

COMBINED FINANCIAL REPORT

of the

**UNIVERSITY OF NORTH TEXAS
SYSTEM**

DENTON, TEXAS

Lee Jackson, Chancellor

For the year ended August 31, 2005

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November 20, 2005

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, 2005, 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. Liz Linder may be contacted at (940) 565-3214 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Phillip C. Diebel
Vice Chancellor for Finance

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UNIVERSITY OF NORTH TEXAS SYSTEM

ORGANIZATIONAL DATA

August 31, 2005

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, 2005

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, 2005 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 currently comprised of three components funded by the Legislature: 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.

Legislative appropriations for the University of North Texas System Administration in the 2004-2005 biennium included funding for the University of North Texas System Center at Dallas. Governor Rick Perry signed into law the creation of the University of North Texas at Dallas in May of 2001. The UNT System Center at Dallas will become the University of North Texas at Dallas when full-time equivalent enrollment at UNT-Dallas reaches 1,000. Full-time equivalent enrollment at the UNT Dallas System Center was 555 in the 2005 fall semester.

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 2005 fall semester headcount enrollment at the University, the UNT System Center at Dallas, and the HSC continued to increase compared to the previous fall semester (increases of approximately 3% at the University, 21% at the System Center at Dallas, and 2.5% at the HSC). Despite the increasing enrollment, the System was able to meet the instructional and service needs of its students.
- Approximately \$10.6 million in cash contributions, non-cash capital donations, and pledged gifts were recognized as revenue in the System during the 2005 fiscal year.
- There were no bonds sold in FY 2005. A new bond issue, Series 2005, was recently sold in October 2005 of the new fiscal year. See the Capital Asset and Debt Administration section of the MD&A for details of this series and future projects.
- Additional commercial paper was sold during FY 2005. The outstanding balance at August 31, 2005 is \$28,858,000 with interest rates of 2.50%, 2.55% and 2.57%.

For additional information about the commercial paper program, see Note 4 in the Notes to the Combined Financial Statements.

Overview of the Financial Statements and Financial Analysis

The System's combined financial report includes three financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. This report has been prepared in accordance with the GASB Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis–for Public College and Universities, GASB Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus, GASB Statement No. 38, Certain Financial Statement Disclosures and GASB Statement No. 40, Deposit and Investment Risk Disclosures. These reporting standards were established to make financial statements presented by public colleges and

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universities more comparable to those issued by the private sector. GASB 35 reporting format was implemented with the fiscal year ended August 31, 2002. GASB 40 reporting was implemented with the fiscal year ended August 31, 2005.

These statements are prepared applying the following principles and standards:

- Reporting is on a full accrual basis of accounting. All current year's revenues and expenses are recognized when earned or incurred, regardless of when the cash is received or disbursed.
- Depreciation expense on capital assets is reported as an operating expense on the Statement of Revenues, Expenses, and Changes in Net Assets. The historical value of capital assets, and the accumulated depreciation are reported on the Statement of Net Assets.
- Revenues and expenses are categorized as operating or nonoperating. Revenues from state appropriations, gifts, and investment income are reported as nonoperating revenue in accordance with GASB Statement No. 35.

Statement of Net Assets

The Statement of Net Assets reports all financial and capital resources (assets, liabilities, and net assets) of the System as of the end of the fiscal year using the accrual basis of accounting. This is consistent with the accounting method used by private-sector institutions. The statement reports the difference between the assets and liabilities as net assets rather than fund balances or equity. This statement represents the System's financial health or position. Nonfinancial factors such as student enrollment trends and the condition of the campus buildings are also important considerations. Definitions of the various categories of assets, liabilities and net assets reported on the Statement of Net Assets are included in Note 1 of the accompanying Notes to the Combined Financial Statements.

The net assets section of the statement is reported by three major categories: 1) Invested in Capital Assets, Net of Debt; 2) Restricted Net Assets; and 3) Unrestricted Net Assets. The Invested in Capital Assets, Net of Debt section, represents the System's equity in property, plant, and equipment, net of accumulated depreciation, and reduced by outstanding balances for bonds and other debt that are attributed to the acquisition, construction or improvement of those assets. Restricted Net Assets are divided into four categories: 1) Restricted for Debt Retirement; 2) Restricted for Capital Projects; 3) Funds Held as Permanent Investments (endowment funds); and 4) Other Restricted.

Those funds held as permanent investments are further categorized by non-expendable and expendable. The non-expendable portion represents the corpus balance of the endowment funds that must continue in perpetuity. The Other Restricted category represents funds that have been restricted by bond covenants or an external donor/agency. Unrestricted net assets are available for any lawful purpose of the institution.

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Management's Discussion and Analysis
For the Year Ended August 31, 2005**

The following table reflects the condensed Statement of Nets Assets for the System as of August 31, 2005, with comparative numbers for the 2005 fiscal year:

Comparative Statement of Net Assets			
(\$ in millions)			
	<u>2005</u>	<u>2004</u>	%
			<u>Inc.(Dec.)</u>
Assets			
Current Assets	\$326.4	\$262.2	
Noncurrent Assets			
Capital Assets, Net	413.2	415.3	
Other Noncurrent Assets	91.9	<u>121.4</u>	
Total Assets	<u>\$831.5</u>	<u>\$798.9</u>	<u>4.1%</u>
Liabilities			
Current Liabilities	207.3	165.1	
Noncurrent Liabilities			
Bonded Indebtedness	185.8	193.6	
Other Noncurrent Liabilities	10.5	<u>9.8</u>	
Total Liabilities	<u>403.6</u>	<u>368.5</u>	<u>9.5%</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	<u>191.1</u>	<u>212.2</u>	
Restricted			
Debt Retirement	1.9	2.4	
Capital Projects	3.7	0.0	
Funds Held as Permanent Investments			
Non-Expendable	12.6	8.1	
Expendable	2.5	2.5	
Other Restricted	<u>25.2</u>	<u>41.5</u>	
Total Restricted	<u>46.0</u>	<u>54.5</u>	
Unrestricted	<u>190.8</u>	<u>163.7</u>	
Total Net Assets	<u>427.9</u>	<u>430.4</u>	<u>(0.6%)</u>
Total Liabilities and Net Assets	<u>\$831.5</u>	<u>\$798.9</u>	<u>4.1%</u>

- Increase in total assets: \$32.6 million
 - \$12.0 million attributable to an increase in investments
 - \$3.2 million increase in prepaid expenses
 - 10.8 million increase in due from state treasury and \$6.1 million increase in cash in state treasury due to timing issues; payroll reimbursement for August payroll was not received until after year-end
 - \$2.1 million decrease in capital assets due to change mandated by State Comptroller that required the depreciation of library assets, other than works of art and historical treasures; total restatement for accumulated depreciation on professional, academic and research library books and materials was \$34.8 million

- Increase in total liabilities: \$35.1 million
 - Significant increase in notes and loans payable due to the issue of an additional \$24.8 million in commercial paper
 - \$24.6 million increase in deferred revenue
 - \$10 million increase related to tuition and fees

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- A small portion due to an increase in fall student enrollment and increases in both state mandated and board designated tuition rates
- EIS system error in 2004 resulted in the recording of four days of transactions directly into the FY 2005 as revenue instead of as deferred revenue in FY 2004; timely entry would have decreased the variance in deferred revenue between fiscal years.
- \$9 million increase due to an accounting change related to the implementation of the EIS grant module that resulted in more accurate reporting of deferred revenue for research grants
- Additional increases due to increases in housing fees, rentals for sorority housing and more accurate reporting allowed by the EIS system for payments made via credit card and web payment systems
- Decrease in accounts payable due to improvements in operating efficiencies during second year of EIS implementation
- Decrease in revenue bonds payable due to payment on principal during year and no new bonds being issued during year
- Decrease of \$2.5 million in total net assets
 - \$21.1 million decrease in invested in capital assets, net of related debt, due to mandated depreciation of library assets as discussed above
 - \$32.7 million increase in capital assets (excluding depreciation restatement)
 - \$6.3 million increase from reduction in debt due to principal payment on bonds
 - \$24.8 million decrease due to increased commercial paper debt
 - \$34.8 million decrease due to depreciation restatement
 - \$3.7 million increase in restricted for capital projects consists of fund balances of capital projects financed by commercial paper and other sources
 - \$4.5 million increase in non-expendable permanent investments due to increased additions to endowments and modifications to EIS reporting
 - \$27.1 million increase in unrestricted net assets
 - \$16.3 million increase due to report reclassification of quasi-endowments from restricted to unrestricted
 - Increase in investments classified as unrestricted

Unrestricted net assets represent funds that have not been designated for specific purposes by external parties; however, the System's administration has committed most of these funds to meet institutional initiatives and for future operating budgets related to academic programs, special activities, and capital projects. In addition, the Permanent Health Fund endowment of \$22 million at the HSC established in 1999 from tobacco-related litigation funds received from the State is also included in unrestricted net assets at August 31, 2005, since the State is not considered an external source for financial reporting purposes. The statute governing these funds does restrict the corpus and requires that it remain in perpetuity. The earnings from this endowment are required to be utilized for public health activities.

Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets reports the System's operations for the fiscal year. Revenues are reported by major source and expenses are reported on the face of the statement by the National Association of College and University Business Officers' functional (programmatic) categories. A matrix immediately follows the statement showing the expenses by natural classifications. Both revenues and expenses on the statement are reported as either operating or nonoperating. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the primary mission of the System. Nonoperating activities are those activities not related to the provision of goods or services to customers. Examples of nonoperating items include the revenue appropriated to the System by the State Legislature and revenue and expenses related to capital financing and investing activities.

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The following table reflects the combined System's condensed Statement of Revenues, Expenses and Changes in Net Assets for the fiscal year ended August 31, 2005.

Comparative Statement of Revenues, Expenses and Changes in Net Assets (\$ in millions)			
	<u>2005</u>	<u>2004</u>	<u>% Inc.(Dec.)</u>
Operating Revenues	\$307.5	\$288.0	6.8%
Operating Expenses	<u>473.1</u>	<u>439.4</u>	<u>7.6%</u>
Operating Income (Loss)	<u>(165.6)</u>	<u>(151.4)</u>	9.4%
Nonoperating Revenues (Expenses)	<u>175.5</u>	<u>176.6</u>	(0.6%)
Income (Loss) Before Other Revenues, Expenses, Gains, Losses and Transfers	9.9	25.2	(60.7%)
Other Revenues, Expenses, Gains, Losses And Transfers	<u>27.6</u>	<u>20.7</u>	33.3%
Change in Net Assets	<u>37.5</u>	<u>45.8</u>	(18.1%)
Net Assets, Beginning of Year	430.4	384.6	
Restatements	<u>(40.0)</u>	<u>0</u>	
Restated Net Assets, Beginning of Year	<u>390.4</u>	<u>384.6</u>	<u>2.9%</u>
Net Assets, End of Year	<u>427.9</u>	<u>\$430.4</u>	<u>(0.6%)</u>

The System's significant operating loss reported for the current and prior fiscal years on this statement is reflective of the GASB Statement No. 35 reporting requirements, which stipulate that revenue from legislative appropriations is to be reported as nonoperating revenue, but the expenditure of these funds must be reported as operating expenses.

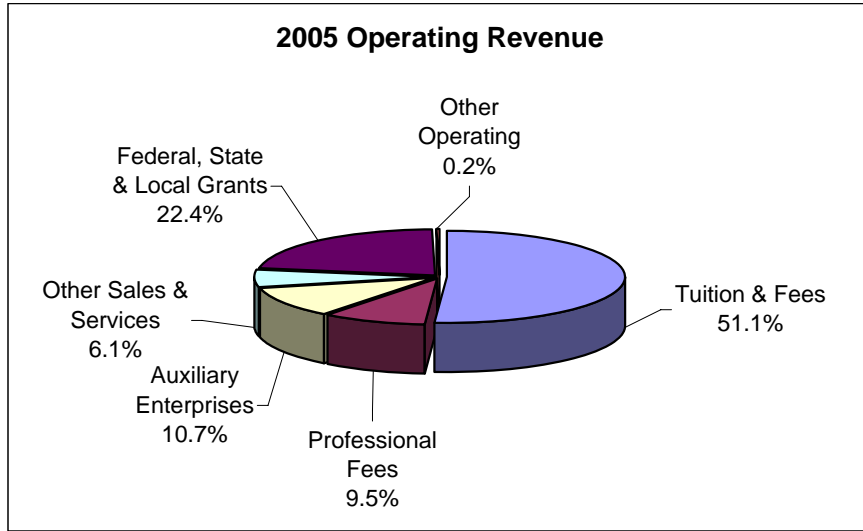
Included in nonoperating revenue above are legislative appropriations for the current fiscal year totaling \$136.0 million and additional appropriated revenue for state-paid fringe benefits of \$30.0 million. Also, the System's Higher Education Fund (HEF) annual revenue totaling \$21.7 million that is constitutionally-appropriated by the State for capital asset acquisitions and major improvements is reported as Other Revenue rather than operating revenue or nonoperating revenue, but the HEF expenditures are reported as operating expenses. Gift revenue was approximately the same in total; however gifts for Endowed accounts of \$6.2 million were reported as Additions to Endowments in the Other Revenue section in FY 2005 instead of in the Non-Operating Revenue section as before.

As the operating revenue pie chart below shows, 51.1 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 \$157.2 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.

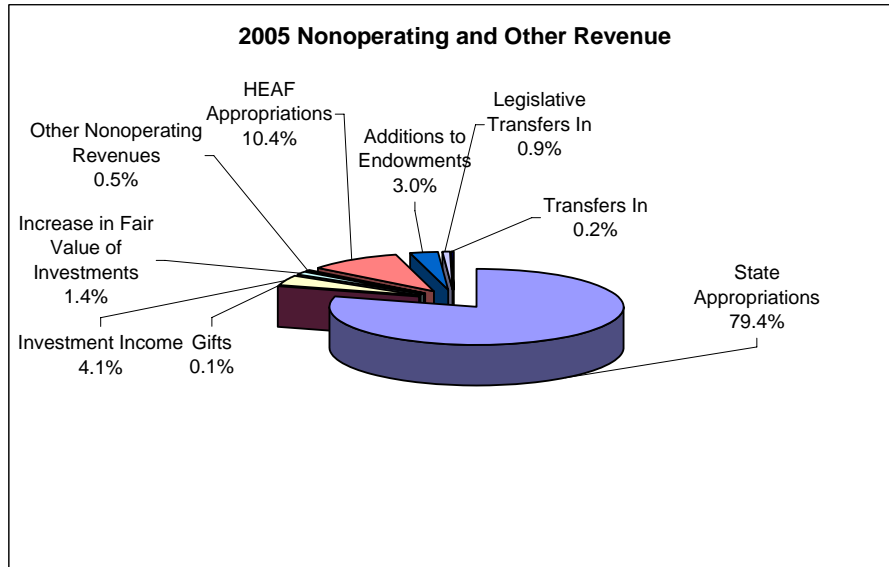
The System's operating revenue from all federal, state, and private grants and contracts, including pass through grant revenue, increased approximately 3.2 percent during this fiscal year. Faculty members of the University, in particular, have been strongly encouraged to pursue research funding in an 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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State appropriations, which represent the largest percentage of other nonoperating revenues remained fairly static over the 2004-2005 biennium. Other nonoperating revenues such as gift income were also virtually unchanged from the prior fiscal year.

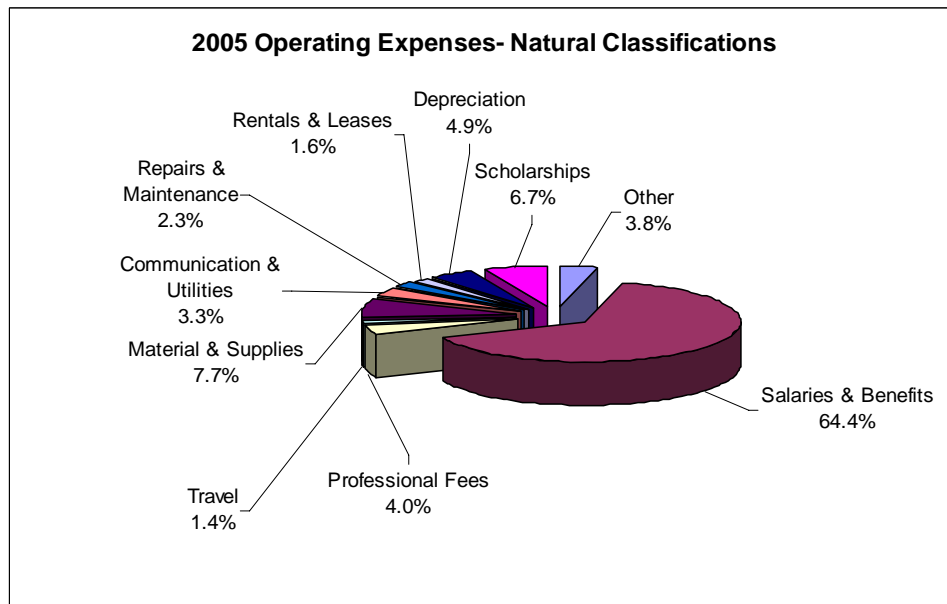
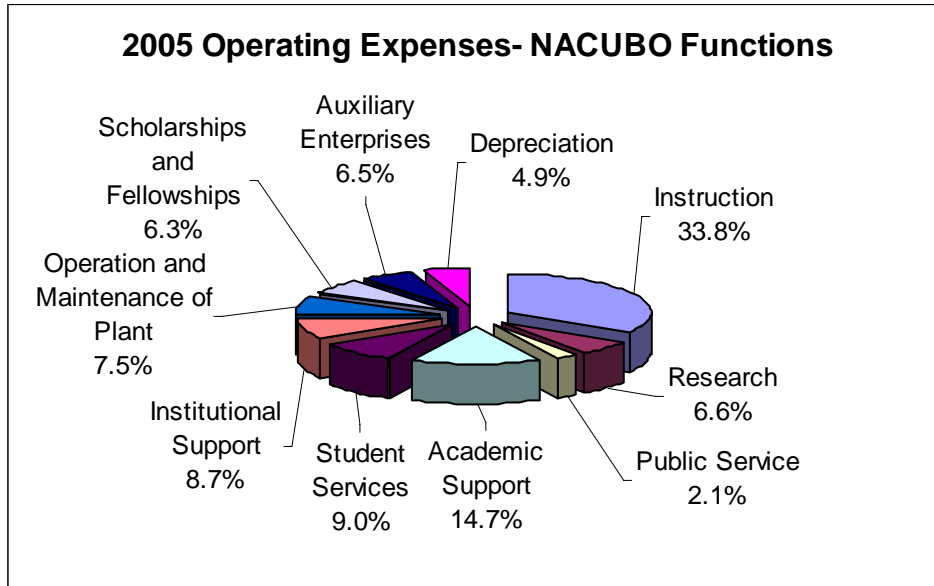


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The System's operating expenses reflect a 6.9% increase during the fiscal year primarily as a result of state-mandated salary and longevity increases, higher medical insurance premium costs, and larger student enrollments. Additionally, with the increase in capital assets, there was a corresponding increase in depreciation expense.

