

**Texas Lutheran University**  
**STATEMENT OF FINANCIAL POSITION**

May 31, 2003  
(with comparative totals for 2002)

ASSETS	<u>2003</u>	<u>2002</u>
Cash and cash equivalents	\$ 442,614	\$ 318,559
Receivables		
Student accounts	715,457	770,616
Student loans	2,260,017	2,295,055
Contributions	12,865,569	1,188,779
Other	<u>172,315</u>	<u>195,289</u>
	16,013,358	4,449,739
Less allowance for doubtful accounts	<u>710,743</u>	<u>759,149</u>
	15,302,615	3,690,590
Inventories	366,230	341,335
Other assets	344,628	350,236
Investments, at market value	25,046,807	22,597,343
Investments held in split-interest agreements, at market value	7,387,196	7,360,042
Property, plant and equipment, net	<u>27,963,759</u>	<u>28,516,110</u>
Total assets	<u>\$76,853,849</u>	<u>\$63,174,215</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 826,497	\$ 324,302
Payroll related liabilities	1,388,928	1,393,619
Deposits and other unearned revenue	664,953	694,709
Liability on annuity contracts and trusts	1,434,866	1,639,069
Other accrued liabilities	86,947	98,278
Advances from U.S. Government for student loans	2,352,714	2,289,139
Notes payable	<u>8,905,936</u>	<u>10,245,530</u>
Total liabilities	15,660,841	16,684,646
Net assets		
Unrestricted	29,603,659	19,612,244
Temporarily restricted	2,197,113	287,745
Permanently restricted	<u>29,392,236</u>	<u>26,589,580</u>
Total net assets	<u>61,193,008</u>	<u>46,489,569</u>
Total liabilities and net assets	<u>\$76,853,849</u>	<u>\$63,174,215</u>

The accompanying notes are an integral part of this statement.

**Texas Lutheran University**

**STATEMENT OF ACTIVITIES**

Year ended May 31, 2003  
(with comparative totals for 2002)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2003 Total</u>	<u>2002 Total</u>
<b>Revenues, gains and other support</b>					
Student tuition and fees	\$18,938,343	\$ -	\$ -	\$18,938,343	\$18,005,841
Scholarship allowances	(9,559,477)	-	-	(9,559,477)	(8,721,849)
Net tuition	9,378,866	-	-	9,378,866	9,283,992
Investment return	(998,701)	-	-	(998,701)	(24,500)
Gifts and grants	16,451,608	2,342,262	2,727,904	21,521,774	5,892,915
U.S. Government grants	1,516,642	-	-	1,516,642	1,449,578
Change in value of split-interest agreements	353,353	-	74,752	428,105	(355,112)
Auxiliary enterprises	5,068,958	-	-	5,068,958	4,649,574
Other	723,605	-	-	723,605	715,100
Net assets released from restrictions	432,894	(432,894)	-	-	-
	<u>32,927,225</u>	<u>1,909,368</u>	<u>2,802,656</u>	<u>37,639,249</u>	<u>21,611,547</u>
<b>Expenses</b>					
Instruction	5,835,057	-	-	5,835,057	5,648,936
Academic support	1,629,200	-	-	1,629,200	1,392,609
Public service	647,425	-	-	647,425	562,933
Research	80,436	-	-	80,436	53,471
Student services	3,573,226	-	-	3,573,226	3,660,529
Institutional support	5,549,058	-	-	5,549,058	4,939,869
Development and fund-raising	711,010	-	-	711,010	563,570
Auxiliary enterprises	4,910,398	-	-	4,910,398	4,768,537
	<u>22,935,810</u>	<u>-</u>	<u>-</u>	<u>22,935,810</u>	<u>21,590,454</u>
Change in net assets	9,991,415	1,909,368	2,802,656	14,703,439	21,093
Net assets at beginning of year, as restated	<u>19,612,244</u>	<u>287,745</u>	<u>26,589,580</u>	<u>46,489,569</u>	<u>46,468,476</u>
Net assets at end of year	<u>\$29,603,659</u>	<u>\$2,197,113</u>	<u>\$29,392,236</u>	<u>\$61,193,008</u>	<u>\$46,489,569</u>

The accompanying notes are an integral part of this statement.

**Texas Lutheran University**  
**STATEMENT OF CASH FLOWS**

Year ended May 31, 2003  
(with comparative totals for 2002)

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities		
Change in net assets	\$ 14,703,439	\$ 21,093
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	1,882,806	1,700,212
Loss on investments	1,771,082	738,663
Restricted gifts and grants	(5,670,859)	(1,078,876)
Noncash contributions	(3,730,449)	(509,042)
Change in value of split-interest agreements	(428,105)	355,112
Changes in operating assets and liabilities		
Receivables	(11,022,955)	(214,898)
Inventories	(24,895)	2,010
Other assets	123,005	(168,511)
Accounts payable	502,195	(572,589)
Payroll related liabilities	(4,691)	(81,006)
Deposits and other unearned revenue	(29,756)	(149,194)
Liability on annuity contracts and trusts	31,753	(75,118)
Other accrued liabilities	<u>(11,331)</u>	<u>20,378</u>
Net cash used in operating activities	(1,908,761)	(11,766)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	5,758,075	2,449,461
Purchase of investments	(6,200,574)	(2,144,703)
Purchases of property and equipment	<u>(1,330,455)</u>	<u>(261,690)</u>
Net cash (used in) provided by investing activities	(1,772,954)	43,068
Cash flows from financing activities		
Proceeds from indebtedness	6,350,000	5,350,000
Repayments of indebtedness	(7,689,594)	(7,138,625)
Restricted gifts and grants proceeds	5,081,789	1,376,026
Advances from U.S. Government	<u>63,575</u>	<u>24,458</u>
Net cash provided by (used in) financing activities	<u>3,805,770</u>	<u>(388,141)</u>
Net increase (decrease) in cash and cash equivalents	124,055	(356,839)
Cash and cash equivalents at beginning of year	<u>318,559</u>	<u>675,398</u>
Cash and cash equivalents at end of year	<u>\$ 442,614</u>	<u>\$ 318,559</u>
Cash paid during the year for:		
Interest	<u>\$ 459,685</u>	<u>\$ 575,494</u>

The accompanying notes are an integral part of this statement.