

The University of Texas
Pan American



Financial Statements
(WITH DETAILED SUPPORTIVE SCHEDULES)

FISCAL YEAR ENDED AUGUST 31, 2008
U N A U D I T E D

The University of Texas System Board of Regents

Senior Administrative Officials, The University of Texas System

Principal Administrative Officers and the Business & Financial Staff,
The University of Texas - Pan American

As of August 31, 2008

Officers

H. Scott Caven, Jr., Chairman
James R. Huffines, Vice Chairman
Robert B. Rowling, Vice Chairman
Francie A. Frederick, General Counsel

Members

Term scheduled to expire February 1, 2009*

John W. Barnhill, Jr.	Brenham
H. Scott Caven, Jr.	Houston
James R. Huffines	Austin

Term scheduled to expire February 1, 2011*

Janiece Longoria	Houston
Colleen McHugh	Corpus Christi
Robert B. Rowling	Dallas

Term scheduled to expire February 1, 2013*

James D. Dannenbaum	Houston
Paul Foster	El Paso
Printice L. Gary	Dallas

Term scheduled to expire May 31, 2009*

Benjamin L. Dower (Student Regent)	University of Texas at Dallas
------------------------------------	-------------------------------

* Each Regent's term expires when a successor has been appointed, qualified, and taken the oath of office.
The Student Regent serves a one-year term.

System Administration

Kenneth I. Shine, M.D.	Chancellor ad interim and Executive Vice Chancellor for Health Affairs
Scott C. Kelley	Executive Vice Chancellor for Business Affairs
David B. Prior	Executive Vice Chancellor for Academic Affairs
Tonya Moten Brown	Vice Chancellor for Administration
Barry D. Burgdorf	Vice Chancellor and General Counsel
Geri H. Malandra	Vice Chancellor for Strategic Management
Barry McBee	Vice Chancellor for Governmental Relations
Keith McDowell	Vice Chancellor for Research and Technology Transfer
Randa S. Safady	Vice Chancellor for External Relations
William H. Shute	Vice Chancellor for Federal Relations
Bruce E. Zimmerman	Chief Executive Officer and Chief Investment Officer-UTIMCO
Cathy Iberg	President & Deputy CIO & Managing Director of Marketable Investments-UTIMCO

The University of Texas - Pan American

Dr. Blandina Cardenas	President
James R. Langabeer	Vice President for Business Affairs
Esequiel Granado, Jr.	Associate Vice President for Business Affairs/Comptroller
Juan F. Mata	Associate Comptroller

TABLE OF CONTENTS
THE UNIVERSITY OF TEXAS - PAN AMERICAN

PRIMARY STATEMENTS

Exhibit A -- Balance Sheet
Exhibit B -- Statement of Revenues, Expenses, and Changes in Net Assets
Exhibit C -- Statement of Cash Flows