The first table below shows the percentage of each NACUBO functional (programmatic) operating expense classification of total operating expenses. The second table shows the percentages of each type of operating expense based on a natural classification.



Statement of Cash Flows

The Statement of Cash Flows reports the major sources and uses of the System's cash and cash equivalents during the fiscal year. Cash equivalents are short-term highly liquid investments with an original maturity of three months

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Management's Discussion and Analysis
For the Year Ended August 31, 2005**

or less. When used with the information provided on the two statements previously discussed, the information from the cash flow statement should assist the financial statement user in evaluating the System's ability to generate future cash flows, its ability to meet obligations as they come due, its needs for external financing, and the reasons for the differences between the operating income/(loss) and associated cash receipts and payments.

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, gift receipts designated for capital-related items, all payments for capital-related acquisitions, and receipts and payments associated with capital-related debt financing. The fourth section reports cash flows from investing activities and shows the purchases, proceeds, and interest received from investing. The fifth section is a reconciliation of the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Assets. The table below is a condensed Combined System Statement of Cash Flows.

Comparative Statement of Cash Flows			
(\$ in millions)			
	<u>2005</u>	<u>2004</u>	%
			<u>Inc.(Dec.)</u>
Cash Provided (Used) by:			
Operating Activities	(126.2)	\$(90.6)	
Noncapital Financing Activities	178.0	134.6	
Capital and Related Financing Activities	(26.5)	(71.5)	
Investing Activities	<u>(7.2)</u>	<u>(4.0)</u>	
Net Change in Cash & Cash Equivalents	18.1	(31.5)	157.5%
Cash & Cash Equivalents, Begin. of Year	148.0	176.5	
Restatement to Beginning Cash & Cash Equivalents Balance	<u>0</u>	<u>3.0</u>	
Cash & Cash Equivalents, End of Year	<u>166.1</u>	<u>\$ 148.0</u>	<u>12.2%</u>

It is important to note that state appropriations provide a significant portion of the cash used to fund operating activities related to academic programs, the administration of the System, and the debt service on tuition revenue bonds. The appropriations, however, are reported in the noncapital financing activities section of the Statement of Cash Flows in accordance with GASB Statement No. 35 guidelines.

An increase in the use of cash for operating activities was primarily due to a decrease in accounts payable that effected an increase in payments during the year, due to operating efficiencies achieved in the second year of EIS implementation. Payments for loans provided also increased the use of operating cash. The increase in prepaid expenses also represents an increased use of cash in fiscal year 2005.

The largest portion of the increase in cash from noncapital financing activities is attributable to decreased payments from agency funds. An accounting change in FY04 allowed by the new EIS system inflated cash payments for noncapital financing activities by allowing loans and grants to be applied to student accounts in FY04 rather than being reported as agency funds at year end. The variance due to this accounting change should apply only to the FY04/FY05 comparative statement, with variances being negligible in future years.

A decrease in cash used by capital and related financing activities is attributable to an increase in proceeds from commercial paper issues and a decrease in payments made for capital assets in FY05.

The increase in cash provided by investing activities was a result of the timing of investment maturities and cash management during the fiscal year. Cash held in cash equivalent pools during the year increased, resulting in a decrease in cash used for investment purchases.

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Capital Asset and Debt Administration

The System's net capital asset additions from acquisitions, donations, and construction during the fiscal year totaled \$56.2 million. Included in the total additions are: land purchased by the Health Science Center for \$16.5 million; the completion of the UNT Chemistry Building (construction, furnishings and equipment) totaling \$25.3 million; UNT Victory Hall completion and occupancy; UNT's purchase of the Liberty Christian property; completion of the UNT Athletic Center; and architectural and engineering costs for the UNT-Dallas Campus.

As discussed in the Financial Highlights section, no new bonds were sold during the 2005 fiscal year. In October 2005 of the new 2006 fiscal year, the Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Series 2005, totaling \$76,795,000, were sold. The proceeds will be used for the following purposes: to advance refund a portion (\$37.7 million par value) of the outstanding University and HSC bonds in order to reduce debt service requirements; to refund a portion of the System's outstanding commercial paper notes which were issued to provide interim financing for various System improvement projects; to purchase, construct, improve, renovate, and equip property, buildings, and infrastructure for the University, including \$14.6 million for the construction of a \$17.1 million student wellness and career center; and \$23.3 million to construct and equip a building for the UNT-Dallas campus including a library, classrooms, offices, and related parking. A portion of the \$17.1 million construction cost for the student wellness center will be funded by a combination of student services fees, student services fees reserves, and gifts.

The Legislature authorized the System to issue \$25.5 million in tuition revenue bonds, and appropriated the first two years of debt service in the 2004-2005 biennium. This authorization was for the purpose of developing the campus and facilities at the new University of North Texas at Dallas campus located in the southern part of Dallas County. It will be built on 250 acres that were jointly donated to the System by the City of Dallas and private developers. Of the original authorization, \$23.3 million was issued as a portion of the Series 2005 bonds sold in October 2005 discussed above. A portion of the remaining authorization was used to repay \$1.9 million in commercial paper notes for costs related to the construction of the UNT-Dallas facility.

The following debt-financed new construction projects were completed and the facilities opened for use at the beginning of fiscal year 2005: five University-owned sorority houses for student housing, a chemistry building (Phase I) at the University, Victory Hall (a 600-bed University residence hall and dining facility), and the HSC Biotechnology Center and Public Health Building.

Phase II of the renovation of the Research Park facility funded by the Series 2002 bonds was completed in the current fiscal year. The Research Park facility was purchased from Texas Instruments in the 2002 fiscal year for approximately \$9 million for the purpose of establishing a research facility to house the new College of Engineering as well as research activities and computing functions.

Of the \$28.8 million of commercial paper issued in fiscal year 2005, \$16.55 million was used to purchase the Osteopathic Medical Center of Texas hospital and additional property adjacent to the HSC in Fort Worth. Approval has been given to issue Higher Education Fund (HEF) bonds in fiscal year 2006 to repay the commercial paper and to cover additional costs related to the purchase and razing of the hospital thereby providing space for future expansion at the HSC. HEF bonds will not be issued if Tuition Revenue Bonds are approved by the Texas legislature for this purpose.

The University plans to construct two additional dormitories, expected to open in September 2007, to provide a total of approximately 550 new beds. The dorms will be financed by issuing revenue bonds possibly in the latter part of fiscal year 2006.

There were no changes in bond credit ratings during fiscal year 2005 or debt limitations that may affect future financing for the System. More detailed information regarding the System's bonded indebtedness is provided in Note 13 of the accompanying Notes to the Combined Financial Statements.

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Economic Outlook

The State Legislature of Texas passed several statutes in the 2003 session that had a material impact on institutions of higher education in the 2004 fiscal year. Of particular significance was the reduction in the level of formula funding the State would provide. To offset the reduction, the Legislature removed the cap from Board Designated (BD) tuition that is set by the System's Board of Regents. The cap was previously set at the state-mandated tuition rate per semester credit hour. Although the BD tuition cap was eliminated, the statute provides that 20% of any increase in BD tuition must be set aside and used for financial aid to students. In response to the new legislation, the System's Board approved incremental increases in BD tuition at the University. BD Tuition increased from \$46/SCH in Fall 2003 to \$75/SCH in Fall 2004, and an additional increase to \$81/SCH was approved for the Fall 2005 semester.

Funding for research/sponsored grants and contracts continues to be a priority for the University. It is anticipated that the University's new College of Engineering that opened in the 2003 fall semester will enhance this funding as already evidenced by significant federal funding for 2004 and 2005. The 2004 Defense Appropriations bill included a \$3.1 million appropriation for the new, state-of-the-art Center for Advanced Research and Technology (known as CART). Additional funding of \$4.8 million for CART was included in the 2005 Defense Appropriations bill. The \$4.8 will be used to fund a new laboratory for Micro and Nano Electro Mechanical Systems. The lab's first focus will be on sensor devices that will play important roles in homeland security.

Due to the hurricanes in the summer of 2005 and competition from foreign markets, the cost of electricity and natural gas has risen significantly more than the budgeted amounts for fiscal year 2006. The funds to cover the shortfalls will come from institutional reserves. It is estimated that the University will need an additional \$1.2 million for electricity and approximately \$0.7 million for natural gas.

The System is not currently aware of any facts or conditions that are expected to have a significant impact on the financial position or results of operations during the 2006 fiscal year. Improving market conditions have resulted in an increase in the fair value of the System's endowment funds in the 2005 fiscal year. Future positive results in operations are largely dependent upon the System's effective management of operating costs while striving to continue to maintain its high quality in recruiting the best faculty, staff and students, and the continued financial and political support from the State.

The System is committed to increasing its resources from endowed gifts and other contributions through ambitious development efforts. These contributions are an important supplement to the funding received from the state and a significant factor in the growth of academic and research programs.

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Statement of Net Assets

August 31, 2005

	Current Year 2005	Prior Year 2004
ASSETS		
Current Assets		
Cash and Cash Equivalents		
Cash on Hand	\$ 98,875.41	\$ 108,284.75
Cash in Bank	106,569.40	(1,173,997.35)
Reimbursements Due from Treasury	12,220,011.75	1,384,826.38
Cash in State Treasury	22,452,944.90	16,273,554.61
Cash Equivalents	124,396,796.41	105,181,067.10
Short Term Investments	44,298,998.96	2,747,922.98
Restricted:	-	-
Cash and Cash Equivalents	-	-
Cash on Hand	1,274.74	14,315.00
Cash in Bank	(3,083,278.48)	8,595,339.18
Cash in State Treasury	-	-
Cash Equivalents	9,907,511.12	17,637,990.68
Short-term Investments	2,189,012.59	593,329.15
Legislative Appropriations	35,257,773.04	36,660,570.12
Receivables from:	-	-
Federal	11,650,001.98	9,079,548.71
Other Intergovernmental	249,300.86	907,882.86
Interest and Dividends	1,023,156.87	713,718.77
Accounts Receivable	32,269,745.12	33,249,857.75
Gifts Receivable	1,127,493.59	1,381,512.34
Other Receivables	-	1,034,528.79
Due From Other Agencies	2,756,885.47	2,481,624.00
Due From Other Components	-	-
Consumable Inventories	2,086,919.42	2,258,950.22
Merchandise Inventories	1,122,238.97	1,004,988.72
Loans and Contracts	6,949,783.23	5,955,070.84
Other Current Assets	19,273,466.50	16,110,404.04
Total Current Assets	326,355,481.85	262,201,289.64
Non-Current Assets:		
Restricted:	-	-
Cash and Cash Equivalents	-	-
Cash on Hand	-	-
Cash in Bank	-	-
Cash in State Treasury	-	-
Cash Equivalents	-	-
Investments	47,657,319.63	52,546,175.70
Loans and Contracts	4,576,123.04	3,754,036.20
Investments	37,660,173.66	63,320,933.56
Gifts Receivable	1,679,251.32	1,467,509.83

	Current Year	Prior Year
	2005	2004
Capital Assets:	-	-
Non-Depreciable	-	-
Land and Land Improvements	59,346,451.43	40,503,231.98
Construction in Progress	32,303,906.53	35,166,526.42
Library Books	22,161,704.10	-
Other Capital Assets	965,512.39	80,990,351.69
Depreciable	-	-
Buildings and Building Improvements	460,073,542.25	438,962,468.81
Less Accumulated Depreciation	(230,474,268.87)	(220,145,018.17)
Infrastructure	7,789,073.21	7,789,073.21
Less Accumulated Depreciation	(7,080,988.95)	(6,718,973.43)
Facilities and Other Improvement	11,303,544.37	10,297,289.37
Less Accumulated Depreciation	(7,398,894.97)	(7,108,570.75)
Furniture and Equipment	96,544,275.46	89,454,197.08
Less Accumulated Depreciation	(61,854,423.46)	(57,039,967.88)
Vehicles, Boats and Aircraft	6,559,713.75	6,289,997.50
Less Accumulated Depreciation	(3,557,286.87)	(3,169,880.74)
Other Capital Assets	63,908,453.32	29,079.38
Less Accumulated Depreciation	(37,402,943.40)	(8,532.82)
Other Non-Current Assets	331,366.86	338,279.96
Total Non-Current Assets	<u>505,091,604.80</u>	<u>536,718,206.90</u>
Total Assets	<u><u>831,447,086.65</u></u>	<u><u>798,919,496.54</u></u>
LIABILITIES		-
Current Liabilities	-	-
Payables from:	-	-
Accounts Payable	13,692,427.55	20,386,809.94
Payroll Payable	34,462,757.26	31,119,056.54
Other Payable	1,416,504.21	1,786,765.58
Due to Other Funds	-	-
Due to Other Agencies	1,354,898.29	1,087,555.67
Due to Other Components	-	-
Deferred Revenues	106,738,970.16	82,180,418.53
Notes and Loans Payable	28,858,000.00	4,000,000.00
Revenue Bonds Payable	7,835,000.00	6,310,000.00
Employees' Compensable Leave	1,099,599.75	978,267.82
Capital Lease Obligations	13,242.11	52,276.91
Liabilities Paid from Restricted Assets	-	-
Funds Held for Others	9,135,235.04	13,739,043.63
Other Current Liabilities	2,660,264.36	3,415,101.59
Total Current Liabilities	<u>207,266,898.73</u>	<u>165,055,296.21</u>
Non-Current Liabilities	-	-
Notes and Loans Payable	-	-
Revenue Bonds Payable	185,750,000.00	193,585,000.00
Employees' Compensable Leave	11,281,356.59	9,839,658.96
Capital Lease Obligations	-	13,242.11

	Current Year	Prior Year
	2005	2004
Liabilities Paid from Restricted Assets	-	-
Funds Held for Others	(836,366.82)	-
Other Non-Current Liabilities	92,618.48	(5,795.00)
Total Non-Current Liabilities	<u>196,287,608.25</u>	<u>203,432,106.07</u>
Total Liabilities	<u>403,554,506.98</u>	<u>368,487,402.28</u>
NET ASSETS	-	-
Invested in Capital Assets, Net of Related Debt	191,123,939.64	212,230,617.46
Restricted for:	-	-
Debt Retirement	1,901,794.84	2,365,294.65
Capital Projects	3,740,724.69	(12,858.58)
Employee Benefits	-	-
Funds Held as Permanent Investments	-	-
Non-Expendable	12,629,641.31	8,149,865.96
Expendable	2,497,484.05	2,472,669.51
Other Restricted	25,185,502.11	41,486,637.57
Unrestricted	<u>190,813,493.03</u>	<u>163,739,867.69</u>
Total Net Assets	<u>427,892,579.67</u>	<u>430,432,094.26</u>
Total Liabilities and Net Assets	<u>\$ 831,447,086.65</u>	<u>\$ 798,919,496.54</u>

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 5,273,135	\$ 2,680,714
Investments	38,896,801	37,140,258
Contributions and other receivables	3,609,845	3,308,695
Prepaid expenses	1,352	7,030
Real property	272,498	272,498
Inventory	12,350	12,350
Cash value - life insurance policies	303,840	277,385
Assets held under trust agreements	<u>4,299,139</u>	<u>4,297,051</u>
Total Assets	<u>\$52,668,960</u>	<u>\$47,995,981</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 47,684	\$ 131,469
Agency funds	16,868	168,323
Annuity obligations	1,686,732	1,681,487
Refundable advances	<u>1,889,132</u>	<u>1,819,829</u>
Total Liabilities	<u>3,640,416</u>	<u>3,801,108</u>
Net Assets:		
Unrestricted:		
Board designated for reserves	402,250	392,291
Fair value of endowments below historical cost	(117,019)	(507,290)
Undesignated	<u>278,079</u>	<u>359,866</u>
Total Unrestricted	563,310	244,867
Temporarily restricted	13,763,293	11,153,080
Permanently restricted	<u>34,701,941</u>	<u>32,796,926</u>
Total Net Assets	<u>49,028,544</u>	<u>44,194,873</u>
Total Liabilities and Net Assets	<u>\$52,668,960</u>	<u>\$47,995,981</u>

See accompanying notes to financial statements.

