



# FY 2014 TTUS Consolidated AFR Review

Jim Brunjes

*Vice Chancellor and Chief Financial Officer*

*March 5, 2015*



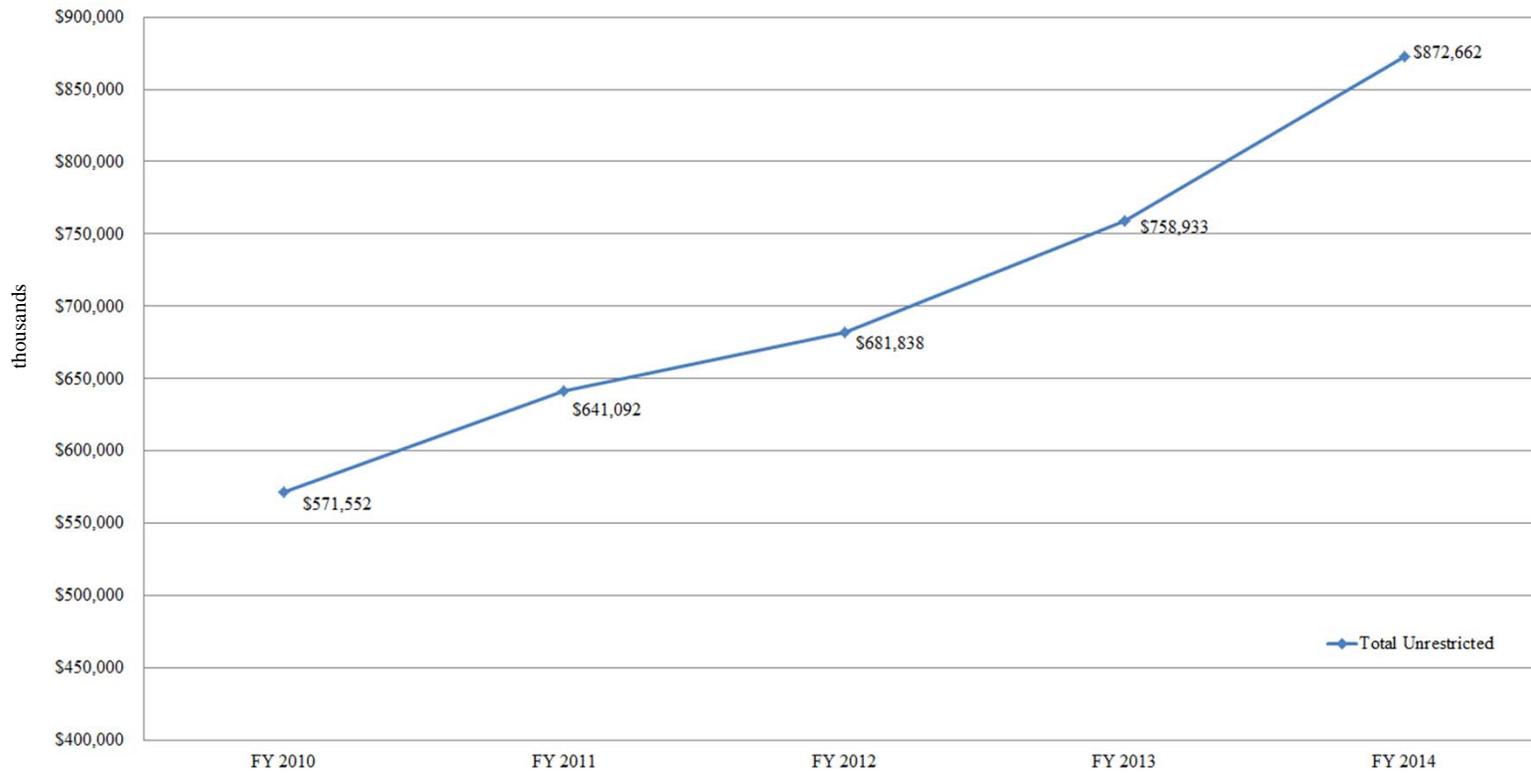
# Statement of Net Position



	as of August 31 (in thousands)					Fluctuation Analysis			
	2014	Restated 2013	Restated 2012	2011	2010	5yr \$ chg	5yr % chg	1 yr \$ chg	1 yr % chg
<b>Assets:</b>									
Current Assets	\$ 685,715	\$ 770,743	\$ 771,009	\$ 727,951	\$ 723,306	(\$37,591)	-5%	(\$85,028)	-11%
Capital Assets, Net	1,451,533	1,402,227	1,413,353	1,357,096	1,236,086	\$215,447	17%	\$49,306	4%
Other Assets	1,722,154	1,377,298	1,216,368	1,247,514	1,161,920	\$560,234	48%	\$344,856	25%
<b>Total Assets</b>	<b>\$3,859,402</b>	<b>\$3,550,268</b>	<b>\$3,400,730</b>	<b>\$3,332,561</b>	<b>\$3,121,312</b>	<b>\$738,090</b>	<b>24%</b>	<b>\$309,134</b>	<b>9%</b>
<b>Liabilities:</b>									
Current Liabilities	\$ 506,421	\$ 409,312	\$ 375,911	\$ 432,643	\$ 406,583	\$99,838	25%	\$97,109	24%
Non-Current Liabilities	505,953	537,257	570,256	479,301	504,587	\$1,366	0%	(\$31,304)	-6%
<b>Total Liabilities</b>	<b>\$1,012,374</b>	<b>\$946,569</b>	<b>\$946,167</b>	<b>\$911,944</b>	<b>\$911,170</b>	<b>\$101,204</b>	<b>11%</b>	<b>\$65,805</b>	<b>7%</b>
<b>Net Position:</b>									
Invested in Capital Assets, Net of Related Debt	\$ 885,550	\$ 853,461	\$ 862,710	\$ 842,500	\$ 745,619	\$139,931	19%	\$32,089	4%
Restricted									
Expendable:	466,768	410,257	369,077	329,459	281,744	\$185,024	66%	\$56,511	14%
Non-Expendable:									
Endowments	622,048	581,048	540,938	607,566	611,227	\$10,821	2%	\$41,000	7%
Unrestricted	872,662	758,933	681,838	641,092	571,552	\$301,110	53%	\$113,729	15%
<b>Total Net Position</b>	<b>\$ 2,847,028</b>	<b>\$ 2,603,699</b>	<b>\$ 2,454,563</b>	<b>\$ 2,420,617</b>	<b>\$ 2,210,142</b>	<b>\$636,886</b>	<b>29%</b>	<b>\$243,329</b>	<b>9%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 3,859,402</b>	<b>\$ 3,550,268</b>	<b>\$ 3,400,730</b>	<b>\$ 3,332,561</b>	<b>\$ 3,121,312</b>	<b>\$738,090</b>	<b>24%</b>	<b>\$309,134</b>	<b>9%</b>

