

**FINANCIAL REPORT**

**of the**

**UNIVERSITY OF NORTH TEXAS SYSTEM  
ADMINISTRATION**

**DENTON, TEXAS**

**Lee Jackson, Chancellor**

**For the year ended August 31, 2008**

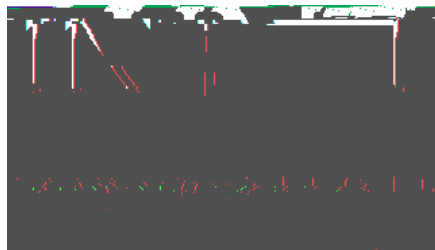


## TABLE OF CONTENTS

Letter of Transmittal .....	1
Organizational Data .....	3
Statements	
Statement of Net Assets .....	4-5
Statement of Revenues, Expenses and Changes in Net Assets .....	6-9
Statement of Cash Flows.....	10-11
Schedules	
2A    Miscellaneous Bond Information .....	12
2B    Changes in Bonded Indebtedness.....	13
2C    Debt Service Requirements .....	14
2D    Analysis of Funds Available for Debt Service.....	15
2E    Defeased Bonds Outstanding .....	16
2F    Early Extinguishment and Refunding .....	17







**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION**

**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Statement of Net Assets**  
**For the Year Ended August 31, 2008**

	<b>August 31, 2008</b>	<b>August 31, 2007</b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents		
Cash on Hand	\$ 250.00	\$ 250.00
Cash in Bank	(35,534.73)	21,416.87
Reimbursement Due from Treasury	806,172.82	536,340.84
Cash in State Treasury	-	-
Cash Equivalents	4,987,759.45	1,952,198.87
Short Term Investments	-	-
Restricted:		
Cash and Cash Equivalents		
Cash on Hand	-	-
Cash in Bank	(32,438.06)	3,751.18
Cash in State Treasury	-	-
Cash Equivalents	4,553,101.24	4,452,897.68
Short Term Investments	-	4,724,289.58
Legislative Appropriations	4,215,371.87	4,388,222.74
Receivables from:		
Federal	-	-
Other Intergovernmental	-	-
Interest and Dividends	-	-
Accounts Receivable	262,615.38	542,740.60
Gifts Receivable	-	45,000.00
Other Receivables	-	-
Due From Other Agencies	-	-
Due From Other Components	543.49	-
Consumable Inventories	-	-
Merchandise Inventories	-	-
Loans and Contracts	-	-
Other Current Assets	-	-
<b>Total Current Assets</b>	<b>14,757,841.46</b>	<b>16,667,108.36</b>
Non-Current Assets		
Restricted:		
Cash and Cash Equivalents		
Cash in Bank	-	-
Cash in State Treasury	-	-
Cash Equivalents	-	-
Investments	1,971,808.57	-
Loans and Contracts	-	-
Investments	2,160,045.73	-
Gift Receivables	-	-
Capital Assets:		
Non-Depreciable		
Land and Land Improvements	8,764,723.65	8,472,223.65
Construction in Progress	1,159,577.74	216,203.96
Other Capital Assets	25,992.37	25,992.37
Depreciable		
Buildings and Building Improvements	31,186,655.43	30,435,819.18
Less Accumulated Depreciation	(1,574,014.86)	(120,870.23)
Infrastructure	-	-
Less Accumulated Depreciation	-	-





