

Texas Lutheran University
STATEMENT OF FINANCIAL POSITION

May 31, 2006
(with comparative totals for 2005)

ASSETS	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	\$ 4,063,471	\$ 1,489,328
Cash - restricted	1,183,138	1,186,541
Receivables		
Student accounts	779,368	748,229
Student loans	2,461,210	2,324,786
Contributions, net of discount	1,687,886	1,164,900
Other	<u>423,101</u>	<u>155,934</u>
	5,351,566	4,393,849
Less allowance for doubtful accounts	<u>(726,145)</u>	<u>(681,458)</u>
	4,625,421	3,712,391
Inventories	258,689	196,098
Other assets	1,542,076	669,709
Deferred charges, net	307,913	318,976
Investments	52,068,950	46,825,735
Mineral rights and royalties, net	4,894,069	4,061,500
Funds administered by third parties		
Endowment funds	1,491,132	1,529,863
Beneficial interests in trusts	5,504,258	5,453,355
Property, plant and equipment, net	<u>35,277,445</u>	<u>35,995,179</u>
Total assets	<u>\$111,216,562</u>	<u>\$101,438,675</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 797,736	\$ 1,019,764
Payroll related liabilities	1,740,919	1,621,456
Deposits and other unearned revenue	1,021,239	887,384
Liability related to split-interest agreements	1,551,042	1,512,517
Other accrued liabilities	533,809	214,527
Asset retirement obligation	483,017	-
Advances from U.S. Government for student loans	2,464,671	2,425,755
Line of credit	-	-
Bonds and notes payable, net of discount	<u>13,704,028</u>	<u>14,086,893</u>
Total liabilities	22,296,461	21,768,296
Commitments and contingencies	-	-
Net assets		
Unrestricted	52,982,488	46,690,368
Temporarily restricted	2,213,477	138,208
Permanently restricted	<u>33,724,136</u>	<u>32,841,803</u>
Total net assets	<u>88,920,101</u>	<u>79,670,379</u>
Total liabilities and net assets	<u>\$111,216,562</u>	<u>\$101,438,675</u>

The accompanying notes are an integral part of this statement.

Texas Lutheran University

STATEMENT OF ACTIVITIES

Year ended May 31, 2006
(with comparative totals for 2005)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2006 Total</u>	<u>2005 Total</u>
Revenues, gains and other support					
Tuition and fees	\$ 23,649,745	\$ -	\$ -	\$ 23,649,745	\$22,769,420
Less scholarship allowances	<u>(10,220,722)</u>	-	-	<u>(10,220,722)</u>	<u>(9,757,018)</u>
Net tuition and fees	13,429,023	-	-	13,429,023	13,012,402
Investment return	9,018,896	-	-	9,018,896	5,983,135
Contributions	1,057,396	2,458,569	1,154,148	4,671,140	4,045,379
Government and private grants	3,130,340	-	-	3,130,340	2,997,426
Change in value of split-interest agreements	(27,034)	1,889	(271,815)	(296,961)	(21,864)
Auxiliary enterprises	5,856,342	-	-	5,856,342	5,629,990
Other revenue	1,298,404	-	-	1,298,404	931,896
Net assets released from restrictions	<u>386,216</u>	<u>(386,216)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>34,149,583</u>	<u>2,075,269</u>	<u>882,333</u>	<u>37,107,184</u>	<u>32,578,364</u>
Expenses					
Instruction	7,341,146	-	-	7,341,146	6,331,667
Academic support	1,667,465	-	-	1,667,465	1,530,794
Public service	523,588	-	-	523,588	588,316
Research	40,631	-	-	40,631	48,345
Student services	5,287,690	-	-	5,287,690	5,039,288
Institutional support	6,518,353	-	-	6,518,353	6,667,877
Development and fundraising	816,749	-	-	816,749	870,394
Auxiliary enterprises	<u>5,210,183</u>	<u>-</u>	<u>-</u>	<u>5,210,183</u>	<u>4,973,636</u>
	<u>27,405,805</u>	<u>-</u>	<u>-</u>	<u>27,405,805</u>	<u>26,050,317</u>
Change in net assets from revenues and expenses	6,743,778	2,075,269	882,333	9,701,380	6,528,047
Cumulative effect of implementing new accounting principle	<u>(451,658)</u>	<u>-</u>	<u>-</u>	<u>(451,658)</u>	<u>-</u>
Total changes in net assets	6,292,120	2,075,269	882,333	9,249,722	6,528,047
Net assets at beginning of year	<u>46,690,368</u>	<u>138,208</u>	<u>32,841,803</u>	<u>79,670,379</u>	<u>73,142,332</u>
Net assets at end of year	<u>\$ 52,982,488</u>	<u>\$ 2,213,477</u>	<u>\$ 33,724,136</u>	<u>\$ 88,920,101</u>	<u>\$ 79,670,379</u>

The accompanying notes are an integral part of this statement.

Texas Lutheran University
STATEMENT OF CASH FLOWS
Year ended May 31, 2006
(with comparative totals for 2005)

	2006	2005
Cash flows from operating activities		
Change in net assets	\$ 9,249,722	\$ 6,528,047
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	2,398,258	2,285,020
Depletion of mineral rights	50,862	184,499
Loss on disposal of property and equipment	68,556	-
Net realized and unrealized gains on investments	(6,523,762)	(3,846,160)
Gifts and grants restricted for long-term purposes	(3,444,051)	(2,137,695)
Noncash contributions	(107,343)	(319,146)
Change in value of split-interest agreements	296,961	21,864
Changes in operating assets and liabilities		
Receivables	(16,175)	688,272
Inventories	(62,591)	66,654
Other assets	(808,994)	(154,210)
Accounts payable	(222,028)	135,170
Payroll related liabilities	119,463	20,883
Deposits and other unearned revenue	133,855	(147,708)
Liability related to split-interest agreements	(95,064)	(61,933)
Other accrued liabilities	319,282	44,429
Asset retirement obligation	483,017	-
Net cash provided by operating activities	1,839,968	3,307,986
Cash flows from investing activities		
Proceeds from sales and maturities of investments	5,896,799	7,104,951
Purchase of investments	(5,631,258)	(6,892,505)
Disbursement of student loans	(550,000)	(533,379)
Proceeds from repayment of student loans	413,576	430,748
Purchases of property and equipment	(1,732,860)	(6,954,656)
Change in cash - restricted	3,403	3,129,097
Net cash used in investing activities	(1,600,340)	(3,715,744)
Cash flows from financing activities		
Proceeds from indebtedness	-	3,445,314
Repayments of indebtedness	(388,021)	(4,865,984)
Restricted gifts and grants proceeds	2,683,620	2,875,549
Advances from U.S. Government	38,916	34,044
Net cash provided by financing activities	2,334,515	1,488,923
Net increase in cash and cash equivalents	2,574,143	1,081,165
Cash and cash equivalents at beginning of year	1,489,328	408,163
Cash and cash equivalents at end of year	\$ 4,063,471	\$ 1,489,328
Cash paid during the year for:		
Interest	\$ 695,785	\$ 699,643

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