

# **TEXAS TECH UNIVERSITY SYSTEM**



## **ANNUAL COMBINED FINANCIAL REPORT FISCAL YEAR 2024**

**ANNUAL FINANCIAL REPORT**

**OF**

**TEXAS TECH UNIVERSITY SYSTEM**

FOR THE YEAR ENDED AUGUST 31, 2024

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, 2024

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, 2024. 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, 2024.

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 blue ink, appearing to read "Tedd Mitchell", written over a horizontal line.

Tedd L. Mitchell, M.D.  
Chancellor



## TEXAS TECH UNIVERSITY SYSTEM™

Vice Chancellor and Chief Financial Officer

November 15, 2024

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, 2024, 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 blue ink that reads "Chelle Hillis".

Chelle Hillis, CPA  
Texas Tech University System  
Associate Vice Chancellor and Deputy Chief Financial Officer

Approved:

A handwritten signature in blue ink that reads "James Mauldin".

James Mauldin, CPA  
Texas Tech University System  
Vice Chancellor & Chief Financial Officer

**Texas Tech University System  
Board of Regents**

**Officers of the Board**

Mark Griffin, Chair  
Ginger Kerrick Davis, Vice Chair

**Members**

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*Term Expires January 31, 2025*

|                      |             |
|----------------------|-------------|
| Mark Griffin         | Lubbock, TX |
| Ginger Kerrick Davis | Webster, 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 January 31, 2029*

|                |                   |
|----------------|-------------------|
| Clay Cash      | Lubbock, TX       |
| Tim Culp       | Midland, TX       |
| Shelley Sweatt | Wichita Falls, TX |

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*Term Expires May 31, 2025*

|                               |                |
|-------------------------------|----------------|
| Jad Zeitouni (Student Regent) | Lubbock, Texas |
|-------------------------------|----------------|

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**System Fiscal Officers**

|                           |  |
|---------------------------|--|
| Tedd Mitchell, M.D.       | Chancellor   |
| James Mauldin             | 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                                      |
| Stacia Haynie, Ph.D.      | MSU President                                      |
| Noel Sloan                | TTU CFO and Senior VP for Administration & Finance |
| Penny Harkey              | TTUHSC Executive VP for Finance & Operations       |
| Jessica Fisher            | TTUHSC at El Paso VP for Finance & Administration  |
| Angelina Wright           | ASU VP for Finance & Administration                |
| Stacia Haynie, Ph.D.      | MSU Interim VP for Finance & Administration        |

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**



**TEXAS TECH UNIVERSITY SYSTEM (793)**

**Management's Discussion and Analysis  
For the Year Ended August 31, 2024**

**Introduction**

Formally established by the Texas Legislature in 1999, the Texas Tech University System (the System) is composed of a central administrative unit, the Texas Tech University System Administration (TTUSA), three general academic institutions - Texas Tech University (TTU), Midwestern State University (MSU), and Angelo State University (ASU), and two health-related institutions - Texas Tech University Health Sciences Center (TTUHSC) and Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso). The System is governed by a nine-member Board of Regents appointed by the Governor of Texas. Members of the board serve six-year, staggered terms with the exception of a non-voting student Regent who is appointed by the Governor to serve a one-year term. The Chancellor is the chief executive officer of the System and is appointed by and reports directly to the Board of Regents. The Chancellor and his staff are supported by the administrative agency, TTUSA.

The System has emerged as a nationally acclaimed higher education system with one of the largest contiguous campuses in the United States. Headquartered in Lubbock, Texas, the System operates on more than 22 campuses and academic sites throughout the State of Texas and internationally. The System has locations statewide in Abilene, Amarillo, Brownwood, Cleburne, Dallas, El Paso, Flower Mound, Forney, Fredericksburg, Highland Lakes, Jefferson, Junction, Lubbock, McKinney, Midland, Odessa, Rockwall, San Angelo, Waco and Wichita Falls. Internationally, the System has a location in Seville, Spain and San Jose, Costa Rica.

The total student enrollment across all components is more than 63,000 students, and the System employs more than 21,000 faculty and staff. The annual combined budget of the System totals approximately \$3.1 billion; approximately \$733.7 million of these funds are appropriated by the Texas Legislature.

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.

**Texas Tech University System (793) – Management's Discussion and Analysis (continued)****Overview of the Financial Statements and Financial Analysis**

The objective of Management's Discussion and Analysis (MD&A) is to provide an overview of the financial position and activities of the System for the year ended August 31, 2024, with selected comparative information for the years ended August 31, 2024 and 2023.

The System's combined financial report includes three primary financial statements: the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows. The financial statements of the System have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the financial reporting requirements of the Texas Comptroller of Public Accounts.

The System's primary financial activity is reported to the Texas Comptroller of Public Accounts as business-type activity. In addition to business-type activity, the System's fiduciary fund activity is reported separately in the State of Texas' Annual Comprehensive Financial Report and in the TTUS Annual Combined Financial Report. The System also reports financial activity for two discretely presented component units, Carr Foundation and Texas Tech Research Park, separately to the Texas Comptroller of Public Accounts and within the TTUS Annual Combined Financial Report.

For the purpose of the MD&A, the discussion will focus on the financial statements reported as business-type activity to the Texas Comptroller of Public Accounts. The emphasis of discussion about these financial statements will focus on the current year data. The MD&A was prepared by management and should be read in conjunction with the accompanying financial statements and notes.

**Financial Highlights**

The System diligently maintains and protects its strong financial condition. As of August 31, 2024, the System's net position totaled \$4.3 billion, which continues a trend of compound growth of 4.76% over the last ten years. In 2024, revenues totaled \$3.2 billion and expenses totaled \$2.8 billion.

Legislative appropriations, tuition and fees, grants and contracts, and net patient care remain the largest contributors to revenues for the System. Net investment income and the change in fair value of investments are major drivers of year-over-year fluctuations in revenues due to fluctuating market conditions and other factors. The System's largest expense, compensation and benefits, reflects its commitment to recruiting top-quality faculty and staff in order to achieve its mission of offering excellent education and patient care.

## Texas Tech University System (793) – Management's Discussion and Analysis (continued)

**Statement of Net Position**

The statement of net position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the System as of the end of the fiscal year. This is a point-in-time financial presentation of the financial status as of August 31, 2024, with comparative information for the previous years. The statement of net position presents information in current and non-current format for both assets and liabilities. The net position section presents assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Over time, increases or decreases in net position are one indicator of the improvement or decline of the System's financial health when considered with nonfinancial factors such as enrollment, patient levels, and the condition of facilities. A summarized comparison of the System's statement of net position at August 31, 2024 and 2023 follows:

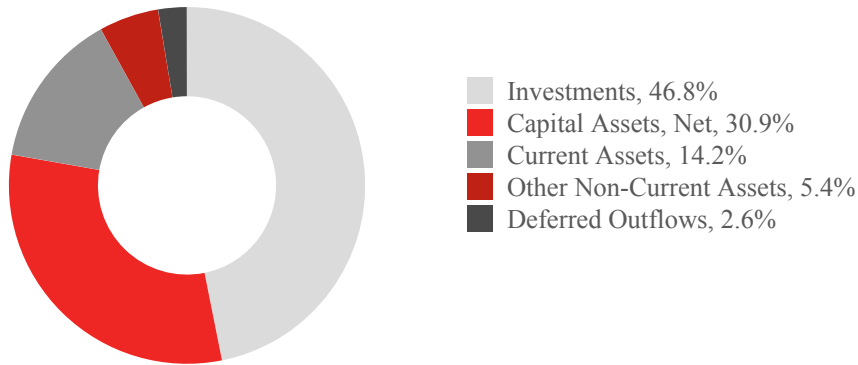
**Condensed Statement of Net Position**  
**(\$ in Millions)**

|   | 2024                     | 2023                     |
|---|--------------------------|--------------------------|
| <b>Assets</b>                                       |                          |                          |
| Current Assets                                      | \$ 1,110.3               | \$ 992.3                 |
| Non-Current Investments                             | 3,662.3                  | 3,225.7                  |
| Capital Assets, Net                                 | 2,355.7                  | 2,152.9                  |
| Right to Use Assets, Net                            | 62.0                     | 67.5                     |
| Other Non-Current Assets                            | 424.6                    | 475.5                    |
| Total Assets  | <u>7,614.9</u>           | <u>6,913.9</u>           |
| <b>Deferred Outflows of Resources</b>               | <u>203.0</u>             | <u>292.5</u>             |
| Total Assets and Deferred Outflows of Resources     | <u><u>\$ 7,817.9</u></u> | <u><u>\$ 7,206.4</u></u> |
| <b>Liabilities</b>                                  |                          |                          |
| Current Liabilities                                 | \$ 967.0                 | \$ 722.3                 |
| Non-Current Liabilities                             | 2,213.7                  | 2,294.9                  |
| Total Liabilities                                   | <u>3,180.7</u>           | <u>3,017.2</u>           |
| <b>Deferred Inflows of Resources</b>                | <u>359.6</u>             | <u>403.6</u>             |
| Total Liabilities and Deferred Inflows of Resources | <u><u>\$ 3,540.3</u></u> | <u><u>\$ 3,420.8</u></u> |
| <b>Net Position</b>                                 |                          |                          |
| Net Invested in Capital Assets                      | \$ 1,363.7               | \$ 1,299.9               |
| Restricted - Nonexpendable                          | 1,002.7                  | 927.5                    |
| Restricted - Expendable                             | 980.2                    | 842.7                    |
| Unrestricted  | 931.0                    | 715.3                    |
| Total Net Position                                  | <u><u>\$ 4,277.6</u></u> | <u><u>\$ 3,785.4</u></u> |

## Texas Tech University System (793) – Management's Discussion and Analysis (continued)

**Assets and Deferred Outflows of Resources**

The chart below depicts the makeup of the System's assets and deferred outflows of resources as of August 31, 2024.

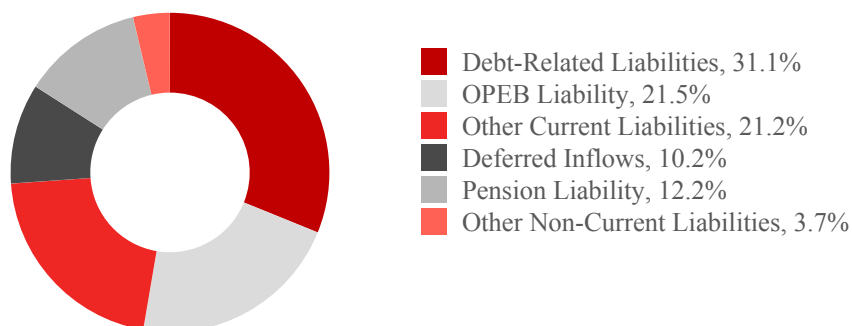
**Assets and Deferred Outflows**

The System's total assets increased by \$701.0 million, or 10.1%, to \$7.6 billion in 2024. Cash and cash equivalents decreased by \$(19.7) million, or (3.1)%, and non-current investments increased by \$436.7 million, or 13.5%, largely due to favorable market conditions. Net capital assets increased \$197.3 million, or 8.9%, due to an increase in construction in progress for various Capital Construction Assistance Projects (CCAP) and the TTU Football Training Facility and South End Zone projects. Deferred outflows decreased by \$(89.6) million, or (30.6)%, primarily due to discount rate changes by Employees Retirement System of Texas (ERS), for other post-employment benefits (OPEB).

## Texas Tech University System (793) – Management's Discussion and Analysis (continued)

**Liabilities and Deferred Inflows of Resources**

The chart below depicts the makeup of the System's liabilities and deferred inflows of resources as of August 31, 2024.

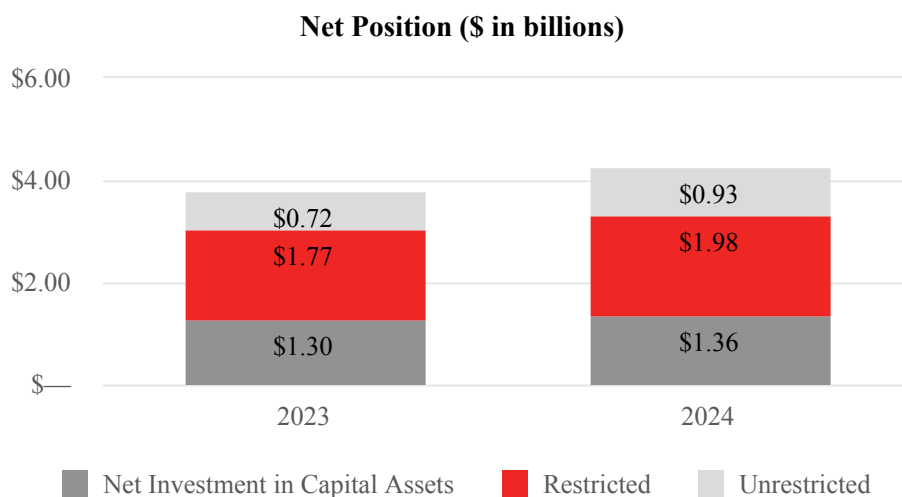
**Liabilities and Deferred Inflows**

The System's total liabilities increased by \$163.4 million, or 5.4%, to \$3.2 billion in 2024. Debt-related liabilities decreased by \$(64.5) million, or (5.5)%. Total OPEB liability decreased by \$(36.9) million, or (4.6)%, due to discount rate changes to the overall ERS OPEB Plan. Pension liability increased by \$69.5 million, or 19.1%, due to larger than expected salary increases for active TRS members and decreased investment earnings for the TRS Pension Plan. Deferred inflows decreased by \$(44.0) million, or (10.9)%, primarily due to the pension and OPEB changes discussed above in addition to the termination of two substantial leases.

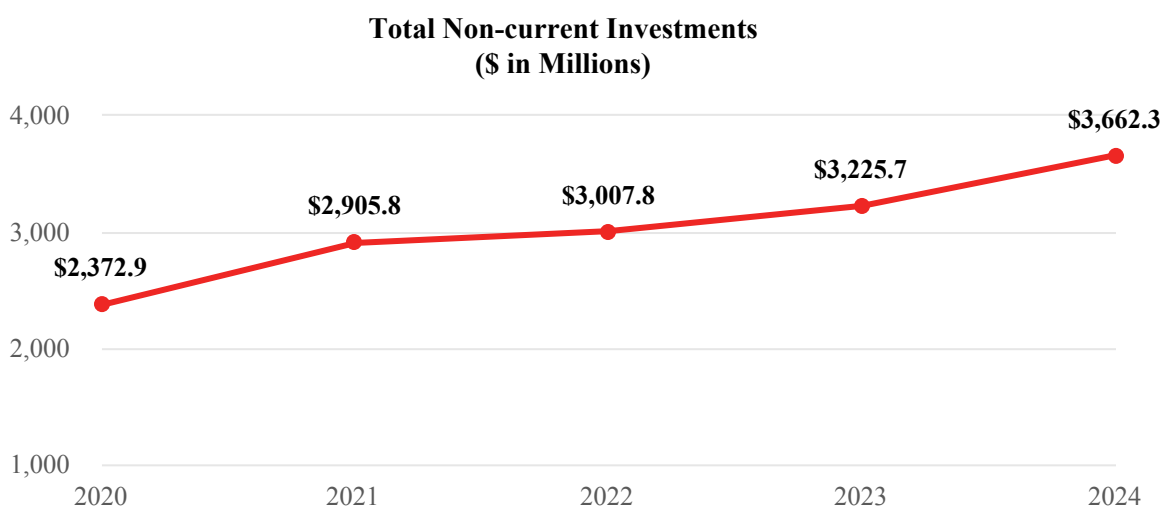
## Texas Tech University System (793) – Management's Discussion and Analysis (continued)

**Net Position**

Net position increased by \$492.2 million, or 13.0%, to \$4.3 billion in 2024. The chart below depicts the makeup of the System's net position.

**Investments**

As of August 31, 2024, the System had \$3,662.3 million in total non-current investments. In 2024, total non-current investments included \$1,954.3 million classified as unrestricted investments and \$1,708.1 million classified as restricted investments. The chart below depicts the System's total non-current investments over a five-year trend, reflecting a Compounded Annual Growth Rate (CAGR) of 9.1%.



Additional information about the System's investments is presented in Note 3 to the financial statements.

## Texas Tech University System (793) – Management's Discussion and Analysis (continued)

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

The statement of revenues, expenses and changes in net position details the changes in total net position. The statement presents both operating and nonoperating revenues and expenses for the System. The following table summarizes the System's revenues, expenses and changes in net position for the years ended August 31, 2024 and 2023:

**Condensed Statement of Revenues, Expenses and Changes in Net Position**  
**(\$ in Millions)**

|  | 2024       | 2023       |
|--|------------|------------|
| Operating Revenues   | \$ 1,710.7 | \$ 1,652.9 |
| Operating Expenses   | 2,739.3    | 2,617.3    |
| Operating Income (Loss)  | (1,028.6)  | (964.4)    |
| Nonoperating Revenues (Expenses)   | 1,190.7    | 1,006.4    |
| Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers | 162.2      | 42.1       |
| Other Revenues, Expenses, Gains, Losses and Transfers                      | 258.7      | 200.3      |
| Total Change in Net Position   | 420.9      | 242.4      |
| Beginning Net Position (September 1)                                       | 3,765.3    | 3,526.9    |
| Restatements   | 91.4       | 16.2       |
| Restated Beginning Net Position (September 1)                              | 3,856.7    | 3,543.1    |
| Ending Net Position (August 31)  | \$ 4,277.6 | \$ 3,785.5 |

**Revenues**

For the fiscal year ended August 31, 2024, revenues to support the System's core activities, including those classified as nonoperating, totaled \$3.2 billion, an increase of \$323.3 million, or 10.0%, from the prior year.

**Operating Revenues**

Of that total, operating revenues comprised \$1,710.7 million, an increase of \$57.8 million, or 3.5%, from the prior year. The System's primary sources of operating revenues come from net tuition and fees, grants and contracts, net patient care revenues, and net auxiliary enterprises.

**Net Tuition and Fees**

Net tuition and fees are reflected net of associated discounts and allowances. In 2024, net tuition and fees totaled \$558.9 million, an increase of \$2.4 million, or 0.4%, primarily as a result of an overall combined System enrollment increase in 2024 of 0.5%.

**Texas Tech University System (793) – Management's Discussion and Analysis (continued)**Grants and Contracts

Grants and contracts revenues are related to research programs that normally provide for the recovery of direct and indirect costs. Governmental sponsored programs include grants from the federal government such as the U.S. Department of Health and Human Services. Grants and contracts revenues include student financial aid and contracts with affiliated hospitals for clinical activities. In 2024, these revenues totaled \$485.0 million, an increase of \$27.6 million, or 6.0%, from the prior year.

Net Patient Care Revenues

Net patient care revenues, which consist of net sales and services of hospitals and net professional fees, are principally generated from the health science centers agreements with teaching hospitals and the physicians' practice plans under contractual arrangements with governmental payors and private insurers. These revenues are reported net of contractual allowances, bad debt expense, and unreimbursed charges for financially or medically indigent patients. Net patient care revenues totaled \$350.1 million, an increase of \$16.3 million, or 4.9%, in 2024, as a result of increases in patient volumes and rates.

Net Auxiliary Enterprises

Net auxiliary enterprise revenues were earned from a host of activities such as athletics, housing and food service, bookstores, parking, student health and other activities. These revenues totaled \$208.9 million, an increase of \$7.0 million, or 3.4%, in 2024 due to increased enrollment and rates.

**Nonoperating Revenues**

Certain significant recurring revenues are considered nonoperating. The System's primary sources of nonoperating revenues come from legislative revenue, nonoperating grants and contract revenues, private gifts, investment income, and net increase in fair value of investments.

Legislative Revenue

Legislative revenue, comprised of General Revenue state appropriations and state paid benefits for group health insurance, OASI, retirement contributions (TRS) and the optional retirement program, and capital appropriations (HEF), totaled \$733.7 million, an increase of \$27.4 million, or 3.9%, in 2024.

Nonoperating Federal and State Grants and Contracts

Nonoperating Federal and State Grant and Contract revenue, comprised largely of Federal Pell grants and COVID-19 relief funds, totaled \$103.6 million, a decrease of \$(22.8) million, or (18.0)%, in 2024.

Gifts and Capital Contributions

Private gifts, capital contributions, and contributions to endowments, totaled \$125.9 million in 2024, a decrease of \$(60.1) million, or (32.3)%, as compared to 2023. The decrease primarily consisted of capital construction assistant projects (CCAP) funds and a one-time naming gift for TTUHSC El Paso's Fox Cancer Center that were received in 2023.



**Texas Tech University System (793) – Management's Discussion and Analysis (continued)****Investment Income Excluding the Change in Fair Value of Investments**

Investment income excluding the change in the fair value of investments totaled \$134.0 million, an increase of \$43.2 million, or 47.5%, in 2024 primarily due to an increase in realized gains compared to 2023.

