

**AGENDA**  
**THE BOARD OF REGENTS**  
**OF THE UNIVERSITY OF NEBRASKA**  
**Varner Hall**  
**Friday, January 20, 2006**  
**1:00 p.m.**

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN ON NOVEMBER 11, 2005 and DECEMBER 1, 2005
- IV. ELECTION OF OFFICERS: Chairperson  
Vice Chairperson
- V. KUDOS AND RESOLUTIONS
- VI. STRATEGIC OR POLICY ISSUES: LEGISLATIVE DISCUSSION HELD EARLIER
- VII. HEARINGS
  - 1. Approve the amendment of Section 2.11 of the *Bylaws of the Board of Regents* relating to “Other University Activities.”
  - 2. Approve amendments to the Business and Financial policies of Board of Regents of the University of Nebraska.
- VIII. PUBLIC COMMENT

The Standing Rules of the Board provide that any person may appear and address the Board of Regents on any item on the agenda for this meeting. Each person will be given up to five minutes to make his or her remarks.
- IX. UNIVERSITY CONSENT AGENDA
  - A. ACADEMIC AFFAIRS
    - 1. President’s Personnel Recommendations. Addendum IX-A-1
    - 2. Discontinue the Bachelor of Science in Urban Studies degree at the University of Nebraska at Omaha. Addendum IX-A-2
    - 3. Approve the requests from the University of Nebraska-Lincoln to participate in activities outside the University in accordance with University policy. Addendum IX-A-3
    - 4. Approve the Award of Honorary Degrees. Addendum IX-A-4

B. BUSINESS AFFAIRS

Central Administration

1. Approve reappointment of two members, Jan Thayer and Gail Walling Yanney, M.D., to the Board of Directors of The Nebraska Medical Center effective January 1, 2006, for a term of three years, and appoint Duane Acklie to serve the remainder of the late Harlan Noddle's unexpired term. Addendum IX-B-1
2. Appoint the Vice President for Business and Finance as a trustee of the Rosa O. Peterson Title Holding Trust. Addendum IX-B-2
3. Approve the acceptance of the audited financial statements of the University of Nebraska and related entities. Addendum IX-B-3

University of Nebraska-Lincoln

4. Authorize the University of Nebraska-Lincoln Vice Chancellor for Business and Finance to execute subcontracts and related amendments in conjunction with the USDA Risk Management Agency (RMA) research grant. Addendum IX-B-4
5. Accept a gift from the University of Nebraska Foundation of a parcel of land located at 3278 Holdrege Street. Addendum IX-B-5

University of Nebraska Medical Center

6. Approve the Contract for the Purchase of Real Estate located at 673 South 41<sup>st</sup> Street, Omaha, Nebraska. Addendum IX-B-6

X. UNIVERSITY ADMINISTRATIVE AGENDA

A. ACADEMIC AFFAIRS

1. Approve the amendment of Section 2.11 of the *Bylaws of the Board of Regents* relating to "Other University Activities." Addendum X-A-1

B. BUSINESS AFFAIRS

Central Administration

1. Approve amendments to the Business and Financial Management policies of the *Board of Regents' Policies of the University of Nebraska*. Addendum X-B-1
2. Approve additional spending authorization of \$6,000,000 relating to the investigation and cleanup of University disposals at the Agricultural Research and Development Center (ARDC) near Mead. Addendum X-B-2

University of Nebraska at Lincoln

3. Approve the Resolution to authorize expenditure of up to \$335,000 for capital improvements for University Housing from the Replacement Fund of the UNL Student Fees and Facilities Revenue Bonds. Addendum X-B-3

University of Nebraska Medical Center

4. Approve the interlocal agreement with the City of Omaha for the construction and redesign of public street traffic lanes on and adjacent to the UNMC/The Nebraska Medical Center campus. Addendum X-B-4
5. Approve proceeding with building construction and other remaining activities to complete the Center for Health Science Education project at the University of Nebraska Medical Center. Addendum X-B-5
6. Adopt a resolution approving (1) proposed Amendments to the Lease Agreement between Nebraska Health System (now known as The Nebraska Medical Center, but referred to herein as "NHS"), the Board of Regents of the University of Nebraska Medical Center and Clarkson Regional Health Services, Inc., and (2) proposed Amendment to the Joint Operating Agreements among the Board of Regents, Clarkson Regional Health Services, Inc., and NHS. Addendum X-B-6

University of Nebraska at Omaha

7. Approve additional student housing at UNO, authorize issuance of a request for proposals for a private developer(s) and authorize the President to negotiate and approve a ground lease with the successful respondent to provide up to 400 additional beds in consultation with the Board Chair. Addendum X-B-7

C. FOR INFORMATION ONLY  
None.

D. REPORTS

1. Fall 2005 Tenure Density Report. Addendum X-D-1
2. Design Development report for the University of Nebraska at Kearney Student Housing project. Addendum X-D-2
3. Design Development report for the Center for Health Science Education (CHSE) project at the University of Nebraska Medical Center. Addendum X-D-3
4. Report of an emergency communications tower easement with Frontier County, Nebraska, at the Nebraska College of Technical Agriculture at Curtis. Addendum X-D-4
5. Name change for the University of Nebraska-Lincoln Women's Studies Program to Women's and Gender Studies Program. Addendum X-D-5
6. Bids and Contracts for the period ended December 14, 2005. Addendum X-D-6
7. Report on Programs with Differential Tuition Rates. Addendum X-D-7

XI. ADDITIONAL BUSINESS

## **IX. UNIVERSITY CONSENT AGENDA**

### **A. ACADEMIC AFFAIRS**

1. President's Personnel Recommendations. Addendum IX-A-1
2. Discontinue the Bachelor of Science in Urban Studies degree at the University of Nebraska at Omaha. Addendum IX-A-2
3. Approve the requests from the University of Nebraska-Lincoln to participate in activities outside the University in accordance with University policy. Addendum IX-A-3
4. Approve the Award of Honorary Degrees. Addendum IX-A-4

### **B. BUSINESS AFFAIRS**

#### Central Administration

1. Approve reappointment of two members, Jan Thayer and Gail Walling Yanney, M.D., to the Board of Directors of The Nebraska Medical Center effective January 1, 2006, for a term of three years, and appoint Duane Acklie to serve the remainder of the late Harlan Noddle's unexpired term. Addendum IX-B-1
2. Appoint the Vice President for Business and Finance as a trustee of the Rosa O. Peterson Title Holding Trust. Addendum IX-B-2
3. Approve the acceptance of the audited financial statements of the University of Nebraska and related entities. Addendum IX-B-3

#### University of Nebraska-Lincoln

4. Authorize the University of Nebraska-Lincoln Vice Chancellor for Business and Finance to execute subcontracts and related amendments in conjunction with the USDA Risk Management Agency (RMA) research grant. Addendum IX-B-4
5. Accept a gift from the University of Nebraska Foundation of a parcel of land located at 3278 Holdrege Street. Addendum IX-B-5

#### University of Nebraska Medical Center

6. Approve the Contract for the Purchase of Real Estate located at 673 South 41<sup>st</sup> Street, Omaha, Nebraska. Addendum IX-B-6



## **X. UNIVERSITY ADMINISTRATIVE AGENDA**

### **A. ACADEMIC AFFAIRS**

1. Approve the amendment of Section 2.11 of the *Bylaws of the Board of Regents* relating to “Other University Activities.” Addendum X-A-1

### **B. BUSINESS AFFAIRS**

#### Central Administration

1. Approve amendments to the Business and Financial Management policies of the *Board of Regents’ Policies of the University of Nebraska*. Addendum X-B-1
2. Approve additional spending authorization of \$6,000,000 relating to the investigation and cleanup of University disposals at the Agricultural Research and Development Center (ARDC) near Mead. Addendum X-B-2

#### University of Nebraska at Lincoln

3. Approve the Resolution to authorize expenditure of up to \$335,000 for capital improvements for University Housing from the Replacement Fund of the UNL Student Fees and Facilities Revenue Bonds. Addendum X-B-3

#### University of Nebraska Medical Center

4. Approve the interlocal agreement with the City of Omaha for the construction and redesign of public street traffic lanes on and adjacent to the UNMC/The Nebraska Medical Center campus. Addendum X-B-4
5. Approve proceeding with building construction and other remaining activities to complete the Center for Health Science Education project at the University of Nebraska Medical Center. Addendum X-B-5
6. Adopt a resolution approving (1) proposed Amendments to the Lease Agreement between Nebraska Health System (now known as The Nebraska Medical Center, but referred to herein as “NHS”), the Board of Regents of the University of Nebraska Medical Center and Clarkson Regional Health Services, Inc., and (2) proposed Amendment to the Joint Operating Agreements among the Board of Regents, Clarkson Regional Health Services, Inc., and NHS. Addendum X-B-6

#### University of Nebraska at Omaha

7. Approve additional student housing at UNO, authorize issuance of a request for proposals for a private developer(s) and authorize the President to negotiate and approve a ground lease with the successful respondent to provide up to 400 additional beds in consultation with the Board Chair. Addendum X-B-7

**C. FOR INFORMATION ONLY**

None.

**D.     REPORTS**

1.     Fall 2005 Tenure Density Report. Addendum X-D-1
2.     Design Development report for the University of Nebraska at Kearney Student Housing project. Addendum X-D-2
3.     Design Development report for the Center for Health Science Education (CHSE) project at the University of Nebraska Medical Center. Addendum X-D-3
4.     Report of an emergency communications tower easement with Frontier County, Nebraska, at the Nebraska College of Technical Agriculture at Curtis. Addendum X-D-4
5.     Name change for the University of Nebraska-Lincoln Women's Studies Program to Women's and Gender Studies Program. Addendum X-D-5
6.     Bids and Contracts for the period ended December 14, 2005. Addendum X-D-6
7.     Report on Programs with Differential Tuition Rates. Addendum X-D-7

President's Personnel Recommendations  
Meeting Date: January 20, 2006

**University of Nebraska-Lincoln**

Leave of Absence

Anne M. Parkhurst, Professor (Continuous), Statistics; Faculty Development Fellowship with full pay effective 02/01/06 through 07/31/06, \$97,586 FY, 1.00 FTE.

Charles L. Sedlacek, Professor (Continuous), Computer and Electronics Engineering; Leave without pay effective 02/16/06 through 08/15/06, \$86,139 AY, 1.00 FTE.

TO: The Board of Regents  
Academic Affairs

MEETING DATE: January 20, 2006

SUBJECT: Discontinue University of Nebraska at Omaha (UNO) Bachelor of Science in Urban Studies (B.S. U.S) degree

RECOMMENDED ACTION: Discontinue the Bachelor of Science in Urban Studies degree at the University of Nebraska at Omaha

PREVIOUS ACTION: 1974 – The Board approved a Bachelor of Science in Urban Studies degree.

EXPLANATION: The UNO College of Public Affairs and Community Service at the request of the School of Public Administration recommends the elimination of the Bachelor of Science in Urban Studies (B.S.U.S). Students have not been admitted to the B.S. U.S. program since 2000-2001. After careful reviews beginning in 2001 and again in 2002 and 2005, the School and College determined that the B.S. in Urban Studies should be discontinued. Student demand for such an undergraduate degree is very limited. Historically, Urban Studies has been a small program with relatively few students. Metropolitan and urban issues are addressed in a wide range of undergraduate programs and courses dispersed throughout the curriculum at UNO. The undergraduate focus on urban and metropolitan issues is best addressed with an interdisciplinary approach. At the graduate level, there is a clear need and demand for the Master of Science in Urban Studies. The School and College have determined that the focus and resources should be shifted to the graduate program in Urban Studies. At this time, there are no longer any students at UNO seeking the B.S. in Urban Studies.

The School of Public Administration will continue to offer a limited number of undergraduate urban studies courses that will support general education and the Bachelor of General Studies (BGS) concentration in Urban Studies. The interdisciplinary BGS concentration is an appropriate undergraduate focus for urban studies.

Demand and resources have been sufficient to re-focus and build the Master of Science in Urban Studies program. This program has attracted external scholarship and internship funding, as well as external funding for faculty and student research involving the urban community.

PROJECT COST: None

SOURCE OF FUNDS: Not Applicable

SPONSORS:

B.J. Reed  
Dean, College of Public Affairs and Community Service

John Christensen  
Vice Chancellor for Academic and Student Affairs

APPROVAL:

---

Nancy Belck, Chancellor  
University of Nebraska at Omaha

DATE:

December 14, 2005

TO: The Board of Regents  
Academic Affairs

MEETING DATE: January 20, 2006

SUBJECT: Requests for Approval of Outside Employment

RECOMMENDED ACTION: Approval of the following requests to participate in activities outside the University in accordance with University policy as follows.

Bruce Avolio, Professor, Management, to serve as a Senior Scientist for the Gallup Organization

Sang Lee, Professor, Management, to serve as a Senior Scientist for the Gallup Organization.

Fred Luthans, Professor, Management, to serve as a Senior Scientist for the Gallup Organization.

Fred Luthans, Professor, Management, to serve as editor for academic/professional journals.

EXPLANATION: The request by Bruce Avolio, Sang Lee, and Fred Luthans is in accordance with Section 3.4.5 (a) of the *Bylaws of the Board of Regents of the University of Nebraska* specifying that University employees must have the approval of the Board of Regents to accept a retainer over a time period of more than two years.

Bruce Avolio, Sang Lee, and Fred Luthans are requesting permission of the Board of Regents to serve as Senior Scientists for the Gallup Organization. These duties will be performed beginning January 23, 2006 with an undetermined end date.

Bruce Avolio's, Sang Lee's and Fred Luthans' appointments as Gallup Senior Scientists are an integral part of their UNL research assignment. The resources they receive and have access to from the Gallup organization contribute to the research they produce as UNL faculty members. These senior scientists serve as thought leaders for the Gallup organization; their contributions to Gallup enhance this university-business partnership which benefits graduate and undergraduate students at UNL, and the research they complete as senior scientists enhances the reputation of UNL nationally and abroad.

Fred Luthans is requesting permission of the Board of Regents to serve as editor of the academic/professional journals *Journal of World Business, Organizational Dynamics, and Journal of Leadership and Organizational Studies* with an undetermined end date.

Fred Luthans is being reimbursed for his services as editor of three journals, but this activity is an integral part of his research, contributing to his professional development and, because of the stature of the journals in his field, enhancing the reputation of the University.

SPONSOR: Barbara Couture  
Senior Vice Chancellor for Academic Affairs

APPROVAL: \_\_\_\_\_  
Harvey Perlman, Chancellor  
University of Nebraska-Lincoln

DATE: January 10, 2006



TO: The Board of Regents  
Academic Affairs

MEETING DATE: January 20, 2006

SUBJECT: Honorary Degree

RECOMMENDED ACTION: Approve the award of Honorary Degrees for the May 2006 commencement ceremonies and at a special ceremony.

PREVIOUS ACTION: December 9, 2000 - The Board of Regents approved the current policy for Honorary Degrees, found in the *University of Nebraska Board of Regents Policies* under RP-1.5.1 Honorary Degrees.

EXPLANATION: None

PROJECT COST: None

SOURCE OF FUNDS: None

SPONSORS: Board of Regents Committee on Honorary Degrees

APPROVAL: \_\_\_\_\_  
James B. Milliken  
President

DATE: January 5, 2006

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Reappointment of two members, Jan Thayer and Gail Walling Yanney, M.D., to the Board of Directors of The Nebraska Medical Center and appoint Duane Acklie to serve the remainder of the late Harlan Noddle's unexpired term

RECOMMENDED ACTION: Approve reappointment of two members, Jan Thayer and Gail Walling Yanney, M.D., to the Board of Directors of The Nebraska Medical Center effective January 1, 2006, for a term of three years, and appoint Duane Acklie to serve the remainder of the late Harlan Noddle's unexpired term.

PREVIOUS ACTION: December 11, 2004 - The Regents approved the appointment of Byers W. Shaw, M.D. and Randolph M. Ferlic, M.D., for a term of three years to fill expired terms.  
December 13, 2003 - The Regents approved the appointment of Harold M. Maurer, M.D. and Harlan Noddle for a term of three years to fill the expired terms.  
October 11, 2002 - The Regents approved the appointment of Gail Walling Yanney, M.D. and Jan Thayer for a term of three years to fill the expired terms.

EXPLANATION: The Nebraska Medical Center Bylaws provide for the appointment of twelve members of The Nebraska Medical Center Board of Directors for three year terms. The two members of The Nebraska Medical Center (the Regents and the combined Clarkson entities) shall each appoint six directors with staggered terms. The current Board of Directors appointed by the Board of Regents and their terms are:

Jan Thayer	January 1, 2003 - December 31, 2005
Gail Walling Yanney, M.D.	January 1, 2003 - December 31, 2005
Harold M. Maurer, M.D.	January 1, 2004 - December 31, 2006
Harlan Noddle, Deceased	January 1, 2004 - December 31, 2006
Byers W. Shaw, M.D.	January 1, 2005 - December 31, 2007
Randolph M. Ferlic, M.D.	January 1, 2005 - December 31, 2007

On November 11, 2005, the Regents approved a motion that if future appointments to The Nebraska Medical Center Board of Directors are not made by reappointment of an incumbent member or appointment of a University of Nebraska Medical Center employee, then every effort would be made to achieve representation on the board from throughout the state with no more than two persons from any one of the three Congressional districts serving on the board.

Therefore, it is recommended that the Regents approve the reappointment of the following two persons to The Nebraska Medical Center Board of Directors for a term of three years, and appoint Duane Acklie to serve the remainder of the late Harlan Noddle's unexpired term:

<u>Appointee</u>	<u>Term</u>
Jan Thayer	January 1, 2006 - December 31, 2008
Gail Walling Yanney, M.D.	January 1, 2006 - December 31, 2008
Duane Acklie	January 1, 2006 - December 31, 2006

APPROVAL:

\_\_\_\_\_  
James B. Milliken  
President

DATE:

January 3, 2006

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Rosa O. Peterson Holding Trust

RECOMMENDED ACTION: Appoint the Vice President for Business and Finance as a trustee of the Rosa O. Peterson Title Holding Trust.

PREVIOUS ACTION: September 6, 1986 - the Board approved the Rosa O. Peterson Title Holding Trust and named Alan T. Seagren as trustee, serving on behalf of the Board of Regents.

EXPLANATION: The Rosa O. Peterson Title Holding Trust was established to manage farm land that was received by bequest from Rosa O. Peterson to the University of Nebraska, Nebraska Wesleyan University and Hastings College. Each institution received an undivided one-third interest in the property and appointed one trustee to serve in that capacity for the Title Holding Trust. Alan T. Seagren, the Vice President for Business and Finance at the time of the foregoing Board action, was approved as named trustee.

This item, if approved, establishes the holder of the Office of the Vice President for Business and Finance as the trustee, versus the former language which named a specific individual.

SPONSORS: David E. Lechner  
Vice President for Business & Finance

Richard Wood  
Vice President and General Counsel

APPROVAL: \_\_\_\_\_  
James. B. Milliken  
President

DATE: December 8, 2005

TO: The Board of Regents  
 Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Financial Statements and related Auditors' Reports for the University of Nebraska

RECOMMENDED ACTION: Approve the acceptance of the audited financial statements of the University of Nebraska and related entities.

PREVIOUS ACTION: November 11, 2005 – Financial Statements and related Auditors' Reports for the year ended June 30, 2004 were accepted by the Board.

EXPLANATION: Approval of this item will accept the audited General Purpose financial statements of the University of Nebraska for the year ended June 30, 2005, and the audits and reports of the following related entities or components for the periods shown.

<u>Entity/Component</u>	<u>Year Ended</u>
General Purpose Audit	June 30, 2005
Single Audit of Federal Funds under the OMB Circular A-133	June 30, 2005
Letter of Recommendations	June 30, 2005
Management's Response to Recommendations	June 30, 2005
University Dental Associates	June 30, 2005

Members of the public and news media may obtain a copy of the audits in the Offices of the University Corporation Secretary and the Vice President for Business & Finance, 3835 Holdrege Street, Lincoln, Nebraska 68583, between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except University holidays.

APPROVAL: Randy M. Ferlic, Chair  
 Audit Committee

DATE: January 5, 2006

***The University of Nebraska***  
***(A Component Unit of the State of***  
***Nebraska)***

*Basic Financial Statements and Additional  
Information for the Years Ended June 30, 2005  
and 2004 and Independent Auditors' Reports*

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**TABLE OF CONTENTS**

---

	<b>Page</b>
INDEPENDENT AUDITORS' REPORT	1-2
COMPONENT UNIT - INDEPENDENT AUDITORS' REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4-14
BASIC FINANCIAL STATEMENTS:	
Statements of Net Assets	15
Component Unit - Consolidated Statements of Financial Position	16
Statements of Revenues, Expenses, and Changes in Net Assets	17
Component Unit - Consolidated Statements of Activities	18-19
Statements of Cash Flows	20-21
Component Unit - Consolidated Statements of Cash Flows	22
Notes to Financial Statements	23-59
ADDITIONAL INFORMATION:	
<i><b>The University of Nebraska-Lincoln:</b></i>	
Statements of Net Assets	60
Statements of Revenues, Expenses, and Changes in Net Assets	61
Statements of Cash Flows	62-63
<i><b>The University of Nebraska Medical Center:</b></i>	
Statements of Net Assets	64
Statements of Revenues, Expenses, and Changes in Net Assets	65
Statements of Cash Flows	66-67
<i><b>The University of Nebraska at Omaha:</b></i>	
Statements of Net Assets	68
Statements of Revenues, Expenses, and Changes in Net Assets	69
Statements of Cash Flows	70-71
<i><b>The University of Nebraska at Kearney:</b></i>	
Statements of Net Assets	72
Statements of Revenues, Expenses, and Changes in Net Assets	73
Statements of Cash Flows	74-75

**TABLE OF CONTENTS (Continued)**

---

	<b>Pages</b>
<b><i>The University of Nebraska Central Administration:</i></b>	
Statements of Net Assets	76
Statements of Revenues, Expenses and Changes in Net Assets	77
Statements of Cash Flows	78-79
<b><i>The University of Nebraska Facilities Corporation:</i></b>	
Statements of Net Assets (Deficit)	80
Statements of Revenues, Expenses and Changes in Net Assets (Deficit)	81
Statements of Cash Flows	82
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	83-84



## **Independent Auditors' Report**

Board of Regents of the University of Nebraska and the  
Auditor of Public Accounts of the State of Nebraska  
Lincoln, Nebraska

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the University of Nebraska (the University) (a component unit of the State of Nebraska) as of and for the year ended June 30, 2005, which collectively comprise the University's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying financial statements of the University as of June 30, 2004, were audited by other auditors whose report thereon dated November 30, 2004, expressed an unqualified opinion on those statements. We did not audit the financial statements of the University of Nebraska Foundation (the Foundation), a discretely presented component unit of the University. Those statements were audited by other auditors whose report has been furnished to us and appears herein, and our opinion insofar as it relates to the discretely presented component unit financial statements of the Foundation is based solely on the report of such other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University of Nebraska, as of June 30, 2005, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A to the financial statements, the University adopted in 2005 the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposits and Investment Risk Disclosures, an Amendment to GASB Statement No. 3*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2005 on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 4 through 14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit for the year ended June 30, 2005, was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying additional information for the year ended June 30, 2005 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This additional information for the year ended June 30, 2005 has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The report of the other auditors referred to above, dated November 30, 2004, stated that the additional information for the year ended June 30, 2004, was subjected to auditing procedures applied in their audit of the 2004 financial statements and, in their opinion, was fairly stated in all material respects in relation to the financial statements for the year ended June 30, 2004, taken as a whole.

KPMG LLP

Lincoln, Nebraska  
November 11, 2005

DANA F. COLE & COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
1248 O STREET, SUITE 500  
LINCOLN, NEBRASKA 68508

INDEPENDENT AUDITORS' REPORT

Board of Trustees  
University of Nebraska Foundation  
Lincoln, Nebraska

We have audited the accompanying consolidated statements of financial position of the University of Nebraska Foundation as of June 30, 2005 and 2004, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University of Nebraska Foundation at June 30, 2005 and 2004, and the results of its activities and the cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Dana F. Cole & Company, LLP

Lincoln, Nebraska  
July 29, 2005

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

**Introduction**

This discussion and analysis is designed to provide an overview of the financial position and activities of the University of Nebraska (the University) for the years ended June 30, 2005 and 2004. This analysis has been prepared by management of the University and it is intended to be read with the financial statements and related footnotes that follow this section.

The University is a comprehensive public institution of higher education, research, and public service. It was founded in Lincoln, Nebraska on February 15, 1869. The University became a multi-campus institution in 1968 by an act of the Nebraska Legislature that provided for the addition of the University of Nebraska at Omaha to the University system (formerly the municipal University of Omaha) and, at the same time, designated the University of Nebraska-Lincoln and University of Nebraska Medical Center as separate campuses. In 1991, the former Kearney State College became the fourth campus as the University of Nebraska at Kearney.

The University's four campuses provide a diversity of offerings. The University of Nebraska-Lincoln (UNL) offers a wide range of undergraduate majors and has primary responsibility for graduate education, particularly at the doctoral level, and in the non-medical professions. UNL also includes the Institute of Agriculture and Natural Resources, which operates research extension centers across the State of Nebraska (the State), as well as offering major educational and research programs on campus. The University of Nebraska Medical Center (UNMC) features undergraduate, graduate, and professional degree programs that prepare students for a wide variety of careers in health sciences. The University of Nebraska at Omaha (UNO) is a metropolitan university located in the heart of Nebraska's largest city offering a broad range of undergraduate programs, as well as doctoral programs, in criminal justice and public administration. The University of Nebraska at Kearney (UNK) is a mid-sized, residential campus with a commitment to excellence in undergraduate education. UNK offers undergraduate degrees in the arts and sciences, education, and business and technology, with a wide range of majors.

**Student Enrollment - Headcount**

Campus	Fall Semester				
	2001	2002	2003	2004	2005
UNL	22,764	22,988	22,559	21,792	21,675
UNMC	2,724	2,819	2,865	2,904	3,002
UNO	14,143	14,451	13,997	13,824	14,093
UNK	6,426	6,395	6,379	6,382	6,445
Total	46,057	46,653	45,800	44,902	45,215

The financial statements for the University of Nebraska include six blended entities, those being the University of Nebraska Facilities Corporation (UNFC), the University Medical Associates (UMA), UNeMed, the University of Nebraska Dental Associates, the Nebraska Utility Corporation, and the Peter Kiewit Institute Technology Development Corporation. Additional information regarding these entities is described in the footnotes to the financial statements.

# THE UNIVERSITY OF NEBRASKA

(A Component Unit of the State of Nebraska)

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED) (Columnar Amounts in Thousands)

---

In accordance with the guidance of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB 14*, the University of Nebraska Foundation's (the Foundation) financial statements are discretely presented with the University's financial statements. Management's discussion and analysis relates only to the University and does not include any overview of the financial position and activities of the Foundation. References to the Foundation within the analysis relate only to specific transactions with the University.

The fall 2004 (fiscal 2005), headcount enrollment was approximately 45,000 on the four campuses. This represents a slight increase reversing a two-year overall decrease. This increase occurred at all campuses save UNL enrollment decreasing slightly. The fall 2005 (fiscal 2006) enrollment increased slightly after a decline of 2% in the fall of 2004. The University is hopeful for continued future enrollment increases and has devoted greater efforts to recruit both in-state and out-of-state students through such activities as improvement of student residences and facilities. The number of students enrolled in graduate and professional programs was 10,553, representing 23% of the student body, reflecting the University's commitment to its increasing prominence as a major research institution.

### Financial and Operating Highlights

- **Growth in Net Assets.** Total net assets and unrestricted net assets of the University grew by approximately 5% and 9%, respectively, and are attributable to several factors. University management aggressively managed budgets to conserve resources. Budget savings were augmented by a 12% increase in tuition to partially offset state appropriation declines of previous years and to keep the University competitive with faculty salaries. Unrestricted net assets represent about two months of total operating expenses before depreciation and health and other insurance claims. Maintenance of a prudent level of reserves is a key to the long-term success of the University.
- **New Capital Construction.** Several capital construction projects were completed during the year, including the renovation of the UNK Student Center, new UNMC and UNL student housing units, completion of the renovation of three research buildings, Dental College betterments, and the acquisition of an office building for future renovation and expansion.
- **Indebtedness.** The University issued no new bonded indebtedness during fiscal 2005. Revenue bonds all exceeded required debt service coverage.
- **Increase in Federal Grants and Contracts.** Revenues from federal grants and contracts rose 9% over the prior year. The growth in federal funding is indicative of the successful focus the University has placed on seeking new research funding and fuels other successes in recruitment and retention of high-caliber students and faculty.

### Using the Financial Statements

The financial statements of the University include the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. These statements are prepared in accordance with GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*. The statements and related footnotes are presented on a combined basis for the University as a whole.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

*Statement of Net Assets.* The Statement of Net Assets includes all of the assets and liabilities of the University and its component units on the accrual basis of accounting. The difference between total assets and total liabilities represents the net assets of the University and is one indicator of its overall current financial condition. Over time, increases or decreases in the University's net assets is indicative of whether its financial health is improving or deteriorating.

Assets classified as non-current are those that are expected to mature beyond a one-year period or represent special accounts such as those established to comply with revenue bond covenants.

Capital assets are presented net of accumulated depreciation.

Net assets are divided into three parts:

- Invested in Capital Assets. The University's total investment in capital assets less accumulated depreciation and outstanding bond obligations incurred to acquire, construct, or improve those assets.
- Restricted Net Assets:
  - Expendable: funds externally restricted by creditors, grantors, or contributors and includes grant and research funds, student loan programs, funds for plant construction, and debt service on bond obligations.
  - Nonexpendable: permanent endowments.
- Unrestricted Net Assets. Comprised of the University's investment in the joint venture of the Nebraska Medical Center (NMC) of \$163 million, quasi endowments of \$29 million, net assets of the healthcare blended entities of \$56 million, with the balance representing designated departmental balances, encumbrances and working capital funds.

*Statement of Revenues, Expenses, and Changes in Net Assets.* The Statement of Revenues, Expenses, and Changes in Net Assets discloses the revenues and expenses of the University during the year. Revenues and expenses are classified as either operating or non-operating. Revenues realized from operating activities are offset by operating expenses, including depreciation, resulting in an operating income or loss. Most significantly, the GASB requires that certain funding sources that are significant to the University, including State appropriations, gifts, and investment income, be classified as non-operating revenues. In large public land-grant institutions, this, by definition, will invariably create operating losses on the statement of revenues and expenses and negative cash flows from operations in the statement of cash flows.

Scholarships and fellowships granted to students are shown as a reduction of tuition and other revenues, while stipends and other cash payments made directly to students are reported as scholarship and fellowship expenses.

*Statement of Cash Flows.* The Statement of Cash Flows provides information about the cash receipts and cash payments made by the University during the year. When used with related disclosures and information in the other financial statements, this statement should help assess the University's ability to generate future cash flows, its ability to meet its obligations when they come due, its needs for financing, the reasons for

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

differences between operating income and associated cash receipts, and payments and the effects on the University's financial position by investing, capital, and financing transactions during the period.

**Condensed Financial Statements and Analysis**

**Condensed Statements of Net Assets**

	<b>June 30,</b>	
	<b>2005</b>	<b>2004</b>
<b>Assets</b>		
Current assets	\$ 610,860	\$ 682,405
Capital assets, net of accumulated depreciation	1,086,969	998,446
Other non-current assets	474,327	407,660
Total assets	<u>2,172,156</u>	<u>2,088,511</u>
<b>Liabilities and Net Assets</b>		
Current liabilities	199,978	177,226
Non-current liabilities	398,037	417,352
Total liabilities	<u>598,015</u>	<u>594,578</u>
Net assets:		
Invested in capital assets, net of related debt	733,777	702,947
Restricted for:		
Nonexpendable:		
Permanent endowment	182,941	174,577
Expendable:		
Externally restricted funds	111,000	119,575
Loan funds	43,783	42,551
Plant construction	24,523	12,740
Debt service	81,874	76,734
Unrestricted	396,243	364,809
Total net assets	<u>\$ 1,574,141</u>	<u>\$ 1,493,933</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

**Condensed Statements of Revenues, Expenses, and Changes in Net Assets**

	<b>Year Ended June 30,</b>	
	<b>2005</b>	<b>2004</b>
Operating revenues:		
Tuition and fees	\$ 186,987	\$ 168,882
Federal grants and contracts - restricted	271,603	250,092
State grants and contracts - restricted	28,019	25,770
Private grants and contracts - restricted	83,357	77,195
Sales and services of educational activities	47,802	44,536
Sales and services of health care entities	112,471	109,069
Sales and services of auxiliary operations	106,852	107,883
Sales and services of auxiliary segments	56,461	53,011
Other operating revenues	11,765	8,747
Total operating revenues	<u>905,317</u>	<u>845,185</u>
Operating expenses:		
Salaries and wages	629,072	608,205
Benefits	163,068	144,885
Total compensation and benefits	<u>792,140</u>	<u>753,090</u>
Supplies and materials	207,229	196,228
Contractual services	95,073	87,283
Repairs and maintenance	43,922	39,516
Utilities	27,812	26,612
Communications	12,059	12,449
Depreciation	57,583	52,227
Scholarships and fellowships	111,083	103,924
Total operating expenses	<u>1,346,901</u>	<u>1,271,329</u>
Operating loss	<u>(441,584)</u>	<u>(426,144)</u>
Non-operating revenues (expenses):		
State of Nebraska noncapital appropriations	398,933	390,188
Gifts	53,089	46,625
Investment income	27,836	31,518
Increase in fair value of investments	4,655	18,577
Interest on loans receivable	465	572
Interest on bond obligations	(18,855)	(15,730)
Capitalized interest on bond obligations	6,442	-
Equity in joint venture	18,218	19,349
Net non-operating revenues	<u>490,783</u>	<u>491,099</u>
Income before other revenues, expenses, gains, or losses	49,199	64,955
Other revenues, expenses, gains, or losses:		
State of Nebraska capital appropriations	12,976	9,309
Capital grants and gifts	19,750	21,575
U.S. government advances	1,394	546
Additions to permanent endowments	1,227	2,110
Loss on disposal of plant assets	(4,338)	(6,030)
Net other revenues, expenses, and gains or losses	<u>31,009</u>	<u>27,510</u>
Increase in net assets	80,208	92,465
Net assets:		
Net assets, beginning of year	1,493,933	1,401,468
Net assets, end of year	<u>\$ 1,574,141</u>	<u>\$ 1,493,933</u>



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

*Analysis of Financial Position.* Cash and cash equivalents represent the preponderance of current assets of the University. Cash decreased overall with the most of the change coming from a decrease in restricted cash. Restricted cash represents unspent bond proceeds on deposit with trustees, therefore the change represents the spending of those balances from late fiscal 2004 bond issues for their stated purposes.

Non-current assets of the University are dominated by the investment in physical plant. At June 30, 2005, the University had approximately \$1.1 billion invested in capital assets, net of accumulated depreciation of \$485 million. Physical plant grew primarily from construction of apartment-style student residences at UNMC and UNL, installation of new dental patient teaching stations at the College of Dentistry, acquisition of an office building for future growth of the UNMC campus, renovation of the UNK Student Center, and completion of the renovation of three research buildings. For fiscal 2005, net capital assets increased \$89 million consisting of net capital additions of \$156 million less depreciation of \$58 million. This enhancement of facilities can be attributed to the University's ability to gain private support for the acquisition and renovation of facilities to support new instruction and research facilities and the planned efforts to improve student living space.

Unrestricted net assets grew from \$365 million in 2004 to \$396 million in fiscal 2005 and includes the NMC, a joint venture. NMC is a primary research and teaching hospital and health care provider in the region and was formed by the merger of the University's hospital and Bishop Clarkson Memorial Hospital in 1997. This portion of unrestricted net assets increased by \$18 million to \$163 million in 2005. The balance of the change in unrestricted net assets is attributable to the change in cash discussed earlier in this section, along with a conscious effort by management to increase self-insurance reserves. These insurance reserves are considered by accounting definitions to be part of "unrestricted" funds, along with other amounts attributable to University quasi endowments (\$29 million) and the capital of University Medical Associates (\$56 million), an affiliated entity encompassing the practice plan group at UNMC.

*Analysis of Operations – Overview.* The University generated \$905 million of operating revenues during 2005, an increase of \$60 million over last year, while operating expenses were \$1,347 million, up \$75 million over the prior year. These changes increased the operating loss by \$15 million to \$442 million. As disclosed earlier, because of the mandated financial reporting regarding classification of state appropriations and other funding sources, statements of activities for large public land-grant universities will invariably report an operating loss.

The Nebraska Legislature provided \$399 million in non-capital appropriations for 2005, an increase of \$9 million over 2004. The University, in conjunction with the Foundation, generated gifts amounting to approximately \$73 million that, when combined with all other non-operating revenues and expenses, netted an overall increase in net assets of about \$80 million.

*Revenues.* The University's operating revenues increased in fiscal 2005 by 7%, or \$60 million. Most of the revenue sources showed increases from the prior year.

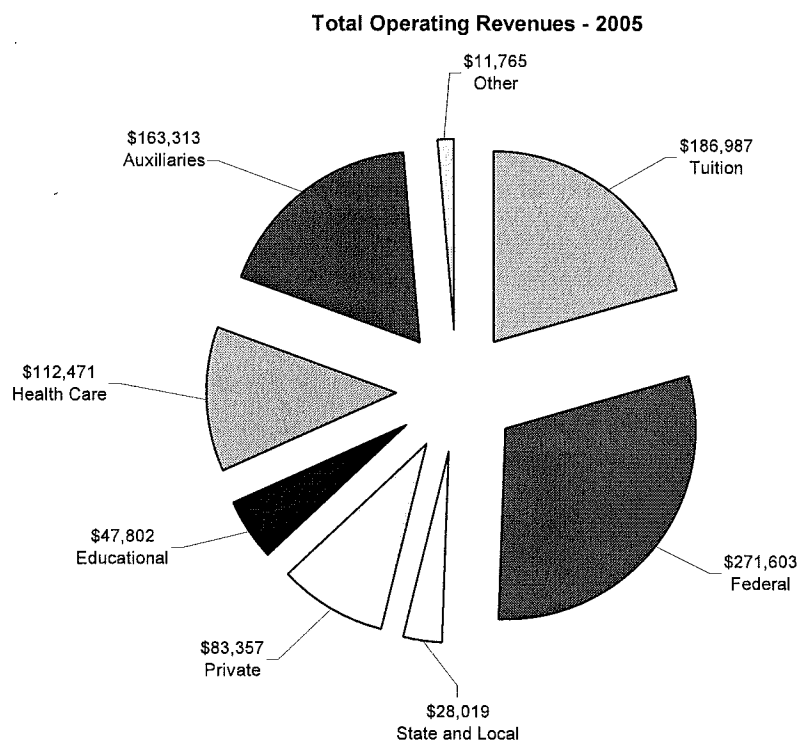
- One of the largest increases in revenue dollars was realized in Federal grants and contracts. The \$21 million increase is attributable primarily to University of Nebraska-Lincoln's grant awards from several Federal Agencies, including the Department of Health and Human Services, National Science Foundation, Department of Energy, and the Department of Education. Grants awarded included the research of soybean oil for diesel fuel, national assessment of educational progress, metabolite signaling center, elevating seed protein content, studies of blast wave absorbing structures, and the

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

Ford Direct Student loan program. The UNMC also had growth in federal funding and received National Institute of Health grants for medical research of numerous diseases and health issues and funding for the purchase of equipment for a microbiology automation platform project.

- Tuition and fees, net of scholarship allowances, increased by \$18 million dollars, or 11%, for the 2004-2005 year. The Board of Regents approved an increase in tuition of 12%, but a small decline in enrollment and additional scholarship allowances netted down the increase in tuition from 12% to 11%.
- Private gifts and grants increased by \$6 million dollars. This increase is attributable to gifts received from health and medical associations, financial institutions, a grant from the National Conference on Undergraduate Education, and an increase in funding from the University of Nebraska Foundation for scholarships and academic programs.
- Sales and services of health care entities increased by \$3 million. This change can be traced to the University Medical Associates' increase in patient care revenue from several clinical programs, including orthopedics, cardiology, radiology, and general surgery.



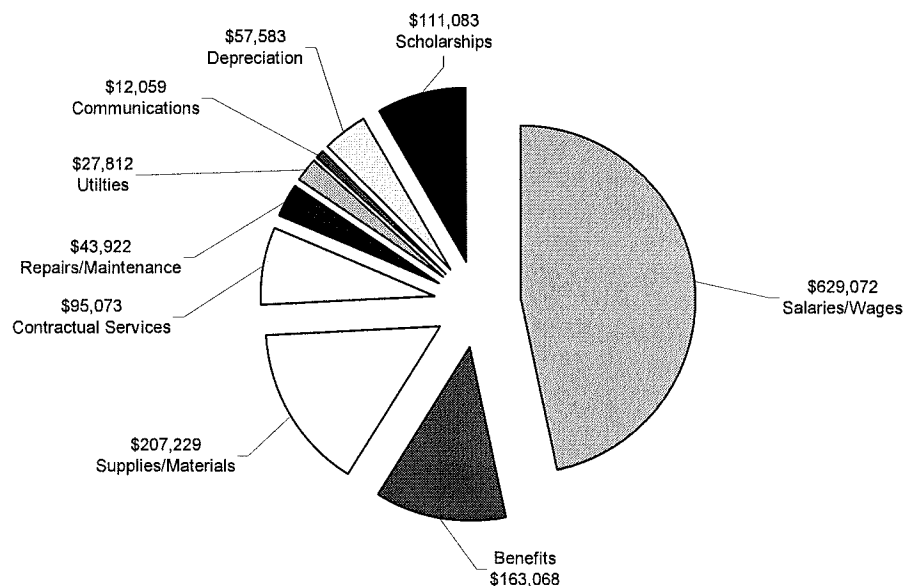
**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

**Expenses.** Operating expenses were \$1,347 million for the 2005 fiscal year, an increase of 6% compared to 2004. Changes in the major expense classifications follow.

- Salaries, wages, and benefits increased by \$39 million in 2005 compared to 2004. Faculty salaries and benefits increases averaged 1.75%. Additional amounts were expended for targeted areas including for excellence and instructional workload salaries, research initiative programs, and intercampus development. Additionally, UNL delayed annual increases until January 1, 2004 the previous year, making the year-to-year changes appear higher. Rising health care costs contributed \$8 million toward the 2005 increases in this category.
- Repairs and maintenance expenses increased by 4% reflecting continued efforts by the University and auxiliary operations to keep buildings, the infrastructure, and utility distribution systems in good repair. One of the larger renovation projects was the UNO Enrollment Services office.
- Supplies and materials increased by 7% reflecting inflationary increases for the purchase of materials to support the instruction and research programs.
- Contractual services increased 9% corresponding to increased activity in Federal research grants and sub-awards for polar and other research studies and the blending of the PKITDC activity for the first year of operations in 2005.
- Scholarships and fellowships grew by \$7 million during 2005. The campuses increased scholarship allowances along with additional Federal student aid and direct student loan program funds in an effort to maintain affordability.

**Total Operating Expenses - 2005**



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

*Non-Operating Revenues (Expenses).* Net non-operating revenues remained unchanged during 2005 compared with 2004. This change is the result of an increase in state non-capital appropriations of \$8 million and an increase of \$6 million in gifts, offsetting a \$4 million reduction in investment income and decreases in fair value of investments.

The University garnered \$53 million in non-capital gifts during the year thanks to continued strong support from the private sector and the Foundation. In addition, capital grants and gifts of \$20 million were received during the current year, including contributions from the Foundation of \$3.9 million for the renovation of Foster Field located on the UNK campus and \$10.5 million for future development of the Research Center of Excellence at UNMC.

**Capital Assets**

The University made significant investments in capital assets during the current year. Major construction projects and acquisitions completed were:

- Suite-style residential housing was completed for 468 students on the UNL campus for a cost of \$26 million. These housing units were financed by the 2003A Student Fees and Facilities bonds and are included as a member of the obligated group under the Master Trust Indenture (MTI).
- Renovation of three research buildings was completed at a cost of \$29 million. These capital outlays were financed partially by the UNFC Deferred Maintenance bonds and other revenues from Federal and private sources. The buildings included Avery and Hamilton Halls and the Veterinary Science building at UNL, all of which play valuable roles in research and education.
- The 60 new student apartment units in two buildings were completed on the UNMC campus. This construction was financed by the issuance of \$5 million of revenue bonds during 2005. These units significantly update UNMC's housing inventory.
- A former bank building adjacent to the UNMC campus was purchased for \$8 million and financed partially through a lease purchase agreement with the University of Nebraska Foundation and will prove valuable in future expansion of the campus.
- An enhancement to the UNK Student Center was completed during the year at a cost of around \$1 million and is a significant improvement to student life on the campus.
- Other auxiliary operations cash flows of \$1.5 million were used to fund new facilities for UNL campus security. This improvement creates a visibility for campus security and facilitates more efficient services to the campus community.
- Fire and life safety projects were completed on all campuses. Funding for these projects came from capital appropriations for this purpose by the Legislature through the State's Task Force for Building Renewal.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

More detailed information on capital asset activity is disclosed in the Notes to the Financial Statements included in this report.

**Debt Activity**

The University did not issue any new bonds or refinance any outstanding bonds during 2005, having successfully refinanced all refundable bonds during the interest rate troughs in the prior year. The University continued to experience net revenues from activities that exceeded required support for outstanding bonds.

The Board of Regents of the University of Nebraska Members of the Obligated Group under the MTI has bonds outstanding from the construction of student housing and parking. The financial position of the MTI remains strong with operating income that provided a debt service ratio of 1.45 times for the year ended June 30, 2005 and 1.89 times for the year ended June 30, 2004. The debt service ratio required by the MTI covenants is 1.15 times.

The UNK Student Fees and Facilities bond activities enjoys a strong financial position having ended the year with sufficient operating income to cover debt service 2.1 times in 2005 compared to 1.7 times in 2004.

The UNFC met all debt service requirements during 2005. The State Legislature has reaffirmed the appropriation of funds for their portion of the debt service pertaining to the Deferred Maintenance Project, which is combined with designated tuition revenues for debt service. The Foundation continues to receive funds from donor gifts pledged toward the funding of the University of Nebraska Center Research Center project. Funds from internal University sources continue to meet expectations allowing the service of UNFC-related debt obligations in their normal course.

**Economic Outlook and Subsequent Events That Will Affect the Future**

The University, as the State's public research university, is an important component in driving the economic success of Nebraska. This partnership with the State also means, like other major land-grant universities, that State funding plays an important part in the success of the University in many areas.

Management of the University is encouraged by signs that the partnership with the State is strengthening, which gives renewed confidence to the University as it looks forward. The Governor and the State Legislature gave the University increases of 7.4% and 6.1% for the two years in the biennium that ends June 30, 2007. These are the largest increases in many years. In another positive development, the Legislature, the Governor, and the University are exploring ways to launch and fund another deferred maintenance initiative designed to enhance and improve facilities to better serve today's students and grow the research enterprise.

The economic performance of the State also offers promising prospects. The State Tax Commissioner recently reported that State receipts through the four months ended October 31, 2005, were \$93 million, or about 10% of over projections. This followed a fiscal year ended June 30, 2005, where the State recorded receipts \$261 million, or 9%, in excess of projected revenues.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

In a focused effort to chart the future direction of the University, the President and the Board of Regents have set forth a strategic framework and priorities that will guide the University. These will help the University better serve Nebraskans through quality teaching, research, outreach, and engagement. Among those priorities:

- **Enrollment.** Growing enrollment through a number of initiatives including growing the college-going rate.
- **Tuition.** Keeping tuition increases as low as possible and thereby the cost of education more affordable.
- **Graduation.** Increasing the graduation rate.
- **Research.** Bolstering current endeavors and fostering new activities that will allow the University to continue to earn greater success in attracting research funding.
- **Administrative Costs.** Seeking efficiencies in business practices and challenging administrative costs in both the academic and business enterprises.
- **Faculty Salaries.** Continuing to pursue and identify resources that can be earmarked to enhance faculty salaries to facilitate even greater successes in recruitment and retention.

Again, the future of the State is closely tied to that of its only public university, and the framework and priorities will guide University planning, helping to build and sustain a Nebraska that offers its citizens educational and economic opportunity and a high quality of life.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**STATEMENTS OF NET ASSETS**

**JUNE 30, 2005 and 2004**

**(Thousands)**

**(See Independent Auditors' Report on Pages 1 and 2)**

	2005	2004
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 217,060	\$ 207,825
Cash and cash equivalents - restricted	226,269	321,541
Investments - restricted	48,511	37,585
Accounts receivable and unbilled charges, net	96,371	93,138
Loans to students, net	8,389	8,171
Other current assets	14,260	14,145
Total current assets	<u>610,860</u>	<u>682,405</u>
NON-CURRENT ASSETS:		
Cash and cash equivalents - restricted	1,543	682
Investments - restricted	265,062	217,336
Investment in joint venture	163,084	147,866
Loans to students, net of current portion	28,362	28,148
Capital assets, net of accumulated depreciation	1,086,969	998,446
Other non-current assets	16,276	13,628
Total non-current assets	<u>1,561,296</u>	<u>1,406,106</u>
Total assets	<u>2,172,156</u>	<u>2,088,511</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	50,742	54,459
Accrued salaries, wages, and post-retirement benefits	34,889	27,018
Accrued compensated absences	13,488	11,440
Bond obligations payable	24,880	14,360
Capital lease obligations	3,682	3,252
Deferred revenues and credits	61,742	57,118
Health and other insurance claims	10,555	9,579
Total current liabilities	<u>199,978</u>	<u>177,226</u>
NON-CURRENT LIABILITIES:		
Accrued salaries, wages and post-retirement benefits, net of current portion	1,462	1,472
Accrued compensated absences, net of current portion	31,068	29,918
Bond obligations payable, net of current portion	343,715	368,595
Capital lease obligations, net of current portion	13,578	10,096
Deferred revenues and credits, net of current portion	8,214	7,271
Total non-current liabilities	<u>398,037</u>	<u>417,352</u>
Total liabilities	<u>598,015</u>	<u>594,578</u>
NET ASSETS:		
Invested in capital assets, net of related debt	733,777	702,947
Restricted for:		
Nonexpendable:		
Permanent endowment	182,941	174,577
Expendable:		
Externally restricted funds	111,000	119,575
Loan funds	43,783	42,551
Plant construction	24,523	12,740
Debt service	81,874	76,734
Unrestricted	<u>396,243</u>	<u>364,809</u>
Total net assets	<u>\$1,574,141</u>	<u>\$1,493,933</u>

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**UNIVERSITY OF NEBRASKA FOUNDATION**  
(A Component Unit of the University of Nebraska)  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2005 AND 2004**  
(Thousands)  
(See Independent Auditors' Report on Pages 1, 2, and 3)

	2005	2004
<b>ASSETS</b>		
Cash and cash equivalents	\$ 458	\$ 615
Temporary cash investments	143,353	146,195
Advances and deposits	8	8
Accounts receivable (net of reserve for bad debts of \$13 in 2005 and \$406 in 2004)	488	372
Accrued interest receivable	1,757	1,753
Student loan receivable	505	636
Matching funds receivable	1	1
Prepaid expenses	78	110
Pledges receivable - restricted	77,933	75,107
Investments - restricted	994,611	911,345
Property and equipment, net of depreciation	<u>5,984</u>	<u>6,364</u>
Total assets	<u>\$1,225,176</u>	<u>\$1,142,506</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Advances and accounts payable	\$ 295	\$ 772
University of Nebraska benefits payable	2,078	1,685
Scholarships, research, fellowships, and professorships payable	4,257	3,245
Accrued vacation payable	475	423
Taxes payable	53	35
Deferred annuities payable	22,903	22,583
Deposits held in custody for others	<u>176,317</u>	<u>166,629</u>
Total liabilities	<u>206,378</u>	<u>195,372</u>
<b>NET ASSETS:</b>		
Unrestricted	8,335	9,363
Temporarily restricted	318,399	307,749
Permanently restricted	<u>692,064</u>	<u>630,022</u>
Total net assets	<u>1,018,798</u>	<u>947,134</u>
Total liabilities and net assets	<u>\$1,225,176</u>	<u>\$1,142,506</u>

See notes to financial statements



**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

(Thousands)

(See Independent Auditors' Report on Pages 1 and 2)

	<b>2005</b>	<b>2004</b>
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of scholarship allowances of \$53,849 and \$46,201 in 2005 and 2004)	\$ 186,987	\$ 168,882
Federal grants and contracts - restricted	271,603	250,092
State and local grants and contracts - restricted	28,019	25,770
Private grants and contracts - restricted	83,357	77,195
Sales and services of educational activities	47,802	44,536
Sales and services of health care entities	112,471	109,069
Sales and services of auxiliary operations	106,852	107,883
Sales and services of auxiliary segments (net of scholarship allowances of \$6,225 and \$5,932)	56,461	53,011
Other operating revenues	11,765	8,747
Total operating revenues	<u>905,317</u>	<u>845,185</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	629,072	608,205
Benefits	<u>163,068</u>	<u>144,885</u>
Total compensation and benefits	792,140	753,090
Supplies and materials	207,229	196,228
Contractual services	95,073	87,283
Repairs and maintenance	43,922	39,516
Utilities	27,812	26,612
Communications	12,059	12,449
Depreciation	57,583	52,227
Scholarships and fellowships	<u>111,083</u>	<u>103,924</u>
Total operating expenses	<u>1,346,901</u>	<u>1,271,329</u>
<b>OPERATING LOSS</b>	<u>(441,584)</u>	<u>(426,144)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State of Nebraska noncapital appropriations	398,933	390,188
Gifts	53,089	46,625
Investment income (net of investment management fees of \$148 and \$142)	27,836	31,518
Increase in fair value of investments	4,655	18,577
Interest income on loans receivable	465	572
Interest expense on bond obligations	(18,855)	(15,730)
Capitalized interest on bond obligations	6,442	-
Equity in earnings of joint venture	<u>18,218</u>	<u>19,349</u>
Net non-operating revenues	<u>490,783</u>	<u>491,099</u>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	<u>49,199</u>	<u>64,955</u>
<b>OTHER REVENUES, EXPENSES, GAINS, OR LOSSES:</b>		
State of Nebraska capital appropriations	12,976	9,309
Capital grants and gifts	19,750	21,575
U.S. Government advances	1,394	546
Private gifts and bequests for permanent endowments	1,227	2,110
Loss on disposal of capital assets	<u>(4,338)</u>	<u>(6,030)</u>
Net other revenues, expenses, gains, or losses	<u>31,009</u>	<u>27,510</u>
<b>INCREASE IN NET ASSETS</b>	80,208	92,465
<b>NET ASSETS:</b>		
Net assets, beginning of year	<u>1,493,933</u>	<u>1,401,468</u>
Net assets, end of year	<u>\$ 1,574,141</u>	<u>\$ 1,493,933</u>

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**UNIVERSITY OF NEBRASKA FOUNDATION**  
(A Component Unit of the University of Nebraska)  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2005**  
(Thousands)

(See Independent Auditors' Report on Pages 1, 2, and 3)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES:</b>				
Gifts, bequests, and life insurance proceeds	\$ 56	\$ 44,817	\$ 33,795	\$ 78,668
Investment income	14,554	13,553	(696)	27,411
Realized gain (loss) on sale of assets	(14)	1,666	45,667	47,319
Unrealized gain (loss) on assets	-	2,356	13,215	15,571
	<u>14,596</u>	<u>62,392</u>	<u>91,981</u>	<u>168,969</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>81,681</b>	<b>(56,038)</b>	<b>(25,643)</b>	<b>-</b>
Total support and revenue	<u>96,277</u>	<u>6,354</u>	<u>66,338</u>	<u>168,969</u>
<b>EXPENSES:</b>				
Salaries and wages	6,916	-	-	6,916
Payroll taxes	489	-	-	489
Employee benefits	1,066	-	-	1,066
Annuity payments	2	-	-	2
Postage	175	-	-	175
Office supplies and expense	103	-	-	103
Professional services	163	-	-	163
Travel and entertainment	368	-	-	368
Telephone	159	-	-	159
Insurance and bonds	100	-	-	100
Repair and maintenance	138	-	-	138
Equipment rental/purchase	38	-	-	38
Office rent	812	-	-	812
University Towers expense	9	-	-	9
Promotion expense	808	-	-	808
Auto expense	73	-	-	73
Dues and subscriptions	119	-	-	119
Alumni associations	508	-	-	508
Miscellaneous expense	94	-	-	94
Data processing expense	6	-	-	6
Recruiting and moving expense	17	-	-	17
Meetings and conferences	224	-	-	224
Investment expense	4,347	-	-	4,347
Academic support	22,347	-	-	22,347
Student assistance	18,614	-	-	18,614
Faculty assistance	4,101	-	-	4,101
Research	5,680	-	-	5,680
Museum, library, and fine arts	1,924	-	-	1,924
Campus and building improvements	24,273	-	-	24,273
Deferred compensation	42	-	-	42
Paid to beneficiaries	2,901	-	-	2,901
Bad debt and collection expense	31	-	-	31
Depreciation	658	-	-	658
Total	<u>97,305</u>	<u>-</u>	<u>-</u>	<u>97,305</u>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS AND CHANGES</b>	<b>(1,028)</b>	<b>6,354</b>	<b>66,338</b>	<b>71,664</b>
<b>TRANSFERS AND RECLASSIFICATIONS BETWEEN FUNDS</b>	<b>-</b>	<b>4,296</b>	<b>(4,296)</b>	<b>-</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(1,028)</b>	<b>10,650</b>	<b>62,042</b>	<b>71,664</b>
NET ASSETS, beginning of year	<u>9,363</u>	<u>307,749</u>	<u>630,022</u>	<u>947,134</u>
NET ASSETS, end of year	<u>\$ 8,335</u>	<u>\$ 318,399</u>	<u>\$ 692,064</u>	<u>\$ 1,018,798</u>

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**UNIVERSITY OF NEBRASKA FOUNDATION**  
(A Component Unit of the University of Nebraska)  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2004**  
(Thousands)  
(See Independent Auditors' Report on Pages 1, 2, and 3)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUES:				
Gifts, bequests, and life insurance proceeds	\$ 62	\$ 40,811	\$ 21,732	\$ 62,605
Investment income	14,044	9,663	(2,598)	21,109
Realized gain (loss) on sale of assets	(7)	(968)	35,358	34,383
Unrealized gain (loss) on assets	-	6,795	64,138	70,933
	<u>14,099</u>	<u>56,301</u>	<u>118,630</u>	<u>189,030</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>75,136</u>	<u>(51,103)</u>	<u>(24,033)</u>	<u>-</u>
Total support and revenue	<u>89,235</u>	<u>5,198</u>	<u>94,597</u>	<u>189,030</u>
EXPENDITURES:				
Salaries and wages	6,417	-	-	6,417
Payroll taxes	448	-	-	448
Employee benefits	977	-	-	977
Annuity payments	2	-	-	2
Postage	212	-	-	212
Office supplies and expense	97	-	-	97
Professional services	122	-	-	122
Travel and entertainment	330	-	-	330
Telephone	123	-	-	123
Insurance and bonds	93	-	-	93
Repair and maintenance	107	-	-	107
Equipment rental/purchase	50	-	-	50
Office rent	766	-	-	766
University Towers expense	8	-	-	8
Promotion expense	751	-	-	751
Auto expense	63	-	-	63
Dues and subscriptions	74	-	-	74
Alumni associations	508	-	-	508
Miscellaneous expense	91	-	-	91
Recruiting and moving expense	16	-	-	16
Meetings and conferences	191	-	-	191
Investment expense	4,067	-	-	4,067
Academic support	23,927	-	-	23,927
Student assistance	18,682	-	-	18,682
Faculty assistance	3,610	-	-	3,610
Research	3,826	-	-	3,826
Museum, library, and fine arts	1,815	-	-	1,815
Campus and building improvements	18,448	-	-	18,448
Deferred compensation	42	-	-	42
Paid to beneficiaries	2,841	-	-	2,841
Bad debt and collection expense	(2)	-	-	(2)
Depreciation	669	-	-	669
Total	<u>89,371</u>	<u>-</u>	<u>-</u>	<u>89,371</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS AND CHANGES	(136)	5,198	94,597	99,659
TRANSFERS AND RECLASSIFICATIONS BETWEEN FUNDS	-	3,346	(3,346)	-
INCREASE (DECREASE) IN NET ASSETS	(136)	8,544	91,251	99,659
NET ASSETS, beginning of year	<u>9,499</u>	<u>299,205</u>	<u>538,771</u>	<u>847,475</u>
NET ASSETS, end of year	<u>\$ 9,363</u>	<u>\$ 307,749</u>	<u>\$ 630,022</u>	<u>\$ 947,134</u>

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**(Thousands)**

**(See Independent Auditors' Report on Pages 1 and 2)**

	<b>2005</b>	<b>2004</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Grants and contracts	\$ 373,819	\$ 339,978
Tuition and fees	185,529	169,486
Sales and services of health care entities	114,676	108,967
Sales and services of auxiliary operations	110,062	108,046
Sales and services of educational activities	68,125	62,205
Sales and services of auxiliary segments	56,649	50,468
Student loans collected	8,967	8,739
Other receipts	14,670	6,870
Payments to employees	(750,560)	(749,258)
Payments to vendors	(432,264)	(379,339)
Scholarships paid to students	(111,082)	(103,924)
Student loans issued	(9,476)	(10,293)
Other payments	(314)	(139)
Net cash flows used in operating activities	<u>(371,199)</u>	<u>(388,194)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State of Nebraska noncapital appropriations	399,324	390,083
Private gifts and grants for operating use	53,066	46,188
Private gifts and bequests for endowment use	1,227	2,111
Net cash flows from noncapital financing activities	<u>453,617</u>	<u>438,382</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	-	161,210
Grants and contracts	16,680	28,920
State of Nebraska capital appropriations	12,971	9,367
U.S. Government advances	1,394	547
Purchases of capital assets	(134,237)	(116,686)
Defeasance of bond obligations	-	(19,291)
Interest paid on bond obligations	(20,087)	(12,987)
Principal paid on bond obligations	(14,360)	(12,568)
Payments made on lease obligations	(8,634)	(4,500)
Net cash flows from capital and related financing activities	<u>(146,273)</u>	<u>34,012</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	116,224	154,966
Purchases of investments	(168,324)	(159,469)
Interest on investments	27,320	31,693
Distributions received from joint venture	3,000	3,000
Interest on loans receivable	459	571
Net cash flows from investing activities	<u>(21,321)</u>	<u>30,761</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(85,176)</b>	<b>114,961</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>530,048</u></b>	<b><u>415,087</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 444,872</u></b>	<b><u>\$ 530,048</u></b>

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

(See Independent Auditors' Report on Pages 1 and 2)

	2005	2004
CASH AND CASH EQUIVALENTS - END OF YEAR AS PRESENTED IN STATEMENTS OF NET ASSETS:		
Cash and cash equivalents (current)	\$ 217,060	\$ 207,825
Cash and cash equivalents - restricted (current)	226,269	321,541
Cash and cash equivalents - restricted (non-current)	<u>1,543</u>	<u>682</u>
Cash and cash equivalents - end of year	<u>\$ 444,872</u>	<u>\$ 530,048</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$(441,584)	\$(426,144)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation expense	57,583	52,227
Changes in assets and liabilities:		
Accounts receivable and unbilled charges	(5,121)	(13,207)
Loans to students	(432)	(1,401)
Other current assets	(974)	(1,263)
Accounts payable	3,937	2,453
Accrued salaries, wages, and post-retirement benefits	11,058	3,782
Deferred revenues and credits	4,003	(3,883)
Health and other insurance claims	<u>331</u>	<u>(758)</u>
Net cash flows from operating activities	<u>\$ (371,199)</u>	<u>\$ (388,194)</u>
NONCASH TRANSACTIONS:		
Capital gifts and grants	\$ 877	\$ 697
Increase in fair value of investments	4,655	18,577
Purchase of capital assets through lease obligations	12,546	8,133

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**UNIVERSITY OF NEBRASKA FOUNDATION**  
**(A Component Unit of the University of Nebraska)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**  
**(See Independent Auditors' Report on Pages 1, 2, and 3)**

	<b>2005</b>	<b>2004</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	<u>\$ 71,664</u>	<u>\$ 99,659</u>
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	658	669
Gain on sale of assets	(47,319)	(34,382)
Appreciation of assets	(15,571)	(70,933)
(Increase) decrease in pledges receivable	(2,826)	13,494
Increase in deferred annuities payable	320	1,012
Contribution to permanently restricted endowment funds	(33,795)	(21,732)
Real and personal property contributions received for the University	(1,126)	(295)
(Increase) decrease in:		
Accounts receivable	(116)	(101)
Interest receivable	(4)	(173)
Prepaid expense	32	(61)
Increase (decrease) in:		
Advances and accounts payable	(477)	(30)
University of Nebraska benefits payable	394	688
Scholarships, research, fellowships, and professorships payable	1,012	1,672
Accrued vacation payable	52	18
Taxes payable	17	20
Deposits held in custody for others	5,841	23,892
Total adjustments	<u>(92,908)</u>	<u>(86,242)</u>
Net cash provided by operating activities	<u>(21,244)</u>	<u>13,417</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (increase) decrease in temporary cash investments	2,842	(12,962)
Net decrease in student loans	132	83
Net purchases in investments	(15,407)	(21,611)
Purchase of property and equipment	(282)	(183)
Sales of property and equipment	6	9
Net cash used in investing activities	<u>(12,709)</u>	<u>(34,664)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contribution to permanently restricted endowment funds	<u>33,796</u>	<u>21,732</u>
Net cash provided by financing activities	<u>33,796</u>	<u>21,732</u>
<b>NET INCREASE IN CASH</b>	<b>(157)</b>	<b>485</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>615</u>	<u>130</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><b>\$ 458</b></u>	<u><b>\$ 615</b></u>

**REQUIRED DISCLOSURE:**

The Foundation expended no cash for interest or income taxes.

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

---

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization** – The University of Nebraska (the University) is a land-grant University founded in 1869 and governed by an elected eight-member University of Nebraska Board of Regents (the Board of Regents). University activities are conducted at four primary campuses, with two located in Omaha and one each in Lincoln and Kearney, Nebraska. While the University is a legally separate entity, it is a component unit of the State of Nebraska (the State) because it is financially accountable to the State. The major accounting principles and practices followed by the University are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

These statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The GASB has issued GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. The University follows the “business-type” activities reporting format of GASB Statement No. 34. This reporting format requires the following elements:

- Management’s Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Assets
  - Statement of Revenues, Expenses, and Changes in Net Assets
  - Statement of Cash Flows
- Notes to financial statements

The University follows all GASB pronouncements, as well as Financial Accounting Standards Board (FASB) Statements, and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, and has elected not to apply the FASB Statements and Interpretations issued after November 30, 1989 to its financial statements.

In 2005, the University implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. GASB Statement No. 40 address disclosures on deposits and investments, focusing on common investment risks related to interest rate risk, credit risk, custodial credit risk, foreign currency risk, and concentration of credit risk. This pronouncement requires additional disclosures to be presented in the notes but has no impact on the net assets of the University.

**Reporting Entity** – Certain affiliated organizations for which the Board of Regents has financial accountability are included in the University’s financial statements as component units.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

The University's financial reporting entity consists of the following component units. Their balances and transactions are blended into the accompanying financial statements and reported in a manner similar to the balances and transactions of the University itself.

- The University of Nebraska Facilities Corporation (UNFC) was organized to finance the construction, repair, and renovation of buildings and the acquisition of land and equipment and to hold them in trust for the University. UNFC is governed by a Board of Directors comprised of the Board of Regents.
- The University Medical Associates (UMA) was organized for the purpose of billing, collecting and distributing medical service fees generated by clinicians employed by the University of Nebraska Medical Center (UNMC). UMA is governed by the Board of Regents. The distribution of fees is governed by the terms of the University of Nebraska Medical Services Plan applicable to the member clinicians.
- UNeMed was organized to develop and market biomedical technologies for the University and pay all related patent costs. UNeMed acts under the authority of the Board of Regents and their fiscal year-end is December 31.
- The University Dental Associates (UDA) was organized for the purpose of billing, collecting and distributing dental service fees generated by dentists employed by the UNMC. UDA is governed by the Board of Regents. The distribution of fees is governed by the terms of the University of Nebraska Dental Service Plan applicable to the member dentists.
- Nebraska Utility Corporation (NUCorp) is a not-for-profit corporation formed under the Nebraska Interlocal Cooperation Act between the Board of Regents and Lincoln Electric System. The purpose of NUCorp is to purchase, lease, construct, and finance activities relating to furnishing energy requirements and utility and infrastructure facilities for the University of Nebraska-Lincoln (UNL). NUCorp is governed by a five-member Board, three of which are University officials. NUCorp's fiscal year-end is December 31.
- The Peter Kiewit Institute Technology Development Corporation (PKITDC) is a not-for-profit corporation formed for the purpose of teaching and developing information science technology through students and faculty by conducting applied research.

Separate financial statements for UNFC, UMA, UNeMed, UDA, and NUCorp may be obtained from the University of Nebraska Central Administration, Varner Hall, 3835 Holdrege, Lincoln, Nebraska 68583-0742.

The University adopted the guidance of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB 14, as of July 1, 2003. This Statement provides guidance to determine whether certain organizations for which the University is not financially accountable should be reported as a component unit based on the nature and significance of the relationship. As a result of this guidance, the University of Nebraska Foundation's (the Foundation)



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

financial statements are discreetly presented within the University's financial statements. The Foundation is a nonprofit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code whose purpose is to provide financial support for the University system. The Foundation reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented (see Notes P and Q).

***Basis of Presentation*** – The financial statements of the University have been prepared on the accrual basis. The University recognizes revenues, net of discounts and allowances, when it is earned. Expenses are recorded when a liability is incurred. The University first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. All significant revenues and expenses resulting from intra-University transactions have been eliminated.

***Cash and Cash Equivalents*** – Cash and cash equivalents are stated at fair value. Cash is deposited with the Nebraska State Treasurer on a pooled basis in a State fund. Income earned by the pool is allocated to the University based upon average daily balances. These funds are considered to be cash and cash equivalents which are available for expenditures as needed. The investments of the pool include Commercial Paper, U.S. Government Securities, Federal Agency Debt Instruments, Corporate Bonds, Money Market Funds, and Bank Deposits. Additional information on the pool can be found in the State of Nebraska's Comprehensive Annual Financial Report.

For purposes of the statements of cash flows, cash includes cash and cash equivalents, both unrestricted and restricted, and investments with an original maturity of three months or less when purchased.

***Investments*** – Investments are stated at fair value. Securities that are publicly traded are valued based on quoted market prices. Investments that do not have an established market are reported at estimated fair value. Investments received from donors as gifts are recognized as revenue at fair value at the date of the gift. Income from investments is recognized as earned and includes realized and unrealized gains and losses.

***Investment in Joint Venture*** – Investment in joint venture is accounted for under the equity method.

***Capital Assets*** – Land improvements, leasehold improvements, buildings, and equipment are stated at cost at the date of acquisition. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets except at UNL, which are accounted for on a componentized basis. The estimated useful lives are 25 to 50 years for buildings and their components and 20 to 30 years for land improvements. Equipment is generally depreciated from 2 to 10 years depending on its useful life. Leasehold improvements are depreciated using the straight-line method over the aforementioned estimated useful lives or the term of the related lease, if shorter. Maintenance, repairs, and minor replacements are charged to expense as incurred. The University maintains various collections of inexhaustible assets to which no value can be determined. Such collections include contributed works of art, historical treasures, and literature.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

Capital assets are defined by the University as assets with initial, individual costs in excess of \$500 for buildings and renovations, \$100 for land improvements, and \$5 for equipment.

The University has artwork and other collections that it does not capitalize. These collections adhere to the University's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at time of purchase rather than capitalized.

**Accrued Compensated Absences** – University faculty and staff earn 12 to 25 days of vacation each year and may carry over up to one year of accrued vacation into the next year. In future years, accrued vacation may be used or received as a cash payment upon retirement or termination. In addition, certain classified staff receive a cash payment of one-fourth of accrued sick leave upon retirement from the University. The University has recognized a liability for sick and annual leave earned but not yet taken by its faculty and staff. Certain University faculty and staff also earn four floating holidays each year, which may be taken at any time during the year. Unused floating holidays expire at calendar year-end.

**Deferred Revenues and Credits** – These consist of advance payments on athletic tickets, fall semester student residence hall contracts, tuition deposits, unearned income on direct financing leases, and cash received in advance for grants and contracts.

**Amortization of Bond Financial Expense and Bond Premium or Discount** – Bond financial expense and premium or discount are being amortized or accreted to interest expense on a method that approximates the level yield method.

**Classification of Revenues** – The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

**Operating Revenues** – Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees, sales and services of auxiliary enterprises, most federal, state and local grants and contracts and federal appropriations, and interest on student loans.

**Nonoperating Revenues** – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts, contributions, State appropriations, investment income, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB No. 34.

**Unrestricted Gifts** – Revenue is recognized when an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the gift is received.

**Scholarships and Fellowships** – The University receives funds that are restricted by donors and grantors for aid to students. When these funds are granted to students or when scholarships and fellowships are provided through student tuition waiver, the University records the expense for student aid and the

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

corresponding revenue. Accordingly, at June 30, 2005 and 2004, Federal grants and contracts includes Pell grant awards amounting to \$20,007 and \$20,345 and Ford direct student loans amounting to \$71,277 and \$67,805, respectively. The combined awards of \$91,284 and \$88,150 at June 30, 2005 and 2004, respectively, are also included in Scholarships and Fellowships expense. For employee tuition waivers, the University records a benefit expense and corresponding revenue.

**Health and Other Insurance Claims** – The University is partially self-insured for comprehensive general liability, property losses, and group health and dental liability. Its estimated liability is being funded annually and reflected as an expense.

**Environmental** – Environmental assessments are performed when environmental issues are identified on property owned by the Board of Regents. The cost of any assessments are expensed as incurred. Any cost of remediation is accrued when the University's obligation is probable and the amount can be reasonably estimated or determined.

**Tax Status** – The University qualifies as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is required. However, income from unrelated activities is subject to federal and state income taxes. No provision is deemed necessary for any income taxes associated with unrelated activities.

**Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications** – Certain 2004 amounts have been reclassified to conform to the current year presentation.

**Recent Statements Issued by the Government Accounting Standards Board** – The GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, effective for fiscal years beginning after December 15, 2004. This statement requires the University to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred and record impaired assets and impairment losses accordingly. This statement also addresses the appropriate recording of an insurance recovery associated with events or changes in circumstances resulting in impairment of capital assets. The University has not yet determined the effect that the adoption of GASB Statement No. 42 may have on the financial statements.

The GASB has issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after December 15, 2006. This statement provides standards for the measurement, recognition, and display of other postemployment benefit expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. The University has not yet determined the effect that the adoption of GASB Statement No. 45 may have on the financial statements.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

The GASB also issued Statement No. 47, *Accounting for Termination Benefits*. This statement establishes accounting standards for termination benefits. The requirements of this statement are effective in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this statement should be implemented simultaneously with the requirements of Statement 45. For all other termination benefits, this statement is effective for financial statements for periods beginning after June 15, 2005. The University has not yet determined the effect that the adoption of GASB Statement No. 47 may have on the financial statements.

**B. CASH AND CASH EQUIVALENTS**

The University's cash and cash equivalents are deposited in a pooled State fund managed by the Nebraska State Treasurer or in financial institutions. Bank balances of cash and cash equivalents deposited in banks amounted to approximately \$2,090 (book balance of approximately \$1,176) at June 30, 2005, with approximately \$1,519 at June 30, 2005, covered by federal depository insurance. Bank balances of cash and cash equivalents deposited in banks amounted to approximately \$2,634 (book balance of approximately \$1,562) at June 30, 2004, with approximately \$1,778 at June 30, 2004, covered by federal depository insurance. Of the remaining bank balance at June 30, 2005 and 2004, approximately \$347 and \$551 was collateralized with securities held by the pledging financial institution, but not in the University's name, and approximately \$224 and \$305 was uninsured and uncollateralized, respectively. Interest income amounted to approximately \$10,926 and \$10,922 and is included in non-operating revenue at June 30, 2005 and 2004, respectively.

**C. INVESTMENTS**

Funds held for the support of University operations, excluding trust funds, are invested according to State statute by the State Investment Officer. Regulatory oversight is provided by the Nebraska Investment Council. The University's fair value in the Nebraska Investment Council's investment pool is equal to its pool units. University trust funds are invested by the University in accordance with the prudent person rule as established by the University. The prudent person rule places no restrictions on the investment of these funds.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

Investments are as follows for the year-ended June 30, 2005:

	Fair Value	Investment Maturities (in years)			More Than 10
		Less Than 1	1-5	6-10	
Investment type:					
Debt securities:					
U.S. treasuries	\$ 16,319	\$ 4,417	\$ 6,940	\$ 4,501	\$ 461
U.S. agencies	63,129	37,340	23,295	1,506	988
Corporate debt	21,950	1,136	16,098	3,390	1,326
Repurchase agreements	<u>5,823</u>	<u>-</u>	<u>-</u>	<u>5,823</u>	<u>-</u>
	107,221	\$ 42,893	\$ 46,333	\$ 15,220	\$ 2,775
Other investments:					
Equity securities - domestic	111,516				
Equity securities - international	12,880				
Mutual funds	68,008				
Real estate held for investment purposes	8,164				
Money markets	<u>5,784</u>				
Total	\$ 313,573				

Investments are as follows for the year-ended June 30, 2004:

	Fair Value	Investment Maturities (in years)			More Than 10
		Less Than 1	1-5	6-10	
Investment type:					
Debt securities:					
U.S. treasuries	\$ 9,828	\$ 3,017	\$ 3,246	\$ 3,362	\$ 203
U.S. agencies	25,825	5,998	17,852	1,366	609
Corporate debt	18,834	728	14,097	3,008	1,001
Repurchase agreements	<u>5,823</u>	<u>-</u>	<u>-</u>	<u>5,823</u>	<u>-</u>
	60,310	\$ 9,743	\$ 35,195	\$ 13,559	\$ 1,813
Other investments:					
Equity securities - domestic	104,553				
Equity securities - international	11,033				
Mutual funds	68,746				
Real estate held for investment purposes	5,509				
Money markets	<u>4,770</u>				
Total	\$ 254,921				

**Interest Rate Risk** – The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

*Credit Risk* – State statutes authorize the University to invest funds in accordance with the prudent man rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The University does not follow a more restrictive policy. Credit ratings for these investments that are rated are as follows:

	<u>2005</u>					
	Fair Value	Quality Ratings				
		AAA	AA	A	BAA - BBB	Unrated
Investment type:						
Debt securities:						
U.S. treasuries	\$ 16,319	\$ 16,319	\$ -	\$ -	\$ -	\$ -
U.S. agencies	63,129	62,233	601	295	-	-
Corporate debt	21,950	4,853	7,650	8,268	1,034	145
Repurchase agreements	<u>5,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,823</u>
	107,221	<u>\$ 83,405</u>	<u>\$ 8,251</u>	<u>\$ 8,563</u>	<u>\$ 1,034</u>	<u>\$ 5,968</u>
Other investments:						
Equity securities - domestic	111,516					
Equity securities - international	12,880					
Mutual funds	68,008					
Real estate held for investment purposes	8,164					
Money markets	<u>5,784</u>					
	<u>\$ 313,573</u>					
		<u>2004</u>				
	Fair Value	Quality Ratings				
		AAA	AA	A	BAA - BBB	Unrated
Investment type:						
Debt securities:						
U.S. treasuries	\$ 9,828	\$ 9,828	\$ -	\$ -	\$ -	\$ -
U.S. agencies	25,825	25,825	-	-	-	-
Corporate debt	18,834	3,899	6,931	6,675	486	843
Repurchase agreements	<u>5,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,823</u>
	60,310	<u>\$ 39,552</u>	<u>\$ 6,931</u>	<u>\$ 6,675</u>	<u>\$ 486</u>	<u>\$ 6,666</u>
Other investments:						
Equity securities - domestic	104,553					
Equity securities - international	11,033					
Mutual funds	68,746					
Real estate held for investment purposes	5,509					
Money markets	<u>4,770</u>					
	<u>\$ 254,921</u>					

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

*Concentration of Credit Risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The University places no limit on the amount that may be invested in any one issuer. More than 5% of the University’s investments are in the following investment types at June 30:

	<u>2005</u>	<u>2004</u>
	Concentration	
Federal Home Loan Bank	16%	17%
Federal National Mortgage Association	33%	12%
U.S. treasuries	15%	18%
Federal Farm Credit Bank	7%	12%
FSA Capital Markets Services	5%	N/A

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are stated at fair value and are uninsured, unregistered, and held by the trustee or an agent, but not in the name of the University. Of the University’s \$5.8 million investment in repurchase agreements in 2005 and 2004, \$6.2 million of underlying securities are held by the investment’s counterparty, but not in the name of the University.

**D. ACCOUNTS RECEIVABLE, UNBILLED CHARGES, AND LOANS TO STUDENTS**

Substantially all amounts included in accounts receivable and unbilled charges represent tuition receivables, grant reimbursements, unbilled charges, patient accounts receivable and other receivables. Balances are stated net of allowances for doubtful accounts and contractual adjustments of approximately \$6,347 and \$7,167 at June 30, 2005 and 2004, respectively. In addition, the University maintains an allowance for doubtful collections of student loans of approximately \$1,762 and \$1,385 at June 30, 2005 and 2004, respectively.

**E. INVESTMENT IN JOINT VENTURE**

The University and Bishop Clarkson Memorial Hospital (Clarkson) entered into a Joint Operating Agreement in 1997 forming the Nebraska Health System, a Nebraska nonprofit corporation doing business as the Nebraska Medical Center (NMC). A Board of Directors comprised of six members appointed by Clarkson and six members appointed by the Board of Regents govern NMC. Upon dissolution of NMC, the University and Clarkson will share equally in the remaining net assets. Because the University has an ongoing financial interest in NMC, the University is accounting for the joint venture under the equity method. The University has recorded 50% equity in earnings of NMC for the years ended June 30, 2005 and 2004 totaling \$18,218 and \$19,349, respectively. In addition, to the extent that sufficient funds are available, as determined by the NMC Board of Directors, the University will receive an annual capital distribution. A distribution of \$3,000 was declared and paid out during both fiscal years 2005 and 2004.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

Separate financial statements of NMC can be obtained from the Nebraska Medical Center, 42<sup>nd</sup> Street and Dewey Avenue, Omaha, Nebraska 68105.

