

**COMBINED FINANCIAL REPORT**

**of the**

**UNIVERSITY OF NORTH TEXAS  
SYSTEM**

**DENTON, TEXAS**

**Lee Jackson, Chancellor**

**For the year ended August 31, 2004**

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November 20, 2004

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 for the year ended August 31, 2004, 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 re



# UNIVERSITY OF NORTH TEXAS SYSTEM

## ORGANIZATIONAL DATA

August 31, 2004

### BOARD OF REGENTS

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

Rice Tilley ..... (Term expires 5-22-09) ..... Fort Worth  
Gayle Strange ..... (Term expires 5-22-09) ..... Denton  
Robert A. Nickell ..... (Term expires 5-22-09) ..... Dallas

Charles Beatty ..... (Term expires 5-22-05) ..... Waxahachie  
C. Dan Smith ..... (Term expires 5-22-05) ..... Plano  
Tom Lazo, Sr. .... (Term expires 5-22-05) ..... Dallas

### OFFICERS OF THE BOARD

John Robert "Bobby" Ray ..... Chairman  
Burle Pettit ..... Vice Chairman  
Jana Dean ..... Secretary

### ADMINISTRATIVE OFFICERS

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

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### UNIVERSITY OF NORTH TEXAS SYSTEM (794) Management's Discussion and Analysis For the Year Ended August 31, 2004

#### Introduction

This section of the report represents management's discussion and analysis of the financial performance of the University of North Texas System (the System). It provides an overview of the System's financial activities for the fiscal year ended August 31, 2004 as compared to the prior fiscal year. The following discussion should be read in conjunction with the accompanying transmittal letter, financial statements and note disclosures.

The University of North Texas System (UNT System) was created by the 76th Legislature, and legislative funding was provided for the fiscal year beginning September 1, 1999. The UNT System is comprised of three components: the University of North Texas System Administration, the University of North Texas, and the University of North Texas Health Science Center (HSC) at Fort Worth. The UNT System components are agencies of the State of Texas. This report is prepared in accordance with Governmental Accounting Standards Board (GASB) pronouncements and the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies. The Combined System financial records comply with state statutes and regulations.

#### Financial Highlights

The 2003 fall semester headcount enrollment at both the University and the HSC continued to increase compared to the previous fall (increases of approximately 3% at the University and 2% at the HSC). Despite the increasing enrollment, the System was able to meet the instructional and service needs of its students.

Approximately \$12.5 million in cash contributions, non-cash capital donations, and pledged gifts were recognized as revenue in the System during the 2004 fiscal year. This figure is up from the approximately \$5 million reported in the previous fiscal year.

Two bond issues were sold during the fiscal year. The UNT System Revenue Financing System Refunding Series 2003A Bonds, par value \$6,185,000, were issued in September 2003 for the purposes of advance refunding a portion of outstanding bonds in order to reduce debt service requirements in certain years and paying certain costs of issuing the tax-exempt bonds. The UNT System Revenue Financing System

rate of 1.3%. The General Appropriations Act (GAA) includes \$2,103,750 for Tuition Revenue Bond Retirement to be paid during the biennium. Commercial paper will be used as interim funding until construction of the UNT Dallas campus, and at the appropriate time bonds will be sold. For additional information about commercial paper, see Note 4 in the Notes to the Combined Financial Statements.

During the fiscal year work continued on the multi-year installation of a new Enterprise Information System (EIS), with Student, HR, Payroll, Financials and Contributor Relations modules going live. The incremental cost of the project is approximately \$20.8 million.

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
Management's Discussion and Analysis  
For the Year Ended August 31, 2004**



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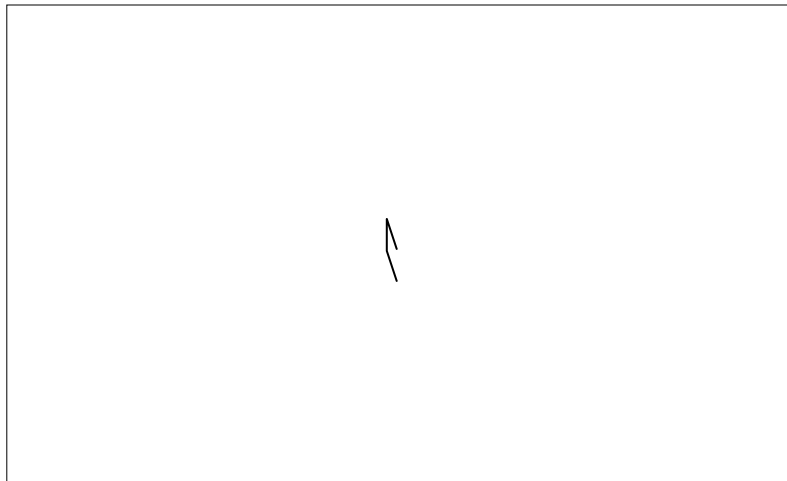
**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
Management's Discussion and Analysis  
For the Year Ended August 31, 2004**

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
Management's Discussion and Analysis  
For the Year Ended August 31, 2004**

As the operating revenue pie chart below shows, 33.2 percent of the System's operating revenue for this fiscal year was generated from student tuition and fees. The total tuition and fee revenue for the fiscal year amounted to \$95.7 million. This figure is net of the scholarship discounts that have been subtracted from the gross tuition and fee revenue in accordance with GASB 35 reporting requirements.

The System's operating revenue from all federal, state, and private grants and contracts, including pass through grant revenue, increased approximately 10.0 percent during this fiscal year. Faculty members of the University, in particular, have been strongly encouraged to pursue research funding in an effort to provide more funding and to more fully develop the University's image as a comprehensive graduate and research institution.





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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
Management's Discussion and Analysis  
For the Year Ended August 31, 2004**

The statement consists of five sections. The first section reports cash receipts and payments from operating activities. The second section reflects the cash flows from non-capital financing activities, including such items as receipts from state appropriations and gifts. The third section shows cash flows related to capital and related financing activities, including HEAF appropriations,

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Combined Statement of Net Assets**  
**August 31, 2004**

	<b>Current Year</b>	<b>Prior Year</b>
	<b>2004</b>	<b>2003</b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents		
Cash on Hand	\$ 108,284.75	95,881.34
Cash in Bank	(1,173,997.35)	(9,337,328.15)
Reimbursement Due From Treasury	1,384,826.38	687,120.92
Cash in State Treasury	16,273,554.61	15,128,192.73
Cash Equivalents	105,181,067.10	131,712,235.87
Short Term Investments	2,747,922.98	2,228,854.69
Restricted:		
Cash and Cash Equivalents		
Cash on Hand	14,315.00	8,034.73
Cash in Bank	8,595,339.18	(3,796,712.25)
Cash in State Treasury	-	1,172,425.83
Cash Equivalents	17,637,990.68	39,963,556.26
Short Term Investments	593,329.15	807,154.06
Legislative Appropriations	36,660,570.12	20,332,211.81
Receivables from:		
Federal	9,079,548.71	5,521,092.14
Other Intergovernmental	907,882.86	1,833,896.91
Interest and Dividends	713,718.77	1,058,635.17
Accounts Receivable	24,922,171.80	30,235,086.98
Gifts Receivable	1,381,512.34	1,401,018.16
Other Receivables	9,362,214.74	6,774,687.61
Due From Other Agencies	2,481,624.00	2,763,508.59
Consumable Inventories	2,258,950.22	3,013,205.35
Merchandise Inventories	1,004,988.72	528,215.88
Loans and Contracts	5,955,070.84	3,063,150.63
Other Current Assets	16,110,404.04	2,987,494.93
Total Current Assets	262,201,289.64	258,181,620.19
Non-Current Assets:		
Restricted:		
Cash and Cash Equivalents		
Cash on Hand	-	-
Cash in Bank	-	-
Cash in State Treasury	-	-
Cash Equivalents	-	834,637.48
Investments	52,546,175.70	58,724,949.69
Loans and Contracts	3,754,036.20	4,040,356.65
Investments	63,320,933.56	47,768,381.16
Gift Receivables	1,467,509.83	217,374.80
Capital Assets		
Non-Depreciable		
Land and Land Improvements	40,503,231.98	38,246,654.98
Construction in Progress	35,166,526.42	44,114,940.84
Other Capital Assets	80,990,351.69	74,790,168.69
Depreciable		
Buildings and Building Improvements	438,962,468.81	361,329,327.23
Less Accumulated Depreciation	(220,145,018.17)	(212,636,130.99)



