

THE UNIVERSITY OF TEXAS PAN AMERICAN

ANNUAL FINANCIAL REPORT

(WITH DETAILED SUPPORTIVE SCHEDULES)

UNAUDITED

FISCAL YEAR ENDED AUGUST 31, 2009



The University of Texas at Arlington ♦ The University of Texas at Austin ♦ The University of Texas at Brownsville ♦ The University of Texas at Dallas ♦ The University of Texas at El Paso ♦ The University of Texas - Pan American ♦ The University of Texas of the Permian Basin ♦ The University of Texas at San Antonio ♦ The University of Texas at Tyler ♦ The University of Texas Southwestern Medical Center at Dallas ♦ The University of Texas Medical Branch at Galveston ♦ The University of Texas Health Science Center at Houston ♦ The University of Texas Health Science Center at San Antonio ♦ The University of Texas M. D. Anderson Cancer Center ♦ The University of Texas Health Science Center at Tyler ♦ The University of Texas System Administration

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

At August 31, 2009

Board of Regents

R. Steven "Steve" Hicks	Austin
Janiece Longoria	Houston
Colleen McHugh	Corpus Christi
James D. Dannenbaum	Houston
Paul Foster	El Paso
Printice L. Gary	Dallas
James R. Huffines	Austin
Wm. Eugene "Gene" Powell	San Antonio
Robert L. Stillwell	Houston
Karim A. Meijer (Student Regent)	U.T. Southwestern Medical Center - Dallas

System Administration

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Scott C. Kelley	Executive Vice Chancellor for Business Affairs
David B. Prior	Executive Vice Chancellor for Academic Affairs
Kenneth I. Shine, M.D.	Executive Vice Chancellor for Health Affairs
Philip Aldridge	Vice Chancellor for Finance and Business Development
Tonya Moten Brown	Vice Chancellor for Administration
Barry D. Burgdorf	Vice Chancellor and General Counsel
Vacant	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
Amy Shaw Thomas	Vice Chancellor and Counsel for Health Affairs
Bruce E. Zimmerman	Chief Executive Officer and Chief Investment Officer-UTIMCO
Cathy Iberg	President and Deputy Chief Investment Officer-UTIMCO

The University of Texas - Pan American

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Paul Sale	Provost/Vice President for Academic Affairs
James R. Langabeer	Vice President for Business Affairs & Acting Vice President for Community Engagement
John A. Edwards	Vice President for Enrollment & Student Services
Bob Lim	Vice President for Information Technology
Janice Odom	Vice President for University Advancement
Esequiel Granado, Jr.	Associate Vice President for Business Affairs/Comptroller
Juan F. Mata	Associate Comptroller

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THE UNIVERSITY OF TEXAS - PAN AMERICAN