In conjunction with the Joint Operating Agreement, the University entered into an agreement to lease the former hospital building to NMC that extends through 2037. The hospital building is recorded at approximately \$131,000 and is included in the University's financial statements. Following are the minimum lease rental payments due from NMC:

**Fiscal Year Ending June 30:**

2006	\$ 4,009
2007	4,000
2008	4,009
2009	3,996
2010	4,004
2011-2014	<u>5,836</u>
	<u>\$25,854</u>

In addition, the University and NMC have entered into an Academic Affiliation Agreement for Education and Research. In connection with the agreement, NMC has agreed to financially support certain educational, research, operational, and clinical activities of the University College of Medicine that further the mission and objectives of NMC. During the fiscal years ended June 30, 2005 and 2004, respectively, the University received approximately \$21,678 and \$21,035 of support in connection with the agreement.



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

**F. CAPITAL ASSETS**

Capital asset activity for the years ended June 30, 2005 and 2004 is as follows:

	2005			
	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 47,797	\$ 5,169	\$ (177)	\$ 52,789
Land improvements	81,707	18,254	(7,228)	92,733
Leasehold improvements	12,534	675	-	13,209
Buildings	1,006,792	72,607	(31,924)	1,047,475
Equipment	228,803	27,736	(16,118)	240,421
Construction work in progress	92,914	111,231	(79,211)	124,934
Total capital assets	<u>1,470,547</u>	<u>235,672</u>	<u>(134,658)</u>	<u>1,571,561</u>
Less accumulated depreciation for:				
Land improvements	30,043	3,499	(860)	32,682
Leasehold improvements	305	455	-	760
Buildings	299,829	31,736	(29,818)	301,747
Equipment	141,924	21,893	(14,414)	149,403
Total accumulated depreciation	<u>472,101</u>	<u>57,583</u>	<u>(45,092)</u>	<u>484,592</u>
Capital assets, net	<u>\$ 998,446</u>	<u>\$178,089</u>	<u>\$ (89,566)</u>	<u>\$1,086,969</u>
	2004			
	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 45,071	\$ 2,726	\$ -	\$ 47,797
Land improvements	73,972	11,596	(3,861)	81,707
Leasehold improvements	-	12,534	-	12,534
Buildings	955,501	91,267	(39,976)	1,006,792
Equipment	219,544	25,630	(16,371)	228,803
Construction work in progress	101,346	101,160	(109,592)	92,914
Total capital assets	<u>1,395,434</u>	<u>244,913</u>	<u>(169,800)</u>	<u>1,470,547</u>
Less accumulated depreciation for:				
Land improvements	30,593	2,932	(3,482)	30,043
Leasehold improvements	-	305	-	305
Buildings	307,402	30,476	(38,049)	299,829
Equipment	134,822	18,514	(11,412)	141,924
Total accumulated depreciation	<u>472,817</u>	<u>52,227</u>	<u>(52,943)</u>	<u>472,101</u>
Capital assets, net	<u>\$ 922,617</u>	<u>\$192,686</u>	<u>\$ (116,857)</u>	<u>\$ 998,446</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

---

**G. ACCRUED COMPENSATED ABSENCES**

Accrued compensated absences is as follows at June 30:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
2005	<u>\$ 41,358</u>	<u>\$ 30,704</u>	<u>\$ (27,506)</u>	<u>\$ 44,556</u>	<u>\$ 13,488</u>
2004	<u>\$ 39,559</u>	<u>\$ 30,646</u>	<u>\$ (28,847)</u>	<u>\$ 41,358</u>	<u>\$ 11,440</u>

**H. BOND OBLIGATIONS PAYABLE**

Bond obligations payable is as follows at June 30:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
2005	<u>\$ 382,955</u>	<u>\$ -</u>	<u>\$ (14,360)</u>	<u>\$ 368,595</u>	<u>\$ 24,880</u>
2004	<u>\$ 253,135</u>	<u>\$ 161,210</u>	<u>\$ (31,390)</u>	<u>\$ 382,955</u>	<u>\$ 14,360</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

Bond obligations payable at June 30, 2005 and 2004 consists of the following:

		<b>2005</b>		<b>2004</b>
	<b>Interest Rate</b>	<b>Annual Installment</b>	<b>Principal Amount Outstanding</b>	<b>Principal Amount Outstanding</b>
<b>Obligations under the master trust indenture:</b>				
University of Nebraska-Lincoln:				
Student fees and facilities:				
Series 2002, revenue refunding, due through July 2016	2.30 - 5.00%	\$900 - \$2,760	\$ 14,455	\$ 15,325
Series 2003A, revenue bonds, due through July 2037	2.95 - 5.25%	405 - 1,595	25,930	25,930
Series 2003B, revenue bonds, due through July 2038	2.50 - 5.00%	1,085 - 3,890	68,885	68,885
Lincoln parking project:				
Series 2000, parking revenue bonds, due through June 2021	4.95 - 5.80%	765 - 3,685	18,885	19,615
Series 2003, revenue refunding, due through June 2016	2.00 - 4.50%	670 - 1,615	7,525	8,180
University of Nebraska at Omaha:				
Student center Series 2003:				
Revenue refunding bonds, due through May 2013	2.00 - 3.90%	485 - 1,180	4,855	5,335
Student housing Series 2003:				
Revenue bonds, due through May 2033	1.75 - 5.00%	310 - 945	15,095	15,400
University of Nebraska Medical Center:				
Student housing revenue bonds				
Series 2003, due through June 2033	1.80 - 5.00%	110 - 330	5,320	5,430
<b>Other University obligations:</b>				
University of Nebraska at Kearney:				
Student fees and facilities:				
Series 1966, due through July 2006	4.3%	505	505	990
Series 2000, due through July 2020	4.90 - 5.50%	240 - 1,150	5,895	6,125
Series 2003, due through July 2011	1.45 - 2.90%	300 - 405	2,495	3,100
University of Nebraska-Lincoln:				
Athletics:				
2004A, revenue refunding, due November 2024	4.00 - 5.25%	1,695 - 5,195	53,330	53,330
2004B, revenue refunding, due November 2024	2.50 - 5.25%	1,825 - 3,270	<u>11,050</u>	<u>11,050</u>
Total University Obligations			<u>234,225</u>	<u>238,695</u>
<b>Obligations of blended entities:</b>				
University of Nebraska Facilities Corporation:				
Series 1998 bonds (deferred maintenance project), due through July 2011	4.15 - 5.25%	225 - 8,570	51,435	58,200
Series 1998-2 bonds (UNMC electrical system project) due through October 2008	3.90 - 4.30%	235 - 275	1,035	1,270
Series 2002 bonds (Research Center of Excellence project), due through February 2015	3.50 - 5.00%	2,790 - 21,215	53,905	56,695
Series 2003 (Alexander building project), due through December 2023	1.35 - 5.00%	100 - 205	2,705	2,805
Series 2004 (library storage project), due through July 15, 2024	1.55 - 5.00%	80 - 585	3,410	3,410
Nebraska Utility Corporation (NUCorp):				
Series 2001 revenue bonds, due through January 2023	4.50 - 5.25%	720 - 1,620	<u>21,880</u>	<u>21,880</u>
Total obligation of blended entities			<u>134,370</u>	<u>144,260</u>
Total bond obligation payable			<u>\$368,595</u>	<u>\$ 382,955</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

Annual maturities subject to mandatory redemption at June 30, 2005 are as follows:

	Total University		UNFC		Nebraska Utilities Corporation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 8,115	\$ 10,915	\$ 16,765	\$ 5,276	\$ -	\$ 1,100	\$ 24,880	17,291
2007	9,080	10,590	12,190	4,528	720	1,084	21,990	16,202
2008	9,865	10,237	11,585	3,938	750	1,051	22,200	15,226
2009	12,365	9,775	11,700	3,368	785	1,017	24,850	14,160
2010	15,335	9,288	11,840	2,795	815	983	27,990	13,066
2011-2015	45,005	39,308	44,690	8,092	5,465	4,260	95,160	51,660
2016-2020	49,860	29,264	1,595	723	7,340	2,559	58,795	32,546
2021-2025	38,025	16,909	2,125	288	6,005	651	46,155	17,848
Thereafter	46,575	16,602	-	-	-	-	46,575	16,602
Total	<u>\$234,225</u>	<u>\$152,888</u>	<u>\$112,490</u>	<u>\$29,008</u>	<u>\$21,880</u>	<u>\$12,705</u>	<u>\$368,595</u>	<u>\$194,601</u>

At June 30, 2005 and 2004, the trustees for these bond funds held cash and investments in the amount of approximately \$161,265 and \$224,547, respectively, which is reflected as restricted cash and investments on the statements of net assets.

**Master Trust Indenture** - The Board of Regents entered into a master trust indenture dated as of June 1, 1995 (as amended and supplemented from time to time, the Indenture) with a fiduciary with respect to the facilities (including student housing, student unions, student health facilities, and parking facilities) from which the Board of Regents derives revenues, fees, and earnings. The Indenture provides for the formation of an Obligated Group for the purpose of achieving lower borrowing costs through sharing accumulated excess revenues and earnings derived from such facilities. As of June 30, 2005, the members of the Obligated Group are (a) the student housing, student unions, and student health facilities on the University of Nebraska - Lincoln campuses (UNL Student Fees and Facilities), (b) the parking facilities on the University of Nebraska - Lincoln campuses (UNL Parking), (c) the Student Center at the University of Nebraska at Omaha (UNO Student Center) (d) certain student housing facilities at the University of Nebraska at Omaha (UNO Student Housing), and (e) certain Student housing facilities at the University of Nebraska Medical Center (UNMC Student Housing) (collectively, the Obligated Group). The accumulated surplus revenues, fees, and other payments of such Obligated Group have been jointly pledged to the payment of revenue bonds issued with respect to such facilities. Other facilities will be added to the Obligated Group and the revenues, fees, and other payments derived from such facilities will be pledged under the Indenture in the future as circumstances permit.

**Pledged Revenues** – Pledged revenues of the Obligated Group under the master trust indenture are defined as all of the revenues of each member that remain after payment of the expenses of such member. Pledged revenues do not include any balances in any debt service fund or debt service reserve fund, but shall include any balances in other reserve, replacement, or contingency fund and any surplus fund held for or on behalf of such members of the Obligated Group under a related resolution.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

For the University of Nebraska at Kearney (UNK) Student Fees and Facilities and UNL Athletics Bonds, net revenues from student housing and dining facilities, special student fees, certain athletic ticket revenue, and designated donations are pledged to secure the respective bond issues as defined in those bond resolutions. These bond issues and University of Nebraska Facilities Corporation (UNFC) bonds are not obligations of the State and no tax shall ever be levied to raise the funds for the principal payment thereof or the interest or premium thereon. The UNFC bonds do not constitute debt of the Board of Regents of the University, but shall be payable solely out of monies derived from designated tuition revenues, legislative appropriations, and UNMC lease payments.

The bond resolutions specify the funds that need to be established, the required transfers between funds, and the maximum maturity limits for each funds' investments. The bond resolutions also require that specified amounts be deposited with the trustee for certain funds. At June 30, 2005 and 2004, the University and UNFC are in compliance with these requirements.

**University of Nebraska-Lincoln Memorial Stadium Bonds** – In 2004, the Board of Regents authorized the issuance of \$64,380 of Series 2004A and 2004B bonds (2004 Memorial Stadium Project). The bonds were issued to pay the cost of constructing, equipping, and furnishing improvements to Memorial Stadium and to refund \$12,970 of 1997 UNFC Bonds, Series 1997. The 2004A and 2004B bonds are payable from a gross revenue pledge of certain revenues and fees of the athletic department, with such payment being prior to the payment of expenditures with respect to Memorial Stadium operations. Those revenues and fees include all Memorial Stadium ticket income, current skybox revenues, current club seating revenues, donations with respect to a new premium seating program involving approximately 6,400 seats, and all donations pledged to the construction of the 2004 Memorial Stadium Project.

The bonds are not obligations of the State, nor do they constitute debt of the Board of Regents, but shall be solely from the aforementioned pledged revenues and fees.

**University of Nebraska Facilities Corporation**

**Library Storage Project** – In 2004, the UNFC authorized the issuance of \$3,410 of Series 2004 Bonds, dated May 15, 2004.

The library storage and retrieval facility will be approximately 8,975 gross square feet in size, with a high (approximately 35 feet) roof. It will provide a climate-controlled environment for the library's print volumes and other documents. The strictly controlled temperature, humidity, and air quality will minimize the deterioration of the books and other documents.

Principal and interest payments will come from lease payments received from UNL.

**Series 2003 Bonds – Alexander Building Project** – In 2003, the UNFC authorized the issuance of \$2,935 of Series 2003 Bonds (2003 Project) dated March 6, 2003. The 2003 Project involved the purchase and refurbishing of the Alexander Building, including a heating, ventilation, and air conditioning project on the city campus of UNL.

Principal and interest payments will come from University cash funds.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

---

*Series 2002 Bonds – UNMC Research Center of Excellence Project* – In 2002, the UNFC authorized the issuance of \$56,695 of Series 2002 Bonds (2002 Project) dated February 15, 2002. The 2002 Project was created for the purpose of paying a portion of the cost of construction of the Research Center of Excellence (now known as the Durham Research Center) and a multi-level parking structure on the campus of the UNMC in Omaha, Nebraska at a total estimated cost of \$93,000. The UNMC, through the Foundation, has obtained pledges approximating \$85,000 for payment of the costs of these projects. The pledges will be received in installments through 2011. These pledges are augmented with the revenue from a lease agreement with a third party for a portion of the parking structure. Bonds maturing after February 15, 2012 are redeemable at 100% of principal plus accrued interest. The Research Center Project agreement states that if, at any time, the assigned revenues are insufficient to pay principal and interest of the Series 2002 Bonds as they become due, the deficiency will be paid from the University Cash Fund or other funds of the Board of Regents available for such purpose.

*Series 1998 Bonds – Deferred Maintenance Project* – In 1998, the UNFC authorized the issuance of \$80,190 of Series 1998 Bonds (Deferred Maintenance Project) dated July 15, 1998. The Deferred Maintenance Project was created for the purpose of paying the cost of certain deferred maintenance projects on each of the four campuses of the University authorized by Nebraska Legislative Bill 1100 (LB1100). Principal and interest payments on the bonds are secured by existing balances in the University Cash Fund, the University of Nebraska at Omaha Cash Fund, and the University of Nebraska at Kearney Cash Fund. Under LB1100, the Nebraska Legislature has appropriated for repayment \$5,500 each fiscal year through June 30, 2009 which can be modified by the Legislature as specified in LB1100. In addition, the Board of Regents has committed \$5,200 of tuition revenues for repayment for each fiscal year through June 30, 2011.

*Series 1998-2 Bonds – UNMC Electrical System Project* – In 1998, the UNFC authorized the issuance of \$2,315 of Series 1998 Bonds (UNMC Electrical System Project) dated October 15, 1998. The UNMC Electrical System Project was created for the purpose of constructing and installing an electrical power service line and related facilities to the University of Nebraska Medical Center.

Under the resolution for the UNMC Electrical System Project, the Board of Regents leased from UNFC the real property and improvements comprising the UNMC Electrical System Project and the existing facilities under a Site Lease dated October 15, 1998. In turn, the Board of Regents has agreed to make lease rental payments to UNFC in such amounts and at such times so as to provide sufficient funds with which to make full and timely payments on the UNMC Electrical System Project Bonds. The term of the Site Lease expires when all bonds have been paid in full or the payments of the bonds have been provided for in accordance with the Trust Indenture. The principal and interest payments on the bonds are payable from moneys to be budgeted and appropriated by the Board of Regents.

*Nebraska Utilities Corporation*

In 2001, the Nebraska Utilities Corporation (NUCorp), an interlocal organization formed with a Lincoln, Nebraska-based utility, authorized the issuance of \$21,880 of Series 2001 bonds. The proceeds from the debt are being utilized to address energy conservation and utility upgrades at UNL. Utility savings generated from these projects will provide funds for repayment of the bonds.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

*Prior Year Defeasances* – In prior years, the University and its component units defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the University’s financial statements. At June 30, 2005 and 2004 \$24,060 and \$42,145, respectively, of defeased bonds are outstanding.

**I. CAPITAL LEASE OBLIGATIONS**

The University presently is leasing real property, buildings and equipment with either the option to purchase or transfer of title at the expiration of the lease term, of capital leases outstanding \$11,986 and \$8,831 are leases with the Foundation.

Capital lease obligation activity for the year-ended June 30 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
2005	<u>\$ 13,348</u>	<u>\$ 12,546</u>	<u>\$ 8,634</u>	<u>\$ 17,260</u>	<u>\$ 3,682</u>
2004	<u>\$ 10,293</u>	<u>\$ 6,980</u>	<u>\$ 3,925</u>	<u>\$ 13,348</u>	<u>\$ 3,252</u>

Minimum lease payments under capital leases together with the present value of the net minimum lease payments for the year-ended June 30 are:

	<b>Buildings and Properties</b>	<b>Equipment</b>	<b>Total</b>
2006	\$ 3,363	\$ 757	\$ 4,120
2007	3,293	363	3,656
2008	2,482	318	2,800
2009	1,578	34	1,612
2010	1,578	10	1,588
Thereafter	<u>6,693</u>	<u>-</u>	<u>6,693</u>
	18,987	1,482	20,469
Less interest and executory costs	<u>3,157</u>	<u>52</u>	<u>3,209</u>
	<u>\$ 15,830</u>	<u>\$ 1,430</u>	<u>\$ 17,260</u>
Capital assets held under capital lease obligations at June 30, 2005 are as follows:			
Buildings	\$ 34,431		
Equipment	<u>6,710</u>		
	<u>\$ 41,141</u>		

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**J. HEALTH AND OTHER INSURANCE CLAIMS**

Activity in the health and other insurance claims programs is as follows:

	<b>Clinicians Self- Insurance</b>	<b>General Liability</b>	<b>Group Health and Dental</b>	<b>Total</b>
Claim reserve, June 30, 2003	\$ 683	\$ 3,587	\$ 6,001	\$ 10,271
Established claim reserve	1	-	-	1
Incurred claims	(292)	824	75,860	76,392
Payments on claims	<u>358</u>	<u>(982)</u>	<u>(76,461)</u>	<u>(77,085)</u>
Claim reserve, June 30, 2004	750	3,429	5,400	9,579
Established claim reserve	1	-	-	1
Incurred claims	776	720	82,451	83,947
Payments on claims	<u>(132)</u>	<u>(1,389)</u>	<u>(81,451)</u>	<u>(82,972)</u>
Claim reserve, June 30, 2005	<u>\$ 1,395</u>	<u>\$ 2,760</u>	<u>\$ 6,400</u>	<u>\$ 10,555</u>

The Board of Regents provides for protection against comprehensive general liability and property losses through a partially self-insured general liability program. The self-insured program also covers the retained deductible for directors and officers liability and miscellaneous claims not covered by insurance. The Board of Regents has purchased all-risk "blanket" policies for risks not covered by the partially self-insured general liability program. These policies provide for property coverage with a \$200 deductible/\$1,000 annual aggregate, educators legal liability coverage with a \$500 deductible/\$5,000 annual aggregate, and umbrella excess liability coverage for \$20,000 each loss/\$20,000 aggregate. A bank administers the general liability and self-insured trusts including the investments and payment of approved claims. The University estimates a range of loss for general liability and property claims using actuarial studies conducted by outside actuarial firms. The discount rates used by the actuaries for estimation of the claim reserve was 5% for general liability. This estimate is accrued in the accompanying financial statements and includes a reserve for known claims as well as incurred but unreported incidents.

The University participates in the State Excess Liability Fund that provides coverage from \$500 up to \$1,750 for each medical malpractice claim. Settled claims have not exceeded insurance coverage in any of the past three years.

The Board of Regents provides for faculty and staff group health and dental benefits through a self-insurance program. The University accrued an estimate for known and incurred but not reported claims based on claim history adjusted for current trends. A trust agreement with a bank provides for the collection, investment, and administration of premiums and for payment to the third-party administrators for claims paid.



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

At June 30, 2005 and 2004, the trustees for the health and other insurance claims programs held cash and cash equivalents and investments totaling approximately \$37,089 and \$30,190, respectively, whose use is limited to the payment of claims under the programs. These amounts are included in cash and cash equivalents on the statements of net assets.

**K. RETIREMENT PLANS**

The University has a defined contribution retirement plan currently in effect that the Board of Regents established and has the authority to amend. The plan covers all academic faculty, administrative, and classified staff and provides investment options administered by Teachers Insurance and Annuity Association/College Retirement Equity Fund and Fidelity Investments. Under the plan, faculty and staff are required to contribute 3.5% or 5.5% if they participate in either Tier 1 or Tier 2 of the plan, respectively. The University matches faculty and staff participation by contributing 6% and 7.5% for Tier 1 and Tier 2, respectively. The University's policy is to fund costs accrued on an annual basis.

The University's total payroll for fiscal years 2005 and 2004 was approximately \$631,633 and \$608,790 of which approximately \$482,712 and \$464,875 was covered by the plan, respectively. The University's contribution during 2005 and 2004 was approximately \$34,862, or 7.2%, and \$33,609, or 7.2%, of covered payroll, and the faculty and staff's contribution was approximately \$24,911, or 5.2%, and \$23,964, or 5.2% of, covered payroll, respectively.

Faculty and staff (at least 0.5 FTE) who attain age 26 and have completed 24 months of continuous service are eligible to participate in the retirement plan. Faculty and staff (at least 0.5 FTE) attaining age 30 following 24 months of continuous service are required to participate. The plan benefits are fully vested at the date of contribution.

UMA has two defined contribution money purchase pension plans established under Section 401(a) of the Internal Revenue Code that are administered by a bank. Together, these plans cover substantially all employees who meet age and length of service requirements of the plans. The plans are funded through UMA contributions based upon a fixed percentage of the employees' salary. Total pension expense was \$6,805 and \$6,531 for the years ended June 30, 2005 and 2004, respectively.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**L. COMMITMENTS AND CONTINGENCIES**

The University has contracted for the construction of several facilities that are estimated to cost approximately \$272,162. As of June 30, 2005, the approximate remaining costs to complete these facilities were \$91,700, which will be financed as follows:

Bond funds	\$ 38,984
Federal funds	4,478
University funds	13,729
State capital appropriations	547
Private gifts, grants, and contracts	<u>33,962</u>
	<u>\$ 91,700</u>

During the normal course of business, the University receives funds from the United States Government, state and local governments, and private donors for student loans, special projects, research grants, and research contracts. Substantially all of these funds are subject to audit by various federal and state agencies; however, it is the University's opinion that resulting adjustments, if any, would not have a material effect upon the accompanying financial statements.

The University established its Agricultural Research and Development Center on approximately 9,000 acres acquired from the Nebraska Ordnance Plant (NOP) from 1962 to 1971. The Federal government produced munitions at NOP during World War II and the Korean Conflict, exposing the area to contaminants. The University legally disposed of certain materials in the 1970s. In 1990, the NOP became a Federal Superfund site. An administrative order has been entered into between the Board of Regents and the Environmental Protection Agency (EPA) requiring a remedial investigation/feasibility study to determine the extent of contamination and removal actions necessary. A contractual arrangement has been entered into between the Board of Regents and an engineering and consulting firm to perform the remedial investigation/feasibility study. This study is currently underway, but not completed. The cost of remediation and restoration of the area and the liability of affected parties cannot be determined until the completion of the remediation study and selection of remediation methods by the EPA.

The University has other claims and litigation pending, none of which is expected to result in any material loss to the University.

**M. RELATED PARTY TRANSACTIONS**

The University routinely has transactions with the NMC. The members of the faculty at the University are also members of the medical staff of NMC, and in many other areas, the operations of the University and NMC are integrated and overlap. The University provides certain operational and support services, as well as certain direct financial support to NMC. For the fiscal years ended June 30, 2005 and 2004, NMC purchased approximately \$32,452 and \$23,490 of goods and services from the University, respectively.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

As of June 30, 2005 and 2004, respectively, the University also has advanced NMC a total of \$9,000 and \$6,000 for the construction of the Clinical Center of Excellence. This amount is included in other non-current assets in the statements of net assets.

As of June 30, 2005 and 2004, capital lease obligations include \$9,657 and \$6,476 due to the Foundation under various lease agreements and \$1,558 and \$2,355 due to the Foundation, respectively. The Ballpark Project is a project that constructed new baseball and softball stadiums. The Foundation financed the University's portion of the project by means of an eight-year lease-purchase agreement. The University will meet its debt service obligations by using annual contributions from sponsorships, as well as legally binding pledges from private parties.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

**N. FUNCTIONAL CLASSIFICATIONS OF EXPENSES**

For the year-ended June 30, 2005:

	Compen- sation	Supplies and Materials	Contractual Services	Repairs and Maintenance	Utilities	Communi- cations	Scholarships and Fellowships	Deprecia- tion	Total
Instruction	\$302,931	\$ 33,688	\$ 7,305	\$ -	\$ 20	\$ 2,813	\$ 2,115	\$ -	\$ 348,872
Research	131,488	35,007	31,026	7,842	74	1,144	1,565	-	208,146
Public service	68,455	12,672	9,948	1,404	586	861	293	-	94,219
Academic support	60,144	14,141	1,852	10,293	8	1,366	111	-	87,915
Student services	14,154	3,609	133	382	1	299	473	-	19,051
Institutional support	54,886	13,125	3,022	2,557	67	1,296	1,109	-	76,062
Operation and maintenance of plant	21,809	5,456	3,248	20,217	25,019	348	-	-	76,097
Healthcare entities	72,493	12,692	28,231	866	83	397	-	-	114,762
Scholarships and fellowships	2,586	295	988	361	-	-	103,890	-	108,120
Auxiliary operations	63,194	76,544	9,320	-	1,954	3,535	1,527	-	156,074
Depreciation	-	-	-	-	-	-	-	57,583	57,583
Total expenses	\$792,140	\$207,229	\$95,073	\$43,922	\$27,812	\$12,059	\$111,083	\$57,583	\$1,346,901

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

For the year-ended June 30, 2004:

	Compen- sation	Supplies and Materials	Contractual Services	Repairs and Maintenance	Utilities	Communi- cations	Scholarships and Fellowships	Deprecia- tion	Total
Instruction	\$289,287	\$ 27,834	\$ 4,415	\$ -	\$ 13	\$ 2,349	\$ 2,175	\$ -	\$ 326,073
Research	122,363	35,799	28,393	6,970	51	1,340	1,447	-	196,363
Public service	66,399	11,228	9,486	919	416	834	212	-	89,494
Academic support	57,531	13,696	-	10,158	5	1,406	96	-	82,892
Student services	13,626	2,935	320	-	1	285	114	-	17,281
Institutional support	50,343	14,527	2,998	2,093	105	1,235	945	-	72,246
Operation and maintenance of plant	20,866	6,546	2,997	13,940	22,163	275	-	-	66,787
Healthcare entities	67,946	11,282	26,137	618	94	277	-	-	106,354
Scholarships and fellowships	2,920	268	1,452	57	-	-	97,153	-	101,850
Auxiliary operations	61,809	72,113	11,085	4,761	3,764	4,448	1,782	-	159,762
Depreciation	-	-	-	-	-	-	-	52,227	52,227
Total Expenses	\$753,090	\$196,228	\$87,283	\$39,516	\$26,612	\$12,449	\$103,924	\$52,227	\$1,271,329

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**O. AUXILIARY SEGMENTS**

The University issues revenue bonds to finance certain of its auxiliary activities. Investors in these bonds rely on the revenue generated by the individual activities and other sources specified for repayment. Descriptive information for each of the University's segments is as follows:

***Master Trust Indenture Obligated Group*** – Includes the following:

*UNL Student Fees and Facilities Bonds, Series 2002, Series 2003A, and Series 2003B* – These bonds are used to provide student housing and related facilities as allowed by the bond covenants for the UNL campus. Operating revenues consist primarily of room and board charges.

*University of Nebraska Revenue Bonds, Series 2000 and Series 2003* – These bonds are used to provide parking-related facilities as allowed by the bond covenants for the UNL campus. Operating revenues consists of parking fee revenues.

*UNO Student Center Project - Series 2003* – The Student Center provides a variety of services for the benefit of the University and its students. Student fees and bookstore and food services are the primary sources of operating revenues.

*UNO Student Housing Project – Series 2003* – The bonds are used to provide student housing and related facilities as allowed by the bond covenants for the University. Operating revenues consist primarily of rentals and student fees.

*UNMC Student Housing Project – Series 2003* – These bonds are used to provide student housing and related facilities as allowed by the bond covenants for UNMC. Facility rental revenues comprise the operating revenues of this segment.

***UNK Student Fees And Facilities Revenue Bonds, Under The June 15, 1966 Resolution And Supplemental Resolutions*** – The bonds are used to provide student housing and related facilities as allowed by the bond covenants for the UNK campus. Operating revenues consist primarily of rentals, food service income, and student fees.

Pledges pertaining to these issues are disclosed in Note H.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

Condensed financial information for each of the University's segments follows (in thousands):

	<b>June 30, 2005</b>	
	<b>UNK Student Fees and Facilities</b>	<b>Master Trust Indenture Obligated Group</b>
<b>Condensed Statement of Net Assets</b>		
Assets:		
Current assets	\$ 8,233	\$ 66,192
Non-current assets:		
Capital assets	16,924	162,625
Other non-current assets	<u>1,252</u>	<u>8,401</u>
Total assets	<u>26,409</u>	<u>237,218</u>
Liabilities:		
Current liabilities	1,413	16,915
Non-current liabilities	<u>8,712</u>	<u>159,857</u>
Total liabilities	<u>10,125</u>	<u>176,772</u>
Net assets:		
Invested in capital assets, net of related debt:	7,374	18,454
Restricted:		
Expendable:		
Plant construction	113	8,437
Debt service	8,797	26,602
Unrestricted	<u>-</u>	<u>6,953</u>
Total net assets	<u>\$ 16,284</u>	<u>\$ 60,446</u>
<b>June 30, 2004</b>		
	<b>UNK Student Fees and Facilities</b>	<b>Master Trust Indenture Obligated Group</b>
<b>Condensed Statement of Net Assets</b>		
Assets:		
Current assets	\$ 7,280	\$ 108,939
Non-current assets:		
Capital assets	16,852	126,273
Other non-current assets	<u>333</u>	<u>7,279</u>
Total assets	<u>24,465</u>	<u>242,491</u>
Liabilities:		
Current liabilities	1,677	24,309
Non-current liabilities	<u>9,049</u>	<u>163,236</u>
Total liabilities	<u>10,726</u>	<u>187,545</u>
Net assets:		
Invested in capital assets, net of related debt:	6,801	(38,307)
Restricted:		
Expendable:		
Plant construction	123	53,816
Debt service	6,815	32,687
Unrestricted	<u>-</u>	<u>6,750</u>
Total net assets	<u>\$ 13,739</u>	<u>\$ 54,946</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

	<b>Year Ended June 30, 2005</b>	
	<b>UNK Student Fees and Facilities</b>	<b>Master Trust Indenture Obligated Group</b>
<b>Condensed Statement of Revenues, Expenses, and Changes in Net Assets</b>		
Operating revenues	\$ 11,628	\$ 52,822
Operating expenses:		
Depreciation	897	4,281
Other operating expenses	<u>8,023</u>	<u>42,660</u>
Operating income	2,708	5,881
Non-operating expense	<u>(163)</u>	<u>(381)</u>
Change in net assets	2,545	5,500
Net assets, beginning of year	<u>13,739</u>	<u>54,946</u>
Net assets, end of year	<u>\$ 16,284</u>	<u>\$ 60,446</u>

	<b>Year Ended June 30, 2004</b>	
	<b>UNK Student Fees and Facilities</b>	<b>Master Trust Indenture Obligated Group</b>
<b>Condensed Statement of Revenues, Expenses, and Changes in Net Assets</b>		
Operating revenues	\$ 10,673	\$ 50,067
Operating expenses:		
Depreciation	818	3,608
Other operating expenses	<u>8,091</u>	<u>43,132</u>
Operating income	1,764	3,327
Non-operating expense	<u>(11)</u>	<u>(592)</u>
Change in net assets	1,753	2,735
Net assets, beginning of year	<u>11,986</u>	<u>52,211</u>
Net assets, end of year	<u>\$ 13,739</u>	<u>\$ 54,946</u>



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<u>Year Ended June 30, 2005</u>	
	<b>UNK</b>	<b>Master Trust</b>
<b>Condensed Statement of Cash Flows</b>	<b>Student</b>	<b>Indenture</b>
	<b>Fees and</b>	<b>Obligated</b>
	<b>Facilities</b>	<b>Group</b>
Net cash from operating activities	\$ 3,442	\$ 4,503
Net cash flows from capital and related financing activities	(1,783)	(47,274)
Net cash flows from investing activities	<u>(3,838)</u>	<u>(29)</u>
Net change in cash and cash equivalents	(2,179)	(42,800)
Cash and cash equivalents, beginning of year	<u>7,145</u>	<u>104,335</u>
Cash and cash equivalents, end of year	<u>\$ 4,966</u>	<u>\$ 61,535</u>

	<u>Year Ended June 30, 2004</u>	
	<b>UNK</b>	<b>Master Trust</b>
<b>Condensed Statement of Cash Flows</b>	<b>Student</b>	<b>Indenture</b>
	<b>Fees and</b>	<b>Obligated</b>
	<b>Facilities</b>	<b>Group</b>
Net cash from operating activities	\$ 2,704	\$ 18,612
Net cash flows from capital and related financing activities	(1,980)	33,808
Net cash flows from investing activities	<u>105</u>	<u>15,811</u>
Net change in cash and cash equivalents	829	68,231
Cash and cash equivalents, beginning of year	<u>6,316</u>	<u>36,104</u>
Cash and cash equivalents, end of year	<u>\$ 7,145</u>	<u>\$ 104,335</u>

**P. UNIVERSITY OF NEBRASKA FOUNDATION**

The Foundation is a separate, nonprofit organization incorporated in the State of Nebraska and has as its purpose to encourage private financial support of the University from individuals, corporations, and other foundations. Oversight of the Foundation is the responsibility of a separate and independent Board of Trustees, not otherwise affiliated with the University. In carrying out its responsibilities, the Board of Trustees of the Foundation employs management, forms policy, and maintains fiscal accountability over funds administered by the Foundation.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

Although the University does not control the timing or amount of receipts from the Foundation, the resources that the Foundation holds and invests, or the income thereon, are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is therefore discretely presented with the University's financial statements. Based on the Foundation's audited financial statements as of June 30, 2005 and 2004, the Foundation's net assets (including unrealized gains) totaled \$1,018,798 and \$947,134 for the years ended June 30, 2005 and 2004, respectively.

During the years ended June 30, 2005 and 2004, the Foundation contributed \$53 million and \$52 million, respectively, to the University for academic support, student assistance, faculty assistance, research, and museums and libraries. In addition, the Foundation provided capital gifts of \$24 million and \$18 million during 2005 and 2004, respectively, to the University. These contributions provided support for several projects, including the construction of the Research Center of Excellence Project (Durham Research Center) and the Memorial Stadium Project.

Complete financial statements for the Foundation can be obtained from the University of Nebraska Foundation, 1010 Lincoln Mall, Suite 300, Lincoln, Nebraska 68508-2886.

**Q. COMPONENT UNIT DISCLOSURES**

The following are the notes taken directly from the audited financial statements of the Foundation:

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed by the University of Nebraska Foundation (Foundation) are described below to enhance the usefulness of the financial statements to the reader.

***Nature of the Entity and Principles of Consolidation*** – The University of Nebraska Foundation is a nonprofit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code whose purpose is to provide financial support of the University of Nebraska System. Its wholly-owned Limited Liability Company, University of Nebraska Technology Park LLC provides incubator facilities for emerging businesses. During 2004, the Foundation established a new nonprofit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, UNF Charitable Gift Fund, whose purpose is to accept gifts and distribute funds to approved 501(c)(3) tax exempt organizations. The UNF Charitable Gift Fund is organized as a supporting organization of the University of Nebraska Foundation.

***Basis of Accounting*** – The financial statements of the Foundation have been prepared on the accrual basis and include all funds controlled by and in the custody of the Foundation. Funds in control of the Foundation include the wholly owned Limited Liability Company, University of Nebraska Technology Park LLC.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

***Financial Statement Presentation*** – The Foundation utilizes Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*, in the financial statement presentation. SFAS No. 117 set standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. A description of the three net asset categories follows:

***Unrestricted Net Assets*** – Unrestricted net assets include revenues and expenses associated with the general operation of the Foundation and include gifts with no donor restrictions. Property and equipment assets associated with the general operation of the Foundation are also included in this category.

***Temporarily Restricted Net Assets*** – Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met, trust activity, deferred gifts and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted or determined. Assets with restrictions imposed by the Foundation Board are categorized as temporarily restricted assets also.

***Permanently Restricted Net Assets*** – Permanently restricted net assets include gifts, trusts, and pledges receivable which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions and gifts which have been donor stipulated to provide loans to students.

***Pledges Receivable*** – Pledges receivable are recorded on the balance sheet as assets net of an approximate 3% allowance for uncollectible accounts and discounted at the present value and recorded as donations on the statement of activities. As payments are received on pledges, the amounts will be included as donations on the statement of activities for any difference not recorded as a donation and adjusted annually for the present value.

***Investments*** – The Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. SFAS No. 124 establishes standards of reporting at fair value certain investments, debt and equity securities, held by not-for-profit organizations.

Therefore, investments in equity securities that have a readily determinable fair value and debt securities are stated at fair value. All other investments are stated at cost or if received by gift at fair value or appraised value at date of receipt.

***Property and Equipment*** – Property and equipment assets, consisting of real estate, furniture, equipment and computer software, is stated at cost or, if contributed, at fair market value at date of contribution. The Foundation's policy is to capitalize property and equipment purchases in excess of five hundred dollars.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

---

*Depreciation* – The Foundation follows the policy of reducing the property and equipment by depreciation applicable to the related assets. Depreciation is computed by the straight-line method over the estimated useful life of the asset ranging from three to 31-½ years. Assets are depreciated to a normal estimated salvage value.

*Use of Estimates* – The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Compensated Absences* – Employees of the Foundation are entitled to paid vacation days, depending on the job classification and length of service. The Foundation adopted the policy of accruing vacation pay at year-end.

*Cash and Cash Equivalents* – Cash and cash equivalents include cash on hand, demand deposit accounts, time deposits accounts and money market accounts.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

**2. INVESTMENTS**

The investments in equity securities with a readily determinable fair market quotations and debt securities are stated at fair value. All other investments purchased by the Foundation are stated at cost or fair value or appraised value at date of receipt for those investments received as donations.

	<b>2005</b>		
	<b>Book Value</b>	<b>Unrealized Gain (Loss)</b>	<b>Fair Value</b>
<b>INVESTMENTS STATED AT FAIR VALUE:</b>			
United States and municipal Government securities	\$ 34,528	\$ 3,064	\$ 37,592
Other bonds	14,112	132	14,244
Common stock	280,295	89,657	369,952
Mutual funds	428,929	56,304	485,233
Limited partnerships	(1,124)	(249)	(1,373)
Preferred stocks	128	29	157
	<u>\$ 756,868</u>	<u>\$ 148,937</u>	<u>\$ 905,805</u>
	<b>2004</b>		
	<b>Book Value</b>	<b>Unrealized Gain (Loss)</b>	<b>Fair Value</b>
<b>INVESTMENTS STATED AT FAIR VALUE:</b>			
United States and municipal Government securities	\$ 33,801	\$ 2,439	\$ 36,240
Other bonds	10,629	81	10,710
Common stock	283,137	84,889	368,026
Mutual funds	379,787	41,774	421,561
Preferred stocks	820	249	1,069
	<u>\$ 708,174</u>	<u>\$ 129,432</u>	<u>\$ 837,606</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

	<b>Book Value 2005</b>
INVESTMENTS STATED AT OTHER THAN FAIR VALUE:	
Certificates of deposit, savings and money funds	\$ 33,517
Limited partnerships	-
Real estate	24,026
Real estate mortgage and contracts	24,852
Miscellaneous	2,845
Cash value of life insurance	3,357
Annuity contracts	209
	<u>88,806</u>
 TOTAL INVESTMENTS:	
Stated at fair value	905,805
Stated at other than fair value	<u>88,806</u>
	<u>\$994,611</u>
	<b>Book Value 2004</b>
INVESTMENTS STATED AT OTHER THAN FAIR VALUE:	
Certificates of deposit, savings and money funds	\$ 27,473
Limited partnerships	(548)
Real estate	15,821
Real estate mortgage and contracts	24,623
Mineral rights and royalties	22
Miscellaneous	2,824
Cash value of life insurance	3,157
Annuity contracts	367
	<u>73,739</u>
 TOTAL INVESTMENTS:	
Stated at fair value	837,606
Stated at other than fair value	<u>73,739</u>
	<u>\$911,345</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**3. LEASE COMMITMENTS**

The Foundation has entered into a contract for the rental of office space in Lincoln beginning January 1, 2003 for a period of 10 years and continuing on a month-to-month basis. The annual rental is \$400 for the first five years and \$467 for the second five years. The Foundation had entered into a contract for rental of office space in Omaha through December 31, 2005, with annual increases and subsequently entered into an extension for two additional years through December 31, 2007. The current lease is \$11 per month and the extension period is \$12 per month. The Foundation also renewed an agreement to lease office space in Kearney through October 31, 2008 at \$3 per month through October 31, 2005 and \$4 per month from November 1, 2005 through October 31, 2008. The minimum rentals for leases with guaranteed terms for the five fiscal years after June 30, 2005, are as follows:

June 30, 2006	\$ 577
June 30, 2007	579
June 30, 2008	544
June 30, 2009	481
June 30, 2010	467

**4. RETIREMENT PLAN**

The Foundation sponsors a retirement plan that covers employees of the University of Nebraska Foundation and the University of Nebraska Technology Park LLC with one year of service who work in excess of 1,000 hours annually and have attained the age of 21 years or previous participation in the TIAA-CREF annuity plan. Participation in the plan is mandatory upon attainment of age 30. The plan is an annuity arrangement under Code Section 403b(1) of the Internal Revenue Code using annuities under TIAA-CREF. Under the plan, the employee chooses to contribute either 5.5% or 3.5% of their salary to the plan and the Foundation matches the amount with either 7.5% or 6% of salary, respectively. The Foundation and LLC contributions to the plans for the years ending June 30, 2005 and 2004 was \$427 and \$419, respectively.

**5. CONCENTRATION OF CREDIT RISK**

The Foundation maintains cash balances and certificates of deposit at financial institutions located in Nebraska. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100. At various times during the fiscal year, the Foundation's cash in bank balances exceeded the federally insured limits. The Foundation has maintained its cash balances and certificates of deposit at financial institutions in accordance with all Foundation policies and procedures.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**6. CONTINGENCIES AND COMMITMENTS**

The Foundation is involved in several legal actions. The Foundation believes it has defenses for all such claims, believes the claims are substantially without merit, and is vigorously defending the actions. In the opinion of management, the final disposition of these matters will not have a material effect on the Foundation financial position.

**7. RESTRICTED NET ASSETS**

Net assets are restricted by donors for various purposes in support of activities at the University of Nebraska, including the campuses at Lincoln, Kearney, Omaha and the Medical Center in Omaha. The purposes include scholarships, fellowships, research, academic support and campus building and improvements. Only income from the permanently restricted net assets are available for these purposes.

The amount of the net assets are as follows:

	<u>2005</u>
Temporarily restricted - charitable trusts and annuities	\$ 27,833
Temporarily restricted - available for specific purposes	238,857
Temporarily restricted - use at discretion of Foundation Board	51,709
Permanently restricted - available for specific purposes	51,425
Permanently restricted - endowment	630,403
Permanently restricted - student loans	<u>10,235</u>
	<u>\$ 1,010,462</u>
	<u>2004</u>
Temporarily restricted - charitable trusts and annuities	\$ 27,004
Temporarily restricted - available for specific purposes	232,926
Temporarily restricted - use at discretion of Foundation Board	47,819
Permanently restricted - available for specific purposes	49,030
Permanently restricted - endowment	571,226
Permanently restricted - student loans	<u>9,766</u>
	<u>\$ 937,771</u>



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**8. PLEDGES RECEIVABLE**

Promises to give, net of discount to present value at 6% and allowance for doubtful accounts, are due to be collected for the year-ended June 30, 2005 as follows:

Gross amount due in:		
One year or less		\$31,705
One to five years		28,627
More than five years		<u>32,629</u>
		92,961
Less discount to present value		<u>12,618</u>
		80,343
Less allowance for doubtful accounts - 3%		<u>2,410</u>
		<u>\$77,933</u>

The discount will be recognized as contribution income in years 2006 through 2021.

In addition, the Foundation has been informed of intentions to give in the form of possible future bequests, currently of indeterminable value, that have not been reflected in the accompanying financial statements because they are not unconditional promises.

**9. PROPERTY AND EQUIPMENT**

The property and equipment of the Foundation at June 30, 2005 and 2004 are as follows:

	<b>2005</b>	<b>2004</b>
Property	\$ 489	\$ 489
Leasehold improvements	1,511	1,516
Aircraft	4,177	4,177
Automobiles	141	99
Furniture, equipment and software	<u>5,216</u>	<u>4,991</u>
	11,534	11,272
Less accumulated depreciation	<u>5,550</u>	<u>4,908</u>
Net property and equipment	<u>\$ 5,984</u>	<u>\$ 6,364</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**10. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the Foundation in estimating the fair value of its financial instruments:

*Cash and cash equivalents* – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

*Investments* – The fair value of investments in marketable equity and debt securities is based on quoted market prices. Nonmarketable debt securities are valued based on estimated discounted future cash flows; nonmarketable equity securities are carried at estimated current value if it is possible to determine this, otherwise at cost.

*Pledges receivable* – The fair value of contributions receivable is estimated by discounting the future cash flows using the average rates earned on investments.

*Accrued interest receivable* – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of interest payments.

**R. SUBSEQUENT EVENTS**

On July 1, 2005, the University issued \$6,085 of Series 2005 Revenue Refunding Bonds with an average rate of 3.8% to refund \$5,895 of outstanding Series 2000 University of Nebraska at Kearney Student Fees & Facilities Revenue Refunding Bonds with an average rate of 5.6%. The refunding was approved by the Board of Regents on May 26, 2005 and reduced total debt service payments by approximately \$857 and resulted in an economic gain of approximately \$549.

On July 6, 2005, the Board of Regents issued \$26,925 of Revenue and Refunding Bonds Series 2005 (University of Nebraska-Lincoln Parking Project). The proceeds will be used to (a) finance the construction of an approximately 843-space multi-level addition to the parking garage located at 14th and Avery streets for an approximate cost of \$8,400 and (b) provide for the payment and redemption of \$18,885 outstanding Revenue Bonds, Series 2000 (University of Nebraska-Lincoln Parking Project) dated August 1, 2000. The refunding reduced total debt service payments by approximately \$3,099 and resulted in an economic gain of \$1,438.

On June 10, 2005, the Board of Regents approved the construction of UNK replacement student housing facilities. The total estimated cost of the project is expected to be \$20,280. The funding for the construction will be financed by the issuance of revenue bonds. The project includes the construction of three residence halls which will replace the current Case and Ludden residence halls and will provide suite-style living for approximately 300 students residents. The issuance of the bonds will be made under the University of Nebraska Master Trust Indenture.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

On July 10, 2005, the Board of Regents authorized the redemption of the UNK Student Fees and Facilities Revenue Bonds, Series 1966, maturing July 1, 2006 from funds held in the surplus fund for these Revenue Bonds. The net result of the early redemption of the 1966 UNK Bonds from the surplus fund will result in an approximate net interest savings of \$10. Additionally, upon redemption, UNK Housing Operations will come under the University of Nebraska Master Trust Indenture.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA-LINCOLN**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2005 AND 2004**  
**(Thousands)**

	2005	2004
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 123,777	\$ 117,037
Cash and cash equivalents - restricted	99,147	184,846
Investments	3,364	4,794
Accounts receivable and unbilled charges, net	41,646	39,095
Loans to students, net	3,412	3,408
Due from other campuses	836	3,290
Other current assets	<u>10,322</u>	<u>10,435</u>
Total current assets	<u>282,504</u>	<u>362,905</u>
NON-CURRENT ASSETS:		
Cash and cash equivalents - restricted	1,543	682
Investments	177,044	140,744
Loans to students, net of current portion	11,351	10,663
Capital assets, net of accumulated depreciation	555,224	483,930
Other non-current assets	<u>2,867</u>	<u>2,748</u>
Total non-current assets	<u>748,029</u>	<u>638,767</u>
Total assets	<u>1,030,533</u>	<u>1,001,672</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	29,378	31,603
Accrued salaries, wages, and post-retirement benefits	17,175	15,630
Accrued compensated absences	4,314	3,851
Bond obligations payable	6,060	2,255
Capital lease obligations	2,157	2,243
Due to other campuses	73	38
Capital lease obligations due to other campuses	1,694	960
Deferred revenues and credits	<u>46,094</u>	<u>42,730</u>
Total current liabilities	<u>106,945</u>	<u>99,310</u>
NON-CURRENT LIABILITIES:		
Accrued salaries, wages, and post-retirement benefits, net of current portion	875	1,111
Accrued compensated absences, net of current portion	15,147	14,466
Bond obligations payable, net of current portion	215,880	221,940
Capital lease obligations, net of current portion	5,050	7,409
Capital lease obligations - UNFC, net of current portion	4,820	1,544
Deferred revenues and credits, net of current portion	<u>2,110</u>	<u>2,465</u>
Total non-current liabilities	<u>243,882</u>	<u>248,935</u>
Total liabilities	<u>350,827</u>	<u>348,245</u>
NET ASSETS:		
Invested in capital assets, net of related debt	360,250	348,577
Restricted for:		
Nonexpendable:		
Permanent endowment	158,321	149,694
Expendable:		
Externally restricted funds	18,933	21,132
Loan funds	17,045	16,678
Plant construction	2,572	(4,089)
Debt service	30,711	39,309
Unrestricted	<u>91,874</u>	<u>82,126</u>
Total net assets	<u>\$ 679,706</u>	<u>\$ 653,427</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA-LINCOLN**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	2005	2004
OPERATING REVENUES:		
Tuition and fees (net of scholarship allowances of \$30,973 and \$26,506 in 2005 and 2004, respectively)	\$ 99,677	\$ 89,748
Federal grants and contracts - restricted	190,845	179,516
State and local grants and contracts - restricted	5,543	6,492
Private grants and contracts - restricted	10,056	2,117
Sales and services of educational activities	36,342	33,338
Sales and services of auxiliary operations	83,681	87,425
Sales and services of auxiliary segments (net of scholarship allowances of \$4,207 and \$3,976 in 2005 and 2004, respectively)	36,070	33,726
Other operating revenues	4,606	5,796
Total operating revenues	<u>466,820</u>	<u>438,158</u>
OPERATING EXPENSES:		
Salaries and wages	298,202	289,052
Benefits	79,735	73,264
Total compensation and benefits	377,937	362,316
Supplies and materials	119,782	112,716
Contractual services	30,032	28,492
Repairs and maintenance	21,036	18,167
Utilities	17,755	17,608
Communications	7,572	7,708
Depreciation	31,712	29,305
Scholarships and fellowships	88,270	82,957
Total operating expenses	<u>694,096</u>	<u>659,269</u>
TRANSFERS:		
Intercampus reallocation	(3,780)	(14,677)
Other	8,254	8,782
Total transfers	<u>4,474</u>	<u>(5,895)</u>
OPERATING LOSS	<u>(222,802)</u>	<u>(227,006)</u>
NON-OPERATING REVENUES (EXPENSES):		
State of Nebraska noncapital appropriations	203,699	200,621
Gifts	31,136	28,700
Investment income (net of investment management fees of \$109 and \$105 in 2005 and 2004, respectively)	18,718	22,719
Increase in capital lease obligation - UNFC	(2,390)	(1,153)
Increase in fair value of investments	3,329	13,205
Interest income on loans receivable	171	190
Capitalized interest on bond obligations	6,223	-
Interest expense on bond obligations	(11,907)	(7,655)
Net non-operating revenues	<u>248,979</u>	<u>256,627</u>
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	<u>26,177</u>	<u>29,621</u>
OTHER REVENUES, EXPENSES, GAINS, OR LOSSES		
State of Nebraska capital appropriations	1,703	2,045
Capital grants and gifts	1,191	3,394
U.S. Government advances	111	111
Private gifts and bequests for permanent endowments	884	827
Loss on disposal of capital assets	(3,787)	(2,365)
Net other revenues, expenses, gains, or losses	<u>102</u>	<u>4,012</u>
INCREASE IN NET ASSETS	26,279	33,633
NET ASSETS:		
Net assets, beginning of year	<u>653,427</u>	<u>619,794</u>
Net assets, end of year	<u>\$ 679,706</u>	<u>\$ 653,427</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA - LINCOLN**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Grants and contracts	\$ 200,285	\$ 179,030
Tuition and fees	98,390	90,001
Sales and services of auxiliary operations	89,504	87,644
Sales and services of auxiliary segments	36,315	31,147
Sales and services of educational activities	56,771	51,154
Other receipts	7,279	5,010
Student loans collected	3,441	3,636
Payments to employees	(375,482)	(360,136)
Payments to vendors	(213,917)	(192,776)
Scholarships paid to students	(88,270)	(82,957)
Student loans issued	(4,211)	(3,627)
Other payments	(314)	(139)
Transfers:		
Intercampus reallocation	(3,780)	(14,677)
Other	8,254	8,782
Net cash flows used in operating activities	<u>(185,735)</u>	<u>(197,908)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State of Nebraska noncapital appropriations	204,125	200,602
Private gifts and grants for operating use	31,136	28,700
Private gifts and bequests for endowment use	884	828
Net cash flows provided by noncapital financing activities	<u>236,145</u>	<u>230,130</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	-	133,265
Grants and contracts	2,063	8,606
State of Nebraska capital appropriations	1,703	2,045
U.S. Government advances	111	112
Purchases of capital assets	(99,953)	(72,872)
Principal paid on bond obligations	(2,255)	(1,905)
Defeasance of bond obligations	-	-
Interest paid on bond obligations	(12,744)	(4,974)
Payments made on lease obligations	(4,436)	(3,237)
Net cash flows provided by (used in) capital and related financing activities	<u>(115,511)</u>	<u>61,040</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	86,857	113,121
Purchases of investments	(118,398)	(109,565)
Interest on investments	18,373	22,822
Interest on loans receivable	171	189
Net cash flows provided by (used in) investing activities	<u>(12,997)</u>	<u>26,567</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(78,098)</b>	<b>119,829</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>302,565</u></b>	<b><u>182,736</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 224,467</u></b>	<b><u>\$ 302,565</u></b>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA - LINCOLN**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
CASH AND CASH EQUIVALENTS - END OF YEAR AS PRESENTED IN STATEMENTS OF NET ASSETS:		
Cash and cash equivalents (current)	\$ 123,777	\$ 117,037
Cash and cash equivalents - restricted (current)	99,147	184,846
Cash and cash equivalents - restricted (non-current)	<u>1,543</u>	<u>682</u>
Cash and cash equivalents - end of year	<u>\$ 224,467</u>	<u>\$ 302,565</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$ (222,802)	\$ (227,006)
Adjustments to reconcile operating loss to net cash flows used in operating activities:		
Depreciation expense	31,712	29,305
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	(1,529)	(7,445)
Loans to students	(692)	162
Other current assets	(932)	(177)
Accounts payable	2,698	10,035
Accrued salaries, wages, and post-retirement benefits	2,453	2,180
Deferred revenues and credits	<u>3,357</u>	<u>(4,962)</u>
Net cash flows used in operating activities	<u>\$ (185,735)</u>	<u>\$ (197,908)</u>
NONCASH TRANSACTIONS:		
Acquisition of capital assets through lease obligations	\$ 1,991	\$ 7,907
Increase in fair value of investments	3,329	13,205

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA MEDICAL CENTER**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2005 AND 2004**  
**(Thousands)**

	2005	2004
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 51,499	\$ 52,488
Cash and cash equivalents - restricted	86,278	84,383
Investments	881	615
Accounts receivable and unbilled charges, net	45,204	45,597
Loans to students, net	2,876	2,648
Due from other campuses	2,058	-
Other current assets	<u>2,118</u>	<u>1,967</u>
Total current assets	<u>190,914</u>	<u>187,698</u>
NON-CURRENT ASSETS:		
Investments	34,285	30,821
Investment in joint venture	163,084	147,866
Loans to students	9,501	10,435
Capital assets, net of accumulated depreciation	348,199	331,235
Other non-current assets	<u>9,510</u>	<u>7,180</u>
Total non-current assets	<u>564,579</u>	<u>527,537</u>
Total assets	<u>755,493</u>	<u>715,235</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	14,135	15,462
Accrued salaries, wages, and post-retirement benefits	7,920	1,998
Accrued compensated absences	8,080	6,505
Bond obligations payable	110	110
Capital lease obligations	1,040	175
Capital lease obligations - UNFC	234	223
Deferred revenues and credits	8,859	8,273
Health and other insurance claims	1,395	750
Due to other campuses	-	97
Total current liabilities	<u>41,773</u>	<u>33,593</u>
NON-CURRENT LIABILITIES:		
Accrued compensated absences, net of current portion	11,138	11,000
Bond obligations payable, net of current portion	5,210	5,320
Capital lease obligations	5,600	-
Capital lease obligations - UNFC, net of current portion	799	1,044
Deferred revenues and credits	<u>450</u>	<u>-</u>
Total non-current liabilities	<u>23,197</u>	<u>17,364</u>
Total liabilities	<u>64,970</u>	<u>50,957</u>
NET ASSETS:		
Invested in capital assets, net of related debt	335,122	327,483
Restricted for:		
Nonexpendable:		
Permanent endowment	1,437	1,237
Expendable:		
Externally restricted funds	86,637	93,703
Loan funds	16,023	15,195
Plant construction	6,815	(5,749)
Debt service	344	370
Unrestricted	<u>244,145</u>	<u>232,039</u>
Total net assets	<u>\$ 690,523</u>	<u>\$ 664,278</u>



**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA MEDICAL CENTER**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	2005	2004
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of scholarship allowances of \$4,675 and \$4,091 in 2005 and 2004, respectively)	\$ 24,188	\$ 21,027
Federal grants and contracts - restricted	58,519	50,124
State and local grants and contracts - restricted	17,322	14,745
Private grants and contracts - restricted	69,505	72,575
Sales and services of educational activities	3,504	3,433
Sales and services of health care entities	112,471	109,069
Sales and services of auxiliary operations	14,109	11,170
Sales and services of auxiliary segments	303	55
Other operating revenues	112	132
Total operating revenues	<u>300,033</u>	<u>282,330</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	214,911	207,566
Benefits	53,842	44,744
Total compensation and benefits	<u>268,753</u>	<u>252,310</u>
Supplies and materials	50,082	48,264
Contractual services	56,615	51,945
Repairs and maintenance	15,688	14,975
Utilities	5,034	4,251
Communications	2,401	2,454
Depreciation	16,756	14,096
Scholarships and fellowships	7,018	5,872
Total operating expenses	<u>422,347</u>	<u>394,167</u>
<b>TRANSFERS:</b>		
Inter-campus reallocation	(4,155)	(2,336)
Other	(414)	3,008
Total transfers	<u>(4,569)</u>	<u>672</u>
<b>OPERATING LOSS</b>	<u>(126,883)</u>	<u>(111,165)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State of Nebraska noncapital appropriations	104,869	101,374
Gifts	14,085	10,182
Investment income (net of investment management fees of \$20 in 2005 and 2004)	4,523	4,286
Increase in fair value of investments	1,581	3,661
Interest income on loans receivable	166	225
Interest expense on bond obligations	(235)	(118)
Capitalized interest on bond obligations	219	-
Equity in earnings of joint venture	18,218	19,349
Net non-operating revenues	<u>143,426</u>	<u>138,959</u>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	<u>16,543</u>	<u>27,794</u>
<b>OTHER REVENUES, EXPENSES, GAINS, OR LOSSES:</b>		
State of Nebraska capital appropriations	5,179	1,240
Capital grants and gifts	3,977	10,424
U.S. Government advances	925	157
Loss on disposal of capital assets	(379)	(508)
Net other revenues, expenses, gains, or losses	<u>9,702</u>	<u>11,313</u>
<b>INCREASE IN NET ASSETS</b>	<u>26,245</u>	<u>39,107</u>
<b>NET ASSETS:</b>		
Net assets, beginning of year	<u>664,278</u>	<u>625,171</u>
Net assets, end of year	<u>\$ 690,523</u>	<u>\$ 664,278</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA MEDICAL CENTER**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Grants and contracts	\$ 141,986	\$ 131,797
Tuition and fees	24,159	21,074
Sales and services of healthcare entities	114,676	108,967
Sales and services of auxiliary operations	11,269	10,266
Sales and services of auxiliary segments	287	57
Sales and services of educational activities	3,504	3,432
Other receipts	112	133
Student loans collected	3,064	2,708
Payments to employees	(230,597)	(250,761)
Payments to vendors	(155,964)	(121,467)
Scholarships paid to students	(7,018)	(5,872)
Student loans issued	(2,357)	(4,310)
Transfers:		
Intercampus reallocation	(4,155)	(2,336)
Other	(414)	3,008
Net cash flows used in operating activities	<u>(101,448)</u>	<u>(103,304)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State of Nebraska noncapital appropriations	104,869	101,374
Private gifts and grants for operating use	14,084	10,182
Net cash flows provided by noncapital financing activities	<u>118,953</u>	<u>111,556</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Grants and contracts	3,977	10,419
State of Nebraska capital appropriations	5,173	1,171
U.S. Government advances	925	157
Proceeds from the issuance of bonds	-	5,430
Purchases of capital assets	(30,387)	(27,171)
Principal paid on bond obligations	(110)	(283)
Interest paid on bond obligations	(234)	(167)
Payments made on lease obligations	(3,310)	(397)
Net cash flows used in capital and related financing activities	<u>(23,966)</u>	<u>(10,841)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	429	610
Purchases of investments	(742)	(153)
Interest on investments	4,520	4,297
Interest on loans receivable	160	225
Distributions from joint venture	3,000	3,000
Net cash flows provided by investing activities	<u>7,367</u>	<u>7,979</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	906	5,390
CASH AND CASH EQUIVALENTS, beginning of year	<u>136,871</u>	<u>131,481</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 137,777</u>	<u>\$ 136,871</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA MEDICAL CENTER**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	2005	2004
CASH AND CASH EQUIVALENTS - END OF YEAR AS PRESENTED IN STATEMENTS OF NET ASSETS:		
Cash and cash equivalents (current)	\$ 51,499	\$ 52,488
Cash and cash equivalents - restricted (current)	<u>86,278</u>	<u>84,383</u>
Cash and cash equivalents - end of year	<u>\$ 137,777</u>	<u>\$ 136,871</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS USED IN OPERATING ACTIVITIES:		
Operating loss	\$(126,883)	\$(111,165)
Adjustments to reconcile operating loss to net cash flows used in operating activities:		
Depreciation expense	16,756	14,096
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	(2,580)	(5,821)
Loans to students	706	(1,602)
Other current assets	(151)	(294)
Accounts payable	3,384	1,214
Accrued salaries, wages, and post-retirement benefits	7,635	1,499
Deferred revenues and credits	<u>(315)</u>	<u>(1,231)</u>
Net cash flows from operating activities	<u>\$(101,448)</u>	<u>\$(103,304)</u>
NONCASH TRANSACTIONS:		
Increase in fair value of investments	\$ 1,581	\$ 3,661
Acquisition of capital assets through lease obligations	9,755	226

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA AT OMAHA**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2005 AND 2004**  
**(Thousands)**

	2005	2004
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 16,101	\$ 16,692
Cash and cash equivalents - restricted	9,657	9,216
Accounts receivable and unbilled charges, net	6,496	6,295
Loans to students, net	1,575	1,560
Other current assets	1,512	1,427
Total current assets	<u>35,341</u>	<u>35,190</u>
NON-CURRENT ASSETS:		
Investments	7,843	7,241
Loans to students	5,326	5,104
Capital assets, net of accumulated depreciation	114,280	118,229
Other non-current assets	3,344	3,083
Total non-current assets	<u>130,793</u>	<u>133,657</u>
Total assets	<u>166,134</u>	<u>168,847</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	3,240	2,464
Accrued salaries, wages, and post-retirement benefits	5,942	5,714
Accrued compensated absences	677	701
Bond obligations payable	795	785
Due to other campuses	92	1,314
Deferred revenues and credits	5,562	4,993
Total current liabilities	<u>16,308</u>	<u>15,971</u>
NON-CURRENT LIABILITIES:		
Accrued salaries, wages, and post-retirement benefits, net of current portion	376	190
Accrued compensated absences, net of current portion	2,905	2,731
Bond obligations payable, net of current portion	19,155	19,950
Deferred revenues and credits, net of current portion	3,100	2,814
Total non-current liabilities	<u>25,536</u>	<u>25,685</u>
Total liabilities	<u>41,844</u>	<u>41,656</u>
NET ASSETS:		
Invested in capital assets, net of related debt	94,598	97,787
Restricted for:		
Nonexpendable:		
Permanent endowment	751	936
Expendable:		
Externally restricted funds	1,929	1,766
Loan funds	7,778	7,726
Plant construction	3,561	3,535
Debt service	3,389	2,843
Unrestricted	<u>12,284</u>	<u>12,598</u>
Total net assets	<u>\$ 124,290</u>	<u>\$ 127,191</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA AT OMAHA**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of scholarship allowances of \$12,017 and \$10,071 in 2005 and 2004, respectively)	\$ 45,714	\$ 42,790
Federal grants and contracts - restricted	14,360	13,569
State and local grants and contracts - restricted	3,512	2,924
Private grants and contracts - restricted	3,200	1,931
Sales and services of educational activities	4,562	4,446
Sales and services of auxiliary operations	6,045	6,715
Sales and services of auxiliary segments (net of scholarship allowances of \$285 and \$300 in 2005 and 2004, respectively)	11,182	11,237
Other operating revenues	364	370
Total operating revenues	<u>88,939</u>	<u>83,982</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	75,985	73,466
Benefits	<u>18,820</u>	<u>17,271</u>
Total compensation and benefits	94,805	90,737
Supplies and materials	24,245	24,162
Contractual services	4,846	4,372
Repairs and maintenance	3,585	3,254
Utilities	2,771	2,587
Communications	1,335	1,228
Depreciation	5,252	5,196
Scholarships and fellowships	<u>10,672</u>	<u>10,328</u>
Total operating expenses	<u>147,511</u>	<u>141,864</u>
<b>TRANSFERS:</b>		
Intercampus reallocation	(3,067)	(764)
Other	<u>(38)</u>	<u>161</u>
Total transfers	<u>(3,105)</u>	<u>(603)</u>
<b>OPERATING LOSS</b>	<u>(61,677)</u>	<u>(58,485)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State of Nebraska noncapital appropriations	52,048	49,894
Gifts	6,257	6,446
Investment income (net of investment management fees of \$12 and \$10 in 2005 and 2004, respectively)	1,348	1,100
Increase (decrease) in fair value of investments	(418)	566
Interest income on loans receivable	95	113
Interest expense on bond obligations	<u>(850)</u>	<u>(583)</u>
Net non-operating revenues	<u>58,480</u>	<u>57,536</u>
<b>LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES</b>	<u>(3,197)</u>	<u>(949)</u>
<b>OTHER REVENUES, EXPENSES, GAINS OR LOSSES:</b>		
US Government advances	311	304
Loss on disposal of capital assets	<u>(15)</u>	<u>(411)</u>
Total other revenues, expenses, gains or losses	<u>296</u>	<u>(107)</u>
<b>DECREASE IN NET ASSETS</b>	<u>(2,901)</u>	<u>(1,056)</u>
<b>NET ASSETS:</b>		
Net assets, beginning of year	<u>127,191</u>	<u>128,247</u>
Net assets, end of year	<u>\$ 124,290</u>	<u>\$ 127,191</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA AT OMAHA**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Grants and contracts	\$ 21,687	\$ 19,347
Tuition and fees	45,583	42,988
Sales and services of auxiliary operations	6,437	7,543
Sales and services of auxiliary segments	11,182	11,237
Sales and services of educational activities	4,463	4,375
Other receipts	352	311
Student loans collected	1,900	1,688
Payments to employees	(94,241)	(90,622)
Payments to vendors	(37,787)	(34,420)
Scholarships paid to students	(10,672)	(10,328)
Student loans issued	(2,137)	(1,867)
Transfers:		
Intercampus reallocation	(3,067)	(764)
Other	(38)	161
Net cash flows used in operating activities	<u>(56,338)</u>	<u>(50,351)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State of Nebraska noncapital appropriations	52,013	49,808
Private gifts and grants for operating use	6,425	5,946
Net cash flows provided by noncapital financing activities	<u>58,438</u>	<u>55,754</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	-	15,400
U.S. Government advances	311	304
Purchases of capital assets	(1,353)	(14,089)
Principal paid on bond obligations	(785)	(475)
Interest paid on bond obligations	(853)	(452)
Net cash flows provided by (used in) capital and related financing activities	<u>(2,680)</u>	<u>688</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	7,269	4,708
Purchases of investments	(8,242)	(6,759)
Interest on investments	1,308	1,116
Interest on loans receivable	95	113
Net cash flows provided by (used in) investing activities	<u>430</u>	<u>(822)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(150)</b>	<b>5,269</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>25,908</u></b>	<b><u>20,639</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 25,758</u></b>	<b><u>\$ 25,908</u></b>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA AT OMAHA**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
CASH AND CASH EQUIVALENTS - END OF YEAR AS PRESENTED IN STATEMENTS OF NET ASSETS:		
Cash and cash equivalents (current)	\$ 16,101	\$ 16,692
Cash and cash equivalents - restricted (current)	<u>9,657</u>	<u>9,216</u>
Cash and cash equivalents - end of year	<u>\$ 25,758</u>	<u>\$ 25,908</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (61,677)	\$ (58,485)
Adjustments to reconcile operating loss to net cash flows used in operating activities:		
Depreciation expense	5,252	5,196
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	(341)	(458)
Loans to students	(237)	(179)
Other current assets	(346)	229
Accounts payable	(409)	954
Accrued salaries, wages, and post-retirement benefits	564	115
Deferred revenues and credits	<u>856</u>	<u>2,277</u>
Net cash flows used in operating activities	<u>\$ (56,338)</u>	<u>\$ (50,351)</u>
NONCASH TRANSACTIONS:		
Increase (decrease) in fair value of investments	\$ (418)	\$ 566

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA AT KEARNEY**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2005 AND 2004**  
(Thousands)

<b>ASSETS</b>	<b>2005</b>	<b>2004</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 10,967	\$ 11,702
Cash and cash equivalents - restricted	6,852	8,639
Investments	3,074	-
Accounts receivable and unbilled charges, net	1,592	1,178
Loans to students, net	526	555
Due from other campuses	186	198
Other current assets	308	316
Total current assets	<u>23,505</u>	<u>22,588</u>
<b>NON-CURRENT ASSETS:</b>		
Investments	1,046	105
Loans to students	2,184	1,946
Capital assets, net of accumulated depreciation	65,292	60,716
Other non-current assets	205	228
Total non-current assets	<u>68,727</u>	<u>62,995</u>
Total assets	<u>92,232</u>	<u>85,583</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	1,260	1,485
Accrued salaries, wages, and post-retirement benefits	3,751	3,594
Accrued compensated absences	261	257
Bond obligations payable	1,150	1,320
Capital lease obligations	82	31
Deferred revenues and credits	1,153	1,077
Total current liabilities	<u>7,657</u>	<u>7,764</u>
<b>NON-CURRENT LIABILITIES:</b>		
Accrued salaries, wages, and post-retirement benefits, net of current portion	198	153
Accrued compensated absences, net of current portion	1,239	1,139
Bond obligations payable, net of current portion	7,745	8,895
Capital lease obligations, net of current portion	731	87
Deferred revenues and credits	804	-
Total non-current liabilities	<u>10,717</u>	<u>10,274</u>
Total liabilities	<u>18,374</u>	<u>18,038</u>
<b>NET ASSETS:</b>		
Invested in capital assets, net of related debt	54,929	50,547
Restricted for:		
Nonexpendable:		
Permanent endowment	66	38
Expendable:		
Externally restricted funds	1,038	787
Loan funds	2,937	2,952
Plant construction	1,149	469
Debt service	8,828	6,805
Unrestricted	4,911	5,947
Total net assets	<u>\$ 73,858</u>	<u>\$ 67,545</u>



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA AT KEARNEY**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of scholarship allowances of \$6,184 and \$5,533 in 2005 and 2004, respectively)	\$ 17,408	\$ 15,317
Federal grants and contracts - restricted	5,969	5,886
State and local grants and contracts - restricted	1,642	1,609
Private grants and contracts - restricted	479	303
Sales and services of educational activities	3,394	3,319
Sales and services of auxiliary operations	2,853	2,393
Sales and services of auxiliary segments (net of scholarship allowances of \$1,733 and \$1,656 in 2005 and 2004, respectively)	8,906	7,993
Other operating revenues	183	200
Total operating revenues	<u>40,834</u>	<u>37,020</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	35,200	33,877
Benefits	9,739	8,798
Total compensation and benefits	44,939	42,675
Supplies and materials	12,923	9,945
Contractual services	1,327	1,245
Repairs and maintenance	2,094	1,924
Utilities	2,184	2,094
Communications	631	949
Depreciation	3,057	2,907
Scholarships and fellowships	4,381	4,066
Total operating expenses	<u>71,536</u>	<u>65,805</u>
<b>TRANSFERS:</b>		
Intercampus reallocation	(685)	(1,292)
Other	1,367	1,301
Total transfers	<u>682</u>	<u>9</u>
<b>OPERATING LOSS</b>	<u>(30,020)</u>	<u>(28,776)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State of Nebraska noncapital appropriations	30,134	30,620
Gifts	1,358	1,038
Investment income (net of investment management fees of \$7 in 2005 and 2004)	677	514
Increase (decrease) in fair value of investments	1	(6)
Interest income on loans receivable	33	44
Interest expense on bond obligations	(447)	(489)
Net non-operating revenues	<u>31,756</u>	<u>31,721</u>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	<u>1,736</u>	<u>2,945</u>
<b>OTHER REVENUES, EXPENSES, GAINS, OR LOSSES:</b>		
State of Nebraska capital appropriations	594	524
Capital grants and gifts	4,065	872
U.S. Government advances	47	(26)
Additions to permanent endowments	28	-
Loss on disposal of capital assets	(157)	(152)
Net other revenues, expenses, gains, or losses	<u>4,577</u>	<u>1,218</u>
<b>INCREASE IN NET ASSETS</b>	6,313	4,163
<b>NET ASSETS:</b>		
Net assets, beginning of year	<u>67,545</u>	<u>63,382</u>
Net assets, end of year	<u>\$ 73,858</u>	<u>\$ 67,545</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA AT KEARNEY**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Grants and contracts	\$ 7,979	\$ 7,860
Tuition and fees	17,397	15,423
Sales and services of auxiliary operations	2,749	2,439
Sales and services of auxiliary segments	8,865	8,027
Sales and services of educational activities	3,387	3,244
Other receipts	183	210
Student loans collected	562	707
Payments to employees	(44,634)	(42,691)
Payments to vendors	(19,413)	(16,054)
Scholarships paid to students	(4,381)	(4,066)
Student loans issued	(771)	(489)
Transfers:		
Intercampus reallocation	(685)	(1,292)
Other	1,367	1,301
Net cash flows used in operating activities	<u>(27,395)</u>	<u>(25,381)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State of Nebraska noncapital appropriations	30,134	30,620
Private gifts and grants for operating use	1,319	1,101
Private gifts and bequests for endowment use	28	-
Net cash flows provided by noncapital financing activities	<u>31,481</u>	<u>31,721</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	-	3,705
Defeasance of bond obligations	-	(4,015)
Grants and contracts	25	312
State of Nebraska capital appropriations	595	651
U.S. Government advances	47	(26)
Purchases of capital assets	(2,101)	(2,150)
Principal paid on bond obligations	(1,320)	(1,290)
Interest paid on bond obligations	(439)	(488)
Payments made on lease obligations	(84)	(84)
Net cash flows used in capital and related financing activities	<u>(3,277)</u>	<u>(3,385)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	-	100
Purchases of investments	(3,998)	-
Interest on investments	634	517
Interest on loans receivable	33	44
Net cash flows provided by (used in) investing activities	<u>(3,331)</u>	<u>661</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,522)</b>	<b>3,616</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>20,341</u></b>	<b><u>16,725</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 17,819</u></b>	<b><u>\$ 20,341</u></b>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA AT KEARNEY**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
CASH AND CASH EQUIVALENTS - END OF YEAR AS PRESENTED IN STATEMENTS OF NET ASSETS:		
Cash and cash equivalents (current)	\$ 10,967	\$ 11,702
Cash and cash equivalents - restricted (current)	<u>6,852</u>	<u>8,639</u>
Cash and cash equivalents - end of year	<u>17,819</u>	<u>20,341</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS USED IN OPERATING ACTIVITIES:		
Operating loss	(30,020)	(28,776)
Adjustments to reconcile operating loss to net cash flows used in operating activities:		
Depreciation expense	3,057	2,907
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	(349)	153
Loans to students	(209)	218
Other current assets	22	(52)
Accounts payable	(276)	155
Accrued salaries, wages, and post-retirement benefits	305	(16)
Deferred revenues and credits	<u>75</u>	<u>30</u>
Net cash flows used in operating activities	<u>\$ (27,395)</u>	<u>\$ (25,381)</u>
NONCASH TRANSACTIONS:		
Increase (decrease) in fair value of investments	\$ 1	\$ (6)
Capital grants and gifts	877	697
Acquisition of assets through lease obligations	779	-

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA CENTRAL ADMINISTRATION**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2005 and 2004**  
(Thousands)

<b>ASSETS</b>	<b>2005</b>	<b>2004</b>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 14,716	\$ 9,906
Cash and cash equivalents - restricted	2,867	2,667
Investments	31,577	26,571
Accounts receivable and unbilled charges, net	1,121	748
Total current assets	<u>50,281</u>	<u>39,892</u>
NON-CURRENT ASSETS:		
Investments	28,733	27,665
Capital assets, net of accumulated depreciation	3,974	4,336
Total non-current assets	<u>32,707</u>	<u>32,001</u>
Total assets	<u>82,988</u>	<u>71,893</u>
 <b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	515	240
Accrued salaries, wages, and post-retirement benefits	101	82
Accrued compensated absences	156	126
Capital lease obligations	403	803
Due to other campuses	460	539
Deferred revenues and credits	73	45
Health and other insurance claims	9,160	8,829
Total current liabilities	<u>10,868</u>	<u>10,664</u>
NON-CURRENT LIABILITIES:		
Accrued salaries, wages, and post-retirement benefits, net of current portion	13	18
Accrued compensated absences, net of current portion	639	582
Capital lease obligations, net of current portion	2,197	2,600
Total non-current liabilities	<u>2,849</u>	<u>3,200</u>
Total liabilities	<u>13,717</u>	<u>13,864</u>
NET ASSETS:		
Invested in capital assets, net of related debt	1,368	933
Restricted for:		
Nonexpendable:		
Permanent endowment	22,366	22,672
Expendable:		
Externally restricted funds	2,463	2,187
Plant construction	45	138
Unrestricted	<u>43,029</u>	<u>32,099</u>
Total net assets	<u>\$ 69,271</u>	<u>\$ 58,029</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA CENTRAL ADMINISTRATION**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
<b>OPERATING REVENUES:</b>		
Federal grants and contracts - restricted	\$ 1,910	\$ 997
Private grants and contracts - restricted	117	269
Sales and services of auxiliary operations	164	180
Other operating revenues	<u>6,500</u>	<u>2,249</u>
Total operating revenues	<u>8,691</u>	<u>3,695</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	4,774	4,244
Benefits	<u>932</u>	<u>808</u>
Total compensation and benefits	5,706	5,052
Supplies and materials	197	1,141
Contractual services	2,253	1,229
Repairs and maintenance	1,164	740
Utilities	68	72
Communications	120	110
Depreciation	806	723
Scholarships and fellowships	<u>742</u>	<u>701</u>
Total operating expenses	<u>11,056</u>	<u>9,768</u>
<b>TRANSFERS:</b>		
Intercampus reallocation	3,457	(58)
Other	<u>(55)</u>	<u>-</u>
Total transfers	<u>3,402</u>	<u>(58)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,037</u>	<u>(6,131)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State of Nebraska noncapital appropriations	8,183	7,679
Gifts	253	259
Investment income	1,649	1,981
Increase (decrease) in fair value of investments	(42)	1,768
Interest expense on bond obligations	<u>(153)</u>	<u>(174)</u>
Net non-operating revenues	<u>9,890</u>	<u>11,513</u>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	<u>10,927</u>	<u>5,382</u>
<b>OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>		
Private gifts and bequests for permanent endowments	315	1,283
Loss on disposal of capital assets	<u>-</u>	<u>(2,594)</u>
Net other revenues, expenses, gains, or losses	<u>315</u>	<u>(1,311)</u>
<b>INCREASE IN NET ASSETS</b>	11,242	4,071
<b>NET ASSETS:</b>		
Net assets, beginning of year	<u>58,029</u>	<u>53,958</u>
Net assets, end of year	<u>\$ 69,271</u>	<u>\$ 58,029</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA CENTRAL ADMINISTRATION**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Grants and contracts	\$ 1,882	\$ 1,944
Sales and services of auxiliary operations	103	154
Other receipts	6,744	1,206
Payments to employees	(5,606)	(5,048)
Payments to vendors	(3,605)	(4,559)
Scholarships paid to students	(741)	(701)
Transfers:		
Intercampus reallocation	3,457	(58)
Other	(55)	-
Net cash flows provided by (used in) operating activities	<u>2,179</u>	<u>(7,062)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State of Nebraska noncapital appropriations	8,183	7,679
Private gifts and grants for operating use	102	259
Private gifts and bequests for endowment use	315	1,283
Net cash flows provided by noncapital financing activities	<u>8,600</u>	<u>9,221</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Grants and contracts	99	218
Purchases of capital assets	(443)	(404)
Interest paid on bond obligations	(153)	(174)
Payments made on lease obligations	(804)	(782)
Net cash flows used in capital and related financing activities	<u>(1,301)</u>	<u>(1,142)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	14,866	34,828
Purchases of investments	(20,983)	(37,993)
Interest on investments	1,649	1,981
Net cash flows from investing activities	<u>(4,468)</u>	<u>(1,184)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,010</b>	<b>(167)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>12,573</u></b>	<b><u>12,740</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 17,583</u></b>	<b><u>\$ 12,573</u></b>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA CENTRAL ADMINISTRATION**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
CASH AND CASH EQUIVALENTS - END OF YEAR AS PRESENTED IN STATEMENTS OF NET ASSETS:		
Cash and cash equivalents (current)	\$ 14,716	\$ 9,906
Cash and cash equivalents - restricted (current)	<u>2,867</u>	<u>2,667</u>
Cash and cash equivalents - end of year	<u>\$ 17,583</u>	<u>\$ 12,573</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 1,037	\$ (6,131)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:		
Depreciation expense:	806	723
Changes in assets and liabilities:		
Accounts receivable	(322)	364
Other current assets	-	(1,185)
Accounts payable and unbilled charges, net	196	(82)
Accrued salaries, wages, and post-retirement benefits	101	4
Deferred revenues and credits	30	3
Health and other insurance claims	<u>331</u>	<u>(758)</u>
Net cash flows provided by (used in) operating activities	<u>\$ 2,179</u>	<u>\$ (7,062)</u>
NONCASH TRANSACTIONS:		
Acquisition of assets through capital leases	\$ 1	\$ -
Increase (decrease) in fair value of investments	(42)	1,768

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA FACILITIES CORPORATION**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF NET ASSETS (DEFICIT)**  
**JUNE 30, 2005 AND 2004**  
**(Thousands)**

<b>ASSETS</b>	<b>2005</b>	<b>2004</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents - restricted	\$ 21,468	\$ 31,790
Investments	9,615	5,605
Accounts receivable and unbilled charges, net	312	225
Capital lease obligation receivable due from other campuses	<u>307</u>	<u>1,183</u>
Total current assets	<u>31,702</u>	<u>38,803</u>
<b>NON-CURRENT ASSETS:</b>		
Investments	16,111	10,760
Capital lease obligation receivable due from other campuses	5,619	2,588
Other non-current assets	<u>350</u>	<u>389</u>
Total non-current assets	<u>22,080</u>	<u>13,737</u>
Total assets	<u>53,782</u>	<u>52,540</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	2,214	3,205
Bond obligations payable	16,765	9,890
Due to other campuses	<u>835</u>	<u>1,500</u>
Total current liabilities	<u>19,814</u>	<u>14,595</u>
<b>NON-CURRENT LIABILITIES:</b>		
Bond obligations payable, net of current portion	95,725	112,490
Deferred revenues and credits, net of current portion	<u>1,750</u>	<u>1,992</u>
Total non-current liabilities	<u>97,475</u>	<u>114,482</u>
Total liabilities	<u>117,289</u>	<u>129,077</u>
<b>NET ASSETS (DEFICIT):</b>		
Invested in capital assets, net of related debt	(112,490)	(122,380)
Restricted for:		
Expendable:		
Plant construction	10,381	18,436
Debt service	<u>38,602</u>	<u>27,407</u>
Total net assets (deficit)	<u>\$ (63,507)</u>	<u>\$ (76,537)</u>



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**THE UNIVERSITY OF NEBRASKA FACILITIES CORPORATION**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS (DEFICIT)**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

	<b>2005</b>	<b>2004</b>
OPERATING EXPENSES:		
Repairs and maintenance	\$ 355	\$ 456
Total operating expenses	<u>355</u>	<u>456</u>
TRANSFERS:		
Intercampus reallocation	8,230	19,127
Other	<u>(9,114)</u>	<u>(13,252)</u>
Total transfers	<u>(884)</u>	<u>5,875</u>
OPERATING INCOME (LOSS)	(1,239)	5,419
NON-OPERATING REVENUES (EXPENSES):		
Investment income	921	918
Increase (decrease) in fair value of investments	204	(617)
Increase in lease obligation	2,390	1,153
Interest expense on bond obligations	<u>(5,263)</u>	<u>(6,711)</u>
Net non-operating expenses	<u>(1,748)</u>	<u>(5,257)</u>
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	<u>(2,987)</u>	<u>162</u>
OTHER REVENUES, EXPENSES, GAINS, OR LOSSES		
State of Nebraska capital appropriations	5,500	5,500
Capital grants and gifts	<u>10,517</u>	<u>6,885</u>
Net other revenues, expenses, gains, or losses	<u>16,017</u>	<u>12,385</u>
INCREASE IN NET ASSETS (DEFICIT)	13,030	12,547
NET ASSETS (DEFICIT):		
Net assets (deficit), beginning of year	<u>(76,537)</u>	<u>(89,084)</u>
Net assets (deficit), end of year	<u>\$ (63,507)</u>	<u>\$ (76,537)</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**THE UNIVERSITY OF NEBRASKA FACILITIES CORPORATION**  
**ADDITIONAL INFORMATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Payments to vendors	\$ (1,578)	\$ (10,063)
Transfers:		
Inter-campus reallocation	8,230	19,127
Other	<u>(9,114)</u>	<u>(13,252)</u>
Net cash flows used in operating activities	<u>(2,462)</u>	<u>(4,188)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	-	3,410
Grants and contracts	10,516	9,365
State capital appropriations	5,500	5,500
Principal paid on bond obligations	(9,890)	(8,615)
Defeasance of bond obligations	-	(15,276)
Interest paid on bond obligations	<u>(5,664)</u>	<u>(6,732)</u>
Net cash flows provided by (used in) capital and related financing activities	<u>462</u>	<u>(12,348)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	6,803	1,599
Purchases of investments	(15,961)	(4,999)
Interest on investments	<u>836</u>	<u>960</u>
Net cash flows used in investing activities	<u>(8,322)</u>	<u>(2,440)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(10,322)</b>	<b>(18,976)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>31,790</u></b>	<b><u>50,766</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 21,468</u></b>	<b><u>\$ 31,790</u></b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR AS PRESENTED IN STATEMENTS OF NET ASSETS:</b>		
Cash and cash equivalents (current) - end of year	<u>\$ 21,468</u>	<u>\$ 31,790</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS USED IN OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (1,239)	\$ 5,419
Adjustments to reconcile operating income (loss) to net cash flows used in operating activities:		
Changes in assets and liabilities:		
Other current assets	433	215
Accounts payable	<u>(1,656)</u>	<u>(9,822)</u>
Net cash flows used in operating activities	<u>\$ (2,462)</u>	<u>\$ (4,188)</u>
<b>NONCASH TRANSACTIONS:</b>		
Increase (decrease) in fair value of investments	\$ 204	\$ (617)

**Independent Auditors' Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Regents of the University of Nebraska and  
the Auditor of Public Accounts of the State of Nebraska  
Lincoln, Nebraska:

We have audited the financial statements of the business-type activities and discretely presented component unit of the University of Nebraska (the University) (a component unit of the State of Nebraska) as of and for the year ended June 30, 2005, which collectively comprise the University's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 11, 2005. Our report contains a consistency paragraph for the adoption of Governmental Accounting Standards Board Statement No. 40, *Deposits and Investment Risk Disclosures, an amendment to GASB Statement No. 3*, and also includes a reference to the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the University of Nebraska Foundation were not audited in accordance with *Government Auditing Standards*.