	<b>Current Year</b>	<b>Prior Year</b>
	<b>2004</b>	<b>2003</b>
Less Accumulated Depreciation	(7,108,570.75)	(6,840,540.61)
Furniture and Equipment	89,454,197.08	79,926,836.57
Less Accumulated Depreciation	(57,039,967.88)	(50,170,636.97)
Vehicles, Boats and Aircraft	6,289,997.50	5,091,306.62
Less Accumulated Depreciation	(3,169,880.74)	(2,755,292.19)
Other Capital Assets	29,079.38	39,079.38
Less Accumulated Depreciation	(8,532.82)	(7,661.18)
Other Non-Current Assets	338,279.96	385,988.80
Total Non-Current Assets	<u>536,718,206.90</u>	<u>454,130,374.62</u>
Total Assets	<u>798,919,496.54</u>	<u>712,311,994.81</u>
<b>LIABILITIES</b>		
Current Liabilities		
Payables From:		
Accounts Payable	20,386,809.94	6,003,147.74
Payroll Payable	31,119,056.54	19,000,387.01
Other Payables	1,786,765.58	2,197,746.82
Due to Other Agencies	1,087,555.67	1,019,369.62
Deferred Revenues	82,180,418.53	42,715,523.37
Notes and Loans Payable	4,000,000.00	-
Revenue Bonds Payable	6,310,000.00	8,790,000.00
Employees Compensable Leave	978,267.82	624,216.48
Capital Lease Obligations	52,276.91	60,634.16
Liabilities Paid from Restricted Assets	-	-
Funds Held for Others	13,739,043.63	42,845,574.97
Other Current Liabilities	3,415,101.59	2,713,376.89
Total Current Liabilities	<u>165,055,296.21</u>	<u>125,969,977.06</u>
Non-Current Liabilities		
Notes and Loans Payable	-	-
Revenue Bonds Payable	193,585,000.00	191,930,000.00
Employee's Compensable Leave	9,839,658.96	9,746,295.26
Capital Lease Obligations	13,242.11	65,519.02
Funds Held for Others	-	-
Other Non-Current Liabilities	(5,795.00)	-
Total Non-Current Liabilities	<u>203,432,106.07</u>	<u>201,741,814.28</u>
Total Liabilities	<u>368,487,402.28</u>	<u>327,711,791.34</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	212,230,617.46	210,661,972.11
Restricted for:		
Debt Retirement	2,365,294.65	4,134,024.59
Capital Projects	(12,858.58)	2,984,083.12
Employee Benefits	-	-
Funds Held as Permanent Investments		
Non-Expendable	14,562,610.79	6,582,254.01
Expendable	-	2,289,722.91
Other Restricted	11,795,976.58	28,539,188.56
Unrestricted	189,490,453.36	129,408,958.20
Total Net Assets	<u>430,432,094.26</u>	<u>384,600,203.50</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 798,919,496.54</u>	<u>712,311,994.84</u>

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

ASSETS

Cash

sets	<u>44,194,873</u>
Total Liabilities and Net Assets	<u>\$47,995,981</u>

See accompanying notes to financial statements.

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
Combined Statement of Revenues, Expenses, and  
Changes in Net Assets  
For the Fiscal Year Ended August 31, 2004**

	<b>Current Year 2004</b>	<b>Prior Year 2003</b>
<b>OPERATING REVENUES</b>		
Sales of Goods and Services:		
Tuition and Fees - Non-Pledged	\$ 26,790,859.52	\$ 51,091,074.38
Tuition and Fees - Pledged	87,136,258.58	72,783,285.08
Discounts and Allowances	(18,180,636.01)	(14,884,922.86)
Professional Fees - Non-Pledged	34,098,933.91	29,770,337.16
Professional Fees - Pledged	-	-
Discounts and Allowances	(850,415.39)	(385,083.81)
Auxiliary Enterprises - Non-Pledged	1,788,410.60	1,799,219.82
Auxiliary Enterprises - Pledged	28,927,451.71	25,528,837.70
Discounts and Allowances	-	(180,028.18)
Other Sales of Goods and Services - Non-Pledged	57,627,254.06	12,798,600.23
Other Sales of Goods and Services - Pledged	-	-
Discounts and Allowances	-	-
Federal Revenue - Operating	44,272,482.74	36,177,275.31
Federal Pass Through Revenue	1,666,278.33	1,752,936.72
State Grant Revenue	2,032,967.75	1,561,327.96
State Grant Pass Through Revenue	6,811,233.99	10,783,061.68
Other Grants and Contracts - Operating	12,046,062.62	10,496,948.38
Other Operating Revenues	3,823,479.14	307,821.99
<b>Total Operating Revenues</b>	<b>287,990,621.55</b>	<b>239,400,691.56</b>
<b>OPERATING EXPENSES (1)</b>		
Instruction	160,283,350.88	153,032,033.95
Research	30,323,910.08	26,896,912.01
Public Service	8,404,960.67	8,563,962.00
Academic Support	67,665,648.23	65,309,183.20
Student Services	38,180,532.04	31,687,191.75
Institutional Support	39,990,924.83	43,638,128.76
Operations and Maintenance of Plant	30,253,023.26	26,545,159.22
Scholarships and Fellowships	19,349,527.13	24,202,646.42
Auxiliary Enterprises	28,592,084.32	27,366,171.63
Depreciation	16,349,980.19	13,850,020.63
<b>Total Operating Expenses</b>	<b>439,393,941.63</b>	<b>421,091,409.57</b>
Operating Income (Loss)	<b>(151,403,320.08)</b>	<b>(181,690,718.01)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Legislative Appropriations (GR)	139,255,439.00	130,412,822.00
Additional Appropriations (GR)	28,950,222.26	31,280,491.99
State Grant Pass Through Revenue	-	-
Gifts	11,908,186.67	4,377,660.12
Investment Income	7,278,162.49	9,241,356.83
Loan Premium/Fees on Securities Lending	-	-
Investing Activities Expense	-	-
Interest Expense and Fiscal Charges	(9,791,511.20)	(8,645,426.80)
Borrower Rebates and Agent Fees	-	-
Gain (Loss) on Sale/Disposal of Capital Assets	59,354.97	(264,403.64)
Net Increase (Decrease) in Fair Value of Investments	1,010,273.43	666,910.06
Settlement of Claims	(992,949.80)	-
Other Nonoperating Revenues - Non-Pledged	(1,118,806.61)	2,202,368.04
Other Nonoperating Revenues - Pledged	42,002.00	84,004.00

