

**TEXAS TECH UNIVERSITY  
SYSTEM**



**ANNUAL  
COMBINED FINANCIAL REPORT  
FISCAL YEAR 2022**

# **ANNUAL FINANCIAL REPORT**

**OF**

# **TEXAS TECH UNIVERSITY SYSTEM**

FOR THE YEAR ENDED AUGUST 31, 2022

Texas Tech University (TTU)  
Texas Tech University Health Sciences Center (TTUHSC)  
Texas Tech University Health Sciences Center at El Paso (TTUHSC at El Paso)  
Angelo State University (ASU)  
Midwestern State University (MSU)  
Texas Tech University System Administration (TTUSA)

## Texas Tech University System

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# TEXAS TECH UNIVERSITY SYSTEM™

*Tedd Mitchell, Chancellor*

November 15, 2022

Honorable Greg Abbott  
Governor of Texas

Honorable Glenn Hegar  
Texas Comptroller

Jerry McGinty  
Director, Legislative Budget Board

Lisa R. Collier, CPA  
State Auditor

To Agency Heads Addressed:

The Annual Financial Report of Texas Tech University System (TTUS), with which this letter is bound, is transmitted for inclusion in the State of Texas Annual Comprehensive Financial Report for the fiscal year ended August 31, 2022. Neither the State Auditor nor TTUS Office of Audit Services has audited the accompanying annual financial report and, therefore, neither has expressed an opinion on the financial statements and related information contained in this report. This report is intended to present a complete picture of the fiscal affairs of the System for the year ended August 31, 2022.

As indicated by the following letter of transmittal, this report has been prepared by the fiscal office of the System to provide a summary of the System's financial records.

Sincerely,

A handwritten signature in black ink, appearing to read "Tedd L. Mitchell". The signature is stylized and includes a large initial "T" and "M".

Tedd L. Mitchell, M.D.  
Chancellor



# TEXAS TECH UNIVERSITY SYSTEM

**Penny Harkey**  
Interim Vice Chancellor and Chief Financial Officer

November 15, 2022

Tedd L. Mitchell, M.D.  
Texas Tech University System  
Lubbock, Texas 79409

Dear Chancellor Mitchell:

Submitted herein is the Annual Consolidated Financial Report of Texas Tech University System for the fiscal year ended August 31, 2022, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact me at 742-9000.

Sincerely,

A handwritten signature in black ink that reads "Chelle Hillis".

Chelle Hillis, CPA  
Texas Tech University System  
Assistant Chief Financial Officer

Approved:

A handwritten signature in black ink that reads "Penny Harkey".

Penny Harkey, CPA  
Texas Tech University System  
Interim Vice Chancellor & Chief Financial Officer

**Texas Tech University System  
Board of Regents**

**Officers of the Board**

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J. Michael Lewis, Chair  
Mark Griffin, Vice Chair

**Members**

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*Term Expires January 31, 2023*

J. Michael Lewis	Dallas, TX
John Steinmetz	Dallas, TX
John Walker	Houston, TX

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*Term Expires January 31, 2025*

Ginger Kerrick Davis	Webster, TX
Mark Griffin	Lubbock, TX
Dusty Womble	Lubbock, TX

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*Term Expires January 31, 2027*

Arcilia Acosta	Dallas, TX
Cody Campbell	Fort Worth, TX
Pat Gordon	El Paso, TX

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*Term Expires May 31, 2023*

Hani Michael Annabi (Student Regent)	El Paso, TX
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*System Fiscal Officers*

Tedd Mitchell, M.D.	Chancellor
Penny Harkey	Interim Vice Chancellor and Chief Financial Officer
Lawrence Schovanec, Ph.D.	TTU President
Lori Rice-Spearman, Ph.D.	TTUHSC President
Richard Lange, M.D.	TTUHSC at El Paso President
Ronnie D. Hawkins Jr.	ASU President
JuliAnn Mazachek, Ph.D	MSU President
Noel Sloan	TTU CFO and Senior VP for Administration & Finance
Penny Harkey	TTUHSC Executive VP for Finance & Operations
Jessica Fisher	Interim TTUHSC at El Paso VP for Finance & Administration
Angelina Wright	ASU VP for Finance & Administration
Beth Reissenweber, Ph.D	MSU VP for Finance & Administration

UNAUDITED  
TEXAS TECH UNIVERSITY SYSTEM (793)

**COMBINED  
FINANCIAL STATEMENTS**



## UNAUDITED

**Texas Tech University System (793)**  
**Combined Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 311,463,069.26	\$ 285,817,691.77
Restricted Cash and Cash Equivalents	26,623,329.81	26,939,419.17
Unrestricted Short Term Investments	9,833,462.86	0.00
Restricted Short Term Investments	1,161,517.88	0.00
Legislative Appropriations	268,092,942.63	245,161,978.40
Receivables:		
Federal	39,896,304.23	46,549,653.28
Patient	22,364,317.16	22,945,948.45
Student	36,021,805.11	20,427,101.23
Contracts	38,555,188.30	33,102,378.53
Accounts	7,165,371.19	6,630,924.43
Interest and Dividends	2,069,388.44	1,671,478.76
Gifts	20,669,353.33	22,859,472.80
Leases	968,522.74	1,422,397.51
Other	5,275,412.42	2,016,116.25
Due From Other State Agencies	22,100,373.60	15,130,959.29
Inventories	6,606,990.63	7,153,025.01
Prepaid Items	98,147,776.32	82,314,920.53
Loans and Contracts	811,656.46	831,520.99
Other Current Assets	946,236.91	953,035.42
Total Current Assets	<u>918,773,019.28</u>	<u>821,928,021.82</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	77,224,160.27	84,759,711.20
Restricted Investments (Note 3)	1,451,320,976.96	1,421,721,701.17
Gifts Receivable	112,207,807.38	56,375,123.76
Leases Receivable	15,788,664.86	16,757,187.63
Loans and Notes Receivable	1,420,792.79	1,686,269.99
Investments (Note 3)	1,556,478,986.90	1,484,075,846.82
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable	235,137,036.29	260,123,800.52
Depreciable or Amortizable	4,263,007,039.77	3,807,384,658.10
Accumulated Depreciation and Amortization	(2,435,259,656.73)	(2,163,287,134.91)
Right to Use Assets (Note 2)		
Amortizable	65,157,037.56	55,683,176.13
Accumulated Amortization	(14,414,079.72)	(6,628,773.17)
Other Non-Current Assets	101,878.77	0.00
Total Non-Current Assets	<u>5,328,170,645.10</u>	<u>5,018,651,567.24</u>
Total Assets	<u>\$ 6,246,943,664.38</u>	<u>\$ 5,840,579,589.06</u>

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

**Texas Tech University System (793)**  
**Combined Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows of Resources (Note 28)	406,266,012.38	534,081,309.00
Total Deferred Outflows of Resources	\$ 406,266,012.38	\$ 534,081,309.00
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 55,062,454.18	\$ 59,893,057.13
Payroll Payable	107,711,294.10	98,661,736.19
Unearned Revenue	312,572,275.72	281,277,577.09
Due to Other State Agencies	5,291,933.31	10,512,697.72
Short-Term Debt Commercial Paper Notes (Note 4)	75,911,000.00	48,844,000.00
Claims and Judgments (Note 5)	1,122,049.91	1,097,922.53
Employees' Compensable Leave (Note 5)	8,641,086.99	8,031,718.97
Right to Use Lease Obligations (Note 5)	6,771,971.84	5,812,480.98
Revenue Bonds Payable (Note 5)	62,923,933.94	59,116,239.75
Funds Held for Others	11,849,289.20	11,249,953.81
Net OPEB Liability (Note 11)	27,446,781.00	29,719,284.00
Other Current Liabilities	7,395,519.67	5,608,200.05
Total Current Liabilities	682,699,589.86	619,824,868.22
Non-Current Liabilities:		
Claims and Judgments (Note 5)	4,638,254.09	4,759,189.47
Employees' Compensable Leave (Note 5)	59,868,057.21	58,158,264.40
Right to Use Lease Obligations (Note 5)	46,075,706.08	44,329,556.70
Revenue Bonds Payable (Note 5)	794,585,048.41	729,113,227.05
Pollution Remediation Obligation (Note 5)	1,529,525.50	1,529,525.50
Net OPEB Liability (Note 11)	992,427,539.00	861,242,072.00
Net Pension Liability (Note 9)	156,543,241.00	322,680,807.00
Other Non-Current Liabilities	2,205,096.46	158,539.37
Total Non-Current Liabilities	2,057,872,467.75	2,021,971,181.49
Total Liabilities	\$ 2,740,572,057.61	\$ 2,641,796,049.71
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources (Note 28)	388,547,432.74	334,248,184.72
Total Deferred Inflows of Resources	\$ 388,547,432.74	\$ 334,248,184.72
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 1,195,360,053.89	\$ 1,149,262,050.35
Restricted:		
Nonexpendable:		
Endowments	895,202,031.36	828,325,849.07
Expendable:		
Capital Projects	76,242,149.04	9,289,014.24
Other	693,204,978.53	706,699,755.90
Unrestricted	664,080,973.59	705,039,994.07
Total Net Position	\$ 3,524,090,186.41	\$ 3,398,616,663.63

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

**Texas Tech University System (793)**  
**Combined Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Operating Revenues		
Tuition and Fees	\$ 13,241,467.81	\$ 12,986,793.49
Tuition and Fees - Pledged	718,021,134.95	626,216,021.35
Less Discounts and Allowances	(178,810,357.73)	(157,876,376.71)
Professional Fees	304,853,494.21	289,913,868.82
Professional Fees - Pledged	578,441.78	566,369.46
Sales and Services of Auxiliary Enterprises - Pledged	190,774,206.41	146,037,012.74
Other Sales and Services	13,065,515.97	11,263,325.16
Other Sales and Services - Pledged	16,267,617.39	13,659,296.91
Federal Grants and Contracts	80,541,696.54	64,493,826.86
Federal Grants and Contracts - Pledged	18,536.98	0.00
Federal Grant Pass-Throughs from Other State Agencies	7,647,635.02	5,695,868.51
State Grants and Contracts	2,563,887.04	2,420,173.31
State Grants and Contracts - Pledged	7,945.88	7,223.58
State Grant Pass-Throughs from Other State Agencies	58,533,860.44	45,872,542.15
Local Governmental Grants and Contracts	167,127,234.07	148,639,775.78
Local Governmental Grants and Contracts - Pledged	1,821,379.33	1,736,244.08
Nongovernmental Grants and Contracts	103,964,450.69	106,622,153.83
Nongovernmental Grants and Contracts - Pledged	1,661,406.24	3,131,172.65
Other Operating Revenues	83,774,164.11	27,168,976.28
Total Operating Revenues	1,585,653,717.13	1,348,554,268.25
Operating Expenses		
Cost of Goods Sold	13,188,950.56	10,675,672.85
Salaries and Wages	1,132,991,998.37	1,041,591,942.03
Payroll Related Costs	401,509,725.36	416,525,431.14
Professional Fees and Services	112,884,947.69	88,709,426.66
Travel	32,460,299.27	10,389,454.09
Materials and Supplies	100,746,848.03	82,537,010.68
Communications and Utilities	66,697,065.49	56,363,114.30
Repairs and Maintenance	60,394,944.35	48,467,153.60
Rentals and Leases	22,367,264.40	20,607,776.49
Printing and Reproduction	4,807,980.42	3,754,080.32
Federal Grant Pass-Through Expense	745,366.44	898,051.37
State Grant Pass-Through Expense	201,927.95	92,968.63
Depreciation and Amortization (Note 2)	176,831,355.53	151,567,072.56
Bad Debt Expense	1,240,339.50	468,500.71
Interest	14,287.84	15,417.90
Scholarships	151,827,338.48	102,397,589.14
Net Change in Pollution Remediation Obligation	0.00	506,884.00
Claims and Judgments	1,745,092.49	523,707.54
Other Operating Expenses	194,702,857.79	124,144,562.35
Total Operating Expenses	2,475,358,589.96	2,160,235,816.36
Operating Income (Loss)	\$ (889,704,872.83)	\$ (811,681,548.11)

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

## UNAUDITED

**Texas Tech University System (793)**  
**Combined Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 565,839,254.11	\$ 502,508,506.53
Federal Grants and Contracts	173,689,598.17	120,889,399.74
Federal Grant Pass-Throughs from Other State Agencies	7,553,311.32	4,529,171.00
State Grant Pass-Throughs from Other State Agencies	102,651.00	32,649.00
Private Gifts	71,553,635.58	48,614,779.74
Private Gifts - Pledged	1,571,430.44	1,207,353.08
Investment Income (Expense)	42,451,199.35	848,884.61
Investment Income (Expense) - Pledged	40,336,261.20	29,807,079.92
Interest Expense on Capital Asset Financing	(26,606,043.43)	(23,726,780.55)
Gain (Loss) on Sale and Disposal of Capital Assets	(9,634,710.91)	(1,162,724.44)
Net Increase (Decrease) in Fair Value of Investments	(187,641,104.14)	419,976,374.49
Interest Expense	(464,089.80)	(473,657.73)
Other Nonoperating Revenues (Expenses)	3,096,166.34	2,471,418.13
Other Nonoperating Revenues (Expenses) - Pledged	14,058,893.27	10,561,126.58
Total Nonoperating Revenues (Expenses)	<u>695,906,452.50</u>	<u>1,116,083,580.10</u>
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	(193,798,420.33)	304,402,031.99
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	88,810,909.00	83,877,709.00
Capital Contributions	95,803,874.96	43,488,613.75
Lapsed Appropriations	40,374.66	(0.32)
Contributions to Permanent and Term Endowments	53,909,038.81	20,418,187.40
Legislative Transfers In	7,435,967.45	9,104,287.00
Legislative Transfers Out	(2,287,903.18)	0.00
Interagency Transfers of Capital Assets - Decrease (Note 2)	(6,779.54)	0.00
Transfers In from Other State Agencies	129,121,320.95	8,508,660.31
Transfers Out to Other State Agencies	(917,193.40)	(6,568.84)
Net Other Revenues, Expenses, Gains, Losses, and Transfers	<u>371,909,609.71</u>	<u>165,390,888.30</u>
Total Change in Net Position	<u>178,111,189.38</u>	<u>469,792,920.29</u>
Beginning Net Position (September 1)	3,423,235,686.48	2,953,383,160.71
Restatement of Beginning Net Position (Note 14)	(24,619,022.85)	(24,559,417.37)
Beginning Net Position before MSU's share of Pension and OPEB	<u>3,398,616,663.63</u>	<u>2,928,823,743.34</u>
Restatement of Beginning Net Position for MSU's share of Pension and OPEB (Note 14)	(52,637,666.60)	0.00
Beginning Net Position (September 1) as Restated	<u>3,345,978,997.03</u>	<u>2,928,823,743.34</u>
Ending Net Position (August 31)	<u>\$ 3,524,090,186.41</u>	<u>\$ 3,398,616,663.63</u>

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

**Texas Tech University System (793)**  
**Combined Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
<b>Cash Flows from Operating Activities</b>		
Proceeds from Customers	\$ 423,746,195.36	\$ 351,217,089.62
Proceeds from Tuition and Fees	551,805,119.67	496,789,443.37
Proceeds from Grants and Contracts	417,043,014.87	376,365,014.41
Proceeds from Sales and Services of Auxiliary Enterprises	197,496,393.82	152,586,225.18
Proceeds from Collections of Loans to Students	5,876,777.06	5,872,216.95
Proceeds from Fiduciary Activities (Held 3 Months or Less)	408,095,686.01	365,963,447.77
Payments to Suppliers for Goods and Services	(310,961,633.12)	(257,106,464.87)
Payments to Employees for Salaries	(1,130,995,569.69)	(1,037,179,093.01)
Payments to Employees for Benefits	(303,933,610.46)	(280,341,381.73)
Payments for Loans Issued to Students	(5,803,631.80)	(5,788,167.44)
Payments for Fiduciary Activities (Held 3 Months or Less)	(406,930,422.57)	(366,463,006.55)
Payments for Other Expenses	(475,662,103.33)	(319,392,392.72)
Net Cash Provided/(Used) by Operating Activities	(630,223,784.18)	(517,477,069.02)
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	569,369,861.55	477,356,987.96
Proceeds from Gifts	116,831,601.01	70,585,217.27
Proceeds from Nonoperating Grants and Contracts	167,440,844.57	116,259,514.60
Proceeds from Other Financing Activities	20,122,252.24	21,346,293.26
Proceeds from Transfers In from Other State Agencies	26,362,617.63	18,396,349.92
Payments for Transfers to Other State Agencies	(3,209,351.17)	(6,568.84)
Payments for Other Uses	(4,553,917.99)	(14,218,920.88)
Net Cash Provided/(Used) by Noncapital Financing Activities	892,363,907.84	689,718,873.29
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Sale of Capital Assets	230,490.66	1,060,292.41
Proceeds from Capital Debt Issuances	41,532,000.00	39,000,000.00
Proceeds from Capital Gifts	54,084,168.25	34,302,737.25
Proceeds from Capital Appropriations	64,503,758.26	62,293,259.54
Proceeds from Other Capital and Related Financing Activities	363,063.67	0.00
Payments for Additions to Capital Assets	(156,121,595.40)	(184,160,473.01)
Payments for Principal Paid on Capital Debt	(78,736,281.04)	(87,069,948.09)
Payments for Interest Paid on Capital Debt	(27,664,061.06)	(24,811,464.19)
Payments for Leases	(6,956,759.03)	(5,853,279.78)
Payments for Other Costs on Debt Issuance	(87,357.25)	(80,764.29)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(108,852,572.94)	(165,319,640.16)
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	146,213,904.01	224,272,203.50
Proceeds from Interest and Investment Income	173,451,883.50	107,875,467.27
Payments to Acquire Investments	(455,159,601.03)	(410,688,809.89)
Net Cash Provided/(Used) by Investing Activities	(135,493,813.52)	(78,541,139.12)
<b>TOTAL NET CASH FLOWS</b>	<b>\$ 17,793,737.20</b>	<b>\$ (71,618,975.01)</b>

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

**Texas Tech University System (793)**  
**Combined Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Beginning Cash & Cash Equivalents (September 1)	\$ 397,516,822.14	\$ 469,135,797.15
Ending Cash & Cash Equivalents (August 31)	\$ 415,310,559.34	\$ 397,516,822.14
<b>Reconciliation of Operating Loss to Net Cash Flows from Operating Activities</b>		
Operating Loss	\$ (889,704,872.83)	\$ (811,681,548.11)
Adjustments:		
Depreciation and Amortization Expense	176,831,355.53	151,567,072.56
Bad Debt Expense	907,789.58	454,749.77
Pension Expense	5,427,029.00	43,831,300.00
OPEB Expense	125,826,856.00	122,277,950.00
(Increase) Decrease in Accounts Receivables	(16,605,037.53)	(8,266,236.96)
(Increase) Decrease in Loans and Notes Receivable	299,966.73	392,426.64
(Increase) Decrease in Inventories	731,406.35	(2,376,120.89)
(Increase) Decrease in Other Assets	105,866.30	2,221.97
(Increase) Decrease in Due From Other State Agencies	(938,822.60)	166,426.20
(Increase) Decrease in Prepaid Items	(2,959,653.77)	(17,561,817.57)
(Increase) Decrease in Deferred Outflows of Resources	(63,156,791.00)	(34,291,354.00)
Increase (Decrease) in Accounts Payable	356,024.47	6,264,983.03
Increase (Decrease) in Payroll Payable	101,478.69	34,191.77
Increase (Decrease) in Unearned Revenue	8,753,028.61	23,666,735.07
Increase (Decrease) in Employees' Compensable Leave	(173,801.26)	1,356,031.48
Increase (Decrease) in Claims and Judgments	(96,808.00)	(4,595,785.78)
Increase (Decrease) in Due To Other State Agencies	(4,706,700.65)	8,836,785.64
Increase (Decrease) in Benefits Payable	1,159,681.59	925,105.93
Increase (Decrease) in Pollution Remediation Obligation	0.00	506,884.00
Increase (Decrease) in Fiduciary Funds (Held 3 Months or Less)	269,816.24	(555,033.34)
Increase (Decrease) in Net OPEB Liability	7,911,597.00	(99,959,411.00)
Increase (Decrease) in Deferred Inflows of Resources	19,594,102.00	101,341,307.00
Increase (Decrease) in Other Liabilities	(157,294.63)	186,067.57
Net Cash Used for Operating Activities	(630,223,784.18)	(517,477,069.02)
<b>Noncash Transactions</b>		
Donations of Capital Assets	5,678,640.80	20,690,604.95
Net Increase (Decrease) in Fair Value of Investments	(187,641,104.14)	419,976,374.49
Other	(10,525,824.69)	(1,373,009.66)
Total Noncash Transactions	\$ (192,488,288.03)	\$ 439,293,969.78

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED  
TEXAS TECH UNIVERSITY SYSTEM (793)

**NOTES to the COMBINED  
FINANCIAL STATEMENTS**

**TEXAS TECH UNIVERSITY SYSTEM (793)****Notes to the Combined Financial Statements****Note 1: Summary of Significant Accounting Policies****General Introduction**

The Texas Tech University System (the System) is an agency of the State of Texas and its financial records comply with State statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements for State Agencies and Universities.

Component institutions which comprise the System include Texas Tech University (TTU), Texas Tech University Health Sciences Center (TTUHSC), Texas Tech University Health Sciences Center at El Paso (TTUHSC at El Paso), Angelo State University (ASU), Midwestern State University (MSU) and Texas Tech University System Administration (TTUSA). The System serves the state of Texas by providing undergraduate and post-graduate education and research in fields such as Law, Business, Medicine, Engineering and Nursing. Each component institution's financial statements are presented at the end of the combined report.

The System also includes within this report all component units as determined by an analysis of their relationship to the System. Blended component units are described in more detail in Note 19. The System has two discrete component units, the Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation (Carr Foundation) and Texas Tech Research Park, Inc. (TTRP). Financial statements for these discrete component unit are presented separately at the end of this combined report, and more detailed information can be found in Note 19.

Effective August 31, 2020, the System had a change in accounting policy due to the implementation of GASB Statement No. 84 *Fiduciary Activities* (GASB 84). This statement establishes criteria for identifying fiduciary activities and requires that fiduciary activities be reported in a separate statement of fiduciary net position and a separate statement of changes in fiduciary net position (Fiduciary Statements) which are presented at the end of this combined report. The System allows an external entity to deposit funds in the System's Long Term Investment Fund as an investment vehicle. These funds are reported as External Investment Pool Non-Trustee Funds in the Fiduciary Statements. The System also holds funds for external entities and individuals that are not derived from the System's revenues, the System has no administrative or direct financial involvement with the funds, and the funds are for the benefit of the external entities and individuals. These funds are reported as Custodial Funds in the Fiduciary Statements.

GASB 84 allows business-type activities to report activities that would otherwise be considered custodial funds in the System's Combined Statement of Net Position and Combined Statement of Cash Flows as an operating activity if upon receipt, the funds are normally expected to be held for three months or less. These fiduciary activities are reported in the operating activities portion of the Combined Statement of Cash Flows at August 31, 2022 and 2021, respectively.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to be in compliance with all the requirements in this statement. The financial report is considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.



**Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)****Basis of Accounting**

For financial reporting purposes, institutions of higher education are considered proprietary funds, which are used to account for business-type activities. Business-type activities are defined as those that are financed in whole or in part by fees charged to external parties for goods and services. The accompanying financial statements are prepared with transactions recorded on a fund basis. GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities – an Amendment of GASB Statement No. 34*, established accounting and financial reporting standards for universities within the financial reporting guidelines of GASB 34 as mentioned above. Under GASB 35, universities must follow proprietary fund accounting, and are required to report all funds in a single column instead of by individual fund.

The basis of accounting determines when revenues and expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds use the flow of economic resources measurement focus (whether or not the entity is economically better off as a result of the events and transactions that occurred during the fiscal period reported) and the full accrual basis of accounting, meaning revenues are recognized when earned and expenses are recorded when an obligation has occurred.

Proprietary funds distinguish between operating and nonoperating items. Operating revenues and expenses result from providing services, or producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets.

**Budgetary Information**

The System component institutions prepare annual budgets which are approved by the Board of Regents. The budgets for appropriated funds are prepared biennially and represent appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act).

**Cash and Cash Equivalents**

For reporting purposes, cash includes cash on hand, cash in transit, cash in local banks, cash in the state treasury, and cash equivalents. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near maturity they present insignificant risk of a decrease in value due to changes in interest rates. Investments with an original maturity of three months or less and used for cash management rather than investing activities are considered cash equivalents.

The System records and reports its deposits in the general deposit account at cost. It records and reports its special deposit accounts at fair value.

**Investments**

The System accounts for its investments at fair value on the Combined Statement of Net Position. All investment income, including changes in the fair value of investments, is reported in the Combined Statement of Revenues, Expenses, and Changes in Net Position. Investments are addressed in more detail in Note 3.

**Legislative Appropriations**

This item represents the balance of General Revenue Funds and Higher Education Funds (HEF) at August 31 as calculated in the Texas State Comptroller’s General Revenue Reconciliation.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Restricted Assets**

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of revenue bonds and revenues set aside for statutory or contractual requirements.

**Inventories and Prepaid Items**

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost generally utilizing the first-in, first out method. Changes in inventories are recorded using the consumption method, with the inventories being reported as assets when they are purchased, and the expense recognized in the period in which the inventories are used or consumed. The consumption method of accounting is used to account for inventories and prepaid items benefiting more than one accounting period. The cost of these items is expensed when the items are used or consumed. Prepaid items include payments for scholarships and capital assets that have not been received by the end of the fiscal year.

**Receivables**

Receivable balances are grouped into several receivable categories. Accounts receivable are recorded net of estimated uncollectible amounts based upon a review of outstanding receivables and historical collection information.

Student receivables consist of tuition and fees charged to students, patient receivables are for medical fees charged for services, and accounts receivable are fees for auxiliary enterprise services provided to students, faculty, and staff, as well as state and local grant billings.

Contracts receivable are primarily related to agreements between the System health sciences center component institutions and teaching hospitals for the provision of medical services.

Federal receivable includes amounts due from the federal government in connection with reimbursement of allowable expenditures disbursed by the System's grants and contracts departments.

Gift receivables are accounted for at their estimated net realizable value. The estimated net realizable value consists of the present value of long-term pledges and a reduction for any allowance for uncollectible pledges. Pledges vary from one to ten years and are used to support specifically identified System programs and initiatives.

Interest and dividend receivable consists of amounts due from investment holdings, cash management pools, and cash invested in various short-term investment items.

Leases receivable were calculated for leases with a term greater than 12 months. Lease receivables are calculated as the present value of the lease receipts expected during the lease term.

Other receivables include items such as travel advances, returned checks, and various other accrued items not included in any other receivable category.

**Loans and Notes Receivable**

These receivables are student loans receivable that consist of amounts due from loans administered by the System.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Capital Assets**

Capital assets, defined as assets held for use in operations with a value equal to or greater than the capitalization threshold established for that asset type and an initial useful life of more than one year, are recorded at cost at the date of acquisition. Gifts of donated assets are recorded at acquisition value (the price that would be paid to acquire the asset with equivalent service potential in an orderly market transaction) at the date of donation. This is a change in definition established by GASB 72. Capital assets may or may not be capitalized for financial reporting purposes. Livestock held for educational purposes is recorded at estimated fair value.

The capitalization threshold for personal property, such as furniture and equipment is \$5,000. For buildings, building improvements, and facilities and other improvements, the capitalization threshold is \$100,000. Infrastructure has a capitalization threshold of \$500,000. Land, works of art and historical treasures are capitalized regardless of cost or value.

Intangible assets, defined as assets lacking physical substance and of a nonfinancial nature, include computer software, land use rights and patents and trademarks. Purchased computer software is capitalized if the aggregate cost of the purchase meets or exceeds \$100,000. Internally generated computer software has a capitalization threshold of \$1,000,000, and other intangible capital assets must be capitalized if the cost meets or exceeds \$100,000.

The System is required to depreciate and amortize capitalized assets. Depreciation for capital assets is computed using the straight-line method over the estimated useful lives of the assets. Amortization of intangible assets is based on the estimated useful life of the asset using the straight-line method. Land, works of art and historical treasures are not depreciated.

Capital asset activity for the current fiscal year is shown in Note 2.

**Leases and Right to Use Assets**

GASB Statement No. 87, *Leases*, defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset for period of time in an exchange or exchange-like transaction. Short term leases with a maximum possible term of 12 months or less at commencement are recognized as a revenue and expense based on the provisions of the lease contract. For leases with a term greater than 12 months, the System recognizes a lease receivable and deferred inflow when acting as a lessor and a lease liability and right-to-use lease asset when acting as a lessee. The lease receivable is calculated as the present value of the lease receipts expected during the lease term. Lease liabilities are initially measured at the present value of lease payments and remeasured whenever there is a change in lease payments or lease modification.

Leases are covered in more detail in Note 8. Right to use assets are detailed in Note 2.

**Deferred Outflows of Resources**

Deferred outflows of resources refers to the net asset consumption of assets that is applicable to a future fiscal year. The System reports certain changes in the net pension liability, changes in net other postemployment benefits liability, and unamortized losses on refunding of debt as deferred outflows. Pension-related deferred outflows are discussed in more detail in Note 9, and other postemployment benefit-related deferred outflows in Note 11.

**Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)****Payables**

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending. Payroll payable includes accrued salary, wages and benefits.

**Claims and Judgments**

Claims and judgments include estimates for legal judgments and both known medical malpractice claims and those that have not yet been made against the insured participants. These liabilities are reported separately as either current or noncurrent in the Combined Statement of Net Position. Claims and judgments activity is shown in Note 5, with a detailed explanation of the medical self-insurance plan and activity in Note 17.

**Unearned Revenues**

Unearned revenues include amounts for tuition and fees, certain auxiliary activities, and amounts from grant and contract sponsors received prior to the end of the fiscal year but related to the subsequent accounting period.

**Employees' Compensable Leave**

Employees' compensable leave represents the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid. These liabilities are reported separately as either current or noncurrent in the Combined Statement of Net Position, and are explained in more detail in Note 5.

**Right to Use Lease Obligations**

For leases with a term greater than 12 months, the System recognizes a lease liability and right-to-use lease asset when acting as a lessee. Lease liabilities are initially measured at the present value of lease payments and remeasured whenever there is a change in lease payments or lease modification.

**Short-term Debt Commercial Paper Notes**

Short-term debt commercial paper notes are amounts owed for commercial paper that was issued during the current accounting period for long-term construction projects for the System's component institutions. Short-term debt commercial paper notes are further explained in Note 4.

**Revenue Bonds Payable**

The System has a number of bond issues outstanding, most of which are supported either directly or indirectly by tuition revenue. Revenue bonds payable are addressed in more detail in Note 6, with changes in activity shown in Note 5. The bonds are reported at par, net of unamortized premiums. Issuance costs are expensed in the period incurred.

**Pollution Remediation Obligation**

A pollution remediation obligation addresses the current or potential detrimental effects of existing pollution and contamination by participating in pollution remediation activities such as spills of hazardous substances or asbestos abatement. These obligations will generally require the recognition and reporting of remediation liabilities. The System initially accrued and recorded a pollution remediation obligation for Texas Tech University in fiscal year 2016. This obligation is discussed in detail in Note 5.

**Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)****Funds Held for Others**

Current balances in funds held for others result from the System acting as an agent or fiduciary for other organizations and the funds upon receipt are normally expected to be held for three months or less. This is a change in accounting policy effective fiscal year 2020 due to the implementation of GASB 84 which is described in more detail above in the general introduction section of Note 1.

**Net Pension Liability**

The System is required to recognize its proportionate share of net pension liability and operating statement activity related to changes in the net pension liability for participation in the Teacher Retirement System (TRS) pension plan. The net pension liability is the System's proportionate share of the total TRS pension plan liability less the Plan's net assets as reported by the TRS pension plan for fiscal year 2021. The System's proportionate share is based on its contributions to the pension plan relative to the contributions of other employers participating in the plan. The net pension liability and pension-related deferred outflows and inflows are provided by the Texas Comptroller of Public Accounts. These amounts are included in this annual financial report and represent the total net pension liability for all System component institutions. Pensions are discussed in greater detail in Note 9.

**Net Other Postemployment Benefits (OPEB) Liability**

The System is required to recognize its proportionate share of the collective net OPEB liability and operating statement activity related to changes in the net OPEB liability for participation in the State Retiree Health Plan administered by the Employees Retirement System of Texas (ERS). The net OPEB liability is the System's proportionate share of the total OPEB Plan liability less the Plan's net assets as reported by the ERS OPEB plan for fiscal year 2021. The System's proportionate share is based on its contributions to the OPEB plan relative to the contributions of all employers and non-employer contributing entity participating in the plan. The net OPEB liability and OPEB-related deferred outflows and inflows are provided by the Texas Comptroller of Public Accounts. These amounts are included in this annual financial report and represent the total net OPEB liability for all System component institutions. OPEB is discussed in greater detail in Note 11.

**Deferred Inflows of Resources**

Deferred inflows of resources are defined as the net asset acquisition of assets that is applicable to a future fiscal year. The System reports certain changes in the net pension liability and certain changes to the net other postemployment benefits liability as deferred inflows of resources. Pension-related deferred inflows are discussed further in Note 9, and other postemployment benefit-related deferred inflows in Note 11. There are also deferred inflows associated with irrevocable split-interest agreements, as discussed below and leases, as discussed above and further detailed in Note 8.

**Irrevocable Split-Interest Agreements**

Irrevocable split-interest agreements are a specific type of giving arrangement used by donors to provide resources to two or more beneficiaries. GASB 81, *Irrevocable Split-Interest Agreements* requires that agencies that receive resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement, and revenue when the resources become applicable to the reporting period. The System reports the transactions for unconditional lead and remainder interests in irrevocable split-interest agreements held by System component institutions in their financial records.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Other Liabilities**

The major component of other liabilities consists of advance deposits received from students for residence hall occupancy in the next fiscal year. This category also includes liabilities at TTU for noncurrent unearned revenues associated with a location incentives agreement with Amarillo Economic Development Corporation and licensing agreements for broadcasting rights with Public Broadcasting Service and National Public Radio .

Liabilities in the above categories are reported separately as either current (due within one year) or noncurrent (amounts due thereafter) in the Combined Statement of Net Position.

**Net Position**

Net Position reflects the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources. Net position is presented in three separate classes: Net Investment in Capital Assets; Restricted Net Position; and Unrestricted Net Position.

***Net Investment in Capital Assets***

This category represents the System's capital assets, net of the System's accumulated depreciation, amortization and outstanding principal balances of the System's debt attributable to the acquisition, construction or improvement of those capital assets for the System.

***Restricted Net Position***

*Nonexpendable* – assets subject to externally imposed stipulations that they be maintained permanently by the System. Such assets include the principal of the System's permanent endowment funds.

*Expendable* – assets whose use by the System is subject to externally imposed stipulations that can be fulfilled by actions of the System pursuant to those stipulations, or that expire by the passage of time.

***Unrestricted Net Position***

Unrestricted net position includes assets whose use by the System is not subject to externally imposed stipulations. They may be designated for specific purposes by action of management or the Board of Regents, or may otherwise be limited by contractual agreements with outside parties.

**Interfund Activity and Transactions**

The System is regularly involved in both interfund activity and interfund transactions. Interfund activity refers to financial interaction between funds (including blended component units) and is related to internal events. Interfund transactions refer to interactions with outside parties (discretely presented component units, other governments, other legally separate entities and individuals) and are restricted to external events. Interfund activity and interfund transactions are both clearly identifiable and are eliminated where appropriate.

**Reporting Consideration for COVID-19 Response**

In response to the COVID-19 pandemic, Congress passed the following to provide economic support to offset additional expenses and forgone revenue:

- Coronavirus Aid, Relief and Economic Security (CARES) Act
- CARES Act for the Higher Education Emergency Relief Fund (HEERF), which provides budgetary relief to higher education institutions through numerous provisions
- CARES Act for the Provider Relief Fund (PRF), which reimburses eligible providers for healthcare-related expenses or lost revenues attributable to COVID-19
- HEERF II, authorized by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) to support education
- HEERF III, authorized by the American Rescue Plan Act (ARPA), provides support to institutions of higher education to serve students and ensure learning continues during the COVID-19 pandemic
- Paycheck Protection Program and Health Care Enhancement Act (PPPHCE)
- Various COVID-19 Supplemental Appropriation Acts

During fiscal year 2022, the System received a total of \$116,706,092.90 in COVID-19 relief funding: \$77,336,242.25 from ARPA-HEERF III, \$23,315,410.39 from CRRSAA-HEERF II, \$13,825,489.30 from CARES HEERF, \$1,091,552.78 from PPPHCE, \$469,433.13 from CARES PRF and \$667,965.05 from various COVID-19 Supplemental Appropriation Acts. During fiscal year 2021, the System received \$20,808,832.79 from CARES HEERF, \$3,571,337.77 from CARES PRF and \$39,894,943.78 from various COVID-19 Supplemental Appropriation Acts passed in fiscal year 2021.