Unaudited

UNIVERSITY OF NORTH TEXAS SYSTEM (794)

Statement of Revenues, Expenses and

Changes in Net Assets

For the Fiscal Year Ended August 31, 2005

	Current Year 2005	Prior Year 2004
OPERATING REVENUES		
Sales of Goods and Services:		
Tuition and Fees - Non-Pledged	\$ 67,243,867.48	\$ 61,582,171.85
Tuition and Fees - Pledged	109,254,989.39	89,139,858.93
Discounts and Allowances	(19,330,131.87)	(18,180,636.01)
Professional Fees - Non-Pledged	29,897,496.65	34,098,933.91
Professional Fees - Pledged	-	-
Discounts and Allowances	(761,231.46)	(850,415.39)
Auxiliary Enterprises - Non-Pledged	1,393,915.32	1,788,410.60
Auxiliary Enterprises - Pledged	31,598,371.37	28,927,451.71
Discounts and Allowances	(102,147.29)	-
Other Sales of Goods and Services - Non-Pledged	18,684,797.08	20,832,341.38
Other Sales of Goods and Services - Pledged	-	-
Discounts and Allowances	-	-
Federal Revenue - Operating	53,918,069.78	44,272,482.74
Federal Pass Through Revenue	1,475,201.69	1,666,278.33
State Grant Revenue	947,181.91	2,032,967.75
State Grant Pass Through Revenue	8,136,406.83	6,811,233.99
Other Grants and Contracts - Operating	4,520,440.42	12,046,062.62
Other Operating Revenues	598,553.24	3,823,479.14
Total Operating Revenues	307,475,780.54	287,990,621.55
OPERATING EXPENSES (1)		
Instruction	159,826,792.98	160,283,350.88
Research	31,019,939.38	30,323,910.08
Public Service	10,109,674.23	8,404,960.67
Academic Support	69,356,951.36	67,665,648.23
Student Services	42,438,298.72	38,180,532.04
Institutional Support	41,366,948.35	39,990,924.83
Operations and Maintenance of Plant	35,352,376.41	30,253,023.26
Scholarships and Fellowships	29,960,935.02	19,349,527.13
Auxiliary Enterprises	30,665,125.30	28,592,084.32
Depreciation	23,003,149.59	16,349,980.19
Total Operating Expenses	473,100,191.34	439,393,941.63
Operating Income (Loss)	(165,624,410.80)	(151,403,320.08)
NONOPERATING REVENUES (EXPENSES)		
Legislative Appropriations (GR)	135,993,433.00	139,255,439.00
Additional Appropriations (GR)	30,002,884.16	28,950,222.26
State Grant Pass Through Revenue	-	-
Gifts	7,677,257.56	11,908,186.67
Investment Income	8,535,193.04	7,278,162.49
Loan Premium/Fees on Securities Lending	-	-

	Current Year 2005	Prior Year 2004
Investing Activities Expense	-	-
Interest Expense and Fiscal Charges	(9,624,817.01)	(9,791,511.20)
Borrower Rebates and Agent Fees	-	-
Gain (Loss) on Sale/Disposal of Capital Assets	(354,802.74)	59,354.97
Net Increase (Decrease) in Fair Value of Investments	2,972,223.36	1,010,273.43
Settlement of Claims	(719,547.32)	(992,949.80)
Other Nonoperating Revenues - Non-Pledged	1,042,383.39	(1,118,806.61)
Other Nonoperating Revenues - Pledged	11,593.04	42,002.00
Other Nonoperating (Expenses)	(8,713.13)	(42,450.19)
Total Nonoperating Revenues (Expenses)	175,527,087.35	176,557,923.02
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	<u>9,902,676.55</u>	<u>25,154,602.94</u>
OTHER REVENUES, EXPENSES, GAINS, LOSSES AND TRANSFERS		
Capital Contributions	133,468.14	591,543.62
Capital Appropriations - HEAF (GR)	21,661,033.00	21,661,033.00
Additions to Permanent and Term Endowments	6,248,844.65	57,150.00
Special Items	-	-
Extraordinary Items	-	-
Interagency Transfers Cap Assets - In	-	-
Interagency Transfers Cap Assets - Out	(220,000.00)	(18,279.16)
Transfers-In	438,343.00	-
Transfers-Out	(2,474,325.15)	(1,526,860.00)
Legislative Transfers-In	1,975,326.00	-
Legislative Transfers-Out	-	-
Lapsed Appropriations	(201,637.15)	(74,720.02)
Plant Additions	-	-
Capital Outlays	-	-
Change in Bonds Payable	-	-
Inter-Fund Allocations	-	-
Total Other Revenue, Expenses, Gains/Losses and Transfers	<u>27,561,052.49</u>	<u>20,689,867.44</u>
CHANGE IN NET ASSETS	<u>37,463,729.04</u>	<u>45,844,470.38</u>
Net Assets, Beginning	430,432,094.26	384,600,203.50
Restatements	(40,003,243.63)	(12,579.62)
Net Assets, Beginning, as Restated	<u>390,428,850.63</u>	<u>384,587,623.88</u>
NET ASSETS, ENDING	<u>\$ 427,892,579.67</u>	<u>\$ 430,432,094.26</u>

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Note 1: Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2005

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	\$ 7.49	\$ 2,617.70	\$ -	\$ (167,161.13)	\$ (1,505.29)
Salaries and Wages	117,249,283.18	16,886,782.32	5,931,867.84	42,912,826.07	21,062,801.86
Payroll Related Costs	25,379,764.30	3,191,159.75	1,147,440.16	8,940,407.60	3,404,965.58
Professional Fees and Services	1,163,551.46	3,391,881.58	800,548.94	4,816,366.18	732,689.87
Federal Pass-Through Expense	46,958.72	112,021.68	51,989.86	-	-
State Grant Pass-Through Expense	184.95	-	-	-	-
Travel	1,151,780.98	794,366.32	254,054.08	1,620,492.96	1,915,830.73
Material and Supplies	7,600,255.79	4,098,268.53	966,851.82	4,536,807.65	6,759,859.42
Communication and Utilities	869,423.28	64,022.30	45,482.56	607,848.36	997,390.21
Repairs and Maintenance	(757,045.23)	261,327.86	42,096.00	1,412,588.68	418,411.93
Rentals and Leases	2,412,043.51	133,053.94	219,919.30	1,262,302.86	2,125,417.57
Printing and Reproduction	869,877.23	15,878.31	114,140.78	381,216.43	480,625.63
Depreciation	-	-	-	-	-
Bad Debt Expense	13,651.24	-	-	49,728.65	29,903.00
Interest	-	-	-	-	-
Scholarships	1,089,513.70	652,812.48	66,656.43	86,000.00	38,269.50
Claims and Losses	-	-	-	-	-
Other Operating Expenses	2,737,542.38	1,415,746.61	468,626.46	2,897,527.05	4,473,638.71
Total Operating Expenses	\$ 159,826,792.98	\$ 31,019,939.38	\$ 10,109,674.23	\$ 69,356,951.36	\$ 42,438,298.72

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation	Total Expenditures
\$ 818,060.85	\$ 445,304.96	\$ -	\$ 33,569.30	\$ -	\$ 1,130,893.88
21,193,992.55	9,876,462.05	261,388.76	13,304,863.12	-	248,680,267.75
7,928,624.99	2,306,991.09	44,404.88	3,586,883.32	-	55,930,641.67
2,072,597.56	2,440,319.16	24,683.00	244,233.62	-	15,686,871.37
-	-	-	-	-	210,970.26
-	-	-	-	-	184.95
574,439.04	43,594.28	7,963.32	74,859.69	-	6,437,381.40
3,943,206.86	2,627,363.25	5,710.27	5,795,608.76	-	36,333,932.35
(267,919.94)	9,157,817.52	-	4,297,000.58	-	15,771,064.87
2,026,394.45	5,965,801.14	107.74	1,585,887.05	-	10,955,569.62
943,787.48	154,783.99	1,061.20	441,362.41	-	7,693,732.26
766,087.96	7,025.05	4,234.58	377,909.23	-	3,016,995.20
-	-	-	-	23,003,149.59	23,003,149.59
590,318.40	-	-	180,369.77	-	863,971.06
2,867.80	-	-	-	-	2,867.80
-	-	29,580,189.96	-	-	31,513,442.07
-	-	-	-	-	-
774,490.35	2,326,913.92	31,191.31	742,578.45	-	15,868,255.24
\$ 41,366,948.35	\$ 35,352,376.41	\$ 29,960,935.02	\$ 30,665,125.30	\$ 23,003,149.59	\$ 473,100,191.34

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Revenues, Gains, and Other Support		
Contributions	\$ -	\$ 2,198,005
Life insurance premiums	-	-
Investment income	1,663	398,536
Internal management fee	509,888	-
Other income	87	162,396
Realized and unrealized gain (loss) on market value of investments	-	3,803,784
Actuarial gain (loss) on annuity obligations	-	-
Increase in cash value - life insurance	-	-
	<u>511,638</u>	<u>6,562,721</u>
Total Revenues, Gains, And Other Support		
Net Assets Released from Restrictions	3,506,105	(3,470,439)
Transfers/Changes in Donor Restrictions	<u>236,834</u>	<u>(482,069)</u>
Total Net Assets Released From Restrictions	<u>3,742,939</u>	<u>(3,952,508)</u>
Program Expenses		
Internal management fee	509,888	-
Scholarships	523,296	-
Expense reimbursements	9,650	-
Services for programs	234,590	-
Distributions to UNT	2,196,569	-
Distributions to other Institutions	14,050	-
Life insurance premiums	8,986	-
Maintenance and repairs	<u>9,076</u>	-
Total Program Expenses	<u>3,506,105</u>	<u>-</u>

See accompanying notes to financial statements.

<u>Permanently Restricted</u>	<u>2004 Total</u>	<u>2003 Total</u>
\$ 1,710,815	\$ 3,908,820	\$ 6,946,223
10,263	10,263	6,884
22,363	422,562	400,907
-	509,888	406,669
3,465	165,948	93,370
(725)	3,803,059	7,873,789
(87,673)	(87,673)	209,464
<u>36,938</u>	<u>36,938</u>	<u>12,444</u>
 <u>1,695,446</u>	 <u>8,769,805</u>	 <u>15,949,750</u>
 (35,666)	 -	 -
<u>245,235</u>	<u>-</u>	<u>-</u>
 <u>209,569</u>	 <u>-</u>	 <u>-</u>
 -	509,888	406,669
-	523,296	614,401
-	9,650	10,142
-	234,590	253,686
-	2,196,569	988,280
-	14,050	340,148
-	8,986	11,515
-	9,076	31,276
<u>-</u>	<u>3,506,105</u>	<u>2,656,117</u>

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

STATEMENT OF ACTIVITIES (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Management and General Expenses		
Salaries and benefits	\$ 341,271	\$ -
Consulting fees	35,067	-
Professional services	13,220	-
Travel	5,013	-
Administrative	9,980	-
Bank and credit card charges	2,626	-
Office and computer equipment	5,658	-
Insurance	9,989	-
Professional development	<u>7,205</u>	<u>-</u>
Total Management and General	<u>430,029</u>	<u>-</u>
TOTAL EXPENSES	<u>3,936,134</u>	<u>-</u>
Change in Net Assets	318,443	2,610,213
Net Assets - Beginning of Year	<u>244,867</u>	<u>11,153,080</u>
Net Assets - End of Year	<u>\$ 563,310</u>	<u>\$13,763,293</u>

See accompanying notes to financial statements.

<u>Permanently Restricted</u>	<u>2004 Total</u>	<u>2003 Total</u>
\$ -	\$ 341,271	\$ 341,823
-	35,067	26,737
-	13,220	12,594
-	5,013	8,261
-	9,980	4,974
-	2,626	1,917
-	5,658	4,663
-	9,989	10,660
-	<u>7,205</u>	<u>6,985</u>
-	<u>430,029</u>	<u>418,614</u>
-	<u>3,936,134</u>	<u>3,074,731</u>
1,905,015	4,833,671	12,875,019
<u>32,796,926</u>	<u>44,194,873</u>	<u>31,319,854</u>
<u>\$34,701,941</u>	<u>\$49,028,544</u>	<u>\$44,194,873</u>

Unaudited

UNIVERSITY OF NORTH TEXAS SYSTEM (794)

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2005

	Current Year 2005	Prior Year 2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from Tuition and Fees	\$ 168,671,335.76	\$ 162,545,766.66
Proceeds Received from Customers	51,081,403.61	80,370,833.23
Proceeds from Sponsored Projects	76,762,660.75	65,894,135.44
Proceeds from Loan Programs	9,176,354.15	9,543,084.87
Proceeds from Auxiliaries	32,001,498.67	30,645,821.20
Proceeds from Other Revenues	1,561,004.86	187,542.25
Payments to Suppliers for Goods and Services	(121,311,320.28)	(100,264,974.08)
Payments to Employees for Salaries and Benefits	(299,496,414.66)	(285,954,065.31)
Payments for Loans Provided	(10,687,276.13)	(8,513,215.82)
Payments for Other Expenses	(33,977,952.57)	(45,037,485.62)
Net Cash Provided (Used) by Operating Activities	\$ (126,218,705.84)	\$ (90,582,557.18)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from State Appropriations	\$ 170,057,305.36	\$ 141,432,002.63
Proceeds from Debt Issuance	-	4,000,000.00
Proceeds from Legislative Transfers	1,975,326.00	-
Proceeds from Gifts	7,983,004.32	10,439,346.96
Proceeds from Endowments	6,248,844.65	57,150.00
Proceeds of Transfers from Other Agencies	438,343.00	-
Proceeds of Transfers from Other Components	-	-
Proceeds from Other Revenues	1,074,234.79	11,239,539.86
Proceeds from Contributed Capital	-	42,002.00
Payments of Principal on Debt Issuance	(199,506.81)	(191,833.47)
Payments of Interest	(14,371.03)	(60,683.03)
Payments of Other Costs of Debt Issuance	(12,584.80)	(13,543.96)
Payments for Transfers to Other Agencies	(2,247,862.51)	(1,260,810.58)
Payments for Transfers to Other Components	-	-
Payments for Other Uses	(7,324,141.71)	(31,080,494.98)
Net Cash Provided (Used) by Noncapital Financing Activities	\$ 177,978,591.26	\$ 134,602,675.43
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from State Appropriations - HEAF	\$ 19,002,841.88	\$ 21,661,033.00
Proceeds from Disposal of Capital Assets	-	70,059.88
Proceeds from Debt Issuance	27,195,149.00	11,406,417.71
Proceeds from Capital Contributions	-	-
Proceeds of Transfers from Other Components - Commercial Paper	-	-
Payments for Additions to Fixed Assets	(53,948,187.89)	(82,618,310.15)
Payments of Principal on Debt Issuance	(8,699,425.91)	(12,050,634.16)
Payments of Interest on Debt Issuance	(9,684,099.30)	(9,761,480.80)
Payments of Other Costs of Debt Issuance	(7,460.92)	(180,882.56)
Payments for Transfers to Other Components - Commercial Paper	-	-
Payments for Transfers to Other Components	-	-
Net Cash Provided (Used) From Capital & Related Financing Activities	\$ (26,450,670.54)	\$ (71,473,797.08)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	\$ 41,458,688.07	\$ 55,733,047.76
Proceeds from Interest and Investment Income	8,225,754.94	7,586,880.88

Unaudited

	Current Year 2005	Prior Year 2004
Proceeds from Principal Payments on Loans	-	-
Payments to Acquire Investments	(56,914,332.99)	(67,348,922.97)
Net Cash Provided (Used) by Investing Activities	\$ (7,229,889.98)	\$ (4,028,994.33)
Net Decrease (-) in Cash and Cash Equivalents	\$ 18,079,324.90	\$ (31,482,673.16)
Cash and Cash Equivalents --September 1, 2004 and 2003	148,021,380.35	176,468,044.76
Restatements to Beginning Cash and Cash Equivalents	-	3,036,008.75
Cash and Cash Equivalents --August 31, 2005 and 2004	\$ 166,100,705.25	\$ 148,021,380.35
Displayed as:		
Unrestricted Cash and Cash Equivalents (Statement of Net Assets)	\$ 159,275,197.87	\$ 121,773,735.49
Short-term Investments (Statement of Net Assets)	-	-
Restricted Cash and Cash Equivalents (Statement of Net Assets)	6,825,507.38	26,247,644.86
Restricted Short-term Investments (Statement of Net Assets)	-	-
	\$ 166,100,705.25	\$ 148,021,380.35
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities	-	-
Operating Income /Loss(-)	(165,624,410.80)	(151,403,320.08)
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities	-	-
Depreciation	23,003,149.59	16,349,980.19
Bad Debt Expense	863,995.41	(134,770.64)
Operating Income and Cash Flow Categories		
Classification Differences	-	-
Changes in Assets and Liabilities:	-	-
(Increase) Decrease in Receivables	(14,762.08)	236,433.84
(Increase) Decrease in Inventories	59,779.36	275,366.79
(Increase) Decrease in Loans & Contracts	(2,053,331.00)	(2,720,549.90)
(Increase) Decrease in Other Assets	543,859.64	39,466.94
(Increase) Decrease in Prepaid Expenses	(3,186,580.81)	(13,134,116.86)
Increase (Decrease) in Payables	(4,357,719.64)	20,385,732.29
Increase (Decrease) in Due to Other Components	(64,940.84)	0.00
Increase (Decrease) in Deferred Income	24,540,762.67	39,482,684.12
Increase (Decrease) in Other Liabilities	71,492.66	40,536.13
Total Adjustments	39,405,704.96	60,820,762.90
Net Cash Provided by Operating Activities	\$ (126,218,705.84)	\$ (90,582,557.18)
Non Cash Transactions		
Net Increase (Decrease) in FMV of Investments	\$ 3,318,588.24	\$ 1,088,631.78
Amortization of Investment Premiums/(Discounts)	\$ (298,743.08)	\$ (36,198.01)
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 FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 4,833,671	\$12,875,019
Adjustments to reconcile change in net assets to net cash provided by Operating activities:		
Realized and unrealized gain on market value of investments	(3,803,059)	(7,873,789)
(Increase)/Decrease in contributions and other receivables	(301,150)	317,738
Actuarial (gain)/loss on annuity obligations	87,673	(209,464)
(Increase) in cash value – life insurance	(26,455)	(12,444)
(Increase)/Decrease in prepaid expense	5,678	(4,697)
Increase/(Decrease) in accounts payable and accrued expenses	(83,785)	35,134
Increase/(Decrease) in agency funds	(151,455)	41,166
Increase in annuity obligations	5,245	879,823
Decrease in inventory	-	450
Noncash contributions	(404,877)	(1,834,413)
Net Cash Provided By Operating Activities	<u>161,486</u>	<u>4,214,523</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	12,805,364	4,325,225
Purchases of investments	(10,374,429)	(8,301,561)
Net Cash Provided (Used) By Investing Activities	<u>2,430,935</u>	<u>(3,976,336)</u>
Cash Flows From Financing Activities		
Repayment of note payable	-	(50,000)
Net Increase in Cash and Cash Equivalents	2,592,421	188,187
Cash and Cash Equivalents- Beginning of Year	<u>2,680,714</u>	<u>2,492,527</u>
Cash and Cash Equivalents- End of Year	<u>\$ 5,273,135</u>	<u>\$ 2,680,714</u>
Supplemental Data:		
Gifts of securities	\$ 404,877	\$ 1,834,413
Interest paid	-	-
Income taxes paid	-	-

See accompanying notes to financial statements.