Our consideration of internal control over financial reporting and our test of compliance with certain provisions of laws, regulations, contracts, and grants, and other matters did not include the entities audited by the other auditors referred to in the previous paragraph.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the University in a separate letter dated November 11, 2005.

This report is intended solely for the information and use of the State of Nebraska Auditor of Public Accounts, Board of Regents of the University of Nebraska, management of the University, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

KPMG LLP

Lincoln, Nebraska  
November 11, 2005



***The University of Nebraska***  
***(A Component Unit of the State of***  
***Nebraska)***

Financial Statements and Reports Required  
by *Government Auditing Standards* and  
OMB Circular A-133 for the Year Ended June 30, 2005  
and Independent Auditors' Reports

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**TABLE OF CONTENTS**

---

	<b>Pages</b>
INDEPENDENT AUDITORS' REPORT	1-2
COMPONENT UNIT - INDEPENDENT AUDITORS' REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4-14
BASIC FINANCIAL STATEMENTS:	
Statement of Net Assets	15
Component Unit - Consolidated Statement of Financial Position	16
Statement of Revenues, Expenses and Changes in Net Assets	17
Component Unit - Consolidated Statement of Activities	18-19
Statement of Cash Flows	20-21
Component Unit - Consolidated Statement of Cash Flows	22
Notes to Financial Statements	23-59
SUPPLEMENTAL INFORMATION:	
Supplemental Schedule of Expenditures of Federal Awards	60-91
Notes to Supplemental Schedule of Expenditures of Federal Awards	92-93
SINGLE AUDIT INFORMATION:	
Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	94-95
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	96-97
Schedule of Findings and Questioned Costs	98-105



**KPMG LLP**

Suite 1501  
Two Central Park Plaza  
Omaha, NE 68102

Suite 1600  
233 South 13<sup>th</sup> Street  
Lincoln, NE 68508-2041

## **Independent Auditors' Report**

Board of Regents of the University of Nebraska and the  
Auditor of Public Accounts of the State of Nebraska  
Lincoln, Nebraska

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the University of Nebraska (the University) (a component unit of the State of Nebraska) as of and for the year ended June 30, 2005, which collectively comprise the University's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying financial statements of the University as of June 30, 2004, were audited by other auditors whose report thereon dated November 30, 2004, expressed an unqualified opinion on those statements. We did not audit the financial statements of the University of Nebraska Foundation (the Foundation), a discretely presented component unit of the University. Those statements were audited by other auditors whose report has been furnished to us and appears herein, and our opinion insofar as it relates to the discretely presented component unit financial statements of the Foundation is based solely on the report of such other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University of Nebraska, as of June 30, 2005, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A to the financial statements, the University adopted in 2005 the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposits and Investment Risk Disclosures, an Amendment to GASB Statement No. 3*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2005 on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 4 through 14 is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements.

KPMG LLP

Lincoln, Nebraska  
November 11, 2005



DANA F. COLE & COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
1248 O STREET, SUITE 500  
LINCOLN, NEBRASKA 68508

INDEPENDENT AUDITORS' REPORT

Board of Trustees  
University of Nebraska Foundation  
Lincoln, Nebraska

We have audited the accompanying consolidated statements of financial position of the University of Nebraska Foundation as of June 30, 2005 and 2004, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University of Nebraska Foundation at June 30, 2005 and 2004, and the results of its activities and the cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Dana F. Cole + Company, LLP

Lincoln, Nebraska  
July 29, 2005

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

**Introduction**

This discussion and analysis is designed to provide an overview of the financial position and activities of the University of Nebraska (the University) for the years ended June 30, 2005 and 2004. This analysis has been prepared by management of the University and it is intended to be read with the financial statements and related footnotes that follow this section.

The University is a comprehensive public institution of higher education, research, and public service. It was founded in Lincoln, Nebraska on February 15, 1869. The University became a multi-campus institution in 1968 by an act of the Nebraska Legislature that provided for the addition of the University of Nebraska at Omaha to the University system (formerly the municipal University of Omaha) and, at the same time, designated the University of Nebraska-Lincoln and University of Nebraska Medical Center as separate campuses. In 1991, the former Kearney State College became the fourth campus as the University of Nebraska at Kearney.

The University's four campuses provide a diversity of offerings. The University of Nebraska-Lincoln (UNL) offers a wide range of undergraduate majors and has primary responsibility for graduate education, particularly at the doctoral level, and in the non-medical professions. UNL also includes the Institute of Agriculture and Natural Resources, which operates research extension centers across the State of Nebraska (the State), as well as offering major educational and research programs on campus. The University of Nebraska Medical Center (UNMC) features undergraduate, graduate, and professional degree programs that prepare students for a wide variety of careers in health sciences. The University of Nebraska at Omaha (UNO) is a metropolitan university located in the heart of Nebraska's largest city offering a broad range of undergraduate programs, as well as doctoral programs, in criminal justice and public administration. The University of Nebraska at Kearney (UNK) is a mid-sized, residential campus with a commitment to excellence in undergraduate education. UNK offers undergraduate degrees in the arts and sciences, education, and business and technology, with a wide range of majors.

**Student Enrollment - Headcount**

Campus	Fall Semester				
	2001	2002	2003	2004	2005
UNL	22,764	22,988	22,559	21,792	21,675
UNMC	2,724	2,819	2,865	2,904	3,002
UNO	14,143	14,451	13,997	13,824	14,093
UNK	6,426	6,395	6,379	6,382	6,445
Total	46,057	46,653	45,800	44,902	45,215

The financial statements for the University of Nebraska include six blended entities, those being the University of Nebraska Facilities Corporation (UNFC), the University Medical Associates (UMA), UNeMed, the University of Nebraska Dental Associates, the Nebraska Utility Corporation, and the Peter Kiewit Institute Technology Development Corporation. Additional information regarding these entities is described in the footnotes to the financial statements.

# THE UNIVERSITY OF NEBRASKA

(A Component Unit of the State of Nebraska)

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED) (Columnar Amounts in Thousands)

---

In accordance with the guidance of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB 14*, the University of Nebraska Foundation's (the Foundation) financial statements are discretely presented with the University's financial statements. Management's discussion and analysis relates only to the University and does not include any overview of the financial position and activities of the Foundation. References to the Foundation within the analysis relate only to specific transactions with the University.

The fall 2004 (fiscal 2005), headcount enrollment was approximately 45,000 on the four campuses. This represents a slight increase reversing a two-year overall decrease. This increase occurred at all campuses save UNL enrollment decreasing slightly. The fall 2005 (fiscal 2006) enrollment increased slightly after a decline of 2% in the fall of 2004. The University is hopeful for continued future enrollment increases and has devoted greater efforts to recruit both in-state and out-of-state students through such activities as improvement of student residences and facilities. The number of students enrolled in graduate and professional programs was 10,553, representing 23% of the student body, reflecting the University's commitment to its increasing prominence as a major research institution.

### Financial and Operating Highlights

- **Growth in Net Assets.** Total net assets and unrestricted net assets of the University grew by approximately 5% and 9%, respectively, and are attributable to several factors. University management aggressively managed budgets to conserve resources. Budget savings were augmented by a 12% increase in tuition to partially offset state appropriation declines of previous years and to keep the University competitive with faculty salaries. Unrestricted net assets represent about two months of total operating expenses before depreciation and health and other insurance claims. Maintenance of a prudent level of reserves is a key to the long-term success of the University.
- **New Capital Construction.** Several capital construction projects were completed during the year, including the renovation of the UNK Student Center, new UNMC and UNL student housing units, completion of the renovation of three research buildings, Dental College betterments, and the acquisition of an office building for future renovation and expansion.
- **Indebtedness.** The University issued no new bonded indebtedness during fiscal 2005. Revenue bonds all exceeded required debt service coverage.
- **Increase in Federal Grants and Contracts.** Revenues from federal grants and contracts rose 9% over the prior year. The growth in federal funding is indicative of the successful focus the University has placed on seeking new research funding and fuels other successes in recruitment and retention of high-caliber students and faculty.

### Using the Financial Statements

The financial statements of the University include the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. These statements are prepared in accordance with GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*. The statements and related footnotes are presented on a combined basis for the University as a whole.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

*Statement of Net Assets.* The Statement of Net Assets includes all of the assets and liabilities of the University and its component units on the accrual basis of accounting. The difference between total assets and total liabilities represents the net assets of the University and is one indicator of its overall current financial condition. Over time, increases or decreases in the University's net assets is indicative of whether its financial health is improving or deteriorating.

Assets classified as non-current are those that are expected to mature beyond a one-year period or represent special accounts such as those established to comply with revenue bond covenants.

Capital assets are presented net of accumulated depreciation.

Net assets are divided into three parts:

- Invested in Capital Assets. The University's total investment in capital assets less accumulated depreciation and outstanding bond obligations incurred to acquire, construct, or improve those assets.
- Restricted Net Assets:
  - Expendable: funds externally restricted by creditors, grantors, or contributors and includes grant and research funds, student loan programs, funds for plant construction, and debt service on bond obligations.
  - Nonexpendable: permanent endowments.
- Unrestricted Net Assets. Comprised of the University's investment in the joint venture of the Nebraska Medical Center (NMC) of \$163 million, quasi endowments of \$29 million, net assets of the healthcare blended entities of \$56 million, with the balance representing designated departmental balances, encumbrances and working capital funds.

*Statement of Revenues, Expenses, and Changes in Net Assets.* The Statement of Revenues, Expenses, and Changes in Net Assets discloses the revenues and expenses of the University during the year. Revenues and expenses are classified as either operating or non-operating. Revenues realized from operating activities are offset by operating expenses, including depreciation, resulting in an operating income or loss. Most significantly, the GASB requires that certain funding sources that are significant to the University, including State appropriations, gifts, and investment income, be classified as non-operating revenues. In large public land-grant institutions, this, by definition, will invariably create operating losses on the statement of revenues and expenses and negative cash flows from operations in the statement of cash flows.

Scholarships and fellowships granted to students are shown as a reduction of tuition and other revenues, while stipends and other cash payments made directly to students are reported as scholarship and fellowship expenses.

*Statement of Cash Flows.* The Statement of Cash Flows provides information about the cash receipts and cash payments made by the University during the year. When used with related disclosures and information in the other financial statements, this statement should help assess the University's ability to generate future cash flows, its ability to meet its obligations when they come due, its needs for financing, the reasons for

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

differences between operating income and associated cash receipts, and payments and the effects on the University's financial position by investing, capital, and financing transactions during the period.

**Condensed Financial Statements and Analysis**

**Condensed Statements of Net Assets**

	June 30,	
	2005	2004
<b>Assets</b>		
Current assets	\$ 610,860	\$ 682,405
Capital assets, net of accumulated depreciation	1,086,969	998,446
Other non-current assets	474,327	407,660
Total assets	<u>2,172,156</u>	<u>2,088,511</u>
<b>Liabilities and Net Assets</b>		
Current liabilities	199,978	177,226
Non-current liabilities	398,037	417,352
Total liabilities	<u>598,015</u>	<u>594,578</u>
Net assets:		
Invested in capital assets, net of related debt	733,777	702,947
Restricted for:		
Nonexpendable:		
Permanent endowment	182,941	174,577
Expendable:		
Externally restricted funds	111,000	119,575
Loan funds	43,783	42,551
Plant construction	24,523	12,740
Debt service	81,874	76,734
Unrestricted	396,243	364,809
Total net assets	<u>\$ 1,574,141</u>	<u>\$ 1,493,933</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

Condensed Statements of Revenues, Expenses, and Changes in Net Assets

	Year Ended June 30,	
	2005	2004
Operating revenues:		
Tuition and fees	\$ 186,987	\$ 168,882
Federal grants and contracts - restricted	271,603	250,092
State grants and contracts - restricted	28,019	25,770
Private grants and contracts - restricted	83,357	77,195
Sales and services of educational activities	47,802	44,536
Sales and services of health care entities	112,471	109,069
Sales and services of auxiliary operations	106,852	107,883
Sales and services of auxiliary segments	56,461	53,011
Other operating revenues	11,765	8,747
Total operating revenues	<u>905,317</u>	<u>845,185</u>
Operating expenses:		
Salaries and wages	629,072	608,205
Benefits	163,068	144,885
Total compensation and benefits	<u>792,140</u>	<u>753,090</u>
Supplies and materials	207,229	196,228
Contractual services	95,073	87,283
Repairs and maintenance	43,922	39,516
Utilities	27,812	26,612
Communications	12,059	12,449
Depreciation	57,583	52,227
Scholarships and fellowships	111,083	103,924
Total operating expenses	<u>1,346,901</u>	<u>1,271,329</u>
Operating loss	<u>(441,584)</u>	<u>(426,144)</u>
Non-operating revenues (expenses):		
State of Nebraska noncapital appropriations	398,933	390,188
Gifts	53,089	46,625
Investment income	27,836	31,518
Increase in fair value of investments	4,655	18,577
Interest on loans receivable	465	572
Interest on bond obligations	(18,855)	(15,730)
Capitalized interest on bond obligations	6,442	-
Equity in joint venture	18,218	19,349
Net non-operating revenues	<u>490,783</u>	<u>491,099</u>
Income before other revenues, expenses, gains, or losses	49,199	64,955
Other revenues, expenses, gains, or losses:		
State of Nebraska capital appropriations	12,976	9,309
Capital grants and gifts	19,750	21,575
U.S. government advances	1,394	546
Additions to permanent endowments	1,227	2,110
Loss on disposal of plant assets	(4,338)	(6,030)
Net other revenues, expenses, and gains or losses	<u>31,009</u>	<u>27,510</u>
Increase in net assets	80,208	92,465
Net assets:		
Net assets, beginning of year	1,493,933	1,401,468
Net assets, end of year	<u>\$ 1,574,141</u>	<u>\$ 1,493,933</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

*Analysis of Financial Position.* Cash and cash equivalents represent the preponderance of current assets of the University. Cash decreased overall with the most of the change coming from a decrease in restricted cash. Restricted cash represents unspent bond proceeds on deposit with trustees, therefore the change represents the spending of those balances from late fiscal 2004 bond issues for their stated purposes.

Non-current assets of the University are dominated by the investment in physical plant. At June 30, 2005, the University had approximately \$1.1 billion invested in capital assets, net of accumulated depreciation of \$485 million. Physical plant grew primarily from construction of apartment-style student residences at UNMC and UNL, installation of new dental patient teaching stations at the College of Dentistry, acquisition of an office building for future growth of the UNMC campus, renovation of the UNK Student Center, and completion of the renovation of three research buildings. For fiscal 2005, net capital assets increased \$89 million consisting of net capital additions of \$156 million less depreciation of \$58 million. This enhancement of facilities can be attributed to the University's ability to gain private support for the acquisition and renovation of facilities to support new instruction and research facilities and the planned efforts to improve student living space.

Unrestricted net assets grew from \$365 million in 2004 to \$396 million in fiscal 2005 and includes the NMC, a joint venture. NMC is a primary research and teaching hospital and health care provider in the region and was formed by the merger of the University's hospital and Bishop Clarkson Memorial Hospital in 1997. This portion of unrestricted net assets increased by \$18 million to \$163 million in 2005. The balance of the change in unrestricted net assets is attributable to the change in cash discussed earlier in this section, along with a conscious effort by management to increase self-insurance reserves. These insurance reserves are considered by accounting definitions to be part of "unrestricted" funds, along with other amounts attributable to University quasi endowments (\$29 million) and the capital of University Medical Associates (\$56 million), an affiliated entity encompassing the practice plan group at UNMC.

*Analysis of Operations – Overview.* The University generated \$905 million of operating revenues during 2005, an increase of \$60 million over last year, while operating expenses were \$1,347 million, up \$75 million over the prior year. These changes increased the operating loss by \$15 million to \$442 million. As disclosed earlier, because of the mandated financial reporting regarding classification of state appropriations and other funding sources, statements of activities for large public land-grant universities will invariably report an operating loss.

The Nebraska Legislature provided \$399 million in non-capital appropriations for 2005, an increase of \$9 million over 2004. The University, in conjunction with the Foundation, generated gifts amounting to approximately \$73 million that, when combined with all other non-operating revenues and expenses, netted an overall increase in net assets of about \$80 million.

*Revenues.* The University's operating revenues increased in fiscal 2005 by 7%, or \$60 million. Most of the revenue sources showed increases from the prior year.

- ※ One of the largest increases in revenue dollars was realized in Federal grants and contracts. The \$21 million increase is attributable primarily to University of Nebraska-Lincoln's grant awards from several Federal Agencies, including the Department of Health and Human Services, National Science Foundation, Department of Energy, and the Department of Education. Grants awarded included the research of soybean oil for diesel fuel, national assessment of educational progress, metabolite signaling center, elevating seed protein content, studies of blast wave absorbing structures, and the

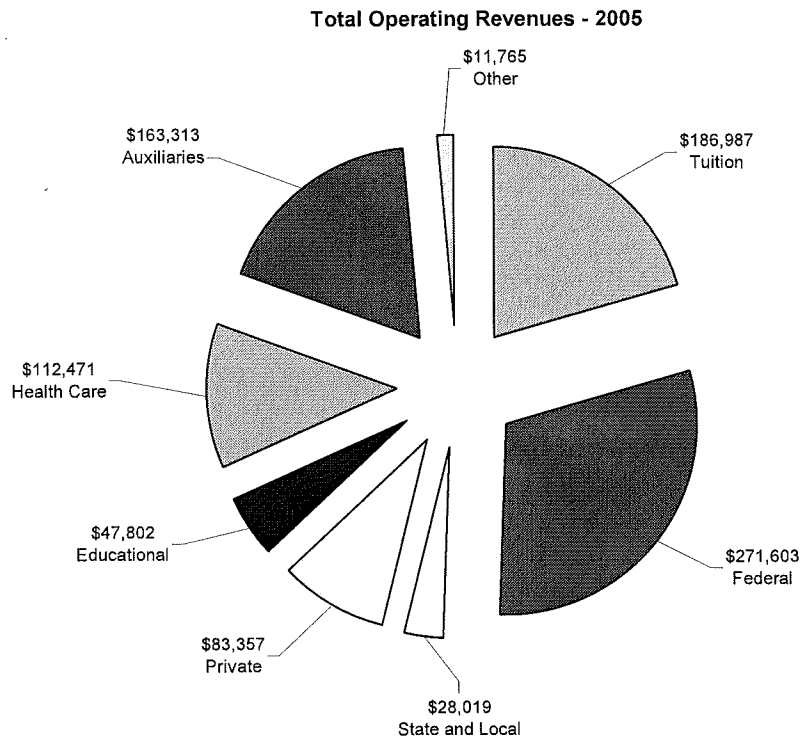
**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

Ford Direct Student loan program. The UNMC also had growth in federal funding and received National Institute of Health grants for medical research of numerous diseases and health issues and funding for the purchase of equipment for a microbiology automation platform project.

- Tuition and fees, net of scholarship allowances, increased by \$18 million dollars, or 11%, for the 2004-2005 year. The Board of Regents approved an increase in tuition of 12%, but a small decline in enrollment and additional scholarship allowances netted down the increase in tuition from 12% to 11%.
- Private gifts and grants increased by \$6 million dollars. This increase is attributable to gifts received from health and medical associations, financial institutions, a grant from the National Conference on Undergraduate Education, and an increase in funding from the University of Nebraska Foundation for scholarships and academic programs.
- Sales and services of health care entities increased by \$3 million. This change can be traced to the University Medical Associates' increase in patient care revenue from several clinical programs, including orthopedics, cardiology, radiology, and general surgery.





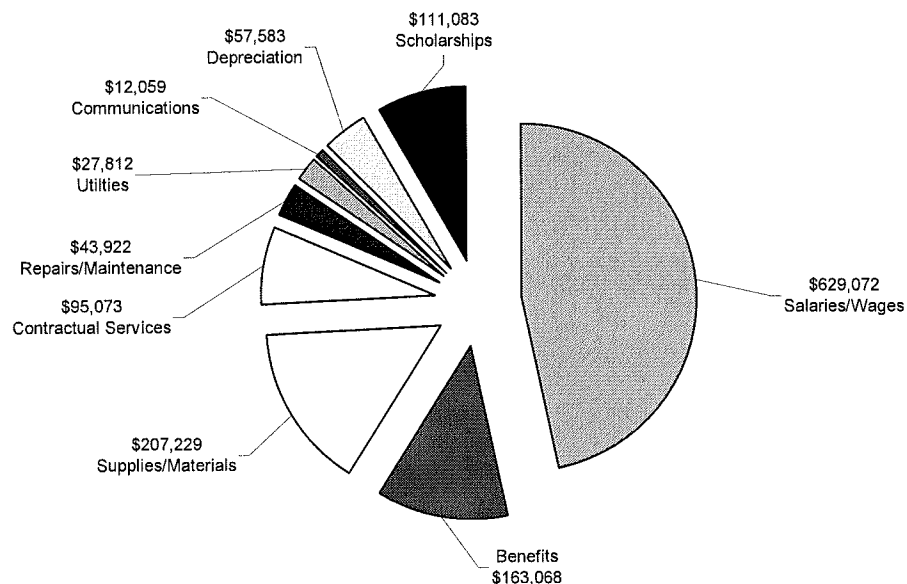
**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

**Expenses.** Operating expenses were \$1,347 million for the 2005 fiscal year, an increase of 6% compared to 2004. Changes in the major expense classifications follow.

- Salaries, wages, and benefits increased by \$39 million in 2005 compared to 2004. Faculty salaries and benefits increases averaged 1.75%. Additional amounts were expended for targeted areas including for excellence and instructional workload salaries, research initiative programs, and intercampus development. Additionally, UNL delayed annual increases until January 1, 2004 the previous year, making the year-to-year changes appear higher. Rising health care costs contributed \$8 million toward the 2005 increases in this category.
- Repairs and maintenance expenses increased by 4% reflecting continued efforts by the University and auxiliary operations to keep buildings, the infrastructure, and utility distribution systems in good repair. One of the larger renovation projects was the UNO Enrollment Services office.
- Supplies and materials increased by 7% reflecting inflationary increases for the purchase of materials to support the instruction and research programs.
- Contractual services increased 9% corresponding to increased activity in Federal research grants and sub-awards for polar and other research studies and the blending of the PKITDC activity for the first year of operations in 2005.
- Scholarships and fellowships grew by \$7 million during 2005. The campuses increased scholarship allowances along with additional Federal student aid and direct student loan program funds in an effort to maintain affordability.

**Total Operating Expenses - 2005**



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

*Non-Operating Revenues (Expenses).* Net non-operating revenues remained unchanged during 2005 compared with 2004. This change is the result of an increase in state non-capital appropriations of \$8 million and an increase of \$6 million in gifts, offsetting a \$4 million reduction in investment income and decreases in fair value of investments.

The University garnered \$53 million in non-capital gifts during the year thanks to continued strong support from the private sector and the Foundation. In addition, capital grants and gifts of \$20 million were received during the current year, including contributions from the Foundation of \$3.9 million for the renovation of Foster Field located on the UNK campus and \$10.5 million for future development of the Research Center of Excellence at UNMC.

**Capital Assets**

The University made significant investments in capital assets during the current year. Major construction projects and acquisitions completed were:

- Suite-style residential housing was completed for 468 students on the UNL campus for a cost of \$26 million. These housing units were financed by the 2003A Student Fees and Facilities bonds and are included as a member of the obligated group under the Master Trust Indenture (MTI).
- Renovation of three research buildings was completed at a cost of \$29 million. These capital outlays were financed partially by the UNFC Deferred Maintenance bonds and other revenues from Federal and private sources. The buildings included Avery and Hamilton Halls and the Veterinary Science building at UNL, all of which play valuable roles in research and education.
- The 60 new student apartment units in two buildings were completed on the UNMC campus. This construction was financed by the issuance of \$5 million of revenue bonds during 2005. These units significantly update UNMC's housing inventory.
- A former bank building adjacent to the UNMC campus was purchased for \$8 million and financed partially through a lease purchase agreement with the University of Nebraska Foundation and will prove valuable in future expansion of the campus.
- An enhancement to the UNK Student Center was completed during the year at a cost of around \$1 million and is a significant improvement to student life on the campus.
- Other auxiliary operations cash flows of \$1.5 million were used to fund new facilities for UNL campus security. This improvement creates a visibility for campus security and facilitates more efficient services to the campus community.
- Fire and life safety projects were completed on all campuses. Funding for these projects came from capital appropriations for this purpose by the Legislature through the State's Task Force for Building Renewal.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

More detailed information on capital asset activity is disclosed in the Notes to the Financial Statements included in this report.

**Debt Activity**

The University did not issue any new bonds or refinance any outstanding bonds during 2005, having successfully refinanced all refundable bonds during the interest rate troughs in the prior year. The University continued to experience net revenues from activities that exceeded required support for outstanding bonds.

The Board of Regents of the University of Nebraska Members of the Obligated Group under the MTI has bonds outstanding from the construction of student housing and parking. The financial position of the MTI remains strong with operating income that provided a debt service ratio of 1.45 times for the year ended June 30, 2005 and 1.89 times for the year ended June 30, 2004. The debt service ratio required by the MTI covenants is 1.15 times.

The UNK Student Fees and Facilities bond activities enjoys a strong financial position having ended the year with sufficient operating income to cover debt service 2.1 times in 2005 compared to 1.7 times in 2004.

The UNFC met all debt service requirements during 2005. The State Legislature has reaffirmed the appropriation of funds for their portion of the debt service pertaining to the Deferred Maintenance Project, which is combined with designated tuition revenues for debt service. The Foundation continues to receive funds from donor gifts pledged toward the funding of the University of Nebraska Center Research Center project. Funds from internal University sources continue to meet expectations allowing the service of UNFC-related debt obligations in their normal course.

**Economic Outlook and Subsequent Events That Will Affect the Future**

The University, as the State's public research university, is an important component in driving the economic success of Nebraska. This partnership with the State also means, like other major land-grant universities, that State funding plays an important part in the success of the University in many areas.

Management of the University is encouraged by signs that the partnership with the State is strengthening, which gives renewed confidence to the University as it looks forward. The Governor and the State Legislature gave the University increases of 7.4% and 6.1% for the two years in the biennium that ends June 30, 2007. These are the largest increases in many years. In another positive development, the Legislature, the Governor, and the University are exploring ways to launch and fund another deferred maintenance initiative designed to enhance and improve facilities to better serve today's students and grow the research enterprise.

The economic performance of the State also offers promising prospects. The State Tax Commissioner recently reported that State receipts through the four months ended October 31, 2005, were \$93 million, or about 10% of over projections. This followed a fiscal year ended June 30, 2005, where the State recorded receipts \$261 million, or 9%, in excess of projected revenues.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)**  
**(Columnar Amounts in Thousands)**

---

In a focused effort to chart the future direction of the University, the President and the Board of Regents have set forth a strategic framework and priorities that will guide the University. These will help the University better serve Nebraskans through quality teaching, research, outreach, and engagement. Among those priorities:

- ▣ **Enrollment.** Growing enrollment through a number of initiatives including growing the college-going rate.
- ▣ **Tuition.** Keeping tuition increases as low as possible and thereby the cost of education more affordable.
- ▣ **Graduation.** Increasing the graduation rate.
- ▣ **Research.** Bolstering current endeavors and fostering new activities that will allow the University to continue to earn greater success in attracting research funding.
- ▣ **Administrative Costs.** Seeking efficiencies in business practices and challenging administrative costs in both the academic and business enterprises.
- ▣ **Faculty Salaries.** Continuing to pursue and identify resources that can be earmarked to enhance faculty salaries to facilitate even greater successes in recruitment and retention.

Again, the future of the State is closely tied to that of its only public university, and the framework and priorities will guide University planning, helping to build and sustain a Nebraska that offers its citizens educational and economic opportunity and a high quality of life.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**STATEMENTS OF NET ASSETS**

**JUNE 30, 2005 and 2004**

**(Thousands)**

**(See Independent Auditors' Report on Pages 1 and 2)**

	<b>2005</b>	<b>2004</b>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 217,060	\$ 207,825
Cash and cash equivalents - restricted	226,269	321,541
Investments - restricted	48,511	37,585
Accounts receivable and unbilled charges, net	96,371	93,138
Loans to students, net	8,389	8,171
Other current assets	14,260	14,145
Total current assets	<u>610,860</u>	<u>682,405</u>
NON-CURRENT ASSETS:		
Cash and cash equivalents - restricted	1,543	682
Investments - restricted	265,062	217,336
Investment in joint venture	163,084	147,866
Loans to students, net of current portion	28,362	28,148
Capital assets, net of accumulated depreciation	1,086,969	998,446
Other non-current assets	16,276	13,628
Total non-current assets	<u>1,561,296</u>	<u>1,406,106</u>
Total assets	<u>2,172,156</u>	<u>2,088,511</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	50,742	54,459
Accrued salaries, wages, and post-retirement benefits	34,889	27,018
Accrued compensated absences	13,488	11,440
Bond obligations payable	24,880	14,360
Capital lease obligations	3,682	3,252
Deferred revenues and credits	61,742	57,118
Health and other insurance claims	10,555	9,579
Total current liabilities	<u>199,978</u>	<u>177,226</u>
NON-CURRENT LIABILITIES:		
Accrued salaries, wages and post-retirement benefits, net of current portion	1,462	1,472
Accrued compensated absences, net of current portion	31,068	29,918
Bond obligations payable, net of current portion	343,715	368,595
Capital lease obligations, net of current portion	13,578	10,096
Deferred revenues and credits, net of current portion	8,214	7,271
Total non-current liabilities	<u>398,037</u>	<u>417,352</u>
Total liabilities	<u>598,015</u>	<u>594,578</u>
NET ASSETS:		
Invested in capital assets, net of related debt	733,777	702,947
Restricted for:		
Nonexpendable:		
Permanent endowment	182,941	174,577
Expendable:		
Externally restricted funds	111,000	119,575
Loan funds	43,783	42,551
Plant construction	24,523	12,740
Debt service	81,874	76,734
Unrestricted	<u>396,243</u>	<u>364,809</u>
Total net assets	<u>\$1,574,141</u>	<u>\$1,493,933</u>

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**UNIVERSITY OF NEBRASKA FOUNDATION**  
(A Component Unit of the University of Nebraska)  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2005 AND 2004**  
(Thousands)  
(See Independent Auditors' Report on Pages 1, 2, and 3)

	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 458	\$ 615
Temporary cash investments	143,353	146,195
Advances and deposits	8	8
Accounts receivable (net of reserve for bad debts of \$13 in 2005 and \$406 in 2004)	488	372
Accrued interest receivable	1,757	1,753
Student loan receivable	505	636
Matching funds receivable	1	1
Prepaid expenses	78	110
Pledges receivable - restricted	77,933	75,107
Investments - restricted	994,611	911,345
Property and equipment, net of depreciation	<u>5,984</u>	<u>6,364</u>
Total assets	<u>\$ 1,225,176</u>	<u>\$ 1,142,506</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Advances and accounts payable	\$ 295	\$ 772
University of Nebraska benefits payable	2,078	1,685
Scholarships, research, fellowships, and professorships payable	4,257	3,245
Accrued vacation payable	475	423
Taxes payable	53	35
Deferred annuities payable	22,903	22,583
Deposits held in custody for others	<u>176,317</u>	<u>166,629</u>
Total liabilities	<u>206,378</u>	<u>195,372</u>
<b>NET ASSETS:</b>		
Unrestricted	8,335	9,363
Temporarily restricted	318,399	307,749
Permanently restricted	<u>692,064</u>	<u>630,022</u>
Total net assets	<u>1,018,798</u>	<u>947,134</u>
Total liabilities and net assets	<u>\$ 1,225,176</u>	<u>\$ 1,142,506</u>

See notes to financial statements

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**(Thousands)**

**(See Independent Auditors' Report on Pages 1 and 2)**

	<b>2005</b>	<b>2004</b>
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of scholarship allowances of \$53,849 and \$46,201 in 2005 and 2004)	\$ 186,987	\$ 168,882
Federal grants and contracts - restricted	271,603	250,092
State and local grants and contracts - restricted	28,019	25,770
Private grants and contracts - restricted	83,357	77,195
Sales and services of educational activities	47,802	44,536
Sales and services of health care entities	112,471	109,069
Sales and services of auxiliary operations	106,852	107,883
Sales and services of auxiliary segments (net of scholarship allowances of \$6,225 and \$5,932)	56,461	53,011
Other operating revenues	<u>11,765</u>	<u>8,747</u>
Total operating revenues	<u>905,317</u>	<u>845,185</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	629,072	608,205
Benefits	<u>163,068</u>	<u>144,885</u>
Total compensation and benefits	792,140	753,090
Supplies and materials	207,229	196,228
Contractual services	95,073	87,283
Repairs and maintenance	43,922	39,516
Utilities	27,812	26,612
Communications	12,059	12,449
Depreciation	57,583	52,227
Scholarships and fellowships	<u>111,083</u>	<u>103,924</u>
Total operating expenses	<u>1,346,901</u>	<u>1,271,329</u>
<b>OPERATING LOSS</b>	<u>(441,584)</u>	<u>(426,144)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State of Nebraska noncapital appropriations	398,933	390,188
Gifts	53,089	46,625
Investment income (net of investment management fees of \$148 and \$142)	27,836	31,518
Increase in fair value of investments	4,655	18,577
Interest income on loans receivable	465	572
Interest expense on bond obligations	(18,855)	(15,730)
Capitalized interest on bond obligations	6,442	-
Equity in earnings of joint venture	<u>18,218</u>	<u>19,349</u>
Net non-operating revenues	<u>490,783</u>	<u>491,099</u>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	<u>49,199</u>	<u>64,955</u>
<b>OTHER REVENUES, EXPENSES, GAINS, OR LOSSES:</b>		
State of Nebraska capital appropriations	12,976	9,309
Capital grants and gifts	19,750	21,575
U.S. Government advances	1,394	546
Private gifts and bequests for permanent endowments	1,227	2,110
Loss on disposal of capital assets	<u>(4,338)</u>	<u>(6,030)</u>
Net other revenues, expenses, gains, or losses	<u>31,009</u>	<u>27,510</u>
<b>INCREASE IN NET ASSETS</b>	80,208	92,465
<b>NET ASSETS:</b>		
Net assets, beginning of year	<u>1,493,933</u>	<u>1,401,468</u>
Net assets, end of year	<u>\$ 1,574,141</u>	<u>\$ 1,493,933</u>

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**UNIVERSITY OF NEBRASKA FOUNDATION**  
(A Component Unit of the University of Nebraska)  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2005**  
(Thousands)  
(See Independent Auditors' Report on Pages 1, 2, and 3)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES:</b>				
Gifts, bequests, and life insurance proceeds	\$ 56	\$ 44,817	\$ 33,795	\$ 78,668
Investment income	14,554	13,553	(696)	27,411
Realized gain (loss) on sale of assets	(14)	1,666	45,667	47,319
Unrealized gain (loss) on assets	-	2,356	13,215	15,571
	<u>14,596</u>	<u>62,392</u>	<u>91,981</u>	<u>168,969</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>81,681</b>	<b>(56,038)</b>	<b>(25,643)</b>	<b>-</b>
Total support and revenue	<u>96,277</u>	<u>6,354</u>	<u>66,338</u>	<u>168,969</u>
<b>EXPENSES:</b>				
Salaries and wages	6,916	-	-	6,916
Payroll taxes	489	-	-	489
Employee benefits	1,066	-	-	1,066
Annuity payments	2	-	-	2
Postage	175	-	-	175
Office supplies and expense	103	-	-	103
Professional services	163	-	-	163
Travel and entertainment	368	-	-	368
Telephone	159	-	-	159
Insurance and bonds	100	-	-	100
Repair and maintenance	138	-	-	138
Equipment rental/purchase	38	-	-	38
Office rent	812	-	-	812
University Towers expense	9	-	-	9
Promotion expense	808	-	-	808
Auto expense	73	-	-	73
Dues and subscriptions	119	-	-	119
Alumni associations	508	-	-	508
Miscellaneous expense	94	-	-	94
Data processing expense	6	-	-	6
Recruiting and moving expense	17	-	-	17
Meetings and conferences	224	-	-	224
Investment expense	4,347	-	-	4,347
Academic support	22,347	-	-	22,347
Student assistance	18,614	-	-	18,614
Faculty assistance	4,101	-	-	4,101
Research	5,680	-	-	5,680
Museum, library, and fine arts	1,924	-	-	1,924
Campus and building improvements	24,273	-	-	24,273
Deferred compensation	42	-	-	42
Paid to beneficiaries	2,901	-	-	2,901
Bad debt and collection expense	31	-	-	31
Depreciation	658	-	-	658
Total	<u>97,305</u>	<u>-</u>	<u>-</u>	<u>97,305</u>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS AND CHANGES</b>	<b>(1,028)</b>	<b>6,354</b>	<b>66,338</b>	<b>71,664</b>
<b>TRANSFERS AND RECLASSIFICATIONS BETWEEN FUNDS</b>	<b>-</b>	<b>4,296</b>	<b>(4,296)</b>	<b>-</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(1,028)</b>	<b>10,650</b>	<b>62,042</b>	<b>71,664</b>
NET ASSETS, beginning of year	<u>9,363</u>	<u>307,749</u>	<u>630,022</u>	<u>947,134</u>
NET ASSETS, end of year	<u>\$ 8,335</u>	<u>\$318,399</u>	<u>\$692,064</u>	<u>\$ 1,018,798</u>

See notes to financial statements.



**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**UNIVERSITY OF NEBRASKA FOUNDATION**  
(A Component Unit of the University of Nebraska)  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2004**  
(Thousands)  
(See Independent Auditors' Report on Pages 1, 2, and 3)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES:</b>				
Gifts, bequests, and life insurance proceeds	\$ 62	\$ 40,811	\$ 21,732	\$ 62,605
Investment income	14,044	9,663	(2,598)	21,109
Realized gain (loss) on sale of assets	(7)	(968)	35,358	34,383
Unrealized gain (loss) on assets	-	6,795	64,138	70,933
	<u>14,099</u>	<u>56,301</u>	<u>118,630</u>	<u>189,030</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>75,136</u>	<u>(51,103)</u>	<u>(24,033)</u>	<u>-</u>
Total support and revenue	<u>89,235</u>	<u>5,198</u>	<u>94,597</u>	<u>189,030</u>
<b>EXPENDITURES:</b>				
Salaries and wages	6,417	-	-	6,417
Payroll taxes	448	-	-	448
Employee benefits	977	-	-	977
Annuity payments	2	-	-	2
Postage	212	-	-	212
Office supplies and expense	97	-	-	97
Professional services	122	-	-	122
Travel and entertainment	330	-	-	330
Telephone	123	-	-	123
Insurance and bonds	93	-	-	93
Repair and maintenance	107	-	-	107
Equipment rental/purchase	50	-	-	50
Office rent	766	-	-	766
University Towers expense	8	-	-	8
Promotion expense	751	-	-	751
Auto expense	63	-	-	63
Dues and subscriptions	74	-	-	74
Alumni associations	508	-	-	508
Miscellaneous expense	91	-	-	91
Recruiting and moving expense	16	-	-	16
Meetings and conferences	191	-	-	191
Investment expense	4,067	-	-	4,067
Academic support	23,927	-	-	23,927
Student assistance	18,682	-	-	18,682
Faculty assistance	3,610	-	-	3,610
Research	3,826	-	-	3,826
Museum, library, and fine arts	1,815	-	-	1,815
Campus and building improvements	18,448	-	-	18,448
Deferred compensation	42	-	-	42
Paid to beneficiaries	2,841	-	-	2,841
Bad debt and collection expense	(2)	-	-	(2)
Depreciation	669	-	-	669
Total	<u>89,371</u>	<u>-</u>	<u>-</u>	<u>89,371</u>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS AND CHANGES</b>	(136)	5,198	94,597	99,659
<b>TRANSFERS AND RECLASSIFICATIONS BETWEEN FUNDS</b>	<u>-</u>	<u>3,346</u>	<u>(3,346)</u>	<u>-</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(136)	8,544	91,251	99,659
<b>NET ASSETS, beginning of year</b>	<u>9,499</u>	<u>299,205</u>	<u>538,771</u>	<u>847,475</u>
<b>NET ASSETS, end of year</b>	<u>\$ 9,363</u>	<u>\$307,749</u>	<u>\$630,022</u>	<u>\$947,134</u>

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**  
**(See Independent Auditors' Report on Pages 1 and 2)**

	<b>2005</b>	<b>2004</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Grants and contracts	\$ 373,819	\$ 339,978
Tuition and fees	185,529	169,486
Sales and services of health care entities	114,676	108,967
Sales and services of auxiliary operations	110,062	108,046
Sales and services of educational activities	68,125	62,205
Sales and services of auxiliary segments	56,649	50,468
Student loans collected	8,967	8,739
Other receipts	14,670	6,870
Payments to employees	(750,560)	(749,258)
Payments to vendors	(432,264)	(379,339)
Scholarships paid to students	(111,082)	(103,924)
Student loans issued	(9,476)	(10,293)
Other payments	(314)	(139)
Net cash flows used in operating activities	<u>(371,199)</u>	<u>(388,194)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State of Nebraska noncapital appropriations	399,324	390,083
Private gifts and grants for operating use	53,066	46,188
Private gifts and bequests for endowment use	1,227	2,111
Net cash flows from noncapital financing activities	<u>453,617</u>	<u>438,382</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	-	161,210
Grants and contracts	16,680	28,920
State of Nebraska capital appropriations	12,971	9,367
U.S. Government advances	1,394	547
Purchases of capital assets	(134,237)	(116,686)
Defeasance of bond obligations	-	(19,291)
Interest paid on bond obligations	(20,087)	(12,987)
Principal paid on bond obligations	(14,360)	(12,568)
Payments made on lease obligations	(8,634)	(4,500)
Net cash flows from capital and related financing activities	<u>(146,273)</u>	<u>34,012</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	116,224	154,966
Purchases of investments	(168,324)	(159,469)
Interest on investments	27,320	31,693
Distributions received from joint venture	3,000	3,000
Interest on loans receivable	459	571
Net cash flows from investing activities	<u>(21,321)</u>	<u>30,761</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(85,176)</b>	<b>114,961</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>530,048</u></b>	<b><u>415,087</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 444,872</u></b>	<b><u>\$ 530,048</u></b>

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

(See Independent Auditors' Report on Pages 1 and 2)

	<u>2005</u>	<u>2004</u>
CASH AND CASH EQUIVALENTS - END OF YEAR AS PRESENTED IN STATEMENTS OF NET ASSETS:		
Cash and cash equivalents (current)	\$ 217,060	\$ 207,825
Cash and cash equivalents - restricted (current)	226,269	321,541
Cash and cash equivalents - restricted (non-current)	<u>1,543</u>	<u>682</u>
Cash and cash equivalents - end of year	<u>\$ 444,872</u>	<u>\$ 530,048</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$(441,584)	\$(426,144)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation expense	57,583	52,227
Changes in assets and liabilities:		
Accounts receivable and unbilled charges	(5,121)	(13,207)
Loans to students	(432)	(1,401)
Other current assets	(974)	(1,263)
Accounts payable	3,937	2,453
Accrued salaries, wages, and post-retirement benefits	11,058	3,782
Deferred revenues and credits	4,003	(3,883)
Health and other insurance claims	<u>331</u>	<u>(758)</u>
Net cash flows from operating activities	<u>\$ (371,199)</u>	<u>\$ (388,194)</u>
NONCASH TRANSACTIONS:		
Capital gifts and grants	\$ 877	\$ 697
Increase in fair value of investments	4,655	18,577
Purchase of capital assets through lease obligations	12,546	8,133

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**UNIVERSITY OF NEBRASKA FOUNDATION**  
(A Component Unit of the University of Nebraska)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)  
(See Independent Auditors' Report on Pages 1, 2, and 3)

	<u>2005</u>	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 71,664	\$ 99,659
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	658	669
Gain on sale of assets	(47,319)	(34,382)
Appreciation of assets	(15,571)	(70,933)
(Increase) decrease in pledges receivable	(2,826)	13,494
Increase in deferred annuities payable	320	1,012
Contribution to permanently restricted endowment funds	(33,795)	(21,732)
Real and personal property contributions received for the University	(1,126)	(295)
(Increase) decrease in:		
Accounts receivable	(116)	(101)
Interest receivable	(4)	(173)
Prepaid expense	32	(61)
Increase (decrease) in:		
Advances and accounts payable	(477)	(30)
University of Nebraska benefits payable	394	688
Scholarships, research, fellowships, and professorships payable	1,012	1,672
Accrued vacation payable	52	18
Taxes payable	17	20
Deposits held in custody for others	5,841	23,892
Total adjustments	<u>(92,908)</u>	<u>(86,242)</u>
Net cash provided by operating activities	<u>(21,244)</u>	<u>13,417</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (increase) decrease in temporary cash investments	2,842	(12,962)
Net decrease in student loans	132	83
Net purchases in investments	(15,407)	(21,611)
Purchase of property and equipment	(282)	(183)
Sales of property and equipment	6	9
Net cash used in investing activities	<u>(12,709)</u>	<u>(34,664)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contribution to permanently restricted endowment funds	<u>33,796</u>	<u>21,732</u>
Net cash provided by financing activities	<u>33,796</u>	<u>21,732</u>
<b>NET INCREASE IN CASH</b>	<b>(157)</b>	<b>485</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>615</u></b>	<b><u>130</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 458</u></b>	<b><u>\$ 615</u></b>

**REQUIRED DISCLOSURE:**

The Foundation expended no cash for interest or income taxes.

See notes to financial statements.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

---

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization** – The University of Nebraska (the University) is a land-grant University founded in 1869 and governed by an elected eight-member University of Nebraska Board of Regents (the Board of Regents). University activities are conducted at four primary campuses, with two located in Omaha and one each in Lincoln and Kearney, Nebraska. While the University is a legally separate entity, it is a component unit of the State of Nebraska (the State) because it is financially accountable to the State. The major accounting principles and practices followed by the University are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

These statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The GASB has issued GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. The University follows the “business-type” activities reporting format of GASB Statement No. 34. This reporting format requires the following elements:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Statement of Net Assets
  - Statement of Revenues, Expenses, and Changes in Net Assets
  - Statement of Cash Flows
- Notes to financial statements

The University follows all GASB pronouncements, as well as Financial Accounting Standards Board (FASB) Statements, and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, and has elected not to apply the FASB Statements and Interpretations issued after November 30, 1989 to its financial statements.

In 2005, the University implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. GASB Statement No. 40 address disclosures on deposits and investments, focusing on common investment risks related to interest rate risk, credit risk, custodial credit risk, foreign currency risk, and concentration of credit risk. This pronouncement requires additional disclosures to be presented in the notes but has no impact on the net assets of the University.

**Reporting Entity** – Certain affiliated organizations for which the Board of Regents has financial accountability are included in the University's financial statements as component units.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

The University's financial reporting entity consists of the following component units. Their balances and transactions are blended into the accompanying financial statements and reported in a manner similar to the balances and transactions of the University itself.

- The University of Nebraska Facilities Corporation (UNFC) was organized to finance the construction, repair, and renovation of buildings and the acquisition of land and equipment and to hold them in trust for the University. UNFC is governed by a Board of Directors comprised of the Board of Regents.
- The University Medical Associates (UMA) was organized for the purpose of billing, collecting and distributing medical service fees generated by clinicians employed by the University of Nebraska Medical Center (UNMC). UMA is governed by the Board of Regents. The distribution of fees is governed by the terms of the University of Nebraska Medical Services Plan applicable to the member clinicians.
- UNeMed was organized to develop and market biomedical technologies for the University and pay all related patent costs. UNeMed acts under the authority of the Board of Regents and their fiscal year-end is December 31.
- The University Dental Associates (UDA) was organized for the purpose of billing, collecting and distributing dental service fees generated by dentists employed by the UNMC. UDA is governed by the Board of Regents. The distribution of fees is governed by the terms of the University of Nebraska Dental Service Plan applicable to the member dentists.
- Nebraska Utility Corporation (NUCorp) is a not-for-profit corporation formed under the Nebraska Interlocal Cooperation Act between the Board of Regents and Lincoln Electric System. The purpose of NUCorp is to purchase, lease, construct, and finance activities relating to furnishing energy requirements and utility and infrastructure facilities for the University of Nebraska-Lincoln (UNL). NUCorp is governed by a five-member Board, three of which are University officials. NUCorp's fiscal year-end is December 31.
- The Peter Kiewit Institute Technology Development Corporation (PKITDC) is a not-for-profit corporation formed for the purpose of teaching and developing information science technology through students and faculty by conducting applied research.

Separate financial statements for UNFC, UMA, UNeMed, UDA, and NUCorp may be obtained from the University of Nebraska Central Administration, Varner Hall, 3835 Holdrege, Lincoln, Nebraska 68583-0742.

The University adopted the guidance of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB 14, as of July 1, 2003. This Statement provides guidance to determine whether certain organizations for which the University is not financially accountable should be reported as a component unit based on the nature and significance of the relationship. As a result of this guidance, the University of Nebraska Foundation's (the Foundation)

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

financial statements are discreetly presented within the University's financial statements. The Foundation is a nonprofit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code whose purpose is to provide financial support for the University system. The Foundation reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented (see Notes P and Q).

***Basis of Presentation*** – The financial statements of the University have been prepared on the accrual basis. The University recognizes revenues, net of discounts and allowances, when it is earned. Expenses are recorded when a liability is incurred. The University first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. All significant revenues and expenses resulting from intra-University transactions have been eliminated.

***Cash and Cash Equivalents*** – Cash and cash equivalents are stated at fair value. Cash is deposited with the Nebraska State Treasurer on a pooled basis in a State fund. Income earned by the pool is allocated to the University based upon average daily balances. These funds are considered to be cash and cash equivalents which are available for expenditures as needed. The investments of the pool include Commercial Paper, U.S. Government Securities, Federal Agency Debt Instruments, Corporate Bonds, Money Market Funds, and Bank Deposits. Additional information on the pool can be found in the State of Nebraska's Comprehensive Annual Financial Report.

For purposes of the statements of cash flows, cash includes cash and cash equivalents, both unrestricted and restricted, and investments with an original maturity of three months or less when purchased.

***Investments*** – Investments are stated at fair value. Securities that are publicly traded are valued based on quoted market prices. Investments that do not have an established market are reported at estimated fair value. Investments received from donors as gifts are recognized as revenue at fair value at the date of the gift. Income from investments is recognized as earned and includes realized and unrealized gains and losses.

***Investment in Joint Venture*** – Investment in joint venture is accounted for under the equity method.

***Capital Assets*** – Land improvements, leasehold improvements, buildings, and equipment are stated at cost at the date of acquisition. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets except at UNL, which are accounted for on a componentized basis. The estimated useful lives are 25 to 50 years for buildings and their components and 20 to 30 years for land improvements. Equipment is generally depreciated from 2 to 10 years depending on its useful life. Leasehold improvements are depreciated using the straight-line method over the aforementioned estimated useful lives or the term of the related lease, if shorter. Maintenance, repairs, and minor replacements are charged to expense as incurred. The University maintains various collections of inexhaustible assets to which no value can be determined. Such collections include contributed works of art, historical treasures, and literature.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

Capital assets are defined by the University as assets with initial, individual costs in excess of \$500 for buildings and renovations, \$100 for land improvements, and \$5 for equipment.

The University has artwork and other collections that it does not capitalize. These collections adhere to the University's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at time of purchase rather than capitalized.

**Accrued Compensated Absences** – University faculty and staff earn 12 to 25 days of vacation each year and may carry over up to one year of accrued vacation into the next year. In future years, accrued vacation may be used or received as a cash payment upon retirement or termination. In addition, certain classified staff receive a cash payment of one-fourth of accrued sick leave upon retirement from the University. The University has recognized a liability for sick and annual leave earned but not yet taken by its faculty and staff. Certain University faculty and staff also earn four floating holidays each year, which may be taken at any time during the year. Unused floating holidays expire at calendar year-end.

**Deferred Revenues and Credits** – These consist of advance payments on athletic tickets, fall semester student residence hall contracts, tuition deposits, unearned income on direct financing leases, and cash received in advance for grants and contracts.

**Amortization of Bond Financial Expense and Bond Premium or Discount** – Bond financial expense and premium or discount are being amortized or accreted to interest expense on a method that approximates the level yield method.

**Classification of Revenues** – The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

**Operating Revenues** – Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees, sales and services of auxiliary enterprises, most federal, state and local grants and contracts and federal appropriations, and interest on student loans.

**Nonoperating Revenues** – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts, contributions, State appropriations, investment income, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB No. 34.

**Unrestricted Gifts** – Revenue is recognized when an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the gift is received.

**Scholarships and Fellowships** – The University receives funds that are restricted by donors and grantors for aid to students. When these funds are granted to students or when scholarships and fellowships are provided through student tuition waiver, the University records the expense for student aid and the



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

corresponding revenue. Accordingly, at June 30, 2005 and 2004, Federal grants and contracts includes Pell grant awards amounting to \$20,007 and \$20,345 and Ford direct student loans amounting to \$71,277 and \$67,805, respectively. The combined awards of \$91,284 and \$88,150 at June 30, 2005 and 2004, respectively, are also included in Scholarships and Fellowships expense. For employee tuition waivers, the University records a benefit expense and corresponding revenue.

**Health and Other Insurance Claims** – The University is partially self-insured for comprehensive general liability, property losses, and group health and dental liability. Its estimated liability is being funded annually and reflected as an expense.

**Environmental** – Environmental assessments are performed when environmental issues are identified on property owned by the Board of Regents. The cost of any assessments are expensed as incurred. Any cost of remediation is accrued when the University's obligation is probable and the amount can be reasonably estimated or determined.

**Tax Status** – The University qualifies as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is required. However, income from unrelated activities is subject to federal and state income taxes. No provision is deemed necessary for any income taxes associated with unrelated activities.

**Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications** – Certain 2004 amounts have been reclassified to conform to the current year presentation.

**Recent Statements Issued by the Government Accounting Standards Board** – The GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, effective for fiscal years beginning after December 15, 2004. This statement requires the University to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred and record impaired assets and impairment losses accordingly. This statement also addresses the appropriate recording of an insurance recovery associated with events or changes in circumstances resulting in impairment of capital assets. The University has not yet determined the effect that the adoption of GASB Statement No. 42 may have on the financial statements.

The GASB has issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after December 15, 2006. This statement provides standards for the measurement, recognition, and display of other postemployment benefit expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. The University has not yet determined the effect that the adoption of GASB Statement No. 45 may have on the financial statements.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

The GASB also issued Statement No. 47, *Accounting for Termination Benefits*. This statement establishes accounting standards for termination benefits. The requirements of this statement are effective in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this statement should be implemented simultaneously with the requirements of Statement 45. For all other termination benefits, this statement is effective for financial statements for periods beginning after June 15, 2005. The University has not yet determined the effect that the adoption of GASB Statement No. 47 may have on the financial statements.

**B. CASH AND CASH EQUIVALENTS**

The University's cash and cash equivalents are deposited in a pooled State fund managed by the Nebraska State Treasurer or in financial institutions. Bank balances of cash and cash equivalents deposited in banks amounted to approximately \$2,090 (book balance of approximately \$1,176) at June 30, 2005, with approximately \$1,519 at June 30, 2005, covered by federal depository insurance. Bank balances of cash and cash equivalents deposited in banks amounted to approximately \$2,634 (book balance of approximately \$1,562) at June 30, 2004, with approximately \$1,778 at June 30, 2004, covered by federal depository insurance. Of the remaining bank balance at June 30, 2005 and 2004, approximately \$347 and \$551 was collateralized with securities held by the pledging financial institution, but not in the University's name, and approximately \$224 and \$305 was uninsured and uncollateralized, respectively. Interest income amounted to approximately \$10,926 and \$10,922 and is included in non-operating revenue at June 30, 2005 and 2004, respectively.

**C. INVESTMENTS**

Funds held for the support of University operations, excluding trust funds, are invested according to State statute by the State Investment Officer. Regulatory oversight is provided by the Nebraska Investment Council. The University's fair value in the Nebraska Investment Council's investment pool is equal to its pool units. University trust funds are invested by the University in accordance with the prudent person rule as established by the University. The prudent person rule places no restrictions on the investment of these funds.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

Investments are as follows for the year-ended June 30, 2005:

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Investment type:					
Debt securities:					
U.S. treasuries	\$ 16,319	\$ 4,417	\$ 6,940	\$ 4,501	\$ 461
U.S. agencies	63,129	37,340	23,295	1,506	988
Corporate debt	21,950	1,136	16,098	3,390	1,326
Repurchase agreements	<u>5,823</u>	-	-	<u>5,823</u>	-
	107,221	<u>\$ 42,893</u>	<u>\$ 46,333</u>	<u>\$ 15,220</u>	<u>\$ 2,775</u>
Other investments:					
Equity securities - domestic	111,516				
Equity securities - international	12,880				
Mutual funds	68,008				
Real estate held for investment purposes	8,164				
Money markets	<u>5,784</u>				
Total	<u>\$ 313,573</u>				

Investments are as follows for the year-ended June 30, 2004:

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Investment type:					
Debt securities:					
U.S. treasuries	\$ 9,828	\$ 3,017	\$ 3,246	\$ 3,362	\$ 203
U.S. agencies	25,825	5,998	17,852	1,366	609
Corporate debt	18,834	728	14,097	3,008	1,001
Repurchase agreements	<u>5,823</u>	-	-	<u>5,823</u>	-
	60,310	<u>\$ 9,743</u>	<u>\$ 35,195</u>	<u>\$ 13,559</u>	<u>\$ 1,813</u>
Other investments:					
Equity securities - domestic	104,553				
Equity securities - international	11,033				
Mutual funds	68,746				
Real estate held for investment purposes	5,509				
Money markets	<u>4,770</u>				
Total	<u>\$ 254,921</u>				

**Interest Rate Risk** – The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

*Credit Risk* – State statutes authorize the University to invest funds in accordance with the prudent man rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The University does not follow a more restrictive policy. Credit ratings for these investments that are rated are as follows:

		2005				
		Quality Ratings				
Investment type:	Fair Value	AAA	AA	A	BAA - BBB	Unrated
Debt securities:						
U.S. treasuries	\$ 16,319	\$ 16,319	\$ -	\$ -	\$ -	\$ -
U.S. agencies	63,129	62,233	601	295	-	-
Corporate debt	21,950	4,853	7,650	8,268	1,034	145
Repurchase agreements	<u>5,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,823</u>
	107,221	<u>\$ 83,405</u>	<u>\$ 8,251</u>	<u>\$ 8,563</u>	<u>\$ 1,034</u>	<u>\$ 5,968</u>
Other investments:						
Equity securities - domestic	111,516					
Equity securities - international	12,880					
Mutual funds	68,008					
Real estate held for investment purposes	8,164					
Money markets	<u>5,784</u>					
	<u>\$ 313,573</u>					
		2004				
		Quality Ratings				
Investment type:	Fair Value	AAA	AA	A	BAA - BBB	Unrated
Debt securities:						
U.S. treasuries	\$ 9,828	\$ 9,828	\$ -	\$ -	\$ -	\$ -
U.S. agencies	25,825	25,825	-	-	-	-
Corporate debt	18,834	3,899	6,931	6,675	486	843
Repurchase agreements	<u>5,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,823</u>
	60,310	<u>\$ 39,552</u>	<u>\$ 6,931</u>	<u>\$ 6,675</u>	<u>\$ 486</u>	<u>\$ 6,666</u>
Other investments:						
Equity securities - domestic	104,553					
Equity securities - international	11,033					
Mutual funds	68,746					
Real estate held for investment purposes	5,509					
Money markets	<u>4,770</u>					
	<u>\$ 254,921</u>					

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

*Concentration of Credit Risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The University places no limit on the amount that may be invested in any one issuer. More than 5% of the University’s investments are in the following investment types at June 30:

	<u>2005</u>	<u>2004</u>
	Concentration	
Federal Home Loan Bank	16%	17%
Federal National Mortgage Association	33%	12%
U.S. treasuries	15%	18%
Federal Farm Credit Bank	7%	12%
FSA Capital Markets Services	5%	N/A

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are stated at fair value and are uninsured, unregistered, and held by the trustee or an agent, but not in the name of the University. Of the University’s \$5.8 million investment in repurchase agreements in 2005 and 2004, \$6.2 million of underlying securities are held by the investment’s counterparty, but not in the name of the University.

**D. ACCOUNTS RECEIVABLE, UNBILLED CHARGES, AND LOANS TO STUDENTS**

Substantially all amounts included in accounts receivable and unbilled charges represent tuition receivables, grant reimbursements, unbilled charges, patient accounts receivable and other receivables. Balances are stated net of allowances for doubtful accounts and contractual adjustments of approximately \$6,347 and \$7,167 at June 30, 2005 and 2004, respectively. In addition, the University maintains an allowance for doubtful collections of student loans of approximately \$1,762 and \$1,385 at June 30, 2005 and 2004, respectively.

**E. INVESTMENT IN JOINT VENTURE**

The University and Bishop Clarkson Memorial Hospital (Clarkson) entered into a Joint Operating Agreement in 1997 forming the Nebraska Health System, a Nebraska nonprofit corporation doing business as the Nebraska Medical Center (NMC). A Board of Directors comprised of six members appointed by Clarkson and six members appointed by the Board of Regents govern NMC. Upon dissolution of NMC, the University and Clarkson will share equally in the remaining net assets. Because the University has an ongoing financial interest in NMC, the University is accounting for the joint venture under the equity method. The University has recorded 50% equity in earnings of NMC for the years ended June 30, 2005 and 2004 totaling \$18,218 and \$19,349, respectively. In addition, to the extent that sufficient funds are available, as determined by the NMC Board of Directors, the University will receive an annual capital distribution. A distribution of \$3,000 was declared and paid out during both fiscal years 2005 and 2004.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

Separate financial statements of NMC can be obtained from the Nebraska Medical Center, 42<sup>nd</sup> Street and Dewey Avenue, Omaha, Nebraska 68105.

In conjunction with the Joint Operating Agreement, the University entered into an agreement to lease the former hospital building to NMC that extends through 2037. The hospital building is recorded at approximately \$131,000 and is included in the University's financial statements. Following are the minimum lease rental payments due from NMC:

**Fiscal Year Ending June 30:**

2006	\$ 4,009
2007	4,000
2008	4,009
2009	3,996
2010	4,004
2011-2014	<u>5,836</u>
	<u>\$25,854</u>

In addition, the University and NMC have entered into an Academic Affiliation Agreement for Education and Research. In connection with the agreement, NMC has agreed to financially support certain educational, research, operational, and clinical activities of the University College of Medicine that further the mission and objectives of NMC. During the fiscal years ended June 30, 2005 and 2004, respectively, the University received approximately \$21,678 and \$21,035 of support in connection with the agreement.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

**F. CAPITAL ASSETS**

Capital asset activity for the years ended June 30, 2005 and 2004 is as follows:

	<b>2005</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Land	\$ 47,797	\$ 5,169	\$ (177)	\$ 52,789
Land improvements	81,707	18,254	(7,228)	92,733
Leasehold improvements	12,534	675	-	13,209
Buildings	1,006,792	72,607	(31,924)	1,047,475
Equipment	228,803	27,736	(16,118)	240,421
Construction work in progress	92,914	111,231	(79,211)	124,934
Total capital assets	<u>1,470,547</u>	<u>235,672</u>	<u>(134,658)</u>	<u>1,571,561</u>
Less accumulated depreciation for:				
Land improvements	30,043	3,499	(860)	32,682
Leasehold improvements	305	455	-	760
Buildings	299,829	31,736	(29,818)	301,747
Equipment	141,924	21,893	(14,414)	149,403
Total accumulated depreciation	<u>472,101</u>	<u>57,583</u>	<u>(45,092)</u>	<u>484,592</u>
Capital assets, net	<u>\$ 998,446</u>	<u>\$178,089</u>	<u>\$ (89,566)</u>	<u>\$1,086,969</u>
	<b>2004</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Land	\$ 45,071	\$ 2,726	\$ -	\$ 47,797
Land improvements	73,972	11,596	(3,861)	81,707
Leasehold improvements	-	12,534	-	12,534
Buildings	955,501	91,267	(39,976)	1,006,792
Equipment	219,544	25,630	(16,371)	228,803
Construction work in progress	101,346	101,160	(109,592)	92,914
Total capital assets	<u>1,395,434</u>	<u>244,913</u>	<u>(169,800)</u>	<u>1,470,547</u>
Less accumulated depreciation for:				
Land improvements	30,593	2,932	(3,482)	30,043
Leasehold improvements	-	305	-	305
Buildings	307,402	30,476	(38,049)	299,829
Equipment	134,822	18,514	(11,412)	141,924
Total accumulated depreciation	<u>472,817</u>	<u>52,227</u>	<u>(52,943)</u>	<u>472,101</u>
Capital assets, net	<u>\$ 922,617</u>	<u>\$192,686</u>	<u>\$ (116,857)</u>	<u>\$ 998,446</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**G. ACCRUED COMPENSATED ABSENCES**

Accrued compensated absences is as follows at June 30:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
2005	<u>\$ 41,358</u>	<u>\$ 30,704</u>	<u>\$ (27,506)</u>	<u>\$ 44,556</u>	<u>\$ 13,488</u>
2004	<u>\$ 39,559</u>	<u>\$ 30,646</u>	<u>\$ (28,847)</u>	<u>\$ 41,358</u>	<u>\$ 11,440</u>

**H. BOND OBLIGATIONS PAYABLE**

Bond obligations payable is as follows at June 30:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
2005	<u>\$ 382,955</u>	<u>\$ -</u>	<u>\$ (14,360)</u>	<u>\$ 368,595</u>	<u>\$ 24,880</u>
2004	<u>\$ 253,135</u>	<u>\$ 161,210</u>	<u>\$ (31,390)</u>	<u>\$ 382,955</u>	<u>\$ 14,360</u>



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

Bond obligations payable at June 30, 2005 and 2004 consists of the following:

	Interest Rate	2005		2004
		Annual Install- ment	Principal Amount Outstanding	Principal Amount Outstanding
<b>Obligations under the master trust indenture:</b>				
University of Nebraska-Lincoln:				
Student fees and facilities:				
Series 2002, revenue refunding, due through July 2016	2.30 - 5.00%	\$900 - \$2,760	\$ 14,455	\$ 15,325
Series 2003A, revenue bonds, due through July 2037	2.95 - 5.25%	405 - 1,595	25,930	25,930
Series 2003B, revenue bonds, due through July 2038	2.50 - 5.00%	1,085 - 3,890	68,885	68,885
Lincoln parking project:				
Series 2000, parking revenue bonds, due through June 2021	4.95 - 5.80%	765 - 3,685	18,885	19,615
Series 2003, revenue refunding, due through June 2016	2.00 - 4.50%	670 - 1,615	7,525	8,180
University of Nebraska at Omaha:				
Student center Series 2003:				
Revenue refunding bonds, due through May 2013	2.00 - 3.90%	485 - 1,180	4,855	5,335
Student housing Series 2003:				
Revenue bonds, due through May 2033	1.75 - 5.00%	310 - 945	15,095	15,400
University of Nebraska Medical Center:				
Student housing revenue bonds				
Series 2003, due through June 2033	1.80 - 5.00%	110 - 330	5,320	5,430
<b>Other University obligations:</b>				
University of Nebraska at Kearney:				
Student fees and facilities:				
Series 1966, due through July 2006	4.3%	505	505	990
Series 2000, due through July 2020	4.90 - 5.50%	240 - 1,150	5,895	6,125
Series 2003, due through July 2011	1.45 - 2.90%	300 - 405	2,495	3,100
University of Nebraska-Lincoln:				
Athletics:				
2004A, revenue refunding, due November 2024	4.00 - 5.25%	1,695 - 5,195	53,330	53,330
2004B, revenue refunding, due November 2024	2.50 - 5.25%	1,825 - 3,270	11,050	11,050
Total University Obligations			<u>234,225</u>	<u>238,695</u>
<b>Obligations of blended entities:</b>				
University of Nebraska Facilities Corporation:				
Series 1998 bonds (deferred maintenance project), due through July 2011	4.15 - 5.25%	225 - 8,570	51,435	58,200
Series 1998-2 bonds (UNMC electrical system project) due through October 2008	3.90 - 4.30%	235 - 275	1,035	1,270
Series 2002 bonds (Research Center of Excellence project), due through February 2015	3.50 - 5.00%	2,790 - 21,215	53,905	56,695
Series 2003 (Alexander building project), due through December 2023	1.35 - 5.00%	100 - 205	2,705	2,805
Series 2004 (library storage project), due through July 15, 2024	1.55 - 5.00%	80 - 585	3,410	3,410
Nebraska Utility Corporation (NUCorp):				
Series 2001 revenue bonds, due through January 2023	4.50 - 5.25%	720 - 1,620	21,880	21,880
Total obligation of blended entities			<u>134,370</u>	<u>144,260</u>
Total bond obligation payable			<u>\$368,595</u>	<u>\$ 382,955</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

Annual maturities subject to mandatory redemption at June 30, 2005 are as follows:

	Total University		UNFC		Nebraska Utilities Corporation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 8,115	\$ 10,915	\$ 16,765	\$ 5,276	\$ -	\$ 1,100	\$ 24,880	17,291
2007	9,080	10,590	12,190	4,528	720	1,084	21,990	16,202
2008	9,865	10,237	11,585	3,938	750	1,051	22,200	15,226
2009	12,365	9,775	11,700	3,368	785	1,017	24,850	14,160
2010	15,335	9,288	11,840	2,795	815	983	27,990	13,066
2011-2015	45,005	39,308	44,690	8,092	5,465	4,260	95,160	51,660
2016-2020	49,860	29,264	1,595	723	7,340	2,559	58,795	32,546
2021-2025	38,025	16,909	2,125	288	6,005	651	46,155	17,848
Thereafter	46,575	16,602	-	-	-	-	46,575	16,602
Total	<u>\$234,225</u>	<u>\$152,888</u>	<u>\$112,490</u>	<u>\$29,008</u>	<u>\$21,880</u>	<u>\$12,705</u>	<u>\$368,595</u>	<u>\$194,601</u>

At June 30, 2005 and 2004, the trustees for these bond funds held cash and investments in the amount of approximately \$161,265 and \$224,547, respectively, which is reflected as restricted cash and investments on the statements of net assets.

**Master Trust Indenture** - The Board of Regents entered into a master trust indenture dated as of June 1, 1995 (as amended and supplemented from time to time, the Indenture) with a fiduciary with respect to the facilities (including student housing, student unions, student health facilities, and parking facilities) from which the Board of Regents derives revenues, fees, and earnings. The Indenture provides for the formation of an Obligated Group for the purpose of achieving lower borrowing costs through sharing accumulated excess revenues and earnings derived from such facilities. As of June 30, 2005, the members of the Obligated Group are (a) the student housing, student unions, and student health facilities on the University of Nebraska - Lincoln campuses (UNL Student Fees and Facilities), (b) the parking facilities on the University of Nebraska - Lincoln campuses (UNL Parking), (c) the Student Center at the University of Nebraska at Omaha (UNO Student Center) (d) certain student housing facilities at the University of Nebraska at Omaha (UNO Student Housing), and (e) certain Student housing facilities at the University of Nebraska Medical Center (UNMC Student Housing) (collectively, the Obligated Group). The accumulated surplus revenues, fees, and other payments of such Obligated Group have been jointly pledged to the payment of revenue bonds issued with respect to such facilities. Other facilities will be added to the Obligated Group and the revenues, fees, and other payments derived from such facilities will be pledged under the Indenture in the future as circumstances permit.

**Pledged Revenues** – Pledged revenues of the Obligated Group under the master trust indenture are defined as all of the revenues of each member that remain after payment of the expenses of such member. Pledged revenues do not include any balances in any debt service fund or debt service reserve fund, but shall include any balances in other reserve, replacement, or contingency fund and any surplus fund held for or on behalf of such members of the Obligated Group under a related resolution.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

For the University of Nebraska at Kearney (UNK) Student Fees and Facilities and UNL Athletics Bonds, net revenues from student housing and dining facilities, special student fees, certain athletic ticket revenue, and designated donations are pledged to secure the respective bond issues as defined in those bond resolutions. These bond issues and University of Nebraska Facilities Corporation (UNFC) bonds are not obligations of the State and no tax shall ever be levied to raise the funds for the principal payment thereof or the interest or premium thereon. The UNFC bonds do not constitute debt of the Board of Regents of the University, but shall be payable solely out of monies derived from designated tuition revenues, legislative appropriations, and UNMC lease payments.

The bond resolutions specify the funds that need to be established, the required transfers between funds, and the maximum maturity limits for each funds' investments. The bond resolutions also require that specified amounts be deposited with the trustee for certain funds. At June 30, 2005 and 2004, the University and UNFC are in compliance with these requirements.

***University of Nebraska-Lincoln Memorial Stadium Bonds*** – In 2004, the Board of Regents authorized the issuance of \$64,380 of Series 2004A and 2004B bonds (2004 Memorial Stadium Project). The bonds were issued to pay the cost of constructing, equipping, and furnishing improvements to Memorial Stadium and to refund \$12,970 of 1997 UNFC Bonds, Series 1997. The 2004A and 2004B bonds are payable from a gross revenue pledge of certain revenues and fees of the athletic department, with such payment being prior to the payment of expenditures with respect to Memorial Stadium operations. Those revenues and fees include all Memorial Stadium ticket income, current skybox revenues, current club seating revenues, donations with respect to a new premium seating program involving approximately 6,400 seats, and all donations pledged to the construction of the 2004 Memorial Stadium Project.

The bonds are not obligations of the State, nor do they constitute debt of the Board of Regents, but shall be solely from the aforementioned pledged revenues and fees.

***University of Nebraska Facilities Corporation***

***Library Storage Project*** – In 2004, the UNFC authorized the issuance of \$3,410 of Series 2004 Bonds, dated May 15, 2004.

The library storage and retrieval facility will be approximately 8,975 gross square feet in size, with a high (approximately 35 feet) roof. It will provide a climate-controlled environment for the library's print volumes and other documents. The strictly controlled temperature, humidity, and air quality will minimize the deterioration of the books and other documents.

Principal and interest payments will come from lease payments received from UNL.

***Series 2003 Bonds – Alexander Building Project*** – In 2003, the UNFC authorized the issuance of \$2,935 of Series 2003 Bonds (2003 Project) dated March 6, 2003. The 2003 Project involved the purchase and refurbishing of the Alexander Building, including a heating, ventilation, and air conditioning project on the city campus of UNL.

