

Texas Lutheran University

STATEMENT OF FINANCIAL POSITION

May 31, 2007
(with comparative totals for 2006)

ASSETS	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$ 5,878,021	\$ 4,063,471
Cash - restricted	1,611,422	1,183,138
Receivables		
Student accounts	852,319	779,368
Student loans	2,462,568	2,461,210
Contributions, net of discount	1,232,140	1,687,886
Other	<u>164,894</u>	<u>423,101</u>
	4,711,921	5,351,565
Less allowance for doubtful accounts	<u>(644,943)</u>	<u>(726,145)</u>
	4,066,978	4,625,420
Inventories	251,545	258,689
Other assets	1,737,046	1,542,077
Deferred charges, net	296,850	307,913
Investments	61,507,815	52,068,950
Mineral rights and royalties, net	4,849,015	4,894,069
Funds administered by third parties		
Endowment funds	1,856,440	1,491,132
Beneficial interests in trusts	6,435,502	5,504,258
Property, plant and equipment, net	<u>34,211,586</u>	<u>35,277,445</u>
Total assets	<u>\$122,702,220</u>	<u>\$111,216,562</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 397,458	\$ 797,736
Payroll related liabilities	1,701,539	1,740,919
Deposits and other unearned revenue	931,766	1,021,239
Liabilities related to split-interest agreements	1,568,315	1,551,042
Other accrued liabilities	548,131	533,809
Asset retirement obligation	512,964	483,017
Advances from U.S. Government for student loans	2,489,612	2,464,671
Line of credit	-	-
Bonds and notes payable, net of discount	<u>13,297,799</u>	<u>13,704,028</u>
Total liabilities	21,447,584	22,296,461
Commitments and contingencies		
Net assets		
Unrestricted	62,063,185	52,982,488
Temporarily restricted	3,173,274	2,213,477
Permanently restricted	<u>36,018,177</u>	<u>33,724,136</u>
Total net assets	<u>101,254,636</u>	<u>88,920,101</u>
Total liabilities and net assets	<u>\$122,702,220</u>	<u>\$111,216,562</u>

The accompanying notes are an integral part of this statement.

Texas Lutheran University

STATEMENT OF ACTIVITIES

Year ended May 31, 2007
(with comparative totals for 2006)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2007 Total</u>	<u>2006 Total</u>
Revenues, gains and other support					
Tuition and fees	\$ 24,868,697	\$ -	\$ -	\$ 24,868,697	\$ 23,649,745
Less scholarship allowances	<u>(10,980,385)</u>	<u>-</u>	<u>-</u>	<u>(10,980,385)</u>	<u>(10,220,722)</u>
Net tuition and fees	13,888,312	-	-	13,888,312	13,429,023
Investment return	9,621,687	-	-	9,621,687	9,018,896
Contributions	2,281,025	1,475,674	1,945,437	5,702,136	4,671,140
Government and private grants	3,195,654	-	-	3,195,654	3,130,340
Change in value of split-interest agreements	319,177	4,597	348,604	672,378	(296,961)
Auxiliary enterprises	5,913,124	-	-	5,913,124	5,856,342
Other revenue	1,297,637	-	-	1,297,637	1,298,404
Net assets released from restrictions	<u>520,474</u>	<u>(520,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	37,037,090	959,797	2,294,041	40,290,928	37,107,184
Expenses					
Instruction	7,685,713	-	-	7,685,713	7,341,146
Academic support	1,885,045	-	-	1,885,045	1,667,465
Public service	497,817	-	-	497,817	523,588
Research	37,063	-	-	37,063	40,631
Student services	5,379,358	-	-	5,379,358	5,287,690
Institutional support	6,575,548	-	-	6,575,548	6,518,353
Development and fundraising	923,673	-	-	923,673	816,749
Auxiliary enterprises	<u>4,972,176</u>	<u>-</u>	<u>-</u>	<u>4,972,176</u>	<u>5,210,182</u>
	<u>27,956,393</u>	<u>-</u>	<u>-</u>	<u>27,956,393</u>	<u>27,405,804</u>
Change in net assets from revenues and expenses	9,080,697	959,797	2,294,041	12,334,535	9,701,380
Cumulative effect of implementing new accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(451,658)</u>
Total changes in net assets	9,080,697	959,797	2,294,041	12,334,535	9,249,722
Net assets at beginning 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>
Net assets at end of year	<u>\$ 62,063,185</u>	<u>\$ 3,173,274</u>	<u>\$ 36,018,177</u>	<u>\$ 101,254,636</u>	<u>\$ 88,920,101</u>

The accompanying notes are an integral part of this statement.

Texas Lutheran University
STATEMENT OF CASH FLOWS

Year ended May 31, 2007
(with comparative totals for 2006)

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Change in net assets	\$12,334,535	\$ 9,249,722
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	2,277,517	2,398,258
Depletion of mineral rights	45,054	50,862
Loss on disposal of property and equipment	61,753	68,556
Net realized and unrealized gains on investments	(7,833,444)	(6,523,762)
Gifts and grants restricted for long-term purposes	(3,521,908)	(3,444,051)
Noncash contributions	(256,635)	(107,343)
Change in value of split-interest agreements	(672,380)	296,961
Changes in operating assets and liabilities		
Receivables	6,287	(16,175)
Inventories	7,144	(62,591)
Other assets	(114,990)	(808,994)
Accounts payable	(400,278)	(222,028)
Payroll related liabilities	(39,380)	119,463
Deposits and other unearned revenue	(89,473)	133,855
Liabilities related to split-interest agreements	(111,062)	(95,064)
Other accrued liabilities	14,322	319,282
Asset retirement obligation	29,947	483,017
Net cash provided by operating activities	1,737,009	1,839,968
Cash flows from investing activities		
Proceeds from sales and maturities of investments	6,977,698	5,896,799
Purchases of investments	(8,902,300)	(5,631,258)
Disbursement of student loans	(545,391)	(550,000)
Proceeds from repayment of student loans	544,034	413,576
Purchases of property and equipment	(1,241,536)	(1,732,860)
Proceeds from sale of property and equipment	(15,658)	-
Change in cash - restricted	(428,284)	3,403
Net cash used in investing activities	(3,611,437)	(1,600,340)
Cash flows from financing activities		
Repayments of indebtedness	(411,385)	(388,021)
Restricted gifts and grants proceeds	4,075,422	2,683,620
Advances from U.S. Government	24,941	38,916
Net cash provided by financing activities	3,688,978	2,334,515
Net increase in cash and cash equivalents	1,814,550	2,574,143
Cash and cash equivalents at beginning of year	4,063,471	1,489,328
Cash and cash equivalents at end of year	\$ 5,878,021	\$ 4,063,471
Cash paid during the year for:		
Interest	\$ 677,359	\$ 695,785

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