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UNIVERSITY OF NORTH TEXAS SYSTEM (794)
NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2005

Note 1: Summary of Significant Accounting Policies

General Introduction

The University of North Texas is the fourth-largest university in Texas and defines itself as a metropolitan research university and is viewed as a leader among its peers in the United States for its diverse degree programs, quality research and 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 osteopathic 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

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 reported as a discrete component unit because the Foundation’s governing body is not substantively the same as the governing body of the UNT System. Additional information may be found in Note 17.

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UNIVERSITY OF NORTH TEXAS SYSTEM (794) NOTES TO THE COMBINED FINANCIAL STATEMENTS AUGUST 31, 2005

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 fund's 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 Fund Balances/Net Assets

ASSETS

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.

Derivatives

The University has entered into forward contracts that guarantee a specified exchange rate on a specified date. Since no money has been exchanged for these contracts, no general ledger entries have been recorded.

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.

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UNIVERSITY OF NORTH TEXAS SYSTEM (794)
NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2005

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if any purchased, at appraised fair value as of the date of acquisition. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated.

All capital assets acquired by proprietary funds are reported at cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date. Depreciation is charged to operations over the estimated useful life of each asset, using the straight-line method.

Current Receivables – Other

Other Receivables include year-end revenue accruals not included in any other receivable category.

Non-Current Receivables – Other

There are no Non-Current Receivables – Other reported for fiscal year 2005.

LIABILITIES

Accounts Payable

Accounts Payable represents the liability for the value of assets or services received at the statement of net assets date for which payment is pending.

Other Payables

Other Payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions.

Employees' Compensable Leave

Employees' Compensable Leave represents the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts. Liabilities are reported separately as either current or non-current in the statement of net assets.

Bonds Payable – Revenue Bonds

Revenue bonds are generally accounted for in the proprietary funds. The bonds payable are reported at par. Bond discounts and premiums are not amortized over the life of the bonds in proprietary funds if they are not individually greater than 10 percent of the par value of the bond issue. Revenue Bonds Payable is reported separately as either current or non-current in the statement of net assets.

FUND BALANCE/NET ASSETS

The difference between fund assets and liabilities is 'Net Assets' on the proprietary fund statements.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)
NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2005**

Restricted Net Assets

Restricted Net Assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

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, 2005, is presented below:

BUSINESS-TYPE ACT.	Balance 9/1/2004	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2005
			Completed CIP	Increase Interagency Transfers	Decrease Interagency Transfers			
Non-depreciable assets:								
Land & Land Improvements	40,503,231.98		2,551,576.71			16,291,642.74		59,346,451.43
Construction in Progress	35,166,526.42		(24,407,377.88)			22,242,444.76	(697,686.77)	32,303,906.53
Other Capital Assets	80,990,351.69	(57,905,604.99)				43,669.79	(1,200.00)	23,127,216.49
Total non-depreciable assets:	156,660,110.09	(57,905,604.99)	(21,855,801.17)	0.00	0.00	38,577,757.29	(698,886.77)	114,777,574.45
Depreciable assets:								
Buildings & Building Improvements	438,962,468.81		21,006,487.17			104,586.27		460,073,542.25
Infrastructure	7,789,073.21							7,789,073.21
Facilities & Other Improvements	10,297,289.37		849,314.00			156,941.00		11,303,544.37
Furniture & Equipment	89,454,197.08	(436.90)		20,965.78	(240,965.78)	10,881,214.52	(3,570,699.24)	96,544,275.46
Vehicles, Boats & Aircraft	6,289,997.50					499,069.49	(229,353.24)	6,559,713.75
Other Capital Assets	29,079.38	57,905,604.99				5,973,768.95		63,908,453.32
Total depreciable assets at historical costs:	552,822,105.35	57,905,168.09	21,855,801.17	20,965.78	(240,965.78)	17,615,580.23	(3,800,052.48)	646,178,602.36
Less Accum. Deprec. for:								
Buildings & Building Improvements	(220,145,018.17)					(10,329,250.70)		(230,474,268.87)
Infrastructure	(6,718,973.43)					(362,015.52)		(7,080,988.95)
Facilities & Other Improvements	(7,108,570.75)					(290,324.22)		(7,398,894.97)
Furniture & Equipment	(57,039,967.88)	54,166.62		(13,411.40)	116,483.75	(8,789,310.76)	3,817,616.21	(61,854,423.46)
Vehicles, Boats & Aircraft	(3,169,880.74)					(612,690.37)	225,284.24	(3,557,286.87)
Other Capital Assets	(8,532.82)	(34,788,263.96)				(2,606,146.62)		(37,402,943.40)
Total Accum. Depreciation	(294,190,943.79)	(34,734,097.34)	0.00	(13,411.40)	116,483.75	(22,989,738.19)	4,042,900.45	(347,768,806.52)
Depreciable assets, net	258,631,161.56	23,171,070.75	21,855,801.17	7,554.38	(124,482.03)	(5,374,157.96)	242,847.97	298,409,795.84
Business-type activities capital assets, net:	415,291,271.65	(34,734,534.24)	0.00	7,554.38	(124,482.03)	33,203,599.33	(456,038.80)	413,187,370.29

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)
NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2005**

Note 3: Deposits, Investments and 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

As of August 31, 2005, the carrying amount of deposits was \$(2,976,709.08) for Proprietary Funds and \$5,273,135 for University of North Texas Foundation, Inc. as presented below.

Business-Type Activities	
CASH IN BANK – CARRYING VALUE	\$(2,976,709.08)
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalents	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash in Bank per AFR	\$(2,976,709.08)
Proprietary Funds Current Assets Cash in Bank	\$106,569.40
Proprietary Funds Current Assets Restricted Cash in Bank	\$(3,083,278.48)
Cash in Bank per AFR	\$(2,976,709.08)

Discrete Component Unit	
CASH IN BANK – CARRYING VALUE	\$5,273,135.00
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalents	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash in Bank per AFR	\$5,273,135.00
Discrete Component Unit Current Assets Cash in Bank	\$5,273,135.00
Discrete Component Unit Current Assets Restricted Cash in Bank	
Discrete Component Unit Non-Current Restricted Cash in Bank	
Cash in Bank per AFR	\$5,273,135.00

These amounts consist of all cash in local banks and a portion of short-term investments. These amounts are included on the Combined Statement of Net Assets as part of the Cash and Cash Equivalents accounts.

As of August 31, 2005, the total bank balance was as follows:

Business-Type Activities	\$1,590,603.24
Discrete Component Unit	\$2,190,425.00

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The University of North Texas Foundation, Inc., presented as a discrete component unit, maintains cash balances at times in excess of \$100,000 in banks, which are insured by the Federal Deposit Insurance Corporation up to \$100,000. The Foundation’s depository bank, Wells Fargo N.A., has pledged government backed securities with a par value of \$700,359 to secure Foundation deposits in excess of \$100,000. The pledged security is held by a third-party safekeeping bank under a pledged collateral agreement. The market value of the pledged security at December 31, 2004 was \$718,485. The total amount of checking account deposits with Wells Fargo Bank N.A. as of December 31, 2004 was \$100,004. In addition to the checking account balance, the Foundation had cash balances of \$2,090,421 at December 31, 2004 invested with Wells Fargo Bank N.A. under a fully collateralized repurchase agreement. The Foundation also maintains short-term cash investments in money-market mutual funds, which are not insured.

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)
NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2005**

Investments

The University of North Texas System's investment portfolio is invested pursuant to Section 51.0032, Education Code and Chapter 2256, Government Code, the Public Funds Investment Act (PFIA) and UMIFA Chapter 163, Property Code. Under the PFIA the University of North Texas' governing board is required to adopt a written investment policy and strategy, review the policy and strategy not less than annually, appoint an investment office, and adopt internal controls to safeguard the University's funds. Chapter 2257, Government Code, The Public Funds Collateral Act set the standard for collateralization of public funds in Texas.

As of August 31, 2005, the carrying values of investments are presented below. The fair value is equivalent to the carrying value.

Business-Type Activities	Carrying Value
U.S. Government	
U.S. Treasury Securities	\$1,089,214.37
U.S. Treasury Strips	
U.S. Treasury TIPS	
U. S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Sallie Mae, etc.)	76,554,382.69
U. S. government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	
Certificate of Deposit	3,163,271.13
Corporate Obligations	2,270,027.69
Corporate Asset and Mortgage Backed Securities	
Equity	16,669,782.83
Endowment Funds- collective	14,862,691.30
International Obligations (Govt. and Corp.)	103,756.44
International Equity	4,443,261.23
Repurchase Agreement	28,177,408.96
Repurchase Agreement (Texas Treasury Safekeeping Trust Co.)	
Fixed Income Money Market and Bond Mutual Fund	5,453,874.43
Other Commingled Funds	1,818,287.26
Other Commingled Funds (Texpool)	106,126,898.57
Commercial Paper	
Securities Lending Collateral Investment Pool	
Real Estate	68,821.27
Misc (alternative investments, limited partnerships, guaranteed investment contract, political subdivision, bankers' acceptance, negotiable CD)	5,308,134.20
Total	\$266,109,812.37

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)
NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2005**

Discrete Component Unit	Fair Value
U.S. Government	
U.S. Treasury Securities	
U.S. Treasury Strips	
U.S. Treasury TIPS	
U. S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Sallie Mae, etc.)	
U. S. government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	
Certificate of Deposit	
Corporate Obligations	\$21,223,136
Corporate Asset and Mortgage Backed Securities	
Equity	13,334,769
Endowment Funds- collective	
International Obligations (Govt. and Corp.)	
International Equity	
Repurchase Agreement	
Repurchase Agreement (Texas Treasury Safekeeping Trust Co.)	
Fixed Income Money Market and Bond Mutual Fund	4,338,896
Other Commingled Funds	
Other Commingled Funds (Texpool)	
Commercial Paper	
Securities Lending Collateral Investment Pool	
Real Estate	
Misc (alternative investments, limited partnerships, guaranteed investment contract, political subdivision, bankers' acceptance, negotiable CD)	
Total	\$38,896,801

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. The exposure to foreign risk at August 31, 2005, was as follows:

Fund Type	GAAP Fund	Currency	Balance
05	0001	Euro	\$68,821.27

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. As of August 31, 2005, the university's credit quality distribution for securities with credit risk exposure was as follows. The Fitch rating was not available.

Moody's

Fund Type	GAAP Fund	Investment Type	Aaa	Aa	A	Baa	Ba	B	Caa	Unrated
05	0001	U.S. Government Agency Obligations	75,548,697							1,199,047
		U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	284,411							
		Corporate Obligations	1,501,099			27,156	331,218	408,328	2,227	
		Corporate Asset and Mortgage Backed Securities								
		International Obligations					58,775	44,981		
		Repurchase Agreement	28,177,409							
		Fixed Income Money Market and Bond Mutual Fund								5,453,874
		Miscellaneous	5,308,043							

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)
NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2005**

Standard and Poor's

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BB	B	CCC	Unrated
05	0001	U.S. Government Agency Obligations	75,548,697						1,199,047
		U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	284,411						
		Corporate Obligations	1,501,099		27,156	356,132	383,511	2,130	
		Corporate Asset and Mortgage Backed Securities							
		International Obligations				48,962	54,794		
		Repurchase Agreement	28,177,409						
		Fixed Income Money Market and Bond Mutual Fund							5,453,874
		Miscellaneous	5,308,043						

Reverse Repurchase Agreements

The UNT System components, by statute, are authorized to enter into reverse repurchase agreements. The UNT System did not enter into any reverse repurchase agreements during the current fiscal year.

Securities Lending Transactions

The UNT System did not participate in any securities-lending program.

Derivatives

Because of a donation of \$1,100,000 plus a pledge for another \$400,000, the University of North Texas College of Music has the opportunity to have constructed a pipe organ and case design for the Murchison Performing Arts Center. Wolff & Associés Ltée Corporation, a Canadian company, is building the organ over a period of approximately four years. The total cost of the organ is \$2,000,000 Canadian dollars (projected to be \$1,500,000 American plus an inflation factor).

There is a financial risk associated with entering into a contract with Wolff & Associés. Wolff & Associés insists on being paid in Canadian dollars. Should exchange rates fluctuate with the Canadian dollar gaining in value relative to the American dollar then the University would have to pay some amount greater than \$1,500,000 for the organ. Should the American dollar rise in value relative to the Canadian dollar, the University would pay less (not considering the inflation factor of the contract).

In order to minimize risk, the University decided to enter into forward contracts with Wells Fargo Bank. The forward contracts guarantee the US dollar amount at each scheduled payment. At each payment date the University is required to wire \$112,500 Canadian dollars. As gift money has been received, the University has entered into forward contracts to closely match the scheduled payment dates. Since no money has been exchanged for these forward contracts, no general ledger entry has been recorded.

If the forward contracts were offset (cancelled) there would be a positive value for the University of \$37,454.60 however, this could change as money markets fluctuate.

Note 4: Short-Term Debt

During the year ended August 31, 2005, there was no reportable activity for short-term debt.

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**UNIVERSITY OF NORTH TEXAS SYSTEM (794)
NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2005**

Note 5: Summary of Long Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2005 the following changes occurred in long-term liabilities:

Business-Type Activities	Balance 09-01-04	Additions	Reductions	Balance 08-31-05	Amounts Due Within One Year
Notes & Loans Payable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Revenue Bonds Payable	199,895,000.00	0.00	(6,310,000.00)	193,585,000.00	7,835,000.00
Claims & Judgments	0.00	0.00	0.00	0.00	0.00
Capital Lease Obligations	65,519.02	0.00	(52,276.91)	13,242.11	13,242.11
Commercial Paper	4,000,000.00	27,195,149.00	(2,337,149.00)	28,858,000.00	⁽¹⁾ 28,858,000.00
Compensable Leave	10,817,926.78	2,491,782.25	(928,752.69)	12,380,956.34	1,099,599.75
Total Business-Type Activities	\$210,778,445.80	\$2,491,782.25	\$(7,291,029.60)	\$205,979,198.45	\$8,947,841.86

The University of North Texas System established a commercial paper program and permits the issuance of commercial paper notes which may not exceed, in aggregate, the principal amount of \$50,000,000 at any one time. Additional University of North Texas System Revenue Financing System Commercial Paper Notes, Series A were issued during the fiscal year to finance various capital projects. The outstanding balance at August 31, 2005 is \$28,858,000 with interest rates of 2.50%, 2.57%, and 2.55%.

The University of North Texas System will provide liquidity support for the initial \$30,000,000 in commercial paper notes by utilizing available funds of The University of North Texas System in lieu of or in addition to bank liquidity support.

⁽¹⁾ The maximum maturity for commercial paper is 270 days so the ending balance is shown to be due within one year. In practice, UNT System rolls, pays off, and/or issues new commercial paper at each maturity. Commercial paper will continue to be used as interim funding until long-term bonds are approved and issued or gifts are received to retire the commercial paper debt.

Notes and Loans Payable

The UNT System did not have any long-term notes and loans payable during the current fiscal year.

Claims & Judgments

As of August 31, 2005, the UNT System did not have any material claims or judgments that were settled and unpaid.