Principal and interest payments will come from University cash funds.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

*Series 2002 Bonds – UNMC Research Center of Excellence Project* – In 2002, the UNFC authorized the issuance of \$56,695 of Series 2002 Bonds (2002 Project) dated February 15, 2002. The 2002 Project was created for the purpose of paying a portion of the cost of construction of the Research Center of Excellence (now known as the Durham Research Center) and a multi-level parking structure on the campus of the UNMC in Omaha, Nebraska at a total estimated cost of \$93,000. The UNMC, through the Foundation, has obtained pledges approximating \$85,000 for payment of the costs of these projects. The pledges will be received in installments through 2011. These pledges are augmented with the revenue from a lease agreement with a third party for a portion of the parking structure. Bonds maturing after February 15, 2012 are redeemable at 100% of principal plus accrued interest. The Research Center Project agreement states that if, at any time, the assigned revenues are insufficient to pay principal and interest of the Series 2002 Bonds as they become due, the deficiency will be paid from the University Cash Fund or other funds of the Board of Regents available for such purpose.

*Series 1998 Bonds – Deferred Maintenance Project* – In 1998, the UNFC authorized the issuance of \$80,190 of Series 1998 Bonds (Deferred Maintenance Project) dated July 15, 1998. The Deferred Maintenance Project was created for the purpose of paying the cost of certain deferred maintenance projects on each of the four campuses of the University authorized by Nebraska Legislative Bill 1100 (LB1100). Principal and interest payments on the bonds are secured by existing balances in the University Cash Fund, the University of Nebraska at Omaha Cash Fund, and the University of Nebraska at Kearney Cash Fund. Under LB1100, the Nebraska Legislature has appropriated for repayment \$5,500 each fiscal year through June 30, 2009 which can be modified by the Legislature as specified in LB1100. In addition, the Board of Regents has committed \$5,200 of tuition revenues for repayment for each fiscal year through June 30, 2011.

*Series 1998-2 Bonds – UNMC Electrical System Project* – In 1998, the UNFC authorized the issuance of \$2,315 of Series 1998 Bonds (UNMC Electrical System Project) dated October 15, 1998. The UNMC Electrical System Project was created for the purpose of constructing and installing an electrical power service line and related facilities to the University of Nebraska Medical Center.

Under the resolution for the UNMC Electrical System Project, the Board of Regents leased from UNFC the real property and improvements comprising the UNMC Electrical System Project and the existing facilities under a Site Lease dated October 15, 1998. In turn, the Board of Regents has agreed to make lease rental payments to UNFC in such amounts and at such times so as to provide sufficient funds with which to make full and timely payments on the UNMC Electrical System Project Bonds. The term of the Site Lease expires when all bonds have been paid in full or the payments of the bonds have been provided for in accordance with the Trust Indenture. The principal and interest payments on the bonds are payable from moneys to be budgeted and appropriated by the Board of Regents.

***Nebraska Utilities Corporation***

In 2001, the Nebraska Utilities Corporation (NUCorp), an interlocal organization formed with a Lincoln, Nebraska-based utility, authorized the issuance of \$21,880 of Series 2001 bonds. The proceeds from the debt are being utilized to address energy conservation and utility upgrades at UNL. Utility savings generated from these projects will provide funds for repayment of the bonds.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

*Prior Year Defeasances* – In prior years, the University and its component units defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the University’s financial statements. At June 30, 2005 and 2004 \$24,060 and \$42,145, respectively, of defeased bonds are outstanding.

**I. CAPITAL LEASE OBLIGATIONS**

The University presently is leasing real property, buildings and equipment with either the option to purchase or transfer of title at the expiration of the lease term, of capital leases outstanding \$11,986 and \$8,831 are leases with the Foundation.

Capital lease obligation activity for the year-ended June 30 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
2005	\$ 13,348	\$ 12,546	\$ 8,634	\$ 17,260	\$ 3,682
2004	\$ 10,293	\$ 6,980	\$ 3,925	\$ 13,348	\$ 3,252

Minimum lease payments under capital leases together with the present value of the net minimum lease payments for the year-ended June 30 are:

	<b>Buildings and Properties</b>	<b>Equipment</b>	<b>Total</b>
2006	\$ 3,363	\$ 757	\$ 4,120
2007	3,293	363	3,656
2008	2,482	318	2,800
2009	1,578	34	1,612
2010	1,578	10	1,588
Thereafter	6,693	-	6,693
	18,987	1,482	20,469
Less interest and executory costs	3,157	52	3,209
	<u>\$ 15,830</u>	<u>\$ 1,430</u>	<u>\$ 17,260</u>
Capital assets held under capital lease obligations at June 30, 2005 are as follows:			
Buildings	\$ 34,431		
Equipment	6,710		
	<u>\$ 41,141</u>		

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

**J. HEALTH AND OTHER INSURANCE CLAIMS**

Activity in the health and other insurance claims programs is as follows:

	Clinicians Self- Insurance	General Liability	Group Health and Dental	Total
Claim reserve, June 30, 2003	\$ 683	\$ 3,587	\$ 6,001	\$ 10,271
Established claim reserve	1	-	-	1
Incurred claims	(292)	824	75,860	76,392
Payments on claims	<u>358</u>	<u>(982)</u>	<u>(76,461)</u>	<u>(77,085)</u>
Claim reserve, June 30, 2004	750	3,429	5,400	9,579
Established claim reserve	1	-	-	1
Incurred claims	776	720	82,451	83,947
Payments on claims	<u>(132)</u>	<u>(1,389)</u>	<u>(81,451)</u>	<u>(82,972)</u>
Claim reserve, June 30, 2005	<u>\$ 1,395</u>	<u>\$ 2,760</u>	<u>\$ 6,400</u>	<u>\$ 10,555</u>

The Board of Regents provides for protection against comprehensive general liability and property losses through a partially self-insured general liability program. The self-insured program also covers the retained deductible for directors and officers liability and miscellaneous claims not covered by insurance. The Board of Regents has purchased all-risk "blanket" policies for risks not covered by the partially self-insured general liability program. These policies provide for property coverage with a \$200 deductible/\$1,000 annual aggregate, educators legal liability coverage with a \$500 deductible/\$5,000 annual aggregate, and umbrella excess liability coverage for \$20,000 each loss/\$20,000 aggregate. A bank administers the general liability and self-insured trusts including the investments and payment of approved claims. The University estimates a range of loss for general liability and property claims using actuarial studies conducted by outside actuarial firms. The discount rates used by the actuaries for estimation of the claim reserve was 5% for general liability. This estimate is accrued in the accompanying financial statements and includes a reserve for known claims as well as incurred but unreported incidents.

The University participates in the State Excess Liability Fund that provides coverage from \$500 up to \$1,750 for each medical malpractice claim. Settled claims have not exceeded insurance coverage in any of the past three years.

The Board of Regents provides for faculty and staff group health and dental benefits through a self-insurance program. The University accrued an estimate for known and incurred but not reported claims based on claim history adjusted for current trends. A trust agreement with a bank provides for the collection, investment, and administration of premiums and for payment to the third-party administrators for claims paid.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

At June 30, 2005 and 2004, the trustees for the health and other insurance claims programs held cash and cash equivalents and investments totaling approximately \$37,089 and \$30,190, respectively, whose use is limited to the payment of claims under the programs. These amounts are included in cash and cash equivalents on the statements of net assets.

**K. RETIREMENT PLANS**

The University has a defined contribution retirement plan currently in effect that the Board of Regents established and has the authority to amend. The plan covers all academic faculty, administrative, and classified staff and provides investment options administered by Teachers Insurance and Annuity Association/College Retirement Equity Fund and Fidelity Investments. Under the plan, faculty and staff are required to contribute 3.5% or 5.5% if they participate in either Tier 1 or Tier 2 of the plan, respectively. The University matches faculty and staff participation by contributing 6% and 7.5% for Tier 1 and Tier 2, respectively. The University's policy is to fund costs accrued on an annual basis.

The University's total payroll for fiscal years 2005 and 2004 was approximately \$631,633 and \$608,790 of which approximately \$482,712 and \$464,875 was covered by the plan, respectively. The University's contribution during 2005 and 2004 was approximately \$34,862, or 7.2%, and \$33,609, or 7.2%, of covered payroll, and the faculty and staff's contribution was approximately \$24,911, or 5.2%, and \$23,964, or 5.2% of, covered payroll, respectively.

Faculty and staff (at least 0.5 FTE) who attain age 26 and have completed 24 months of continuous service are eligible to participate in the retirement plan. Faculty and staff (at least 0.5 FTE) attaining age 30 following 24 months of continuous service are required to participate. The plan benefits are fully vested at the date of contribution.

UMA has two defined contribution money purchase pension plans established under Section 401(a) of the Internal Revenue Code that are administered by a bank. Together, these plans cover substantially all employees who meet age and length of service requirements of the plans. The plans are funded through UMA contributions based upon a fixed percentage of the employees' salary. Total pension expense was \$6,805 and \$6,531 for the years ended June 30, 2005 and 2004, respectively.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**L. COMMITMENTS AND CONTINGENCIES**

The University has contracted for the construction of several facilities that are estimated to cost approximately \$272,162. As of June 30, 2005, the approximate remaining costs to complete these facilities were \$91,700, which will be financed as follows:

Bond funds	\$ 38,984
Federal funds	4,478
University funds	13,729
State capital appropriations	547
Private gifts, grants, and contracts	<u>33,962</u>
	<u>\$ 91,700</u>

During the normal course of business, the University receives funds from the United States Government, state and local governments, and private donors for student loans, special projects, research grants, and research contracts. Substantially all of these funds are subject to audit by various federal and state agencies; however, it is the University's opinion that resulting adjustments, if any, would not have a material effect upon the accompanying financial statements.

The University established its Agricultural Research and Development Center on approximately 9,000 acres acquired from the Nebraska Ordnance Plant (NOP) from 1962 to 1971. The Federal government produced munitions at NOP during World War II and the Korean Conflict, exposing the area to contaminants. The University legally disposed of certain materials in the 1970s. In 1990, the NOP became a Federal Superfund site. An administrative order has been entered into between the Board of Regents and the Environmental Protection Agency (EPA) requiring a remedial investigation/feasibility study to determine the extent of contamination and removal actions necessary. A contractual arrangement has been entered into between the Board of Regents and an engineering and consulting firm to perform the remedial investigation/feasibility study. This study is currently underway, but not completed. The cost of remediation and restoration of the area and the liability of affected parties cannot be determined until the completion of the remediation study and selection of remediation methods by the EPA.

The University has other claims and litigation pending, none of which is expected to result in any material loss to the University.

**M. RELATED PARTY TRANSACTIONS**

The University routinely has transactions with the NMC. The members of the faculty at the University are also members of the medical staff of NMC, and in many other areas, the operations of the University and NMC are integrated and overlap. The University provides certain operational and support services, as well as certain direct financial support to NMC. For the fiscal years ended June 30, 2005 and 2004, NMC purchased approximately \$32,452 and \$23,490 of goods and services from the University, respectively.



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

As of June 30, 2005 and 2004, respectively, the University also has advanced NMC a total of \$9,000 and \$6,000 for the construction of the Clinical Center of Excellence. This amount is included in other non-current assets in the statements of net assets.

As of June 30, 2005 and 2004, capital lease obligations include \$9,657 and \$6,476 due to the Foundation under various lease agreements and \$1,558 and \$2,355 due to the Foundation, respectively. The Ballpark Project is a project that constructed new baseball and softball stadiums. The Foundation financed the University's portion of the project by means of an eight-year lease-purchase agreement. The University will meet its debt service obligations by using annual contributions from sponsorships, as well as legally binding pledges from private parties.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

**N. FUNCTIONAL CLASSIFICATIONS OF EXPENSES**

For the year-ended June 30, 2005:

	Compen- sation	Supplies and Materials	Contractual Services	Repairs and Maintenance	Utilities	Communi- cations	Scholarships and Fellowships	Deprecia- tion	Total
Instruction	\$302,931	\$33,688	\$7,305	\$-	\$20	\$2,813	\$2,115	\$-	\$348,872
Research	131,488	35,007	31,026	7,842	74	1,144	1,565	-	208,146
Public service	68,455	12,672	9,948	1,404	586	861	293	-	94,219
Academic support	60,144	14,141	1,852	10,293	8	1,366	111	-	87,915
Student services	14,154	3,609	133	382	1	299	473	-	19,051
Institutional support	54,886	13,125	3,022	2,557	67	1,296	1,109	-	76,062
Operation and maintenance of plant	21,809	5,456	3,248	20,217	25,019	348	-	-	76,097
Healthcare entities	72,493	12,692	28,231	866	83	397	-	-	114,762
Scholarships and fellowships	2,586	295	988	361	-	-	103,890	-	108,120
Auxiliary operations	63,194	76,344	9,320	-	1,954	3,535	1,527	-	156,074
Depreciation	-	-	-	-	-	-	-	57,583	57,583
Total expenses	<u>\$792,140</u>	<u>\$207,229</u>	<u>\$95,073</u>	<u>\$43,922</u>	<u>\$27,812</u>	<u>\$12,059</u>	<u>\$111,083</u>	<u>\$57,583</u>	<u>\$1,346,901</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

For the year-ended June 30, 2004:

	Compen- sation	Supplies and Materials	Contractual Services	Repairs and Maintenance	Utilities	Communi- cations	Scholarships and Fellowships	Deprecia- tion	Total
Instruction	\$ 289,287	\$ 27,834	\$ 4,415	\$ -	\$ 13	\$ 2,349	\$ 2,175	\$ -	\$ 326,073
Research	122,363	35,799	28,393	6,970	51	1,340	1,447	-	196,363
Public service	66,399	11,228	9,486	919	416	834	212	-	89,494
Academic support	57,531	13,696	-	10,158	5	1,406	96	-	82,892
Student services	13,626	2,935	320	-	1	285	114	-	17,281
Institutional support	50,343	14,527	2,998	2,093	105	1,235	945	-	72,246
Operation and maintenance of plant	20,866	6,546	2,997	13,940	22,163	275	-	-	66,787
Healthcare entities	67,946	11,282	26,137	618	94	277	-	-	106,354
Scholarships and fellowships	2,920	268	1,452	57	-	-	97,153	-	101,850
Auxiliary operations	61,809	72,113	11,085	4,761	3,764	4,448	1,782	-	159,762
Depreciation	-	-	-	-	-	-	-	52,227	52,227
Total Expenses	<u>\$ 753,090</u>	<u>\$ 196,228</u>	<u>\$ 87,283</u>	<u>\$ 39,516</u>	<u>\$ 26,612</u>	<u>\$ 12,449</u>	<u>\$ 103,924</u>	<u>\$ 52,227</u>	<u>\$ 1,271,329</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

---

**O. AUXILIARY SEGMENTS**

The University issues revenue bonds to finance certain of its auxiliary activities. Investors in these bonds rely on the revenue generated by the individual activities and other sources specified for repayment. Descriptive information for each of the University's segments is as follows:

***Master Trust Indenture Obligated Group*** – Includes the following:

*UNL Student Fees and Facilities Bonds, Series 2002, Series 2003A, and Series 2003B* – These bonds are used to provide student housing and related facilities as allowed by the bond covenants for the UNL campus. Operating revenues consist primarily of room and board charges.

*University of Nebraska Revenue Bonds, Series 2000 and Series 2003* – These bonds are used to provide parking-related facilities as allowed by the bond covenants for the UNL campus. Operating revenues consists of parking fee revenues.

*UNO Student Center Project - Series 2003* – The Student Center provides a variety of services for the benefit of the University and its students. Student fees and bookstore and food services are the primary sources of operating revenues.

*UNO Student Housing Project – Series 2003* – The bonds are used to provide student housing and related facilities as allowed by the bond covenants for the University. Operating revenues consist primarily of rentals and student fees.

*UNMC Student Housing Project – Series 2003* – These bonds are used to provide student housing and related facilities as allowed by the bond covenants for UNMC. Facility rental revenues comprise the operating revenues of this segment.

***UNK Student Fees And Facilities Revenue Bonds, Under The June 15, 1966 Resolution And Supplemental Resolutions*** – The bonds are used to provide student housing and related facilities as allowed by the bond covenants for the UNK campus. Operating revenues consist primarily of rentals, food service income, and student fees.

Pledges pertaining to these issues are disclosed in Note H.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

Condensed financial information for each of the University's segments follows (in thousands):

	<u>June 30, 2005</u>	
	<b>UNK</b>	<b>Master Trust</b>
	<b>Student</b>	<b>Indenture</b>
	<b>Fees and</b>	<b>Obligated</b>
	<b>Facilities</b>	<b>Group</b>
<b>Condensed Statement of Net Assets</b>		
Assets:		
Current assets	\$ 8,233	\$ 66,192
Non-current assets:		
Capital assets	16,924	162,625
Other non-current assets	<u>1,252</u>	<u>8,401</u>
Total assets	<u>26,409</u>	<u>237,218</u>
Liabilities:		
Current liabilities	1,413	16,915
Non-current liabilities	<u>8,712</u>	<u>159,857</u>
Total liabilities	<u>10,125</u>	<u>176,772</u>
Net assets:		
Invested in capital assets, net of related debt:	7,374	18,454
Restricted:		
Expendable:		
Plant construction	113	8,437
Debt service	8,797	26,602
Unrestricted	<u>-</u>	<u>6,953</u>
Total net assets	<u>\$ 16,284</u>	<u>\$ 60,446</u>
	<u>June 30, 2004</u>	
	<b>UNK</b>	<b>Master Trust</b>
	<b>Student</b>	<b>Indenture</b>
	<b>Fees and</b>	<b>Obligated</b>
	<b>Facilities</b>	<b>Group</b>
<b>Condensed Statement of Net Assets</b>		
Assets:		
Current assets	\$ 7,280	\$ 108,939
Non-current assets:		
Capital assets	16,852	126,273
Other non-current assets	<u>333</u>	<u>7,279</u>
Total assets	<u>24,465</u>	<u>242,491</u>
Liabilities:		
Current liabilities	1,677	24,309
Non-current liabilities	<u>9,049</u>	<u>163,236</u>
Total liabilities	<u>10,726</u>	<u>187,545</u>
Net assets:		
Invested in capital assets, net of related debt:	6,801	(38,307)
Restricted:		
Expendable:		
Plant construction	123	53,816
Debt service	6,815	32,687
Unrestricted	<u>-</u>	<u>6,750</u>
Total net assets	<u>\$ 13,739</u>	<u>\$ 54,946</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

	<u>Year Ended June 30, 2005</u>	
	<u>UNK</u>	<u>Master Trust</u>
<b>Condensed Statement of Revenues, Expenses, and Changes in Net Assets</b>	<b>Student Fees and Facilities</b>	<b>Indenture Obligated Group</b>
Operating revenues	\$ 11,628	\$ 52,822
Operating expenses:		
Depreciation	897	4,281
Other operating expenses	<u>8,023</u>	<u>42,660</u>
Operating income	2,708	5,881
Non-operating expense	<u>(163)</u>	<u>(381)</u>
Change in net assets	2,545	5,500
Net assets, beginning of year	<u>13,739</u>	<u>54,946</u>
Net assets, end of year	<u>\$ 16,284</u>	<u>\$ 60,446</u>

	<u>Year Ended June 30, 2004</u>	
	<u>UNK</u>	<u>Master Trust</u>
<b>Condensed Statement of Revenues, Expenses, and Changes in Net Assets</b>	<b>Student Fees and Facilities</b>	<b>Indenture Obligated Group</b>
Operating revenues	\$ 10,673	\$ 50,067
Operating expenses:		
Depreciation	818	3,608
Other operating expenses	<u>8,091</u>	<u>43,132</u>
Operating income	1,764	3,327
Non-operating expense	<u>(11)</u>	<u>(592)</u>
Change in net assets	1,753	2,735
Net assets, beginning of year	<u>11,986</u>	<u>52,211</u>
Net assets, end of year	<u>\$ 13,739</u>	<u>\$ 54,946</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

	<u>Year Ended June 30, 2005</u>	
	<u>UNK</u>	<u>Master Trust</u>
<b>Condensed Statement of Cash Flows</b>	<b>Student Fees and Facilities</b>	<b>Indenture Obligated Group</b>
Net cash from operating activities	\$ 3,442	\$ 4,503
Net cash flows from capital and related financing activities	(1,783)	(47,274)
Net cash flows from investing activities	<u>(3,838)</u>	<u>(29)</u>
Net change in cash and cash equivalents	(2,179)	(42,800)
Cash and cash equivalents, beginning of year	<u>7,145</u>	<u>104,335</u>
Cash and cash equivalents, end of year	<u>\$ 4,966</u>	<u>\$ 61,535</u>

	<u>Year Ended June 30, 2004</u>	
	<u>UNK</u>	<u>Master Trust</u>
<b>Condensed Statement of Cash Flows</b>	<b>Student Fees and Facilities</b>	<b>Indenture Obligated Group</b>
Net cash from operating activities	\$ 2,704	\$ 18,612
Net cash flows from capital and related financing activities	(1,980)	33,808
Net cash flows from investing activities	<u>105</u>	<u>15,811</u>
Net change in cash and cash equivalents	829	68,231
Cash and cash equivalents, beginning of year	<u>6,316</u>	<u>36,104</u>
Cash and cash equivalents, end of year	<u>\$ 7,145</u>	<u>\$ 104,335</u>

**P. UNIVERSITY OF NEBRASKA FOUNDATION**

The Foundation is a separate, nonprofit organization incorporated in the State of Nebraska and has as its purpose to encourage private financial support of the University from individuals, corporations, and other foundations. Oversight of the Foundation is the responsibility of a separate and independent Board of Trustees, not otherwise affiliated with the University. In carrying out its responsibilities, the Board of Trustees of the Foundation employs management, forms policy, and maintains fiscal accountability over funds administered by the Foundation.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

---

Although the University does not control the timing or amount of receipts from the Foundation, the resources that the Foundation holds and invests, or the income thereon, are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is therefore discretely presented with the University's financial statements. Based on the Foundation's audited financial statements as of June 30, 2005 and 2004, the Foundation's net assets (including unrealized gains) totaled \$1,018,798 and \$947,134 for the years ended June 30, 2005 and 2004, respectively.

During the years ended June 30, 2005 and 2004, the Foundation contributed \$53 million and \$52 million, respectively, to the University for academic support, student assistance, faculty assistance, research, and museums and libraries. In addition, the Foundation provided capital gifts of \$24 million and \$18 million during 2005 and 2004, respectively, to the University. These contributions provided support for several projects, including the construction of the Research Center of Excellence Project (Durham Research Center) and the Memorial Stadium Project.

Complete financial statements for the Foundation can be obtained from the University of Nebraska Foundation, 1010 Lincoln Mall, Suite 300, Lincoln, Nebraska 68508-2886.

**Q. COMPONENT UNIT DISCLOSURES**

The following are the notes taken directly from the audited financial statements of the Foundation:

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed by the University of Nebraska Foundation (Foundation) are described below to enhance the usefulness of the financial statements to the reader.

***Nature of the Entity and Principles of Consolidation*** – The University of Nebraska Foundation is a nonprofit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code whose purpose is to provide financial support of the University of Nebraska System. Its wholly-owned Limited Liability Company, University of Nebraska Technology Park LLC provides incubator facilities for emerging businesses. During 2004, the Foundation established a new nonprofit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, UNF Charitable Gift Fund, whose purpose is to accept gifts and distribute funds to approved 501(c)(3) tax exempt organizations. The UNF Charitable Gift Fund is organized as a supporting organization of the University of Nebraska Foundation.

***Basis of Accounting*** – The financial statements of the Foundation have been prepared on the accrual basis and include all funds controlled by and in the custody of the Foundation. Funds in control of the Foundation include the wholly owned Limited Liability Company, University of Nebraska Technology Park LLC.



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

***Financial Statement Presentation*** – The Foundation utilizes Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*, in the financial statement presentation. SFAS No. 117 set standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. A description of the three net asset categories follows:

***Unrestricted Net Assets*** – Unrestricted net assets include revenues and expenses associated with the general operation of the Foundation and include gifts with no donor restrictions. Property and equipment assets associated with the general operation of the Foundation are also included in this category.

***Temporarily Restricted Net Assets*** – Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met, trust activity, deferred gifts and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted or determined. Assets with restrictions imposed by the Foundation Board are categorized as temporarily restricted assets also.

***Permanently Restricted Net Assets*** – Permanently restricted net assets include gifts, trusts, and pledges receivable which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions and gifts which have been donor stipulated to provide loans to students.

***Pledges Receivable*** – Pledges receivable are recorded on the balance sheet as assets net of an approximate 3% allowance for uncollectible accounts and discounted at the present value and recorded as donations on the statement of activities. As payments are received on pledges, the amounts will be included as donations on the statement of activities for any difference not recorded as a donation and adjusted annually for the present value.

***Investments*** – The Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. SFAS No. 124 establishes standards of reporting at fair value certain investments, debt and equity securities, held by not-for-profit organizations.

Therefore, investments in equity securities that have a readily determinable fair value and debt securities are stated at fair value. All other investments are stated at cost or if received by gift at fair value or appraised value at date of receipt.

***Property and Equipment*** – Property and equipment assets, consisting of real estate, furniture, equipment and computer software, is stated at cost or, if contributed, at fair market value at date of contribution. The Foundation's policy is to capitalize property and equipment purchases in excess of five hundred dollars.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

---

*Depreciation* – The Foundation follows the policy of reducing the property and equipment by depreciation applicable to the related assets. Depreciation is computed by the straight-line method over the estimated useful life of the asset ranging from three to 3 1-½ years. Assets are depreciated to a normal estimated salvage value.

*Use of Estimates* – The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Compensated Absences* – Employees of the Foundation are entitled to paid vacation days, depending on the job classification and length of service. The Foundation adopted the policy of accruing vacation pay at year-end.

*Cash and Cash Equivalents* – Cash and cash equivalents include cash on hand, demand deposit accounts, time deposits accounts and money market accounts.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

**2. INVESTMENTS**

The investments in equity securities with a readily determinable fair market quotations and debt securities are stated at fair value. All other investments purchased by the Foundation are stated at cost or fair value or appraised value at date of receipt for those investments received as donations.

	<b>2005</b>		
	<b>Book</b>	<b>Unrealized</b>	<b>Fair</b>
	<b>Value</b>	<b>Gain</b>	<b>Value</b>
		<b>(Loss)</b>	
<b>INVESTMENTS STATED AT FAIR VALUE:</b>			
United States and municipal Government securities	\$ 34,528	\$ 3,064	\$ 37,592
Other bonds	14,112	132	14,244
Common stock	280,295	89,657	369,952
Mutual funds	428,929	56,304	485,233
Limited partnerships	(1,124)	(249)	(1,373)
Preferred stocks	128	29	157
	<u>\$ 756,868</u>	<u>\$ 148,937</u>	<u>\$ 905,805</u>
<b>2004</b>			
	<b>Book</b>	<b>Unrealized</b>	<b>Fair</b>
	<b>Value</b>	<b>Gain</b>	<b>Value</b>
		<b>(Loss)</b>	
<b>INVESTMENTS STATED AT FAIR VALUE:</b>			
United States and municipal Government securities	\$ 33,801	\$ 2,439	\$ 36,240
Other bonds	10,629	81	10,710
Common stock	283,137	84,889	368,026
Mutual funds	379,787	41,774	421,561
Preferred stocks	820	249	1,069
	<u>\$ 708,174</u>	<u>\$ 129,432</u>	<u>\$ 837,606</u>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
(Thousands)

---

	<b>Book Value 2005</b>
INVESTMENTS STATED AT OTHER THAN FAIR VALUE:	
Certificates of deposit, savings and money funds	\$ 33,517
Limited partnerships	-
Real estate	24,026
Real estate mortgage and contracts	24,852
Miscellaneous	2,845
Cash value of life insurance	3,357
Annuity contracts	209
	<u>88,806</u>
TOTAL INVESTMENTS:	
Stated at fair value	905,805
Stated at other than fair value	<u>88,806</u>
	<u>\$ 994,611</u>

	<b>Book Value 2004</b>
INVESTMENTS STATED AT OTHER THAN FAIR VALUE:	
Certificates of deposit, savings and money funds	\$ 27,473
Limited partnerships	(548)
Real estate	15,821
Real estate mortgage and contracts	24,623
Mineral rights and royalties	22
Miscellaneous	2,824
Cash value of life insurance	3,157
Annuity contracts	367
	<u>73,739</u>
TOTAL INVESTMENTS:	
Stated at fair value	837,606
Stated at other than fair value	<u>73,739</u>
	<u>\$ 911,345</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**3. LEASE COMMITMENTS**

The Foundation has entered into a contract for the rental of office space in Lincoln beginning January 1, 2003 for a period of 10 years and continuing on a month-to-month basis. The annual rental is \$400 for the first five years and \$467 for the second five years. The Foundation had entered into a contract for rental of office space in Omaha through December 31, 2005, with annual increases and subsequently entered into an extension for two additional years through December 31, 2007. The current lease is \$11 per month and the extension period is \$12 per month. The Foundation also renewed an agreement to lease office space in Kearney through October 31, 2008 at \$3 per month through October 31, 2005 and \$4 per month from November 1, 2005 through October 31, 2008. The minimum rentals for leases with guaranteed terms for the five fiscal years after June 30, 2005, are as follows:

June 30, 2006	\$ 577
June 30, 2007	579
June 30, 2008	544
June 30, 2009	481
June 30, 2010	467

**4. RETIREMENT PLAN**

The Foundation sponsors a retirement plan that covers employees of the University of Nebraska Foundation and the University of Nebraska Technology Park LLC with one year of service who work in excess of 1,000 hours annually and have attained the age of 21 years or previous participation in the TIAA-CREF annuity plan. Participation in the plan is mandatory upon attainment of age 30. The plan is an annuity arrangement under Code Section 403b(1) of the Internal Revenue Code using annuities under TIAA-CREF. Under the plan, the employee chooses to contribute either 5.5% or 3.5% of their salary to the plan and the Foundation matches the amount with either 7.5% or 6% of salary, respectively. The Foundation and LLC contributions to the plans for the years ending June 30, 2005 and 2004 was \$427 and \$419, respectively.

**5. CONCENTRATION OF CREDIT RISK**

The Foundation maintains cash balances and certificates of deposit at financial institutions located in Nebraska. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100. At various times during the fiscal year, the Foundation's cash in bank balances exceeded the federally insured limits. The Foundation has maintained its cash balances and certificates of deposit at financial institutions in accordance with all Foundation policies and procedures.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**6. CONTINGENCIES AND COMMITMENTS**

The Foundation is involved in several legal actions. The Foundation believes it has defenses for all such claims, believes the claims are substantially without merit, and is vigorously defending the actions. In the opinion of management, the final disposition of these matters will not have a material effect on the Foundation financial position.

**7. RESTRICTED NET ASSETS**

Net assets are restricted by donors for various purposes in support of activities at the University of Nebraska, including the campuses at Lincoln, Kearney, Omaha and the Medical Center in Omaha. The purposes include scholarships, fellowships, research, academic support and campus building and improvements. Only income from the permanently restricted net assets are available for these purposes.

The amount of the net assets are as follows:

	<u>2005</u>
Temporarily restricted - charitable trusts and annuities	\$ 27,833
Temporarily restricted - available for specific purposes	238,857
Temporarily restricted - use at discretion of Foundation Board	51,709
Permanently restricted - available for specific purposes	51,425
Permanently restricted - endowment	630,403
Permanently restricted - student loans	<u>10,235</u>
	<u>\$ 1,010,462</u>
	<u>2004</u>
Temporarily restricted - charitable trusts and annuities	\$ 27,004
Temporarily restricted - available for specific purposes	232,926
Temporarily restricted - use at discretion of Foundation Board	47,819
Permanently restricted - available for specific purposes	49,030
Permanently restricted - endowment	571,226
Permanently restricted - student loans	<u>9,766</u>
	<u>\$ 937,771</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**8. PLEDGES RECEIVABLE**

Promises to give, net of discount to present value at 6% and allowance for doubtful accounts, are due to be collected for the year-ended June 30, 2005 as follows:

Gross amount due in:	
One year or less	\$ 31,705
One to five years	28,627
More than five years	<u>32,629</u>
	92,961
Less discount to present value	<u>12,618</u>
	80,343
Less allowance for doubtful accounts - 3%	<u>2,410</u>
	<u>\$ 77,933</u>

The discount will be recognized as contribution income in years 2006 through 2021.

In addition, the Foundation has been informed of intentions to give in the form of possible future bequests, currently of indeterminable value, that have not been reflected in the accompanying financial statements because they are not unconditional promises.

**9. PROPERTY AND EQUIPMENT**

The property and equipment of the Foundation at June 30, 2005 and 2004 are as follows:

	<b>2005</b>	<b>2004</b>
Property	\$ 489	\$ 489
Leasehold improvements	1,511	1,516
Aircraft	4,177	4,177
Automobiles	141	99
Furniture, equipment and software	<u>5,216</u>	<u>4,991</u>
	11,534	11,272
Less accumulated depreciation	<u>5,550</u>	<u>4,908</u>
Net property and equipment	<u>\$ 5,984</u>	<u>\$ 6,364</u>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

**10. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the Foundation in estimating the fair value of its financial instruments:

*Cash and cash equivalents* – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

*Investments* – The fair value of investments in marketable equity and debt securities is based on quoted market prices. Nonmarketable debt securities are valued based on estimated discounted future cash flows; nonmarketable equity securities are carried at estimated current value if it is possible to determine this, otherwise at cost.

*Pledges receivable* – The fair value of contributions receivable is estimated by discounting the future cash flows using the average rates earned on investments.

*Accrued interest receivable* – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of interest payments.

**R. SUBSEQUENT EVENTS**

On July 1, 2005, the University issued \$6,085 of Series 2005 Revenue Refunding Bonds with an average rate of 3.8% to refund \$5,895 of outstanding Series 2000 University of Nebraska at Kearney Student Fees & Facilities Revenue Refunding Bonds with an average rate of 5.6%. The refunding was approved by the Board of Regents on May 26, 2005 and reduced total debt service payments by approximately \$857 and resulted in an economic gain of approximately \$549.

On July 6, 2005, the Board of Regents issued \$26,925 of Revenue and Refunding Bonds Series 2005 (University of Nebraska-Lincoln Parking Project). The proceeds will be used to (a) finance the construction of an approximately 843-space multi-level addition to the parking garage located at 14th and Avery streets for an approximate cost of \$8,400 and (b) provide for the payment and redemption of \$18,885 outstanding Revenue Bonds, Series 2000 (University of Nebraska-Lincoln Parking Project) dated August 1, 2000. The refunding reduced total debt service payments by approximately \$3,099 and resulted in an economic gain of \$1,438.

On June 10, 2005, the Board of Regents approved the construction of UNK replacement student housing facilities. The total estimated cost of the project is expected to be \$20,280. The funding for the construction will be financed by the issuance of revenue bonds. The project includes the construction of three residence halls which will replace the current Case and Ludden residence halls and will provide suite-style living for approximately 300 students residents. The issuance of the bonds will be made under the University of Nebraska Master Trust Indenture.



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2005 AND 2004**  
**(Thousands)**

---

On July 10, 2005, the Board of Regents authorized the redemption of the UNK Student Fees and Facilities Revenue Bonds, Series 1966, maturing July 1, 2006 from funds held in the surplus fund for these Revenue Bonds. The net result of the early redemption of the 1966 UNK Bonds from the surplus fund will result in an approximate net interest savings of \$10. Additionally, upon redemption, UNK Housing Operations will come under the University of Nebraska Master Trust Indenture.

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
<b>Research and Development Cluster:</b>					
<b>10 Department of Agriculture:</b>					
Nebraska Department of Agriculture	Pass-Through	10.RD		\$ 1,906	\$ -
Nebraska Department of Agriculture	Pass-Through	10.RD		11,411	-
Nebraska Game and Parks	Pass-Through	10.RD	02-CS-11020700-007	5,258	-
Department of Agriculture	Direct	10	02IE08310228	2,615	-
Department of Agriculture	Direct	10	0471000131CA	16,984	-
Department of Agriculture	Direct	10	04-7488-0485(CA)	110,843	-
Department of Agriculture	Direct	10	04CA11242343033	75,342	50,940
Department of Agriculture	Direct	10	1225G0397	36,000	-
Nebraska Department of Agriculture	Pass-Through	10	1805114	14,125	-
Nebraska Department of Agriculture	Pass-Through	10	1806096	7,500	-
Nebraska Department of Agriculture	Pass-Through	10	1806107	4,460	-
Department of Agriculture	Direct	10	20013531811267	5,718	-
Southern Illinois University	Pass-Through	10	200301578	41,310	-
Veris Technologies	Pass-Through	10	20033361014016	34,229	-
Department of Agriculture	Direct	10	2IE08310228	626,941	120,089
Department of Agriculture	Direct	10	433AEL280096	2,183	-
Brd Biotechnology Research	Pass-Through	10	47-1-124	124,511	-
Brd Biotechnology Research	Pass-Through	10	47-1-125	48,768	-
Brd Biotechnology Research	Pass-Through	10	47-1-135	145,669	-
Brd Biotechnology Research	Pass-Through	10	47-7-566	166,354	-
North Central Soybean Association	Pass-Through	10	5812753122	246,633	181,227
Department of Agriculture	Direct	10	5831481027	300	-
Department of Agriculture	Direct	10	5831481038	4,740	-
Department of Agriculture	Direct	10	FSISC022003	9,330	-
Department of Agriculture	Direct	10	IS341303	29,870	-
Meridian Environment	Pass-Through	10		20,450	-
Department of Agriculture	Direct	10	US362404CR	78,078	-
Agriculture Research Service	Direct	10.001		10,753	-
Agriculture Research Service	Direct	10.001		35,369	-
Agriculture Research Service	Direct	10.001		6,624	-
Agriculture Research Service	Direct	10.001		9,558	-
Agriculture Research Service	Direct	10.001		11,742	-
Agriculture Research Service	Direct	10.001		22,373	-
Agriculture Research Service	Direct	10.001		19,899	-
Agriculture Research Service	Direct	10.001	0391000801GR	55,060	-
Agriculture Research Service	Direct	10.001	433AEL280067	1,430	-
Agriculture Research Service	Direct	10.001	433AEL380043	20,926	-
Agriculture Research Service	Direct	10.001	58-1920-1-124	52,458	-
Agriculture Research Service	Direct	10.001	58-5430-4-362	3,228	-
Agriculture Research Service	Direct	10.001	5854401339/62401339	22,544	-
Agriculture Research Service	Direct	10.001	59-0790-1-079	20,127	-
Agriculture Research Service	Direct	10.001	T15438201	4,824,022	-
Agriculture Research Service	Direct	10.001	T15438201 5854383327	962,487	-
Agriculture Research Service	Direct	10.001	T454402010	57,017	-
Agriculture Research Service	Direct	10.001	T454402030	6,776	-
Agriculture Research Service	Direct	10.001	T454402040	14,686	-
Foundation for Agronomy	Pass-Through	10.001	USB3216	10,515	-
Agriculture Research Service	Direct	10.001	5801012143	10,273	-
Agriculture Research Service	Direct	10.001	5812754306	64,111	-
Agriculture Research Service	Direct	10.001	5819402225	53,546	-
Agriculture Research Service	Direct	10.001	5836223103	35,985	-
Agriculture Research Service	Direct	10.001	5836253101	8,447	-
Agriculture Research Service	Direct	10.001	5836253124	1,550	-
Agriculture Research Service	Direct	10.001	5836253155	300	-
Agriculture Research Service	Direct	10.001	5836254103	8,492	-
Agriculture Research Service	Direct	10.001	5836254106	1,040	-
Agriculture Research Service	Direct	10.001	5854382339	2,266	-
Agriculture Research Service	Direct	10.001	5854400305	18,819	-
Agriculture Research Service	Direct	10.001	5854402317	41,498	-
Agriculture Research Service	Direct	10.001	5854402330	5,000	-
Agriculture Research Service	Direct	10.001	5854405316	35,529	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Agriculture Research Service	Direct	10.001	5854405320	\$7,904	\$0
Agriculture Research Service	Direct	10.001	5854423267	99,686	-
Agriculture Research Service	Direct	10.001	5854423272	55,353	14,049
Agriculture Research Service	Direct	10.001	5862172007	136,354	-
Agriculture Research Service	Direct	10.001	5864024075	633	-
Agriculture Research Service	Direct	10.001	5866453250	72,931	-
Agriculture Research Service	Direct	10.001	5866454261	3,664	-
Agriculture Research Service	Direct	10.001	5866455296	10,752	-
Agriculture Research Service	Direct	10.001	5907904092	100,615	-
Agriculture Research Service	Direct	10.001	5912750049	120	-
COOP Station Research Extension and Education	Direct	10.025	04-8456-0814-CA	20,221	-
Nebraska Department of Agriculture	Pass-Through	10.025	18-06-114	2,784	-
Nebraska Department of Agriculture	Pass-Through	10.025	1801149	5,200	-
Mississippi State University	Pass-Through	10.028	330555 080300-02	8,110	-
COOP Station Research Extension and Education	Direct	10.200	00COOP19100	96,508	27,220
University of Missouri Columbia	Pass-Through	10.200	0210789-1 CCG004739	2,696	-
University of Illinois	Pass-Through	10.200	04-204	18,101	-
Washington State University	Pass-Through	10.200	101748G0015380	4,258	-
Washington State University	Pass-Through	10.200	101748G0015450	8,680	-
Washington State University	Pass-Through	10.200	103215G0016960	2,050	-
Washington State University	Pass-Through	10.200	103215G0016970	3,024	-
COOP Station Research Extension and Education	Direct	10.200	20013422310499	11,329	-
COOP Station Research Extension and Education	Direct	10.200	2002-38640-11923	677,329	584,292
COOP Station Research Extension and Education	Direct	10.200	2004-39504-15201	23,803	-
COOP Station Research Extension and Education	Direct	10.200	2004-39534-15212	19,433	-
COOP Station Research Extension and Education	Direct	10.200	58-3148-3-096	3,007	-
Michigan State University	Pass-Through	10.200	614064B	2,000	-
University of Missouri	Pass-Through	10.200	C0000045555	255,305	-
Washington State University	Pass-Through	10.200	G001361	12,707	-
Washington State University	Pass-Through	10.200	G001362	3,773	-
Washington State University	Pass-Through	10.200	G001363	1,345	-
Montana State University	Pass-Through	10.200	G00505Z3463	7,000	-
Montana State University	Pass-Through	10.200	G03805W0025	122,378	-
Montana State University	Pass-Through	10.200	G09005W0198	164	-
Montana State University	Pass-Through	10.200	GC03503Z3004	162	-
Kansas State University	Pass-Through	10.200	S03063	377,980	-
Kansas State University	Pass-Through	10.200	S04007	8,000	-
University of Illinois	Pass-Through	10.200	2297	9,010	-
South Dakota State University	Pass-Through	10.200	473941	69,848	-
South Dakota State University	Pass-Through	10.200	473961	1,435	-
Iowa State University	Pass-Through	10.200	4164347	11,163	-
COOP Station Research Extension and Education	Direct	10.200	20013864010270	74,224	83,112
COOP Station Research Extension and Education	Direct	10.200	20023429211759	67,125	-
COOP Station Research Extension and Education	Direct	10.200	20023432811928	101,481	101,374
COOP Station Research Extension and Education	Direct	10.200	20023434512016	111,853	-
COOP Station Research Extension and Education	Direct	10.200	20033422313099	7,191	-
COOP Station Research Extension and Education	Direct	10.200	20033427713844	4,491	-
COOP Station Research Extension and Education	Direct	10.200	20033432813535	200,572	139,093
COOP Station Research Extension and Education	Direct	10.200	20033864013225	932,273	599,229
COOP Station Research Extension and Education	Direct	10.200	20043410314443	51,388	-
COOP Station Research Extension and Education	Direct	10.200	20043432815037	59,661	53,834
COOP Station Research Extension and Education	Direct	10.200	20043434514399	95,777	-
COOP Station Research Extension and Education	Direct	10.200	20043435214791	24,887	-
COOP Station Research Extension and Education	Direct	10.200	20043864014464	296,805	269,787
COOP Station Research Extension and Education	Direct	10.200	20043885902234	19,001	-
Hatch Act Payments to Agriculture	Direct	10.203		2,288,748	-
Hatch Act Payments to Agriculture	Direct	10.203	CRMS06031	995,535	-
Hatch Act Payments to Agriculture	Direct	10.203	20043520514634	457	-
Hatch Act Payments to Agriculture	Direct	10.203	20043560015079	478,085	459,170
University of Maryland	Pass-Through	10.205		8,542	-
Iowa State University	Pass-Through	10.206		17,489	-
Competitive Research Grants	Direct	10.206	1999-35203-14092	12,074	-
Competitive Research Grants	Direct	10.206	2004-35204-14915	4,997	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Competitive Research Grants	Direct	10.206	2005-35320-15379	\$34,758	\$0
Iowa State University	Pass-Through	10.206	416-45-10	36,841	-
University of Minnesota	Pass-Through	10.206	Q6706392301	6,564	-
University of Minnesota	Pass-Through	10.206	Q6706392801	8,742	-
University of Minnesota	Pass-Through	10.206	Q6736000401	29,549	-
Competitive Research Grants	Direct	10.206	352049313	12,181	-
Competitive Research Grants	Direct	10.206	352129433	407	-
Competitive Research Grants	Direct	10.206	353009266	29,838	29,838
Competitive Research Grants	Direct	10.206	20013520010638	94,095	16,558
Competitive Research Grants	Direct	10.206	20013532009882	14,834	-
Competitive Research Grants	Direct	10.206	20013540010598	2,964	426
Competitive Research Grants	Direct	10.206	20023520111611	86,128	-
Competitive Research Grants	Direct	10.206	20023520112649	43,941	35,501
Competitive Research Grants	Direct	10.206	20023520411619	72,208	-
Competitive Research Grants	Direct	10.206	20023520412332	78,872	-
Competitive Research Grants	Direct	10.206	20023520412459	27,206	-
Competitive Research Grants	Direct	10.206	20023530112195	61,748	-
Competitive Research Grants	Direct	10.206	20033530013102	74,242	-
Competitive Research Grants	Direct	10.206	20033531913862	148,761	-
Competitive Research Grants	Direct	10.206	20033540112947	24,557	-
Competitive Research Grants	Direct	10.206	20043520414186	112,382	-
Competitive Research Grants	Direct	10.206	20043520414231	136,420	35,228
Competitive Research Grants	Direct	10.206	20043520514204	114,640	-
Competitive Research Grants	Direct	10.206	20043520514634	44,181	-
Competitive Research Grants	Direct	10.206	20043530014700	28,937	617
Competitive Research Grants	Direct	10.206	20043540114944	108,868	1,660
Competitive Research Grants	Direct	10.206	20043550314118	94,531	-
Competitive Research Grants	Direct	10.206	20043550314824	30,650	-
Competitive Research Grants	Direct	10.206	20053521515598	3,538	-
Rutgers University	Pass-Through	10.206	200113531910018	2,736	-
Animal Health and Disease	Direct	10.207	CRAH06031	5,053	-
Low Input Farming Systems	Direct	10.215	99COOP17686	50,052	2,601
Higher Education Challenge Programs	Direct	10.217	5854400307	54,169	-
Biotechnology Risk Assessment	Direct	10.219	2002-39454-12720	53,215	-
North Carolina State University	Pass-Through	10.224	0013203YRP37b	28,542	-
University of California - Davis	Pass-Through	10.302	00RA24605	2,835	-
University of Wisconsin	Pass-Through	10.302	593A235	39,945	-
Farm Efficiency/Profitability	Direct	10.302	521039699	40,748	-
Arkansas University Medical Science	Pass-Through	10.302	20015210011249	7,370	-
Farm Efficiency/Profitability	Direct	10.302	20015210311303	265,768	-
Pennsylvania State University	Pass-Through	10.303	2429UNUSDA1981	102,579	-
Iowa State University	Pass-Through	10.303	416-30-16	8,575	-
Michigan State University	Pass-Through	10.303	614164J	27,905	-
Michigan State University	Pass-Through	10.303	614256H	1,219	-
Kansas State University	Pass-Through	10.303	S03043	78,737	-
Integrated Programs	Direct	10.303	20015113011378	57,668	-
Integrated Programs	Direct	10.303	20025111001958	79,143	-
Integrated Programs	Direct	10.303	20035111002067	388,570	20,972
Integrated Programs	Direct	10.303	20035111002068	126,018	-
Integrated Programs	Direct	10.303	20035113002072	76,399	-
Homeland Security	Direct	10.304	0484560662CA	76,220	-
Nebraska Soybean Board	Pass-Through	10.352	USDARBSVAPG00204	37,152	-
Crop Insurance Program	Direct	10.450	03IE08310145	258,813	84,238
USDA Cooperative Extension Service	Direct	10.500	CRHR06031	30,625	-
Kansas State University	Pass-Through	10.500	S04052	22,029	-
USDA Forestry Research	Direct	10.652	00JV11221604143	22,440	-
USDA Forestry Research	Direct	10.652	03DG11221604118	11,189	-
USDA Forestry Research	Direct	10.652	03JV11221604030	3,207	-
USDA Forestry Research	Direct	10.652	03JV11221604221	21,562	-
Forest Service Assistance	Direct	10.664	03DG11111133121	60,208	-
Soil and Water Conservation	Direct	10.902	68-3A75-4-191	9,526	-
10 Agency Total				<u>20,068,249</u>	

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
<b>11 Department of Commerce:</b>					
Department of Commerce	Direct	11	05-66-03871	\$7,875	\$0
Department of Commerce	Direct	11	NA03NES4400014	19,936	-
Intergovernmental Climate Program	Direct	11.428	40AANW500110	34	-
Florida Agricultural and Mechanical	Pass-Through	11.431	C9938	24,163	-
NOAA	Direct	11.431	NA03OAR4310077	39,544	-
NOAA	Direct	11.431	NA04OAR4310080	38,831	4,346
NOAA	Direct	11.431	NA16GP2715	97,500	-
Commerce Public Television	Direct	11.550	3160i03013	286,774	-
IDX Corporation	Pass-Through	11.612	70NANB1H3049	40,834	-
11 Agency Total				<u>555,491</u>	
<b>12 Department of Defense:</b>					
National Storage Industry	Pass-Through	12.RD		26,605	-
Nebraska Military Department	Pass-Through	12.RD		3,666	-
UCLA	Pass-Through	12	1000GCF997	17,875	-
Nebraska Military Department	Pass-Through	12	12545	10,913	-
Nebraska Military Department	Pass-Through	12	2004-0521	40,609	-
Nebraska Military Department	Pass-Through	12	2004-0522	35,454	-
Nebraska Military Department	Pass-Through	12	2005-172	32,868	-
Nebraska Military Department	Pass-Through	12	2005-517	2,645	-
Nebraska Military Department	Pass-Through	12	2005-519	3,315	-
National Academy of Science	Pass-Through	12	DBASSE-5065-03-001	5,633	-
21st Century Systems	Pass-Through	12	N00014-04-M-0274	31,500	-
21st Century Systems	Pass-Through	12	N00014-04-M-0290	31,500	-
Nebraska Military Department	Pass-Through	12	REQ2003-085	1	-
Department of Defense	Direct	12	W81XWH04P1304	66,071	-
Department of Defense	Direct	12	W81XWH04P1306	99,554	-
South Carolina University	Pass-Through	12.300	05-1106	19,337	-
Virginia Tech University	Pass-Through	12.300	CR-19214-430925	31,000	-
Office of Naval Research	Direct	12.300	N000140110700	98,510	-
Office of Naval Research	Direct	12.300	N000140210645	81,557	-
Office of Naval Research	Direct	12.300	N000140310704	56,087	-
Office of Naval Research	Direct	12.300	N000140410391	5,000	-
Office of Naval Research	Direct	12.300	N000140410605	615,933	-
Office of Naval Research	Direct	12.300	N000140510432	62,574	5,296
Office of Naval Research	Direct	12.300	N000140510527	88,901	-
Office of Naval Research	Direct	12.300	N000140510527	35,144	-
Office of Naval Research	Direct	12.300	N000140510527	40,996	-
Volpe Center	Pass-Through	12.398		2,500	-
Army Research Office	Direct	12.398	DAAD190010119	60	-
Army Research Office	Direct	12.398	DAAD190110407	26,250	-
Army Research Office	Direct	12.398	DAAD190110443	75,473	-
Army Research Office	Direct	12.398	DAAD190110531	20,026	-
Army Research Office	Direct	12.398	DACA4202C0039	43,518	-
Army Research Office	Direct	12.398	DAMD1702C0107	110,474	-
Army Research Office	Direct	12.398	DAMD1702C0107	18,654	-
Army Research Office	Direct	12.398	DAMD1702C0107	29,657	-
Army Research Office	Direct	12.398	DAMD1702C0107	30,066	-
Army Research Office	Direct	12.398	DAMD1702C0107	179,637	-
Army Research Office	Direct	12.398	DAMD1702C0107	8,932	-
Army Research Office	Direct	12.398	DAMD1702C0107	2,569	-
Army Research Office	Direct	12.398	DAMD1702C0107	133,767	-
Army Research Office	Direct	12.398	DAMD1702C0107	187,624	-
Army Research Office	Direct	12.398	DAMD1702C0107	19,862	-
Army Research Office	Direct	12.398	DAMD1702C0107	8,052	-
Army Research Office	Direct	12.398	N000140010283	72,758	-
Army Research Office	Direct	12.398	PC030271 W23RYX3270N	125,394	-
Army Research Office	Direct	12.398	W911NF0420011	55,085	-
Army Research Office	Direct	12.398	W911NF0420011	23,992	-
Army Research Office	Direct	12.398	W911NF0420011	67,621	-
Army Research Office	Direct	12.398	W911NF0420011	92,160	-
Army Research Office	Direct	12.398	W911NF0420011	61,034	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Army Research Office	Direct	12.398	W911NF0420011	\$52,684	\$0
Army Research Office	Direct	12.398	W911NF0420011	26,127	-
Army Research Office	Direct	12.398	W911NF0420011	204,406	-
Army Research Office	Direct	12.398	W911NF0420011	69,949	-
Army Research Office	Direct	12.398	W911NF0420011	52,912	-
Army Research Office	Direct	12.398	W911NF0420011	86,093	-
Army Research Office	Direct	12.398	W911NF0420011	53,063	-
Army Research Office	Direct	12.398	W911NF0420011	32,741	-
Army Research Office	Direct	12.398	W911NF0420011	89,662	-
Army Research Office	Direct	12.398	W911NF0420011	54,133	-
Army Research Office	Direct	12.398	W911NF0420011	120,237	-
Battelle	Pass-Through	12.398	3141	25,480	-
State University of New York	Pass-Through	12.398	4634	47,961	-
State University of New York	Pass-Through	12.398	4634	2,560	-
Office Of Naval Research	Direct	12.399	DAAD190110479	15,281	-
Office of Naval Research	Direct	12.399	DAAD190210099	116,792	106,222
Office of Naval Research	Direct	12.399	DAAD190210099	18,395	-
Office of Naval Research	Direct	12.399	DAAD190210280	62,918	-
University of North Texas Health Science Center	Pass-Through	12.420	BC033501	3,674	-
Military Medical Research and Development	Direct	12.420	DAMD 17-0210121	209,462	-
Military Medical Research and Development	Direct	12.420	DAMD17-00-1-0032 P00	61,133	-
Military Medical Research and Development	Direct	12.420	DAMD17-01-1-0340	72,075	-
Military Medical Research and Development	Direct	12.420	DAMD17-01-1-0776	184,534	76,266
Military Medical Research and Development	Direct	12.420	DAMD17-01-2-0036	324,045	-
Military Medical Research and Development	Direct	12.420	DAMD17-02-1-0105	147,244	-
Military Medical Research and Development	Direct	12.420	DAMD17-0210505	114,837	-
Military Medical Research and Development	Direct	12.420	DAMD17-0210506	20,674	-
Military Medical Research and Development	Direct	12.420	DAMD17-0210507	145,727	-
Military Medical Research and Development	Direct	12.420	DAMD170210659	289,130	-
Military Medical Research and Development	Direct	12.420	DAMD17-0210660	122,394	48,871
Military Medical Research and Development	Direct	12.420	DAMD17-03-1-0225	141,028	-
Military Medical Research and Development	Direct	12.420	DAMD17-03-1-0229	1,173,350	-
Military Medical Research and Development	Direct	12.420	DAMD17-03-1-0466	56,690	-
Military Medical Research and Development	Direct	12.420	DAMD17-03-1-0477	55,902	-
University of Virginia	Pass-Through	12.420	GG10369/114711	30,256	-
Military Medical Research and Development	Direct	12.420	W23RYX-4206-N679	56,457	-
Military Medical Research and Development	Direct	12.420	W81XWH-04-1-0337	30,863	-
Military Medical Research and Development	Direct	12.420	W81XWH-04-1-0463	100,897	-
Military Medical Research and Development	Direct	12.420	W81XWH-04-1-0828	81,934	-
Military Medical Research and Development	Direct	12.420	W81XWH-04-1-0899	42,541	-
Military Medical Research and Development	Direct	12.420	W81XWH-04-1-0902	80,107	-
Military Medical Research and Development	Direct	12.420	W81XWH-04-1-0908	54,787	-
Military Medical Research and Development	Direct	12.420	W81XWH041910	752,139	-
Military Medical Research and Development	Direct	12.420	W9113M-05-1-0001	579,722	-
Military Medical Research and Development	Direct	12.420	W911SR-04-C-0019	175,982	-
Alion Restoration Reconstruction	Pass-Through	12.431	DAAB0703DC213005	38,889	-
Army Research Office	Direct	12.431	DAAD190310152	247,590	79,971
Army Research Office	Direct	12.431	DAAD190310298	95,422	-
Kansas State University	Pass-Through	12.431	S05009	100,967	-
Kansas State University	Pass-Through	12.431	S05030	297,086	-
Army Research Office	Direct	12.431	W911NF-05-1-0275	67,221	-
IRTC Travis AFB	Pass-Through	12.599	UNL-04-C-001	150	-
Air Force Office of Scientific Research	Direct	12.630	F496200110342	1,242	-
Dept of Defense	Direct	12.630	FA9550-04-1-0232	826,004	-
Naval Air Warfare	Direct	12.799	N00421-04-C-0026	92,712	-
Air Force Office of Scientific Research	Direct	12.800	F496200210249	163,105	-
Air Force Office of Scientific Research	Direct	12.800	F496200310142	17,050	-
Air Force Office of Scientific Research	Direct	12.800	F496200310426	67,472	-
Air Force Office of Scientific Research	Direct	12.800	FA95500410056	132,580	-
NSA-Mathematical Sciences Research	Direct	12.901	H982300410049	16,675	-
NSA-Mathematical Sciences Research	Direct	12.901	H982300510037	11,202	-
NSA-Mathematical Sciences Research	Direct	12.901	H982300510243	22,021	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
NSA-Mathematical Sciences Research	Direct	12.901	MDA9040210014	\$3,860	\$0
NSA-Mathematical Sciences Research	Direct	12.901	MDA9040310085	2,613	-
12 Agency Total				<u>11,381,252</u>	
<b>14 Department of Housing and Urban Development:</b>					
Community Development Block Grant	Direct	14.246	B-02-SP-NE-0396	<u>77,916</u>	-
<b>15 Department of Interior:</b>					
Nebraska Game and Parks	Pass-Through	15.RD		97,590	-
Department of Interior	Direct	15	04ERSA0291	522	-
Department of Interior	Direct	15	04FC601920	80,679	-
Department of Interior	Direct	15	05ERSA0243	3,822	-
Department of Interior	Direct	15	30181-2-J178	13,826	-
CESU Great Plains Coop Ecosystem	Pass-Through	15	AAA000011	128	-
CESU Land Use/Land Cover	Pass-Through	15	H6000A100F	3,825	-
Department of Interior	Direct	15	H6000A0100R	702	-
Department of Interior	Direct	15	H6000A0100W	21,861	-
Department of Interior	Direct	15	H6000A100AD	7,687	-
Department of Interior	Direct	15	J6067030026	38,171	-
Department of Interior	Direct	15	J7482040502	2,403	-
Small Reclamation Projects	Direct	15.503	02FG601712	45,230	-
Nebraska Game and Parks	Pass-Through	15.600	T34R	1,616	-
Nebraska Game and Parks Commission	Pass-Through	15.605		100,564	-
Nebraska Game and Parks Commission	Pass-Through	15.605		12,829	-
Nebraska Game and Parks Commission	Pass-Through	15.605		31,675	-
Nebraska Game and Parks Commission	Pass-Through	15.605	F-160-R	17,020	-
Nebraska Game and Parks Commission	Pass-Through	15.608		26,530	-
Nebraska Game and Parks Commission	Pass-Through	15.615		28,275	-
Wildlife Conservatory	Pass-Through	15.617	1448-60181-00-J518	4	-
Nebraska Game and Parks Commission	Pass-Through	15.634		26,438	-
Nebraska Game and Parks Commission	Pass-Through	15.634		20,264	-
Nebraska Game and Parks Commission	Pass-Through	15.634		11,558	-
Nebraska Game and Parks	Pass-Through	15.634		12,297	-
Nebraska Game and Parks	Pass-Through	15.634		5,890	-
Nebraska Game & Parks Commission	Pass-Through	15.634		2,455	-
National Park Service	Direct	15.805	01HQGR0091	99,236	6,725
National Park Service	Direct	15.805	05FC601962	39,818	-
INT Geological Survey	Direct	15.808	02CRGR0003	90,732	-
INT Geological Survey	Direct	15.808	03CRAG0021	20,841	-
INT Geological Survey	Direct	15.808	03HQGR0138	34,493	-
INT Geological Survey	Direct	15.808	04WRSA0587	12,795	-
America View	Pass-Through	15.808	AV04NE01	80,707	-
INT Geological Society	Direct	15.810	03HQA G0031	41,788	-
INT Geological Society	Direct	15.810	04HQA G0068	108,340	-
Cooperative Research Units Program	Direct	15.812	03HQRU1586	3,635	-
NPS-Technical Preservation	Direct	15.915		20,000	-
NPS-Technical Preservation	Direct	15.915	J6700030001	6,308	-
NPS-Technical Preservation	Direct	15.915	R6115040026	4,029	-
NPS-Rivers Trails and Conservation	Direct	15.921	J6480040305	8,255	-
NPS-Rivers Trails and Conservation	Direct	15.921	R2107040009	9,805	-
15 Agency Total				<u>1,194,643</u>	
<b>16 Department of Justice:</b>					
Department of Justice	Direct	16.RD	2002WABX0004	63,749	15,365
Criminal Justice Institute, Inc.	Pass-Through	16.202		71,175	-
City of Omaha	Pass-Through	16.523		25,779	-
Douglas County	Pass-Through	16.523		4,243	-
Nebr Comm on Law Enforcement & Criminal Justice	Pass-Through	16.523	01-JA-611	8,885	-
Douglas County	Pass-Through	16.540		14,991	-
Nebr Comm on Law Enforcement & Criminal Justice	Pass-Through	16.540	03-CG-52/03-JJ-18	3,231	-
Nebr Comm on Law Enforcement & Criminal Justice	Pass-Through	16.540	03-JJ-18/03-CG-52	61,769	-
Drug Control and System Implementation	Direct	16.580	2002DDBX0031	243,067	-
Domestic Violence Coordinating Council of Greater Omaha	Pass-Through	16.590	1997-WE-VX-0104	14,083	-
Nebr Comm on Law Enforcement & Criminal Justice	Pass-Through	16.609	03-SN-8911	16,561	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Nebr Comm on Law Enforcement & Criminal Justice	Pass-Through	16.609	03-SN-8913	\$43,205	\$0
Public Safety and Community Police	Direct	16.710	2000CKWXK124	5,106	-
Public Safety and Community Police	Direct	16.710	2003CKWXK058	<u>107,590</u>	-
16 Agency Total				683,434	
<b>19 Department of Justice:</b>					
Department of State	Direct	19.RD	013/2001	<u>5,739</u>	-
<b>20 Department of Transportation:</b>					
Nebraska Department of Roads	Pass-Through	20.RD		2,320	-
Nebraska Department of Roads	Pass-Through	20.RD		462	-
Nebraska Department of Roads	Pass-Through	20.RD		113,980	-
Department of Transportation	Direct	20	DTRF5302G00014	2,849	-
Department of Transportation	Direct	20	DTRF5303G00006	206,551	-
Department of Transportation	Direct	20	DTRF5303G00021	96,807	-
Department of Transportation	Direct	20	DTRF53-04-G-00011	347,745	-
Department of Transportation	Direct	20	DTRF53-04-G-00022	88,318	-
Department of Transportation	Direct	20	DTRF53-05-G-00300	552	-
Nebraska Department of Roads	Pass-Through	20	SPR3017 SUPP 23	34,859	-
Nebraska Department of Roads	Pass-Through	20.205	EACIM4809703	24,796	-
Nebraska Department of Roads	Pass-Through	20.205	EACNH67114	3,463	-
Nebraska Department of Roads	Pass-Through	20.205	EACNH6809873	76,736	-
National Academy of Sciences	Pass-Through	20.205	HR172003	27,453	-
National Academy of Sciences	Pass-Through	20.205	HR1722	80,007	69,506
National Academy of Sciences	Pass-Through	20.205	HR22122	7,584	-
National Academy of Sciences	Pass-Through	20.205	HR22142	269,145	4,127
Nebraska Department of Roads	Pass-Through	20.205	IM809812 CN21930	49	-
Nebraska Department of Roads	Pass-Through	20.205	RDTQX52	7,988	-
Nebraska Department of Roads	Pass-Through	20.205	SPR102P547	14,087	-
Nebraska Department of Roads	Pass-Through	20.205	SPR103P553	1,760	-
Nebraska Department of Roads	Pass-Through	20.205	SPR104P562	56,770	-
Nebraska Department of Roads	Pass-Through	20.205	SPR104P564	25,889	-
Nebraska Department of Roads	Pass-Through	20.205	SPR104P565	26,873	-
Nebraska Department of Roads	Pass-Through	20.205	SPR104P566	52,974	48,705
Nebraska Department of Roads	Pass-Through	20.205	SPR104P567	8,296	-
Nebraska Department of Roads	Pass-Through	20.205	SPR104P570	119,043	96,940
Nebraska Department of Roads	Pass-Through	20.205	SPR104P571	13,912	-
Nebraska Department of Roads	Pass-Through	20.205	SPR12P542	35,676	-
Nebraska Department of Roads	Pass-Through	20.205	SPR-1(05) P575	12,582	-
Nebraska Department of Roads	Pass-Through	20.205	SPR-1(05) P576	28,845	-
Nebraska Department of Roads	Pass-Through	20.205	SPR-1(501)	4,507	-
Nebraska Department of Roads	Pass-Through	20.205	SPR3017 SUPP 26	130,941	-
Nebraska Department of Roads	Pass-Through	20.205	SPR3017 Supp 27	72,680	-
Nebraska Department of Roads	Pass-Through	20.205	SPR3017 SUPP 28	86,509	-
Nebraska Department of Roads	Pass-Through	20.205	SPR3017 SUPP 29	53,768	-
Nebraska Department of Roads	Pass-Through	20.205	SPR3017 SUPP 30	31,056	-
Nebraska Department of Roads	Pass-Through	20.205	SPR3017 SUPP 33	36,282	-
Nebraska Department of Roads	Pass-Through	20.205	SPRF03017	10,987	-
Nebraska Department of Roads	Pass-Through	20.205	SPRP103P550	365	-
Nebraska Department of Roads	Pass-Through	20.205	SPRP103P556	46,442	-
Nebraska Department of Roads	Pass-Through	20.205	SPRP103P558	32,256	-
Nebraska Department of Roads	Pass-Through	20.205	SPRP103P561	64,300	-
Nebraska Department of Roads	Pass-Through	20.205	SPRP104P563	12,465	-
Nebraska Department of Roads	Pass-Through	20.205	SPRP104P568	53,664	-
Nebraska Department of Roads	Pass-Through	20.205	SPR-P1(05) P574	49,084	-
Nebraska Department of Roads	Pass-Through	20.205	SPR-P1(05)P577	37,935	-
Nebraska Department of Roads	Pass-Through	20.205	SPRPL1038P539	48,712	-
Nebraska Department of Roads	Pass-Through	20.205	STPD-92-7(103)	82,554	-
Nebraska Department of Roads	Pass-Through	20.205	Z808	21,159	-
Nebraska Department of Roads	Pass-Through	20.205	Z834	244,201	-
Nebraska Department of Roads	Pass-Through	20.205	Z843	<u>109,585</u>	-
20 Agency Total				<u>3,017,823</u>	



**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
<b>43 National Aeronautics and Space Administration:</b>					
Barrios Tech Inc Radio Frequency ID	Pass-Through	43	BT-05-001	\$15,590	\$0
SpaceTeleSciInst Photoionization	Pass-Through	43	HSTAR09926.01A	9,776	-
National Aeronautics and Space Administration	Direct	43	NAG511147	89,798	-
National Aeronautics and Space Administration	Direct	43	NCC557200000	655,543	298,122
National Aeronautics and Space Administration	Direct	43	NNC04GA10G	6,883	-
National Aeronautics and Space Administration	Direct	43	NNG04GK41G/NNG04GA55	25,484	-
National Aeronautics and Space Administration	Direct	43	NNG04GK70G	54,313	-
National Aeronautics and Space Administration	Direct	43	NNG04GL61H	21,124	-
National Aeronautics and Space Administration	Direct	43	NNG04GL84G00	93,096	-
National Aeronautics and Space Administration	Direct	43	NNG04GP63G	49,813	-
Oregon State University	Pass-Through	43	NS145A-A	12,347	-
NASA Technology Utilization	Direct	43.002	NAG8-1893	<u>134,914</u>	13,509
43 Agency Total				<u>1,168,681</u>	
<b>45 National Endowment Arts and Humanities:</b>					
National Endowment Humanities	Direct	45.149	PA5016903	71,723	29,686
National Endowment Humanities	Direct	45.163	FS5003104	118,302	-
Humanities Public Programs	Direct	45.164	GP5006203	84,504	-
IMLS National Leadership Grants	Direct	45.312	LG0202006302	<u>83,883</u>	50,712
45 Agency Total				<u>358,412</u>	
<b>47 National Science Foundation:</b>					
National Science Foundation	Direct	47.RD		19,039	19,039
North Carolina State University	Pass-Through	47.RD		44,376	-
National Science Foundation	Direct	47	322067	303,905	-
National Science Foundation	Direct	47	88780	796	796
US Civilian Research	Pass-Through	47	KB12313AL02	653	-
NSF Engineering	Direct	47.041	96381	11,119	-
NSF Engineering	Direct	47.041	100354	12,575	66
NSF Engineering	Direct	47.041	112929	27,562	-
NSF Engineering	Direct	47.041	134591	79,157	-
NSF Engineering	Direct	47.041	137963	2,547	-
NSF Engineering	Direct	47.041	210850	182,211	-
NSF Engineering	Direct	47.041	237135	120,336	-
NSF Engineering	Direct	47.041	300014	70,790	-
NSF Engineering	Direct	47.041	300018	85,190	-
NSF Engineering	Direct	47.041	311833	12,442	-
NSF Engineering	Direct	47.041	322839	117,420	39,172
NSF Engineering	Direct	47.041	322922	17,629	-
NSF Engineering	Direct	47.041	331830	29,659	-
NSF Engineering	Direct	47.041	355380	26,253	-
NSF Engineering	Direct	47.041	400458	11,042	-
NSF Engineering	Direct	47.041	409728	60,138	-
NSF Engineering	Direct	47.041	411632	89,828	-
NSF Engineering	Direct	47.041	415261	26,182	-
NSF Engineering	Direct	47.041	423697	10,755	-
NSF Engineering	Direct	47.041	432722	829	-
NSF Engineering	Direct	47.041	434238	12,617	-
NSF Engineering	Direct	47.041	457643	6,101	-
NSF Engineering	Direct	47.041	9876254	66,140	-
NSF Mathematical and Physical	Direct	47.049	DMR-0071682	34,629	-
NSF Mathematical and Physical	Direct	47.049	DMS-0201080	34,207	-
State University of New York Buffalo	Pass-Through	47.049	R228078	8,578	-
University of Texas	Pass-Through	47.049	UTA04114	30,491	-
NSF Mathematical and Physical	Direct	47.049	71037	2,247	-
NSF Mathematical and Physical	Direct	47.049	79951	8,498	-
NSF Mathematical and Physical	Direct	47.049	97353	20,834	-
NSF Mathematical and Physical	Direct	47.049	98459	28,068	-
NSF Mathematical and Physical	Direct	47.049	98545	123,175	9,546
NSF Mathematical and Physical	Direct	47.049	98799	131,708	-
NSF Mathematical and Physical	Direct	47.049	107241	131,658	-
NSF Mathematical and Physical	Direct	47.049	112578	10,238	-

UNIVERSITY OF NEBRASKA  
(A component Unit of the State of Nebraska)

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2005

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
NSF Mathematical and Physical	Direct	47.049	116780	\$17,889	\$0
NSF Mathematical and Physical	Direct	47.049	137987	16,944	-
NSF Mathematical and Physical	Direct	47.049	201904	46,971	-
NSF Mathematical and Physical	Direct	47.049	203359	135,998	-
NSF Mathematical and Physical	Direct	47.049	206951	12,498	-
NSF Mathematical and Physical	Direct	47.049	208121	28,434	-
NSF Mathematical and Physical	Direct	47.049	213320	70,736	-
NSF Mathematical and Physical	Direct	47.049	213808	936,036	-
NSF Mathematical and Physical	Direct	47.049	300665	25,136	-
NSF Mathematical and Physical	Direct	47.049	302024	26,078	-
NSF Mathematical and Physical	Direct	47.049	304661	35,379	-
NSF Mathematical and Physical	Direct	47.049	305354	65,572	-
NSF Mathematical and Physical	Direct	47.049	306506	14,476	-
NSF Mathematical and Physical	Direct	47.049	307912	70,541	-
NSF Mathematical and Physical	Direct	47.049	316825	104,218	-
NSF Mathematical and Physical	Direct	47.049	317083	103,556	-
NSF Mathematical and Physical	Direct	47.049	320831	251,906	-
NSF Mathematical and Physical	Direct	47.049	346501	7,279	-
NSF Mathematical and Physical	Direct	47.049	354281	327,860	14,935
NSF Mathematical and Physical	Direct	47.049	354688	28,697	-
NSF Mathematical and Physical	Direct	47.049	354940	124,014	-
NSF Mathematical and Physical	Direct	47.049	354946	216,519	-
NSF Mathematical and Physical	Direct	47.049	355235	122,741	-
NSF Mathematical and Physical	Direct	47.049	400369	86,816	-
NSF Mathematical and Physical	Direct	47.049	414936	4,758	-
NSF Mathematical and Physical	Direct	47.049	415421	31,522	-
NSF Mathematical and Physical	Direct	47.049	415928	63,328	-
NSF Mathematical and Physical	Direct	47.049	418965	28,431	-
NSF Mathematical and Physical	Direct	47.049	427746	23,526	-
NSF Mathematical and Physical	Direct	47.049	442242	42,347	-
NSF Mathematical and Physical	Direct	47.049	522895	16,189	-
NSF Mathematical and Physical	Direct	47.049	530778	85,960	-
Texas A&M Research Foundation	Pass-Through	47.050	F000597	4,099	-
Texas A&M Research Foundation	Pass-Through	47.050	F000716	3,778	-
Joint Oceanographic	Pass-Through	47.050	T307A39	11,947	-
Joint Oceanographic	Pass-Through	47.050	T307B39	4,584	-
NSF Geosciences	Direct	47.050	81226	67,672	-
NSF Geosciences	Direct	47.050	81699	110,938	-
NSF Geosciences	Direct	47.050	207893	53,941	-
NSF Geosciences	Direct	47.050	230323	53,830	-
NSF Geosciences	Direct	47.050	243728	51,244	-
NSF Geosciences	Direct	47.050	349069	80,124	-
NSF Geosciences	Direct	47.050	417578	12,092	-
NSF Geosciences	Direct	47.050	9911855	195,987	-
NSF Research Initiation and Improvement	Direct	47.069	340912	107,795	-
University of California Los Angeles	Pass-Through	47.070		118,805	-
NSF Computer and Information Sciences	Direct	47.070	CCR-0209187	262	-
IMINDS	Pass-Through	47.070	IMINDS	7,468	-
Oregon State University	Pass-Through	47.070	S0773DA	155,126	-
NSF Computer and Information Sciences	Direct	47.070	80898	2,026	-
NSF Computer and Information Sciences	Direct	47.070	91530	29,751	-
NSF Computer and Information Sciences	Direct	47.070	92761	93,196	-
NSF Computer and Information Sciences	Direct	47.070	98273	30,066	-
NSF Computer and Information Sciences	Direct	47.070	133568	83,457	-
NSF Computer and Information Sciences	Direct	47.070	208619	60,211	-
NSF Computer and Information Sciences	Direct	47.070	219970	55,134	-
NSF Computer and Information Sciences	Direct	47.070	311577	137,663	38,308
NSF Computer and Information Sciences	Direct	47.070	320889	327,571	-
NSF Computer and Information Sciences	Direct	47.070	324861	75,768	-
NSF Computer and Information Sciences	Direct	47.070	347518	42,183	-
NSF Computer and Information Sciences	Direct	47.070	409382	71,710	-
NSF Computer and Information Sciences	Direct	47.070	411043	72,299	-
NSF Computer and Information Sciences	Direct	47.070	429149	8,463	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
NSF Computer and Information Sciences	Direct	47.070	429995	\$4,411	\$0
NSF Computer and Information Sciences	Direct	47.070	430991	17,749	-
NSF Computer and Information Sciences	Direct	47.070	431119	48,607	-
NSF Computer and Information Sciences	Direct	47.070	440452	38,263	-
NSF Computer and Information Sciences	Direct	47.070	444167	114,913	-
University of Wisconsin La Crosse	Pass-Through	47.074	DEB0315665	14,468	-
Colorado State University	Pass-Through	47.074	G30101	2,477	-
University of Vermont	Pass-Through	47.074	HA6617699	22,612	-
NSF Biological Sciences	Direct	47.074	IBN-0091030	29,233	-
NSF Biological Sciences	Direct	47.074	IBN-0309532	48,633	-
NSF Biological Sciences	Direct	47.074	MCB-0315746	104,479	-
Kansas State University	Pass-Through	47.074	S03068 DEB0218210	4,101	-
University of Massachusetts	Pass-Through	47.074	S21002340000006	8,137	-
University of Minnesota	Pass-Through	47.074	X4056459101	5,119	-
NSF Biological Sciences	Direct	47.074	78013	40,481	-
NSF Biological Sciences	Direct	47.074	79967	36,274	-
NSF Biological Sciences	Direct	47.074	85216	4,346	-
NSF Biological Sciences	Direct	47.074	87206	16,927	-
NSF Biological Sciences	Direct	47.074	110999	38,527	-
NSF Biological Sciences	Direct	47.074	112656	122,223	-
NSF Biological Sciences	Direct	47.074	115626	64,378	-
NSF Biological Sciences	Direct	47.074	118669	137,668	3,334
NSF Biological Sciences	Direct	47.074	130057	158,901	-
NSF Biological Sciences	Direct	47.074	130665	101,936	-
NSF Biological Sciences	Direct	47.074	130868	78,174	-
NSF Biological Sciences	Direct	47.074	131357	77,690	-
NSF Biological Sciences	Direct	47.074	133078	10,738	-
NSF Biological Sciences	Direct	47.074	211730	226,255	-
NSF Biological Sciences	Direct	47.074	212486	141,292	11,260
NSF Biological Sciences	Direct	47.074	217312	1,395,546	1,121,526
NSF Biological Sciences	Direct	47.074	234441	129,557	-
NSF Biological Sciences	Direct	47.074	235167	169,428	-
NSF Biological Sciences	Direct	47.074	235302	93,546	-
NSF Biological Sciences	Direct	47.074	317165	140,193	-
NSF Biological Sciences	Direct	47.074	322067	346,395	4,068
NSF Biological Sciences	Direct	47.074	323377	80,806	-
NSF Biological Sciences	Direct	47.074	343934	133,780	-
NSF Biological Sciences	Direct	47.074	346476	40,000	-
NSF Biological Sciences	Direct	47.074	414777	14,723	-
NSF Biological Sciences	Direct	47.074	416742	150,671	-
NSF Biological Sciences	Direct	47.074	417172	89,961	-
NSF Biological Sciences	Direct	47.074	417202	62,580	-
NSF Biological Sciences	Direct	47.074	443470	24,890	-
NSF Biological Sciences	Direct	47.074	444333	53,123	-
NSF Biological Sciences	Direct	47.074	502511	2,004	-
Carnegie Institute of Wash Photosynthesis	Pass-Through	47.074	6263604	48,866	-
NSF Biological Sciences	Direct	47.074	9982698	11,233	-
NSF Biological Sciences	Direct	47.074	9985045	67,461	-
Cornell University	Pass-Through	47.074	379576381	62,366	-
Cornell University	Pass-Through	47.074	417056969	151,191	-
NSF Social and Behavioral Sciences	Direct	47.075	BCS-0242339	166,931	-
Univ of Maryland	Pass-Through	47.075	Z409202	12,690	-
NSF Social and Behavioral Sciences	Direct	47.075	111887	24,261	-
NSF Social and Behavioral Sciences	Direct	47.075	132302	102,990	-
NSF Social and Behavioral Sciences	Direct	47.075	327118	7,652	-
NSF Social and Behavioral Sciences	Direct	47.075	351811	7,729	-
NSF Social and Behavioral Sciences	Direct	47.075	352748	23,061	-
NSF Social and Behavioral Sciences	Direct	47.075	418164	3,762	-
NSF Social and Behavioral Sciences	Direct	47.075	418632	19,080	-
NSF Social and Behavioral Sciences	Direct	47.075	450718	39,815	-
NSF Social and Behavioral Sciences	Direct	47.075	453016	25,552	-
Mathematical Association of America	Pass-Through	47.076		11,527	-
NSF Education and Human Resources	Direct	47.076	DGE-0237-093	49,668	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
University of Illinois	Pass-Through	47.076	Sub 2003-02919-1	\$12,810	\$0
NSF Education and Human Resources	Direct	47.076	75011	919	-
NSF Education and Human Resources	Direct	47.076	83124	56,025	-
NSF Education and Human Resources	Direct	47.076	94903	6,385	-
NSF Education and Human Resources	Direct	47.076	126733	12,739	-
NSF Education and Human Resources	Direct	47.076	127777	231,773	-
NSF Education and Human Resources	Direct	47.076	231270	103,957	13,578
NSF Education and Human Resources	Direct	47.076	346476	2,867,650	1,075,026
NSF Education and Human Resources	Direct	47.076	412502	477,482	91,403
NSF Education and Human Resources	Direct	47.076	442603	5,813	-
NSF Education and Human Resources	Direct	47.076	513405	48,211	-
Polar Programs	Direct	47.078	216522	140,518	126,502
Polar Programs	Direct	47.078	230385	56,431	-
Polar Programs	Direct	47.078	342484	38,079	-
47 Agency Total				16,854,009	
<b>64 Veterans Administration:</b>					
Sharing Specialized Medical Services	Direct	64.018		591,733	-
Sharing Specialized Medical Services	Direct	64.018	A2971R	39,714	-
64 Agency Total				631,447	
<b>66 Environmental Protection Agency:</b>					
Nebraska Department Environmental Quality	Pass-Through	66 RD		40,013	-
Nebraska Department Environmental Quality	Pass-Through	66	560033	2,154	-
National Science Foundation	Direct	66	98728301	7,485	-
National Science Foundation	Direct	66	CD987441010	254	-
Consortium for Plant Biotechnology Engineering	Pass-Through	66	EPA82947901-143	10,335	-
EPA Surveys Studies and Investigation	Direct	66.436	X7-98755601	19,947	-
EPA Surveys Studies and Investigation	Direct	66.436	X7-98756701-0	3,881	-
Nebraska Department of Environmental Quality	Pass-Through	66.460	560228	209,481	-
EPA Wetland Development Program	Direct	66.461	CD98726901	32,027	-
EPA Wetland Development Program	Direct	66.461	CD98752501	23,364	-
EPA Pollutant Discharge Elimination	Direct	66.463	CP-98751501-0	18,202	9,112
Nebraska Game and Parks	Pass-Through	66.500		1,647	-
EPA Consolidated Research	Direct	66.500	3K3176NAEX	10,548	-
Consortium for Plant Research	Pass-Through	66.500	EPA82947901134	19,412	-
Montana State University	Pass-Through	66.500	GC04201Z1975	56,261	-
Consortium for Plant Research	Pass-Through	66.500	GO12026180	19,314	-
EPA Consolidated Research	Direct	66.500	R829422010	51,348	-
Consortium for Plant Research	Pass-Through	66.500	R82947901	31,687	-
Consortium for Plant Research	Pass-Through	66.500	R82947901209	85,654	-
NASPAA	Pass-Through	66.606		5,110	-
Nebraska Department of Environmental Quality	Pass-Through	66.606		22,896	-
EPA Surveys Studies and Investigations	Direct	66.606	MM-98749401	45,427	-
University of Illinois	Pass-Through	66.606	3324	27,670	-
66 Agency Total				744,117	
<b>81 Department of Energy:</b>					
Association of State Energy	Pass-Through	81 RD		54,655	-
Battelle	Pass-Through	81	12200	58,843	-
Nebraska Department of Energy	Pass-Through	81	156349	208	-
Sandia National Laboratory	Pass-Through	81	170740	44,005	10,447
Sandia National Laboratory	Pass-Through	81	417772	4,911	-
Battelle	Pass-Through	81	5657	115,075	-
Los Alamos National Laboratory	Pass-Through	81	93606-001-04 47	55,281	-
UC Livermore	Pass-Through	81	B549670	10,977	-
Department of Energy	Direct	81	DEFG0204ER15531	60,104	-
Department of Energy	Direct	81	DEFG0204ER15564	110,563	-
Department of Energy	Direct	81	DEFG0204ER46152	134,924	-
Department of Energy	Direct	81	DEFG0204ER46164	13,553	-
Department of Energy	Direct	81	DE-FG02-05ER15648	53	-
Department of Energy	Direct	81	DEFG0205ER15663	2,059	-
Department of Energy	Direct	81	DEFG3604GO14245	47,235	-
Basic Energy High Energy and Study	Direct	81.049	DEFC2601NT41255	109,916	42,253