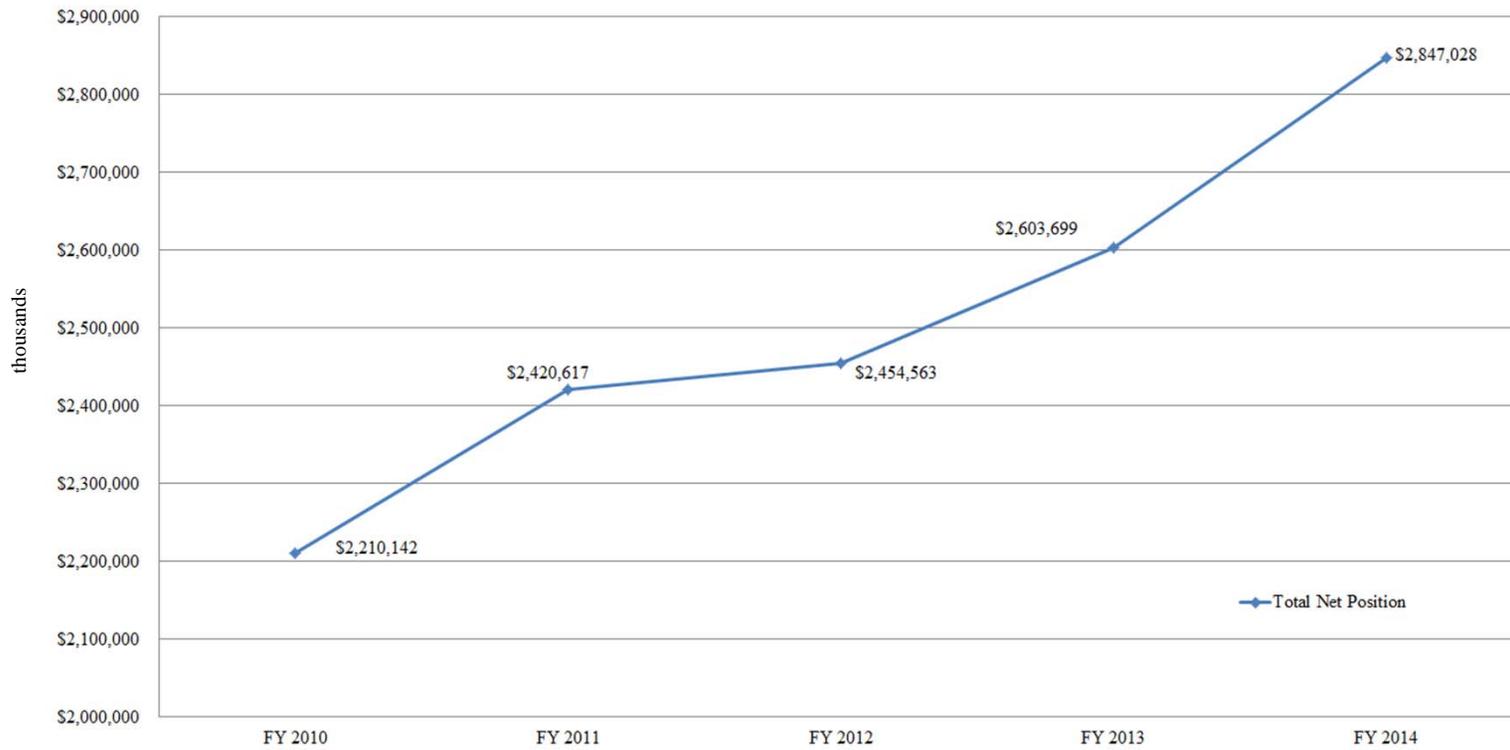
# Statement of Net Position

## Total Unrestricted - 5 Year Trend



# Statement of Net Position

## Total Net Position - 5 Year Trend



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

## Total Operating Revenues



	as of August 31 (in thousands)					Fluctuation Analysis			
	2014	Restated 2013	Restated 2012	2011	2010	5yr \$ chg	5yr % chg	1 yr \$ chg	1 yr % chg
<b>Operating Revenues</b>									
Tuition and Fees	\$ 14,561	\$ 14,843	\$ 7,684	\$ 7,294	\$ 7,245	\$7,316	101%	(\$282)	-2%
Tuition and Fees: Pledged	430,453	418,438	416,376	376,249	320,788	\$109,665	34%	\$12,015	3%
Less Discounts and Allowances	(94,900)	(85,340)	(87,314)	(72,865)	(52,522)	(\$42,378)	81%	(\$9,560)	11%
Professional Fees	243,532	229,673	221,496	238,310	220,756	\$22,776	10%	\$13,859	6%
Professional Fees: Pledged	1,023	1,084	1,384			\$1,023		(\$61)	-6%
Sales and Services of Auxiliary Enterprises: Pledged	144,636	134,543	127,435	112,352	103,094	\$41,542	40%	\$10,093	8%
Other Sales and Services	5,621	5,548	3,413	3,225	2,056	\$3,565	173%	\$73	1%
Other Sales and Services: Pledged	12,028	12,126	10,385	10,528	14,077	(\$2,049)	-15%	(\$98)	-1%
Federal Grants and Contracts	61,333	55,731	55,227	60,287	57,134	\$4,199	7%	\$5,602	10%
Federal Grants and Contracts: Pledged	4,984	4,938	4,621	4,387	3,732	\$1,252	34%	\$46	1%
Federal Pass-Through (net of administrative costs)	4,989	5,171	5,409	8,080	9,071	(\$4,082)	-45%	(\$182)	-4%
State Grants and Contracts	4,310	2,406	6,971	9,238	4,692	(\$382)	-8%	\$1,904	79%
State Grants and Contracts: Pledged	392	441	558	265	377	\$15	4%	(\$49)	-11%
State Pass-Through	44,443	36,297	29,868	39,430	36,036	\$8,407	23%	\$8,146	22%
Local Government Grants and Contracts	33,731	45,150	51,599	50,640	66,146	(\$32,415)	-49%	(\$11,419)	-25%
Local Government Grants and Contracts: Pledged	1,244	1,233	1,168	1,178	1,271	(\$27)	-2%	\$11	1%
Nongovernmental Grants and Contracts	143,927	121,527	102,736	90,996	70,679	\$73,248	104%	\$22,400	18%
Nongovernmental Grants and Contracts: Pledged	2,537	2,615	2,173	2,223	2,491	\$46	2%	(\$78)	-3%
Other Revenue	26,822	17,634				\$26,822		\$9,188	52%
