TExAS TECuH UNIVERSITY
HEALTH SCIENCES CENTER AT EL PASO

Annual Financial Report
Fiscal Year 2017
Texas Tech University Health Sciences Center at El Paso (774)

Financial Statements

Presented herein are the financial statements for Texas Tech University Health Sciences Center at El Paso for the year ended August 31, 2017. These statements have been prepared in compliance with Governmental Accounting Standards Board pronouncements and the Texas Comptroller of Public Accounts’ Annual Financial Reporting Requirements.

This document supplements the Combined Annual Financial Report of the Texas Tech University System and provides a historical record of transactions relating to this particular institution.

The Combined Annual Financial Report of the Texas Tech University System includes primary statements as well as supplemental notes and schedules. The numbers therein are presented on a combined System-wide basis.
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TEXAS TECH UNIVERSITY HEALTH SCIENCE CENTER at EL PASO
Annual Financial Report

Organizational Data
August 31, 2017

BOARD OF REGENTS
Term Expires
L. Frederick “Rick” Francis (Chair) .............. January 31, 2019 ......................................................... El Paso
Tim Lancaster (Vice Chair) ......................... January 31, 2019 ......................................................... Abilene
John Esparza .............................................. January 31, 2019 ......................................................... Austin
Mickey L. Long ........................................... January 31, 2021 ......................................................... Midland
Ronnie Hammonds ..................................... January 31, 2021 ......................................................... Houston
Christopher M. Huckabee ......................... January 31, 2021 ......................................................... Fort Worth
J. Michael Lewis ........................................ January 31, 2023 ......................................................... Dallas
John D. Steinmetz ...................................... January 31, 2023 ......................................................... Dallas
John Walker .............................................. January 31, 2023 ......................................................... Houston
Jarett Lujan (Student Regent) ...................... May 31, 2018 ......................................................... San Angelo

FISCAL OFFICERS
Robert L. Duncan .................................................... Chancellor
Gary Barnes .................................................. Vice Chancellor and Chief Financial Officer
Richard Lange, M.D., M.B.A. .............................. President
Sue M. Fuciarelli ............ Vice President for Finance and Administration and Chief Financial Officer
Jessica Fisher ....................................................... Executive Director of Business Affairs
Robert Ortega ................................................. Managing Director of Accounting Services
### Comparative Statement of Net Position

*As of August 31, 2017 and 2016*

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

*As of August 31, 2017 and 2016*

### LIABILITIES

<table>
<thead>
<tr>
<th>Current Liabilities:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payables:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts</td>
<td>$3,730,739.41</td>
<td>$8,016,057.54</td>
</tr>
<tr>
<td>Payroll</td>
<td>$12,071,681.47</td>
<td>$11,251,889.78</td>
</tr>
<tr>
<td>Due to Other State Agencies</td>
<td>$48,615.46</td>
<td>$91,057.18</td>
</tr>
<tr>
<td>Unclaimed Property Due to the State Treasury</td>
<td>$8,187.39</td>
<td>$6,988.97</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>$2,961,288.56</td>
<td>$3,284,478.30</td>
</tr>
<tr>
<td>Employees' Compensable Leave</td>
<td>$1,001,621.62</td>
<td>$885,247.66</td>
</tr>
<tr>
<td>Funds Held for Others</td>
<td>$72,170.39</td>
<td>$61,581.62</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>$3,448,268.00</td>
<td>$2,755,678.39</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>$23,342,572.30</td>
<td>$26,352,979.44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Current Liabilities:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unclaimed Property Due to the State Treasury</td>
<td>$28,725.49</td>
<td>$19,091.45</td>
</tr>
<tr>
<td>Employees' Compensable Leave</td>
<td>$7,345,225.19</td>
<td>$6,491,816.15</td>
</tr>
<tr>
<td>Total Non-Current Liabilities</td>
<td>$7,373,950.68</td>
<td>$6,510,907.60</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$30,716,522.98</td>
<td>$32,863,887.04</td>
</tr>
</tbody>
</table>