**Current Year**  
**2004**

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**Prior Year**  
**2003**

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**

**Note 1: Combined Matrix of Operating Expenses Reported by Function**

<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>
\$ 13,604.07	\$ 80,954.10	\$ 25,360.87	\$ -	\$ 115,284.68	\$ -	\$ 353,353.86
19,793,999.13	19,576,890.30	8,941,446.11	140,802.04	13,583,217.73	-	234,751,595.92
3,155,981.90	7,766,658.26	2,290,988.77	-	3,380,990.71	-	54,434,734.43
534,773.72	766,871.28	372,036.85	1,283.00	280,703.56	-	13,850,634.82
-	-	-	-	-	-	74,071.19
-	-	-	-	-	-	-
1,306,104.60	484,988.78	36,476.56	3,075.64	68,353.53	-	5,254,552.97
3,360,489.50	1,667,268.39	3,843,768.63	18,626.43	5,935,962.41	-	35,158,408.22
540,885.11	2,243,733.35	7,752,504.43	-	2,816,096.04	-	13,835,251.25
516,525.66	2,273,756.12	2,103,635.66	-	989,855.43	-	7,828,006.06
1,963,961.72	1,702,788.87	1,908,727.17	772.47	75,206.28	-	8,743,560.19
112,299.51	506,581.68	514.45	-	234,371.17	-	1,803,147.76
-	-	-	-	-	16,349,980.19	16,349,980.19
11,342.13	140,960.57	-	-	(26,849.92)	-	126,898.16
-	10,794.17	100.01	-	-	-	11,013.73
2,645,319.36	6,820.00	-	19,286,759.53	50.00	-	25,983,102.02
-	-	-	-	-	-	-
4,225,245.63	2,761,858.96	2,977,463.75	(101,791.98)	1,138,842.70	-	20,835,630.86
<hr/>						
<b>\$ 38,180,532.04</b>	<b>\$ 39,990,924.83</b>	<b>\$ 30,253,023.26</b>	<b>\$ 19,349,527.13</b>	<b>\$ 28,592,084.32</b>	<b>\$ 16,349,980.19</b>	<b>\$ 439,393,941.63</b>

**UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Revenues, Gains, and Other Support		
Contributions	\$ -	\$ 4,186,883
Life insurance premiums	-	-
Investment income	14,122	386,785
Internal management fee	406,669	-
Other income	9,542	80,820
Realized and unrealized gain (loss) on market value of investments	-	7,873,789
Actuarial gain (loss) on annuity obligations	-	-





**UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.**







**UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2003

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creative activities, leadership in the Coalition of Urban and Metropolitan Universities, and partnerships with the public and private sector. The UNT Health Science Center at Fort Worth serves the state by educating physicians, biomedical scientists, public health professionals, physician assistants and other health

professionals for careers in health care, teaching and research.

The UNT System has no blended component units. The UNT System is reporting The University of North Texas Foundation, Inc. as a discrete component unit.

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 generally accepted accounting principles (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.

### **Fund Structure**

The accompanying financial statements are presented on the basis of funds each of which is considered a separate accounting entity.

#### **Proprietary Fund Types**

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##### Enterprise Funds

Enterprise funds are used to account for any activity where a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met.

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity’s costs of providing services, including capital costs such as depreciation or debt service, be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

##### Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds in institutions of higher education are reported in the proprietary funds.

##### Component Units

The UNT System has no blended component units. The University of North Texas Foundation, Inc. is



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### UNIVERSITY OF NORTH TEXAS SYSTEM (794) NOTES TO THE COMBINED FINANCIAL STATEMENTS AUGUST 31, 2004

#### **Basis of Accounting**

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

#### **Restricted Net Assets**

When both restricted and unrestricted net assets are available for use, restricted resources are used first, and then unrestricted resources are used as they are needed.

#### **Budgets and Budgetary Accounting**

The UNT System component institutions' budgets are prepared annually and approved by the Board of Regents. The budgets for appropriated funds are prepared biennially and represent appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they are appropriated.

#### **Assets, Liabilities, and Net Assets**

##### **ASSETS**

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##### Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

##### Securities Lending Collateral

The UNT System had no securities lending collateral transactions during the fiscal year.

##### Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

##### Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the first-in-, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the proprietary fund types. The cost of these items is expensed when the items are consumed.

##### Capital Assets

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2004**

Unrestricted Net Assets

Unrestricted Net Assets consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified.

**INTERFUND TRANSACTIONS AND BALANCES**

Not Applicable to proprietary funds.

**Note 2: Capital Assets**

A summary of changes in Capital Assets for the year ended August 31, 2004, is presented below:

BUSINESS-TYPE ACT.	Balance 9/1/2003	* Adjustments	*** Reclassifications			Additions	Deletions	Balance 8/31/2004**
			Completed CIP	Increase Interagency Transfers	Decrease Interagency Transfers			
<b>Non-depreciable assets:</b>								
Land & Land Improvements	38,246,654.98		114,199.82			2,146,527.18	(4,150.00)	40,503,231.98
Construction in Progress	44,114,940.84		(52,025,608.32)			43,105,976.33	(28,782.43)	35,166,526.42
Other Capital Assets	74,790,168.69			4,150.00	(4,150.00)	6,200,183.00		80,990,351.69
<b>Total non-depreciable assets:</b>	<b>157,151,764.51</b>	<b>0.00</b>	<b>(51,911,408.50)</b>	<b>4,150.00</b>	<b>(4,150.00)</b>	<b>51,452,686.51</b>	<b>(32,932.43)</b>	<b>156,660,110.09</b>
<b>Depreciable assets:</b>								
Buildings & Building Improvements	361,329,327.23		50,927,417.85			26,705,723.73		438,962,468.81
Infrastructure	7,789,073.21							7,789,073.21
Facilities & Other Improvements	9,896,118.37		37,050.00			364,121.00		10,297,289.37
Furniture & Equipment	79,926,836.57			1,223,395.11	(1,248,513.46)	10,732,121.87	(1,179,643.01)	89,454,197.08
Vehicles, Boats & Aircraft	5,091,306.62		946,940.65	15,171.00	(15,171.00)	380,109.96	(128,359.73)	6,289,997.50
Other Capital Assets	39,079.38						(10,000.00)	29,079.38
<b>Total depreciable assets at historical costs:</b>	<b>464,071,741.38</b>	<b>0.00</b>	<b>51,911,408.50</b>	<b>1,238,566.11</b>	<b>(1,263,684.46)</b>	<b>38,182,076.56</b>	<b>(1,318,002.74)</b>	<b>552,822,105.35</b>
<b>Less Accum. Deprec. for:</b>								
Buildings & Building Improvements	(212,933,730.99)					(7,211,287.18)		(220,145,018.17)
Infrastructure	(6,356,957.91)					(362,015.52)		(6,718,973.43)
Facilities & Other Improvements	(6,840,540.61)					(268,030.14)		(7,108,570.75)
Furniture & Equipment	(50,170,636.97)	(13,247.58)		(396,160.75)	402,999.94	(7,980,500.26)	1,117,577.74	(57,039,967.88)
Vehicles, Boats & Aircraft	(2,755,292.19)			(2,275.65)	2,275.65	(523,274.37)	108,685.82	(3,169,880.74)
Other Capital Assets	(7,661.18)	667.96				(4,872.72)	3,333.12	(8,532.82)
<b>Total Accum. Depreciation</b>	<b>(279,064,819.85)</b>	<b>(12,579.62)</b>	<b>0.00</b>	<b>(398,436.40)</b>	<b>405,275.59</b>	<b>(16,349,980.19)</b>	<b>1,229,596.68</b>	<b>(294,190,943.79)</b>
<b>Depreciable assets, net</b>	<b>185,006,921.53</b>	<b>(12,579.62)</b>	<b>51,911,408.50</b>	<b>840,129.71</b>	<b>(858,408.87)</b>	<b>21,832,096.37</b>	<b>(88,406.06)</b>	<b>258,631,161.56</b>
<b>Business-type activities capital assets, net:</b>	<b>342,158,686.04</b>	<b>(12,579.62)</b>	<b>0.00</b>	<b>844,279.71</b>	<b>(862,558.87)</b>	<b>73,284,782.88</b>	<b>(121,338.49)</b>	<b>415,291,271.65</b> 121,338.49

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2004**

**Note 3: Deposits, Investments, & Repurchase Agreements**

The UNT System component institutions are authorized by statute to make investments following the “prudent person rule.” There were no significant violations of legal provisions during the period.