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 2: Capital Assets and Intangible Right to Use Assets

A summary of changes in capital assets for the year ended August 31, 2022 is presented below:

	Balance 9/1/2021	Adjustments	Reclassifications Completed CIP	Reclassifications Inc-Int'gy Trans	Reclassifications Dec-Int'gy Trans	Additions	Deletions	Balance 8/31/2022
<b>BUSINESS-TYPE ACTIVITIES</b>								
<b>Non-depreciable or Non-amortizable Assets</b>								
Land and Land Improvements	\$ 45,553,442.73	\$ 8,233,708.31	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,890,832.36	\$ 0.00	\$ 55,677,983.40
Construction in Progress	120,635,598.48	(14,401,728.42)	(108,164,050.84)	0.00	0.00	65,573,925.31	(22,210.79)	63,621,533.74
Other Capital Assets	110,900,826.89	3,533,965.30	0.00	0.00	0.00	1,645,326.96	(242,600.00)	115,837,519.15
Total Non-depreciable or Non-amortizable Assets	277,089,868.10	(2,634,054.81)	(108,164,050.84)	0.00	0.00	69,110,084.63	(264,810.79)	235,137,036.29
<b>Depreciable Assets</b>								
Buildings and Building Improvements	2,705,597,642.75	313,276,274.95	104,367,669.09	0.00	0.00	33,563,248.34	(877,403.25)	3,155,927,431.88
Infrastructure	50,301,231.52	13,351,147.45	0.00	0.00	0.00	0.00	0.00	63,652,378.97
Facilities and Other Improvements	233,736,221.80	17,759,436.42	0.00	0.00	0.00	5,551,116.37	0.00	257,046,774.59
Furniture and Equipment	417,215,141.35	19,938,852.73	3,444,750.31	0.00	(158,769.62)	32,939,624.62	(12,845,483.77)	460,534,115.62
Vehicle, Boats and Aircraft	21,976,350.83	1,752,035.25	57,435.59	0.00	0.00	1,088,235.88	(544,790.44)	24,329,267.11
Other Capital Assets	230,960,966.73	11,338,569.11	294,195.85	0.00	0.00	15,772,657.89	(8,995,974.80)	249,370,414.78
Total Depreciable Assets at Historical Cost	3,659,787,554.98	377,416,315.91	108,164,050.84	0.00	(158,769.62)	88,914,883.10	(23,263,652.26)	4,210,860,382.95
Less Accumulated Depreciation for:								
Buildings and Building Improvements	(1,396,436,638.52)	(161,250,667.77)	0.00	0.00	0.00	(110,828,259.41)	833,533.08	(1,667,682,032.62)
Infrastructure	(28,200,162.51)	(9,104,833.48)	0.00	0.00	0.00	(1,713,296.51)	0.00	(39,018,292.50)
Facilities and Other Improvements	(132,722,038.01)	(8,024,444.93)	0.00	0.00	0.00	(8,218,816.80)	0.00	(148,965,299.74)
Furniture and Equipment	(306,096,866.66)	(14,618,143.14)	0.00	0.00	151,990.08	(32,596,838.78)	12,173,204.74	(340,986,653.76)
Vehicles, Boats and Aircraft	(18,098,377.01)	(1,425,223.31)	0.00	0.00	0.00	(1,394,662.79)	544,790.44	(20,373,472.67)
Other Capital Assets	(153,014,973.59)	(10,076,103.99)	0.00	0.00	0.00	(9,688,554.96)	144,667.65	(172,634,964.89)
Total Accumulated Depreciation	(2,034,569,056.30)	(204,499,416.62)	0.00	0.00	151,990.08	(164,440,429.25)	13,696,195.91	(2,389,660,716.18)
Depreciable Assets, Net	1,625,218,498.68	172,916,899.29	108,164,050.84	0.00	(6,779.54)	(75,525,546.15)	(9,567,456.35)	1,821,199,666.77
<b>Intangible Capital Assets - Amortizable</b>								
Computer Software - Intangible	130,672,634.73	28,426,018.46	0.00	0.00	0.00	155,000.00	(107,106,996.37)	52,146,656.82
Other Intangible Capital Assets - Term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Intangible Assets at Historical Cost	130,672,634.73	28,426,018.46	0.00	0.00	0.00	155,000.00	(107,106,996.37)	52,146,656.82
Less Accumulated Amortization for:								
Computer Software - Intangible	(128,300,238.12)	(19,955,530.89)	0.00	0.00	0.00	(4,417,233.48)	107,074,061.94	(45,598,940.55)
Other Intangible Capital Assets - Term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Accumulated Amortization	(128,300,238.12)	(19,955,530.89)	0.00	0.00	0.00	(4,417,233.48)	107,074,061.94	(45,598,940.55)
Amortizable Assets - Intangible, Net	2,372,396.61	8,470,487.57	0.00	0.00	0.00	(4,262,233.48)	(32,934.43)	6,547,716.27
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 1,904,680,763.39</b>	<b>\$ 178,753,332.05</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ (6,779.54)</b>	<b>\$ (10,677,695.00)</b>	<b>\$ (9,865,201.57)</b>	<b>\$ 2,062,884,419.33</b>

A summary of changes in intangible right to use assets for the year ended August 31, 2022 is presented below:

	Balance 9/1/2021	Adjustments	Additions	Deletions	Balance 8/31/2022
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Right to Use Assets - Amortizable</b>					
Land	\$ 0.00	\$ 218,322.53	\$ 0.00	\$ 0.00	\$ 218,322.53
Buildings and Building Improvements	0.00	59,872,835.93	5,711,267.21	(795,479.33)	64,788,623.81
Furniture and Equipment	0.00	150,091.22	0.00	0.00	150,091.22
Total Right to Use Amortizable Assets	0.00	60,241,249.68	5,711,267.21	(795,479.33)	65,157,037.56
Less Accumulated Amortization for:					
Land	0.00	(22,015.72)	(22,015.71)	0.00	(44,031.43)
Buildings and Building Improvements	0.00	(7,175,529.37)	(7,913,355.93)	795,479.33	(14,293,405.97)
Furniture and Equipment	0.00	(38,321.16)	(38,321.16)	0.00	(76,642.32)
Total Accumulated Amortization	0.00	(7,235,866.25)	(7,973,692.80)	795,479.33	(14,414,079.72)
<b>Business-Type Activities Right to Use Assets, Net</b>	<b>\$ 0.00</b>	<b>\$ 53,005,383.43</b>	<b>\$ (2,262,425.59)</b>	<b>\$ 0.00</b>	<b>\$ 50,742,957.84</b>

Additional information on the liabilities relating to the right-to-use leased assets is detailed further in Note 8.



## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Note 3: Deposits, Investments, and Repurchase Agreements**

The System’s investment portfolio is invested pursuant to the parameters of applicable Texas law and the governing board’s Investment Policies. Under Texas law, the System investments may be “any kind of investment that persons of ordinary prudence, discretion, and intelligence, exercising the judgment and care under the circumstances then prevailing, acquire or retain for their own account in the management of their affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.” Under Texas law, the System is required to invest its institutional funds according to written investment policies adopted by the Board of Regents. No person may invest the System funds without express written authority from the governing board.

The governing investment policy is Regents’ Rules Chapter 09, “Investments and Endowments.” The majority of the System assets are invested in two investment funds; the Long Term Investment Fund (LTIF) and the Comprehensive Cash Pool (CCP), each having their own stand-alone investment policies. The objective of the CCP is to retain appropriate liquidity to meet daily operating demands while seeking higher yield on cash reserves through appropriately diversified longer-termed investment strategies. Endowment funds and certain eligible long-term institutional funds are invested in the LTIF, which invests in equity and fixed income securities, as well as alternative investments such as hedge funds and private equity, and is operated using a total return philosophy. Institutional funds not in the LTIF are invested in the CCP. Other assets outside the two funds include securities gifted to the System with donor instructions to maintain in their original form, an endowment managed by American National Bank and Trust for MSU, and debt proceeds. The published Regent's Rules Chapter 09, "Investments and Endowment," the LTIF Investment Policy Statement and the CCP Investment Policy Statement can be obtained at <https://www.texastech.edu/board-of-regents/regents-rules.php>.

**Deposits of Cash in Bank**

The carrying amount of deposits as of August 31, 2022 and August 31, 2021 was \$166,992,595.44 and \$212,549,148.53, respectively, as presented below:

**Business-Type Activities**

	<u>FY22</u>	<u>FY21</u>
CASH IN BANK – CARRYING AMOUNT	\$ 166,992,595.44	\$ 212,549,148.53
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent	0.00	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	0.00	0.00
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	0.00	0.00
<b>Cash in Bank per AFR</b>	<b><u>\$ 166,992,595.44</u></b>	<b><u>\$ 212,549,148.53</u></b>
Proprietary Funds Current Assets Cash in Bank	\$ 137,210,686.50	\$ 189,497,723.12
Proprietary Funds Current Assets Restricted Cash in Bank	14,643,801.06	20,653,963.59
Proprietary Funds Non-Current Assets Restricted Cash in Bank	15,138,107.88	2,397,461.82
<b>Cash in Bank per AFR</b>	<b><u>\$ 166,992,595.44</u></b>	<b><u>\$ 212,549,148.53</u></b>

These amounts consist of all cash in local banks and are included on the Combined Statement of Net Position as part of current unrestricted, current restricted, and non-current restricted “Cash and Cash Equivalents.”

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Custodial credit risk** for deposits is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The System maintains depository relationships with limited banking institutions by depository agreements between the System and the respective banking institution. State law requires that the System's deposits, to the extent such deposits exceed the maximum insured limit under deposit insurance provided by the Federal Deposit Insurance Corporation (FDIC), shall at all times be collateralized with government securities.

All the System's deposits in excess of FDIC limits are fully collateralized. The collateral is held in the System's name by the pledging institution's agent. The System also has no foreign currency risk on deposits.

As of August 31, 2022, the total **bank balance** for Business-Type Activities was \$174,409,236.83. As of August 31, 2021, the balance was \$231,633,006.07.

The carrying amount of deposits for the System's Fiduciary Activities as of August 31, 2022 and August 31, 2021 was \$4,814,018.36 and \$3,915,724.81, respectively, as presented below:

**Fiduciary Activities**

	<u>FY22</u>	<u>FY21</u>
CASH IN BANK – CARRYING AMOUNT	\$ 4,814,018.36	\$ 3,915,724.81
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent	0.00	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	0.00	0.00
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	0.00	0.00
<b>Cash in Bank per AFR</b>	<u><u>\$ 4,814,018.36</u></u>	<u><u>\$ 3,915,724.81</u></u>
Fiduciary Funds Current Assets Cash in Bank	\$ 4,814,018.36	\$ 3,915,724.81
<b>Cash in Bank per AFR</b>	<u><u>\$ 4,814,018.36</u></u>	<u><u>\$ 3,915,724.81</u></u>

All the System's Fiduciary Activities deposits in excess of FDIC limits are fully collateralized. The collateral is held in the System's name by the pledging institution's agent. The System's Fiduciary Activities also have no foreign currency risk on deposits.

As of August 31, 2022, the total **bank balance** for the System's Fiduciary Activities was \$4,814,018.36. As of August 31, 2021, this balance was \$3,915,724.81.

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The carrying amount of deposits for Carr Foundation as of August 31, 2022 and August 31, 2021 was \$395,244.42 and \$549,963.76, respectively, as presented below:

**Discrete Component Unit - Carr Foundation**

	<u>FY22</u>	<u>FY21</u>
CASH IN BANK – CARRYING AMOUNT	\$ 395,244.42	\$ 549,963.76
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent	0.00	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	0.00	0.00
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	0.00	0.00
<b>Cash in Bank per AFR</b>	<b><u>\$ 395,244.42</u></b>	<b><u>\$ 549,963.76</u></b>
Discrete Component Unit Current Assets Restricted Cash in Bank	\$ 96,361.74	\$ 74,876.01
Discrete Component Unit Non-Current Assets Restricted Cash in Bank	298,882.68	475,087.75
<b>Cash in Bank per AFR</b>	<b><u>\$ 395,244.42</u></b>	<b><u>\$ 549,963.76</u></b>

All of the Carr Foundation’s deposits in excess of FDIC limits are fully collateralized. The collateral is held in the Foundation’s name by the pledging institution’s agent. The Foundation also has no foreign currency risk on deposits.

As of August 31, 2022, the total **bank balance** for Discrete Component Unit Activities for the Carr Foundation was \$887,521.16. As of August 31, 2021, this balance was \$650,378.78.

The carrying amount of deposits for TTRP as of August 31, 2022 was \$14,625.00, as presented below:

**Discrete Component Unit - TTRP**

	<u>FY22</u>
CASH IN BANK – CARRYING AMOUNT	\$ 14,625.00
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
<b>Cash in Bank per AFR</b>	<b><u>\$ 14,625.00</u></b>
Discrete Component Unit Current Assets Cash in Bank	\$ 14,625.00
<b>Cash in Bank per AFR</b>	<b><u>\$ 14,625.00</u></b>

All of the TTRP’s deposits in excess of FDIC limits are fully collateralized. The collateral is held in TTRP's name by the pledging institution’s agent. TTRP also has no foreign currency risk on deposits.

As of August 31, 2022, the total **bank balance** for Discrete Component Unit Activities for TTRP was \$14,625.00. TTRP is a new discrete component unit of the System in FY22, thus balances for prior years is not provided.

**Fair Value Measurements**

The System values its investments at fair value. GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is an exit price at the measurement date from the perspective of the market participant that holds the asset. This is a market-based measurement.

GASB 72 identifies the following three acceptable valuation approaches to determine fair value:

- Market approach - uses prices and other relevant information generated by market transactions involving identical or similar items.
- Cost approach – measures fair value based on the current cost to replace the present service capacity of an asset.
- Income approach – discounts future amounts (such as cash flows or revenues and expenses) into a single current amount.

GASB 72 also establishes a fair value hierarchy that classifies inputs to valuation techniques into three levels:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 – Inputs (other than quoted prices included within Level 1) that are observable for an asset or liability – either directly (quoted market prices for similar assets or liabilities) or indirectly (corroborated from observable market information).
- Level 3 – Unobservable inputs for an asset or liability.

Beyond these three levels, Net Asset Value and Amortized Cost may be used to categorize investments without a readily determinable fair value.

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The fair value of investments at each level is presented below for August 31, 2022:

**Business-Type Activities**

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
U. S. Government						
U.S. Treasury Securities	\$ 60,382,679.65	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 60,382,679.65
U.S. Government Agency Obligations	287,611,778.07	526,776.92	0.00	0.00	0.00	288,138,554.99
Corporate Obligations	0.00	2,294,984.00	0.00	0.00	0.00	2,294,984.00
Equity	523,938,522.99	6,687.16	0.00	0.00	313,188,218.59	837,133,428.74
Fixed Income Money Market and Bond Mutual Fund	890,333,904.23	0.00	0.00	0.00	0.00	890,333,904.23
Mutual Funds - Domestic	82,977,867.61	0.00	0.00	0.00	0.00	82,977,867.61
Other Commingled Funds	2,660,489.22	108,602,667.02	1,176,526.22	0.00	5,789,517.48	118,229,199.94
Other Commingled Funds (TexPool)	0.00	0.00	0.00	43,886,826.71	0.00	43,886,826.71
Real Estate	0.00	0.00	2,832,418.68	0.00	21,436,276.19	24,268,694.87
Domestic Derivatives	0.00	(22,578,897.05)	0.00	0.00	0.00	(22,578,897.05)
Externally Managed Investments:						
Domestic	0.00	358,587,863.87	101,528,139.35	0.00	375,109,837.76	835,225,840.98
International	0.00	1,278,455.86	0.00	0.00	5,773,720.25	7,052,176.11
Miscellaneous	748,432.03	406,573.86	35,495,984.61	0.00	0.00	36,650,990.50
<b>Total Investments</b>	<b>\$1,848,653,673.80</b>	<b>\$ 449,125,111.64</b>	<b>\$141,033,068.86</b>	<b>\$43,886,826.71</b>	<b>\$ 721,297,570.27</b>	<b>\$3,203,996,251.28</b>
Current Unrestricted Short-Term Investments	\$ 2,660,489.22	\$ 0.00	\$ 0.00	\$ 2,544,974.04	\$ 4,627,999.60	\$ 9,833,462.86
Current Restricted Short-Term Investments	0.00	0.00	0.00	0.00	1,161,517.88	1,161,517.88
Non-Current Investments	1,702,133,730.57	449,125,111.64	141,033,068.86	0.00	715,508,052.79	3,007,799,963.86
Items in Cash and Cash Equivalents:						
Money Market Funds	143,859,454.01	0.00	0.00	0.00	0.00	143,859,454.01
TexPool Investments	0.00	0.00	0.00	41,341,852.67	0.00	41,341,852.67
<b>Total Investments</b>	<b>\$1,848,653,673.80</b>	<b>\$ 449,125,111.64</b>	<b>\$141,033,068.86</b>	<b>\$43,886,826.71</b>	<b>\$ 721,297,570.27</b>	<b>\$3,203,996,251.28</b>

**Fiduciary Activities**

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
Equity	\$ 520,247.23	\$ 61.00	\$ 0.00	\$ 0.00	\$ 2,857,029.10	\$ 3,377,337.33
Fixed Income Money Market and Bond Mutual Fund	1,657,998.15	1,438,433.85	0.00	0.00	0.00	3,096,432.00
Mutual Funds - Domestic	729,906.51	0.00	0.00	0.00	0.00	729,906.51
Other Commingled Funds	0.00	529,937.71	5,753.46	0.00	0.00	535,691.17
Real Estate	0.00	0.00	0.00	0.00	195,550.35	195,550.35
Domestic Derivatives	0.00	(205,973.80)	0.00	0.00	0.00	(205,973.80)
Externally Managed Investments:						
Domestic	0.00	2,635,486.25	480,855.81	0.00	1,862,330.06	4,978,672.12
International	0.00	6,251.92	0.00	0.00	52,670.20	58,922.12
<b>Total Investments</b>	<b>\$ 2,908,151.89</b>	<b>\$ 4,404,196.93</b>	<b>\$ 486,609.27</b>	<b>\$ 0.00</b>	<b>\$ 4,967,579.71</b>	<b>\$ 12,766,537.80</b>
Non-Current Investments	\$ 2,908,151.89	\$ 4,404,196.93	\$ 486,609.27	\$ 0.00	\$ 4,967,579.71	\$ 12,766,537.80
<b>Total Investments</b>	<b>\$ 2,908,151.89</b>	<b>\$ 4,404,196.93</b>	<b>\$ 486,609.27</b>	<b>\$ 0.00</b>	<b>\$ 4,967,579.71</b>	<b>\$ 12,766,537.80</b>

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Discrete Component Unit - Carr Foundation

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
Equity	\$ 6,192,620.72	\$ 726.13	\$ 0.00	\$ 0.00	\$ 34,007,865.60	\$ 40,201,212.45
Fixed Income Money Market and Bond Mutual Fund	19,735,528.19	17,122,004.41	0.00	0.00	0.00	36,857,532.60
Mutual Funds - Domestic	8,688,242.80	0.00	0.00	0.00	0.00	8,688,242.80
Other Commingled Funds	0.00	6,307,968.70	68,484.77	0.00	0.00	6,376,453.47
Real Estate	0.00	0.00	18,437,050.80	0.00	2,327,680.15	20,764,730.95
Domestic Derivatives	0.00	(2,451,752.81)	0.00	0.00	0.00	(2,451,752.81)
Externally Managed Investments:						
Domestic	0.00	31,370,790.74	5,723,735.84	0.00	22,167,737.16	59,262,263.74
International	0.00	74,418.03	0.00	0.00	626,945.37	701,363.40
<b>Total Investments</b>	<b>\$34,616,391.71</b>	<b>\$52,424,155.20</b>	<b>\$24,229,271.41</b>	<b>\$ 0.00</b>	<b>\$ 59,130,228.28</b>	<b>\$ 170,400,046.60</b>
Non-Current Investments	\$34,616,391.71	\$52,424,155.20	\$24,229,271.41	\$ 0.00	\$ 59,130,228.28	\$ 170,400,046.60
<b>Total Investments</b>	<b>\$34,616,391.71</b>	<b>\$52,424,155.20</b>	<b>\$24,229,271.41</b>	<b>\$ 0.00</b>	<b>\$ 59,130,228.28</b>	<b>\$ 170,400,046.60</b>

Discrete Component Unit - TTRP, did not have any investment activity as of August 31, 2022.

The fair value of investments at each level is presented below for August 31, 2021:

Business-Type Activities

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
U. S. Government						
U.S. Treasury Securities	\$ 35,925,669.09	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 35,925,669.09
U.S. Government Agency Obligations	284,684,149.63	0.00	0.00	0.00	0.00	284,684,149.63
Equity	340,262,751.61	6,654.38	0.00	0.00	260,705,264.32	600,974,670.31
Fixed Income Money Market and Bond Mutual Fund	747,712,637.38	0.00	0.00	0.00	0.00	747,712,637.38
Mutual Funds - Domestic	75,865,514.87	0.00	0.00	0.00	0.00	75,865,514.87
Other Commingled Funds	0.00	173,852,993.52	1,300,524.23	0.00	0.00	175,153,517.75
Other Commingled Funds (TexPool)	0.00	0.00	0.00	15,058,065.91	0.00	15,058,065.91
Real Estate	0.00	0.00	3,203,797.93	0.00	20,044,549.74	23,248,347.67
Domestic Derivatives	0.00	8,475,395.99	0.00	0.00	0.00	8,475,395.99
Externally Managed Investments:						
Domestic	0.00	477,115,704.77	128,796,547.38	0.00	417,242,180.97	1,023,154,433.12
International	0.00	4,600,976.10	0.00	0.00	3,791,403.57	8,392,379.67
Miscellaneous	867,638.93	0.00	35,346,060.03	0.00	0.00	36,213,698.96
<b>Total Investments</b>	<b>\$1,485,318,361.51</b>	<b>\$ 664,051,724.76</b>	<b>\$168,646,929.57</b>	<b>\$15,058,065.91</b>	<b>\$ 701,783,398.60</b>	<b>\$ 3,034,858,480.35</b>
Non-Current Investments	\$1,371,315,495.06	\$ 664,051,724.76	\$168,646,929.57	\$ 0.00	\$ 701,783,398.60	\$ 2,905,797,547.99
Items in Cash and Cash Equivalents:						
Money Market Funds	114,002,866.45	0.00	0.00	0.00	0.00	114,002,866.45
TexPool Investments	0.00	0.00	0.00	15,058,065.91	0.00	15,058,065.91
<b>Total Investments</b>	<b>\$1,485,318,361.51</b>	<b>\$ 664,051,724.76</b>	<b>\$168,646,929.57</b>	<b>\$15,058,065.91</b>	<b>\$ 701,783,398.60</b>	<b>\$ 3,034,858,480.35</b>

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Fiduciary Activities**

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
Equity	\$ 136,172.35	\$ 65.35	\$ 0.00	\$ 0.00	\$ 2,560,118.61	\$ 2,696,356.31
Fixed Income Money Market and Bond Mutual Fund	1,418,436.34	1,652,263.62	0.00	0.00	0.00	3,070,699.96
Mutual Funds - Domestic	694,992.24	0.00	0.00	0.00	0.00	694,992.24
Other Commingled Funds	0.00	832,098.31	6,224.59	0.00	0.00	838,322.90
Real Estate	0.00	0.00	0.00	0.00	196,836.93	196,836.93
Domestic Derivatives	0.00	83,228.16	0.00	0.00	0.00	83,228.16
Externally Managed Investments:						
Domestic	0.00	2,998,904.31	655,098.11	0.00	2,177,362.69	5,831,365.11
International	0.00	22,020.32	0.00	0.00	37,228.17	59,248.49
<b>Total Investments</b>	<b>\$ 2,249,600.93</b>	<b>\$ 5,588,580.07</b>	<b>\$ 661,322.70</b>	<b>\$ 0.00</b>	<b>\$ 4,971,546.40</b>	<b>\$ 13,471,050.10</b>
Non-Current Investments	\$ 2,249,600.93	\$ 5,588,580.07	\$ 661,322.70	\$ 0.00	\$ 4,971,546.40	\$ 13,471,050.10
<b>Total Investments</b>	<b>\$ 2,249,600.93</b>	<b>\$ 5,588,580.07</b>	<b>\$ 661,322.70</b>	<b>\$ 0.00</b>	<b>\$ 4,971,546.40</b>	<b>\$ 13,471,050.10</b>

**Discrete Component Unit - Carr Foundation**

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
Equity	\$ 1,572,420.51	\$ 754.57	\$ 0.00	\$ 0.00	\$ 29,562,411.37	\$ 31,135,586.45
Fixed Income Money Market and Bond Mutual Fund	16,379,084.29	19,079,153.82	0.00	0.00	0.00	35,458,238.11
Mutual Funds - Domestic	8,025,271.38	0.00	0.00	0.00	0.00	8,025,271.38
Other Commingled Funds	0.00	9,608,473.78	71,877.12	0.00	0.00	9,680,350.90
Real Estate	0.00	0.00	11,257,220.61	0.00	2,272,931.57	13,530,152.18
Domestic Derivatives	0.00	961,059.01	0.00	0.00	0.00	961,059.01
Externally Managed Investments:						
Domestic	0.00	34,629,390.97	7,564,602.51	0.00	25,142,957.46	67,336,950.94
International	0.00	254,075.70	0.00	0.00	429,547.52	683,623.22
<b>Total Investments</b>	<b>\$ 25,976,776.18</b>	<b>\$64,532,907.85</b>	<b>\$ 18,893,700.24</b>	<b>\$ 0.00</b>	<b>\$ 57,407,847.92</b>	<b>\$ 166,811,232.19</b>
Non-Current Investments	\$ 25,976,776.18	\$64,532,907.85	\$ 18,893,700.24	\$ 0.00	\$ 57,407,847.92	\$ 166,811,232.19
<b>Total Investments</b>	<b>\$ 25,976,776.18</b>	<b>\$64,532,907.85</b>	<b>\$ 18,893,700.24</b>	<b>\$ 0.00</b>	<b>\$ 57,407,847.92</b>	<b>\$ 166,811,232.19</b>

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Investments Reported at NAV**

Per GASB 72, the System uses the net asset value (NAV) per share as a method for determining fair value for its investments in the tables below.

**As of August 31, 2022:**

**Business-Type Activities**

<b>Investment Strategy</b>	<b>Fair Value</b>	<b>Frequency Range Low</b>	<b>Frequency Range High</b>	<b>Notice Period Range Low</b>	<b>Notice Period Range High</b>	<b>Unfunded Commitment</b>
Alternative	\$ 380,883,558.01	Monthly	Annually	30 days	90 days	\$ 144,980,089.55
Commingled Funds	5,789,517.48	Monthly	Annually	30 days	90 days	0.00
Private Equity	313,188,218.59	4 years	5 years	1 year	1 year	111,785,261.21
Real Estate	21,436,276.19	4 years	5 years	1 year	1 year	3,064,408.73
<b>Total</b>	<b>\$ 721,297,570.27</b>					<b>\$ 259,829,759.49</b>

**Fiduciary Activities**

<b>Investment Strategy</b>	<b>Fair Value</b>	<b>Frequency Range Low</b>	<b>Frequency Range High</b>	<b>Notice Period Range Low</b>	<b>Notice Period Range High</b>	<b>Unfunded Commitment</b>
Alternative	\$ 1,915,000.26	Monthly	Annually	30 days	90 days	\$ 853,710.60
Private Equity	2,857,029.10	4 years	5 years	1 year	1 year	912,357.96
Real Estate	195,550.35	4 years	5 years	1 year	1 year	25,010.79
<b>Total</b>	<b>\$ 4,967,579.71</b>					<b>\$ 1,791,079.35</b>

**Discrete Component Unit - Carr Foundation**

<b>Investment Strategy</b>	<b>Fair Value</b>	<b>Frequency Range Low</b>	<b>Frequency Range High</b>	<b>Notice Period Range Low</b>	<b>Notice Period Range High</b>	<b>Unfunded Commitment</b>
Alternative	\$ 22,794,682.53	Monthly	Annually	30 days	90 days	\$ 10,161,910.99
Private Equity	34,007,865.60	4 Years	5 Years	1 year	1 year	10,860,003.80
Real Estate	2,327,680.15	4 Years	5 Years	1 year	1 year	297,709.11
<b>Total</b>	<b>\$ 59,130,228.28</b>					<b>\$ 21,319,623.90</b>



## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

As of August 31, 2021:

**Business-Type Activities**

<b>Investment Strategy</b>	<b>Fair Value</b>	<b>Frequency Range Low</b>	<b>Frequency Range High</b>	<b>Notice Period Range Low</b>	<b>Notice Period Range High</b>	<b>Unfunded Commitment</b>
Alternative	\$ 421,033,584.54	Monthly	Annually	30 days	90 days	\$120,343,712.19
Private Equity	260,705,264.32	4 Years	5 Years	1 year	1 year	85,113,168.87
Real Estate	20,044,549.74	4 Years	5 Years	1 year	1 year	3,138,603.92
<b>Total</b>	<b>\$ 701,783,398.60</b>					<b>\$208,595,484.98</b>

**Fiduciary Activities**

<b>Investment Strategy</b>	<b>Fair Value</b>	<b>Frequency Range Low</b>	<b>Frequency Range High</b>	<b>Notice Period Range Low</b>	<b>Notice Period Range High</b>	<b>Unfunded Commitment</b>
Alternative	\$ 2,214,590.86	Monthly	Annually	30 days	90 days	\$ 655,545.97
Private Equity	2,560,118.61	4 Years	5 Years	1 year	1 year	835,809.01
Real Estate	196,836.93	4 Years	5 Years	1 year	1 year	30,821.01
<b>Total</b>	<b>\$ 4,971,546.40</b>					<b>\$ 1,522,175.99</b>

**Discrete Component Unit - Carr Foundation**

<b>Investment Strategy</b>	<b>Fair Value</b>	<b>Frequency Range Low</b>	<b>Frequency Range High</b>	<b>Notice Period Range Low</b>	<b>Notice Period Range High</b>	<b>Unfunded Commitment</b>
Alternative	\$ 25,572,504.98	Monthly	Annually	30 days	90 days	\$ 7,569,774.16
Private Equity	29,562,411.37	4 Years	5 Years	1 year	1 year	9,651,332.22
Real Estate	2,272,931.57	4 Years	5 Years	1 year	1 year	355,898.84
<b>Total</b>	<b>\$ 57,407,847.92</b>					<b>\$ 17,577,005.22</b>

These investments calculate the NAV consistent with the Financial Accounting Standard Board's measurement principles for investment companies. These investments are exempt from classification within the fair value hierarchy when the System does not intend to sell all or a portion of the investment for an amount that is different from the NAV.

**Investment Risks**

**Custodial credit risk for investments** is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. State statutes and the System's investment regulation does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. The System's investment policy is to require third party custody for the two investment funds, the LTIF and the CCP. The balances listed below relate to the securities held outside of those pools as of August 31, 2022 and August 31, 2021, respectfully.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Business-Type Activities**

<b>Fiscal Year</b>	<b>Fund Type</b>	<b>Type</b>	<b>Uninsured and unregistered with securities held by the counterparty</b>	
2022	05	Equity	\$	8,711,148.91
2021	05	Equity	\$	2,945,572.86

Fiduciary Funds had no custodial credit risk for investments as of August 31, 2022 or August 31, 2021.

The Carr Foundation and TTRP had no custodial credit risk for investments as of August 31, 2022 or August 31, 2021.

**Interest rate risk** is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of August 31, 2022, the System investments subject to interest rate risk - comingled funds such as local government investment pools, and fixed income money market funds - have an average maturity of less than one year. The System's investments in U.S. Government Agency and Municipal Obligations have an average maturity of less than three years and the investments in bond mutual funds have an average maturity of less than three years.

**Foreign currency risk for investments** is the risk that changes in exchange rates will adversely affect the investment. The LTIF and CCP do not have policy limits specific to international equity or debt. All exposures are through funds managed by external investment managers. The exposure to foreign currency risk as of August 31, 2022, is presented below.

**Business-Type Activities**

<b>FY22</b>			<b>International Externally Managed Investments</b>	
<b>Fund Type</b>	<b>Foreign Currency</b>			
05	British pound	\$		5,773,720.25
05	Euro			1,278,455.86
	<b>Total</b>		<b>\$</b>	<b>7,052,176.11</b>

As of August 31, 2021, the exposure to foreign currency risk was: International Externally Managed Investments - \$8,392,379.67.

**Fiduciary Activities**

<b>FY22</b>			<b>International Externally Managed Investments</b>	
<b>Fund Type</b>	<b>Foreign Currency</b>			
22	British pound	\$		52,670.20
22	Euro			6,251.92
	<b>Total</b>		<b>\$</b>	<b>58,922.12</b>

As of August 31, 2021, the exposure to foreign currency risk was: International Externally Managed Investments - \$59,248.49.

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Discrete Component Unit - Carr Foundation**

FY22			
Fund Type	Foreign Currency		International Externally Managed Investments
15	British pound		\$ 626,945.37
15	Euro		74,418.03
	<b>Total</b>		<b>\$ 701,363.40</b>

As of August 31, 2021, the exposure to foreign currency risk for the Carr Foundation was: International Externally Managed Investments - \$683,623.22.

Discrete Component Unit - TTRP did not have any foreign currency risk as of August 31, 2022.

**Credit risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). The System’s investment policy limits fixed income securities to those issued by the U.S. or its agencies and instrumentalities. According to the authoritative literature from the GASB, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. However in 2011, some of the U.S. government direct obligations were downgraded and thus U.S. government direct obligations are included in the credit risk disclosure.

As of August 31, 2022, the System’s credit quality distribution for securities with credit risk exposure was as follows:

**Business-Type Activities**

*Standard & Poor’s*

Fund Type	Investment Type	AAA	AA	A	BBB	BB	Unrated
05	U.S. Government Agency Obligations	\$ 287,673,751.49	\$ 464,803.50				
05	Corporate Obligations		\$ 119,663.64	\$ 427,344.96	\$ 1,747,975.40		
05	Miscellaneous	\$ 406,573.86					
		<b>AAAf</b>	<b>AAAm</b>	<b>Aaf</b>	<b>Af</b>		<b>Unrated</b>
05	Fixed Income Money Market and Bond Mutual Fund	\$ 143,859,454.01		\$200,854,282.94			\$545,620,167.28

**Fiduciary Activities**

*Standard & Poor’s*

Fund Type	Investment Type	AAAf	Aaf	Af	Unrated
22	Fixed Income Money Market and Bond Mutual Fund				\$ 3,096,432.00

**Discrete Component Unit - Carr Foundation**

*Standard & Poor’s*

Fund Type	Investment Type	AAAf	Aaf	Af	Unrated
15	Fixed Income Money Market and Bond Mutual Fund				\$ 36,857,532.60

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Discrete Component Unit - TTRP did not have any credit risk exposure as of August 31, 2022.

The System's credit quality distribution for securities with credit risk exposure as of August 31, 2021 was as presented below:

**Business-Type Activities***Standard & Poor's*

Fund Type	Investment Type	AAA	AA	A	BBB	BB	Unrated
05	U.S. Government Agency Obligations	\$ 284,684,149.63					
		AAAf	Aaf	Af			Unrated
05	Fixed Income Money Market and Bond Mutual Fund	\$ 114,002,866.45	\$193,180,493.77				\$440,529,277.16

**Fiduciary Activities***Standard & Poor's*

Fund Type	Investment Type	AAAf	Aaf	Af	Unrated
22	Fixed Income Money Market and Bond Mutual Fund				\$ 3,070,699.96

**Discrete Component Unit - Carr Foundation***Standard & Poor's*

Fund Type	Investment Type	AAA	AA	A	BBB	BB	Unrated
15	Fixed Income Money Market and Bond Mutual Fund						\$ 35,458,238.11

**Investment Derivative Instruments**

The System's Investment Policy Statement for the LTIF allows investment in certain derivative securities. A derivative security is a financial instrument which derives its value from another security, currency, commodity or index. The System held total return swaps as investment derivatives during fiscal year 2022.