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UNAUDITED

THE UNIVERSITY OF TEXAS - PAN AMERICAN
 EXHIBIT A - BALANCE SHEET
 As of August 31, 2009

	Current Year Totals	Prior Year Totals
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 5,034,824.70	542,711.45
Restricted Cash & Cash Equivalents	5,526,667.63	8,707,825.42
Balance in State Appropriations	11,648,796.73	10,766,498.93
Accounts Receivable, Net:		
Federal (allowances of \$0 in '09 & \$0 in '08)	30,664,443.13	1,604,866.32
Other Intergov. (allowances of \$0 in '09 & \$0 in '08)	1,063,595.71	932,292.83
Student (allow. \$987,372.21 '09 & \$997,141.18 '08)	4,802,387.39	29,588,996.06
Interest and Dividends	117,487.51	134,588.03
Contributions (allow. of \$350.36 '09; & \$375.71 '08)	34,684.99	49,169.73
Other (allow. \$0 '09; \$0.00 '08)	12,637,947.03	3,856,774.19
Due From Other Funds	26,269,556.98	
Due From System Administration	5,525,092.37	502,232.74
Due From Other Agencies	117,244.30	181,916.56
Inventories	195,038.66	181,770.51
Loans & Contracts (allow. \$3,183,574.44 '09; \$3,655,273.45 '08)	5,045,164.34	4,495,493.45
Other Current Assets	72,586.00	43,690.47
Total Current Assets	<u>108,755,517.47</u>	<u>61,588,826.69</u>
Noncurrent Assets:		
Restricted:		
Investments	1,453,124.27	1,552,739.44
Loans & Contracts (allow. \$564,816.71 '09; \$438,951.48 '08)	1,090,237.79	1,518,744.34
Funds Held by System Administration	26,551,754.70	31,535,158.20
Contributions Rec. (allow. \$215.29 '09; \$686.59 '08)	21,313.37	55,998.37
Investments	45,490,433.92	44,018,382.30
Capital Assets	351,628,606.58	342,109,782.73
Less Accumulated Depreciation	(171,467,489.17)	(159,253,569.73)
Total Noncurrent Assets	<u>254,767,981.46</u>	<u>261,537,235.65</u>
TOTAL ASSETS	<u>\$ 363,523,498.93</u>	<u>323,126,062.34</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 4,014,124.95	3,009,150.77
Salaries Payable	9,921,435.75	9,278,833.33
Federal Payables	1,752,500.76	96,332.64
Due to Other Funds	26,269,556.98	
Due to System Administration	1,142,326.79	1,187,308.70
Due to Other Agencies	305,091.43	14,827.35
Deferred Revenue	36,965,561.90	24,552,928.95
Employees' Compensable Leave-Current Portion	656,405.11	622,617.92
Payable From Restricted Assets	1,243,584.56	1,150,608.85
Other Current Liabilities	810,004.54	638,376.59
Total Current Liabilities	<u>83,080,592.77</u>	<u>40,550,985.10</u>
Noncurrent Liabilities:		
Employees' Compensable Leave	3,419,477.07	3,249,131.99
Assets Held for Others	1,023,734.63	4,827,716.99
Total Noncurrent Liabilities	<u>4,443,211.70</u>	<u>8,076,848.98</u>
TOTAL LIABILITIES	<u>87,523,804.47</u>	<u>48,627,834.08</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	180,161,117.41	182,856,213.00
Restricted for:		
Nonexpendable		
True Endowments and Annuities	9,929,256.64	8,984,087.85
Expendable		
Capital Projects	4,769,593.40	252,515.60
Funds Functioning as Endowment - Restricted	1,012,233.96	1,224,765.92
Other Expendable	19,489,113.19	24,143,169.89
Unrestricted	60,638,379.86	57,037,476.00
TOTAL NET ASSETS	<u>275,999,694.46</u>	<u>274,498,228.26</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 363,523,498.93</u>	<u>323,126,062.34</u>

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THE UNIVERSITY OF TEXAS - PAN AMERICAN
 EXHIBIT B - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 For the Year Ended August 31, 2009

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 84,102,675.43	80,983,416.56
Discounts and Allowances	(34,061,635.43)	(31,702,831.62)
Federal Sponsored Programs	20,848,565.48	47,460,303.85
Federal Sponsored Programs Pass-Through from Other St. Agencies	1,370,660.90	1,185,277.96
State Sponsored Programs		480,590.20
State Sponsored Programs Pass-Through from Other St. Agencies	28,398,340.76	21,213,962.14
Local Sponsored Programs	5,268.24	16,425.63
Private Sponsored Programs	2,462,025.07	2,285,412.94
Sales and Services of Educational Activities	5,763,837.69	5,176,897.08
Auxiliary Enterprises	5,998,766.71	5,388,233.90
Other Operating Revenues	3,324,494.45	2,386,652.90
Total Operating Revenues	118,212,999.30	134,874,341.54
Operating Expenses:		
Instruction	79,053,016.39	77,470,717.19
Research	6,962,606.96	7,456,762.22
Public Service	6,857,426.26	7,589,012.34
Academic Support	12,936,409.40	12,090,931.00
Student Services	14,292,620.29	13,987,236.22
Institutional Support	23,464,680.02	19,869,894.33
Operations and Maintenance of Plant	18,418,416.58	15,776,695.54
Scholarships and Fellowships	37,650,346.29	32,520,196.42
Auxiliary Enterprises	14,416,377.48	13,215,609.89
Depreciation and Amortization	12,847,539.61	15,146,850.61
Total Operating Expenses	226,899,439.28	215,123,905.76
Operating Loss	(108,686,439.98)	(80,249,564.22)
Nonoperating Revenues (Expenses):		
State Appropriations	74,197,590.24	73,312,029.82
Nonexchange Sponsored Programs	33,950,975.54	
Gift Contributions for Operations	1,905,889.44	2,576,758.25
Net Investment Income	892,307.01	4,309,984.76
Net Increase (Decrease) in Fair Value of Investments	(8,505,134.42)	(4,982,054.55)
Gain/(Loss) on Sale of Capital Assets	(7,725.03)	(13,737.45)
Other Nonoperating Revenues	4,456.00	8,672.00
Net Nonoperating Revenues (Expenses)	102,438,358.78	75,211,652.83
Income/(Loss) Before Other Rev., Exp., Gains/(Losses) & Transfers	(6,248,081.20)	(5,037,911.39)
Capital Appropriations - HEAF	13,176,800.00	12,882,348.00
Gifts and Sponsored Programs for Capital Acquisitions	400,343.51	172,958.80
Additions to Permanent Endowments	185,969.54	297,663.38
Reclass from / (to) Other Institutions	550,000.00	2,800,000.00
Capital Asset Purchases		
Transfers Between Institutions & System-Debt Service-Mandatory	(12,428,219.86)	(12,007,470.69)
Transfers Between Institutions & System Admin. - Nonmandatory	7,538,102.63	329,241.09
Transfers From Other State Agencies		59,930.43
Transfers to Other State Agencies	(1,631,872.42)	
Legislative Appropriations Lapsed	(41,576.00)	
Transfers Between Funds		
Change in Net Assets	1,501,466.20	(503,240.38)
Beginning Net Assets	274,498,228.26	275,001,468.64
Ending Net Assets	\$ 275,999,694.46	274,498,228.26

