

## UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Net Position**  
**August 31, 2017 and 2016**

	2017	Restated 2016
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 23,422,446.13	\$ 23,049,367.36
Restricted Cash and Cash Equivalents	15,520,803.90	18,065,048.65
Legislative Appropriations	8,665,574.75	13,603,713.17
Receivables:		
Federal	678,036.76	449,286.41
Patient	9,184,362.33	6,598,508.62
Student	16,096.99	20,829.85
Contracts	16,518,810.71	9,499,721.56
Interest and Dividends	148,476.52	120,364.26
Gifts	647,416.77	1,893,641.44
Other	420,102.31	426,580.16
Due From Other State Agencies	5,218,871.59	4,270,991.59
Inventories	91,878.19	29,878.50
Prepaid Items	1,906,744.85	2,250,278.53
Loans and Contracts	22,225.75	159,372.73
Total Current Assets	82,461,847.55	80,437,582.83
Non-Current Assets:		
Restricted Cash and Cash Equivalents	60.00	115.00
Restricted Investments	36,151,192.01	33,503,151.57
Contracts Receivable	1,384,953.70	4,063,274.58
Gifts Receivable	6,944,960.52	12,406,660.10
Loans and Notes Receivable	1,175,738.03	1,066,571.37
Investments	117,728,797.67	106,600,177.91
Capital Assets		
Non-Depreciable or Non-Amortizable	27,244,597.45	8,248,811.61
Depreciable or Amortizable	205,348,848.37	203,543,838.41
Accumulated Depreciation and Amortization	(98,497,625.48)	(91,098,155.19)
Total Non-Current Assets	297,481,522.27	278,334,445.36
Total Assets	\$ 379,943,369.82	\$ 358,772,028.19

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 Statement of Net Position  
 August 31, 2017 and 2016

	2017	Restated 2016
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 3,730,739.41	\$ 8,016,057.54
Payroll Payable	12,071,681.47	11,251,889.78
Unearned Revenue	2,961,288.56	3,284,478.30
Due to Other State Agencies	48,615.46	91,057.18
Employees' Compensable Leave	1,001,621.62	885,247.66
Funds Held for Others	72,170.39	61,581.62
Other Current Liabilities	3,456,455.39	2,762,667.36
Total Current Liabilities	<u>23,342,572.30</u>	<u>26,352,979.44</u>
Non-Current Liabilities:		
Employees' Compensable Leave	7,345,225.19	6,491,816.15
Other Non-Current Liabilities	28,725.49	19,091.45
Total Non-Current Liabilities	<u>7,373,950.68</u>	<u>6,510,907.60</u>
Total Liabilities	<u>30,716,522.98</u>	<u>32,863,887.04</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	134,095,820.34	120,694,494.83
Restricted:		
Nonexpendable:		
Endowments	28,320,947.72	28,322,340.84
Expendable:		
Capital Projects	7,402,923.62	17,121,694.13
Other	33,009,162.51	28,080,321.86
Unrestricted	<u>146,397,992.65</u>	<u>131,689,289.49</u>
Total Net Position	<u>\$ 349,226,846.84</u>	<u>\$ 325,908,141.15</u>

