

FINANCIAL REPORT

of the

**UNIVERSITY OF NORTH TEXAS SYSTEM
ADMINISTRATION**

DENTON, TEXAS

Lee Jackson, Chancellor

For the year ended August 31, 2009

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November 20, 2009

Lee Jackson
Chancellor
University of North Texas System
1001 N. Main St.

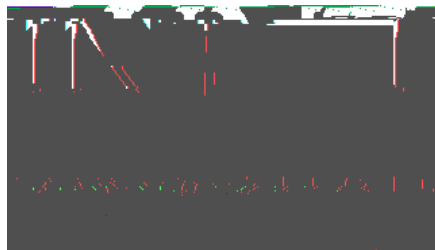
Dear Chancellor,

Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, the accompanying annual financial report to comply with all the requirements of GASB Statement No. 34. The financial report will be considered for audit by the State Auditor as part of the State of Texas Annual Financial Report (SAR) by the Comptroller of Public Accounts.

contacted at

Andrew M. Harris
Vice Chancellor for Finance



UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION

ORGANIZATIONAL DATA

August 31, 2009

BOARD OF REGENTS

Charles Mitchell.....(Term expires 5-22-11).....Mesquite
C. Dan Smith(Term expires 5-22-11)..... Plano
Al Silva(Term expires 5-22-11)..... San Antonio

Gwyn Shea.....(Term expires 5-22-13)..... Irving
Jack A. Wall.....(Term expires 5-22-13)..... Dallas
Don A. Buchholz(Term expires 5-22-13)..... Dallas

Michael R. Bradford(Term expires 5-22-15)..... Midland
Steve Mitchell(Term expires 5-22-15)..... Mesquite
Brint Ryan.....(Term expires 5-22-15)..... Dallas

STUDENT REGENT

Jennifer Ozan.....(Term expires 5-31-10).....Fort Worth

OFFICERS OF THE BOARD

C. Dan Smith Chairman
Jack Wall..... Vice Chairman
Nancy Footer Secretary

ADMINISTRATIVE OFFICERS

Lee Jackson..... Chancellor
Andrew M. Harris Vice Chancellor for Finance
Virginia E. Anderson System Controller

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UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)
Statement of Net Assets

	August 31, 2009		August 31, 2008
ASSETS			
Current Assets			
Cash and Cash Equivalents			
Cash on Hand	\$ 250.00	\$	250.00
Cash in Bank	(321,395.32)		(35,534.73)
Reimbursement Due from Treasury	784,052.52		806,172.82
Cash in State Treasury	-		-
Cash Equivalents	6,723,153.91		4,987,759.45
Short Term Investments	-		-
Restricted:			
Cash and Cash Equivalents			
Cash on Hand	-		-
Cash in Bank	(217,722.43)		(32,438.06)
Cash in State Treasury	-		-
Cash Equivalents	4,554,457.80		4,553,101.24
Short Term Investments	-		-
Legislative Appropriations	4,655,250.11		4,215,371.87
Receivables from:			
Federal	-		-
Other Intergovernmental	33,951.39		-
Interest and Dividends	-		-
Accounts Receivable	278,253.66		262,615.38
Gifts Receivable	-		-
Other Receivables	25,260.52		466,784.96