Derivative investments are also reported at fair value, using the same approach and hierarchy required by GASB 72 discussed in the Investments section above. The System's derivative investment instruments are reported using Level 2 inputs. Derivatives are discussed more in Note 7.

The System entered into these type derivatives as efficient substitutes for traditional securities to reduce portfolio risks created by other securities, or in fully hedged positions to take advantage of market anomalies. The derivative contracts entered into during fiscal year 2022 used market indices as underlying securities in order to gain and reduce market exposure in an efficient manner. All investment derivatives are reported as Investments on the Combined Statement of Net Position, and changes in fair value of certain derivatives are reported as investment revenue in the Combined Statement of Revenues, Expenses and Changes in Net Position.

These derivative instruments involve market and/or credit risk in excess of the amount recognized in the Combined Statement of Net Position. Risks arise from the possibility that counterparties will be unable to meet the terms of their contracts and from movement in index values. Counterparty risk for swaps is mitigated by master netting agreements between the System and its counterparties, and by the posting of collateral on a daily basis.

**Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)**

As of August 31, 2022 and August 31, 2021, the System had no exposure to investment **foreign currency risk in derivative investments**.

As of August 31, 2022 and August 31, 2021, Fiduciary Activities had no exposure to **foreign currency risk in derivative investments**.

As of August 31, 2022 and August 31, 2021, Discrete Component Units - Carr Foundation and TTRP had no exposure to **foreign currency risk in derivative investments**.

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Note 4: Short-Term Debt**

The System had the following short-term debt outstanding as of August 31, 2022.

<b>Business-Type Activities</b>	<b>Balance 9/1/2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 8/31/2022</b>
Short-Term Debt CP Notes	\$ 48,844,000.00	\$ 27,067,000.00	\$ 0.00	\$ 75,911,000.00

**Short-Term Debt Commercial Paper Notes**

Commercial paper, both taxable and non-taxable, was issued during the fiscal year to serve as an interim financing source for various long-term construction projects in advance of the issuance of authorized bonds. All commercial paper outstanding at August 31, 2022 will mature in fiscal year 2023. Commercial paper has short maturities up to 270 days with interest rates ranging from 0.09% to 1.20% for tax-exempt, and 0.15% to 2.65% for taxable paper.

The System has no credit facilities and no lines or letters of credit. The System commercial paper (CP) program, classified as notes for reporting purposes, has a total aggregate principal authorization of \$150 million. With \$75,911,000.00 outstanding as of August 31, 2022, the remaining principal authorization is \$74,089,000.00. The CP program is supported by the System's own self-liquidity to be used in the event there are tendered securities of the System's RFS Commercial Paper notes not remarketed. No assets are pledged as collateral. No terms specified relating to default and termination events are in the CP program indentures. The CP program notes are not subject to redemption prior to their respective maturities or to acceleration of maturities.

**Note 5: Long-Term Liabilities**

During the year ended August 31, 2022, the following changes occurred in liabilities:

<b>Business-Type Activities</b>	<b>Balance 9/1/2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Restatement/ Adjustment</b>	<b>Balance 8/31/2022</b>	<b>Amounts due within one year</b>	<b>Amounts due Thereafter</b>
Claims and Judgments	\$ 5,857,112.00	\$ 0.00	\$ 96,808.00	\$ 0.00	\$ 5,760,304.00	\$ 1,122,049.91	\$ 4,638,254.09
Capital Lease Obligations	14,423.90	0.00	0.00	(14,423.90)	0.00	0.00	0.00
Right to Use Lease Obligations	0.00	5,711,267.21	7,013,532.51	54,149,943.22	52,847,677.92	6,771,971.84	46,075,706.08
Employees' Compensable Leave	66,189,983.37	885,823.66	1,059,624.92	2,492,962.09	68,509,144.20	8,641,086.99	59,868,057.21
Revenue Bonds Payable	788,229,466.80	0.00	63,590,000.00	132,869,515.55	857,508,982.35	62,923,933.94	794,585,048.41
Pollution Remediation Obligation	1,529,525.50	0.00	0.00	0.00	1,529,525.50	0.00	1,529,525.50
<b>Total Business-Type Activities</b>	<b>\$861,820,511.57</b>	<b>\$ 6,597,090.87</b>	<b>\$ 71,759,965.43</b>	<b>\$ 189,497,996.96</b>	<b>\$ 986,155,633.97</b>	<b>\$ 79,459,042.68</b>	<b>\$ 906,696,591.29</b>

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Discrete Component Unit - Carr Foundation**

Discrete Component Unit Activities	Balance 9/1/2021	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2022	Amounts due within one year	Amounts due Thereafter
Employees' Compensable Leave	\$ 19,503.68	\$ 1,798.27	\$ 0.00	\$ 0.00	\$ 21,301.95	\$ 0.00	\$ 21,301.95

Discrete Component Unit - TTRP did not have any long term liabilities as of August 31, 2022.

**Claims and Judgments**

TTUHSC and TTUHSC at El Paso have self-insured arrangements for medical malpractice coverage through a medical malpractice self-insurance plan. Claims and judgments include estimates for both known medical malpractice claims and those that have not yet been made against the insured participants. The liability is actuarially estimated to reflect the anticipated future claims for past medical services, and is adjusted annually based on an actuarially estimated incurred but not reported (IBNR) liability. Some of these claims are in process, while others are expected to be filed in the future. The liability estimate does not consider the probability of payment on a claim-by-claim basis and instead considers overall probability of payment for medical malpractice claims. Funding for future claim payments will be from a self-insurance reserve managed by the office of the General Counsel. More information is presented in Note 17.

**Capital Lease Obligations**

Capital lease obligations were restated due to the implementation of GASB 87 and no balances remains as of August 31, 2022.

**Right to Use Lease Obligations**

The System is a lessee for various noncancellable leases of buildings, land and equipment. For leases with a maximum possible term of 12 months or more the System recognizes a lease liability and an intangible right-to-use lease asset. At the commencement of a lease the System initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Additional information on the System's right to use lease obligations is provided in Note 8. Right to use lease asset detail is provided in Note 2.

**Employees' Compensable Leave**

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Under state law, the hours accumulated are limited based on the employees' length of service. Expenditures for accumulated annual leave balances are recognized in the period paid or taken. The liability for unpaid benefits is recorded in the Combined Statement of Net Position. This obligation is paid from a central vacation pool account which collects the funding from the same funding source(s) from which the employee's salary or wage compensation was paid. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**Revenue Bonds Payable**

See Note 6 and accompanying Combined Bond Schedules for detailed information on bond liability balances and transactions.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Pledged Future Revenues**

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, makes a basic distinction between sales of receivables and future revenues, and the pledging of receivables or future revenues to repay a borrowing (collateralized borrowing). The following table provides the pledged future revenue information for the System's revenue bonds for which a revenue pledge exists:

Pledged Future Revenues	Business-Type Activities	
	FY22	FY21
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	\$ 1,079,019,025.84	\$ 996,353,879.02
Term of Commitment for Year Ending 8/31	2050	2050
Percentage of Revenue Pledged	100%	100%
Current Year Pledged Revenue	\$ 795,950,872.98	\$ 834,127,462.94
Current Year Principal and Interest Paid	\$ 91,701,617.94	\$ 92,462,032.11

Pledged revenue sources include operating income from tuition and fees, sales and services from auxiliary and non-auxiliary activities, investment income, unrestricted contract and grant revenues, and state appropriations for tuition revenue bonds.

**Pollution Remediation Obligation**

TTU owns a 5,855-acre parcel of land in Carson County, Texas. The land was purchased from the United States of America, acting by and through the General Services Administrator, in 1949 to operate an experimental research farm on a portion of the land. TTU is a responsible party for pollution remediation activities on this land for which expenses have been previously accrued in the amount of \$1,529,525.50. The estimated liability is based on an analysis from ARS Aleut Remediation, LLC and factored down by 50% for cost reduction measures that would result in cost savings. This amount is subject to cost volatility until such time remediation activities are complete. The land will be considered for remediation if the land is sold, transferred or otherwise utilized in a manner necessitating pollution remediation.



## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Note 6: Bonded Indebtedness****Revenue Bonds Payable**

Detailed supplemental bond information is disclosed in the Combined:

Schedule 2A	Miscellaneous Bond Information
Schedule 2B	Changes in Bonded Indebtedness
Schedule 2C	Debt Service Requirements
Schedule 2D	Analysis of Funds Available for Debt Service
Schedule 2E	Defeased Bonds Outstanding
Schedule 2F	Early Extinguishment and Refunding

In Fiscal Year 2022, MSU became a part of the System. Their bond issues outstanding, alongside the System's bond issues outstanding as of August 31, 2022, are summarized in the paragraphs that follow.

**Revenue Financing System Revenue & Refunding Bonds, Series 2007**

Purpose:	To pay for constructing, equipping, and furnishing a student recreation and health facility; improving, renovating, enlarging, and/or equipping Fowler Hall; improving, renovating, enlarging, and/or equipping D.L. Ligon Coliseum; and refunding a portion of the outstanding Revenue Refunding and Improvement Bonds, Series 1998.
Issue Date:	August 1, 2007
Original Issue Amount:	\$28,855,000, all authorized bonds have been issued
Source of revenue for debt service:	Pledged Revenues, consisting of revenues, incomes, receipts, rentals, rates, charges, fees, and tuition levied or collected from any public or private source, including interest or other income from those funds and unrestricted fund and reserve balances available, but not including remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts, student service fees, and private gifts.

**Revenue Financing System Revenue & Refunding Bonds, Series 2008**

Purpose:	To pay for constructing, equipping, and furnishing an additional student housing facility; purchasing an existing student housing facility; improving, renovating, enlarging, and/or equipping D.L. Ligon Coliseum; constructing, equipping and furnishing an instrumental music facility.
Issue Date:	July 1, 2009
Original Issue Amount:	\$38,300,136, all authorized bonds have been issued
Source of revenue for debt service:	Pledged Revenues consisting of unrestricted current funds revenues but do not include: remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts within the Educational and General Fund Group, student service fees, and private gifts in the Auxiliary Fund Group.

**Revenue Financing System Revenue & Refunding Bonds, Series 2010**

Purpose:	To pay for improving, renovating, enlarging, and/or equipping MSU's existing D.L. Ligon Coliseum.
Issue Date:	April 1, 2010
Original Issue Amount:	\$6,700,000, all authorized bonds have been issued
Source of revenue for debt service:	Pledged Revenues consisting of unrestricted current funds revenues, but do not include: remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts within the Educational and General Fund Group, student service fees, and private gifts in the Auxiliary Fund Group.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Revenue Financing System Refunding and Improvement Bonds, Series 2012B**

Purpose:	To finance advance refunding of \$4,945,000 of MSU Building Revenue and Refunding Bonds, Series 2003, which were used to pay for improving, enlarging, and/or equipping MSU residence halls, including fire safety improvements and other general modernization improvements.
Issue Date:	September 15, 2012
Original Issue Amount:	\$5,415,000, all authorized bonds have been issued
Source of revenue for debt service:	Pledged Revenues, consisting of unappropriated fund balances and unrestricted current funds revenues available, but not including remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts, student service fees, and private gifts.

**Revenue Financing System Building Revenue & Refunding Bonds, Series 2015A**

Purpose:	To finance the construction of a new 500-bed student dormitory and an addition to the Fain Fine Arts building to expand the Mass Communications program; the refunding of \$605,000 of the MSU Building Revenue and Refunding Bonds, Series 2003, which were used to pay for improving, enlarging, and/or equipping MSU residence halls, including fire safety and other general modernization improvements; the refunding of \$6,025,000 of the Series 2007 TRB portion; and the refunding of \$7,195,000 of the Series 2007 Non-TRB portion.
Issue Date:	June 2, 2015
Original Issue Amount:	\$53,335,000, all authorized bonds have been issued
Source of revenue for debt service:	Pledged Revenues, consisting of revenues, incomes, receipts, rentals, rates, charges, fees, and tuition levied or collected from any public or private source, including interest or other income from those funds and unrestricted fund and reserve balances available, but not including remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts, student service fees, and private gifts.

**Revenue Financing System Building Revenue & Refunding Bonds, Series 2015B**

Purpose:	To finance the refunding of \$1,710,000 of the Series 2007 TRB portion and \$2,045,000 of the Series 2007 Non-TRB portion.
Issue Date:	June 2, 2015
Original Issue Amount:	\$3,755,000, all authorized bonds have been issued
Source of revenue for debt service:	Pledged revenues, consisting of revenues, incomes, receipts, rentals, rates, charges, fees, and tuition levied or collected from any public or private source, including interest or other income from those funds and unrestricted fund and reserve balances available, but not including remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts, student service fees, and private gifts.

**Revenue Financing System Revenue & Refunding Bonds, Series 2016A**

Purpose:	\$58,400,000 of the proceeds from the sale of the Series 2016A Bonds will be used for the construction of the new 84,000 gross square foot Gunn Health Sciences and Human Services building with the consolidation of the previously separately housed Simulation Center; along with substantial renovations to Moffett Library; minor renovations and code improvements to Bridwell Hall, Bolin Hall, the Fain Fine Arts Center, and the Hardin Administration Building; the relocation of Information Technology to a more secure building on campus; and other essential electrical, infrastructural, HVAC, and ADA upgrades and improvements.
Issue Date:	September 15, 2016
Original Issue Amount:	\$70,135,000; Of the \$58,400,000 authorized, \$50,975,000 have been issued.
Source of revenue for debt service:	The additional debt service for these projects will be funded with tuition revenue bond retirement appropriations authorized by the 84th Texas Legislature.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Revenue Financing System Revenue & Refunding Bonds, Series 2016B**

Purpose:	The entire proceeds of \$11,790,000 from the sale of Series 2016B revenue and refunding bonds were used to advance refund the remaining 2008 series revenue bonds on a taxable basis.
Issue Date:	September 15, 2016
Original Issue Amount:	\$11,790,000, all authorized bonds have been issued
Source of revenue for debt service:	Pledged revenues, consisting of revenues, incomes, receipts, rentals, rates, charges, fees, and tuition levied or collected from any public or private source, including interest or other income from those funds and unrestricted fund and reserve balances available, but not including remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts, student service fees, and private gifts.

**Revenue Financing System Refunding and Improvement Bonds, 16th Series 2015A**

Purpose:	For refunding of \$62,790,000 of Revenue Financing System Commercial Paper Notes Series A, a current refunding of \$245,000 of Revenue Financing System Bonds Series 2003. To provide new funding for the new TTU College of Business Administration Building Wing Addition, TTU West Village Residence Hall and Dining Facility and the HSC at El Paso School of Nursing.
Issue Date:	April 9, 2015
Original Issue Amount:	\$73,255,000, all authorized bonds have been issued
Source of revenue for debt service:	All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

**Revenue Financing System Refunding and Improvement Bonds, 17th Series 2015B (Taxable)**

Purpose:	For refunding of \$39,025,000 of Revenue Financing System Commercial Paper Notes Series A, an advance refunding of \$157,035,000 of Revenue Financing System Bonds Series 2006, a current refunding of \$4,185,000 of Texas State University System Revenue Financing System Bonds Series 2005 and an advance refunding of \$13,365,000 of Texas State University System Revenue Financing System Bonds Series 2006 representing ASU's portion. To provide new funding for the new TTU Research Park Building, the United Supermarkets Arena renovations, Jones Stadium facility upgrades, and Bayer CropScience Research Building Renovation and the new Bayer CropScience Trait Development Center.
Issue Date:	April 9, 2015
Original Issue Amount:	\$245,315,000, all authorized bonds have been issued
Source of revenue for debt service:	All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

**Revenue Financing System Refunding and Improvement Bonds, 2017A Series**

Purpose:	For refunding of \$33,007,000 of Revenue Financing System Commercial Paper Notes Series A and to provide funding of new construction of ASU Archer College of Human & Health Services Building, TTU Honors Residence Hall, HSC Amarillo Simulation Center, HSC Permian Basin Academic Center and Texas Tech University System Administration Building.
Issue Date:	January 31, 2017
Original Issue Amount:	\$79,035,000, all bonds authorized have been issued
Source of revenue for debt service:	All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Revenue Financing System Refunding and Improvement Bonds, 2017B Series (Taxable)**

Purpose: For refunding of \$17,327,000 of Revenue Financing System Commercial Paper Notes Series A, an advance refunding of \$75,430,000 of Revenue Financing System Bonds Series 2009, and an advance refunding of \$3,147,667.15 of Government Capital Corp Lease for Angelo State University. To provide funding for new construction of TTU Experimental Sciences Building II, TTU Sports Performance Complex, HSC Lubbock Campus Expansion, HSC at El Paso Medical Sciences Building II.

Issue Date: January 31, 2017

Original Issue Amount: \$295,700,000, all bonds authorized have been issued

Source of revenue for debt service: All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

**Revenue Financing System Refunding and Improvement Bonds, 2020 Series (Taxable)**

Purpose: For refunding of \$52,009,000 of Revenue Financing System Commercial Paper Notes Series A, an advance refunding of \$80,665,000 of Revenue Financing System Bonds 14th Series 2012A, and an advance refunding of \$17,440,000 of Revenue Financing System Bonds Taxable 15th Series 2012B. To provide funding for new construction of TTU School of Veterinary Medicine, HSC at El Paso School of Dental Learning and Oral Health Clinic, TTU Womble Basketball Practice Center, ASU Centennial Village Phase II, ASU Food Service Center Renovation, TTU Cash Family Athletics Nutrition Center, and other various minor capital improvement projects.

Issue Date: July 29, 2020

Original Issue Amount: \$314,745,000, all authorized bonds have been issued

Source of revenue for debt service: All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

**Sources of Debt-Service Revenue**

On October 21, 1993, the governing board of the System established a Revenue Financing System (RFS) for the purpose of providing a financing structure for all revenue supported indebtedness of System component institutions. The source of revenues for debt service issued under the RFS includes pledged general tuition, pledged tuition fee, pledged general fee and any other revenues, income, receipts, rentals, rates, charges, fees, including interest or other income, and balances lawfully available to System component institutions. Excluded from the revenues described above are amounts received under Article 7, Section 17 of the Constitution of the State of Texas, general revenue funds appropriated by the Legislature except to the extent so specifically appropriated, encumbered housing revenues, and practice plan funds.

**Note 7: Derivatives**

The System Investment Policy Statement for the LTIF allows investment in certain derivative securities. Derivatives are financial instruments whose values are derived in whole or in part from the value of any one or more underlying assets or index of asset values. Investment derivatives are entered into with the intention of managing transaction risk, reducing interest cost, or reducing currency exchange risk in purchasing, selling or holding investments.

The following disclosures summarize the System’s derivative activity as reported in the financial statements as of August 31, 2022:

**Business-Type Activities**

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2022		
	Classification	Amount	Classification	Amount	Notional
Total Return Swaps	Investment Revenue	\$ (31,096,040.58)	Investments	\$ (22,578,897.05)	\$ 516,137,340.77

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Fiduciary Activities**

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2022		Notional
	Classification	Amount	Classification	Amount	
Total Return Swaps	Investment Revenue	\$ (283,670.61)	Investments	\$ (205,973.80)	\$ 4,708,412.76

**Discrete Component Unit - Carr Foundation**

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2022		Notional
	Classification	Amount	Classification	Amount	
Total Return Swaps	Investment Revenue	\$(3,376,595.62)	Investments	\$(2,451,752.81)	\$56,045,305.26

Discrete Component Unit - TTRP did not have any derivative activity as of August 31, 2022.

The System classified its investment derivative instruments using Level 2 inputs in the fair value hierarchy, meaning the instruments are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Note 3 contains more detailed information about derivatives held for investment purposes and the fair value measurement hierarchy established by GASB 72.

**Business-Type Activities**

Investment Derivative Instruments	August 31, 2022	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ (22,578,897.05)	\$ 0.00	\$ (22,578,897.05)	\$ 0.00

**Fiduciary Activities**

Investment Derivative Instruments	August 31, 2022	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ (205,973.80)	\$ 0.00	\$ (205,973.80)	\$ 0.00

**Discrete Component Unit - Carr Foundation**

Investment Derivative Instruments	August 31, 2022	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ (2,451,752.81)	\$ 0.00	\$ (2,451,752.81)	\$ 0.00

The following disclosures summarize the System’s derivative activity as reported in the financial statements as of August 31, 2021.

**Business-Type Activities**

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2021		Notional
	Classification	Amount	Classification	Amount	
Total Return Swaps	Investment Revenue	\$ (41,083,389.92)	Investments	\$ 8,475,395.99	\$ 565,008,106.42

**Fiduciary Activities**

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2021		Notional
	Classification	Amount	Classification	Amount	
Total Return Swaps	Investment Revenue	\$ (403,437.77)	Investments	\$ 83,228.16	\$ 5,548,364.25

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Discrete Component Unit - Carr Foundation**

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2021		
	Classification	Amount	Classification	Amount	Notional
Total Return Swaps	Investment Revenue	\$ (4,658,609.70)	Investments	\$ 961,059.01	\$ 64,068,526.25

The System classified its investment derivative instruments using Level 2 inputs in the fair value hierarchy for fiscal year 2021, as presented below:

**Business-Type Activities**

Investment Derivative Instruments	August 31, 2021	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ 8,475,395.99	\$ 0.00	\$ 8,475,395.99	\$ 0.00
Total Investment Derivative Instruments	\$ 8,475,395.99	\$ 0.00	\$ 8,475,395.99	\$ 0.00

**Fiduciary Activities**

Investment Derivative Instruments	August 31, 2021	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ 83,228.16	\$ 0.00	\$ 83,228.16	\$ 0.00
Total Investment Derivative Instruments	\$ 83,228.16	\$ 0.00	\$ 83,228.16	\$ 0.00

**Discrete Component Unit - Carr Foundation**

Investment Derivative Instruments	August 31, 2021	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ 961,059.01	\$ 0.00	\$ 961,059.01	\$ 0.00
Total Investment Derivative Instruments	\$ 961,059.01	\$ 0.00	\$ 961,059.01	\$ 0.00

**Fair Value**

Derivative instruments are recorded at fair value. Futures contracts are marked-to-market daily and valued at closing market prices on the valuation date. A daily variation margin between the daily value of the contracts and the value on the previous day is recorded and settled in cash with the broker the following morning. Options and total return swaps are valued using broker quotes, proprietary pricing agents or appropriate pricing models with primarily externally verifiable model inputs.

**Investment Derivatives**

Investment derivatives expose the System to certain investment related risks. The System discloses more detail about investment derivatives and risk in Note 3.

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Note 8: Leases**

**Lease Liabilities**

The System is a lessee for various noncancellable leases of buildings, land and equipment. A summary of the System's right to use lease asset activity during the year is disclosed separately in Note 2. Included in the expenditures reported in the financial statements is the following amount of rent paid or due under lease liability as of August 31, 2022:

Fund Type	Business-Type Activities
	FY22
Proprietary Fund	\$4,774,790.16

Future minimum lease payments at August 31, 2022 are as follows:

Fiscal Year Ended August 31	Business-Type Activities		Total Future Minimum Lease Payments
	Principal	Interest	
2023	\$ 6,771,971.84	\$ 489,545.74	\$ 7,261,517.58
2024	5,617,747.20	441,614.29	6,059,361.49
2025	4,762,734.18	389,982.79	5,152,716.97
2026	4,321,120.11	348,300.00	4,669,420.11
2027	3,999,332.56	311,608.98	4,310,941.54
2028-2032	16,162,395.19	1,049,371.03	17,211,766.22
2033-2037	11,212,376.84	242,689.49	11,455,066.33
2038-2042	0.00	0.00	0.00
2043-2047	0.00	0.00	0.00
2048-2052	0.00	0.00	0.00
<b>Total</b>	<b>\$ 52,847,677.92</b>	<b>\$ 3,273,112.32</b>	<b>\$ 56,120,790.24</b>

As of August 31, 2022, TTU has a lease, leaseback arrangement with community public television station KCOS for lease of office space and broadcasting from El Paso Community College (ECC). As a requirement of the lease, TTU leases back to ECC exclusive right to broadcast on a certain sub channel and access on the premises to do so at no cost to ECC for the duration of the original lease term.

TTU had a sublease agreement with Texas Tech Federal Credit Union (TTFCU) for office space at a TTU owned property in Irving, TX. TTFCU shared in operational costs of the retail space until the contract was terminated in October 2021 for a total payment of \$32,119 in FY 2022.

The Carr Foundation and TTRP had no right-to-use lease obligations for the years ending August 31, 2022 or 2021.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Lease Income**

The System is a lessor for various non-cancelable leases of buildings, land, office space and equipment to outside parties. Included in the revenues reported in the financial statements is the following amount of rental income received as of August 31, 2022:

Fund Type	Business-Type Activities
	FY22
Proprietary Fund	\$777,085.52

Future minimum lease rental income at August 31, 2022 are as follows:

Fiscal Year Ended August 31	Business-Type Activities		Total Future Minimum Lease Income
	Principal	Interest	
2023	\$ 968,522.74	\$ 178,037.85	\$ 1,146,560.59
2024	915,819.04	172,680.55	1,088,499.59
2025	819,331.13	166,439.49	985,770.62
2026	671,777.23	160,975.69	832,752.92
2027	651,142.81	155,789.16	806,931.97
2028-2032	3,099,817.33	703,437.18	3,803,254.51
2033-2037	1,340,777.80	596,187.25	1,936,965.05
2038-2042	853,709.41	542,846.37	1,396,555.78
2043-2047	905,459.31	480,822.12	1,386,281.43
2048-2052	1,076,275.87	415,525.97	1,491,801.84
2053 and beyond	5,454,554.93	695,972.92	6,150,527.85
<b>Total</b>	<b>\$ 16,757,187.60</b>	<b>\$ 4,268,714.55</b>	<b>\$ 21,025,902.15</b>

As of August 31, 2022, ASU had lease income agreements for cell phone towers affixed to land on ASU property.

The Carr Foundation and TTRP had no lease income for the years ended August 31, 2022 or 2021.

System component institutions had no regulated lease arrangements as of August 31, 2022.

**Note 9: Defined Benefit Pension Plan and Defined Contribution Pension Plan****Defined Benefit Pension Plan**

The System component institutions participate in one of the three retirement systems in the State of Texas' financial reporting entity – the Teacher Retirement System (TRS). The accounting and reporting for the System's proportionate share of the TRS net pension liability is included in the System's financial records and represents the net liability for all the System component institutions.

The Teacher Retirement System of Texas is the administrator of the TRS Plan, a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation.



**Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)**

The employers of the TRS Plan include the state of Texas, TRS, the state’s public schools, education service centers, charter schools, and community and junior colleges. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the TRS Plan. Employees of TRS and state of Texas colleges, universities and medical schools are members of the TRS Plan.

The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by state law and may be amended by the Legislature. The pension benefit formulas are based on members’ average annual compensation and years of service credit. The standard annuity is 2.3 percent of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered members who were hired on or before August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic cost of living adjustments (COLAs).

An audited Annual Comprehensive Financial Report (ACFR) for the Teacher Retirement System may be obtained from their website at [www.trs.texas.gov](http://www.trs.texas.gov) and searching for financial reports.

During the measurement period of 2021 for fiscal year 2022 reporting, and the measurement period of 2020 for fiscal year 2021 reporting, the amount of the System’s contributions excluding the State match to TRS recognized by the Plan was \$26,232,321.00 for 2022, and \$24,858,860.00 for 2021. The contribution rates are based on a percentage of the monthly gross compensation for each member. The contribution requirements for the state and the members in the measurement period are presented in the table below:

**Required Contribution Rates**

<b>Contribution Rates - TRS Plan</b>	<b>FY22</b>	<b>FY21</b>
Employer	7.8%	7.5%
Employees	8.0%	7.7%

The total pension liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used by TRS to measure the total pension liability for the TRS Plan as of the August 31, 2021 and 2020 measurement dates.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Actuarial Methods and Assumptions\***

Actuarial Methods and Assumptions - TRS Plan	FY22	FY21
Actuarial Valuation Date	August 31, 2020 rolled forward to August 31, 2021	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method	Floating	Floating
Asset Valuation Method	Fair Value	Market Value
Actuarial Assumptions:		
Discount Rate	7.25%	7.25%
Investment Rate of Return	7.25%	7.25%
Long-term Expected Rate of Return	7.25%	7.25%
Municipal Bond Rate as of August 2020	1.95% *	2.33% *
Inflation	2.30%	2.30%
Salary Increase	3.05% to 9.05% including inflation	3.05% to 9.05% including inflation
Mortality:		
Active	90% of the RP 2014 Employee Mortality Tables for males and females with full generational mortality.	90% of the RP 2014 Employee Mortality Tables for males and females with full generational mortality
Post-Retirement	2018 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP.	2018 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP
Ad Hoc Post-Employment Benefit Changes	None	None

*Notes:*

\*Source for the rate is Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The actuarial assumptions used in the valuation were primarily based on the result of an actuarial experience study for the three-year period ending August 31, 2017 and adopted in July 2018. The mortality rates were based on 90% of the RP 2014 Employee Mortality Tables for males and females. The Post-Retirement mortality rates were based on the 2018 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP.

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019 with no changes since the prior measurement date.

There have been no changes to the benefit provisions of the Plan since the prior measurement date.

The discount rate of 7.25% was applied to measure the total pension liability for the TRS Plan. The discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projected cash flows into and out of the pension plan assumed that active members, employers, and the non-employer contributing entity make their contributions at the statutorily required rates. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% over the next several years. This includes a factor for all employer and state contributions for active and rehired retirees. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments of current plan members. As a result, the long-term expected rate of return on TRS pension plan investments was applied to all projected benefit payments to determine the total pension liability.

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The long-term expected rate of return on TRS Plan investments was developed using a building-block method in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class for the TRS Plan’s investment portfolio are presented below for fiscal years 2021 and 2020 measurement dates:

Asset Class	FY22		FY21	
	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Target Allocation	Long-Term Expected Geometric Real Rate of Return
<b>Global Equity</b>				
U.S.	18.00%	3.60%	18.00%	3.90%
Non-U.S. Developed	13.00%	4.40%	13.00%	5.10%
Emerging Markets	9.00%	4.60%	9.00%	5.60%
Directional Hedge Funds	0.00%	0.00%	0.00%	0.00%
Private Equity	14.00%	6.30%	14.00%	6.70%
<b>Stable Value</b>				
U.S. Treasury	16.00%	(0.20)%	16.00%	(0.70)%
Absolute Return	0.00%	1.10%	0.00%	1.80%
Stable Value Hedge Funds	5.00%	2.20%	5.00%	1.90%
Cash	0.00%	0.00%	0.00%	0.00%
<b>Real Return</b>				
Global Inflation Linked Bonds	0.00%	0.00%	0.00%	0.00%
Real Assets	15.00%	4.50%	15.00%	4.60%
Energy, Natural Resources and Infrastructure	6.00%	4.70%	6.00%	6.00%
Commodities	0.00%	1.70%	0.00%	0.80%
<b>Risk Parity</b>				
Risk Parity	8.00%	2.80%	8.00%	3.00%
Asset Allocation Leverage Cash	2.00%	(0.70)%	2.00%	(1.50)%
Asset Allocation Leverage	(6.00)%	(0.50)%	(6.00)%	(1.30)%
<b>Total</b>	100.00%		104.00%	

Sensitivity analysis was performed by TRS on the impact of changes in the discount rate on the proportionate share of the System’s net pension liability. The result of the analysis is presented in the table below:

Fiscal Year	Sensitivity of TTU System’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
<b>FY22</b>	\$ 342,071,828.00	\$ 156,543,241.00	\$ 6,023,242.00
<b>FY21</b>	\$ 497,568,030.00	\$ 322,680,807.00	\$ 180,588,770.00

The TRS pension plan’s fiduciary net position is determined using the economic resources measurement focus and the accrual basis of accounting, which is the same basis used by TRS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the TRS Plan.

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Investments are reported at fair value. Fair value is a market-based measurement, not an entity-specific measurement. TRS utilizes one or more of the following valuation techniques in order to measure fair value: the market approach, the cost approach, and the income approach. More detailed information on the TRS Plan’s investment policy, assets, and fiduciary net position, may be obtained from TRS’ fiscal year 2021 Annual Comprehensive Financial Report.

The System reported a liability of \$156,543,241.00 for its proportionate share of the TRS collective net pension liability for the year ended August 31, 2022 and \$322,680,807.00 for the year ended August 31, 2021. The collective net pension liability was measured as of August 31, 2021 for fiscal year 2022 reporting, and as of August 31, 2020 for fiscal year 2021 reporting, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the measurement date for each year. The System’s proportion of the net pension liability at the August 31, 2021 measurement date was .6147036 percent, and was .6024890 percent at the August 31, 2020 measurement date. The System’s proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and the non-employer contributing entity to the Plan for the period September 1, 2020 through August 31, 2021 for fiscal year 2022 reporting, and for the period September 1, 2019 through August 31, 2020 for fiscal year 2021 reporting.

For the years ending August 31, 2022 and 2021, the System recognized pension expense of \$5,427,029.00 and \$43,831,300.00, respectively. At August 31, 2022 and 2021, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FY22		FY21	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 261,971.00	\$ 11,020,767.00	\$ 589,189.00	\$ 9,005,164.00
Changes of assumptions	55,334,978.00	24,121,304.00	74,873,427.00	31,835,659.00
Net difference between projected and actual investment return	0.00	131,259,476.00	6,532,395.00	0.00
Change in proportion and contribution difference	7,382,580.00	10,578,449.00	10,827,928.00	6,788,827.00
Contributions subsequent to the measurement date	28,235,854.00	0.00	24,828,323.00	0.00
<b>Total</b>	<b>\$ 91,215,383.00</b>	<b>\$ 176,979,996.00</b>	<b>\$ 117,651,262.00</b>	<b>\$ 47,629,650.00</b>

The \$28,235,854.00 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the System’s net pension liability for the year ending August 31, 2023.

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Amounts reported by the System as deferred outflows and inflows of resources related to pensions will be recognized as pension expense in the following years:

<b>Year ended August 31:</b>		
2023	\$	(17,752,667.00)
2024		(19,968,518.00)
2025		(31,581,809.00)
2026		(41,374,265.00)
2027		(2,606,256.00)
Thereafter		(716,952.00)
<b>Total</b>	<b>\$</b>	<b><u>(114,000,467.00)</u></b>

**Defined Contribution Pension Plan**

The State has also established an Optional Retirement Program (ORP), which is an optional defined contribution retirement program for institutions of higher education and is authorized by Texas Government Code, Chapter 830. Full-time faculty, librarians, and certain professionals and administrators employed in public higher education are eligible to elect ORP in lieu of participation in the TRS Plan before the 91st day after becoming eligible. It is a one-time irrevocable choice between two distinct plans. ORP is an individualized defined contribution plan in which each participant selects from a variety of investments offered by several insurance and investment companies through annuity contracts or mutual fund investments. ORP is administered by each employer. Participants vest in ORP after one year of participation. The Texas Higher Education Coordinating Board develops policies, practices and procedures to provide greater uniformity in the administration of ORP. Since contributions are invested in individual annuity contracts, neither the State nor the System have any additional or unfunded liability for this program. The contributory percentage of participant salaries by the members (employees) was 6.65% for both fiscal years 2022 and 2021. The contributory percentage of participant salaries by the employer (System components) was 6.8% in both fiscal years 2022 and 2021. For those employees who were participating in the ORP on or before August 31, 1995, the employer contribution rate was 8.5% for both fiscal years 2022 and 2021, and will remain so subject to legislative change. The contributions made by plan members and the employer for the fiscal years ended August 31, 2022 and 2021 are:

	<b>FY22</b>	<b>FY21</b>
Member Contributions	\$ 21,862,928.18	\$ 21,819,302.21
Employer Contributions	23,005,700.16	23,036,619.66
<b>Total</b>	<b><u>\$ 44,868,628.34</u></b>	<b><u>\$ 44,855,921.87</u></b>

**Note 10: Deferred Compensation (administering agencies only)**

Not applicable.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Note 11: Postemployment Benefits Other Than Pensions****Employees Retirement System of Texas Plan**

Employees Retirement System (ERS) of Texas is the administrator of the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan with a special funding situation. ERS' Board of Trustees administers SRHP.