**Deposits of Cash in Bank**

- A. The carrying amount of \$7,421,341.83 for Cash in Bank (including restricted assets) is presented below. The UNT System is reporting The University of North Texas Foundation, Inc. as a discrete component unit.
- B. The bank balance of the combined UNT System has been classified according to the following risk categories:

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AUGUST 31, 2004**

**Investments**

The fair values of investments as of the balance sheet date (including both short-term and long-term) are shown below. Investments are categorized to give an indication of the level of risk

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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2004**

**Derivative Investing**

The UNT System did not hold any collateralized mortgaged obligations during the current fiscal year.

**Note 4: Short-Term Debt**

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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2004**

**Note 8: Interfund Balances/Activity**

As explained in Note 1 regarding Interfund Activities and Balances, there are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as:

Interfund Receivables or Interfund Payables

Due From Other Agencies or Due To Other Agencies



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	Transfers In	Transfers Out
ENTERPRISE FUND (05)	\$	\$
Appd. Fund 0507, D23 Fund 0507		
Agency 347, D23 Fund 0507		1,320,282.04
<b>Total Transfers for Fund 0507</b>	<b>\$ 0.00</b>	<b>\$ 1,320,282.04</b>
Appd. Fund 0735, D23 Fund 0735		
Agency 347, D23 Fund 0735		35,938.68
<b>Total Transfers for Fund 0735</b>	<b>\$ 0.00</b>	<b>\$ 35,938.68</b>
Appd Fund 9999, D23 Fund 7999		
Agency 781, D23 Fund 0001		29,831.00
Agency 781, D23 Fund 5103		14,858.00
Agency 902, D23 Fund 0900		125,950.28
<b>Total Transfers for Fund 9999</b>	<b>\$ 0.00</b>	<b>\$ 170,639.28</b>
<b>Total Transfers</b>	<b>\$ 0.00</b>	<b>\$ 1,526,860.00</b>

	Legislative Transfers In	Legislative Transfers Out
ENTERPRISE FUND (05)	\$	\$
Appd Fund 0001, D23 Fund 0001		
Agency 479, D23 Fund 0001	0.00	0.00
<b>Total Legislative Transfers</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

The detailed State Grant Pass through 2 72 Rf265.73999 460.56 134.54[T(TI 72 Rf265.73999 460.56 (2 72 Tw 10.02 0 0 10.02ad l01

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2004**

The State provides coverage for unemployment benefits from appropriations made to other state agencies for UNT System employees. The current General Appropriations Act provides that the UNT System components must reimburse General Revenue Fund – Consolidated, from UNT System appropriations, one-half of the unemployment benefits for former and current employees. The Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. The UNT System Administration component has only one appropriated fund type. The UNT System components must reimburse the General Revenue Fund 100% of the cost for unemployment compensation for any employees paid from funds held in local bank accounts and local funds held in the state treasury.

Unemployment compensation is on a pay-as-you-go basis through the State of Texas, with the exception of locally funded enterprises that have fund expenses and set-aside amounts based on a percentage of payroll as detailed below. No material outstanding claims are pending at August 31, 2004.

Changes in the balances of the UNT System's reserves for unemployment compensation for locally funded enterprises and payments made for all claims and settlements, including unemployment compensation, for fiscal years 2003 and 2004 are shown below. No material outstanding claims were pending at August 31, 2004.

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Balance at Fiscal Year-End</b>
2003	\$ 1,395,343.27	\$ 585,090.33	(\$272,123.55)	\$ 1,708,310.05

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2004**

**Note 12: Segment Information**

Not Applicable.

**Note 13: Bonded Indebtedness**

**Bonds Payable**

Detailed supplemental bond information is disclosed in the Combined Schedule 2-A, Combined Supplementary Bond Information and Summary of Debt Service Requirements; Combined Schedule 2-B, Analysis of Funds Available for Debt Service; and Combined Schedule 2-C, Defeased Bonds Outstanding.

General information related to bonds is summarized below:

**University of North Texas**

**Consolidated University Revenue Bonds, Series 1994**

To provide funds sufficient to purchase and renovate a facility for the purpose of storing library materials and surplus property, and provide work area for certain library staff; to construct an Advanced Learning and Student Service Center; to renovate the University Library, and pay the costs of issuance

Issued 02-01-1994

\$10,000,000; all authorized bonds have been issued

Source of revenue for debt service – legislative appropriation and Gross Revenues of the University Building System, the General Fee (now called Designated Tuition), Pledged Student Tuition, Student Union Fee, and certain investment income

**Consolidated University Revenue Bonds, Series 1996**

To provide funds sufficient to construct and equip a Music and Fine Arts Education facility; and acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads or related infrastructure for the University; and pay the costs of issuance

Issued 02-01-1996

\$15,000,000; all authorized bonds have been issued

Source of revenue for debt service – legislative appropriation and Pledged Revenues described in Series 1994

**Consolidated University Revenue & Refunding Bonds, Series 1997**

To provide funds sufficient to refund certain of the University's outstanding Consolidated University Revenue Refunding Bonds, Series 1987.

Issued 03-15-1997

\$8,230,000; All authorized bonds have been issued.

Source of revenue for debt service – same as Pledged Revenues described in Series 1994

**Revenue Financing System Bonds, Series 1997**

To provide funds to finance renovations and repairs to dormitories and the University's football stadium and pay the costs of issuance

Issued 08-15-1997

\$4,380,000; all authorized bonds have been issued

Source of revenue for debt service – all Pledged Revenues of the Participants of the University of North Texas Revenue Financing System

**Revenue Financing System Bonds, Series 1999**

To provide funds sufficient to finance construction of

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**

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### UNIVERSITY OF NORTH TEXAS SYSTEM (794) NOTES TO THE COMBINED FINANCIAL STATEMENTS AUGUST 31, 2004

#### Revenue Financing System Bonds, Taxable Series 2003B

To provide funds for the purposes of (1) constructing and equipping student housing facilities, to wit, five sorority houses to be owned by the University, (2) paying a portion of the accrued interest, and (3) paying certain costs of issuing the bonds.

Issued 09-01-03

\$4,980,000; all authorized bonds have been issued

Source of revenue for debt service – fees charged for occupying the sorority facilities and also the Pledged Revenues of the Participants of the University of North Texas Revenue Financing System.

#### University of North Texas Health Science Center

#### General Tuition Revenue Bonds, Series 1994

To construct additional facilities to carry out the functions of The Health Science Center

Issued 09-15-1994

\$10,000,000; all authorized bonds have been issued

Source of revenue for debt service – Tuition, investment earnings from the Interest and Sinking Fund, and any other revenue subsequently pledged.

#### Revenue Financing System Bonds, Series 1999

To acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for the Health Science Center, pay the municipal bond insurance premium for the bonds, and to pay costs of issuing the bonds

Issued 06-15-1999

\$9,500,000; all authorized bonds have been issued.

Source of revenue for debt service – legislative appropriation and all Pledged Revenues of the Participants of the University of North Texas System Revenue Financing System

#### Revenue Financing System Refunding and Improvement bond Series 1999A

Proceeds from the sale of the bonds will be used for the purposes of (i) constructing a parking garage at the University of North Texas Health Science Center at Fort Worth (the “Health Science Center”), (ii) refunding certain of the currently outstanding Health Science Center General Tuition Revenue Bonds, Series 1994 and (iii) paying the municipal bond insurance premium for the bonds, and (iv) paying certain costs of issuing the Bonds.

Issued 09-01-1999

\$15,535,000; all authorized bonds have been issued

Source of revenue for debt service – legislative appropriation and all Pledged Revenues of the Participants of the University of North Texas System Revenue Financing System

#### Revenue Financing System Bonds, Series 2002

To acquire, purchase, construct, improve renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for the Health Science Center, pay the municipal bond insurance premium for the bonds, and to pay costs of issuing the bonds.

Issued 08-01-02

\$27,130,000; all authorized bonds have been issued.