### NET POSITION

| Invested in Capital Assets, Net of Related Debt | $134,095,820.34 | $120,694,494.83 |
| Restricted: | | |
| Expendable: | | |
| Capital Projects | $7,402,923.62 | $17,121,694.13 |
| Other | $33,009,162.51 | $28,080,321.86 |
| Nonexpendable: | | |
| Endowments | $28,320,947.72 | $28,322,340.84 |
| Unrestricted | $146,397,992.65 | $131,689,289.49 |
| TOTAL NET POSITION | | |
| | $349,226,846.84 | $325,908,141.15 |
| TOTAL LIABILITIES AND NET POSITION | | |
| | $379,943,369.82 | $358,772,028.19 |
## OPERATING REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fee Revenue - Pledged</td>
<td>$9,909,082.65</td>
<td>$8,613,172.46</td>
</tr>
<tr>
<td>Discounts and Allowances</td>
<td>(1,421,752.00)</td>
<td>(1,292,625.20)</td>
</tr>
<tr>
<td>Tuition and Fee Revenue</td>
<td>388,333.02</td>
<td>361,107.66</td>
</tr>
<tr>
<td>Net Professional Fees - Pledged</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Net Professional Fees</td>
<td>57,844,900.45</td>
<td>54,484,012.95</td>
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<tr>
<td>Uncollectibles</td>
<td>(9,745,324.67)</td>
<td>(9,004,733.85)</td>
</tr>
<tr>
<td>Auxiliary Enterprises - Pledged</td>
<td>278,139.21</td>
<td>229,976.51</td>
</tr>
<tr>
<td>Other Sales and Services</td>
<td>98,956.21</td>
<td>137,101.92</td>
</tr>
<tr>
<td>Other Sales and Services - Pledged</td>
<td>406,246.72</td>
<td>252,582.09</td>
</tr>
<tr>
<td>Federal Grant Revenue</td>
<td>2,019,486.43</td>
<td>2,124,010.05</td>
</tr>
<tr>
<td>Federal Grant Revenue - Pledged</td>
<td>852,380.34</td>
<td>976,587.11</td>
</tr>
<tr>
<td>Federal Pass-Through Revenue</td>
<td>230,828.59</td>
<td>226,238.31</td>
</tr>
<tr>
<td>Federal Contract Revenue</td>
<td>175,145.49</td>
<td>228,772.67</td>
</tr>
<tr>
<td>State Grant and Contract Revenue</td>
<td>1,691,013.94</td>
<td>1,639,851.16</td>
</tr>
<tr>
<td>State Grant and Contract Revenue - Pledged</td>
<td>129,035.09</td>
<td>113,913.99</td>
</tr>
<tr>
<td>State Grant and Contract Pass-Through Revenue</td>
<td>4,821,326.25</td>
<td>3,864,280.64</td>
</tr>
<tr>
<td>Local Grant and Contract Revenue</td>
<td>2,759,237.77</td>
<td>3,595,324.21</td>
</tr>
<tr>
<td>Local Grant and Contract Revenue - Pledged</td>
<td>24,895.11</td>
<td>43,432.72</td>
</tr>
<tr>
<td>Private Grant and Contract Revenue</td>
<td>78,531,144.60</td>
<td>73,129,310.42</td>
</tr>
<tr>
<td>Private Grant and Contract Revenue - Pledged</td>
<td>222,880.52</td>
<td>192,561.22</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>12,530,123.93</td>
<td>14,621,234.27</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$161,746,079.65</td>
<td>$154,536,111.31</td>
</tr>
</tbody>
</table>

## OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$138,599,631.30</td>
<td>$126,144,655.48</td>
</tr>
<tr>
<td>Payroll Related Costs</td>
<td>32,645,340.87</td>
<td>29,456,491.55</td>
</tr>
<tr>
<td>Professional Fees and Services</td>
<td>7,074,718.45</td>
<td>6,442,240.00</td>
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<tr>
<td>Federal Grant Pass-Through Expense</td>
<td>3,753.33</td>
<td>2,580.36</td>
</tr>
<tr>
<td>State Grant Pass-Through Expense</td>
<td>16,769.54</td>
<td>20,332.25</td>
</tr>
<tr>
<td>Travel</td>
<td>1,773,338.24</td>
<td>1,814,344.00</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>4,191,737.66</td>
<td>4,786,756.86</td>
</tr>
<tr>
<td>Communications and Utilities</td>
<td>5,447,905.76</td>
<td>4,560,059.98</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>3,944,947.30</td>
<td>3,684,389.10</td>
</tr>
<tr>
<td>Rentals and Leases</td>
<td>4,952,615.04</td>
<td>2,834,662.06</td>
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<tr>
<td>Printing and Production</td>
<td>330,632.37</td>
<td>289,800.19</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>11,532,978.93</td>
<td>11,629,181.89</td>
</tr>
<tr>
<td>Bad Debt Expense (Recovery)</td>
<td>4,475.72</td>
<td>(1,005,151.44)</td>
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<tr>
<td>Interest Expense</td>
<td>7,170.54</td>
<td>7,748.99</td>
</tr>
<tr>
<td>Scholarships</td>
<td>1,803,251.84</td>
<td>1,668,793.44</td>
</tr>
<tr>
<td>Claims and Judgments</td>
<td>5,512.96</td>
<td>823,678.22</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>16,616,561.01</td>
<td>21,361,971.74</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$228,951,340.86</td>
<td>$214,522,534.67</td>
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<tr>
<td><strong>Operating Loss</strong></td>
<td>$(67,205,261.21)</td>
<td>$(59,986,423.36)</td>
</tr>
</tbody>
</table>
## TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER at EL PASO
### Annual Financial Report

**UNAUDITED**

### Comparative Statement of Revenues, Expenses, and Changes in Net Position

*For the Years Ended of August 31, 2017 and 2016*

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON-OPERATING REVENUES (EXPENSES)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative Appropriations Revenue</td>
<td>$73,332,797.85</td>
<td>$72,390,571.70</td>
</tr>
<tr>
<td>Federal Grant Revenue</td>
<td>519,525.00</td>
<td>442,473.00</td>
</tr>
<tr>
<td>Gifts</td>
<td>(5,902,287.02)</td>
<td>834,795.09</td>
</tr>
<tr>
<td>Gifts - Pledged</td>
<td>3,560.00</td>
<td>3,280.00</td>
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<tr>
<td>Interest and Investment Income (Expense)</td>
<td>5,742,157.58</td>
<td>5,401,465.56</td>
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<tr>
<td>Interest and Investment Income (Expense) - Pledged</td>
<td>1,861,015.54</td>
<td>(81,460.75)</td>
</tr>
<tr>
<td>Interest Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain (Loss) Sale of Capital Assets</td>
<td>(235,091.21)</td>
<td>(290,733.18)</td>
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<tr>
<td>Net Increase (Decrease) in Fair Value of Investments</td>
<td>4,671,317.39</td>
<td>(704,662.28)</td>
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<tr>
<td>Other Revenues</td>
<td>810,961.07</td>
<td>1,854,905.81</td>
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<tr>
<td>Other Revenues - Pledged</td>
<td>33,696.64</td>
<td>5,863.89</td>
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<tr>
<td><strong>Total Non-Operating Revenues (Expenses)</strong></td>
<td>$80,837,652.84</td>
<td>$79,856,498.84</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPITAL CONTRIBUTIONS, ENDOWMENTS, AND TRANSFERS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>28,612.69</td>
<td></td>
</tr>
<tr>
<td>Legislative Appropriations Revenue for Capital (HEAF)</td>
<td>6,234,075.00</td>
<td>4,156,050.00</td>
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<tr>
<td>Lapsed Legislative Appropriations</td>
<td>(628,091.00)</td>
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<tr>
<td>Increases from Interagency Transfers of Capital Assets</td>
<td>157,484.73</td>
<td>23,922.04</td>
</tr>
<tr>
<td>Decreases from Interagency Transfers of Capital Assets</td>
<td>(139,468.92)</td>
<td>(75,603.93)</td>
</tr>
<tr>
<td>Net Transfers from (to) Texas Tech University Health Sciences Center</td>
<td>258,328.02</td>
<td>(2,111,773.55)</td>
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<tr>
<td>Net Transfers from (to) Texas Tech University</td>
<td>(2,164.00)</td>
<td>(6,100.00)</td>
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<tr>
<td>Net Transfers from (to) Texas Tech Foundation Inc.</td>
<td>3,739,914.12</td>
<td>2,091,460.84</td>
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<tr>
<td>Net Transfers from (to) Texas Tech University System Administration</td>
<td>7,266,293.59</td>
<td>(988,097.35)</td>
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<tr>
<td>Legislative Transfers from (to) Other State Agencies</td>
<td>5,841,147.00</td>
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<tr>
<td>Legislative Transfers Out (System Administration Support)</td>
<td>(13,069,817.17)</td>
<td>(7,185,511.00)</td>
</tr>
<tr>
<td><strong>Capital Contributions and Transfers</strong></td>
<td>$9,686,314.06</td>
<td>$(4,095,652.95)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL CHANGE IN NET POSITION</strong></td>
<td>$23,318,705.69</td>
<td>$15,774,422.53</td>
</tr>
<tr>
<td>Net Position, September 1st</td>
<td>$325,908,141.15</td>
<td>$310,133,718.62</td>
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<tr>
<td>Net Position, August 31st</td>
<td>$349,226,846.84</td>
<td>$325,908,141.15</td>
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</tbody>
</table>
### Comparative Matrix of Operating Expenses by Function