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time and 1.5 compensatory time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types is recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

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Note 6: Capital Leases

The UNT System has entered into long-term leases for financing the purchase of certain fixed assets. Such leases are classified as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payment at the inception of the lease. The following is a summary of original capitalized costs of all such property under lease as well as the accumulated depreciation as of August 31, 2005:

Assets Under Capital Leases	Business-Type Activities
Furniture & Equipment	\$ 238,587.98
Less: Accumulated Depreciation	162,694.53
Vehicles	0.00
Less: Accumulated Depreciation	0.00
Total	\$ 75,893.45

Future minimum lease payments under these capital leases, together with the present value of the net minimum lease payments at fiscal year-end, are as follows:

Future minimum lease payments	Business-Type Activities		
	Principal	Interest	Total
2006 (Future Year 1)	\$13,242.11	\$729.64	\$13,971.75
2007 (Future Year 2)	0.00	0.00	0.00
2008 (Future Year 3)	0.00	0.00	0.00
2009 (Future Year 4)	0.00	0.00	0.00
2010 (Future Year 5)	0.00	0.00	0.00
2011 –2015 (Future Years 6-10)	0.00	0.00	0.00
2016-2020 (Future Years 11-15)	0.00	0.00	0.00
2021-2025 (Future Years 16-20)	0.00	0.00	0.00
Total Minimum Lease Payments	\$13,242.11	\$729.64	\$13,971.75
Less: Amount Representing Interest at Various Rates	0.00	0.00	0.00
Present Value of Net Minimum Lease Payments	\$13,242.11	\$729.64	\$13,971.75

Note 7: Operating Lease Obligations

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

Year Ended August 31, 2005	
2006 (Future Year 1)	\$1,224,755.40
2007 (Future Year 2)	404,278.18
2008 (Future Year 3)	61,400.04
2009 (Future Year 4)	
2010 (Future Year 5)	
2011-15 (Future Years 6-10)	
2016-20 (Future Years 11-15)	
Total Minimum Future Lease Rental Payments	\$1,690,433.62

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
- Due from Other Funds or Due to Other Funds
- Transfers in or Transfers Out
- Legislative Transfers In or Legislative Transfers Out

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The UNT System experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activity at August 31, 2005, follows:

Current Portion	Current Interfund Receivable	Current Interfund Payable
ENTERPRISE FUND (05)	\$ 0.00	\$ 0.00
Total Interfund Receivable/Payable	\$ 0.00	\$ 0.00

Non-Current Portion	Non-Current Interfund Receivable	Non-Current Interfund Payable
ENTERPRISE FUND (05)	\$ 0.00	\$ 0.00
Total Interfund Receivable/Payable	\$ 0.00	\$ 0.00

	Legislative Transfers In	Legislative Transfers Out
ENTERPRISE FUND (05)	\$ 1,975,326.00	\$ 0.00
Total Legislative Transfers	\$ 1,975,326.00	\$ 0.00

The detailed State Grant Pass Through information is listed on Schedule 1B – Schedule of State Grant Pass Through From/To State Agencies.

Note 9: Contingent Liabilities

The UNT System has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

As of August 31, 2005, there are no known contingent liabilities that are likely to have a material effect on the System.

Note 10: Continuance Subject to Review

Not Applicable.

Note 11: Risk Financing and Related Insurance

The UNT System is exposed to a variety of civil claims resulting from the performance of its duties. It is the UNT System policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The UNT System assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of commercial general liability insurance for any of the UNT System components as an entity, nor is the UNT System involved in any risk pools with other government entities.

The UNT System's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated.

All state employees are insured by the State. The UNT System has various self-insured arrangements for coverage of local employees in the areas of workers' compensation and liability. There are no claims pending or significant nonaccrued liabilities, as stated in Note 5.

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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, 2005.

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 2004 and 2005 are shown below. The 2005 beginning of fiscal year liability includes an adjustment of \$(807,942.48) for the Health Science Center. No material outstanding claims were pending at August 31, 2005.

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2004	\$ 1,708,310.05	\$ 1,590,846.98	(\$499,891.91)	\$ 2,799,265.12
2005	\$ 1,991,322.64	\$ 483,448.81	(\$203,191.61)	\$ 2,271,579.84

Health benefits are provided through the various state contracts administered by the Employee Retirement System (ERS).

The University of North Texas (University) and the Health Science Center (HSC) are required by certain bond covenants to carry fire and/or extended coverage and boiler insurance on buildings financed through the issuance of bonds using pledged Auxiliary or other non-Educational and General Funds. The insurance protects the bondholders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments. The following insurance coverage was in force and all premium payments paid in full at the close of the fiscal year:

Boiler and Machinery Insurance – Limit of liability exceeds bond requirements for the University. Carriers: Lexington and Allied World Insurance Companies.

Standard Fire and Extended Coverage (Property) – Limit of liability exceeds bond requirements. Carriers: Lexington and Allied World Insurance Companies.

Vehicle Liability and Property Damage – Limit of liability, bodily injury \$250,000/\$500,000; property damage \$100,000, exceeds requirements. Carrier: Crum & Forster Insurance Company.

The Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a state highway be insured for minimum limits of liability in the amount of \$20,000/\$40,000 bodily injury and \$15,000 property damage. In addition, the University has chosen to carry liability insurance on its licensed vehicles in the amount of \$250,000/\$500,000 bodily injury and \$100,000 property damage.

The University’s Health Center has malpractice insurance with Columbia Casualty Insurance Company for a maximum per incident limit of \$500,000 and an aggregate of \$1,500,000 with a \$10,000 deductible.

The HSC manages a self-insurance plan for its clinical operations.

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A Directors, Officers and Trustees insurance reimbursement policy is maintained with AXIS and Firemen's Fund that covers all UNT System employees and also, entity coverage. The policy provides for a maximum liability of \$5,000,000 with a \$100,000 deductible, and \$50,000 deductible for entity.

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

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 a conference facility, two major wiring projects for dormitories and other University buildings, and pay the costs of issuance
- Issued 06-15-1999
- \$23,040,000 (total issue \$32,540,000 -- \$9,500,000 Health Science Center portion); 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 Revenue Financing System

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Revenue Financing System Bonds, Series 2001

- To provide funds for the construction and equipping of a student-oriented recreation facility (the "Recreation Center") and pay the costs of issuance
- Issued 12-01-2001
- \$33,860,000; all authorized bonds have been issued
- Source of revenue for debt service – Student Recreational Facility Fee of \$75 per student per semester approved by the Texas Legislature to be charged beginning with the first semester the facility is occupied and all Pledged Revenues of the Participants of the University of North Texas System Revenue Financing System

Revenue Financing System Bonds, Series 2002

- To provide funds for the purposes of constructing and equipping a new science building, the renovation of existing space at the University's Research Park, the acquisition and renovation of two existing private housing facilities, and pay the costs of issuance
- Issued 08-01-2002
- \$36,340,000; (total issue \$63,470,000--\$27,130,000 Health Science Center portion); 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 2002A

- To provide funds for the purposes of constructing a 300-bed student residence hall for University students and pay the costs of issuance
- Issued 11-01-2002
- \$9,500,000; all authorized bonds have been issued
- Source of revenue for debt service – all Pledged Revenues of the Participants of the University of North Texas System Revenue Financing System

Revenue Financing System Bonds, Series 2003

- To provide funds for the purposes of constructing a 600-bed student residence hall and dining facility for University students and pay the costs of issuance
- Issued 05-01- 2003
- \$31,180,000; all authorized bonds have been issued
- Source of revenue for debt service – all Pledged Revenues of the Participants of the University of North Texas System Revenue Financing System

Revenue Financing System Refunding Bonds, Series 2003A

- To provide funds sufficient to refund certain of the University's outstanding Consolidated University Revenue Bonds, Series 1994, Health Science Center Tuition Revenue Bonds, Series 1994, Consolidated University Revenue Bonds, Series 1996, Revenue Financing System Tuition Revenue Bonds, Series 1999, and Revenue Financing System Tuition Revenue Bonds, Series 2002, and to pay the costs of issuance.
- Issued 09-01-03
- \$6,185,000; 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

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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

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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.
- Source of revenue for debt service – Pledged university revenue including all funds and balances lawfully available to the Board.

Advance Refunding Bonds

In prior years, the UNT System has defeased certain revenue bond issues by placing the proceeds of new bond issues in irrevocable trusts to provide for all future debt service payments on the issues. Accordingly, the liability for the bonds is not included in the financial statements. At August 31, 2005, the principal balance outstanding for the defeased bonds is \$5,455,000.

Note 14: Subsequent Events

In October 2005, the Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Series 2005, totaling \$76,795,000, were sold. The proceeds will be used for the following purposes: to advance refund a portion (\$37.7 million par value) of the outstanding University and HSC bonds in order to reduce debt service requirements; to refund a portion of the System's outstanding commercial paper notes which were issued to provide interim financing for various System improvement projects; to purchase, construct, improve, renovate, and equip property, buildings, and infrastructure for the University, including \$14.6 million for the construction of a \$17.1 million student wellness and career center; and \$23.3 million to construct and equip a building for the UNT-Dallas campus including a library, classrooms, offices, and related parking. A portion of the \$17.1 million construction cost for the student wellness and career center will be funded by a combination of student services fees, student services fees reserves, and gifts.

The Legislature authorized the System to issue \$25.5 million in tuition revenue bonds, and appropriated the first two years of debt service in the 2004-2005 biennium. This authorization was for the purpose of developing the campus and facilities at the new University of North Texas at Dallas campus located in the southern part of Dallas County. It will be built on 250 acres that were jointly donated to the System by the City of Dallas and private developers. As a portion of the Series 2005 bonds sold in October 2005 discussed above, \$23.3 million of the original authorization was issued. A portion of the remaining authorization was used to issue \$1.9 million in commercial paper notes for costs related to the construction of the UNT-Dallas facility.

The University of North Texas Health Science Center may issue Constitutional Appropriation Bonds during fiscal year 2006. These bonds will not be issued if tuition revenue bonds are approved by the Texas legislature for this purpose.

Note 15: Related Parties

The Professional Development Institute Inc. (PDI) is a non-profit corporation whose purpose is to provide continuing education for the business and governmental community through seminars, workshops, conferences and the establishment of ongoing programs of study designed to further professionalize certain areas of specialization within the total business and governmental community and to assist in maintaining and enhancing, through financial support, the University as a leading academic institution. PDI, Inc. remitted gifts of \$38,800 that were recorded as revenue to the University during the year ended August 31, 2005. PDI maintains an agency account on the books of the University from which incidental expenses such as postage, telephone, printing, and office supplies are paid. These expenditures totaled \$24,648.15 for the fiscal year ended August 31, 2005.

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The North Texas Research Institute, Inc. (NTRI) is a separate non-profit corporation. The purposes of the Research Institute are: to perform research, development and service activities, alone and cooperatively with other institutions, government agencies, and business organizations; to provide research facilities, expertise and services for business and government organizations; and to assist in maintaining and enhancing, through financial support, the University of North Texas as a leading academic institution. In fiscal year 1996, the NTRI Board adopted a resolution to deactivate, but not dissolve NTRI. In accordance with this resolution, all research projects were closed the following fiscal year. During the current fiscal year there were no active projects in NTRI. No project income was generated during the fiscal year. There were no transfers to the University from NTRI.

The University of North Texas Health Science Center at Fort Worth Texas College of Osteopathic Medicine Foundation, Inc. is a non-profit organization with the sole purpose of supporting the educational and other activities of the Health Science Center. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The financial operations of the Foundation are overseen by a 20 member board of community business leaders, elected for a three year term, which includes the four Alumni Association/Society presidents during their respective terms of office. The Executive Director, who is appointed by the Board and approved by the President of UNTHSC, is also the Vice President of the Office of Institutional Advancement. The books and accounts of the Foundation are maintained by the Health Science Center. The activity for the Foundation is reported in Health Science Center's agency funds.

Note 16: Stewardship, Compliance and Accountability

Not Applicable.

Note 17: The Financial Reporting Entity

The University of North Texas Foundation, Inc. is reported as a discrete component unit. 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 Foundation. The University has no liability with regard to the Foundation's liabilities. The majority of endowments supporting University scholarships and other University programs are owned by the Foundation; therefore, it would be misleading to exclude the Foundation's financial reports. The Foundation is a necessary and beneficial component of the UNT System's overall program for university advancement and for the development of private sources of funding for capital acquisition operations, endowments, and other purposes relating to the mission of the UNT System.

In August of 2003, the University of North Texas entered into an agreement with the University of North Texas Foundation, Inc. to better define the relationship between the two entities and to comply with the statutory requirements of Chapters 2255 and 2260 of the Texas Government Code. The 2003 agreement provided that the development leadership for the University would be provided by the Foundation's Chief Executive Officer.

An amended agreement was approved by the UNT Foundation Board of Directors in their September 2004 meeting, and was subsequently approved by the UNT Board of Regents in October 2004. Under the amended agreement, a dual reporting position was created. The position of Senior Vice President for Advancement and President of the UNT Foundation (Senior VP/President) has the responsibility for integrating development, endowment management, stewardship, and alumni relations. Although the position is split between UNT and UNT Foundation, the Senior VP/President works under the immediate supervision of the President of UNT and reports to the UNT President. The position is funded by UNT.

Based on this amended agreement, UNT System continues to report UNT Foundation, Inc. as a discrete component unit in the UNT System Financial Reports. Although the position of Senior VP/President is jointly held between the two entities, the position has minimal authority over the management of the UNT Foundation, serving primarily as a liaison and coordinator between the two entities.

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The Foundation has a fiscal year end of December 31. The Foundation issued scholarships totaling \$653,557 to the University, made direct cash transfers totaling \$3,622,552, and made payments of \$225,072 on the University's behalf during the year ended August 31, 2005.

Note 18: Restatement of Fund Balances and Net Assets

During fiscal year 2005, adjustments were made which required the restatement of the amounts in net assets as shown below:

	Enterprise Fund
Net Assets August 31, 2004	\$430,432,094.26
Restatements:	
(a) Accumulated Depreciation on professional, academic and research library books and materials	(34,791,300.46)
(b) Correction of additional appropriation for ORP as reported on FY04 General Revenue Reconciliation	8,919.12
(c) Texas State Property Accounting Changes	57,203.12
(d) Prior year correction for overstatement of Grants Receivable in FY04	(5,278,065.41)
Net Assets September 1, 2004, as Restated	<u>\$390,428,850.63</u>

Note 19: Employees Retirement Plans

Not Applicable.

Note 20: Deferred Compensation

Not Applicable.

Note 21: Donor Restricted Endowments

The University's spending policy for unitized endowments reflects an objective to distribute as much total return as is consistent with overall investment objectives while protecting the real value of the endowment principal. An endowment is excluded from target distribution until the endowment has been established for one year.

The target distribution of spendable income to each unit of the endowment fund will be between 3 to 6 percent of the moving average market value of a unit of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the Budget and Finance Committee of the Board of Regents, the target annual distribution rate shall be 4 percent of the average unit market value. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May and August. This distribution amount shall be recalculated each quarter based on a 12-quarter rolling average. If, at any point of distribution, the fair market value of the endowment is below the corpus of the endowment the distribution shall be net current yield.

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 \$351,141.06. 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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The HSC does not unitize its endowments. The HSC returns all investment earnings to their corresponding operation accounts unless directed otherwise by the donor. Currently, only one endowment requires a portion of earnings to be returned to the corpus. The operations accounts are only limited to the present available balance for spending authority. This authority cannot be exceeded based on future projections. The fair value of these endowments did not change during fiscal year 2005.

Note 22: Management Discussion and Analysis

Refer to the separate Management Discussion and Analysis section of this report.

Note 23: Post Employment Health Care and Life Insurance Benefits

Not Applicable.

Note 24: Special or Extraordinary Items

Not Applicable.

Note 25: Disaggregation of Receivable and Payable Balances

Not applicable.

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UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

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. The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2003, from which the summarized information was derived.

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. Contributions receivable due in subsequent years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are received to discount the amounts. An allowance of \$439,341 for uncollectible promises to give has been provided based on management's evaluation of contributions receivable at year end.

Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets.

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, 2004

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, 2004:

	<u>Cost</u>	<u>Fair Value</u>
Fixed income mutual funds	\$ 4,327,969	\$ 4,338,896
Marketable stocks	17,645,328	21,223,136
Equity mutual funds	<u>9,914,424</u>	<u>13,334,769</u>
	<u>\$31,887,721</u>	<u>\$38,896,801</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, 2004

NOTE 3 – CONTRIBUTIONS AND OTHER RECEIVABLES

Contributions and other receivables as of December 31, 2004 are as follows:

Contributions receivable in less than one year	\$1,185,780
Contributions receivable in one to five years	3,764,408
Contributions receivable in six to ten years	<u>35,100</u>
Total Contributions Receivables	4,985,288
Less allowance for uncollectible amounts	(439,341)
Less discounts to net present value	<u>(983,618)</u>
Net Contributions Receivable	3,562,329
Other amounts receivable	<u>47,516</u>
Total Contributions and Other Receivables	<u>\$3,609,845</u>

NOTE 4 – UNRESTRICTED NET ASSETS

Unrestricted net assets at December 31, 2004 include \$402,250 which has been designated by the Foundation's Board of Directors as a reserve for future operations.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of contributions from donors who have specified certain programs or scholarships within the University of North Texas for use of the contributions. Temporarily restricted net assets also includes income from endowment funds that are available for distribution upon satisfaction of the specific program restriction stated in the endowment agreement.