**UNAUDITED**

**UNAUDITED**

	<b>August 31, 2008</b>	<b>August 31, 2007</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Legislative Appropriations (GR)	7,553,109.00	7,429,696.00
Additional Appropriations (GR)	1,538,730.10	1,102,879.83
State Grant Pass Through Revenue	-	-
Gifts	12,500.00	145,000.00
Investment Income	465,268.05	762,913.54
Loan Premium/Fees on Securities Lending	-	-
Investing Activities Expense	-	-
Interest Expense and Fiscal Charges	(1,724,455.42)	(1,527,490.07)
Borrower Rebates and Agent Fees	-	-
Gain/(Loss) on Sale of Capital Assets	-	-
Net Increase (Decrease) in Fair Value of Investments	-	-
Settlement of Claims	(7,776.00)	(6,349.65)
Other Nonoperating Revenues - Non-Pledged	-	358,567.22
Other Nonoperating Revenues - Pledged	-	-
Other Nonoperating Expenses	(39,094.58)	-
<b>Total Nonoperating Revenues /(Expenses)</b>	<b>7,798,281.15</b>	<b>8,265,216.87</b>
<b>Income/(Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</b>	<b>(12,061,783.80)</b>	<b>(7,179,578.47)</b>
<b>OTHER REVENUES, EXPENSES, GAINS LOSSES AND TRANSFERS</b>		
Capital Contributions	292,500.00	-
Capital Appropriations - HEAF (GR)	-	-
Contributions to Permanent and Term Endowments	-	-
Special Items	-	-
Extraordinary Items	-	-
Interagency Transfers Cap Assets-Increase	-	5,589,472.07
Interagency Transfers Cap Assets-Decrease	-	-
Transfers-In	4,528,149.31	4,850,967.66
Transfers-Out	-	-
Legislative Transfers-In	4,981,850.66	2,216,852.13
Legislative Transfers-Out	-	-
Legislative Appropriation Lapses	-	-
<b>Total Other Revenue, Expenses, Gain/Losses and Transfers</b>	<b>9,802,499.97</b>	<b>12,657,291.86</b>
<b>CHANGE IN NET ASSETS</b>	<b>(2,259,283.83)</b>	<b>5,477,713.39</b>
Net Assets, Beginning	15,643,809.35	9,213,153.15
Restatements	-	952,942.81
Net Assets, Beginning, as Restated	15,643,809.35	10,166,095.96
<b>NET ASSETS, ENDING</b>	<b>\$ 13,384,525.52</b>	<b>\$ 15,643,809.35</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**

**UNAUDITED**

<b>Institutional Support</b>	<b>Operation and Maintenance of Plant</b>	<b>Scholarships and Fellowships</b>	<b>Auxiliary Enterprises</b>	<b>Depreciation</b>	<b>2008 Total Expenditures</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,550,449.72	774,591.30	-	-	-	9,804,602.84
682,751.83	165,603.02	-	-	-	1,792,051.83
322,526.20	31,909.77	-	248,418.18	-	701,728.85
-	-	-	-	-	-
-	-	-	-	-	-
153,221.48	-	-	-	-	177,273.61
(87,612.10)	406,003.25	-	9,961.75	-	772,864.60
35,566.20	-	-	182,842.25	-	604,268.96
19,042.06	2,965.62	-	78,675.90	-	157,064.54
15,320.14	-	-	39,999.94	-	473,330.03
12,274.33	-	-	1,382.37	-	108,017.12
-	-	-	-	3,067,320.64	3,067,320.64
-	-	-	9,591.14	-	9,591.14
2.39	-	-	-	-	2.39
-	-	-	-	-	-
-	-	-	-	-	-
1,232,253.66	10,558.75	-	361,308.25	-	4,169,238.67
<b>\$ 5,935,795.91</b>	<b>\$ 1,391,631.71</b>	<b>\$ -</b>	<b>\$ 932,179.78</b>	<b>\$ 3,067,320.64</b>	<b>\$ 21,837,355.22</b>

**UNAUDITED**

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

**Statement of Cash Flows**

**For the Fiscal Year Ended August 31, 2008**

	<b>August 31, 2008</b>	<b>August 31, 2007</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from Tuition and Fees	\$ 57,039.80	\$ 156,730.00
Proceeds Received from Customers	-	-
Proceeds from Sponsored Projects	-	-
Proceeds from Loan Programs		