<b>Total Operating Revenues</b>	<b>\$1,085,666</b>	<b>\$1,024,058</b>	<b>\$ 961,189</b>	<b>\$ 941,817</b>	<b>\$ 867,123</b>	<b>\$218,543</b>	<b>25%</b>	<b>\$61,608</b>	<b>6%</b>

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

## Total Operating Expenses



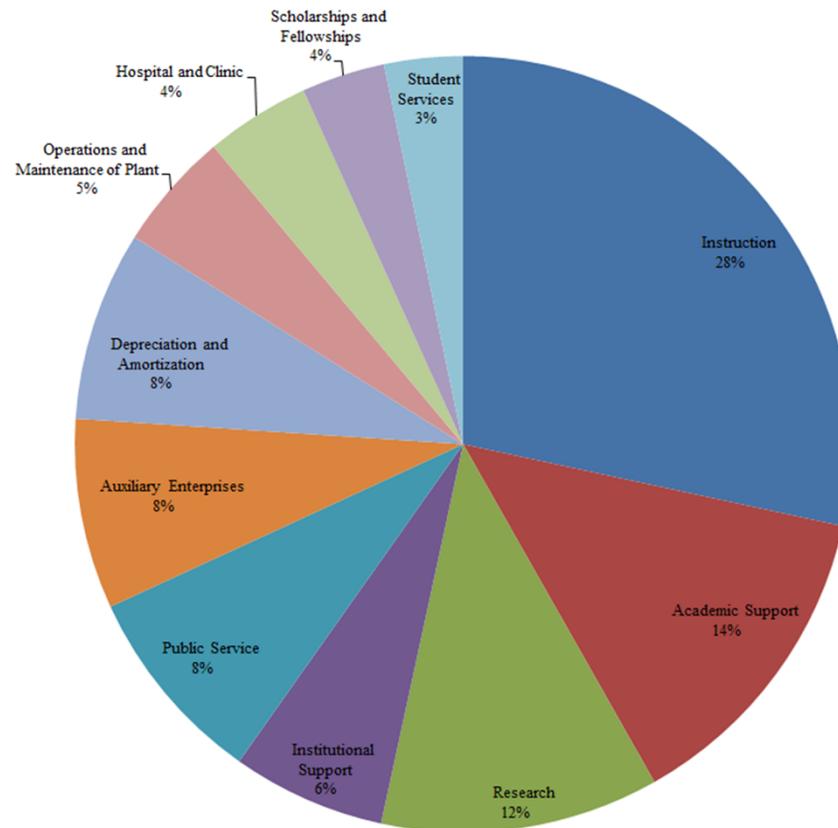
	as of August 31 (in thousands)					Fluctuation Analysis			
	2014	Restated 2013	Restated 2012	2011	2010	5yr \$ chg	5yr % chg	1 yr \$ chg	1 yr % chg
<b>Operating Expenses</b>									
Cost of Goods Sold	\$ 13,860	\$ 13,368	\$ 11,783	\$ 11,031	\$ 10,717	\$3,142	29%	\$492	4%
Salaries and Wages	802,350	752,005	714,429	704,582	690,968	\$111,382	16%	\$50,345	7%
Payroll Related Costs	194,159	176,780	164,254	164,883	159,247	\$34,913	22%	\$17,379	10%
Professional Fees and Services	64,091	63,000	58,923	70,643	72,679	(\$8,588)	-12%	\$1,091	2%
Travel	31,104	27,902	23,953	21,509	22,824	\$8,280	36%	\$3,202	11%
Materials and Supplies	71,871	67,367	68,019	67,648	70,348	\$1,523	2%	\$4,504	7%
Communications and Utilities	49,670	48,548	46,806	47,665	44,065	\$5,606	13%	\$1,122	2%
Repairs and Maintenance	37,706	37,639	33,957	34,391	36,327	\$1,379	4%	\$66	0%
Rentals and Leases	13,076	13,718	14,315	13,229	11,528	\$1,548	13%	(\$642)	-5%
Printing and Reproduction	4,949	5,097	5,054	5,406	6,423	(\$1,474)	-23%	(\$148)	-3%
Federal Grant Pass Through Expense	1,503	1,576	1,229	4,060		\$1,503		(\$74)	-5%
State Grant Pass Through Expense	473	520	514	117		\$473		(\$47)	-9%
Depreciation and Amortization	125,461	121,511	113,594	100,322	78,849	\$46,612	59%	\$3,950	3%
Bad Debt Expense	262	724	1,169	686	195	\$66	34%	(\$462)	-64%
Interest	23	11	14	16	27	(\$4)	-14%	\$12	101%
Scholarships	67,587	65,019	74,215	60,896	53,596	\$13,992	26%	\$2,569	4%
Claims and Judgements	2,155	754	1,113	2,027		\$2,155		\$1,401	186%
Other Operating Expenses	107,285	103,125	77,443	86,728	102,540	\$4,745	5%	\$4,160	4%
<b>Total Operating Expenses</b>	<b>\$ 1,587,585</b>	<b>\$ 1,498,665</b>	<b>\$ 1,410,785</b>	<b>\$ 1,395,839</b>	<b>\$ 1,360,333</b>	<b>\$227,252</b>	<b>17%</b>	<b>\$88,920</b>	<b>6%</b>
<b>Operating Income (Loss)</b>	<b>\$ (501,918)</b>	<b>\$ (474,607)</b>	<b>\$ (449,596)</b>	<b>\$ (454,022)</b>	<b>\$ (493,210)</b>	<b>(\$8,708)</b>	<b>2%</b>	<b>(\$27,311)</b>	<b>6%</b>

