

## UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Statement of Net Position**  
**August 31, 2017 and 2016**

	2017	Restated 2016
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 55,910,167.26	\$ 58,852,794.43
Restricted Cash and Cash Equivalents	76,001,967.30	69,674,110.32
Legislative Appropriations	52,281,592.86	42,061,058.11
Receivables:		
Federal	4,829,385.25	991,854.87
Patient	14,392,843.26	16,539,801.70
Student	734,387.67	791,700.32
Contracts	17,765,210.51	22,199,474.30
Interest and Dividends	401,883.27	355,815.27
Gifts	619,031.14	1,998,479.71
Other	445,465.08	442,432.22
Due From Other State Agencies	8,911,402.51	8,926,088.75
Inventories	1,024,882.83	1,034,464.45
Prepaid Items	5,618,584.04	5,081,878.05
Loans and Contracts	277,035.06	218,590.20
Total Current Assets	239,213,838.04	229,168,542.70
Non-Current Assets:		
Restricted Cash and Cash Equivalents	275,331.06	2,461.76
Restricted Investments	76,194,612.68	70,397,085.42
Gifts Receivable	48,255.61	3,480,521.87
Loans and Notes Receivable	2,023,951.99	2,160,711.35
Investments	279,017,898.61	272,738,521.98
Capital Assets		
Non-Depreciable or Non-Amortizable	25,150,792.87	14,668,629.83
Depreciable or Amortizable	522,491,627.83	507,444,899.74
Accumulated Depreciation and Amortization	(323,280,082.31)	(305,418,028.92)
Total Non-Current Assets	581,922,388.34	565,474,803.03
Total Assets	\$ 821,136,226.38	\$ 794,643,345.73

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Texas Tech University Health Sciences Center (739)  
 Statement of Net Position  
 August 31, 2017 and 2016

	2017	Restated 2016
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 23,451,075.86	\$ 19,236,473.71
Payroll Payable	30,877,497.00	31,680,307.02
Unearned Revenue	18,641,474.63	17,280,106.13
Due to Other State Agencies	55,892.32	21,468.08
Employees' Compensable Leave	2,889,794.67	2,694,335.42
Funds Held for Others	423,491.81	316,694.41
Other Current Liabilities	9,036,930.02	12,220,405.48
Total Current Liabilities	85,376,156.31	83,449,790.25
Non-Current Liabilities:		
Employees' Compensable Leave	21,191,827.63	19,758,459.67
Other Non-Current Liabilities	63,451.24	78,977.67
Total Non-Current Liabilities	21,255,278.87	19,837,437.34
Total Liabilities	106,631,435.18	103,287,227.59
<b>NET POSITION</b>		
Net Investment in Capital Assets	224,362,338.39	216,695,500.65
Restricted:		
Nonexpendable:		
Endowments	61,782,346.44	61,276,729.63
Expendable:		
Capital Projects	4,819,129.38	7,267,330.92
Other	108,017,183.52	91,184,908.75
Unrestricted	315,523,793.47	314,931,648.19
Total Net Position	\$ 714,504,791.20	\$ 691,356,118.14

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**Texas Tech University Health Sciences Center (739)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2017 and 2016**