THE UNIVERSITY OF TEXAS - PAN AMERICAN
EXHIBIT A - BALANCE SHEET
As of August 31, 2008

UNAUDITED

	CURRENT YEAR TOTALS	PRIOR YEAR TOTALS
	Primary University	Primary University
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 542,711.45	10,425,555.38
Restricted Cash & Cash Equivalents	8,707,825.42	4,896,562.26
Balance in State Appropriation	10,766,498.93	4,702,639.35
Accounts Receivable, Net:		
Federal Receivables (net of allowances of \$0.00)	1,604,866.32	4,385,659.10
Other Intergovernmental Rec. (net of allowances of \$0.00)	932,292.83	979,742.16
Student Receivables (net of allowances of \$997,141.18)	29,588,996.06	23,894,068.89
Interest and Dividends	134,588.03	173,136.70
Contributions Receivable (net of allowances of \$375.71)	49,169.73	31,112.91
Other Receivables (net of allowances of \$0.00)	3,856,774.19	4,804,519.76
Due From System Administration	502,232.74	3,439,772.79
Due From Other Agencies	181,916.56	119,038.94
Inventories	181,770.51	180,559.89
Loans and Contracts (net of allowances of \$3,655,273.45)	4,495,493.45	3,956,439.71
Other Current Assets	43,690.47	36,609.42
Total Current Assets	<u>61,588,826.69</u>	<u>62,025,417.26</u>
Non-Current Assets:		
Restricted:		
Investments	1,552,739.44	1,575,610.89
Loans, Contracts and Other (net of allowances of \$438,951.48)	1,518,744.34	1,899,390.56
Funds Held by System Administration	31,535,158.20	33,647,896.86
Contributions Receivable (net of allowances of \$686.59)	55,998.37	56,834.87
Investments	44,018,382.30	46,346,780.71
Capital Assets	342,109,782.73	327,917,548.75
Less Accumulated Depreciation	(159,253,569.73)	(144,741,105.92)
Total Non-Current Assets	<u>261,537,235.65</u>	<u>266,702,956.72</u>
TOTAL ASSETS \$	<u><u>323,126,062.34</u></u>	<u><u>328,728,373.98</u></u>
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 11,296,556.72	13,900,950.46
Federal Payables	1,087,760.02	2,109,062.04
Due to System Administration	1,187,308.70	1,114,911.77
Due to Other Agencies	14,827.35	-
Deferred Revenue	24,552,928.95	30,197,740.38
Employees' Compensable Leave-Current Portion	622,617.92	626,433.23
Payable From Restricted Assets-Current Portion	1,150,608.85	1,302,234.88
Other Current Liabilities	638,376.59	716,875.73
Total Current Liabilities	<u>40,550,985.10</u>	<u>49,968,208.49</u>
Non-Current Liabilities:		
Employees' Compensable Leave	3,249,131.99	2,594,360.29
Assets Held for Others	4,827,716.99	1,164,336.56
Total Non-Current Liabilities	<u>8,076,848.98</u>	<u>3,758,696.85</u>
TOTAL LIABILITIES	<u><u>48,627,834.08</u></u>	<u><u>53,726,905.34</u></u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	182,856,213.00	183,176,442.83
Restricted for:		
Nonexpendable		
True and Other Endowments, and Annuities	8,984,087.85	8,685,767.63
Expendable		
Capital Projects	252,515.60	415,004.08
Funds Functioning as Endowment - Restricted	1,224,765.92	1,281,640.84
Other Expendable	24,143,169.89	26,846,905.31
Unrestricted	57,037,476.00	54,595,707.95
TOTAL NET ASSETS	<u>274,498,228.26</u>	<u>275,001,468.64</u>
TOTAL LIABILITIES AND NET ASSETS \$	<u><u>323,126,062.34</u></u>	<u><u>328,728,373.98</u></u>

UNAUDITED

THE UNIVERSITY OF TEXAS - PAN AMERICAN

EXHIBIT B - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended August 31, 2008

	CURRENT YEAR TOTALS	PRIOR YEAR TOTALS
	Primary University	Primary University
OPERATING REVENUES:		
Student Tuition and Fees	\$ 80,983,416.56	70,108,514.23
Discounts and Allowances	(31,702,831.62)	(28,530,635.85)
Federal Sponsored Programs	47,460,303.85	48,431,104.89
Federal Sponsored Programs Pass-Through from Other St. Agencies	1,185,277.96	1,276,143.92
State Sponsored Programs	480,590.20	399,374.42
State Sponsored Programs Pass-Through from Other St. Agencies	21,213,962.14	17,531,452.35
Local Sponsored Programs	16,425.63	1,484.00
Private Sponsored Programs	2,285,412.94	2,568,179.74
Sales and Services of Educational Activities	5,176,897.08	5,248,329.81
Auxiliary Enterprises	5,388,233.90	4,966,283.40
Other Operating Revenues	2,386,652.90	1,591,753.08
Total Operating Revenues	<u>134,874,341.54</u>	<u>123,591,983.99</u>
OPERATING EXPENSES:		
Instruction	77,470,717.19	72,785,453.63
Research	7,456,762.22	5,956,509.93
Public Service	7,589,012.34	7,471,045.71
Academic Support	12,090,931.00	11,448,262.28
Student Services	13,987,236.22	13,884,548.84
Institutional Support	19,869,894.33	19,548,526.29
Operations and Maintenance of Plant	15,776,695.54	13,516,142.34
Scholarships and Fellowships	32,520,196.42	31,076,760.70
Auxiliary Enterprises	13,215,609.89	10,987,563.18
Depreciation and Amortization	15,146,850.61	15,994,339.73
Total Operating Expenses	<u>215,123,905.76</u>	<u>202,669,152.63</u>
Operating Income (Loss)	<u>(80,249,564.22)</u>	<u>(79,077,168.64)</u>
NONOPERATING REVENUES (EXPENSES):		
State Appropriations	73,312,029.82	66,347,639.47
Gift Contributions for Operations	2,576,758.25	2,839,529.90
Net Investment Income	4,309,984.76	4,200,257.81
Net Increase (Decrease) in Fair Value of Investments	(4,982,054.55)	5,613,874.63
Gain/(Loss) on Sale of Capital Assets	(13,737.45)	(41,692.52)
Other Nonoperating Revenues	8,672.00	496,737.07
Net Nonoperating Revenues (Expenses)	<u>75,211,652.83</u>	<u>79,456,346.36</u>
Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers:	(5,037,911.39)	379,177.72
Capital Appropriations - HEAF	12,882,348.00	8,588,232.00
Gifts and Sponsored Programs for Capital Acquisitions	172,958.80	213,448.45
Additions to Permanent Endowments	297,663.38	486,248.31
Reclass from / (to) Other Institutions	2,800,000.00	10,500,000.00
Transfers Between Institutions & System, Debt Service - Mandatory	(12,007,470.69)	(8,027,918.56)
Transfers Between Institutions & System Admin. - Non mandatory	329,241.09	3,139,317.79
Transfers From Other State Agencies*	59,930.43	4,238.10
Transfers to Other State Agencies*	-	(6,882.00)
Change in Net Assets	<u>(503,240.38)</u>	<u>15,275,861.81</u>
Beginning Net Assets - As Previously Reported	<u>275,001,468.64</u>	<u>259,725,606.83</u>
Beginning Net Assets - As Restated	<u>275,001,468.64</u>	<u>259,725,606.83</u>
Ending Net Assets	<u>\$ 274,498,228.26</u>	<u>275,001,468.64</u>