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Basic Energy High Energy and Study	Direct	81.049	DEFC2604NT41971	\$134,639	\$0
Basic Energy High Energy and Study	Direct	81.049	DEFG0201EF45891	103,677	-
Basic Energy High Energy and Study	Direct	81.049	DEFG0201ER45890	32,383	-
Basic Energy High Energy and Study	Direct	81.049	DEFG0203ER15435	29,369	-
Basic Energy High Energy and Study	Direct	81.049	DEFG0203ER15440	14,751	-
Basic Energy High Energy and Study	Direct	81.049	DEFG0203ER63639	330,839	-
Basic Energy High Energy and Study	Direct	81.049	DEFG0204ER15532	156,762	-
Basic Energy High Energy and Study	Direct	81.049	DEFG0296ER14646	128,013	-
Basic Energy High Energy and Study	Direct	81.049	DEFG0300ER15044	102,819	-
Basic Energy High Energy and Study	Direct	81.049	DEFG0398ER20315	49,063	-
Basic Energy High Energy and Study	Direct	81.049	DEFG0398ER45703	1,976	-
Blue Sun Biodiesel	Pass-Through	81.079	04G023	77	-
Energy Policy Planning	Direct	81.080	DEFG0200ER45827	330,016	-
University of California	Pass-Through	81.086	6501161	54,697	-
Consortium for Plant Research	Pass-Through	81.087	GO12026-230	832	-
University of California Davis	Pass-Through	81.087	11213	1,520,772	1,056,739
University of California Davis	Pass-Through	81.087	920294	4,542	1,953
Epidemiology Financial Assistance	Direct	81.108	DE-FG02-95ER62024	139,362	-
Department of Energy Nuclear Nonprol	Direct	81.113	DEFG5204NA25688	24,310	-
Colorado State University	Pass-Through	81.117	154-0917	29,418	-
81 Agency Total				<u>4,010,679</u>	
<b>84 Department of Education:</b>					
Nebraska Department of Education	Pass-Through	84	23155	4,484	-
Nebraska Department of Education	Pass-Through	84	CONTRACT 25102	7,787	-
Department of Education	Direct	84	ED04CO0159	233,833	-
CSU Chino Research Fnd European Exchange	Pass-Through	84.116		1,633	-
University of Missouri	Pass-Through	84.116	C00005734-6	6,000	-
Improve Post Secondary Education	Direct	84.116	P116Z0100710	62,625	40,228
Improve Post Secondary Education	Direct	84.116	P116Z0200400	261,954	-
Improve Post Secondary Education	Direct	84.116	P116Z030100	292,657	-
CSU Chino Research Fnd European Exchange	Pass-Through	84.116	2126	3,380	-
US Dept of Education	Direct	84.133	H133G0401180	29,203	-
Duke University	Pass-Through	84.133	SUB 121301	75,736	-
Omaha Public Schools	Pass-Through	84.165	U165A-040030	27,759	-
Nebraska Department of Education	Pass-Through	84.181	941050-248-9C2-03	612	-
Nebraska Department of Education	Pass-Through	84.181	9460012481C205	23,592	-
Graduate Assistance to Areas of Need	Direct	84.200	P200A0109030	221,426	-
Graduate Assistance to Areas of Need	Direct	84.200	P200A0301930	128,837	-
Education Research Development	Direct	84.305	R305F050284	1,592	-
University of Wisconsin	Pass-Through	84.324	011H266	1,408	-
Special Education Research and Training	Direct	84.324	H324C0300750	104,290	63,079
Special Education Research and Training	Direct	84.324	H324D0100130	85,376	-
Special Education Research and Training	Direct	84.324	H324X0100100	866,625	204,220
Personnel Preparation	Direct	84.325	H325D9900100	87,652	-
Nebraska Department of Health and Human Resources	Pass-Through	84.357	CONTRACT 25116	47,777	-
Nebraska Department of Education	Pass-Through	84.367	948000-162A204	112	-
Nebraska Department of Education	Pass-Through	84.367	948000-PQT04	271	-
Nebraska Department of Education	Pass-Through	84.367	948000T2ASW105	54,520	-
Nebraska Department of Education	Pass-Through	84.367	948000T2ASW1-06	28,077	-
Nebraska Department of Education	Pass-Through	84.367	948000T2ASW205	42,150	-
Nebraska Department of Education	Pass-Through	84.367	948000T2ASW2-06	35,155	-
Nebraska Department of Education	Pass-Through	84.367	948000T2ASW305	23,028	-
Nebraska Department of Education	Pass-Through	84.367	948000T2ASW3-06	29,085	-
Nebraska Coordinating Commission Post Secondary Education	Pass-Through	84.367	S367B030024	62,538	20,000
Nebraska Coordinating Commission Post Secondary Education	Pass-Through	84.367	S367B030024A	42,223	-
84 Agency Total				<u>2,893,397</u>	
<b>93 Department of Health and Human Services:</b>					
Nebraska Department of Health and Human Resources	Pass-Through	93.RD		46,468	-
Nebraska Department of Health and Human Resources	Pass-Through	93.RD		15,143	-
Heartland Health	Pass-Through	93	1P20HS015039-01	1,121	-
Chadron Hospital	Pass-Through	93	1P20HS015365-01	57,792	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Pennsylvania State University	Pass-Through	93	2147UNDHHS2241NIH	\$98,660	\$0
University of California	Pass-Through	93	3948sc P50GM073210	108,268	-
University of Miami	Pass-Through	93	661537 R01 CA82274NIH	12,399	-
Nebraska Department of Health and Human Resources	Pass-Through	93	BT 168 123103	21,540	-
Nebraska Department of Health and Human Resources	Pass-Through	93	BT 230 63005	145,033	-
Nebraska Department of Health and Human Resources	Pass-Through	93	HHSBH-04	45,481	-
North Carolina University	Pass-Through	93	IPAS	68,907	-
University of Miami	Pass-Through	93	M620542 R01NS39177	40,522	-
New England Biolabs	Pass-Through	93	NEBL680	30,000	-
Dynport Vaccine Company	Pass-Through	93	S1008285	7,685	-
Dynport Vaccine Company	Pass-Through	93	UNL-RQ03-03093-LS	2,414,763	-
Nebraska Department of Health and Human Resources	Pass-Through	93.003	BT22493004	238,489	114,657
Association of Public Health Laboratories	Pass-Through	93.064	U60-CCU303019-17	49,823	-
Nebr Department of Health & Human Services	Pass-Through	93.110		4,164	4,164
Nebr Department of Health & Human Services	Pass-Through	93.110		22,965	-
Bio Response Environmental Health Hazards	Direct	93.113	08R3ES11403A	34,949	-
Bio Response Environmental Health Hazards	Direct	93.113	1 R21 ES013856-01	12,733	-
Bio Response Environmental Health Hazards	Direct	93.113	5 K22 ES011644-02	83,391	-
Applied Toxicological Research	Direct	93.114	08R5ES11788A	30,879	-
Oral Diseases and Disorders	Direct	93.121	1 R15 DE015096-01A1	61,918	8,754
Oral Diseases and Disorders	Direct	93.121	1 R21 DE14523-02	13,050	-
Oral Diseases and Disorders	Direct	93.121	5 R01 DE012308-08	350,344	-
Oral Diseases and Disorders	Direct	93.121	5 R01 DE012308-09	195,355	-
Oral Diseases and Disorders	Direct	93.121	5 R01 DE012872-03	28,450	27,583
Oral Diseases and Disorders	Direct	93.121	5 R01 DE012872-04	579,007	293,269
Oral Diseases and Disorders	Direct	93.121	5 R01 DE012872-05	1,950	-
Nebraska Department of Health and Human Resources	Pass-Through	93.136		1,821	-
Nebraska Department of Health and Human Services	Pass-Through	93.136	U17CCU71935904	17,308	-
Rural Health Research Center	Direct	93.155	1 U1C RH03718-01-00	377,317	16,505
Nebraska Department of Health and Human Resources	Pass-Through	93.155	2 U3RMC00025-02-	200,290	-
Rural Health Research Center	Direct	93.155	5 U1C RH00025-04	480,424	238,541
National Institute of Deafness	Direct	93.173	08R1DC04846B	189,200	-
National Institute of Deafness	Direct	93.173	08RDC006463A	239,631	-
Boys Town	Pass-Through	93.173	1 R01 DC04844-02	30,119	-
University of Kansas Research Center	Pass-Through	93.173	FY 2005-080	16,981	-
S-T-A-R Corp.	Pass-Through	93.173	S-T-A-R CORP	16,568	-
University of Washington	Pass-Through	93.173	Sub 713023	43,527	-
Research Training and Alternative Medicine	Direct	93.213	5 R21 AT001739-02	207,228	-
Creighton University	Pass-Through	93.226	1 R01 HS09860-01A2	18,021	-
University of California - San Francisco	Pass-Through	93.226	5 R01 HS13001	380	-
Nebraska Department of Health and Human Resources	Pass-Through	93.226	U90CCU716975-04	329,608	-
Otoe County Coalition for Children, Youth and Families	Pass-Through	93.230		7,936	-
University of Missouri - Columbia	Pass-Through	93.233	U18RH03719-01-00	58,608	-
Mental Health Research Grants	Direct	93.242	08R1MH59608A	113,568	-
Mental Health Research Grants	Direct	93.242	08R1MH61810A	273,200	72,171
Mental Health Research Grants	Direct	93.242	08R1MH62977A	50,438	-
Mental Health Research Grants	Direct	93.242	08R1MH67281A	717,055	-
Mental Health Research Grants	Direct	93.242	08RMH068426A	132,626	-
Mental Health Research Grants	Direct	93.242	08RMH069893A	137,539	-
University of Rochester	Pass-Through	93.242	1 P01 MH64570-02	1,555	-
Mental Health Research Grants	Direct	93.242	1 R01 MH065151-03	223,144	-
Mental Health Research Grants	Direct	93.242	1 R01 MH072539-01A1	77,496	-
Mental Health Research Grants	Direct	93.242	1 R01 MH60252-03	472	-
Mental Health Research Grants	Direct	93.242	1 R03 MH069478-01	41,844	-
Mental Health Research Grants	Direct	93.242	1 R21 MH067525-01A2	89,051	-
Mental Health Research Grants	Direct	93.242	3 R21 MH067525-01A2S1	6,117	-
Mental Health Research Grants	Direct	93.242	5 R01 MH064772-03	350,356	-
Mental Health Research Grants	Direct	93.242	5 R01 MH065151-04	68,037	-
Mental Health Research Grants	Direct	93.242	5 R01 MH60252-04	181,623	53,830
University of Rochester	Pass-Through	93.242	5 R01 MH64570-03	19,342	-
University of Rochester	Pass-Through	93.242	5 R01 MH64570-04	115,374	-
Mental Health Research Grants	Direct	93.242	5 R01 MH64772-02	812	-
Mental Health Research Grants	Direct	93.242	5 R21 MH066959-02	163,425	21,305

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Mental Health Research Grants	Direct	93.242	5 R21 MH066959-03	\$7,250	\$0
Mental Health Research Grants	Direct	93.242	5 R21 MH067525-02	86,064	-
University of Illinois Chicago	Pass-Through	93.242	5R21MH06396701A2	46,460	-
Duke University	Pass-Through	93.242	N01MH80008	190,829	-
University of Denver	Pass-Through	93.242	R01 MH38820	22	-
Nebraska Department of Health and Human Services	Pass-Through	93.243		35,598	-
Nebraska Department of Health and Human Resources	Pass-Through	93.243	HHSBH-04	89,407	-
Advanced Education Nursing	Direct	93.247	5 D09 HP 00049-05	233,491	-
Alcohol Research Programs	Direct	93.273	08RAA015414A	45,974	-
Alcohol Research Programs	Direct	93.273	1 R21 AA13841-01A1	6,845	-
Alcohol Research Programs	Direct	93.273	1 R21 AA13841-02	103,590	-
Alcohol Research Programs	Direct	93.273	2 R01 AA007846-14A2	109,683	-
Alcohol Research Programs	Direct	93.273	2 R01 AA011288-05A2	2,386	-
Alcohol Research Programs	Direct	93.273	5 R01 AA007846-15	166,547	-
Alcohol Research Programs	Direct	93.273	5 R01 AA008769-14	343,540	-
Alcohol Research Programs	Direct	93.273	5 R01 AA009384-11	186,250	-
Alcohol Research Programs	Direct	93.273	5 R01 AA010435-09	72,642	-
Alcohol Research Programs	Direct	93.273	5 R01 AA012450-06	432,022	-
Alcohol Research Programs	Direct	93.273	5 R01 AA013846-03	203,804	-
Alcohol Research Programs	Direct	93.273	5 R01 AA07731-16	1,636	-
Alcohol Research Programs	Direct	93.273	5 R01 AA11288-04	1,885	-
Alcohol Research Programs	Direct	93.273	5 R01 AA13846-02	19,729	-
Alcohol Research Programs	Direct	93.273	5 R03 AA13701-02	23,809	-
Alcohol Research Programs	Direct	93.273	5 R37 AA007818-13	301,204	-
Alcohol Research Programs	Direct	93.273	5 R37 AA07818-14	108	-
Drug Abuse Service Awards	Direct	93.278	08F1DA16179A	1,791	-
National Institute of Drug Abuse	Direct	93.279	08R1DA13580B	603,797	-
National Institute of Drug Abuse	Direct	93.279	08R1DA15333A	19,040	-
National Institute of Drug Abuse	Direct	93.279	08R5DA13522B	237,107	31,695
National Institute of Drug Abuse	Direct	93.279	08RDA016654A	51,273	6,800
National Institute of Drug Abuse	Direct	93.279	08RDA017086A	2,522	-
National Institute of Drug Abuse	Direct	93.279	08RDA018114A	159,944	-
National Institute of Drug Abuse	Direct	93.279	1 R03 DA16346-01A1	17,243	-
Prommune, LLC	Pass-Through	93.279	1 R41 DA016843-01	78,611	-
Iowa State University	Pass-Through	93.279	4301703 I53080023	4,770	-
National Institute of Drug Abuse	Direct	93.279	5 R01 DA014258-04	146,844	-
National Institute of Drug Abuse	Direct	93.279	5 R03 DA16346-02	41,762	-
Duke University	Pass-Through	93.279	SPS # 118685	5,628	-
National Institute of Mental Health	Direct	93.281	08KMH064897A	152,423	-
National Institute of Mental Health	Direct	93.281	08KMH066365A	191,278	-
National Institute of Mental Health	Direct	93.281	1 K23 MH066127-01A1	5,220	-
National Institute of Mental Health	Direct	93.281	5 K23 MH066127-02	102,049	-
National Institute of Mental Health	Direct	93.281	5 K23 MH066127-03	35,241	-
Mental Health National Research	Direct	93.282	08FMH070130A	28,685	-
Mental Health National Research	Direct	93.282	08FMH071071A	34,777	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283		6,411	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283		61,307	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283	2U3R1C00025-01-00	97,243	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283	2U3R1C00025-02-00	1,033,151	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283	NE HHS	27,609	-
University of Alabama - Birmingham	Pass-Through	93.283	UR3 CCU419282-03	25,299	-
EIC Laboratories, Inc.	Pass-Through	93.286	2 R44 EB00051-02A2	96,439	-
EIC Laboratories, Inc.	Pass-Through	93.286	REB000551B	2,473	-
Comparative Medicine Program	Direct	93.306	5 R24 RR017444-02	405,273	152,400
Nursing Research	Direct	93.361	1 R01 NR07759-03	240,354	-
Nursing Research	Direct	93.361	1 R01 NR07759-04	174,755	-
Nursing Research	Direct	93.361	1 R15 NR009215-01	17,510	-
Nursing Research	Direct	93.361	5 R01 NR004861-04	458,045	-
Nursing Research	Direct	93.361	5 R01 NR007743-03	377,626	-
Nursing Research	Direct	93.361	5 R01 NR007743-04	336,011	-
Nursing Research	Direct	93.361	5 R01 NR007762-03	276,314	-
Nursing Research	Direct	93.361	5 R01 NR007762-04	56,069	-
Nursing Research	Direct	93.361	5 R01 NR04861-03	43,359	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Southwest Foundation for Biomedical Research	Pass-Through	93.389	04-1014-03	\$19,861	\$0
Research Infrastructure	Direct	93.389	08PORR15635A	3,111,926	1,091,880
Research Infrastructure	Direct	93.389	08PORR17675A	2,241,970	276,763
Research Infrastructure	Direct	93.389	08RRR020219A	143,321	18,175
Research Infrastructure	Direct	93.389	1 C06 RR14564-01A2	128,433	-
Research Infrastructure	Direct	93.389	1 P20 RR018759-01	301,347	190,119
Research Infrastructure	Direct	93.389	1 P20 RR018788-01	928,264	414,387
Research Infrastructure	Direct	93.389	2 P20 RR016469-04	2,565,570	600,999
Research Infrastructure	Direct	93.389	2 S07 RR018146-02	49,873	-
Research Infrastructure	Direct	93.389	5 P20 RR018759-02	2,081,892	343,580
Research Infrastructure	Direct	93.389	5 P20 RR018788-02	1,639,205	758,644
Research Infrastructure	Direct	93.389	5 P20 RR16469-03	1,013,428	607,282
Research Infrastructure	Direct	93.389	5 R24 RR017444-03	161,664	8,393
Cancer Cause and Prevention	Direct	93.393	08RCA075903A	813,031	211,716
Cancer Cause and Prevention	Direct	93.393	08RCA108951A	12,668	-
Cancer Cause and Prevention	Direct	93.393	1 R01 CA095291-01A2	24,761	-
Cancer Cause and Prevention	Direct	93.393	1 R01 CA096831-01A1	66,255	-
Northwestern University	Pass-Through	93.393	1 R01 CA100555-01A2	24,093	-
Cancer Cause and Prevention	Direct	93.393	1 R01 CA102259-01A1	169,270	-
Cancer Cause and Prevention	Direct	93.393	1 R01 CA113903-01	65,158	-
Cancer Cause and Prevention	Direct	93.393	2 R01 CA029088-21	198,367	44,532
National Childhood Cancer Foundation	Pass-Through	93.393	2 U10 CA13539-30	260	-
Institute For Cancer Research	Pass-Through	93.393	5 R01 CA076228-05	31,871	-
Cancer Cause and Prevention	Direct	93.393	5 R01 CA088184-05	187,982	-
Cancer Cause and Prevention	Direct	93.393	5 R01 CA095291-02	243,481	-
Cancer Cause and Prevention	Direct	93.393	5 R01 CA096831-02	404,263	-
Cancer Cause and Prevention	Direct	93.393	5 R01 CA29088-20	30,388	55,969
Cancer Cause and Prevention	Direct	93.393	5 R01 CA76049-05	180,548	43,593
National Childhood Cancer Foundation	Pass-Through	93.393	98543-1037	9,931	-
National Childhood Cancer Foundation	Pass-Through	93.393	12127	21,248	-
Children's Hospital of Los Angeles	Pass-Through	93.393	5576876	43,262	-
Cancer Detection and Diagnosis	Direct	93.394	1 R33 CA105955-01A2	105,581	-
Cancer Detection and Diagnosis	Direct	93.394	5 U01 CA084967-05	646,745	40,000
Georgetown University	Pass-Through	93.394	RX 4400-058-ECI	43,895	-
George Washington University	Pass-Through	93.395	03M07 5U01CA66535	895	-
George Washington University	Pass-Through	93.395	04M09 5U01CA66535	63,826	-
Cancer Treatment Research	Direct	93.395	1 R01 CA093558-01A1	165,421	-
Cancer Treatment Research	Direct	93.395	1 R01 CA095267-01A1	199,271	-
Cancer Treatment Research	Direct	93.395	1 R01 CA102791-01A1	148,439	-
Cancer Treatment Research	Direct	93.395	1 R01 CA102791-02	82,566	-
Cancer Treatment Research	Direct	93.395	1 R01 CA106625-01	131,737	-
National Childhood Cancer Foundation	Pass-Through	93.395	1 U10 CA98543-02	72,658	-
National Childhood Cancer Foundation	Pass-Through	93.395	1 U10 CA98543-03	3,656	-
Cancer Treatment Research	Direct	93.395	5 R01 CA089225-04	172,350	57,674
Cancer Treatment Research	Direct	93.395	5 R01 CA093558-02	37,433	-
Cancer Treatment Research	Direct	93.395	5 R01 CA095267-02	83,271	-
Cancer Treatment Research	Direct	93.395	5 R01 CA106625-02	59,899	-
University of Pennsylvania	Pass-Through	93.395	5 R01 CA89461-04	24,887	-
University of Pennsylvania	Pass-Through	93.395	5 R01 CA89461-05	27,500	-
Cancer Treatment Research	Direct	93.395	5 R13 CA089535-05	2,417	-
University of Miami	Pass-Through	93.395	RCA082274B 661537	43,871	-
National Childhood Cancer Foundation	Pass-Through	93.395	12654	308,456	-
National Childhood Cancer Foundation	Pass-Through	93.395	13492	49,445	-
National Childhood Cancer Foundation	Pass-Through	93.395	13851	128,857	-
Cancer Biology Research	Direct	93.396	1 R01 CA098139-01A1	16,523	-
Cancer Biology Research	Direct	93.396	2 R01 CA72781-06A2	82,303	-
Cancer Biology Research	Direct	93.396	2 R01 CA74771-17	21	-
Cancer Biology Research	Direct	93.396	3 R01 CA078590-07S1	7,157	-
Cancer Biology Research	Direct	93.396	5 P01 CA49210-13	276	-
Cancer Biology Research	Direct	93.396	5 P01 CA49210-14	111,741	100,239
Cancer Biology Research	Direct	93.396	5 P01 CA49210-15	771,407	237,812
Cancer Biology Research	Direct	93.396	5 R01 CA057362-10	276,607	-
Cancer Biology Research	Direct	93.396	5 R01 CA057362-10S1	7,688	-



**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Cancer Biology Research	Direct	93.396	5 R01 CA057362-11	\$132,684	\$0
Cancer Biology Research	Direct	93.396	5 R01 CA073769-04	147,389	-
Cancer Biology Research	Direct	93.396	5 R01 CA078590-07	222,312	-
Cancer Biology Research	Direct	93.396	5 R01 CA084106-04	31,230	25,725
Cancer Biology Research	Direct	93.396	5 R01 CA084106-05	256,671	83,724
Cancer Biology Research	Direct	93.396	5 R01 CA090400-03	14,700	-
Cancer Biology Research	Direct	93.396	5 R01 CA090400-04	33,174	-
Cancer Biology Research	Direct	93.396	5 R01 CA098139-02	265,027	-
Cancer Biology Research	Direct	93.396	5 R01 CA57362-09	335	-
Cancer Biology Research	Direct	93.396	5 R01 CA74771-18	139,086	-
Cancer Biology Research	Direct	93.396	5 R01 CA74771-19	132,604	-
Cancer Biology Research	Direct	93.396	5 R01 CA77876-07	239,070	-
Cancer Biology Research	Direct	93.396	5 R01 CA77876-08	76,166	-
Cancer Biology Research	Direct	93.396	5 R01 CA90400-02S1	259	-
Cancer Biology Research	Direct	93.396	5 R01 CA90400-03	93,320	-
Cancer Biology Research	Direct	93.396	5 R01 CA91885-04	150,968	-
Cancer Biology Research	Direct	93.396	5 R01 CA93797-03	201,337	-
Cancer Biology Research	Direct	93.396	5 R01 CA93797-03S1	9,958	-
Cancer Biology Research	Direct	93.396	5 R01 CA93797-04	131,123	-
Montefiore Medical Center	Pass-Through	93.397	1 U54 CA100926-02	48,815	-
Cancer Centers Support	Direct	93.397	2 P30 CA036727-20	1,530,196	-
Cancer Centers Support	Direct	93.397	3 P50 CA72712-03S4	115,955	-
Cancer Centers Support	Direct	93.397	3 P50 CA72712-03S5	250,000	-
Cancer Centers Support	Direct	93.397	5 P30 CA036727-19	290,649	-
Cancer Research Manpower	Direct	93.398	08KCA100736A	74,732	-
Cancer Research Manpower	Direct	93.398	1 K01 CA113486-01	6,656	-
Cancer Control	Direct	93.399	08R1CA80946A	222,777	-
Cancer Control	Direct	93.399	1 U01 CA111294-01	353,705	14,757
Southwest Oncology Group	Pass-Through	93.399	CA37429	44,142	12,400
Nebraska Department of Health and Human Resources	Pass-Through	93.568	040INELIE5	3,088	-
Social Services Research	Direct	93.647	0G90YE007201	43,333	19,962
Social Services Research	Direct	93.647	90YE005901	14,467	-
Iowa State University	Pass-Through	93.647	4042407	59,089	13,800
Child Welfare Training Services	Direct	93.648	0890YD014501	5,999	-
Biophysics and Physiological Research	Direct	93.821	08R1GM59346A	1,556	-
Biophysics and Physiological Research	Direct	93.821	08R1GM65252A	185,563	-
Biophysics and Physiological Research	Direct	93.821	5 R01 GM051188-11	43,015	-
Biophysics and Physiological Research	Direct	93.821	5 R01 GM051188-12	265,999	-
Pharmagra Inc.	Pass-Through	93.821	NIH 1R41GM067952	20,992	-
Heart and Vascular Disease	Direct	93.837	08R1HL58984B	250,148	-
Heart and Vascular Disease	Direct	93.837	1 K08 HL079967-01	26,368	-
Heart and Vascular Disease	Direct	93.837	2 P01 HL062222-06	1,656,160	-
Heart and Vascular Disease	Direct	93.837	2 P01 HL062222-07	1,585	-
Heart and Vascular Disease	Direct	93.837	2 R01 HL062400-06	151,890	3,174
Heart and Vascular Disease	Direct	93.837	2 R01 HL062400-06S1	1,077	-
Heart and Vascular Disease	Direct	93.837	5 P01 HL062222-05	905	-
Heart and Vascular Disease	Direct	93.837	5 P01 HL066398-03S P	38,130	-
Heart and Vascular Disease	Direct	93.837	5 P01 HL066398-03S1	2,707	-
Heart and Vascular Disease	Direct	93.837	5 P01 HL066398-04	119,431	119,431
Heart and Vascular Disease	Direct	93.837	5 P01 HL066398-04S1	7,859	-
Heart and Vascular Disease	Direct	93.837	5 P01 HL66398-03	239,031	67,078
Heart and Vascular Disease	Direct	93.837	5 P01 HL66398-04	925,653	141,603
Heart and Vascular Disease	Direct	93.837	5 R01 HL038690-18	344,246	-
Heart and Vascular Disease	Direct	93.837	5 R01 HL055940-08	56,642	-
Heart and Vascular Disease	Direct	93.837	5 R01 HL062400-05	149,405	-
Heart and Vascular Disease	Direct	93.837	5 R01 HL066446-04	140,096	-
Heart and Vascular Disease	Direct	93.837	5 R01 HL38690-17	1,394	-
Heart and Vascular Disease	Direct	93.837	5 R01 HL58969-04	34,970	-
Heart and Vascular Disease	Direct	93.837	7 R01 HL066898-04	10,393	-
Stanford University	Pass-Through	93.837	7 R01 HL58620-02	5,049	-
Heart and Vascular Disease	Direct	93.837	RHL077691A	49,474	-
Heart and Vascular Disease	Direct	93.837	RHL079587A	162,437	-
Creighton University	Pass-Through	93.838	1 R01 HL070885-01A2	46,405	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Lung Diseases Research	Direct	93.838	3 R01 HL073739-02S2	\$13,128	\$0
Lung Diseases Research	Direct	93.838	5 R01 HL048282-09	357,510	-
University of Southampton	Pass-Through	93.838	5 R01 HL072356-03	76,181	-
Lung Diseases Research	Direct	93.838	5 R01 HL073739-02	317,653	-
Lung Diseases Research	Direct	93.838	5 R01 HL64088-04	25,015	-
University of Southampton	Pass-Through	93.838	5 R01 HL72356-02	8,072	-
Blood Diseases and Resources	Direct	93.839	5 U01 HL069233-03	26,660	-
Blood Diseases and Resources	Direct	93.839	5 U01 HL069233-04	135,011	-
Arthritis Musculoskeletal	Direct	93.846	1 K23 AR050004-01A1	90,041	-
Arthritis Musculoskeletal	Direct	93.846	1 R21 AR48399-01	764	-
Spire Corporation	Pass-Through	93.846	200519	1,243	-
Arthritis Musculoskeletal	Direct	93.846	3 R01 AR044552-09S1	6,569	-
Arthritis Musculoskeletal	Direct	93.846	5 R01 AR044552-09	246,262	-
Arthritis Musculoskeletal	Direct	93.846	5 R01 AR044552-10	167,260	-
Arthritis Musculoskeletal	Direct	93.846	5 R01 AR044552-10S1	3,409	-
Arthritis Musculoskeletal	Direct	93.846	5 R21 AR48399-02	15,277	-
University of Utah	Pass-Through	93.846	N01-AR-9-2236	156,837	-
North Am Rheumatoid Arthritis Consortium	Pass-Through	93.846	NARAC 2	16,135	-
Diabetes Endocrinology and Metabolism	Direct	93.847	08RDK045776C	349,411	-
Diabetes Endocrinology and Metabolism	Direct	93.847	1 R01 DK064172-01	195	-
Diabetes Endocrinology and Metabolism	Direct	93.847	1 R01 DK066110-01	125,937	-
Zimerex, Inc.	Pass-Through	93.847	2 R44 DK057986 02	215,062	-
Diabetes Endocrinology and Metabolism	Direct	93.847	5 R01 DK052809-07	287,902	-
Diabetes Endocrinology and Metabolism	Direct	93.847	5 R01 DK052809-08	157,591	-
Diabetes Endocrinology and Metabolism	Direct	93.847	5 R01 DK063336-02	47,751	14,494
Diabetes Endocrinology and Metabolism	Direct	93.847	5 R01 DK063336-03	486,452	172,958
Diabetes Endocrinology and Metabolism	Direct	93.847	5 R01 DK064172-02	169,813	-
Diabetes Endocrinology and Metabolism	Direct	93.847	5 R01 DK064172-02S1	6,117	-
Diabetes Endocrinology and Metabolism	Direct	93.847	5 R01 DK064172-03	80,733	-
Diabetes Endocrinology and Metabolism	Direct	93.847	5 R01 DK066110-02	59,898	-
Diabetes Endocrinology and Metabolism	Direct	93.847	5 R21 DK063416-02	204,047	52,485
Digestive Diseases and Nutrition	Direct	93.848	08R1DK60447A	22,282	-
Digestive Diseases and Nutrition	Direct	93.848	08RDK063945A	357,138	-
Digestive Diseases and Nutrition	Direct	93.848	08RDK064959A	250,822	-
University of Texas Southwest Medical Center	Pass-Through	93.848	1 R01 DK58369-05	53	-
Digestive Diseases and Nutrition	Direct	93.848	5 R01 DK048794-08	66,477	-
Digestive Diseases and Nutrition	Direct	93.848	5 R01 DK048794-08S1	286,716	-
University of Texas Southwest Medical Center	Pass-Through	93.848	5 R01 DK46602-10	21,671	-
Mayo Clinic	Pass-Through	93.848	5 R01 DK56924-03	5,754	-
Mayo Clinic	Pass-Through	93.848	5 R01 DK56924-04	32,636	-
University of Texas Southwest Medical Center	Pass-Through	93.848	5 R01 DK58369-05	16,471	-
Kidney Diseases Urology and Hematology	Direct	93.849	1 R21 DK070669-01	13,162	-
Kidney Diseases Urology and Hematology	Direct	93.849	5 R01 DK049561-08	114,010	-
Kidney Diseases Urology and Hematology	Direct	93.849	5 R01 DK049561-09	21,467	-
Kidney Diseases Urology and Hematology	Direct	93.849	5 R01 DK059869-04	311,776	-
Kidney Diseases Urology and Hematology	Direct	93.849	5 R01 DK059869-04S1	5,495	-
Kidney Diseases Urology and Hematology	Direct	93.849	5 R01 DK059869-05	62,475	-
Kidney Diseases Urology and Hematology	Direct	93.849	5 R01 DK059869-05S1	3,647	-
Kidney Diseases Urology and Hematology	Direct	93.849	5 R01 DK39202-13	1,731	-
Clinical Research Related	Direct	93.853	08RNS043162A	58,646	-
Clinical Research Related	Direct	93.853	1 R01 NS048837-01A1	52,759	-
Clinical Research Related	Direct	93.853	1 R01 NS43113-02	1,071	-
Clinical Research Related	Direct	93.853	1 R21 NS049264-01	153,654	17,041
Clinical Research Related	Direct	93.853	2 R01 NS034239-09	1,802	-
Clinical Research Related	Direct	93.853	2 R01 NS039940-05A1	161,833	-
Clinical Research Related	Direct	93.853	2 R01 NS041858-05	1,683	-
Clinical Research Related	Direct	93.853	2 R01 NS041862-05	17,497	-
Clinical Research Related	Direct	93.853	5 F30 NS046135-02	20,469	-
Clinical Research Related	Direct	93.853	5 F30 NS046135-03	5,307	-
Clinical Research Related	Direct	93.853	5 P01 NS043985-02	1,337,112	11,560
Clinical Research Related	Direct	93.853	5 P01 NS043985-03	13,876	-
St Luke's - Roosevelt Hospital	Pass-Through	93.853	5 P01 NS31492-11	128,666	-
St Luke's - Roosevelt Hospital	Pass-Through	93.853	5 P01 NS31492-12	206,757	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Clinical Research Related	Direct	93.853	5 R01 NS034239-10	\$134,492	\$0
Clinical Research Related	Direct	93.853	5 R01 NS034239-11	51,326	-
Clinical Research Related	Direct	93.853	5 R01 NS039940-04	146,219	-
Clinical Research Related	Direct	93.853	5 R01 NS041858-04	260,167	-
Clinical Research Related	Direct	93.853	5 R01 NS041862-04	203,479	-
University of Minnesota	Pass-Through	93.853	5 R01 NS042549-03	88,890	-
University of Minnesota	Pass-Through	93.853	5 R01 NS042549-04	4,755	-
Clinical Research Related	Direct	93.853	5 R01 NS043113-03	178,487	-
Clinical Research Related	Direct	93.853	5 R01 NS043113-04	178,487	-
Clinical Research Related	Direct	93.853	5 R01 NS043985-03	107,560	-
Clinical Research Related	Direct	93.853	5 R01 NS36229-06	356	-
Clinical Research Related	Direct	93.853	5 R01 NS36229-07	387,322	-
Clinical Research Related	Direct	93.853	5 R01 NS36229-08	463	-
Clinical Research Related	Direct	93.853	5 R37 NS036126-06	3,624	-
Clinical Research Related	Direct	93.853	5 R37 NS036126-07	533	-
Clinical Research Related	Direct	93.853	5 R37 NS036126-08	440,589	-
University of Minnesota	Pass-Through	93.853	7 R01 NS042549-03	20,301	-
University of Oregon Heath Science Center	Pass-Through	93.853	APRC00531	188,940	-
Columbia University	Pass-Through	93.853	P01 NS11766-28	82,586	-
Columbia University	Pass-Through	93.853	P01 NS11766-29	132,688	-
Biological Basis Research	Direct	93.854	5 R01 NS39751-04	118,750	-
Allergy Immunology and Transplantation	Direct	93.855	1 R01 AI054551-02	76,273	-
Allergy Immunology and Transplantation	Direct	93.855	1 R01 AI054551-03	91,000	-
Allergy Immunology and Transplantation	Direct	93.855	1 R21 AI054645-01A1	103,842	-
University of Colorado Health Science Center	Pass-Through	93.855	2 U19 AI046374-05	2,356	-
Allergy Immunology and Transplantation	Direct	93.855	5 F32 AI055152-02	49,162	-
Allergy Immunology and Transplantation	Direct	93.855	5 R01 AI049472-02	358,909	102,199
Allergy Immunology and Transplantation	Direct	93.855	5 R01 AI049472-03	248,150	-
Allergy Immunology and Transplantation	Direct	93.855	5 R01 AI049472-03(R)	26,220	-
Allergy Immunology and Transplantation	Direct	93.855	5 R01 AI47825-05	186,263	-
Allergy Immunology and Transplantation	Direct	93.855	5 R01 AI47825-06	70,381	-
Allergy Immunology and Transplantation	Direct	93.855	5 R01 AI48433-03	46,792	-
Allergy Immunology and Transplantation	Direct	93.855	5 R21 AI054645-02	116,923	-
University of Colorado Health Science Center	Pass-Through	93.855	5 U19 AI046374-06	14,971	-
Microbiology and Infectious Diseases	Direct	93.856	08R1AI34956C	238,615	-
Microbiology and Infectious Diseases	Direct	93.856	08R1AI47866A	198,410	32,258
Microbiology and Infectious Diseases	Direct	93.856	08R3AI51176A	9,415	-
Microbiology and Infectious Diseases	Direct	93.856	08RAI052448A	37,289	-
Microbiology and Infectious Diseases	Direct	93.856	08RAI057755A	213,035	19,179
Microbiology and Infectious Diseases	Direct	93.856	08RAI059132A	85,843	-
Microbiology and Infectious Diseases	Direct	93.856	08RAI059532A	160	-
Microbiology and Infectious Diseases	Direct	93.856	08RAI058831A	132,641	-
Microbiology and Infectious Diseases	Direct	93.856	08TAI060547A	120,871	-
Microbiology and Infectious Diseases	Direct	93.856	1 F32 AI056811-01	6,018	-
University of Pittsburgh	Pass-Through	93.856	1 R01 AI054719-01	7,000	-
Microbiology and Infectious Diseases	Direct	93.856	1 R01 AI49540-01A1	27,520	-
Cel-Sci Corporation	Pass-Through	93.856	1 R43 AI052951-01A1	15,104	-
University of Minnesota	Pass-Through	93.856	3 U01 AI27661-19S2	119,606	-
University of Massachusetts	Pass-Through	93.856	5 P30 AI42845-07	59,460	-
Microbiology and Infectious Diseases	Direct	93.856	5 R01 AI049311-03	220,603	-
Microbiology and Infectious Diseases	Direct	93.856	5 R03 IA053196-02	16,377	-
University of Minnesota	Pass-Through	93.856	5 U01 AI27661-19	106,054	-
Dana Farber Vaccination Intrapartum	Pass-Through	93.856	5P01AI048240	216,814	3,000
Oregon State University	Pass-Through	93.856	P0198AA	57,567	-
Pharmacological Sciences	Direct	93.859	08R1GM32441E	300,501	-
Pharmacological Sciences	Direct	93.859	08R1GM34927E	11	-
Pharmacological Sciences	Direct	93.859	08R1GM44931C	102,056	-
Pharmacological Sciences	Direct	93.859	08R1GM61068B	295,241	150,189
Pharmacological Sciences	Direct	93.859	08R1GM65204A	241,794	-
Pharmacological Sciences	Direct	93.859	08R1GM67272A	245,853	-
Pharmacological Sciences	Direct	93.859	08RGM044931D	59	-
Pharmacological Sciences	Direct	93.859	08RGM059346B	159,005	-
Pharmacological Sciences	Direct	93.859	1 R01 GM068430-01A1	253,804	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Rutgers University	Pass-Through	93.859	1867 S513984	\$65,882	\$0
Pharmacological Sciences	Direct	93.859	2 R01 GM057428-06A2	3,133	-
Pharmacological Sciences	Direct	93.859	2 R01 GM061961-05	269,541	-
Pharmacological Sciences	Direct	93.859	2 R01 GM061961-06	48	-
Pharmacological Sciences	Direct	93.859	5 K08 GM000703-03	4,350	-
Pharmacological Sciences	Direct	93.859	5 K08 GM000703-04	107,174	-
Pharmacological Sciences	Direct	93.859	5 R01 GM062235-06	68,440	21,077
Pharmacological Sciences	Direct	93.859	5 R01 GM068430-02	80,169	-
Pharmacological Sciences	Direct	93.859	7 R01 GM062235-05	189,098	54,325
State University of New York - Buffalo	Pass-Through	93.859	R93746 R01GM6322301	28,834	-
Pharmacological Sciences	Direct	93.859	RGM039451F	268,925	-
University of California Davis	Pass-Through	93.862	00RA5027 NIH	77,636	-
Genetics Research	Direct	93.862	08R1GM60029A	3,376	-
Genetics Research	Direct	93.862	08R1GM61603A	127,382	-
Genetics Research	Direct	93.862	08R1GM62915A	163,074	-
Genetics Research	Direct	93.862	5 R01 GM065508-03	134,690	-
Genetics Research	Direct	93.862	5 R01 GM065508-04	60,941	-
Genetics Research	Direct	93.862	5 R01 GM61961-04	3,402	-
Population Research	Direct	93.864	08RHD041546A	32,465	-
Population Research	Direct	93.864	5 R01 HD038468-03	374	-
Population Research	Direct	93.864	5 R01 HD038468-04	175,576	-
Population Research	Direct	93.864	5 R01 HD038813-04	19,457	-
Research for Mothers and Children	Direct	93.865	08R1HD39438A	62,644	38,454
Research for Mothers and Children	Direct	93.865	08R1HD39620A	219,060	9,500
Research for Mothers and Children	Direct	93.865	08R1HD42882A	139,591	-
Research for Mothers and Children	Direct	93.865	08RHD044144A	461,972	185,411
Research for Mothers and Children	Direct	93.865	08RHD046135A	685,742	55,626
Research for Mothers and Children	Direct	93.865	1 R03 HD44679-01A1	38,171	-
Research for Mothers and Children	Direct	93.865	1 R03 HD44679-02	19,209	-
Research for Mothers and Children	Direct	93.865	1 R21 HD048516-01	53,981	-
Research for Mothers and Children	Direct	93.865	2 R01 HD037804-05A1	127,734	-
Research for Mothers and Children	Direct	93.865	5 F32 HD42909-02	15,112	-
Research for Mothers and Children	Direct	93.865	5 F32 HD42909-03	40,314	-
University of Colorado at Boulder	Pass-Through	93.865	5 P50 HD27802-14	142,134	-
University of Colorado at Boulder	Pass-Through	93.865	5 P50 HD27802-15	115,148	-
Massachusetts General Hospital	Pass-Through	93.865	5 R01 HD037694-0	6,451	-
Research for Mothers and Children	Direct	93.865	5 R01 HD037804-06	139,576	-
Research for Mothers and Children	Direct	93.865	5 R01 HD037804-06S1	42,388	-
Research for Mothers and Children	Direct	93.865	5 R01 HD038813-05	210,441	-
Research for Mothers and Children	Direct	93.865	5 R01 HD038813-05S1	7,341	-
Research for Mothers and Children	Direct	93.865	RHD045350A	78,223	-
University of Denver	Pass-Through	93.865	SC 36070-01-00	19,766	-
Duke University	Pass-Through	93.866	04SCNIH1071	2,676	-
Aging Research	Direct	93.866	08R1AG17977B	20,321	-
Aging Research	Direct	93.866	08R1AG17977B	12,960	-
Aging Research	Direct	93.866	08RAG017977C	13,985	-
Aging Research	Direct	93.866	08RAG021518A	364,071	-
Aging Research	Direct	93.866	1 R01 AG24912-01	109,973	-
Aging Research	Direct	93.866	5 R01 AG18078-05	61,143	-
Duke University	Pass-Through	93.866	AG08761 99SCNIH1030	29	-
University of Michigan	Pass-Through	93.866	F009986	278	-
Retinal and Choroidal Diseases	Direct	93.867	08REY010595C	427,804	-
Retinal and Choroidal Diseases	Direct	93.867	1 PN1 EY016593-01	71,079	-
Retinal and Choroidal Diseases	Direct	93.867	1 R03 EY013842-01A1	9,099	-
Retinal and Choroidal Diseases	Direct	93.867	1 R03 EY013842-02	66,904	-
Retinal and Choroidal Diseases	Direct	93.867	2 R01 EY010542-09	203,553	-
Retinal and Choroidal Diseases	Direct	93.867	2 R01 EY10542-06	7,921	-
Retinal and Choroidal Diseases	Direct	93.867	2 R01 EY10542-07	27,426	-
Retinal and Choroidal Diseases	Direct	93.867	2 R01 EY13000-03	256,083	-
Retinal and Choroidal Diseases	Direct	93.867	3-8326651	134,304	-
Retinal and Choroidal Diseases	Direct	93.867	5 R01 EY013394-03	248,502	-
Retinal and Choroidal Diseases	Direct	93.867	5 R01 EY013394-04	90,127	-
Retinal and Choroidal Diseases	Direct	93.867	5 R01 EY10542-08	43,132	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Medical Library Assistance	Direct	93.879	1 G08 LM008271-01	\$14,708	\$0
Health Care and Other Facilities	Direct	93.887	1 C76 HF00633-01	337,566	-
Hope Medical Outreach Coalition	Pass-Through	93.913		3,582	-
Charles Drew Health Center	Pass-Through	93.926	5 H49 MC00156-03	45,670	-
University of Illinois - Chicago	Pass-Through	93.929	1 R01 HD38867-01A1	859	-
Fogerty International Research	Direct	93.934	08R3TW01212A	4,497	-
University of Puerto Rico	Pass-Through	93.941	5 U54 NS43011-021	41,830	-
University of Puerto Rico	Pass-Through	93.941	5 U54 NS43011-03	25,250	-
University of Puerto Rico	Pass-Through	93.941	5 U54 NS43011-04	49,937	-
Senior International Fellows	Direct	93.989	08D3TW01429A	309,228	5,000
Senior International Fellows	Direct	93.989	08RTW006959A	33,115	29,600
Nebraska Department of Health and Human Resources	Pass-Through	93.994	8802	<u>72,839</u>	-
93 Agency Total				<u>72,091,553</u>	
<b>98 Agency for International Development:</b>					
Michigan State University	Pass-Through	98.001	61-3132	69,377	14,355
Agency for International Development	Direct	98.001	LAGG009690009000	<u>3,138,142</u>	<u>1,422,738</u>
98 Agency Total				<u>3,207,519</u>	
<b>Other:</b>					
National Institute of Standards and Technology	Direct	99.000		6	-
NATO	Pass-Through	99.000	ESTCLG979505	6,203	-
National Institute of Standards and Technology	Direct	99.000	RA1341-03-3B-0750	<u>6,438</u>	-
Other Agency Total				<u>12,647</u>	
<b>Total Research and Development Cluster</b>				<u>\$138,957,008</u>	
<b>Student Aid Cluster:</b>					
<b>84 Department of Education:</b>					
Nebraska Coordinating Commission Post Secondary Education	Pass-Through	84		98,424	-
Nebraska Coordinating Commission Post Secondary Education	Pass-Through	84		1,580	-
Supplemental Equal Opportunity Grant	Direct	84.007	P007A032479	43,531	-
Supplemental Equal Opportunity Grant	Direct	84.007	P007A042455	163,469	-
Supplemental Equal Opportunity Grant	Direct	84.007	P007A0424780	99,150	-
Supplemental Equal Opportunity Grant	Direct	84.007	P007A042479	515,356	-
Supplemental Equal Opportunity Grant	Direct	84.007	P007A0424800	514,418	-
College Workstudy	Direct	84.033	P033A032478	44,952	-
College Workstudy	Direct	84.033	P033A032479	60,540	-
College Workstudy	Direct	84.033	P033A042455	336,175	-
College Workstudy	Direct	84.033	P033A0324800	31,712	-
College Workstudy	Direct	84.033	P033A0424780	86,566	-
College Workstudy	Direct	84.033	P033A0424790	880,093	-
College Workstudy	Direct	84.033	P033A0424800	524,073	-
College Workstudy	Direct	84.033	P038A0424790	110,845	-
Perkins Loan Program	Direct	84.038	P038A0324800	117,654	-
Perkins Loan Program	Direct	84.038	P038A0424800	193,487	-
Perkins Loan Program	Direct	84.038	P038A0442478	135,845	-
Pell Grant	Direct	84.063		18,365	-
Pell Grant	Direct	84.063	P063P0217810	35	-
Pell Grant	Direct	84.063	P063P0302650	53,635	-
Pell Grant	Direct	84.063	P063P0317790	10,609	-
Pell Grant	Direct	84.063	P063P0317810	19,116	-
Pell Grant	Direct	84.063	P063P0402650	8,688,169	-
Pell Grant	Direct	84.063	P063P041779	4,455,746	-
Pell Grant	Direct	84.063	P063P0417810	6,226,119	-
Pell Grant	Direct	84.063	P063P0429250	331,219	-
Pell Grant	Direct	84.063	P063P20042869	563,409	-
Pell Grant	Direct	84.063	P063Q042869	3,584	-
Nebraska Department of Education	Pass-Through	84.069		41,502	-
Nebraska Coordinating Commission Post Secondary Education	Pass-Through	84.069		61,058	-
Ford Direct Student Loan Program 2003-04	Direct	84.268	UNL2004LOAN0	904,190	-
Ford Direct Student Loan Program 2004-05	Direct	84.268	UNL2005LOAN0	<u>70,372,805</u>	-
84 Agency Total				<u>95,707,431</u>	

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
<b>93 Department of Health and Human Services:</b>					
Health Profession Student Loans	Direct	93.342	7272101-04	\$643,322	\$0
Health Profession Student Loans	Direct	93.342	7272501-04	20,612	-
Health Profession Student Loans	Direct	93.342	7308301-04	77,043	-
Nursing Student Loans	Direct	93.364	7272831-04	48,663	-
93 Agency Total				<u>789,640</u>	
<b>Total Student Aid Cluster</b>				<u>\$96,497,071</u>	
<b>Other:</b>					
<b>Trio Cluster:</b>					
Special Services for Disabled	Direct	84.042	P042A010560-03	44,756	-
Special Services for Disabled	Direct	84.042	P042A010560-04	226,075	-
Special Services for Disabled	Direct	84.042	P042A0108670	561,691	-
Special Services for Disabled	Direct	84.042	P042A0110860	245,372	-
Subtotal CFDA 84.042				<u>1,077,894</u>	
Talent Search	Direct	84.044	P044A0209300	393,751	-
Subtotal CFDA 84.044					
Upward Bound Program	Direct	84.047	P047A030620	313,561	-
Upward Bound Program	Direct	84.047	P047A30466	231,835	-
Upward Bound Program	Direct	84.047	P47MO30175	238,567	-
Subtotal CFDA 84.047				<u>783,963</u>	
WNPG Program	Direct	84.217	P217A0300730	207,890	-
Subtotal CFDA 84.217					
Total Trio Cluster				<u>2,463,498</u>	
<b>10 Department of Agriculture:</b>					
Department of Agriculture	Direct	10		13,623	-
Department of Agriculture	Direct	10		39,146	-
Nebraska Department of Agriculture	Pass-Through	10		9,309	-
South Dakota State University	Pass-Through	10		11,118	-
Department of Agriculture	Direct	10		27,496	-
Department of Agriculture	Direct	10	0371000108CA	28,804	19,250
Nebraska Department of Agriculture	Pass-Through	10	18-05-106	814	-
Kentucky University	Pass-Through	10	4-68364-05-151	15,684	-
Department of Agriculture	Direct	10	65-6526-3-870	18,978	-
Department of Agriculture	Direct	10	FSIS-C-61-2003	7,491	-
Department of Agriculture	Direct	10	USDA/CSREES	3,698	-
				<u>176,161</u>	
Agriculture Research Basic and Applied Research	Direct	10.001	5882014196	2,673	-
Grants for Agriculture Research, Special Research Grants:					
ADEC	Pass-Through	10.200	42003	19,729	10,000
Grants for Agriculture Research - Competitive Research Grants	Direct	10.206	2004-39531-15203	42,279	-
Food and Agricultural Sciences National Needs Graduate Fellowship Grants:					
Kansas State University	Pass-Through	10.210	S00060	9,485	-
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	Direct	10.210	384208819	4,139	-
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	Direct	10.210	384208835	5,753	-
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	Direct	10.210	20023842011739	51,256	-
Subtotal CFDA 10.210				<u>70,633</u>	
Higher Education Challenge Grants:					
Higher Education Challenge Grants	Direct	10.217	20023841112089	6,584	4,234
Central Washington University	Pass-Through	10.217	20023841112133	18,067	-
Higher Education Challenge Grants	Direct	10.217	20023841112149	26,542	-
Subtotal CFDA 10.217				<u>51,193</u>	

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Fund for Rural America - Research, Education, and Extension Activities:					
Iowa State University	Pass-Through	10.224	4164448	\$18,208	\$0
Secondary and Two-Year Post Secondary Agriculture Education Challenge Grants:					
Mead High School	Pass-Through	10.226		8,773	-
Crofton Community Schools	Pass-Through	10.226		12,920	-
Subtotal CFDA 10.226				21,693	
University of Wisconsin	Pass-Through	10.302		23,502	-
Colorado State University	Pass-Through	10.302	G14711	2,316	-
Iowa State University	Pass-Through	10.302	4164633	78,261	-
Farm Efficiency/Profitability	Direct	10.302	521019624	353,550	116,035
Subtotal CFDA 10.302				457,629	
Integrated Programs:					
Integrated Programs	Direct	10.303	2004-51110-01889	43,187	253
Integrated Programs	Direct	10.303	2004-51110-03010	53,508	42,492
Iowa State University	Pass-Through	10.303	4163012	77,251	-
Integrated Programs	Direct	10.303	511309716	43,248	-
Integrated Programs	Direct	10.303	20015110111100	217,638	80,879
Integrated Programs	Direct	10.303	20015111011369	79,628	33,223
Subtotal CFDA 10.303				514,460	
Homeland Security - Agricultural:					
Kansas State University	Pass-Through	10.304	S03091	9,182	-
Technical Assistance to Cooperatives	Direct	10.350	511109768	45,852	22,304
Technical Assistance to Cooperatives	Direct	10.350	511309773	14,016	-
Subtotal CFDA 10.350				59,868	
Crop Insurance	Direct	10.450	02IE08310205	10,776	-
Crop Insurance	Direct	10.450	03IE08310122	125,715	102,481
Subtotal CFDA 10.450				136,491	
Cooperative Extension Service:					
National 4-H Council	Pass-Through	10.500		14,337	-
National 4-H Council	Pass-Through	10.500		18,550	-
National 4-H Council	Pass-Through	10.500		974	-
National 4-H Council	Pass-Through	10.500		10,405	-
Little Priest Tribal College	Pass-Through	10.500		29,099	-
Nebraska Indian Community	Pass-Through	10.500		15,799	-
USDA Cooperative Extension Service	Direct	10.500	00ESAG10938	75,172	20,477
Mississippi State University	Pass-Through	10.500	010900 340221-01	5,194	-
Mississippi State University	Pass-Through	10.500	016400-340199-04	329,479	193,257
Mississippi State University	Pass-Through	10.500	018000 340226-02	20,769	-
USDA Cooperative Extension Service	Direct	10.500	2001-49200-01262	751,127	485,711
USDA Cooperative Extension Service	Direct	10.500	2004-41530-01863	29,691	-
USDA Cooperative Extension Service	Direct	10.500	2004-41530-01874	3,250	-
USDA Cooperative Extension Service	Direct	10.500	2004-47001-01866	34,305	32,765
USDA Cooperative Extension Service	Direct	10.500	2004-48540-03004	15,133	-
USDA Cooperative Extension Service	Direct	10.500	2005-48621-03173	12,472	-
USDA Cooperative Extension Service	Direct	10.500	2005-48623-03163	561	-
USDA Cooperative Extension Service	Direct	10.500	41540-02700	1,421,216	-
USDA Cooperative Extension Service	Direct	10.500	46000-02700	46,379	-
USDA Cooperative Extension Service	Direct	10.500	48024-02700	35,350	-
National Association of State Universities	Pass-Through	10.500	4-98-2-23	211,236	-
Michigan State University	Pass-Through	10.500	614001F	228	-
USDA Cooperative Extension Service	Direct	10.500	98EWQI10532	67,649	-
USDA Cooperative Extension Service	Direct	10.500		3,912,846	-
University of Minnesota	Pass-Through	10.500	Q4299055401	21,660	-
Kansas State University	Pass-Through	10.500	S03049	4,876	-
USDA Cooperative Extension Service	Direct	10.500	20013871110539	5,580,761	-
USDA Cooperative Extension Service	Direct	10.500	20014700101144	92,640	90,763
USDA Cooperative Extension Service	Direct	10.500	20014920001260	11,878	-
USDA Cooperative Extension Service	Direct	10.500	20024159001354	163,398	160,698
USDA Cooperative Extension Service	Direct	10.500	20024700101444	262,668	240,008
USDA Cooperative Extension Service	Direct	10.500	20033949014107	58,122	55,473
USDA Cooperative Extension Service	Direct	10.500	20034152001567	140,659	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
USDA Cooperative Extension Service	Direct	10.500	20034700101659	\$393,607	\$365,423
USDA Cooperative Extension Service	Direct	10.500	20034860501817	61,020	-
USDA Cooperative Extension Service	Direct	10.500	20044854001832	690	-
USDA Cooperative Extension Service	Direct	10.500	20044855703071	2,998	-
USDA Cooperative Extension Service	Direct	10.500	20044920003125	3,980	-
Subtotal CFDA 10.500				<u>13,860,178</u>	
Special Supplemental Nutrition Program for Women, Infants, and Children:					
Douglas County	Pass-Through	10.557		116,892	-
Douglas County	Pass-Through	10.557		394,324	-
Subtotal CFDA 10.557				<u>511,216</u>	
Child and Adult Care Food Program:					
Nebraska Department of Education	Pass-Through	10.558		11,835	-
Nebraska Department of Education	Pass-Through	10.558		17,386	-
Subtotal CFDA 10.558				<u>29,221</u>	
Summer Food Service Program for Children:					
Nebraska Department of Education	Pass-Through	10.559	10-3000	20,016	-
State Administrative Expenses for Child Nutrition:					
Lincoln Action Program	Pass-Through	10.560		19,683	-
Nebraska Department of Health and Human Resources	Pass-Through	10.560	2317-04/7140	665,690	-
Nebraska Department of Health and Human Resources	Pass-Through	10.560	7740	245,095	-
Subtotal CFDA 10.560				<u>930,468</u>	
Forestry Research	Direct	10.652	03CS11231300049	8,341	-
Cooperative Forestry Assistance	Direct	10.664	GR288001846	1,756,271	344,735
Soil and Water Conservation:					
National Fish and Wildlife	Pass-Through	10.902	2004-0172-000	20,237	-
Soil and Water Conservation	Direct	10.902	68-6526-4-023	66,571	-
Soil and Water Conservation	Direct	10.902	68-6526-5-121	6,492	-
Subtotal CFDA 10.902				<u>93,300</u>	
International Training - Foreign Participant	Direct	10.962	58-3148-4-087	4,590	-
International Training - Foreign Participant	Direct	10.962	5831485017	1,884	-
International Training - Foreign Participant	Direct	10.962	5831489081	40,885	-
Subtotal CFDA 10.962				<u>47,359</u>	
10 Agency Total				18,836,569	
<b>11 Department of Commerce:</b>					
Intergovernmental Climate Program	Direct	11.428	EA133E02CN0025	432,910	-
Short Term Climate Fluctuations:					
Ciasta-Regional Climate Data Center	Pass-Through	11.443		39,227	-
Measurement and Engineering Research and Standards:					
Nebraska Department of Economic Development	Pass-Through	11.609	05-01-055	70,750	-
Measurement and Engineering Research and Standards	Direct	11.609	70NANB4H1079	4,169	-
Measurement and Engineering Research and Standards	Direct	11.609	70NANB5H1029	3,311	-
Nebraska Department of Economic Development	Pass-Through	11.609	401036	72,500	-
Subtotal CFDA 11.609				<u>150,730</u>	
Manufacturing Extension Partnership:					
Nebr Department of Economic Development	Pass-Through	11.611	04-01-035	104,619	-
Nebr Department of Economic Development	Pass-Through	11.611	05-01-056	105,000	-
Subtotal CFDA 11.611				<u>209,619</u>	
11 Agency Total				832,486	
<b>12 Department of Defense:</b>					
Department of Defense	Direct	12		16,935	-
Department of Defense	Direct	12	DACW45-03-A-0107	63,774	-
Department of Defense	Direct	12	MDA904-03-1-0207	76,383	-
				<u>157,092</u>	
Procurement Technical Assistance for Business Firms	Direct	12.002	SP4800-04-2-0392	347,153	-
Basic and Applied Scientific Research:					
Army Research Office	Direct	12.300	DAMD17-00-1-0361	131,649	-
Office Of Naval Research	Direct	12.300	DADA10-01D0011	84,578	-
Military Medical Research and Development	Direct	12.420	DAMD170210659	2,270,964	-
Military Medical Research and Development	Direct	12.420	DAMD17-01-1-0341	1,539	-
Subtotal CFDA 12.420				<u>2,272,503</u>	



**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Mathematical Sciences Grants Program	Direct	12.901	H982300410004	\$14,348	\$0
Mathematical Sciences Grants Program	Direct	12.901	H982300510011	2,807	-
Subtotal CFDA 12.901				<u>17,155</u>	
12 Agency Total				3,010,130	
<b>14 Department of Housing and Urban Development:</b>					
Nebraska Health and Human Resources	Pass-Through	14	04HSATF602	34,741	-
City of Omaha	Pass-Through	14	B-03-SP-NE-0452	46,150	-
Subtotal CFDA 14				<u>80,891</u>	
Community Development Block Grants:					
Nebraska Department of Economic Development	Pass-Through	14.228	04-03-144	15,000	-
City of Lincoln	Pass-Through	14.228	4010079 69400	146	-
Nebraska Department of Economic Development	Pass-Through	14.228	970338	347	-
Subtotal CFDA 14.228				<u>15,493</u>	
Community development Block Grants/Brownfields:					
Central Nebraska Commission	Pass-Through	14.246		912	-
Community Outreach Partnership Center Program	Direct	14.511	NE01032	137,349	-
Community Development Workstudy Program	Direct	14.512	CDWS-NE-02-058	263	-
Community Development Workstudy Program	Direct	14.512	CDWS-NE-04-121	33,177	-
Subtotal CFDA 14.512				<u>33,440</u>	
14 Agency Total				<u>268,085</u>	
<b>15 Department of Interior:</b>					
National Lewis & Clark	Pass-Through	15		33,103	-
Nebraska Game and Parks	Pass-Through	15		14,438	-
Department of Interior	Direct	15	01FG601530	17,495	-
Department of Interior	Direct	15	01FG601585	48,579	-
Department of Interior	Direct	15	03FG601811	6,743	-
Department of Interior	Direct	15	04FG601908	2,830	-
Department of Interior	Direct	15	14486018101J489	20,869	20,869
				<u>144,057</u>	
Small Reclamation Projects	Direct	15.503	05FG01990	28,991	-
Fish and Wildlife Management Assistance:					
Nebraska Game and Parks	Pass-Through	15.608		15,723	-
Fish and Wildlife Management Assistance	Direct	15.608	973101G009	3,635	-
Subtotal CFDA 15.608				<u>19,358</u>	
State Wildlife Grants:					
Nebraska Game and Parks	Pass-Through	15.634		26,617	-
Water Resources Research	Direct	15.806	5FC6005870	20,025	-
Water Resources Research	Direct	15.806	99FC6012200	28,314	-
Subtotal CFDA 15.806				<u>48,339</u>	
Historical Preservation Fund Grants-In-Aid:					
Nebraska State Historical Society	Pass-Through	15.904		29,110	-
Technical Preservation Services	Direct	15.915	J1233E004	18,003	-
Rivers, Trails and Conservation Assistance	Direct	15.921	H6490C223	199,611	-
15 Agency Total				<u>514,086</u>	
<b>16 Department of Justice:</b>					
Nebraska Emergency Management	Pass-Through	16.007	2002/DOJ/EQP/011	900	-
Offender Reentry Programs:					
Nebr Department of Correctional Services	Pass-Through	16.202	7201 04	353,779	-
Grants to Encourage Arrest Policies:					
Domestic Violence Coordinating Council of Greater Omaha	Pass-Through	16.590	1997-WE-VX-0104	4,075	-
Public Safety Partnership and Community Policing Grants	Direct	16.710	2004UMWX0044	48,890	-
City of Omaha	Pass-Through	16.710	B-03-SP-NE-0452	14,284	-
Subtotal CFDA 16.710				<u>63,174</u>	
16 Agency Total				<u>421,928</u>	
<b>17 Department of Labor:</b>					
W/A Youth Activities:					
Nebraska Department of Labor	Pass-Through	17.259		5,478	-
Mine Health and Safety Grants	Direct	17.600		46,829	-
Mine Health and Safety Grants	Direct	17.600	E4R4002424	14,977	-
Subtotal CFDA 17.600				<u>61,806</u>	
17 Agency Total				<u>67,284</u>	

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	Subaward
				Year Expenditures	Expenses
<b>19 Department of State:</b>					
Fulbright Gateway Orientation	Pass-Through	19		\$21,873	\$0
Department of State	Direct	19	SECAAS02GR248DH	29,667	-
				<u>51,540</u>	
Professional Development	Direct	19.404	SECAAS03GR172	39,578	-
Educational Exchange	Direct	19.408	S-ECAA03-GR-114 PS	236	-
Educational Exchange	Direct	19.408	S-ECAA02-GR-273 PS	30,241	-
Educational Exchange	Direct	19.408	S-ECAA03-GR-218 MA	248,425	-
Educational Exchange	Direct	19.408	S-ECAA04-GR-198 PS	173,044	-
Subtotal CFDA 19.408				<u>451,946</u>	
19 Agency Total				543,064	
<b>20 Department of Transportation:</b>					
Nebraska Department of Motor Vehicles	Pass-Through	20		2,516	-
Nebraska Department of Roads	Pass-Through	20	LTAP73117	13,715	-
Nebraska Department of Roads	Pass-Through	20	LTAP73119	248,064	-
Nebraska Department of Roads	Pass-Through	20	LTAP73120	67,131	-
Nebraska Department of Roads	Pass-Through	20	STWD 64	400,692	358,811
				<u>732,118</u>	
State and Community Highway Safety	Pass-Through	20.600	DTNH2202H05223	4,393	-
20 Agency Total				<u>736,511</u>	
<b>27 Federal Civil Service:</b>					
Intergovernmental Personnel Act Mobility Program:					
Librarian Services to Centers for Disease Control	Pass-Through	27.011	021PA06002	718	-
Librarian Services to Centers for Disease Control	Pass-Through	27.011	021PA06002-01	49,377	-
IPA Mobility Program	Direct	27.011	021PA06002-04	37,447	-
27 Agency Total				<u>87,542</u>	
<b>39 General Services Administration:</b>					
General Services Administration	Direct	39	06T00BND0541 A717199	620,213	-
39 Agency Total					
<b>43 National Aeronautics and Space Administration:</b>					
Institute for Global Environmental Studies	Pass-Through	43	9029-003/004/005-45	5,666	-
National Aeronautics and Space Administration	Direct	43	NGT540104000	422,113	115,093
National Aeronautics and Space Administration	Direct	43	NNG04GQ82H	21,358	-
National Aeronautics and Space Administration	Direct	43	NNG05GJ03H00	70,203	-
43 Agency Total				<u>519,340</u>	
<b>45 National Endowment Arts and Humanities:</b>					
Promotion of the Arts Grants:					
Friends of the Lied	Pass-Through	45.024	03 5100 8075	19,088	-
Promotion of the Arts	Direct	45.024	352005008	8,823	-
Subtotal CFDA 45.024				<u>27,911</u>	
National Endowment Humanities	Direct	45.149	PA2380301	3,375	-
Institute of Museum Services	Direct	45.301	NL1002501	54,202	-
National Leadership Grants:					
Greater Western Libraries	Pass-Through	45.312	LG-03-0113-03	3,889	-
45 Agency Total				<u>89,377</u>	
<b>47 National Science Foundation:</b>					
National Science Foundation	Direct	47	88780	24,237	-
NSF Mathematical and Physical	Direct	47.049	354008	72,507	-
NSF Mathematical and Physical	Direct	47.049	503153	12,113	-
NSF Biological Sciences	Direct	47.074	97019	40,495	-
NSF Biological Sciences	Direct	47.074	342189	88,556	57,538
NSF Social and Behavioral Sciences	Direct	47.075	123669	57,349	12,930
Education and Human Resources:					
Omaha Public Schools	Pass-Through	47.076		162,832	-
Mathematical Association of America	Pass-Through	47.076		1,273	-
NSF Education and Human Resources	Direct	47.076	DUE-0313691	272,555	-
NSF Education and Human Resources	Direct	47.076	DUE-0411164	63,569	-
NSF Education and Human Resources	Direct	47.076	DUE-336462	261,234	69,457
NSF Education and Human Resources	Direct	47.076	86358	466,274	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
NSF Education and Human Resources	Direct	47.076	229294	\$1,405,604	\$0
NSF Education and Human Resources	Direct	47.076	338482	92,506	-
NSF Education and Human Resources	Direct	47.076	404988	3,055	-
NSF Education and Human Resources	Direct	47.076	422507	73,543	-
Subtotal CFDA 47.076				<u>3,073,465</u>	
47 Agency Total				<u>3,097,702</u>	
<b>59 Small Business Administration:</b>					
Small Business Development Center:					
Small Business Administration	Pass-Through	59.037		27,695	-
Small Business Development	Direct	59.037	4-603001-Z-0028-24	379,768	122,109
Small Business Development	Direct	59.037	5-603001-Z-0028-25	192,705	34,765
Small Business Administration	Pass-Through	59.037	96-026-09-SC2	38,466	-
59 Agency Total				<u>638,634</u>	
<b>64 Veterans Administration:</b>					
Sharing Specialized Medical Services	Direct	64.018	V636P-2065	44,700	-
64 Agency Total				<u>44,700</u>	
<b>66 Environmental Protection Agency:</b>					
Nebraska Department of Human Resources	Pass-Through	66		2,485	-
Nebraska Department Environmental Quality	Pass-Through	66		62,029	-
Prairieland Resource	Pass-Through	66		28,057	-
Nebraska Environmental Quality	Pass-Through	66		1,511	-
Lower Platte Natural Resources District	Pass-Through	66	10200203110	11,794	-
Nebraska Department of Agriculture	Pass-Through	66	1806084	4,559	-
Nebraska Department of Agriculture	Pass-Through	66	1806092	22,006	-
Nebraska Department Environmental Quality	Pass-Through	66	56-0254	63,387	-
Nebraska Department Environmental Quality	Pass-Through	66	NP987321010	17,145	-
Nebraska Department Environmental Quality	Pass-Through	66	NP98750801-0	57,864	-
National Science Foundation	Direct	66	PE987082010	2,205	-
				<u>273,042</u>	
Greater Research Opportunities	Direct	66.513	MA-91636301-0	7,756	-
Surveys, Studies, Investigations and Special Purpose Grants:					
Colorado State University	Pass-Through	66.606	G58381	6,702	-
EPA Surveys Studies and Investigations	Direct	66.606	X82925401-1	18,970	-
EPA Surveys Studies and Investigations	Direct	66.606	X82925401-2	7,061	-
EPA Surveys Studies and Investigations	Direct	66.606	X9-83114701	100,925	-
Subtotal CFDA 66.606				<u>133,658</u>	
Pollution Prevention Grants Program:					
EPA Pollution Prevention Program	Direct	66.708	NP-98733901-1	100,241	-
Nebraska Department of Environmental Quality	Pass-Through	66.708	SP-0405	12,427	-
Subtotal CFDA 66.708				<u>112,668</u>	
EPA Source Reduction Assistance	Direct	66.717	X9-98737501-0	26,720	24,632
66 Agency Total				<u>553,844</u>	
<b>81 Department of Energy:</b>					
Nebraska Department of Energy	Pass-Through	81	04/05-013	980	-
Conservation Research and Development	Direct	81.086	DEFG3601ID14010	1,110	-
Nebraska Department Environmental Quality	Pass-Through	81.446	446	5,651	-
81 Agency Total				<u>7,741</u>	
<b>84 Department of Education:</b>					
National Writing Project	Pass-Through	84	92NE02	55,897	7,280
University of Kansas	Pass-Through	84	FY2001015	82,556	-
Educational Service Unit No. 7	Pass-Through	84	S215X010281	257,192	-
				<u>395,645</u>	
Special Education Grants:					
Nebraska Department of Education	Pass-Through	84.027	94-2810-248-1B1-05	79,812	-
Nebraska Department of Education	Pass-Through	84.027	9428102481B1205	7,876	-
Nebraska Department of Education	Pass-Through	84.027	94-2810-248-1B2-04	848	-
Nebraska Department of Education	Pass-Through	84.027	9428102481B2504	5,334	-
Nebraska Department of Education	Pass-Through	84.027	94-2810-248-1B27-04	35,047	-
Nebraska Department of Education	Pass-Through	84.027	9428102481B505	40,206	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Nebraska Department of Education	Pass-Through	84.027	9428102483B104	\$14,515	\$0
Nebraska Department of Education	Pass-Through	84.027	9428102484B1105	3,361	-
Nebraska Department of Education	Pass-Through	84.027	94-2810-248-4B12-05	5,277	-
Nebraska Department of Education	Pass-Through	84.027	9428102484B1404	7,741	-
Nebraska Department of Education	Pass-Through	84.027	9428102486B504	33,581	11,375
Nebraska Department of Education	Pass-Through	84.027	9428102486B605	92,804	-
Nebraska Department of Education	Pass-Through	84.027	94-2810-248-6B7-05	150	-
Nebraska Department of Education	Pass-Through	84.027	9928132481B1904	2,990	-
Subtotal CFDA 84.027				<u>329,542</u>	
Vocational Education Basic Grants for States:					
Nebraska Department of Education	Pass-Through	84.048	24154	13,949	-
Nebraska Department of Education	Pass-Through	84.048	94800003ACRN05	123,080	-
Nebraska Department of Education	Pass-Through	84.048	94-8000-03-CTELDR04	28,044	-
Subtotal CFDA 84.048				<u>165,073</u>	
Fund for the Improvement of Post Secondary Education:					
Iowa State University	Pass-Through	84.116	432401 P116J010012	9,210	-
University of Arkansas Medical Science	Pass-Through	84.116	ARIA 14269	269,975	-
University of Texas Medical Branch at Galveston	Pass-Through	84.116	P116B030983	42,080	-
Improve Post Secondary Education	Direct	84.116	P116M0300130	46,276	-
Improve Post Secondary Education	Direct	84.116	P116N0200040	33,421	21,833
Improve Post Secondary Education	Direct	84.116	P116Z050302	107,647	-
Subtotal CFDA 84.116				<u>508,609</u>	
Special Education Preschool Grants:					
Nebraska Department of Education	Pass-Through	84.173	948002481P401	14,558	-
Special Education Grants for Infants and Families with Disabilities:					
Nebraska Department of Health and Human Resources	Pass-Through	84.181	94-2810-248-1C1-05	36,696	-
Nebraska Department of Education	Pass-Through	84.181	94-2810-248-1C4-05	112,323	25,150
Nebraska Department of Education	Pass-Through	84.181	94-2810-248-1C6-04	46,874	24,872
Nebraska Department of Education	Pass-Through	84.181	94-8000-248-9C4-03	434	-
Nebraska Department of Education	Pass-Through	84.181	9480012481C304I	12,584	-
Subtotal CFDA 84.181				<u>208,911</u>	
Safe and Drug-Free Schools and Communities National Programs:					
Omaha Public Schools	Pass-Through	84.184		18,049	-
Omaha Public Schools	Pass-Through	84.184		57,378	-
Safe and Drug Free Schools	Direct	84.184	Q184H0300320	167,653	-
Subtotal CFDA 84.184				<u>243,080</u>	
University of Colorado	Pass-Through	84.195		20,506	-
Bilingual Education	Direct	84.195	T195A9801110	10,227	-
Bilingual Education	Direct	84.195	T195B010067	59	-
Bilingual Education	Direct	84.195	T195B010067-02	15,985	-
Bilingual Education	Direct	84.195	T195B010067-03	91,623	-
Bilingual Education	Direct	84.195	T195B010067-04	29,065	-
Bilingual Education	Direct	84.195	T195E9900300	71,574	-
Bilingual Education	Direct	84.195	T195N0200460	212,962	68,698
Subtotal CFDA 84.195				<u>452,001</u>	
Fund for the Improvement of Education:					
Nebraska Department of Education	Pass-Through	84.215	948000341CHRED03	5,373	-
Nebraska Department of Education	Pass-Through	84.215	948000341CHRED05	10,096	-
U.S. Department of Education	Direct	84.215	R215K020126	237,763	-
Omaha Public Schools	Pass-Through	84.215	U215X030091	71,473	-
Omaha Public Schools	Pass-Through	84.215	U215X030091	7,172	7,172
Millard Public Schools	Pass-Through	84.215	U215X040188	61,480	-
Subtotal CFDA 84.215				<u>393,357</u>	
Platte River Workshop	Pass-Through	84.281		1,985	-
Nebraska Coordinating Commission Post Secondary Education	Pass-Through	84.281		1,184	-
Nebraska Coordinating Commission Post Secondary Education	Pass-Through	84.281		55	-
Subtotal CFDA 84.281				<u>3,224</u>	
Civic Education - Cooperative Education Exchange Program:					
National Council on Economics	Pass-Through	84.304		6	-
National Council on Economics	Pass-Through	84.304		59	-
Subtotal CFDA 84.304				<u>65</u>	