	<u>2017</u>	<u>Restated 2016</u>
Operating Revenues		
Tuition and Fees	\$ 1,481,179.39	\$ 1,442,962.17
Tuition and Fees - Pledged	51,585,546.39	50,015,394.18
Less Discounts and Allowances	(6,641,149.26)	(6,386,651.59)
Professional Fees	211,349,899.71	215,993,113.44
Professional Fees - Pledged	723,138.22	681,714.96
Sales and Services of Auxiliary Enterprises - Pledged	843,128.18	747,279.53
Other Sales and Services	4,756,778.37	3,544,840.27
Other Sales and Services - Pledged	6,512,517.06	6,430,755.81
Federal Grants and Contracts	18,095,876.61	15,457,062.80
Federal Grants and Contracts - Pledged	0.00	3,768,340.27
Federal Grant Pass-Throughs from Other State Agencies	2,285,439.63	2,601,424.95
State Grants and Contracts	68,211.78	1,201,736.12
State Grants and Contracts - Pledged	19,992.00	857,567.02
State Grant Pass-Throughs from Other State Agencies	13,722,616.17	8,104,665.36
Local Governmental Grants and Contracts	31,036,201.32	21,914,877.68
Local Governmental Grants and Contracts - Pledged	1,073,671.55	1,573,332.61
Nongovernmental Grants and Contracts	98,131,032.57	99,324,809.78
Nongovernmental Grants and Contracts - Pledged	1,357,908.34	2,309,693.43
Other Operating Revenues	16,850,856.08	16,811,372.98
Total Operating Revenues	<u>453,252,844.11</u>	<u>446,394,291.77</u>
Operating Expenses		
Salaries and Wages	356,004,322.11	340,483,212.72
Payroll Related Costs	91,471,008.43	84,892,945.68
Professional Fees and Services	54,079,678.66	56,103,308.66
Travel	5,105,832.06	5,252,092.29
Materials and Supplies	31,979,804.76	32,179,636.84
Communications and Utilities	13,895,329.65	13,562,063.38
Repairs and Maintenance	8,862,932.12	9,996,209.33
Rentals and Leases	3,980,122.74	3,199,654.95
Printing and Reproduction	1,458,292.31	1,715,111.97
Federal Grant Pass-Through Expense	476,312.20	306,767.31
State Grant Pass-Through Expense	30,557.99	29,817.57
Depreciation and Amortization	20,973,237.07	21,002,417.30
Bad Debt Expense	86,781.32	312,863.47
Interest	6,303.72	5,845.83
Scholarships	4,602,054.94	4,287,754.73
Claims and Judgments	1,352.01	1,000.00
Other Operating Expenses	49,411,499.11	63,097,188.38
Total Operating Expenses	<u>642,425,421.20</u>	<u>636,427,890.41</u>
Operating Income (Loss)	<u>\$ (189,172,577.09)</u>	<u>\$ (190,033,598.64)</u>

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**Texas Tech University Health Sciences Center (739)**  
**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	\$ 158,541,598.67	\$ 158,925,012.61
Federal Grants and Contracts	1,875,839.00	1,407,864.00
State Grant Pass-Throughs from Other State Agencies	98,125.00	58,800.00
Private Gifts	150,026.84	10,886,147.29
Private Gifts - Pledged	30,762.49	416,098.51
Investment Income (Expense)	9,389,517.67	9,164,150.73
Investment Income (Expense) - Pledged	6,073,434.88	2,597,801.35
Gain (Loss) on Sale and Disposal of Capital Assets	(215,223.27)	(122,698.33)
Net Increase (Decrease) in Fair Value of Investments	9,971,667.92	(639,373.51)
Other Nonoperating Revenues (Expenses)	898,425.34	804,802.96
Other Nonoperating Revenues (Expenses) - Pledged	354,139.84	600,313.27
Total Nonoperating Revenues (Expenses)	187,168,314.38	184,098,918.88
 Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	 (2,004,262.71)	 (5,934,679.76)
 Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEAF)	23,372,396.00	15,581,597.00
Capital Contributions	650,799.35	461,833.04
Lapsed Appropriations	(1,257,406.00)	0.00
Legislative Transfers In (Out)	(7,170,317.93)	(7,016,968.00)
Interagency Transfers of Capital Assets - Increase	65,506.13	4,313.36
Interagency Transfers of Capital Assets - Decrease	(4,051,701.94)	(721,858.76)
Net Transfers from (to) Texas Tech Foundation, Inc.	5,301,207.85	2,586,887.05
Net Transfers from (to) Texas Tech University System Components	8,201,156.31	2,160,487.70
Net Transfers from (to) Other State Agencies	41,296.00	48,149.63
Net Other Revenues, Expenses, Gains, Losses, and Transfers	25,152,935.77	13,104,441.02
 Total Change in Net Position	 23,148,673.06	 7,169,761.26
 Beginning Net Position (September 1)	 \$ 691,356,118.14	 \$ 684,186,356.88
 Ending Net Position (August 31)	 \$ 714,504,791.20	 \$ 691,356,118.14

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**Texas Tech University Health Sciences Center (739)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2017 and 2016**