#### For the Years Ended August 31, 2017 and 2016

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th>INSTRUCTION</th>
<th>RESEARCH</th>
<th>PUBLIC SERVICE</th>
<th>PATIENT CARE</th>
<th>ACADEMIC SUPPORT</th>
<th>STUDENT SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$75,865,657.57</td>
<td>$9,515,088.62</td>
<td>$1,667,058.68</td>
<td>$13,913,920.53</td>
<td>$24,113,209.17</td>
<td>$1,445,796.60</td>
</tr>
<tr>
<td>Payroll Related Costs</td>
<td>13,391,117.33</td>
<td>2,355,916.03</td>
<td>521,971.06</td>
<td>4,830,753.82</td>
<td>6,866,198.79</td>
<td>379,044.86</td>
</tr>
<tr>
<td>Professional Fees and Services</td>
<td>3,704,390.68</td>
<td>319,440.35</td>
<td>216,079.22</td>
<td>28,730.67</td>
<td>1,748,216.48</td>
<td>34,702.22</td>
</tr>
<tr>
<td>Travel</td>
<td>761,740.70</td>
<td>186,053.09</td>
<td>81,247.92</td>
<td>15,769.71</td>
<td>477,066.22</td>
<td>58,740.16</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>1,443,019.31</td>
<td>642,348.31</td>
<td>265,676.92</td>
<td>103,990.99</td>
<td>1,107,925.41</td>
<td>174,776.91</td>
</tr>
<tr>
<td>Communications and Utilities</td>
<td>617,530.00</td>
<td>58,510.16</td>
<td>11,221.48</td>
<td>35,069.73</td>
<td>2,366,567.62</td>
<td>4,311.23</td>
</tr>
<tr>
<td>Maintenance and Repair</td>
<td>356,886.75</td>
<td>612,576.50</td>
<td>1,852.00</td>
<td>3,247.93</td>
<td>1,054,147.79</td>
<td>118,496.66</td>
</tr>
<tr>
<td>Rentals and Leases</td>
<td>2,454,801.35</td>
<td>131,670.05</td>
<td>4,450.00</td>
<td>58,170.53</td>
<td>1,906,864.90</td>
<td>18,119.29</td>
</tr>
<tr>
<td>Printing and Production</td>
<td>81,072.37</td>
<td>10,933.10</td>
<td>21,489.03</td>
<td>3,871.40</td>
<td>94,316.74</td>
<td>18,352.94</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>881.82</td>
<td>604.64</td>
<td>14.78</td>
<td>5.50</td>
<td>2,484.70</td>
<td>34.57</td>
</tr>
<tr>
<td>Claims and Judgments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,512.96</td>
<td>-</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>3,961,834.44</td>
<td>929,551.82</td>
<td>201,194.73</td>
<td>183,682.04</td>
<td>6,259,784.92</td>
<td>532,285.74</td>
</tr>
<tr>
<td>Bad Debt Expense (Recovery)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,475.72</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>92.04</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>872,235.10</td>
<td>-</td>
</tr>
<tr>
<td>Federal Grant Pass-Through Expense</td>
<td>-</td>
<td>3,753.33</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State Grant Pass-Through Expense</td>
<td>-</td>
<td>-</td>
<td>16,769.54</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**For the Year Ended August 31, 2017**

| $102,639,024.36 | $14,766,446.00 | $3,009,025.36 | $19,177,212.85 | $46,874,530.80 | $2,789,136.90 |