# Total Operating Expenses by Function



	as of August 31 (in thousands)					Fluctuation Analysis			
	2014	Restated 2013	Restated 2012	2011	2010	5yr \$ chg	5yr % chg	1 yr \$ chg	1 yr % chg
<b>Operating Expenses by Function</b>									
Instruction	\$ 450,662	\$ 422,944	\$ 402,418	\$ 410,223	\$ 413,677	\$36,985	9%	\$27,718	7%
Research	183,989	169,691	156,155	156,779	144,788	\$39,201	27%	\$14,298	8%
Public Service	132,470	126,735	123,658	136,695	137,221	(\$4,751)	-3%	\$5,735	5%
Hospital and Clinic	69,104	62,819	58,968	54,886	50,558	\$18,546	37%	\$6,285	10%
Academic Support	213,026	193,241	173,013	176,281	162,148	\$50,878	31%	\$19,785	10%
Student Services	51,926	49,278	46,262	44,330	45,644	\$6,282	14%	\$2,648	5%
Institutional Support	101,431	98,167	91,260	86,309	101,418	\$13	0%	\$3,264	3%
Operations and Maintenance of Plant	78,560	78,828	72,258	71,927	73,741	\$4,819	7%	(\$268)	0%
Scholarships and Fellowships	55,196	57,033	63,534	46,397	39,097	\$16,099	41%	(\$1,837)	-3%
Auxiliary Enterprises	125,760	118,419	109,665	111,690	113,192	\$12,568	11%	\$7,341	6%
Depreciation and Amortization	125,461	121,510	113,594	100,322	78,849	\$46,612	59%	\$3,951	3%
<b>Total Operating Expenses</b>	<b>\$ 1,587,585</b>	<b>\$ 1,498,665</b>	<b>\$ 1,410,785</b>	<b>\$ 1,395,839</b>	<b>\$ 1,360,333</b>	<b>\$227,252</b>	<b>17%</b>	<b>\$88,920</b>	<b>6%</b>

# Total Operating Expenses by Function



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

## Total Non-Operating Revenues (Expenses)



	as of August 31 (in thousands)					Fluctuation Analysis			
	2014	Restated 2013	Restated 2012	2011	2010	5yr \$ chg	5yr % chg	1 yr \$ chg	1 yr % chg
<b>Non-operating Revenues (Expenses)</b>									
Legislative Revenue	\$ 422,207	\$ 355,251	\$ 373,527	\$ 384,305	\$ 379,596	\$42,611	11%	\$66,956	19%
Federal Grants and Contracts	45,225	41,132	45,246	47,661	42,827	\$2,398	6%	\$4,093	10%
Federal Grants Pass Throughs	-	-	-	8,341	18,485	(\$18,485)	-100%		
State Grants Pass Throughs from Other State Agencies	38	45	2	-	-	\$38		(\$8)	-17%
Private Gifts	42,625	56,926	60,698	4,641	49,829	(\$7,204)	-14%	(\$14,301)	-25%
Private Gifts: Pledged	6,168	901	4,011	47,442	6,108	\$60	1%	\$5,267	585%
Investment Income	86,231	40,255	9,749	40,699	47,794	\$38,437	80%	\$45,976	114%
Investment Income: Pledged	27,065	20,277	10,191	8,606	7,869	\$19,196	244%	\$6,788	33%
Interest Expense on Capital Asset Financing	(21,249)	(24,707)	(24,016)	(21,468)	(23,282)	\$2,033	-9%	\$3,458	-14%
Loss on Sale and Disposal of Capital Assets	(1,172)	(2,067)	(1,118)	(2,171)	(6,717)	\$5,545	-83%	\$895	-43%
Net Increase (Decrease) in Fair Value of Investments	48,154	29,496	20,344	36,885	31,595	\$16,559	52%	\$18,658	63%
Other Non-operating Revenues (Expenses)	12,269	8,149	9,663	19,202	4,805	\$7,464	155%	\$4,120	51%
Other Non-operating Revenues (Expenses): Pledged	(1,512)	2,936	1,322	2,631	5,266	(\$6,778)	-129%	(\$4,448)	-151%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 666,049</b>	<b>\$ 528,593</b>	<b>\$ 509,619</b>	<b>\$ 576,774</b>	<b>\$ 564,175</b>	<b>\$101,874</b>	<b>18%</b>	<b>\$137,455</b>	<b>26%</b>
<b>Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers</b>	<b>\$ 164,130</b>	<b>\$ 53,986</b>	<b>\$ 60,023</b>	<b>\$ 122,751</b>	<b>\$ 70,965</b>	<b>\$93,165</b>	<b>131%</b>	<b>\$110,144</b>	<b>204%</b>