**UNAUDITED**

	August 31, 2008	August 31, 2007
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	683,013.75	6,978,681.53
Proceeds from Interest and Investment Income	465,268.05	1,009,298.01
Proceeds from Principal Payments on Loans	-	-
Payments to Acquire Investments	(162,233.58)	(4,872,971.11)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>986,048.22</b>	<b>3,115,008.43</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>3,240,800.17</b>	<b>(3,152,038.68)</b>
<b>Cash and Cash Equivalents --September 1, 2007 and 2006</b>	6,966,855.44	9,165,951.31
<b>Restatements to Beginning Cash and Cash Equivalents</b>	71,655.11	952,942.81
<b>Cash and Cash Equivalents --August 31, 2008 and 2007</b>	<b>\$ 10,279,310.72</b>	<b>\$ 6,966,855.44</b>
Displayed as:		
Unrestricted Cash and Cash Equivalents (Statement of Net Assets)	\$ 5,758,647.54	\$ 2,510,206.58
Short-term Investments (Statement of Net Assets)	-	-
Restricted Cash and Cash Equivalents (Statement of Net Assets)	4,520,663.18	4,456,648.86
Restricted Short-term Investments (Statement of Net Assets)	-	-
	<b>\$ 10,279,310.72</b>	<b>\$ 6,966,855.44</b>
<b>Reconciliation of Operating Income to</b>		
<b>Net Cash Provided by Operating Activities</b>		
<b>Operating Income/(Loss)</b>	<b>\$ (19,860,064.95)</b>	<b>\$ (15,444,795.34)</b>
<b>Adjustments to Reconcile Operating Income to</b>		
<b>Net Cash Provided by Operating Activities</b>		
Depreciation	3,067,320.64	1,932,330.43
Bad Debt Expense	9,591.14	-
Operating Income and Cash Flow Categories		
Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	261,439.50	231,514.53
(Increase) Decrease in Inventories	-	-
(Increase) Decrease in Loans & Contracts	-	-
(Increase) Decrease in Other Assets	-	-
(Increase) Decrease in Prepaid Expenses	-	-
Increase (Decrease) in Payables	233,404.14	(3,330,415.96)
Increase (Decrease) in Due to Other Components	-	-
Increase (Decrease) in Deferred Income	-	-
Increase (Decrease) in Other Liabilities	41,964.53	63,487.25
<b>Total Adjustments</b>	<b>3,613,719.95</b>	<b>(1,103,083.75)</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (16,246,345.00)</b>	<b>\$ (16,547,879.09)</b>
<b>Non Cash Transactions</b>		
Net Increase (Decrease) in FMV of Investments	\$ -	\$ -
Amortization of Investment Premiums/(Discounts)	\$ -	\$ -
Donation of non-cash investment	\$ -	\$ -

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

**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Schedule 2A - Miscellaneous Bond Information**  
**For the Fiscal Year Ended August 31, 2008**

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 Refunding and Improvement Bonds, Series 2005	\$ 22,655,000.00	3.25% - 5.25%	N/A	2006	2025	04/15/15
RFS Bonds, Series 2007	16,980,000.00	4.00% - 5.00%	N/A	2008	2036	04/15/16
Total	\$ 39,635,000.00					

\*RFS - Revenue Financing System





**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Schedule 2C - Debt Service Requirements**  
**For the Fiscal Year Ended August 31, 2008**

<u>Description of Issue</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>
<b>Revenue Bonds</b>			
RFS Refunding and Improvement Bonds, Series 2005	2009	\$ 750,000.00	\$ 922,687.50
	2010	780,000.00	896,437.50
	2011	815,000.00	861,337.50
	2012	855,000.00	818,550.00
	2013	900,000.00	775,800.00
	2014-2018	5,185,000.00	3,185,812.50
	2019-2023	6,645,000.00	1,724,875.00
	2024-2025	3,140,000.00	213,525.00
		<u>19,070,000.00</u>	<u>9,399,025.00</u>
RFS Bonds, Series 2007	2009	315,000.00	787,137.50
	2010	330,000.00	774,537.50
	2011	340,000.00	761,337.50
	2012	355,000.00	747,737.50
	2013	370,000.00	733,537.50
	2014-2018	2,095,000.00	3,422,887.50
	2019-2023	2,605,000.00	2,916,825.00
	2024-2028	3,315,000.00	2,206,250.00
	2029-2033	4,225,000.00	1,294,675.00
	2034-2036	3,030,000.00	276,750.00
		<u>16,980,000.00</u>	<u>13,921,675.00</u>
Less Accretion:		-	-
Total:		<u>\$ 36,050,000.00</u>	<u>\$ 23,320,700.00</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.

**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Schedule 2D - Analysis of Funds Available for Debt Service**  
**For the Fiscal Year Ended August 31, 2008**

<u>Description of Issue</u>	<u>Pledged and other Sources and Related Expenditures for FY 2008</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 '05 & '07	\$ 9,652,036.79	\$ 973,589.56	\$ 730,000.00	\$ 1,733,550.00
Total	<u>\$ 9,652,036.79</u>	<u>\$ 973,589.56</u>	<u>\$ 730,000.00</u>	<u>\$ 1,733,550.00</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.

UNAUDITED

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)  
Schedule 2E - Defeased Bonds Outstanding  
For the Fiscal Year Ended August 31, 2008

<u>Description of Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
		\$ -
		\$ -

**UNAUDITED**

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Schedule 2F - Early Extinguishment and Refunding**  
**For the Fiscal Year Ended August 31, 2008**

<u>Description of Issue</u>	<u>Category</u>	<u>Amount Extinguished or Refunded</u>	<u>For Refunding Only</u>		
			<u>Refunding Issue Par Value</u>	<u>Cash Flow Increase (Decrease)</u>	<u>Economic Gain/ Loss</u>
		\$ -	\$ -	\$ -	\$ -
		-----	-----	-----	-----
Total		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>