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	August 31, 2009	August 31, 2008
Facilities and Other Improvement	-	-
Less Accumulated Depreciation	-	-
Furniture and Equipment	10,811,861.52	10,804,041.52
Less Accumulated Depreciation	(9,896,488.88)	(9,038,659.66)
Vehicles, Boats and Aircraft	62,379.00	34,379.00
Less Accumulated Depreciation	(28,309.52)	(24,134.64)
Other Capital Assets	73,929.59	47,652.59
Less Accumulated Depreciation	(5,085.67)	(1,762.93)
Other Non-Current Assets	-	-
Total Non-Current Assets	46,447,991.58	45,516,304.51
Total Assets	\$ 62,963,512.45	\$ 60,274,145.97
LIABILITIES		
Current Liabilities		
Payables From:		
Accounts Payable	\$ 951,511.26	\$ 374,269.79
Payroll Payable	1,271,377.40	1,079,262.74
Other Payables	-	55,216.73
Due to Other Funds	-	-
Due to Other Agencies	-	-
Due to Other Components	12,277,363.81	8,163,764.31
Deferred Revenues	-	2,893.38
Notes and Loans Payable	-	-
Revenue Bonds Payable	1,110,000.00	1,065,000.00
Employees Compensable Leave	50,566.35	59,857.13
Capital Lease Obligations	-	-
Liabilities Paid from Restricted Assets	-	-
Funds Held for Others	-	-
Other Current Liabilities	640,540.42	655,432.92
Total Current Liabilities	16,301,359.24	11,455,697.00
Non-Current Liabilities		
Notes and Loans Payable	4,381,000.00	22,071,000.00
Contra Liability-Due From Other Components-CP	(4,381,000.00)	(22,071,000.00)
Revenue Bonds Payable	33,875,000.00	34,985,000.00
Employee's Compensable Leave	602,051.85	447,931.45
Capital Lease Obligations	-	-
Funds Held for Others	1,361.00	992.00
Other Non-Current Liabilities	-	-
Total Non-Current Liabilities	34,478,412.85	35,433,923.45
Total Liabilities	50,779,772.09	46,889,620.45
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	7,334,631.80	5,308,200.21
Restricted for:		
Debt Retirement	-	-
Capital Projects	2,643,714.74	2,098,776.33
Employee Benefits	-	-
Funds Held as Permanent Investments		
Non-Expendable	-	-
Expendable	-	-
Other Restricted	1,085,509.41	18,985.65
Unrestricted	1,119,884.41	5,958,563.33
Total Net Assets	12,183,740.36	13,384,525.52
Total Liabilities and Net Assets	\$ 62,963,512.45	\$ 60,274,145.97

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UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)

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	August 31, 2009	August 31, 2008
NONOPERATING REVENUES (EXPENSES)		
Legislative Appropriations (GR)	12,462,719.00	7,553,109.00
Additional Appropriations (GR)	1,692,067.76	1,538,730.10
State Grant Pass Through Revenue	-	-
Gifts	630,256.99	12,500.00
Investment Income	134,883.38	465,268.05
Loan Premium/Fees on Securities Lending	-	-
Investing Activities Expense	-	-
Interest Expense and Fiscal Charges	(1,694,955.66)	(1,724,455.42)
Borrower Rebates and Agent Fees	-	-
Gain/(Loss) on Sale of Capital Assets	-	-
Net Increase (Decrease) in Fair Value of Investments	-	-
Settlement of Claims	(8,558.95)	(7,776.00)
Other Nonoperating Revenues - Non-Pledged	-	-
Other Nonoperating Revenues - Pledged	-	-
Other Nonoperating Expenses	(10,062.50)	(39,094.58)
Total Nonoperating Revenues /(Expenses)	13,206,350.02	7,798,281.15
Income/(Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	(6,661,695.73)	(12,061,783.80)
OTHER REVENUES, EXPENSES, GAINS LOSSES AND TRANSFERS		
Capital Contributions	28,000.00	292,500.00
Capital Appropriations - HEF (GR)	-	-
Contributions to Permanent and Term Endowments	-	-
Special Items	-	-
Extraordinary Items	-	-
Interagency Transfers Cap Assets-Increase	-	-
Interagency Transfers Cap Assets-Decrease	-	-
Transfers-In	1,835,721.41	4,528,149.31
Transfers-Out	-	-
Legislative Transfers-In	4,462,008.00	4,981,850.66
Legislative Transfers-Out	(864,508.00)	-
Legislative Appropriation Lapses	(310.84)	-
Total Other Revenue, Expenses, Gain/Losses and Transfers	5,460,910.57	9,802,499.97
CHANGE IN NET ASSETS	(1,200,785.16)	(2,259,283.83)
Net Assets, Beginning	13,384,525.52	15,643,809.35
Restatements	-	-
Net Assets, Beginning, as Restated	13,384,525.52	15,643,809.35
NET ASSETS, ENDING	\$ 12,183,740.36	\$ 13,384,525.52