The 61 employers of SRHP include state of Texas agencies and universities, community and junior colleges, and other entities specified by the Legislature. Benefits are provided to retirees through the Texas Employees Group Benefits Program as authorized by Texas Insurance Code, Chapter 1551.

The SRHP provides postemployment health care, life and dental insurance benefits to retirees. The benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Legislature. Retirees must meet certain age and service requirements and have at least 10 years of service at retirement to participate in the plan. Surviving spouses and dependents of retirees are also covered by the plan. The plan does not provide automatic cost of living adjustments (COLAs).

The audited Annual Comprehensive Financial Report (ACFR) for the Employees Retirement System may be obtained from their website at [www.ers.texas.gov](http://www.ers.texas.gov) and searching for reports and studies.

During the measurement period of 2021 for fiscal year 2022 reporting and the measurement period of 2020 for fiscal year 2021 reporting, the amount of the System's contributions recognized by the plan were \$22,909,612.00 for 2022 and \$21,195,278.00 for 2021. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution.

The contribution requirements for the state and the members in the measurement period are presented in the table below:

**Employer Contribution Rates**

<b>Retiree Health and Basic Life Premium</b>	<b>FY22 ERS Plan</b>	<b>FY21 ERS Plan</b>
Retiree Only	\$ 624.82	\$ 624.82
Retiree and Spouse	\$ 1,339.90	\$ 1,340.82
Retiree and Children	\$ 1,103.58	\$ 1,104.22
Retiree and Family	\$ 1,818.66	\$ 1,820.22

The total OPEB liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total OPEB liability as of the August 31, 2021 and August 31, 2020 measurement dates.

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Actuarial Methods and Assumptions	FY22 SRHP	FY21 SRHP
Actuarial Valuation Date	August 31, 2021	August 31, 2020
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percent of Payroll, Open	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years	30 Years
Actuarial Assumptions:		
Discount Rate *	2.14%	2.20%
Inflation	2.30%	2.30%
Salary Increase	2.30% to 9.05%, including inflation	2.30% to 9.05%, including inflation
Healthcare Cost and Trend Rate		
HealthSelect	5.25% for FY2023, 5.15% for FY2024, 5.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years	8.80% for FY2022, 5.25% for FY2023, 5.00% for FY2024, 4.75% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2029 and later years
HealthSelect Medicare Advantage	0% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years	(53.30)% for FY2022, 0.00% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2029 and later years
Aggregate Payroll Growth	2.70%	2.70%
Retirement Age	Experience-based tables of rates that are specific to the class of employee	Experience-based tables of rates that are specific to the class of employee
Mortality:		
State Agency Members:		
Service Retirees, Survivors and Other Inactive Members	2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020	2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020
Disabled Retirees	2020 State Retirees of Texas Mortality table with a 3 year set forward for males and females with minimum rates at all ages of 3.0% for males and 2.5% for females, respectively, and Ultimate MP Projection Scale projected from the year 2020	2020 State Retirees of Texas Mortality table with a 3 year set forward for males and females with minimum rates at all ages of 3.0% for males and 2.5% for females, respectively, and Ultimate MP Projection Scale projected from the year 2020
Active Members	Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP Projection Scale from the year 2010	Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP Projection Scale from the year 2010
Higher Education Members:		
Service Retirees, Survivors and Other Inactive Members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018
Disabled Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members	Tables based on TRS experience with Ultimate MP Projection Scale from year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active Members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014
Ad Hoc Post-Employment Benefit Changes	None	None

Notes: \*The source of the municipal bond rate is the Bond Buyer Index of general obligations bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The many actuarial assumptions used in the valuation were primarily based on the result of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2014 to August 31, 2019 for state agency members and for the period September 1, 2010 to August 31, 2017 for higher education members. The mortality rates were based on the tables identified in the table above titled *Actuarial Methods and Assumptions*.

The following assumptions and other inputs have been adopted since the prior valuation to reflect plan experience and trends as expected by ERS and the actuaries attesting to the results of the valuation:

- a. The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence;
- b. The percentage of future female retirees assumed to be married and electing coverage for their spouse;
- a. The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement;
- b. The percentage of Higher Education vested terminated members assumed to have terminate less than one year before the valuation date;
- c. Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent health plan experience and its effects on our short term expectations. The annual rate of increase in the Patient-Centered Outcomes Research Institute Fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on our short-term expectations. Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions; and,
- a. The discount rate was changed from 2.20% as of August 31, 2020 to 2.14% as of August 31, 2021 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

The only benefit revisions that have been adopted since the prior valuation for retirees and dependents are minor benefit changes that will become effective January 1, 2021, since these changes were communicated to plan members in advance of the preparation of this report. These changes are not expected to have a significant impact on plan costs for fiscal year 2021 and are provided for in the 2021 Assumed Per Capital Health Benefit Costs.

The discount rate that was used to measure the total OPEB liability is the municipal bond rate of 2.14% as of the end of the measurement year; as of the beginning of the measurement year, the discount rate was 2.20%. Projected cash flows into the plan are equal to projected benefit payments out of the plan. As the plan operates on a pay as you go basis and is not intended to accumulate assets, there is no long-term expected rate of return. ERS' board of trustees adopted an amendment to the investment policy in August 2017 to require that all funds in this plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments be at least 2.4%. The investment rate of return used to calculate the projected earnings on OPEB plan investments was 2.20%.



## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of the System's net OPEB liability. The result of the analysis is presented in the table below:

<b>Sensitivity of TTU System's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate</b>			
<b>Fiscal Year</b>	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
FY22	\$ 1,116,540,492.00	\$ 1,019,874,320.00	\$ 800,322,613.00
FY21	\$ 1,058,970,413.00	\$ 890,961,356.00	\$ 759,341,329.00

Sensitivity analysis was performed on the impact of changes in the healthcare cost trend rates on the proportionate share of the System's net OPEB liability. The result of the analysis is presented in the table below:

<b>Sensitivity of TTU System's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate</b>			
<b>Fiscal Year</b>	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
FY22	\$ 786,214,128.00	\$ 1,019,874,320.00	\$ 1,140,205,506.00
FY21	\$ 745,676,046.00	\$ 890,961,356.00	\$ 1,081,415,232.00

The OPEB plan's fiduciary net position is determined using economic resources measurement focus and accrual basis of accounting, which is the same basis used by ERS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments of the Other Employee Benefit Trust Fund are reported at fair value in accordance with GASB Statement No. 72. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings. More detailed information on the plan's investment valuation, investment policy, assets, and fiduciary net position may be obtained from ERS' fiscal 2021 ACFR.

The System reported a liability of \$1,019,874,320.00 for its proportionate share of the ERS collective net OPEB liability for the year ended August 31, 2022 and \$890,961,356.00 for the year ended August 31, 2021. The collective net OPEB liability was measured as of August 31, 2021 for fiscal year 2022 reporting, and as of August 31, 2020 for fiscal year 2021 reporting. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of the measurement date for each year. The System's proportion of the net OPEB liability at the August 31, 2021 measurement date was 2.8428150 percent, and was 2.6962363 percent at the August 31, 2020 measurement date. The System's proportion of the collective net OPEB liability was based on its contributions to the OPEB plan relative to the contributions of all the employers and non-employer contributing entity to the Plan for the period September 1, 2020 through August 31, 2021 for fiscal year 2022, and for the period September 1, 2019 through August 31, 2020 for fiscal year 2021 reporting.

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

For the years ending August 31, 2022 and 2021, the System recognized OPEB expense of \$125,826,856.00 and \$122,277,950.00, respectively. At August 31, 2022 and 2021, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	FY22		FY21	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0.00	\$ 25,016,369.00	\$ 0.00	\$ 34,845,943.00
Changes of assumptions	69,824,593.00	113,591,167.00	51,580,469.00	191,965,455.00
Net difference between projected and actual investment return	180,626.00	0.00	265,904.00	0.00
Change in proportion and contribution difference	234,894,839.40	29,475,757.00	356,573,479.00	15,312,411.00
Contributions subsequent to the measurement date	7,810,636.00	0.00	8,010,195.00	0.00
<b>Total</b>	<b>\$ 312,710,694.40</b>	<b>\$ 168,083,293.00</b>	<b>\$ 416,430,047.00</b>	<b>\$ 242,123,809.00</b>

The \$7,810,636.00 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability for the year ending August 31, 2023.

Amounts reported by the System as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense in the following years:

<b>Year ended August 31:</b>	
2023	\$ 86,639,771
2024	63,203,716
2025	(9,293,983)
2026	(5,383,798)
2027	1,651,059
Thereafter	0.00
<b>Total</b>	<b>\$ 136,816,765</b>

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Note 12: Interfund Activity and Transactions**

As explained in Note 1 on interfund activities and transactions, there are numerous transactions between funds and agencies. Interfund activity refers to financial interactions between funds and/or blended component institutions and units and is restricted to internal events. Interfund transactions refer to financial interactions with legally separate entities, i.e., discrete component units and other governments, and are restricted to external events. Interfund activity between System components is eliminated where appropriate for reporting purposes.

At year-end, amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due from Other State Agencies or Due to Other State Agencies
- Transfers In or Transfers Out
- Interagency Capital Asset Transfers
- Legislative Transfers In or Legislative Transfers Out

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances occurs within one year from the date of the financial statement.

System component institutions and units had no interfund receivable or interfund payables as of August 31, 2022. Tables included in previous years detailing the other types of interfund activity and transactions above are an optional presentation and are not included in this note.

**Note 13: Continuance Subject to Review**

The System is not subject to the Texas Sunset Act.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Note 14: Adjustments to Fund Balances and Net Position**

During fiscal year 2022, an adjustment was made that required the restatement of net position and is presented below.

**Business-Type Activities**

<b>Combined Statement of Revenues, Expenses and Changes in Net Position</b>	<b>FY22</b>
Beginning Net Position, September 1 as previously reported	\$ 3,423,235,686.48
Restatement of Beginning Net Position for GASB 87	(951,842.97)
Restatement of Beginning Net Position for NRUF Reporting	(23,220,739.95)
Restatement of Beginning Net Position for Building Reclass	(446,439.93)
Restatement of Beginning Net Position for MSU's share of Pension and OPEB	(52,637,666.60)
Beginning Net Position, September 1 as restated	\$ 3,345,978,997.03

During fiscal year 2022, Texas Tech University System implemented GASB 87, *Leases*. This change in accounting resulted in restatements to capital assets and right to use assets and their related accounts.

In addition, per guidance from the Comptroller, TTU restated amounts related to NRUF in order to recognize actual NRUF expenditures, instead of receipts.

In fiscal year 2022, HSC El Paso recognized the completion of a building that was previously categorized as construction in progress. The asset was reclassified and the building's related depreciation for the period incorrectly categorized resulted in a restatement to depreciation.

On September 1, 2021, the governance, control, management, and property of MSU was transferred from the board of regents of MSU to the board of regents of the System pursuant with House Bill 1522, during the 87th legislative session. As a result, MSU's proportionate share of the TRS collective net pension liability and the ERS collective net OPEB liability was moved to the System. The entries made resulted in a restatement to beginning net position for the System. Otherwise, comparative financials for MSU are not included in the fiscal year 2021 combined financial statements of the System. Additional detail on fiscal year 2021 comparative financials for MSU can be found in the component institution annual financial statements at the end of this report.

There were also reclassifications of several items in the financial records of System component institutions resulting in the restatement of comparative financial statement balances for the year ended August 31, 2022. These reclassifications required no restatement of fund balances or net position. The table below summarizes the restatement to net position as well as the reclassifications:

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Statement	Description	Restatement and Reclassification Amounts		
		FY21 as Reported	Correction	FY21 Restated
SNP	Current Cash and Cash Equivalents	\$ 271,983,461.90	\$ 13,834,229.87	\$ 285,817,691.77
SNP	Current Restricted Cash and Cash Equivalents	40,238,536.50	(13,299,117.33)	26,939,419.17
SNP	Interest and Dividends Payable	1,641,096.07	30,382.69	1,671,478.76
SNP	Leases Receivable	0.00	1,422,397.51	1,422,397.51
SNP	Due from Othe State Agencies	38,351,699.24	(23,220,739.95)	15,130,959.29
	Total Current Asset Correction		\$ (21,232,847.21)	
SNP	Noncurrent Restricted Cash and Cash Equivalents	\$ 85,294,823.74	\$ (535,112.54)	\$ 84,759,711.20
SNP	Noncurrent Restricted Investments	1,423,409,549.39	(1,687,848.22)	1,421,721,701.17
SNP	Noncurrent Leases Receivable	0.00	16,757,187.63	16,757,187.63
SNP	Noncurrent Unrestricted Investments	1,482,387,998.60	1,687,848.22	1,484,075,846.82
SNP	Construction in Progress	120,635,598.48	(16,966,067.58)	103,669,530.90
SNP	Capital Assets - Building and Building Improvements	2,705,597,642.75	16,966,067.58	2,722,563,710.33
SNP	Capital Assets - Building and Building Improvements Accum Depreciation	(1,396,436,638.52)	(446,439.93)	(1,396,883,078.45)
SNP	Capital Assets - Furniture and Equipment	417,215,141.35	(41,599.19)	417,173,542.16
SNP	Capital Assets - Furniture and Equipment Accum Depreciation	(306,096,866.66)	28,599.44	(306,068,267.22)
SNP	Right to Use Assets - Land	0.00	218,322.53	218,322.53
SNP	Right to Use Assets - Land Accum Amortization	0.00	(22,015.72)	(22,015.72)
SNP	Right to Use Assets - Building and Building Improvements	0.00	55,464,853.60	55,464,853.60
SNP	Right to Use Assets - Building and Building Improvements Accum Amortization	0.00	(6,606,757.45)	(6,606,757.45)
	Total Noncurrent Asset Correction		\$ 64,817,038.37	
SNP	Capital Lease Obligations	\$ 10,763.72	\$ (10,763.72)	\$ 0.00
SNP	Right to Use Lease Obligations	0.00	5,812,480.98	5,812,480.98
SNP	Other Current Assets	5,569,818.19	38,381.86	5,608,200.05
	Total Current Liability Correction		\$ 5,840,099.12	
SNP	Noncurrent Capital Lease Obligations	\$ 3,660.18	\$ (3,660.18)	\$ 0.00
SNP	Noncurrent Right to Use Lease Obligations	0.00	44,329,556.70	44,329,556.70
	Total Noncurrent Liability Correction		\$ 44,325,896.52	
SNP	Deferred Inflows of Resources - Leases	\$ 0.00	\$ 18,037,218.37	\$ 18,037,218.37
	Total Deferred Inflows of Resources Correction		\$ 18,037,218.37	
SNP	Net Investment in Capital Assets	\$ 1,159,031,540.63	\$ (9,769,490.28)	\$ 1,149,262,050.35
SNP	Restricted Expendable Capital Projects	20,421,915.56	(11,132,901.32)	9,289,014.24
SNP	Restricted Expendable Debt Service	5,164,157.00	(5,164,157.00)	0.00
SNP	Restricted Expendable Other	442,532,745.42	1,087,416.28	443,620,161.70
SNP	Unrestricted	704,679,884.60	360,109.47	705,039,994.07
	Total Net Position Correction		\$ (24,619,022.85)	

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Statement	Description	Restatement and Reclassification Amounts		
SRECNP	Other Sales and Services Pledged	\$ 13,769,402.21	\$ (110,105.30)	\$ 13,659,296.91
SRECNP	Local Governmental Grants and Contracts Pledged	2,251,153.51	(514,909.43)	1,736,244.08
SRECNP	Nongovernmental Grants and Contracts - Non-Pledged	3,310,005.05	(178,832.40)	3,131,172.65
	Total Operating Revenues		\$ (803,847.13)	
SRECNP	Professional Fees and Services	\$ 88,041,324.32	\$ 668,102.34	\$ 88,709,426.66
SRECNP	Rentals and Leases	26,530,104.08	(5,922,327.59)	20,607,776.49
SRECNP	Depreciation and Amortization	144,502,259.26	7,064,813.30	151,567,072.56
SRECNP	Other Operating Expenses	124,187,599.84	(43,037.49)	124,144,562.35
	Total Operating Expenses		\$ 1,767,550.56	
SRECNP	Investment Income (Expense) Non-Pledged	\$ 452,932.69	\$ 395,951.92	\$ 848,884.61
SRECNP	Investment Income (Expense) Pledged	29,578,297.01	228,782.91	29,807,079.92
SRECNP	Interest Expense on Capital Asset Financing	(23,727,383.79)	603.24	(23,726,780.55)
SRECNP	Interest Expense	0.00	(473,657.73)	(473,657.73)
SRECNP	Other Nonoperating Revenues (Expenses) Non-Pledged	2,398,562.67	72,855.46	2,471,418.13
SRECNP	Other Nonoperating Revenues (Expenses) Pledged	9,614,017.94	947,108.64	10,561,126.58
	Total Nonoperating Revenues (Expenses)		\$ 1,171,644.44	
SRECNP	Transfers In from Other State Agencies	\$ 7,168,512.54	\$ 1,340,147.77	\$ 8,508,660.31
	Total Other Revenues, Expenses, and Transfers		\$ 1,340,147.77	
Cash Flow	Proceeds from Customers	\$ 351,327,194.92	\$ (110,105.30)	\$ 351,217,089.62
Cash Flow	Proceeds from Grants and Contracts	377,058,756.24	(693,741.83)	376,365,014.41
Cash Flow	Payments to Suppliers for Goods and Services	(259,173,424.21)	2,066,959.34	(257,106,464.87)
Cash Flow	Payments for Other Expenses	(322,622,696.12)	3,230,303.40	(319,392,392.72)
Cash Flow	Proceeds from Other Financing Activities	20,469,726.21	876,567.05	21,346,293.26
Cash Flow	Payments for Additions to Capital Assets	(183,999,862.10)	(160,610.91)	(184,160,473.01)
Cash Flow	Payments for Leases	(48,525.61)	(5,804,754.17)	(5,853,279.78)
Cash Flow	Proceeds from Interest and Investment Income	107,280,084.85	595,382.42	107,875,467.27
	Total Cash Flows		\$ 0.00	
Cash Flow	Donations of Capital Assets	\$ 20,489,852.25	\$ 200,752.70	\$ 20,690,604.95
Cash Flow	Other	(224,685.75)	(1,148,323.91)	(1,373,009.66)
	Total Noncash Transactions		\$ (947,571.21)	

TTRP was a newly identified discrete component unit of the System, beginning September 1, 2021. TTRP had very limited financial activity prior to fiscal year 2022; however, a restatement of beginning net position of (\$43,909.00) was necessary to appropriately account for the beginning balances of the newly identified discrete component unit.

**Note 15: Contingencies and Commitments**

**Contingencies**

***Unpaid Claims and Lawsuits***

At August 31, 2022, other lawsuits involving the System were pending. While the ultimate liability with respect to litigation and other claims asserted against the System cannot be precisely estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is in legal counsel's opinion, not likely to have a material effect on the System.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

***Federal Assistance***

The System component institutions receive federal grants for specific purposes that are subject to review or audit by federal grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, would be immaterial.

***Arbitrage***

Rebatable arbitrage is defined by Internal Revenue Code, Section, 148 as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government. The System monitors its investments to restrict earnings to a yield less than the bond issue and, therefore, limit any arbitrage liability. For fiscal years 2022 and 2021, the System recorded no rebatable arbitrage.

**Commitments*****Investment Funds***

The System entered into capital commitments with investment managers for future funding of investment funds. Investment funds include hedge fund pools, private investment pools, public market funds and other alternative investments managed by external investment managers.

As of August 31, 2022 and August 31, 2021, the remaining commitment - domestic for the System was \$237,727,793.90 and \$208,566,554.78, respectively.

As of August 31, 2022 and August 31, 2021, the remaining commitment - domestic for the System's Fiduciary Activities was \$1,794,819.66 and \$1,515,983.34, respectively.

As of August 31, 2022 and August 31, 2021, the remaining commitment – domestic for the Carr Foundation was \$21,364,145.93 and \$17,505,487.02, respectively.

As of August 31, 2022, TTRP did not have any remaining domestic commitments.

**Note 16: Subsequent Events**

RRFF opened both a taxable and tax-exempt line of credit after August 31, 2022 with the intent of drawing down funds for incurred construction expenditures on TTU Athletics facilities.

<b>Issuance</b>	<b>Series</b>	<b>Original Line Amount</b>	<b>Date of Issuance</b>	<b>Purpose</b>
RRFF Line of Credit Tax-Exempt	N/A	\$ 190,380,000.00	11/22/2022	May be drawn on to pay expenditures for construction of TTU Athletics facility.
RRFF Line of Credit Taxable	N/A	\$ 34,620,000.00	11/22/2022	May be drawn on to pay expenditures for construction of TTU Athletics facility.

The System has no other subsequent events to report as of August 31, 2022.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Note 17: Risk Management**

The System, by State law, is required to be a participant in the Workers Compensation Program and Pool managed by the State Office of Risk Management (SORM). The System component institutions are assessed fees by SORM based upon claims experience, claim incidences, payroll size and full-time equivalent (FTE). SORM also determines the methodology for allocation to the major fund groups. SORM pays all workers' compensation insurance claims. The Worker's Compensation plan for the fiscal year was funded by a .25 percent charge on non-educational and general gross payroll for paying its proportionate share of the SORM assessment.

The System has self-insured arrangements for Unemployment Compensation Fund coverage. The State of Texas pays 50% of claims for employees paid from state funds. The System pays the remainder for employees paid from state funds and 100% of the claims paid from non-state funds. The claims for employees paid from non-state funds are funded by interest earnings on the Unemployment Compensation Fund balance and utilization of fund balance.

Two component institutions of the System, TTUHSC and TTUHSC at El Paso, have self-insured arrangements for medical malpractice coverage through a medical malpractice self-insurance plan. The plan is managed by the Office of General Counsel, and the associated liability is adjusted annually based on actuarially estimated incurred but not reported (IBNR) liability to reflect the anticipated future claims related to past medical services. The information below includes current year accruals and associated payments in addition to the liabilities accrued in Note 5.

Changes in the balances of the agency's claims liabilities during fiscal years 2022 and 2021 are presented in the table below.

<b>Claims and Judgments</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
FY 2022	\$ 5,857,112.00	\$ 1,745,092.49	\$ (1,841,900.49)	\$ 5,760,304.00
FY 2021	\$ 10,452,897.78	\$ 1,150,515.54	\$ (5,746,301.32)	\$ 5,857,112.00

The increase in fiscal year 2022 includes miscellaneous claims and judgments. The increase in fiscal year 2021 includes the required actuarial adjustment for the medical malpractice self-insurance fund liability and miscellaneous claims and judgments. The decrease for fiscal year 2022 includes payments for prior year TTPA judgment and for miscellaneous claims and judgments. The decrease for fiscal year 2021 includes a partial reduction for prior year TTPA contingency and payment for miscellaneous claims and judgments. The liability is actuarially estimated to reflect the anticipated future claims for past medical services, and is adjusted annually based on an actuarially estimated incurred but not reported (IBNR) liability.

**Note 18: Management's Discussion and Analysis**

The System is governed, controlled, and directed by a ten-member Board of Regents, who are appointed by the Governor of Texas and confirmed by the legislature. All members of the board serve six-year staggered terms with the exception of one (non-voting) student regent who serves a one-year term. Actions of the Board of Regents are guided by the Regents' Rules and Regulations. A list of the current members of the Board of Regents is included in the organizational data.

Chancellor Tedd L. Mitchell serves as the chief executive officer of the System, a position that is appointed by the Board of Regents. As chief executive officer, Chancellor Mitchell leads System policy and has direct oversight of all operations at the five universities (component institutions). An Executive Leadership team



**Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)**

guides the System in areas including finance, legal affairs, advancement services, and governmental relations, along with other strategic functions. Each of the five institutions has a president who is appointed by the chancellor. The president is the chief executive officer of that university and is responsible for its operation.

Formally established by the Texas Legislature in 1999, the System is composed of a central administration, three general academic institutions and two health-related institutions. The component institutions of the System are Texas Tech University (TTU), Texas Tech University Health Sciences Center (TTUHSC), Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso), Angelo State University (ASU), Midwestern State University (MSU) and Texas Tech University System Administration (TTUSA). In its young history, the System has emerged as a nationally acclaimed higher education system and is one of only nine in the nation (and the only non-land grant institution) to offer programs for undergraduate, medical, law, nursing, pharmacy, dental and veterinary. Headquartered in Lubbock, Texas, the System operates 24 academic locations throughout the State of Texas and internationally and its health care service area covers 108 counties, serving more than 3 million people. The System has locations statewide in Abilene, Amarillo, Cleburne, Dallas, El Paso, Fredericksburg, Highland Lakes, Junction, Lubbock, Mansfield, McKinney, Midland, Odessa, Rockwall, San Angelo, Sherman, Waco and Wichita Falls. Internationally, the System has locations in Seville, Spain and San Jose, Costa Rica. The total enrollment across all component institutions is more than 63,000 students as of Fall 2022.

In fiscal year 2022, the System maintained stellar financial ratings with all three of the industry's top credit rating agencies: Standard & Poor (AA+), Moody's (Aa1) and Fitch (AA+). The System's credit ratings are among the top 25% of all public higher education institutions nationwide. The System employs more than 21,000 faculty and staff and has an annual combined operating budget of \$2.6 billion consisting of revenues from the following sources: 44% designated funding, 29% appropriated funds by the Texas Legislature, 18% restricted funds, and 9% from auxiliaries.

The System is committed to providing the highest quality and most efficient resources and services to its components. Throughout all institutions and centers, the System strives to enhance student success, strengthen academic quality, expand research, and promote community outreach.

**Note 19: The Financial Reporting Entity**

The combined financial statements of the System include all component institutions comprising the System – Texas Tech University (TTU), Texas Tech University Health Sciences Center (TTUHSC), Texas Tech University Health Sciences Center at El Paso (TTUHSC at El Paso), Angelo State University (ASU), Midwestern State University (MSU) and Texas Tech University System Administration (TTUSA). Amounts due between and among component institutions and other duplications in reporting are eliminated in combining the financial statements. Also included in these combined financial statements are the component units listed below.

**Individual Component Unit Disclosures*****Blended Component Units***

The financial transactions and records of the following component units are blended with the financial transactions and records of the System component institutions due to the significance of their operational or financial relationship with the System.

The Texas Tech Foundation, Inc. (TTFI) is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code, as amended, and exempt from income taxes. TTFI was founded to financially support and serve the fundraising needs of all colleges, schools, programs, and campuses of the System and the component institutions of the System. TTFI was formed to seek and obtain gifts for all the System

**Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)**

component institutions; to receive, hold, invest and administer property of any type given to the component institutions; and to make expenditures to or for the benefit of the System component institutions. The TTU System Chancellor, component institution Presidents, TTU System Vice Chancellors of General Counsel, Institutional Advancement, and Chief Financial Officer are non-voting ex-officio members of the Foundation Board of Directors. Financial transactions of TTFI have been blended into the financial statements of the System rather than discretely presented because TTFI operates exclusively for the benefit of the System and component institutions and there is a fiscal dependency and financial benefit relationship between TTFI and the System. The Foundation's fiscal year end is August 31, and the Foundation's financial statements may be obtained from the TTUS Office of Institutional Advancement, located at 1508 Knoxville Avenue, Suite 315, Lubbock, TX 79409.

Texas Tech Physician Associates (TTPA), whose principal office and financial records are located at Provider Payor Relations, 3601 4<sup>th</sup> St. Lubbock, TX 79430, is a certified non-profit health corporation authorized under the Medical Practice Act Section 5.01(a), article 4495b of the State of Texas. TTPA was organized and is operated exclusively for the benefit of, to perform the function of, or to carry out the purposes of TTUHSC and TTUHSC at El Paso, and its financial records are blended with those of TTUHSC and TTUHSC at El Paso. TTPA is exempt from tax under Internal Revenue Service code section 501(c)(3). The TTUHSCs have the sole and exclusive right to appoint the nine member Board of Directors. The TTUHSCs control all financial and operational transactions of TTPA including developing and approving the annual and capital budgets of TTPA, appointing and removing directors and officers of the Board, entering into contracts, sales or leases, giving or seeking grants, and approving financial expenditures; therefore, the financial transactions of TTPA have been blended into the financial statements of TTUHSC and TTUHSC at El Paso. TTPA's fiscal year end is August 31.

The Angelo State University Foundation, Inc. (ASUF) was formed exclusively for the benefit of ASU, and is a public, non-profit organization established to provide financial assistance to ASU, primarily from gifts and earnings on endowed funds. ASUF oversees management, investment and distribution of all funds for the furtherance of educational purposes at ASU. ASU provides the foundation with office space, telephone service, utilities and the use of other equipment and facilities. ASU also authorizes its officers and employees, as a part of their regular duties, to perform administrative tasks for, and solicit funds on behalf of, the foundation. The financial transactions of ASUF have been blended into the financial statements of Angelo State University. The financial records of ASUF may be obtained from Angelo State University, 2601 W. Ave N., San Angelo, TX 76909. ASUF's fiscal year end is August 31.

Red Raider Facilities Foundation, Inc. (RRFF), is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code (IRC) and exempt from income taxes. RRFF shall be operated exclusively for charitable and educational purposes within the meaning of the IRC. It was formed to support and promote, and otherwise hold, invest, construct and administer property, and make expenditures for the benefit of athletic activities and endeavors of TTU. The RRFF Board of Directors are appointed one each by the TTU President, the TTU System Chancellor, and the Texas Tech Board of Regents Chairman. Although RRFF is legally separate from TTU, financial transactions have been blended into the financial statements of TTU rather than discretely presented because RRFF operates exclusively for the benefit of TTU. RRFF's fiscal year end is August 31. Audited financial statements may be obtained by mail request to 801 Cherry Street, Suite 500, Fort Worth, TX 76102.

The condensed financial statements for the System blended component units as of August 31, 2022 are presented below.

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

	<b>Blended Component Units</b>			
	<b>TTFI</b>	<b>TTPA</b>	<b>ASUF</b>	<b>RRFF</b>
<b>Condensed Statement of Net Position</b>				
Total Assets	\$849,587,948.23	\$ 1,077,563.57	\$ 39,498,494.23	\$ 73,179,375.00
Total Liabilities and Deferred Inflows of Resources	4,223,248.20	9,230.00	158,705.97	312,245.00
Net Position:				
Net Investment in Capital Assets	2,169,715.08	0.00	0.00	2,655,188.00
Restricted:				
Nonexpendable:				
Endowments	628,767,809.97	0.00	34,695,264.88	0.00
Expendable:				
Capital Projects	0.00	0.00	0.00	70,211,942.00
Other	207,770,030.23	0.00	4,644,523.38	0.00
Unrestricted	6,657,144.75	1,068,333.57	0.00	0.00
Total Net Position	<u>\$845,364,700.03</u>	<u>\$ 1,068,333.57</u>	<u>\$ 39,339,788.26</u>	<u>\$ 72,867,130.00</u>

## UNAUDITED

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

	Blended Component Units			
	TTFI	TTPA	ASUF	RRFF
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>				
Operating Revenues				
Other Sales and Services	\$ 150,990.21	\$ 0.00	\$ 0.00	\$ 0.00
Professional Fees	0.00	5,969,914.58	0.00	0.00
Federal Grants and Contracts	0.00	178,190.72	0.00	0.00
Nongovernmental Grants and Contracts	1,556,500.00	0.00	0.00	0.00
Total Operating Revenues	1,707,490.21	6,148,105.30	0.00	0.00
Operating Expenses				
Professional Fees and Services	362,323.96	377,356.94	364,500.00	249,052.00
Travel	48,612.64	0.00	(105.17)	0.00
Materials and Supplies	64,992.66	0.00	329,051.00	0.00
Communications and Utilities	58,977.75	0.00	1,366.64	0.00
Repairs and Maintenance	112,203.00	0.00	277.50	0.00
Rentals and Leases	319,259.83	0.00	0.00	0.00
Printing and Reproduction	8,145.86	0.00	4,208.08	0.00
Other Operating Expenses	1,081,801.75	33,169.64	1,532,698.18	2,049.00
Distributions to Component Institutions	111,479,604.04	0.00	0.00	0.00
Total Operating Expenses	113,535,921.49	410,526.58	2,231,996.23	251,101.00
Operating Income (Loss)	(111,828,431.28)	5,737,578.72	(2,231,996.23)	(251,101.00)
Nonoperating Revenues (Expenses)				
Private Gifts	50,344,930.70	0.00	11,748,717.50	0.00
Investment Income (Expense)	(9,744,729.09)	17,743.76	(1,941,470.45)	(118,805.00)
Other Nonoperating Revenues (Expenses)	360,842.72	0.00	1,185,946.10	0.00
Total Nonoperating Revenues and Expenses	40,961,044.33	17,743.76	10,993,193.15	(118,805.00)
Other Revenues, Expenses, Gains, Losses and Transfers				
Capital Contributions	27,825,993.05	0.00	0.00	56,544,191.11
Capital Contributions - TTFI	0.00	0.00	0.00	16,692,844.89
Contributions to Permanent and Term Endowments	52,724,076.78	0.00	0.00	0.00
Transfers to Components/Other Funds	0.00	(5,740,608.62)	(5,320,143.99)	0.00
Total Other Revenues, Expenses, Gains, Losses and Transfers	80,550,069.83	(5,740,608.62)	(5,320,143.99)	73,237,036.00
Total Change in Net Position	9,682,682.88	14,713.86	3,441,052.93	72,867,130.00
Beginning Net Position (September 1)				
	835,633,312.47	1,053,619.71	35,898,735.33	0.00
Restatement of Beginning Net Position				
	48,704.68	0.00	0.00	0.00
Beginning Net Position (September 1) as restated				
	835,682,017.15	1,053,619.71	35,898,735.33	0.00
Ending Net Position (August 31)	\$845,364,700.03	\$ 1,068,333.57	\$ 39,339,788.26	\$ 72,867,130.00

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Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

	<b>Blended Component Units</b>			
	<b>TTFI</b>	<b>TTPA</b>	<b>ASUF</b>	<b>RRFF</b>
<b>Condensed Statement of Cash Flows</b>				
Net Cash Provided (Used) by Operating Activities	\$(111,742,525.44)	\$ 5,760,707.24	\$ (2,090,413.07)	\$ (211,661.00)
Net Cash Provided (Used) by Noncapital Financing Activities	91,701,626.55	(5,740,608.62)	7,614,519.61	0.00
Net Cash Provided (Used) by Capital and Related Financing Activities	45,547,297.95	0.00	0.00	14,152,388.69
Net Cash Provided (Used) by Investing Activities	(25,607,704.99)	17,743.76	(5,567,533.96)	10,183.00
Total Net Cash Flows	(101,305.93)	37,842.38	(43,427.42)	13,950,910.69
Beginning Cash and Cash Equivalents (September 1)	\$ 3,721,438.71	\$ 992,563.50	\$ 2,236,107.26	\$ 0.00
Restatement of Beginning Cash and Cash Equivalents	(671,255.38)	0.00	0.00	0.00
Beginning Cash and Cash Equivalents (September 1) as restated	3,050,183.33	992,563.50	2,236,107.26	0.00
Ending Cash and Cash Equivalents (August 31)	<u>\$ 2,948,877.40</u>	<u>\$ 1,030,405.88</u>	<u>\$ 2,192,679.84</u>	<u>\$ 13,950,910.69</u>

***Discretely Presented Component Units***

The Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation financial statements are included at the end of this report as a discretely presented component unit of the System. The Foundation is a legally separate testamentary trust organization described in Internal Revenue Code Section 509(a)(3) as being exempt from income taxes under IRC Section 501(c)(3), and was established solely for the benefit of providing academic scholarships to the students of Angelo State University. The nine member Foundation Board of Trustees is comprised of all members of the TTU System Board of Regents, who have the ability to appoint, hire, reassign or dismiss those persons responsible for the operation of the Foundation. The Foundation has a fiscal year end of August 31, and the financial records of the Foundation are audited annually by an independent accounting firm. The Foundation's complete audited financial statements can be obtained from the Carr Foundation at Box 11007C, ASU Station, San Angelo, TX 76909.