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**Texas Tech University Health Sciences Center at El Paso (774)**  
**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	\$ 388,333.02	\$ 361,107.66
Tuition and Fees - Pledged	9,909,082.65	8,613,172.46
Less Discounts and Allowances	(1,421,752.00)	(1,292,625.20)
Professional Fees	48,099,575.78	45,479,279.10
Sales and Services of Auxiliary Enterprises - Pledged	278,139.21	229,976.51
Other Sales and Services	98,956.21	137,101.92
Other Sales and Services - Pledged	406,246.72	252,582.09
Federal Grants and Contracts	2,194,631.92	2,352,782.72
Federal Grants and Contracts - Pledged	852,380.34	976,587.11
Federal Grant Pass-Throughs from Other State Agencies	230,828.59	226,238.31
State Grants and Contracts	1,691,013.94	1,639,851.16
State Grants and Contracts - Pledged	129,035.09	113,913.99
State Grant Pass-Throughs from Other State Agencies	4,821,326.25	3,864,280.64
Local Governmental Grants and Contracts	2,759,237.77	3,595,324.21
Local Governmental Grants and Contracts - Pledged	24,895.11	43,432.72
Nongovernmental Grants and Contracts	78,531,144.60	73,129,310.42
Nongovernmental Grants and Contracts - Pledged	222,880.52	192,561.22
Other Operating Revenues	12,530,123.93	14,621,234.27
Total Operating Revenues	<u>161,746,079.65</u>	<u>154,536,111.31</u>
Operating Expenses		
Salaries and Wages	138,599,631.30	126,144,655.48
Payroll Related Costs	32,645,340.87	29,456,491.55
Professional Fees and Services	7,074,718.45	6,442,240.00
Travel	1,773,338.24	1,814,344.00
Materials and Supplies	4,191,737.66	4,786,756.86
Communications and Utilities	5,447,905.76	4,560,059.98
Repairs and Maintenance	3,944,947.30	3,684,389.10
Rentals and Leases	4,952,615.04	2,834,662.06
Printing and Reproduction	330,632.37	289,800.19
Federal Grant Pass-Through Expense	3,753.33	2,580.36
State Grant Pass-Through Expense	16,769.54	20,332.25
Depreciation and Amortization	11,532,978.93	11,629,181.89
Bad Debt Expense	4,475.72	(1,005,151.44)
Interest	7,170.54	7,748.99
Scholarships	1,803,251.84	1,668,793.44
Claims and Judgments	5,512.96	823,678.22
Other Operating Expenses	16,616,561.01	21,361,971.74
Total Operating Expenses	<u>228,951,340.86</u>	<u>214,522,534.67</u>
Operating Income (Loss)	<u>\$ (67,205,261.21)</u>	<u>\$ (59,986,423.36)</u>

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**Texas Tech University Health Sciences Center at El Paso (774)**  
**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	\$ 73,332,797.85	\$ 72,390,571.70
Federal Grants and Contracts	519,525.00	442,473.00
Private Gifts	(5,902,287.02)	834,795.09
Private Gifts - Pledged	3,560.00	3,280.00
Investment Income (Expense)	5,742,157.58	5,401,465.56
Investment Income (Expense) - Pledged	1,861,015.54	(81,460.75)
Gain (Loss) on Sale and Disposal of Capital Assets	(235,091.21)	(290,733.18)
Net Increase (Decrease) in Fair Value of Investments	4,671,317.39	(704,662.28)
Other Nonoperating Revenues (Expenses)	810,961.07	1,854,905.81
Other Nonoperating Revenues (Expenses) - Pledged	33,696.64	5,863.89
Total Nonoperating Revenues (Expenses)	80,837,652.84	79,856,498.84
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	13,632,391.63	19,870,075.48
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEAF)	6,234,075.00	4,156,050.00
Capital Contributions	28,612.69	0.00
Lapsed Appropriations	(628,091.00)	0.00
Legislative Transfers In (Out)	(7,228,670.17)	(7,185,511.00)
Interagency Transfers of Capital Assets - Increase	157,484.73	23,922.04
Interagency Transfers of Capital Assets - Decrease	(139,468.92)	(75,603.93)
Net Transfers from (to) Texas Tech Foundation, Inc.	3,739,914.12	2,091,460.84
Net Transfers from (to) Texas Tech University System Components	7,522,457.61	(3,105,970.90)
Net Other Revenues, Expenses, Gains, Losses, and Transfers	9,686,314.06	(4,095,652.95)
Total Change in Net Position	23,318,705.69	15,774,422.53
Beginning Net Position (September 1)	\$ 325,908,141.15	\$ 310,133,718.62
Ending Net Position (August 31)	\$ 349,226,846.84	\$ 325,908,141.15

## UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**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	\$ 58,519,867.39	\$ 60,730,078.92
Proceeds from Tuition and Fees	8,557,206.79	7,848,294.28
Proceeds from Grants and Contracts	86,746,196.21	88,135,515.21
Proceeds from Sales and Services of Auxiliary Enterprises	283,047.50	233,346.78
Proceeds from Collections of Loans to Students	649,102.68	571,543.85
Payments to Suppliers for Goods and Services	(31,812,263.74)	(19,738,451.95)
Payments to Employees for Salaries	(137,305,570.60)	(125,163,871.93)
Payments to Employees for Benefits	(32,149,826.88)	(26,827,298.44)
Payments for Loans Issued to Students	(600,970.36)	(671,639.95)
Payments for Other Expenses	(17,719,606.09)	(19,976,005.28)
Net Cash Used By Operating Activities	<u>(64,832,817.10)</u>	<u>(34,858,488.51)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	77,642,845.27	58,786,858.53
Proceeds from Gifts	809,197.23	2,605,938.84
Proceeds from Nonoperating Grants and Contracts	519,525.00	442,473.00
Proceeds from Other Financing Activities	855,246.48	1,879,633.60
Proceeds from Agency Transactions	13,062,115.00	12,368,343.00
Proceeds from Transfers from Component Institutions	1,190,769.35	0.00
Proceeds from Transfers from Texas Tech Foundation, Inc.	4,091,480.79	2,091,460.84
Proceeds from Transfers In from Other State Agencies	5,841,147.00	0.00
Payments for Transfers to Component Institutions	(3,157,669.26)	(2,968,346.03)
Payments for Transfers to Texas Tech Foundation, Inc.	(351,566.67)	0.00
Payments for Other Uses	(13,062,115.00)	(12,368,343.00)
Net Cash Provided by Noncapital Financing Activities	<u>87,440,975.19</u>	<u>62,838,018.78</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Sale of Capital Assets	25,106.14	44,794.15
Proceeds from Capital Appropriations	6,234,075.00	4,156,050.00
Proceeds from Transfers from Component Institutions	10,294,385.52	74,337.35
Payments for Transfers to Component Institutions	(13,874,845.17)	(7,397,473.22)
Payments for Additions to Capital Assets	(25,147,873.29)	(9,674,412.01)
Net Cash Used by Capital and Related Financing Activities	<u>(22,469,151.80)</u>	<u>(12,796,703.73)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	13,374,554.03	17,034,663.66
Proceeds from Interest and Investment Income	5,173,193.20	1,707,123.41
Payments to Acquire Investments	(20,857,974.50)	(27,842,363.25)
Net Cash Used by Investing Activities	<u>(2,310,227.27)</u>	<u>(9,100,576.18)</u>
<b>TOTAL NET CASH FLOWS</b>	<u>\$ (2,171,220.98)</u>	<u>\$ 6,082,250.36</u>

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**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2017 and 2016**

	2017	2016
Beginning Cash & Cash Equivalents - September 1	\$ 41,114,531.01	\$ 35,032,280.65
Ending Cash & Cash Equivalents - August 31	\$ 38,943,310.03	\$ 41,114,531.01
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (67,205,261.21)	\$ (59,986,423.36)
Adjustments:		
Depreciation and Amortization Expense	11,532,978.93	11,629,181.89
(Increase) Decrease in Accounts Receivables	(7,144,161.62)	968,725.92
(Increase) Decrease in Loans and Notes Receivable	27,980.32	(79,944.10)
(Increase) Decrease in Inventories	(61,999.69)	(26,798.66)
(Increase) Decrease in Due From Other State Agencies	(167,934.68)	266,385.17
(Increase) Decrease in Prepaid Items	343,533.68	(571,350.72)
Increase (Decrease) in Accounts Payable	(3,465,526.44)	9,447,230.66
Increase (Decrease) in Unearned Revenue	(323,189.74)	170,861.35
Increase (Decrease) in Employees' Compensable Leave	969,783.00	507,337.20
Increase (Decrease) in Due To Other State Agencies	(42,441.72)	54,132.75
Increase (Decrease) in Other Liabilities	703,422.07	2,762,173.39
Net Cash Used for Operating Activities	(64,832,817.10)	(34,858,488.51)
 Noncash Transactions		
Donations of Capital Assets	28,612.69	0.00
Net Increase (Decrease) in Fair Value of Investments	4,671,317.39	(704,662.28)
Other	(249,065.70)	(335,527.33)
Total Noncash Transactions	\$ 4,450,864.38	\$ (1,040,189.61)

