

# **FINANCIAL REPORT**

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November 20, 2003

Lee Jackson  
Chancellor  
University of North Texas  
Denton, Texas

Dear Mr. Jackson:

We are pleased to submit the Annual Financial Report of the University of North Texas System Administration for the year ended August 31, 2003, 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 significant changes related to 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 be in compliance with GAAP. 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.

If you have any questions, please contact Ginny Anderson, at (940) 565-3231. Marsha Pettit may be contacted at (940) 565-3231 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Phillip C. Diebel  
Vice Chancellor for Finance



August 31, 2003

Marjorie Craft ..... (Term expires 5-22-07) ..... DeSoto  
Burle Pettit ..... (Term expires 5-22-07) ..... Lubbock  
John Robert "Bobby" Ray ..... (Term expires 5-22-07) ..... Plano

George W. Pepper\* ..... (Term expires 5-22-03) ..... Fort Worth  
Gayle Strange\* ..... (Term expires 5-22-03) ..... Denton  
Robert A. Nickell\* ..... (Term expires 5-22-03) ..... Irving

Charles Beatty ..... (Term expires 5-22-05) ..... Dallas  
C. Dan Smith ..... (Term expires 5-22-05) ..... Plano

Jana Dean ..... Secretary

Lee Jackson ..... Chancellor  
Phillip C. Diebel ..... Vice Chancellor for Finance  
Virginia E. Anderson ..... System Controller

\* Members of the Board of Regents whose terms have expired continue to serve until their replacements are appointed by the Governor; or if they are reappointed, they will serve an additional six-year term.

**Unaudited**

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Statement of Net Assets**  
**August 31, 2003**

	<b>Current Year 2003</b>	<b>Prior Year 2002*</b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents		
Cash on Hand	\$ -	\$ -
Cash in Bank	97,974.30	203,885.63
Reimbursement Due From Treasury	6,857.75	7,781.09
Cash in State Treasury	-	
Cash Equivalents	-	
Short Term Investments		
Restricted:		
Cash and Cash Equivalents		
Cash on Hand	-	
Cash in Bank	-	
Cash in State Treasury	-	
Cash Equivalents	-	
Short Term Investments	-	
Legislative Appropriations	369,861.85	714,404.46
Receivables from:		
Federal	-	
Other Intergovernmental	-	
Interest and Dividends	-	
Accounts Receivable	-	
Gifts	-	
Other Receivables	-	
Due From Other Agencies	-	
Due From Other Components	2,003,953.90	186,827.66
Consumable Inventories	-	
Merchandise Inventories	-	
Loans and Contracts	-	
Other Current Assets	-	
Total Current Assets	2,478,647.80	1,112,898.84
Non-Current Assets:		
Restricted:		
Cash and Cash Equivalents		
Cash on Hand		
Cash in Bank	-	
Cash in State Treasury	-	
Cash Equivalents	-	
Investments	-	
Loans and Contracts	-	
Investments	-	
Gift Receivables	-	
Capital Assets:		
Non-Depreciable		
Land and Land Improvements	-	
Construction in Progress	-	
Other Capital Assets	-	
Depreciable:		
Buildings and Building Improvements	-	
Less Accumulated Depreciation	-	
Infrastructure	-	
Less Accumulated Depreciation	-	
Facilities and Other Improvements	-	
Less Accumulated Depreciation	-	
Furniture and Equipment	4,984,399.52	2,715,523.00
Less Accumulated Depreciation	(643,117.92)	(75,431.20)
Vehicles, Boats and Aircraft	-	
Less Accumulated Depreciation	-	

	<b>Current Year 2003</b>	<b>Prior Year 2002*</b>
Other Capital Assets	-	-
Less Accumulated Depreciation	-	-
Other Non-current Assets	-	-
<b>Total Non-Current Assets</b>	<b>4,341,281.60</b>	<b>2,640,091.80</b>
<b>Total Assets</b>	<b>6,819,929.40</b>	<b>3,752,990.64</b>
<b>LIABILITIES</b>		
Current Liabilities		
Payables From:		
Accounts Payable	188,737.56	7,047.00
Payroll Payable	204,985.61	216,572.66
Other Payables	-	-
Due to Other Agencies	-	-
Due to Other Components	1,620,478.08	53,153.37
Deferred Revenues	-	-
Notes and Loans Payable	-	-
Revenue Bonds Payable	-	-
Employees Compensable Leave	10,408.97	11,926.83
Capital Lease Obligations	-	-
Liabilities Payable from Restricted Assets	-	-
Funds Held for Others	-	-
Other Current Liabilities	-	-
<b>Total Current Liabilities</b>	<b>2,024,610.22</b>	<b>288,699.86</b>
Non-Current Liabilities		
Notes and Loans Payable	-	-
Revenue Bonds Payable	-	-
Employee's Compensable Leave	197,770.46	186,853.75
Capital Lease Obligations	-	-
Funds Held for Others	-	-
Other Non-Current Liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>197,770.46</b>	<b>186,853.75</b>
<b>Total Liabilities</b>	<b>2,222,380.68</b>	<b>475,553.61</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	4,341,281.60	2,640,091.80
Restricted for:		
Debt Retirement	-	-
Capital Projects	-	-
Employee Benefit	-	-
Funds Held as Permanent Investments	-	-
Nonexpendable	-	-
Expendable	-	-
Other Restricted	-	-
Unrestricted	256,267.12	637,345.23
<b>Total Net Assets</b>	<b>4,597,548.72</b>	<b>3,277,437.03</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,819,929.40</b>	<b>\$ 3,752,990.64</b>