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THE UNIVERSITY OF TEXAS - PAN AMERICAN
 EXHIBIT C - STATEMENT OF CASH FLOWS
 For the Year Ended August 31, 2009

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 80,299,074.10	40,086,035.03
Proceeds from Sponsored Programs	50,623,451.21	75,524,857.96
Proceeds from Auxiliaries	5,717,695.77	4,610,571.72
Proceeds from Other Revenues	3,976,261.69	10,618,050.88
Payments to Suppliers	(80,576,941.26)	(75,929,550.19)
Payments to Employees	(129,926,202.56)	(124,030,641.10)
Payments for Loans Provided	(9,637,375.41)	(10,148,752.88)
Proceeds from Loan Programs	9,862,044.85	9,662,779.56
Net Cash Provided (Used) by Operating Activities	<u>(69,661,991.61)</u>	<u>(69,606,649.02)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from Nonexchange Sponsored Programs	7,496,738.09	
Proceeds from State Appropriations	73,273,716.44	67,248,170.24
Proceeds from Operating Gifts	1,955,059.18	2,559,537.93
Proceeds from Private Gifts for Endowment and Annuity Life Purposes	185,969.54	297,663.38
Proceeds from Other Nonoperating Revenues	4,456.00	8,672.00
Payments/Receipts for Transfers to/from System or Oth. Agencies	649,331.25	342,514.71
Net Cash Provided (Used) by Noncapital Financing Activities	<u>83,565,270.50</u>	<u>70,456,558.26</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt Transferred from System (nonmandatory)	784,311.07	5,697,957.98
Proceeds from Capital Appropriations, Grants and Gifts	13,333,929.15	12,882,348.00
Proceeds from Sale of Capital Assets	7,466.47	
Payments for Additions to Capital Assets	(10,304,778.68)	(17,351,121.15)
Mandatory Transfers to System for Capital Related Debt	(12,428,219.86)	(12,007,470.69)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(8,607,291.85)</u>	<u>(10,778,285.86)</u>
Cash Flows from Investing Activities:		
Proceeds from Interest and Investment Income	505,315.82	1,477,241.20
Proceeds from Interest and Investment Income Held by System	403,819.97	3,813,410.16
Payments to Acquire Investments Held by System	(4,894,167.37)	(1,433,855.51)
Net Cash Provided (Used) by Investing Activities	<u>(3,985,031.58)</u>	<u>3,856,795.85</u>
Net Increase (Decrease) in Cash	1,310,955.46	(6,071,580.77)
Cash & Cash Equivalents - Beginning of the Year	9,250,536.87	15,322,117.64
Cash & Cash Equivalents - End of the Year	<u>\$ 10,561,492.33</u>	<u>9,250,536.87</u>
Reconciliation of Net Operating Revenues (Expenses) to		
Net Cash Provided (Used) by Operating Activities:		
Operating Loss	\$ (108,686,439.98)	(80,249,564.22)
Adjustments to Reconcile Operating Loss to Net Cash:		
Depreciation and Amortization Expense	12,847,539.61	15,146,850.61
Bad Debt Expense	(345,833.78)	327,565.80
Changes in Assets and Liabilities:		
Receivables	13,332,940.85	(1,982,642.11)
Inventories	(13,268.15)	(1,210.62)
Loans and Contracts	224,669.44	(485,973.32)
Other Assets	(28,895.53)	(7,081.05)
Payables	4,067,867.03	(1,018,017.29)
Due To System	(44,981.91)	72,396.93
Deferred Income	12,412,632.95	(5,644,811.43)
Deposits Held for Others	(3,803,982.36)	3,663,380.43
Compensated Absence Liability	204,132.27	650,956.39
Other Liabilities	171,627.95	(78,499.14)
Total Adjustments	<u>39,024,448.37</u>	<u>10,642,915.20</u>
Net Cash Provided (Used) by Operating Activities:	<u>\$ (69,661,991.61)</u>	<u>(69,606,649.02)</u>
Noncash Transactions		
Net Increase (Decrease) in Fair Value of Investments	(8,505,134.42)	(4,982,054.55)
Donated Capital Assets	243,214.36	172,958.80
Miscellaneous Noncash Transactions	(7,725.03)	46,192.98