Source of revenue for debt service – legislative appropriation and all Pledged Revenues of the Participants of the University of North Texas System Revenue Financing System

#### UNT Revenue Financing System Refunding Bonds, Series 2003A

To advance refund a portion of the Board’s outstanding bonds in order to reduce debt service requirements of the Board in certain years.

Issued 09-01-03

\$2,915,000: all authorized bonds have been issued.



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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2004**

the appointment of the CEO of the Foundation and will reimburse the Foundation for an annual sum covering salary, benefits, travel and other compensation.

The Foundation is a separate nonprofit organization that has as its central purpose the advancement and support of the University of North Texas. The governing board is comprised of elected members separate from the University Regents. The direction and management of the affairs of the Foundation and the control and disposition of its assets are vested in the directors of the Fo

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
AUGUST 31, 2004**

If, in any given fiscal year, the total return, excluding the net unrealized appreciation, shall be less than the target annual distribution, the actual distribution shall be limited to the net current yield, not to exceed the target distribution rate. The amount of net appreciation on University donor-restricted endowments that was available for distribution and expenditure during the fiscal year was \$159,540.23. All distributions had been made as of the end of the fiscal year; therefore, none of this appreciation amount is reflected in the Net Assets section.

University endowments that do not provide for investments in equities will not be unitized, and they will receive interest and dividends on their funds invested in fixed income securities.



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## **NOTE 1 – PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### Purpose

The University of North Texas Foundation, Inc. (Foundation) is a nonprofit organization with the purpose of providing financial support to the University of North Texas. This purpose is accomplished by the Foundation receiving and managing donations (cash and non-cash) from individuals and organizations.

The Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

### Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting.

### Contributions

Contributions are generally temporarily or permanently restricted by the donor to support specific programs within the University of North Texas. Unconditional promises to give are recorded as received. Contributions receivable due in the next year are recorded at their net realizable value.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in temporarily restricted net assets because of program restrictions. The portion of the fair value of endowment funds which is below the endowment fund's historical cost is recorded as a reduction in unrestricted net assets.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2003

### **NOTE 1 – PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTS POLICIES (Continued)**

#### Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.

#### Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

#### Real Estate

Real estate consists of property that has been purchased by or donated to the Foundation. The property is stated at cost or the estimated fair value at the time of the donation.

#### Inventory

Inventory consists of paintings donated to the Foundation and held for sale. The paintings are recorded at their fair value as of the date of the donation.

#### Agency Funds

Agency funds consist of resources held by the Foundation as an agent for resource providers and will be transferred to third-party recipients specified by the resource provider.

### **NOTE 2 – INVESTMENTS**

Investment securities consist of the following at December 31, 2003:

	<u>Cost</u>	<u>Fair Value</u>
Fixed income mutual funds	\$ 4,538,444	\$ 4,688,580
Marketable stocks	11,871,969	14,099,877
Equity mutual funds	<u>16,649,817</u>	<u>18,351,801</u>
	<u>\$33,060,230</u>	<u>\$37,140,258</u>

Investment income consists of interest and dividends on investment securities and is shown net of investment fees and expenses.

**UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 3 – CONTRIBUTIONS AND OTHER RECEIVABLES**

Contributions and other receivables as of December 31, 2003 are as follows:

Contributions receivable in less than one year	\$1,715,111
Contributions receivable in one to five years	1,630,337
Contributions receivable in six to ten years	

**UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.**

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Schedule 1A - Combined Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2004**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/	CFDA Number	Identifying Number	Agy./ Univ.	<b>Pass Through From</b> Agencies Or Univ.	Non-State Entities
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Pass Through From

Direct Program Amount	Total PT From & Direct Program	Pass Through To			Expenditures Amount	Total PT To & Expenditures
		Agy./ Univ. #	State Agy. Univ. Amount	Non-State Entities Amount		
470,355.62	470,355.62				470,355.62	470,355.62
550,421.71	550,421.71				550,421.71	550,421.71
2,515,128.88	2,515,128.88				2,515,128.88	2,515,128.88
26,430.68	26,430.68				26,430.68	26,430.68
(18,982.13)	311,804.59				311,804.59	311,804.59
	5,677.44				5,677.44	5,677.44
(11,010.77)	356,857.48				356,857.48	356,857.48
	28,289.90				28,289.90	28,289.90
	148,384.90				148,384.90	148,384.90
	27,650.74				27,650.74	27,650.74
	9,485.88				9,485.88	9,485.88
(26,524.30)	21,305.70				21,305.70	21,305.70
<u>5,806,568.04</u>	<u>6,772,541.87</u>		<u>16,462.35</u>	<u>-</u>	<u>6,756,079.52</u>	<u>6,772,541.87</u>
	88,859.96				88,859.96	88,859.96
(366.02)	120,963.07				120,963.07	120,963.07
	7,341.11				7,341.11	7,341.11
	1,026.40				1,026.40	1,026.40
(201.95)	44,021.26				44,021.26	44,021.26
(1,414.64)	110,978.20				110,978.20	110,978.20
	48,140.71				48,140.71	48,140.71
	12,926.93				12,926.93	12,926.93
	3,468.77				3,468.77	3,468.77
<u>(1,982.61)</u>	<u>437,726.41</u>		<u>-</u>	<u>-</u>	<u>437,726.41</u>	<u>437,726.41</u>
147,667.05	147,667.05				147,667.05	147,667.05
	10,463.97				10,463.97	10,463.97
<u>147,667.05</u>	<u>158,131.02</u>		<u>-</u>	<u>-</u>	<u>158,131.02</u>	<u>158,131.02</u>
43,517.10	43,517.10				43,517.10	43,517.10
4,634.30	4,634.30				4,634.30	4,634.30
1,832,927.22	1,832,927.22				1,832,927.22	1,832,927.22
105,461,474.62	105,461,474.62				105,461,474.62	105,461,474.62
1,051,369.10	1,051,369.10				1,051,369.10	1,051,369.10
1,165,732.00	1,165,732.00				1,165,732.00	1,165,732.00
38,953.22	38,953.22				38,953.22	38,953.22

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Agy./ Univ. #	<b>Pass Through From</b> Agencies Or Univ. Amount	Non-State Entities Amount
--	----------------	-----------------------	---------------------	--	---------------------------------

Direct Program Amount	Total PT From & Direct Program	Pass Through To			Expenditures Amount	Total PT To & Expenditures
		Agy./ Univ. #	State Agy. Univ. Amount	Non-State Entities Amount		
261,404.55	261,404.55				261,404.55	261,404.55
15,455,862.95	15,455,862.95				15,455,862.95	15,455,862.95
13,088,191.57	13,088,191.57				13,088,191.57	13,088,191.57
5,303.71	5,303.71				5,303.71	5,303.71
13,693.06	13,693.06				13,693.06	13,693.06
<u>138,423,063.40</u>	<u>138,423,063.40</u>		<u>-</u>	<u>-</u>	<u>138,423,063.40</u>	<u>138,423,063.40</u>

251,179.44	251,179.44				251,179.44	251,179.44
	-				-	-
	-				-	-
	23,040.93				23,040.93	23,040.93
	-				-	-
	26,973.72				26,973.72	26,973.72
	-				-	-
	-				-	-
	-				-	-
	24,444.64				24,444.64	24,444.64
	-				-	-
	-				-	-
900,003.72	900,003.72				900,003.72	900,003.72
55,701.65	55,701.65				55,701.65	55,701.65
313,465.85	313,465.85				313,465.85	313,465.85
338,564.30	338,564.30				338,564.30	338,564.30
353,020.50	353,020.50				353,020.50	353,020.50
	-				-	-
261,745.40	261,745.40				261,745.40	261,745.40
64,828.32	64,828.32				64,828.32	64,828.32
132,177.35	132,177.35				132,177.35	132,177.35
	-				-	-
	-				-	-
	183,213.35				183,213.35	183,213.35
	-				-	-
	16,752.67				16,752.67	16,752.67
	-				-	-
17.28	4,934.76				4,934.76	4,934.76
	-				-	-
	-				-	-
	603.79				603.79	603.79
	-				-	-
	-				-	-
	-				-	-
232,684.64	232,684.64				232,684.64	232,684.64
76,217.97	76,217.97				76,217.97	76,217.97
	-				-	-
	-				-	-
17,324.79	17,324.79				17,324.79	17,324.79
	-				-	-
	-				-	-
12,721.41	12,721.41				12,721.41	12,721.41
	-				-	-
	-				-	-
135,644.30	135,644.30				135,644.30	135,644.30
	-				-	-
	-				-	-
	10,207.56				10,207.56	10,207.56
	-				-	-
	-				-	-
	-				-	-
	-				-	-