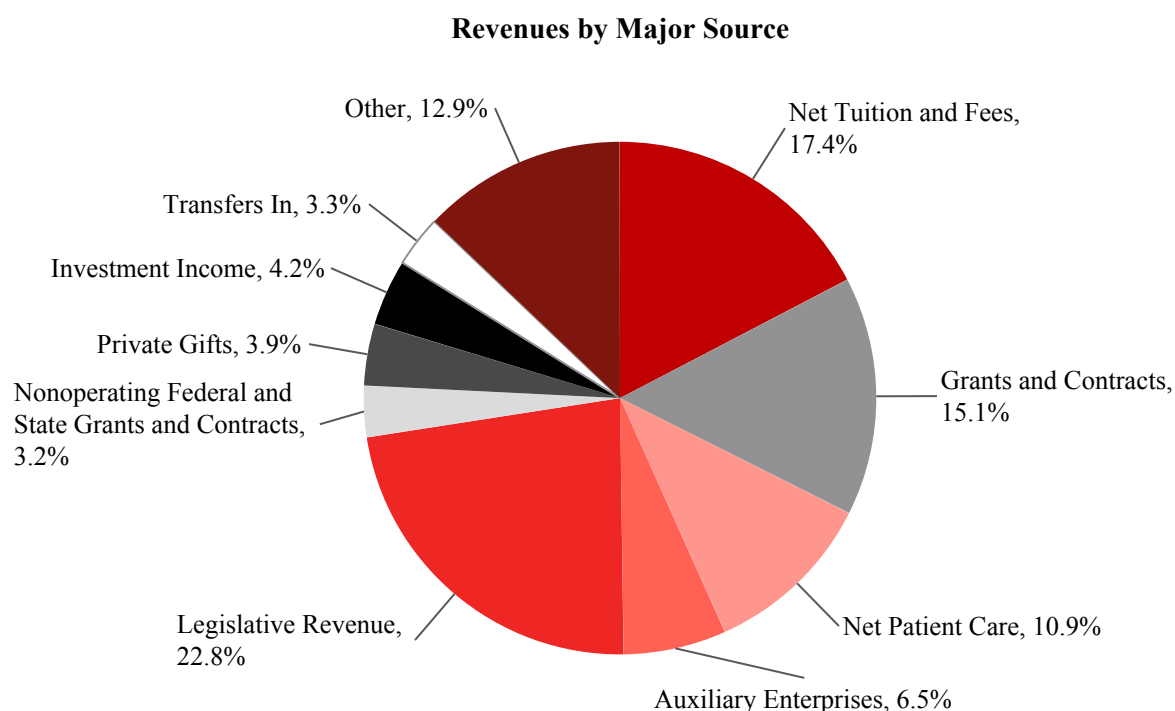
**Net Increase in Fair Value of Investments**

The net increase in the fair value of the System's investments totaled \$282.7 million, an increase of \$179.4 million, or 173.7% in 2024. This primarily resulted from more favorable market conditions in 2024.

**Transfers In from Other State Agencies**

Transfers in from other state agencies, including legislative transfers, totaled \$104.9 million, an increase of \$89.8 million, or 594.1%, in 2024 primarily due to new TUF funding and an increase in Hazelwood and Texas Child Mental Health Care Consortium funding.

The following is a graphic illustration of revenues by major source for the year ended August 31, 2024.

**Operating Expenses**

For the fiscal year ended August 31, 2024, operating expenses totaled \$2.7 billion. The operating expenses reflect the System's commitment to promoting instruction, research, patient care, public service and student support.

**Texas Tech University System (793) – Management's Discussion and Analysis (continued)**Salaries, Wages, and Benefits

Salaries, wages, and benefits, excluding pension and OPEB, totaled \$1,647.0 million, an increase of \$103.8 million, or 6.7%, in 2024. This increase reflects the System's mission to hire excellent faculty and staff to support our students and the public.

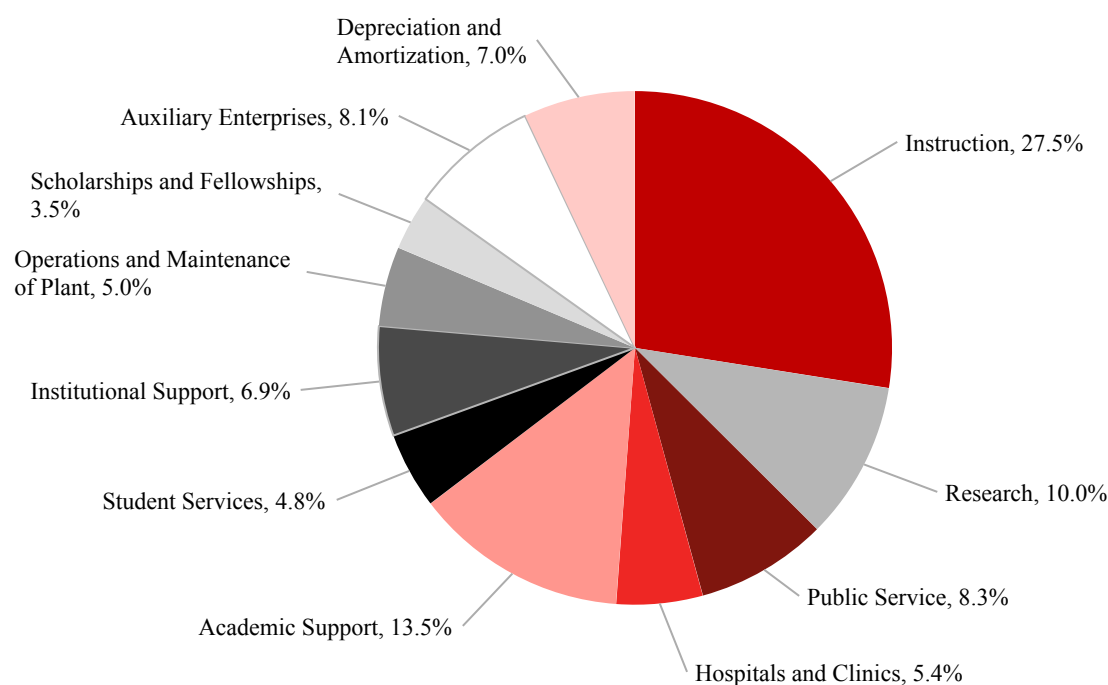
Professional Fees and Services

Professional fees and services totaled \$141.6 million, an increase of \$12.1 million, or 9.3%, in 2024. This increase resulted primarily from an increase in medical professional services and professional services related to the new ASU aviation program.

Total operating expenses increased \$122.0 million, or 4.7%, in 2024 in response to the growing cost of providing support for the institution's primary missions of instruction, research, public service and patient care activities.

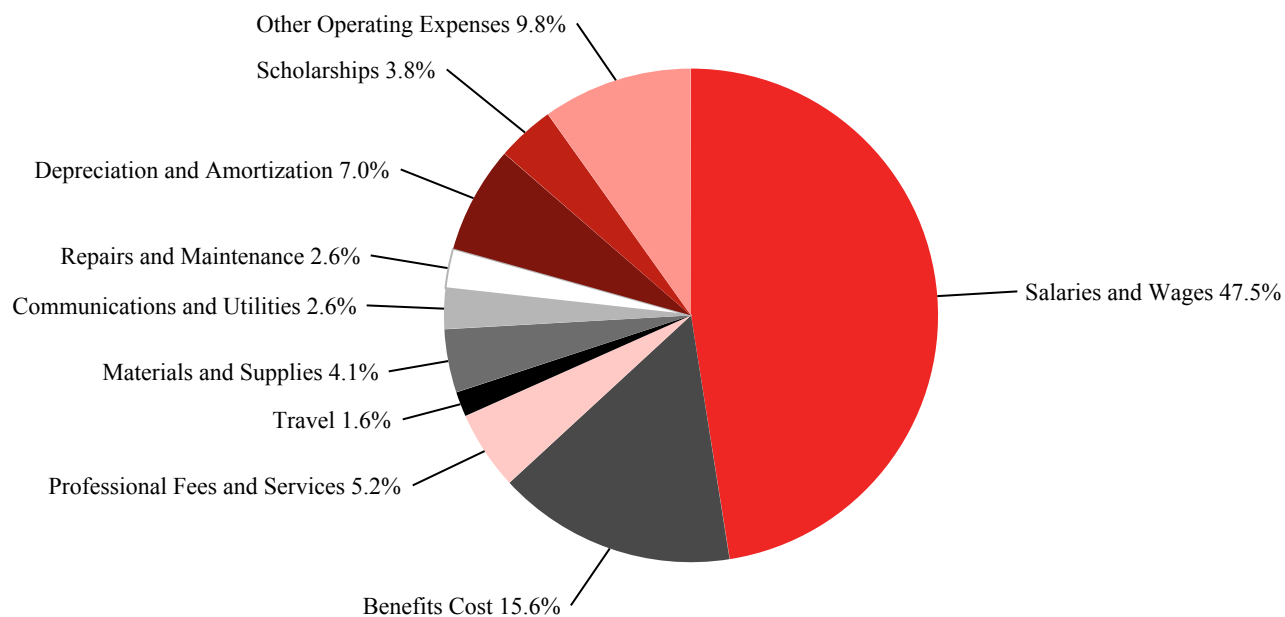
The following is a graphic illustration of operating expenses by National Association of College and University Business Officers (NACUBO) functional classification for the year ended August 31, 2024.

**NACUBO Functional Classification of Operating Expenses**



**Texas Tech University System (793) – Management's Discussion and Analysis (continued)**

In addition to functional classification of operating expenses, the following graph also illustrates the System's operating expenses by natural classification for the year ended August 31, 2024.

**Natural Classification of Operating Expenses**

## Texas Tech University System (793) – Management's Discussion and Analysis (continued)

**Statement of Cash Flows**

The statement of cash flows provides additional information about financial results by reporting the major sources and uses of cash. The statement provides an assessment of the System's financial flexibility and liquidity to meet obligations as they come due and the need for external financing. The following table summarizes the System's statement of cash flows for the years ended August 31, 2024 and 2023:

**Condensed Statement of Cash Flows**  
**(\$ in Millions)**

|  | 2024             | 2023            |
|--|------------------|-----------------|
| Cash Provided/(Used) By:                                   |                  |                 |
| Operating Activities                                       | \$ (760.4)       | \$ (675.5)      |
| Noncapital Financing Activities                            | 890.6            | 830.8           |
| Capital and Related Financing Activities                   | (194.2)          | 88.7            |
| Investing Activities                                       | 41.0             | (27.2)          |
| Total Net Cash Flows                                       | <u>\$ (23.0)</u> | <u>\$ 216.8</u> |
| Beginning Cash and Cash Equivalents - September 1          | \$ 631.9         | \$ 415.1        |
| Restatements   | <u>3.3</u>       | <u>0.0</u>      |
| Restated Beginning Cash and Cash Equivalents - September 1 | 635.2            | 415.1           |
| Ending Cash and Cash Equivalents - August 31               | <u>\$ 612.2</u>  | <u>\$ 631.9</u> |

For the fiscal year ended August 31, 2024, ending cash and cash equivalents totaled \$612.2 million, a decrease of \$(19.7) million, or (3.1)%, from the prior year.

Net cash used by operating activities should be viewed in conjunction with net cash provided by noncapital financing activities. State appropriations and gift contributions for operations are significant sources of recurring revenues in support of operating expenses, but are required to be classified as noncapital financing activities per GASB statements 34 and 35.

Net cash used by capital and related financing activities reflects a continuing commitment to expand and renovate facilities and to invest in equipment.

Net cash provided by investing activities shows receipts from sales and maturities of investments and proceeds from interest and investment income exceeded purchases of investments. The unrealized gains (losses) from the increase (decrease) in the fair value of investments is a noncash transaction for valuation purposes only and does not affect cash flows from investing activities.

## Texas Tech University System (793) – Management's Discussion and Analysis (continued)

**Capital Assets and Debt Administration**

The System continues to be committed to the quality of its academic, research, and service programs as well as its residence life experience. The development and renewal of capital assets and infrastructure is an essential factor of this commitment.

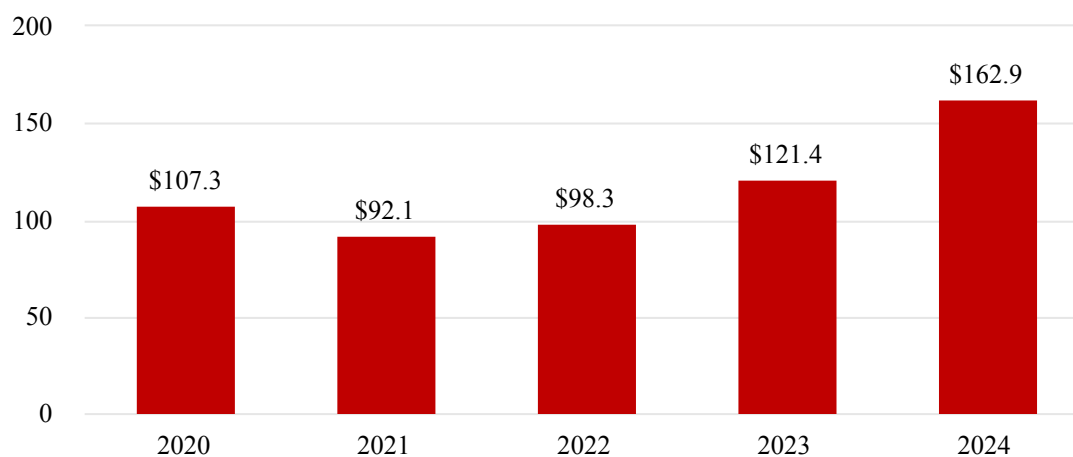
In 2024, construction in progress totaled \$136.2 million, an decrease of \$(32.7) million from the prior year. This decrease resulted primarily from construction completion of multiple projects including TTU's South End Zone and Baseball Clubhouse, ASU's Soccer Clubhouse, and the TTU Academic Sciences Building.

As of August 31, 2024, the System had \$5,176.3 million in capital assets less \$2,758.6 million in associated depreciation and amortization for net capital assets of \$2,417.7 million.

**Capital Assets, Net at August 31**  
**(\$ in Millions)**

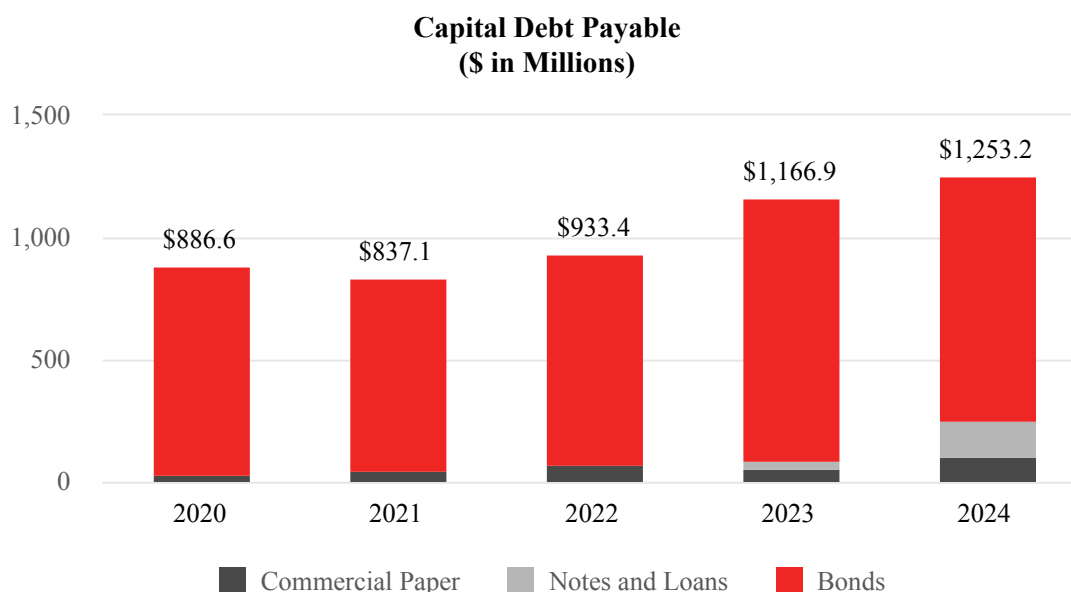
|                                     | 2024              | 2023              |
|-------------------------------------|-------------------|-------------------|
| Land and Land Improvements          | \$ 75.5           | \$ 65.3           |
| Construction in Progress            | 136.2             | 168.9             |
| Buildings and Building Improvements | 1,673.0           | 1,468.4           |
| Infrastructure                      | 24.6              | 22.7              |
| Facilities and Other Improvements   | 104.5             | 105.5             |
| Furniture and Equipment             | 136.8             | 120.9             |
| Vehicles, Boats, and Aircraft       | 5.1               | 3.8               |
| Computer Software                   | 3.7               | 3.8               |
| Other Capital Assets                | 196.3             | 193.5             |
| Right to Use Assets                 | 62.0              | 67.5              |
| Capital Assets, Net                 | <u>\$ 2,417.7</u> | <u>\$ 2,220.4</u> |

**Capital Asset Additions**  
**(\$ in Millions)**



## Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Three major forms of debt financing support the System's development and renewal of capital assets and infrastructure: commercial paper, notes and loans, and bonds. Commercial paper notes are issued periodically to provide interim financing for capital projects and acquisitions and the System typically refunds a portion of these outstanding notes through the issuance of long-term debt.



### Economic Outlook

The System is committed to providing teaching, research, scholarship, and patient care to Texas, the nation, and the world.

Dedication to this goal is fostered through both public and private sector support of higher education. The System's ability to attract top-quality students, staff, and faculty and develop future leaders creates both investment and return, generating shared success for all of Texas.

The Texas Legislature's support of higher education is vital to the continued mission of the System. The Texas Legislature meets every two years to pass new laws and the state's biennial budget. The 88th Texas legislature made historic investments in funding for higher education public institutions. The System received a \$192.3 million increase in funding for the 2024-2025 biennium, an 18.0% increase over the 2022-2023 biennium. Part of the funding increase supports an affordability plan that has allowed the System general academic institutions to keep tuition rates flat for two years. Funding debt service for previously authorized Capital Construction Assistance Projects also contributed to the increase.

Additionally, on November 7, 2023, Proposition 5 passed by the voters of Texas.

Proposition 5 established a new permanent endowment, the Texas University Fund (TUF), to support academic teaching institutions in Texas in achieving national prominence as major research universities. As of August 31, 2024, the TUF corpus was valued at \$4.2 billion. Texas Tech University's share of distributions from the TUF, totaled \$44.4 million for fiscal year 2024 and \$60.08 million for fiscal year 2025.

**Texas Tech University System (793) – Management's Discussion and Analysis (continued)**

For 2025, the System's budgeted operating revenues increased to \$3.1 billion, up from \$2.9 billion, a 2.8% growth from the prior year. This change is largely attributable to higher revenues from patient care and hospital partnerships for health sciences centers, increased research awards for all member institutions, and a combination of enrollment growth, new academic programs, and enhanced auxiliary services for general academic institutions. In addition, the System continues to sustain stellar financial ratings, receiving a reaffirmation of Aa1 rating with stable outlook from Moody's Investor Service, and an AA+ rating with stable outlook from Fitch Ratings and Kroll Bond Rating Agency in February 2025. These designations place the TTU System among a select group of higher education institutions in the U.S.

Management considers the System to be well positioned to continue to provide quality service to students, patients, and the research community at large. Future successes are largely dependent upon the ability to continue to recruit and retain the highest quality students, faculty, and staff, cost containment, and ongoing financial and political support from state government. Private gift contributions are a significant factor in the growth of academic, research, and patient care units and are an important supplement to the fundamental support provided by the state and through collections from students and patients. The System will continue to monitor resources to maintain its ability to respond to internal and external issues.

