

**North Carolina State University
Information Requested
For Continuing Disclosure
For the Year Ended June 30, 2004**

I. 2004 Audited Financial Statements

SEE SEPARATELY SUBMITTED FILE

II. Financial and statistical data as of June 30, 2004 for disclosure under the captions "NORTH CAROLINA STATE UNIVERSITY AT RALEIGH", "THE STUDENT CENTER", "THE PARKING SYSTEM", AND "THE DINING SYSTEM" in the Official Statement relating to the 1996 Bonds dated August 8, 1996 follow:

- Total assets
SEE FINANCIAL STATEMENTS pages 15 & 34
- Revenues for the year with major categories
SEE FINANCIAL STATEMENTS pages 21 & 35
- Expenses for the year with major categories
SEE FINANCIAL STATEMENTS pages 21 & 65
- Amount of Outstanding Indebtedness
SEE FINANCIAL STATEMENTS page 57
- Student Enrollment by College
SEE FINANCIAL STATEMENTS page 78
- Applications, Acceptances, Enrollment Statistics
SEE FINANCIAL STATEMENTS page 76
- Market value of Endowment and Foundations
The June 30, 2004 endowment market value for NCSU's Endowment Fund and the 11 affiliated foundations that provide support for NC State totaled \$320.2 million.
- Foundation Balances
Following are the Fiscal Year 2004 amounts for the Combined Assets, Fund Balances, Revenue and Direct Support of the foundations to NC State.

Combined Assets	\$ 382,250,418
Combined Fund Balances	293,669,780
Combined Revenues	90,748,232
Combined Direct Support	40,610,132

- NCSU Endowment Fund
The University's Endowment Fund's market value has grown to \$133 million. The return for fiscal year 2004 was 14.51%. Value of the Endowment Fund is as follows:

Unexpendable	\$ 47,369,919
Expendable	<u>85,946,791</u>
Total	\$ <u>133,316,710</u>

- State Aid

FISCAL YEAR ENDED JUNE 30	(in 000's)			
	OPERATING APPROPRIATIONS	CAPITAL APPROPRIATIONS	CAPITAL GRANT ²	TOTAL STATE AID
2000	\$ 340,135	\$ 22,587	\$ 0	\$ 362,722
2001	352,462	7,868	5,460	365,790
2002	328,187	0	23,590	351,777
2003	337,976	0	57,598	395,574
2004	341,732	778	97,313	439,823
2005 ¹	369,270	4,426	97,000	470,696

¹ Estimated.

² In addition to capital appropriations, beginning the Fiscal Year ended June 30, 2001; NC State began receiving funds from general obligation bond issues of the State to be used on higher education capital projects. In November 2000, the State's voters approved the issuance of \$3.1 billion of general obligation bonds of the State to finance improvements to the State's universities and community colleges. Total receipts for improvements to the NC State campus from the bond issues are anticipated to amount to approximately \$468 million, depending on future bond sales and approved capital projects.

- Tuition, Fees and Financial Aid

For the 2004-05 academic year, undergraduate tuition and mandatory fees for in-state students is \$4,282, and for out-of-state students is \$16,180. During the 2003-04 academic year, approximately 17,200 students, about 54% of the total student body, received over \$160 million in financial aid. The total aid included approximately \$83 million from federal sources, \$67 million of which was received in the form of Federal Family Education Loans (Federal Stafford, Federal PLUS). Approximately \$77 million was received from the State, NC State and private sources

- Grants and Contracts.

NC State received \$208.6 million in awards from sponsored programs in the Fiscal Year 2004, which was a 20% increase over the preceding Fiscal Year. Federal funding represents 53% of the sponsored programs funding to NC State. NC State received in excess of \$4.6 million from royalties and 62 license agreements were signed with companies in Fiscal Year 2004.

- Revenues, Expenditures and Net Revenues

The following table set forth total revenues, expenditures and net revenues for the current fiscal year.

NORTH CAROLINA STATE UNIVERSITY REVENUES, CURRENT EXPENDITURES AND NET REVENUES FOR THE FISCAL YEAR ENDED JUNE 30, 2004						
	<u>NET REVENUE</u>					
	<u>GROSS</u> <u>REVENUES</u>	<u>DIRECT</u> <u>OPERATING</u> <u>EXPENSES</u>	<u>AVAILABLE</u> <u>FOR DEBT</u> <u>SERVICE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>SURPLUS</u>	<u>COVERAGE</u> <u>RATIO</u>
Parking	\$ 7,744,427	\$ 6,553,178	\$ 1,191,249	\$ 807,670	\$ 383,579	1.47x
Dining	17,957,780	16,631,086	1,326,694	256,299	1,070,395	5.18x
Student Center	5,190,493	4,606,097	584,396	266,752	317,644	2.19x

- Pending Litigation related to Parking System

SEE FINANCIAL STATEMENTS pages 70 & 71

III Financial and statistical data as of June 30, 2004 for disclosure under the captions "FINANCES OF NC STATE", "OUTSTANDING INDEBTEDNESS" and "SECURITY FOR THE BONDS-THE REVENUES-Discretionary Funds Available to NC State in the Official Statement relating to the 1997 Bonds dated February 25, 1997 follow:

