

**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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OFFICE OF THE VICE PRESIDENT FOR FINANCE AND ADMINISTRATION

November 20, 2011

Dr. V. Lane Rawlins  
President  
University of North Texas  
Denton, Texas

Dear Dr. Rawlins:

We are pleased to submit the Annual Financial Report of the University of North Texas 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 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,



Andrew Harris  
Vice President for Finance and Administration



**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**  
**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	\$ 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
<b>Total Current Assets</b>	<b>428,117,126.72</b>	<b>417,439,142.28</b>
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
<b>Total Non-Current Assets and Deferred Outflows</b>	<b>691,187,387.47</b>	<b>608,892,832.81</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 1,119,304,514.19</b>	<b>\$ 1,026,331,975.09</b>



**UNAUDITED**

	<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>

**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)	(914,155.82)
Net Increase (Decrease) in Fair Value of Investments	1,115,546.04	(829,144.28)
Settlement of Claims	(704,515.33)	(647,266.04)
Other Nonoperating Revenues - Non-Pledged	173,829.08	304,273.12
Other Nonoperating Expenses	(823,807.05)	(5,187,939.93)
<b>Total Nonoperating Revenues /(Expenses)</b>	<b>195,800,085.96</b>	<b>124,658,741.22</b>
<b>Income/(Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</b>	<b>12,513,104.93</b>	<b>426,246.12</b>
<b>OTHER REVENUES, EXPENSES, GAINS LOSSES AND TRANSFERS</b>		
Capital Contributions	1,540,766.98	693,915.00
Capital Appropriations - HEF (GR)	27,846,476.00	27,122,687.00
Contributions to Permanent and Term Endowments	568,893.10	354,282.57
Interagency Transfers Cap Assets-Increase	627,279.61	155,019.26
Interagency Transfers Cap Assets-Decrease	(30,178.90)	(337,995.40)
Transfers-Out	(12,027,707.95)	(13,641,659.13)
Legislative Transfers-In	-	2,313,531.00
Legislative Transfers-Out	(7,196,837.97)	(5,234,246.77)
<b>Total Other Revenue, Expenses, Gain/Losses and Transfers</b>	<b>11,328,690.87</b>	<b>11,425,533.53</b>
<b>CHANGE IN NET ASSETS</b>	<b>23,841,795.80</b>	<b>11,851,779.65</b>
Net Assets, Beginning	513,293,260.28	510,920,413.81
Restatements	(91,037.08)	(9,478,933.18)
Net Assets, Beginning, as Restated	513,202,223.20	501,441,480.63
<b>NET ASSETS, ENDING</b>	<b>\$ 537,044,019.00</b>	<b>\$ 513,293,260.28</b>

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

<sup>(2)</sup> Federal Revenue related to Pell Grants was changed from Operating Revenue to Nonoperating Revenue in FY 2011.

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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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<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.*

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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	<u>\$</u>	<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>\$</u>	<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



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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-Through From: State Agencies**  
**To University of North Texas (752)**

Texas Dept. of State Health Services (Agency 537)	
Population Based Genetic Services	\$ 36,829.06
Cancer Prevention and Research Institute of Texas (Agency 542)	
Prostate Cancer Model in Zebrafish	58,878.33
Texas Commission on Environmental Quality (Agency 582)	
TEHI Asthma Study	122,787.00
Radioactive Waste Study	88,005.34
Texas Education Agency (Agency 701)	
Available School Fund - Per Capita	163,056.00
Foundation School Program - Formula	2,235,368.00
Technology Allotment	10,279.00
University of Texas - Arlington (Agency 714)	
MRCEDM: Integrated Wireless Body Networking for Long -Term Therapeutic and Diagnostic Applications	198.49
MRCEDM: Nanoporous Membranes for Defense and Medical Applications	4,431.20
MRCDEM: Hydrogenation Microreactor	1,729.33
University of Texas System (720)	
Joint Admission Medical Program (JAMP)	24,846.00
University of Texas at Dallas (Agency 738)	
Texas Analog Research Superiority Program	34,140.86
Texas Higher Education Coordinating Board (Agency 781)	
General Academic Enrollment Growth	126,511.98
TEXAS Grant Program	15,461,836.69
Advanced Research Program	(9,597.37)
Teach for Texas Loan Repayment	150,000.00
Promote Participation & Success	30,750.00
Engineering Recruitment Program	26,180.00
Texas Research Incentive Program - HB51	771,833.54
College Work Study Program	177,770.00
5th Year Accounting Students Scholarship Program	30,000.00
College Readiness Initiative	356,685.81
Top 10% Scholarships	988,363.00
Work Study Mentorship Program	167,785.06
Combat Exemption Prog SB297	28,727.08
TANF Program HB1479	9,628.73
Early High School Exemption Program HB1479	113,954.49
Certified Edu Aide Program	438,108.24
Parks and Wildlife Department (Agency 802)	
Habitat Requirements for <i>Quadrula aurea</i> (Golden Orb) in the lower San Antonio and Guadalupe River drainages	8,021.02
Texas Commission of the Arts (Agency 813)	
Arts Create	8,500.00
Comptroller - State Energy Conservation Office (Agency 907)	
State Energy Plan (SEP)	281,252.38
Total Pass-Through From Other Agencies	
(Statement of Revenues, Expenses, and Changes in Net Assets)	<u><u>\$ 21,946,859.26</u></u>