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Pass Through From		
			Agy./ Univ. #	Agencies Or Univ. Amount	Non-State Entities Amount
Institute of Museum & Library Services	45.301				
National Leadership Grants	45.312				
<b>National Science Foundation</b>					
Direct Programs:					
Contract	47.000				
Engineering Grants	47.041				
Mathematical and Physical Sciences	47.049				
Computer & Information Science & Engineering	47.070				
Biological Sciences	47.074				
Social, Behavioral, & Economic Sciences	47.075				
Education and Human Resources	47.076				
Pass Through From:					
University of Urbana-Champaign					
Mathematical and Physical Sciences	47.049	G72210 04-389			12,604.79
American Assn for the Adv of Science					
Mathematical and Physical Sciences	47.074	G72033 03-184			5,000.00
Washington University					
Computer and Information Science and Engineering	47.070	WUHT-02-02			44,205.01
Civilian Research and Development					
Social, Behavioral, & Economic Sciences	47.075	UE2-2448-KH-02			2,203.86
University of Michigan					
Education and Human Resources	47.076	F003426			1,233.23
University of Alaska					
Polar Programs	47.078	G72195 01-202			2,511.57
<b>Environmental Protection Agency</b>					
Direct Programs:					
Surveys, Studies, Investigations & Special Grants	66.606				
Pass Through From:					
IT Corporation					
Great Lakes Program	66.469	189948			266.33
Environmental Protection Agency					
ORD Consolidated Research	66.511				
<b>U.S. Department of Energy</b>					
Direct Programs:					
Office of Science					
Office of Science Financial Assistance Program	81.049				
Renewable Energy Research and Development	81.087				
<b>U.S. Department of Education</b>					
Direct Programs:					
Office of Special Education & Rehabilitative Services					
Rehabilitation Long-Term Training	84.129				
Office of Assistant Secretary for Postsecondary Education					
TRIO: Talent Search	84.044				
Business and International Education Projects	84.153				
TRIO: McNair Post-Baccalaureate Achievement	84.217				
Preparing Tomorrow's Teachers to Use Technology	84.342				
Pass Through From:					
Argonne National Laboratory					
A Collective Framework for Chemical Tables	81.000	3F-00181			31,835.35
Texas Education Agency					
Vocational Education-Basic Grants to States	84.048		701	4,939.40	
Sandia National Laboratory					
Impact Aid	84.041	G73216 03-140			7,476.41
Western Illinois University					
Star Schools	84.203	5-28131			7,311.48
Irving ISD					
Fund for the Improvement of Education	84.215	G72041 04-377			1,907.00
Allen ISD					
Technology Innovation Grants	84.303	R303A990301			184,764.49
University of Texas-Pan American					
Capacity Building for Traditionally Underserved Populations	84.315		736	138,105.72	
Texas Education Agency					
Technology Literacy Challenge Fund Grants	84.318		701	50,856.15	
TX Higher Education Coordinating Board					
Improving Teacher Quality State Grants	84.367	Grant 92			9,792.10



Pass Through From



Direct Program Amount	Total PT From & Direct Program	Pass Through To			Expenditures Amount	Total PT To & Expenditures
		Agy./ Univ. #	State Agy. Univ. Amount	Non-State Entities Amount		
	-				-	-
	9,670.38				9,670.38	9,670.38
	-				-	-
1 0 TD(	)	-			-	-

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Pass Through From		
			Agy./ Univ. #	Agencies Or Univ. Amount	Non-State Entities Amount

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 Revenues, Expenses, and Changes in Net Assets				
Federal Grants and Contracts			\$	44,272,482.74
Federal Pass-Through Grants from Other State Agencies/Universities				1,666,278.33
Total Federal Revenues per Statement of Revenues, Expenses, and Changes in Net Assets			\$	<u>45,938,761.07</u>
Reconciling Items:				
Federal Grants and Contracts (Indirect/Administrative Cost Recoveries)				1,625,098.80
Pass Through to State Entities				39,168.47
Pass Through to Other Entities				-
Non-Monetary Assistance:				
Donation of Federal Surplus Property				-
Federal Revenue on SCRECNA but not considered to be Federal Revenue for the Schedule:				
TCEQ (582)				(7,181.50)
TX Commission on the Arts (813)				(3,590.00)
TEES (712)				(1,550.00)
Revenue recorded in Auxiliary Funds that is considered to be Federal by Originating Agency :				
Office of the Governor (300)				1,042.50
Interest Subsidy HUD Grant				42,002.00
New Loans Processed:				
Federal Family Education Loan Program				105,461,474.62
Federal Perkins Loan Program				1,165,732.00
Federal Perkins Loan Program Administrative Costs Recovered				38,953.22
Federal Parent Loan for Students				13,088,191.57
Total Pass-Through and Expenditures Per Federal Schedule			\$	<u><u>167,388,102.75</u></u>

Direct Program Amount	Total PT From & Direct Program	Pass Through To			Expenditures Amount	Total PT To & Expenditures
		Agy./ Univ. #	State Agy. Univ. Amount	Non-State Entities Amount		

Note 3: Student Loans Processed & Administrative Costs Recovered

Federal Grantor/ CFDA Number/ Program Name	New Loans Processed	Admin Costs Recovered	Processed & Admin Costs Recovered	Ending Balance of Previous Years' Loans
<i>Department of Education</i>				
84.032 Fed Fam Ed Loan Prg	\$ 119,093,628.62	\$ -	\$ 119,093,628.62	\$ -
84.038 Federal Perkins Loan	1,982,336.00	38,953.22	2,021,289.22	1,793,197.61
84.268 Parent Loan for Students	13,088,191.57	-	13,088,191.57	-
<i>Total Dept of Education</i>	<u>\$ 134,164,156.19</u>	<u>\$ 38,953.22</u>	<u>\$ 134,203,109.41</u>	<u>\$ 1,793,197.61</u>
<i>Department of Health and Human Services</i>				
93.342 Health Prof/Disad Stdnt Lns	-	-	-	574,849.87
<i>Total Dept of Health and Human Services</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 574,849.87</u>
<b>TOTAL LOANS/RECOVERIES</b>	<b>\$ 134,164,156.19</b>	<b>\$ 38,953.22</b>	<b>\$ 134,203,109.41</b>	<b>\$ 2,368,047.48</b>

Note 4: Petroleum violation Escros (PVE) Funds

N/A

Note 5: 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 6: Unemployment Insurance Funds

N/A (Agency 320 only)

Note 7: Rebates from the Special supplemental Food Program for Women, Infant and Children (WIC)

N/A (Agency 501 only)

Note 8: Federal Deferred Revenue

The University of North Texas does not report any Federal Deferred Revenue.

