

UNAUDITED

Texas Tech University (733)
Statement of Net Position
August 31, 2017 and 2016

	2017	Restated 2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 100,853,560.90	\$ 89,665,215.03
Restricted Cash and Cash Equivalents	31,600,898.49	29,142,068.06
Legislative Appropriations	96,033,378.84	84,393,676.14
Receivables:		
Federal	13,361,304.73	13,386,347.35
Student	6,288,227.59	5,438,228.82
Accounts	7,212,258.57	6,676,228.93
Interest and Dividends	689,624.37	545,258.13
Gifts	2,770,458.09	4,290,673.26
Other	1,690,551.62	11,905,753.99
Due From Other State Agencies	30,476,811.36	30,477,965.86
Inventories	2,971,402.16	2,607,707.80
Prepaid Items	40,053,750.82	39,641,797.77
Loans and Contracts	569,966.24	629,165.44
Other Current Assets	1,188,614.15	1,017,567.00
Total Current Assets	<u>335,760,807.93</u>	<u>319,817,653.58</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	9,771,875.88	10,150,249.24
Restricted Investments	298,678,219.22	268,257,227.34
Gifts Receivable	7,045,003.01	10,533,832.42
Loans and Notes Receivable	0.00	958,169.39
Investments	559,127,951.58	482,136,209.56
Capital Assets		
Non-Depreciable or Non-Amortizable	136,397,370.03	116,032,857.55
Depreciable or Amortizable	2,072,979,515.18	1,973,276,528.97
Accumulated Depreciation and Amortization	(1,130,124,289.43)	(1,054,506,253.31)
Total Non-Current Assets	<u>1,953,875,645.47</u>	<u>1,806,838,821.16</u>
Total Assets	<u>\$ 2,289,636,453.40</u>	<u>\$ 2,126,656,474.74</u>

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	2017	Restated 2016
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 16,523,789.85	\$ 23,132,958.38
Payroll Payable	33,801,481.80	32,672,375.85
Unearned Revenue	161,580,259.77	154,458,610.71
Due to Other State Agencies	1,427,628.95	1,536,688.87
Employees' Compensable Leave	1,733,563.09	1,585,243.80
Funds Held for Others	21,708,964.70	19,754,257.13
Other Current Liabilities	4,149,196.95	3,435,222.33
Total Current Liabilities	<u>240,924,885.11</u>	<u>236,575,357.07</u>
Non-Current Liabilities:		
Employees' Compensable Leave	12,712,795.81	11,625,121.15
Pollution Remediation Obligation	1,022,641.50	1,022,641.50
Total Non-Current Liabilities	<u>13,735,437.31</u>	<u>12,647,762.65</u>
Total Liabilities	<u>254,660,322.42</u>	<u>249,223,119.72</u>
NET POSITION		
Net Investment in Capital Assets	1,079,252,595.78	1,034,803,133.21
Restricted:		
Nonexpendable:		
Endowments	85,634,016.09	83,203,442.53
Expendable:		
Capital Projects	26,955,051.14	18,493,011.15
Higher Education Assistance Fund	75,051,571.15	58,046,147.93
Debt Service	65,076,439.05	49,856,836.59
Other	150,212,335.17	138,917,012.11
Unrestricted	<u>552,794,122.60</u>	<u>494,113,771.50</u>
Total Net Position	<u>\$ 2,034,976,130.98</u>	<u>\$ 1,877,433,355.02</u>

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Texas Tech University (733)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2017 and 2016