UNAUDITED

THE UNIVERSITY OF TEXAS - PAN AMERICAN
EXHIBIT C - STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2008

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
	Primary University	Primary University
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 40,086,035.03	42,181,580.26
Proceeds from Sponsored Programs	75,524,857.96	64,655,268.89
Proceeds from Auxiliaries	4,610,571.72	7,380,815.49
Proceeds from Other Revenues	10,618,050.88	7,766,933.45
Payments to Suppliers	(75,929,550.19)	(67,437,741.40)
Payments to Employees	(124,030,641.10)	(115,738,893.53)
Payments for Loans Provided	(10,148,752.88)	(9,279,025.41)
Proceeds from Loan Programs	9,662,779.56	9,925,402.26
Net Cash Provided (Used) by Operating Activities	<u>(69,606,649.02)</u>	<u>(60,545,659.99)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	67,248,170.24	66,211,685.52
Proceeds from Operating Gifts	2,559,537.93	2,790,955.47
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	297,663.38	486,248.31
Proceeds from Other Nonoperating Revenues	8,672.00	496,737.07
Payments/Receipts for Transfers to/from System or Oth. Agencies	342,514.71	393,544.00
Net Cash Provided by Noncapital Financing Activities	<u>70,456,558.26</u>	<u>70,379,170.37</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt Transferred from System (nonmandatory)	5,697,957.98	19,718,918.75
Proceeds from Capital Appropriations, Grants and Gifts	12,882,348.00	8,588,232.00
Payments for Additions to Capital Assets	(17,351,121.15)	(29,879,937.44)
Mandatory Transfers to System for Capital Related Debt	(12,007,470.69)	(8,027,918.56)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(10,778,285.86)</u>	<u>(9,600,705.25)</u>
Cash Flows from Investing Activities:		
Proceeds from Interest and Investment Income	1,477,241.20	1,583,690.01
Proceeds from Interest and Investment Income Held by System	3,813,410.16	3,895,342.56
Payments to Acquire Investments Held by System	(1,433,855.51)	(607,611.36)
Net Cash Provided (Used) by Investing Activities	<u>3,856,795.85</u>	<u>4,871,421.21</u>
Net Increase (Decrease) in Cash	(6,071,580.77)	5,104,226.34
Cash and Cash Equivalents - Beginning of the Year	15,322,117.64	10,217,891.30
Cash and Cash Equivalents - End of the Year	<u>\$ 9,250,536.87</u>	<u>15,322,117.64</u>
Reconciliation of Net Operating Revenues (Expenses) to		
Net Cash Provided (used) by Operating Activities:		
Operating Loss	\$ (80,249,564.22)	(79,077,168.64)
Adjustments to Reconcile Operating Loss to Net Cash:		
Depreciation and Amortization Expense	15,146,850.61	15,994,339.73
Bad Debt Expense	327,565.80	(9,462.84)
Changes in Assets and Liabilities:		
Accounts Receivable	(1,982,642.11)	(10,313,855.53)
Inventories	(1,210.62)	(4,898.83)
Loans and Contracts	(485,973.32)	646,376.85
Other Current and Noncurrent Assets	(7,081.05)	(36,609.42)
Accounts Payable	(1,018,017.29)	3,444,870.54
Due to System	72,396.93	98,933.98
Deferred Revenue	(5,644,811.43)	8,515,333.06
Assets Held for Others	3,663,380.43	242,644.15
Employees' Compensable Leave	650,956.39	(31,264.88)
Other Current and Noncurrent Liabilities	(78,499.14)	(14,898.16)
Total Adjustments	<u>10,642,915.20</u>	<u>18,531,508.65</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (69,606,649.02)</u>	<u>(60,545,659.99)</u>
Non Cash Transactions		
Net Increase (Decrease) in Fair Value of Investments	(4,982,054.55)	5,613,874.63