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Special Education - State Personnel Development: Nebraska Department of Education	Pass-Through	84.323	941060248SIG105	\$21,089	\$0
Research in Special Education: Nebraska Department of Education	Pass-Through	84.324	941060248SIG3004	22,028	-
Special Education Research and Training	Direct	84.324	H324T0100220	203,041	-
Subtotal CFDA 84.324				<u>225,069</u>	
Personnel Preparation	Direct	84.325	H325A0100280	271,160	-
Personnel Preparation	Direct	84.325	H325D0100160	93,780	-
Personnel Preparation	Direct	84.325	H325D0300050	197,079	-
Personnel Preparation	Direct	84.325	H325D0400020	1,871	-
Personnel Preparation	Direct	84.325	H325D0400023	17,598	-
Personnel Preparation	Direct	84.325	H325D9900350	13,651	-
Personnel Preparation	Direct	84.325	H325H0100880	160,767	-
Personnel Preparation	Direct	84.325	H325H0300480	147,385	-
Personnel Preparation	Direct	84.325	H325H0400073	29,453	-
Personnel Preparation	Direct	84.325	S359B040098	103,218	-
Subtotal CFDA 84.325				<u>1,035,962</u>	
Demonstration Projects Students Disabilities	Direct	84.333	P333A0200200	335,206	-
Child Care Access	Direct	84.335	P335A0200560	41,206	-
Teacher Quality Enhancement Grants: Nebraska Department of Education	Pass-Through	84.336		22,890	-
Early Childhood Educator Profession	Direct	84.349	S349A040089	148,906	-
Transition to Teaching: Nebraska Department of Education	Pass-Through	84.350		133,061	-
Nebraska Department of Education	Pass-Through	84.350	948000-10TTT1-05	41,846	-
Subtotal CFDA 84.350				<u>174,907</u>	
Reading First State Grants: Nebraska Department of Health and Human Resources	Pass-Through	84.357	24136	18,925	-
Mathematics and Science Partnerships: Educational Service Unit #10	Pass-Through	84.366	000010-16-MSP-06	19,236	-
Improving Teacher Quality State Grants: Nebraska Coordinating Commission Post Secondary Education	Pass-Through	84.367		4,334	-
Nebraska Coordinating Commission Post Secondary Education	Pass-Through	84.367	S367B030024	9,999	-
Subtotal CFDA 84.367				<u>14,333</u>	
84 Agency Total				<u>4,771,794</u>	
<b>93 Department of Health and Human Services:</b>					
Nebraska Department of Health and Human Resources	Pass-Through	93		838	-
Nebraska Department of Health and Human Resources	Pass-Through	93		78,101	-
Nebraska Department of Health and Human Resources	Pass-Through	93		21,196	-
Nebraska Department of Health and Human Resources	Pass-Through	93		6,277	-
Nebraska Department of Health and Human Resources	Pass-Through	93	0g0401ne1401	1,938,785	-
Nebraska Supreme Court	Pass-Through	93	G9701INESCIP	175,342	-
Nebraska Department of Health and Human Resources	Pass-Through	93	NHHS CDC	1,920	-
				<u>2,222,459</u>	
Nebraska Department of Health and Human Services	Pass-Through	93.040	8180	616,772	-
Maternal and Child Health Federal Consolidated Programs: Maternal and Children's Health	Direct	93.110	2 T73 MC00023-14	387,446	5,745
Children's Mercy Hospital	Pass-Through	93.110	5 H30 MC00040-05	36,533	-
Maternal and Children's Health	Direct	93.110	5 U93 MC 00120-10	138,230	-
Maternal and Children's Health	Direct	93.110	5 U93 MC00120-13	401,836	-
Maternal and Children's Health	Direct	93.110	G97MC04442-01	67,669	-
Subtotal CFDA 93.110				<u>1,031,714</u>	
Technical and Non-Financial Assistance to Health Centers	Direct	93.129	HHSH230200432011C	98,831	24,815
Injury Prevention and Control Research: Nebraska Department of Health and Human Resources	Pass-Through	93.136	U17/CCU714031-06-1	3,712	-
Nebraska Department of Health and Human Resources	Pass-Through	93.136	U17/CCU714031-07	30,665	-
Subtotal CFDA 93.136				<u>34,377</u>	
Aids Education and Training Centers: University of Colorado Health Science Center	Pass-Through	93.145	1 H4A HA00064-02	17,420	21,199
University of Colorado Health Science Center	Pass-Through	93.145	5 H4A HA00064-03	139,550	12,467
Subtotal CFDA 93.145				<u>156,970</u>	

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
National Institute of Deafness	Direct	93.173	08FDC006582A	\$19,950	\$0
Allied Health Project Grants	Direct	93.191	1 D40 HP02597-01	142,730	-
Allied Health Project Grants	Direct	93.191	2 D37 HP00825-04	146,494	-
Allied Health Project Grants	Direct	93.191	5 D37 HP00825-03	3,070	-
Allied Health Project Grants	Direct	93.191	5 D37 HP00872-02	146,805	-
Allied Health Project Grants	Direct	93.191	5 D40 HP02597-02	10,731	-
Allied Health Project Grants	Direct	93.191	D37HP03152A0	178,220	-
Subtotal CFDA 93.191				<u>628,050</u>	
Interdisciplinary Training and Health	Direct	93.192	5 D36 HP10059-08	3,728	-
Interdisciplinary Training and Health	Direct	93.192	5 D36 HP10059-09	185,725	49,000
Subtotal CFDA 93.192				<u>189,453</u>	
Rural Telemedicine Grants	Direct	93.211	1 D1BTH01052-01	113,204	-
Rural Telemedicine Grants	Direct	93.211	4 D1B TM00034-01-03	8,105	-
Subtotal CFDA 93.211				<u>121,309</u>	
Family Planning Services:					
Nebraska Department of Health and Human Services	Pass-Through	93.217		87,793	-
Development and Coordination of Rural Health Services:					
University of North Dakota	Pass-Through	93.223	286	3,971	-
University of North Dakota	Pass-Through	93.223	448	29,345	-
Subtotal CFDA 93.223				<u>33,316</u>	
Research on Healthcare Costs, Quality and Outcomes:					
The Johns Hopkins University	Pass-Through	93.226	PO 40719	3,215	-
The Johns Hopkins University	Pass-Through	93.226	PO 8301-40719-6	34,525	-
Subtotal CFDA 93.226				<u>37,740</u>	
Advanced Education Nursing	Direct	93.247	1 D09 HP00535-01	279,511	-
Advanced Education Nursing	Direct	93.247	1 D09 HP00535-03	1	-
Subtotal CFDA 93.247				<u>279,512</u>	
Public Health Training Centers Grant Program:					
Nebraska Department of Health and Human Resources	Pass-Through	93.249	1 K01 HP00114-01	48,623	-
University of Iowa	Pass-Through	93.249	10 510 20 5212 12705	5,084	-
Subtotal CFDA 93.249				<u>53,707</u>	
Health Communities Access Program:					
Hope Medical Outreach Coalition	Pass-Through	93.252	1 G92 OA 00099-01	2,556	-
Alcohol NSRA for Research	Direct	93.272	5 T32 AA07582-04	47	-
Alcohol NSRA for Research	Direct	93.272	5 T32 AA07582-05	257,679	-
Subtotal CFDA 93.272				<u>257,726</u>	
National Institute of Mental Health	Direct	93.281	5 K01 MH068214-04	28,260	-
National Institute of Mental Health	Direct	93.281	7 K01 MH068214-03	19,228	-
Subtotal CFDA 93.281				<u>47,488</u>	
Mental Health National Research	Direct	93.282	08FMH071081A	24,204	-
Mental Health National Research	Direct	93.282	08TMH070321A	133,145	-
Subtotal CFDA 93.282				<u>157,349</u>	
Centers for Disease Control and Prevention Investigations and Technical Assistance:					
Nebraska Department of Health and Human Resources	Pass-Through	93.283		90,216	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283		15,471	-
Region III Behavioral Sciences	Pass-Through	93.283		3,114	-
Nebraska Bioterrorism Center	Pass-Through	93.283		3,384	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283		847	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283		4,995	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283		3,858	-
Region III Behavioral Sciences	Pass-Through	93.283		3,011	-
Nebraska Department of Health and Human Resources	Pass-Through	93.283	1 U3R MC00025-01	24,548	8,124
Nebraska Department of Health and Human Resources	Pass-Through	93.283	1 U3R MC00025-02	1,019,865	28,303
Nebraska Dept of Health & Human Services	Pass-Through	93.283	36-5232-1005-001	241,192	9,000
Center for Disease Control	Direct	93.283	C13/CCC724021-01	30,000	-
Nebraska Department of Health and Human Services	Pass-Through	93.283	NHHS	3,055	-
University of Iowa	Pass-Through	93.283	PO4000513681	62,742	-
ATPM	Pass-Through	93.283	TS-1337	306,503	-
ATPM	Pass-Through	93.283	TS-922	159,280	-
ATPM	Pass-Through	93.283	TS-995	223,480	-
Children's Mercy Hospital	Pass-Through	93.283	U27 CCU719050-04	3,577	-
Children's Mercy Hospital	Pass-Through	93.283	U27 CCU719050-05	41,670	-

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Nebraska Department of Health and Human Resources	Pass-Through	93.283	U90 CCU716975-05	\$24,770	\$0
Center for Disease Control	Direct	93.283	U90 CCU724201-01	478,898	-
Subtotal CFDA 93.283				<u>2,744,476</u>	
Professional Nurse Trainee Program	Direct	93.358	2 A10 HP00056-05	90,321	-
Nursing Training Improvement	Direct	93.359	1 D11 HP00173-03	12,574	-
Nursing Training Improvement	Direct	93.359	1 D11 HP031117-01	201,127	-
Nursing Training Improvement	Direct	93.359	5 D11 HP00006-05	55,877	-
Subtotal CFDA 93.359				<u>269,578</u>	
Nursing Research	Direct	93.361	1 F31 NR08969-01	16,069	-
National Center for Research Resources:					
American Physiologic	Pass-Through	93.389		2,134	-
Research Infrastructure	Direct	93.389	08C6RR14568A	621,130	-
Research Infrastructure	Direct	93.389	08C6RR16544A	548,245	-
Research Infrastructure	Direct	93.389	08P0RR17675A	436,713	-
Subtotal CFDA 93.389				<u>1,608,222</u>	
Cancer Research Manpower	Direct	93.398	5 T32 CA09476-14	3,299	-
Cancer Research Manpower	Direct	93.398	5 T32 CA09476-15	269,658	-
Cancer Research Manpower	Direct	93.398	5 T32 CA09476-16	69,518	-
Subtotal CFDA 93.398				<u>342,475</u>	
Community Services Block Grant:					
Nebraska Department of Health and Human Resources	Pass-Through	93.569		10,000	-
Community Services Block Grant Discretionary Awards:					
National Collegiate Athletic Association	Pass-Through	93.570		12,906	-
National Collegiate Athletic Association	Pass-Through	93.570		47,061	-
NYSPP	Pass-Through	93.570	41106	37,823	-
Subtotal CFDA 93.570				<u>97,790</u>	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund:					
Nebraska Department of Health and Human Resources	Pass-Through	93.596		30,254	-
Developmental Disabilities Projects	Direct	93.631	90DN0104/02	37,144	-
University Centers for Excellence	Direct	93.632	90DD0533-02	1,712	-
University Centers for Excellence	Direct	93.632	90DD0533-03	431,056	-
Subtotal CFDA 93.632				<u>432,768</u>	
Child Welfare Services State Grants:					
Nebraska Department of Health and Human Resources	Pass-Through	93.645	18-P-91568/7-01	282,266	70,993
Social Services Research	Direct	93.647	0G90EJ001002	240,719	152,403
Social Services Research	Direct	93.647	0G90EJ001003	726,981	383,821
Social Services Research	Direct	93.647	0G90YE001103	129,049	108,809
Subtotal CFDA 93.647				<u>1,096,749</u>	
Nebraska Department of Health and Human Services	Pass-Through	93.667		55,851	-
State Medicaid Fraud Control Units:					
Lincoln/Lancaster County	Pass-Through	93.775	EO 073642	165,701	-
Lincoln/Lancaster County	Pass-Through	93.775	EO 67920	4,346	-
Subtotal CFDA 93.775				<u>170,047</u>	
Medical Assistance Program:					
Nebraska Department of Health and Human Resources	Pass-Through	93.778	11-P-92578/7-01	14,131	-
Nebraska Department of Health and Human Resources	Pass-Through	93.778	HHS #924	132,661	-
Subtotal CFDA 93.778				<u>146,792</u>	
Centers for Medicare and Medicaid Services:					
Nebraska Department of Health and Human Resources	Pass-Through	93.779	11-P-92081/7-01	45,209	-
Basic Core Area Health Education	Direct	93.824	1 U76 HP00592-03	159,640	120,743
Basic Core Area Health Education	Direct	93.824	2 U76 HP00592-04	819,436	619,685
Subtotal CFDA 93.824				<u>979,076</u>	
Heart and Vascular Disease	Direct	93.837	5 T32 HL07888-05	3,561	-
Clinical Research Related	Direct	93.853	5 T32 NS007488-02	8,465	-
Clinical Research Related	Direct	93.853	5 T32 NS007488-03	102,219	-
Subtotal CFDA 93.853				<u>110,684</u>	
Pharmacological Sciences	Direct	93.859	1 R25 GM074089-01	36,426	-
Research for Mothers and Children	Direct	93.865	08RHD045320A	8,963	-
Research for Mothers and Children	Direct	93.865	1 R13 HD048158-01	12,000	-
Subtotal CFDA 93.865				<u>20,963</u>	

**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
Medical Library Assistance:					
University of Utah	Pass-Through	93.879	N01 LM13514	\$88,988	\$0
University of Iowa	Pass-Through	93.879	PO 4000515086	7,478	-
Subtotal CFDA 93.879				<u>96,466</u>	
Society of Teachers of Family Medicine	Pass-Through	93.895	HRSA 240-00-0107	5,299	-
Predoctorial Training in Faculty	Direct	93.896	5 D16 HP00122-02	953	-
Predoctorial Training in Faculty	Direct	93.896	5 D16HP00122-03	120,197	-
Subtotal CFDA 93.896				<u>121,150</u>	
Rural Health Services Outreach	Direct	93.912	1 D1DHP04117-01-00	86,082	-
Grants to States for Operation of Offices of Rural Health:					
Nebraska Department of Health and Human Resources	Pass-Through	93.913		1,140	-
Nebraska Department of Health and Human Resources	Pass-Through	93.913		10,631	-
Nebraska Department of Health and Human Resources	Pass-Through	93.913	2-H95RH-00119-13-0	6,773	-
Subtotal CFDA 93.913				<u>18,544</u>	
HIV Care Formula Grants:					
Nebraska Department of Health and Human Resources	Pass-Through	93.917		1,380,391	-
Nebraska Department of Health and Human Resources	Pass-Through	93.917		7,000	-
Nebraska Department of Health and Human Resources	Pass-Through	93.917		236,265	-
Subtotal CFDA 93.917				<u>1,623,656</u>	
HIV Planning Grants	Direct	93.918	5 H76 HA00529-05	268,163	67,023
HIV Planning Grants	Direct	93.918	5 H76 HA00529-06	273,116	-
Subtotal CFDA 93.918				<u>541,279</u>	
HIV Prevention Activities Health Department Based:					
Nebraska Department of Health and Human Services	Pass-Through	93.940		3,157	-
Nebraska Department of Health and Human Services	Pass-Through	93.940		1,500	-
Nebraska Department of Health and Human Services	Pass-Through	93.940		1,486	-
Subtotal CFDA 93.940				<u>6,143</u>	
Epidemiologic Research Studies:					
Nebraska Department of Health and Human Services	Pass-Through	93.943		1,232	-
Nebraska Department of Health and Human Services	Pass-Through	93.943	U62/CCU723301	210	-
Subtotal CFDA 93.943				<u>1,442</u>	
Block Grants for Prevention and Treatment of Substance Abuse:					
Behavior Health	Direct	93.959		942,385	-
Region 6 Behavioral Healthcare	Pass-Through	93.959		35,386	-
Subtotal CFDA 93.959				<u>977,771</u>	
Training of Health Professionals	Direct	93.969	1 D31 HP03134-01	348,307	12,705
Disabilities Prevention	Direct	93.984	5 D12 HP 00120-03	115,431	-
Maternal and Child Health Services Block Grant:					
Omaha Healthy Start	Pass-Through	93.994		14,168	-
Nebraska Department of Health and Human Resources	Pass-Through	93.994		91,508	-
Nebraska Department of Health and Human Resources	Pass-Through	93.994		195,327	-
Nebraska Department of Health and Human Services	Pass-Through	93.994	MCH-00-95	84,288	-
Hope Medical Outreach Coalition	Pass-Through	93.994	MCH-03-40A	25,370	-
Nebraska Department of Health and Human Services	Pass-Through	93.994	MCH-05-125A	218,671	-
Subtotal CFDA 93.994				<u>629,332</u>	
Bioterrorism Training and Curriculum Development Program:					
Bioterrorism Training and Curriculum	Direct	93.996	1 T01 HP01447-01-01	140,618	-
Nebraska Department of Health and Human Resources	Pass-Through	93.996	2U3RMC00025-02	128,025	-
Bioterrorism Training and Curriculum	Direct	93.996	5 T01 HP01447-02-00	228,965	-
Subtotal CFDA 93.996				<u>497,608</u>	
93 Agency Total				<u>19,772,303</u>	
<b>94 Corporation for National and Community Service:</b>					
Learn and Serve America Higher Education:					
National 4-H Council	Pass-Through	94.005		8,287	-
Corporation for National Service	Direct	94.005	03LHHNE0001	246,621	121,646
Subtotal CFDA 94.005				<u>254,908</u>	
Americorps:					
Council of the Great City Schools	Pass-Through	94.006	01ADNDC009 1	8,718	-
Americorps	Pass-Through	94.006	03AFHNE0010005	73,286	-
Council of the Great City Schools	Pass-Through	94.006	04NDHDC002	115,144	-
Subtotal CFDA 94.006				<u>197,148</u>	



**UNIVERSITY OF NEBRASKA**  
(A component Unit of the State of Nebraska)

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

Federal Grant/Program Title	Payment Source	CFDA Number	Grant Number	Current	
				Year Expenditures	Subaward Expenses
<b>Planning and Program Development Grants:</b>					
Nebraska Volunteer Service Commission	Pass-Through	94.007	03ESHNE0010001	\$3,697	\$0
94 Agency Total				<u>455,753</u>	
<b>97 Department of Homeland Security:</b>					
State Domestic Preparedness Equipment Support Program:					
Nebraska Emergency Management Agency	Pass-Through	97.004	2003 TE TX 0171	212,139	-
Nebraska Emergency Management Agency	Pass-Through	97.004	2004-GE-T4-0048	120,485	-
Nebraska Emergency Management Agency	Pass-Through	97.004	2003-P2-CIP	841,503	-
Nebraska Emergency Management Agency	Pass-Through	97.004	2004-GE-T4-0048	188,510	-
97 Agency Total				<u>1,362,637</u>	
<b>98 Agency for International Development:</b>					
Agency for International Development	Direct	98.001	656G00000005000	140,023	-
98 Agency Total				<u>140,023</u>	
<b>Other:</b>					
Peace Corps	Direct	99.000	PC048091	12,068	-
Peace Corps	Direct	99.000	31862021000	542	-
Agency Total				<u>12,610</u>	
<b>Total Other:</b>				<u>\$59,867,854</u>	
<b>Total Expenditures of Federal Awards</b>				<u>\$ 295,321,933</u>	

See accompanying notes to supplemental schedule of expenditures of federal awards.

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

---

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation* – The purpose of the accompanying Supplemental Schedule of Expenditures of Federal Awards (the Schedule) is to present a detail of all programs classified by federal grantor agency expended by the University of Nebraska (the University) for the year ended June 30, 2005. For the purpose of the Schedule, federal awards have been classified into two types:

- Direct federal awards consisting of federal awards and federal student financial aid, and
- Pass-through funds received from non-federal organizations made under federally-sponsored programs conducted by those organizations.

Catalog of Federal Domestic Assistance (CFDA) numbers are presented for those programs for which such numbers are available. Programs for which no CFDA numbers are available have been presented under the applicable caption in the accompanying Schedule showing the grantor agency number and grant identification number. Those programs without CFDA or grant numbers primarily represent pass-through funds for which such information was not available from the grantor.

The accounting principles followed by the University in each of these areas and used in preparing the accompanying Schedule are as follows:

*Reporting Entity* - The reporting entity for the Schedule includes the accounts for all of the divisions of the University.

*Total Federal Awards* - Expenditures for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the U.S. Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general University activities which are allocated to federal awards under negotiated formulas, referred to as “indirect costs”. Restricted grants and contracts and other agreements are recognized when funds are expended in accordance with grant provisions.

Expenditures are recognized on the accrual basis for awards made to students and allowable administrative expenses of conducting such programs.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2005**

---

**B. STUDENT FINANCIAL AID LOAN PROGRAMS**

The University administers the following federally funded student loan programs:

	<b>CFDA Number</b>	<b>Outstanding Balances at June 30, 2005</b>	<b>Disbursements for the Year Ended June 30, 2005</b>
Federal Perkins Loan Program	84.038	\$31,283,194	\$8,522,106
Nursing Student Loan Program	93.364	454,064	172,070
Health Profession Student Loan Programs	93.342	5,571,787	359,424

The University of Nebraska Medical Center, University of Nebraska at Omaha, and University of Nebraska at Kearney also participate in the Federal Family Education Loan Program (including Federal Stafford and PLUS loans). The dollar amounts are not listed in the Schedule as the University is not the recipient of the funds. Such programs are considered as a component of the student financial aid major program. Loan disbursements under such programs for the year ended June 30, 2005 totaled \$81,705,922. The University of Nebraska - Lincoln (UNL) participates in the Federal Direct Loan Program (including Federal Stafford and PLUS loans). As UNL receives these funds directly, the amount is included in the Schedule.



**KPMG LLP**

Suite 1501  
Two Central Park Plaza  
Omaha, NE 68102

Suite 1600  
233 South 13<sup>th</sup> Street  
Lincoln, NE 68508-2041

**Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters Based on  
an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

Board of Regents of the University of Nebraska and  
the Auditor of Public Accounts of the State of Nebraska  
Lincoln, Nebraska

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the University of Nebraska (the University) (a component unit of the State of Nebraska) as of and for the year ended June 30, 2005, which collectively comprise the University's basic financial statements as listed in the table of contents and have issued our report thereon dated November 11, 2005 which refers to the adoption of the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures, an Amendment to GASB Statement No. 3*. We did not audit the financial statements of the University of Nebraska Foundation (the Foundation), a discretely presented component unit of the University. Those statements were audited by other auditors whose report has been furnished to us and appears herein, and our opinion insofar as it relates to the discretely presented component unit financial statements of the Foundation is based solely on the report of such other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Foundation, the University of Nebraska Facilities Corporation, the University of Nebraska Medical Associates, UNEMed, and the University of Nebraska Dental Associates were not audited in accordance with *Government Auditing Standards*.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Auditor of Public Accounts of the State of Nebraska, Board of Regents of the University of Nebraska, management of the University of Nebraska, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Lincoln, Nebraska  
November 11, 2005



**KPMG LLP**  
Suite 1501  
Two Central Park Plaza  
Omaha, NE 68102

Suite 1600  
233 South 13<sup>th</sup> Street  
Lincoln, NE 68508-2041

**Independent Auditors' Report on Compliance with Requirements  
Applicable to each Major Program and on Internal Control over  
Compliance in Accordance with OMB Circular A-133**

Board of Regents of the University of Nebraska and  
the Auditor of Public Accounts of the State of Nebraska  
Lincoln, Nebraska

***Compliance***

We have audited the compliance of the University of Nebraska (the University) (a component unit of the State of Nebraska) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005, except those requirements discussed in the fourth paragraph. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005, other than those requirements discussed in the following paragraph. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items #05-01, #05-02, and #05-03.

We did not audit the University's compliance with requirements governing the student loan repayment cycle, deferments, and cancellations for the Federal Perkins Loan program. Those requirements govern functions that are performed by Campus Partners and Affiliated Computer Services, Inc. (ACS) service organizations. Since we did not apply auditing procedures to satisfy ourselves as to compliance with those requirements, the scope of our work was not sufficient to enable us to express, and we do not express,

an opinion on compliance with those requirements. Campus Partners' and ACS' compliance with those requirements governing the functions that it performs for the University was examined by other accountants whose report has been furnished to us. The reports of the other accountants indicate that compliance with those requirements was examined in accordance with the Department of Education's Audit Guide, *Compliance Audits (Attestation Engagements) of Federal Student Financial Assistance Program at Participating Institutions and Institution Servicers*. Based on our review of the service organizations accountant's reports, we have determined that all of the compliance requirements included in the *Compliance Supplement* that are applicable to the major program in which the University participates are addressed in either our report or the reports of the service organizations accountants. Further, based on our review of the service organizations accountants' report, we have determined that they do not contain any findings of noncompliance that would have a direct and material effect on the University's major program.

### ***Internal Control Over Compliance***

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Requirements governing the student loan repayment cycle, deferments, and cancellations are performed by Campus Partners and ACS. Internal control over compliance relating to such functions was reported on by other accountants in accordance with the Department of Education's Audit Guide, *Compliance Audit (Attestation Engagements) of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. Copies of the service organizations accountants' reports have been furnished to us. However, the scope of our work did not extend to internal control maintained at Campus Partners and ACS.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Auditor of Public Accounts of the State of Nebraska, Board of Regents of the University of Nebraska, management of the University of Nebraska, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

Lincoln, Nebraska  
November 11, 2005

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

---

**Part I: Summary of Auditors' Results:**

- (a) The type of report issued on the basic financial statements: *Unqualified opinion*
- (b) Reportable conditions in internal control over financial reporting: *None reported*  
Material weaknesses in internal control over financial reporting: *No*
- (c) Noncompliance which is material to the basic financial statements: *None reported*
- (d) Reportable conditions in internal control over compliance: *None reported*  
Material weaknesses in internal control over compliance: *No*
- (e) The type of report issued on compliance for the major programs: *Unqualified*
- (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133:  
*Yes*
- (g) Major programs: *Student Financial Aid Cluster (84.007, 84.032, 84.033, 84.063, 93.364)*  
*Cooperative Extension Service (10.500)*
- (h) Dollar threshold used to distinguish between Type A and Type B programs: *\$3,000,000*
- (i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: *Yes*

**Part II: Findings Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*:**

None.



**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

---

**Part III Findings and Questioned Costs Relating to Federal Awards:**

<b>Finding 05-01:</b>	<b>Reporting</b>
<b>Federal Agency:</b>	U.S. Department of Education
<b>Program:</b>	Student Financial Aid Cluster
<b>CFDA#:</b>	Entire Cluster
<b>Award number:</b>	Entire Cluster
<b>Award year:</b>	2004 – 2005
<b>Statutory Requirement:</b>	The University is required to submit the <i>Fiscal Operations Report and Application to Participate (FISAP)</i> annually by October 1 following the end of the award year. “The school uses the <i>Fiscal Operations Report</i> portion to report its expenditures in the previous award year and the <i>Application to Participate</i> portion to apply for the following year” (FPL, FWS, FSEOG 34 CFR section 673.3).
<b>Finding and Perspective:</b>	<p>Each University campus submitted a FISAP for the 2004-2005 award year by October 1, 2005. Errors were found on the reports submitted by UNL and UNMC.</p> <p>In Part VI, Section A, Line 15 of UNL’s FISAP, the reported amount of unduplicated recipients was 26. The number of unduplicated recipients that should have been reported was 70.</p> <p>Additionally, several errors were included on UNMC’s FISAP. In Part II, Section D, UNMC reported 849 undergraduate students and 1,635 graduate students during award year 2004-2005. These amounts should have been 1,001 and 1,673, respectively. In Part III, Section C, the Amount Lent reported on Line 1.1 was \$1,239,769. The actual amount lent as of June 30, 2005 was \$12,395,769. Finally, in Part V, Section H, UNMC reported amounts of 390 and 520 on Lines 27 and 28. These lines should have read 360 and 480, respectively.</p>

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

---

<b>Questioned Costs:</b>	None.
<b>Cause:</b>	Controls in place do not ensure the accuracy of reported amounts.
<b>Effect:</b>	Inaccurate FISAP reports submitted to the U.S. Department of Education and the need to resubmit the report with corrections.
<b>Recommendation:</b>	We recommend the University add additional controls to ensure that all amounts reported on the FISAP are accurate.
<b>Management's Corrective Action Plan (UNMC):</b>	The changes to the FISAP were made October 13, 2005 in the presence of the auditor. In the future, UNMC will be more discerning in our review. When the numbers are placed in the FISAP software, it generally computes many, many errors to review and correct. The errors are due to data entry mistakes, mathematical computations being unequal, and disproportionate figures being reported in comparison to the previous year. When the FISAP presents itself as error free it generally means it is ready to submit. Despite our best efforts, because the process remains a manual data entry, data entry errors will occur from time to time.
<b>Anticipated Completion Date:</b>	Completed October 13, 2005
<b>Contact:</b>	Judi Walker Executive Director, Student Services Director Financial Aid

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

---

<b>Finding 05-02:</b>	Reporting
<b>Federal Agency:</b>	U.S. Department of Education
<b>Program:</b>	Student Financial Aid Cluster
<b>CFDA#:</b>	84.063
<b>Award number:</b>	All Awards
<b>Award year:</b>	2004 – 2005
<b>Statutory Requirement:</b>	The University is required to submit Pell Payment Data to the U.S. Department of Education through the Common Origination Disbursement (COD) system. “Institutions must report student payment data within 30 calendar days after the school makes a payment; or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data. Schools may do this by reporting once every 30 calendar days, biweekly, weekly or may set up their own system to ensure that changes are reported in a timely manner” (34 CFR Section 690.83).
<b>Finding and Perspective:</b>	<p>The University reports Pell information weekly. Five disbursements tested at UNO were not reported within 30 days. Three disbursements tested at UNK were not reported within 30 days.</p> <p>At UNL, all of the 2,791 disbursements tested were reported within 30 days. At UNO, five of the 159 disbursements tested (3.1%) were not reported within 30 days. These five disbursements were eventually reported within 33 to 193 days of disbursement. At UNK, three of the 392 disbursements tested (0.8%) were not reported within 30 days. These disbursements were eventually reported within 36 to 48 days of disbursement. At UNMC, all of the 15 disbursements tested were reported within 30 days. In total, eight out of 3,357 (0.2%) disbursements tested were not reported within 30 days.</p>
<b>Questioned Costs:</b>	None.
<b>Cause:</b>	Controls in place do not ensure all disbursements are reported within 30 days.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

---

<b>Effect:</b>	Noncompliance with the reporting requirements and an increased risk that all disbursements are not reported within 30 days.
<b>Recommendation:</b>	We recommend the University add additional controls to ensure that all disbursements are included on the Pell Payment Data reports within 30 days of the disbursement date.
<b>Management's Corrective Action Plan (UNK):</b>	The Associate Director of Financial Aid reviews all exception reports generated by SBA100. This report reflects all Pell disbursements we have made that were not reported to COD. This report is reviewed weekly on Wednesday mornings. The Associate Director reviews each exception and rectifies the problem that resulted in the student's information not being reported to COD.
<b>Anticipated Completion Date:</b>	This new procedure is already in place.
<b>Contact:</b>	Mary Sommers, Director of Financial Aid
<b>Management's Corrective Action Plan (UNO):</b>	<p>The audit found disbursements which were rejected either within our own system or by COD. Attempts to fix disbursements using only the computer generated reports did not always result in the students being reported within the 30 day requirement. We have reviewed our process and changes have been made to ensure timely reporting of the Federal Pell grants.</p> <p>First, the review process of the current reports has been updated. COD will be manually updated for disbursements which are rejected and not included in the computer generated report. We will no longer solely rely on the automated process to make the corrections for the rejected disbursements. In addition, we have added a monthly reconciliation report (SBA 250) to our procedures. The reconciliation report will run at the end of each 25 day period to ensure all transactions match COD or identify which disbursements need to be adjusted. These two adjustments to the current reporting will enhance our current system.</p>

**THE UNIVERSITY OF NEBRASKA**  
(A Component Unit of the State of Nebraska)

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

---

<b>Anticipated Completion Date:</b>	The updated reporting process started with the 2005 – 2006 academic year and will be an ongoing addition to the Federal Pell grant reporting system.
<b>Contact:</b>	Shareen Thewke Assistant Director of Financial Aid
<b>Finding 05-03:</b>	Special Test—Student Status Changes
<b>Federal Agency:</b>	U.S. Department of Education
<b>Program:</b>	Student Financial Aid Cluster
<b>CFDA#:</b>	84.032
<b>Award number:</b>	N/A
<b>Award year:</b>	2004 – 2005
<b>Statutory Requirement:</b>	Under the FFEL and Direct Loan programs, the University is required to submit student status changes to NSLDS. “The institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site. Unless the school expects to complete its next Roster File within 60 days, the school must notify NSLDS within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309).”
<b>Finding and Perspective:</b>	<p>UNMC reports student status information to NSLDS on the 15<sup>th</sup> of every month. One student status change tested at UNMC was not reported to NSLDS within 30 days.</p> <p>Of the 15 students tested at UNMC, one student status change was not reported to NSLDS with the required 30 days. The student whose status was not reported within the time requirements, is a nursing student in Lincoln, Nebraska. For the fiscal year 2004 – 2005, there were 209 nursing students enrolled in Lincoln, Nebraska.</p>
<b>Questioned Costs:</b>	None.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

---

<b>Cause:</b>	The electronic file created from UNMC's registration system and sent to NSLDS to report status changes does not have the capabilities to track students enrolled in programs outside of UNMC's registration system. The student whose status was not reported within the time requirements, is a nursing student in Lincoln, Nebraska. The student's financial aid is awarded by UNMC, but the registration and status is tracked by another campus. As such, information is not included on UNMC's registration system. Therefore, the report created from UNMC's registration system does not properly report student status outside UNMC's registration system. UNMC receives the information, however, they did not have a process in place to ensure the Director of Student Accounts receives the information.
<b>Effect:</b>	Noncompliance with the special test requirements and an increased risk that all status changes for students awarded financial aid by UNMC but not tracked on UNMC registration system are not reported within 30 days to NSLDS.
<b>Recommendation:</b>	We recommend the University either add other controls to ensure that all status changes for students awarded financial aid by UNMC but not tracked on UNMC registration system are reported within 30 days to NSLDS or include those students on UNMC registration system to ensure status changes are properly reported to NSLDS within time requirements.
<b>Management's Corrective Action Plan:</b>	The UNMC CON Lincoln nursing students are on the UNMC student information system. The students' information is received in a tape dump in the 2 <sup>nd</sup> , 8 <sup>th</sup> , and 15 <sup>th</sup> week of classes from the UNL campus. Currently a change of status form is processed through the offices of academic records and financial aid to make adjustments as necessary. The form is not routed through Student Accounts because these students do not have accounts at UNMC. The Director of Student Accounts maintains the NSLDS database. The oversight of not sending the form to the Director of Student Accounts resulted in the student not being coded properly on NSLDS.

**THE UNIVERSITY OF NEBRASKA**  
**(A Component Unit of the State of Nebraska)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

---

The routing form will be changed to reflect a UNL CON student reduction/withdrawal in enrollment: Change NSLDS.

**Anticipated Completion Date:** November 29, 2005

**Contact:** Judi Walker  
Director, Financial Aid  
UNMC

**Part IV Summary Schedule of Prior Year Audit Findings:**

**Finding:** 2005-1

**Status:** Corrective Action Taken

**Finding:** 2005-2

**Status:** Corrective Action Taken



**KPMG LLP**  
Suite 1501  
Two Central Park Plaza  
Omaha, NE 68102

Telephone 402 348 1450  
Fax 402 348 0152  
Internet www.us.kpmg.com

Suite 1600  
233 South 13th Street  
Lincoln, NE 68508-2041

Telephone 402 476 1216  
Fax 402 476 1944

November 11, 2005

The Board of Regents  
University of Nebraska

We have audited the basic financial statements of the University of Nebraska (the University) as of and for the year ended June 30, 2005, and have issued our report thereon dated November 11, 2005. In planning and performing our audit of the basic financial statements of the University, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered the internal control structure since the date of our report.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

#### **Calculation of Net Assets**

Equity of the University is displayed in three components: Invested in Capital Assets, Net of Related Debt; Restricted and Unrestricted. Invested in Capital Assets, Net of Related Debt consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds should not be included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt should be included in the same net assets component as the unspent proceeds—for example, restricted for capital projects. The University's calculation did not include certain debt elements. The University adjusted the calculation based on our recommendation. We encourage the University to continue developing a method to ensure the calculation of net assets is accurately reported across all campuses in the future.

#### **Library Books**

At June 30, 2005, the University has recorded approximately \$4.5 million in library books on the financial statements. Library books do not meet the capitalization threshold in accordance with University policy; however, for tracking purposes, the University records each book at \$1. Generally accepted accounting principles require that the University record library books at original cost and depreciate or, if not material, expense the cost as incurred. We recommend the University record each book at 1 cent or develop another tracking procedure that does not capitalize a portion of the cost of the books.



## **Capitalized Interest**

Generally accepted accounting principles require that interest costs be capitalized as part of the historical cost of the asset and depreciated over the life of the asset. During the past two years, a significant amount of debt was issued for the construction of capital assets; however, related interest was not capitalized as part of the cost of the asset. The University should establish policies and procedures to ensure interest is capitalized in the future.

## **Capitalization Thresholds**

Generally accepted accounting principles require the University to capitalize material fixed assets purchased or constructed. The University has a capitalization threshold of \$500,000 for buildings and improvements. Therefore, the University could have many additions that are less than \$500,000 that are expensed. We recommend the University consider lowering the threshold or analyzing the improvements under \$500,000 to ensure in total they are not material.

## **Compensated Absences**

Each campus develops an accrual for compensated absences however, the methodology used at each campus is not consistent resulting in some campuses recording a lower accrual. For example, some campuses do not include an estimate for payroll taxes and benefits. In addition, campuses apply different policies related to floating holidays. We recommend the University develop a University-wide compensated absences policy for all campuses to adhere to.

## **Management's Discussion and Analysis**

Governmental Accounting Standards Board Statement 34 Implementation Guide, question 7.484 requires that MD&A associated with comparative financial statements should provide condensed financial statements for the current year, the prior year, and two years ago so that each of the two years presented in the comparative financial statements can be compared to its prior year. The University elected not to present comparative information for the prior year as required. We suggest that the University present comparative information in the MD&A.

## **Terminated Users—IT Controls**

During our testing of the Information Technology (IT) general controls over SAP, we obtained a listing of terminated employees. Six of thirty terminated employees selected for testing still had access to the system (three had both application and employee self-service (ESS) access and three had only ESS access). Terminated employees with access to the system or applications could lead to potential system abuse or sabotage. We recommend that the University establish a formal termination policy and procedures to require that system access of terminated employees be removed on or before the employee's last day. In addition, we recommend the IT Security department periodically review system access to identify accounts that have not been accessed in over 90 days or never accessed to determine if such users should have access to the system or application.

## **IT Data Center Access**

Currently, the University has 274 active access cards to the data center, of which only 66 are held by IT personnel. An excessive number of individuals with access to critical computing resources may lead to intentional and/or unintentional damage of system resources. We recommend the University establish a formal access policy that provides only IT personnel with access cards and others needing access can be escorted into the data center as needed.

We would be pleased to discuss these comments and recommendations with you at any time. We appreciate and thank the University's employees for the courtesy and cooperation extended to us during the audit. This report is intended solely for the information and use of the State of Nebraska Auditor of Public Accounts, the University's management and others within the organization.

Very truly yours,

KPMG LLP

November 30, 2005

Board of Regents of the University of Nebraska  
Lincoln, Nebraska

Dear Board Members:

We have received the management letter of recommendations dated November 11, 2005 from KPMG LLP, our independent certified public accountants. This letter is designed to address the observations included in that letter. The format of this response is to repeat the comment made by the auditors with the response of the University following immediately thereafter.

***Calculation of Net Assets***

Comment. Equity of the University is displayed in three components: Invested in Capital Assets, Net of Related Debt; Restricted and Unrestricted. Invested in Capital Assets, Net of Related Debt consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds should not be included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt should be included in the same net assets component as the unspent proceeds-for example, restricted for capital projects. The University's calculation did not include certain debt elements. The University adjusted the calculation based on our recommendation. We encourage the University to continue developing a method to ensure the calculation of net assets is accurately reported across all campuses in the future.

Response. Management of the University agrees with the comment and has implemented this recommendation on a retroactive basis concurrent with the fiscal 2005 financial statements.

The effect of the implementation was to reclassify fund balances and did not impact the results of operations as previously reported. The former accounting was adopted to allow for ease of tracking restricted dollars held by trustees in the restricted expendable classification.

### ***Library Books***

Comment. At June 30, 2005, the University has recorded approximately \$4.5 million of library books on the financial statements. Library books do not meet the capitalization threshold in accordance with University policy; however, for tracking purposes, the University records each book at \$1. Generally accepted accounting principles require that the University record library books at original cost and depreciate or, if not material, expense the cost as incurred. We recommend the University record each book at 1 cent or develop another tracking procedure that does not capitalize a portion of the cost of the books.

Response. Management of the University will write off the current amounts recorded as library books as suggested by the auditors.

The current valuation method of \$1 per volume has been a longstanding policy that was developed for tracking library books on the University's balance sheet that dates back to the first audit of the University's books by external auditors.

The University believes it has mitigating controls to allow the safeguarding of these assets whether they are written off as acquired or if a nominal amount is assigned to each volume and carried on the University's books and records. First, campus libraries track and inventory the books and materials at all locations. Second, the University budgets an amount each year to purchase additional and replacement volumes and this expenditure, when consistently followed, reasonably approximates the operational impact as if the books were capitalized at full cost and depreciated over their useful lives.

### ***Capitalized Interest***

Comment. Generally accepted accounting principles require that interest costs be capitalized as part of the historical cost of the asset and depreciated over the life of the asset. During the past two years, a significant amount of debt was issued for the construction of capital assets; however, related interest was not capitalized as part of the cost of the asset. The University should establish policies and procedures to ensure interest is capitalized in the future.

Response. Management agrees with this comment. The recommendation was implemented in the 2005 financial statements and will be followed in preparation of future financial statements.

### ***Capitalization Thresholds***

Comment. Generally accepted accounting principles require the University to capitalize material fixed assets purchased or constructed. The University has a capitalization threshold of \$500,000 for buildings and improvements. Therefore, the University could have many additions that are less than \$500,000 that are expensed. We recommend the University consider lowering the threshold or analyzing the improvements under \$500,000 to ensure in total they are not material.

Response. Management believes its current thresholds are appropriate for an entity of the size of the University. Rather than change the policy, University officials propose to adopt the second part of the auditor's suggestion, by examining the listing of capital improvements as part of the preparation of financial statements. If amounts under \$500,000 on a cumulative basis appear to be material to the University's net investment in capital assets (currently approximating \$1.1 billion), such amounts will be reflected in the financial statements.

### ***Compensated Absences***

Comment. Each campus develops an accrual for compensated absences, however the methodology used at each campus is not consistent resulting in some campuses recording a lower accrual. For example, some campuses do not include an estimate for payroll taxes and benefits. In addition, campuses apply different policies related to floating holidays. We recommend the University develop a University-wide compensated absences policy for all campuses to adhere to.

Response. Management agrees with the auditor's recommendation. Application of a consistent accrual policy to include an estimate for payroll taxes and benefits will be re-emphasized with the campuses. Campus practices will be examined to ensure Regent's policies relating to floating holidays is followed uniformly by the campuses.

### ***Management's Discussion and Analysis***

Comment. Governmental Accounting Standards Board Statement 34 Implementation Guide, question 7.484 requires that MD&A associated with comparative financial statements should provide condensed financial statements for the current year, the prior year, and two years ago so that each of the two years presented in the comparative financial statements can be compared to its prior year. The University elected not to present comparative information for the prior year as required. We suggest that the University present comparative information in the MD&A.

Response. Management agrees with the auditor's recommendation. In the future, the Management's Discussion and Analysis section of the statements will show three years of capsulized comparative data.

### ***Terminated Users-IT Controls***

Comment. During our testing of the Information Technology (IT) general controls over SAP, we obtained a listing of terminated employees. Six of thirty terminated employees selected for testing still had access to the system (three had both application and employee self-service (ESS) access and three had only ESS access.) Terminated employees with access to the system or applications could lead to potential system abuse or sabotage. We recommend that the University establish a formal termination policy and procedures to require that system access of terminated employees be removed on or before the employee's last day. In addition, we recommend the IT security department periodically review system access to identify

accounts that have not been accessed in over 90 days or never accessed to determine if such users should have access to the system or application.

Response. Management agrees with the auditor's observation.

Each campus' security coordinator receives a daily report containing employees who have separated from the university. Campuses will be admonished to ascertain that access to all University systems are deactivated upon separation.

During early 2006, the Administrative Systems Group and the Computing Services Network (CSN) will review and determine the feasibility of automated methods for system deactivation upon employee separation from the university. Additionally, a task will be added to the University Information Security Officer's role to periodically review and identify accounts that have not been accessed in over 90 days and will work with the campuses to determine if such users should continue to have access.

#### *IT Data Center Access*

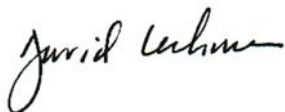
Comment. Currently, the University has 274 active access cards to the data center, of which only 66 are held by IT personnel. An excessive number of individuals with access to critical computing resources may lead to intentional and/or unintentional damage of system resources. We recommend the University establish a formal access policy that provides only IT personnel with access cards and others needing access can be escorted into the data center as needed.

Response. Management agrees with the auditor's recommendation. A review of the IT data center access card list was completed upon receiving the auditor's recommendation and the number of persons with access has been reduced from 274 to 112 individuals. Remaining individuals include required IT staff, campus security, and facilities personnel. A formal policy for individuals beyond this community to gain access to the IT data center does exist and is followed, requiring sign in and escort into the center. The CSN management staff will also periodically review and verify the access list to the IT data center.

\* \* \* \*

Regents, please feel free to contact this office with any questions or desired clarifications.

Sincerely,



David E. Lechner  
Vice President for Business & Finance

UNIVERSITY DENTAL ASSOCIATES  
(A Not-for-Profit Corporation)  
PROFESSIONAL FEES OFFICE

\* \* \* \* \*

FINANCIAL STATEMENTS and  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

Loren D. Swanson  
Certified Public Accountant  
5640 South Street, Suite 2  
Lincoln, Nebraska 68506

UNIVERSITY DENTAL ASSOCIATES

PROFESSIONAL FEES OFFICE

TABLE OF CONTENTS

For The Years Ended June 30, 2005 and 2004

	<u>Page Number</u>
Independent Auditor's Report	1
<u>Financial Statements:</u>	
Statements of Assets, Liabilities and Net Assets	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 8
Details of Expenditures	9



Loren D. Swanson  
Certified Public Accountant  
5640 South Street, Suite 2  
Lincoln, Nebraska 68506  
402/489-7586

Board of Regents  
University of Nebraska  
Lincoln, Nebraska

Independent Auditor's Report

We have audited the accompanying financial statements of the University Dental Associates (a not-for-profit corporation), Professional Fees Office (PFO), as of June 30, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the Office's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the PFO prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, because of the PFO's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the University Dental Associates, as of June 30, 2005 and 2004, or the results of its operations, or cash flows for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the University Dental Associates, as of June 30, 2005 and 2004, and the revenues it received and expenditures it paid for the years then ended, on the basis of accounting described in Note A.



Loren D. Swanson, C.P.A.  
November 30, 2005

UNIVERSITY DENTAL ASSOCIATES

PROFESSIONAL FEES OFFICE

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS

June 30, 2005 and 2004

ASSETS

	2005	2004
	-----	-----
Cash - Operating Account	\$ 322,258	\$ 111,735
Cash - Faculty Development Expense Account (Note E)	(730)	(1,175)
	-----	-----
TOTAL ASSETS	\$ 321,528	\$ 110,560
	=====	=====

LIABILITIES AND NET ASSETS

Liabilities:

Accrued Expenses	\$ 196,452	\$ 85,543
Accrued Compensation (Note F)	210,364	61,513
Reserve for Payroll Taxes (Note B)	24,478	18,600
	-----	-----
TOTAL LIABILITIES	431,294	165,656
	-----	-----

Net Assets:

Dean's Fund Contribution	45,147	45,147
Unrestricted Net Assets from Activities (Deficit)	(154,913)	(100,243)
	-----	-----
UNRESTRICTED NET ASSETS	(109,766)	(55,096)
	-----	-----
TOTAL LIABILITIES AND NET ASSETS	\$ 321,528	\$ 110,560
	=====	=====

See accompanying auditor's report and notes to financial statements.

UNIVERSITY DENTAL ASSOCIATES  
PROFESSIONAL FEES OFFICE  
STATEMENTS OF ACTIVITIES

For The Years Ended June 30, 2005 and 2004

	2005	2004
	-----	-----
REVENUES:		
Professional fees	\$ 1,737,168	\$ 1,422,970
Less: Refunds	(45,102)	(29,287)
Net Professional fees	1,692,066	1,393,683
Interest	6,563	1,798
TOTAL REVENUES	1,698,629	1,395,481
	-----	-----
EXPENDITURES:		
Direct operational expenses of services provided	153,775	144,365
Direct operating supplies	111,730	111,512
Expenses of Professional Fees Office	497,539	480,548
Faculty compensation (Note A)	707,796	477,485
Faculty development expense (Note E)	57,355	75,506
College of Dentistry Funds (Note C)	225,104	152,725
TOTAL EXPENDITURES	1,753,299	1,442,141
	-----	-----
INCREASE (DECREASE) IN NET ASSETS FROM ACTIVITIES	(54,670)	(46,660)
NET ASSETS FROM ACTIVITIES:		
BEGINNING OF THE YEAR	(100,243)	(53,583)
	-----	-----
END OF OF THE YEAR	\$ (154,913)	\$ (100,243)
	=====	=====

See accompanying auditor's report and notes to financial statements.

UNIVERSITY DENTAL ASSOCIATES  
PROFESSIONAL FEES OFFICE  
STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2005 and 2004

	2005	2004
	-----	-----
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (54,670)	\$ (46,660)
	-----	-----
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase (Decrease) in accrued expenses	110,909	(30,474)
Increase (Decrease) in accrued compensation	148,851	(27,815)
Increase (Decrease) in reserve for payroll taxes	5,878	(3,566)
	-----	-----
Total adjustments	265,638	(61,855)
	-----	-----
Net cash provided (used) by operating activities	210,968	(108,515)
	-----	-----
Net increase (decrease) in cash	210,968	(108,515)
Cash at beginning of year	110,560	219,075
	-----	-----
Cash at end of year	\$ 321,528	\$ 110,560
	=====	=====

See accompanying auditor's report and notes to financial statements.

UNIVERSITY DENTAL ASSOCIATES

PROFESSIONAL FEES OFFICE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Segment and History - The University Dental Service Plan (DSP or the Plan) was approved by the Board of Regents of the University of Nebraska on January 16, 1982. The Plan was organized in order for The University of Nebraska Medical Center College of Dentistry faculty to provide clinical services for which professional service fees are charged. The University Dental Associates (UDA) was approved, to replace DSP, by the Board of Regents of the University of Nebraska on June 10, 1995, and approved by the plan members of the prior unincorporated association (DSP) on June 12, 1995.

UDA, the new Plan, is a not-for-profit corporation organized exclusively for educational, scientific, and charitable purposes under Section 501(c)(3) of the Internal Revenue Code. All clinical faculty members of the College of Dentistry (COD) with an appointment of .70 FTE or greater may elect to be members of the Plan. The electing members are voting members of UDA. The Board of Directors of UDA is comprised of one member from each of the six clinical departments. The corporation's officers are elected from its members by the Board of Directors.

Each clinical faculty member has a Terms of Employment Agreement with the University of Nebraska which includes the duties of employment and a base salary. The Employment Agreements are renewed and/or renegotiated annually on July 1.

The Professional Fees Office (PFO) is established by the Plan for the purpose of billing, collecting and distributing professional service fees generated by the members of the Plan. The distribution of these fees is to be accounted for in accordance with the terms of the Plan.

Basis of Accounting - The PFO has adopted the modified cash basis of accounting to prepare the accompanying financial statements. Revenues and the related assets are recognized when received rather than when earned, while certain expenses are recognized when paid rather than when the obligations are incurred. In addition, the PFO records the obligations to the College of Dentistry as determined in accordance with the terms of the Plan at the time the distributions are calculated for Plan members. At June 30, 2005 and 2004, an amount was accrued as due to members for their share of professional fees collected during prior months but not paid to them in base salary to date. See also Note F. for further information.

These notes are an integral part of the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS, continued

B. RELATED PARTY TRANSACTIONS:

The Plan, operating under the authority of the Board of Regents of University of Nebraska, routinely engages in transactions with other operating departments of the University. The transactions involved include:

- a. The establishment of an account on the University's accounting system (UDA Operational Fund) which provides a mechanism for the payment of payroll and benefits and the purchase of dental supplies as well as other operating and office supplies from the University's Stores System. This account is periodically reimbursed by the Plan.
- b. In February, 1991, the majority of DSP employees were integrated into the University of Nebraska payroll system. This transfer was fully implemented in early 1993, and now all UDA employees, including clinical faculty members, are in the University system. UDA, therefore, reimburses the University for the related wages, base salaries and benefits.
- c. From July 1 to December 31, 1995, the University of Nebraska payroll system paid the matching social security and medicare taxes for the base salaries paid to clinical faculty members. Since January 1, 1996, UDA has been accruing the estimated matching social security and medicare taxes as follows:

	2005 -----	2004 -----
Reserve for payroll taxes	\$ 24,478	\$ 18,600

The actual amount was undeterminable at the time of the audit, since the final payroll taxes will be based on total compensation, including the regular salary from the College of Dentistry. When determined, the proper amount will be reimbursed by UDA to the University of Nebraska payroll system.

C. DIVISION OF INCOME:

Section VII 2a-2e of the Plan require that all professional service fee income collected by the PFO and allocated under the provisions of the Plan be deposited to the College of Dentistry. The activity related to funds allocated under the provisions of the Plan for the year ended June 30, 2005 is as follows:

	<u>College of Dentistry</u> <u>Dean's</u>	<u>Department</u>	<u>Funds</u> <u>Use-of-</u>
	<u>Prof Services</u>	<u>Development</u>	<u>Facility</u>
12% to College of Dentistry Professional Services (Dean's Fund)	\$ 106,333		
5% to Department Development Fund of individual member's parent department		44,305	
3% to Plan's Equipment Fund			26,583
	-----	-----	-----
Disbursed to College of Dentistry during the year ended June 30, 2005	\$ 106,333	\$ 44,305	\$ 26,583
	=====	=====	=====

These notes are an integral part of the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS, continued

D. ADULT DENTAL AND PEDIATRIC CLINICS, OMAHA, NEBRASKA:

Effective July 1, 1992, DSP agreed to reimburse the Omaha clinics for 25% of their net collections of professional fees, to maintain their records, purchase supplies, equipment and pay for staff employees and their benefits. Effective January 1, 1999, the reimbursement was changed to 70% of the new overhead assessments of the Omaha faculty practitioners. The activity of this arrangement for the year ended June 30, 2005, is as follows:

	<u>University Medical Center, Omaha</u>	
	<u>Adult Dental</u>	<u>Pediatric Clinic</u>
Disbursed to the UNMC during the year ended June 30, 2005	\$ 3,529	\$ 44,354
	=====	=====

E. FACULTY DEVELOPMENT EXPENSE ACCOUNT

Effective January 1, 2005, the procedure of handling faculty development expense has been changed. UDA had established a separate bank account for the accumulating of funding and the disbursing of ordinary and necessary business expenses related to the clinical faculty members. A portion of the collected receipts were deposited into the separate bank account on a monthly basis from the Operating Account. These amounts were budgeted for by the faculty member at the beginning of the year.

As of January 1, 2005, this procedure was abandoned, and transfers are no longer made from clinical faculty members collected receipts.

The account activity for the years ended June 30, 2005 and 2004 can be summarized as follows:

	<u>2005</u>	<u>2004</u>
Balance at the beginning of year	\$ (1,175)	\$ (315)
Deposits/transfers from Operating Account	57,800	72,922
Paid directly from Operating Account	0	1,724
	-----	-----
	56,625	74,331
Add: Ledger Overdraft at the end of year	730	1,175
	-----	-----
Actual faculty development expense	\$ 57,355	\$ 75,506
	=====	=====

F. ACCRUED COMPENSATION

As referred to in Note A, accrued compensation is determined as of June 30 of each fiscal year end. These balances are normally paid to members in July and January as bonuses. The accrued compensation accounts can be summarized at June 30, as follows:

	<u>2005</u>	<u>2004</u>
Clinical faculty members with professional fees collected in excess of base salary paid	\$ 213,216	\$ 108,145
Clinical faculty members with base salary paid in excess professional fees collected (future fees will be collected and/or future salaries will be reduced so as to result in no unrecoverable amounts due to UDA)	(2,852)	(46,632)
	-----	-----
Net accrued compensation	\$ 210,364	\$ 61,513
	=====	=====

These notes are an integral part of the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS, continued

G. OVERHEAD EXPENSE CALCULATIONS

The UDA Board of Directors approved a change in the method of computing and collecting its overhead expenses. This change was effective January 1, 2005 and the effect on the results of operations of UDA, is reflected in the financial statements herein. The overhead rate remained a three-tiered rate system as follows:

Collected Professional Fees - Annual Basis	Overhead Expense Rate	
	Jul 2003-Dec 2004	Jan 2005-Jun 2005
\$ 0 to \$ 3,000	100%	
0 to \$ 2,500		100%
3,001 to 20,000	42%	
2,501 to 20,000		40%
20,001 and over	34%	
20,001 and over		32%
Hygiene fees - one rate	\$ 42/hour	\$ 42/hour
Pathology fees - one rate	40%	40%

H. RISK MANAGEMENT

UDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, UDA carried commercial insurance for general liability, property coverage, workers' compensation, errors and omissions, and umbrella coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

These notes are an integral part of the accompanying financial statements.



UNIVERSITY DENTAL ASSOCIATES

PROFESSIONAL FEES OFFICE

DETAILS OF EXPENDITURES

For The Years Ended June 30, 2005 and 2004

	2005	2004
	-----	-----
<u>Direct Operating Expenses of Services Provided:</u>		
General laboratory expenses	\$ 101,832	\$ 96,254
Pathological services	17,893	16,713
Biopsy expenses	34,050	31,398
	-----	-----
Total Direct Operating Expenses of Services Provided	\$ 153,775	\$ 144,365
	=====	=====
<u>Direct Operating Supplies:</u>		
Dental supplies and implants	111,730	111,512
	-----	-----
Total Direct Operating Supplies	\$ 111,730	\$ 111,512
	=====	=====
<u>Expenses of Professional Fees Office:</u>		
Salaries and Wages	\$ 240,120	\$ 204,123
Contract Labor	16,997	55,726
Hygiene Salaries	40,010	54,616
Management Salaries	57,602	44,686
Staff Benefits	84,159	65,126
Malpractice Insurance and Licenses	19,209	18,645
Communications Expenses	15,247	13,131
Printing, Duplication and Office Supplies	375	1,853
Bank Charges	7,973	7,366
Miscellaneous	15,847	15,276
	-----	-----
Total Expenses of Professional Fees Office	\$ 497,539	\$ 480,548
	=====	=====

See accompanying auditor's report and notes to financial statements.

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Subcontracts and related amendments for the United States Department of Agriculture (USDA) drought risk management research project

RECOMMENDED ACTION: Authorize the University of Nebraska-Lincoln (UNL) Vice Chancellor for Business and Finance to execute subcontracts and related amendments in conjunction with the USDA Risk Management Agency (RMA) research grant.

PREVIOUS ACTION: None

EXPLANATION: The University of Nebraska-Lincoln has received an award of \$1,023,038 from the USDA RMA to expand on the innovative Vegetation Drought Response Index geospatial drought risk monitoring model for the contiguous United States and to tailor its use for producers to assess and manage risks associated with rangeland and forage failure (or damage) due to drought. UNL is the lead institution in this three-year project and, under the terms of the partnership agreement, will be required to make a subcontract in each of the three years of the agreement. The anticipated amount of the subcontract to the U.S. Geological Survey's National Center for Earth Resources Observation and Science is \$253,884.

Approval of this item will authorize the UNL Vice Chancellor for Business and Finance to execute, on behalf of the Board of Regents, the subcontract and any related amendments in conjunction with this award during its three-year term.

SOURCE OF FUNDS: Federal Funds

PROJECT COST: \$253,884

SPONSORS: Prem S. Paul  
Vice Chancellor for Research  
  
Christine Jackson  
Vice Chancellor for Business & Finance

APPROVAL: \_\_\_\_\_  
Harvey Perlman, Chancellor  
University of Nebraska-Lincoln

DATE: December 13, 2005

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: A gift from the University of Nebraska Foundation of a parcel of land located at 3278 Holdrege Street

RECOMMENDED ACTION: Accept a gift from the University of Nebraska Foundation of a parcel of land located at 3278 Holdrege Street.

PREVIOUS ACTION: None

EXPLANATION: The University of Nebraska Foundation acquired a parcel of land bound on the north and east by Board of Regents-owned land on November 30, 2005. The property currently contains a single family house.

Because the subject parcel is adjacent to the west edge of the International Quilt Study Center site, acceptance of this gift will allow for the placement of a soft-landscaped transition area between the neighborhood and the International Quilt Study Center.

The subject parcel, as shown on the attached map, is located in the Southwest Quarter of Section 18, Township 10 North, Range 7 East, Lincoln, Lancaster County, Nebraska and is zoned R Urban Residential.

An environmental site assessment has been completed on the property and no issues arose to affect acceptance of the parcel. Final acceptance is subject to General Counsel approval of the acquisition documents as to form and legality.

PROJECT COST: None

SOURCE OF FUNDS: N/A

SPONSOR: Christine A. Jackson  
Vice Chancellor for Business & Finance

APPROVAL: \_\_\_\_\_  
Harvey Perlman, Chancellor  
University of Nebraska-Lincoln

DATE: December 13, 2005

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Purchase of Real Estate

RECOMMENDED ACTION: Approve the Contract for the Purchase of Real Estate located at 673 S. 41<sup>st</sup> Street, Omaha, Nebraska.

PREVIOUS ACTION: None

EXPLANATION: The real estate consists of vacant real property within the UNMC campus, as shown on the attached map.

Acquisition of this property will allow UNMC to acquire space that is within the Master Plan and will serve as student housing.

The property has been appraised. An environmental site assessment has been completed.

The proposed contract has been reviewed and approved as to form and content by the Office of the University General Counsel.

Members of the public and the news media may obtain a copy of the proposed Contract for the Purchase of Real Estate in the Office of the University Corporation Secretary, 3835 Holdrege Street, Lincoln, Nebraska 68583, between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except University holidays.

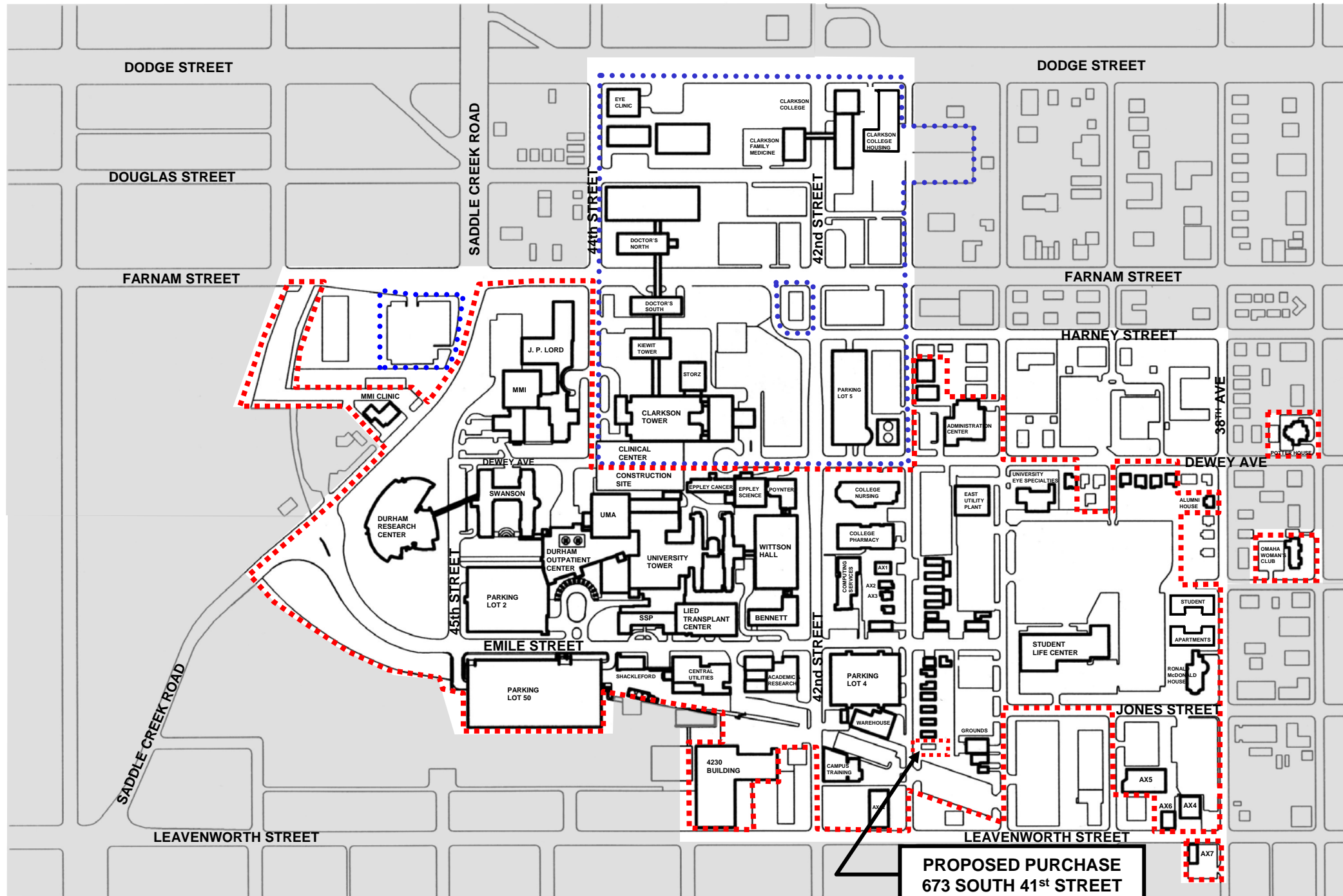
PROJECT COST: \$85,000

SOURCE OF FUNDING: Cash Funds

SPONSOR: Donald S. Leuenberger  
Vice Chancellor for Business and Finance

APPROVAL: \_\_\_\_\_  
Harold M. Maurer, M.D., Chancellor  
University of Nebraska Medical Center

DATE: December 14, 2005



- - - - - UNIVERSITY PROPERTY LINE
- . . . . . THE NEBRASKA MEDICAL CENTER PROPERTY LINE

# CAMPUS PLAN



## REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement ("Agreement"), made this \_\_\_\_ day of \_\_\_\_\_, 2005, by and between The Board of Regents of the University of Nebraska, a public body corporate and governing body of the University of Nebraska Medical Center ("Buyer") and Earl L. Simonsen, a single person ("Seller").

1. **Agreement to Purchase**. Buyer agrees to purchase the following described real property:

Lot Fourteen (14), except the North Ten (10) feet thereof, Block One (1), Vandercook Terrace, an addition to the City of Omaha, Douglas County, Nebraska

(he "Property"), commonly known as 673 South 41<sup>st</sup> Street, Omaha, Nebraska, including all fixtures, appliances including stove, refrigerator, dishwasher, and equipment permanently attached to the property which Seller shall be entitled to remove prior to closing. Seller agrees to deliver marketable title to Buyer in fee simple on the Closing Date.

2. **Title Insurance**. Buyer agrees to obtain a title insurance commitment insuring marketability in the real property with Buyer as the proposed insured within thirty (30) days after the date of this Agreement. If any defects in the title commitment are discovered, Buyer agrees to furnish a copy of a written title opinion from Buyer's attorney showing such defects. In the case that a valid title defect exists, Seller shall have a reasonable time to correct such defect not to exceed thirty (30) days. The cost of the final title insurance policy shall be split equally between Buyer and Seller.

3. **Title**. Seller agrees to convey to Buyer title to the real property by Warranty Deed, free and clear of all liens, encumbrances, special assessments levied or assessed, or special assessment districts that have been created and ordered constructed, as of the date of this Agreement, and subject to all easements and restrictions now of record against the real property.

4. **Purchase Price.** Buyer agrees to pay to Seller the sum of Eighty-Five Thousand and No/100 Dollars (\$85,000.00) ("Purchase Price"), in cash or certified funds on the Closing Date, subject to the expense allocations described in this Agreement.

5. **Closing Cost.** Seller and Buyer shall each pay one-half of the expense to the Title Company engaged to close this transaction. Seller shall pay the documentary stamp tax assessed on the conveyance, if any. Buyer shall pay the cost to record the Deed.

6. **Taxes.** Seller shall pay all taxes prior to and including the year of 2005. Taxes for the calendar year 2006 shall be prorated to the date of possession. Taxes shall be prorated on the basis of the most current assessment for the real property and based upon the most current tax levy as set by the Board of Equalization of Douglas County.

7. **Special Assessments.** Seller warrants that they shall pay all installments of special assessments which, if not paid, would become delinquent prior to the Closing Date and all prior installments thereof. All other special assessments and charges, if any, that have been assessed, levied, or recorded as a lien thereon, or special assessments and charges that have not been recorded although a special assessment district has been created, prior to the Closing Date shall be paid and assumed by Buyer.

8. **Conditions Precedent.** Buyer's performance of this Agreement is contingent upon the satisfaction of the following conditions:

- a. **Regent Approval.** This Agreement and Buyer's obligations hereunder are conditioned upon approval of this Agreement by the Board of Regents of the University of Nebraska at the next scheduled meeting on January 20, 2006.

If this condition is not satisfied (or waived by Buyer) on or before the Closing Date, Buyer may rescind this Agreement.

9. **Condition of Property.** Seller hereby warrants and represents to Buyer as of the Date of this Agreement and on the Closing Date each of the following:

- a. The dwelling on the Property has a certificate of occupancy and there are no violations of any laws or ordinances, nor violations of any special permits, subdivision plats, protective covenants, easements or restrictions of record.
- b. The heating, ventilation, air-conditioning, well, plumbing, electrical, sound, alarm, drain tile, exterior drainage networks and systems, and the sprinkler systems are in reasonable working order and condition.
- c. The roof, floors, foundation, structural supports, and exterior walls do not leak or have water seepage and are in reasonable working order and condition and the Property is free from flooding.

In the event any of the conditions specified herein do not exist on the Closing Date and Seller fails to cure the same in accordance with this paragraph, Buyer shall have the option of rescinding this Agreement, providing that Buyer must do so on or before noon on the Closing Date.

Prior to closing, Buyer or Buyer's authorized agent shall have the right to inspect the property, at Buyer's expense, to determine whether the above warranties or representations in this paragraph are inaccurate or violated in whole or in part. In the event that any such inspection reveals that the above warranties and representations in this paragraph are inaccurate or violated in whole or in part, or such systems are not in reasonable working order or in need of service, repair, or replacement, Seller shall bear the expense of replacement or placing the same in reasonable working order. In the event Seller's expenses for replacement or replacing the same in reasonable working order exceeds:

- i. \$1,000.00 for treatment or repair of damage caused by insect infestation;



- ii. \$2,000.00 for repair of the heating, air-conditioning, or ventilation systems,

and Seller does not elect to pay the expense in excess of such amounts, Buyer shall have the option of declaring this Agreement null and void and to receive back Buyer's earnest money. Buyer shall order such inspections required under this paragraph 5 within ten (10) days from the acceptance of this Agreement and shall use their best efforts to have the inspection completed as soon as reasonably possible thereafter.

10. **Risk of Loss.** Any risk of loss of the real property shall be borne by Seller until title has been conveyed to Buyer. In the event, prior to the Closing Date, that the improvements on the real property are materially damaged by fire, exposure, or any other casualty, Buyer shall have the right to rescind this Agreement, whereupon Seller shall thereupon refund to Buyer all amounts previously paid.

11. **Residential Affidavit.** Seller shall execute on the Closing Date an affidavit on the title insurance company's form that will cause the title insurance company to delete all standard title exceptions on Buyer's and Buyer's lender's title insurance policies.

12. **Closing Date.** The parties agree to close this transaction on or before February 1, 2006.

13. **Parties in Interest.** This Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

14. **Disclosure Statements.** Buyer acknowledges that Seller has delivered to Buyer the Lead-Based Paint disclosure prior to the execution of this Agreement. Buyer and Seller acknowledge that Seller is not obligated to deliver a Nebraska Real Estate Disclosure Statement due to the exemption found at Neb. Rev. Stat. §76-2,120(6)(j) (Reissue 2003).

15. **Entire Agreement.** This Agreement constitutes the entire agreement of Buyer and Seller. It supersedes any prior agreements or understandings among them and shall not be modified or amended in any manner except in writing by the parties.

"BUYER"

"SELLER"

THE BOARD OF REGENTS OF THE  
UNIVERSITY OF NEBRASKA, a body  
corporate and governing body of the  
University of Nebraska Medical Center

By: \_\_\_\_\_  
James B. Milliken, President

\_\_\_\_\_  
Earl L. Simonsen

Attest: \_\_\_\_\_  
Donal Burns, Corporation Secretary

STATE OF NEBRASKA     )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2006, by James B. Milliken, President of the Board of Regents of the University of Nebraska.

\_\_\_\_\_  
Notary Public

STATE OF NEBRASKA     )  
  ) ss.  
COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me by Earl L. Simonsen, a single person, this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Notary Public

TO: The Board of Regents  
Academic Affairs

MEETING DATE: January 20, 2006

SUBJECT: Amendment of Section 2.11 of *the Bylaws of the Board of Regents*

RECOMMENDED ACTION: Approve the amendment of Section 2.11 of the *Bylaws of the Board of Regents* relating to “Other University Activities.”

PREVIOUS ACTION: August 20, 1973 – Section 2.11 of the *Bylaws* was originally adopted.

EXPLANATION: It is requested that the Board of Regents approve the following amendment of Section 2.11 of the *Bylaws of the Board of Regents*:

~~2.11 Other University Activities. The Board may create new or continue existing divisions such as, but not limited to, the Cooperative Extension Service, the Center for Urban Education, Meyer Children's Rehabilitation Institute, and other University activities in such form and subject to such rules and regulations as the Board shall determine to be appropriate from time to time. Executive heads of University activities, other than colleges or departments, will be given such titles and assigned such duties as may be recommended by the Chancellor and the President and approved by the Board.~~

**2.11 Multi-Departmental Academic Centers for Research, Teaching, and/or Service**

Multi-disciplinary and intercampus organizational entities have become increasingly important for pursuit of the University's mission. Such multi-departmental organizational entities may organize faculty and programs for numerous purposes such as creation of partnerships with external organizations, enhanced university research and outreach programs, development of new funding patterns, addressing emerging multi-disciplinary educational needs, and other emerging problems and issues. Organizational entities of this type are encouraged in order to serve important University goals. Such entities are considered “Multi-Departmental Academic Centers for Research, Teaching, and/or Service,” a generic designation which applies not only to “centers” but also to all such entities such as those characterized as “bureaus,” “institutes,” or designations other than colleges or schools.

“Multi-Departmental Academic Centers for Research, Teaching, and/or Service” require approval by the Board of Regents as stated in section 2.11 of the Bylaws of the Board of Regents if they meet all of the following criteria:

a. Interdisciplinary breadth encompassing commitment of funding and faculty time from more than one department.

b. An identifiable budget.

A proposal for approval should include a detailed description of the multi-departmental center function, justification, relevance to the University’s strategic plans, participating departments and faculty, administration, funding, formal name, and evidence that the multi-departmental center will more effectively achieve stated academic objectives than traditional departmental, school, or college structures.

The President will conduct periodic reviews of all “Multi-Departmental Academic Centers for Research, Teaching, and/or Service,” on a timetable appropriate to the nature of the center but not less frequently than every five years, and report the results of periodic reviews to the Board of Regents.

PROJECT COST:

N/A

SOURCE OF FUNDS:

N/A

SPONSOR:

Jay Noren  
Executive Vice President and Provost

APPROVAL:

\_\_\_\_\_  
James B. Milliken  
President

DATE:

January 9, 2006

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Amendments of *Board of Regents' Policies of the University of Nebraska*

RECOMMENDED ACTION: Approve amendments to the *Board of Regents' Policies of the University of Nebraska*.

PREVIOUS ACTION: June 10, 2005 – The Regents approved amendment of RP-5.7.4 and RP-5.7.5 of the *Board of Regents' Policies of the University of Nebraska* revising Tuition Level Guidelines and Tuition Policy.

EXPLANATION: A summary of the proposed amendments is attached. The amendments were exposed to the Board at the meeting of November 11, 2005.

Members of the public and news media may obtain a complete copy of the policies in the Office of the University Corporation Secretary, 3835 Holdrege Street, Lincoln, Nebraska 68583, between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except University holidays.

PROJECT COST: None

SOURCE OF FUNDS: None

SPONSOR: David E. Lechner  
Vice President for Business & Finance

APPROVAL: \_\_\_\_\_  
James B. Milliken  
President

DATE: December 14, 2005

Section	Subject	Old Policy	Proposed Policy
6.2.1.5	Purchasing Officers Duties	Purchasing Officers job duties were spelled out within policy	Eliminated, as job duties should not be part of Board policy
6.2.1.6	Competitive Bidding	Required formal bids for items over \$40,000	Requires formal bids on items over \$75,000
6.2.1.11	Gift Prohibition	Silent as to amount	Introduces threshold equivalent to State reporting (\$100)
6.2.2	Disposal of Personal Property	Former policy tracked disposals over \$500  Board approved acquisitions over \$100,000	Policy raised to \$5,000 congruent with capitalization policy  Board approves acquisitions over \$400,000
6.2.3	Acquisition/Disposal of Real Property	Board approved all acquisitions/disposals regardless of size	President approves acquisitions/disposals up to \$250,000; Board approves acquisitions/disposals over \$250,000
6.3	Contract Approvals	President approved: <ul style="list-style-type: none"> <li>• University services less than \$200,000</li> <li>• Sales of personal property less than \$50,000</li> <li>• NET contracts less than \$200,000</li> <li>• Professional services less than \$200,000</li> <li>• Real property leases less than 5 years and \$100,000</li> </ul> President reported: <ul style="list-style-type: none"> <li>• Construction service contracts of \$100,000-400,000</li> <li>• Personal property purchases of \$100,000-400,000</li> <li>• Professional services contracts of \$100,000-200,000</li> </ul> Subcontracts as part of a grant over \$200,000 were subject to approval  Policy silent as to granting sponsorships	President approves: <ul style="list-style-type: none"> <li>• University services less than \$400,000</li> <li>• Sales of personal property less than \$400,000</li> <li>• NET contracts less than \$400,000</li> <li>• Professional services less than \$400,000</li> <li>• Real property leases less than 10 years and \$250,000</li> </ul> President reports: <ul style="list-style-type: none"> <li>• Construction service contracts of \$250,000-400,000</li> <li>• Personal property purchases of \$250,000-400,000</li> <li>• Professional services contracts of \$250,000-400,000</li> </ul> Subcontracts as part of a grant no longer approved  Sponsorships over \$4 MM subject to Board approval
6.3.6	Board Approval of Program Statements	Board approved all programs statements over \$400,000	Board approves program statements of over \$500,000 using tax funds and \$1 MM using other funds
6.5.4	New Policy: Financial Planning	No policy	Establishes a policy regarding university-wide financial planning
6.6.7	Gifts, Grants, Bequests	Accepted by Board: <ul style="list-style-type: none"> <li>• Gifts over \$400,000</li> <li>• Bequests over \$400,000</li> </ul> Reported to Board: <ul style="list-style-type: none"> <li>• Grants over \$100,000</li> <li>• Gifts and Bequests \$2,500 - 400,000</li> </ul>	Acceptance by Board: <ul style="list-style-type: none"> <li>• Gifts over \$1 MM</li> <li>• Bequests over \$1 MM</li> </ul> Reporting to Board: <ul style="list-style-type: none"> <li>• Grants over \$1 MM</li> <li>• Gifts and Bequests \$100,000 - \$1 MM</li> </ul>

## **Chapter 6. Business and Financial Management**

### **RP-6.1 Claims**

#### **RP-6.1.1 Not Currently Used**

#### **RP-6.1.2 ~~Travel Reimbursement — Overseas Travel~~ Not Currently Used**

~~University of Nebraska personnel participating in overseas projects are reimbursed for expenses on a per diem basis. The per diem rate for the countries involved will be within the guidelines established by the U.S. Government for U.S. Government-funded contracts and/or grant-supported projects.~~

~~**Reference:** BRUN, Minutes, 41, p. 217 (April 22, 1978).  
BRUN, Minutes, 56, p. 149 (September 6, 1991).~~

#### **RP-6.1.3 Approval of Veterinary Diagnostic Laboratory Fees**

The Fee Schedule for the Veterinary Diagnostic Laboratories, IANR, will be subject to annual review and necessary approval by the Vice Chancellor for Agriculture and Natural Resources.

**Reference:** BRUN, Minutes, 48, p. 182 (June 4, 1983).

### **RP-6.2 Property**

#### **RP-6.2.1 Purchasing Policy**

1. Policy References

- a. The *Bylaws of the Board of Regents of the University of Nebraska*, Section 6.1, relating to Obligations.
- b. The *Bylaws of the Board of Regents of the University of Nebraska*, Section 6.4, relating to Contracts.
- c. Neb. Rev. Stat. § 73-101 et seq. relating to Public Lettings.

2. Purpose

The purpose of this policy is to provide uniform ~~general~~ purchasing guidelines for the ~~major administrative units of the~~ University of Nebraska.

3. Applicability

This policy shall apply to the purchase of personal property and services, and to the purchase of labor, materials, and equipment for the construction, maintenance, repair, remodeling, renovation, renewal or demolition of any University building or other improvement to real property. The purchase of services of architects, engineers, landscape architects, and land surveyors and the acquisition of real property are excluded from this policy.

4. Definitions

- a. Article. Article shall mean any item of personal property, and shall include all materials, supplies, furniture, equipment, printing, stationery, software, automotive and road equipment and all other chattels, goods, wares and merchandise whatsoever.