UNAUDITED  
TEXAS TECH UNIVERSITY SYSTEM (793)

**COMBINED  
FINANCIAL STATEMENTS**



UNAUDITED

**Texas Tech University System (793)**  
**Combined Statement of Net Position**  
**August 31, 2024 and 2023**

|  | 2024                       | Restated<br>2023           |
|--|----------------------------|----------------------------|
| <b>ASSETS</b>  |                            |                            |
| Current Assets:  |                            |                            |
| Cash and Cash Equivalents  | \$ 268,149,710.63          | \$ 267,027,710.61          |
| Restricted Cash and Cash Equivalents   | 36,749,943.15              | 27,964,500.79              |
| Unrestricted Short Term Investments (Note 3)                                   | 21,258,507.95              | 16,211,925.29              |
| Restricted Short Term Investments (Note 3)                                     | 3,664,466.42               | 576,649.70                 |
| Legislative Appropriations   | 395,781,193.08             | 327,185,348.72             |
| Receivables:   |                            |                            |
| Federal  | 26,211,638.82              | 25,969,663.75              |
| Patient  | 27,251,541.44              | 22,886,975.39              |
| Student  | 44,137,178.45              | 39,797,148.74              |
| Contracts  | 49,992,685.09              | 40,802,860.72              |
| Accounts   | 10,940,273.92              | 8,782,312.85               |
| Interest and Dividends   | 4,088,857.57               | 2,770,348.88               |
| Gifts  | 47,913,337.52              | 40,735,463.41              |
| Leases (Note 8)  | 952,798.93                 | 1,158,201.18               |
| Public-Private and Public-Public Partnership Installments (Note 27)            | 329,316.98                 | 1,319,370.04               |
| Other  | 7,934,530.94               | 4,830,157.85               |
| Due From Other State Agencies  | 15,732,527.20              | 23,496,965.10              |
| Inventories  | 5,035,127.03               | 5,632,788.02               |
| Prepaid Items  | 142,076,452.61             | 133,073,045.30             |
| Loans and Contracts  | 811,870.61                 | 820,141.72                 |
| Other Current Assets   | 1,278,746.25               | 1,257,242.24               |
| Total Current Assets   | <u>1,110,290,704.59</u>    | <u>992,298,820.30</u>      |
| Non-Current Assets:  |                            |                            |
| Restricted Cash and Cash Equivalents   | 307,300,582.80             | 336,862,830.96             |
| Restricted Investments (Note 3)  | 1,708,082,061.68           | 1,488,243,801.98           |
| Gifts Receivable   | 103,993,483.75             | 118,202,962.15             |
| Public-Private and Public-Public Partnership Assets Receivable (Note 27)       | 457,984.12                 | 457,984.12                 |
| Public-Private and Public-Public Partnership Installments Receivable (Note 27) | 1,125,918.35               | 1,455,235.52               |
| Leases Receivable (Note 8)   | 10,876,924.27              | 17,546,189.28              |
| Loans and Notes Receivable   | 711,863.57                 | 876,452.30                 |
| Investments (Note 3)   | 1,954,265,787.59           | 1,737,438,434.24           |
| Capital Assets (Note 2)  |                            |                            |
| Non-Depreciable or Non-Amortizable   | 330,515,684.36             | 351,608,290.95             |
| Depreciable or Amortizable   | 4,736,930,432.08           | 4,377,898,553.85           |
| Accumulated Depreciation and Amortization                                      | (2,711,790,323.86)         | (2,576,643,469.37)         |
| Right to Use Assets (Note 2)   |                            |                            |
| Amortizable  | 108,882,558.81             | 102,603,307.29             |
| Accumulated Amortization   | (46,846,445.96)            | (35,086,064.44)            |
| Other Non-Current Assets   | 119,623.98                 | 119,623.98                 |
| Total Non-Current Assets   | <u>6,504,626,135.54</u>    | <u>5,921,584,132.81</u>    |
| Total Assets   | <u>\$ 7,614,916,840.13</u> | <u>\$ 6,913,882,953.11</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |                            |                            |
| Deferred Outflows of Resources (Note 28)                                       | 202,953,215.82             | 292,509,533.40             |
| Total Deferred Outflows of Resources   | <u>\$ 202,953,215.82</u>   | <u>\$ 292,509,533.40</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, 2024 and 2023**

|  | 2024                              | Restated<br>2023                  |
|--|-----------------------------------|-----------------------------------|
| <b>LIABILITIES</b>                                   |                                   |                                   |
| Current Liabilities:                                 |                                   |                                   |
| Accounts Payable                                     | \$ 85,962,741.58                  | \$ 70,139,131.55                  |
| Payroll Payable                                      | 119,367,311.62                    | 115,940,499.47                    |
| Unearned Revenue                                     | 341,854,448.27                    | 321,818,292.59                    |
| Due to Other State Agencies                          | 4,463,877.50                      | 3,748,958.87                      |
| Short-Term Debt Commercial Paper Notes (Note 4)      | 104,814,000.00                    | 55,355,000.00                     |
| Claims and Judgments (Note 5)                        | 1,039,894.01                      | 1,088,118.60                      |
| Employees' Compensable Leave (Note 5)                | 9,069,232.39                      | 9,703,509.89                      |
| Right to Use Lease Obligations (Note 8)              | 6,935,799.83                      | 6,881,571.12                      |
| Right to Use Subscription Obligations (Note 8)       | 7,521,134.10                      | 8,833,227.71                      |
| Notes and Loans Payable - Direct Borrowings (Note 5) | 150,816,399.00                    | 0.00                              |
| Revenue Bonds Payable (Note 5)                       | 79,417,398.34                     | 77,098,519.04                     |
| Funds Held for Others                                | 15,325,647.78                     | 12,950,317.64                     |
| Net OPEB Liability (Note 11)                         | 32,140,618.00                     | 30,550,915.00                     |
| Other Current Liabilities                            | 8,240,357.79                      | 8,236,823.91                      |
| Total Current Liabilities                            | <u>966,968,860.21</u>             | <u>722,344,885.39</u>             |
| Non-Current Liabilities:                             |                                   |                                   |
| Claims and Judgments (Note 5)                        | 10,970,852.32                     | 4,765,548.40                      |
| Employees' Compensable Leave (Note 5)                | 72,680,432.07                     | 65,648,028.50                     |
| Right to Use Lease Obligations (Note 8)              | 37,587,303.77                     | 39,194,033.42                     |
| Right to Use Subscription Obligations (Note 8)       | 8,832,474.28                      | 9,463,163.84                      |
| Notes and Loans Payable - Direct Borrowings (Note 5) | 0.00                              | 36,869,354.00                     |
| Revenue Bonds Payable (Note 5)                       | 918,125,037.58                    | 997,542,435.92                    |
| Pollution Remediation Obligation (Note 5)            | 1,529,525.50                      | 1,529,525.50                      |
| Net OPEB Liability (Note 11)                         | 730,680,377.00                    | 769,135,247.00                    |
| Net Pension Liability (Note 9)                       | 433,068,648.00                    | 363,554,074.00                    |
| Other Non-Current Liabilities                        | 190,264.82                        | 7,234,674.25                      |
| Total Non-Current Liabilities                        | <u>2,213,664,915.34</u>           | <u>2,294,936,084.83</u>           |
| Total Liabilities                                    | <u>\$ 3,180,633,775.55</u>        | <u>\$ 3,017,280,970.22</u>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                 |                                   |                                   |
| Deferred Inflows of Resources (Note 28)              | 359,585,566.78                    | 403,632,467.63                    |
| Total Deferred Inflows of Resources                  | <u>\$ 359,585,566.78</u>          | <u>\$ 403,632,467.63</u>          |
| <b>NET POSITION</b>                                  |                                   |                                   |
| Net Investment in Capital Assets                     | \$ 1,363,693,520.57               | \$ 1,299,940,494.85               |
| Restricted:  |                                   |                                   |
| Nonexpendable:                                       |                                   |                                   |
| Endowments   | 1,002,711,909.61                  | 927,484,536.16                    |
| Expendable:  |                                   |                                   |
| Capital Projects                                     | 111,303,869.58                    | 114,424,221.25                    |
| Other  | 868,916,702.30                    | 728,306,914.80                    |
| Unrestricted   | <u>931,024,711.56</u>             | <u>715,322,881.60</u>             |
| Total Net Position                                   | <u><u>\$ 4,277,650,713.62</u></u> | <u><u>\$ 3,785,479,048.66</u></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 Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                    | Restated<br>2023        |
|---|-------------------------|-------------------------|
| Operating Revenues                                    |                         |                         |
| Tuition and Fees                                      | \$ 14,065,314.47        | \$ 13,702,394.95        |
| Tuition and Fees - Pledged                            | 757,510,479.29          | 737,049,934.77          |
| Less Discounts and Allowances                         | (212,652,414.35)        | (194,192,610.24)        |
| Professional Fees                                     | 336,502,286.37          | 318,186,720.33          |
| Professional Fees - Pledged                           | 354,593.78              | 636,602.52              |
| Sales and Services of Auxiliary Enterprises - Pledged | 208,871,925.34          | 201,906,640.15          |
| Other Sales and Services                              | 14,911,221.04           | 15,732,131.38           |
| Other Sales and Services - Pledged                    | 17,661,130.56           | 17,483,341.54           |
| Federal Grants and Contracts                          | 105,340,824.24          | 96,558,065.88           |
| Federal Grants and Contracts - Pledged                | 5,093.31                | 26,081.29               |
| Federal Grant Pass-Throughs from Other State Agencies | 6,700,124.08            | 6,774,196.71            |
| State Grants and Contracts                            | 2,488,795.83            | 1,958,874.32            |
| State Grants and Contracts - Pledged                  | 3,898.77                | 81,656.52               |
| State Grant Pass-Throughs from Other State Agencies   | 66,750,356.39           | 58,321,413.91           |
| Local Governmental Grants and Contracts               | 183,524,394.83          | 183,778,076.02          |
| Local Governmental Grants and Contracts - Pledged     | 1,567,926.34            | 671,457.48              |
| Nongovernmental Grants and Contracts                  | 116,494,676.37          | 107,208,943.04          |
| Nongovernmental Grants and Contracts - Pledged        | 2,109,351.23            | 2,049,618.23            |
| Other Operating Revenues                              | 88,524,632.40           | 85,007,071.22           |
| Total Operating Revenues                              | <u>1,710,734,610.29</u> | <u>1,652,940,610.02</u> |
| Operating Expenses                                    |                         |                         |
| Cost of Goods Sold                                    | 16,228,290.26           | 14,897,596.69           |
| Salaries and Wages                                    | 1,301,507,856.38        | 1,219,097,012.54        |
| Payroll Related Costs                                 | 428,422,852.68          | 429,344,713.32          |
| Professional Fees and Services                        | 141,590,809.17          | 129,501,916.09          |
| Travel  | 45,043,184.46           | 42,084,834.89           |
| Materials and Supplies                                | 113,575,257.36          | 107,818,250.41          |
| Communications and Utilities                          | 72,462,927.69           | 66,755,912.31           |
| Repairs and Maintenance                               | 71,291,557.72           | 70,986,021.53           |
| Rentals and Leases                                    | 24,727,069.87           | 20,020,721.21           |
| Printing and Reproduction                             | 5,415,762.83            | 5,222,406.27            |
| Federal Grant Pass-Through Expense                    | 1,009,821.39            | 997,120.20              |
| State Grant Pass-Through Expense                      | 91,539.87               | 61,582.89               |
| Depreciation and Amortization (Note 2)                | 192,411,130.49          | 187,492,859.16          |
| Bad Debt Expense                                      | 1,141,698.13            | 1,441,549.47            |
| Interest  | 66,133.60               | 41,765.08               |
| Scholarships  | 103,630,558.46          | 97,601,935.28           |
| Claims and Judgments                                  | 715,791.00              | 1,243,523.15            |
| Other Operating Expenses                              | 219,969,282.94          | 222,663,655.89          |
| Total Operating Expenses                              | <u>2,739,301,524.30</u> | <u>2,617,273,376.38</u> |
| Operating Income (Loss)                               | \$ (1,028,566,914.01)   | \$ (964,332,766.36)     |

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, 2024 and 2023**

|   | 2024                              | Restated<br>2023                  |
|---|-----------------------------------|-----------------------------------|
| Nonoperating Revenues (Expenses)  |                                   |                                   |
| Legislative Revenue   | \$ 642,170,805.34                 | \$ 617,474,750.62                 |
| Federal Grants and Contracts  | 92,652,791.04                     | 93,553,714.55                     |
| Federal Grant Pass-Throughs from Other State Agencies                       | 10,903,519.39                     | 32,813,382.51                     |
| State Grant Pass-Throughs from Other State Agencies                         | 93,305.00                         | 83,612.00                         |
| Private Gifts   | 60,918,247.92                     | 89,252,046.11                     |
| Private Gifts - Pledged   | 1,409,400.93                      | 1,262,760.13                      |
| Investment Income (Expense)   | 73,284,838.87                     | 39,759,630.71                     |
| Investment Income (Expense) - Pledged                                       | 60,759,752.75                     | 51,127,281.30                     |
| Interest Expense on Capital Asset Financing                                 | (39,616,652.45)                   | (28,051,865.10)                   |
| Gain (Loss) on Sale and Disposal of Capital Assets                          | (3,674,496.23)                    | (2,212,704.56)                    |
| Net Increase (Decrease) in Fair Value of Investments                        | 282,714,377.42                    | 103,282,555.05                    |
| Interest Expense  | (1,240,776.93)                    | (753,548.20)                      |
| Other Nonoperating Revenues (Expenses)                                      | 5,676,801.54                      | 1,996,792.75                      |
| Other Nonoperating Revenues (Expenses) - Pledged                            | 4,673,198.70                      | 6,817,553.55                      |
| Total Nonoperating Revenues (Expenses)                                      | <u>1,190,725,113.29</u>           | <u>1,006,405,961.42</u>           |
| Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers | 162,158,199.28                    | 42,073,195.06                     |
| Other Revenues, Expenses, Gains, Losses, and Transfers                      |                                   |                                   |
| Capital Appropriations (HEF)  | 91,490,322.50                     | 88,810,909.00                     |
| Capital Contributions, Grants and Contracts                                 | 39,402,974.61                     | 70,233,897.96                     |
| Lapsed Appropriations   | (61.08)                           | (0.25)                            |
| Contributions to Permanent and Term Endowments                              | 24,185,177.00                     | 25,304,026.68                     |
| Legislative Transfers In  | 82,273,385.51                     | 6,392,901.16                      |
| Legislative Transfers Out   | 0.00                              | 2,287,903.18                      |
| Transfers In from Other State Agencies                                      | 22,653,875.69                     | 8,723,134.68                      |
| Transfers Out to Other State Agencies                                       | (1,280,864.55)                    | (1,446,872.02)                    |
| Net Other Revenues, Expenses, Gains, Losses, and Transfers                  | <u>258,724,809.68</u>             | <u>200,305,900.39</u>             |
| Total Change in Net Position  | <u>420,883,008.96</u>             | <u>242,379,095.45</u>             |
| Beginning Net Position (September 1)  | 3,765,328,138.53                  | 3,526,928,484.57                  |
| Restatement of Beginning Net Position (Note 14)                             | 91,439,566.13                     | 16,171,468.64                     |
| Beginning Net Position (September 1) as Restated                            | <u>3,856,767,704.66</u>           | <u>3,543,099,953.21</u>           |
| Ending Net Position (August 31)   | <u><u>\$ 4,277,650,713.62</u></u> | <u><u>\$ 3,785,479,048.66</u></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, 2024 and 2023**

|  | 2024                             | Restated<br>2023                |
|--|----------------------------------|---------------------------------|
| <b>Cash Flows from Operating Activities</b>                          |                                  |                                 |
| Proceeds from Customers  | \$ 453,267,637.10                | \$ 440,807,763.73               |
| Proceeds from Tuition and Fees                                       | 559,351,899.63                   | 554,118,287.51                  |
| Proceeds from Grants and Contracts                                   | 485,567,182.92                   | 446,465,623.95                  |
| Proceeds from Sales and Services of Auxiliary Enterprises            | 210,056,039.95                   | 205,685,770.50                  |
| Proceeds from Loan Programs  | 243,950,097.02                   | 249,284,697.44                  |
| Proceeds from Fiduciary Activities (Held 3 Months or Less)           | 229,869,782.92                   | 217,714,928.71                  |
| Payments to Suppliers for Goods and Services                         | (351,406,152.71)                 | (336,247,872.24)                |
| Payments to Employees for Salaries                                   | (1,295,706,447.35)               | (1,213,287,835.26)              |
| Payments to Employees for Benefits                                   | (343,977,299.66)                 | (321,299,860.87)                |
| Payments for Loans Issued to Students                                | (243,343,744.21)                 | (249,568,122.21)                |
| Payments for Fiduciary Activities (Held 3 Months or Less)            | (228,815,642.36)                 | (217,449,865.01)                |
| Payments for Other Expenses  | (479,187,686.21)                 | (451,721,333.54)                |
| Net Cash Provided/(Used) by Operating Activities                     | <u>(760,374,332.96)</u>          | <u>(675,497,817.29)</u>         |
| <b>Cash Flows from Noncapital Financing Activities</b>               |                                  |                                 |
| Proceeds from State Appropriations                                   | 580,777,923.46                   | 563,405,342.43                  |
| Proceeds from Gifts  | 94,401,459.38                    | 93,670,457.30                   |
| Proceeds from Nonoperating Grants and Contracts                      | 106,686,505.00                   | 144,948,229.70                  |
| Proceeds from Other Financing Activities                             | 16,983,654.21                    | 24,846,881.81                   |
| Proceeds from Transfers In from Other State Agencies                 | 104,539,992.99                   | 17,062,264.30                   |
| Payments for Transfers to Other State Agencies                       | (1,280,864.55)                   | (1,446,872.02)                  |
| Payments for Other Uses  | (11,527,808.67)                  | (11,709,189.95)                 |
| Net Cash Provided/(Used) by Noncapital Financing Activities          | <u>890,580,861.82</u>            | <u>830,777,113.57</u>           |
| <b>Cash Flows from Capital and Related Financing Activities</b>      |                                  |                                 |
| Proceeds from Sale of Capital Assets                                 | 597,573.25                       | 229,898.50                      |
| Proceeds from Capital Debt Issuances                                 | 173,917,045.00                   | 362,222,260.55                  |
| Proceeds from Capital Gifts, Grants and Contracts                    | 33,139,086.23                    | 64,336,008.00                   |
| Proceeds from Capital Appropriations                                 | 84,287,299.44                    | 83,787,911.10                   |
| Proceeds from Other Capital and Related Financing Activities         | 735,556.67                       | 27,281.40                       |
| Payments for Additions to Capital Assets                             | (338,523,821.49)                 | (241,784,694.31)                |
| Payments for Principal Paid on Capital Debt                          | (83,432,038.64)                  | (127,529,038.64)                |
| Payments for Interest Paid on Capital Debt                           | (43,877,693.86)                  | (28,715,697.82)                 |
| Payments for Leases/SBITAs   | (20,861,982.11)                  | (20,505,225.45)                 |
| Payments for Other Costs on Debt Issuance                            | (180,478.83)                     | (3,400,231.57)                  |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>(194,199,454.34)</u>          | <u>88,668,471.76</u>            |
| <b>Cash Flows from Investing Activities</b>                          |                                  |                                 |
| Proceeds from Investment Sales and Maturities                        | 281,092,696.36                   | 56,463,336.49                   |
| Proceeds from Interest and Investment Income                         | 179,190,332.84                   | 141,325,120.72                  |
| Payments to Acquire Investments                                      | (419,309,799.50)                 | (224,961,742.23)                |
| Net Cash Provided/(Used) by Investing Activities                     | <u>40,973,229.70</u>             | <u>(27,173,285.02)</u>          |
| <b>TOTAL NET CASH FLOWS</b>  | <u><u>\$ (23,019,695.78)</u></u> | <u><u>\$ 216,774,483.02</u></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, 2024 and 2023**

|  | 2024                     | Restated<br>2023         |
|--|--------------------------|--------------------------|
| Beginning Cash & Cash Equivalents (September 1)                              | \$ 631,855,042.36        | \$ 415,080,559.34        |
| Restatement to Beginning Cash & Cash Equivalents (Note 14)                   | 3,364,890.00             | 0.00                     |
| Beginning Cash & Cash Equivalents - September 1 (Restated)                   | <u>635,219,932.36</u>    | <u>415,080,559.34</u>    |
| Ending Cash & Cash Equivalents (August 31)                                   | <u>\$ 612,200,236.58</u> | <u>\$ 631,855,042.36</u> |
| Reconciliation of Operating Loss to Net Cash Flows from Operating Activities |                          |                          |
| Operating Loss   | \$(1,028,566,914.01)     | \$ (964,332,766.36)      |
| Adjustments:   |                          |                          |
| Depreciation and Amortization Expense  | 192,411,130.49           | 187,492,859.16           |
| Bad Debt Expense   | 903,105.67               | 922,060.46               |
| Pension Expense  | 74,857,978.00            | 42,920,029.00            |
| OPEB Expense   | 52,799,845.00            | 104,348,269.40           |
| (Increase) Decrease in Accounts Receivables                                  | (28,442,807.25)          | (8,591,026.33)           |
| (Increase) Decrease in Loans and Notes Receivable                            | 938,665.84               | 702,575.44               |
| (Increase) Decrease in Inventories   | 597,660.99               | 974,202.61               |
| (Increase) Decrease in Other Assets  | 112,278.86               | (56,571.46)              |
| (Increase) Decrease in Due From Other State Agencies                         | 5,783,659.35             | (5,452,055.71)           |
| (Increase) Decrease in Prepaid Items   | (11,028,197.67)          | (9,360,766.47)           |
| (Increase) Decrease in Deferred Outflows of Resources                        | (72,007,054.00)          | 62,172,995.00            |
| Increase (Decrease) in Accounts Payable                                      | (1,082,286.23)           | 2,148,150.64             |
| Increase (Decrease) in Payroll Payable                                       | 2,708,426.13             | 3,535,848.93             |
| Increase (Decrease) in Unearned Revenue                                      | 9,385,729.32             | 9,247,985.87             |
| Increase (Decrease) in Employees' Compensable Leave                          | 6,398,126.07             | 2,942,364.78             |
| Increase (Decrease) in Claims and Judgments                                  | 6,157,079.33             | 93,363.00                |
| Increase (Decrease) in Due To Other State Agencies                           | 812,838.31               | (1,332,712.53)           |
| Increase (Decrease) in Benefits Payable                                      | 617,527.56               | 1,206,184.02             |
| Increase (Decrease) in Fiduciary Funds (Held 3 Months or Less)               | 1,054,140.56             | 265,063.70               |
| Increase (Decrease) in Net OPEB Liability                                    | (92,737,564.00)          | (288,076,938.00)         |
| Increase (Decrease) in Deferred Inflows of Resources                         | 118,434,533.67           | 182,405,191.76           |
| Increase (Decrease) in Other Liabilities                                     | (482,234.95)             | 327,875.80               |
| Net Cash Used for Operating Activities                                       | <u>(760,374,332.96)</u>  | <u>(675,497,817.29)</u>  |
| Noncash Transactions   |                          |                          |
| Donations of Capital Assets  | 15,851,155.60            | 5,718,387.90             |
| Net Increase (Decrease) in Fair Value of Investments                         | 282,714,377.42           | 103,282,555.05           |
| Other  | (7,261,413.54)           | 1,794,862.74             |
| Total Noncash Transactions   | <u>\$ 291,304,119.48</u> | <u>\$ 110,795,805.69</u> |

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

**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-Trusted 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, 2024 and 2023, 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 consist of long-term 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.

**Public-Private and Public-Public Partnership Receivables**

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements*, defines PPPs as arrangements in which the System contracts with an operator (a non-governmental or governmental entity) to provide a public service by conveying control of the right to operate or use a nonfinancial asset of the System for a period of time in an exchange or exchange-like transaction.

The System recognizes receivables for installment payments from the operator as well as assets receivables for improvements to underlying assets or construction or purchases of new assets by the operator.

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

**Loans and Notes Receivable**

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

**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.

**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. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, establishes SBITAs as right to use subscription assets.

For leases and SBITAs with a term greater than 12 months, the System recognizes a receivable and deferred inflow when acting as a lessor and a liability and right-to-use asset when acting as a lessee. The receivable is calculated as the present value of the receipts expected during the term.

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.

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

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

**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, both known medical malpractice claims and those that have not yet been made against the insured participants, and rebatable arbitrage. These liabilities are reported separately as either current or non-current 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. This category also includes unearned revenues associated with a location incentives agreement with Amarillo Economic Development Corporation.

**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 non-current in the Combined Statement of Net Position, and are explained in more detail in Note 5.

**Right to Use Obligations**

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

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.