Texas Tech Research Park, Inc. (TTRP) is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code (IRC) and exempt from income taxes. TTRP shall be operated exclusively for charitable, educational, and scientific purposes within the meaning of the IRC. TTRP was formed to provide support for and promote, sponsor, assist and carry out the educational, scientific, and related activities and objectives of the TTUS and will support and enhance scientific research and collaborative innovation opportunities for TTUS and the surrounding region. The nine-member Board of Directors are appointed two each by the TTU President and TTUHSC President, one appointment by the TTU System Chancellor and the remaining four director roles are elected by existing TTRP Board of Directors. No board members may be employees of the TTUS and appointing persons have the right to revoke and remove the director role he/she appoints at any time. The TTRP financial statements are included at the end of this report as a discretely presented component unit of the TTUS. TTRP's fiscal year end is August 31 and financial statements may be obtained by mail request to 3911 4th Street, Box 43005, Lubbock, TX 79415.

## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Related Organization**

The MSU Charitable Trust was terminated on September 1, 2021, and all assets were distributed to the MSU Foundation, which is organized and operated exclusively for exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

**Note 20: Stewardship, Compliance and Accountability**

In Fiscal Year 2022, Texas Tech Research Park, Inc. reported a deficit balance for fund 4172. The deficit is a result of accounts payable exceeding cash during the fiscal year.

**Note 21:** N/A

**Note 22: Donor-Restricted Endowments**

Expenditure of endowed funds, in accordance with Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA), is not allowed without the express consent of the donor. Most of the System's endowments are held in perpetuity. In many cases, endowment earnings are expendable for student financial assistance or other purposes as designated by the donor. In other cases, endowment earnings are reinvested.

The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by the System. The System's spending policy for endowments reflects an objective to distribute as much of total return as is consistent with overall investment objectives while protecting the real value of the endowment corpus.

The target distribution is set by policy to be between 4 and 6 percent of the moving average market value for endowments over the preceding 12 quarters.

Donor-Restricted Endowments	Amount of Net Appreciation *		Reported in Combined Statement of Net Position
	FY22	FY21	
True Endowments	\$ 203,453,622.90	\$ 263,079,594.20	Restricted Expendable
Term Endowments	0.00	0.00	Restricted Expendable
Total	<u>\$ 203,453,622.90</u>	<u>\$ 263,079,594.20</u>	

\*There was a negative fair value adjustment totaling \$(59,625,971.30) for fiscal year 2022, and a positive fair value adjustment of \$184,596,985.32 for fiscal year 2021.

Term endowments reported \$0.00 for net appreciation due to the endowments being underwater in both fiscal years 2022 and 2021.

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Variances from prior year ending balances for the System are shown in the table below:

<b>Changes from Prior Year Balances</b>		
<b>Endowment Funds</b>	<b>Increase/(Decrease)</b>	<b>Reason for Change</b>
<b>Expendable Balances</b>		
True Endowments	\$ (59,625,971.30)	Decrease is a result of unprecedented stimulus post-Covid giving rise to inflation, which in turn, pushed central bankers globally to start hiking interest rates. The result of those interest rate hikes devastated government bond markets and risk assets in general, resulting in lower returns.
Term Endowments	0.00	
Total	\$ (59,625,971.30)	

**Midwestern State University Donor-Restricted Endowments**

In Fiscal Year 2022, MSU held endowments outside of the System's funds. These endowments are managed by American National Bank and Trust. The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by MSU. MSU's spending policy for endowments reflects an objective to distribute as much of total return as is consistent with overall investment objectives while protecting the real value of the endowment corpus.

The target distribution is set by policy to be between 3 and 5 percent of the moving average market value for endowments over the preceding 12 quarters.

<b>Donor-Restricted Endowments</b>	<b>Amount of Net Appreciation *</b>	<b>Reported in Combined Statement of Net Position</b>
	<b>FY22</b>	
True Endowments	\$ 1,580,281.31	Restricted Expendable
Term Endowments	0.00	Restricted Expendable
Total	\$ 1,580,281.31	

\*There was a positive fair value adjustment totaling \$1,580,281.31 for fiscal year 2022.

Term endowments reported \$0.00 for net appreciation due to the endowments being underwater in both fiscal years 2022.

Variances from prior year ending balances for MSU are shown in the table below:

<b>Changes from Prior Year Balances</b>		
<b>Endowment Funds</b>	<b>Increase/(Decrease)</b>	<b>Reason for Change</b>
<b>Expendable Balances</b>		
True Endowments	\$ (1,568,431.84)	Fair market value decrease
Term Endowments	0.00	
Total	\$ (1,568,431.84)	

**Discrete Component Unit - Carr Foundation**

Donor-Restricted Endowments	Amount of Net Appreciation *		Reported in Combined Statement of Net Position
	FY22	FY21	
True Endowments	\$ 0.00	\$ 11,281,693.48	Restricted Expendable

\*There was a negative fair value adjustment totaling \$(11,830,592.49) for fiscal year 2022, and a positive fair value adjustment of \$24,629,923.44 for fiscal year 2021.

True endowments reported \$0.00 for net appreciation in fiscal year 2022 due to the endowments being underwater.

Variances from prior year ending balances for the Carr Foundation are shown in the table below:

Endowment Funds	Changes from Prior Year Balances	
	Increase/(Decrease)	Reason for Change
<b>Expendable Balances</b>		
True Endowments	\$ (11,830,592.49)	Decrease is a result of unprecedented stimulus post-Covid giving rise to inflation, which in turn, pushed central bankers globally to start hiking interest rates. The result of those interest rate hikes devastated government bond markets and risk assets in general, resulting in lower returns.

**Note 23: Extraordinary and Special Items**

The System had no special or extraordinary items to report for the years ended August 31, 2022 and August 31, 2021.

**Note 24: Disaggregation of Receivable and Payable Balances**

Net other receivables current as reported in the State of Texas Comptroller's accounting system as of August 31, 2022 and August 31, 2021 are detailed by type as shown in the table below. The System had no other reportable disaggregation of receivable and payable balances as of August 31, 2022 nor as of August 31, 2021.

Net Other Receivables Current	FY 2022	FY 2021
Patient Receivables	\$ 22,364,317.16	\$ 22,945,948.45
Contract Receivables	38,555,188.30	33,102,378.53
Accounts Receivables	7,165,371.19	6,630,924.43
Current Other Receivables	5,275,412.42	2,016,116.25
Total A/R - Other Revenue and Current Other Receivables	<u>\$ 73,360,289.07</u>	<u>\$ 64,695,367.66</u>



## Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

**Note 25: Termination Benefits**

The System has voluntary and involuntary terminations in the ordinary course of business. Payments for related termination benefits, when offered, were immaterial. Thus, the System has no reportable benefits as of August 31, 2022 or as of August 31, 2021.

**Note 26: Segment Information**

The System has no reportable segments as of August 31, 2022 or as of August 31, 2021.

**Note 27: Service Concession Arrangements**

The System had no service concession arrangements as of August 31, 2022 or as of August 31, 2021.

**Note 28: Deferred Outflows of Resources and Deferred Inflows of Resources**

In fiscal year 2022 and fiscal year 2021, the System reported deferred outflows and deferred inflows of resources in connection with its defined benefit pension plan, postemployment benefits other than pensions, debt refunding, split-interest agreements, and leases as presented below.

<b>Fiscal Year</b>	<b>Business-Type Activities</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
FY22	Defined Benefit Pension Plans (Note 9)	\$ 91,215,383.00	\$ 176,979,996.00
	Postemployment Benefits Other Than Pensions (Note 11)	312,710,694.40	168,083,293.00
	Bond/Debt Refunding	2,339,934.98	0.00
	Split-interest Agreements	0.00	27,002,182.43
	Leases	0.00	16,481,961.31
	Total	<u>\$ 406,266,012.38</u>	<u>\$ 388,547,432.74</u>
Restated FY21	Defined Benefit Pension Plans (Note 9)	\$ 117,651,262.00	\$ 47,629,650.00
	Postemployment Benefits Other Than Pensions (Note 11)	416,430,047.00	242,123,809.00
	Split-interest Agreements	0.00	26,457,507.35
	Leases	0.00	18,037,218.37
	Total	<u>\$ 534,081,309.00</u>	<u>\$ 334,248,184.72</u>

**Note 29: Troubled Debt Restructuring**

The System had no outstanding receivables whose terms were modified pursuant to troubled debt restructuring for the year ended August 31, 2022, or for the year ended August 31, 2021.

**Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)**

**Note 30: Non-Exchange Financial Guarantees**

The System had no non-exchange financial guarantees to report for the year ended August 31, 2022, or for the year ended August 31, 2021.

**Note 31: Tax Abatements**

The System had no tax abatement arrangements for the years ended August 31, 2022 or August 31, 2021.

**Note 32: Governmental Fund Balances**

Not applicable.

UNAUDITED  
TEXAS TECH UNIVERSITY SYSTEM (793)

**COMBINED  
SUPPORTING SCHEDULES**

**Texas Tech University System (793)**  
**Combined Schedule 1A - Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2022**

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The information contained in this schedule is submitted through the State Comptroller Schedule of Expenditures of Federal Awards web application. This schedule is no longer required to be presented.

**Texas Tech University System (793)**  
**Combined Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies**  
**For the Year Ended August 31, 2022**

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The information contained in this schedule is submitted through the State Comptroller State Pass-Through Reporting web application.  
This schedule is no longer required to be presented.

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**Texas Tech University System (793)**  
**Combined Schedule 2A - Miscellaneous Bond Information**  
**For the Year Ended August 31, 2022**

Description of Issue	Bonds Issued to Date	Range of Interest Rates		Scheduled Maturities		First Call Date
				First Year	Final Maturity Date	
Revenue Bonds						
Revenue and Refunding Bonds Series 2007	\$ 0.00	4.0000%	4.6250%	2008	12/1/2032	12/01/2016
Rev Fin Sys Revenue Bonds Series 2008	0.00	3.0000%	5.2500%	2008	12/1/2034	12/01/2018
Rev Fin Sys Revenue Bonds Series 2010	0.00	4.0000%	5.0000%	2012	12/1/2036	N/A
Rev Fin Sys Rev Ref & Imp Bds Ser '12B	5,415,000.00	0.5000%	3.2500%	2013	12/1/2024	12/1/2022
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A	53,335,000.00	2.0000%	5.0000%	2016	12/1/2044	6/1/2025
Rev Fin Sys Bldg Rev & Ref Bds Ser '15B	3,755,000.00	0.5150%	2.9570%	2016	12/1/2021	N/A
Rev Fin Sys Rev & Ref Bds Ser '16A	72,250,000.00	2.0000%	5.0000%	2016	12/1/2035	12/1/2026
Rev Fin Sys Rev & Ref Bds Ser '16B	11,790,000.00	1.4260%	2.6660%	2019	12/1/2034	12/1/2026
Rev Fin Sys Ref & Imp Bds 16th Ser '15A	73,255,000.00	2.0000%	5.0000%	2016	2/15/2040	2/15/2025
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B	245,315,000.00	0.2950%	4.1720%	2015	2/15/2045	2/15/2025
Rev Fin Sys Ref & Imp Bds Ser '17A	79,035,000.00	4.0000%	5.0000%	2017	2/15/2036	2/15/2027
Rev Fin Sys Ref & Imp Bds Tax Ser '17B	295,700,000.00	0.9000%	4.0000%	2017	2/15/2038	2/15/2027
Rev Fin Sys Ref & Imp Bds Tax Ser '20	<u>314,745,000.00</u>	0.4050%	2.8780%	2020	2/15/2050	2/15/2029
Total	<u>\$ 1,154,595,000.00</u>					

UNAUDITED

**Texas Tech University System (793)  
Combined Schedule 2B - Changes in Bonded Indebtedness  
For the Year Ended August 31, 2022**

Description of Issue	Bonds Outstanding 9/1/21	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Par Value Adjustments	Bonds Outstanding 8/31/22
Revenue Bonds						
Rev Fin Sys Rev Ref & Imp Bds Ser '12B	\$ 2,405,000.00		\$ 575,000.00			\$ 1,830,000.00
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A	49,130,000.00		1,030,000.00			48,100,000.00
Rev Fin Sys Bldg Rev & Ref Bds Ser '15B	490,000.00		490,000.00			0.00
Rev Fin Sys Rev & Ref Bds Ser '16A	61,455,000.00		3,065,000.00			58,390,000.00
Rev Fin Sys Rev & Ref Bds Ser '16B	10,460,000.00		680,000.00			9,780,000.00
Rev Fin Sys Ref & Imp Bds 16th Ser '15A	60,760,000.00		1,855,000.00			58,905,000.00
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B	126,250,000.00		15,665,000.00			110,585,000.00
Rev Fin Sys Ref & Imp Bds Ser '17A	65,525,000.00		3,825,000.00			61,700,000.00
Rev Fin Sys Ref & Imp Bds Tax Ser '17B	217,445,000.00		21,620,000.00			195,825,000.00
Rev Fin Sys Ref & Imp Bds Tax Ser '20	309,145,000.00		14,785,000.00			294,360,000.00
Total	<u>\$903,065,000.00</u>	<u>\$ 0.00</u>	<u>\$ 63,590,000.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$839,475,000.00</u>

Description of Issue	Unamortized Premium	Unamortized Discount	Other Adjustments	Net Bonds Outstanding 8/31/22	Amounts Due Within One Year
Revenue Bonds					
Rev Fin Sys Rev Ref & Imp Bds Ser '12B				\$ 1,830,000.00	\$ 590,000.00
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A	2,093,339.68			50,193,339.68	1,730,151.81
Rev Fin Sys Bldg Rev & Ref Bds Ser '15B				0.00	0.00
Rev Fin Sys Rev & Ref Bds Ser '16A	8,202,415.62			66,592,415.62	3,800,886.83
Rev Fin Sys Rev & Ref Bds Ser '16B				9,780,000.00	695,000.00
Rev Fin Sys Ref & Imp Bds 16th Ser '15A	2,343,603.35			61,248,603.35	2,267,550.35
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B				110,585,000.00	16,095,000.00
Rev Fin Sys Ref & Imp Bds Ser '17A	5,394,623.70			67,094,623.70	4,910,344.95
Rev Fin Sys Ref & Imp Bds Tax Ser '17B				195,825,000.00	22,190,000.00
Rev Fin Sys Ref & Imp Bds Tax Ser '20				294,360,000.00	10,645,000.00
Total	<u>\$ 18,033,982.35</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$857,508,982.35</u>	<u>\$ 62,923,933.94</u>

Note: The '15A Series amount due within one year includes bond premium amortization of \$95,151.81. The '16A Series amount due within one year includes bond premium amortization of \$585,886.83. The 16th Series '15A amount due within one year includes bond premium amortization of \$332,550.35. The 2017A Series amount due within one year includes bond premium amortization of \$915,344.95.

UNAUDITED

**Texas Tech University System (793)  
 Combined Schedule 2C - Debt Service Requirements  
 For the Year Ended August 31, 2022**

Description of Issue	Fiscal Year	Principal	Interest	Total
Revenue Bonds				
Rev Fin Sys Rev Ref & Imp Bds Ser '12B				
	2023	590,000.00	48,854.35	638,854.35
	2024	610,000.00	30,150.85	640,150.85
	2025	630,000.00	10,209.15	640,209.15
		1,830,000.00	89,214.35	1,919,214.35
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A				
	2023	1,635,000.00	2,088,231.26	3,723,231.26
	2024	1,750,000.00	2,003,606.26	3,753,606.26
	2025	1,880,000.00	1,912,856.26	3,792,856.26
	2026	2,020,000.00	1,815,356.26	3,835,356.26
	2027	2,165,000.00	1,710,731.26	3,875,731.26
	2028-2032	9,940,000.00	7,043,056.30	16,983,056.30
	2033-2037	8,605,000.00	4,974,506.30	13,579,506.30
	2038-2042	11,385,000.00	3,007,828.18	14,392,828.18
	2043-2045	8,720,000.00	553,781.29	9,273,781.29
		48,100,000.00	25,109,953.37	73,209,953.37
Rev Fin Sys Rev & Ref Bds Ser '16A				
	2023	3,215,000.00	2,474,275.00	5,689,275.00
	2024	3,375,000.00	2,309,525.00	5,684,525.00
	2025	3,545,000.00	2,136,525.00	5,681,525.00
	2026	3,735,000.00	1,954,525.00	5,689,525.00
	2027	3,920,000.00	1,763,150.00	5,683,150.00
	2028-2032	22,150,000.00	5,986,975.00	28,136,975.00
	2033-2036	18,450,000.00	1,401,200.00	19,851,200.00
		58,390,000.00	18,026,175.00	76,416,175.00
Rev Fin Sys Rev & Ref Bds Ser '16B				
	2023	695,000.00	283,390.95	978,390.95
	2024	715,000.00	267,669.00	982,669.00
	2025	735,000.00	250,369.65	985,369.65
	2026	750,000.00	231,684.60	981,684.60
	2027	770,000.00	211,798.00	981,798.00
	2028-2032	4,025,000.00	705,382.55	4,730,382.55
	2033-2035	2,090,000.00	94,408.50	2,184,408.50
		9,780,000.00	2,044,703.25	11,824,703.25



UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 2C - Debt Service Requirements**  
**For the Year Ended August 31, 2022**

Description of Issue	Fiscal Year	Principal	Interest	Total
Rev Fin Sys Ref & Imp Bds 16th Ser '15A				
	2023	1,935,000.00	2,334,381.26	4,269,381.26
	2024	2,035,000.00	2,235,131.26	4,270,131.26
	2025	2,135,000.00	2,130,881.26	4,265,881.26
	2026	2,245,000.00	2,021,381.26	4,266,381.26
	2027	4,825,000.00	1,895,293.76	6,720,293.76
	2028-2032	28,740,000.00	6,801,488.80	35,541,488.80
	2033-2037	14,500,000.00	1,396,565.66	15,896,565.66
	2038-2040	2,490,000.00	137,568.75	2,627,568.75
		<u>58,905,000.00</u>	<u>18,952,692.01</u>	<u>77,857,692.01</u>
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B				
	2023	16,095,000.00	3,455,693.81	19,550,693.81
	2024	16,570,000.00	2,995,323.48	19,565,323.48
	2025	17,050,000.00	2,505,474.36	19,555,474.36
	2026	10,965,000.00	2,079,143.16	13,044,143.16
	2027	7,780,000.00	1,775,542.02	9,555,542.02
	2028-2032	20,960,000.00	5,984,870.24	26,944,870.24
	2033-2037	10,085,000.00	3,111,777.25	13,196,777.25
	2038-2042	6,485,000.00	1,657,848.50	8,142,848.50
	2043-2045	4,595,000.00	292,770.10	4,887,770.10
		<u>110,585,000.00</u>	<u>23,858,442.92</u>	<u>134,443,442.92</u>
Rev Fin Sys Ref & Imp Bds Ser '17A				
	2023	3,995,000.00	2,946,125.00	6,941,125.00
	2024	4,210,000.00	2,741,000.00	6,951,000.00
	2025	4,075,000.00	2,533,875.00	6,608,875.00
	2026	5,300,000.00	2,299,500.00	7,599,500.00
	2027	4,470,000.00	2,055,250.00	6,525,250.00
	2028-2032	24,705,000.00	6,497,625.00	31,202,625.00
	2033-2036	14,945,000.00	1,506,875.00	16,451,875.00
		<u>61,700,000.00</u>	<u>20,580,250.00</u>	<u>82,280,250.00</u>

UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 2C - Debt Service Requirements**  
**For the Year Ended August 31, 2022**

Description of Issue	Fiscal Year	Principal	Interest	Total
Rev Fin Sys Ref & Imp Bds Tax Ser '17B				
	2023	22,190,000.00	6,305,871.47	28,495,871.47
	2024	21,665,000.00	5,678,064.72	27,343,064.72
	2025	22,315,000.00	5,009,352.00	27,324,352.00
	2026	22,440,000.00	4,293,234.50	26,733,234.50
	2027	17,290,000.00	3,636,990.50	20,926,990.50
	2028-2032	78,345,000.00	9,098,390.75	87,443,390.75
	2033-2037	9,870,000.00	1,285,800.00	11,155,800.00
	2038	1,710,000.00	34,200.00	1,744,200.00
		<u>195,825,000.00</u>	<u>35,341,903.94</u>	<u>231,166,903.94</u>
Rev Fin Sys Ref & Imp Bds Tax Ser '20				
	2023	10,645,000.00	6,556,239.00	17,201,239.00
	2024	10,150,000.00	6,483,089.00	16,633,089.00
	2025	10,250,000.00	6,395,025.00	16,645,025.00
	2026	7,325,000.00	6,303,515.00	13,628,515.00
	2027	7,505,000.00	6,209,945.00	13,714,945.00
	2028-2032	52,065,000.00	28,561,661.00	80,626,661.00
	2033-2037	41,005,000.00	23,902,719.00	64,907,719.00
	2038-2042	151,410,000.00	10,649,958.00	162,059,958.00
	2043-2047	2,395,000.00	408,029.00	2,803,029.00
	2048-2050	1,610,000.00	70,511.00	1,680,511.00
		<u>294,360,000.00</u>	<u>95,540,691.00</u>	<u>389,900,691.00</u>
Total Principal and Interest				
	2023	60,995,000.00	26,493,062.10	87,488,062.10
	2024	61,080,000.00	24,743,559.57	85,823,559.57
	2025	62,615,000.00	22,884,567.68	85,499,567.68
	2026	54,780,000.00	20,998,339.78	75,778,339.78
	2027	48,725,000.00	19,258,700.54	67,983,700.54
	2028-2032	240,930,000.00	70,679,449.64	311,609,449.64
	2033-2037	119,550,000.00	37,673,851.71	157,223,851.71
	2038-2042	173,480,000.00	15,487,403.43	188,967,403.43
	2043-2047	15,710,000.00	1,254,580.39	16,964,580.39
	2048-2050	1,610,000.00	70,511.00	1,680,511.00
		<u>\$ 839,475,000.00</u>	<u>\$ 239,544,025.84</u>	<u>\$ 1,079,019,025.84</u>

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**Texas Tech University System (793)  
 Combined Schedule 2D - Analysis of Funds Available for Debt Service  
 For the Year Ended August 31, 2022**

<b>Pledged and Other Sources and Related Expenditures for FY 2022</b>				
<b>Description of Issue</b>	<b>Net Available for Debt Service</b>		<b>Debt Service</b>	
	<b>Total Pledged and Other Sources</b>	<b>Operating</b>	<b>Principal</b>	<b>Interest</b>
		<b>Expenses/Expenditures and Capital Outlay</b>		
Revenue Bonds:				
Rev Fin Sys Rev Ref & Imp Bds Ser '12B			\$ 575,000.00	\$ 65,993.18
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A			1,030,000.00	2,154,856.26
Rev Fin Sys Bldg Rev & Ref Bds Ser '15B			490,000.00	7,244.65
Rev Fin Sys Rev & Ref Bds Ser '16A			3,065,000.00	2,631,275.00
Rev Fin Sys Rev & Ref Bds Ser '16B			680,000.00	297,349.70
Rev Fin Sys Ref & Imp Bds 16th Ser '15A			1,855,000.00	2,410,581.26
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B			15,665,000.00	3,885,104.96
Rev Fin Sys Ref & Imp Bds Ser '17A			3,825,000.00	3,141,625.00
Rev Fin Sys Ref & Imp Bds Tax Ser '17B			21,620,000.00	6,890,857.93
Rev Fin Sys Ref & Imp Bds Tax Ser '20			14,785,000.00	6,626,730.00
<b>Total</b>	<b>\$ 795,950,872.98</b>	<b>(B)</b>	<b>\$ 63,590,000.00</b>	<b>\$ 28,111,617.94</b>

(A) Beginning balances as of 09/01/21 of \$1,256,623,334.10 are not included in "Total Pledged and Other Sources".

(B) Expenditures associated with pledged sources were approximately \$784,378,219.42.

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**Texas Tech University System (793)**  
**Combined Schedule 2E - Defeased Bonds Outstanding**  
**For the Year Ended August 31, 2022**

<b>Description of Issue</b>	<b>Year Defeased</b>	<b>Par Value Outstanding</b>
Revenue Bonds		
Revenue Financing System Revenue and Refunding Bonds 2007	2015	\$ 11,215,000.00
Revenue Financing System Revenue and Refunding Bonds 2008	2016	23,995,000.00
Revenue Financing System Revenue and Refunding Bonds 2010	2016	<u>4,625,000.00</u>
		<u>\$ 39,835,000.00</u>

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**Texas Tech University System (793)**  
**Combined Schedule 2F - Early Extinguishment and Refunding**  
**For the Year Ended August 31, 2022**

<b>Description of Issue</b>	<b>Category</b>	<b>Amount Extinguished or Refunded</b>	<b>Refunding Issue Par Value</b>	<b>Cash Flow Increase (Decrease)</b>	<b>Economic Gain/ (Loss)</b>
Revenue Bonds					
Total		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 3 - Reconciliation of Cash in State Treasury**  
**For the Year Ended August 31, 2022**

<b>Cash in State Treasury</b>	<b>Current Unrestricted</b>	<b>Current Restricted</b>
Local Revenue (Fund 0227)	4,961,002.55	0.00
Local Revenue (Fund 0239)	19,175,781.34	0.00
Local Revenue (Fund 0255)	5,647,611.00	0.00
Local Revenue (Fund 0264)	4,414,304.50	0.00
Local Revenue (Fund 0294)	8,937,109.02	0.00
Local Revenue (Fund 0325)	0.00	954,083.24
Permanent Health Fund - El Paso Campus (Fund 0820)	4,844,834.65	0.00
Permanent Health Fund - Other Campuses (Fund 0821)	7,603,320.57	0.00
<b>Total Cash in State Treasury</b>	<b>\$ 55,583,963.63</b>	<b>\$ 954,083.24</b>

UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 4A - TTU System's Proportionate Share of Net Pension Liability**  
**For the Years Ended August 31**

	2022	2021	2020	2019	2018	2017	2016	2015
TTU System's proportion of the net pension liability	0.6147036 %	0.6024890 %	0.6116105 %	0.6081304 %	0.5766112 %	0.5788987 %	0.5280855 %	0.6064722 %
TTU System's proportionate share of net pension liability	\$156,543,241.00	\$322,680,807.00	\$317,934,234.00	\$334,729,720.00	\$184,369,216.00	\$218,757,231.00	\$186,671,195.00	\$162,030,163.61
TTU System's covered payroll	\$306,493,078.63	\$292,393,180.74	\$276,644,114.00	\$265,427,058.00	\$242,817,459.00	\$235,859,714.00	\$203,038,968.00	\$222,298,083.81
TTU System's proportionate share of net pension liability as a percentage of its covered payroll	51.08 %	110.36 %	114.93 %	126.11 %	75.93 %	92.75 %	91.94 %	72.89 %
Plan fiduciary net position as a percentage of the total pension liability	75.54 %	75.24 %	75.24 %	73.74 %	82.17 %	78.00 %	78.43 %	83.25 %

Note: This schedule is intended to present 10 years of information. Currently only eight years of information is available. Information for future years will be added when it becomes available.

UNAUDITED

**Texas Tech University System (793)  
 Combined Schedule 4B - TTU System's TRS Employer Contributions  
 For the Years Ended August 31**

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$27,833,351.11	\$27,280,283.76	\$26,225,862.22	\$20,836,024.00	\$19,279,706.00	\$18,680,089.00	\$16,750,715.00	\$19,273,243.86
Contributions in relation to the statutorily required contributions	28,235,854.00	24,858,860.00	21,407,103.00	20,486,374.00	18,861,478.00	18,429,661.00	15,681,265.00	15,253,844.56
Contribution deficiency (excess)	(402,502.89)	2,421,423.76	4,818,759.22	349,650.00	418,228.00	250,428.00	1,069,450.00	4,019,399.30
TTU System's covered payroll	306,493,078.63	292,393,180.74	276,644,114.00	265,427,058.00	242,817,459.00	235,859,714.00	203,038,968.00	222,298,083.81
Contributions as a percentage of covered payroll	9.21 %	8.50 %	7.74 %	7.72 %	7.77 %	7.81 %	7.72 %	6.86 %

Note: This schedule is intended to present 10 years of information. Currently only eight years of information is available. Information for future years will be added when it becomes available.



UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 5A - TTU System's Proportionate Share of Net OPEB Liability**  
**For the Years Ended August 31**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
TTU System's proportion of the net OPEB liability	2.8428150 %	2.6962363 %	2.6636141 %	2.7025980 %	0.8421099 %
TTU System's proportionate share of the net OPEB liability	\$ 1,019,874,320.00	\$ 890,961,356.00	\$ 920,616,292.00	\$ 800,989,039.00	\$ 286,932,208.00
TTU System's covered payroll	339,336,905.00	341,215,363.00	328,158,007.00	332,960,835.00	98,908,419.00
TTU System's proportionate share of the net OPEB liability as a percentage of its covered payroll	300.55 %	261.11 %	280.54 %	240.57 %	290.10 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.38 %	0.32 %	0.17 %	1.28 %	2.04 %

Note: This schedule is intended to present 10 years of information. Currently only five years of information is available. Information for future years will be added when it becomes available.

UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 5B - TTU System's ERS Employer Contributions**  
**For the Years Ended August 31**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Statutorily required contributions	\$ 73,351,597.00	\$ 69,838,893.00	\$ 71,576,849.00	\$ 63,041,982.00	\$ 22,862,931.00
Contributions in relation to the statutorily required contributions	22,909,612.00	21,195,278.00	11,226,273.00	8,745,978.00	7,892,593.19
Contribution deficiency (excess)	50,441,985.00	48,643,615.00	60,350,576.00	54,296,004.00	14,970,337.81
TTU System's covered payroll	339,336,905.00	341,215,363.00	328,158,007.00	332,960,835.00	98,908,419.00
Contributions as a percentage of covered payroll	6.75 %	6.21 %	3.42 %	2.63 %	7.98 %

Note: This schedule is intended to present 10 years of information. Currently only five years of information is available. Information for future years will be added when it becomes available.

UNAUDITED

Texas Tech University System (793)  
 Combined Matrix of Operating Expenses Reported by Function  
 For the Years Ended August 31, 2022 and 2021

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	HOSPITALS & CLINICS	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Cost of Goods Sold	\$ 77,917.22	\$ 284.04	\$ 25,925.29	\$ 0.00	\$ 24,123.67	\$ 1,303.47	\$ 886,383.57
Salaries and Wages	487,594,626.38	136,501,011.36	75,135,120.16	75,132,954.59	141,440,015.71	47,934,215.10	75,683,594.66
Payroll Related Costs	147,950,371.71	48,996,741.12	24,790,945.44	31,651,373.44	52,813,875.88	18,326,583.80	40,861,766.72
Professional Fees and Services	8,351,192.72	5,450,760.62	49,047,165.45	4,544,112.34	11,109,138.10	4,926,073.91	22,887,001.50
Travel	5,081,324.29	5,060,817.95	1,445,612.19	51,967.19	4,263,175.48	2,929,167.34	1,413,489.88
Materials and Supplies	10,592,168.81	15,030,700.85	14,292,158.43	10,003,871.49	16,967,433.38	6,702,749.88	4,063,421.69
Communications and Utilities	2,357,890.30	1,667,131.94	874,514.90	613,173.38	12,049,009.24	2,493,041.73	1,456,460.34
Repairs and Maintenance	1,901,786.05	4,002,272.14	972,743.58	469,729.56	8,568,081.64	2,676,848.15	2,490,132.52
Rentals and Leases	2,260,983.64	1,088,981.90	1,121,637.26	531,153.27	6,477,096.28	5,050,226.04	2,784,724.68
Printing and Reproduction	322,093.13	563,862.48	408,134.17	167,863.38	978,542.28	999,526.20	776,316.09
Federal Grant Pass-Through Expense	63,714.76	142,969.50	538,682.18	0.00	0.00	0.00	0.00
State Grant Pass-Through Expense	0.00	201,927.95	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	530,806.33	259,347.04
Interest	1,749.94	2,694.94	400.71	448.34	4,713.03	822.97	1,551.35
Scholarships	2,379,659.97	4,521,074.77	14,222.77	0.00	1,672,346.57	109,615.16	14,595.00
Net Change in Pollution Remediation Obligation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Claims and Judgments	2,000.00	0.00	72,300.00	0.00	992,942.49	0.00	32,500.00
Other Operating Expenses	13,019,607.36	20,191,382.02	8,567,694.02	2,243,742.44	71,255,324.15	17,080,155.30	17,548,480.70
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 681,957,086.28</b>	<b>\$243,422,613.58</b>	<b>\$177,307,256.55</b>	<b>\$ 125,410,389.42</b>	<b>\$ 328,615,817.90</b>	<b>\$ 109,761,135.38</b>	<b>\$ 171,159,765.74</b>

UNAUDITED

Texas Tech University System (793)  
 Combined Matrix of Operating Expenses Reported by Function  
 For the Years Ended August 31, 2022 and 2021

OPERATING EXPENSES	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	Restated 2021
Cost of Goods Sold	\$ 0.00	\$ 0.00	\$ 12,173,013.30	\$ 0.00	\$ 13,188,950.56	\$ 10,675,672.85
Salaries and Wages	24,887,659.85	8,641.18	68,674,159.38	0.00	1,132,991,998.37	1,041,591,942.03
Payroll Related Costs	8,929,488.20	576.09	27,188,002.96	0.00	401,509,725.36	416,525,431.14
Professional Fees and Services	3,092,963.49	500.00	3,476,039.56	0.00	112,884,947.69	88,709,426.66
Travel	64,563.38	0.00	12,150,181.57	0.00	32,460,299.27	10,389,454.09
Materials and Supplies	5,768,259.29	0.00	17,326,084.21	0.00	100,746,848.03	82,537,010.68
Communications and Utilities	31,854,993.66	0.00	13,330,850.00	0.00	66,697,065.49	56,363,114.30
Repairs and Maintenance	25,883,569.87	0.00	13,429,780.84	0.00	60,394,944.35	48,467,153.60
Rentals and Leases	629,083.52	0.00	2,423,377.81	0.00	22,367,264.40	20,607,776.49
Printing and Reproduction	27,451.22	0.00	564,191.47	0.00	4,807,980.42	3,754,080.32
Federal Grant Pass-Through Expense	0.00	0.00	0.00	0.00	745,366.44	898,051.37
State Grant Pass-Through Expense	0.00	0.00	0.00	0.00	201,927.95	92,968.63
Depreciation and Amortization	0.00	0.00	0.00	176,831,355.53	176,831,355.53	151,567,072.56
Bad Debt Expense	0.00	140,000.00	310,186.13	0.00	1,240,339.50	468,500.71
Interest	1,705.14	0.00	201.42	0.00	14,287.84	15,417.90
Scholarships	0.00	143,115,824.24	0.00	0.00	151,827,338.48	102,397,589.14
Net Change in Pollution Remediation Obligation	0.00	0.00	0.00	0.00	0.00	506,884.00
Claims and Judgments	0.00	0.00	645,350.00	0.00	1,745,092.49	523,707.54
Other Operating Expenses	20,201,910.21	8,782.47	24,585,779.12	0.00	194,702,857.79	124,144,562.35
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 121,341,647.83</b>	<b>\$ 143,274,323.98</b>	<b>\$ 196,277,197.77</b>	<b>\$ 176,831,355.53</b>	<b>\$2,475,358,589.96</b>	<b>\$2,160,235,816.36</b>

UNAUDITED

TEXAS TECH UNIVERSITY SYSTEM (793)

**FIDUCIARY  
FINANCIAL STATEMENTS**

**Texas Tech University System (793)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	Custodial Funds	External Investment Pool Non-Trusted	Total 2022	2021
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,814,018.36	\$ 0.00	\$ 4,814,018.36	\$ 3,915,724.81
Investments (Note 3)	0.00	12,766,537.80	12,766,537.80	13,471,050.10
Other Assets	15,000.00	0.00	15,000.00	0.00
Total Assets	<u>4,829,018.36</u>	<u>12,766,537.80</u>	<u>17,595,556.16</u>	<u>17,386,774.91</u>
<b>LIABILITIES</b>				
Accounts Payable	0.00	0.00	0.00	30,871.20
Unearned Revenue	0.00	0.00	0.00	47,700.00
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>78,571.20</u>
<b>NET POSITION</b>				
Restricted for Pool Participants	0.00	12,766,537.80	12,766,537.80	13,471,050.10
Fiduciary Net Position Other Purposes	4,829,018.36	0.00	4,829,018.36	3,837,153.61
Total Net Position	<u>\$ 4,829,018.36</u>	<u>\$ 12,766,537.80</u>	<u>\$ 17,595,556.16</u>	<u>\$ 17,308,203.71</u>