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

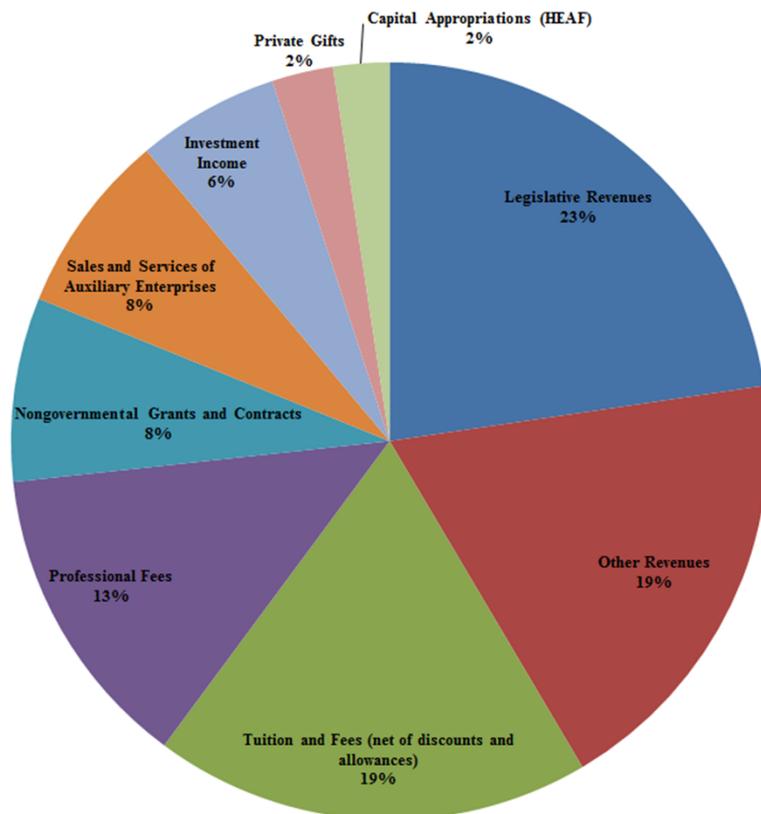
## Other Revenues, Expenses, Gains, Losses and Transfers



	as of August 31 (in thousands)					Fluctuation Analysis			
	2014	Restated 2013	Restated 2012	2011	2010	5yr S chg	5yr % chg	1 yr S chg	1 yr % chg
<b>Other Revenues, Expenses, Gains, Losses and Transfers</b>									
Capital Appropriations (HEF)	\$ 44,653	\$ 44,653	\$ 44,653	\$ 44,653	\$ 45,969	(\$1,316)	-3%	(\$0)	0%
Capital Contributions	3,871	3,182	11,676	55,449	61,119	(\$57,248)	-94%	\$689	22%
Lapsed Appropriations	(3)	(1)	(1)	(1)	-	(\$3)		(\$2)	478%
Additions to Permanent Endowments	31,583	48,889	21,137	428	3,329	\$28,254	849%	(\$17,306)	-35%
Legislative Transfer Out	(2,765)	(2,707)	(2,920)	(9,921)	(2,947)	\$182	-6%	(\$58)	2%
Increase Net Assets-Interagency Transfer of Capital Assets	52	9	-	(2,881)	29	\$23	81%	\$43	482%
Decrease Net Assets-Interagency Transfer of Capital Assets	(109)	(268)	-	-	(2)	(\$107)	5325%	\$159	-60%
Transfers In from Other State Agencies	8,816	8,454	7,878	-	-	\$8,816		\$362	4%
Transfers Out from Other State Agencies	(6,900)	(7,061)	(10,375)	-	(8,098)	\$1,198	-15%	\$161	-2%
<b>Net Other Revenues, Expenses, Gains, Losses and Transfers</b>	<b>\$ 79,199</b>	<b>\$ 95,149</b>	<b>\$ 72,048</b>	<b>\$ 87,728</b>	<b>\$ 99,394</b>	<b>(\$20,195)</b>	<b>-20%</b>	<b>(\$15,951)</b>	<b>-17%</b>
<b>Total Changes in Net Position</b>	<b>\$ 243,329</b>	<b>\$ 149,136</b>	<b>\$ 132,071</b>	<b>\$ 210,479</b>	<b>\$ 170,359</b>	<b>\$72,970</b>	<b>43%</b>	<b>\$94,193</b>	<b>63%</b>
<b>Beginning Net Position (September 1)</b>	<b>\$ 2,603,698</b>	<b>\$ 2,454,562</b>	<b>\$2,420,616</b>	<b>\$2,210,142</b>	<b>\$2,039,782</b>	<b>\$563,916</b>	<b>28%</b>	<b>\$149,136</b>	<b>6%</b>
Restatement of Beginning Net Position	-	-	(98,125)	(6)	-				
<b>Ending Net Position (August 31)</b>	<b>\$ 2,847,027</b>	<b>\$ 2,603,698</b>	<b>\$2,454,562</b>	<b>\$2,420,616</b>	<b>\$2,210,142</b>	<b>\$636,885</b>	<b>29%</b>	<b>\$243,329</b>	<b>9%</b>