**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.

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

**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 2023. 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 2023. 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.

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

**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; PPPs, as discussed above and further detailed in Note 27; 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.

**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 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 non-current (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.

**Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)*****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 legislation to provide stimulus funding under the Higher Education Emergency Relief Fund (HEERF), Provider Relief Fund (PRF), and other COVID-19 Supplemental Appropriation Acts that provide economic support to offset additional expenses and forgone revenue. During fiscal year 2024, the System received a total of \$18,746,566.66 from these relief programs. During fiscal year 2023, the System received a total of \$61,120,681.12 from these relief programs.

As of August 31, 2024, the remaining funds available from these relief programs totaled \$8,170,441.97.

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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, 2024 is presented below:

|   | Balance 9/1/2023          | Adjustments      | Reclassifications<br>Completed CIP | Reclassifications<br>Inc-Int'agy<br>Trans | Reclassifications<br>Dec-Int'agy<br>Trans | Additions               | Deletions               | Balance 8/31/2024          |
|---|---------------------------|------------------|------------------------------------|---|---|-------------------------|-------------------------|----------------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>                     |                           |                  |                                    |   |   |                         |                         |                            |
| <b>Non-depreciable or Non-amortizable Assets</b>    |                           |                  |                                    |   |   |                         |                         |                            |
| Land and Land Improvements                          | \$ 65,283,579.85          | \$ 0.00          | \$ 0.00                            | \$ 0.00                                   | \$ 0.00                                   | \$ 10,158,496.80        | \$ 0.00                 | \$ 75,442,076.65           |
| Construction in Progress                            | 168,894,910.12            | 0.00             | (264,732,534.31)                   | 0.00                                      | 0.00                                      | 233,600,242.33          | (1,524,738.81)          | 136,237,879.33             |
| Other Capital Assets                                | 117,429,800.98            | 0.00             | 101,300.00                         | 0.00                                      | 0.00                                      | 1,307,627.40            | (3,000.00)              | 118,835,728.38             |
| Total Non-depreciable or Non-amortizable Assets     | 351,608,290.95            | 0.00             | (264,631,234.31)                   | 0.00                                      | 0.00                                      | 245,066,366.53          | (1,527,738.81)          | 330,515,684.36             |
| <b>Depreciable Assets</b>                           |                           |                  |                                    |   |   |                         |                         |                            |
| Buildings and Building Improvements                 | 3,249,454,447.04          | 0.00             | 260,935,306.17                     | 0.00                                      | 0.00                                      | 59,761,783.31           | (5,893,028.90)          | 3,564,258,507.62           |
| Infrastructure                                      | 63,652,378.97             | 0.00             | 570,017.44                         | 0.00                                      | 0.00                                      | 2,887,341.09            | 0.00                    | 67,109,737.50              |
| Facilities and Other Improvements                   | 263,048,137.96            | 0.00             | 433,614.83                         | 0.00                                      | 0.00                                      | 7,230,469.35            | 0.00                    | 270,712,222.14             |
| Furniture and Equipment                             | 477,921,063.67            | 6,251.34         | 2,692,295.87                       | 0.00                                      | 0.00                                      | 47,751,926.93           | (29,197,528.02)         | 499,174,009.79             |
| Vehicle, Boats and Aircraft                         | 24,746,828.67             | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | 2,605,833.17            | (1,524,289.95)          | 25,828,371.89              |
| Other Capital Assets                                | 251,339,486.94            | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | 11,498,552.24           | (1,078,560.96)          | 261,759,478.22             |
| Total Depreciable Assets at Historical Cost         | 4,330,162,343.25          | 6,251.34         | 264,631,234.31                     | 0.00                                      | 0.00                                      | 131,735,906.09          | (37,693,407.83)         | 4,688,842,327.16           |
| Less Accumulated Depreciation for:                  |                           |                  |                                    |   |   |                         |                         |                            |
| Buildings and Building Improvements                 | (1,781,088,578.98)        | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | (115,593,635.55)        | 5,394,265.75            | (1,891,287,948.78)         |
| Infrastructure                                      | (40,969,928.95)           | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | (1,519,417.61)          | 0.00                    | (42,489,346.56)            |
| Facilities and Other Improvements                   | (157,526,769.20)          | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | (8,665,151.89)          | 0.00                    | (166,191,921.09)           |
| Furniture and Equipment                             | (356,978,669.52)          | (5,358.24)       | 0.00                               | 0.00                                      | 0.00                                      | (33,290,089.79)         | 27,926,434.85           | (362,347,682.70)           |
| Vehicles, Boats and Aircraft                        | (20,933,613.46)           | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | (1,292,997.08)          | 1,512,784.79            | (20,713,825.75)            |
| Other Capital Assets                                | (175,223,857.42)          | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | (9,582,464.87)          | 490,429.56              | (184,315,892.73)           |
| Total Accumulated Depreciation                      | (2,532,721,417.53)        | (5,358.24)       | 0.00                               | 0.00                                      | 0.00                                      | (169,943,756.79)        | 35,323,914.95           | (2,667,346,617.61)         |
| Depreciable Assets, Net                             | 1,797,440,925.72          | 893.10           | 264,631,234.31                     | 0.00                                      | 0.00                                      | (38,207,850.70)         | (2,369,492.88)          | 2,021,495,709.55           |
| <b>Intangible Capital Assets - Amortizable</b>      |                           |                  |                                    |   |   |                         |                         |                            |
| Computer Software - Intangible                      | 47,729,959.26             | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | 1,441,881.03            | (1,083,735.37)          | 48,088,104.92              |
| Total Intangible Assets at Historical Cost          | 47,729,959.26             | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | 1,441,881.03            | (1,083,735.37)          | 48,088,104.92              |
| Less Accumulated Amortization for:                  |                           |                  |                                    |   |   |                         |                         |                            |
| Computer Software - Intangible                      | (43,916,693.60)           | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | (1,610,748.02)          | 1,083,735.37            | (44,443,706.25)            |
| Total Accumulated Amortization                      | (43,916,693.60)           | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | (1,610,748.02)          | 1,083,735.37            | (44,443,706.25)            |
| Amortizable Assets - Intangible, Net                | 3,813,265.66              | 0.00             | 0.00                               | 0.00                                      | 0.00                                      | (168,866.99)            | 0.00                    | 3,644,398.67               |
| <b>Business-Type Activities Capital Assets, Net</b> | <b>\$2,152,862,482.33</b> | <b>\$ 893.10</b> | <b>\$ 0.00</b>                     | <b>\$ 0.00</b>                            | <b>\$ 0.00</b>                            | <b>\$206,689,648.84</b> | <b>\$(3,897,231.69)</b> | <b>\$ 2,355,655,792.58</b> |

A summary of changes in intangible right to use assets for the year ended August 31, 2024 is presented below:

|  | Balance 9/1/2023        | Adjustments           | Additions                | Deletions                | Balance 8/31/2024       |
|--|-------------------------|-----------------------|--------------------------|--------------------------|-------------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>                          |                         |                       |                          |                          |                         |
| <b>Right to Use Assets - Amortizable</b>                 |                         |                       |                          |                          |                         |
| Land   | \$ 566,158.16           | \$ (73,363.56)        | \$ 0.00                  | \$ (58,404.61)           | \$ 434,389.99           |
| Buildings and Building Improvements                      | 62,815,248.69           | 0.00                  | 5,954,130.30             | (3,663,232.22)           | 65,106,146.77           |
| Furniture and Equipment                                  | 150,091.22              | 0.00                  | 0.00                     | 0.00                     | 150,091.22              |
| Subscription Assets                                      | 39,145,172.78           | 0.00                  | 12,272,568.50            | (8,225,810.45)           | 43,191,930.83           |
| Total Right to Use Amortizable Assets                    | 102,676,670.85          | (73,363.56)           | 18,226,698.80            | (11,947,447.28)          | 108,882,558.81          |
| Less Accumulated Amortization for:                       |                         |                       |                          |                          |                         |
| Land   | (66,954.42)             | 192.27                | (27,987.49)              | 0.00                     | (94,749.64)             |
| Buildings and Building Improvements                      | (19,696,182.10)         | 0.00                  | (7,598,166.71)           | 3,147,857.74             | (24,146,491.07)         |
| Furniture and Equipment                                  | (114,963.48)            | 0.00                  | (35,127.74)              | 0.00                     | (150,091.22)            |
| Subscriptions Assets                                     | (15,208,156.71)         | 0.00                  | (13,195,343.74)          | 5,948,386.42             | (22,455,114.03)         |
| Total Accumulated Amortization                           | (35,086,256.71)         | 192.27                | (20,856,625.68)          | 9,096,244.16             | (46,846,445.96)         |
| <b>Business-Type Activities Right to Use Assets, Net</b> | <b>\$ 67,590,414.14</b> | <b>\$ (73,171.29)</b> | <b>\$ (2,629,926.88)</b> | <b>\$ (2,851,203.12)</b> | <b>\$ 62,036,112.85</b> |

Additional information on the liabilities relating to the right-to-use 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 three investment funds; the Long Term Investment Fund (LTIF), the Mission Driven Investment Fund (MDIF), and the Comprehensive Cash and Investment Pool (CCIP), each having their own stand-alone investment policies. The objective of the CCIP is to retain appropriate liquidity to meet daily operating demands while seeking higher yield on cash reserves through appropriately diversified longer-termed investment strategies. Funds invested in the MDIF focus on advancing the overall mission of the System primarily, with returns being a secondary consideration. 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 or MDIF are invested in the CCIP. Other assets outside the three 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, the endowment of MSU Foundation (MSUF), and debt proceeds. The published Regent's Rules Chapter 09, "Investments and Endowment," the LTIF Investment Policy Statement, MDIF Investment Policy Statement, and the CCIP 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, 2024 and August 31, 2023 was \$90,768,968.08 and \$120,557,007.87, respectively, as presented below:

**Business-Type Activities**

|   | <b>FY24</b>             | <b>FY23</b>              |
|---|-------------------------|--------------------------|
| CASH IN BANK – CARRYING AMOUNT  | \$ 90,768,968.08        | \$ 120,557,007.87        |
| Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent                                     |                         |                          |
| Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral |                         |                          |
| Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral              |                         |                          |
| <b>Cash in Bank per AFR</b>   | <b>\$ 90,768,968.08</b> | <b>\$ 120,557,007.87</b> |
| Proprietary Funds Current Assets Cash in Bank   | \$ 63,423,328.52        | \$ 87,574,165.20         |
| Proprietary Funds Current Assets Restricted Cash in Bank  | 21,253,233.61           | 15,287,501.89            |
| Proprietary Funds Non-Current Assets Restricted Cash in Bank  | 6,092,405.95            | 17,695,340.78            |
| <b>Cash in Bank per AFR</b>   | <b>\$ 90,768,968.08</b> | <b>\$ 120,557,007.87</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, 2024, the total **bank balance** for Business-Type Activities was \$115,154,176.61. As of August 31, 2023, the restated balance was \$122,681,465.19.

The carrying amount of deposits for the System's Fiduciary Activities as of August 31, 2024 and August 31, 2023 was \$5,803,962.58 and \$4,841,066.99, respectively, as presented below:

**Fiduciary Activities**

|   | <b>FY24</b>            | <b>FY23</b>            |
|---|------------------------|------------------------|
| CASH IN BANK – CARRYING AMOUNT  | \$ 5,803,962.58        | \$ 4,841,066.99        |
| Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent                                     |                        |                        |
| Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral |                        |                        |
| Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral              |                        |                        |
| <b>Cash in Bank per AFR</b>   | <b>\$ 5,803,962.58</b> | <b>\$ 4,841,066.99</b> |
| Fiduciary Funds Current Assets Cash in Bank   | \$ 5,803,962.58        | \$ 4,841,066.99        |
| <b>Cash in Bank per AFR</b>   | <b>\$ 5,803,962.58</b> | <b>\$ 4,841,066.99</b> |

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, 2024, the total **bank balance** for the System's Fiduciary Activities was \$5,803,962.58. As of August 31, 2023, this balance was \$4,841,066.99.

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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, 2024 and August 31, 2023 was \$142,754.95 and \$134,521.31, respectively, as presented below:

**Discrete Component Unit - Carr Foundation**

|   | <b>FY24</b>          | <b>FY23</b>          |
|---|----------------------|----------------------|
| CASH IN BANK – CARRYING AMOUNT  | \$ 142,754.95        | \$ 134,521.31        |
| Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent                                     |                      |                      |
| Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral |                      |                      |
| Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral              |                      |                      |
| <b>Cash in Bank per AFR</b>   | <b>\$ 142,754.95</b> | <b>\$ 134,521.31</b> |
| Discrete Component Unit Current Assets Restricted Cash in Bank  | \$ 136,563.51        | \$ 128,553.66        |
| Discrete Component Unit Non-Current Assets Restricted Cash in Bank  | 6,191.44             | 5,967.65             |
| <b>Cash in Bank per AFR</b>   | <b>\$ 142,754.95</b> | <b>\$ 134,521.31</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, 2024, the total **bank balance** for Discrete Component Unit Activities for the Carr Foundation was \$548,192.46. As of August 31, 2023, this balance was \$612,789.06.

The carrying amount of deposits for TTRP as of August 31, 2024 and August 31, 2023 was \$5,063.48 and \$13,719.00, respectively, as presented below:

**Discrete Component Unit - TTRP**

|   | <b>FY24</b>        | <b>FY23</b>         |
|---|--------------------|---------------------|
| CASH IN BANK – CARRYING AMOUNT  | \$ 5,063.48        | \$ 13,719.00        |
| Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent                                     |                    |                     |
| Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral |                    |                     |
| Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral              |                    |                     |
| <b>Cash in Bank per AFR</b>   | <b>\$ 5,063.48</b> | <b>\$ 13,719.00</b> |
| Discrete Component Unit Current Assets Cash in Bank   | \$ 5,063.48        | \$ 13,719.00        |
| Discrete Component Unit Current Assets Restricted Cash in Bank  |                    |                     |
| Discrete Component Unit Non-Current Assets Restricted Cash in Bank  |                    |                     |
| <b>Cash in Bank per AFR</b>   | <b>\$ 5,063.48</b> | <b>\$ 13,719.00</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, 2024, the total **bank balance** for Discrete Component Unit Activities for TTRP was \$5,063.48. As of August 31, 2023, this balance was \$13,719.00.

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

**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, 2024:

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                       | \$ 56,117,402.61          |                          |                         |                        |                          | \$ 56,117,402.61          |
| U.S. Government Agency Obligations             | 307,798,863.79            | \$ 478,031.05            |                         |                        |                          | 308,276,894.84            |
| Corporate Obligations                          |                           | 17,246,789.32            |                         |                        |                          | 17,246,789.32             |
| Equity   | 591,692,884.22            |                          |                         |                        | \$ 292,617,412.96        | 884,310,297.18            |
| Fixed Income Money Market and Bond Mutual Fund | 1,158,457,825.20          |                          |                         |                        |                          | 1,158,457,825.20          |
| Mutual Funds - Domestic                        | 137,032,117.45            |                          |                         |                        |                          | 137,032,117.45            |
| Other Commingled Funds                         | 6,634,431.45              | 49,455,787.23            | \$ 910,071.95           |                        | 11,100,732.81            | 68,101,023.44             |
| Other Commingled Funds (TexPool)               |                           |                          |                         | \$25,604,503.98        |                          | 25,604,503.98             |
| Real Estate                                    |                           |                          | 3,092,455.95            |                        | 15,882,786.40            | 18,975,242.35             |
| Domestic Derivatives                           |                           | 34,845,975.97            |                         |                        |                          | 34,845,975.97             |
| Externally Managed Investments:                |                           |                          |                         |                        |                          |                           |
| Domestic                                       | 4,834,988.02              | 701,852,319.68           | 91,352,062.57           |                        | 543,945,465.15           | 1,341,984,835.42          |
| International                                  |                           | 451,202.92               |                         |                        | 42,041,073.88            | 42,492,276.80             |
| Miscellaneous                                  | 21,376.60                 | 587,062.54               | 43,555,379.89           |                        |                          | 44,163,819.03             |
| <b>Total Investments</b>                       | <b>\$2,262,589,889.34</b> | <b>\$ 804,917,168.71</b> | <b>\$138,909,970.36</b> | <b>\$25,604,503.98</b> | <b>\$ 905,587,471.20</b> | <b>\$4,137,609,003.59</b> |
| Current Unrestricted Short-Term Investments    | \$ 6,634,431.45           |                          |                         | \$ 4,328,017.11        | \$ 10,296,059.39         | \$ 21,258,507.95          |
| Current Restricted Short-Term Investments      | 2,695,597.54              | 164,195.46               |                         |                        | 804,673.42               | 3,664,466.42              |
| Non-Current Investments                        | 1,824,198,167.27          | \$ 804,752,973.25        | \$138,909,970.36        |                        | 894,486,738.39           | 3,662,347,849.27          |
| Items in Cash and Cash Equivalents:            |                           |                          |                         |                        |                          |                           |
| Money Market Funds                             | 429,061,693.08            |                          |                         |                        |                          | 429,061,693.08            |
| TexPool Investments                            |                           |                          |                         | 21,276,486.87          |                          | 21,276,486.87             |
| <b>Total Investments</b>                       | <b>\$2,262,589,889.34</b> | <b>\$ 804,917,168.71</b> | <b>\$138,909,970.36</b> | <b>\$25,604,503.98</b> | <b>\$ 905,587,471.20</b> | <b>\$4,137,609,003.59</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   | \$ 616,954.65          | \$                     |                      |                | \$ 2,508,872.40        | \$ 3,125,827.05         |
| Fixed Income Money Market and Bond Mutual Fund | 1,229,229.42           | 955,615.05             |                      |                |                        | 2,184,844.47            |
| Other Commingled Funds                         |                        | 323,692.24             | \$ 4,364.02          |                |                        | 328,056.26              |
| Real Estate                                    |                        |                        |                      |                | 136,177.42             | 136,177.42              |
| Domestic Derivatives                           |                        | 298,765.91             |                      |                |                        | 298,765.91              |
| Externally Managed Investments:                |                        |                        |                      |                |                        |                         |
| Domestic                                       | 482.19                 | 4,169,187.46           | 410,169.00           |                | 2,400,194.58           | 6,980,033.23            |
| International                                  |                        | 2,163.63               |                      |                | 360,455.96             | 362,619.59              |
| <b>Total Investments</b>                       | <b>\$ 1,846,666.26</b> | <b>\$ 5,749,424.29</b> | <b>\$ 414,533.02</b> | <b>\$ 0.00</b> | <b>\$ 5,405,700.36</b> | <b>\$ 13,416,323.93</b> |
| Non-Current Investments                        | \$ 1,846,666.26        | \$ 5,749,424.29        | \$ 414,533.02        |                | \$ 5,405,700.36        | \$ 13,416,323.93        |
| <b>Total Investments</b>                       | <b>\$ 1,846,666.26</b> | <b>\$ 5,749,424.29</b> | <b>\$ 414,533.02</b> | <b>\$ 0.00</b> | <b>\$ 5,405,700.36</b> | <b>\$ 13,416,323.93</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   | \$ 7,486,055.25        | \$                     |                        |                | \$ 30,442,362.96        | \$ 37,928,418.21         |
| Fixed Income Money Market and Bond Mutual Fund | 14,915,325.43          | 11,595,320.72          |                        |                |                         | 26,510,646.15            |
| Other Commingled Funds                         |                        | 3,927,643.64           | \$ 52,952.51           |                |                         | 3,980,596.15             |
| Real Estate                                    |                        |                        | 17,497,669.80          |                | 1,652,360.82            | 19,150,030.62            |
| Domestic Derivatives                           |                        | 3,625,190.44           |                        |                |                         | 3,625,190.44             |
| Externally Managed Investments:                |                        |                        |                        |                |                         |                          |
| Domestic                                       | 5,850.78               | 50,588,430.84          | 4,976,942.43           |                | 29,123,679.07           | 84,694,903.12            |
| International                                  |                        | 26,253.22              |                        |                | 4,373,730.25            | 4,399,983.47             |
| <b>Total Investments</b>                       | <b>\$22,407,231.46</b> | <b>\$69,762,838.86</b> | <b>\$22,527,564.74</b> | <b>\$ 0.00</b> | <b>\$ 65,592,133.10</b> | <b>\$ 180,289,768.16</b> |
| Non-Current Investments                        | \$22,407,231.46        | \$69,762,838.86        | \$22,527,564.74        |                | \$ 65,592,133.10        | \$ 180,289,768.16        |
| <b>Total Investments</b>                       | <b>\$22,407,231.46</b> | <b>\$69,762,838.86</b> | <b>\$22,527,564.74</b> | <b>\$ 0.00</b> | <b>\$ 65,592,133.10</b> | <b>\$ 180,289,768.16</b> |

The fair value of investments at each level is presented below for August 31, 2023:

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                       | \$ 64,713,472.70          |                          |                          |                         |                          | \$ 64,713,472.70          |
| U.S. Government Agency Obligations             | 282,993,661.05            | \$ 481,295.36            |                          |                         |                          | 283,474,956.41            |
| Corporate Obligations                          |                           | 2,600,822.69             |                          |                         |                          | 2,600,822.69              |
| Equity   | 571,741,913.56            | 6,246,816.40             |                          |                         | \$ 288,894,362.20        | 866,883,092.16            |
| Fixed Income Money Market and Bond Mutual Fund | 1,160,596,159.50          |                          |                          |                         |                          | 1,160,596,159.50          |
| Mutual Funds - Domestic                        | 97,649,495.85             |                          |                          |                         |                          | 97,649,495.85             |
| Other Commingled Funds                         | 6,254,745.20              | 197,069,040.50           | \$ 1,041,526.06          |                         | 7,403,648.69             | 211,768,960.45            |
| Other Commingled Funds (TexPool)               |                           |                          |                          | \$ 11,629,668.51        |                          | 11,629,668.51             |
| Real Estate                                    |                           |                          | 2,875,612.28             |                         | 13,202,059.49            | 16,077,671.77             |
| Domestic Derivatives                           |                           | 27,325,225.64            |                          |                         |                          | 27,325,225.64             |
| Externally Managed Investments:                |                           |                          |                          |                         |                          |                           |
| Domestic                                       | 8,610,683.60              | 390,784,783.78           | 98,745,501.63            |                         | 398,626,269.40           | 896,767,238.41            |
| International                                  |                           | 10,652,716.86            |                          |                         |                          | 10,652,716.86             |
| Miscellaneous                                  |                           | 474,490.17               | 39,548,757.23            |                         |                          | 40,023,247.40             |
| <b>Total Investments</b>                       | <b>\$2,192,560,131.46</b> | <b>\$ 635,635,191.40</b> | <b>\$ 142,211,397.20</b> | <b>\$ 11,629,668.51</b> | <b>\$ 708,126,339.78</b> | <b>\$3,690,162,728.35</b> |
| Current Unrestricted Short-Term Investments    | \$ 6,254,745.20           |                          |                          | \$ 3,130,181.10         | \$ 6,826,998.99          | \$ 16,211,925.29          |
| Current Restricted Short-Term Investments      |                           |                          |                          |                         | 576,649.70               | 576,649.70                |
| Non-Current Investments                        | 1,747,112,956.53          | \$ 635,635,191.40        | \$ 142,211,397.20        |                         | 700,722,691.09           | 3,225,682,236.22          |
| Items in Cash and Cash Equivalents:            |                           |                          |                          |                         |                          |                           |
| Money Market Funds                             | 439,192,429.73            |                          |                          |                         |                          | 439,192,429.73            |
| TexPool Investments                            |                           |                          |                          | 8,499,487.41            |                          | 8,499,487.41              |
| <b>Total Investments</b>                       | <b>\$2,192,560,131.46</b> | <b>\$ 635,635,191.40</b> | <b>\$ 142,211,397.20</b> | <b>\$ 11,629,668.51</b> | <b>\$ 708,126,339.78</b> | <b>\$3,690,162,728.35</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   | \$ 212,511.37          | \$ 55,151.79           |                      |                | \$ 2,552,494.52        | \$ 2,820,157.68         |
| Fixed Income Money Market and Bond Mutual Fund | 1,284,090.10           | 1,297,543.83           |                      |                |                        | 2,581,633.93            |
| Mutual Funds - Domestic                        | 821,719.89             |                        |                      |                |                        | 821,719.89              |
| Other Commingled Funds                         |                        | 350,704.48             | \$ 5,073.27          |                |                        | 355,777.75              |
| Real Estate                                    |                        |                        |                      |                | 113,324.98             | 113,324.98              |
| Domestic Derivatives                           |                        | 241,248.50             |                      |                |                        | 241,248.50              |
| Externally Managed Investments:                |                        |                        |                      |                |                        |                         |
| Domestic                                       | 60,607.51              | 3,194,622.40           | 453,109.94           |                | 2,009,643.41           | 5,717,983.26            |
| International                                  |                        |                        |                      |                | 57,153.15              | 57,153.15               |
| <b>Total Investments</b>                       | <b>\$ 2,378,928.87</b> | <b>\$ 5,139,271.00</b> | <b>\$ 458,183.21</b> | <b>\$ 0.00</b> | <b>\$ 4,732,616.06</b> | <b>\$ 12,708,999.14</b> |
| Non-Current Investments                        | \$ 2,378,928.87        | \$ 5,139,271.00        | \$ 458,183.21        |                | \$ 4,732,616.06        | \$ 12,708,999.14        |
| <b>Total Investments</b>                       | <b>\$ 2,378,928.87</b> | <b>\$ 5,139,271.00</b> | <b>\$ 458,183.21</b> | <b>\$ 0.00</b> | <b>\$ 4,732,616.06</b> | <b>\$ 12,708,999.14</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   | \$ 2,560,730.44         | \$ 664,570.87           |                         |                | \$ 30,757,180.64        | \$ 33,982,481.95         |
| Fixed Income Money Market and Bond Mutual Fund | 15,473,095.31           | 15,635,210.81           |                         |                |                         | 31,108,306.12            |
| Mutual Funds - Domestic                        | 9,901,602.82            |                         |                         |                |                         | 9,901,602.82             |
| Other Commingled Funds                         |                         | 4,225,936.87            | \$ 61,132.14            |                |                         | 4,287,069.01             |
| Real Estate                                    |                         |                         | 18,767,596.08           |                | 1,365,549.18            | 20,133,145.26            |
| Domestic Derivatives                           |                         | 2,907,008.59            |                         |                |                         | 2,907,008.59             |
| Externally Managed Investments:                |                         |                         |                         |                |                         |                          |
| Domestic                                       | 730,311.54              | 38,494,726.26           | 5,459,907.57            |                | 23,814,114.37           | 68,499,059.74            |
| International                                  |                         |                         |                         |                | 1,090,477.75            | 1,090,477.75             |
| <b>Total Investments</b>                       | <b>\$ 28,665,740.11</b> | <b>\$ 61,927,453.40</b> | <b>\$ 24,288,635.79</b> | <b>\$ 0.00</b> | <b>\$ 57,027,321.94</b> | <b>\$ 171,909,151.24</b> |
| Non-Current Investments                        | \$ 28,665,740.11        | \$ 61,927,453.40        | \$ 24,288,635.79        |                | \$ 57,027,321.94        | \$ 171,909,151.24        |
| <b>Total Investments</b>                       | <b>\$ 28,665,740.11</b> | <b>\$ 61,927,453.40</b> | <b>\$ 24,288,635.79</b> | <b>\$ 0.00</b> | <b>\$ 57,027,321.94</b> | <b>\$ 171,909,151.24</b> |

Discrete Component Unit - TTRP, had no investment activity as of August 31, 2024 or August 31, 2023.

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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, 2024:**

**Business-Type Activities**

| Investment Strategy | Fair Value               | Frequency Range Low | Frequency Range High | Notice Period Range Low | Notice Period Range High | Unfunded Commitment      |
|---------------------|--------------------------|---------------------|----------------------|-------------------------|--------------------------|--------------------------|
| Alternative         | \$ 585,986,539.03        | Monthly             | Annually             | 30 days                 | 90 days                  | \$ 128,150,275.07        |
| Commingled Funds    | 11,100,732.81            | Monthly             | Annually             | 3 days                  | 10 days                  | 0.00                     |
| Private Equity      | 292,617,412.96           | 4 years             | 5 years              | 1 year                  | 1 year                   | 91,403,233.11            |
| Real Estate         | 15,882,786.40            | 4 years             | 5 years              | 1 year                  | 1 year                   | 7,442,117.82             |
| <b>Total</b>        | <b>\$ 905,587,471.20</b> |                     |                      |                         |                          | <b>\$ 226,995,626.00</b> |

**Fiduciary Activities**

| Investment Strategy | Fair Value             | Frequency Range Low | Frequency Range High | Notice Period Range Low | Notice Period Range High | Unfunded Commitment    |
|---------------------|------------------------|---------------------|----------------------|-------------------------|--------------------------|------------------------|
| Alternative         | \$ 2,760,650.54        | Monthly             | Annually             | 30 days                 | 90 days                  | \$ 914,353.83          |
| Private Equity      | 2,508,872.40           | 4 years             | 5 years              | 1 year                  | 1 year                   | 783,682.17             |
| Real Estate         | 136,177.42             | 4 years             | 5 years              | 1 year                  | 1 year                   | 63,807.97              |
| <b>Total</b>        | <b>\$ 5,405,700.36</b> |                     |                      |                         |                          | <b>\$ 1,761,843.97</b> |

**Discrete Component Unit - Carr Foundation**

| Investment Strategy | Fair Value              | Frequency Range Low | Frequency Range High | Notice Period Range Low | Notice Period Range High | Unfunded Commitment     |
|---------------------|-------------------------|---------------------|----------------------|-------------------------|--------------------------|-------------------------|
| Alternative         | \$ 33,497,409.32        | Monthly             | Annually             | 30 days                 | 90 days                  | \$ 11,094,661.94        |
| Private Equity      | 30,442,362.96           | 4 Years             | 5 Years              | 1 year                  | 1 year                   | 9,509,107.37            |
| Real Estate         | 1,652,360.82            | 4 Years             | 5 Years              | 1 year                  | 1 year                   | 774,238.45              |
| <b>Total</b>        | <b>\$ 65,592,133.10</b> |                     |                      |                         |                          | <b>\$ 21,378,007.76</b> |

**As of August 31, 2023:**

**Business-Type Activities**

| Investment Strategy | Fair Value               | Frequency Range Low | Frequency Range High | Notice Period Range Low | Notice Period Range High | Unfunded Commitment     |
|---------------------|--------------------------|---------------------|----------------------|-------------------------|--------------------------|-------------------------|
| Alternative         | \$ 398,626,269.40        | Monthly             | Annually             | 30 days                 | 90 days                  | \$133,585,799.18        |
| Commingled Funds    | 7,403,648.69             | Monthly             | Annually             | 3 days                  | 10 days                  | 0.00                    |
| Private Equity      | 288,894,362.20           | 4 years             | 5 years              | 1 year                  | 1 year                   | 97,364,406.26           |
| Real Estate         | 13,202,059.49            | 4 years             | 5 years              | 1 year                  | 1 year                   | 9,688,228.91            |
| <b>Total</b>        | <b>\$ 708,126,339.78</b> |                     |                      |                         |                          | <b>\$240,638,434.35</b> |



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

**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                | \$ 2,066,796.56        | Monthly                    | Annually                    | 30 days                        | 90 days                         | \$ 876,417.26              |
| Private Equity             | 2,549,261.38           | 4 years                    | 5 years                     | 1 year                         | 1 year                          | 1,080,042.47               |
| Real Estate                | 116,558.12             | 4 years                    | 5 years                     | 1 year                         | 1 year                          | 47,997.79                  |
| <b>Total</b>               | <b>\$ 4,732,616.06</b> |                            |                             |                                |                                 | <b>\$ 2,004,457.52</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                | \$ 24,904,592.13        | Monthly                    | Annually                    | 30 days                        | 90 days                         | \$ 10,547,786.64           |
| Private Equity             | 30,718,221.73           | 4 Years                    | 5 Years                     | 1 year                         | 1 year                          | 13,027,263.00              |
| Real Estate                | 1,404,508.08            | 4 Years                    | 5 Years                     | 1 year                         | 1 year                          | 578,366.23                 |
| <b>Total</b>               | <b>\$ 57,027,321.94</b> |                            |                             |                                |                                 | <b>\$ 24,153,415.87</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 three investment funds, the LTIF, the MDIF, and the CCIP. The balances listed below relate to the securities held outside of those pools as of August 31, 2024 and August 31, 2023.

**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> |
|--------------------|------------------|-------------|--|
| 2024               | 05               | Equity      | \$ 13,085,427.29   |
| 2023               | 05               | Equity      | \$ 11,446,336.88   |

Fiduciary Funds had no custodial credit risk for investments as of August 31, 2024 or August 31, 2023.

The Carr Foundation and TTRP had no custodial credit risk for investments as of August 31, 2024 or August 31, 2023.

**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, 2024, 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

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

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, MDIF, and CCIP 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, 2024, is presented below.

**Business-Type Activities**

| <b>FY24</b>      |                         |   |
|------------------|-------------------------|---|
| <b>Fund Type</b> | <b>Foreign Currency</b> | <b>International Externally Managed Investments</b> |
| 05               | British pound           | \$ 7,264,634.26                                     |
| 05               | Euro                    | 35,227,642.54                                       |
|                  | <b>Total</b>            | <b>\$ 42,492,276.80</b>                             |

As of August 31, 2023, the exposure to foreign currency risk was: International Externally Managed Investments - \$10,652,716.86.

**Fiduciary Activities**

| <b>FY24</b>      |                         |   |
|------------------|-------------------------|---|
| <b>Fund Type</b> | <b>Foreign Currency</b> | <b>International Externally Managed Investments</b> |
| 22               | British pound           | \$ 62,286.25  |
| 22               | Euro                    | 300,333.34  |
|                  | <b>Total</b>            | <b>\$ 362,619.59</b>                                |

As of August 31, 2023, the exposure to foreign currency risk was: International Externally Managed Investments - \$57,153.15.

**Discrete Component Unit - Carr Foundation**

| <b>FY24</b>      |                         |   |
|------------------|-------------------------|---|
| <b>Fund Type</b> | <b>Foreign Currency</b> | <b>International Externally Managed Investments</b> |
| 15               | British pound           | \$ 755,774.00                                       |
| 15               | Euro                    | 3,644,209.47  |
|                  | <b>Total</b>            | <b>\$ 4,399,983.47</b>                              |

As of August 31, 2023, the exposure to foreign currency risk for the Carr Foundation was: International Externally Managed Investments - \$1,090,477.75.

Discrete Component Unit - TTRP had no foreign currency risk as of August 31, 2024 or August 31, 2023.

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

**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 CCIP 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 and 2023, 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, 2024, 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             | \$ 306,922,560.32 | 1,354,334.52 |                |              |           |                |
| 05        | Corporate Obligations                          | \$ 263,009.22     | 1,349,569.82 | 7,568,713.44   | 8,034,029.24 | 31,467.60 |                |
| 05        | Miscellaneous                                  | \$ 587,049.54     |              |                |              |           | 13.00          |
|           |  | AAAf              | AAAm         | Aaf            | Af           |           | Unrated        |
| 05        | Fixed Income Money Market and Bond Mutual Fund | \$ 429,061,693.08 | 110,732.00   | 257,134,215.32 |              |           | 472,151,184.80 |

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

| Fund Type | Investment Type                                | AAAf | Aaf | Af | Unrated         |
|-----------|--|------|-----|----|-----------------|
| 22        | Fixed Income Money Market and Bond Mutual Fund |      |     |    | \$ 2,184,844.47 |

**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 |      |     |    | \$ 26,510,646.15 |

Discrete Component Unit - TTRP had no credit risk exposure as of August 31, 2024 or August 31, 2023.

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

The System's credit quality distribution for securities with credit risk exposure as of August 31, 2023 was as presented below:

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

| Fund Type | Investment Type                                | AAA               | AA             | A          | BBB          | Unrated          |
|-----------|--|-------------------|----------------|------------|--------------|------------------|
| 05        | U.S. Government Agency Obligations             | \$ 283,042,167.95 | 432,788.46     |            |              |                  |
| 05        | Corporate Obligations                          |                   | 118,404.00     | 409,809.60 | 2,072,609.09 |                  |
| 05        | Miscellaneous                                  | 474,490.17        |                |            |              |                  |
|           |  | AAAf              | Aaf            | Af         |              | Unrated          |
| 05        | Fixed Income Money Market and Bond Mutual Fund | \$ 439,192,429.73 | 200,076,159.46 |            |              | \$521,327,570.31 |

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

| Fund Type | Investment Type                                | AAAf | Aaf | Af | Unrated         |
|-----------|--|------|-----|----|-----------------|
| 22        | Fixed Income Money Market and Bond Mutual Fund |      |     |    | \$ 2,581,633.93 |

**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 |     |    |   |     |    | \$ 31,108,306.12 |

**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 options and total return swaps as investment derivatives during fiscal year 2024.

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 2024 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

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

mitigated by master netting agreements between the System and its counterparties, and by the posting of collateral on a daily basis.

As of August 31, 2024 and August 31, 2023, the System had no exposure to investment **foreign currency risk in derivative investments**.

As of August 31, 2024 and August 31, 2023, Fiduciary Activities had no exposure to **foreign currency risk in derivative investments**.

As of August 31, 2024 and August 31, 2023, Discrete Component Units - Carr Foundation and TTRP had no exposure to **foreign currency risk in derivative investments**.

**Texas University Fund**

On November 7, 2023, Proposition 5 passed, establishing a new permanent endowment, the Texas University Fund (TUF), to support academic teaching institutions in Texas in achieving national prominence as major research universities. The TUF is administered by Texas Safekeeping Trust Company and the endowment is not reflected in the financial statements of the System.

Total net position of the TUF as of August 31, 2024 was \$4,216,437,242.31. By acts of Legislature and provisions of the State Constitution, the net income of the TUF is divided amongst four Texas research institutions. TTU's share of distributions was \$44.4 million for the fiscal year ended August 31, 2024.

Additionally, eligible institutions, including TTU, are entitled to include their portion of the TUF corpus when reporting institutional endowment funds to certain external agencies. As of August 31, 2024, based on statute, TTU's portion would equal approximately one-third of 75% of the year-end total.

**Note 4: Short-Term Debt**

The System had the following short-term debt outstanding as of August 31, 2024.

| <b>Business-Type Activities</b> | <b>Balance<br/>9/1/2023</b> | <b>Increases</b> | <b>Decreases</b> | <b>Balance<br/>8/31/2024</b> |
|---------------------------------|-----------------------------|------------------|------------------|------------------------------|
| Short-Term Debt CP Notes        | \$ 55,355,000.00            | \$ 59,970,000.00 | \$ 10,511,000.00 | \$ 104,814,000.00            |

**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, 2024 will mature in fiscal year 2025. Commercial paper has short maturities up to 270 days with interest rates ranging from 3.22% to 3.78% for tax-exempt, and 5.30% to 5.50% 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 \$104,814,000.00 outstanding as of August 31, 2024, the remaining principal authorization is \$45,186,000.00. 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.

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

**Note 5: Long-Term Liabilities**

During the year ended August 31, 2024, the following changes occurred in liabilities:

| Business-Type Activities                    | Balance 9/1/2023          | Additions                | Reductions              | Restatement/ Adjustment  | Balance 8/31/2024         | Amounts due within one year | Amounts due Thereafter    |
|---|---------------------------|--------------------------|-------------------------|--------------------------|---------------------------|-----------------------------|---------------------------|
| Claims and Judgments                        | \$ 5,853,667.00           | \$ 7,017,428.33          | \$ 860,349.00           | \$ 0.00                  | \$ 12,010,746.33          | \$ 1,039,894.01             | \$ 10,970,852.32          |
| Right to Use Lease Obligations              | 46,148,490.01             | 5,954,128.24             | 7,428,502.46            | (151,012.19)             | 44,523,103.60             | 6,935,799.83                | 37,587,303.77             |
| Right to Use Subscription Obligations       | 18,296,391.55             | 11,625,263.72            | 13,099,824.50           | (468,222.39)             | 16,353,608.38             | 7,521,134.10                | 8,832,474.28              |
| Employees' Compensable Leave                | 71,451,508.98             | 6,611,042.44             | 212,916.37              | 3,900,029.41             | 81,749,664.46             | 9,069,232.39                | 72,680,432.07             |
| Revenue Bonds Payable                       | 1,074,640,954.96          | 0.00                     | 72,240,000.00           | (4,858,519.04)           | 997,542,435.92            | 79,417,398.34               | 918,125,037.58            |
| Notes and Loans Payable - Direct Borrowings | 36,869,354.00             | 113,947,045.00           | 0.00                    | 0.00                     | 150,816,399.00            | 150,816,399.00              | 0.00                      |
| 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>\$1,254,789,892.00</b> | <b>\$ 145,154,907.73</b> | <b>\$ 93,841,592.33</b> | <b>\$ (1,577,724.21)</b> | <b>\$1,304,525,483.19</b> | <b>\$ 254,799,857.67</b>    | <b>\$1,049,725,625.52</b> |

**Discrete Component Unit - Carr Foundation**

| Discrete Component Unit Activities | Balance 9/1/2023 | Additions | Reductions  | Restatement/ Adjustment | Balance 8/31/2024 | Amounts due within one year | Amounts due Thereafter |
|------------------------------------|------------------|-----------|-------------|-------------------------|-------------------|-----------------------------|------------------------|
| Employees' Compensable Leave       | \$ 22,420.82     | \$ 0.00   | \$ 3,950.02 | \$ 0.00                 | \$ 18,470.80      | \$ 0.00                     | \$ 18,470.80           |

Discrete Component Unit - TTRP did not have any long term liabilities as of August 31, 2024.

**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. The System also includes rebatable arbitrage in claims and judgments. More information is presented in Note 17.

**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.

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

**Right to Use Subscription Obligations**

The System is a lessee for various noncancellable subscription-based information technology arrangements (SBITAs). For SBITAs with a maximum possible term of 12 months or more the System recognizes a subscription liability and an intangible right-to-use subscription asset. At the commencement of a subscription term, the System initially measures the subscription liability at the present value of payments expected to be made during the term. Subsequently, the subscription liability is reduced by the principal portion of payments made. Additional information on the System's right to use subscription obligations is provided in Note 8.

**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.

**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:

| <b>Pledged Future Revenues</b>   | <b>Business-Type Activities</b> |                     |
|--|---------------------------------|---------------------|
|  | <b>FY24</b>                     | <b>FY23</b>         |
| Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds | \$ 1,232,710,380.24             | \$ 1,079,019,025.84 |
| Term of Commitment for Year Ending 8/31  | 2050                            | 2050                |
| Percentage of Revenue Pledged  | 100%                            | 100%                |
| Current Year Pledged Revenue   | \$ 1,052,915,744.30             | \$ 795,950,872.98   |
| Current Year Principal and Interest Paid   | \$ 109,366,637.36               | \$ 91,701,617.94    |

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.

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

**Notes and Loans Payable - Direct Borrowings**

As of August 31, 2024, Red Raider Facilities Foundation (RRFF), a blended component unit of the System, entered into long-term financing contracts for the purchase of capital assets. These contracts are classified as notes and loans payable - direct borrowings. Included in these direct borrowing loans are a tax-exempt construction loan with \$62,914,942.00 and a taxable construction loan with \$11,268,659.00 undrawn balance remaining. RRFF has pledged all rights, title, and interest in its project gift and money market bank accounts as collateral for the taxable loan.