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Texas Tech University Health Sciences Center at El Paso (774)  
 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	\$ 75,865,657.57	\$ 9,515,088.62	\$ 1,667,058.68	\$ 13,913,920.53	\$ 24,113,209.17	\$ 1,445,796.60	\$ 8,482,452.45
Payroll Related Costs	13,391,117.33	2,355,916.03	521,971.06	4,830,753.82	6,866,198.79	379,044.86	2,967,316.50
Professional Fees and Services	3,704,390.68	319,440.35	216,079.22	28,730.67	1,748,216.48	34,702.22	713,050.15
Travel	761,740.70	186,053.09	81,247.92	15,769.71	477,066.22	58,740.16	183,726.36
Materials and Supplies	1,443,019.31	642,348.31	265,676.92	103,990.99	1,107,925.41	174,776.91	138,524.37
Communications and Utilities	617,530.00	58,510.16	11,221.48	35,069.73	2,366,567.62	4,311.23	452,658.23
Repairs and Maintenance	356,886.75	612,576.50	1,852.00	3,247.93	1,054,147.79	118,496.66	261,596.97
Rentals and Leases	2,454,801.35	131,670.05	4,450.00	58,170.53	1,906,864.90	18,119.29	280,641.95
Printing and Reproduction	81,072.37	10,933.10	21,489.03	3,871.40	94,316.74	18,352.94	96,859.82
Federal Grant Pass-Through Expense		3,753.33					
State Grant Pass-Through Expense			16,769.54				
Depreciation and Amortization							
Bad Debt Expense						4,475.72	
Interest	881.82	604.64	14.78	5.50	2,484.70	34.57	777.29
Scholarships	92.04				872,235.10		
Claims and Judgments					5,512.96		
Other Operating Expenses	3,961,834.44	929,551.82	201,194.73	183,682.04	6,259,784.92	532,285.74	1,897,743.72
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 102,639,024.36</b>	<b>\$ 14,766,446.00</b>	<b>\$ 3,009,025.36</b>	<b>\$ 19,177,212.85</b>	<b>\$ 46,874,530.80</b>	<b>\$ 2,789,136.90</b>	<b>\$ 15,475,347.81</b>

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Texas Tech University Health Sciences Center at El Paso (774)  
 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	\$ 3,491,679.76	\$	\$ 104,767.92	\$	\$ 138,599,631.30	\$ 126,144,655.48
Payroll Related Costs	1,281,567.38		51,455.10		32,645,340.87	29,456,491.55
Professional Fees and Services	307,925.10		2,183.58		7,074,718.45	6,442,240.00
Travel	5,946.56		3,047.52		1,773,338.24	1,814,344.00
Materials and Supplies	314,215.97		1,259.47		4,191,737.66	4,786,756.86
Communications and Utilities	1,895,557.87		6,479.44		5,447,905.76	4,560,059.98
Repairs and Maintenance	1,523,128.80		13,013.90		3,944,947.30	3,684,389.10
Rentals and Leases	97,896.97				4,952,615.04	2,834,662.06
Printing and Reproduction	3,115.70		621.27		330,632.37	289,800.19
Federal Grant Pass-Through Expense					3,753.33	2,580.36
State Grant Pass-Through Expense					16,769.54	20,332.25
Depreciation and Amortization				11,532,978.93	11,532,978.93	11,629,181.89
Bad Debt Expense					4,475.72	(1,005,151.44)
Interest	2,367.24				7,170.54	7,748.99
Scholarships		930,924.70			1,803,251.84	1,668,793.44
Claims and Judgments					5,512.96	823,678.22
Other Operating Expenses	2,623,825.59		26,658.01		16,616,561.01	21,361,971.74
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 11,547,226.94</b>	<b>\$ 930,924.70</b>	<b>\$ 209,486.21</b>	<b>\$ 11,532,978.93</b>	<b>\$ 228,951,340.86</b>	<b>\$ 214,522,534.67</b>