- Total assets
SEE FINANCIAL STATEMENTS page 15 & 34
- Revenues for the year with major categories
SEE FINANCIAL STATEMENTS page 21 & 35
- Expenses for the year with major categories
SEE FINANCIAL STATEMENTS page 21 & 65
- Amount of Outstanding Indebtedness
SEE FINANCIAL STATEMENTS page 57
- Market value of Endowment and Foundations
The June 30, 2004 endowment market value for NCSU's Endowment Fund and the 11 affiliated foundations that provide support for NC State totaled \$320.2 million.
- Foundation Balances
Following are the Fiscal Year 2004 amounts for the Combined Assets, Fund Balances, Revenue and Direct Support of the foundations to NC State.

Combined Assets	\$ 382,250,418
Combined Fund Balances	293,669,780
Combined Revenues	90,748,232
Combined Direct Support	40,610,132

- Grants and Contracts.

The following tables set forth total expenditures from contracts and grants and allocation of these expenditures for the previous five Fiscal Years.

SOURCES OF CONTRACTS AND GRANTS EXPENDITURES¹

<u>FISCAL YEAR</u>	<u>FEDERAL</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>
2000	\$ 73,213,551	\$ 25,871,454	\$ 36,998,226	\$ 136,083,231
2001	78,610,107	31,918,173	39,647,326	150,175,606
2002	89,424,190	33,422,986	43,161,837	166,009,013
2003	93,822,014	32,440,257	45,307,956	171,570,227
2004	100,647,335	34,352,136	45,306,121	180,305,592

CONTRACTS AND GRANTS EXPENDITURES¹

<u>FISCAL</u> <u>YEAR</u>	<u>DIRECT COSTS</u>	<u>INDIRECT</u> <u>COSTS</u>	<u>TOTAL COSTS</u>	<u>NC STATE</u>	<u>APPROVED</u>
				<u>SHARE OF</u> <u>INDIRECT COSTS</u>	<u>FEDERAL</u> <u>INDIRECT COST</u> <u>RECOVERY RATE</u>
2000	\$ 116,321,635	\$ 19,761,596	\$ 136,083,231	\$ 18,773,516	47.0%
2001	127,374,676	22,800,930	150,175,606	22,800,930	47.0%
2002	141,355,763	24,653,250	166,009,013	24,653,250	46.5%
2003	146,847,376	24,722,851	171,570,227	24,722,851	46.5%
2004	152,986,699	27,318,893	180,305,592	27,318,893	46.0%

¹ Expenditures reported are on a modified accrual basis.

IV Financial and statistical data as of June 30, 2004 for disclosure under the captions “FINANCIAL INFORMATION OF NC STATE” and “SECURITY FOR THE 2002 BONDS-GENERAL” in the Official Statement relating to the 2002 Bonds dated April 1, 2002 as follows:

- Commercial Paper

In March 2002, the Board instituted a tax-exempt commercial paper program pursuant to which the Board may issue Tax-Exempt Commercial Paper Bonds (UNC at Chapel Hill/NC State 2002 Issue) (the “CP Bonds”). NC State is permitted to access up to \$60,000,000 of proceeds of CP Bonds to fund certain capital projects at NC State. To represent the NC State obligation with respect to the CP Bonds, a bond in an amount not to exceed \$60,000,000 was issued under the General Indenture (the “2002A Bond”). The 2002A Bond is payable from Available Funds on parity with the 2005A Bonds. As of June 30, 2004, the amount of CP Bonds outstanding was \$15,000,000.

- Available Funds

SEE FINANCIAL STATEMENTS page 75

- State Aid

<u>FISCAL YEAR</u> <u>ENDED JUNE 30</u>	<u>OPERATING</u> <u>APPROPRIATIONS</u>	<i>(in 000's)</i>		<u>TOTAL</u> <u>STATE AID</u>
		<u>CAPITAL</u> <u>APPROPRIATIONS</u>	<u>CAPITAL</u> <u>GRANT²</u>	
2000	\$ 340,135	\$ 22,587	\$ 0	\$ 362,722
2001	352,462	7,868	5,460	365,790
2002	328,187	0	23,590	351,777
2003	337,976	0	57,598	395,574
2004	341,732	778	97,313	439,823
2005 ¹	369,270	4,426	97,000	470,696

¹ Estimated.

² In addition to capital appropriations, beginning the Fiscal Year ended June 30, 2001; NC State began receiving funds from general obligation bond issues of the State to be used on higher education capital projects. In November 2000, the State’s voters approved the issuance of \$3.1 billion of general obligation bonds of the State to finance improvements to the State’s universities and community colleges. Total receipts for improvements to the NC State campus from the bond issues are anticipated to amount to approximately \$468 million, depending on future bond sales and approved capital projects.