	2017	Restated 2016
Operating Revenues		
Tuition and Fees	\$ 6,566,350.90	\$ 6,518,328.11
Tuition and Fees - Pledged	402,026,506.62	394,302,057.23
Less Discounts and Allowances	(97,393,691.52)	(93,438,686.27)
Sales and Services of Auxiliary Enterprises - Pledged	146,200,985.93	148,558,704.08
Other Sales and Services	11,711,860.98	4,827,445.65
Other Sales and Services - Pledged	8,354,761.00	7,969,381.21
Federal Grants and Contracts	37,336,380.59	37,108,034.52
Federal Grant Pass-Throughs from Other State Agencies	2,751,995.39	2,674,171.17
State Grants and Contracts	277,286.54	356,213.52
State Grant Pass-Throughs from Other State Agencies	27,185,802.85	50,477,545.99
Local Governmental Grants and Contracts	662,250.24	595,076.81
Nongovernmental Grants and Contracts	14,080,376.22	13,338,579.82
Total Operating Revenues	559,760,865.74	573,286,851.84
Operating Expenses		
Cost of Goods Sold	13,738,574.26	14,063,314.57
Salaries and Wages	374,914,317.62	356,601,681.81
Payroll Related Costs	98,158,719.68	90,525,971.22
Professional Fees and Services	16,150,849.22	10,330,705.10
Travel	24,337,309.51	24,075,767.87
Materials and Supplies	32,613,718.69	31,649,966.47
Communications and Utilities	30,503,736.57	29,355,357.22
Repairs and Maintenance	23,384,191.53	21,768,113.64
Rentals and Leases	10,899,358.14	10,485,627.53
Printing and Reproduction	2,574,103.18	2,934,109.09
Federal Grant Pass-Through Expense	688,143.67	1,271,275.02
State Grant Pass-Through Expense	92,672.40	130,782.03
Depreciation and Amortization	81,736,580.47	81,631,902.56
Bad Debt Expense	0.66	1,651.51
Interest	7,812.93	9,236.70
Scholarships	56,795,067.64	53,078,089.69
Net Change in Pollution Remediation Obligation	0.00	1,022,641.50
Claims and Judgments	18,333.33	38,693.83
Other Operating Expenses	63,332,104.11	64,267,620.10
Total Operating Expenses	829,945,593.61	793,242,507.46
Operating Income (Loss)	\$ (270,184,727.87)	\$ (219,955,655.62)

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Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2017 and 2016

	2017	Restated 2016
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 192,391,044.47	\$ 191,377,007.98
Federal Grants and Contracts	38,040,038.12	34,465,531.00
Private Gifts	4,526,806.27	10,183,491.14
Private Gifts - Pledged	7,225,733.15	849,109.75
Investment Income (Expense)	11,377,830.06	6,381,714.75
Investment Income (Expense) - Pledged	20,842,764.14	13,820,226.97
Gain (Loss) on Sale and Disposal of Capital Assets	(1,078,427.70)	(1,121,913.21)
Net Increase (Decrease) in Fair Value of Investments	25,054,361.60	(2,292,956.35)
Other Nonoperating Revenues (Expenses)	485,292.92	616,569.99
Other Nonoperating Revenues (Expenses) - Pledged	3,033,496.71	1,858,677.68
Total Nonoperating Revenues (Expenses)	301,898,939.74	256,137,459.70
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	31,714,211.87	36,181,804.08
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEAF)	49,225,809.00	32,817,206.00
Capital Contributions	4,904,729.06	2,594,822.97
Lapsed Appropriations	(1,472,657.00)	(7,532.55)
Contributions to Permanent and Term Endowments	2,201,261.49	439,009.31
Legislative Transfers In (Out)	(21,580,911.29)	(7,896,343.45)
Interagency Transfers of Capital Assets - Increase	3,926,020.96	797,462.69
Interagency Transfers of Capital Assets - Decrease	(127,829.18)	(45,571.08)
Net Transfers from (to) Texas Tech Foundation, Inc.	54,154,495.05	49,704,973.82
Net Transfers from (to) Texas Tech University System Components	24,418,880.22	2,728,356.63
Net Transfers from (to) Other State Agencies	10,178,765.78	10,344,654.11
Net Other Revenues, Expenses, Gains, Losses, and Transfers	125,828,564.09	91,477,038.45
Total Change in Net Position	157,542,775.96	127,658,842.53
Beginning Net Position (September 1)	\$ 1,877,433,355.02	\$ 1,736,190,544.10
Restatements	0.00	13,583,968.39
Ending Net Position (August 31)	\$ 2,034,976,130.98	\$ 1,877,433,355.02

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Texas Tech University (733)
Statement of Cash Flows
For the Years Ended August 31, 2017 and 2016