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

**Texas Tech University System (793)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	Custodial Funds	External Investment Pool Non-Trusted	Total 2022	2021
<b>Additions:</b>				
Investment Income:				
From Investing Activities:				
Net Increase (Decrease) in Fair Value of Investments	\$ 0.00	\$ (233,524.84)	\$ (233,524.84)	\$ 3,228,689.67
Interest, Dividends and Other	85,274.13	148,846.65	234,120.78	(133,233.50)
Total Investing Income (Loss)	85,274.13	(84,678.19)	595.94	3,095,456.17
Less Investing Activities Expense	6,709.24	83,439.21	90,148.45	80,810.13
Net Income (Loss) from Investing Activities	78,564.89	(168,117.40)	(89,552.51)	3,014,646.04
Total Net Investment Income (Loss)	78,564.89	(168,117.40)	(89,552.51)	3,014,646.04
Other Additions:				
Other Revenue	2,158,167.54	0.00	2,158,167.54	1,797,107.44
Total Other Additions	2,158,167.54	0.00	2,158,167.54	1,797,107.44
<b>Total Additions</b>	<b>2,236,732.43</b>	<b>(168,117.40)</b>	<b>2,068,615.03</b>	<b>4,811,753.48</b>
<b>Deductions:</b>				
Other Expenses	1,244,867.68	536,394.90	1,781,262.58	1,425,512.65
<b>Total Deductions</b>	<b>1,244,867.68</b>	<b>536,394.90</b>	<b>1,781,262.58</b>	<b>1,425,512.65</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 991,864.75</b>	<b>\$ (704,512.30)</b>	<b>\$ 287,352.45</b>	<b>\$ 3,386,240.83</b>
<b>Net Position:</b>				
<b>Beginning Net Position (September 1)</b>	3,837,153.61	13,471,050.10	17,308,203.71	13,921,962.88
<b>Restatement (Note 14)</b>	0.00	0.00	0.00	0.00
<b>Beginning Net Position (September 1) as Restated</b>	3,837,153.61	13,471,050.10	17,308,203.71	13,921,962.88
<b>Ending Net Position (August 31)</b>	<b>\$ 4,829,018.36</b>	<b>\$ 12,766,537.80</b>	<b>\$ 17,595,556.16</b>	<b>\$ 17,308,203.71</b>

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

**DISCRETELY PRESENTED  
COMPONENT UNITS  
The Angelo State University  
Robert G. Carr and Nona K. Carr  
Scholarship Foundation  
and  
Texas Tech Research Park, Inc.**



UNAUDITED

**Texas Tech University System (793)**  
**Statement of Net Position**  
**Discretely Presented Component Units**  
**The Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation**  
**and Texas Tech Research Park, Inc.**  
**August 31, 2022 and 2021**

	Carr Scholarship Foundation	Texas Tech Research Park	2022	Restated 2021
<b>ASSETS</b>				
Current Assets:				
Unrestricted Cash and Cash Equivalents	\$ 0.00	\$ 14,625.00	\$ 14,625.00	\$ 0.00
Restricted Cash and Cash Equivalents	96,361.74	0.00	96,361.74	74,876.01
Accounts Receivable	524,326.17	0.00	524,326.17	141,038.95
Total Current Assets	<u>620,687.91</u>	<u>14,625.00</u>	<u>635,312.91</u>	<u>215,914.96</u>
Non-Current Assets:				
Restricted Cash and Cash Equivalents	298,882.68	0.00	298,882.68	475,087.75
Restricted Investments (Note 3)	<u>170,400,046.60</u>	<u>0.00</u>	<u>170,400,046.60</u>	<u>166,811,232.19</u>
Total Non-Current Assets	<u>170,698,929.28</u>	<u>0.00</u>	<u>170,698,929.28</u>	<u>167,286,319.94</u>
Total Assets	<u>\$171,319,617.19</u>	<u>\$ 14,625.00</u>	<u>\$171,334,242.19</u>	<u>\$ 167,502,234.90</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 44.50	\$ 116,509.00	\$ 116,553.50	\$ 0.00
Payroll Payable	14,875.78	0.00	14,875.78	14,802.15
Employees' Compensable Leave (Note 5)	0.00	0.00	0.00	58.83
Total Current Liabilities	<u>14,920.28</u>	<u>116,509.00</u>	<u>131,429.28</u>	<u>14,860.98</u>
Employees' Compensable Leave (Note 5)	21,301.95	0.00	21,301.95	19,444.85
Total Non-Current Liabilities	<u>21,301.95</u>	<u>0.00</u>	<u>21,301.95</u>	<u>19,444.85</u>
Total Liabilities	<u>\$ 36,222.23</u>	<u>\$ 116,509.00</u>	<u>\$ 152,731.23</u>	<u>\$ 34,305.83</u>
<b>NET POSITION</b>				
Restricted:				
Nonexpendable:				
Endowments	\$171,223,255.45	\$ 0.00	\$171,223,255.45	\$ 156,145,665.41
Expendable:				
Other	60,139.51	0.00	60,139.51	11,322,263.66
Unrestricted	0.00	(101,884.00)	(101,884.00)	0.00
Total Net Position	<u>\$171,283,394.96</u>	<u>\$ (101,884.00)</u>	<u>\$171,181,510.96</u>	<u>\$ 167,467,929.07</u>

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

**Texas Tech University System (793)**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Discretely Presented Component Units**  
**The Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation**  
**and Texas Tech Research Park, Inc.**  
**For the Years Ended August 31, 2022 and 2021**

	Carr Scholarship Foundation	Texas Tech Research Park	2022	Restated 2021
Operating Revenues				
Total Operating Revenues	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Operating Expenses				
Salaries and Wages	203,262.80	0.00	203,262.80	192,813.37
Payroll Related Costs	65,428.90	0.00	65,428.90	61,795.83
Professional Fees and Services	21,500.00	36,812.00	58,312.00	33,624.44
Travel	2,867.09	7,179.00	10,046.09	1,309.68
Materials and Supplies	60,490.20	0.00	60,490.20	52,772.79
Communications and Utilities	1,207.97	0.00	1,207.97	1,126.27
Repairs and Maintenance	6.74	0.00	6.74	0.00
Rentals and Leases	250.00	6,039.00	6,289.00	0.00
Printing and Reproduction	883.95	0.00	883.95	160.10
Other Operating Expenses	14,536.95	7,945.00	22,481.95	7,956.32
Total Operating Expenses	370,434.60	57,975.00	428,409.60	351,558.80
Operating Income (Loss)	(370,434.60)	(57,975.00)	(428,409.60)	(351,558.80)
Nonoperating Revenues (Expenses)				
Investment Income (Expense)	9,310,513.04	0.00	9,310,513.04	(5,425,514.98)
Net Increase (Decrease) in Fair Value of Investments	(3,562,615.48)	0.00	(3,562,615.48)	36,446,898.35
Other Nonoperating Revenues (Expenses) - Pledged	(1,561,997.07)	0.00	(1,561,997.07)	(4,221,562.02)
Total Nonoperating Revenues (Expenses)	4,185,900.49	0.00	4,185,900.49	26,799,821.35
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	3,815,465.89	(57,975.00)	3,757,490.89	26,448,262.55
Other Revenues, Expenses, Gains, Losses, and Transfers				
Total Other Revenues, Expenses, Gains, Losses, and Transfers	0.00	0.00	0.00	0.00
Total Change in Net Position	3,815,465.89	(57,975.00)	3,757,490.89	26,448,262.55
Beginning Net Position (September 1)	167,467,929.07	0.00	167,467,929.07	141,019,666.52
Restatement of Beginning Net Position (Note 14)	0.00	(43,909.00)	(43,909.00)	0.00
Beginning Net Position (September 1) as Restated	167,467,929.07	(43,909.00)	167,424,020.07	141,019,666.52
Ending Net Position (August 31)	\$ 171,283,394.96	\$ (101,884.00)	\$ 171,181,510.96	\$ 167,467,929.07

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

**COMPONENT INSTITUTION  
ANNUAL FINANCIAL STATEMENTS**

**Texas Tech University  
Texas Tech University Health Sciences Center  
Texas Tech University Health Sciences Center at El Paso  
Angelo State University  
Midwestern State University  
Texas Tech University System Administration**

UNAUDITED

**Texas Tech University (733)**  
**Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 70,828,442.65	\$ 84,248,731.70
Restricted Cash and Cash Equivalents	3,205,150.03	3,167,834.56
Legislative Appropriations	171,371,645.24	149,469,661.52
Receivables:		
Federal	30,635,405.94	37,421,784.69
Student	8,531,132.79	8,553,993.58
Accounts	6,291,481.96	5,898,444.86
Interest and Dividends	1,058,789.05	869,820.21
Gifts	760,663.80	650,566.62
Leases	543,179.21	538,768.13
Other	940,764.07	1,140,697.43
Due From Other State Agencies	10,301,136.42	3,018,072.90
Inventories	3,953,031.43	4,694,914.01
Prepaid Items	53,690,833.13	50,845,731.71
Loans and Contracts	337,416.19	344,043.75
Other Current Assets	940,236.91	937,035.42
Total Current Assets	<u>363,389,308.82</u>	<u>351,800,101.09</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	14,345,598.80	423,740.36
Restricted Investments	299,282,353.99	302,088,853.98
Gifts Receivable	62,629,539.06	6,920,590.05
Leases Receivable	6,399,469.66	6,942,648.89
Investments	908,591,314.02	883,572,879.50
Capital Assets		
Non-Depreciable or Non-Amortizable	158,803,813.19	197,073,060.18
Depreciable or Amortizable	2,487,358,196.85	2,466,067,850.49
Accumulated Depreciation and Amortization	(1,441,030,439.25)	(1,458,451,364.90)
Right to Use Assets		
Amortizable	3,464,084.87	3,118,065.05
Accumulated Amortization	(1,526,554.37)	(840,117.35)
Other Noncurrent Assets	101,878.77	0.00
Total Non-Current Assets	<u>2,498,419,255.59</u>	<u>2,406,916,206.25</u>
Total Assets	<u>\$ 2,861,808,564.41</u>	<u>\$ 2,758,716,307.34</u>

UNAUDITED

**Texas Tech University (733)**  
**Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>Restated 2021</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 21,961,870.75	\$ 25,614,429.58
Payroll Payable	43,132,396.31	41,099,233.93
Unearned Revenue	204,456,693.43	211,357,870.65
Due to Other State Agencies	4,606,890.41	1,492,248.85
Employees' Compensable Leave	2,315,509.11	2,344,088.23
Right to Use Lease Obligations	821,890.40	904,354.98
Funds Held for Others	8,716,944.69	8,020,678.00
Other Current Liabilities	4,471,995.96	4,520,455.16
Total Current Liabilities	<u>290,484,191.06</u>	<u>295,353,359.38</u>
Non-Current Liabilities:		
Employees' Compensable Leave	15,446,009.50	16,058,530.79
Right to Use Lease Obligations	1,091,966.44	1,400,657.68
Pollution Remediation Obligation	1,529,525.50	1,529,525.50
Other Non-Current Liabilities	2,000,000.00	0.00
Total Non-Current Liabilities	<u>20,067,501.44</u>	<u>18,988,713.97</u>
Total Liabilities	<u>\$ 310,551,692.50</u>	<u>\$ 314,342,073.35</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources	29,869,592.63	28,742,431.98
Total Deferred Inflows of Resources	<u>\$ 29,869,592.63</u>	<u>\$ 28,742,431.98</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 1,201,253,244.37	\$ 1,196,368,822.39
Restricted:		
Nonexpendable:		
Endowments	104,932,691.87	104,777,724.99
Expendable:		
Capital Projects	67,972,205.48	2,117,210.15
Other	215,630,390.97	207,026,542.48
Unrestricted	<u>931,598,746.59</u>	<u>905,341,502.00</u>
Total Net Position	<u>\$ 2,521,387,279.28</u>	<u>\$ 2,415,631,802.01</u>

UNAUDITED

**Texas Tech University (733)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>2021</u>
Operating Revenues		
Tuition and Fees	\$ 7,156,389.54	\$ 6,993,515.08
Tuition and Fees - Pledged	504,578,392.83	471,356,885.07
Less Discounts and Allowances	(124,867,555.56)	(121,055,561.55)
Sales and Services of Auxiliary Enterprises - Pledged	165,173,661.37	134,410,310.63
Other Sales and Services	6,321,573.49	5,937,883.18
Other Sales and Services - Pledged	11,710,776.96	9,996,146.76
Federal Grants and Contracts	49,865,321.25	40,628,528.29
Federal Grant Pass-Throughs from Other State Agencies	5,460,702.93	3,823,575.89
State Grants and Contracts	722,084.92	499,108.85
State Grant Pass-Throughs from Other State Agencies	27,048,430.43	18,984,207.11
Local Governmental Grants and Contracts	1,770,401.72	897,267.05
Nongovernmental Grants and Contracts	18,010,319.10	15,121,789.75
Total Operating Revenues	<u>672,950,498.98</u>	<u>587,593,656.11</u>
Operating Expenses		
Cost of Goods Sold	13,188,950.56	10,675,660.87
Salaries and Wages	443,883,262.87	411,751,971.30
Payroll Related Costs	129,482,691.27	123,235,250.63
Professional Fees and Services	26,545,259.06	20,056,218.77
Travel	24,544,138.72	8,780,147.07
Materials and Supplies	43,258,579.79	38,298,204.45
Communications and Utilities	34,348,940.54	31,558,481.98
Repairs and Maintenance	31,702,773.80	22,411,547.59
Rentals and Leases	17,278,094.43	15,415,256.96
Printing and Reproduction	2,430,507.99	2,010,522.33
Federal Grant Pass-Through Expense	762,655.85	684,802.59
State Grant Pass-Through Expense	3,269.00	24,003.94
Depreciation and Amortization	97,341,011.05	93,781,027.68
Interest	5,539.98	9,245.04
Scholarships	104,724,367.92	74,429,865.40
Net Change in Pollution Remediation Obligation	0.00	506,884.00
Claims and Judgments	701,350.00	81,569.93
Other Operating Expenses	74,475,205.24	54,636,097.17
Total Operating Expenses	<u>1,044,676,598.07</u>	<u>908,346,757.70</u>
Operating Income (Loss)	<u>\$ (371,726,099.09)</u>	<u>\$ (320,753,101.59)</u>

UNAUDITED

**Texas Tech University (733)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>2021</u>
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 238,447,368.41	\$ 194,264,323.70
Federal Grants and Contracts	117,211,685.52	79,362,961.98
Federal Grant Pass-Throughs from Other State Agencies	7,244,942.28	3,032,192.00
Private Gifts	47,005,054.92	41,347,251.36
Private Gifts - Pledged	2,287,086.20	1,888,398.97
Investment Income (Expense)	5,190,051.99	(1,618,919.91)
Investment Income (Expense) - Pledged	21,938,692.52	14,030,017.31
Interest Expense on Capital Asset Financing	0.00	(4,802.78)
Gain (Loss) on Sale and Disposal of Capital Assets	(9,484,082.26)	(592,374.20)
Net Increase (Decrease) in Fair Value of Investments	(86,925,058.89)	129,822,567.99
Interest Expense	(7,346.73)	(7,350.23)
Other Nonoperating Revenues (Expenses)	1,081,985.54	1,683,312.38
Other Nonoperating Revenues (Expenses) - Pledged	4,712,399.54	6,661,867.59
Total Nonoperating Revenues (Expenses)	<u>348,702,779.04</u>	<u>469,869,446.16</u>
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	(23,023,320.05)	149,116,344.57
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	49,874,746.00	49,874,746.00
Capital Contributions	103,594,092.48	62,658,904.52
Contributions to Permanent and Term Endowments	432,981.69	540,520.34
Legislative Transfers In (Out)	(28,156,592.50)	(21,790,017.00)
Interagency Transfers of Capital Assets - Increase	2,944.80	96,996.33
Interagency Transfers of Capital Assets - Decrease	(165,214.74)	(135,775.49)
Net Transfers from (to) Texas Tech University System Components	(5,261,264.60)	181,911.65
Net Transfers from (to) Other State Agencies	8,457,104.19	8,350,873.75
Net Other Revenues, Expenses, Gains, Losses, and Transfers	<u>128,778,797.32</u>	<u>99,778,160.10</u>
Total Change in Net Position	<u>105,755,477.27</u>	<u>248,894,504.67</u>
Beginning Net Position (September 1)	2,438,847,465.65	2,191,296,714.71
Restatements	<u>(23,215,663.64)</u>	<u>(24,559,417.37)</u>
Ending Net Position (August 31)	<u>\$ 2,521,387,279.28</u>	<u>\$ 2,415,631,802.01</u>

UNAUDITED

**Texas Tech University (733)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Proceeds from Customers	\$ 17,893,352.03	\$ 15,761,913.32
Proceeds from Tuition and Fees	389,749,207.99	370,541,121.68
Proceeds from Grants and Contracts	103,041,377.31	79,337,379.10
Proceeds from Sales and Services of Auxiliary Enterprises	171,920,582.55	140,725,641.99
Proceeds from Collections of Loans to Students	384,342.77	483,258.89
Proceeds from Fiduciary Activities (Held 3 Months or Less)	163,247,014.21	165,290,062.80
Payments to Suppliers for Goods and Services	(76,859,591.00)	(64,763,585.58)
Payments to Employees for Salaries	(443,802,117.00)	(411,542,834.68)
Payments to Employees for Benefits	(127,530,674.76)	(123,345,930.50)
Payments for Loans Issued to Students	(377,715.21)	(411,515.18)
Payments for Fiduciary Activities (Held 3 Months or Less)	(162,976,718.63)	(166,203,804.81)
Payments for Other Expenses	(299,319,498.31)	(216,055,288.02)
Net Cash Provided/(Used) by Operating Activities	<u>(264,630,438.05)</u>	<u>(210,183,580.99)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	240,852,535.43	181,999,790.69
Proceeds from Gifts	50,206,547.93	44,383,913.22
Proceeds from Nonoperating Grants and Contracts	110,551,911.88	74,040,710.28
Proceeds from Other Financing Activities	5,656,627.22	7,426,514.57
Proceeds from Transfers from Component Institutions	2,709,928.92	368,986.04
Proceeds from Transfers In from Other State Agencies	9,576,399.00	10,119,913.92
Payments for Transfers to Component Institutions	(7,298,043.06)	(5,361,713.44)
Payments for Transfers to Other State Agencies	0.00	(3,686.56)
Payments for Other Uses	(405,095.10)	(331,656.79)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>411,850,812.22</u>	<u>312,642,771.93</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Sale of Capital Assets	127,201.01	0.00
Proceeds from Capital Gifts	47,728,635.06	57,018,196.01
Proceeds from Capital Appropriations	25,567,595.26	28,290,296.54
Proceeds from Transfers from Component Institutions	40,926,500.32	89,031,002.81
Payments for Transfers to Component Institutions	(70,932,911.28)	(106,628,331.76)
Payments for Additions to Capital Assets	(108,784,401.51)	(131,328,330.91)
Payments for Principal Paid on Capital Debt	0.00	(230,948.09)
Payments for Interest Paid on Capital Debt	0.00	(11,525.29)
Payments for Leases	(939,563.87)	(819,559.46)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(66,306,945.01)</u>	<u>(64,679,200.15)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	66,941,041.50	79,125,245.21
Proceeds from Interest and Investment Income	37,592,325.43	29,944,529.29
Payments to Acquire Investments	(184,907,911.23)	(102,262,119.62)
Net Cash Provided/(Used) by Investing Activities	<u>(80,374,544.30)</u>	<u>6,807,654.88</u>
<b>TOTAL NET CASH FLOWS</b>	<u>\$ 538,884.86</u>	<u>\$ 44,587,645.67</u>



UNAUDITED

**Texas Tech University (733)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Beginning Cash & Cash Equivalents (September 1)	\$ 87,840,306.62	\$ 43,252,660.95
Ending Cash & Cash Equivalents (August 31)	<u>\$ 88,379,191.48</u>	<u>\$ 87,840,306.62</u>
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (371,726,099.09)	\$ (320,753,101.59)
Adjustments:		
Depreciation and Amortization Expense	97,341,011.05	93,781,027.68
(Increase) Decrease in Accounts Receivables	(408,154.90)	(621,578.82)
(Increase) Decrease in Loans and Notes Receivable	6,627.56	71,743.71
(Increase) Decrease in Inventories	741,882.58	(2,043,311.21)
(Increase) Decrease in Other Assets	(3,201.49)	8,221.97
(Increase) Decrease in Due From Other State Agencies	(350,212.31)	(814,956.48)
(Increase) Decrease in Prepaid Items	(2,982,686.38)	(4,426,696.71)
Increase (Decrease) in Accounts Payable	781,381.52	4,886,062.91
Increase (Decrease) in Payroll Payable	81,145.87	209,136.62
Increase (Decrease) in Unearned Revenue	6,945,369.92	20,276,288.10
Increase (Decrease) in Employees' Compensable Leave	(641,100.41)	(382,114.47)
Increase (Decrease) in Due To Other State Agencies	3,467,018.19	(67,352.82)
Increase (Decrease) in Benefits Payable	1,952,016.51	(110,679.87)
Increase (Decrease) in Pollution Remediation Obligation	0.00	506,884.00
Increase (Decrease) in Fiduciary Funds Held 3 Months or Less	270,295.58	(913,742.01)
Increase (Decrease) in Other Liabilities	(105,732.25)	210,588.00
Net Cash Used for Operating Activities	<u>(264,630,438.05)</u>	<u>(210,183,580.99)</u>
 Noncash Transactions		
Donations of Capital Assets	1,435,998.11	5,640,708.51
Net Increase (Decrease) in Fair Value of Investments	(86,925,058.89)	129,822,567.99
Other	(9,287,350.66)	510,489.15
Total Noncash Transactions	<u>\$ (94,776,411.44)</u>	<u>\$ 135,973,765.65</u>

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**Texas Tech University (733)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2022 and 2021**

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Cost of Goods Sold	\$ 77,917.22	\$ 284.04	\$ 25,925.29	\$ 24,123.67	\$ 1,303.47	\$ 886,383.57
Salaries and Wages	151,523,577.43	106,298,487.03	8,590,907.97	58,178,282.87	24,404,539.77	23,874,280.74
Payroll Related Costs	47,264,593.87	32,263,535.71	2,859,107.68	16,433,384.61	6,983,821.33	6,783,689.27
Professional Fees and Services	700,282.64	4,415,507.98	699,542.52	2,390,262.62	710,441.25	15,571,365.19
Travel	3,080,488.74	4,619,125.61	709,149.81	2,619,286.48	1,663,784.80	356,107.96
Materials and Supplies	6,266,808.39	11,360,899.23	1,706,054.49	7,664,400.25	2,681,635.21	1,409,555.73
Communications and Utilities	1,163,039.90	1,489,618.10	320,133.89	1,956,266.68	1,107,833.83	254,238.08
Repairs and Maintenance	947,455.91	2,233,988.95	459,337.70	2,532,066.03	998,764.85	337,901.71
Rentals and Leases	1,862,034.70	1,032,339.58	579,393.44	4,414,863.50	4,669,396.36	2,158,481.09
Printing and Reproduction	138,253.38	324,690.68	100,911.13	435,542.93	529,936.60	387,432.29
Federal Grant Pass-Through Expense	85,053.48	129,357.94	548,244.43	0.00	0.00	0.00
State Grant Pass-Through Expense	0.00	3,269.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Interest	902.51	2,502.40	178.33	515.96	153.90	20.79
Scholarships	2,294,887.92	4,325,532.59	14,222.77	416,268.52	101,030.16	12,095.00
Net Change in Pollution Remediation Obligation	0.00	0.00	0.00	0.00	0.00	0.00
Claims and Judgments	2,000.00	0.00	2,300.00	19,200.00	0.00	32,500.00
Other Operating Expenses	3,838,559.66	12,906,748.68	2,324,352.23	7,470,739.81	12,642,847.40	5,232,639.14
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 219,245,855.75</b>	<b>\$ 181,405,887.52</b>	<b>\$ 18,939,761.68</b>	<b>\$ 104,555,203.93</b>	<b>\$ 56,495,488.93</b>	<b>\$ 57,296,690.56</b>

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**Texas Tech University (733)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2022 and 2021**

OPERATING EXPENSES	OPERATIONS & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	Restated 2021
Cost of Goods Sold	\$ 0.00	\$ 0.00	\$ 12,173,013.30	\$ 0.00	\$ 13,188,950.56	\$ 10,675,660.87
Salaries and Wages	10,056,597.80	0.00	60,956,589.26	0.00	443,883,262.87	411,751,971.30
Payroll Related Costs	3,116,834.16	0.00	13,777,724.64	0.00	129,482,691.27	123,235,250.63
Professional Fees and Services	358,593.66	0.00	1,699,263.20	0.00	26,545,259.06	20,056,218.77
Travel	27,557.44	0.00	11,468,637.88	0.00	24,544,138.72	8,780,147.07
Materials and Supplies	3,867,301.47	0.00	8,301,925.02	0.00	43,258,579.79	38,298,204.45
Communications and Utilities	17,606,585.30	0.00	10,451,224.76	0.00	34,348,940.54	31,558,481.98
Repairs and Maintenance	13,304,688.57	0.00	10,888,570.08	0.00	31,702,773.80	22,411,547.59
Rentals and Leases	464,996.08	0.00	2,096,589.68	0.00	17,278,094.43	15,415,256.96
Printing and Reproduction	6,055.67	0.00	507,685.31	0.00	2,430,507.99	2,010,522.33
Federal Grant Pass-Through Expense	0.00	0.00	0.00	0.00	762,655.85	684,802.59
State Grant Pass-Through Expense	0.00	0.00	0.00	0.00	3,269.00	24,003.94
Depreciation and Amortization	0.00	0.00	0.00	97,341,011.05	97,341,011.05	93,781,027.68
Interest	1,114.90	0.00	151.19	0.00	5,539.98	9,245.04
Scholarships	0.00	97,560,330.96	0.00	0.00	104,724,367.92	74,429,865.40
Net Change in Pollution Remediation Obligation	0.00	0.00	0.00	0.00	0.00	506,884.00
Claims and Judgments	0.00	0.00	645,350.00	0.00	701,350.00	81,569.93
Other Operating Expenses	7,305,033.47	0.00	22,754,284.85	0.00	74,475,205.24	54,636,097.17
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 56,115,358.52</b>	<b>\$ 97,560,330.96</b>	<b>\$ 155,721,009.17</b>	<b>\$ 97,341,011.05</b>	<b>\$ 1,044,676,598.07</b>	<b>\$ 908,346,757.70</b>

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**Texas Tech University (733)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	Custodial Funds	External Investment Pool Non-Trusted	Total 2022	2021
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,814,018.36	\$ 0.00	\$ 4,814,018.36	\$ 3,915,724.81
Investments	0.00	12,766,537.80	12,766,537.80	13,471,050.10
Other Assets	15,000.00	0.00	15,000.00	0.00
Total Assets	<u>4,829,018.36</u>	<u>12,766,537.80</u>	<u>17,595,556.16</u>	<u>17,386,774.91</u>
<b>LIABILITIES</b>				
Accounts Payable	0.00	0.00	0.00	30,871.20
Unearned Revenue	0.00	0.00	0.00	47,700.00
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>78,571.20</u>
<b>NET POSITION</b>				
Restricted for Pool Participants	0.00	12,766,537.80	12,766,537.80	13,471,050.10
Fiduciary Net Position Other Purposes	4,829,018.36	0.00	4,829,018.36	3,837,153.61
Total Net Position	<u>\$ 4,829,018.36</u>	<u>\$ 12,766,537.80</u>	<u>\$ 17,595,556.16</u>	<u>\$ 17,308,203.71</u>

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**Texas Tech University (733)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	Custodial Funds	External Investment Pool Non-Trusted	Total 2022	2021
<b>Additions:</b>				
Investment Income:				
From Investing Activities:				
Net Increase (Decrease) in Fair Value of Investments	\$ 0.00	\$ (233,524.84)	\$ (233,524.84)	\$ 3,228,689.67
Interest, Dividends and Other	85,274.13	148,846.65	234,120.78	(133,233.50)
Total Investing Income (Loss)	85,274.13	(84,678.19)	595.94	3,095,456.17
Less Investing Activities Expense	6,709.24	83,439.21	90,148.45	80,810.13
Net Income (Loss) from Investing Activities	78,564.89	(168,117.40)	(89,552.51)	3,014,646.04
Total Net Investment Income (Loss)	78,564.89	(168,117.40)	(89,552.51)	3,014,646.04
Other Additions:				
Other Revenue	2,158,167.54	0.00	2,158,167.54	1,797,107.44
Total Other Additions	2,158,167.54	0.00	2,158,167.54	1,797,107.44
<b>Total Additions</b>	<b>2,236,732.43</b>	<b>(168,117.40)</b>	<b>2,068,615.03</b>	<b>4,811,753.48</b>
<b>Deductions:</b>				
Other Expenses	1,244,867.68	536,394.90	1,781,262.58	1,425,512.65
<b>Total Deductions</b>	<b>1,244,867.68</b>	<b>536,394.90</b>	<b>1,781,262.58</b>	<b>1,425,512.65</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 991,864.75</b>	<b>\$ (704,512.30)</b>	<b>\$ 287,352.45</b>	<b>\$ 3,386,240.83</b>
<b>Net Position:</b>				
<b>Beginning Net Position (September 1)</b>	3,837,153.61	13,471,050.10	17,308,203.71	13,921,962.88
<b>Ending Net Position (August 31)</b>	<b>\$ 4,829,018.36</b>	<b>\$ 12,766,537.80</b>	<b>\$ 17,595,556.16</b>	<b>\$ 17,308,203.71</b>

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**Texas Tech University Health Sciences Center (739)**  
**Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 138,729,064.65	\$ 124,171,929.26
Restricted Cash and Cash Equivalents	15,524,755.56	19,758,256.12
Legislative Appropriations	50,074,322.54	52,555,674.34
Receivables:		
Federal	5,482,160.78	4,498,481.20
Patient	13,294,393.61	14,745,613.33
Student	674,641.12	578,162.40
Contracts	21,407,259.84	19,394,576.12
Interest and Dividends	563,282.25	477,940.64
Gifts	0.00	745,462.56
Leases	273,837.57	720,741.09
Other	490,327.17	436,556.00
Due From Other State Agencies	8,495,241.40	8,483,342.34
Inventories	1,694,737.81	1,672,084.64
Prepaid Items	18,312,249.85	14,400,646.86
Loans and Contracts	287,722.11	315,508.18
Total Current Assets	<u>275,303,996.26</u>	<u>262,954,975.08</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	11,107.61	6,750.10
Restricted Investments	154,546,550.29	164,182,054.29
Leases Receivable	7,873,172.88	8,147,010.47
Loans and Notes Receivable	980,416.95	1,070,914.52
Investments	312,908,820.54	307,988,981.25
Capital Assets		
Non-Depreciable or Non-Amortizable	25,765,871.91	33,566,515.53
Depreciable or Amortizable	702,075,782.89	667,249,922.73
Accumulated Depreciation and Amortization	(393,960,296.61)	(375,252,618.00)
Right to Use Assets		
Amortizable	10,515,706.38	9,536,387.19
Accumulated Amortization	(4,933,778.16)	(2,428,621.69)
Total Non-Current Assets	<u>815,783,354.68</u>	<u>814,067,296.39</u>
Total Assets	<u>\$ 1,091,087,350.94</u>	<u>\$ 1,077,022,271.47</u>

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**Texas Tech University Health Sciences Center (739)**  
**Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 19,654,050.18	\$ 23,034,155.04
Payroll Payable	38,242,964.65	36,113,929.02
Unearned Revenue	21,656,655.42	23,436,854.19
Due to Other State Agencies	740,300.04	9,023,576.84
Employees' Compensable Leave	4,191,333.24	4,001,607.56
Right to Use Lease Obligations	2,161,838.06	2,473,764.13
Funds Held for Others	446,397.53	661,747.60
Other Current Liabilities	52,199.65	49,822.03
Total Current Liabilities	<u>87,145,738.77</u>	<u>98,795,456.41</u>
Non-Current Liabilities:		
Employees' Compensable Leave	27,346,162.88	27,227,063.62
Right to Use Lease Obligations	3,515,364.02	4,707,266.29
Other Non-Current Liabilities	71,899.52	98,430.93
Total Non-Current Liabilities	<u>30,933,426.42</u>	<u>32,032,760.84</u>
Total Liabilities	<u>\$ 118,079,165.19</u>	<u>\$ 130,828,217.25</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources	7,930,566.64	8,748,768.32
Total Deferred Inflows of Resources	<u>\$ 7,930,566.64</u>	<u>\$ 8,748,768.32</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 333,783,688.86	\$ 325,488,616.86
Restricted:		
Nonexpendable:		
Endowments	71,439,610.47	72,889,986.82
Expendable:		
Capital Projects	(48,378.12)	0.00
Other	97,837,346.05	102,720,748.49
Unrestricted	<u>462,065,351.85</u>	<u>436,345,933.73</u>
Total Net Position	<u>\$ 965,077,619.11</u>	<u>\$ 937,445,285.90</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, 2022 and 2021**

	2022	Restated 2021
Operating Revenues		
Tuition and Fees	\$ 1,649,529.94	\$ 1,644,798.99
Tuition and Fees - Pledged	80,197,867.51	76,066,964.79
Less Discounts and Allowances	(10,327,533.21)	(10,218,444.73)
Professional Fees	247,232,830.02	231,702,318.57
Professional Fees - Pledged	578,441.78	566,369.46
Sales and Services of Auxiliary Enterprises - Pledged	938,468.14	882,667.90
Other Sales and Services	5,421,544.79	5,234,503.97
Other Sales and Services - Pledged	7,589,134.81	6,258,135.03
Federal Grants and Contracts	25,674,507.57	20,389,779.10
Federal Grants and Contracts - Pledged	18,536.98	0.00
Federal Grant Pass-Throughs from Other State Agencies	1,191,225.36	1,325,615.76
State Grants and Contracts	129,799.87	213,502.80
State Grants and Contracts - Pledged	7,945.88	7,223.58
State Grant Pass-Throughs from Other State Agencies	15,504,489.44	14,296,927.93
Local Governmental Grants and Contracts	96,044,480.34	86,984,143.70
Local Governmental Grants and Contracts - Pledged	1,820,479.33	1,736,244.08
Nongovernmental Grants and Contracts	57,622,407.40	63,599,144.68
Nongovernmental Grants and Contracts - Pledged	1,630,165.74	3,131,172.65
Other Operating Revenues	56,319,322.05	15,736,655.12
Total Operating Revenues	589,243,643.74	519,557,723.38
Operating Expenses		
Salaries and Wages	412,923,032.08	400,701,098.39
Payroll Related Costs	102,773,352.51	101,663,173.21
Professional Fees and Services	69,181,712.69	59,376,320.94
Travel	2,859,111.29	799,691.84
Materials and Supplies	32,867,687.53	30,610,128.64
Communications and Utilities	19,246,487.38	15,495,598.43
Repairs and Maintenance	15,575,991.22	16,542,303.00
Rentals and Leases	1,386,635.07	1,895,512.00
Printing and Reproduction	1,308,274.01	1,140,092.74
Federal Grant Pass-Through Expense	595,076.84	465,816.64
State Grant Pass-Through Expense	68,551.17	44,114.92
Depreciation and Amortization	28,102,451.09	26,868,790.82
Bad Debt Expense	182,238.93	(114,358.61)
Interest	2,261.29	2,301.17
Scholarships	5,831,406.12	5,420,036.95
Claims and Judgments	70,000.00	121,110.61
Other Operating Expenses	78,005,360.20	40,757,299.97
Total Operating Expenses	770,979,629.42	701,789,031.66
Operating Income (Loss)	\$ (181,735,985.68)	\$ (182,231,308.28)