**For the Year Ended August 31, 2016**

| $89,030,393.87 | $16,095,375.80 | $2,793,714.51 | $17,155,892.62 | $52,231,118.23 | $2,187,198.67 |
## Comparative Matrix of Operating Expenses by Function

For the Years Ended August 31, 2017 and 2016

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th>INSTITUTIONAL SUPPORT</th>
<th>OPERATION &amp; MAINTENANCE OF PLANT</th>
<th>SCHOLARSHIPS &amp; FELLOWSHIPS</th>
<th>AUXILIARY ENTERPRISES</th>
<th>DEPRECIATION &amp; AMORTIZATION</th>
<th>TOTAL EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$ 8,482,452.45</td>
<td>$ 3,491,679.76</td>
<td>-$ 104,767.92</td>
<td>-$ 138,599,631.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Related Costs</td>
<td>2,967,316.50</td>
<td>1,281,567.38</td>
<td>-</td>
<td>51,455.10</td>
<td></td>
<td>32,645,340.87</td>
</tr>
<tr>
<td>Professional Fees and Services</td>
<td>713,050.15</td>
<td>307,925.10</td>
<td>-</td>
<td>2,183.58</td>
<td></td>
<td>7,074,718.45</td>
</tr>
<tr>
<td>Travel</td>
<td>183,726.36</td>
<td>5,946.56</td>
<td>-</td>
<td>3,047.52</td>
<td></td>
<td>1,773,338.24</td>
</tr>
<tr>
<td>Communications and Utilities</td>
<td>452,658.23</td>
<td>1,895,557.87</td>
<td>-</td>
<td>6,479.44</td>
<td></td>
<td>5,447,905.76</td>
</tr>
<tr>
<td>Maintenance and Repair</td>
<td>261,596.97</td>
<td>1,523,128.80</td>
<td>-</td>
<td>13,013.90</td>
<td></td>
<td>3,944,947.30</td>
</tr>
<tr>
<td>Rentals and Leases</td>
<td>280,641.95</td>
<td>97,896.97</td>
<td>-</td>
<td>-</td>
<td></td>
<td>4,952,615.04</td>
</tr>
<tr>
<td>Printing and Production</td>
<td>96,859.82</td>
<td>3,115.70</td>
<td>-</td>
<td>621.27</td>
<td></td>
<td>330,632.37</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>777.29</td>
<td>2,367.24</td>
<td>-</td>
<td>-</td>
<td></td>
<td>7,170.54</td>
</tr>
<tr>
<td>Claims and Judgments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>5,512.96</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>1,897,743.72</td>
<td>2,623,825.59</td>
<td>-</td>
<td>26,658.01</td>
<td></td>
<td>16,616,561.01</td>
</tr>
<tr>
<td>Bad Debt Expense (Recovery)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>4,475.72</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>-</td>
<td>-</td>
<td>930,924.70</td>
<td>-</td>
<td></td>
<td>1,803,251.84</td>
</tr>
<tr>
<td>Federal Grant Pass-Through Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>3,753.33</td>
</tr>
<tr>
<td>State Grant Pass-Through Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>16,769.54</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>11,532,978.93</td>
</tr>
<tr>
<td><strong>For the Year Ended August 31, 2017</strong></td>
<td>$15,475,347.81</td>
<td>$11,547,226.94</td>
<td>$930,924.70</td>
<td>$209,486.21</td>
<td>$11,532,978.93</td>
<td>$228,951,340.86</td>
</tr>
<tr>
<td><strong>For the Year Ended August 31, 2016</strong></td>
<td>$13,805,418.61</td>
<td>$8,583,699.76</td>
<td>$812,797.97</td>
<td>$197,742.74</td>
<td>$11,629,181.89</td>
<td>$214,522,534.67</td>
</tr>
</tbody>
</table>
### Comparative Statement of Cash Flows