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

Total Revenues / Positive Changes in Net Position – FY 2014

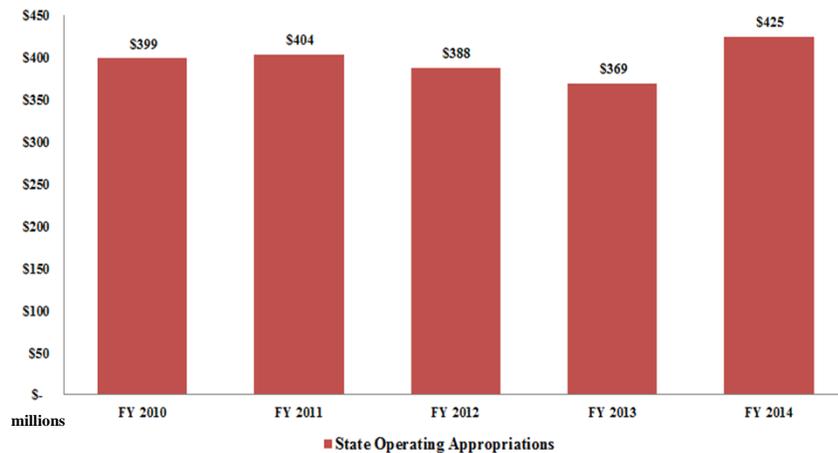


# State Funding and Tuition Revenues



- State appropriations have fluctuated in recent years due to the State's efforts to control state-funding levels. State appropriations have only increased 7% over the last four years.
- Net tuition revenue has increased 27% during the last four years
- Enrollment during this same period increased 14.17%