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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, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>2021</u>
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 179,806,241.19	\$ 188,746,871.16
Federal Grants and Contracts	7,819,906.73	10,059,067.56
Federal Grant Pass-Throughs from Other State Agencies	0.00	1,773.00
State Grant Pass-Throughs from Other State Agencies	67,417.00	25,589.00
Private Gifts	9,508,201.77	8,490,283.27
Private Gifts - Pledged	900.00	350.00
Investment Income (Expense)	4,789,863.11	1,686,759.38
Investment Income (Expense) - Pledged	8,461,024.40	6,111,568.24
Gain (Loss) on Sale and Disposal of Capital Assets	(80,164.41)	(377,518.15)
Net Increase (Decrease) in Fair Value of Investments	(34,962,222.29)	52,584,306.09
Interest Expenses	(22,678.13)	(25,337.40)
Other Nonoperating Revenues (Expenses)	1,354,210.88	470,592.14
Other Nonoperating Revenues (Expenses) - Pledged	264,496.76	1,270,344.11
Total Nonoperating Revenues (Expenses)	<u>177,007,197.01</u>	<u>269,044,648.40</u>
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	(4,728,788.67)	86,813,340.12
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	21,652,392.00	21,652,392.00
Capital Contributions	8,968,046.69	17,015,811.74
Contributions to Permanent and Term Endowments	133,990.97	636,543.74
Legislative Transfers In (Out)	(9,634,017.66)	(18,911,303.00)
Interagency Transfers of Capital Assets - Increase	15,860.44	124,308.63
Interagency Transfers of Capital Assets - Decrease	(296,202.68)	(50,757.56)
Net Transfers from (to) Texas Tech University System Components	11,480,756.12	5,011,562.20
Net Transfers from (to) Other State Agencies	40,296.00	39,412.00
Net Other Revenues, Expenses, Gains, Losses, and Transfers	<u>32,361,121.88</u>	<u>25,517,969.75</u>
Total Change in Net Position	<u>27,632,333.21</u>	<u>112,331,309.87</u>
Beginning Net Position (September 1)	937,392,522.71	825,113,976.03
Restatements	<u>52,763.19</u>	<u>0.00</u>
Ending Net Position (August 31)	<u>\$ 965,077,619.11</u>	<u>\$ 937,445,285.90</u>

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
<b>Cash Flows from Operating Activities</b>		
Proceeds from Customers	\$ 318,466,192.16	\$ 265,964,972.58
Proceeds from Tuition and Fees	70,064,504.52	68,783,375.79
Proceeds from Grants and Contracts	195,877,589.27	193,849,571.83
Proceeds from Sales and Services of Auxiliary Enterprises	938,468.14	882,667.90
Proceeds from Collections of Loans to Students	5,189,075.19	4,992,166.79
Proceeds from Fiduciary Activities (Held 3 Months or Less)	73,153,347.71	74,385,853.35
Payments to Suppliers for Goods and Services	(160,740,953.57)	(145,356,232.42)
Payments to Employees for Salaries	(411,230,875.03)	(397,417,107.83)
Payments to Employees for Benefits	(101,933,264.91)	(99,861,916.97)
Payments for Loans Issued to Students	(5,029,798.84)	(5,059,912.41)
Payments for Fiduciary Activities (Held 3 Months or Less)	(73,251,729.91)	(74,319,066.09)
Payments for Other Expenses	(82,027,853.58)	(43,200,015.71)
Net Cash Provided/(Used) by Operating Activities	(170,525,298.85)	(156,355,643.19)
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	182,287,592.99	182,022,110.48
Proceeds from Gifts	10,388,555.30	9,210,289.72
Proceeds from Nonoperating Grants and Contracts	7,887,323.73	10,086,429.56
Proceeds from Other Financing Activities	1,404,279.20	1,628,048.77
Proceeds from Transfers from Component Institutions	2,962,832.57	1,701,341.06
Proceeds from Transfers In from Other State Agencies	4,296,190.68	4,538,909.00
Payments for Transfers to Component Institutions	(5,390,807.63)	(5,410,838.32)
Payments for Transfers to Other State Agencies	(2,287,903.18)	0.00
Payments for Other Uses	(14,625.00)	0.00
Net Cash Provided/(Used) by Noncapital Financing Activities	201,533,438.66	203,776,290.27
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Sale of Capital Assets	88,343.00	104,800.59
Proceeds from Capital Gifts	5,100,000.00	4,166,668.00
Proceeds from Capital Appropriations	21,652,392.00	21,652,392.00
Proceeds from Transfers from Component Institutions	12,690,433.18	7,525,214.46
Payments for Transfers to Component Institutions	(10,383,711.16)	(22,214,955.00)
Payments for Additions to Capital Assets	(30,361,288.15)	(22,905,188.97)
Payments for Leases	(2,639,716.03)	(2,378,755.69)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(3,853,547.16)	(14,049,824.61)
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	40,067,349.00	83,630,784.33
Proceeds from Interest and Investment Income	17,638,396.66	14,893,788.98
Payments to Acquire Investments	(74,532,345.97)	(114,730,291.80)
Net Cash Provided/(Used) by Investing Activities	(16,826,600.31)	(16,205,718.49)
TOTAL NET CASH FLOWS	\$ 10,327,992.34	\$ 17,165,103.98

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Beginning Cash & Cash Equivalents (September 1)	\$ 143,936,935.48	\$ 126,771,831.50
Ending Cash & Cash Equivalents (August 31)	\$ 154,264,927.82	\$ 143,936,935.48
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (181,735,985.68)	\$ (182,231,308.28)
Adjustments:		
Depreciation and Amortization Expense	28,102,451.09	26,868,790.82
Bad Debt Expense		
(Increase) Decrease in Accounts Receivables	(1,695,393.47)	(2,264,997.43)
(Increase) Decrease in Loans and Notes Receivable	132,908.64	58,145.45
(Increase) Decrease in Inventories	(22,653.17)	(319,925.52)
(Increase) Decrease in Due From Other State Agencies	(266,310.43)	1,427,558.10
(Increase) Decrease in Prepaid Items	(3,911,602.99)	(9,163,791.90)
Increase (Decrease) in Accounts Payable	(1,251,069.23)	1,356,686.99
Increase (Decrease) in Unearned Revenue	(1,780,198.77)	1,651,220.07
Increase (Decrease) in Employees' Compensable Leave	308,824.94	1,214,435.53
Increase (Decrease) in Claims and Judgments	0.00	(3,968,977.78)
Increase (Decrease) in Due To Other State Agencies	(8,283,276.80)	8,931,666.90
Increase (Decrease) in Fiduciary Activities Held 3 Months or Less	(98,382.20)	66,787.26
Increase (Decrease) in Other Liabilities	(24,610.78)	18,066.60
Net Cash Used for Operating Activities	(170,525,298.85)	(156,355,643.19)
 Noncash Transactions		
Donations of Capital Assets	3,868,046.69	12,849,143.74
Net Increase (Decrease) in Fair Value of Investments	(34,962,222.29)	52,584,306.09
Other	(168,507.41)	(482,318.74)
Total Noncash Transactions	\$ (31,262,683.01)	\$ 64,951,131.09

UNAUDITED

**Texas Tech University Health Sciences Center (739)  
Matrix of Operating Expenses Reported by Function  
For the Years Ended August 31, 2022 and 2021**

<b>OPERATING EXPENSES</b>	<b>INSTRUCTION</b>	<b>RESEARCH</b>	<b>PUBLIC SERVICE</b>	<b>HOSPITALS AND CLINICS</b>	<b>ACADEMIC SUPPORT</b>	<b>STUDENT SERVICES</b>	<b>INSTITUTIONAL SUPPORT</b>
Salaries and Wages	\$ 186,030,631.28	\$ 22,503,144.80	\$ 62,627,331.70	\$ 58,188,792.95	\$ 50,641,063.27	\$ 8,899,992.84	\$ 17,892,762.97
Payroll Related Costs	35,659,769.02	5,010,128.67	18,462,252.57	16,779,204.57	15,445,231.41	2,650,048.84	6,436,778.15
Professional Fees and Services	1,924,131.43	679,053.13	48,147,045.78	4,526,478.89	6,252,290.85	2,345,712.74	3,120,605.02
Travel	275,993.67	214,503.59	650,575.47	36,022.27	1,114,581.04	284,233.80	258,187.53
Materials and Supplies	473,626.89	2,755,653.41	12,177,105.20	9,670,934.86	5,616,845.91	1,772,499.92	138,136.98
Communications and Utilities	242,330.08	120,701.21	528,531.28	596,833.83	7,818,783.47	851,288.79	730,445.03
Repairs and Maintenance	97,676.74	1,076,285.76	403,034.32	262,592.25	2,656,346.50	1,245,939.23	197,515.63
Rentals and Leases	33,219.93	56,200.33	404,375.13	64,354.32	662,609.26	92,700.35	64,965.98
Printing and Reproduction	64,308.37	200,015.35	271,202.79	166,634.92	335,340.43	160,720.86	89,639.47
Federal Grant Pass-Through Expense	0.00	193,953.12	401,123.72	0.00	0.00	0.00	0.00
State Grant Pass-Through Expense	0.00	68,551.17	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	182,238.93	0.00
Interest	7.71	109.17	185.65	174.92	894.73	77.69	486.38
Scholarships	82,750.00	195,542.18	0.00	0.00	516,631.99	8,585.00	2,500.00
Claims and Judgments	0.00	0.00	70,000.00	0.00	0.00	0.00	0.00
Other Operating Expenses	2,546,256.55	5,685,441.18	5,462,544.46	1,856,716.14	41,454,570.43	6,051,070.37	5,357,943.27
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 227,430,701.67</b>	<b>\$ 38,759,283.07</b>	<b>\$ 149,605,308.07</b>	<b>\$ 92,148,739.92</b>	<b>\$ 132,515,189.29</b>	<b>\$ 24,545,109.36</b>	<b>\$ 34,289,966.41</b>

UNAUDITED

**Texas Tech University Health Sciences Center (739)  
Matrix of Operating Expenses Reported by Function  
For the Years Ended August 31, 2022 and 2021**

<b>OPERATING EXPENSES</b>	<b>OPERATIONS &amp; MAINTENANCE OF PLANT</b>	<b>SCHOLARSHIPS &amp; FELLOWSHIPS</b>	<b>AUXILIARY ENTERPRISES</b>	<b>DEPRECIATION &amp; AMORTIZATION</b>	<b>GRAND TOTAL</b>	<b>Restated 2021</b>
Salaries and Wages	\$ 5,855,405.09	\$ 8,641.18	\$ 275,266.00	\$ 0.00	\$ 412,923,032.08	\$ 400,701,098.39
Payroll Related Costs	2,221,327.73	576.09	108,035.46	0.00	102,773,352.51	101,663,173.21
Professional Fees and Services	2,185,894.85	500.00	0.00	0.00	69,181,712.69	59,376,320.94
Travel	24,987.04	0.00	26.88	0.00	2,859,111.29	799,691.84
Materials and Supplies	235,330.57	0.00	27,553.79	0.00	32,867,687.53	30,610,128.64
Communications and Utilities	8,355,344.69	0.00	2,229.00	0.00	19,246,487.38	15,495,598.43
Repairs and Maintenance	9,625,380.31	0.00	11,220.48	0.00	15,575,991.22	16,542,303.00
Rentals and Leases	7,559.77	0.00	650.00	0.00	1,386,635.07	1,895,512.00
Printing and Reproduction	14,282.15	0.00	6,129.67	0.00	1,308,274.01	1,140,092.74
Federal Grant Pass-Through Expense	0.00	0.00	0.00	0.00	595,076.84	465,816.64
State Grant Pass-Through Expense	0.00	0.00	0.00	0.00	68,551.17	44,114.92
Depreciation and Amortization	0.00	0.00	0.00	28,102,451.09	28,102,451.09	26,868,790.82
Bad Debt Expense	0.00	0.00	0.00	0.00	182,238.93	(114,358.61)
Interest	325.04	0.00	0.00	0.00	2,261.29	2,301.17
Scholarships	0.00	5,025,396.95	0.00	0.00	5,831,406.12	5,420,036.95
Claims and Judgments	0.00	0.00	0.00	0.00	70,000.00	121,110.61
Other Operating Expenses	9,485,389.02	8,782.47	96,646.31	0.00	78,005,360.20	40,757,299.97
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 38,011,226.26</b>	<b>\$ 5,043,896.69</b>	<b>\$ 527,757.59</b>	<b>\$ 28,102,451.09</b>	<b>\$ 770,979,629.42</b>	<b>\$ 701,789,031.66</b>

UNAUDITED

**Texas Tech University Health Sciences Center (739)  
Combined Statement of Fiduciary Net Position  
For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Texas Tech University Health Sciences Center for the years ended August 31, 2022 and 2021.

UNAUDITED

**Texas Tech University Health Science Center (739)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Texas Tech University Health Sciences Center for the years ended August 31, 2022 and 2021.

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 56,718,750.54	\$ 42,939,898.47
Restricted Cash and Cash Equivalents	5,491,047.59	3,014,562.88
Legislative Appropriations	31,435,855.93	35,025,144.17
Receivables:		
Federal	343,150.07	1,628,908.09
Patient	9,069,923.55	8,200,335.12
Student	16,772.53	12,506.43
Contracts	17,147,928.46	13,707,802.41
Interest and Dividends	220,095.68	183,093.31
Gifts	605,880.00	605,880.00
Leases	100,351.20	100,025.41
Other	475,246.17	417,839.63
Due From Other State Agencies	3,295,366.54	3,558,787.37
Inventories	517,077.26	579,170.63
Prepaid Items	3,176,254.15	6,486,737.62
Loans and Contracts	51,375.86	28,219.42
Total Current Assets	128,665,075.53	116,488,910.96
Non-Current Assets:		
Restricted Cash and Cash Equivalents	(161.91)	298,838.59
Restricted Investments	62,338,568.64	63,258,734.68
Gifts Receivable	4,241,160.00	4,847,040.00
Leases Receivable	162,915.85	263,267.05
Loans and Notes Receivable	440,375.84	615,355.47
Investments	141,289,137.92	151,038,282.45
Capital Assets		
Non-Depreciable or Non-Amortizable	25,448,466.60	22,392,619.52
Depreciable or Amortizable	326,291,866.09	324,110,723.44
Accumulated Depreciation and Amortization	(155,408,024.65)	(141,493,442.05)
Right to Use Assets		
Amortizable	46,132,968.23	42,680,900.23
Accumulated Amortization	(6,508,185.76)	(3,263,594.24)
Total Non-Current Assets	444,429,086.85	464,748,725.14
Total Assets	\$ 573,094,162.38	\$ 581,237,636.10



UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 7,701,525.67	\$ 7,931,040.49
Payroll Payable	14,218,728.03	13,662,337.92
Unearned Revenue	6,369,010.82	5,052,459.58
Due to Other State Agencies	169,855.99	27,727.10
Employees' Compensable Leave	1,561,915.29	1,500,934.87
Right to Use Lease Obligations	3,031,627.55	2,334,099.60
Funds Held for Others	152,918.20	132,402.29
Other Current Liabilities	53,181.77	49,097.95
Total Current Liabilities	33,258,763.32	30,690,099.80
Non-Current Liabilities:		
Employees' Compensable Leave	10,189,907.66	10,212,408.03
Right to Use Lease Obligations	38,518,694.01	38,068,739.01
Other Non-Current Liabilities	21,973.61	25,104.04
Total Non-Current Liabilities	48,730,575.28	48,306,251.08
Total Liabilities	\$ 81,989,338.60	\$ 78,996,350.88
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources	262,516.00	362,841.18
Total Deferred Inflows of Resources	\$ 262,516.00	\$ 362,841.18
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 194,370,272.23	\$ 203,988,808.51
Restricted:		
Nonexpendable:		
Endowments	36,081,405.34	32,354,266.57
Expendable:		
Capital Projects	5,800,711.07	6,376,225.09
Other	35,970,160.37	42,636,199.24
Unrestricted	218,619,758.77	216,522,944.63
Total Net Position	\$ 490,842,307.78	\$ 501,878,444.04

UNAUDITED

**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, 2022 and 2021**

	2022	Restated 2021
Operating Revenues		
Tuition and Fees	\$ 336,608.93	\$ 221,978.33
Tuition and Fees - Pledged	15,874,797.01	14,238,261.40
Less Discounts and Allowances	(2,954,414.05)	(2,665,459.89)
Professional Fees	57,620,664.19	58,211,550.25
Sales and Services of Auxiliary Enterprises - Pledged	290,445.84	273,101.96
Other Sales and Services	57,135.15	86,082.01
Other Sales and Services - Pledged	301,737.03	276,610.92
Federal Grants and Contracts	2,203,358.05	2,247,660.31
Federal Grant Pass-Throughs from Other State Agencies	762,710.52	468,660.68
State Grants and Contracts	1,712,002.25	1,707,561.66
State Grant Pass-Throughs from Other State Agencies	4,457,556.91	5,686,353.70
Local Governmental Grants and Contracts	69,312,352.01	60,758,365.03
Local Governmental Grants and Contracts - Pledged	900.00	0.00
Nongovernmental Grants and Contracts	23,709,162.48	25,748,737.87
Nongovernmental Grants and Contracts - Pledged	31,240.50	0.00
Other Operating Revenues	25,863,254.97	11,432,321.16
Total Operating Revenues	<u>199,579,511.79</u>	<u>178,691,785.39</u>
Operating Expenses		
Salaries and Wages	162,052,249.32	157,315,105.95
Payroll Related Costs	37,556,265.82	36,496,295.07
Professional Fees and Services	7,645,713.21	6,658,694.72
Travel	1,009,724.73	254,772.14
Materials and Supplies	5,549,050.51	4,785,363.69
Communications and Utilities	5,836,316.22	5,312,566.89
Repairs and Maintenance	6,273,588.25	5,503,447.89
Rentals and Leases	1,832,128.09	1,906,479.47
Printing and Reproduction	450,124.03	281,360.04
Federal Grant Pass-Through Expense	29,275.12	0.00
State Grant Pass-Through Expense	248,719.32	96,584.93
Depreciation and Amortization	19,266,717.68	18,214,447.28
Bad Debt Expense	150,310.99	128,109.55
Interest	5,526.06	3,650.47
Scholarships	1,978,060.44	2,528,577.32
Claims and Judgments	0.00	13,500.00
Other Operating Expenses	33,128,892.47	19,518,952.51
Total Operating Expenses	<u>283,012,662.26</u>	<u>259,017,907.92</u>
Operating Income (Loss)	<u>\$ (83,433,150.47)</u>	<u>\$ (80,326,122.53)</u>

UNAUDITED

**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, 2022 and 2021**

	2022	Restated 2021
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 80,558,351.17	\$ 81,222,113.41
Federal Grants and Contracts	1,299,303.51	2,401,373.72
Federal Grant Pass-Throughs from Other State Agencies	132,064.40	3,654.00
State Grant Pass-Throughs from Other State Agencies	29,734.00	7,060.00
Private Gifts	7,113,180.94	6,151,898.56
Investment Income (Expense)	1,603,537.73	2,534,972.43
Investment Income (Expense) - Pledged	4,110,907.75	1,262,609.14
Gain (Loss) on Sale and Disposal of Capital Assets	(15,938.32)	(192,832.09)
Net Increase (Decrease) in Fair Value of Investments	(14,802,275.63)	25,806,110.72
Interest Expense	(433,563.74)	(440,412.99)
Other Nonoperating Revenues (Expenses)	352,777.45	280,753.41
Other Nonoperating Revenues (Expenses) - Pledged	193,820.74	18,947.07
Total Nonoperating Revenues (Expenses)	<u>80,141,900.00</u>	<u>119,056,247.38</u>
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	(3,291,250.47)	38,730,124.85
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	5,557,572.00	5,557,572.00
Capital Contributions	56,541.00	1,118,951.17
Contributions to Permanent and Term Endowments	71,928.57	323,968.57
Legislative Transfers In (Out)	(11,973,757.23)	(11,183,906.50)
Interagency Transfers of Capital Assets - Increase	0.00	9,517.86
Interagency Transfers of Capital Assets - Decrease	(6,779.54)	(46,238.77)
Net Transfers from (to) Texas Tech University System Components	(1,451,228.09)	10,424,176.98
Net Transfers from (to) Other State Agencies	837.50	1,865.50
Net Other Revenues, Expenses, Gains, Losses, and Transfers	<u>(7,744,885.79)</u>	<u>6,205,906.81</u>
Total Change in Net Position	<u>(11,036,136.26)</u>	<u>44,936,031.66</u>
Beginning Net Position (September 1)	503,394,126.97	456,942,412.38
Restatements	<u>(1,515,682.93)</u>	<u>0.00</u>
Ending Net Position (August 31)	<u>\$ 490,842,307.78</u>	<u>\$ 501,878,444.04</u>

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
<b>Cash Flows from Operating Activities</b>		
Proceeds from Customers	\$ 83,447,924.38	\$ 68,600,175.20
Proceeds from Tuition and Fees	14,577,660.43	12,420,067.12
Proceeds from Grants and Contracts	98,853,061.43	94,832,572.90
Proceeds from Sales and Services of Auxiliary Enterprises	308,389.76	288,343.56
Proceeds from Collections of Loans to Students	168,796.30	272,114.89
Proceeds from Fiduciary Activities (Held 3 Months or Less)	18,445,078.00	15,101,773.00
Payments to Suppliers for Goods and Services	(26,493,465.21)	(28,871,231.28)
Payments to Employees for Salaries	(161,541,422.89)	(156,220,439.26)
Payments to Employees for Benefits	(37,472,222.09)	(36,116,279.23)
Payments for Loans Issued to Students	(264,620.70)	(192,538.75)
Payments for Fiduciary Activities (Held 3 Months or Less)	(17,549,630.80)	(15,046,298.44)
Payments for Other Expenses	(34,926,627.86)	(21,965,624.77)
Net Cash Provided/(Used) by Operating Activities	(62,447,079.25)	(66,897,365.06)
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	84,147,639.41	76,188,707.34
Proceeds from Gifts	7,178,989.51	6,475,867.13
Proceeds from Nonoperating Grants and Contracts	1,461,101.91	1,574,826.28
Proceeds from Other Financing Activities	466,788.94	235,596.01
Proceeds from Transfers from Component Institutions	1,264,930.97	581,886.31
Proceeds from Transfers In from Other State Agencies	1,739,744.77	3,456,926.00
Payments for Transfers to Component Institutions	(2,148,630.19)	(2,389,008.67)
Payments for Transfers to Other State Agencies	(2,445.50)	(1,550.50)
Net Cash Provided/(Used) by Noncapital Financing Activities	94,108,119.82	86,123,249.90
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Sale of Capital Assets	14,946.65	955,491.82
Proceeds from Capital Gifts	612,000.00	1,495,333.34
Proceeds from Capital Appropriations	5,557,572.00	5,557,572.00
Proceeds from Transfers from Component Institutions	5,188,901.95	17,498,549.48
Payments for Transfers to Component Institutions	(19,466,649.82)	(19,904,666.64)
Payments for Additions to Capital Assets	(6,860,295.92)	(26,109,125.54)
Payments for Leases	(2,764,933.44)	(2,682,914.83)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(17,718,458.58)	(23,189,760.37)
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	24,653,067.29	45,149,157.68
Proceeds from Interest and Investment Income	7,810,775.43	9,869,546.39
Payments to Acquire Investments	(30,450,088.43)	(50,583,952.01)
Net Cash Provided/(Used) by Investing Activities	2,013,754.29	4,434,752.06
<b>TOTAL NET CASH FLOWS</b>	<b>\$ 15,956,336.28</b>	<b>\$ 470,876.53</b>

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Beginning Cash & Cash Equivalents (September 1)	\$ 45,582,044.56	\$ 45,782,423.41
Restatement to Beginning Cash & Cash Equivalents	671,255.38	0.00
Ending Cash & Cash Equivalents (August 31)	\$ 62,209,636.22	\$ 46,253,299.94
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (83,433,150.47)	\$ (80,326,122.53)
Adjustments:		
Depreciation and Amortization Expense	19,266,717.68	18,214,447.28
(Increase) Decrease in Accounts Receivables	(3,348,896.15)	(2,952,727.82)
(Increase) Decrease in Loans and Notes Receivable	151,823.19	205,010.53
(Increase) Decrease in Inventories	62,093.37	(20,613.82)
(Increase) Decrease in Due From Other State Agencies	(280,202.26)	(365,676.26)
(Increase) Decrease in Prepaid Items	3,310,483.47	(3,023,941.60)
Increase (Decrease) in Accounts Payable	359,616.35	162,367.58
Increase (Decrease) in Unearned Revenue	1,316,551.24	589,535.19
Increase (Decrease) in Employees' Compensable Leave	38,480.05	644,467.78
Increase (Decrease) in Due To Other State Agencies	109,387.83	(28,113.15)
Increase (Decrease) in Other Liabilities	16.45	4,001.76
Net Cash Used for Operating Activities	(62,447,079.25)	(66,897,365.06)
 Noncash Transactions		
Donations of Capital Assets	56,541.00	200,752.70
Net Increase (Decrease) in Fair Value of Investments	(14,802,275.63)	25,806,110.72
Other	(30,884.97)	(1,148,323.91)
Total Noncash Transactions	\$ (14,776,619.60)	\$ 24,858,539.51

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)  
Matrix of Operating Expenses Reported by Function  
For the Years Ended August 31, 2022 and 2021**

<b>OPERATING EXPENSES</b>	<b>INSTRUCTION</b>	<b>RESEARCH</b>	<b>PUBLIC SERVICE</b>	<b>HOSPITALS AND CLINICS</b>	<b>ACADEMIC SUPPORT</b>	<b>STUDENT SERVICES</b>	<b>INSTITUTIONAL SUPPORT</b>
Salaries and Wages	\$ 96,482,619.36	\$ 6,824,220.73	\$ 2,830,685.66	\$ 16,944,161.64	\$ 23,708,297.17	\$ 1,972,308.35	\$ 9,535,150.92
Payroll Related Costs	17,089,544.36	1,873,018.33	597,568.41	5,908,691.60	6,720,130.38	463,011.74	3,458,217.01
Professional Fees and Services	4,591,365.49	278,493.18	119,668.34	17,633.45	766,791.41	81,094.16	1,531,395.98
Travel	458,345.48	86,699.53	51,368.61	15,944.92	254,322.40	60,934.09	71,724.24
Materials and Supplies	1,786,608.87	636,879.73	91,389.10	332,936.63	1,803,781.28	425,556.34	88,416.45
Communications and Utilities	601,669.37	55,526.55	12,911.61	16,339.55	2,133,975.63	121,356.72	257,389.04
Repairs and Maintenance	304,005.38	690,436.65	47,578.41	207,137.31	2,337,847.09	69,705.68	423,845.72
Rentals and Leases	88,496.07	264.00	6,115.07	466,798.95	1,054,335.80	28,431.84	74,138.25
Printing and Reproduction	43,075.83	38,756.17	19,446.81	1,228.46	147,092.50	65,575.26	126,800.79
Federal Grant Pass-Through Expense	0.00	29,275.12	0.00	0.00	0.00	0.00	0.00
State Grant Pass-Through Expense	0.00	248,719.32	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	10,310.99	0.00
Interest	674.11	83.37	36.73	273.42	3,302.34	587.93	361.77
Scholarships	2,022.05	0.00	0.00	0.00	730,951.56	0.00	0.00
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	3,489,702.02	1,536,387.29	295,788.86	387,026.30	19,478,234.85	1,584,670.94	3,436,273.99
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 124,938,128.39</b>	<b>\$ 12,298,759.97</b>	<b>\$ 4,072,557.61</b>	<b>\$ 24,298,172.23</b>	<b>\$ 59,139,062.41</b>	<b>\$ 4,883,544.04</b>	<b>\$ 19,003,714.16</b>

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)  
Matrix of Operating Expenses Reported by Function  
For the Years Ended August 31, 2022 and 2021**

<b>OPERATING EXPENSES</b>	<b>OPERATIONS &amp; MAINTENANCE OF PLANT</b>	<b>SCHOLARSHIPS &amp; FELLOWSHIPS</b>	<b>AUXILIARY ENTERPRISES</b>	<b>DEPRECIATION &amp; AMORTIZATION</b>	<b>GRAND TOTAL</b>	<b>Restated 2021</b>
Salaries and Wages	\$ 3,690,374.51	\$ 0.00	\$ 64,430.98	\$ 0.00	\$ 162,052,249.32	\$ 157,315,105.95
Payroll Related Costs	1,410,807.77	0.00	35,276.22	0.00	37,556,265.82	36,496,295.07
Professional Fees and Services	257,571.20	0.00	1,700.00	0.00	7,645,713.21	6,658,694.72
Travel	10,385.46	0.00	0.00	0.00	1,009,724.73	254,772.14
Materials and Supplies	380,916.93	0.00	2,565.18	0.00	5,549,050.51	4,785,363.69
Communications and Utilities	2,631,157.37	0.00	5,990.38	0.00	5,836,316.22	5,312,566.89
Repairs and Maintenance	2,094,948.13	0.00	98,083.88	0.00	6,273,588.25	5,503,447.89
Rentals and Leases	111,120.94	0.00	2,427.17	0.00	1,832,128.09	1,906,479.47
Printing and Reproduction	3,360.98	0.00	4,787.23	0.00	450,124.03	281,360.04
Federal Grant Pass-Through Expense	0.00	0.00	0.00	0.00	29,275.12	0.00
State Grant Pass-Through Expense	0.00	0.00	0.00	0.00	248,719.32	96,584.93
Depreciation and Amortization	0.00	0.00	0.00	19,266,717.68	19,266,717.68	18,214,447.28
Bad Debt Expense	0.00	140,000.00	0.00	0.00	150,310.99	128,109.55
Interest	206.39	0.00	0.00	0.00	5,526.06	3,650.47
Scholarships	0.00	1,245,086.83	0.00	0.00	1,978,060.44	2,528,577.32
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	13,500.00
Other Operating Expenses	2,907,859.21	0.00	12,949.01	0.00	33,128,892.47	19,518,952.51
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 13,498,708.89</b>	<b>\$ 1,385,086.83</b>	<b>\$ 228,210.05</b>	<b>\$ 19,266,717.68</b>	<b>\$ 283,012,662.26</b>	<b>\$ 259,017,907.92</b>

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Texas Tech University Health Sciences Center at El Paso for the years ended August 31, 2022 and 2021.



UNAUDITED

**Texas Tech University Health Science Center at El Paso (774)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Texas Tech University Health Sciences Center at El Paso for the years ended August 31, 2022 and 2021.

UNAUDITED

**Angelo State University (737)  
Statement of Net Position  
August 31, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 31,219,262.36	\$ 33,846,224.92
Restricted Cash and Cash Equivalents	(1,154,685.03)	(3,906,317.35)
Legislative Appropriations	11,926,029.60	7,561,733.90
Receivables:		
Federal	2,774,804.30	3,000,479.30
Student	17,249,687.67	11,282,438.82
Accounts	873,889.23	732,479.57
Interest and Dividends	83,693.42	55,960.30
Gifts	3,427,890.33	685,428.23
Leases	51,154.76	62,862.88
Due From Other State Agencies	144,294.06	102,196.46
Inventories	234,702.83	206,855.73
Prepaid Items	10,864,726.47	10,561,091.96
Loans and Contracts	135,142.30	143,749.64
Total Current Assets	<u>77,830,592.30</u>	<u>64,335,184.36</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	0.00	27,030.00
Restricted Investments	52,299,234.57	48,825,706.40
Gifts Receivable	4,087,005.30	1,987,259.99
Leases Receivable	1,353,106.47	1,404,261.22
Investments	66,448,211.82	61,919,351.81
Capital Assets		
Non-Depreciable or Non-Amortizable	6,266,483.13	4,662,496.46
Depreciable or Amortizable	326,255,033.98	322,000,647.15
Accumulated Depreciation and Amortization	(191,512,222.92)	(180,112,179.86)
Right to Use Assets		
Amortizable	160,610.91	160,610.91
Accumulated Amortization	(107,073.89)	(53,536.97)
Total Non-Current Assets	<u>265,250,389.37</u>	<u>260,821,647.11</u>
Total Assets	<u>\$ 343,080,981.67</u>	<u>\$ 325,156,831.47</u>

UNAUDITED

**Angelo State University (737)  
Statement of Net Position  
August 31, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>Restated 2021</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 3,196,602.07	\$ 3,069,878.51
Payroll Payable	5,202,228.23	6,281,744.18
Unearned Revenue	45,504,595.61	41,430,392.67
Due to Other State Agencies	754.84	584.71
Right to Use Leases Obligations	55,250.73	53,509.05
Funds Held for Others	2,533,028.78	2,435,125.92
Other Current Liabilities	110.90	161.45
Total Current Liabilities	<u>56,492,571.16</u>	<u>53,271,396.49</u>
Non-Current Liabilities:		
Employees' Compensable Leave	3,161,220.66	3,271,711.68
Right to Use Lease Obligations	0.00	55,250.74
Other Non-Current Liabilities	12,086.31	35,004.40
Total Non-Current Liabilities	<u>3,173,306.97</u>	<u>3,361,966.82</u>
Total Liabilities	<u>59,665,878.13</u>	<u>56,633,363.31</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources	1,395,905.88	1,466,111.28
Total Deferred Inflows of Resources	<u>1,395,905.88</u>	<u>1,466,111.28</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	141,062,831.21	146,658,037.69
Restricted:		
Nonexpendable:		
Endowments	47,758,066.84	42,064,081.73
Expendable:		
Other	27,531,405.43	23,799,476.13
Unrestricted	<u>65,666,894.18</u>	<u>54,535,761.33</u>
Total Net Position	<u>\$ 282,019,197.66</u>	<u>\$ 267,057,356.88</u>

UNAUDITED

**Angelo State University (737)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>2021</u>
Operating Revenues		
Tuition and Fees	\$ 4,098,939.40	\$ 4,126,501.09
Tuition and Fees - Pledged	65,358,830.53	64,553,910.09
Less Discounts and Allowances	(22,494,377.21)	(23,936,910.54)
Sales and Services of Auxiliary Enterprises - Pledged	12,464,548.50	10,470,932.25
Other Sales and Services - Pledged	962,017.74	882,153.15
Federal Grants and Contracts	1,272,424.07	1,227,859.16
Federal Grant Pass-Throughs from Other State Agencies	303,551.32	330,584.04
State Grant Pass-Throughs from Other State Agencies	7,036,667.50	6,976,788.57
Nongovernmental Grants and Contracts	1,041,104.00	475,815.53
Total Operating Revenues	<u>70,043,705.85</u>	<u>65,107,633.34</u>
 Operating Expenses		
Salaries and Wages	58,412,908.13	57,466,524.02
Payroll Related Costs	18,588,644.19	18,385,179.02
Professional Fees and Services	1,939,389.49	870,967.09
Travel	1,924,296.24	462,123.12
Materials and Supplies	9,829,669.99	8,522,262.30
Communications and Utilities	4,005,452.95	3,564,542.58
Repairs and Maintenance	3,091,230.41	3,719,143.00
Rentals and Leases	812,761.10	582,748.25
Printing and Reproduction	389,419.35	255,189.62
Depreciation and Amortization	12,444,985.71	11,127,579.46
Bad Debt Expense	569,533.17	454,749.77
Interest	323.53	204.86
Scholarships	19,344,123.31	20,011,385.78
Other Operating Expenses	13,950,105.25	11,436,661.26
Total Operating Expenses	<u>145,302,842.82</u>	<u>136,859,260.13</u>
 Operating Income (Loss)	 <u>\$ (75,259,136.97)</u>	 <u>\$ (71,751,626.79)</u>

UNAUDITED

**Angelo State University (737)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 38,834,161.44	\$ 35,544,538.02
Federal Grants and Contracts	25,415,612.59	29,065,996.48
Federal Grant Pass-Throughs from Other State Agencies	79,753.78	1,491,552.00
Private Gifts	14,788,581.50	11,736,415.92
Investment Income (Expense)	12,508,585.25	11,702,282.92
Interest Expense on Capital Asset Financing	0.00	(2,173.67)
Net Increase (Decrease) in Fair Value of Investments	(8,508,252.10)	13,016,793.30
Interest Expense	(191.67)	(317.18)
Other Nonoperating Revenues (Expenses) - Pledged	8,888,176.23	2,502,684.27
Total Nonoperating Revenues (Expenses)	92,006,427.02	105,057,772.06
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	16,747,290.05	33,306,145.27
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	6,792,999.00	6,792,999.00
Capital Contributions	318,055.00	0.00
Lapsed Appropriations	(8.91)	(0.32)
Legislative Transfers In (Out)	(3,968,835.74)	(4,163,457.42)
Net Transfers from (to) Texas Tech University System Components	(5,042,406.50)	(18,689,108.84)
Net Transfers from (to) Other State Agencies	114,747.88	109,940.22
Net Other Revenues, Expenses, Gains, Losses, and Transfers	(1,785,449.27)	(15,949,627.36)
Total Change in Net Position	14,961,840.78	17,356,517.91
Beginning Net Position (September 1)	267,046,395.67	249,700,838.97
Restatements	10,961.21	0.00
Ending Net Position (August 31)	\$ 282,019,197.66	\$ 267,057,356.88