*For the Year Ended August 31, 2017 and 2016*

**Cash Flows from Operating Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Inflows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collections from Student Tuition and Fees</td>
<td>$8,557,206.79</td>
<td>$7,848,294.28</td>
</tr>
<tr>
<td>Collections from Grants and Contracts</td>
<td>86,746,196.21</td>
<td>88,135,515.21</td>
</tr>
<tr>
<td>Collections from Patients and Insurers</td>
<td>45,513,722.07</td>
<td>45,134,790.80</td>
</tr>
<tr>
<td>Collections of Loan Program Proceeds</td>
<td>649,102.68</td>
<td>571,543.85</td>
</tr>
<tr>
<td>Collections from Auxiliary Enterprises</td>
<td>283,047.50</td>
<td>233,346.78</td>
</tr>
<tr>
<td>Collections from Other Operating Activities</td>
<td>13,006,145.32</td>
<td>15,595,288.12</td>
</tr>
<tr>
<td>Cash Outflows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to Suppliers</td>
<td>(31,812,263.74)</td>
<td>(19,738,451.95)</td>
</tr>
<tr>
<td>Payments to Employees for Salaries</td>
<td>(137,305,570.60)</td>
<td>(125,163,871.93)</td>
</tr>
<tr>
<td>Payments to Employees for Benefits</td>
<td>(32,091,759.38)</td>
<td>(26,722,425.49)</td>
</tr>
<tr>
<td>Payments for Loans Provided to Students</td>
<td>(600,970.36)</td>
<td>(671,639.95)</td>
</tr>
<tr>
<td>Payments for Unemployment Benefits</td>
<td>(58,067.50)</td>
<td>(104,872.95)</td>
</tr>
<tr>
<td>Payments for Other Operating Activities</td>
<td>(17,719,606.09)</td>
<td>(19,976,005.28)</td>
</tr>
<tr>
<td>Net Cash Used for Operating Activities</td>
<td>$ (64,832,817.10)</td>
<td>$ (34,858,488.51)</td>
</tr>
</tbody>
</table>

**Cash Flows from Non-Capital Financing Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Inflows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Legislative Appropriations</td>
<td>$77,642,845.27</td>
<td>$58,786,858.53</td>
</tr>
<tr>
<td>Proceeds from Net Transfers from Texas Tech University Health Sciences Center</td>
<td>258,328.02</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Net Transfers from Texas Tech Foundation, Inc.</td>
<td>3,739,914.12</td>
<td>2,091,460.84</td>
</tr>
<tr>
<td>Proceeds from Legislative Transfers from Other State Agencies</td>
<td>5,841,147.00</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Agency Transactions</td>
<td>13,062,115.00</td>
<td>12,368,343.00</td>
</tr>
<tr>
<td>Proceeds from Non-Capital Gifts</td>
<td>809,197.23</td>
<td>2,605,938.84</td>
</tr>
<tr>
<td>Proceeds from Non-Capital Grants</td>
<td>519,525.00</td>
<td>442,473.00</td>
</tr>
<tr>
<td>Proceeds from Other Non-Capital Financing Activities</td>
<td>855,246.48</td>
<td>1,879,633.60</td>
</tr>
<tr>
<td>Cash Outflows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for Net Transfers to Texas Tech University</td>
<td>(2,164.00)</td>
<td>(6,100.00)</td>
</tr>
<tr>
<td>Payments for Net Transfers to Texas Tech University System</td>
<td>(2,223,063.93)</td>
<td>(850,472.48)</td>
</tr>
<tr>
<td>Payments for Net Transfers to Texas Tech University Health Sciences Center</td>
<td>-</td>
<td>(2,111,773.55)</td>
</tr>
<tr>
<td>Payments for Transfers to Other State Agencies</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments for Other Uses</td>
<td>(13,062,115.00)</td>
<td>(12,368,343.00)</td>
</tr>
<tr>
<td>Net Cash Provided by Non-Capital Financing Activities</td>
<td>$ 87,440,975.19</td>
<td>$ 62,838,018.78</td>
</tr>
</tbody>
</table>
### Comparative Statement of Cash Flows