As of August 31, 2024, debt service issued for the two loans is presented below:

| <b>Year</b>  | <b>Principal</b>         | <b>Interest</b>        | <b>Total</b>             |
|--------------|--------------------------|------------------------|--------------------------|
| 2025         | \$ 150,816,399.00        | \$ 6,189,082.00        | \$ 157,005,481.00        |
| 2026         | 0.00                     | 0.00                   | 0.00                     |
| 2027         | 0.00                     | 0.00                   | 0.00                     |
| 2028         | 0.00                     | 0.00                   | 0.00                     |
| 2029         | 0.00                     | 0.00                   | 0.00                     |
| <b>Total</b> | <b>\$ 150,816,399.00</b> | <b>\$ 6,189,082.00</b> | <b>\$ 157,005,481.00</b> |

Additionally, an unused non-revolving line of credit of \$28,400,000 is available for capital improvements, interest, and unused line fees.

These financing arrangements for capital improvements contain provisions that in the event of default the lender has the right to take one or any of the following actions:

- shall not be required to make advances;
- may declare loans immediately due and payable; and
- shall be entitled to recover reasonable expenses incurred to enforce any of its rights or remedies.

**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           |

The System's bond issues outstanding as of August 31, 2024 are summarized in the paragraphs that follow.

**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: | MSU has 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: | MSU has 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: | MSU has 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

**Revenue Financing System Refunding and Improvement Bonds, 2023A Series**

Purpose: To finance construction projects for various improvements, renovations, and additions including the following: ASU Central Physical Plant upgrades; HSC research lab renovations and facility upgrades and additions to the Midland Physicians Assistant Program building; HSC El Paso medical clinic construction; MSU Bolin Science building renovation and Central Physical Plant upgrades and additions; TTU renovations, including life and safety upgrades to Biology building and greenhouse, Experimental Sciences building, Chemistry building, Holden Hall, Psychology building, Mechanical Engineering buildings, and Science building; Reese Center roof and building renovations; TTU Junction campus research facility renovations and upgrades; and TTU Central Physical Plant tunnel and sewer upgrades and repairs. \$7,205,000 of issued funds was a partial current refunding of Revenue Financing System Commercial Paper Notes Series A for the TTU Veterinary School of Medicine Mariposa.

Issue Date: August 8, 2023

Original Issue Amount: \$193,625,000, 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

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

**Revenue Financing System Refunding and Improvement Bonds, 2023B Series (Taxable)**

|                                     |  |
|-------------------------------------|--|
| Purpose:                            | To finance construction projects for various improvements, renovations, and additions including the following: ASU Central Physical Plant upgrades; HSC research lab renovations and facility upgrades and additions to the Midland Physicians Assistant Program building; HSC El Paso medical clinic construction; MSU Bolin Science building renovation and Central Physical Plant upgrades and additions; TTU renovations, including life and safety upgrades to Biology building and greenhouse, Experimental Sciences building, Chemistry building, Holden Hall, Psychology building, Mechanical Engineering buildings, and Science building; Reese Center roof and building renovations; TTU Junction campus research facility renovations and upgrades; and TTU Central Physical Plant tunnel and sewer upgrades and repairs. |
| Issue Date:                         | August 8, 2023   |
| Original Issue Amount:              | \$56,400,000, 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, 2024:

**Business-Type Activities**

| Investment Derivatives | Changes in Fair Value |                   | Fair Value at August 31, 2024 |               |                |
|------------------------|-----------------------|-------------------|-------------------------------|---------------|----------------|
|                        | Classification        | Amount            | Classification                | Amount        | Notional       |
| Options                | Investment Revenue    | \$ (1,526,948.25) | Investments                   | \$ 0.00       | \$ 0.00        |
| Total Return Swaps     | Investment Revenue    | 8,983,703.17      | Investments                   | 34,845,975.97 | 589,967,666.63 |

**Fiduciary Activities**

| Investment Derivatives | Changes in Fair Value |                | Fair Value at August 31, 2024 |            |              |
|------------------------|-----------------------|----------------|-------------------------------|------------|--------------|
|                        | Classification        | Amount         | Classification                | Amount     | Notional     |
| Options                | Investment Revenue    | \$ (13,091.90) | Investments                   | \$ 0.00    | \$ 0.00      |
| Total Return Swaps     | Investment Revenue    | 77,025.37      | Investments                   | 298,765.91 | 5,287,580.92 |

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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, 2024 |              |               |
|------------------------|-----------------------|-----------------|-------------------------------|--------------|---------------|
|                        | Classification        | Amount          | Classification                | Amount       | Notional      |
| Options                | Investment Revenue    | \$ (158,855.59) | Investments                   | \$ 0.00      | \$ 0.00       |
| Total Return Swaps     | Investment Revenue    | 934,616.81      | Investments                   | 3,625,190.44 | 64,158,885.67 |

Discrete Component Unit - TTRP did not have any derivative activity as of August 31, 2024.

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, 2024  | (Level 1) | (Level 2)        | (Level 3) |
|-----------------------------------|------------------|-----------|------------------|-----------|
| Interest Rate Swaps               | \$ 34,845,975.97 | \$ 0.00   | \$ 34,845,975.97 | \$ 0.00   |

**Fiduciary Activities**

| Investment Derivative Instruments | August 31, 2024 | (Level 1) | (Level 2)     | (Level 3) |
|-----------------------------------|-----------------|-----------|---------------|-----------|
| Interest Rate Swaps               | \$ 298,765.91   | \$ 0.00   | \$ 298,765.91 | \$ 0.00   |

**Discrete Component Unit - Carr Foundation**

| Investment Derivative Instruments | August 31, 2024 | (Level 1) | (Level 2)       | (Level 3) |
|-----------------------------------|-----------------|-----------|-----------------|-----------|
| Interest Rate Swaps               | \$ 3,625,190.44 | \$ 0.00   | \$ 3,625,190.44 | \$ 0.00   |

The following disclosures summarize the System's derivative activity as reported in the financial statements as of August 31, 2023.

**Business-Type Activities**

| Investment Derivatives | Changes in Fair Value |                  | Fair Value at August 31, 2023 |                  |                   |
|------------------------|-----------------------|------------------|-------------------------------|------------------|-------------------|
|                        | Classification        | Amount           | Classification                | Amount           | Notional          |
| Options                | Investment Revenue    | 1,523,380.51     | Investments                   | 1,523,380.51     | 89,670,672.26     |
| Total Return Swaps     | Investment Revenue    | \$ 48,431,238.75 | Investments                   | \$ 25,801,845.13 | \$ 566,978,362.29 |

**Fiduciary Activities**

| Investment Derivatives | Changes in Fair Value |               | Fair Value at August 31, 2023 |               |                 |
|------------------------|-----------------------|---------------|-------------------------------|---------------|-----------------|
|                        | Classification        | Amount        | Classification                | Amount        | Notional        |
| Options                | Investment Revenue    | 13,449.60     | Investments                   | 13,449.60     | 791,682.93      |
| Total Return Swaps     | Investment Revenue    | \$ 427,588.91 | Investments                   | \$ 227,798.90 | \$ 5,005,729.07 |

## 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, 2023 |                 |                  |
|------------------------|-----------------------|-----------------|-------------------------------|-----------------|------------------|
|                        | Classification        | Amount          | Classification                | Amount          | Notional         |
| Options                | Investment Revenue    | 162,065.64      | Investments                   | 162,065.64      | 9,539,661.91     |
| Total Return Swaps     | Investment Revenue    | \$ 5,152,382.96 | Investments                   | \$ 2,744,942.95 | \$ 60,318,293.02 |

The System classified its investment derivative instruments using Level 2 inputs in the fair value hierarchy for fiscal year 2023, as presented below:

**Business-Type Activities**

| Investment Derivative Instruments | August 31, 2023  | (Level 1) | (Level 2)        | (Level 3) |
|-----------------------------------|------------------|-----------|------------------|-----------|
| Interest Rate Swaps               | \$ 27,325,225.64 | \$ 0.00   | \$ 27,325,225.64 | \$ 0.00   |

**Fiduciary Activities**

| Investment Derivative Instruments | August 31, 2023 | (Level 1) | (Level 2)     | (Level 3) |
|-----------------------------------|-----------------|-----------|---------------|-----------|
| Interest Rate Swaps               | \$ 241,248.50   | 0.00      | \$ 241,248.50 | \$ 0.00   |

**Discrete Component Unit - Carr Foundation**

| Investment Derivative Instruments | August 31, 2023 | (Level 1) | (Level 2)       | (Level 3) |
|-----------------------------------|-----------------|-----------|-----------------|-----------|
| Interest Rate Swaps               | \$ 2,907,008.59 | 0.00      | \$ 2,907,008.59 | \$ 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.

**Note 8: Leases/SBITAs**

GASB Statement No. 87, *Leases*, effective FY 2022, established a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this model, parties involved in lease contracts are required to recognize a lease liability and an intangible right-to-use asset (lessee) and a lease receivable and a deferred inflow of resources (lessor).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, effective FY 2023, defines a SBITA, establishes it as a right-to-use subscription asset and a corresponding subscription liability, and provides capitalization criteria for related outlays.

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

For fiscal year 2024, the System's lease contracts and subscription-based information technology arrangements have been examined according to GASB 87 and GASB 96 standards and the details for these are presented below.

**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, 2024 and August 31, 2023:

| Fund Type        | Business-Type Activities |                 |
|------------------|--------------------------|-----------------|
|                  | FY24                     | FY23            |
| Proprietary Fund | \$4,402,149.23           | \$ 4,355,548.57 |

Future minimum lease payments at August 31, 2024 are as follows:

| Fiscal Year Ended August 31 | Business-Type Activities |                        |                                     |
|-----------------------------|--------------------------|------------------------|-------------------------------------|
|                             | Principal                | Interest               | Total Future Minimum Lease Payments |
| 2025                        | \$ 6,935,799.83          | \$ 727,383.17          | \$ 7,663,183.00                     |
| 2026                        | 5,330,808.05             | 470,621.04             | 5,801,429.09                        |
| 2027                        | 4,328,435.24             | 393,617.58             | 4,722,052.82                        |
| 2028                        | 4,109,639.66             | 342,218.85             | 4,451,858.51                        |
| 2029                        | 3,261,229.37             | 292,327.27             | 3,553,556.64                        |
| 2030-2034                   | 15,401,867.51            | 795,519.22             | 16,197,386.73                       |
| 2035-2039                   | 5,072,062.49             | 63,251.63              | 5,135,314.12                        |
| 2040-2044                   | 83,261.45                | 6,391.31               | 89,652.76                           |
| <b>Total</b>                | <b>\$ 44,523,103.60</b>  | <b>\$ 3,091,330.07</b> | <b>\$ 47,614,433.67</b>             |

**Variable Disclosures**

Variable payments based on the use of the underlying asset are not included in the lease liability because they are not fixed in substance — therefore, these payments are not included in the lease liabilities. In fiscal year 2024, the System had one partially variable payment and one variable only lease not included in the liabilities presented above. These variable payments included costs for a user-based lease and fluctuations to the measurements of another contract.

| Variable Payments                 | Business-Type Activities |         |
|-----------------------------------|--------------------------|---------|
|                                   | FY24                     | FY23    |
| (Not included in lease liability) | \$ 350,006.49            | \$ 0.00 |

**Future Leases**

The System has two noncancellable lease commitments for which the term had not yet commenced as of August 31, 2024. Both leases commence in September 2024. The terms range is 2024-2028 with a future commitment of \$254,400.

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

The Carr Foundation and TTRP had no right-to-use lease obligations for the years ending August 31, 2024 or 2023.

**Lease Income**

The System is a lessor for various noncancellable 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, 2024 and August 31, 2023:

| Fund Type        | Business-Type Activities |               |
|------------------|--------------------------|---------------|
|                  | FY24                     | FY23          |
| Proprietary Fund | \$ 1,199,114.28          | \$ 805,720.83 |

Future minimum lease rental income at August 31, 2024 are as follows:

| Fiscal Year Ended August 31 | Business-Type Activities |                        |                                   |
|-----------------------------|--------------------------|------------------------|-----------------------------------|
|                             | Principal                | Interest               | Total Future Minimum Lease Income |
| 2025                        | \$ 952,798.93            | \$ 219,817.16          | \$ 1,172,616.09                   |
| 2026                        | 797,194.12               | 201,467.22             | 998,661.34                        |
| 2027                        | 771,891.11               | 183,001.75             | 954,892.86                        |
| 2028                        | 709,075.28               | 164,598.89             | 873,674.17                        |
| 2029                        | 608,492.68               | 146,483.70             | 754,976.38                        |
| 2030-2034                   | 667,596.82               | 653,009.04             | 1,320,605.86                      |
| 2035-2039                   | 742,426.67               | 589,344.96             | 1,331,771.63                      |
| 2040-2044                   | 971,335.57               | 511,312.86             | 1,482,648.43                      |
| 2045-2049                   | 839,697.01               | 418,474.23             | 1,258,171.24                      |
| 2050-2054                   | 858,998.63               | 346,718.10             | 1,205,716.73                      |
| 2055 and beyond             | 3,910,216.38             | 491,219.41             | 4,401,435.79                      |
| <b>Total</b>                | <b>\$ 11,829,723.20</b>  | <b>\$ 3,925,447.32</b> | <b>\$ 15,755,170.52</b>           |

As of August 31, 2024, the System also had lease income agreements for cell phone towers and antennas affixed to System property.

The Carr Foundation and TTRP had no lease income for the years ended August 31, 2024 or 2023.

The System had no regulated lease arrangements for the years ended August 31, 2024 or 2023.

**Subscription Liabilities**

The System is a lessee for various noncancellable subscription-based information technology arrangements. A summary of the System's right-to-use subscription asset activity during the year is disclosed separately in Note 2. Included in the expenses reported in the financial statements is the following amount of subscription fees paid under subscription liability as of August 31, 2024 and August 31, 2023:



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

| Fund Type        | Business-Type Activities |                 |
|------------------|--------------------------|-----------------|
|                  | FY24                     | FY23            |
| Proprietary Fund | \$ 9,796,905.48          | \$ 8,175,792.96 |

Future minimum subscription payments at August 31, 2024 are as follows:

| Fiscal Year Ended August 31 | Business-Type Activities |                      | Total Future Minimum Subscription Payments |
|-----------------------------|--------------------------|----------------------|--|
|                             | Principal                | Interest             |  |
| 2025                        | \$ 7,521,134.10          | \$ 430,806.79        | \$ 7,951,940.89                            |
| 2026                        | 4,734,593.13             | 230,353.23           | 4,964,946.36                               |
| 2027                        | 2,805,737.65             | 63,199.37            | 2,868,937.02                               |
| 2028                        | 951,814.26               | 15,582.51            | 967,396.77                                 |
| 2029                        | 213,969.40               | 2,598.54             | 216,567.94                                 |
| 2030-2034                   | 126,359.84               | 4.04                 | 126,363.88                                 |
| <b>Total</b>                | <b>\$ 16,353,608.38</b>  | <b>\$ 742,544.48</b> | <b>\$ 17,096,152.86</b>                    |

**Variable Disclosures**

Of these leases, seven arrangements required payments that were partially variable and not included in the liabilities presented above. These variable payments included costs for additional users and add-ons beyond the base contract, which may fluctuate from year to year. Variable payments also included implementation costs incurred when SBITA assets were placed into use.

| Variable Payments                        | Business-Type Activities |                 |
|--|--------------------------|-----------------|
|  | FY24                     | FY23            |
| (Not included in subscription liability) | \$ 1,829,333.40          | \$ 1,910,534.46 |

**Future Subscription Agreements**

The System has five IT subscription or software as a service commitments for which the terms had not yet commenced as of August 31, 2024. Three of these commitments will commence on September 1, 2024 with two other commitments projected to commence in April 2025. These agreements range in terms up to year 2028 with a total future commitment of \$11,520,654.89.

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

**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.

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.

Detailed information about the TRS Plan's fiduciary net position is available in a separately issued ACFR that includes financial statements and required supplementary information, located at [www.trs.texas.gov](http://www.trs.texas.gov) and then searching for financial and actuarial highlights.

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).

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution, which requires the Legislature to establish a member contribution rate of not less than 6.00% of the member's annual compensation and a state contribution rate of not less than 6.00% and not more than 10.00% of the aggregate annual compensation paid to members of the System during the year. TGC Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

During the measurement period of 2023 for fiscal year 2024 reporting, and the measurement period of 2022 for fiscal year 2023 reporting, the amount of the System's contributions excluding the State match to TRS recognized by the Plan was \$32,407,407.00 for 2024, and \$28,575,447.00 for 2023. 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 for the Measurement Period**

| <b>Contribution Rates - TRS Plan</b> | <b>FY24</b> | <b>FY23</b> |
|--------------------------------------|-------------|-------------|
| Employer                             | 8.00 %      | 7.75%       |
| Employees                            | 8.00 %      | 8.00%       |

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

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, 2023 and 2022 measurement dates.

**Actuarial Methods and Assumptions\***

| <b>Actuarial Methods and Assumptions - TRS Plan</b> | <b>FY24</b>   | <b>FY23</b>   |
|---|---|---|
| Actuarial Valuation Date                            | August 31, 2022 rolled forward to August 31, 2023   | August 31, 2021 rolled forward to August 31, 2022   |
| Actuarial Cost Method                               | Individual Entry Age Normal   | Individual Entry Age Normal   |
| Amortization Method                                 | Level Percentage of Payroll, Floating   | Floating  |
| Asset Valuation Method                              | Fair Value  | Fair Value  |
| Actuarial Assumptions:                              |   |   |
| Discount Rate                                       | 7.00%   | 7.00%   |
| Long-term Expected Rate of Return                   | 7.00%   | 7.00%   |
| Municipal Bond Rate as of August 2023               | 4.13%*  | 3.91%   |
| Inflation   | 2.30%   | 2.30%   |
| Salary Increase                                     | 2.95% to 8.95% including inflation  | 2.95% to 8.95% including inflation  |
| Mortality:  |   |   |
| Active  | PUB(2010) Mortality Tables for Teachers, below median, with full generational mortality.      | PUB(2010) Mortality Tables for Teachers, below median, with full generational mortality.      |
| Post-Retirement                                     | 2021 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP. | 2021 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 valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total pension liability to August 31, 2023.

The actuarial assumptions used in the valuation were primarily based on the result of an actuarial experience study for the four-year period ending August 31, 2021 and adopted in July 2022.

The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the Net Pension Liability of TRS. In addition, the Legislature also provided for a cost-of-living adjustment (COLA) to retirees which was approved during the November 2023 election which was paid January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023. Otherwise, there have been no changes to the benefit provisions of the plan since the prior measurement date.

The discount rate of 7.00% 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 7.00%. The projected cash flows

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

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 9.50% of payroll in fiscal year 2024 gradually increasing to 9.56% in fiscal year 2025 and thereafter. 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 pension plan investments was applied to all projected benefit payments to determine the total pension liability.

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 2023 and 2022 measurement dates:

| Asset Class                                  | FY24                |   | FY23              |  |
|--|---------------------|---|-------------------|--|
|  | 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%              | 4.00%   | 18.00%            | 4.60%  |
| Non-U.S. Developed                           | 13.00%              | 4.50%   | 13.00%            | 4.90%  |
| Emerging Markets                             | 9.00%               | 4.80%   | 9.00%             | 5.40%  |
| Private Equity                               | 14.00%              | 7.00%   | 14.00%            | 7.70%  |
| <b>Stable Value</b>                          |                     |   |                   |  |
| Government Bonds                             | 16.00%              | 2.50%   | 16.00%            | (0.20)%  |
| Absolute Return*                             | 0.00%               | 3.60%   | 0.00%             | 3.70%  |
| Stable Value Hedge Funds                     | 5.00%               | 4.10%   | 5.00%             | 3.40%  |
| <b>Real Return</b>                           |                     |   |                   |  |
| Real Assets                                  | 15.00%              | 4.90%   | 15.00%            | 4.10%  |
| Energy, Natural Resources and Infrastructure | 6.00%               | 4.80%   | 6.00%             | 5.10%  |
| Commodities                                  | 0.00%               | 4.40%   | 0.00%             | 3.60%  |
| <b>Risk Parity</b>                           |                     |   |                   |  |
| Risk Parity                                  | 8.00%               | 4.50%   | 8.00%             | 4.60%  |
| <b>Asset Allocation Leverage</b>             |                     |   |                   |  |
| Asset Allocation Leverage Cash               | 2.00%               | 3.70%   | 2.00%             | 3.00%  |
| Asset Allocation Leverage                    | (6.00)%             | 4.40%   | (6.00)%           | 3.60%  |
| <b>Total</b>                                 | 100.00%             |   | 104.00%           |  |

**Notes:**

\*Absolute Return includes Credit Sensitive Investments.

\*\*Target allocations are based on fiscal year 2023 policy model.

\*\*\*Capital Market assumptions come from Aon Hewitt (as of 08/31/2023).

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:

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

| 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>FY24</b> | \$ 647,461,611.00  | \$ 433,068,648.00     | \$ 254,800,783.00 |
| <b>FY23</b> | \$ 565,552,293.00  | \$ 363,554,074.00     | \$ 199,825,034.00 |

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. 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 2023 Annual Comprehensive Financial Report.

The System reported a liability of \$433,068,648.00 for its proportionate share of the TRS collective net pension liability for the year ended August 31, 2024 and \$363,554,074.00 for the year ended August 31, 2023. The collective net pension liability was measured as of August 31, 2023 for fiscal year 2024 reporting, and as of August 31, 2022 for fiscal year 2023 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, 2023 measurement date was .6304650 percent, and was .6123797 percent at the August 31, 2022 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, 2022 through August 31, 2023 for fiscal year 2024 reporting, and for the period September 1, 2021 through August 31, 2022 for fiscal year 2023 reporting.