	2017	Restated 2016
Cash Flows from Operating Activities		
Proceeds from Customers	\$ 20,470,242.56	\$ 12,486,879.70
Proceeds from Tuition and Fees	325,436,414.55	302,528,340.40
Proceeds from Grants and Contracts	78,494,045.56	109,166,460.28
Proceeds from Sales and Services of Auxiliary Enterprises	147,885,566.37	149,596,683.83
Proceeds from Collections of Loans to Students	1,558,286.44	1,061,204.32
Payments to Suppliers for Goods and Services	(58,954,136.99)	(56,040,429.35)
Payments to Employees for Salaries	(375,032,431.54)	(355,723,240.68)
Payments to Employees for Benefits	(96,911,499.81)	(87,861,939.32)
Payments for Loans Issued to Students	(540,917.85)	(714,288.55)
Payments for Other Expenses	(223,058,334.16)	(206,081,081.90)
Net Cash Used By Operating Activities	<u>(180,652,764.87)</u>	<u>(131,581,411.27)</u>
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	199,382,280.46	188,178,849.46
Proceeds from Gifts	18,962,845.49	14,356,372.77
Proceeds from Nonoperating Grants and Contracts	37,956,971.63	34,082,739.26
Proceeds from Other Financing Activities	4,289,246.56	1,885,053.32
Proceeds from Agency Transactions	180,995,641.71	169,293,836.51
Proceeds from Transfers from Component Institutions	574,454.80	790,618.37
Proceeds from Transfers from Texas Tech Foundation, Inc.	54,336,766.70	49,750,588.86
Proceeds from Transfers In from Other State Agencies	16,906,468.86	9,137,337.21
Payments for Transfers to Component Institutions	(6,075,149.16)	(5,607,664.80)
Payments for Transfers to Texas Tech Foundation, Inc.	(182,271.65)	(45,615.04)
Payments for Other Uses	(180,808,471.15)	(170,718,687.76)
Net Cash Provided by Noncapital Financing Activities	<u>326,338,784.25</u>	<u>291,103,428.16</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	3,874,933.90	446,338.00
Proceeds from Capital Appropriations	32,238,518.92	15,698,857.02
Proceeds from Transfers from Component Institutions	63,984,082.09	42,000,556.20
Payments for Transfers to Component Institutions	(62,163,852.80)	(43,523,793.59)
Payments for Additions to Capital Assets	(118,535,731.56)	(109,702,297.15)
Payments for Interest Paid on Capital Debt	(1,534,337.30)	(350,221.16)
Net Cash Used by Capital and Related Financing Activities	<u>\$ (82,136,386.75)</u>	<u>\$ (95,430,560.68)</u>

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Texas Tech University (733)
Statement of Cash Flows
For the Years Ended August 31, 2017 and 2016

	2017	Restated 2016
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	\$ 126,159,980.48	\$ 120,746,230.22
Proceeds from Interest and Investment Income	23,642,957.34	20,277,120.49
Payments to Acquire Investments	<u>(200,083,767.51)</u>	<u>(170,950,206.39)</u>
Net Cash Used by Investing Activities	<u>(50,280,829.69)</u>	<u>(29,926,855.68)</u>
TOTAL NET CASH FLOWS	<u>\$ 13,268,802.94</u>	<u>\$ 34,164,600.53</u>
Beginning Cash & Cash Equivalents - September 1	\$ 128,957,532.33	\$ 94,294,000.80
Restatement to Beginning Cash & Cash Equivalents	0.00	498,931.00
Beginning Cash & Cash Equivalents - September 1	<u>128,957,532.33</u>	<u>94,792,931.80</u>
Ending Cash & Cash Equivalents - August 31	<u>\$ 142,226,335.27</u>	<u>\$ 128,957,532.33</u>
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (270,184,727.87)	\$ (219,955,655.62)
Adjustments:		
Depreciation and Amortization Expense	81,736,580.47	81,631,902.56
Bad Debt Expense	0.66	1,651.51
(Increase) Decrease in Accounts Receivables	5,387,574.14	(7,371,603.08)
(Increase) Decrease in Loans and Notes Receivable	1,017,368.59	346,915.77
(Increase) Decrease in Inventories	(363,694.36)	94,363.63
(Increase) Decrease in Due From Other State Agencies	(194,980.21)	138,772.49
(Increase) Decrease in Prepaid Items	(81,269.54)	(2,418,912.35)
Increase (Decrease) in Accounts Payable	(8,056,843.95)	3,189,117.72
Increase (Decrease) in Payroll Payable	(118,113.92)	878,441.13
Increase (Decrease) in Unearned Revenue	7,114,490.14	7,941,821.39
Increase (Decrease) in Employees' Compensable Leave	1,235,993.95	442,908.91
Increase (Decrease) in Due To Other State Agencies	(109,059.92)	(217,478.43)
Increase (Decrease) in Benefits Payable	1,247,219.87	2,664,031.90
Increase (Decrease) in Pollution Remediation Obligation	0.00	1,022,641.50
Increase (Decrease) in Other Liabilities	716,697.08	29,669.70
Net Cash Used for Operating Activities	<u>(180,652,764.87)</u>	<u>(131,581,411.27)</u>
Noncash Transactions		
Donations of Capital Assets	4,904,729.06	2,594,822.97
Net Increase (Decrease) in Fair Value of Investments	25,054,361.60	(2,292,956.35)
Other	<u>(458,369.76)</u>	<u>(72,594.76)</u>
Total Noncash Transactions	<u>\$ 29,500,720.90</u>	<u>\$ 229,271.86</u>