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

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Institutional Support	Operation and Maintenance of	Scholarships	Auxiliary	2009 Total
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	August 31, 2009	August 31, 2008
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	67,822.50	683,013.75
Proceeds from Interest and Investment Income	134,883.38	465,268.05
Proceeds from Principal Payments on Loans	-	-
Payments to Acquire Investments	(38,077.98)	(162,233.58)
Net Cash Provided (Used) by Investing Activities	164,627.90	986,048.22
Net Increase/(Decrease) in Cash and Cash Equivalents	1,243,485.76	3,240,800.17
Cash and Cash Equivalents --September 1, 2008 and 2007	10,279,310.72	6,966,855.44
Restatements to Beginning Cash and Cash Equivalents	-	71,655.11
Cash and Cash Equivalents --August 31, 2009 and 2008	\$ 11,522,796.48	\$ 10,279,310.72
Displayed as:		
Unrestricted Cash and Cash Equivalents (Statement of Net Assets)	\$ 7,186,061.11	\$ 5,758,647.54
Short-term Investments (Statement of Net Assets)	-	-
Restricted Cash and Cash Equivalents (Statement of Net Assets)	4,336,735.37	4,520,663.18
Restricted Short-term Investments (Statement of Net Assets)	-	-
	\$ 11,522,796.48	\$ 10,279,310.72
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income/(Loss)	\$ (19,868,045.75)	\$ (19,860,064.95)
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities		
Depreciation	2,340,372.04	3,067,320.64
Bad Debt Expense	12,505.11	9,591.14
Operating Income and Cash Flow Categories		
Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(102,256.51)	261,439.50
(Increase) Decrease in Inventories	-	-
(Increase) Decrease in Loans & Contracts	-	-
(Increase) Decrease in Other Assets	-	-
(Increase) Decrease in Prepaid Expenses	-	-
Increase (Decrease) in Payables	859,338.02	233,404.14
Increase (Decrease) in Due to Other Components	(2,893.38)	-
Increase (Decrease) in Deferred Income	-	-
Increase (Decrease) in Other Liabilities	-	41,964.53
Total Adjustments	3,107,065.28	3,613,719.95
Net Cash Provided by Operating Activities	\$ (16,760,980.47)	\$ (16,246,345.00)
Non Cash Transactions		
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.

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)
Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies
For the Fiscal Year Ended August 31, 2009

Pass-Through From: State Agencies

To University of North Texas System Administration (769):

Texas Higher Education Coordinating Board (Agency 781)	
Work Study Mentorship Program	\$ 70,000.00

Total Pass-Through From Other Agencies	
(Statement of Revenues, Expenses, and Changes in Net Assets)	<u>\$ 70,000.00</u>

Pass-Through To:

N/A

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UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)
Schedule 2A - Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2009

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	<u>\$ 39,635,000.00</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, 2009

<u>Description of Issue</u>	<u>Bonds Outstanding 9/1/2008</u>	<u>Bonds Issued</u>	<u>Bonds Matured or Retired</u>	<u>Bonds Refunded or Extinguished</u>	<u>Bonds Outstanding 8/31/2009</u>	<u>Amounts Due Within One Year</u>
RFS Refunding and Improvement Bonds, Series 2005	\$ 19,070,000.00	\$ -	\$ 750,000.00	\$ -	\$ 18,320,000.00	\$ 780,000.00
RFS Bonds, Series 2007	16,980,000.00	-	315,000.00	-	16,665,000.00	330,000.00
Total	<u>\$ 36,050,000.00</u>	<u>\$ -</u>	<u>\$ 1,065,000.00</u>	<u>\$ -</u>	<u>\$ 34,985,000.00</u>	<u>\$ 1,110,000.00</u>

*

Footnotes:

* Bond premiums, discounts and issuance costs were not individually greater than 5% of the par value of the bond issue; therefore, they are not capitalized and amortized over the life of the bonds. They were expensed at the time of the bond issue.

Bonds Payable per Statement of Net Assets

\$ 34,985,000.00

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UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)
Schedule 2C - Debt Service Requirements

Description of Issue	Year	Principal	Interest
Revenue Bonds			
RFS Refunding and Improvement Bonds, Series 2005	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	945,000.00	730,800.00
	2015-2019	5,440,000.00	2,928,075.00
	2020-2024	6,980,000.00	1,393,112.50
	2025	1,605,000.00	72,225.00
		18,320,000.00	8,476,337.50
RFS Bonds, Series 2007	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	385,000.00	718,737.50
	2015-2019	2,185,000.00	

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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, 2009

<u>Description of Issue</u>	<u>Pledged and other Sources and Related Expenditures for FY 2009</u>			
	<u>Total Pledged and Other Sources</u>	<u>Operating Expenses/ Expenditures & Capital Outlay</u>	<u>Debt Service</u>	
			<u>Principal</u>	<u>Interest*</u>
Revenue Financing System Bonds, Series '05 & '07	\$ 1,294,139.83	\$ 993,197.31	\$ 1,065,000.00	\$ 1,709,825.00
Total	<u>\$ 1,294,139.83</u>	<u>\$ 993,197.31</u>	<u>\$ 1,065,000.00</u>	<u>\$ 1,709,825.00</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.