## Unaudited

### UNIVERSITY OF NORTH TEXAS SYSTEM (794)

#### Schedule 1B - Combined Schedule of State Grant Pass Throughs From/To State Agencies For the Fiscal Year Ended August 31, 2004

##### Pass-Through From State Agencies

##### To University of North Texas (752)

TX Infrastructure Board (Agency 367)	
QE-2002-DI5C-7229	\$ 29,213.89
Texas Department of Health/State Health Services (Agency 501)	
BCH/GEN-CORE	43,638.07
Texas Education Agency (Agency 701)	
Texas Academy of Math and Science	172,291.69
Texas Higher Education Coordinating Board (Agency 781)	
GO Center Grants	5,052.82
5th Year Accounting Scholarship	37,500.00
Advanced Research Program	(54,923.49)
Advanced Technology Program	260,962.00
Texas College Work Study Program	150,059.00
Texas Grants Program	5,136,133.50
Nursing and Allied Health	(7,324.13)
Minority Health Research/Education	93,019.83
Total Pass-Through From Other Agencies to UNT	<u>\$ 5,865,623.18</u>

##### To UNT Health Science Center (763)

Office of Attorney General (Agency 302)	\$ 423,970.00
Texas Higher Education Coordinating Board (Agency 781)	
Advanced Research Program	(84,152.69)
Advanced Tech Program	207,200.00
College Work Study Program	7,213.00
Family Practice Residency	319,250.00
Rural & Public Health Rotation	2,500.00
Graduate Medical Education	69,630.50
Total Pass-Through From Other Agencies to UNT Health Science Center	<u>\$ 945,610.81</u>

##### Total Pass-Through From Other Agencies

(Statement of Revenues, Expenses, and Changes in Net Assets) \$ 6,811,233.99

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## Unaudited

### UNIVERSITY OF NORTH TEXAS SYSTEM (794)

#### Schedule 2A - Combined Miscellaneous Bond Information

For the Fiscal Year Ended August 31, 2004

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Scheduled Maturities		First Call Date
			First Year	Last Year	
UNT Cons Univ Rev Bonds, Ser '94	10,000,000.00	4.00% - 7.00%	1995	2014	04/15/04
UNTHSC Gen Tuition Rev Bonds, Ser '94	10,000,000.00	5.30% - 8.25%	1995	2014	06/15/04
UNT Cons Univ Rev Bonds, Ser '96	15,000,000.00	4.30% - 7.30%	1996	2015	04/15/06
UNT Cons Univ Rev Ref Bonds, Ser '97	8,230,000.00	3.70% - 4.85%	1998	2005	-
Rev Fin Sys Bonds, Ser '97 (UNT)	4,380,000.00	4.50% - 6.00%	1998	2007	04/15/03
Rev Fin Sys Bonds, Ser '99	32,540,000.00	4.25% - 5.40%	1999	2019	04/15/09
Rev Fin Ref & Imp Bonds, Ser '99A (UNTHSC)	15,535,000.00	5.00% - 5.75%	2000	2019	04/15/09
Rev Fin Sys Bonds, Ser '01 (UNT)	33,860,000.00	4.00% - 5.50%	2002	2024	04/15/12
Rev Fin Sys Bonds, Ser '02	63,470,000.00	2.00% - 5.00%	2003	2022	04/15/12
Rev Fin Sys Bonds, Ser '02A (UNT)	9,500,000.00	4.00% - 5.00%	2004	2022	04/15/12
Rev Fin Sys Bonds, Ser '03 (UNT)	31,180,000.00	3.00% - 5.00%	2005	2034	04/15/13
Revenue Financing Sys Bonds, Ser '03A	6,185,000.00	5.375% - 5.500%	2003	2017	04/15/13
Revenue Financing Sys Bonds, Ser '03B	4,980,000.00	2.50% - 6.20%	2003	2034	04/15/13
Total	<u>\$ 244,860,000.00</u>				

**Unaudited**

**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Schedule 2B - Combined Changes in Bonded Indebtedness**  
**For the Fiscal Year Ended August 31, 2004**

Description of Issue	Bonds Outstanding 09/01/03	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/04	Amounts Due Within One Year
UNT Cons Univ Rev Bonds, Ser '94	6,875,000.00	-	-	965,000.00	5,910,000.00	-
UNTHSC Gen Tuition Rev Bonds, Ser ' 94	1,460,000.00	-	-	945,000.00	515,000.00	-
UNT Cons Univ Rev Bonds, Ser '96	10,315,000.00	-	-	1,310,000.00	9,005,000.00	-
UNT Cons Univ Rev Ref Bonds, Ser '97	4,230,000.00	-	2,090,000.00	-	2,140,000.00	2,140,000.00
Rev Fin Sys Bonds, Ser '97 (UNT)	1,985,000.00	-	460,000.00	-	1,525,000.00	485,000.00
Rev Fin Sys Bonds, Ser '99	26,940,000.00	-	365,000.00	1,645,000.00	24,930,000.00	310,000.00
Rev Fin Ref & Imp Bonds, Ser '99A (UNTHSC)	13,850,000.00	-	445,000.00	-	13,405,000.00	385,000.00
Rev Fin Sys Bonds, Ser '01 (UNT)	33,860,000.00	-	700,000.00	-	33,160,000.00	425,000.00
Rev Fin Sys Bonds, Ser '02	60,525,000.00	-	1,575,000.00	1,350,000.00	57,600,000.00	1,615,000.00
Rev Fin Sys Bonds, Ser '02A (UNT)	9,500,000.00	-	140,000.00	-	9,360,000.00	350,000.00
Rev Fin Sys Bonds, Ser '03 (UNT)	31,180,000.00	-	-	-	31,180,000.00	570,000.00
Rev Fin Sys Bonds, Ser '03A	-	6,185,000.00	-	-	6,185,000.00	-
Rev Fin Sys Bonds, Ser '03B	-	4,980,000.00	-	-	4,980,000.00	30,000.00
<b>Total</b>	<u>\$ 200,720,000.00</u>	<u>\$ 11,165,000.00</u>	<u>\$ 5,775,000.00</u>	<u>\$ 6,215,000.00</u>	<u>\$ 199,895,000.00</u>	<u>\$ 6,310,000.00</u>

\*

**Footnotes:**

\* Bonds premiums, discounts and issuance costs were not individually greater than 10% 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

\$ 199,895,000.00

**Unaudited**

**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Combined Schedule 2C - Debt Service Requirements**  
**For the Fiscal Year Ended August 31, 2004**

<u>Description of Issue</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>
<b>Revenue Bonds</b>			
Gen Tuition Rev Bonds, Ser '94	2005	\$ -	\$ 29,612.50
	2006	515,000.00	29,612.50
	2007	-	-
	2008	-	-
	2009	-	-
	2010 - 2014	-	-
		<u>515,000.00</u>	<u>59,225.00</u>
Cons Univ Rev Bonds, Ser '94	2005	\$ -	\$ 266,610.00
	2006	525,000.00	266,610.00
	2007	555,000.00	241,935.00
	2008	585,000.00	215,295.00
	2009	615,000.00	186,630.00
	2010 - 2014	3,630,000.00	467,290.00
		<u>5,910,000.00</u>	<u>1,644,370.00</u>
Cons Univ Rev Bonds, Ser '96	2005	-	442,815.00
	2006	705,000.00	442,815.00
	2007	745,000.00	410,385.00
	2008	780,000.00	375,370.00
	2009	820,000.00	337,930.00
	2010 - 2014	4,825,000.00	1,031,750.00
2015 - 2018	1,130,000.00	56,500.00	
		<u>9,005,000.00</u>	<u>3,097,565.00</u>
Cons Univ Rev Ref Bonds, Ser '97	2005	2,140,000.00	103,790.00
		<u>2,140,000.00</u>	<u>103,790.00</u>
Revenue Financing Sys Bonds, Ser '97	2005	485,000.00	70,692.50
	2006	510,000.00	48,625.00
	2007	530,000.00	24,910.00
		<u>1,525,000.00</u>	<u>144,227.50</u>
Revenue Financing Sys Bonds, Ser '99	2005	310,000.00	1,309,076.28
	2006	1,240,000.00	1,294,351.28
	2007	1,300,000.00	1,235,451.28
	2008	1,365,000.00	1,170,451.28
	2009	1,435,000.00	1,102,201.28
	2010 - 2014	8,390,000.00	4,287,218.86
2015 - 2019	10,890,000.00	1,794,200.04	
		<u>24,930,000.00</u>	<u>12,192,950.30</u>
Rev Fin Sys Bonds, Ser '99A	2005	385,000.00	702,662.50
	2006	405,000.00	683,412.50
	2007	965,000.00	663,162.50
	2008	1,020,000.00	614,912.50
	2009	1,070,000.00	563,912.50
	2010 - 2014	6,260,000.00	1,944,106.28
2015 - 2019	3,300,000.00	579,700.00	
		<u>13,405,000.00</u>	<u>5,751,868.78</u>