NOTE 6 – PERMANENTLY RESTRICTED NET ASSETS

Net assets were permanently restricted for the following purposes at December 31, 2004:

Endowments to support various programs, scholarships and other activities of the University of North Texas	\$34,229,208
Cash value of life insurance policies that will provide proceeds upon death of insured for endowments	<u>303,840</u>
Total	<u>\$34,533,048</u>

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 7 – REAL PROPERTY

Real property donated to the Foundation is recorded at fair value at the date of the donation. Real estate purchased by the Foundation is recorded at cost. Real property consists of the following at December 31, 2004:

	<u>Fair Value Recorded</u>	<u>Current Fair Value</u>
Mineral rights	\$ 12,860	Not Determined
1/4 undivided interest		
34 acres – Loop 288	98,875	Not Determined
5 acres – Dallas County, Texas	150,613	Not Determined
Club Casa Dorada Timeshare	<u>10,150</u>	Not Determined
	<u>\$272,498</u>	

NOTE 8 – LIFE INSURANCE POLICIES

Several endowments have been established which are to be funded or partially funded by life insurance policies for which the Foundation has been named owner and beneficiary. Premium payments made by the Foundation are reimbursed by donors of the policies. As of December 31, 2004, there were a total of 24 such policies with death benefits totaling \$1,723,796 and cash values totaling \$303,840.

NOTE 9 – INCOME TAX STATUS

The Foundation has received a letter of determination from the Internal Revenue Service advising that it qualifies as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to income tax. The Foundation is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code.

NOTE 10 – RETIREMENT PLAN

The Foundation sponsors a defined contribution retirement plan covering all full time employees of the Foundation. The Foundation contributes 8.5% of eligible employees' compensation to the plan, and employees are required to contribute a minimum of 6.65% of compensation to the plan. Employees may make voluntary contributions in addition to the required contribution, up to the limits prescribed by the Internal Revenue Code. The expense to the Foundation for retirement plan contributions for 2004 was \$21,259.

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 11 – ASSETS HELD UNDER SPLIT INTEREST AGREEMENTS AND REFUNDABLE ADVANCES

The Foundation is the Trustee or Co-Trustee of various charitable remainder trusts and administers several gift annuity contracts. The agreements require annuity payments to the income beneficiaries for life, with the remaining assets of the trusts or agreements creating endowments upon the death of the income beneficiary. The Foundation has recorded the present value of the annuity payments as annuity obligations.

Two trusts for which the Foundation serves as Trustee currently name the Foundation as the remainder beneficiary, however, the donors have retained the right to change the remainder beneficiary to other charitable organizations. As a result, the Foundation has recorded the assets held under these trusts as refundable advances.

The assets held under these agreements are included in the statement of financial position at fair value. The annuity obligations are recorded at the present value of the expected future cash payments based on published life expectancy tables using a discount rate of eight percent.

NOTE 12 – DEFERRED GIFTS

The Foundation has been advised by many donors of bequests and other deferred gifts to the Foundation to be made in the future. The total of such deferred gifts that the Foundation has been informed of is approximately \$100.2 million.

The Foundation has also received a conditional pledge in support of the University of North Texas Club Management Program. The pledge consists of stock to be transferred to the Foundation in 2005. The fair value of the stock at the time of the pledge was approximately \$900,000. The fair value at December 31, 2004 was approximately \$898,380.

These gifts do not meet the requirements of unconditional promises to give, therefore have not been recorded in the financial statements of the Foundation.

NOTE 13 – CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at times in excess of \$100,000 in banks, which are insured by the Federal Deposit Insurance Corporation up to \$100,000. The Foundation's depository bank, Wells Fargo Bank N.A., has pledged government backed securities with a par value of \$700,359 to secure Foundation deposits in excess of \$100,000. The pledged security is held by a third-party safekeeping bank under a pledged collateral agreement. The market value of the pledged security at December 31, 2004 was \$718,485. The total amount of checking account deposits with Wells Fargo Bank N.A. as of December 31, 2004 was \$100,004. In addition to the checking account balance, the Foundation had cash balances of \$2,090,421 at December 31, 2004 invested with Wells Fargo Bank N.A. under a fully collateralized repurchase agreement.

The Foundation also maintains short-term cash investments in money-market mutual funds, which are not insured.

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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, 2005

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
			\$	\$	
US Department of Agriculture					
<u>Direct Programs:</u>					
Higher Education Challenge Grants	10.217			-	-
Totals-US Department of Agriculture				-	-
US Department of Defense					
<u>Direct Programs:</u>					
Agency Contract G73100 - US Department of Defense	12.000	G73100		-	-
Basic Scientific Research	12.431			-	-
Totals-US Department of Defense				-	-
Department of Housing & Urban Development					
<u>Direct Programs:</u>					
Community Outreach Partnership Center Program	14.511			-	-
Totals-Dept of Housing & Urban Development				-	-
US Department of Justice					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	G72058		-	11,319.57
<u>Direct Programs:</u>					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			-	-
<i>Pass-Through From: Governor-Fiscal</i>			300	4,690.19	-
Community Prosecution and Project Safe Neighborhoods	16.609			-	-
<u>Pass-Through To:</u>					
Community Prosecution and Project Safe Neighborhoods	16.609	G72304		-	206,155.19
<i>Pass-Through To: Public Safety, Department of</i>				-	-
Totals-US Department of Justice				4,690.19	217,474.76
US Department of Labor					
<u>Direct Programs:</u>					
WIA Incentive Grants_Section 503 Grants to States	17.267		781	-	-
<i>Pass-Through From: Coordinating Board, Texas</i>					
<i>Higher Education</i>			781	35,000.00	-
Totals-US Department of Labor				35,000.00	-
National Aeronautics and Space Administration					
Dev of Math Curriculum Materials for use in 3D Mars Environment	43.000	G72049		-	17,487.72
Totals-National Aeronautics and Space Administration				-	17,487.72

Unaudited

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		
\$	\$	\$	\$	\$	\$	
(195.16)	(195.16)		-	-	(195.16)	(195.16)
(195.16)	(195.16)		-	-	(195.16)	(195.16)
256,954.82	256,954.82		-	-	256,954.82	256,954.82
437,999.53	437,999.53		-	-	437,999.53	437,999.53
694,954.35	694,954.35		-	-	694,954.35	694,954.35
18,034.73	18,034.73		-	-	18,034.73	18,034.73
18,034.73	18,034.73		-	-	18,034.73	18,034.73
-	11,319.57		-	-	11,319.57	11,319.57
(4,690.19)	-		-	-	-	-
-	-		-	-	-	-
154,605.66	154,605.66		-	-	154,605.66	154,605.66
-	206,155.19		-	-	154,165.33	206,155.19
-	-	405	51,989.86	-	-	-
149,915.47	372,080.42		51,989.86	-	320,090.56	372,080.42
(32,019.39)	2,980.61		-	-	2,980.61	2,980.61
-	-		-	-	-	-
(32,019.39)	2,980.61		-	-	2,980.61	2,980.61
-	17,487.72		-	-	17,487.72	17,487.72
-	17,487.72		-	-	17,487.72	17,487.72

Unaudited

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
National Foundation on the Arts & Humanities					
Promotion of the Arts--Grants to Organizations and Individuals	45.024	G72196		-	7,461.69
Promotion of the Arts--Partnership Agreements	45.025	G72034		-	2,323.12
Promotion of the Humanities--Federal/State Partnership	45.129	G72054		-	5,140.35
Museum for American Grants	45.301	G72221		-	9,273.95
<u>Direct Programs:</u>					
Promotion of the Arts--Grants to Organizations and Individuals	45.024			-	-
National Leadership Grants	45.312			-	-
Librarians for the 21st Century	45.313			-	-
Librarians for the 21st Century	45.313			-	-
<i>Pass-Through To: University of Texas at El Paso</i>					
Totals-National Foundation on the Arts & Humanities				-	24,199.11
National Science Foundation					
Education and Human Resources	47.076	G72002		-	(0.28)
<u>Direct Programs:</u>					
Engineering Grants	47.041			-	-
Mathematical and Physical Sciences	47.049			-	-
Totals-National Science Foundation				-	(0.28)
Environmental Protection Agency					
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	G72060		-	5,989.38
Protection of Children and Older Adults (Elderly) from Environmental Health Risks	66.609	G72101		-	15,492.92
<u>Direct Programs:</u>					
Performance Partnership Grants	66.605			-	-
<i>Pass-Through From: Texas Commission on Environmental Quality</i>					
			582	12,612.00	-
Totals-Environmental Protection Agency				12,612.00	21,482.30
Federal Agency 8					
Peace Corps Recruiter	08.000	G72305		-	-
Totals-Federal Agency 8				-	-
US Department of Energy					
Renewable Energy Research and Development	81.087	G72030		-	1,916.62
<u>Direct Programs:</u>					
Office of Science Financial Assistance Program	81.049			-	-
Totals-US Department of Energy				-	1,916.62
US Department of Education					
Regional Technology Assistance Consortia for the South Central R	84.000	G72027		-	52,507.83
Texas Nurse Friendly Program for Rural and Small Hospitals	84.000	G72075		-	9,747.22
Agency Contract G72181	84.000	G72181		-	26,278.54
Agency Contract G72226	84.000	G72226		-	16,263.36
DOE-Learning Anytime Anywhere Partnerships	84.000	84.339B		-	-

Unaudited

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		
-	7,461.69		-	-	7,461.69	7,461.69
-	2,323.12		-	-	2,323.12	2,323.12
-	5,140.35		-	-	5,140.35	5,140.35
-	9,273.95		-	-	9,273.95	9,273.95
(0.30)	(0.30)		-	-	(0.30)	(0.30)
281,516.97	281,516.97		-	-	281,516.97	281,516.97
52,544.74	52,544.74		-	-	52,544.74	52,544.74
209,561.82	209,561.82		-	-	189,152.91	209,561.82
-	-	724	20,408.91	-	-	-
543,623.23	567,822.34		20,408.91	-	547,413.43	567,822.34
-	(0.28)		-	-	(0.28)	(0.28)
30,187.69	30,187.69		-	-	30,187.69	30,187.69
15,000.00	15,000.00		-	-	15,000.00	15,000.00
45,187.69	45,187.41		-	-	45,187.41	45,187.41
-	5,989.38		-	-	5,989.38	5,989.38
-	15,492.92		-	-	15,492.92	15,492.92
(8,819.29)	3,792.71		-	-	3,792.71	3,792.71
-	-		-	-	-	-
(8,819.29)	25,275.01		-	-	25,275.01	25,275.01
2,519.74	2,519.74		-	-	2,519.74	2,519.74
2,519.74	2,519.74		-	-	2,519.74	2,519.74
-	1,916.62		-	-	1,916.62	1,916.62
8,000.00	8,000.00		-	-	8,000.00	8,000.00
8,000.00	9,916.62		-	-	9,916.62	9,916.62
-	52,507.83		-	-	52,507.83	52,507.83
-	9,747.22		-	-	9,747.22	9,747.22
-	26,278.54		-	-	26,278.54	26,278.54
-	16,263.36		-	-	16,263.36	16,263.36
76,714.94	76,714.94		-	-	76,714.94	76,714.94

Unaudited

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
Vocational Education--Basic Grants to States	84.048	G72043		-	357,720.87
Rehabilitation Long-Term Training	84.129	G72024		-	(8.21)
	84.129	G72037		-	9,401.81
Star Schools	84.203	G72051		-	73,887.57
Fund for the Improvement of Education	84.215	G72145		-	201,091.08
Special Education--Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	G72057		-	2,014.77
Preparing Tomorrows Teachers to Use Technology'	84.342	G72035		-	1,115.60
		G72201		-	284,800.46
Improving Teacher Quality State Grants	84.367	G72020		-	16,714.83
		G72104		-	10,714.45
National Writing Project	84.928	G72200		-	30,074.40
<u>Direct Programs:</u>					
Undergraduate International Studies and Foreign Language Program	84.016			-	-
Higher Education--Institutional Aid	84.031			-	-
Vocational Education--Basic Grants to States	84.048			-	-
<i>Pass-Through From: Education Agency, Texas</i>			701	286,344.94	-
Fund for the Improvement of Postsecondary Education	84.116			-	-
<i>Pass-Through From: University of Texas at El Paso</i>				-	-
Rehabilitation Long-Term Training	84.129			-	-
Business and International Education Projects	84.153			-	-
Bilingual Education-Professional Development	84.195			-	-
Fund for the Improvement of Education	84.215			-	-
Rehabilitation Training--Continuing Education	84.264			-	-
Special Education--Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325			-	-
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334			-	-
Preparing Tomorrows Teachers to Use Technology'	84.342			-	-
Mathematics and Science Partnerships	84.366			-	-
<u>Pass-Through From:</u>					
<i>Pass-Through From: University of Texas at Austin</i>			721	57,852.34	-
Mathematics and Science Partnerships	84.366			-	-
<i>Pass-Through From: Coordinating Board, Texas Higher Education</i>			781	454,295.20	-
Improving Teacher Quality State Grants	84.367			-	-
<i>Pass-Through From: Coordinating Board, Texas Higher Education</i>			781	232,499.46	-
Totals-US Department of Education				1,030,991.94	1,092,324.58

Unaudited

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		
-	357,720.87		-	-	357,720.87	357,720.87
-	(8.21)		-	-	(8.21)	(8.21)
-	9,401.81		-	-	9,401.81	9,401.81
-	73,887.57		-	-	73,887.57	73,887.57
-	201,091.08		-	-	201,091.08	201,091.08
-	2,014.77		-	-	2,014.77	2,014.77
-	1,115.60		-	-	1,115.60	1,115.60
-	284,800.46		-	-	284,800.46	284,800.46
-	16,714.83		-	-	16,714.83	16,714.83
-	10,714.45		-	-	10,714.45	10,714.45
-	30,074.40		-	-	30,074.40	30,074.40
79,035.97	79,035.97		-	-	79,035.97	79,035.97
739.76	739.76		-	-	739.76	739.76
1,221.16	287,566.10		-	-	287,566.10	287,566.10
-	-		-	-	-	-
221,956.34	221,956.34		-	-	195,406.53	221,956.34
-	-	724	26,549.81	-	-	-
458,411.67	458,411.67		-	-	458,411.67	458,411.67
61,015.65	61,015.65		-	-	61,015.65	61,015.65
237,280.96	237,280.96		-	-	237,280.96	237,280.96
51,324.41	51,324.41		-	-	51,324.41	51,324.41
542,816.62	542,816.62		-	-	542,816.62	542,816.62
625,479.20	625,479.20		-	-	625,479.20	625,479.20
937,234.33	937,234.33		-	-	937,234.33	937,234.33
(75.19)	(75.19)		-	-	(75.19)	(75.19)
(14,201.06)	43,651.28		-	-	43,651.28	43,651.28
-	-		-	-	-	-
(167,717.46)	286,577.74		-	-	286,577.74	286,577.74
-	-		-	-	-	-
256,264.29	488,763.75		-	-	488,763.75	488,763.75
-	-		-	-	-	-
3,367,501.59	5,490,818.11		26,549.81	-	5,464,268.30	5,490,818.11

Unaudited

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
Federal Agency 90					
<u>Direct Programs:</u>					
Help American Vote College Pollworker Program	90.400			-	-
Totals-Federal Agency 90				-	-
US Department of Health and Human Services					
Model State-Supported Area Health Education Centers	93.107	G72064		-	4,454.07
Immunization Research, Demonstration, Public Information and Education-Training and Clinical Skills Improvement Projects	93.185	G72026		-	77,387.44
Immunization Grants	93.268	G72007		-	26,602.48
Alcohol Research Programs	93.273	G72159		-	19,502.94
Community Services Block Grant--Discretionary Awards	93.570	G72055		-	45,479.99
Child Welfare Services Training Grants	93.648	G72053		-	60,016.96
Geriatric Education Centers	93.969	G72209		-	23,597.38
<u>Direct Programs:</u>					
Model State-Supported Area Health Education Centers	93.107			-	-
<i>Pass-Through From: University of Texas Medical Branch-Galveston</i>			723	63,505.73	-
Basic Nurse Education and Practice Grants	93.359			-	-
<i>Pass-Through From: University of Texas Medical Branch-Galveston</i>			723	21,985.06	-
Cancer Treatment Research	93.395			-	-
Foster Care--Title IV-E	93.658			-	-
<i>Pass-Through From: Department of Family and Protective Services</i>			530	121,272.33	-
<u>Pass-Through From:</u>					
COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	93.590			-	-
<i>Pass-Through From: Department of Family and Protective Services</i>			530	669.59	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			-	-
<i>Pass-Through From: Governor-Fiscal</i>			300	1,139.85	-
Totals-US Department of Health and Human Services				208,572.56	257,041.26
Corporation for National and Community Service					
AmeriCorps	94.006	G72028		-	280,042.74
Totals-Corporation for National and Community Service				-	280,042.74
<u>Child Nutrition Cluster</u>					
US Department of Agriculture					
Summer Food Service Program for Children	10.559	G72059		-	16,832.23
Totals-US Department of Agriculture				-	16,832.23

Unaudited

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		
74,710.18	74,710.18		-	-	74,710.18	74,710.18
74,710.18	74,710.18		-	-	74,710.18	74,710.18
-	4,454.07		-	-	4,454.07	4,454.07
-	77,387.44		-	-	77,387.44	77,387.44
-	26,602.48		-	-	26,602.48	26,602.48
-	19,502.94		-	-	19,502.94	19,502.94
-	45,479.99		-	-	45,479.99	45,479.99
-	60,016.96		-	-	60,016.96	60,016.96
-	23,597.38		-	-	23,597.38	23,597.38
13,377.42	76,883.15		-	-	76,883.15	76,883.15
-	-		-	-	-	-
3,773.70	25,758.76		-	-	25,758.76	25,758.76
-	-		-	-	-	-
5,000.00	5,000.00		-	-	5,000.00	5,000.00
1,473.62	122,745.95		-	-	122,745.95	122,745.95
-	-		-	-	-	-
-	669.59		-	-	669.59	669.59
-	-		-	-	-	-
-	-		-	-	1,139.85	1,139.85
-	1,139.85		-	-	-	-
23,624.74	489,238.56		-	-	489,238.56	489,238.56
-	280,042.74		-	-	280,042.74	280,042.74
-	280,042.74		-	-	280,042.74	280,042.74
-	16,832.23		-	-	16,832.23	16,832.23
-	16,832.23		-	-	16,832.23	16,832.23