- Tuition, Fees and Financial Aid

For the 2004-05 academic year, undergraduate tuition and mandatory fees for in-state students is \$4,282, and for out-of-state students is \$16,180. During the 2003-04 academic year, approximately 17,200 students, about 54% of the total student body,

received over \$160 million in financial aid. The total aid included approximately \$83 million from federal sources, \$67 million of which was received in the form of Federal Family Education Loans (Federal Stafford, Federal PLUS). Approximately \$77 million was received from the State, NC State and private sources

- Sales and Services.

NC State operates auxiliary enterprises to provide important goods and services to students, faculty and staff. These self-supporting activities generate sales and services revenues that are used to fund their operations. Auxiliary enterprises include residence halls, campus food service, student bookstore, and others. Total sales and service revenues totaled \$123.5 million for Fiscal Year 2004, which represents a 2.5% increase from the prior Fiscal Year.

- Grants and Contracts.

NC State received \$208.6 million in awards from sponsored programs in the Fiscal Year 2004, which was a 20% increase over the preceding Fiscal Year. Federal funding represents 53% of the sponsored programs funding to NC State. NC State received in excess of \$4.6 million from royalties and 62 license agreements were signed with companies in Fiscal Year 2004.

The following tables set forth total expenditures from contracts and grants and allocation of these expenditures for the previous five Fiscal Years.

SOURCES OF CONTRACTS AND GRANTS EXPENDITURES¹

<u>FISCAL YEAR</u>	<u>FEDERAL</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>
2000	\$ 73,213,551	\$ 25,871,454	\$ 36,998,226	\$ 136,083,231
2001	78,610,107	31,918,173	39,647,326	150,175,606
2002	89,424,190	33,422,986	43,161,837	166,009,013
2003	93,822,014	32,440,257	45,307,956	171,570,227
2004	100,647,335	34,352,136	45,306,121	180,305,592

CONTRACTS AND GRANTS EXPENDITURES¹

<u>FISCAL YEAR</u>	<u>DIRECT COSTS</u>	<u>INDIRECT COSTS</u>	<u>TOTAL COSTS</u>	<u>NC STATE</u>	<u>APPROVED</u>
				<u>SHARE OF</u>	<u>FEDERAL</u>
				<u>INDIRECT COSTS</u>	<u>RECOVERY RATE</u>
2000	\$ 116,321,635	\$ 19,761,596	\$ 136,083,231	\$ 18,773,516	47.0%
2001	127,374,676	22,800,930	150,175,606	22,800,930	47.0%
2002	141,355,763	24,653,250	166,009,013	24,653,250	46.5%
2003	146,847,376	24,722,851	171,570,227	24,722,851	46.5%
2004	152,986,699	27,318,893	180,305,592	27,318,893	46.0%

¹ Expenditures reported are on a modified accrual basis.

- Centennial Campus

An entity affiliated with NC State is developing a golf course and related facilities on NC State's Centennial Campus. Fundraising is currently underway for construction of the golf course, the clubhouse and a related research and training facility. Operational management of the course and clubhouse will be contracted to a professional golf course management company.

V Financial and statistical data as of June 30, 2004 for disclosure under the captions “FINANCIAL INFORMATION OF NC STATE” and “SECURITY FOR THE 2003 BONDS-GENERAL” in the Official Statement relating to the 2003 Bonds dated June 3, 2003 and June 19, 2003 as follows:

- Amount of Outstanding Indebtedness
SEE FINANCIAL STATEMENTS page 57
- Commercial Paper
In March 2002, the Board instituted a tax-exempt commercial paper program pursuant to which the Board may issue Tax-Exempt Commercial Paper Bonds (UNC at Chapel Hill/NC State 2002 Issue) (the “CP Bonds”). NC State is permitted to access up to \$60,000,000 of proceeds of CP Bonds to fund certain capital projects at NC State. To represent the NC State obligation with respect to the CP Bonds, a bond in an amount not to exceed \$60,000,000 was issued under the General Indenture (the “2002A Bond”). The 2002A Bond is payable from Available Funds on parity with the 2005A Bonds. As of June 30, 2004, the amount of CP Bonds outstanding was \$15,000,000.
- Student Enrollment by College
SEE FINANCIAL STATEMENTS page 78
- Applications, Acceptances, Enrollment Statistics
SEE FINANCIAL STATEMENTS page 76
- Available Funds
SEE FINANCIAL STATEMENTS page 75
- University Investments.

The market value of the University’s cash and investments at the end of each of the past five Fiscal Years is summarized as follows:

	(IN 000’S)				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Current Unrestricted Funds	\$ 107,066	\$ 106,367	\$ 99,966	\$ 109,805	\$ 126,063
Current Restricted Funds	14,410	24,681	34,350	40,873	50,360
Noncurrent Restricted Funds	194,495	180,193	155,368	190,548	140,069
External Foundations	<u>239,856</u>	<u>222,919</u>	<u>248,781</u>	<u>252,277</u>	<u>276,022</u>
Total Cash and Investments	<u>\$ 555,827</u>	<u>\$ 534,160</u>	<u>\$ 538,465</u>	<u>\$ 593,503</u>	<u>\$ 592,514</u>

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FISCAL YEAR ENDED JUNE 30	<i>(in 000's)</i>			TOTAL STATE AID
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