Description of Issue	Year	Principal	Interest
<b>Revenue Bonds</b>			
Revenue Financing Sys Bonds, Ser '01	2005	425,000.00	1,705,525.00
	2006	575,000.00	1,688,525.00
	2007	740,000.00	1,665,525.00
	2008	920,000.00	1,635,925.00
	2009	1,030,000.00	1,589,925.00
	2010 - 2014	7,080,000.00	7,041,050.00
	2015 - 2019	9,760,000.00	4,825,100.00
	2020 - 2024	12,630,000.00	1,956,250.00
		<u>33,160,000.00</u>	<u>22,107,825.00</u>
Revenue Financing Sys Bonds, Ser '02	2005	1,615,000.00	2,540,156.26
	2006	2,375,000.00	2,479,593.76
	2007	2,445,000.00	2,408,343.76
	2008	2,525,000.00	2,334,993.76
	2009	2,605,000.00	2,249,775.02
	2010 - 2014	14,570,000.00	9,722,800.10
	2015 - 2019	18,225,000.00	6,056,625.10
	2020 - 2024	13,240,000.00	1,340,250.02
		<u>57,600,000.00</u>	<u>29,132,537.78</u>
Revenue Financing Sys Bonds, Ser '02A	2005	350,000.00	416,593.76
	2006	365,000.00	402,593.76
	2007	380,000.00	387,993.76
	2008	400,000.00	372,793.76
	2009	415,000.00	356,793.76
	2010 - 2014	2,375,000.00	1,518,350.04
	2015 - 2019	2,945,000.00	968,137.50
	2020 - 2024	2,130,000.00	216,500.00
		<u>9,360,000.00</u>	<u>4,639,756.34</u>
Revenue Financing Sys Bonds, Ser '03	2005	570,000.00	1,388,802.50
	2006	585,000.00	1,371,702.50
	2007	605,000.00	1,354,152.50
	2008	620,000.00	1,336,002.50
	2009	640,000.00	1,317,402.50
	2010 - 2014	3,535,000.00	6,250,122.50
	2015 - 2019	4,260,000.00	5,525,231.28
	2020 - 2024	5,255,000.00	4,535,050.00
	2025 - 2029	6,635,000.00	3,146,500.00
	2030 - 2034	8,475,000.00	1,312,500.00
		<u>31,180,000.00</u>	<u>27,537,466.28</u>
Revenue Financing Sys Bonds, Ser '03A	2005	-	337,912.50
	2006	-	337,912.50
	2007	-	337,912.50
	2008	-	337,912.50
	2009	-	337,912.50
	2010 - 2014	-	1,689,562.50
	2015 - 2019	6,185,000.00	702,012.50
		<u>6,185,000.00</u>	<u>4,081,137.50</u>
Revenue Financing Sys Bonds, Ser '03B	2005	30,000.00	295,367.50
	2006	35,000.00	294,617.50
	2007	35,000.00	293,567.50
	2008	35,000.00	292,342.50
	2009	35,000.00	290,942.50
	2010 - 2014	405,000.00	1,409,505.00
	2015 - 2019	670,000.00	1,272,356.26
	2020 - 2024	900,000.00	1,047,812.50
	2025 - 2029	1,205,000.00	736,907.50
	2030 - 2034	1,630,000.00	314,960.00
		<u>4,980,000.00</u>	<u>6,248,378.76</u>
Less Accretion:		-	-
Total:		<u>\$ 199,895,000.00</u>	<u>\$ 116,741,098.24 *</u>

\* In accordance with the State Comptroller's reporting requirements, the interest amounts on this schedule represent interest expense per the bond amortization schedules rather than interest on a full accrual basis.

**Unaudited**

**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Schedule 2D - Analysis of Funds Available for Debt Service**  
**For the Fiscal Year Ended August 31, 2004**

<u>Description of Issue</u>	<u>Pledged and Other Sources and Related Expenditures for FY 2004</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>
Cons Univ Rev Ref & Imp Bonds, Ser '85(B), Cons Univ Rev Bonds, Ser '94 & '96 & Cons Univ Rev Ref Bonds, Ser '97	\$ 72,189,912.66	\$ 27,400,985.93	\$ 4,365,000.00	\$ 954,976.87
Rev Fin Sys Bonds, Ser '97, '99, '99A, '01, '02, '02A, '03, '03A & '03B	46,556,082.47	262,800.69	4,675,000.00	8,809,248.94
UNTHSC Gen Tuition Rev Bonds Ser '94	29,612.50	-	-	29,612.50
<b>Total</b>	<u>\$ 118,775,607.63</u>	<u>\$ 27,663,786.62</u>	<u>\$ 9,040,000.00</u>	<u>\$ 9,793,838.31</u>

\* In accordance with State Comptroller reporting requirements, the interest amounts on this schedule represent interest expense per the bond amortization schedules rather than interest on a full accrual basis.

**Unaudited**

**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Schedule 2E - Combined Defeased Bonds Outstanding**  
**For the Fiscal Year Ended August 31, 2003**

<u>Description of Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
UNT Combined Fee Revenue Refunding Bonds, Series 1978	1985	\$ 2,275,000.00
UNT Consolidated Univ Revenue Refunding Bonds, Series 1987	1985	2,175,000.00
UNTHSC General Tuition Revenue Bonds, Series 1994	1999	5,455,000.00
		<hr/>
		<u>\$ 9,905,000.00</u>

**Unaudited**

**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Schedule 2F - Early Extinguishment and Refunding**  
**For the Fiscal Year Ended August 31, 2004**

Description of Issue	Category	Amount Extinguished or Refunded	For Refunding Only		
			Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
General Tuition Revenue Bonds					
Ser ' 94		945,000.00	945,000.00	581,241.35	(20,804.00)
Cons Univ Rev Ref & Imp Bonds,					
Ser ' 94	Advance Refunding	965,000.00	965,000.00	604,766.64	(20,389.00)
Ser '96	Advance Refunding	1,310,000.00	1,310,000.00	810,532.43	(48,453.00)
Ser '02	Advance Refunding	1,350,000.00	1,350,000.00	802,007.98	(48,960.00)
Rev Fin Sys Bonds					
Ser ' 99	Advance Refunding	1,645,000.00	1,645,000.00	1,013,509.18	(62,129.00)
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$ 6,215,000.00</b>	<b>\$ 3,812,057.58</b>	<b>\$ (200,735.00)</b>

**Unaudited**

**UNIVERSITY OF NORTH TEXAS SYSTEM (794)**  
**Schedule 3 - Combined Reconciliation of Cash in State Treasury**  
**August 31, 2004**

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
UNT Local Revenue Fund 0258	\$ 13,825,205.15	\$ -	\$ 13,825,205.15
UNTHSC Fund 0280	1,258,588.20	-	1,258,588.20
UNTHSC Fund 0819	-	1,189,761.26	1,189,761.26
<b>Total Cash in State Treasury (Stmt of Net Assets)</b>	<b><u><u>\$ 15,083,793.35</u></u></b>	<b><u><u>\$ 1,189,761.26</u></u></b>	<b><u><u>\$ 16,273,554.61</u></u></b>