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Texas Tech University (733)
 Matrix of Operating Expenses Reported by Function
 For the Years Ended August 31, 2017 and 2016

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Cost of Goods Sold	\$ 77,573.37	\$	\$ 37,446.14	\$ 6,052.83	\$ 250.13	\$ 995,590.59
Salaries and Wages	133,484,362.53	93,631,755.08	6,579,807.05	48,090,202.42	19,187,758.46	20,562,463.71
Payroll Related Costs	34,896,488.40	23,068,310.02	1,766,868.01	13,300,310.93	5,255,598.41	5,981,462.93
Professional Fees and Services	752,687.88	2,255,087.48	408,770.98	1,563,586.19	968,856.49	8,919,282.82
Travel	5,173,078.09	5,313,147.99	612,092.43	3,109,304.57	2,015,147.13	401,906.90
Materials and Supplies	4,885,849.06	8,436,081.67	634,073.64	4,213,675.78	1,503,999.05	737,164.69
Communications and Utilities	790,659.62	1,873,700.34	227,991.96	1,618,226.66	928,768.26	986,372.68
Repairs and Maintenance	904,425.10	2,238,381.06	184,199.66	2,598,988.33	280,541.74	143,719.86
Rentals and Leases	1,710,176.89	854,492.65	506,595.11	2,280,233.90	1,581,913.77	1,134,276.19
Printing and Reproduction	214,689.46	237,902.45	91,238.72	529,333.40	507,608.96	211,787.52
Federal Grant Pass-Through Expense	19,595.45	202,502.98	466,045.24			
State Grant Pass-Through Expense		92,672.40				
Depreciation and Amortization						
Bad Debt Expense		0.66				
Interest	24.88	5,152.83	21.71	95.61	402.74	646.54
Scholarships	4,905,590.52	7,949,887.78	168,375.09	826,788.89	145,826.87	42,498.50
Pollution Remediation Obligation						
Claims and Judgments						18,333.33
Other Operating Expenses	2,587,768.76	12,387,292.66	1,771,971.40	6,040,628.99	11,154,746.22	1,047,237.48
TOTAL OPERATING EXPENSES	\$ 190,402,970.01	\$ 158,546,368.05	\$ 13,455,497.14	\$ 84,177,428.50	\$ 43,531,418.23	\$ 41,182,743.74

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 Matrix of Operating Expenses Reported by Function
 For the Years Ended August 31, 2017 and 2016

OPERATING EXPENSES	OPERATIONS & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	2016
Cost of Goods Sold	\$	\$	\$ 12,621,661.20	\$	\$ 13,738,574.26	\$ 14,063,314.57
Salaries and Wages	6,779,836.36	36,063.16	46,562,068.85		374,914,317.62	356,601,681.81
Payroll Related Costs	1,739,694.74	1,695.22	12,148,291.02		98,158,719.68	90,525,971.22
Professional Fees and Services	138,361.97		1,144,215.41		16,150,849.22	10,330,705.10
Travel	35,560.08		7,677,072.32		24,337,309.51	24,075,767.87
Materials and Supplies	4,517,206.97	5,995.35	7,679,672.48		32,613,718.69	31,649,966.47
Communications and Utilities	15,988,714.30		8,089,302.75		30,503,736.57	29,355,357.22
Repairs and Maintenance	9,401,067.51	259.00	7,632,609.27		23,384,191.53	21,768,113.64
Rentals and Leases	217,282.45		2,614,387.18		10,899,358.14	10,485,627.53
Printing and Reproduction	10,378.83		771,163.84		2,574,103.18	2,934,109.09
Federal Grant Pass-Through Expense					688,143.67	1,271,275.02
State Grant Pass-Through Expense					92,672.40	130,782.03
Depreciation and Amortization				81,736,580.47	81,736,580.47	81,631,902.56
Bad Debt Expense					0.66	1,651.51
Interest	1,237.16		231.46		7,812.93	9,236.70
Scholarships		42,716,028.20	40,071.79		56,795,067.64	53,078,089.69
Pollution Remediation Obligation						1,022,641.50
Claims and Judgments					18,333.33	38,693.83
Other Operating Expenses	6,849,597.68	6,912.92	21,485,948.00		63,332,104.11	64,267,620.10
TOTAL OPERATING EXPENSES	\$ 45,678,938.05	\$ 42,766,953.85	\$ 128,466,695.57	\$ 81,736,580.47	\$ 829,945,593.61	\$ 793,242,507.46