Unaudited

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
Research and Development Cluster					
US Department of Agriculture					
<u>Direct Programs:</u>					
Grants for Agricultural Research--Competitive Research Grants	10.206			-	-
Totals-US Department of Agriculture				-	-
US Department of Commerce					
Advanced Technology Program	11.612	G72248		-	(22.86)
<u>Direct Programs:</u>					
Measurement and Engineering Research and Standards	11.609			-	-
Totals-US Department of Commerce				-	(22.86)
US Department of Defense					
Silicon Based High Efficiency Near Infrared Detectors	12.000	G72212		-	219,376.78
Basic and Applied Scientific Research	12.300	G72207		-	5,169.36
Research and Technology Development	12.910	G72110		-	8,035.21
<u>Direct Programs:</u>					
Intergovernmental Personnel Agreement	12.000	G73138		-	-
Development of Natural Resources Inventory	12.000	G73182		-	-
Flood Plain Management Services	12.104			-	-
Protection, Clearing and Straightening Channels	12.109			-	-
Collaborative Research and Development	12.114			-	-
Basic and Applied Scientific Research	12.300			-	-
Military Medical Research and Development	12.420			-	-
Basic Scientific Research	12.431			-	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630			-	-
<i>Pass-Through To: University of Texas at Dallas</i>					
Mathematical Sciences Grants Program	12.901			-	-
Research and Technology Development	12.910			-	-
Totals-US Department of Defense				-	232,581.35
US Department of the Interior					
<u>Direct Programs:</u>					
Flood Pulse Systems in the Big Thicket: Analyzing Potential Chan	15.000	G73030		-	-
Totals-US Department of the Interior				-	-
US Department of Justice					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	G72102		-	4,113.81
<u>Direct Programs:</u>					
FBI Contract-DNA Research	16.000	J-FBI-02-133		-	-
Nat'l Institute of Justice Research, Evaluation, & Development P	16.000	2004-DN-BX-K197		-	-
	16.000	2004-DN-BX-K212		-	-
	16.000	2004-DN-BX-K213		-	-
	16.000	2004-DN-BX-K214		-	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			-	-
Criminal Justice Research and Development-- Graduate Research Fel	16.562			-	-
Totals-US Department of Justice				-	4,113.81

Unaudited

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		
67,544.90	67,544.90		-	-	67,544.90	67,544.90
67,544.90	67,544.90		-	-	67,544.90	67,544.90
-	(22.86)		-	-	(22.86)	(22.86)
22,082.97	22,082.97		-	-	22,082.97	22,082.97
22,082.97	22,060.11		-	-	22,060.11	22,060.11
-	219,376.78		-	-	219,376.78	219,376.78
-	5,169.36		-	-	5,169.36	5,169.36
-	8,035.21		-	-	8,035.21	8,035.21
183,029.22	183,029.22		-	-	183,029.22	183,029.22
10,617.81	10,617.81		-	-	10,617.81	10,617.81
18,067.49	18,067.49		-	-	18,067.49	18,067.49
2,548.07	2,548.07		-	-	2,548.07	2,548.07
7,599.66	7,599.66		-	-	7,599.66	7,599.66
92,741.47	92,741.47		-	-	92,741.47	92,741.47
64,947.70	64,947.70		-	-	64,947.70	64,947.70
2,117,406.27	2,117,406.27		-	-	2,117,406.27	2,117,406.27
248,351.08	248,351.08		-	-	243,556.50	248,351.08
-	-	738	4,794.58	-	-	-
6,483.85	6,483.85		-	-	6,483.85	6,483.85
(467.32)	(467.32)		-	-	(467.32)	(467.32)
2,751,325.30	2,983,906.65		4,794.58	-	2,979,112.07	2,983,906.65
18,100.80	18,100.80		-	-	18,100.80	18,100.80
18,100.80	18,100.80		-	-	18,100.80	18,100.80
-	4,113.81		-	-	4,113.81	4,113.81
74,478.98	74,478.98		-	-	74,478.98	74,478.98
205,344.42	205,344.42		-	-	205,344.42	205,344.42
369,022.44	369,022.44		-	-	369,022.44	369,022.44
41,613.50	41,613.50		-	-	41,613.50	41,613.50
104,587.83	104,587.83		-	-	104,587.83	104,587.83
107,553.90	107,553.90		-	-	107,553.90	107,553.90
17,770.03	17,770.03		-	-	17,770.03	17,770.03
920,371.10	924,484.91		-	-	924,484.91	924,484.91

Unaudited

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
US Department of Labor					
Workforce Investment Act	17.255	G72211		-	0.02
Totals US Department of Labor				-	0.02
Federal Mediation and Conciliation Service					
<u>Direct Programs:</u>					
Youth Initiative Comprehensive Program Evaluation	34.000	G73174		-	-
Totals-Federal Mediation and Conciliation Service				-	-
National Aeronautics and Space Administration					
Meas. of Isotopic Composition of Iron Oxides as a Biosignature o	43.000	G72258		-	7,808.21
<u>Direct Programs:</u>					
Aerospace Education Services Program	43.001			-	-
Technology Transfer	43.002			-	-
Totals-National Aeronautics and Space Administration				-	7,808.21
National Foundation on the Arts and the Humanities					
National Leadership Grants	45.312	G72142		-	102,984.51
<u>Direct Programs:</u>					
Realizing the Vision of Networked Access to Librar	45.000	G73259		-	-
Promotion of the Arts--Grants to Organizations and Individuals	45.024			-	-
National Leadership Grants	45.312			-	-
Totals-National Foundation on the Arts and the Humanities				-	102,984.51
National Science Foundation					
Mathematical and Physical Sciences	47.049	G72210		-	13,971.43
Computer and Information Science and Engineering	47.070	G72249		-	994.03
Social, Behavioral, and Economic Sciences	47.075	G72216		-	2,045.85
Education and Human Resources	47.076	G72061		-	11,368.44
<u>Direct Programs:</u>					
Solving Crossing Number Problems With Applications	47.000	G72593		-	-
The Effects of Collaborative Skills and Culture in International	47.000	G72614		-	-
Engineering Grants	47.041			-	-
Mathematical and Physical Sciences	47.049			-	-
Geosciences	47.050			-	-
Computer and Information Science and Engineering	47.070			-	-
Biological Sciences	47.074			-	-

Unaudited

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		
-	0.02	-	-	-	0.02	0.02
-	0.02	-	-	-	0.02	0.02
42,829.72	42,829.72	-	-	-	42,829.72	42,829.72
42,829.72	42,829.72	-	-	-	42,829.72	42,829.72
-	7,808.21	-	-	-	7,808.21	7,808.21
66,110.60	66,110.60	-	-	-	66,110.60	66,110.60
34,926.77	34,926.77	-	-	-	34,926.77	34,926.77
101,037.37	108,845.58	-	-	-	108,845.58	108,845.58
-	102,984.51	-	-	-	102,984.51	102,984.51
29,977.28	29,977.28	-	-	-	29,977.28	29,977.28
16,470.52	16,470.52	-	-	-	16,470.52	16,470.52
82,237.37	82,237.37	-	-	-	82,237.37	82,237.37
128,685.17	231,669.68	-	-	-	231,669.68	231,669.68
-	13,971.43	-	-	-	13,971.43	13,971.43
-	994.03	-	-	-	994.03	994.03
-	2,045.85	-	-	-	2,045.85	2,045.85
-	11,368.44	-	-	-	11,368.44	11,368.44
28,885.85	28,885.85	-	-	-	28,885.85	28,885.85
15,328.49	15,328.49	-	-	-	15,328.49	15,328.49
214,640.93	214,640.93	-	-	-	214,640.93	214,640.93
743,862.23	743,862.23	-	-	-	743,862.23	743,862.23
49.87	49.87	-	-	-	49.87	49.87
231,390.61	231,390.61	-	-	-	231,390.61	231,390.61
480,394.83	480,394.83	-	-	-	480,394.83	480,394.83

Unaudited

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
<u>Pass-Through From:</u>					
Biological Sciences	47.074			-	-
<i>Pass-Through From: University of Texas at Dallas</i>			738	16,643.00	-
Social, Behavioral, and Economic Sciences	47.075			-	-
Education and Human Resources	47.076			-	-
<u>Pass-Through to:</u>					
Engineering Grants	47.041			-	291,179.04
<i>Pass-Through To: University of Texas at Dallas</i>		G72419		-	-
Totals-National Science Foundation				<u>16,643.00</u>	<u>319,558.79</u>
Environmental Protection Agency					
<u>Direct Programs:</u>					
Office of Research and Development Consolidated Research/Trainin	66.511			-	-
Surveys, Studies, Investigations and Special Purpose Grants	66.606			-	-
Totals-Environmental Protection Agency				<u>-</u>	<u>-</u>
US Department of Energy					
Quantitative Modeling of Living Neuronal Networks In Vitro	81.000	G72103		-	105,826.34
<u>Direct Programs:</u>					
State Energy Program	81.041			-	-
Office of Science Financial Assistance Program	81.049			-	-
Totals US Department of Energy				<u>-</u>	<u>105,826.34</u>
US Department of Education					
Southwest Educational Development	84.000	G72203		-	165,852.03
Vocational Education--Basic Grants to States	84.048	G72018		-	0.01
National Institute on Disability and Rehabilitation Research	84.133	G72108		-	1,545.79
Star Schools	84.203	G72004		-	20,552.50
Fund for the Improvement of Education	84.215	G72041		-	9,627.09
Technology Innovation Challenge Grants	84.303	G72025		-	(71,501.04)
Preparing Tomorrows Teachers to Use Technology'	84.342	G72246		-	19.06
<u>Direct Programs:</u>					
TRIO--Talent Search	84.044			-	-
Fund for the Improvement of Postsecondary Education	84.116			-	-
Rehabilitation Long-Term Training	84.129			-	-
Business and International Education Projects	84.153			-	-
TRIO--McNair Post-Baccalaureate Achievement	84.217			-	-
Preparing Tomorrows Teachers to Use Technology'	84.342			-	-
<i>Pass-Through From: University of Texas at San Antonio</i>			743	2,846.59	-
<u>Pass-Through From:</u>					
Improving Teacher Quality State Grants	84.367			-	-
<i>Pass-Through From: Coordinating Board, Texas Higher Education</i>			781	48,067.55	-
<u>Pass-Through To:</u>					
Capacity Building for Traditionally Underserved Populations	84.315			-	4,831.76

Unaudited

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		
-	-		-	-	-	-
-	-		-	-	16,643.00	16,643.00
-	16,643.00		-	-	-	-
485,821.58	485,821.58		-	-	485,821.58	485,821.58
612,089.80	612,089.80		-	-	612,089.80	612,089.80
-	291,179.04		-	-	221,638.87	291,179.04
-	-	738	69,540.17	-	-	-
2,812,464.19	3,148,665.98		69,540.17	-	3,079,125.81	3,148,665.98
325,618.05	325,618.05		-	-	325,618.05	325,618.05
3,135.00	3,135.00		-	-	3,135.00	3,135.00
328,753.05	328,753.05		-	-	328,753.05	328,753.05
-	105,826.34		-	-	105,826.34	105,826.34
3.94	3.94		-	-	3.94	3.94
453,941.95	453,941.95		-	-	453,941.95	453,941.95
453,945.89	559,772.23		-	-	559,772.23	559,772.23
-	165,852.03		-	-	165,852.03	165,852.03
-	0.01		-	-	0.01	0.01
-	1,545.79		-	-	1,545.79	1,545.79
-	20,552.50		-	-	20,552.50	20,552.50
-	9,627.09		-	-	9,627.09	9,627.09
-	(71,501.04)		-	-	(71,501.04)	(71,501.04)
-	19.06		-	-	19.06	19.06
(18.73)	(18.73)		-	-	(18.73)	(18.73)
45,553.34	45,553.34		-	-	45,553.34	45,553.34
(552.67)	(552.67)		-	-	(552.67)	(552.67)
29,868.34	29,868.34		-	-	29,868.34	29,868.34
68,493.73	68,493.73		-	-	68,493.73	68,493.73
1.42	2,848.01		-	-	2,848.01	2,848.01
-	-		-	-	-	-
-	48,067.55		-	-	48,067.55	48,067.55
-	-		-	-	-	-
-	4,831.76		-	-	68,399.32	4,831.76

Unaudited

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
<i>Pass-Through To: University of Texas-Pan American</i>					
		G72000			
Totals-US Department of Education				50,914.14	130,927.20
US Department of Health and Human Services					
Intra/Inter Atomic Model Computions for XPS	93.000	G72141		-	574.92
Rural Health Research Centers	93.155	G72042		-	19,762.85
Mental Health Research Grants	93.242	G72036		-	160,379.60
Community Services Block Grant--Discretionary Awards	93.570	G72140		-	(9,347.50)
<u>Direct Programs:</u>					
NIH/NHLBI Contract	93.000	NO1-HO-9923		-	-
NLM Contract	93.000	NO1-LM-3515		-	-
NIDA Contract	93.000	NO1DA-2-8822		-	-
CDC Contract	93.000	200-1999-00095		-	-
	93.000	200-2001-00084		-	-
	93.000	200-2001-00085		-	-
NIH Contract	93.000	263-MA-212747		-	-
NIH Exploratory Development Grant	93.000	93.731		-	-
Physician Assistants Training Grants	93.000	93.886		-	-
Faculty Development in Primary Care	93.000	93.895		-	-
Science Education Partnership Award	93.000	93.960		-	-
National Family Caregiver Support	93.052			-	-
Biological Response to Environmental Health Hazards	93.113			-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116			-	-
Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	93.156			-	-
Research and Training in Complementary and Alternative Medicine	93.213			-	-
Mental Health Research Grants	93.242			-	-
Public Health Training Centers Grant Program	93.249			-	-
Alcohol Research Programs	93.273			-	-
Drug Abuse and Addiction Research Programs	93.279			-	-
Centers for Disease Control and Prevention--Investigations and Technical Assistance	93.283			-	-
Clinical Research	93.333			-	-
<i>Pass-Through To: University of North Texas Health Science Center at Fort Worth</i>					
Lung Diseases Research	93.838			-	-
National Center for Research Resources	93.389			-	-
Cancer Detection and Diagnosis Research	93.394			-	-
Cancer Treatment Research	93.395			-	-
Cancer Biology Research	93.396			-	-
Cancer Control	93.399			-	-
Heart and Vascular Diseases Research	93.837			-	-
Lung Diseases Research	93.838			-	-
Blood Diseases and Resources Research	93.839			-	-

Unaudited

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		
		736	(63,567.56)	-	-	-
143,345.43	325,186.77		(63,567.56)	-	388,754.33	325,186.77
-	574.92		-	-	574.92	574.92
-	19,762.85		-	-	19,762.85	19,762.85
-	160,379.60		-	-	160,379.60	160,379.60
-	(9,347.50)		-	-	(9,347.50)	(9,347.50)
(91.45)	(91.45)		-	-	(91.45)	(91.45)
14,251.76	14,251.76		-	-	14,251.76	14,251.76
693,468.70	693,468.70		-	-	693,468.70	693,468.70
603,344.11	603,344.11		-	-	603,344.11	603,344.11
438,854.51	438,854.51		-	-	438,854.51	438,854.51
3,039.00	3,039.00		-	-	3,039.00	3,039.00
6,598.44	6,598.44		-	-	6,598.44	6,598.44
21,559.57	21,559.57		-	-	21,559.57	21,559.57
8,458.88	8,458.88		-	-	8,458.88	8,458.88
127,273.50	127,273.50		-	-	127,273.50	127,273.50
111,464.02	111,464.02		-	-	111,464.02	111,464.02
16,823.70	16,823.70		-	-	16,823.70	16,823.70
443,479.15	443,479.15		-	-	443,479.15	443,479.15
29,163.04	29,163.04		-	-	29,163.04	29,163.04
206,006.34	206,006.34		-	-	206,006.34	206,006.34
676,482.99	676,482.99		-	-	676,482.99	676,482.99
440,151.83	440,151.83		-	-	440,151.83	440,151.83
112,747.18	112,747.18		-	-	112,747.18	112,747.18
523,873.72	523,873.72		-	-	523,873.72	523,873.72
178,708.88	178,708.88		-	-	178,708.88	178,708.88
818,399.44	818,399.44		-	-	818,399.44	818,399.44
248,854.14	248,854.14		-	-	2,491.86	2,491.86
-	-	763	56,192.64	-	190,169.64	246,362.28
25,004.64	25,004.64		-	-	25,004.64	25,004.64
89,710.48	89,710.48		-	-	89,710.48	89,710.48
(4.25)	(4.25)		-	-	(4.25)	(4.25)
501,047.71	501,047.71		-	-	501,047.71	501,047.71
203,412.07	203,412.07		-	-	203,412.07	203,412.07
5,513.20	5,513.20		-	-	5,513.20	5,513.20
2,126,298.12	2,126,298.12		-	-	2,126,298.12	2,126,298.12
192,972.51	192,972.51		-	-	192,972.51	192,972.51
234,550.27	234,550.27		-	-	234,550.27	234,550.27

