	04/15/13
RFS Refunding and Improvement Bonds, Series 2005	42,890,000.00	3.25% - 5.25%	N/A	2006	2025	04/15/15
RFS Bonds, Series 2007	39,070,000.00	4.00% - 5.00%	N/A	2008	2036	04/15/16
RFS Bonds, Series 2009A	132,190,000.00	3.00% - 5.00%	N/A	2010	2029	04/15/19
RFS Refunding Bonds, Series 2009B	12,345,000.00	3.00% - 4.75%	N/A	2010	2019	N/A
RFS Refunding Bonds, Series 2010	42,085,000.00	3.00% - 5.00%	N/A	2011	2024	04/15/20
Total	\$ 387,710,000.00					

\*RFS - Revenue Financing System

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**UNIVERSITY OF NORTH TEXAS (752)**  
**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 Bonds, Series 2001	\$ 2,700,000.00	\$ -	\$ 1,280,000.00	\$ -	\$ 1,420,000.00
RFS Bonds, Series 2002	3,270,000.00	-	1,605,000.00	-	1,665,000.00
RFS Bonds, Series 2002A	930,000.00	-	455,000.00	-	475,000.00
RFS Bonds, Series 2003	27,500,000.00	-	680,000.00	-	26,820,000.00
RFS Refunding Bonds, Series 2003A	3,270,000.00	-	-	-	3,270,000.00
RFS Bonds, Taxable Series 2003B	4,735,000.00	-	75,000.00	-	4,660,000.00
RFS Refunding and Improvement Bonds, Series 2005	32,195,000.00	-	3,390,000.00	-	28,805,000.00
RFS Bonds, Series 2007	36,640,000.00	-	775,000.00	-	35,865,000.00
RFS Bonds, Series 2009A	* 124,175,000.00	4,365,000.00	2,795,000.00	-	125,745,000.00
RFS Refunding Bonds, Series 2009B	* 12,255,000.00	-	65,000.00	-	12,190,000.00
RFS Refunding Bonds, Series 2010	* 42,085,000.00	-	540,000.00	-	41,545,000.00
Total	<u>\$ 289,755,000.00</u>	<u>\$ 4,365,000.00</u>	<u>\$ 11,660,000.00</u>	<u>\$ -</u>	<u>\$ 282,460,000.00</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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**UNIVERSITY OF NORTH TEXAS (752)**  
**Schedule 2C - Debt Service Requirements**

<b>Description of Issue</b>	<b>Year</b>	<b>Principal</b>	<b>Interest</b>
<b>Revenue Bonds</b>			
RFS Bonds, Series 2001	2012	1,420,000.00	71,000.00
		1,420,000.00	71,000.00
RFS Bonds, Series 2002	2012	1,665,000.00	66,600.00
		1,665,000.00	66,600.00
RFS Bonds, Series 2002A	2012	475,000.00	19,000.00
		475,000.00	19,000.00
RFS Bonds, Series 2003	2012	705,000.00	1,251,302.50
	2013	730,000.00	1,226,627.50
	2014	760,000.00	1,198,887.50
	2015	785,000.00	1,170,387.50
	2016	820,000.00	1,139,968.76
	2017-2021	4,620,000.00	5,165,875.02
	2022-2026	5,750,000.00	4,035,050.00
	2027-2031	7,320,000.00	2,466,250.00
	2032-2034	5,330,000.00	541,750.00
		<b>26,820,000.00</b>	<b>18,196,098.78</b>
RFS Refunding Bonds, Series 2003A	2012	-	178,737.50
	2013	-	178,737.50
	2014	-	178,737.50
	2015	890,000.00	178,737.50
	2016	1,160,000.00	130,900.00
	2017	1,220,000.00	67,100.00
			<b>3,270,000.00</b>
RFS Bonds, Taxable Series 2003B	2012	80,000.00	282,180.00
	2013	85,000.00	278,100.00
	2014	90,000.00	273,765.00
	2015	120,000.00	268,702.50
	2016	125,000.00	261,952.50
	2017-2021	755,000.00	1,192,546.26
2022-2026	1,010,000.00		

**UNAUDITED**

<u>Description of Issue</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>
RFS Bonds, Series 2007	2012	800,000.00	1,676,425.00
	2013	830,000.00	1,644,425.00
	2014	860,000.00	1,611,225.00
	2015	900,000.00	1,576,825.00
	2016	935,000.00	1,536,325.00
	2017-2021	5,340,000.00	7,038,250.00
	2022-2026	6,735,000.00	5,638,000.00
	2027-2031	8,595,000.00	3,776,750.00
	2032-2036	10,870,000.00	1,510,875.00
			<u>35,865,000.00</u>
RFS Bonds, Series 2009A	2012	2,730,000.00	6,287,250.00
	2013	2,870,000.00	6,150,750.00
	2014	3,025,000.00	6,007,250.00
	2015	3,165,000.00	5,856,000.00
	2016	3,330,000.00	5,697,750.00
	2017-2021	19,275,000.00	25,822,500.00
	2022-2026	24,610,000.00	20,496,750.00
	2027-2031	24,970,000.00	13,853,750.00
	2032-2036	20,935,000.00	8,451,750.00
	2037-2040	20,835,000.00	2,667,750.00
		<u>125,745,000.00</u>	<u>101,291,500.00</u>
RFS Refunding Bonds, Series 2009B	2012	740,000.00	503,537.50
	2013	780,000.00	473,937.50
	2014	830,000.00	442,737.50
	2015	1,815,000.00	409,537.50
	2016	1,890,000.00	336,937.50
	2017-2019	6,135,000.00	545,012.50
			<u>12,190,000.00</u>
RFS Refunding Bonds, Series 2010	2012	-	1,972,250.00
	2013	3,665,000.00	1,972,250.00
	2014	3,865,000.00	1,789,000.00
	2015	2,300,000.00	1,595,750.00
	2016	2,425,000.00	1,480,750.00
	2017-2021	18,525,000.00	5,564,900.00
	2022-2024	10,765,000.00	924,750.00
		<u>41,545,000.00</u>	<u>15,299,650.00</u>
Less Accretion:		-	-
Total:		<u>\$ 282,460,000.00</u>	<u>\$ 177,354,780.04</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 (752)**



**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>\$ 24,287,342.76</u>	<u>\$ -</u>	<u>\$ 24,287,342.76</u>