For the years ending August 31, 2024 and 2023, the System recognized pension expense of \$74,857,978.00 and \$42,920,029.00, respectively. At August 31, 2024 and 2023, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | FY24                           |                               | FY23                           |                               |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|   | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience             | \$ 15,430,383.00               | \$ 5,243,987.00               | \$ 5,271,504.00                | \$ 7,926,168.00               |
| Changes of assumptions  | 40,959,811.00                  | 10,023,800.00                 | 67,741,956.00                  | 16,883,188.00                 |
| Net difference between projected and actual investment return | 63,022,002.00                  | 0.00                          | 35,917,979.00                  | 0.00                          |
| Change in proportion and contribution difference              | 8,951,852.00                   | 7,366,474.00                  | 4,342,035.00                   | 9,798,334.00                  |
| Contributions subsequent to the measurement date              | 35,085,535.00                  | 0.00                          | 32,395,616.00                  | 0.00                          |
| <b>Total</b>  | <b>\$ 163,449,583.00</b>       | <b>\$ 22,634,261.00</b>       | <b>\$ 145,669,090.00</b>       | <b>\$ 34,607,690.00</b>       |

The \$35,085,535.00 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, 2025.

## 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> |           |                       |
|------------------------------|-----------|-----------------------|
| 2025                         | \$        | 22,340,019.00         |
| 2026                         |           | 12,329,296.00         |
| 2027                         |           | 52,081,053.00         |
| 2028                         |           | 16,401,250.00         |
| 2029                         |           | 2,578,169.00          |
| Thereafter                   |           | 0.00                  |
| <b>Total</b>                 | <b>\$</b> | <b>105,729,787.00</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 2024 and 2023. The contributory percentage of participant salaries by the employer (System components) was 6.8% in both fiscal years 2024 and 2023. 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 2024 and 2023 and will remain so subject to legislative change. The contributions made by plan members and the employer for the fiscal years ended August 31, 2024 and 2023 are:

|                        | <b>FY24</b>             | <b>FY23</b>             |
|------------------------|-------------------------|-------------------------|
| Member Contributions   | \$ 23,504,898.69        | \$ 23,071,329.34        |
| Employer Contributions | 24,578,244.95           | 24,182,084.29           |
| <b>Total</b>           | <b>\$ 48,083,143.64</b> | <b>\$ 47,253,413.63</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 2023 for fiscal year 2024 reporting and the measurement period of 2022 for fiscal year 2023 reporting, the amount of the System's contributions recognized by the plan were \$24,076,452.00 for 2024 and \$20,682,053.00 for 2023. 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>FY24 ERS Plan</b> | <b>FY23 ERS Plan</b> |
|--|----------------------|----------------------|
| Retiree Only                                 | \$ 624.82            | \$ 624.82            |
| Retiree and Spouse                           | \$ 1,340.82          | \$ 1,339.90          |
| Retiree and Children                         | \$ 1,104.22          | \$ 1,103.58          |
| Retiree and Family                           | \$ 1,820.22          | \$ 1,818.66          |

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, 2023 and August 31, 2022 measurement dates.

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

| Actuarial Methods and Assumptions                      | FY24 SRHP   | FY23 SRHP   |
|--|---|---|
| Actuarial Valuation Date                               | August 31, 2023   | August 31, 2022   |
| 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 *  | 3.81%   | 3.59%   |
| Inflation  | 2.30%   | 2.30%   |
| Salary Increase  | 2.30% to 8.95%, including inflation   | 2.30% to 8.95%, including inflation   |
| Healthcare Cost and Trend Rate                         |   |   |
| HealthSelect   | 5.60% for FY 2025, 5.30% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years   | 5.60% for FY 2024, 5.30% for FY 2025, 5.00% for FY 2026, 4.75% for FY 2027, 4.60% for FY 2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2031 and later years   |
| HealthSelect Medicare Advantage                        | 16.40% for FY 2025, 8.40% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years  | 66.67% for FY 2024, 24.00% for FY 2025, 5.00% for FY 2026, 4.75% for FY 2027, 4.60% for FY 2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2031 and later years   |
| Pharmacy   | 10.00% for FY 2025 and FY 2026, decreasing 100 basis points per year to 5.00% for FY 2031, and 4.30% for FY 2032 and later years  | 10.00% for FY 2024 and FY 2025, decreasing 100 basis points per year to 5.00% for FY 2030, and 4.30% for FY 2031 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 set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively | 2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively |
| 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-2019 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-2019 Projection Scale from the year 2010   |
| Higher Education Members:                              |   |   |
| Service Retirees, Survivors and Other Inactive Members | Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021  | Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021  |
| Disabled Retirees                                      | Tables based on TRS experience with Ultimate MP-2021 Projection Scale from year 2021 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-2021 Projection Scale from year 2021 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 Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from year 2010   | Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from year 2010   |
| Ad Hoc Post-Employment Benefit Changes                 | None  | None  |



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

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.

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. Proportion of future retirees assumed to cover dependent children;
- c. 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;
- d. Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short term expectations.
- e. The patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent plan experience and expected trends; and
- f. The discount rate was changed from 3.59% as of August 31, 2022 to 3.81% as of August 31, 2023 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 discount rate that was used to measure the total OPEB liability is the municipal bond rate of 3.81% as of the end of the measurement year; as of the beginning of the measurement year, the discount rate was 3.59%. 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 funds in advance of retirement, there is no long-term expected rate of return. ERS' board of trustees amended the investment policy statement in August 2022 to require that all funds in this plan be invested in cash and equivalent securities. The investment rate of return used to calculate the projected earnings on OPEB plan investments was 3.59%.

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> |  |
| FY24   | \$ 885,144,169.00  | \$ 762,820,995.00            | \$ 664,433,325.00  |  |
| FY23   | \$ 932,675,707.00  | \$ 799,686,162.00            | \$ 693,326,491.00  |  |

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:

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

| <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> |
| FY24  | \$ 656,132,079.00  | \$   | 762,820,995.00 | \$ 898,316,456.00  |
| FY23  | \$ 684,821,298.00  | \$   | 799,686,162.00 | \$ 946,337,585.00  |

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 2023 ACFR.

The System reported a liability of \$762,820,995.00 for its proportionate share of the ERS collective net OPEB liability for the year ended August 31, 2024 and \$799,686,162.00 for the year ended August 31, 2023. The collective net OPEB liability was measured as of August 31, 2023 for fiscal year 2024 reporting, and as of August 31, 2022 for fiscal year 2023 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, 2023 measurement date was 2.8551330 percent, and was 2.8072002 percent at the August 31, 2022 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, 2022 through August 31, 2023 for fiscal year 2024, and for the period September 1, 2021 through August 31, 2022 for fiscal year 2023 reporting.

For the years ending August 31, 2024 and 2023, the System recognized OPEB expense of \$52,799,845.00 and \$104,348,269.40, respectively. At August 31, 2024 and 2023, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <b>FY24</b>                           |                                      | <b>FY23</b>                           |                                      |
|---|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|   | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
| Difference between expected and actual experience             | \$ 0.00                               | \$ 20,177,023.00                     | \$ 0.00                               | \$ 25,231,061.00                     |
| Changes of assumptions  | 25,446,880.00                         | 238,239,160.00                       | 46,984,750.00                         | 247,190,561.00                       |
| Net difference between projected and actual investment return | 61,627.00                             | 0.00                                 | 137,932.00                            | 0.00                                 |
| Change in proportion and contribution difference              | 2,389,730.00                          | 29,643,253.00                        | 88,247,917.00                         | 42,813,438.00                        |
| Contributions subsequent to the measurement date              | 9,655,450.00                          | 0.00                                 | 9,324,904.00                          | 0.00                                 |
| <b>Total</b>  | <b>\$ 37,553,687.00</b>               | <b>\$ 288,059,436.00</b>             | <b>\$ 144,695,503.00</b>              | <b>\$ 315,235,060.00</b>             |

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

The \$9,655,450.00 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, 2025.

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> |           |                                |
|------------------------------|-----------|--------------------------------|
| 2025                         | \$        | (75,512,516.00)                |
| 2026                         |           | (71,594,351.00)                |
| 2027                         |           | (64,535,814.00)                |
| 2028                         |           | (41,953,894.00)                |
| 2029                         |           | (6,564,624.00)                 |
| Thereafter                   |           | 0.00                           |
| <b>Total</b>                 | <b>\$</b> | <b><u>(260,161,199.00)</u></b> |

**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, 2024. 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 Beginning Net Position, Fund Balances or Fund Net Position**

GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62, effective FY 2024, defines the following categories and prescribed accounting treatment for all of the following: change in accounting principle, change in accounting estimate, change to or within the reporting agency, and correction of error(s) in previously issued financial statements. During fiscal year 2024, the System had the following adjustments to beginning net position, fund balances, or fund net position.

**Changes to or within the Financial Reporting Agency**

During fiscal year 2024, a new memorandum of understanding was created between the System, MSU, and MSUF. Congruently, the bylaws for MSUF were updated, modifying the reporting status of MSUF to a blended component unit. The interrelated services and benefits between MSU and MSUF, including gift contributions to university and administrative services to the foundation now meet the requirements for MSUF's inclusion as a blended component unit for fiscal year 2024. The effect of that change to or within the financial reporting entity is shown in column A of the table below.

**Correction of Errors in Previously Issued Financial Statements**

During fiscal year 2024, TTU determined that aligning federal student aid with the fiscal year of tuition and fee revenue to which it should be applied was more accurate than expensing in the year of disbursement. As a result of this error, fiscal year 2023 prepaid items were understated by \$24,050,440.02 of federal student aid disbursed for fall 2024, tuition and fee discounts and allowances was overstated by \$3,272,089.19, scholarship expense was overstated by \$706,852.78, and beginning net position was understated by \$20,071,498.05.

Due to reporting logic errors, TTU, HSC, and HSC El Paso discovered accrued compensable leave balances did not reflect the total population of employees. As a result, fiscal year 2023 current employees' compensable leave was understated by \$357,682.35, non-current employees' compensable leave was understated by \$3,542,347.06, and net position was overstated by \$3,786,392.16.

Additionally, a land lease was reported in fiscal year 2023 using an incorrect interest rate. As a result, fiscal year 2023 land right to use assets net of amortization was overstated \$73,171.29. Correspondingly, current right to use lease obligations and other current liabilities were overstated \$5,497.78, non-current right to use lease obligations were overstated \$67,279.93, and net position was overstated by \$393.58.

Last, a utility vehicle stolen in fiscal year 2021 was recovered by authorities. The recovery resulted in a restatement of fiscal year 2023 equipment by \$6,251.34 with corresponding depreciation of \$5,358.24. This resulted in an understatement to net position of \$893.10.

The effect of correcting these errors is show in column B of the following table.

**Business-Type Activities**

| 09/01/2023 as<br>Previously Reported | Changes to or within<br>the Financial<br>Reporting Agency<br>(A)* | Error Correction (B) | 09/01/2023 as<br>Restated |
|--------------------------------------|---|----------------------|---------------------------|
| \$ 3,765,328,138.53                  | \$ 71,288,656.00  | \$ 20,150,910.13     | \$ 3,856,767,704.66       |

\*Per GASB 100, a change to or within the reporting unit results in the net position of the new component unit being added directly to the beginning net position of the financial reporting entity in the year added. In Fiscal Year 2024, MSUF's beginning net position of \$71,288,656.00 was added to TTUS' beginning net position. Additionally, MSUF's beginning cash and cash equivalents of \$3,364,890.00 was added to TTUS' beginning cash and cash equivalents.

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

**Note 15: Contingencies and Commitments****Contingencies*****Unpaid Claims and Lawsuits***

At August 31, 2024, 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.

***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. For fiscal year 2024, the System recorded rebatable arbitrage of \$6,301,637.33.

**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, 2024 and August 31, 2023, the remaining commitment - domestic for the System was \$228,615,689.65 and \$256,915,452.92, respectively.

As of August 31, 2024 and August 31, 2023, the remaining commitment - domestic for the System's Fiduciary Activities was \$1,770,578.62 and \$2,004,457.52, respectively.

As of August 31, 2024 and August 31, 2023, the remaining commitment – domestic for the Carr Foundation was \$21,483,992.96 and \$24,153,415.87, respectively.

As of August 31, 2024, TTRP did not have any remaining domestic commitments.

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

**Note 16: Subsequent Events**

On October 1, 2024, The Cooper Institute joined the System as The Kenneth H. Cooper Institute at Texas Tech University Health Sciences Center. This partnership marks a significant milestone for the System and creates incredible opportunities to enhance research and impact public health.

The Institute focuses on research and education to promote preventative medicine across all stages of life and will bring key health and fitness projects to TTUHSC, including the renowned Cooper Center Longitudinal Study, which links cardiorespiratory fitness to a number of factors, including heart disease, dementia, and health costs, etc. Additionally, the Institute strongly emphasizes creating health leaders for tomorrow through its youth initiatives such as the NFL Play 60 FitnessGram Project and Fitness Gram.

The Kenneth H. Cooper Institute will provide upwards of \$22 million in philanthropic funding—through existing and new gifts—to the Texas Tech Foundation, Inc. for the direct benefit and continued operation of the Institute and its activities.

The System issued the following Revenue Financing System Commercial Paper Notes after August 31, 2024:

| Issuance  | Series    | Amount        | Date of Issuance | Purpose   |
|---|-----------|---------------|------------------|---|
| Revenue Financing System Commercial Paper Notes, Taxable    | 88280Q6U7 | \$ 1,640,000  | 9/19/2024        | Acquire new proceeds for TTU Academic Sciences Building   |
| Revenue Financing System Commercial Paper Notes, Taxable    | 88280P6B1 | \$ 3,653,000  | 10/11/2024       | Acquire new proceeds for TTU Academic Sciences Building   |
| Revenue Financing System Commercial Paper Notes, Taxable    | 88280P6C9 | \$ 23,108,000 | 11/20/2024       | Roll current outstanding taxable commercial paper notes issued for Capital Building Projects at TTU and ASU |
| Revenue Financing System Commercial Paper Notes, Tax-Exempt | 88280Q6V5 | \$ 68,083,000 | 11/20/2024       | Roll current outstanding taxable commercial paper notes issued for Capital Building Projects at TTU and ASU |
| Revenue Financing System Commercial Paper Notes, Taxable    | 88280P6D7 | \$ 6,909,000  | 12/12/2024       | Acquire new proceeds for TTU Academic Sciences Building   |
| Revenue Financing System Commercial Paper Notes, Tax-Exempt | 88280Q6W3 | \$ 528,000    | 1/14/2025        | Acquire new proceeds for TTU Academic Sciences Building   |

**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.

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

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.

TTUS also includes rebatable arbitrage in claims and judgments. 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 2024 and 2023 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 2024                     | \$ 5,853,667.00          | \$ 7,733,219.33  | \$ (1,576,140.00) | \$ 12,010,746.33      |
| FY 2023                     | \$ 5,760,304.00          | \$ 1,243,523.15  | \$ (1,150,160.15) | \$ 5,853,667.00       |

The increase in fiscal year 2024 includes miscellaneous claims and judgments, the required actuarial adjustment for the medical malpractice self-insurance fund liability, and the addition of \$6,301,637.33 in rebatable arbitrage. The increase in fiscal year 2023 includes miscellaneous claims and judgments and the required actuarial adjustment for the medical malpractice self-insurance fund liability. The decrease for fiscal year 2024 includes payments for prior year miscellaneous claims and judgments. The decrease for fiscal year 2023 includes a payment for miscellaneous claims and judgments. The liability is actuarially estimated to reflect the anticipated future claims for past medical services and rebatable arbitrage, 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 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.

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

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 22 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, Dallas, El Paso, Flower Mound, Forney, Fredericksburg, Highland Lakes, Junction, Lubbock, Mansfield, Midland, Odessa, San Angelo, 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 2024. With over 400,000 alumni, graduates from System institutions make their homes in communities across the globe, including all 50 states and in more than 120 countries around the world.

In fiscal year 2024, the System maintained stellar financial ratings, receiving an Aa1 rating from Moody's Investor Service, an AA+ rating from Fitch Ratings and an AA+ rating by Kroll Bond Rating Agency. This marks the tenth straight year Fitch Ratings has issued the TTU System an AA+ rating and the ninth consecutive year Moody's has reaffirmed an AA+ rating for the TTU System. These ratings solidify the TTU System's place among the nation's elite institutions for financial strength and practices.

The System employs more than 21,000 faculty and staff and has consistently been recognized as Great Colleges to Work For by The Chronicle of Higher Education, a designation determined primarily from employee feedback. The annual combined operating budget of the System is \$3.1 billion consisting of revenues from the following sources: 43% designated funding, 31% appropriated funds by the Texas Legislature, 18% restricted funds, and 8% 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 advance higher education and health care, enhance student success, strengthen academic quality, expand research, and promote community outreach, taking a leading role in meeting the global challenges of today and the future.

**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.



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

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 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 Midwestern State University Foundation, Inc. (MSUF) is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code (IRC) and exempt from income taxes. MSUF was founded for the purpose of receiving contributions by means of donations, gifts, and bequests and to expend such

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

funds for the advancement of the literary, scientific, and other educational endeavors of Midwestern State University, a member of the System. The MSUF Board of Directors are elected by current members. Although MSUF is legally separate from MSU, financial transactions have been blended into the financial statements of MSU rather than discretely presented because MSUF operates exclusively for the benefit of MSU. Audited financial statements may be obtained from Midwestern State University, 3410 Taft Blvd, Wichita Falls, TX 76308. MSUF's fiscal year end is August 31.

The condensed financial statements for the System blended component units as of August 31, 2024 are presented below.

|   | <b>Blended Component Units</b> |                        |                         |                         |                         |
|---|--------------------------------|------------------------|-------------------------|-------------------------|-------------------------|
|   | <b>TTFI</b>                    | <b>TTPA</b>            | <b>ASUF</b>             | <b>RRFF</b>             | <b>MSUF</b>             |
| <b>Condensed Statement of Net Position</b>          |                                |                        |                         |                         |                         |
| Total Assets  | \$938,095,082.29               | \$ 1,207,938.75        | \$ 48,763,722.10        | \$282,360,704.00        | \$ 79,935,440.00        |
| Total Liabilities and Deferred Inflows of Resources | 5,106,534.85                   | 0.00                   | 2,752.15                | 180,050,283.00          | 0.00                    |
| Net Position:                                       |                                |                        |                         |                         |                         |
| Net Investment in Capital Assets                    | 4,269,670.80                   | 0.00                   | 0.00                    | 35,174,385.00           | 0.00                    |
| Restricted:   |                                |                        |                         |                         |                         |
| Nonexpendable:                                      |                                |                        |                         |                         |                         |
| Endowments  | 680,136,527.79                 | 0.00                   | 42,126,523.88           | 0.00                    | 41,463,297.00           |
| Expendable:   |                                |                        |                         |                         |                         |
| Capital Projects                                    | 0.00                           | 0.00                   | 0.00                    | 67,136,036.00           | 0.00                    |
| Other   | 241,704,291.98                 | 0.00                   | 6,634,446.07            | 0.00                    | 38,472,143.00           |
| Unrestricted  | 6,878,056.87                   | 1,207,938.75           | 0.00                    | 0.00                    | 0.00                    |
| Total Net Position                                  | <u>\$932,988,547.44</u>        | <u>\$ 1,207,938.75</u> | <u>\$ 48,760,969.95</u> | <u>\$102,310,421.00</u> | <u>\$ 79,935,440.00</u> |

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

|  | Blended Component Units |                 |                  |                  |                  |
|--|-------------------------|-----------------|------------------|------------------|------------------|
|  | TTFI                    | TTPA            | ASUF             | RRFF             | MSUF             |
| <b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b> |                         |                 |                  |                  |                  |
| Operating Revenues   |                         |                 |                  |                  |                  |
| Other Sales and Services   | \$ 93,127.52            | \$ 0.00         | \$ 0.00          | \$ 0.00          | \$ 0.00          |
| Professional Fees  | 0.00                    | 1,257,555.22    | 0.00             | 0.00             | 0.00             |
| Federal Grants and Contracts   | 0.00                    | 196,353.25      | 0.00             | 0.00             | 0.00             |
| Nongovernmental Grants and Contracts   | 3,252,203.01            | 0.00            | 0.00             | 0.00             | 0.00             |
| Total Operating Revenues   | 3,345,330.53            | 1,453,908.47    | 0.00             | 0.00             | 0.00             |
| Operating Expenses   |                         |                 |                  |                  |                  |
| Professional Fees and Services   | 314,016.25              | 307,176.20      | 13,300.00        | 215,744.00       | 114,000.00       |
| Travel   | 61,472.19               | 0.00            | 121,263.17       | 0.00             | 0.00             |
| Materials and Supplies   | 36,698.38               | 0.00            | 390,399.63       | 0.00             | 0.00             |
| Communications and Utilities   | 25,812.23               | 0.00            | 2,385.78         | 0.00             | 0.00             |
| Repairs and Maintenance  | 106,206.00              | 0.00            | 1,361.78         | 0.00             | 0.00             |
| Rentals and Leases   | 446,295.60              | 0.00            | 65,811.06        | 0.00             | 0.00             |
| Printing and Reproduction  | 44,220.00               | 0.00            | 8,570.43         | 0.00             | 0.00             |
| Depreciation   | 102,659.03              | 0.00            | 0.00             | 469,130.00       |                  |
| Interest   | 40.96                   | 0.00            | 0.00             | 0.00             |                  |
| Claims and Judgments   | 3,500.00                | 0.00            | 0.00             | 0.00             | 0                |
| Other Operating Expenses   | 1,741,233.60            | 42,630.01       | 1,224,774.89     | 150,725.00       | 3,138,183.00     |
| Distributions to Component Institutions                                      | 120,303,635.71          | 0.00            | 0.00             | 0.00             | 0.00             |
| Total Operating Expenses   | 123,185,789.95          | 349,806.21      | 1,827,866.74     | 835,599.00       | 3,252,183.00     |
| Operating Income (Loss)  | (119,840,459.42)        | 1,104,102.26    | (1,827,866.74)   | (835,599.00)     | (3,252,183.00)   |
| Nonoperating Revenues (Expenses)   |                         |                 |                  |                  |                  |
| Private Gifts  | 36,143,587.94           | 0.00            | 11,264,302.00    | 0.00             | 79,689.00        |
| Investment Income (Expense)  | 87,932,366.59           | 32,408.53       | 2,674,752.50     | 241,355.00       | 10,979,653.00    |
| Interest Expense on Capital Asset Financing                                  | 0.00                    | 0.00            | 0.00             | (3,713,460.00)   | 0.00             |
| Other Nonoperating Revenues (Expenses)                                       | 507,294.86              | 0.00            | 1,844,088.25     | 1,633.00         | 0.00             |
| Total Nonoperating Revenues and Expenses                                     | 124,583,249.39          | 32,408.53       | 15,783,142.75    | (3,470,472.00)   | 11,059,342.00    |
| Other Revenues, Expenses, Gains, Losses and Transfers                        |                         |                 |                  |                  |                  |
| Capital Contributions  | 20,544,253.77           | 0.00            | 0.00             | 13,117,795.00    | 0.00             |
| Contributions to Permanent and Term Endowments                               | 22,056,736.09           | 0.00            | 0.00             | 0.00             | 839,625.00       |
| Transfers to Components/Other Funds  | 0.00                    | (1,037,456.32)  | (6,685,725.25)   | 0.00             | 0.00             |
| Total Other Revenues, Expenses, Gains, Losses and Transfers                  | 42,600,989.86           | (1,037,456.32)  | (6,685,725.25)   | 13,117,795.00    | 839,625.00       |
| Total Change in Net Position   | 47,343,779.83           | 99,054.47       | 7,269,550.76     | 8,811,724.00     | 8,646,784.00     |
| Beginning Net Position (September 1)   | 885,644,767.61          | 1,108,884.28    | 41,491,419.19    | 93,498,697.00    | 71,288,656.00    |
| Ending Net Position (August 31)  | \$932,988,547.44        | \$ 1,207,938.75 | \$ 48,760,969.95 | \$102,310,421.00 | \$ 79,935,440.00 |