\* Some of the 2002 prior fiscal year amounts above have been changed from those reported last year in the published financial statements in an effort to provide more comparative information between the current and prior fiscal years. These changes were made due to formatting changes for the 2003 fiscal year report mandated by the State Comptroller and affected only the numbers within subcategories of major sections of the financial statements. The fiscal year 2002 totals for each major section of the financial statements did not change from amounts reported last year.

Sales of Goods and Services:

Tuition and Fees - Non-Pledged	\$	-	\$	-
Tuition and Fees - Pledged		-		-
Discounts and Allowances		-		-
Professional Fees - Non-Pledged		-		-
Professional Fees - Pledged		-		-



Income/(Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	<u>(4,540,280.94)</u>	<u>(6,431,358.36)</u>
Capital Contributions	-	
Capital Appropriations - HEAF (GR)	-	
Additions to Permanent and Term Endowments	-	
Special Items	-	
Extraordinary Items	-	
Transfers-In	5,860,392.63	9,708,795.39
Transfers-Out	-	
Legislative Transfers-In	-	
Legislative Transfers-Out	-	
Total Other Revenue, Expenses, Gain/Losses and Transfers	<u>5,860,392.63</u>	<u>9,708,795.39</u>
	<u>1,320,111.69</u>	3,277,437.03
Net Assets, Beginning	3,277,437.03	-
Restatements	-	-
Net Assets, Beginning, as Restated	<u>3,277,437.03</u>	
	<u>\$ 4,597,548.72</u>	\$ 3,277,437.03

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

\* Some of the 2002 prior fiscal year amounts above have been changed from those reported last year in the published financial statements in an effort to provide more comparative information between the current and prior fiscal years. These changes were made due to formatting changes for the 2003 fiscal year report mandated by the State Comptroller and affected only the numbers within subcategories of major sections of the financial statements. The fiscal year 2002 totals for each major section of the financial statements did not change from amounts reported last year.

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)

Note 1: Matrix of Operating Expenses Reported by Function

August 31, 2003

Operating Expenses	Instruction		Research		Public Service		Academic Support	
Cost of Goods Sold	\$	-	\$	-	\$	-	\$	-
Salaries and Wages								
Payroll Related Costs								
Professional Fees and Services								
Federal Pass-through Expenses								
State Pass-through Expenses								
Travel								
Materials and Supplies								
Communications and Utilities								
Repairs and Maintenance								
Rentals and Leases								
Printing and Reproduction								
Depreciation								
Bad Debt Expense								
Interest								
Scholarships								
Claims and Losses								
Other Operating Expenses								
<b>Total Operating Expenses</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>

	<b>Student Services</b>	<b>Institutional Support</b>	<b>Operation and Maintenance of Plant</b>	<b>Scholarships and Fellowships</b>	<b>Auxillary Enterprises</b>	<b>Depreciation</b>	<b>Total Expenditures</b>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		2,369,462.86					2,369,462.86
		422,996.20					422,996.20
		974.50					974.50
		-					-
		-					-
		44,971.93					44,971.93
		45,029.61					45,029.61
		78,187.62					78,187.62
		33,522.29					33,522.29
		12,315.32					12,315.32
		8,352.16					8,352.16
		-				567,686.72	567,686.72
		-					-
		4.88					4.88
		-					-
		-					-
		1,455,737.09					1,455,737.09
<hr/>							
\$	-	\$ 4,471,554.46	\$ -	\$ -	\$ -	\$ 567,686.72	\$ 5,039,241.18

**Unaudited**

**UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION (769)**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended August 31, 2003**

**Current Year**  
**2003**

**Prior Year**  
**2002**

	<b>Current Year 2003</b>	<b>Prior Year 2002</b>
Displayed as:		
Unrestricted Cash and Cash Equivalents (Statement of Net Assets)	\$ 104,832.05	\$ 211,666.72
Restricted Cash and Cash Equivalents (Statement of Net Assets)	-	-
Legislative Appropriations (Statement of Net Assets)	369,861.85	714,404.46
	474,693.90	926,071.18
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>		
Operating Income (Loss)	\$ (5,039,241.18)	\$ (6,899,053.33)

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## Unaudited

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

#### SCHEDULE 3 - RECONCILIATION of CASH in STATE TREASURY

August 31, 2003

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
	\$ 0.00	\$ 0.00	\$ 0.00
			-
<b>Total Cash in State Treasury (Stmt of Net Assets)</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
			-