	2017	2016
<b>Cash Flows from Operating Activities</b>		
Proceeds from Customers	\$ 242,277,256.56	\$ 243,390,477.54
Proceeds from Tuition and Fees	47,636,810.01	45,480,432.04
Proceeds from Grants and Contracts	165,086,658.35	152,147,749.41
Proceeds from Sales and Services of Auxiliary Enterprises	843,128.18	747,279.53
Proceeds from Collections of Loans to Students	3,267,838.96	2,836,965.31
Payments to Suppliers for Goods and Services	(117,036,932.43)	(124,129,179.82)
Payments to Employees for Salaries	(355,274,222.94)	(337,998,001.35)
Payments to Employees for Benefits	(91,375,090.41)	(86,134,000.90)
Payments for Loans Issued to Students	(3,240,849.26)	(2,484,629.81)
Payments for Other Expenses	(56,258,954.37)	(53,923,161.69)
Net Cash Used By Operating Activities	(164,074,357.35)	(160,066,069.74)
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	149,103,167.38	160,263,919.53
Proceeds from Gifts	4,992,504.16	7,929,172.70
Proceeds from Nonoperating Grants and Contracts	1,973,964.00	1,466,664.00
Proceeds from Other Financing Activities	1,359,362.58	1,457,587.32
Proceeds from Agency Transactions	64,151,395.00	61,181,037.00
Proceeds from Transfers from Component Institutions	1,469,094.67	5,205,100.83
Proceeds from Transfers from Texas Tech Foundation, Inc.	5,305,707.85	2,586,887.05
Proceeds from Transfers In from Other State Agencies	6,318,653.00	0.00
Payments for Transfers to Component Institutions	(6,536,331.67)	(5,300,086.71)
Payments for Transfers to Other State Agencies	(4,500.00)	117,695.63
Payments for Other Uses	(64,151,395.00)	(61,181,037.00)
Net Cash Provided by Noncapital Financing Activities	163,981,621.97	173,726,940.35
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Sale of Capital Assets	140,868.34	137,384.51
Proceeds from Capital Appropriations	23,372,396.00	15,581,597.00
Proceeds from Transfers from Component Institutions	11,835,959.31	863,689.58
Payments for Transfers to Component Institutions	(12,015,240.93)	(5,694,730.00)
Payments for Additions to Capital Assets	(32,331,562.88)	(17,162,759.37)
Net Cash Used by Capital and Related Financing Activities	(8,997,580.16)	(6,274,818.28)
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	53,484,723.25	72,159,434.81
Proceeds from Interest and Investment Income	11,638,018.82	14,365,375.04
Payments to Acquire Investments	(52,374,327.42)	(75,584,681.76)
Net Cash Provided by Investing Activities	12,748,414.65	10,940,128.09
<b>TOTAL NET CASH FLOWS</b>	<b>\$ 3,658,099.11</b>	<b>\$ 18,326,180.42</b>

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**Texas Tech University Health Sciences Center (739)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2017 and 2016**

	2017	2016
Beginning Cash & Cash Equivalents - September 1	\$ 128,529,366.51	\$ 110,203,186.09
Ending Cash & Cash Equivalents - August 31	\$ 132,187,465.62	\$ 128,529,366.51
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (189,172,577.09)	\$ (190,033,598.64)
Adjustments:		
Depreciation and Amortization Expense	20,973,237.07	21,002,417.30
(Increase) Decrease in Accounts Receivables	2,797,971.64	(5,674,984.97)
(Increase) Decrease in Loans and Notes Receivable	78,314.50	250,460.45
(Increase) Decrease in Inventories	9,581.62	(31,542.96)
(Increase) Decrease in Due From Other State Agencies	(1,461,589.29)	567,908.12
(Increase) Decrease in Prepaid Items	(536,705.99)	(1,766,965.73)
Increase (Decrease) in Accounts Payable	3,408,173.07	1,946,850.75
Increase (Decrease) in Unearned Revenue	1,361,368.50	678,932.14
Increase (Decrease) in Employees' Compensable Leave	1,628,827.21	1,008,648.97
Increase (Decrease) in Due To Other State Agencies	34,424.24	(212,494.58)
Increase (Decrease) in Other Liabilities	(3,195,382.83)	12,198,299.41
Net Cash Used for Operating Activities	(164,074,357.35)	(160,066,069.74)
 Noncash Transactions		
Donations of Capital Assets	650,799.35	461,833.04
Net Increase (Decrease) in Fair Value of Investments	9,971,667.92	(639,373.51)
Other	(356,091.61)	(260,082.84)
Total Noncash Transactions	\$ 10,266,375.66	\$ (437,623.31)