Unaudited

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
Arthritis, Musculoskeletal and Skin Diseases Research	93.846			-	-
Digestive Diseases and Nutrition Research	93.848			-	-
Kidney Diseases, Urology and Hematology Research	93.849			-	-
Extramural Research Programs in the Neurosciences and Neurologic	93.853			-	-
Allergy, Immunology and Transplantation Research	93.855			-	-
Microbiology and Infectious Diseases Research	93.856			-	-
Pharmacology, Physiology, and Biological Chemistry Research	93.859			-	-
Aging Research	93.866			-	-
Vision Research	93.867			-	-
Grants for Training in Primary Care Medicine and Dentistry	93.884			-	-
Health Care and Other Facilities	93.887			-	-
Tuberculosis Demonstration, Research, Public and Professional Education	93.947			-	-
Geriatric Education Centers	93.969			-	-
International Research and Research Training	93.989			-	-
<u>Pass-Through From:</u>					
Health Education and Training Centers	93.189			-	-
<i>Pass-Through From: Texas Tech University Health Science Center</i>			739	2,133.92	-
Public Health Training Centers Grant Program	93.249			-	-
<i>Pass-Through From: University of Texas Health Science Center-Houston</i>			744	19,673.39	-
Centers for Disease Control and Prevention-- Investigations and Technical Assistance	93.283			-	-
<i>Pass-Through From: University of Texas Health Science Center-Houston</i>			744	37,777.91	-
Clinical Research	93.333			-	-
<i>Pass-Through From: University of North Texas</i>			752	56,192.64	-
<u>Pass-Through To:</u>					
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			-	-
<i>Pass-Through To: Texas Tech University Health Science Center</i>				-	-
Totals-US Department of Health and Human Services				115,777.86	171,369.87
 <u>Student Financial Assistance Cluster</u>					
US Department of Education					
<u>Direct Programs:</u>					
Federal Supplemental Educational Opportunity Grants	84.007			-	-
Federal Family Education Loans	84.032			-	-
Federal Work-Study Program	84.033			-	-
Federal Perkins Loan Program--Federal Capital Contributions	84.038			-	-
Federal Pell Grant Program	84.063			-	-
Federal Perkins Loan Program--Federal Capital Contributions	84.038			-	-
Totals-US Department of Education				-	-

Unaudited

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		
312,028.45	312,028.45		-	-	312,028.45	312,028.45
7,869.05	7,869.05		-	-	7,869.05	7,869.05
139,280.33	139,280.33		-	-	139,280.33	139,280.33
350,545.55	350,545.55		-	-	350,545.55	350,545.55
5,375.11	5,375.11		-	-	5,375.11	5,375.11
482,602.68	482,602.68		-	-	482,602.68	482,602.68
338,698.55	338,698.55		-	-	338,698.55	338,698.55
2,962,983.78	2,962,983.78		-	-	2,962,983.78	2,962,983.78
1,180,181.54	1,180,181.54		-	-	1,180,181.54	1,180,181.54
154,791.51	154,791.51		-	-	154,791.51	154,791.51
1,279,096.83	1,279,096.83		-	-	1,279,096.83	1,279,096.83
479,629.07	479,629.07		-	-	479,629.07	479,629.07
3,505.42	3,505.42		-	-	3,505.42	3,505.42
36,585.53	36,585.53		-	-	36,585.53	36,585.53
-	-		-	-	2,133.92	2,133.92
-	2,133.92		-	-	-	-
-	-		-	-	19,673.39	19,673.39
-	19,673.39		-	-	-	-
-	-		-	-	37,777.91	37,777.91
-	37,777.91		-	-	-	-
-	-		-	-	56,192.64	56,192.64
-	56,192.64		-	-	-	-
-	-		-	-	(45,061.85)	-
-	-	739	45,061.85	-	-	-
<u>16,834,589.60</u>	<u>17,121,737.33</u>		<u>101,254.49</u>	<u>-</u>	<u>17,020,482.84</u>	<u>17,121,737.33</u>
1,873,023.57	1,873,023.57		-	-	1,873,023.57	1,873,023.57
132,594,925.76	132,594,925.76		-	-	132,594,925.76	132,594,925.76
1,403,002.12	1,403,002.12		-	-	1,403,002.12	1,403,002.12
334,790.00	334,790.00		-	-	334,790.00	334,790.00
16,146,809.55	16,146,809.55		-	-	16,146,809.55	16,146,809.55
993,262.30	993,262.30		-	-	993,262.30	993,262.30
<u>153,345,813.30</u>	<u>153,345,813.30</u>		<u>-</u>	<u>-</u>	<u>153,345,813.30</u>	<u>153,345,813.30</u>

Unaudited

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	IDENTIFYING NUMBER	PASS THROUGH FROM		
			AGY/ UNIV #	AGENCIES OR UNIV AMOUNT	NON-STATE ENTITIES AMOUNT
U.S. Department of Health and Human Services					
<u>Direct Programs:</u>					
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			-	-
Totals - U.S. Department of Health and Human Services				-	-
 <u>TRIO Cluster</u>					
US Department of Education					
<u>Direct Programs:</u>					
TRIO--Student Support Services	84.042			-	-
TRIO--Talent Search	84.044			-	-
TRIO--Upward Bound	84.047			-	-
TRIO--McNair Post-Baccalaureate Achievement	84.217			-	-
Totals-US Department of Education				-	-
Total Expenditures of Federal Awards				\$ 1,475,201.69	\$ 3,003,948.28

Unaudited

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		
99,953.00	99,953.00	-	-	99,953.00	99,953.00	
99,953.00	99,953.00	-	-	99,953.00	99,953.00	
301,732.96	301,732.96	-	-	301,732.96	301,732.96	
389,695.40	389,695.40	-	-	389,695.40	389,695.40	
656,598.62	656,598.62	-	-	656,598.62	656,598.62	
483,949.61	483,949.61	-	-	483,949.61	483,949.61	
1,831,976.59	1,831,976.59	-	-	1,831,976.59	1,831,976.59	
\$ 184,789,856.26	\$ 189,269,006.23	210,970.26	-	189,058,035.97	189,269,006.23	

Unaudited

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	\$ 53,918,069.78
Federal Grants and Contracts	1,475,201.69
Federal Pass-Through Grants from Other State Agencies/Universities	<u>\$ 55,393,271.47</u>
Total Federal Revenues per Statement of Revenues, Expenses, and Changes in Net Assets	

Reconciling Items:

New Loans Processed:

Federal Family Education Loan Program	\$ 132,594,925.76
Federal Perkins Loan Program	1,280,809.00

Total Pass Through and Expenditures per Federal Schedule	<u><u>\$ 189,269,006.23</u></u>
--	---------------------------------

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 Federal Family Education Loans	\$ 132,594,925.76	\$ -	\$ 132,594,925.76	\$ -
84.038 Federal Perkins Loan Program	1,280,809.00	47,243.30	1,328,052.30	4,963,356.55
<i>Total Dept of Education</i>	<u>\$ 133,875,734.76</u>	<u>\$47,243.30</u>	<u>\$ 133,922,978.06</u>	<u>\$ 4,963,356.55</u>
<i>U.S. Dept. of Health and Human Services</i>				
93.342 Health Professions/ Disadvantaged Student Loans	\$ -	\$ -	\$ -	\$ 574,849.87
<i>Total U.S. Dept. of Health and Human Services</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 574,849.87</u>

General ledger reporting, billing and receiving, and some aspects of collections of the Perkins Loan program are outsourced to Campus Partners. Promissory note generation, final collection efforts, forbearance and deferment decisions are performed by UNT Financial Aid.

Unaudited

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 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 - Schedule of State Grant Pass-Throughs From/To State Agencies

For the Fiscal Year Ended August 31, 2005

Pass-Through From: State Agencies

To University of North Texas (752)

Texas Commission on Environmental Quality (Agency 582)	
Teaching Environmental Science	\$ 6,388.00
Texas Education Agency (Agency 701)	
School District Customer Satisfaction Assessment	1,281,826.00
Texas A&M University System (Agency 710)	
Texas Academy of Math and Science	147,049.93
Texas Higher Education Coordinating Board (Agency 781)	
Technology Workforce Development	148,388.72
5th Year Accounting Scholarship	21,955.00
Texas College Work Study Program	6,146,483.53
Minority Health Research/Education	146,882.03
Total Pass-Through From Other Agencies	<u>\$ 7,898,973.21</u>
(Statement of Revenues, Expenses, and Changes in Net Assets)	

Pass-Through From: State Agencies

To University of North Texas Health Science Center (763)

Texas Higher Education Coordinating Board (#781)	
Advanced Research Program	\$ (4,754.90)
Advanced Tech Program	(4,728.86)
College Work Study Program	6,937.93
Family Practice Residency	195,840.00
Rural & Public Health Rotation	3,000.00
Graduate Medical Education	41,139.45
Total Pass-Through From Other Agencies	<u>\$ 237,433.62</u>
(Statement of Revenues, Expenses, and Changes in Net Assets)	

Pass Through To:

N/A

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Unaudited

UNIVERSITY OF NORTH TEXAS SYSTEM (794)

Schedule 2A - Combined Miscellaneous Bond Information

For the Fiscal Year Ended August 31, 2005

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 Tuit 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	-
UNT Rev Fin Sys Bonds, Ser '97	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
UNTHSC Rev Fin Ref & Imp Bonds, Ser '99A	15,535,000.00	5.00% - 5.75%	2000	2019	04/15/09
UNT Rev Fin Sys Bonds, Ser '01	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
UNT Rev Fin Sys Bonds, Ser '02A	9,500,000.00	4.00% - 5.00%	2004	2022	04/15/12
UNT Rev Fin Sys Bonds, Ser '03	31,180,000.00	3.00% - 5.00%	2005	2034	04/15/13
Rev Fin Sys Bonds, Ser '03A	6,185,000.00	5.375% - 5.500%	2003	2017	04/15/13
UNT Rev Fin 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, 2005

Description of Issue	Bonds Outstanding 09/01/04	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/05	Amounts Due Within One Year
UNT Cons Univ Rev Bonds, Ser '94	\$ 5,910,000.00	\$ -	\$ -	\$ -	\$ 5,910,000.00	\$ 525,000.00
UNTHSC Gen Tuit Rev Bonds, Ser '94	515,000.00	-	-	-	515,000.00	515,000.00
UNT Cons Univ Rev Bonds, Ser '96	9,005,000.00	-	-	-	9,005,000.00	705,000.00
UNT Cons Univ Rev Ref Bonds, Ser '97	2,140,000.00	-	2,140,000.00	-	-	-
UNT Rev Fin Sys Bonds, Ser '97	1,525,000.00	-	485,000.00	-	1,040,000.00	510,000.00
Rev Fin Sys Bonds, Ser '99	24,930,000.00	-	310,000.00	-	24,620,000.00	1,240,000.00
UNTHSC Rev Fin Ref & Imp Bonds, Ser '99A	13,405,000.00	-	385,000.00	-	13,020,000.00	405,000.00
UNT Rev Fin Sys Bonds, Ser '01	33,160,000.00	-	425,000.00	-	32,735,000.00	575,000.00
Rev Fin Sys Bonds, Ser '02	57,600,000.00	-	1,615,000.00	-	55,985,000.00	2,375,000.00
UNT Rev Fin Sys Bonds, Ser '02A	9,360,000.00	-	350,000.00	-	9,010,000.00	365,000.00
UNT Rev Fin Sys Bonds, Ser '03	31,180,000.00	-	570,000.00	-	30,610,000.00	585,000.00
Rev Fin Sys Bonds, Ser '03A	6,185,000.00	-	-	-	6,185,000.00	-
Rev Fin Sys Bonds, Ser '03B	4,980,000.00	-	30,000.00	-	4,950,000.00	35,000.00
Total	<u>\$ 199,895,000.00</u>	<u>\$ -</u>	<u>\$ 6,310,000.00</u>	<u>\$ -</u>	<u>\$ 193,585,000.00</u>	<u>\$ 7,835,000.00</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

\$ 193,585,000.00

Unaudited

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Combined Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2005

Description of Issue	Year	Principal	Interest
Revenue Bonds			
UNT Cons Univ Rev Bonds, Ser '94	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	650,000.00	156,495.00
	2011 - 2015	<u>2,980,000.00</u>	<u>310,795.00</u>
		<u>5,910,000.00</u>	<u>1,377,760.00</u>
UNTHSC Gen Tuition Rev Bonds, Ser '94	2006	515,000.00	29,612.50
		<u>515,000.00</u>	<u>29,612.50</u>
UNT Cons Univ Rev Bonds, Ser '96	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	865,000.00	297,750.00
	2011 - 2015	<u>5,090,000.00</u>	<u>790,500.00</u>
		<u>9,005,000.00</u>	<u>2,654,750.00</u>
UNT Rev Fin Sys Bonds, Ser '97	2006	510,000.00	48,625.00
	2007	530,000.00	24,910.00
		<u>1,040,000.00</u>	<u>73,535.00</u>
Rev Fin Sys Bonds, Ser '99	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	1,505,000.00	1,026,863.78
	2011 - 2015	8,845,000.00	3,838,137.62
	2016 - 2020	<u>8,930,000.00</u>	<u>1,216,417.50</u>
			<u>24,620,000.00</u>
UNTHSC Rev Fin Sys Bonds, Ser '99A	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	1,130,000.00	510,412.50
	2011 - 2015	5,720,000.00	1,618,031.28
	2016 - 2020	<u>2,710,000.00</u>	<u>395,362.50</u>
		<u>13,020,000.00</u>	<u>5,049,206.28</u>
UNT Rev Fin Sys Bonds, Ser '01	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	1,155,000.00	1,538,425.00
	2011 - 2015	7,675,000.00	6,670,925.00
	2016 - 2020	10,295,000.00	4,288,300.00
	2021 - 2025	<u>10,345,000.00</u>	<u>1,324,750.00</u>
		<u>32,735,000.00</u>	<u>20,402,300.00</u>

Description of Issue	Year	Principal	Interest
Revenue Bonds			
Rev Fin Sys Bonds, Ser '02	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	2,700,000.00	2,158,600.02
	2011 - 2015	15,165,000.00	9,122,175.10
	2016 - 2020	19,130,000.00	5,155,400.10
	2021 - 2025	9,040,000.00	683,500.00
		<u>55,985,000.00</u>	<u>26,592,381.52</u>
UNT Rev Fin Sys Bonds, Ser '02A	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	435,000.00	340,193.76
	2011 - 2015	2,475,000.00	1,421,443.78
	2016 - 2020	3,085,000.00	831,350.00
	2021 - 2025	1,455,000.00	110,000.00
		<u>9,010,000.00</u>	<u>4,223,162.58</u>
UNT Rev Fin Sys Bonds, Ser '03	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	660,000.00	1,298,202.50
	2011 - 2015	3,660,000.00	6,122,307.50
	2016 - 2020	4,435,000.00	5,351,343.78
	2021 - 2025	5,495,000.00	4,294,050.00
	2026 - 2030	6,970,000.00	2,814,750.00
	2031 - 2035	6,940,000.00	888,750.00
		<u>30,610,000.00</u>	<u>26,148,663.78</u>
Rev Fin Sys Bonds, Ser '03A	2006	-	337,912.50
	2007	-	337,912.50
	2008	-	337,912.50
	2009	-	337,912.50
	2010	-	337,912.50
	2011 - 2015	1,810,000.00	1,689,562.50
	2016 - 2020	4,375,000.00	364,100.00
		<u>6,185,000.00</u>	<u>3,743,225.00</u>
UNT Rev Fin Sys Bonds, Ser '03B	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	75,000.00	289,455.00
	2011 - 2015	450,000.00	1,388,752.50
	2016 - 2020	710,000.00	1,233,956.26
	2021 - 2025	955,000.00	992,812.50
	2026 - 2030	1,280,000.00	662,665.00
	2031 - 2035	1,340,000.00	213,900.00
		<u>4,950,000.00</u>	<u>5,953,011.26</u>
Less Accretion:		-	-
Total:		<u>\$ 193,585,000.00</u>	<u>\$ 107,131,481.94</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, 2005

<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 & Capital Outlay</u>	<u>Debt Service</u>	
			<u>Principal</u>	<u>Interest *</u>
UNT Cons Univ Rev Bonds, Ser '94 & '96 & Cons Univ Rev Ref Bonds, Ser 97	\$ 92,736,745.18	\$ 25,510,458.40	\$ 2,140,000.00	\$ 874,986.12
Rev Fin Sys Bonds, Ser '97, '99, '99A, '01, '02, '02A, '03, '03A & '03B	56,715,474.90	3,800.00	5,250,000.00	8,643,076.50
UNTHSC Gen Tuit Rev Bonds Ser '94	544,612.50	-	515,000.00	29,612.50
Total	<u>\$ 149,996,832.58</u>	<u>\$ 25,514,258.40</u>	<u>\$ 7,905,000.00</u>	<u>\$ 9,547,675.12</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, 2005

<u>Description of Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
UNTHSC General Tuition Revenue Bonds, Series 1994	1999	\$5,455,000.00
		<u>\$ 5,455,000.00</u>

Unaudited

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Schedule 2F - Early Extinguishment and Refunding
For the Fiscal Year Ended August 31, 2005

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

Unaudited

UNIVERSITY OF NORTH TEXAS SYSTEM (794)
Schedule 3 - Combined Reconciliation of Cash in State Treasury
August 31, 2005

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
UNT Local Revenue Fund 0258	\$ 17,971,868.12	\$ -	\$ 17,971,868.12
UNTHSC Fund 0280	3,350,824.74	-	3,350,824.74
UNTHSC Fund 0819	-	1,130,252.04	1,130,252.04
Total Cash in State Treasury (Stmnt of Net Assets)	<u><u>\$ 21,322,692.86</u></u>	<u><u>\$ 1,130,252.04</u></u>	<u><u>\$ 22,452,944.90</u></u>