*For the Year Ended August 31, 2017 and 2016*

#### Cash Flows from Capital and Related Financing Activities

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Inflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Sale of Capital Assets</td>
<td>$25,106.14</td>
<td>$44,794.15</td>
</tr>
<tr>
<td>Proceeds from Legislative Appropriations for Capital</td>
<td>$6,234,075.00</td>
<td>$4,156,050.00</td>
</tr>
<tr>
<td>Proceeds from Transfers from Texas Tech University System Administration</td>
<td>$10,294,385.52</td>
<td>$74,337.35</td>
</tr>
<tr>
<td><strong>Cash Outflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for Purchases of Capital Assets</td>
<td>$(25,147,873.29)</td>
<td>$(9,674,412.01)</td>
</tr>
<tr>
<td>Payments for Transfers to Texas Tech University System Administration</td>
<td>$(13,874,845.17)</td>
<td>$(7,397,473.22)</td>
</tr>
<tr>
<td><strong>Net Cash Used for Capital and Related Financing Activities</strong></td>
<td>$(22,469,151.80)</td>
<td>$(12,796,703.73)</td>
</tr>
</tbody>
</table>

#### Cash Flows from Investing Activities

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Inflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Sales and Maturities of Investments</td>
<td>$13,374,554.03</td>
<td>$17,034,663.66</td>
</tr>
<tr>
<td>Proceeds from Interest and Dividends on Investments</td>
<td>$5,173,193.20</td>
<td>$1,707,123.41</td>
</tr>
<tr>
<td><strong>Cash Outflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for Purchases of Investments</td>
<td>$(20,857,974.50)</td>
<td>$(27,842,363.25)</td>
</tr>
<tr>
<td><strong>Net Cash Used for Investing Activities</strong></td>
<td>$(2,310,227.27)</td>
<td>$(9,100,576.18)</td>
</tr>
<tr>
<td>TOTAL NET CASH FLOWS</td>
<td>$(2,171,220.98)</td>
<td>$6,082,250.36</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, September 1st</td>
<td>$41,114,531.01</td>
<td>$35,032,280.65</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, August 31st</td>
<td>$38,943,310.03</td>
<td>$41,114,531.01</td>
</tr>
</tbody>
</table>
## Comparative Statement of Cash Flows

*For the Year Ended August 31, 2017 and 2016*

Reconciliation of Operating Loss to Net Cash Used for Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Loss</td>
<td>$ (67,205,261.21)</td>
<td>$ (59,986,423.36)</td>
</tr>
<tr>
<td>Adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>11,532,978.93</td>
<td>11,629,181.89</td>
</tr>
<tr>
<td>Decrease (Increase) in Receivables</td>
<td>(7,144,161.62)</td>
<td>968,725.92</td>
</tr>
<tr>
<td>Decrease (Increase) in Due from Other Agency</td>
<td>(167,934.68)</td>
<td>266,385.17</td>
</tr>
<tr>
<td>Decrease (Increase) in Merchandise Inventories</td>
<td>(61,999.69)</td>
<td>(26,798.66)</td>
</tr>
<tr>
<td>Decrease (Increase) in Prepaid Expenses</td>
<td>343,533.68</td>
<td>(571,350.72)</td>
</tr>
<tr>
<td>Decrease (Increase) in Loans and Notes Receivable</td>
<td>27,980.32</td>
<td>(79,944.10)</td>
</tr>
<tr>
<td>Increase (Decrease) in Payables</td>
<td>(3,465,526.44)</td>
<td>9,447,230.66</td>
</tr>
<tr>
<td>Increase (Decrease) in Due to Other Agency</td>
<td>(42,441.72)</td>
<td>54,132.75</td>
</tr>
<tr>
<td>Increase (Decrease) in Deferred Revenue</td>
<td>(323,189.74)</td>
<td>170,861.35</td>
</tr>
<tr>
<td>Increase (Decrease) in Compensable Leave</td>
<td>969,783.00</td>
<td>507,337.20</td>
</tr>
<tr>
<td>Increase (Decrease) in Other Liabilities</td>
<td>703,422.07</td>
<td>2,762,173.39</td>
</tr>
<tr>
<td>Net Cash Used for Operating Activities</td>
<td>$ (64,832,817.10)</td>
<td>$ (34,858,488.51)</td>
</tr>
</tbody>
</table>

Non-Cash Transactions

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations of Capital Assets</td>
<td>$ 28,612.69</td>
<td>$ -</td>
</tr>
<tr>
<td>Net Increase (Decrease) in Fair Value of Investments</td>
<td>4,671,317.39</td>
<td>(704,662.28)</td>
</tr>
<tr>
<td>Disposal of Capital Assets</td>
<td>(249,065.70)</td>
<td>(335,527.33)</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>