Total TTUS State Operating Appropriations



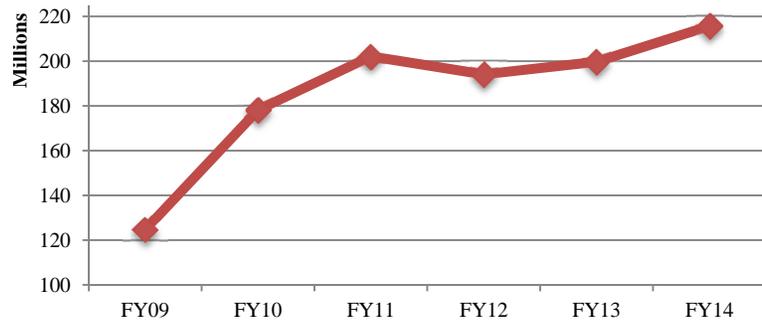
TTUS Revenues



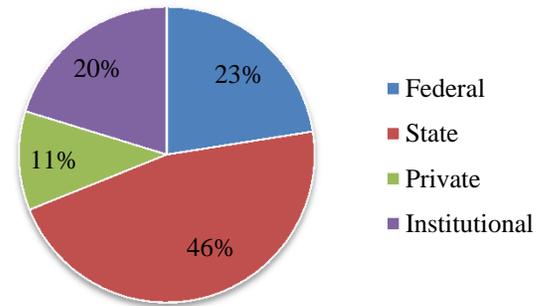
# TTUS – Research



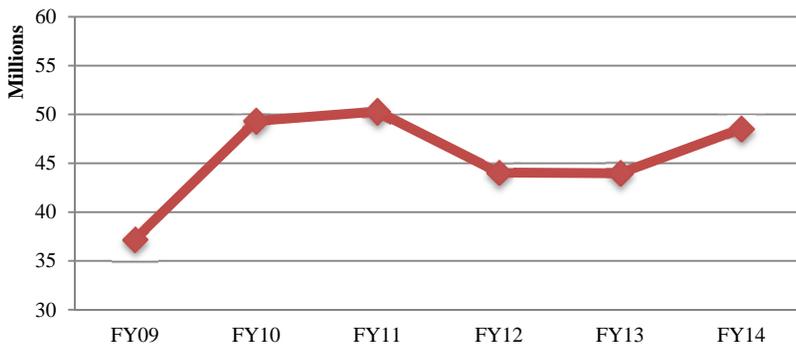
**Total Research**



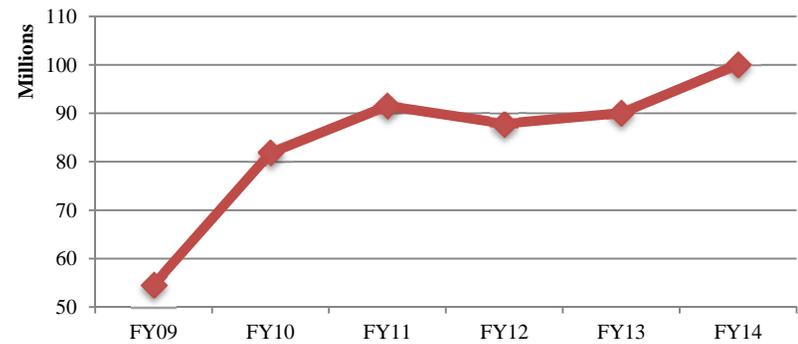
**FY 14 - Total Research by Source**



**Federal**



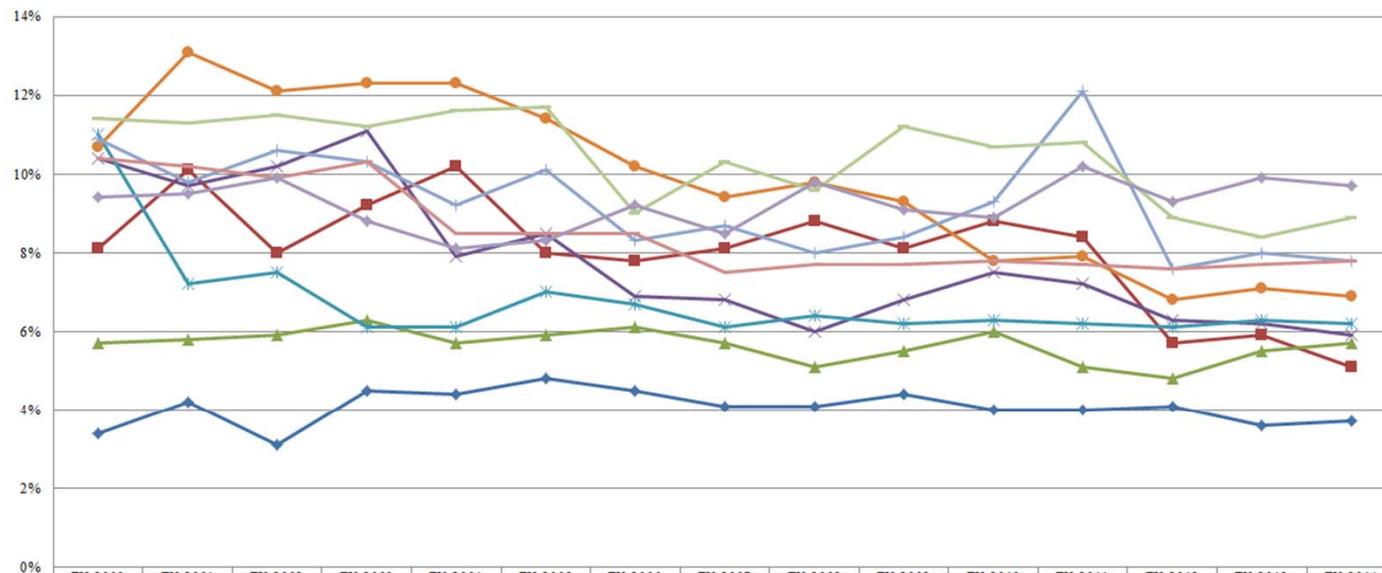
**State**



Source: Texas Higher Education Coordinating Board

# TTU - Admin Cost Data Comparison

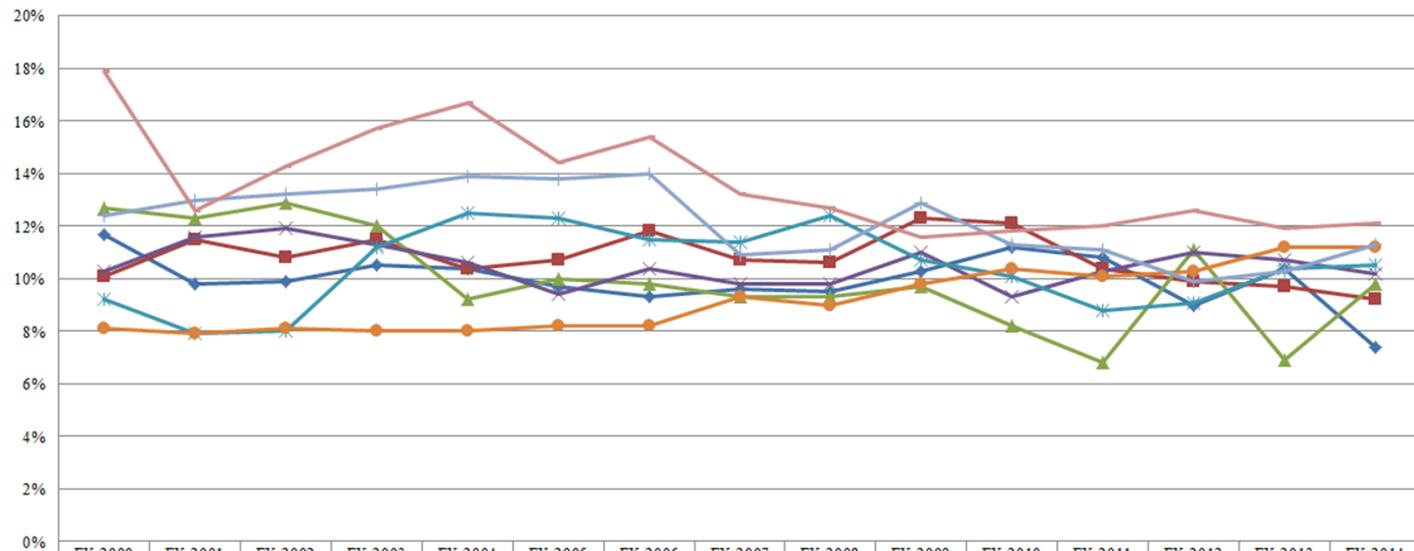
## FY 2000 – FY 2014



	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Texas A&M University	3.4%	4.2%	3.1%	4.5%	4.4%	4.8%	4.5%	4.1%	4.1%	4.4%	4.0%	4.0%	4.1%	3.6%	3.7%
University of North Texas	8.1%	10.1%	8.0%	9.2%	10.2%	8.0%	7.8%	8.1%	8.8%	8.1%	8.8%	8.4%	5.7%	5.9%	5.1%
The University of Texas at Austin	5.7%	5.8%	5.9%	6.3%	5.7%	5.9%	6.1%	5.7%	5.1%	5.5%	6.0%	5.1%	4.8%	5.5%	5.7%
University of Houston	10.4%	9.7%	10.2%	11.1%	7.9%	8.5%	6.9%	6.8%	6.0%	6.8%	7.5%	7.2%	6.3%	6.2%	5.9%
Texas Tech University	11.0%	7.2%	7.5%	6.1%	6.1%	7.0%	6.7%	6.1%	6.4%	6.2%	6.3%	6.2%	6.1%	6.3%	6.2%
Texas State University	10.7%	13.1%	12.1%	12.3%	12.3%	11.4%	10.2%	9.4%	9.8%	9.3%	7.8%	7.9%	6.8%	7.1%	6.9%
The University of Texas at Arlington	10.9%	9.8%	10.6%	10.3%	9.2%	10.1%	8.3%	8.7%	8.0%	8.4%	9.3%	12.1%	7.6%	8.0%	7.8%
The University of Texas at El Paso	10.4%	10.2%	9.9%	10.3%	8.5%	8.5%	8.5%	7.5%	7.7%	7.7%	7.8%	7.7%	7.6%	7.7%	7.8%
The University of Texas at San Antonio	11.4%	11.3%	11.5%	11.2%	11.6%	11.7%	9.0%	10.3%	9.6%	11.2%	10.7%	10.8%	8.9%	8.4%	8.9%
The University of Texas at Dallas	9.4%	9.5%	9.9%	8.8%	8.1%	8.3%	9.2%	8.5%	9.8%	9.1%	8.9%	10.2%	9.3%	9.9%	9.7%