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Texas Tech University Health Sciences Center (739)  
 Matrix of Operating Expenses Reported by Function  
 For the Years Ended August 31, 2017 and 2016

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	HOSPITALS AND CLINICS	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Salaries and Wages	\$ 161,307,145.89	\$ 20,939,901.81	\$ 53,047,710.10	\$ 45,449,664.39	\$ 48,359,616.93	\$ 5,979,435.59	\$ 15,072,891.15
Payroll Related Costs	31,755,125.09	4,795,780.08	15,999,308.37	13,775,292.29	15,196,865.88	1,862,714.56	5,562,275.31
Professional Fees and Services	344,353.40	467,581.80	43,028,039.23	1,492,381.65	4,214,529.11	459,327.42	2,739,523.55
Travel	611,293.03	452,224.95	605,473.03	162,846.05	2,477,091.18	419,451.19	352,191.74
Materials and Supplies	460,462.72	2,969,378.77	12,514,901.52	9,030,670.23	5,073,347.68	1,322,684.89	290,199.34
Communications and Utilities	179,207.89	42,034.70	235,844.28	509,863.16	5,044,597.56	485,425.37	662,759.30
Repairs and Maintenance	108,708.57	738,498.10	479,274.79	284,580.87	2,910,315.03	583,865.74	206,106.32
Rentals and Leases	128,085.48	72,218.19	551,479.70	569,755.94	1,324,843.38	156,034.09	186,250.80
Printing and Reproduction	118,706.06	110,519.14	140,134.38	148,270.16	584,938.76	135,885.85	171,578.50
Federal Grant Pass-Through Expense	33,651.99	252,935.87	189,724.34				
State Grant Pass-Through Expense		11,833.54	18,724.45				
Depreciation and Amortization							
Bad Debt Expense						86,781.32	
Interest	51.30	383.78	78.97	331.99	4,092.81	20.56	1,027.14
Scholarships	64,549.44	71,056.45			505,201.04		10,000.00
Claims and Judgments				852.01	500.00		
Other Operating Expenses	1,609,414.19	4,107,599.39	2,808,584.15	2,238,781.95	28,940,201.30	2,370,304.69	3,456,931.57
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 196,720,755.05</b>	<b>\$ 35,031,946.57</b>	<b>\$ 129,619,277.31</b>	<b>\$ 73,663,290.69</b>	<b>\$ 114,636,140.66</b>	<b>\$ 13,861,931.27</b>	<b>\$ 28,711,734.72</b>

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Texas Tech University Health Sciences Center (739)  
 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
Salaries and Wages	\$ 5,633,649.95	\$ 16,700.00	\$ 197,606.30	\$	\$ 356,004,322.11	\$ 340,483,212.72
Payroll Related Costs	2,442,263.31	1,263.71	80,119.83		91,471,008.43	84,892,945.68
Professional Fees and Services	1,328,207.50		5,735.00		54,079,678.66	56,103,308.66
Travel	19,047.62		6,213.27		5,105,832.06	5,252,092.29
Materials and Supplies	309,815.10		8,344.51		31,979,804.76	32,179,636.84
Communications and Utilities	6,721,595.18		14,002.21		13,895,329.65	13,562,063.38
Repairs and Maintenance	3,536,153.60		15,429.10		8,862,932.12	9,996,209.33
Rentals and Leases	970,955.98		20,499.18		3,980,122.74	3,199,654.95
Printing and Reproduction	34,149.67		14,109.79		1,458,292.31	1,715,111.97
Federal Grant Pass-Through Expense					476,312.20	306,767.31
State Grant Pass-Through Expense					30,557.99	29,817.57
Depreciation and Amortization				20,973,237.07	20,973,237.07	21,002,417.30
Bad Debt Expense					86,781.32	312,863.47
Interest	317.17				6,303.72	5,845.83
Scholarships		3,951,248.01			4,602,054.94	4,287,754.73
Claims and Judgments					1,352.01	1,000.00
Other Operating Expenses	3,816,206.50		63,475.37		49,411,499.11	63,097,188.38
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 24,812,361.58</b>	<b>\$ 3,969,211.72</b>	<b>\$ 425,534.56</b>	<b>\$ 20,973,237.07</b>	<b>\$ 642,425,421.20</b>	<b>\$ 636,427,890.41</b>