**Pass-Through To Other Agencies:**

Texas A&M University - Kingsville (Agency 732)	
Ozone Near Non-Attainment	54,279.62
Total Pass-Through To Other Agencies	<u><u>\$ 54,279.62</u></u>



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**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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<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>
\$ -	\$ -	\$ -	\$ 1,420,000.00	\$ 1,420,000.00
-	-	-	1,665,000.00	1,665,000.00
-	-	-	475,000.00	475,000.00
-	-	-	26,820,000.00	705,000.00
-	-	-	3,270,000.00	-
-	-	-	4,660,000.00	80,000.00
-	-	-	28,805,000.00	2,870,000.00
-	-	-	35,865,000.00	800,000.00
7,802,080.05	-	-	133,547,080.05	3,002,160.00
888,825.15	-	-	13,078,825.15	855,968.00
5,231,384.00	-	-	46,776,384.00	413,004.00
<u>\$ 13,922,289.20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,382,289.20</u>	<u>\$ 12,286,132.00</u>

Net Bonds Payable per Statement of Net Assets \$ 296,382,289.20

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**UNIVERSITY OF NORTH TEXAS (752)**  
**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 2001	2012	1,420,000.00	71,000.00
		<u>1,420,000.00</u>	<u>71,000.00</u>
RFS Bonds, Series 2002	2012	1,665,000.00	66,600.00
		<u>1,665,000.00</u>	<u>66,600.00</u>
RFS Bonds, Series 2002A	2012	475,000.00	19,000.00
		<u>475,000.00</u>	<u>19,000.00</u>
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	<u>5,330,000.00</u>	<u>541,750.00</u>
		<u>26,820,000.00</u>	<u>18,196,098.78</u>
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	<u>1,220,000.00</u>	<u>67,100.00</u>
			<u>3,270,000.00</u>
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	934,350.00
	2027-2031	1,360,000.00	583,665.00
2032-2034	<u>1,035,000.00</u>	<u>130,820.00</u>	
		<u>4,660,000.00</u>	<u>4,206,081.26</u>
RFS Refunding and Improvement Bonds, Series 2005	2012	2,870,000.00	1,416,350.00
	2013	3,020,000.00	1,272,850.00
	2014	3,155,000.00	1,121,850.00
	2015	3,315,000.00	979,875.00
	2016	2,210,000.00	830,700.00
	2017-2021	9,420,000.00	2,377,950.00
	2022-2025	<u>4,815,000.00</u>	<u>571,525.00</u>
		<u>28,805,000.00</u>	<u>8,571,100.00</u>

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<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)**  
**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 '01, '02, '02A, '03, '03A, '03B, '05, '07, '09A, '09B & '10	\$ 386,460,928.33	\$ 426,965.21	\$ 11,660,000.00	\$ 13,337,939.18
Total	<u>\$ 386,460,928.33</u>	<u>\$ 426,965.21</u>	<u>\$ 11,660,000.00</u>	<u>\$ 13,337,939.18</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.

Pledged revenues for the RFS Parity Obligations include all revenues, funds and balances lawfully available and derived from or attributable to any participant of the Revenue Financing System, subject to the lien on the pledged revenues securing Prior Encumbered Obligations.



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**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>

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**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>