- b. Bylaws. Bylaws shall mean the *Bylaws of the Board of Regents of the University of Nebraska*.
- c. Contractor. Contractor shall mean any person, firm, partnership, association, corporation or other entity with whom the University has entered into a contract to (1) provide any article or service, or (2) provide any labor, materials or equipment for the construction, maintenance, repair, remodeling, renovation, renewal or demolition of any University building or other improvement to real property.
- d. Emergency. Emergency shall mean any situation where it is necessary that the University enter into a contract of purchase to (1) avoid the loss of life, health, safety, or property, (2) respond to time limits established by a person or agency external to the University, or (3) obtain cost savings for the University where the time constraints of competitive bidding would eliminate the cost savings.
- e. Immediate Family. Immediate Family shall mean wife, husband, children, grandchildren, parents, grandparents, brother, sister, daughter-in-law, son-in-law, guardian, ward, stepfather, stepmother, stepchildren, or persons bearing the same relationship to the spouse of the employee.
- ef. Major Administrative Unit. Major administrative unit shall mean the University of Nebraska-Lincoln, the University of Nebraska Medical Center, or the University of Nebraska at Omaha, or the University of Nebraska at Kearney.
- fg. Principal Business Officer. Principal business officer shall mean the Vice Chancellor for Business and Finance of a major administrative unit or the Vice President for Business and Finance when acting on behalf of the Central Administration or the University as a whole, or their designee.
- gh. Professional Service. Professional service shall mean and include (1) any type of service which requires a license or other legal authorization as a condition precedent to the rendering of the service, or (2) any other type of service commonly recognized as a professional service, including, but not limited to, accounting and auditing, actuarial, legal personnel, financial, computing, management, marketing, educational program planning or evaluation, facilities planning or evaluation, insurance and risk management, or travel agency services.
- hj. Purchase. Purchase shall mean the process of (1) acquisition of any article by the University by transfer of ownership or by lease for a stated consideration paid to a contractor or vendor, (2) contracting for any service, including any professional service, to be provided by any person, firm, partnership, association, corporation or other entity for a stated consideration, or (3) contracting for any labor, material or equipment for construction, repair, alteration, remodeling, renovation or demolition of any University building or other improvement to real property to be provided by a contractor for a stated consideration.
- ij. Requesting Unit. Requesting unit shall mean any college, school, department, division, office, or other administrative subdivision within the University which requests a purchase.
- jk. Sole Source Purchase. Sole source purchase shall mean any purchase made from only a single contractor or vendor without competitive bidding.
- kl. Vendor. Vendor shall mean any person, firm, partnership, association, corporation or other entity furnishing an article or service to the University.



## ~~5. Purchasing Officers; Duties Enumerated~~

~~Each major administrative unit shall have a purchasing officer. Each purchasing officer shall be responsible for performance of the following specific duties as well as other duties as may be assigned by the principal business officer or his or her designee:~~

- ~~a. Comply with and enforce purchasing policies and procedures established by law or the Board of Regents;~~
- ~~b. Establish policies and procedures supplemental to and in conformity with this policy. In the interest of predictability and coordination of purchasing, any such policies and procedures shall be compatible with those of the other major administrative units insofar as appropriate, allowing however for any unique needs of a particular major administrative unit;~~
- ~~c. Accomplish all purchasing functions for the major administrative unit, including the processing of purchase orders, contracts, leases and other purchasing instruments as authorized and directed by the principal business officer;~~
- ~~d. Apply and enforce standards and specifications required by Section 6 of this policy;~~
- ~~e. Determine the utility, quality fitness and suitability of all articles purchased recognizing expertise of users in the requesting unit; and~~
- ~~f. Conduct purchasing operations in accordance with the Professional Code of Ethics as set forth by the National Association of Educational Buyers and the National Association of Purchasing Management so far as the same are consistent with this policy.~~

## 65. Specifications

- a. Any purchase where competitive bidding is required by this policy shall be made on the basis of written specifications which shall be developed by the requesting unit, ~~the purchasing officer,~~ and/or the appropriate academic/administrative authority. All specifications shall be prepared in a manner designed to attract ~~maximum~~ competitive bidding within the standards of quality appropriate for intended use.
- b. Restrictive sole source proprietary specifications shall not be used, except in cases of emergency or in cases involving the purchase of unique (including matching existing equipment or software) or non-competitive articles or services. Each request for a sole source purchase shall be accompanied by written justification from the requesting unit. Each sole source purchase must have prior written approval by the principal business officer.
- ~~b.c.~~ The Vice President for Business and Finance shall coordinate the establishment and maintenance of uniform standards and specifications for purchases by the University.

## 76. Competitive Bidding

- a. Except as otherwise provided in this purchasing policy, any purchase committing the University to an expenditure of ~~\$40,000~~ \$75,000 or more shall be made to the lowest responsible bidder, taking into consideration the best interests of the University, the quality or performance of any articles or service to be purchased, their conformity with specifications, the purpose for which required, and the time of delivery or performance. In determining the lowest responsible bidder, in addition to price, bids may be rejected and awards made upon consideration of the following factors:

- 1) The ability, capacity, and skill of the bidder to comply with the University's specifications and perform the contract required;
  - 2) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
  - 3) Whether the bidder can perform the contract within the time specified;
  - 4) The quality of the bidder's performance of previous contracts (see also Section 7.c);
  - 5) ~~Previous~~ The previous and existing compliance by the bidder with laws relating to the contract;
  - 6) The life-cycle cost of an article in relation to its purchase price and specific use by the University (see also Section 7.f);
  - 7) The performance of an article, taking into consideration any commonly accepted tests and standards of product usability and user requirements;
  - 8) Energy efficiency ratio as stated by the bidder for alternative choices of appliances or equipment;
  - 9) The information furnished by each bidder concerning life-cycle costs between alternatives for all classes of equipment, evidence of expected life, repair and maintenance costs and energy consumption on a per-year basis;
  - 10) The results of Federal regulatory agency tests on fleet performance of motor vehicles. Each bidder shall furnish information relating to such results; and
  - 911) Such other information as may be secured having a bearing on the decision to award the contract.
- b. The University shall always have the right to reject any or all bids received. Further, the University may waive any informality or irregularity in any bid which does not materially affect the integrity or effectiveness of the competitive bidding process. In any case where competitive bids are required and all bids are rejected, but the proposed purchase is not abandoned, new bids shall be called for as in the first instance. The University reserves the right in all circumstances to analyze bids in detail and to award contracts which in the exercise of reasonable discretion the University believes to be in its best interest.
- c. The University may reject the bid of any bidder who has (1) failed to perform a previous contract with the University, (2) failed to provide any required bid security, or (3) submitted a bid which is in any way incomplete, irregular, or not responsive to specifications.
- d. A minimum of fifteen (15) days shall elapse between the time formal bids are advertised or called for and the time of their opening; provided, however, the Principal Business Officer may shorten this time period in cases of emergency. Conducting competitive on-line reverse auctions satisfies this requirement and recognizes less than fifteen (15) days elapsed time between advertisement and the time of opening.
- e. Competitive bidding shall not be required for the following types of purchases:
- 1) Purchase of unique or non-competitive articles or services. Without limiting the generality of the foregoing sentence, examples of unique or non-competitive

articles and services are public utility services, regulated central office telephone services, books, pamphlets and periodicals, and specially designed business, research or scientific equipment and related software. (See also Section ~~6-a~~5.b requiring written justification for sole source purchases and approval of the same by the principal business officer);

- 2) Contracts for professional services; provided, however, that any contract for architectural, engineering, land surveying or landscape architectural services shall be made in accordance with applicable law and Board of Regents policies requiring competitive negotiations for such services;
- 3) Purchases necessary in emergency situations;
- 4) Contracts for maintenance or servicing of equipment with the manufacturer of the equipment or the manufacturer's authorized service agent, where in the judgment of the principal business officer such maintenance or service can be most effectively performed by the manufacturer or its authorized service agent;
- 5) Purchases from (a) any purchasing cooperative or consortium of which the University or a major administrative unit thereof is a member, (b) the U.S. Government or any agency or instrumentality thereof, (c) the State of Nebraska or any agency or instrumentality thereof, (d) a political subdivision of the State of Nebraska, (e) any governmental or public entity created by an interlocal cooperation agreement pursuant to the Nebraska Interlocal Cooperation Act, (f) any private or public postsecondary educational institution, or (g) any vendor pursuant a U.S. Government General Services

Administration (GSA) pricing agreement; provided, however, under no circumstances shall the University be contractually obligated or liable for any purchase by another educational institution or governmental entity, or by any other member of a purchasing cooperative or consortium;

- 6) Contracts on capital construction projects (a) for the services of a construction manager who may or may not at the discretion of the University also be engaged on the project as the general contractor or (b) for the services of a design/build contractor who will be engaged on the project to furnish design services by a qualified architect or engineer and to provide general contractor services; provided, the contracts shall be awarded in accordance with Board of Regents Policy RP-6.3.7.
- 7) Purchases, buildings and other improvements costing less than ~~forty-five~~ seventy-five thousand dollars (~~\$40,000~~)(\$75,000).

- f. When required by the University, each bidder will furnish life-cycle costs between alternatives for all classes of equipment, evidence of expected life, repair and maintenance costs, and energy consumption on a per-year basis. Where life-cost of an article is intended to be a factor in selection of the lowest responsible bidder, that factor shall be clearly stated in the invitation to bidders or in the specifications, or both.

#### 87. Purchasing Disputes

Any disagreement between a requesting unit, vendor or bidder and the ~~purchasing officer~~University concerning specifications, responsiveness of bids to specifications, vendor performance, and other matters relating to purchasing activities shall be referred to the respective principal business officer for resolution.

98. Purchases in the Name of the Board of Regents; Authority to Obligate University Funds

All purchases shall be in the name of the Board of Regents of the University of Nebraska for and on behalf of the major administrative unit making the purchase. No commitment of University funds shall be made except by means of an official University purchase order, an official University purchasing card or contract approved by the appropriate administrative officer or his or her designee in accord with Section 6.4 of the *Bylaws* and the policies of the Board of Regents relating to authority to execute contracts.

409. Campus Purchasing Policies and Procedures

Each principal business officer may establish campus purchasing policies and procedures which are supplemental to and consistent with this purchasing policy. Nothing herein shall be construed to prohibit a principal business officer from establishing campus purchasing policies and procedures which are more restrictive than this purchasing policy.

4410. Resident Bidder Preference

In accordance with the provisions of Neb. Rev. Stat. § 73-101.01, when a University contract is to be awarded to the lowest responsible bidder, a resident bidder shall be allowed a preference over a non-resident bidder from a state which gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the non-resident bidder. Resident bidder as used in this section shall mean any person, partnership, association, or foreign or domestic corporation authorized to engage in business in the State of Nebraska and who shall have met the residency requirement of the state of the non-resident bidder, necessary for receiving the benefit of that state's preference law on the date when any bid for public contract is first advertised or announced, or shall have had a bona fide establishment for doing business within this state for the length of time established by the state of the non-resident bidder, necessary for receiving the benefit of that state's preference law on the date when a bid for a public contract is first advertised or announced. This section shall not apply to any contract for any project upon which federal funds would be withheld because of the provisions of this section.

4211. Financial or Beneficial Personal Interest Forbidden; Gift and Rebates Prohibited

- a. No officer or employee of the University involved in an advisory or decision-making capacity relating to any University purchase and no member of his or her immediate family shall be financially interested, or have any beneficial personal interest, either directly or indirectly, in such purchase, or in any bidder, contractor, lessor or vendor for such purchase. No such officer or employee or member of his or her immediate family shall receive or accept, either directly or indirectly, by rebate, gift or otherwise, any money or other thing of value in excess of \$100 ~~whatsoever~~, or any promise, obligation or contract for future reward or compensation from any person, firm, corporation or other entity which has submitted or intends to submit a bid or proposal in connection with any University purchase or which has otherwise been contacted by the University relating to a proposed University purchase.
- b. No purchasing officer or any member of his or her immediate family shall have any direct or indirect financial interest in any person, partnership, firm, association, corporation or other vendor, or any agent or representative thereof, from or through whom the purchasing officer shall make any purchase or contract for a purchase on behalf of the University.
- c. Violation of ~~either Section 43.a or Section 43.b~~ Section 43.b11 shall constitute adequate cause for immediate suspension or dismissal from University employment.

4312. Purchases Involving University Personnel; Purchases for Personal Use Prohibited

- a. No article or service shall be purchased from any University faculty or staff member without prior approval by the principal business officer, and any such purchase approved by the principal business officer shall comply fully with the requirements of the conflict of interest provisions of the Nebraska Political Accountability and Disclosure Act, Neb. Rev. Stat. §§ 49-1493 through 49-14,104.
- b. University funds shall not be expended for articles or services which are for the personal use of staff or faculty members.

4413. Ownership and Control of University Property

- a. Title and all rights of ownership to all property purchased with University funds shall vest in the University, except for property purchased in accordance with specially donated or restricted funds providing for other ownership.
- b. University property may be reassigned for use by other units within the University in the event it is no longer being utilized by the unit in possession.

4514. Reports

Each principal business officer or the Vice President of Business and Finance shall immediately notify the ~~Corporation Secretary in~~ General Counsel's office any instance where a decision made concerning the awarding of a contract of purchase is disputed in writing by a party outside the University.

**Reference:** BRUN, Minutes, 51, p. 147, attachment 4 (November 15, 1985).  
BRUN, Minutes, 60, p. 142 (June 1, 1996).  
BRUN, Minutes, 61, pp. 86-87 (November 22, 1997).  
BRUN, Minutes, 62, p. 111 (May 1, 1999).  
BRUN, Minutes, 63, p. 91 (November 3, 2000).  
BRUN, Minutes, 63, p. 125 (March 3, 2001).

**RP-6.2.2 Disposal of Personal Property**

1. Policy References

- a. Neb. Rev. Stat. § 85-105, relating to Board of Regents' authority to dispose of personal property.
- b. *Bylaws of the Board of Regents of the University of Nebraska*, Sections 6.3, 6.4 and 6.5, relating to personal property, contracts and the use of property.
- c. BRUN Minutes, 51, p. 138 (November 15, 1985) Policy for Authority to Execute Contracts.
- d. BRUN Minutes, 51, p. 138 (November 15, 1985) Purchasing Policy.

2. Purpose

The purpose of this policy is to provide a uniform and equitable University-wide procedure for the disposal of excess or surplus personal property.

3. Applicability

This policy shall apply to the disposal of personal property, except for personal property being disposed of as a trade in on the purchase of other like personal property. This policy shall not apply to the disposal of real property.

4. Definitions

- a. Excess or Surplus Personal Property. Excess or surplus personal property shall mean usable or non-usable property which has been declared excess to the needs of an administrative unit of the University.
- b. Administrative Unit. Administrative unit shall mean ~~the Central Administration (Systems Office),~~ the University of Nebraska-Lincoln, the University of Nebraska Medical Center, the University of Nebraska at Omaha, and the University of Nebraska at Kearney.
- c. Personal Property. For the purposes of this policy the term personal property refers to movable equipment and/or fixtures with ~~a value of \$500.00~~ a value of \$5,000 or more and a useful life of over one year. Without limiting the generality of the foregoing, fixtures shall include, but not be limited to, chillers, boilers, transformers, special purpose equipment, research equipment and electronic equipment.
- d. Principal Business Officer. Principal business officer shall mean the Vice Chancellor for Business and Finance of a campus or the Vice President for Business and Finance ~~of the~~ for Central Administration or for the University as a whole.

5. Policy for the Disposal of Personal Property

- a. Federal Property. Some Federal grants or contracts may require that funds from the sale of equipment originally purchased in support of the grant or contract be returned to the Federal Government. Items in this category will be handled on an individual basis in cooperation with the applicable campus grants office. Disposal of other Federal property will be in accordance with Section 5.b through 5.c below.
- b. Sale or Assignment of Surplus Personal Property ~~in to~~ Other Administrative Units of the University. An administrative unit may sell or reassign surplus personal property to one of its internal units. If the property is excess to the administrative unit's needs, the principal business officer or his or her representative ~~should attempt to~~ may sell or reassign the property to other administrative units of the University.
- c. ~~Sale of Surplus Personal Property to Other Agencies of State Government. In the event any surplus property is not needed for use by the University, the principal business officer or his or her representative shall provide a listing with the estimated sale price to other agencies of State government. Sale will be on a first come first serve basis. If, after a reasonable period of time the University fails to receive an offer from any agency of State government, the administrative unit may proceed with general sale or disposal.~~
- d. General Sale or Disposal of Surplus Personal Property. If ~~neither an item of surplus property is not sold or assigned to another administrative unit of the University nor other agencies of the State have a need for the property,~~ the principal business officer or his or her representative may ~~then~~ sell or dispose of such property by such method as is to the best advantage of the University. Normally sale or disposal of any item of surplus property having an estimated value in excess of \$25,000 will be by auction, sealed bid public sale, or exchange for other property. ~~Priority shall be given to other political subdivisions of State government in the disposal or sale of personal property.~~

- ed. Serviceable Vehicles and Farm Equipment. University vehicles or farm equipment may be disposed of by auction or sealed bids after appropriate advertisement. Vehicles and farm equipment also may be disposed of through the Materiel Division of the State Department of Administrative Services.
- fe. Livestock and Farm Products. Livestock and farm products excess to the needs of the University may be disposed of by auction, livestock or farm product sales, or in whatever manner would best serve the interests of the University.

6. Pricing Practices

The sale price of surplus property shall be the highest bid price if sold by public auction or sealed bid public sale, or the reasonable market value if no bid is involved.

7. Disposal of Scrap or Salvage Personal Property

Any surplus property which a principal business officer or his or her representative determines to have no value, except as scrap or salvage material, may be disposed of by salvage or scrap contract or in whatever manner best serves the interests of the University.

8. Expense of Disposing of Personal Property

The expense of selling surplus personal property shall be deducted from the proceeds of the property being sold.

9. Personal Property Proceeds Account(s)

There shall be established for each administrative unit appropriate University account(s) for the deposit of proceeds from the disposal of personal property. ~~Such account(s) will be accounted for in the current fund group of accounts.~~

10. Sale to University Personnel

In accomplishing any sale or disposal of surplus property under the provisions of this policy, no preference will be given to University personnel.

11. Board Approval

Notwithstanding any of the foregoing provisions of this policy to the contrary, no single item or identical items of personal property having an estimated market value in excess of ~~\$100,000.00~~ \$400,000 shall be sold without prior approval by the Board of Regents. All sales shall be made in the name of the Board of Regents.

12. Responsibility and Accountability

The Vice President for Business and Finance and the principal business officers shall be responsible for the administration and the development of procedures for implementation of this policy and in addition, develop and implement procedures for the disposition of surplus property ~~of less than \$500~~ with a value of less than \$5,000 in value to assure the best interests of the University are being served.

~~13. Prior Policy Repealed~~

~~Paragraph VII of the February 1977 Purchasing Policy dealing with the Disposition of University Property was repealed by the Purchasing Policy approved by the Board of Regents November 15, 1985.~~

**Reference:** BRUN, Minutes, 52, p. 177 (April 11, 1987).

### **RP-6.2.3 Acquisition and Disposal of Real Property**

#### 1. Policy References

- a. Neb. Rev. Stat. § 85-105 relating to Board of Regents authority to acquire and dispose of real property.
- b. Neb. Rev. Stat. §§ 85-133, 25-2501 through 25-2506, 76-701 through 76-726, and 76-1214 through 76-1242, relating to acquisition of real property by exercise of the power of eminent domain and assistance to be provided to persons displaced by publicly-financed projects.
- c. Section 2.4 of the *Bylaws of the Board of Regents of the University of Nebraska* relating to administration of real property.
- d. RP-6.3.1, Administrative Approval of University Contracts.
- e. BRUN Minutes, Volume 49, p. 12 (October 21, 1983), relating to relocation assistance.

#### 2. Purpose

The purpose of this policy is to establish uniform guidelines and procedures to ensure that acquisition of and disposal of real property by the University is in compliance with applicable law and policies of the Board of Regents and to reduce the risk of liability by conducting an environmental site assessment prior to the acquisition of real property.

#### 3. Definitions

- a. Real Property. The term real property shall be construed as coextensive in meaning with land and shall include any right, title, or interest in land or in any building, structure, or other improvement permanently affixed to land.
- b. Acquisition of Real Property. The term acquisition of real property shall mean the acquisition of any interest in real property, but shall not include any leasehold interest or easement approved pursuant to the President's administrative authority as provided in paragraph 4 of RP-6.3.1.
- c. Administrative Unit. Administrative unit shall mean Central Administration (~~Systems Office~~), the University of Nebraska-Lincoln, the University of Nebraska Medical Center, the University of Nebraska at Kearney, ~~and or~~ the University of Nebraska at Omaha.
- d. Contract. Contract shall mean any written agreement entered into by or on behalf of the Board of Regents of the University of Nebraska with another party or parties, whereby, for a stated consideration, the University will acquire ownership or transfer ownership of any interest in real property.
- e. Principal Business Officer. Principal business officer shall mean the Vice Chancellor for Business and Finance of a major administrative unit or the Vice President for Business and Finance for the Central Administration or the University as a whole.
- f. Disposal of Real Property. The term disposal of real property shall mean the transfer of ownership of any interest in real property from the Board of Regents of the University to another party or parties, but shall not include the granting of any leasehold interest or



easement approved pursuant to the President's administrative authority as provided in paragraph 4 of RP-6.3.1.

- g. Emergency. Emergency shall mean any situation where it is necessary for the University to acquire or dispose of real property in order to (1) avoid the loss of life, health, safety, or property, (2) respond to time limits established by a person or agency external to the University, or to (3) obtain cost savings for the University.
  - h. Environmental Site Assessment. Environmental site assessment shall mean the process to determine if real property, including improvements, is subject to recognized environmental conditions.
4. Policy for the Acquisition of Real Property Valued at Greater than \$250,000
- a. Acquisition in the Name of the Board of Regents. All real property acquired by the University or any unit or subdivision thereof shall be acquired in the name of The Board of Regents of the University of Nebraska.
  - b. Appraisal. An appraisal by a qualified real estate appraiser concerning the fair and reasonable market value of property proposed for acquisition shall be ~~obtained~~prepared with results presented to the Board in closed session. The Board in its discretion may waive the requirement for an appraisal.
  - c. Report on Need for Acquisition. When a need for real property is identified a written report shall be made to the Board of Regents which shall include: (1) justification of need, (2) the legal description of the property, (3) a general description of any buildings and other improvements located on the property, (4) a summary of the past and present use of the property, (5) the land use zoning of the property, if any, (6) the estimated value of the property, (7) a summary of the environmental site assessment conducted of the property as provided in paragraph 5, below, and (8) the impact, if any, on any applicable campus master site plan.
  - d. Approval by Board of Regents Required. Any proposed acquisition of real property shall be submitted to the Board for approval and shall include the elements included in paragraph 4.c above. Funds of the University shall not be committed or paid out for acquisition of real property and no contract relating thereto may be executed for or on behalf of the Board of Regents until the acquisition shall have been approved by the Board of Regents.
  - e. General Counsel Approval of Instruments. All contracts, deeds, leases and other instruments for acquisition of real property shall be approved by the Office of the General Counsel as to form and legality prior to execution of the same on behalf of the Board of Regents.
  - f. Eminent Domain; General Counsel Responsibility. In the event any real property is proposed for acquisition through exercise of the Board of Regents' power of eminent domain, the Office of the General Counsel shall have responsibility for any such acquisition and compliance with statutory requirements for notice, hearing, good faith negotiations and, if necessary, commencement of eminent domain proceedings.
  - g. Relocation Assistance. The Vice President for Business and Finance or principal business officer of the administrative unit involved in any real property acquisition shall, with assistance from the General Counsel, be responsible for compliance with all laws and University regulations relating to relocation assistance to persons to be displaced as result of University real property acquisition.

5. Policy for the Acquisition of Real Property Valued at \$250,000 or Less

- a. Acquisition in the name of the Board of Regents. All real property acquired by the University or any unit or subdivision thereof shall be acquired in the name of The Board of Regents of the University of Nebraska.
- b. Appraisal. An appraisal by a qualified real estate appraiser concerning the fair and reasonable market value of property proposed for acquisition shall be obtained. The Board in its discretion may waive the requirement for an appraisal.
- c. Report on Need for Acquisition. When a need for real property is identified, a written report shall be made to the President which shall include: (1) justification of need, (2) the legal description of the property, (3) a general description of any buildings and other improvements located on the property, (4) a summary of the past and present use of the property, (5) the land use zoning of the property, if any, (6) the estimated value of the property, (7) a summary of the environmental site assessment conducted of the property as provided in paragraph 6 below, and (8) the impact, if any, on any applicable campus master site plan.
- d. Approval by President Required. Any proposed acquisition of real property shall be submitted to the President for approval and shall include the elements included in Paragraph 5.c above. Funds of the University shall not be committed or paid out for acquisition of real property and no contract relating thereto may be executed for or on behalf of the Board of Regents until the acquisition shall have been approved by the President.
- e. General Counsel Approval of Instruments. All contracts, deeds, leases and other instruments for acquisition of real property shall be approved by the Office of the General Counsel as to form and legality prior to execution of the same on behalf of the Board of Regents.
- f. Eminent Domain; General Counsel Responsibility. In the event any real property is proposed for acquisition through exercise of the Board of Regents' power of eminent domain, the Office of the General Counsel shall have responsibility for any such acquisition and compliance with statutory requirements for notice, hearing, good faith negotiations and, if necessary, commencement of eminent domain proceedings.
- g. Relocation Assistance. The Vice President for Business and Finance or principal business officer of the administrative unit involved in any real property acquisition shall, with assistance from the General Counsel, be responsible for compliance with all laws and University regulations relating to relocation assistance to persons to be displaced as result of University real property acquisition.

56. Environmental Review Policy for the Acquisition of Real Property

- a. An environmental site assessment (ESA) shall be conducted within six months prior to the acquisition of real property, including real property acquired by donation or bequest.
  - 1) Acquisitions of residential and vacant/unoccupied lands shall, at a minimum, use the American Society for Testing and Materials (ASTM) Standard ESA transaction screen process E-1528.
  - 2) Acquisition of commercial and industrial sites shall, at a minimum, use the ASTM Standard Phase I ESA process E-1527, and shall include a review of any permits, licenses, notices of violation or consent agreements issued pursuant to environmental laws and regulations.

- 3) Investigation of other environmental issues or conditions beyond the scope of the ASTM Standards, e.g. asbestos-containing materials, lead based-paint, lead in drinking water, wetlands, and biological or radiation contamination, may be required but shall be determined and performed on a property-by-property basis.
- b. The review process for the ESA shall be coordinated by the principal business officer of the administrative unit acquiring the real property.
- 1) The ESA process E-1528 shall be performed by either an environmental consultant or by a University employee trained to conduct an ESA; but the ESA process E-1527 shall only be performed by an environmental consultant.
  - 2) All costs of the ESA shall be paid by the administrative unit acquiring the real property as part of the acquisition process.
  - 3) The ESA report shall be reviewed by the Office of General Counsel and the principal business officer of the administrative unit.
  - 4) A decision to: (a) conduct any further assessment, (b) reject the property, or (c) acquire the property with identified risks, subject to Board approval, shall be made by the principal business officer of the administrative unit after consulting with the Office of General Counsel. If environmental risks exist, consideration shall be given to assuming the risks, mitigating the risks by the grantor prior to acquisition, or requiring indemnification by the grantor.
- c. Steps in the ESA Process
- 1) If the transaction screen ESA indicates areas of concern, the property may (a) be rejected, (b) be acquired with the identified risks, or (c) be subject to further investigation in the form of a Phase I, II or III ESA.
  - 2) If the Phase I ESA indicates areas of concern, the property may (a) be rejected, (b) be acquired with the identified risks, or (c) be subject to further investigation in the form of a Phase II or III ESA.
  - 3) If the Phase II ESA indicates areas of concern, the property may: (a) be rejected, (b) be acquired with the identified risks, or (c) be subject to further investigation in the form of a Phase III ESA. The Phase II ESA shall follow good commercial and customary practice and should include an extensive review of prior uses of the land, an examination and physical sampling of the property, and the testing of samples collected.
  - 4) If the Phase III ESA identifies unacceptable contamination, the property may: (a) be rejected or (b) be acquired with the identified risks. The Phase III ESA shall follow good commercial and customary practice and should include extensive physical sampling of the property, testing of samples, estimates of the extent of contamination, and estimates of the total cost to clean up the property.

67. Policy for the Disposal of Real Property Valued in Excess of \$250,000

- a. ~~Report on Disposal.~~ Disposal of real property of the University having a market value in excess of \$250,000 shall require prior approval by the Board of Regents. When any such real property of the University becomes excess to the needs of an administrative unit, a written report shall be made to the Board of Regents which shall include: (a) justification, and need for disposal, (b) the legal description of the property, (c) a general description

of any buildings and other improvements located on the property, (d) a summary of the past and present use of the property, (e) the land use zoning of the property, if any, (f) the ~~estimated appraised market value of the property, approved by the General Counsel,~~ and (g) the impact, if any, on any applicable campus master site plan.

- ~~b. Appraisal. An appraisal by a qualified real estate appraiser concerning the fair and reasonable market value of the property proposed for disposal shall be prepared and presented to the Board in closed session. The Board in its discretion may waive the requirement for an appraisal.~~
- ~~c. Approval by Board of Regents Required. Any proposed disposal of real property shall be submitted to the Board for approval and shall include the elements included in Paragraph 5-a above. No instrument disposing of real property owned by the University having a market value in excess of \$250,000 shall be executed until such disposal has been approved by the Board of Regents. In addition, whenever the Board of Regents shall have approved the sale of any real property upon which buildings of the University are located, no instrument disposing of such property shall be executed until disposal thereof has also been approved by the legislature as required by Neb. Rev. Stat. § 85-105.~~

78. Policy for the Disposal of Real Property Valued at \$250,000 or Less

Disposal of real property of the University have a market value of \$250,000 or less shall require prior written approval by the President. When any such real property becomes excess to the needs of an administrative unit, a written report shall be made to the President which shall include: (a) justification and need for disposal, (b) the legal description of the property, (c) a general description of any buildings and other improvements located on the property, (d) a summary of the past and present use of the property, (e) the land use zoning of the property, if any, (f) the appraised market value of the property, approved by the General Counsel, and (g) the impact, if any, on any applicable campus master site plan.

No instrument disposing of real property having a market value of \$250,000 or less shall be executed until such disposal has been approved in writing by the President.

- ~~d. Buildings of the University; Legislative Approval Required. Whenever the Board of Regents shall have approved the sale of any real property upon which buildings of the University are located, no instrument disposing of such property shall be executed until disposal thereof has also been approved by the Legislature as required by Neb. Rev. Stat. § 85-105.~~

~~e89. Public Auction or Public Sale. Unless the means method for disposal is otherwise provided approved by the Board of Regents or the President, as applicable, disposal of real property shall be by public auction or by sealed bid public sale, except where disposal shall be to the State of Nebraska or to any agency or political subdivision thereof. Any such auction or sale shall be advertised at least once per week for three successive weeks in advance of the sale or auction in at least one newspaper having general circulation in the county where the real property is located. The University shall always reserve the right to reject any and all bids at any public auction or sealed bid public sale.~~

~~f910. Real Estate Disposal Proceeds Account(s). There shall be established for each major administrative unit appropriate University account(s) for the deposit of proceeds from the disposal of real estate. This account(s) will be accounted for in the plant fund group of accounts. Proceeds may be expended for purposes authorized by the Board of Regents.~~

~~g4011. General Counsel Approval of Instruments. All instruments relating to the disposal of real property of the University shall be approved by the Office of the General Counsel as to form and legality prior to execution of the same on behalf of the Board of Regents.~~

#### 7412. Recording, Custody, Storage and Release of Real Property Instruments

- a. Recording. All deeds, and other instruments as appropriate, will be recorded in the appropriate county as soon as practical after receipt.
- b. Custody, Filing and Storage. Abstracts of title and other real property instruments of all administrative units will be filed and stored under the custody and control of the Corporation Secretary ~~in the University's central depository located at the UNL Physical Plant.~~ The Corporation Secretary ~~through the UNL Business Manager~~ will log all abstracts of title and other real property instruments into a master property register and then file and store the same in the University's central depository.
- c. ~~Release. Originals of abstracts of title and other real property instruments shall only be released to University officials. Release of such instruments shall be made only for the period of time necessary for actual use. Originals of abstracts of title and other real property instruments shall be registered or certified when sent through the U.S. mail.~~

#### 84213. Execution of Contracts

The execution of agreements for acquisition or disposal of property shall be in accordance with the Board of Regents policy on Administrative Approval of University Contracts ~~policy~~ (RP-6.3.1).

#### 91314. Emergency Situation Approval

In the event of an emergency the Chairperson of the Board of Regents may authorize the acquisition or disposal of real property requiring Board of Regents approval after consulting with the Executive Committee of the Board of Regents and the Vice President for Business and Finance. A written report concerning emergency authorization for acquisition or disposal of real property shall be made to the Board of Regents at its next scheduled meeting.

#### 40415. Administration and Implementation

The Vice President for Business and Finance and each principal business officer shall be responsible for administration and implementation of this policy.

**Reference:** BRUN, Minutes, 52, p. 180 (April 11, 1987).  
BRUN, Minutes, 61, p. 14 (February 22, 1997).

#### **RP-6.2.4 Vacating of Streets and Curb Cuts**

The ~~Corporation Secretary~~ Vice President for Business and Finance or any Vice Chancellor for Business and Finance is authorized to act and sign on behalf of the Board of Regents ~~in connection with:~~

1. ~~The petitioning and making~~ A petition or application to any municipality or county (a) for the vacation of ~~streets and alleys~~ any public right-of-way, (b) for any curb cuts and/or street set-backs, and/or (c) in connection with all any other matters involving use by the University of streets and alleys any public right-of-way, or other property of any municipality or county by the University.
2. ~~The Written~~ acceptance of any ordinances or resolution passed by any municipality or county as a result of any such petitions and applications.

**Reference:** BRUN, Minutes, 26, pp. 253-254 (December 8, 1964).  
BRUN, Minutes, 56, p. 149 (September 6, 1991).

## RP-6.2.5 Use of University Personnel in Planning/Construction

### 1. Purpose

The purpose of this policy is to establish a dollar limit on projects to be accomplished by University personnel without prior approval by the Board of Regents.

The University of Nebraska will normally obtain the services of private contractors for new construction, alteration and repair projects as well as private architect and engineer firms for design of these types of projects. However, recognizing that there are times when it is more feasible, economical and efficient to accomplish University projects with University personnel, a dollar limit will be established for in-house projects as specified below.

### 2. Definitions

- a. Project Cost. The total project cost includes all disbursements necessary to allow the project to function as programmed. Typical cost categories would include but not be limited to professional compensation, land costs, furnishing, equipment, financing, moving and other charges as well as the construction cost.
- b. Construction Cost. The cost of all of the construction portions of a project generally based upon the sum of the construction contract(s) (general, mechanical, electrical) and other direct construction costs. Construction cost does not include the compensation paid to the architect and consultants, cost of the land, rights-of-way or other costs.
- c. Alterations. A construction project (or portion of a project) comprising revisions within or to prescribed elements of an existing structure, as distinct from additions to an existing structure. This definition includes improvement, renovations or remodeling.
- d. Inspection. Examination of work completed or in progress to determine its compliance with contract requirements by a public official, owner's representative, or others.
- e. Escalation. The adjustment of costs proportionately, periodically and automatically to an alteration in the cost of materials or a similar adjustment of wages.

### 3. Construction Alteration and Repair

University work force may be used to accomplish construction and repair projects which do not exceed total project costs of \$50,000. Advance Regental approval shall be obtained for projects to be accomplished by the University work force in which the total project cost exceeds \$50,000.

### 4. Design Services

Qualified University professional staff may be used to accomplish design and engineering requirements for projects for which the total project cost does not exceed \$400,000. Advance Regental approval shall be obtained for projects to be accomplished by qualified staff in which the total project cost exceeds \$400,000.

### 5. Project Representative

A campus representative will be designated Project Coordinator on major projects with a total project cost of \$400,000 or more to act on behalf of the owner in coordinating architect and contractor requirements. Qualified University staff may be used to coordinate projects if necessary as the owner's representative regardless of the total project cost. This coordination does not eliminate the need for an architect in accordance with contract requirements.

**Reference:** BRUN, Minutes, 41, p. 167-168 (February 18, 1978).  
BRUN, Minutes, 63, p. 91, (November 3, 2000).

#### **RP-6.2.6 Provision of Housing Allowance for University the President of the University and the Chancellors**

~~The President of the University is required to reside in the official residence of the President. Funds for upkeep and maintenance of the official residence and grounds shall be provided by the University.~~

~~University housing will no longer be provided for the chancellors of the individual campuses. In place of official residences for the President and chancellors~~Chancellors, a housing allowance will be provided for use of their personal homes in the normal course of University business for meetings with and entertainment of students, faculty, staff, alumni, and friends of the University. Such housing allowances for the chancellors will be recommended by the President and approved by the Board of Regents. Such housing allowance for the President may be a part of the contract of employment approved by the Board of Regents. The University will contract for lawn care and snow removal services for the personal residences of the President and chancellorsChancellors, if such be required. Lawn care in this instance is defined to include cutting the grass, applying fertilizer and pesticides to the lawn, removal of weeds, and the trimming of bushes or hedges.

~~Since the University of Nebraska Foundation presently owns a residence for the Chancellor at the University of Nebraska at Omaha, the Board of Regents recommends to the Foundation that the same be sold and that the proceeds from that sale and from the sale of the UNL Chancellor's residence be used to establish an endowment to meet the needs of the chancellors and the President relating to housing and/or entertainment responsibilities required in the conduct of University business.~~

Except for payment of lawn care and snow removal services as specified above, public funds shall not be used to perform construction, maintenance, or repair work on ~~a chancellor's~~the personal residence of a President or a Chancellor, and University personnel shall not be used for such purpose under any circumstances.

**Reference:** BRUN, Minutes, 58, p. 12 (February 13, 1993).

#### **RP-6.2.7 Naming of Facilities**

##### 1. Purpose

The purpose of this policy is to establish the authority for naming buildings and other facilities at the University of Nebraska.

##### 2. Definitions

- a. Use-Related (Generic). When used in conjunction with facility identification, the terms "use-related" and "generic" describe names given to buildings or other facilities which are based solely upon the use of the named facility, without the inclusion of a modifier which would designate a particular family, person, or organization. Examples of use-related or generic names would be "East Campus Union", "College of Dentistry", "College of Business Administration", or "Health and Sport Center."
- b. Facility Identification. The name or title used to designate a particular building or other facility for the purpose of specifically identifying such building or facility to all members of the University community and to the general public.
- c. Facility. Any physical structure or space required by an institution for the performance of its programs and related activities. In support of the naming policy, this definition will include a new, existing, or leased building, a wing of a building, a room or cluster of

rooms, or other significant features such as a fountain, monument, plaza, garden, landscaped area, or street.

### 3. Authority for Naming Facilities

- a. The use-related (generic) naming of a campus building or wing of a building or other significant campus feature such as a fountain, monument, plaza, garden, or landscape area or street shall be approved by the Chancellor responsible for the facility and the President.
- b. The naming of a room or a small cluster of rooms or other campus features such as a garden, footbridge, or landscaped area in honor of an individual, a family, a group, or an organization shall be approved by the Chancellor responsible for the facility and the President. These actions shall be reported to the Board of Regents.
- c. The naming of a campus building or wing of a building, or fountain, monument, plaza, or street in honor of an individual, a family, a group, or organization shall be approved by the Board of Regents upon the recommendation of the Chancellor responsible for the facility and the President.

### 4. Criteria for Naming Facilities

- a. A facility may be named for an individual, family, group, or organization that has provided or meets one or more of the following criteria:
  - 1) Extraordinary service to the University as a faculty member, staff member, or University officer.
  - 2) Extraordinary support or service to the University, and/or
  - 3) Significant financial contributions toward the construction of a facility, an endowment for maintenance and operating costs of a facility, or other program or activity of the University of Nebraska.
- b. Except for individuals qualifying under 4.a.3, facilities shall not be named for persons who are currently employed by the University or the State of Nebraska or who are elected officials. Proposals to honor such individuals should not be submitted earlier than five years following the departure, death, or retirement of the person from the University or the State or the end of an elected official's term.

### 5. Procedures for Naming Facilities

- a. The Chancellor shall establish campus procedures to be used in the naming of campus facilities.
- b. The Vice-President for Business and Finance shall establish University-wide procedures for implementing this policy and for assuring compatibility of campus procedures with this policy.

### 6. Prior Procedures and Facility Names

- a. Facility names in existence at the time of the adoption of this policy shall remain in effect until a name change is proposed.

**Reference:** BRUN, Minutes, 58, p. 20-21 (June 19, 1993).  
BRUN, Minutes, 60, pp. 48-50 (June 10, 1995).



## **RP-6.3 Contracts**

### **RP-6.3.1 Administrative Approval of University Contracts**

#### 1. Policy References

- a. Section 6.1 of the *Bylaws of the Board of Regents of the University of Nebraska* relating to University obligations.
- b. Section 6.4 of the *Bylaws of the Board of Regents of the University of Nebraska* relating to delegation of authority to the President to approve and execute certain types of University contracts.

#### 2. Purpose

The purpose of this policy is to delegate authority to the President, and to officers and employees designated by the President, to approve and execute certain types of University contracts.

#### 3. Definitions

- a. Bylaws. Bylaws shall mean the *Bylaws of the Board of Regents of the University of Nebraska*.
- b. Contract. Any deliberate written or oral engagement between the University and one or more other parties, upon a legal consideration, to do, or to abstain from doing some act.
- c. Emergency. Circumstances where it is in the public interest for the University to immediately approve and execute a contract (a) to avoid the loss of life, health, safety, or property, (b) to respond to time limits established by persons or entities external to the University, or (c) to obtain cost savings for the University.
- d. Non-capital goods used in the regular course of business. Any article of personal property to be procured by the University that in accordance with generally accepted accounting principles is not carried as a capital asset of the University.
- de. Personal Property. Any item of property which is not real property.
- ef. Procurement. Any acquisition of property, equipment, goods or services by the University by purchase, lease or license from a contractor or vendor in exchange for payment of money or other consideration.
- fg. Real Property. Refers to land, and shall include any right, title or interest in land or any building, structure or other improvement permanently affixed to land or a building or structure.
- gh. Regular Course of Business. That which is required on a recurring basis in the normal day to day operations of the University.
- hi. University-Related Use. A use of University owned real property under a lease or license contract which is directly related to and supportive of a teaching, research, public service, administrative or student service function of the University. Without limiting the generality of the foregoing sentence, a University-related use shall include a licensed student service or public service concession in a University building or facility, a lease of agricultural land for a use directly related to a University teaching or research function,

and a lease of space in a University building to an incubator company for the transfer of University owned technology.

4. President's Administrative Authority to Approve and Execute Contracts

Pursuant to Section 6.4 of the *Bylaws*, the President shall have authority to approve and to execute the following types of contracts.

- a. Any contract for the procurement of services, ~~for the procurement of or non-capital goods or for the procurement of consumable supplies or commodities routinely, all used in the regular course of business in operation of the University. "Non-capital goods used in the regular course of business" shall mean and include any article of personal property to be procured by the University that in accordance with generally accepted accounting principles is not carried as a capital asset of the University.~~
- b. Any contract with a public utility or similar organization for the purchase of public utility services routinely used in the regular course of business in operation of the University.
- c. Any contract for the purchase of gasoline, oil or diesel fuel routinely used in the regular course of business in operation of the University.
- d. Any contract for the purchase or sale of livestock or livestock feed routinely used in the regular course of business in operation of the University.
- e. Any contract for the procurement of products for resale to consumers through University facilities, such as items sold through a University bookstore.
- f. Any contract where the University will provide services to an external party, including, but not limited to, research, instruction, consulting, planning, technical assistance, testing, or program development services, where the contract fee to be paid to the University does not exceed ~~\$200,000~~\$400,000.
- g. Any contract providing for the sale of a single item of personal property owned by the University where the reasonably estimated market value of the item does not exceed ~~\$50,000~~\$400,000.
- h. Any contract relating to the staging, performance or sponsorship of any cultural, performing arts, recreational or intercollegiate athletic event, except any contract relating to any post-season intercollegiate football bowl game.
- i. Any contract for the procurement, deaccession or sale of material to be added to or removed from the collection of any University gallery, library or museum facility in the regular course of business in operation of any such facility.
- j. Any contract whereby University of Nebraska Television will provide services to an external party, including, but not limited to, research, instruction, consulting, planning, production, technical assistance, or program development services; provided that a written report of each such contract in excess of ~~\$200,000~~ \$400,000 shall be made to the Board of Regents at its next regular meeting subsequent to the execution of the contract.
- k. Any contract for the procurement of construction services or supplies for a building, structure or other improvement to real property which (1) has a total project cost of \$400,000 or less, and (2) is awarded in accordance with the requirements of RP-6.2.1 or RP-6.3.7; provided that a written report of any such contract in excess of ~~\$400,000~~\$250,000 shall be made to the Board of Regents at its next regular meeting subsequent to the execution of the contract.

- l. Any contract for the procurement of personal property which (1) has a total contract price of \$400,000 or less, and (2) is awarded in accordance with the requirements of RP-6.2.1; provided that a written report of any such contract in excess of ~~\$100,000~~\$250,000 shall be made to the Board of Regents at its next regular meeting subsequent to the award of such contract.
- m. Any contract for the procurement of construction services or supplies for a building, structure or other improvement to real property which (1) has a total project cost in excess of \$400,000, (2) is awarded in accordance with the requirements of RP-6.2.1 or RP-6.3.7 for a total contract price not exceeding the budget for such procurement as approved by the Board of Regents; provided that a written report of each such contract shall be made to the Board of Regents at its next regular meeting subsequent to the award of the contract.
- n. Any contract for the procurement of personal property which (1) has a total contract price in excess of \$400,000, (2) is competitively bid as required by RP-6.2.1, and (3) is awarded to the lowest responsible bidder for a total contract price not exceeding the budget for such procurement as specifically approved by the Board of Regents; provided that a written report of each such contract shall be made to the Board of Regents at its next regular meeting subsequent to award of the contract.
- o. Any amendment of or change order to a contract approved pursuant to Section 4m or Section 4n, where the amendment or change order has a total price of \$100,000 or less.
- p. Any contract for the procurement of professional services, except services of a licensed architect, engineer, landscape architect or land surveyor, where the total fee for services, including contractor expenses, will not exceed ~~\$200,000~~\$400,000; provided that a written report of each such contract in excess of ~~\$100,000~~\$250,000 shall be made to the Board of Regents at its next regular meeting subsequent to award of the contract.
- q. Any contract for the procurement of the licensed professional services of an architect, engineer, landscape architect, or land surveyor, where the firm selected has been approved in accordance with RP-6.3.2.
- r. Any contract granting to the University a lease of or license to use or occupy real property where (1) the term of the lease or license does not exceed ~~five-ten~~ years, and (2) the total rent or license fees payable by the University over the full term of the lease or license do not exceed ~~\$100,000~~\$250,000; provided that a written report of each such lease or license contract for a term in excess of one year shall be made to the Board of Regents at its next regular meeting subsequent to execution of the contract.
- s. Any contract granting to an external party a lease of or license to use University real property for a use that is not a University-related use where (1) such contract is awarded through a sealed bid public sale ~~as required by Section 6e. of RP-6.2.3~~, and (2) the term of the lease or license does not exceed ten years and the total rent or license fees payable to the University over the full term of the lease or license do not exceed \$500,000; provided that a written report of each such lease or license contract for a term in excess of one year and \$250,000 shall be made to the Board of Regents at its next regular meeting subsequent to award of the contract.
- t. Any contract granting to an external party a lease of or license to use University real property for a use that is a University-related use where (1) the term of the lease or license does not exceed ten years, and (2) the total rent or license fees payable to the University over the full term of the lease or license do not exceed \$500,000; provided that a written report of each such lease or license ~~contract~~ for a term in excess of one year

and \$250,000 shall be made to the Board of Regents at its next regular meeting subsequent to award of the contract.

- u. Any contract for or grant of an easement encumbering University real property to a governmental entity or a public utility where the value of the encumbrance of the easement and associated damages does not exceed \$100,000; provided that a written report of the grant of any such easement having a value in excess of \$50,000 shall be made to the Board of Regents at its next regular meeting subsequent to the date of such grant by the University.
- v. Any contract (1) granting a license or assigning the right to grant a license in any University technology as part of the transfer of such technology for commercial purposes; or (2) granting a sponsorship of any intercollegiate athletic sport or activity of the University for a total fee not exceeding \$4,000,000, including the grant of a license or right to use University trademarks, trade names, or logographics in connection therewith, provided that a semi-annual written report of all such contracts shall be made to the Board of Regents at a public meeting of the Board.
- w. Any contract of employment with a University faculty or staff member, including UNMC Terms of Employment Agreements with clinical faculty and UNMC Supplemental Compensation Agreements, for appointments and salary obligations that may be approved by the President or his or her designees under Section 3.2 of the *Bylaws*; provided that a quarterly written report of the compensation and length of term of each appointment to an administrative position and to a faculty position at the rank of assistant professor and above shall be made ~~quarterly~~ to the Board of Regents Corporation Secretary.
- x. Any contract for the disposal of real property that the President is authorized to approve in accordance with Section 7 or RP-6.2.3.
- y. Any contract relating to acceptance of a gift or grant that the President or a Chancellor is authorized to accept in accordance with RP-6.6.7.
- z. Any subcontract awarded in accordance with a grant to the University in the normal course of business.

5. Delegation of President's Authority to Approve and Execute Contracts

The President may from time to time delegate all or any part of his or her authority to approve and execute contracts, as specified above in Section 4 of this policy, to such other administrative officers and professional staff employees of the University as the President shall determine will provide for the most efficient conduct of the University business affairs. Any such delegation of authority shall be made in writing, signed by the President, and a copy of each written delegation shall be maintained on file as a matter of public record in the office of the Corporation Secretary. Such delegations shall be reported to the Audit Committee of the Board of Regents at their first meeting of each calendar year.

6. Board Approval Required for Types of Contracts Not Designated for Administrative Approval; Emergency Approval by the Board Chairperson

- a. Except in cases of emergency, any purported contract of a type not described in Section 4 of this policy will have no force or effect and shall not be binding upon the University until such contract shall have received approval by the Board of Regents.
- b. In cases of emergency, a proposed contract of a type not described in Section 4 of this policy may be approved by the Chairperson of the Board of Regents after consultation

with members of the Board's Executive Committee. A written report describing both the nature of the emergency and the contract approved shall be made to the Board of Regents at its next regular meeting subsequent to approval of the contract.

**Reference:** BRUN, Minutes, 59, pp. 214-218 (December 9-10, 1994).  
BRUN, Minutes, 63, p. 91 (November 3, 2000).  
BRUN, Minutes, 63, p. 125 (March 3, 2001).

### **RP-6.3.2 Licensed Professional Services of Architects, Engineers, Landscape Architects and Registered Land Surveyors**

#### 1. Policy Reference

The Nebraska Consultants' Competitive Negotiation Act, Neb. Rev. Stat. §§ 81-1701 through 81-1721.

#### 42. Definitions

~~Licensed Professional Services.~~ Licensed As used in this policy, the term "licensed professional services" shall mean those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered land surveying as defined by the laws of the State of Nebraska.

#### 3. Procurement of Licensed Professional Services in Excess of \$400,000

~~2-~~ When licensed professional services are required for a project where the estimated fee for such services exceeds \$400,000, the firm to provide professional services will be selected in accordance with the University Standard Selection Procedure. ~~In the event an emergency precludes selection of professional services in accordance with the Standard Selection Procedure, the Campus Chief Business Officer and the Vice President for Business and Finance in consultation with the Chairperson of the Board of Regents will select the firm to provide professional services. The campus will report the firm selected in accordance with emergency procedures at the next meeting of the Board of Regents.~~

~~34.~~ When licensed professional services are required where the estimated fee for such services is from \$40,000 to \$400,000, the firm to provide professional services may be selected in accordance with the University Four-Year Selection Procedure. ~~In the event an emergency precludes selection of professional services in accordance with the University Four-Year Selection Procedure, the Campus Chief Business Officer and the Vice President for Business and Finance, in consultation with the Chairperson of the Board of Regents will select the firm to provide required emergency professional services. The campus will report the firm selected in accordance with emergency procedures at the next meeting of the Board of Regents.~~

45. When licensed professional services are required for a project where the estimated fee for such services is less than \$40,000, the selection of the firm from the University certified firms to provide the services required is the responsibility of the respective campus Chief Business Officer.

56. In view of the size, number and experience of firms in the State of Nebraska, and the more effective delivery of professional services usually realized from firms having close proximity to the University, there is a preference for in-state registered firms or joint ventures of out-of-state registered firms with in-state registered firms unless:

- a. the proposed project requires special knowledge of the project and/or professional experience which is not otherwise available within the state;

- b. the selection of an out-of-state firm is considered necessary in order to obtain a major gift or grant for a proposed project; or
- c. the out-of-state firm by previous projects has established experience that is beneficial to and in the best interests of the University.

67. The Director of Facilities Planning and Management at Central Administration will maintain files and update annually University data on architectural and engineering firms. These files will be the primary source of information for certifying architectural and engineering firms pursuant to this policy.

**Reference:** BRUN, Minutes, 50, pp. 291-294 (April 12 and 13, 1985).  
 BRUN, Minutes, 56, p. 149 (September 6, 1991).  
 BRUN, Minutes, 62, p. 37 (May 16, 1998).  
 BRUN, Minutes, 63, p. 91 (November 3, 2000).

### **RP-6.3.3 Negotiation of Art Work by Sheldon Memorial Art Gallery**

Whenever possible, the Sheldon Memorial Art Gallery will attempt to obtain a complete assignment of the copyright(s) for a work of art at the time it purchases the work of art. It will also attempt to obtain full warranty of genuineness, authorship, title, and authority to transfer both the work of art and the copyrights.

If the owner of the work of art and of the copyrights cannot or will not assign the copyrights, then Sheldon Memorial Art Gallery will attempt to obtain the licenses that it needs on a royalty-free basis. Generally these are copyright licenses to reproduce the work, display the work, prepare derivatives of the work, and distribute copies of the work. Sheldon Memorial Art Gallery will, at the same time, attempt to obtain the right to authorize others to perform the same rights without the payment of a royalty.

Sheldon Memorial Art Gallery may split royalties with artists in the case that the works are reproduced for advertising by commercial profit companies or copies are made for sale as commercial products by commercial profit companies.

The terms of the Agreement of Purchase will be approved in accordance with the contract execution policy of the Board of Regents.

**Reference:** BRUN, Minutes, 44, pp. 245 and 262 (May 17, 1980).

### **~~RP-6.3.4 Bid Proposal Summary Not Currently Used~~**

~~The Board will consider only those bid proposals which have bid summaries submitted with the agenda and available before the meeting.~~

~~**Reference:** BRUN, Minutes, 33, p. 44 (May 8, 1971).~~

### **RP-6.3.5 General Policy for University Injury and Illness Prevention Program**

1. Purpose
  - a. The purpose of this policy is to establish procedures for the development and implementation of an effective written injury and illness prevention program for the Board of Regents of the University of Nebraska which promotes occupational safety and health practices and strives to reduce work-related accidents and injuries throughout the institution.

- b. The Safety Policy of the University of Nebraska states:

The Board of Regents of the University of Nebraska recognizes its role of stewardship in protecting and conserving the human, property, and financial resources of the University. Each employee of the University must also recognize this commitment, and practice the highest degree of concern for the safety of fellow employees, students, patients, and the general public. It is the policy of the Board of Regents to promote safety at all times and to prevent occupational injury, illness, and financial loss to the institution.

The personal safety and health of each employee of the University of Nebraska is of primary importance. Prevention of occupationally-induced injuries and illnesses is of such importance that high priority will be given to supporting and funding programs and/or projects that prevent occupational injury and illness. To the greatest degree possible, management will provide all equipment and instruction on safety practices required for personal safety and health, in keeping with applicable standards.

The Vice President for Business and Finance will establish guidelines for implementation of this policy. The responsibility for implementation of the safety program on each University campus is assigned to the Chancellor or designee. This includes the development and maintenance of an effective written injury and illness prevention plan as required by the Nebraska Workplace Safety Consultation Program and the establishment of a campus safety committee. ~~The Vice President for Business and Finance will establish guidelines for implementation of this policy as required by law.~~

2. Responsibility

The Vice President for Business and Finance shall ensure that the University injury and illness prevention program is in compliance with the Nebraska statutes and the rules and regulations promulgated by the State of Nebraska Commissioner of Labor.

3. Applicability

The provisions contained in this directive apply to those employees who are responsible for the development and administration of an injury and illness prevention program as prescribed by the Nebraska Workplace Safety Consultation Program and governed by the State of Nebraska Department of Labor rules and regulations.

4. University Injury and Illness Prevention Program

An effective written injury and illness prevention program shall be published by each University campus and contain, as a minimum, the following provisions:

- a. Chancellor's Policy Statement. A written safety policy outlining the Chancellor's policy for providing a safe and healthy work environment for all employees.
- b. Safety Coordinator. One person shall be assigned to act as the campus safety officer. This person will be responsible for the development and administration of the injury and illness prevention program and represent the campus at University safety and health symposiums and other related activities.
- c. Safety Committee. A campus safety committee will be established to assist the Chancellor or designee by making recommendations on ways and means to reduce safety and health hazards at the worksite. The campus safety committee will be composed of equal representatives from the faculty and staff and from the campus administration. All employees shall be eligible to serve as members of the committee. The committee shall meet at least quarterly and maintain written minutes of its meetings.

All recordable workplace injuries and/or illnesses may be reviewed by the campus safety committee.

- d. **Safety Training.** A comprehensive safety training program shall be established and maintained by the campus which provides initial safety orientation on rules, policies, and job specific procedures for new employees; job specific training for employees before they perform hazardous work; and refresher training on an annual basis regarding the injury and illness prevention plan, safety rules, policies, and procedures.
- e. **Safety Rules, Policies, and Procedures.** A formal publication of rules, policies, and procedures shall be developed and communicated in a manner easily understood by all employees, including non-English speaking individuals.
- f. **Accident Reporting and Investigation.** Campuses will establish written procedures to ensure that all work-related accidents are reported and investigated by the immediate supervisor, department manager having jurisdiction over the affected area, and/or the campus safety officer. Written summaries explaining the details of the accident will be prepared by investigating officials. Accident and investigation reports may be reviewed by the campus safety committee. Procedures for reporting workplace deaths must also be included in the plan.
- g. **Imminent Danger.** Contingency plans shall be developed to ensure that imminent hazards are identified, controlled, and, if possible, eliminated from the worksite.
- h. **Recordkeeping.** A documentation program shall be developed which will assure the preservation of accident reports, summaries of investigations, training, accident injury and illness records, and inspection reports. Such records will be retained consistent with applicable regulatory requirements.
- i. **Worksite Inspections.** A method of identifying and correcting worksite hazards shall be established by the campus safety officer. Such inspections and surveys may be conducted in cooperation with the campus safety committee at least annually. The campus safety committee may review worksite safety inspection reports and make recommendations on accident prevention.
- j. **Statement of Authority.** The person or persons in charge of campus safety and health programs shall be granted in writing the authority to take immediate corrective action whenever a hazardous condition exists which could result in personal injury or death to any individual and/or substantial damage to University property.
- k. **Employee Complaints.** An employee may not be discharged or discriminated against because he or she makes any oral or written complaint to the campus safety committee or safety coordinator, or to any governmental agency having regulatory responsibility for occupational health and safety. See subsection (4) of Neb. Rev. Stat. § 48-443.

**Reference:** BRUN, Minutes, 59, p. 56 (April 30, 1994).

#### **RP-6.3.6 Capital Project Management; Board Approval of Program Statements**

1. Program Statements for capital projects with total project budgets greater than \$400,000 \$500,000 utilizing tax funds and \$1,000,000 utilizing other funds shall be submitted to the Board for approval and shall include a recommendation regarding the "project contracting method" to be used (~~e.g., Construction Manager at Risk; Conventional Competitive Bidding; other~~) and the rationale for the recommendation. A report will be submitted during design of the project for Regents information.



2. The Board-approved total project budget shall be considered an absolute maximum in all cases. Significant changes within a project, either in the scope or nature of the construction to be completed or the programs to be served by the project shall not be allowed without the written approval of the President of the University. Further, any such presidential-approved changes shall be reported to the Board of Regents, in writing, at its next regular meeting. "Significant change" shall be defined as a change within the construction or non-construction budget category of a Board-approved project exceeding \$250,000 or 5% whichever is smaller.
3. Semi-annual written reports shall be provided to the Board of Regents on the contract status, the stage of construction, and budgets, for all capital projects exceeding ~~\$2.0~~\$5.0 million in total project costs.

**Reference:** BRUN, Minutes, 61, p. 37 (May 16, 1997).  
BRUN, Minutes, 63, p. 91 (November 3, 2000).

### **RP-6.3.7 Construction Management and Design/Build Contractor Selection**

1. When construction management or design/build services are approved by the Board of Regents as part of program statement approval, the firm to provide such services will be selected in accordance with the following University Standard Selection Procedure.
2. The objective of these procedures is to encourage construction excellence, and budget and schedule control by providing an impartial, objective, and competitive system open to all qualified construction firms. The procedure is divided into the following five phases: the interest phase, the proposal phase, the interview phase, the contract phase and the report phase. The five phases of procedure are described below.
3. Definitions
  - a. Construction Services. Construction services shall mean those services within the scope of the practice of construction or those performed by any construction management or design/build firm, including pre-construction and post-construction services as necessary.
  - b. Construction Firm. Construction firm shall mean any partnership, corporation, association, or other legal entity practicing construction management or design/build construction.
  - c. Project. Project shall mean that fixed capital outlay, study or planning activity except renewal work as described below.
4. Interest Phase
 

The ~~Chief Business Officer~~Director of Facilities Planning and Management or designee, hereinafter referred to as ~~campus~~campusdirector, will advertise in appropriate Nebraska papers to provide an opportunity for as many construction firms as possible to be considered for a project. The advertisement will contain a brief project description and information on how interested construction firms can apply for consideration for the project.
5. Proposal Phase
  - a. The ~~campus~~campusdirector will send a letter to all construction firms that indicate an interest in a project. A list of all recipients will be ~~forwarded to~~maintained by the Director of Facilities Planning and Management. The letter will request the construction firms submit a written proposal for services by a specific date.

- b. Packets sent to the construction firms include the following:
  - 1) Request for Proposal;
  - 2) Summary of Project, including Description, Schedule and Budget;
  - 3) Proposed Contract;
  - 4) Construction Firm Qualifications;
  - 5) Evaluation Worksheets.
- c. Proposals will be reviewed in conjunction with interviews. If the number of written proposals becomes too numerous, a two-step process will be implemented. The construction firm proposals will be ranked based on the average of the total evaluation made by each member of the evaluation board. The three construction firms that receive the highest evaluations will then be interviewed. In the event of a tie or near tie for third position, the evaluation board may elect to include a fourth firm for interviews.

#### 6. Interview Phase

- a. ~~The campus director~~ will notify the construction firms to be interviewed by phone and letter. Construction firms will be provided the time and place of interview.
- b. An evaluation board composed of a minimum of three persons (the Director of Facilities Planning and Management or designee and at least two campus-designated persons) will interview and rank the construction firms in order of qualifications with the most qualified firm first. A designated chairperson shall be the impartial referee and tiebreaker, and shall conduct the proceedings for the benefit of all concerned. The evaluation board will consider each firm's capabilities to perform, adequacy of personnel, past record and performance as well as experience to render the services required.
- c. The construction firms will be ranked based on the average of the total evaluation made by each member of the evaluation board. The firm receiving the highest ranking will then be considered the most qualified firm for the project. In the event of a tie, the evaluation board will further evaluate and rank the top two construction firms.

#### 7. Contract Phase

- a. ~~The design/build construction~~ firm receiving the highest evaluated score will be recommended for award of the design/build contract for the project. There will be no binding contract for the project until the contract documents with the selected construction firm have been approved by the Vice President for Business and Finance and signed by the President ~~of the University on behalf of the University~~.
- b. A contract negotiation committee composed of a minimum of two persons (the Director of Facilities Planning and Management or designee and one campus-designated person) will attempt to negotiate a contract with the most qualified construction firm that the ~~contract negotiation~~ committee determines is fair and reasonable for the University.
- ~~4)c.~~ c. If the committee is unable to negotiate a contract with the most qualified firm, the committee will forward a letter to the most qualified firm formally terminating the negotiations and negotiations will be undertaken with the next most qualified firm. In the event of failure to reach an agreement with the second most qualified firm, the committee will again forward a letter to the firm notifying it of formal termination of negotiations. The

same procedure will be followed with all the firms in the order ranked by the evaluation board until a contract is successfully negotiated with a qualified firm.

- 2)d. If negotiations with all qualified firms are unsuccessful, the committee will report results to the Board of Regents at the next scheduled meeting. The Board will provide guidance for renegotiating with the firms in the order previously ranked by the evaluation board or direct that the evaluation board reconvene and interview and rank additional firms and that the contract negotiations committee negotiate with such additional firms in the order ranked pursuant to the procedures set forth above.

## 8. Report Phase

After signing a contract, the campus will report the name of the successful construction firm at the next regularly scheduled Board meeting.

**Reference:** BRUN, Minutes, 63, p. 91 (November 3, 2000).

### **RP-6.3.8 Trusteed Self-Insurance Fund Not Currently Used**

~~The Board established a trusteed self-insurance fund, between the Board of Regents and First Tier Bank, N.A., Lincoln, and authorized the Vice President for Business and Finance to sign the trust agreement and approve any changes in the trust agreement that might be recommended by legal counsel to be initiated with the trustee.~~

~~**Reference:** BRUN, Minutes, 44, pp. 173-174 (July 28, 1978).  
BRUN, Minutes, 56, p. 149 (September 6, 1991).~~

### **RP-6.3.9 Athletic Staff Contracts with Equipment Manufacturers or Suppliers**

In accordance with the requirements of ~~the Operating Bylaws~~ regulations of the National Collegiate Athletic Association (NCAA), the cognizant Chancellor shall be required to review and may in the exercise of his or her reasonable discretion approve, subject to review by the Office of the General Counsel, any contract or other business relationship between any manufacturer or supplier of athletic shoes, apparel, or other equipment and any staff member of a department of intercollegiate athletics whereby the staff member will receive any form of compensation or gratuity in exchange for (1) the use of the merchandise of the manufacturer or supplier by student-athletes or athletic staff members during practice or competition, and (2) any consulting or promotional services by any athletic department staff member for the manufacturer or supplier. A Chancellor shall not approve any such contract or business relationship until he or she is satisfied that the same is in compliance with applicable law and Board of Regents policies relating to conflict of interest, and with applicable NCAA regulations. Approval of any such contract or business relationship by a Chancellor pursuant to this policy shall constitute all approval necessary for the purposes of Section 3.4.5 of the *Bylaws of the Board of Regents*.

**Reference:** BRUN, Minutes, 58, p. 118 (July 10, 1993).

### **RP-6.3.10 University Business Activities**

1. University mission-related business activity does not require specific approval by the Board of Regents, unless otherwise required by the *Bylaws of the Board of Regents* or other Regents' policies. Mission-related business activities shall be defined as business activities which meet at least one of the following three criteria:
  - a. The activity is deemed to be an integral part of the institution's fulfillment of educational, research, and public service missions, or campus support functions.

- b. The activity is needed to provide, at a reasonable price and/or on reasonable terms, a good or service which is essential to the campus community.
  - c. The activity is to be carried out for the primary benefit of the campus community but with consideration of the goods and services available in the total community.
2. Existing unrelated business activities (as defined by Internal Revenue Service code) in operation as of September 1, 1999, are authorized to continue pending a systematic review by each campus' administration of the nature of the activities.
  3. New unrelated business activities may be established and carried on only pursuant to, and in accordance with, an authorization and statement of purpose approved by the Board of Regents.

**Reference:** BRUN, Minutes, 62, p. 143 (August 27, 1999).

#### **RP-6.4 Use of Property**

##### **RP-6.4.1 Dispensing of Alcoholic Beverages on University Property**

The Board of Regents authorizes the dispensing and consumption of alcoholic beverages on University property in strict compliance with this policy. The Nebraska Liquor Control Act (Neb. Rev. Stat. § 53-101 et seq.) will be observed in every respect, and under no circumstances will alcoholic beverages be dispensed to or consumed by any person on University property who is under 21 years of age.

1. Scheduled Private Social Events.
  - a. Authority is hereby delegated to the President and the Chancellors or their respective designees to act on behalf of the Board of Regents under Neb. Rev. Stat. § 53-186 in authorizing the dispensing and consumption of alcoholic beverages at scheduled private social events on University property under their respective administrative jurisdictions. The President's administrative jurisdiction shall extend to all property of the University, regardless of location. The following guidelines will be applicable to dispensing and consumption of alcoholic beverages at scheduled private social events.
    - 1) The University will be responsible for and shall control the dispensing of alcoholic beverages provided by the private individual, group or organization sponsoring the social event.
    - 2) The duration of the social event shall be restricted as specified by the President or Chancellor or his or her designee.
    - 3) The University may provide, for a fee, all services and set-ups.
    - 4) Unused quantities of alcoholic beverages will remain the property of the private individual, group or organization sponsoring the social event.
    - 5) Only persons invited to attend the social event and necessary University personnel may be present at the event. All other persons shall be excluded.
    - 6) Sale of alcoholic beverages is prohibited under all circumstances at private social events unless a special designated permit has been obtained pursuant to Section 2 of this policy.
  - b. Each Chancellor may promulgate specific campus policies further controlling and regulating the dispensing and consumption of alcoholic beverages at scheduled private social events pursuant to this Board policy.

## 2. Special Designated Permits

- a. The Nebraska Liquor Control Act in Neb. Rev. Stat. §§ 53-124.11 through 53-124.13 authorizes the Nebraska Liquor Control Commission to issue special designated permits for the sale and service of alcoholic beverages at designated events approved by the Commission and the municipality where the permit is to be located. Special designated permits may be issued to retail liquor licensees holding catering permits approved by the Commission and to non-profit organizations which have been exempted from the payment of federal income taxes. Authority is hereby delegated to the President and the Chancellors or their respective designees to act on behalf of the Board of Regents under Neb. Rev. Stat. § 53-186 in authorizing the dispensing of alcoholic beverages under special designated permits during scheduled public or private events and activities on University property under their respective administrative jurisdictions. The President's administrative jurisdiction shall extend to all property of the University, regardless of location.
- b. The specific premises and time duration of each special designated permit shall be prescribed in writing by the President or Chancellor or his or her designee.
- c. No special designated permit shall be issued in the name of the University or any unit thereof without prior written approval of the President.
- d. Each Chancellor shall promulgate specific campus policies relating to service of alcoholic beverages under special designated permits which include the following:
  - 1) The types of events and activities at which special designated permits may be approved;
  - 2) Guidelines to assure that any person, persons, or organization applying for a special designated permit, if issued, will conduct business and activities authorized by a permit in strict compliance with liquor control laws and requirements imposed by the University;
  - 3) Guidelines for selection of catering permit holders for special designated permits at events or activities sponsored by the University or a unit thereof; and
  - 4) Guidelines for the sharing of proceeds from the sale of alcoholic beverages by a catering permit holder under a special designated permit at an event or activity sponsored by the University or a unit thereof.

**Reference:** BRUN, Minutes, 55, p. 164 (July 21, 1990).

### **RP-6.4.2 Religious Activities**

The Constitution of the United States and the Constitution of the State of Nebraska require that the University of Nebraska refrain from activities which either inhibit or promote any particular religion or sect. As a public institution the University has, on the one hand, a legal duty to refrain from excessive entanglement with religion. On the other hand, the University, as one of the State's leading institutions of advanced learning, has a public duty to be at the forefront of our society in providing an open forum for the free expression and exchange of thoughts and ideas. It is the purpose and intent of the Board of Regents in this policy to encourage and promote the latter duty to the maximum extent possible.

1. Teaching and study involving religions in a secular, philosophical, historical, or cultural context are appropriate within the University community.

2. Non-sectarian invocations, benedictions, or moments of silent meditation shall be permitted at University functions.
3. The University shall not discriminate on the basis of religion in its personnel policies, and reasonable efforts shall be made by the University to accommodate work schedules to meet the needs of employees in their personal religious activities.
4. There shall be no interference with personal religious activities which are confined to private living quarters within the University housing facilities, or which are confined to patient rooms within University hospital and health facilities.
5. University buildings and facilities shall not be used for religious services, except for the rental of space in University buildings for occasional religious services as provided in Paragraph 6 of this policy. The foregoing shall not be construed to prohibit or interfere with the regular use of appropriate University buildings and facilities by any student organization or other University organization for social, cultural, educational, philosophical, business, entertainment, artistic, musical, or athletic activities. The term "religious services" as used in this policy shall be narrowly construed and shall refer only to the use of University buildings or facilities by any group or organization for the primary purpose of conducting religious ceremonies, religious exercises or religious rituals.
6. The Chancellors may designate space within buildings under their respective jurisdictions which may be rented by any group or organization for occasional religious services when such space is not required for institutional purposes; provided that such space shall not be rented for the regular recurring religious services of any particular group or organization.
7. The authority and jurisdiction for administration and enforcement of this policy is vested in each Chancellor.

**Reference:** BRUN, Minutes, 44, pp. 158-159 (April 19, 1980).

Property Sections 6.4.3 through 6.4.6 will be reviewed separately

## **RP-6.4.7 Trespass Policy**

### **1. Persons Not Authorized in Non-Public Areas of University Buildings.**

The areas of University academic, research, public service, and administrative buildings of the University used for classrooms, laboratories, faculty and staff offices, and the areas of University student residence buildings used for student living quarters are not open to the general public. Any person not authorized to be or remain in any such building area will be deemed to be trespassing on University property, and may be cited and subject to prosecution for criminal trespass in violation of Neb. Rev. Stat. § 28-520 or § 28-521.

### **2. Persons on University Property between the Hours of 11:00 p.m. and 6:00 a.m.**

Persons who are not students, faculty, staff, tenants, licensees, agents or contractors of the University, or their employees, visitors or guests, shall not be permitted on University property between the hours of 11:00 p.m. and 6:00 a.m. Visitors and guests are expected to conduct themselves in a proper and lawful manner while on University property, and failure to do so may result in imposition of personal restrictions relating to their presence on University property. Specifically, the right of a visitor or guest to be present on University property will be restricted when the visitor or guest has disrupted normal services, or has harmed or threatened to harm a member of the student body, faculty or staff. The right of a visitor or guest to be on University property will also be restricted when the visitor or guest has damaged or poses a risk of damage or loss to University property or to the property of others located on University property.

### **3. Persons in University Buildings after Closing to the Public.**

Many University buildings are open to the public at designated times which are posted at building entrances. Some University buildings are closed and locked during the times they are not open to the public. Also, some University buildings, such as student unions, are closed to the public at designated times which are posted at building entrances, but remain unlocked for access and use by students, faculty, staff and other authorized persons. Persons who are not authorized by the University to be in a University building after the posted time of closing to the public will be deemed to be trespassing on University property, and may be cited and subject to prosecution for criminal trespass in violation of Neb. Rev. Stat. § 28-520 or § 28-521.

### **4. Ban and Bar Notices.**

University law enforcement or security personnel may issue written notices to any person who has been contacted or observed on University property while engaged in any unlawful or unauthorized activity banning and barring such person from University property, except as may be specifically authorized in such notice. Violation of any such notice will be deemed to be trespassing on University property, and the offending party may be cited and subject to prosecution for criminal trespass in violation of Neb. Rev. Stat. § 28-520 or § 28-521. The term "unlawful or unauthorized activity" shall mean any conduct, act or omission by any person that is in violation of (a) any law, rule, regulation or order of the State of Nebraska or of the United States, or (b) any policy, rule or regulation of the University of Nebraska.

**Reference:** BRUN, Minutes, 64, p. 78 (December 14, 2002)

## **RP-6.5 Budgets and Planning**

### **RP-6.5.1 Fundamental Principle Regarding Budgets and Planning (Not Currently Used)**

~~The fundamental principle upon which planning at the University of Nebraska must be based is that the academic requirements of the University shall drive the operating and capital budgets. Implicit in this~~



principle is the idea that nothing in the budget is sacrosanct, and no part of the University's operations is immune from scrutiny or possible reallocation.

(Adapted from an introductory statement in the University of Nebraska Five Year Plan: 1980-1985, adopted by the Board of Regents on July 26, 1980 and amended on September 12, 1980.)

**Reference:** BRUN, Minutes, 56, p. 149 (September 6, 1991).

### **RP-6.5.2 Acquiring Works of Art for Construction Projects**

~~It~~In accordance with the requirements of Neb. Rev. Stat. §§ 85-106.01 through 85-106.03, it is the policy of the Board of Regents of the University of Nebraska that at least one percent of any appropriation by the Legislature for the original construction of any public building under the ~~supervision-governance~~ of the Board of Regents of the University of Nebraska shall be spent for the acquisition of works of art. The works of art may be an integral part of the structure, attached to the structure, detached within or outside of the structure, or may be exhibited by the Board of Regents of the University of Nebraska in other public facilities.

**Reference:** BRUN, Minutes, 44, p. 245 (May 17, 1980).  
BRUN, Minutes, 63, p. 91 (November 3, 2000).

### **RP-6.5.3 Interim Budget Adjustments**

Section 6.6 of the *Bylaws of the Board of Regents* provides that the President shall submit annual operating and capital construction budgets for all University activities, in accordance with legislative appropriations, for approval by the Board of Regents. Budgeted expenditures supported by (1) revenues to be generated by the various operations of the University and (2) funds received from non state-aided sources other than legislative appropriations presented in each operating budget are an estimate of such expenditures at the time the budget is approved by the Board. Subsequent to approval of each annual operating budget by the Board, the President is authorized to approve adjustments in budgeted expenditures which the President shall determine are necessary and prudent as a result of changes in revenues actually generated by the various operations of the University or changes in funds actually received from sources other than legislative appropriations. ~~A report of any interim budget adjustments approved by the President shall be reported to the Board at the end of each fiscal quarter.~~

Increases in overall expense budgets that do not exceed 1% (in the aggregate) on an annual basis for state-aided programs may be approved by the Chancellor with the concurrence of the President and must be reported to the Board of Regents at the end of each fiscal quarter.

Increases in overall expense budgets that exceed 1%, but are less than 2%, must be approved by the Chancellor, the President and the Executive Committee of the Board of Regents.

Increases in overall expense budgets that exceed 2% must be approved by the Chancellor, the President and the Board of Regents.

**Reference:** BRUN, Minutes, 60, p. 130 (April 27, 1996).

### **RP-6.5.4 Financial Planning**

The Board believes financial planning is fundamental in assessing the long-term financial implications of both current and proposed policies and in examining assumptions that drive the goals of the University. Key to this process is creation of a forecast of revenues and expenses. This planning also allows the University to evaluate financial risks, gain understanding of its available funding, judge its ability to expand or sustain services and programs, assess the level of capital investment that is supportable, serves to identify future commitments and resource demands, and ascertain key variables that will impact the future of the University.

The timing of the planning process should be driven by a master calendar. Strategic planning should precede the planning cycle. The planning cycle should work off of a legislative calendar to offer the President, Chancellors and Board a working tool in assessing goals, managing risks, allocating resources and formulating budget requests.

The plan should be created on a campus-by-campus basis utilizing a common format and delivered to the Director of Budget in Central Administration who will report on a combined basis to the Board of Regents on a bi-annual basis and should include operating, capital, and financing components.

**Reference:** BRUN, Minutes, , p. ( ).

## **RP-6.6 Accounting**

### **RP-6.6.1 Annual Financial Report**

The Audit Committee of the Board of Regents of the University of Nebraska will review annually with the President and his or her staff, the financial report-statements for the University of Nebraska, including all its campuses and activities. Such annual review will be held for the financial reports of the preceding fiscal year within 150 days after the close of such fiscal year. Such review will be reported to the Board of Regents at a public meeting.

**Reference:** BRUN, Minutes, 37, p. 138 (June 29, 1974).

### **RP-6.6.2 Recording and Expenditure of Restricted Funds**

All funds and receipts received from the University of Nebraska Foundation shall be restricted funds, which funds shall be initially recorded as restricted funds with appropriate record kept of the restriction appertaining thereto and the University of Nebraska Foundation shall be requested to advise with each transfer of funds by such Foundation that it set forth the restrictions or uses on such funds. If funds are received from the University of Nebraska Foundation which are not restricted, they shall be considered unrestricted funds unless this Board, upon recommendation of the President or Vice President for Business and Finance, determines that restrictions shall apply and this Board shall, by resolution, set forth such restrictions. Disbursements of such funds shall be made by proper University officials in accordance with restrictions thereon.

Funds received, handled, and disbursed on behalf of the U.S. Meat Animal Research Center shall be classed as restricted funds and shall be recorded and expended in accordance with agency agreements approved by this Board.

The following provisions shall be applicable to permanent funds (other than funds and receipts received from the University of Nebraska Foundation, or funds received, handled, and disbursed on behalf of the U.S. Meat Animal Research Center), of this Board:

1. Gifts, grants and bequests are generally in the form of:
  - a. Endowment funds with the income therefrom restricted as to use;
  - b. Funds restricted for operating purposes, such as scholarship grants, endowed chairs and professorships, gifts for the purchase of special equipment, library materials, or other special use;
  - c. Grants from private or governmental sources for research, training or other sponsored programs.

2. Any ~~future gift or bequest in excess of \$250,000~~, the principal or income of which is without restriction or limitation, shall be classed as ~~“funds functioning temporarily as an endowment.”~~ “quasi-endowment.” A gift, grant, or bequest with a limitation as to the purpose or use for a period of time or specified event shall be a ~~permanent-term~~ permanent-term endowment until the specified time has elapsed or the specified event has occurred after which any unexpended and uncommitted balance will be transferred to ~~funds functioning temporarily as a quasi~~ quasi endowment.

Unless an administrative unit of the University (as hereinafter defined) is specified by the donor, grantor, or testator, future gifts and bequests accepted by the Board will be available for application throughout the University system in accordance with policies or procedures as established by the Board from time to time. In instances where required or requested by the donor, grantor, or testator, or when determined by the Board, a committee or committees may be established by the Board to advise as to the fulfillment of the terms of the gift or bequest.

3. Current unexpended balance of restricted funds will continue to be administered and accounted for and the benefits supervised by the administrative unit performing such function unless otherwise determined by this Board.
4. All activities or departments currently receiving benefits from funds functioning temporarily as endowments will continue to receive such benefits subject to review and reallocation by this Board.
5. Administrative units are defined as Central Administration, ~~(Systems Office)~~ the University of Nebraska-Lincoln, the University of Nebraska Medical Center, the University of Nebraska at Omaha, and the University of Nebraska at Kearney.

Departments and administrative units will report to the Vice President for Business and Finance as to their administration and expenditure of permanent and quasi-endowment ~~restricted funds and the income therefrom~~ on forms and at times and in the manner to be prescribed by the Vice President for Business and Finance who will in turn report at least annually to the Board on the status of all restricted funds.