# ASU - Admin Cost Data Comparison

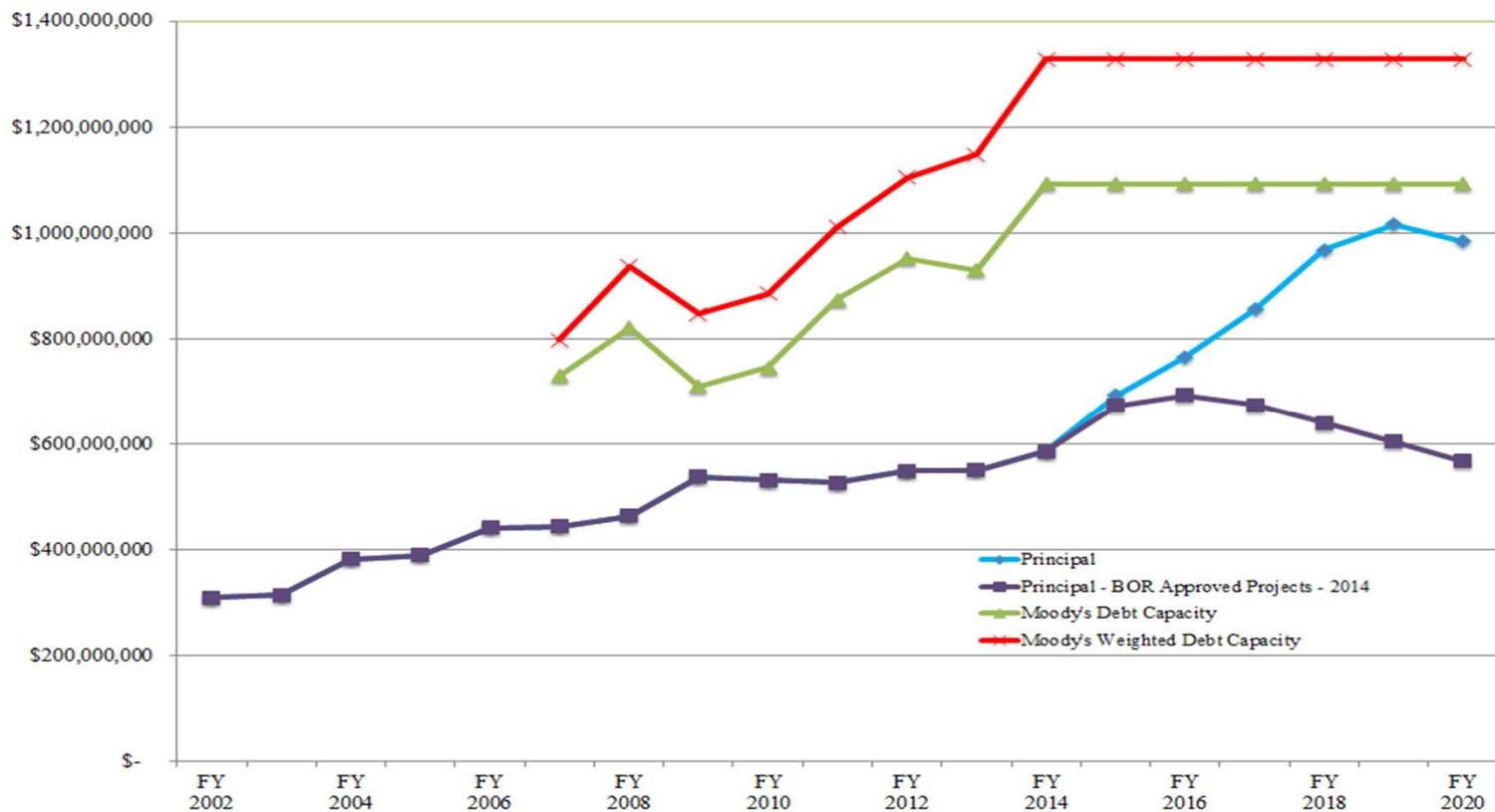
## FY 2000 – FY 2014



	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Tarleton State University	11.7%	9.8%	9.9%	10.5%	10.4%	9.7%	9.3%	9.6%	9.5%	10.3%	11.2%	10.8%	9.0%	10.4%	7.4%
Angelo State University	10.1%	11.5%	10.8%	11.5%	10.4%	10.7%	11.8%	10.7%	10.6%	12.3%	12.1%	10.4%	9.9%	9.7%	9.2%
The University of Texas of the Permian Basin	12.7%	12.3%	12.9%	12.0%	9.2%	10.0%	9.8%	9.3%	9.3%	9.7%	8.2%	6.8%	11.1%	6.9%	9.8%
Texas A&M University-Commerce	10.3%	11.6%	11.9%	11.3%	10.6%	9.4%	10.4%	9.8%	9.8%	11.0%	9.3%	10.3%	11.0%	10.7%	10.2%
Midwestern State University	9.2%	7.9%	8.0%	11.2%	12.5%	12.3%	11.5%	11.4%	12.4%	10.7%	10.1%	8.8%	9.1%	10.4%	10.5%
West Texas A&M University	8.1%	7.9%	8.1%	8.0%	8.0%	8.2%	8.2%	9.3%	9.0%	9.8%	10.4%	10.1%	10.3%	11.2%	11.2%
Texas A&M University-Kingsville	12.4%	13.0%	13.2%	13.4%	13.9%	13.8%	14.0%	10.9%	11.1%	12.9%	11.3%	11.1%	9.9%	10.3%	11.3%
The University of Texas at Tyler	17.9%	12.6%	14.3%	15.7%	16.7%	14.4%	15.4%	13.2%	12.7%	11.6%	11.8%	12.0%	12.6%	11.9%	12.1%

# TTUS Debt Capacity Analysis

## Principal vs. Debt Capacity



# Debt Ratings



 <p>STANDARD &amp; POOR'S</p>	<p>AA</p> <p><b>Positive Outlook</b></p>
<p><b>Fitch</b>Ratings</p>	<p>AA+</p>



TEXAS TECH UNIVERSITY SYSTEM™