## UNAUDITED

**Angelo State University (737)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
<b>Cash Flows from Operating Activities</b>		
Proceeds from Customers	\$ 960,937.95	\$ 885,172.52
Proceeds from Tuition and Fees	44,327,937.95	45,044,878.78
Proceeds from Grants and Contracts	9,802,115.42	6,668,824.58
Proceeds from Sales and Services of Auxiliary Enterprises	12,615,762.84	10,686,090.43
Proceeds from Collections of Loans to Students	120,053.59	124,676.38
Proceeds from Fiduciary Activities (Held 3 Months or Less)	34,253,200.29	34,872,218.29
Payments to Suppliers for Goods and Services	(22,303,999.45)	(17,411,464.13)
Payments to Employees for Salaries	(58,402,527.85)	(57,642,501.32)
Payments to Employees for Benefits	(19,789,031.44)	(17,429,388.17)
Payments for Loans Issued to Students	(131,497.05)	(124,201.10)
Payments for Fiduciary Activities (Held 3 Months or Less)	(34,155,297.43)	(34,580,296.88)
Payments for Other Expenses	(37,322,477.05)	(32,355,087.44)
Net Cash Provided/(Used) by Operating Activities	<u>(70,024,822.23)</u>	<u>(61,261,078.06)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	34,469,865.74	34,445,916.92
Proceeds from Gifts	14,788,581.50	11,736,415.92
Proceeds from Nonoperating Grants and Contracts	25,495,366.37	30,557,548.48
Proceeds from Other Financing Activities	12,186,982.17	11,929,365.13
Proceeds from Transfers In from Other State Agencies	292,587.00	280,601.00
Payments for Transfers to Component Institutions	(538,810.00)	(558,761.00)
Payments for Transfers to Other State Agencies	(644.12)	(1,331.78)
Payments for Other Uses	(4,134,197.89)	(13,887,264.09)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>82,559,730.77</u>	<u>74,502,490.58</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Capital Appropriations	6,792,999.00	6,792,999.00
Proceeds from Transfers from Component Institutions	2,985,010.38	5,214,521.44
Payments for Transfers to Component Institutions	(11,634,637.62)	(27,677,655.70)
Payments for Additions to Capital Assets	(6,524,874.23)	(3,703,201.01)
Payments for Leases	(53,711.28)	70,987.69
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(8,435,213.75)</u>	<u>(19,302,348.58)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Interest and Investment Income	12,508,585.25	11,720,299.10
Payments to Acquire Investments	(16,510,640.28)	(35,620,608.52)
Net Cash Provided/(Used) by Investing Activities	<u>(4,002,055.03)</u>	<u>(23,900,309.42)</u>
<b>TOTAL NET CASH FLOWS</b>	<u>\$ 97,639.76</u>	<u>\$ (29,961,245.48)</u>

UNAUDITED

**Angelo State University (737)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Beginning Cash & Cash Equivalents (September 1)	\$ 29,966,937.57	\$ 59,928,183.05
Ending Cash & Cash Equivalents (August 31)	<u>\$ 30,064,577.33</u>	<u>\$ 29,966,937.57</u>
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (75,259,136.97)	\$ (71,751,626.79)
Adjustments:		
Depreciation and Amortization Expense	12,444,985.71	11,127,579.46
Bad Debt Expense	569,533.17	454,749.77
(Increase) Decrease in Accounts Receivables	(11,295,694.06)	(2,405,909.70)
(Increase) Decrease in Loans and Notes Receivable	8,607.34	57,526.95
(Increase) Decrease in Inventories	(27,847.10)	7,729.66
(Increase) Decrease in Due From Other State Agencies	(42,097.60)	(80,499.16)
(Increase) Decrease in Prepaid Items	(170,972.35)	(944,531.43)
Increase (Decrease) in Accounts Payable	788,488.76	98,480.59
Increase (Decrease) in Payroll Payable	10,380.28	(175,977.30)
Increase (Decrease) in Unearned Revenue	4,074,202.94	1,149,691.71
Increase (Decrease) in Employees' Compensable Leave	(110,491.02)	(122,120.60)
Increase (Decrease) in Due To Other State Agencies	170.13	584.71
Increase (Decrease) in Benefits Payable	(1,089,896.23)	1,077,911.45
Increase (Decrease) in Fiduciary Funds Held 3 Months or Less	97,902.86	291,921.41
Increase (Decrease) in Other Liabilities	(22,958.09)	(46,588.79)
Net Cash Used for Operating Activities	<u>(70,024,822.23)</u>	<u>(61,261,078.06)</u>
 Noncash Transactions		
Donations of Capital Assets	318,055.00	0.00
Net Increase (Decrease) in Fair Value of Investments	(8,508,252.10)	13,016,793.30
Other	(984,555.73)	(254,805.16)
Total Noncash Transactions	<u>\$ (9,174,752.83)</u>	<u>\$ 12,761,988.14</u>

UNAUDITED

**Angelo State University (737)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2022 and 2021**

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Salaries and Wages	\$ 30,096,944.82	\$ 368,286.43	\$ 609,718.19	\$ 3,810,803.07	\$ 5,881,043.44	\$ 9,399,674.14
Payroll Related Costs	9,518,252.07	78,353.22	177,618.50	1,120,293.88	1,876,930.42	3,490,689.69
Professional Fees and Services	544,628.89	540.00	7,920.11	7,804.75	123,578.92	962,965.85
Travel	611,266.84	73,816.46	21,964.33	27,909.11	87,597.02	437,267.31
Materials and Supplies	1,503,049.41	152,687.96	144,713.71	214,148.95	240,794.81	1,161,105.40
Communications and Utilities	294,628.15	1,129.83	5,697.15	28,043.08	24,141.01	132,645.04
Repairs and Maintenance	384,896.85	827.78	13,135.82	79,858.95	92,102.23	773,661.44
Rentals and Leases	208,892.54	2.99	17,825.40	10,286.54	47,840.71	106,467.67
Printing and Reproduction	60,169.29	358.18	11,830.64	12,663.89	31,258.38	238,789.08
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	259,347.04
Interest	165.61	0.00	0.00	0.00	0.00	118.92
Scholarships	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	3,145,089.13	65,804.87	485,008.47	1,859,512.28	1,087,655.03	5,082,209.59
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 46,367,983.60</b>	<b>\$ 741,807.72</b>	<b>\$ 1,495,432.32</b>	<b>\$ 7,171,324.50</b>	<b>\$ 9,492,941.97</b>	<b>\$ 22,044,941.17</b>



UNAUDITED

Angelo State University (737)  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2022 and 2021**

OPERATING EXPENSES	OPERATIONS & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	Restated 2021
Salaries and Wages	\$ 2,367,876.69	\$ 0.00	\$ 5,878,561.35	\$ 0.00	\$ 58,412,908.13	\$ 57,466,524.02
Payroll Related Costs	903,886.47	0.00	1,422,619.94	0.00	18,588,644.19	18,385,179.02
Professional Fees and Services	3,988.88	0.00	287,962.09	0.00	1,939,389.49	870,967.09
Travel	379.48	0.00	664,095.69	0.00	1,924,296.24	462,123.12
Materials and Supplies	669,624.82	0.00	5,743,544.93	0.00	9,829,669.99	8,522,262.30
Communications and Utilities	1,845,298.84	0.00	1,673,869.85	0.00	4,005,452.95	3,564,542.58
Repairs and Maintenance	603,934.77	0.00	1,142,812.57	0.00	3,091,230.41	3,719,143.00
Rentals and Leases	6,487.36	0.00	414,957.89	0.00	812,761.10	582,748.25
Printing and Reproduction	1,283.87	0.00	33,066.02	0.00	389,419.35	255,189.62
Depreciation and Amortization	0.00	0.00	0.00	12,444,985.71	12,444,985.71	11,127,579.46
Bad Debt Expense	0.00	0.00	310,186.13	0.00	569,533.17	454,749.77
Interest	0.00	0.00	39.00	0.00	323.53	204.86
Scholarships	0.00	19,344,123.31	0.00	0.00	19,344,123.31	20,011,385.78
Other Operating Expenses	502,926.93	0.00	1,721,898.95	0.00	13,950,105.25	11,436,661.26
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 6,905,688.11</b>	<b>\$ 19,344,123.31</b>	<b>\$ 19,293,614.41</b>	<b>\$ 12,444,985.71</b>	<b>\$ 145,302,842.82</b>	<b>\$ 136,859,260.13</b>

UNAUDITED

**Angelo State University (737)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Angelo State University for the years ended August 31, 2022 and 2021.

UNAUDITED

**Angelo State University (737)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Angelo State University for the years ended August 31, 2022 and 2021.

UNAUDITED

Midwestern State University (735)  
Statement of Net Position  
August 31, 2022 and 2021

	2022	Restated 2021
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 10,211,326.79	\$ 5,359,108.07
Unrestricted Short-Term Investments	9,833,462.86	14,286,760.78
Restricted Cash and Cash Equivalents	1,752,154.40	4,950,395.11
Restricted Short-Term Investments	1,161,517.88	1,039,522.69
Legislative Appropriations	2,683,765.40	2,114,037.36
Receivables:		
Federal	660,783.14	1,107,878.94
Student	9,549,571.00	9,765,019.53
Interest and Dividends	40,478.34	0.00
Gifts	186,616.77	508,114.47
Other	3,351,788.95	3,245,649.35
Due From Other State Agencies	93,293.61	0.00
Inventories	207,441.30	185,371.97
Prepaid Items	12,073,999.37	12,878,124.82
Total Current Assets	<u>51,806,199.81</u>	<u>55,439,983.09</u>
Non-Current Assets:		
Restricted Investments	7,472,960.60	4,214,441.00
Gifts Receivable	194,156.09	288,388.32
Investments	52,410,481.77	62,168,215.96
Capital Assets		
Non-Depreciable or Non-Amortizable	16,368,204.13	14,332,012.77
Depreciable or Amortizable	389,267,942.30	388,917,865.98
Accumulated Depreciation and Amortization	(240,399,939.84)	(224,037,107.02)
Right to Use Assets		
Amortizable	4,558,073.55	4,558,073.55
Accumulated Amortization	(1,214,186.16)	(607,093.08)
Other Noncurrent Assets	0.00	0.00
Total Non-Current Assets	<u>228,657,692.44</u>	<u>249,834,797.48</u>
Total Assets	<u>\$ 280,463,892.25</u>	<u>\$ 305,274,780.57</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows of Resources	2,339,934.98	37,823,722.96
Total Deferred Outflows of Resources	<u>\$ 2,339,934.98</u>	<u>\$ 37,823,722.96</u>

UNAUDITED

Midwestern State University (735)  
Statement of Net Position  
August 31, 2022 and 2021

	2022	Restated 2021
	<u>2022</u>	<u>2021</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 2,094,796.11	\$ 2,529,354.34
Payroll Payable	4,777,875.07	5,102,971.89
Unearned Revenue	34,585,270.44	36,391,257.62
Due to Other State Agencies	3,090.46	96,235.94
Employees' Compensable Leave	322,223.03	267,725.80
Right to Use Lease Obligations	585,358.31	558,834.41
Revenue Bonds Payable	6,816,038.64	6,521,038.64
Net OPEB Liability	0.00	1,830,388.00
Other Current Liabilities	1,653,998.82	1,720,139.35
Total Current Liabilities	<u>50,838,650.88</u>	<u>55,017,945.99</u>
Non-Current Liabilities:		
Employees' Compensable Leave	1,862,705.57	2,225,236.29
Right to Use Lease Obligations	2,863,712.82	3,449,071.13
Revenue Bonds Payable	121,579,716.66	128,395,755.30
Net OPEB Liability	0.00	53,043,239.00
Net Pension Liability	0.00	16,304,410.00
Other Non-Current Liabilities	99,137.02	101,034.07
Total Non-Current Liabilities	<u>126,405,272.07</u>	<u>203,518,745.79</u>
Total Liabilities	<u>\$ 177,243,922.95</u>	<u>\$ 258,536,691.78</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources	0.00	16,748,423.00
Total Deferred Inflows of Resources	<u>\$ 0.00</u>	<u>\$ 16,748,423.00</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 39,073,682.63	\$ 46,772,219.98
Restricted:		
Nonexpendable:		
Endowments	5,477,048.06	5,526,138.76
Expendable:		
Capital Projects	1,532,112.04	3,396,738.66
Other	15,887,412.03	15,667,322.67
Unrestricted	<u>43,589,649.52</u>	<u>(3,549,031.32)</u>
Total Net Position	<u>\$ 105,559,904.28</u>	<u>\$ 67,813,388.75</u>

UNAUDITED

**Midwestern State University (735)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
	<u>2022</u>	<u>2021</u>
Operating Revenues		
Tuition and Fees - Pledged	\$ 52,011,247.07	\$ 52,500,564.51
Less Discounts and Allowances	(18,166,477.70)	(18,667,784.83)
Sales and Services of Auxiliary Enterprises - Pledged	11,907,082.56	13,143,359.91
Other Sales and Services	1,235,211.54	805,593.50
Federal Grants and Contracts	1,526,085.60	1,367,619.47
Federal Grant Pass-Throughs from Other State Agencies	571,086.26	1,307,794.52
State Grant Pass-Throughs from Other State Agencies	4,605,327.70	4,257,133.69
Nongovernmental Grants and Contracts	2,024,957.71	1,753,387.86
Other Operating Revenues	1,591,587.09	1,822,174.33
Total Operating Revenues	<u>57,306,107.83</u>	<u>58,289,842.96</u>
Operating Expenses		
Salaries and Wages	44,244,062.83	43,680,196.20
Payroll Related Costs	14,649,152.87	23,595,060.53
Professional Fees and Services	5,586,869.48	6,047,102.69
Travel	1,906,233.77	417,425.60
Materials and Supplies	8,976,581.47	7,476,369.37
Communications and Utilities	3,022,358.64	2,622,407.56
Repairs and Maintenance	3,464,328.69	3,115,098.06
Rentals and Leases	467,311.51	327,526.90
Printing and Reproduction	196,131.14	222,858.99
Depreciation and Amortization	17,983,679.37	17,823,811.78
Bad Debt Expense	338,256.41	467,507.97
Interest	636.98	590.64
Scholarships	19,940,886.19	17,262,752.92
Total Operating Expenses	<u>120,776,489.35</u>	<u>123,058,709.21</u>
Operating Income (Loss)	<u>\$ (63,470,381.52)</u>	<u>\$ (64,768,866.25)</u>

UNAUDITED

**Midwestern State University (735)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 25,336,477.03	\$ 26,399,431.13
Federal Grants and Contracts	21,943,089.82	20,678,426.01
Federal Grant Pass-Throughs from Other State Agencies	96,550.86	2,788.15
State Grant Pass-Throughs from Other State Agencies	5,500.00	5,400.00
Private Gifts	4,870,632.53	5,016,020.75
Investment Income (Expense)	12,426,129.76	2,428,742.31
Interest Expense on Capital Asset Financing	(4,628,409.57)	(4,892,954.79)
Gain (Loss) on Sale and Disposal of Capital Assets	(54,525.92)	(358,259.10)
Net Increase (Decrease) in Fair Value of Investments	(16,390,093.06)	7,705,337.50
Other Nonoperating Revenues (Expenses)	0.00	2,921.00
Total Nonoperating Revenues (Expenses)	43,605,351.45	56,987,852.96
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	(19,865,030.07)	(7,781,013.29)
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	4,933,200.00	4,933,200.00
Capital Contributions	250,000.00	4,503,750.00
Lapsed Appropriations	40,383.57	(1,594,950.57)
Contributions to Permanent and Term Endowments	520,460.80	63,269.54
Legislative Transfers In (Out)	89,748.00	89,846.00
Net Transfers from (to) Other State Agencies	(859,913.37)	(1,199,067.95)
Net Other Revenues, Expenses, Gains, Losses, and Transfers	4,973,879.00	6,796,047.02
Total Change in Net Position	(14,891,151.07)	(984,966.27)
Beginning Net Position (September 1)	67,872,076.12	68,798,355.02
Restatements	52,578,979.23	0.00
Ending Net Position (August 31)	\$ 105,559,904.28	\$ 67,813,388.75

UNAUDITED

**Midwestern State University (735)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
<b>Cash Flows from Operating Activities</b>		
Proceeds from Customers	\$ 2,826,798.63	\$ 2,627,767.83
Proceeds from Tuition and Fees	33,085,808.78	34,443,916.74
Proceeds from Grants and Contracts	7,912,371.44	13,587,991.85
Proceeds from Sales and Services of Auxiliary Enterprises	11,706,851.03	12,703,018.95
Proceeds from Collections of Loans to Students	14,509.21	3,499.20
Payments to Suppliers for Goods and Services	(23,967,132.07)	(20,210,191.37)
Payments to Employees for Salaries	(44,877,193.14)	(43,276,078.34)
Payments to Employees for Benefits	(14,649,152.87)	(14,677,089.93)
Payments for Other Expenses	(19,143,304.73)	(19,074,792.80)
Net Cash Provided/(Used) by Operating Activities	(47,090,443.72)	(33,871,957.87)
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	24,807,132.56	24,783,677.23
Proceeds from Gifts	5,697,755.47	4,664,982.13
Proceeds from Nonoperating Grants and Contracts	22,045,140.68	20,686,614.16
Proceeds from Transfers In from Other State Agencies	148,193.00	148,887.00
Payments for Transfers to Other State Agencies	(918,358.37)	(1,258,108.95)
Payments for Other Uses	0.00	(15.00)
Net Cash Provided/(Used) by Noncapital Financing Activities	51,779,863.34	49,026,036.57
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Capital Gifts	250,000.00	250,000.00
Proceeds from Other Capital and Related Financing Activities	363,063.67	138,875.00
Proceeds from Capital Appropriations	4,933,200.00	4,933,200.00
Payments for Additions to Capital Assets	(3,454,547.07)	(3,096,857.52)
Payments for Principal Paid on Capital Debt	(6,521,281.04)	(6,987,079.21)
Payments for Interest Paid on Capital Debt	(4,495,545.56)	(4,758,306.06)
Payments for Capital Leases	(558,834.41)	(550,168.01)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(9,483,944.41)	(10,070,335.80)
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	8,975,527.67	20,586,319.51
Proceeds from Interest and Investment Income	55,761,847.73	6,108,427.72
Payments to Acquire Investments	(58,288,872.60)	(29,176,480.79)
Net Cash Provided/(Used) by Investing Activities	6,448,502.80	(2,481,733.56)
TOTAL NET CASH FLOWS	\$ 1,653,978.01	\$ 2,602,009.34
Beginning Cash & Cash Equivalents (September 1)	\$ 10,309,503.18	\$ 7,707,493.84
Ending Cash & Cash Equivalents (August 31)	\$ 11,963,481.19	\$ 10,309,503.18



UNAUDITED

**Midwestern State University (735)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (63,470,381.52)	\$ (64,768,866.25)
Adjustments:		
Depreciation and Amortization Expense	17,983,679.37	17,823,811.78
Bad Debt Expense	338,256.41	467,507.97
Pension Expense	0.00	2,299,179.00
OPEB Expense	0.00	8,795,049.00
(Increase) Decrease in Accounts Receivables	139,363.92	415,064.41
(Increase) Decrease in Inventories	(22,069.33)	(31,138.66)
(Increase) Decrease in Other Assets	109,067.79	821,886.54
(Increase) Decrease in Prepaid Items	804,125.45	(1,841,382.13)
(Increase) Decrease in Deferred Outflows of Resources	0.00	11,160,696.60
Increase (Decrease) in Accounts Payable	(532,448.82)	(676,234.02)
Increase (Decrease) in Payroll Payable	(325,096.82)	121,394.87
Increase (Decrease) in Unearned Revenue	(1,802,896.72)	4,565,051.26
Increase (Decrease) in Employees' Compensable Leave	(308,033.49)	282,722.99
Increase (Decrease) in Net OPEB Liability	0.00	(10,755,208.00)
Increase (Decrease) in Net Pension Liability	0.00	(2,258,793.00)
Increase (Decrease) in Deferred Inflows of Resources	0.00	(322,953.00)
Increase (Decrease) in Other Liabilities	(4,009.96)	30,252.77
Net Cash Used for Operating Activities	(47,090,443.72)	(33,871,957.87)
Noncash Transactions		
Donations of Capital Assets	0.00	4,253,750.00
Net Increase (Decrease) in Fair Value of Investments	(16,390,093.06)	7,705,337.50
Other	(54,525.92)	(358,259.10)
Total Noncash Transactions	\$ (16,444,618.98)	\$ 11,600,828.40

UNAUDITED

**Midwestern State University (735)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2022 and 2021**

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Salaries and Wages	23,460,853.49	506,872.37	476,476.64	4,229,296.18	6,776,330.70	4,377,515.90
Payroll Related Costs	7,635,145.25	110,093.11	147,060.43	1,435,166.72	2,028,569.04	1,564,666.55
Professional Fees and Services	590,784.27	77,166.33	72,988.70	1,232,222.28	1,665,246.84	174,431.89
Travel	655,229.56	66,672.76	12,553.97	192,977.90	832,617.63	127,506.87
Materials and Supplies	562,075.25	124,580.52	172,895.93	1,521,238.11	1,582,263.60	1,148,670.61
Communications and Utilities	56,222.80	156.25	7,240.97	36,001.11	388,421.38	(79,827.34)
Repairs and Maintenance	167,751.17	733.00	49,657.33	833,473.11	270,336.16	638,708.69
Rentals and Leases	68,340.40	175.00	113,928.22	37,067.62	211,856.78	88,271.05
Printing and Reproduction	16,286.26	42.10	4,742.80	36,467.71	212,035.10	(88,434.62)
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	338,256.41	0.00
Interest	0.00	0.00	0.00	0.00	3.45	563.49
Scholarships	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 33,212,688.45</b>	<b>\$ 886,491.44</b>	<b>\$ 1,057,544.99</b>	<b>\$ 9,553,910.74</b>	<b>\$ 14,305,937.09</b>	<b>\$ 7,952,073.09</b>

UNAUDITED

**Midwestern State University (735)  
Matrix of Operating Expenses Reported by Function  
For the Years Ended August 31, 2022 and 2021**

OPERATING EXPENSES	OPERATIONS & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	Restated 2021
Salaries and Wages	2,917,405.76	0.00	1,499,311.79	0.00	44,244,062.83	43,680,196.20
Payroll Related Costs	1,331,582.79	0.00	396,868.98	0.00	14,649,152.87	23,595,060.53
Professional Fees and Services	286,914.90	0.00	1,487,114.27	0.00	5,586,869.48	6,047,102.69
Travel	1,253.96	0.00	17,421.12	0.00	1,906,233.77	417,425.60
Materials and Supplies	614,362.16	0.00	3,250,495.29	0.00	8,976,581.47	7,476,369.37
Communications and Utilities	1,416,607.46	0.00	1,197,536.01	0.00	3,022,358.64	2,622,407.56
Repairs and Maintenance	214,575.40	0.00	1,289,093.83	0.00	3,464,328.69	3,115,098.06
Rentals and Leases	38,919.37	0.00	(91,246.93)	0.00	467,311.51	327,526.90
Printing and Reproduction	2,468.55	0.00	12,523.24	0.00	196,131.14	222,858.99
Depreciation and Amortization	0.00	0.00	0.00	17,983,679.37	17,983,679.37	17,823,811.78
Bad Debt Expense	0.00	0.00	0.00	0.00	338,256.41	467,507.97
Interest	58.81	0.00	11.23	0.00	636.98	590.64
Scholarships	0.00	19,940,886.19	0.00	0.00	19,940,886.19	17,262,752.92
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 6,824,149.16</b>	<b>\$ 19,940,886.19</b>	<b>\$ 9,059,128.83</b>	<b>\$ 17,983,679.37</b>	<b>\$ 120,776,489.35</b>	<b>\$ 123,058,709.21</b>

UNAUDITED

**Midwestern State University (735)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Midwestern State University for the years ended August 31, 2022 and 2021.

UNAUDITED

**Midwestern State University (735)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Midwestern State University for the years ended August 31, 2022 and 2021.

UNAUDITED

**Texas Tech University System Administration (768)**  
**Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,250,791.92	\$ 68,369.79
Restricted Cash and Cash Equivalents	238,930.22	3,294,383.60
Legislative Appropriations	601,323.92	549,764.47
Receivables:		
Interest and Dividends	70,651.97	57,891.64
Other	15,703.90	16,322.14
Prepaid Items	29,713.35	20,712.38
Other Current Assets	0.00	10,000.00
Total Current Assets	<u>4,207,115.28</u>	<u>4,017,444.02</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	61,990,145.76	83,106,405.81
Restricted Investments	93,878,890.67	77,073,526.92
Investments	68,650,022.53	72,874,100.67
Capital Assets		
Non-Depreciable or Non-Amortizable	314,482.25	314,482.25
Depreciable or Amortizable	31,758,217.66	27,955,514.29
Accumulated Depreciation and Amortization	(12,948,733.46)	(7,977,530.10)
Right to Use Assets		
Amortizable	325,593.62	187,212.75
Accumulated Amortization	(124,301.38)	(42,902.92)
Total Non-Current Assets	<u>243,844,317.65</u>	<u>253,490,809.67</u>
Total Assets	<u>\$ 248,051,432.93</u>	<u>\$ 257,508,253.69</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflow of Resources		
Deferred Outflows of Resources	403,926,077.40	534,081,309.00
Total Deferred Outflows of Resources	<u>\$ 403,926,077.40</u>	<u>\$ 534,081,309.00</u>

UNAUDITED

**Texas Tech University System Administration (768)**  
**Statement of Net Position**  
**August 31, 2022 and 2021**

	2022	Restated 2021
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 257,683.79	\$ 130,414.85
Payroll Payable	2,137,101.81	1,504,491.14
Short-Term Debt Commercial Paper Notes	75,911,000.00	48,844,000.00
Claims and Judgments	1,122,049.91	1,097,922.53
Right to Use Lease Obligations	116,006.79	46,753.22
Employees' Compensable Leave	250,106.32	185,088.31
Revenue Bonds Payable	56,107,895.30	59,116,239.75
Net OPEB Liability	27,446,781.00	29,719,284.00
Other Current Liabilities	1,164,032.57	988,663.46
Total Current Liabilities	164,512,657.49	141,632,857.26
Non-Current Liabilities:		
Claims and Judgments	4,638,254.09	4,759,189.47
Employees' Compensable Leave	1,862,050.94	1,388,550.28
Right to Use Lease Obligations	85,968.79	97,642.98
Revenue Bonds Payable	673,005,331.75	729,113,227.05
Net OPEB Liability	992,427,539.00	861,242,072.00
Net Pension Liability	156,543,241.00	322,680,807.00
Total Non-Current Liabilities	1,828,562,385.57	1,919,281,488.78
Total Liabilities	\$ 1,993,075,043.06	\$ 2,060,914,346.04
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources	345,063,289.00	289,753,459.00
Total Deferred Inflows of Resources	\$ 345,063,289.00	\$ 289,753,459.00
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ (716,353,380.49)	\$ (725,356,861.68)
Restricted:		
Nonexpendable:		
Endowments	745,398.81	719,798.79
Expendable:		
Capital Projects	985,498.57	795,579.00
Other	92,578,233.45	79,648,378.16
Unrestricted	(1,064,116,572.07)	(914,885,136.62)
Total Net Position	\$ (1,686,160,821.73)	\$ (1,559,078,242.35)

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**Texas Tech University System Administration (768)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Operating Revenues		
Other Sales and Services - Pledged	\$ 6,339.50	\$ 3,481.30
Total Operating Revenues	6,339.50	3,481.30
Operating Expenses		
Cost of Goods Sold	0.00	11.98
Salaries and Wages	11,476,483.14	14,357,242.37
Payroll Related Costs	98,459,618.70	136,745,533.21
Professional Fees and Services	1,623,679.80	1,505,400.30
Travel	168,181.88	79,738.03
Materials and Supplies	200,286.08	285,392.89
Communications and Utilities	178,532.01	259,752.26
Repairs and Maintenance	174,828.98	171,522.05
Rentals and Leases	293,267.70	858,821.59
Printing and Reproduction	25,378.04	39,554.91
Depreciation and Amortization	1,692,510.63	1,575,227.32
Interest	0.00	16.36
Claims and Judgments	973,742.49	307,527.00
Other Operating Expenses	(1,528,878.09)	707,762.66
Total Operating Expenses	113,737,631.36	156,893,502.93
Operating Income (Loss)	(113,731,291.86)	(156,890,021.63)
Nonoperating Revenues (Expenses)		
Legislative Revenue	2,856,654.87	2,730,660.24
Private Gifts	1,168.87	565.77
Private Gifts - Pledged	3,476,079.37	3,053,778.00
Investment Income (Expense)	968,766.27	191,543.14
Investment Income (Expense) - Pledged	1,693,471.39	4,622,665.11
Interest Expense on Capital Asset Financing	(21,977,633.86)	(23,719,804.10)
Net Increase (Decrease) in Fair Value of Investments	(7,212,042.70)	24,243,243.86
Interest Expense	(309.53)	(239.93)
Other Nonoperating Revenues (Expenses)	(53,650.25)	(42,989.29)
Other Nonoperating Revenues (Expenses) - Pledged	0.00	107,283.54
Total Nonoperating Revenues (Expenses)	(20,247,495.57)	11,186,706.34
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	(133,978,787.43)	(145,703,315.29)
Other Revenues, Expenses, Gains, Losses, and Transfers		
Contributions to Permanent and Term Endowments	25,600.00	7,000.00
Legislative Transfers In (Out)	58,791,519.40	65,152,970.92
Interagency Transfers of Capital Assets - Increase	442,612.18	1,949.00
Net Transfers from (to) Texas Tech University System Components	274,143.07	3,071,458.01
Net Other Revenues, Expenses, Gains, Losses, and Transfers	59,533,874.65	68,233,377.93
Total Change in Net Position	(74,444,912.78)	(77,469,937.36)
Beginning Net Position (September 1)	(1,559,078,136.99)	(1,481,608,304.99)
Restatements	(52,637,771.96)	0.00
Ending Net Position (August 31)	\$ (1,686,160,821.73)	\$ (1,559,078,242.35)



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**Texas Tech University System Administration (768)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
<b>Cash Flows from Operating Activities</b>		
Proceeds from Sales and Services of Auxiliary Enterprises	\$ 6,339.50	\$ 3,481.30
Proceeds from Fiduciary Activities (Held 3 Months or Less)	118,997,045.80	76,313,540.33
Payments to Suppliers for Goods and Services	(400,493.10)	(496,469.85)
Payments to Employees for Salaries	(11,141,433.78)	(14,356,209.92)
Payments to Employees for Benefits	(2,559,264.39)	(3,587,866.86)
Payments for Fiduciary Activities (Held 3 Months or Less)	(118,997,045.80)	(76,313,540.33)
Payments for Other Expenses	(1,147,928.91)	(4,370,269.43)
Net Cash Provided/(Used) by Operating Activities	(15,242,780.68)	(22,807,334.76)
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	2,805,095.42	2,700,462.53
Proceeds from Gifts	3,502,848.24	3,061,343.77
Proceeds from Other Financing Activities	45,022.00	47,109.23
Proceeds from Transfers from Component Institutions	14,681,473.29	12,966,919.01
Payments for Transfers to Component Institutions	(6,242,874.87)	(1,898,810.99)
Net Cash Provided/(Used) by Noncapital Financing Activities	14,791,564.08	16,877,023.55
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Capital Debt Issuances	41,532,000.00	39,000,000.00
Proceeds from Transfers from Component Institutions	112,417,909.88	176,425,609.10
Payments for Transfers to Component Institutions	(61,790,845.83)	(119,269,288.19)
Payments for Additions to Capital Assets	(81,100.02)	0.00
Payments for Principal Paid on Capital Debt	(72,215,000.00)	(86,839,000.00)
Payments for Interest Paid on Capital Debt	(23,168,515.50)	(24,799,938.90)
Payments for Leases	0.00	(43,037.49)
Payments for Other Costs on Debt Issuance	(87,357.25)	(80,764.29)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(3,392,908.72)	(15,606,419.77)
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	3,146,843.60	3,447,273.65
Proceeds from Interest and Investment Income	6,497,071.24	9,695,635.22
Payments to Acquire Investments	(26,789,080.82)	(94,712,060.91)
Net Cash Provided/(Used) by Investing Activities	(17,145,165.98)	(81,569,152.04)
<b>TOTAL NET CASH FLOWS</b>	<b>\$ (20,989,291.30)</b>	<b>\$ (103,105,883.02)</b>

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**Texas Tech University System Administration (768)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2022 and 2021**

	2022	Restated 2021
Beginning Cash & Cash Equivalents (September 1)	\$ 86,469,159.20	\$ 189,575,042.22
Ending Cash & Cash Equivalents (August 31)	<u>\$ 65,479,867.90</u>	<u>\$ 86,469,159.20</u>
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (113,731,291.86)	\$ (156,890,021.63)
Adjustments:		
Depreciation and Amortization Expense	1,692,510.63	1,575,227.32
Pension Expense	5,427,029.00	43,831,300.00
OPEB Expense	125,826,856.00	122,277,950.00
(Increase) Decrease in Accounts Receivables	618.24	(16,322.14)
(Increase) Decrease in Prepaid Items	(9,000.97)	(2,855.93)
(Increase) Decrease in Deferred Outflows of Resources	(63,156,791.00)	(34,291,354.00)
Increase (Decrease) in Accounts Payable	127,268.94	(6,616.42)
Increase (Decrease) in Payroll Payable	335,049.36	1,032.45
Increase (Decrease) in Employees' Compensable Leave	538,518.67	1,363.24
Increase (Decrease) in Claims and Judgments	(96,808.00)	(626,808.00)
Increase (Decrease) in Benefits Payable	297,561.31	(42,125.65)
Increase (Decrease) Net OPEB Liability	7,911,597.00	(99,959,411.00)
Increase (Decrease) in Deferred Inflows	19,594,102.00	101,341,307.00
Net Cash Used for Operating Activities	<u>(15,242,780.68)</u>	<u>(22,807,334.76)</u>
Noncash Transactions		
Net Increase (Decrease) in Fair Value of Investments	(7,212,042.70)	24,243,243.86
Other	0.00	1,949.00
Total Noncash Transactions	<u>\$ (7,212,042.70)</u>	<u>\$ 24,245,192.86</u>

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**Texas Tech University System Administration (768)  
Matrix of Operating Expenses Reported by Function  
For the Years Ended August 31, 2022 and 2021**

OPERATING EXPENSES	ACADEMIC SUPPORT	INSTITUTIONAL SUPPORT	OPERATIONS & MAINTENANCE OF PLANT	DEPRECIATION & AMORTIZATION	GRAND TOTAL	Restated 2021
Cost of Goods Sold	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 11.98
Salaries and Wages	872,273.15	10,604,209.99	0.00	0.00	11,476,483.14	14,357,242.37
Payroll Related Costs	244,015.91	98,215,602.79	0.00	0.00	98,459,618.70	136,745,533.21
Professional Fees and Services	97,442.23	1,526,237.57	0.00	0.00	1,623,679.80	1,505,400.30
Travel	5,485.91	162,695.97	0.00	0.00	168,181.88	79,738.03
Materials and Supplies	82,026.22	117,536.52	723.34	0.00	200,286.08	285,392.89
Communications and Utilities	16,961.52	161,570.49	0.00	0.00	178,532.01	259,752.26
Repairs and Maintenance	16,286.96	118,499.33	40,042.69	0.00	174,828.98	171,522.05
Rentals and Leases	867.06	292,400.64	0.00	0.00	293,267.70	858,821.59
Printing and Reproduction	3,288.96	22,089.08	0.00	0.00	25,378.04	39,554.91
Depreciation and Amortization	0.00	0.00	0.00	1,692,510.63	1,692,510.63	1,575,227.32
Interest	0.00	0.00	0.00	0.00	0.00	16.36
Claims and Judgments	973,742.49	0.00	0.00	0.00	973,742.49	307,527.00
Other Operating Expenses	1,064.06	(1,530,643.73)	701.58	0.00	(1,528,878.09)	707,762.66
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,313,454.47</b>	<b>\$ 109,690,198.65</b>	<b>\$ 41,467.61</b>	<b>\$ 1,692,510.63</b>	<b>\$ 113,737,631.36</b>	<b>\$ 156,893,502.93</b>

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**Texas Tech University System Administration (768)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Texas Tech University System Administration for the years ended August 31, 2022 and 2021.

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**Texas Tech University System Administration (768)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2022 and 2021**

There is no fiduciary activity to report for Texas Tech University System Administration for the years ended August 31, 2022 and 2021.