**Reference:** BRUN, Minutes, 36, pp. 21-22 (May 18, 1973).

### **RP-6.6.3 Permanent Endowment Funds Administered by the Board of Educational Lands & Funds**

The permanent endowment fund shall be kept in two accounts; in the first account, all monies derived as principal from the sale of lands donated to the state by the United States to establish and endow a state university under the Act of Congress of April 19, 1864; in the second account, all monies derived as principal from the sale of lands donated to the state by the United States to provide colleges for the benefit of agriculture and the mechanic arts, by an Act of Congress approved July 2, 1862. All such monies derived from federal grants shall be invested in the manner now provided by law for the investment of the permanent school fund of the state, in the same kind of securities, and by the same officers charged with that duty, in accordance with the provisions of Neb. Rev. Stat. § 72-202.

All monies acquired by the Board of Regents of the University of Nebraska by donation or bequest to it, including monies derived as principal from the sale of land or other property so acquired or so derived, shall be kept in the account for the endowment of the ~~State~~ University and shall be invested by said Board of Regents in the same kind of securities as provided by law for the investment of the permanent school fund by the Board of Educational Lands and Funds, subject to the following exceptions:

1. No such investment need be made where, according to the terms of the donation or bequest, said Board of Regents is not limited to the expenditure of only interest or income of the fund.

2. No such investment need be made in case the will, deed, or instrument making such donation or bequest makes other provisions or directions as to investments and in such cases said Board of Regents shall comply with the same.
3. Funds which have hitherto been turned over to the Board of Educational Lands and Funds by said Board of Regents for investment shall continue to be invested by the former board.

The permanent endowment fund shall never be appropriated by the Legislature nor be expended for any purpose whatsoever. The interest and income of funds acquired or derived from donations or bequests made without particular objects or uses specified may be used and applied by the Board of Regents to any need of the University. Such interest or income of donations or bequests made with particular objects and uses specified shall be applied by the Board of Regents to only such particular objects and uses.

**Reference:** BRUN, Minutes, 16, p. 296 (November 11, 1944).

#### **RP-6.6.4 Endowment Funds Investment of Endowment and Similar Funds**

~~Investments of Endowment Funds shall be accomplished to maximize the safety of the principal with satisfactory yields. Appreciation of the principal shall be subordinated to safety and yield, but it shall be so invested that its value remains in a reasonably consistent relationship with the purchasing power of the dollar. Unexpended earnings from these investments shall be invested as idle cash in short-term securities.~~

~~Investments of Funds Functioning Temporarily as Endowments shall be accomplished to maximize safety of the principal with a satisfactory yield. Purchased securities shall be readily marketable. Unexpended earnings from these investments shall be invested as idle cash in short-term securities.~~

The purpose of the endowment funds is to support the University and its mission over the long-term. The endowment funds include the permanent, quasi, and term endowments. The primary investment objectives of investing the endowment funds are to:

1. Preserve the real purchasing power of the principal. This implies the endowment must be invested in a manner that the total return less the income distribution rate is greater than the inflation rate measured by the consumer price index (CPI).
2. Provide a stable source of perpetual financial support to endowment beneficiaries in accordance with the University's spending policy that establishes the income distribution rate.

The permanent endowment includes gifts and bequests received by the Board of Regents but restricted by the benefactor to be held in perpetuity with only the income to be spent for a designated purpose.

The quasi endowment includes gifts and bequests received and subsequently designated by the Board of Regents as funds functioning as an endowment with only the income to be spent for purposes designated by the Board.

The term endowment includes gifts and bequests received by the Board of Regents for which the benefactor has stipulated the principal may be expended after a stated period or on the occurrence of a certain event. Term endowment income is spent for the purpose provided by the benefactor or designated by the Board. A term endowment may be designated as a quasi endowment by the Board of Regents at the completion of the term.

All assets received by the Board of Regents for acceptance as a permanent, quasi, or term endowment from a gift, bequest, or grant or gifts in the form of intellectual property rights shall be accepted and processed by the Vice President for Business and Finance or designee.

Investment of endowment funds shall be according to state statute and investment managed by either the University of Nebraska Foundation, a third party manager, the University, or otherwise directed by the Board of Regents.

Management of other university-wide funds including assets of retirement of indebtedness funds, bond proceeds, bond construction and product funds, bond reserve funds, bond surplus funds and the trustee insurance funds shall be accomplished by the Vice President of Business and Finance or designee. The trustee insurance funds include the trust funds for the group health insurance program, the general liability and property self insurance program, and other similar programs. Periodic reports shall be made by the Vice President for Business and Finance regarding these funds to the Board of Regents.

**Reference:** BRUN, Minutes, 34, pp. 275-276 (June 17, 1972).  
BRUN, Minutes, 56, p. 149 (September 6, 1991).

### **RP-6.6.5 Establishment of Reserves, Allocations and Designations**

#### ~~1. Current Unrestricted General Funds~~

~~With respect to current unrestricted general funds, the following allocations and reserves are established:~~

- ~~a. Allocation for Working Capital — to include such items as petty cash amounts, non-cash assets, such as inventories, including materials and livestock and accounts receivable;~~
- ~~b. Allocation for Encumbrances — to include all recorded purchase orders outstanding as of each June 30;~~
- ~~c. Allocated Fund Balance — to include items which have been administratively allocated to a department or college for expenditures accruing in a future year and not encumbered;~~
- ~~d. Designated Department Balances — to include the balance of revolving accounts, both with credit or debit balances, resulting from departmental sales or transfers of student fees;~~
- ~~e. Unallocated Fund Balance — to include the balance of unrestricted funds after deducting all reserves, allocations, designations, or commitments;~~
- ~~f. Contingency Reserves — to include reserves for any applicable contingencies.~~

#### ~~2. Current Unrestricted Auxiliary Operations~~

~~With respect to current unrestricted auxiliary operations the following reserves, allocations, or designations are established:~~

- ~~a. Allocation for Equipment and Improvements — To consist of specific allocated accounts from all areas for such use;~~
- ~~b. Designated Departmental Balance — To consist of the balance of fund balances, including encumbrances with major areas of accounts being residences and dining halls, intercollegiate athletics, student services, other auxiliary enterprises and stores and service operations.~~

#### ~~3. Current Restricted Funds~~

~~With respect to current restricted funds, no further allocation is made and the entire fund balance is carried under the caption of restricted.~~

#### 4. ~~Loan Funds~~

~~With respect to loan funds, the following accounts or categories are hereby created:~~

- ~~a. Federal Loan Programs Refundable - to include only the federal share of the loan programs and a pro rata share of income and losses;~~
- ~~b. Institutional Loan Funds - to include all funds given to the University of Nebraska and designated to be used for making loans to students and the institutions, matching funds for any federal loan programs and its pro rata share of income and losses. This category would be further classified as restricted (identifying a specific category of students to receive the loans) or unrestricted (identifying funds for which any student is eligible or in the case of matching funds when the program ceases the balance expendable in the unrestricted fund category).~~

#### 5. ~~Endowment Funds~~

~~With respect to endowment funds, the following categories or designations are as established:~~

- ~~a. Restricted Endowment Funds to include balances of permanent endowment funds designated by the donor as such and prescribing use of the income therefrom;~~
- ~~b. Funds Functioning as Endowments (Designated) to include unrestricted gifts which are being held as endowments by Regents action designating a purpose for which the income and/or principal is to be used;~~
- ~~c. Funds Functioning as Endowments (Unrestricted) to include unrestricted gifts which the Regents have designated to be held as endowments for which no designation or specific use of the income and/or principal has been made;~~
- ~~d. Term Endowments;~~
- ~~e. Trusteed Insurance Programs.~~

#### 6. ~~Plant Funds~~

~~With respect to plant funds, the following accounts are hereby established:~~

- ~~a. Unexpended Funds - Representing unexpended balances less any unexpended proceeds of bonds outstanding;~~
- ~~b. Renewal and Replacement Fund;~~
- ~~c. Retirement of Indebtedness Fund;~~
- ~~d. Net Invested in Plant - Representing the net worth of total physical plant which is unencumbered.~~

The classification of net assets shall be limited to those allowed by generally accepted accounting principles.

This policy does not preclude a business unit from creating, within its own campus-based reporting of internal allocations of fund balances, designated departmental balances, or other designations designed to separately report or signify commitments of funds.

**Reference:** BRUN, Minutes, 37, pp. 138-141 (June 29, 1974).  
BRUN, Minutes, 56, p. 149 (September 6, 1991).

### **RP-6.6.6 Gifts and Bequests to University Foundation**

All gifts and bequests of whatsoever nature and kind to the University of Nebraska can be handled most economically and expeditiously and can be invested to the greatest advantage of the University of Nebraska if said gifts and bequests are made to the University of Nebraska Foundation, for the use and benefit of the University of Nebraska rather than directly to the University of Nebraska, or to the Board of Regents of the University of Nebraska.

**Reference:** BRUN, Minutes, 40, p. 101 (March 19, 1977).

### **RP-6.6.7 Gifts, Grants and Bequests**

#### 1. Policy and Procedures Concerning Acceptance and Reporting

This is the general University policy concerning the acceptance, acknowledgment, reporting, and depositing of awards made to the University of Nebraska in the form of gifts, bequests, and grants.

#### 2. Criteria for Administrative Acceptance

Awards may be accepted by authorized personnel on behalf of the Board of Regents without prior approval if they meet the following criteria and are within the specific limitations identified in each award category:

- a. The award does not involve the development of a new academic program or administrative unit;
- b. The award does not involve the establishment of an existing program or administrative unit at a new site;
- c. The award does not involve the acquisition of real estate or the construction of new buildings or facilities;
- d. The award does not involve the commitment of University funds upon expiration of the award, or any other continuing obligation or liability on the part of the University;
- e. The award does not exceed the dollar limits indicated in the ensuing sections of this statement.

All awards not meeting these criteria must be presented for acceptance to the Board of Regents at a public meeting.

#### 3. Acceptance and Acknowledgment of Gifts

Basically, two types of gifts are received — those for which a specific use is designated and those for which the donor has not made any specification as to use. Any single gift in excess of ~~\$400,000~~ \$1,000,000 must be presented to the Regents for acceptance. All other gifts, including contracts relating thereto, may be accepted and signed by the President, the Chancellors, or their designee provided the aforementioned criteria for award acceptance are met. Gifts so accepted, including contracts relating thereto, must be reported to the Regents ~~according to sections as~~ provided in Section 7 of this policy.

4. Acceptance and Acknowledgment of Bequests

Bequests are received by the University of Nebraska via wills, ~~and/or trust agreements, or other testamentary instruments.~~ Any single bequest of ~~\$400,000~~\$1,000,000 or more must be presented to the Regents for acceptance as a separate action item. All other bequests may be accepted by the President provided the aforementioned criteria for award acceptance are met. Bequests so accepted must be reported to the Regents ~~according to sections~~as provided in Section 7 of this policy. All bequests ~~are to~~shall be publicly acknowledged, and such acknowledgment is to be conveyed to the testator's family (or to the attorney handling the estate if there is no family) on a timely basis.

5. Acceptance and Acknowledgment of Grants

~~These are awards granted~~Grants are awarded to the University in response to successful applications for such purposes as research, instruction, public service, and student aid. All grants, including contracts relating thereto, may be accepted and signed by the President, the Chancellors, or their designee provided the aforementioned criteria for award acceptance are met. Grants so accepted, including contracts relating thereto, must be reported to the Regents ~~according to sections~~as provided in Section 7 of this policy. Grants must be acknowledged only if such acknowledgment is required as part of the award.

6. Depositing of Funds

All cash received as gifts, bequests, and grants must be deposited promptly in an approved depository of the University. All securities received must be transmitted to the Office of the Vice President for Business and Finance for final disposition in accordance with the terms of the gifts, bequest, or grant.

7. Reporting of Gifts, Grants, and Bequests

All awards or funds received under student loan programs accepted by the President, the Chancellors, or their designee, must be reported to the Board of Regents on a quarterly basis:

- a. Grants under ~~\$100,000~~\$1,000,000 will be reported in aggregate; those ~~\$100,000~~\$1,000,000 and over will be separately itemized;
- b. Gifts under ~~\$2,500~~\$100,000 will be reported in aggregate; those over ~~\$2,500~~\$100,000 will be separately itemized;
- c. Bequests will all be separately itemized;
- d. Gifts and Bequests of ~~\$400,000~~\$1,000,000 and more previously accepted by the Regents during the reported quarter will be aggregated and included in the grand total so as to reflect an accurate picture of award funds flowing into the University;
- e. Awards pertaining to research only will be summarized into a separate central report. This information will be reported to the Regents on a corresponding quarterly basis.

8. Distribution of Bequests

The purpose of this statement is to establish guidelines for distributions of principal and/or income coming to the University via ~~wills and/or trust agreements~~testamentary instruments:

- a. If a specific campus is named in the ~~will or trust agreement~~controlling testamentary instrument, that campus will automatically receive the bequest. The University of Nebraska-Lincoln is considered the Lincoln Campus, not Central Administration;



- b. Donor Testamentary intent will always be the main consideration in determining which campus(es) will receive the bequest. For example, if a will or trust agreement predates the incorporation of the University of Nebraska at Omaha (July 1, 1968) and names either the University or Board of Regents of the University of Nebraska, donor intent is interpreted to be either the Lincoln campus or both the Lincoln and Medical Center campuses, depending on other language and specifications in the will instrument. A bequest to the University of Nebraska at Omaha, the Municipal University of Omaha, or the Board of Regents of the University of Nebraska at Omaha would go to the Omaha campus. A bequest to Kearney State College or the University of Nebraska at Kearney would go to the Kearney campus;
- c. In cases where ~~donor testamentary~~ intent is not obvious, advice of legal counsel will be requested concerning any apparent intent and/or the extent to which Regental discretion may be applied. Each of such instances will be viewed independently and decided on its own merits;
- d. Legal counsel will be consulted in every instance to ensure adherence to this policy statement.

**Reference:** BRUN, Minutes, 46, p. 212 (December 12, 1981).  
 BRUN, Minutes, 56, p. 149 (September 6, 1991).  
 BRUN, Minutes, 63, p. 125 (March 3, 2001).

#### **RP-6.6.8 Use of Gifts to Replace Public Funds Prohibited**

The donation of gifts to the University of Nebraska Foundation for the benefit of the University shall be applied for the improvement of academic programs of the University in accord with donor intentions, and will not be used to replace fiscal support of such programs from public funds.

**Reference:** BRUN, Minutes, 49, p. 111 (January 14, 1984).

#### **RP-6.6.9 Authority to Establish Accounts**

Authority is hereby delegated and granted to the principal business officer of each major administrative unit within the University to:

1. Establish accounts in federally insured financial institutions for the purpose of carrying on the day-to-day business operations of the University with respect to cash funds which the Board of Regents is authorized to retain pursuant to Neb. Rev. Stat. §§ 83-130, 83-305.04, 85-125 and 85-192;
2. Designate signatories authorized to transact business through such accounts and to report to the Board of Regents on an annual basis, or whenever a change is made, those individuals authorized as signatories;
3. Designate the number of signatories required to withdraw funds;
4. Authorize the use of facsimile signatures in transacting business with respect to any such accounts.

Any such accounts established shall be reported on a timely basis to the Vice President for Business and Finance.

**Reference:** BRUN, Minutes, 48, pp. 221-222 (July 23, 1983).

### **RP-6.6.10 Collection of Delinquent Debts**

Authority is granted to the Chancellors, through the Vice Chancellors for Business and Finance, to file suit for the collection of delinquent debts after appropriate preliminary steps have been taken and after consultation with the University General Counsel.

**Reference:** BRUN, Minutes, 36, p. 174 (August 13, 1973).  
BRUN, Minutes, 56, p. 149 (September 6, 1991).

### **RP-6.6.11 Othmer-Topp Endowment Spending Policy**

Annual spending from the Othmer-Topp Endowment is limited to a rate no greater than the spending rate established by the University of Nebraska Foundation. Changes in the spending policy shall be established by the Othmer-Topp Endowment Committee and approved by the Board of Regents.

Allocation of income from the Endowment are classified into three major categories, commonly referred to as the 75% fund, the Regents 12½% fund and the UNL 12½% fund.

First priority and second priority uses of income from the 75% fund and the nature of approvals necessary for use of income for first priority and second priority uses of the 75% fund are as follows:

1. In accordance with the requirements of Neb. Rev. Stat. §§ 85-123 and 85-123.01, gifts under Mildred Othmer's Will shall be deposited in the University Trust Fund and used as follows:
  - a. In accordance with Mrs. Othmer's Will a sufficient amount of funds received from her estate shall be added to the endowed professorship previously established by the Regents under the Last Will and Testament of Donald F. Othmer for the Donald F. and Mildred Topp Othmer Professorship of Chemical Engineering to bring the endowed fund for such professorship to \$2,500,000.
  - b. The remainder of the gifts received from Mildred Othmer's estate shall be allocated to an account hereby established as the Othmer-Topp Endowment Fund to be held in perpetuity and used in accordance with the Last Will and Testament of Mildred Topp Othmer for University purposes as directed by the Board of Regents. The initial use of the Othmer-Topp Endowment Fund shall be as follows:
    - 1) The income from seventy-five percent (75%) of the Othmer-Topp Endowment Fund shall be distributed to the University of Nebraska-Lincoln (a) to have first priority use as shall be determined by the Chancellor, with approval of the President and the Board of Regents, to be necessary for (i) enhancement of the chemical engineering program at the University of Nebraska-Lincoln, and (ii) installation, maintenance and operation of technology upgrades for the University of Nebraska libraries; and (b) second priority use for such other general purposes at the University of Nebraska-Lincoln as the President and the Board of Regents may from time to time approve. Within the second priority general purposes approved by the President and the Board, the income may be used as determined by the Chancellor. The President and the Board hereby approve the following initial second priority general purposes with the understanding that additional second priority purposes may be approved in the future:
      - a) Distinguished Professorships as approved by the Board on January 16, 1999;
      - b) The establishment of a Great Plains Regional Humanities Center should UNL be the recipient of a competitive challenge grant from the National Endowment of the Humanities;

- c) The establishment of a program of competitive campus-wide graduate fellowships under the direction of the Dean of Graduate Studies; and
- d) The establishment of the Academic Program Improvement Fund (APIF) which will provide funds to academic programs for investment and enhancement in order to allow UNL to achieve "...excellence in a select number of research, professional and graduate programs and enable them to achieve a level of quality that places them among the top programs in the nation and beyond.

On or before March 1 of each year the Chancellor will provide an annual written report to the President and the Board of Regents of expenditures of endowment income for the second priority general purposes approved by the President and the Board.

Any buildings, facilities or programs funded with amounts specified in (a)(i) of this paragraph shall be named in honor and memory of Donald F. Othmer, and any technology upgrades funded with amounts specified in (a)(ii) of this paragraph shall be named in honor of Mildred Topp Othmer.

- 2) The income from twelve and one half percent (12½%) of the Othmer-Topp Endowment fund shall be distributed to the Board of Regents to be used as the Regents shall determine is necessary and appropriate for enhancement of the functions and facilities of the Regents and the chief governing administrative unit of the University for governance and administration of the University.
- 3) The income from twelve and one half percent (12½%) of the Othmer-Topp Endowment fund shall be distributed to the University of Nebraska-Lincoln to be used as determined by the Chancellor, with the approval of the President and the Board of Regents, for the enhancement of academic programs at the University of Nebraska-Lincoln.
- 4) Any unexpended income at the end of any fiscal year of the University shall be added to the principal of the Othmer-Topp Endowment Fund.

- 2. The Board of Regents may from time to time as it shall deem necessary, but within the limits prescribed by the Last Will and Testament of Mildred Topp Othmer, change the purposes for which the Othmer-Topp Endowment Fund is used.

**Reference:** BRUN, Minutes, 62, p. 155 (October 1, 1999).  
BRUN, Minutes, 62, p. 166 (November 5, 1999).  
BRUN, Minutes, 63, p. 112 (January 13, 2001).  
BRUN, Minutes, 65, p. 91 (January 15, 2005).

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Request for approval of additional spending authorization relating to the investigation and cleanup of University disposals at the Agricultural Research and Development Center (ARDC) near Mead

RECOMMENDED ACTION: Approve additional spending authorization of \$6,000,000 relating to the investigation and cleanup of University disposals at the Agricultural Research and Development Center (ARDC) near Mead.

PREVIOUS ACTION: January 15, 2005 - The Board of Regents approved: (1) The Administrative Order on Consent for Remedial Investigation/Feasibility Study and Removal Actions between the Board of Regents and the U.S. Environmental Protection Agency Region VII, and (2) the Master Consulting Services Agreement between the Board of Regents and MACTEC Engineering and Consulting, Inc.

EXPLANATION: The Administrative Order with the EPA requires the University to conduct a remedial investigation/feasibility study (RI/FS) to determine the extent of contamination and removal actions necessary to address buried waste. Subsequently, a remedial design/remedial action order may be required.

As a result of a request for qualifications issued by the University, MACTEC Consulting and Engineering (MACTEC) was selected as a consultant to assist the University in implementing the RI/FS. MACTEC's agreement with the University is a three year agreement on a time and materials basis due to the uncertainties surrounding the RI/FS.

The project has progressed roughly as planned, with work in calendar 2005 amounting to approximately one million dollars. Estimated work in calendar 2006 will cost six million dollars, the majority of which will be removal of the waste. Again, because of the nature of the project, these are estimates only. It is also reiterated that these estimates do not include amounts that are assessed for EPA oversight or amounts, if any, that would be required to be spent to remediate the landfill portion of the site.

The University has two contingent funding requests outstanding:

- Deficit request from the Nebraska Legislature. A \$5.8 million dollar deficit funding request was made of the 2006 Legislature. At the time of the deficit request, \$5.8 million represented the portion of the original estimated cost estimated to occur in the fiscal year ended June 30, 2007.

- Grant funding from the Nebraska Environmental Trust. A request for \$3.1 million was filed with the Nebraska Environmental Trust. The \$3.1 million represents half of the cost of the cleanup to take place in the fiscal year ended June 30, 2007 based on the current projected costs.

To the extent that these contingent funding sources fall short or do not come to fruition, the balance will have to be funded by internal campus reallocation on the Medical Center and University of Nebraska-Lincoln campuses.

As shown in the table below, current estimated costs through the end of calendar 2006 are approximately \$7 million dollars. In its action of January 2005, the Board authorized expenditures of up to \$1 million dollars. The current action, if approved, would grant an additional spending authorization of \$6 million that should fund the project through the end of calendar 2006.

A report will be made to the Board upon completion of the RI/FS report by the University and MACTEC.

PROJECT COST:		<u>Current Estimate</u>
	Expenses to December 31, 2005	\$1,000,000
	Calendar 2006 Estimates	5,875,000
	Calendar 2007 Estimates	<u>731,654</u>
	Total Estimated Budget	<u>\$7,606,654</u>

SOURCE OF FUNDS: Contingent Funding (both pending):  
 Deficit Request  
 State Grant  
 Internal Campus Reallocation

SPONSORS: Richard R. Wood  
 Vice President and General Counsel  
  
 David E. Lechner  
 Vice President for Business & Finance

APPROVAL: \_\_\_\_\_  
 James B. Milliken  
 President

DATE: January 9, 2006

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Capital Improvements for University Housing at the University of Nebraska-Lincoln (UNL)

RECOMMENDED ACTION: Approve the attached Resolution to authorize expenditure of up to \$335,000 for capital improvements for University Housing from the Replacement Fund of the UNL Student Fees and Facilities Revenue Bonds.

PREVIOUS ACTION: During the last five years the Board of Regents has approved similar requests as follows:

<u>Prior Approvals</u>	<u>Amount</u>
November, 2005	\$1,474,802
October, 2004	1,094,950
October, 2003	832,568
August, 2003	1,846,350
January, 2003	1,855,255
October, 2002	1,066,890
October, 2001	749,197

EXPLANATION: Section 6.2 of the Bond Resolution (December 1, 1964) requires the Board of Regents to keep the "facilities" in good repair, working order and condition, and to make all necessary and proper repairs. The improvements and modifications detailed on the accompanying pages represent the highest priority needs that have been identified by residents and managers of these facilities.

PROJECT COST: \$335,000

SOURCE OF FUNDS: Student Fees and Facilities Revenue Bond Surplus Funds

SPONSORS: James V. Griesen  
Vice Chancellor for Student Affairs

Christine A. Jackson  
Vice Chancellor for Business & Finance

APPROVAL: \_\_\_\_\_  
Harvey Perlman, Chancellor  
University of Nebraska-Lincoln

DATE: December 16, 2005

## RESOLUTION

BE IT RESOLVED by the Board of Regents of the University of Nebraska (the "Board") as follows:

1. The Board hereby finds and determines:
  - (a) Pursuant to its Bond Resolution dated as of December 1, 1964, authorizing the issuance of Revenue Bonds by the Board (the "Resolution"), the Board has heretofore issued revenue bonds payable from the revenues and fees derived from the ownership and operation of the dormitories and other facilities for the housing and boarding of students, student unions, student health facilities and other facilities for the activities of students located on the campus of the University of Nebraska-Lincoln, under which a Surplus Fund was created;
  - (b) Section 6.2 of the Resolution requires the Board to operate the "facilities" (as defined in the Resolution) in an efficient, sound and economical manner and to keep all Facilities and betterments thereto in good repair, working order and condition and to make all necessary and proper repairs, renewals, replacements, additions, extensions and betterments thereto, so that at all times the business carried on in connection therewith shall be properly and advantageously conducted.
  - (c) The "facilities" include the Nebraska Unions, the University Health Center and all facilities and structures for the housing and boarding of students located and currently or hereafter existing on the campus of the University of Nebraska-Lincoln, which facilities require certain renewals, replacements, additions, betterments and extensions to maintain the Revenue and Fees. In order to accomplish such renewals, replacements, additions, betterments and extensions, the sum of \$335,000 should be expended from the Replacement Fund as indicated on the attached schedule.
2. Authorization. The Board hereby authorizes the transfer of up to \$335,000 from the Surplus Fund established pursuant to the Resolution to the Replacement Fund, and the expenditure of up to \$335,000 from the Replacement Fund for the projects herein identified. The Vice Chancellor for Business and Finance at the University of Nebraska-Lincoln, is hereby designated as the University representative who may certify to the Trustee the specific payments to be made from the Replacement Fund.
3. Surplus Fund. There currently are monies or investments in the Surplus Fund including accruals in excess of \$335,000.

**University of Nebraska – Lincoln**  
**Capital Improvements Request**  
 January, 2006

Detail of Improvement Requests

Project	Location	Funding Required	Justification
Create Student events/activity center	Husker Courtyards	\$25,000	There is high demand for a social space in Husker Courtyards. Construction will improve attractiveness of this facility for residents.
Refurbish Dining Service Wall	Selleck Dining Center	\$23,000	The original design for a food servery wall has not performed as needed. This project will install a more traditional, maintainable surface.
Construct New Loading Dock	Selleck Dining Center	\$247,000	High use of the renovated dining center has increased the need for loading dock capacity.
Install Trash Compactor	Selleck Dining Center	\$40,000	Control of waste at the dining center is important for environmental protection.



TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Construction and Redesign of Public Street Traffic Lanes Serving the UNMC/The Nebraska Medical Center Campus

RECOMMENDED ACTION: Approve the interlocal agreement with the City of Omaha for the construction and redesign of public street traffic lanes on and adjacent to the UNMC/The Nebraska Medical Center campus.

PREVIOUS ACTION: None

EXPLANATION: Additional construction and campus growth has resulted in a significant increase in vehicular traffic accessing roads on and adjacent to the UNMC/The Nebraska Medical Center campus. Traffic studies conducted jointly by the City of Omaha and UNMC indicate that it is necessary to construct turning lanes on Leavenworth Street at 42<sup>nd</sup> Street and reduce 42<sup>nd</sup> Street between Leavenworth Street and Harney Street from four lanes to two lanes plus a turning lane in order to decrease non-business vehicular traffic on or around the UNMC/The Nebraska Medical Center campus.

This proposed agreement provides for the construction of these public street improvements. Upon signing the agreement an engineering study will be conducted to determine project costs which are currently estimated at \$2.5 million. The estimated project costs, project budget and the allocation of costs, which will be shared by UNMC and The Nebraska Medical Center, will be presented to the Board of Regents for approval at either the March or April, 2006 meeting. After this approval, construction activities will commence.

UNMC and The Nebraska Medical Center will derive special benefit from these public street improvements that will provide safer and more efficient access to and from the campus. UNMC will manage the total project.

The attached map outlines the project.

The proposed interlocal agreement has been reviewed and approved as to form and content by the Office of the University General Counsel.

Members of the public and the news media may obtain a copy of the proposed agreement with the City of Omaha in the Office of the University Corporation Secretary, 3835 Holdrege Street, Lincoln, Nebraska 68583, between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except University holidays.

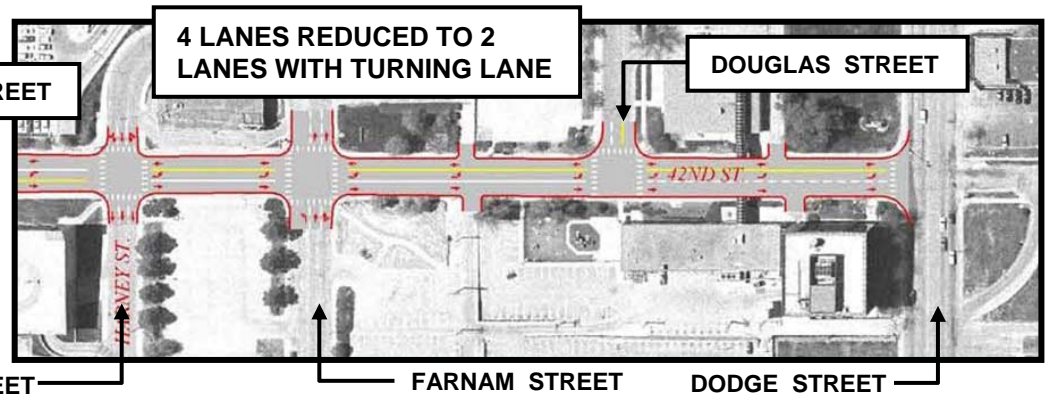
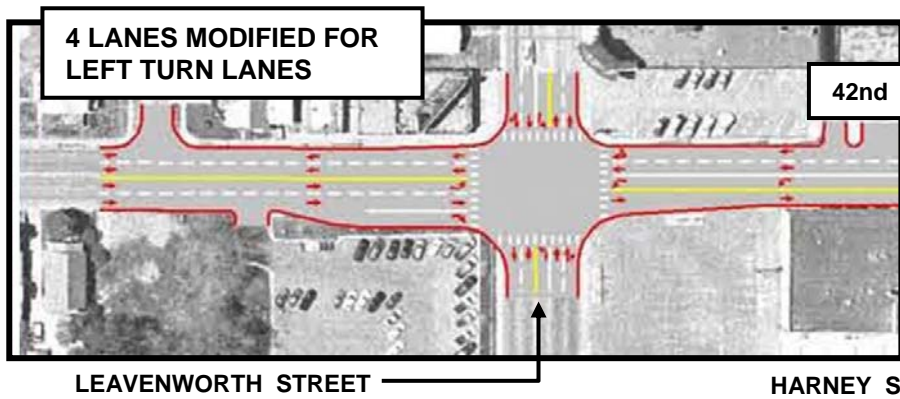
PROJECT COSTS: None

SOURCE OF FUNDS: N/A

SPONSOR: Donald S. Leuenberger  
Vice Chancellor for Business and Finance

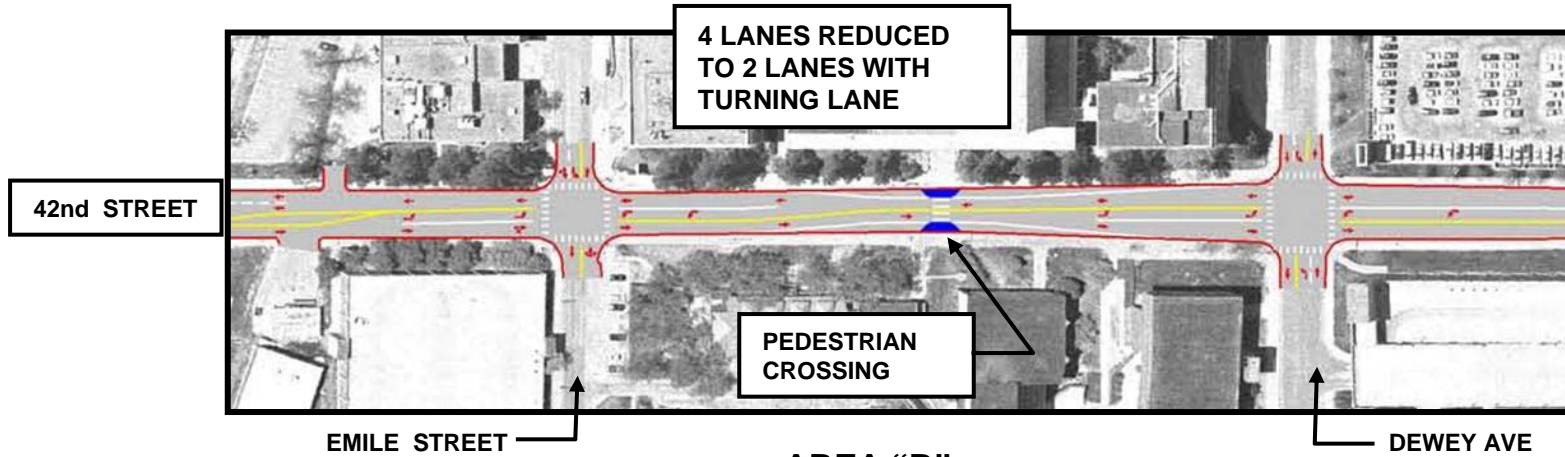
APPROVAL: \_\_\_\_\_  
Harold M. Maurer, M.D., Chancellor  
University of Nebraska Medical Center

DATE: January 5, 2006

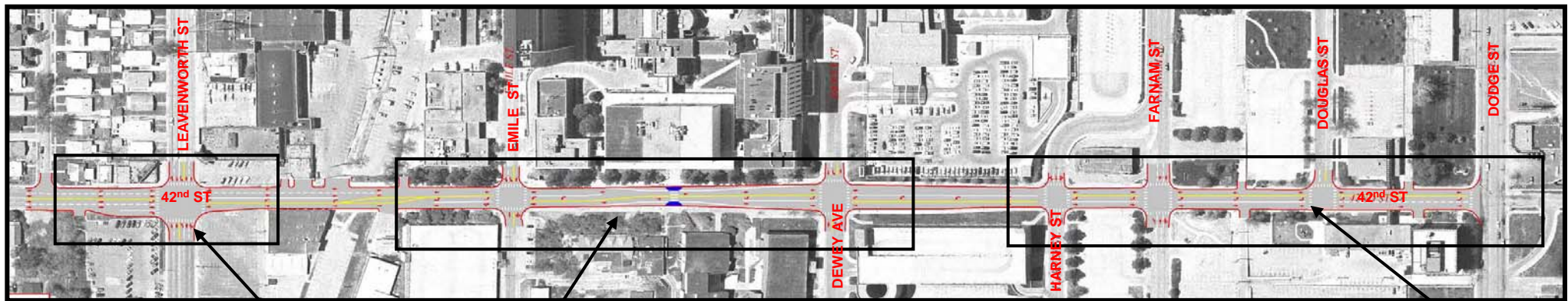


**AREA "A"**

**AREA "C"**



**AREA "B"**



**AREA "A"**

**AREA "B"**

**AREA "C"**

**PROPOSED 42<sup>ND</sup> STREET TRAFFIC LANE MODIFICATIONS**



**INTERLOCAL COOPERATION AGREEMENT FOR  
PUBLIC STREETS IMPROVEMENTS PROJECT**

This Interlocal Cooperation Agreement for Public Street Improvements Project (“Agreement”) is made and entered into by and between THE BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA, a public body corporate of the State of Nebraska and governing body of the University of Nebraska Medical Center (“UNMC”), and the CITY OF OMAHA, NEBRASKA, a municipal corporation (“City”).

**RECITALS**

- A. UNMC is a public medical university with its campus generally located between Dodge and Leavenworth Streets (north/south boundaries) and 38<sup>th</sup> Avenue and Saddle Creek Road (east/west boundaries) in Omaha, Nebraska (the “Campus”). As a result of additional construction and growth of the Campus, considerable vehicular and pedestrian traffic flow accessing roads and walks on and adjacent to the Campus has resulted, especially on 42<sup>nd</sup> Street between Leavenworth Street and Dodge Street;
- B. The City is a municipal corporation with the authority to construct public streets, including the authority to acquire right-of-way and easements for such projects;
- C. Traffic studies indicate that a large percentage of northbound vehicular traffic on 42<sup>nd</sup> Street passes through the Campus and turns left on Dodge Street for continuation of westward travel; and the construction of left-turn lanes on Leavenworth Street will provide those motorists the opportunity for left turns (the “Project”) and avoid the heavy vehicular and pedestrian traffic associated with and around the Campus prior to reaching Dodge Street; Also, 42<sup>nd</sup> Street between Leavenworth Street and Harney Street will be converted to a three lane street.
- D. The parties desire to ensure the timely construction of the Project and have agreed upon the terms and conditions to accomplish the Project;

**NOW, THEREFORE**, in consideration of the following terms and conditions, the parties mutually agree as follows:

**Section 1. Interlocal Cooperation.** Pursuant to the Nebraska Interlocal Cooperation Act, Neb.Rev.Stat. §§13-801 to 13-827, inclusive, (Reissue 1997), as amended (the “Act”), UNMC and the City enter into this Agreement to cooperate in the design, bidding, funding, and construction of the Project which is a public project within the powers, privileges, and authority of the City. The Project shall consist of the construction of intersection improvements at 42<sup>nd</sup> and Leavenworth and the redesign of traffic lanes between Leavenworth and Harney, from 4 lanes to 2 lanes plus a turning lane, generally in accordance with the concept summary attached as Exhibit “A” and incorporated by this reference.

**Section 2. Duration.** The duration of this Agreement shall continue until the latest of (a) one (1) year following the date of completion of the construction of the Project, (b) the date upon which all obligations incurred for the Project have been paid and discharged in accordance with the terms and conditions of the resolution, contract or other instrument creating such obligation, or (c) such date as shall be determined by mutual agreement of the City and UNMC; provided, that in the event the Board of Regents of the University does not approve the cost estimate for the Project by April 21, 2006, then this Agreement shall terminate on the date thereafter that all of the obligations incurred for the Project have been paid and discharged in accordance with the terms of this Agreement.

**Section 3. Administrator.** For purposes of constructing the Project, the City is hereby designated as Administrator for the Project to act for and on behalf of the City and UNMC. The Administrator may enter into or amend one or more contracts and agreements in accordance with the provisions of this Agreement with respect to the planning, contracting for, acquiring, insuring, and all other aspects of the Project.

**Section 4. Performance by UNMC.** UNMC shall perform, or cause to be performed, as appropriate, the following tasks at its sole expense:

- [a.] Develop engineering plans by registered professional engineers for the Project in accordance with the City of Omaha Standard Specifications, including a cost estimate for the Project, within thirty (60) days of the execution of this Agreement.
- [b.] Submit the cost estimate for the Project to the Board of Regents of the University for consideration and approval by not later than April 21, 2006.
- [c.] Subject to approval of the cost estimate for the Project by the Board of Regents of the University, present said engineering plans to City for approval prior to the start of the City's competitive bid process for the construction of the Project. Reimburse City for the costs of the Project described in Section 6 below including the acquisition costs of the City for any right of way or easement necessary for the Project.
- [d.] Subject to approval of the cost estimate for the Project by the Board of Regents of the University, provide construction management services for the Project without cost to the City.
- [e.] Subject to approval of the cost estimate for the Project by the Board of Regents of the University, provide and install decorative street lamp lighting from Leavenworth Street to Dodge Street on the City of Omaha's right-of-way.

**Section 5. Performance by City.** City shall perform, or cause to be performed, as appropriate, the following tasks:

- (a.) Pursuant to the City's bidding and public procurement requirements, and subject to approval of the cost estimate for the Project by the Board of Regents of the University by not later than April 21, 2006, secure the

services of a contractor for the construction of the Project with Project completion date not later than December 1, 2006; provided, however, that City shall not award a contract to any contractor for work without the express written authorization of UNMC.

- (b.) Subject to approval of the cost estimate for the Project by the Board of Regents of the University by not later than April 21, 2006, obtain any right of way or easements necessary for the Project.

**Section 6. Cost of Project.**

- (a.) UNMC shall pay for the construction management services.
- (b.) UNMC shall pay the balance of the cost of the Project including the cost to City to obtain any right of way or easements necessary for the Project. The City shall bill UNMC every thirty (30) days commencing thirty (30) days after the start of work of the Project for work completed up to that time period. UNMC shall make payment in accordance with the Nebraska Prompt Payment Act.

**Section 7. Conflict of Interest.** Pursuant to Section 8.05 of the Home Rule Charter of the City of Omaha, no elected official or any officer or employee of City shall have a financial interest, direct or indirect, in this Agreement.

**Section 8. Discrimination.** Neither UNMC nor City shall, in the performance of this Agreement, discriminate or permit discrimination against any person because of race, sex, age, national origin, political beliefs or affiliations in violation of federal or state laws.

**Section 9. Amendment.** This Agreement may be amended in writing signed by the City and UNMC. Any amendment to this Agreement must first be approved by resolution of the governing body of each Participant.

**Section 10. Miscellaneous.** The instrument contains the entire agreement of the parties and shall be binding upon the successors and assigns of the respective parties. No amendment, deletions, or additions shall be made to this Agreement except in writing.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 2006.

**CITY OF OMAHA, NEBRASKA,  
a municipal corporation**

**THE BOARD OF REGENTS OF THE  
UNIVERSITY OF NEBRASKA,  
a public body corporate of the State of  
Nebraska and governing body of the  
University of Nebraska Medical Center**

\_\_\_\_\_  
Mike Fahey  
Mayor of the City of Omaha

\_\_\_\_\_  
James B. Milliken, President

ATTEST:

---

Buster Brown  
City Clerk of the City of Omaha

ATTEST:

---

Donal Burns  
Corporation Secretary

**APPROVED AS TO FORM**

---

Deputy City Attorney

## EXHIBIT A

The proposed improvements for 42<sup>nd</sup> Street beginning just south of the intersection with Leavenworth Street north to Dodge Street will provide several benefits to the UNMC/The Nebraska Medical Center campus and the City of Omaha. The primary benefits include traffic calming and improved pedestrian safety along 42<sup>nd</sup> Street from Leavenworth Street to Dodge Street. Another benefit that will be realized includes aesthetic enhancements to the UNMC/The Nebraska Medical Center campus along this corridor. Coordination with the Midtown Study is necessary and could result in alterations to the plan in the vicinity of Harney and Farnam Streets.

Generally the improvements along 42<sup>nd</sup> Street will include milling and resurfacing of the existing pavement. New bronze traffic signals will be installed at the intersections with Emile Street, Dewey Street, Farnam Street eastbound and west bound legs, and Douglas Street. The existing signals at the intersection with Dodge Street will be modified as necessary. The intersection at Leavenworth Street will be improved with the addition of northbound and southbound left-turn lanes as well as a northbound right-turn lane. The signals at this intersection will be upgraded to accommodate the added left turns. The existing pedestrian signal located mid-block between Emile Street and Dewey Street will be removed.

Curb and gutter along 42<sup>nd</sup> Street and along the intersection returns will be reconstructed as necessary to replace old or broken curb. Geometric improvements will be made to the roadway through reconstruction of curb lines in the vicinity of the Dewey Street intersection. New 6 foot wide sidewalk will be reconstructed 3 foot outside the 42<sup>nd</sup> Street curb line along areas of the project that can accommodate the improvement. The 3 foot area between the curb and sidewalk will receive 6 inch imprinted colored concrete. For areas along 42<sup>nd</sup> Street that will not accommodate the 6 foot wide sidewalk/3 foot wide imprinted concrete setback, a new 5 foot wide sidewalk/2 foot wide imprinted concrete setback will be constructed. Several retaining walls have been identified with the sidewalk improvements. Intersections will be improved to accommodate ADA pedestrian curb ramps and new traffic signals. A pedestrian crossing protected by a raised median at the mid-block location between Emile Street and Dewey Street is proposed. The entire roadway segment will receive new striping to accommodate a three-lane section and pedestrian crossings at all intersections.

Existing street lights will be replaced with bronze street lights by the City/Omaha Public Power District (OPPD). Decorative pedestrian lighting poles are proposed to be installed approximately every 100 feet along both sides of 42<sup>nd</sup> Street, UNMC would purchase the poles and fixtures and the City/OPPD would install, maintain and provide power to the lights.

Landscaping incorporating the concepts identified in UNMC's Campus Master Plan have been assumed. These include tree and shrub plantings where space permits along the corridor.

Replacement of storm sewer inlets along 42<sup>nd</sup> Street is included as part of the project, no other improvements to the combination sewer system are identified in this concept. The existing inlets along the intersecting streets will be left in place when possible.

Right-of-Way acquisitions will be required for this project to accommodate improvements at intersections, new sidewalks, retaining walls, and lighting.



TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Approve proceeding with building construction and other remaining activities to complete the Center for Health Science Education project

RECOMMENDED ACTION: Approve proceeding with building construction and other remaining activities to complete the Center for Health Science Education project at the University of Nebraska Medical Center (UNMC).

PREVIOUS ACTION: November 11, 2005 –The Board approved the initiation of site leveling and foundation pilings for the Center for Health Science Education (CHSE) building at UNMC.

June 10, 2005 – The Board accepted a report of the initiation of remaining relocation construction and demolition activities to prepare the site for the construction of the CHSE.

June 5, 2004 – The Board approved the architect selection and interim funding for campus data processing equipment relocation for the CHSE project.

December 13, 2003 - The Board approved the program statement and budget for the CHSE building.

July 12, 2002 – The Board received the latest Six Year Capital Plan representing highest University building priorities that included the CHSE building.

EXPLANATION: The Center for Health Science Education project at UNMC provides for the construction of a new 134,183 gross square foot, four-story education building to be located on the former site of the Computing Services Building. The new structure will create a home for the education activities of the College of Medicine and provide campus-wide education support resources.

The demolition of buildings on the CHSE site is complete. The first phase of construction, to level the site and place pilings to form the deep foundation of the building, is in progress and is scheduled to complete by the end of March 2006. Construction documents are scheduled to be complete in April 2006.

This item would allow UNMC to proceed with construction of the CHSE building and other project completion activities to result in full use of the building the building in time for the start of the Fall 2008 semester.

The November, 2005 agenda item represented that approval to proceed with construction would be sought once fund raising is completed. Fund raising has generated \$42 million to-date and this, combined with trust funds, provides the necessary funding. Any additional private donations will reduce the trust fund commitment.

PROJECT COST: \$52,700,000

ON-GOING FISCAL IMPACT: Operating and Maintenance (FY 2006/2007) \$1,411,566  
2% Assessment 1,012,000

SOURCE OF FUNDS: Private Donations \$42,700,000  
UNMC Trust Fund 10,000,000

SPONSOR: Donald S. Leuenberger  
Vice Chancellor for Business & Finance

APPROVAL: \_\_\_\_\_  
Harold M. Maurer, M.D., Chancellor  
University of Nebraska Medical Center

DATE: January 5, 2006

TO: The Board of Regents

Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Nebraska Health System

RECOMMENDED ACTION: Adopt a resolution approving (1) proposed Amendments to the Lease Agreement between Nebraska Health System (now known as The Nebraska Medical Center, but referred to herein as “NHS”), the Board of Regents of the University of Nebraska Medical Center and Clarkson Regional Health Services, Inc., and (2) proposed Amendment to the Joint Operating Agreements among the Board of Regents, Clarkson Regional Health Services, Inc., and NHS.

PREVIOUS ACTIONS: June 7, 2003 – The Regents approved (1) certain amendments to the Articles of Incorporation of the NHS to provide procedures for authorizing NHS to incur debt and permit NHS to pledge or mortgage its leasehold interest in assets it operates to secure debt, (2) approved related amendments to the JOA, and (3) approved related amendments to the Lease Agreement which approved NHS debt in an amount not exceed 45% of NHS’s net assets with further specific approval by University officers required for any debt with a term longer than five (5) years.

October 11, 2002 – The Regents approved a contingent commitment of \$10 million from the UNMC share of future annual capital distributions to be made by NHS pursuant to the JOA to be used for construction of the NHS Center for Clinical Excellence.

April 7, 2001 – The Regents approved an amended and restated ground lease with NHS to accommodate construction of the NHS Center for Clinical Excellence.

December 9, 2000 – The Regents approved (1) the merger of Clarkson Regional Health Services, Inc., Bishop Clarkson Memorial Foundation into Bishop Clarkson Memorial Hospital, and changing the name of the merged entity, (2) the First Addendum to the JOA among the Board of Regents, Bishop Clarkson Memorial Hospital and Clarkson Regional Health Services, and the Second Addendum to the Lease Agreement between NHS, the Board of Regents, Bishop Clarkson Memorial Hospital and Clarkson Regional Health Services to reflect such merger and name change, and (3) amendment of the Articles of Incorporation of NHS to reflect the merged Clarkson entity as the member of NHS succeeding to the membership of Clarkson Regional Health Services, Inc.

September 29, 2000 – The Regents approved certain amendments to the JOA and to the Lease Agreement, the most significant of which extended the terms of the JOA and the Lease Agreement from 5 years to 40 years.

November 22, 1997 – The Regents approved a ground lease with NHS to accommodate construction of a connector building between University Hospital and Bishop Clarkson Memorial Hospital.

September 29, 1997 – The Regents (1) approved (a) the Joint Operating Agreement among Bishop Clarkson Memorial Hospital, Clarkson Regional Health Services, Inc., and the Board of Regents, and the Management Agreement for Bishop Clarkson Memorial Hospital and University Hospital (the “JOA”), (b) the Academic Affiliation Agreement for Education and Research between the Board of Regents and NHS, (c) the Articles of Incorporation and Bylaws of NHS, (d) the Lease Agreement between the Board of Regents, Bishop Clarkson Memorial Hospital and Clarkson Regional Health Services, Inc., as Lessors, and NHS, as Lessee, (the “Lease Agreement”), (e) the Employee Lease Agreement among NHS, the University of Nebraska Medical Center, Bishop Clarkson Memorial Hospital and Clarkson Regional Health Services, Inc; (2) authorized the President or any administrative officer designated by the President to execute such additional documents and instruments as may be necessary to carry out the terms of the foregoing instruments; and (3) repealed the Bylaws of the Board of Governors of University Hospital.

April 5, 1997 – The Regents approved a non-binding letter of intent with Clarkson Regional Health Services, Inc., for settlement of the litigation concerning the rights and obligations of the Regents and Bishop Clarkson Memorial Hospital under their association agreement of July 27, 1953.

July 27, 1953 – The Regents and Bishop Clarkson Memorial Hospital entered into an association agreement that, among other things, gives the Regents a right to purchase Bishop Clarkson Memorial Hospital in the event of its proposed sale to a third party.

**EXPLANATION:**

Approval of this agenda item will: (1) delete sections 3 (A) (i) (D) and 3 (A) (ii) (C) of the Lease Agreement, thereby eliminating the requirement for negotiations to occur during 2010 related to the termination of scheduled bond debt service payments to UNMC and CRHS that end on July 1, 2011 (the provision in Section 3(A)(i)(C) of the Lease Agreement for the payment to UNMC of 50% of net revenues in excess of 4½% operating margin is retained); and (2) amend Section 6.8 (b) of the JOA to provide that in the fiscal year ending June 30, 2012, and thereafter, NHS shall make capital distribution of \$3 million to each of UNMC and CRHS at the direction of its Board of Directors, and up to an additional \$3 million to each upon maintaining a minimum cash reserve of 150 days.

The proposed amendments will facilitate long-term financing for NHS and the Regents by strengthening the legal structure to help NHS be viewed as a stand-alone credit and to clarify the \$6 million payment obligations to UNMC and CRHS.

The document amendments described herein will not reduce payments from NHS to the Board of Regents/UNMC.

PROJECT COST: N/A

SOURCE OF FUNDS: N/A

SPONSOR: Donald S. Leuenberger  
Vice Chancellor for Business & Finance

APPROVAL: \_\_\_\_\_  
Harold M. Maurer, M.D., Chancellor  
University of Nebraska Medical Center

DATE: January 5, 2006

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: University of Nebraska at Omaha Student Housing

RECOMMENDED ACTION: Approve additional student housing at UNO, authorize issuance of a request for proposals for a private developer(s) and authorize the President to negotiate and approve a ground lease with the successful respondent to provide up to 400 additional beds in consultation with the Board Chair.

PREVIOUS ACTION: August 9, 2003 – Board of Regents approved a purchase and transfer agreement with the Suzanne and Walter Scott Foundation and companion bond financing resolution relating to the Scott Village project.

January 12, 2002 – Board of Regents approved a ground lease agreement with the Suzanne and Walter Scott Foundation for the construction of Scott Village, a 480 bed complex on the UNO Ak-Sar-Ben campus.

March 20, 1999 – Board of Regents approved a ground lease agreement with the Suzanne and Walter Scott Foundation for a 164 bed student housing facility and related facilities on the UNO Ak-Sar-Ben campus.

January 17, 1998 – Board of Regents approved a ground lease with Nebraska Housing I Limited Partnership (with Century Development as the General Partner) for 576 beds of student housing at UNO.

EXPLANATION: UNO currently has residence capacity of 1,220 beds available in Scott Hall, Scott Village, and University Village. UNO's goal is to increase housing to meet unmet demand and eliminate "lack of housing availability" as a reason for students choosing schools other than UNO. Studies by UNO disclose that these are students whose second choice would not be another campus within the University system. Past market demand studies and experience to date support the need for additional housing at twice the current capacity. Projected demand is sufficient to sustain the financial viability of the existing housing facilities as well as the proposed project. As Scott Village is supported by University-issued bonds and has development fee obligations to third parties, UNO recognizes it must manage housing to meet those commitments and obligations as set forth in the bond covenants and financing documents.

Additional student housing at UNO is critical to enrollment growth and maintaining UNO's role as a metropolitan university of distinction.

It is proposed that the next phase of housing be on the north campus in an area adjacent to University Village, which is privatized student housing. A fall 2007 opening is anticipated. The following elements are expected to be part of the ground lease agreement.

- a) A totally privatized transaction with no financial obligation by the University. The successful respondent will finance, construct, own the leasehold interest in, and manage the project in a manner whereby the University will have no financial obligation on the debt or for the operations, maintenance, repairs or capital replacement of the project.
- b) Proposed monthly room rents in the "affordable" range for UNO students.
- c) Potential net cash flow to the University.
- d) Very desirable room/unit layout.
- e) Experienced residence life and property management personnel.
- f) Strong emphasis on facilities maintenance, including landscaping, sprinklers, etc.
- g) A lease period commensurate with the functional life of the project.

This item, if approved, will allow UNO to move forward with a request for proposals relating to the project. The request for proposal will seek a third-party developer(s) who would provide construction, financing, and operate the project. This could be performed by a single respondent or a combination of construction firms, entities with expertise in student housing, finance organizations, and others.

SPONSOR:

James R. Buck  
Vice Chancellor for Administration

APPROVAL:

\_\_\_\_\_  
Nancy Belck, Chancellor  
University of Nebraska at Omaha

DATE:

January 5, 2006

**UNIVERSITY OF NEBRASKA**  
**TENURE DENSITY**  
**Fall 2005 Compared to Selected Previous Years**

	1995	2000	2004	2005	Net Change Numbers & Percentage Points		
					1-yr	5-yr	10-yr
University-Wide							
Tenured	1,737	1,657	1,633	1,630	(3)	(27)	(107)
Tenure-Track	425	412	405	417	12	5	(8)
Health Professions	331	311	346	357	11	46	26
Total	2,493	2,380	2,384	2,404	20	24	(89)
% Tenured	69.7%	69.6%	68.5%	67.8%	(0.7)	(1.8)	-1.9
UNL							
Tenured	948	916	893	889	(4)	(27)	(59)
Tenure-Track	272	237	210	225	15	(12)	(47)
Total	1,220	1,153	1,103	1,114	11	(39)	(106)
% Tenured	77.7%	79.4%	81.0%	79.8%	(1.2)	0.4	2.1
UNL (city only)							
Tenured	666	659	651	656	5	(3)	(10)
Tenure-Track	222	193	163	177	14	(16)	(45)
Total	888	852	814	833	19	(19)	(55)
% Tenured	75.0%	77.3%	80.0%	78.8%	(1.2)	1.5	3.8
IANR							
Tenured	282	257	242	233	(9)	(24)	(49)
Tenure-Track	50	44	47	48	1	4	(2)
Total	332	301	289	281	(8)	(20)	(51)
% Tenured	84.9%	85.4%	83.7%	82.9%	(0.8)	(2.5)	(2.0)
UNMC							
Tenured	247	242	255	249	(6)	7	2
Tenure-Track			-		0	0	0
Health Professions	331	311	346	357	11	46	26
Total	578	553	601	606	5	53	28
% Tenured	42.7%	43.8%	42.4%	41.1%	(1.3)	(2.7)	(1.6)
UNO							
Tenured	323	302	299	302	3	0	(21)
Tenure-Track	87	106	124	122	(2)	16	35
Total	410	408	423	424	1	16	14
% Tenured	78.8%	74.0%	70.7%	71.2%	0.5	(2.8)	(7.6)
UNK							
Tenured	219	197	186	190	4	(7)	(29)
Tenure-Track	66	69	71	70	(1)	1	4
Total	285	266	257	260	3	(6)	(25)
% Tenured	76.8%	74.1%	72.4%	73.1%	0.7	(1.0)	(3.7)

## Notes:

The Health Professions category appeared for the first time in 1989. For reporting purposes, the Health Professions are included in the percentage tenured computation.

Source: University of Nebraska preliminary 2005 HR Extract

December 5, 2005



TO: The Board of Regents  
 Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Design Development Report for the University of Nebraska-Kearney  
 (UNK) Student Housing

RECOMMENDED ACTION: Report

PREVIOUS ACTION: December 1, 2005 - The Board of Regents approved the UNK Student  
 Housing Amended Construction Budget and Resolution.  
 June 10, 2005 - The Board of Regents approved the program statement  
 and budget for student housing replacement at the University of  
 Nebraska at Kearney. The Board also approved a companion item  
 authorizing issuance of revenue bonds to finance construction of the  
 Kearney housing project.

EXPLANATION: Design Development for the student housing is now complete. This  
 project provides for a three building complex to replace the existing Case  
 and Ludden structures. The structure borders 9<sup>th</sup> Avenue, creating a  
 consistent scale at campus boundary. A four story structure allows for  
 greater building efficiency on the interior of campus. A signature link  
 between the two structures on 9<sup>th</sup> Avenue functions as both an  
 aesthetically welcoming area of campus and as a large interior gathering  
 area for student activities.

	Proposed start of construction	March 2006
	Proposed completion of construction	July 2007

PROJECT COST: \$21,780,000

ON-GOING FISCAL	Annual Operating Costs	\$1,318,326
IMPACT:	2% Assessment	None

SOURCE OF FUNDS: Revenue Bonds and Bond Surplus Funds

SPONSOR: Randal L. Haack  
 Vice Chancellor for Business & Finance

APPROVAL: \_\_\_\_\_  
 Douglas A. Kristensen, Chancellor  
 University of Nebraska at Kearney

DATE: January 5, 2006



## New Residence Halls Design Development Report

University of Nebraska at Kearney

### Project Description

- The project as designed will bid a base of 300 beds with an alternate for an additional 32 beds for potential of 332 total beds.
- The project combines four and two bedroom units distributed throughout three new suite style residence halls replacing the existing Case and Ludden structures.
- The residence halls have common laundry, computer labs and community kitchen areas distributed throughout the facilities, near vertical circulation corridors.
- Three story structures border 9<sup>th</sup> Avenue, maintaining a consistent scale at campus boundary. A four story structure allows for greater building efficiency on the interior of campus.
- A signature link between the two structures on 9<sup>th</sup> Avenue functions as both an aesthetically welcoming area of campus and as a large interior gathering area for student activities.
- Halls are designed to mechanically tie into campus steam, chilled water and electrical distribution systems.

### Budget

Total Project Budget	\$21,780,000
----------------------	--------------

### Project Schedule

Program Review by Board of Regents Approved	June 2005
Schematic Design Complete	Oct 2005
Design Development Complete	November 2005
Construction Documents	January 2006
Start of Construction	March 2006
Substantial Completion	July 2007



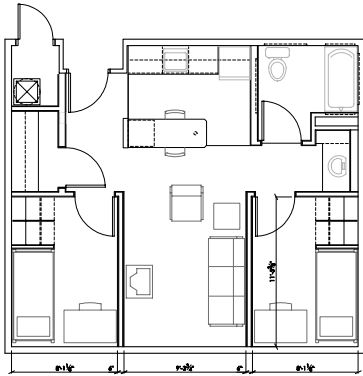
View Above 9<sup>th</sup> Ave. Looking Northwest



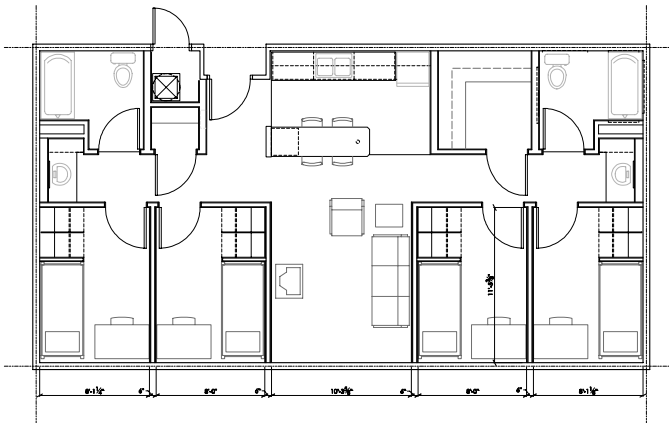
Site Plan: New Residence Hall Relationship to UNK's 26<sup>th</sup> Street Mall.



View from 9<sup>th</sup> Ave. Campus Edge Looking West



Typical Two Bedroom Suite



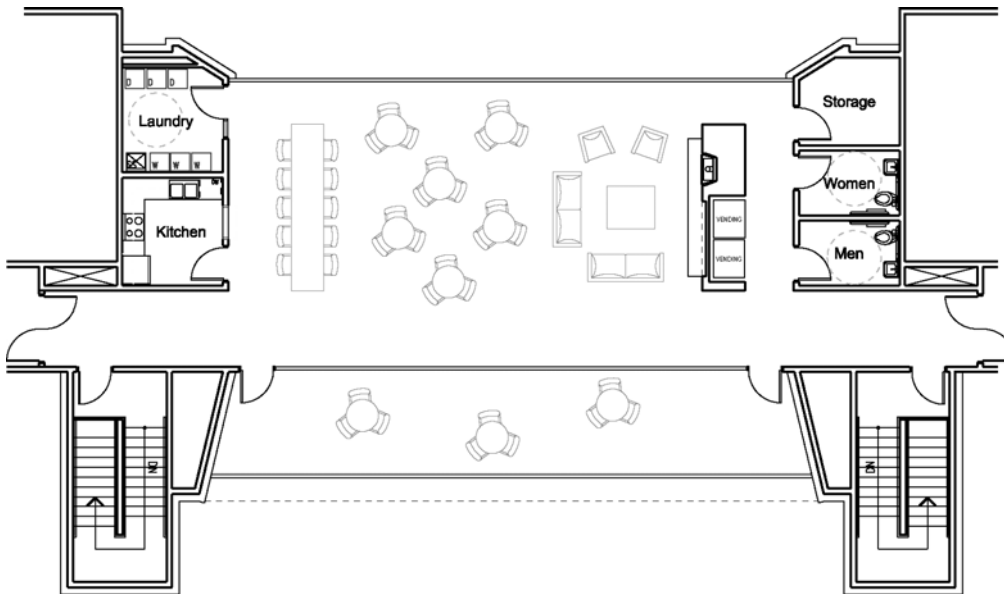
Typical Four Bedroom Suite



Looking East From Cope Fountain Down 26<sup>th</sup> St. Mall



View Out from Campus Bridge Area Looking West Down 26<sup>th</sup> St. Mall



Plan View Campus Bridge Area Over 26<sup>th</sup> Street



Interior View Campus Bridge Area



TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Design Development Report for the University of Nebraska Medical Center (UNMC) Center for Health Science Education project

RECOMMENDED ACTION: Report

PREVIOUS ACTION: November 11, 2005 – The Board approved the initiation of site leveling and foundation pilings for the Center for Health Science Education (CHSE) building at UNMC.  
  
June 10, 2005 – The Board accepted a report of the initiation of remaining relocation construction and demolition activities to prepare the site for the construction of the CHSE.  
  
June 5, 2004 – The Board approved the architect selection and interim funding for campus data processing equipment relocation for the CHSE project.  
  
December 13, 2003 – The Board approved the program statement and budget for the CHSE building.  
  
July 12, 2002 – The Board received the latest Six Year Capital Plan representing highest University building priorities that included the CHSE building.

EXPLANATION: Design Development for the Center for Health Science Education building is now complete. This project provides for the construction of a new 134,183 gross square foot, four-story education building to be located on the northeast corner of 42<sup>nd</sup> and Emile Streets on the former site of the Computing Services building at the UNMC campus in Omaha. The new structure will create a home for the education activities of the College of Medicine and will provide campus-wide education support resources.

PROJECT COST: \$52,700,000

ON-GOING FISCAL IMPACT: Operating and Maintenance (FY 2006/2007) \$1,411,566  
2% Assessment \$1,012,000

SOURCE OF FUNDS: Private Donations  
UNMC Trust Fund

SPONSOR:

Donald S. Leuenberger  
Vice Chancellor for Business & Finance

APPROVAL:

---

Harold M. Maurer, M.D., Chancellor  
University of Nebraska Medical Center

DATE:

December 14, 2005

CENTER FOR HEALTH SCIENCE EDUCATION  
University of Nebraska Medical Center  
Omaha, Nebraska

*Design Development Report – December, 2005*

---

PROJECT SCOPE

The Center for Health Science Education will be a new 4 level, 134,000 gross square foot building located on the northeast corner of 42<sup>nd</sup> and Emile Streets on the former site of the Computing Services building at the University of Nebraska Medical Center in Omaha, Nebraska. The new structure will create a home for the education activities of the College of Medicine and provide campus-wide education support resources. The building is designed to facilitate student-faculty interaction, inter-professional exchange and provide a richer campus experience.

A campus greenway will be constructed between 42<sup>nd</sup> and 40<sup>th</sup> Streets starting between the new facility and the College of Pharmacy Building to provide a park-like setting for the education zone of campus, create a campus gateway, visually connect the new building and existing education buildings with the Student Life Center and residential units to the east and provide a much needed natural counterpoint to the densely built core of the UNMC campus. An elevated and enclosed pedestrian connector will link the new building to Wittson Hall above and across 42<sup>nd</sup> Street to the west.



UNMC Center for Health Science Education  
Northwest Elevation



## BUILDING SIZE AND EFFICIENCY

	Program Statement	Design Development
Gross Building Area:	131,296 Square Feet	134,183 Square Feet
Net Assignable Building Area:	87,968 Square Feet	89,547 Square Feet
Building Design Efficiency:	67%	66.7%

## BUDGET

The total project budget remains unchanged at \$52,700,000.

## PROJECT SCHEDULE

Complete Design Development Documents	December 2005
Site Demolition Complete	December 2005
Site Leveling and Foundations Start	December 2005
Foundation Construction Complete	March 2006
Construction Documents Complete	April 2006
Receive Bids and Award Contract	May 2006
Start of Construction	June 2006
Substantial Completion	April 2008

TO: The Board of Regents  
Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Report of Emergency Tower Easement

RECOMMENDED ACTION: None

PREVIOUS ACTION: None

EXPLANATION: An easement has been granted to Frontier County, a governmental subdivision of the State of Nebraska, for the occupancy of an emergency communication tower. The tower is located within a tract of land owned by the Board of Regents within the NW1/4 of Section 28, Township 8 North, Range 28 West of the 6<sup>th</sup> P.M., Frontier County, Nebraska, consisting of 0.63 acres, more or less on the Nebraska College of Technical Agriculture (NCTA) at Curtis.

PROJECT COST: None

SOURCE OF FUNDS: None

SPONSORS: Gerald M. Sundquist, Interim Dean  
Nebraska College of Technical Agriculture  
  
Alan R. Moeller, Assistant Vice Chancellor  
Institute of Agriculture and Natural Resources

APPROVAL: \_\_\_\_\_  
John C. Owens, NU Vice President and IANR Vice Chancellor

DATE: November 29, 2005

TO: The Board of Regents  
Academic Affairs

MEETING DATE: January 20, 2006

SUBJECT: Name change for the University of Nebraska-Lincoln Women's Studies Program to Women's and Gender Studies Program

RECOMMENDED ACTION: Report on the name change from Women's Studies Program to Women's and Gender Studies Program at the Univeristy of Nebraka-Lincoln.

EXPLANATION: The proposed name of "Women's and Gender Studies" reflects the changes in the program in its thirty years of existence, marking a shift in program efforts to consider gender more broadly (by studying both femininity and masculinity), better representing the curricular offerings of the program, and aligning the program with similar programs at other major institutions. This proposal would also change the name of the undergraduate major, undergraduate minor, graduate minor, and the graduate specialization.

The renaming of the unit is supported unanimously by the faculty in the unit, the dean of the college, and the University of Nebraska-Lincoln Academic Planning Committee.

The change in name that is being requested is one of title only and will entail no change of organizational structure within the College or the University, no change in the administrative or budgetary lines of authority, and no additional funding.

SPONSORS: Barbara Couture  
Senior Vice Chancellor for Academic Affairs

Harvey Perlman, Chancellor  
University of Nebraska-Lincoln

APPROVAL: \_\_\_\_\_  
Jay Noren  
Executive Vice Prsident and Provost

DATE: December 14, 2005

TO: The Board of Regents

Business Affairs

MEETING DATE: January 20, 2006

SUBJECT: Report of Bids and Contracts

RECOMMENDED ACTION: Report

PREVIOUS ACTION: None

EXPLANATION: The attached report is a summary of bids and contracts as provided by the campuses pursuant to Section 6.4 of the *Bylaws of the Board of Regents of the University of Nebraska* for the period ended December 14, 2005.

The report outlines the following: type of action; campus; description and use of the product, service, or project; funding source; approved budget amount; contract amount; contractor or vendor; and a bid review or bid explanation if the low responsible bid was not accepted.

PROJECT COST: None

SOURCE OF FUNDS: None

APPROVAL:

\_\_\_\_\_  
David E. Lechner  
Vice President for Business & Finance

DATE: December 14, 2005

University of Nebraska  
Business Affairs Report of Bids & Contracts

Period Ending: December 14, 2005  
Meeting Date: January 20, 2006

Type of Action	Campus	Description	Funding Source	Approved Budget Amount	Contract Amount	Contractor/ Vendor	Bid Review or Explanation
Construction Contract	UNL	Othmer Hall C/GMP Unit Ops. relocation for Bio Process Development Facility: College of Engineering	Federal Funds	\$ 4,670,000	\$ 896,851	Hawkins Construction Company	Lowest responsible bidder.
	UNL	Greenhouse at Scottsbluff: Panhandle Research and Extension Center	Cash Funds	\$ 155,700	\$ 124,066	Rusch's General Contracting	Lowest responsible bidder.
	UNL	Lab renovation, College of Dentistry	Cash Funds Trust Funds	\$ 357,000	\$ 293,800	Dickey & Burham, Inc.	Lowest responsible bidder.
	UNMC	McGoogan Library of Medicine Rare Book Room renovation	McGoogan Library Fund, Business & Finance General Expense, LB 309	\$ 317,221	\$ 229,846	All Purpose Utilities	Lowest responsible bidder.
	UNMC	Relocation utility work for CHSE project	CHSE Project	\$ 140,000	\$ 140,000	Metropolitan Utilities District	Sole source. Only district employees are allowed to work on utilities.
Personal Property Procurement	UNMC	Genome Library	Eppley Institute for Research and Allied Diseases	\$ 350,000	\$ 350,000	Dharmacon, Inc.	Sole source: Only complete SiRNA Library genes across the entire human genomes.
Real Property Leases, University as Lessee	UNO	KVNO-FM Radio Tower Five Year Lease	Trust Funds	\$ 81,245	\$ 81,245	Hearst-Argyle Properties, Inc. d/b/a KETV-TV	Sole source: Unique technical transmission requirements.

**MEMORANDUM**

TO: Board of Regents  
FROM: Jay Noren  
DATE: January 20, 2006  
RE: Fall Semester 2005 Report on Programs with Differential Tuition Rates

Enclosed is the 2005 fall semester report on the program, "UNL Concurrent Enrollment Program with Nebraska High Schools," approved by the President in July 2005, and first implemented in the 2005 fall semester

This is the first program implemented as authorized in Regents Policy 5.7.4 Differential Tuition Rates, which states:

***Board of Regents Policies***

***RP-5.7.4 Tuition Level Guidelines***

*Guidelines for setting tuition levels throughout the University include...*

*10. Differential Tuition Rates: the President may establish a procedure by which the campuses may vary the rate of tuition from that established by the Board. The purpose of such variable rates would be to achieve University goals and objectives. The principles guiding any tuition differential rates shall be as follows:*

- a) Differential tuition rates should take into consideration the goals of tuition policy, educational objectives, efficient use of University resources, entrepreneurial opportunities, and competitive challenges.*
- b) Tuition differentials, if any, should be reasonably transparent so that individual students can make informed choices.*
- c) Following each semester and summer session, the Board of Regents will be provided a report on the variances granted to the Board approved rates and the impact of those actions, including any impact on access.*
- d) Any proposal for a variance should state the specific purpose to be achieved and the means for measuring its effectiveness.*
- e) All programs with differential tuition rates will adhere to the University's tuition policy guidelines.*

***Reference: BRUN, Minutes, p. 217, (December 4, 1993).  
BRUN, Minutes, 64, p.124, (June 10, 2005).***

Also enclosed is a brief description of the "UNL Concurrent Enrollment Program."

**University of Nebraska-Lincoln  
Advanced Scholars Program  
Fall Semester 2005 Report**

The UNL Advanced Scholars program is a partnership linking UNL with Nebraska secondary schools. Through this concurrent enrollment partnership, high schools can offer qualified high school seniors and high-ability or gifted students the opportunity to enroll in UNL online courses for college credit. A hallmark of the UNL Advanced Scholars program is that teaching of the academic online courses resides with the university faculty. The course syllabi, textbooks, kinds of assignments, and grading practices are the same as those used by the faculty for their on-campus courses. Students who register and successfully complete UNL Advanced Scholars online courses earn UNL credit, verified by an official UNL transcript.

Brief description of UNL courses taught Fall Semester 2005:

**Insect Biology (ENTO 115) 2 credits**

Instructor: Dr. Tiffany Heng-Moss, Assistant Professor, Department of Entomology

Course Description: ENTO 115 offers a general introduction to insects. The primary objective of this course is to provide students with the necessary tools to recognize common insects found in Nebraska – and understand their biology and unique adaptations. This course covers topics such as: insect diversity, insect morphology and physiology, insect ecology and behavior and considerations of the economic and medical importance of insects.

**Animal Products (ASCI 210) 3 credits**

Instructor: Dr. Steven Jones, Professor, Animal Science

Course Description: ASCI 210 students gain knowledge of edible animal products with particular emphasis on meat products from livestock and poultry. This course includes all aspects of the meat industry from slaughter to consumption. Methods of slaughter and fabrication, conversion of muscle to meat, processing techniques, preservation and storage, and consumer-related topics are discussed and demonstrated.

**UNL Advanced Scholars Program  
Fall Semester 2005**

Course	Number of Enrollments	High School	Total Tuition Dollars
ENTO 115	5	Grand Island	\$1,200
	1	Nebraska City	
ASCI 210	1	Lourdes Central	\$300
<b>Total</b>	<b>7</b>		<b>\$1,500</b>

**University of Nebraska-Lincoln  
Concurrent Enrollment Program with Nebraska High Schools  
Program Guide  
June 2005**

**Concurrent Enrollment:** Enrollment in college courses for credit by high school students who continue to be enrolled as high school students and counted in Average Daily Membership. It exists when college enrollment occurs either pursuant to contractual arrangement between a school district and UNL, or pursuant to individual initiation by student or students.

**UNL Concurrent Enrollment** is a partnership linking UNL with secondary schools. Through this partnership, high schools can offer qualified seniors the opportunity to enroll in UNL courses for credit. All UNL courses offered through UNL Concurrent Enrollment are regular offerings in the colleges of UNL. They are the same courses normally taken by UNL students during their freshman year. A hallmark of UNL Concurrent Enrollment program is that teaching of the academic courses resides with the university faculty. The course syllabi, textbooks, kinds of assignments, and grading practices are the same as those used by the faculty for their on-campus courses. Students who register and successfully complete UNL Concurrent Enrollment courses earn UNL credit, verified by an official UNL transcript.

**Course Offerings** will include high demand courses meeting general education requirements. UNL will give priority to science courses and other general education courses that are core to UNL programs. First year course offerings will include:

- Insect Biology: Entomology 115
- The Science of Food: Food Science and Technology 131
- Animal Products: Animal Science 210
- Introduction to Psychology: Psychology 181.
- Contemporary Foreign Governments and Their Problems: Political Science 104
- International Relations: Political Science 160

The goal is to have ten concurrent enrollment courses offered by UNL faculty starting in the fall of 2006.

**Course Expectations:** UNL Concurrent Enrollment courses will be offered as on-line college courses and taught by UNL faculty. Therefore, they will make greater demands on students' abilities to conceptualize, understand implications, and draw conclusions from their reading, research and on-line assignments than do most high school courses. The courses go into greater depth, often take more time and work, and challenge students to greater accomplishments. Students accept these challenges when they register for a UNL course, and parents should understand that their sons and daughters will experience appropriately stringent college grading standards.

**Benefit of Concurrent Enrollment:** By taking college courses while still in high school, students have the opportunity to experience the rigors of college coursework and the amount of self-discipline they need to succeed academically in college. In addition, taking a college course in high school keeps students challenged through the senior year, and helps maintain sharp academic skills and good study habits. Early college study can provide a head start on college studies for students who are academically ready for such an experience as well as give students greater flexibility with their academic programs once they arrive on campus.



**Student Eligibility Requirements:** Students who participate in the UNL Concurrent Enrollment program must have successfully completed the pre-requisite high school coursework with a B average or better before they can register for a college course. They must have senior standing, grade point average and ACT composite score which predict success (generally considered to be B average and score of 22 or higher) and demonstrate a motivation to work hard. Students are required to have supportive letters of recommendation from high school teachers/counselors and approval of high school principal. Final contract is to be signed by student's parent or guardian. Students will be classified as UNL visiting students.

**High School Application:** UNL Concurrent Enrollment is a partnership linking UNL with secondary schools. Through this partnership, high schools can offer qualified seniors the opportunity to enroll in UNL courses for credit. The Offices of Undergraduate Studies and UNL Admissions will help identify Nebraska high schools that will be invited to participate in the UNL Concurrent Enrollment program. Each participating high school will be asked to submit an application and sign a memorandum of understanding. Participating high schools will:

- Introduce junior year students and their parents to UNL Concurrent Enrollment courses to be offered to high school seniors.
- Convene orientation meeting for interested students and their parents early in the second semester to discuss the UNL Concurrent Enrollment courses and partnership between high school and UNL.
- Provide UNL support letters of recommendation from high school teachers/counselors and approval of high school principal for students wanting to enroll in UNL Concurrent Enrollment courses.
- Provide UNL a copy of required Intent to Register Form signed by student's parent or guardian.
- Determine if high school credit will be offered to students taking the UNL Concurrent Enrollment courses.
- Provide a high school teacher to serve as student advisor for each UNL Concurrent Enrollment course offered. The advisor will work closely with the UNL course instructor.

**Student Registration Process:** Students will be classified as UNL visiting students. UNL Concurrent Enrollment courses will be listed as "S" courses (distance education technology delivered courses). Students will register through UNL's online registration (eNRoll). Courses will follow the UNL academic calendar for first and second semesters.

**UNL Academic Department:** All UNL Concurrent Enrollment courses will be developed and taught by UNL faculty. Courses will be the same as on-campus courses and faculty are expected to maintain the University's academic standards throughout the course. Faculty teaching the Concurrent Enrollment courses should establish a collaborative working relationship with high school teachers who will serve as advisors to high school seniors enrolled in the UNL courses.

**UNL Extended Education & Outreach** will have administrative responsibility for the UNL Concurrent Enrollment program in collaboration with Dean of Undergraduate Studies and UNL Admissions. EE&O will be responsible for recruiting high schools to partner with UNL in offering the concurrent enrollment courses. EE&O will work with Registrations and Records on enrollments and Information Services with help desk support. Student Accounts will handle

collection of tuition and fees. EE&O will assist partnering high schools with student recruitment by providing program and course promotional materials, etc.

The **Office of Undergraduate Studies** will coordinate course offerings among academic units. The EE&O and OUS will work in conjunction with the Office of Admissions to promote concurrent enrollment course offerings to 'rising seniors' (high school juniors) attending the annual spring UNL Honors Colloquium and then, again during the Lincoln and Omaha Honors receptions for prospective UNL students in early Fall.

**UNL Office of Admissions** will handle all visiting student admissions for the UNL Concurrent Enrollment program. Admissions will help in selecting high schools who will be invited to participate as partners in the UNL Concurrent Enrollment program.

**Concurrent Enrollment Tuition and Fees:**

To position UNL as being price competitive in the Nebraska market, per credit hour cost for concurrent enrollment courses is \$100.00. The maximum number of courses a high school senior could enroll in is two per semester and one during the summer. However, it is expected that the majority of students will take one course per semester or a total of two courses during their senior year the goal is to have 100 students participate in the program during the 2006-2007 academic year for a total of 200 enrollments. In year 2007-2008 the goal is 200 students with a minimum of 400 enrollments.

Students enrolled in concurrent courses will be classified as Visiting Students. They will pay an application fee on a one time basis which permits them to submit application for admittance to UNL as a regular student. Students who apply and are accepted at UNL by the time they begin their senior year in high school will have the application fee waived.