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

**Blended Component Units**

|  | TTFI               | TTPA            | ASUF              | RRFF             | MSUF              |
|--|--------------------|-----------------|-------------------|------------------|-------------------|
| <b>Condensed Statement of Cash Flows</b>                             |                    |                 |                   |                  |                   |
| Net Cash Provided (Used) by Operating Activities                     | \$(108,062,898.87) | \$ 1,104,932.81 | \$ (1,887,482.70) | \$ (253,821.00)  | \$ (3,311,731.00) |
| Net Cash Provided (Used) by Noncapital Financing Activities          | 65,098,236.60      | (1,037,456.32)  | 6,422,665.00      | 0.00             | 1,722,605.00      |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 7,564,037.05       | 0.00            | 0.00              | (11,816,076.00)  | 0.00              |
| Net Cash Provided (Used) by Investing Activities                     | 34,076,160.94      | 32,408.53       | (4,488,454.52)    | 298,044.00       | 117,518.00        |
| Total Net Cash Flows   | (1,324,464.28)     | 99,885.02       | 46,727.78         | (11,771,853.00)  | (1,471,608.00)    |
| Beginning Cash and Cash Equivalents (September 1)                    | \$ 2,261,571.30    | \$ 1,046,637.41 | \$ 1,425,808.88   | \$ 16,706,664.00 | \$ 3,364,890.00   |
| Ending Cash and Cash Equivalents (August 31)                         | \$ 937,107.02      | \$ 1,146,522.43 | \$ 1,472,536.66   | \$ 4,934,811.00  | \$ 1,893,282.00   |

***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)

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

In Fiscal Year 2024, Texas Tech Research Park, Inc. reported a deficit balance for fund 4172. The deficit is a result of liabilities exceeding cash at the end of 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 |
|-----------------------------|------------------------------|--------------------------|--|
|                             | FY24                         | FY23**                   |  |
| True Endowments             | \$ 277,693,988.74            | \$ 202,114,679.44        | Restricted Expendable                          |
| Term Endowments             | 1,737,601.67                 | 0.00                     | Restricted Expendable                          |
| Total                       | <u>\$ 279,431,590.41</u>     | <u>\$ 202,114,679.44</u> |  |

\*There was a positive fair value adjustment totaling \$68,053,613.38 for fiscal year 2024, and a negative fair value adjustment of \$(2,919,224.77) for fiscal year 2023.

\*\*FY23 balances do not include MSUF, but fair value adjustment accounts for MSUF year over year change.

Term endowments reported \$0.00 for net appreciation due to the endowments being underwater in fiscal year 2023.

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

| Changes from Prior Year Balances |                         |   |
|----------------------------------|-------------------------|---|
| Endowment Funds                  | Increase/(Decrease)     | Reason for Change   |
| <b>Expendable Balances</b>       |                         |   |
| True Endowments                  | \$ 67,341,463.45        | The increase in the assets under management was propelled by the run up in risk assets over the last year. This was driven by mid year better-than-expected economic data and moderating inflation. This data provided better than expected gains in the equity markets which bolstered moderate gains in credit. |
| Term Endowments                  | 712,149.93              |   |
| Total                            | <u>\$ 68,053,613.38</u> |   |

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

**Midwestern State University Donor-Restricted Endowments**

In Fiscal Year 2024, MSU held endowments outside of the System's funds. These endowments are managed by American National Bank and Trust and reflected above with the System's funds. 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.

**Discrete Component Unit - Carr Foundation**

| Donor-Restricted Endowments | Amount of Net Appreciation * |         | Reported in Combined Statement of Net Position |
|-----------------------------|------------------------------|---------|--|
|                             | FY24                         | FY23    |  |
| True Endowments             | \$ 0.00                      | \$ 0.00 | Restricted Expendable                          |

\*There was a positive fair value adjustment totaling \$4,738,755.88 for fiscal year 2024, and a negative fair value adjustment of \$(4,394,696.41) for fiscal year 2023.

True endowments reported \$0.00 for net appreciation due to the endowments being underwater in both fiscal years 2024 and 2023.

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            | \$ 4,738,755.88                  | The increase in the assets under management was propelled by the run up in risk assets over the last year. This was driven by mid year better-than-expected economic data and moderating inflation. This data provided better than expected gains in the equity markets which bolstered moderate gains in credit. |

Discrete Component Unit - TTRP had no reportable donor-restricted endowments for the years ended August 31, 2024 or 2023.

**Note 23: Extraordinary and Special Items**

The System had no special or extraordinary items to report for the years ended August 31, 2024 and August 31, 2023.

**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, 2024 and August 31, 2023 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, 2024 nor as of August 31, 2023.

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

| Net Other Receivables Current                           | FY24                    | FY23                    |
|---|-------------------------|-------------------------|
| Patient Receivables                                     | \$ 27,251,541.44        | \$ 22,886,975.39        |
| Contract Receivables                                    | 49,992,685.09           | 40,802,860.72           |
| Accounts Receivables                                    | 10,940,273.92           | 8,782,312.85            |
| Current Other Receivables                               | 7,934,530.94            | 4,830,157.85            |
| Total A/R - Other Revenue and Current Other Receivables | <u>\$ 96,119,031.39</u> | <u>\$ 77,302,306.81</u> |

**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, 2024 or as of August 31, 2023.

**Note 26: Segment Information**

The System has no reportable segments as of August 31, 2024 or as of August 31, 2023.

**Note 27: Public-Private and Public-Public Partnerships and Availability Payment Arrangements**

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective FY 2023, establishes a Public-Private and Public-Public Partnership (PPP) as an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction.

For fiscal year 2024, the System has five arrangements that fit the criteria of a public-private and public-public partnerships (PPPs).

A general description of each PPP, including status, term and duration, is presented below for August 31, 2024:

**Public-Private and Public-Public Partnerships**

| <u>Public-Private and Public-Public Partnerships</u> |                     |                    |                          |                |              |
|--|---------------------|--------------------|--------------------------|----------------|--------------|
| Partnership Name                                     | Construction Status | Term of Concession | Meets Definition of SCA* | Contract Begin | Contract End |
| TTU Athletics Facilities Concessions and Catering    | N/A                 | 19 years           | Yes                      | 2010           | 2029         |
| TTU Campus Bookstore                                 | Complete            | 4 years            | Yes                      | 2021           | 2025         |
| Texas Tech Club                                      | Complete            | 5 years            | No                       | 2022           | 2027         |
| ASU Campus Bookstore                                 | Existing Asset      | 15 years           | No                       | 2013           | 2028         |
| ASU Food Service Agreement                           | Existing Asset      | 15 years           | No                       | 2015           | 2030         |

\*Service Concession Arrangement

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

For all five of the System's PPPs, the underlying PPP asset was an existing asset of the System. Improvements were made to the underlying assets of the TTU Campus Bookstore and the Texas Tech Club. In addition, new assets were purchased for the Texas Tech Club and are reflected as PPP assets receivable. Present value of PPP installment payments are discounted based on a borrowing rate determined by the System of 0.69%.

The nature and extent of rights retained by the System as transferor under the PPP arrangements include, but are not limited to, maintaining residual interest of the utility of the assets used in PPP agreements and setting prices and hours of operations. Rights granted to operators in these arrangements may include the ability to make improvements to the space with written permission from the System.

Public-Private and Public-Public Partnership amounts reported as of August 31, 2024 are presented below:

**Business-Type Activities**

| <b>Arrangement Name</b>                           | <b>Receivable for<br/>Installment<br/>Payments</b> | <b>Receivable for<br/>PPP Assets*</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> | <b>Variable and<br/>Other<br/>Payments**</b> |
|---|--|---------------------------------------|--|--|
| TTU Athletics Facilities Concessions and Catering |  |                                       |  | \$ 2,548,717.06                              |
| TTU Campus Bookstore and Cafe                     |  |                                       | \$ 142,898.06                                | 787,636.11                                   |
| Texas Tech Club                                   |  | \$ 457,984.12                         | 1,857,277.23                                 | 453,864.47                                   |
| ASU Campus Bookstore                              | \$ 658,784.74                                      |                                       | 652,040.17                                   |  |
| ASU Food Service Agreement                        | 796,450.59   |                                       | 1,306,934.12                                 |  |
| <b>Total</b>                                      | <b>\$ 1,455,235.33</b>                             | <b>\$ 457,984.12</b>                  | <b>\$ 3,959,149.58</b>                       | <b>\$ 3,790,217.64</b>                       |

\*PPP asset receivable is recorded at the operator's estimated carrying value of the asset when ownership is transferred.

\*\*Payments not included in the measurement of the receivable for installment payments.

Public-Private and Public-Public Partnership amounts reported as of August 31, 2023 was as presented below:

**Business-Type Activities**

| <b>Arrangement Name</b>                           | <b>Receivable for<br/>Installment<br/>Payments</b> | <b>Receivable for<br/>PPP Assets*</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> | <b>Variable and<br/>Other<br/>Payments**</b> |
|---|--|---------------------------------------|--|--|
| TTU Athletics Facilities Concessions and Catering |  |                                       |  | \$ 2,253,151.16                              |
| TTU Campus Bookstore and Cafe                     |  |                                       | \$ 448,749.12                                | 773,834.47                                   |
| Texas Tech Club                                   |  | \$ 457,984.12                         | 2,625,805.59                                 | 465,750.05                                   |
| ASU Campus Bookstore                              | \$ 832,208.95                                      |                                       | 825,917.53                                   |  |
| ASU Food Service Agreement                        | 1,942,396.61                                       |                                       | 1,534,227.20                                 |  |
| <b>Total</b>                                      | <b>\$ 2,774,605.56</b>                             | <b>\$ 457,984.12</b>                  | <b>\$ 5,434,699.44</b>                       | <b>\$ 3,492,735.68</b>                       |

\*PPP asset receivable is recorded at the operator's estimated carrying value of the asset when ownership is transferred.

\*\*Payments not included in the measurement of the receivable for installment payments.



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

**PPP Income**

Included in the revenues reported in the financial statements is the following amount of PPP income received as of August 31, 2024 and August 31, 2023:

| Fund Type        | Business-Type Activities |               |
|------------------|--------------------------|---------------|
|                  | FY24                     | FY23          |
| Proprietary Fund | \$ 1,319,370.23          | \$ 316,201.23 |

As of August 31, 2024, future minimum PPP income is presented below:

**Future Minimum PPP Income**

| Fiscal Year Ended<br>August 31 | Business-Type Activities |                     |   |
|--------------------------------|--------------------------|---------------------|---|
|                                | Principal                | Interest            | Total Future<br>Minimum Lease<br>Income |
| 2025                           | 329,316.98               | 7,951.41            | 337,268.39                              |
| 2026                           | 332,393.62               | 5,926.75            | 338,320.37                              |
| 2027                           | 335,513.97               | 3,882.10            | 339,396.07                              |
| 2028                           | 294,284.30               | 1,883.52            | 296,167.82                              |
| 2029                           | 163,726.46               | 569.66              | 164,296.12                              |
| <b>Total</b>                   | <b>\$ 1,455,235.33</b>   | <b>\$ 20,213.44</b> | <b>\$ 1,475,448.77</b>                  |

**Availability Payment Arrangements**

The System had no availability payment arrangements as of August 31, 2024 or as of August 31, 2023.

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

In fiscal year 2024 and fiscal year 2023, 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, public-private and public-public partnerships (PPPs), and leases as presented below.

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

| <b>Fiscal Year</b> | <b>Business-Type Activities</b>                         | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|--------------------|---|---|--|
| FY24               | Defined Benefit Pension Plans (Note 9)                  | \$ 163,449,583.00                         | \$ 22,634,261.00                         |
|                    | Postemployment Benefits Other Than Pensions (Note 11)   | 37,553,687.00                             | 288,059,436.00                           |
|                    | Public-Private and Public-Public Partnerships (Note 27) | 0.00                                      | 3,959,149.58                             |
|                    | Bond/Debt Refunding                                     | 1,949,945.82                              | 0.00                                     |
|                    | Split-interest Agreements                               | 0.00                                      | 33,678,540.96                            |
|                    | Leases  | 0.00                                      | 11,254,179.24                            |
|                    | Total   | <u>\$ 202,953,215.82</u>                  | <u>\$ 359,585,566.78</u>                 |
| Restated           |   |   |  |
| FY23               | Defined Benefit Pension Plans (Note 9)                  | \$ 145,669,090.00                         | \$ 34,607,690.00                         |
|                    | Postemployment Benefits Other Than Pensions (Note 11)   | 144,695,503.00                            | 315,235,060.00                           |
|                    | Public-Private and Public-Public Partnerships (Note 27) | 0.00                                      | 5,434,699.44                             |
|                    | Bond/Debt Refunding                                     | 2,144,940.40                              | 0.00                                     |
|                    | Split-interest Agreements                               | 0.00                                      | 30,082,003.04                            |
|                    | Leases  | 0.00                                      | 18,273,015.15                            |
|                    | Total   | <u>\$ 292,509,533.40</u>                  | <u>\$ 403,632,467.63</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, 2024, or for the year ended August 31, 2023.

**Note 30: Financial Guarantees**

The System had no non-exchange, exchange, or exchange-like financial guarantees to report for the year ended August 31, 2024, or for the year ended August 31, 2023.

**Note 31: Tax Abatements**

The System had no tax abatement arrangements for the years ended August 31, 2024 or August 31, 2023.

**Note 32: Governmental Fund Balances**

Not applicable.

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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, 2024**

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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, 2024**

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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, 2024**

| Description of Issue                        | Bonds               | Range of Interest Rates |         | Scheduled Maturities |                     | First     |
|---|---------------------|-------------------------|---------|----------------------|---------------------|-----------|
|   | Issued to Date      |                         |         | First Year           | Final Maturity Date | Call Date |
| Revenue Bonds                               |                     |                         |         |                      |                     |           |
| 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 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       | 314,745,000.00      | 0.4050%                 | 2.8780% | 2020                 | 2/15/2050           | 2/15/2029 |
| Rev Fin Sys Ref & Imp Bds Ser '23A          | 193,625,000.00      | 5.0000%                 | 5.0000% | 2025                 | 2/15/2040           | 2/15/2034 |
| Rev Fin Sys Imp Bds Ser Tax '23B            | 56,400,000.00       | 4.6420%                 | 5.2800% | 2024                 | 2/15/2029           | N/A       |
| Total                                       | \$ 1,400,865,000.00 |                         |         |                      |                     |           |

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**Texas Tech University System (793)**  
**Combined Schedule 2B - Changes in Bonded Indebtedness**  
**For the Year Ended August 31, 2024**

| Description of Issue                        | Bonds<br>Outstanding<br>9/1/23 | Bonds<br>Issued | Bonds<br>Matured<br>or Retired | Bonds<br>Refunded or<br>Extinguished | Par Value<br>Adjustments | Bonds<br>Outstanding<br>8/31/24 |
|---|--------------------------------|-----------------|--------------------------------|--------------------------------------|--------------------------|---------------------------------|
| Revenue Bonds                               |                                |                 |                                |                                      |                          |                                 |
| Rev Fin Sys Rev Ref & Imp Bds Ser '12B      | \$ 1,240,000.00                |                 | \$ 610,000.00                  |                                      |                          | \$ 630,000.00                   |
| Rev Fin Sys Bldg Rev & Ref Bds Ser '15A     | 46,465,000.00                  |                 | 1,750,000.00                   |                                      |                          | 44,715,000.00                   |
| Rev Fin Sys Rev & Ref Bds Ser '16A          | 55,175,000.00                  |                 | 3,375,000.00                   |                                      |                          | 51,800,000.00                   |
| Rev Fin Sys Rev & Ref Bds Ser '16B          | 9,085,000.00                   |                 | 715,000.00                     |                                      |                          | 8,370,000.00                    |
| Rev Fin Sys Ref & Imp Bds 16th Ser '15A     | 56,970,000.00                  |                 | 2,035,000.00                   |                                      |                          | 54,935,000.00                   |
| Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B | 94,490,000.00                  |                 | 16,570,000.00                  |                                      |                          | 77,920,000.00                   |
| Rev Fin Sys Ref & Imp Bds Ser '17A          | 57,705,000.00                  |                 | 4,210,000.00                   |                                      |                          | 53,495,000.00                   |
| Rev Fin Sys Ref & Imp Bds Tax Ser '17B      | 173,635,000.00                 |                 | 21,665,000.00                  |                                      |                          | 151,970,000.00                  |
| Rev Fin Sys Ref & Imp Bds Tax Ser '20       | 283,715,000.00                 |                 | 10,150,000.00                  |                                      |                          | 273,565,000.00                  |
| Rev Fin Sys Ref & Imp Bds Ser '23A          | 193,625,000.00                 |                 | 0.00                           |                                      |                          | 193,625,000.00                  |
| Rev Fin Sys Imp Bds Ser Tax '23B            | 56,400,000.00                  |                 | 11,160,000.00                  |                                      |                          | 45,240,000.00                   |
| Total                                       | <u>\$1,028,505,000.00</u>      | <u>\$ 0.00</u>  | <u>\$ 72,240,000.00</u>        | <u>\$ 0.00</u>                       | <u>\$ 0.00</u>           | <u>\$ 956,265,000.00</u>        |

| Description of Issue                        | Unamortized<br>Premium  | Unamortized<br>Discount | Other<br>Adjustments | Net Bonds<br>Outstanding<br>8/31/24 | Amounts<br>Due Within<br>One Year |
|---|-------------------------|-------------------------|----------------------|-------------------------------------|-----------------------------------|
| Revenue Bonds                               |                         |                         |                      |                                     |                                   |
| Rev Fin Sys Rev Ref & Imp Bds Ser '12B      |                         |                         |                      | \$ 630,000.00                       | \$ 630,000.00                     |
| Rev Fin Sys Bldg Rev & Ref Bds Ser '15A     | \$ 1,903,036.06         |                         |                      | 46,618,036.06                       | 1,975,151.81                      |
| Rev Fin Sys Rev & Ref Bds Ser '16A          | 7,030,641.96            |                         |                      | 58,830,641.96                       | 4,130,886.83                      |
| Rev Fin Sys Rev & Ref Bds Ser '16B          |                         |                         |                      | 8,370,000.00                        | 735,000.00                        |
| Rev Fin Sys Ref & Imp Bds 16th Ser '15A     | 1,723,280.80            |                         |                      | 56,658,280.80                       | 2,376,982.05                      |
| Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B |                         |                         |                      | 77,920,000.00                       | 17,050,000.00                     |
| Rev Fin Sys Ref & Imp Bds Ser '17A          | 3,655,484.15            |                         |                      | 57,150,484.15                       | 4,812,032.30                      |
| Rev Fin Sys Ref & Imp Bds Tax Ser '17B      |                         |                         |                      | 151,970,000.00                      | 22,315,000.00                     |
| Rev Fin Sys Ref & Imp Bds Tax Ser '20       |                         |                         |                      | 273,565,000.00                      | 10,250,000.00                     |
| Rev Fin Sys Ref & Imp Bds Ser '23A          | 26,964,992.95           |                         |                      | 220,589,992.95                      | 4,132,345.35                      |
| Rev Fin Sys Imp Bds Ser Tax '23B            |                         |                         |                      | 45,240,000.00                       | 11,010,000.00                     |
| Total                                       | <u>\$ 41,277,435.92</u> | <u>\$ 0.00</u>          | <u>\$ 0.00</u>       | <u>\$ 997,542,435.92</u>            | <u>\$ 79,417,398.34</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 \$241,982.05. The 2017A Series amount due within one year includes bond premium amortization of \$737,032.30. The 2023A Series amount due within one year includes bond premium amortization of \$3,087,345.35.

UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 2C - Debt Service Requirements**  
**For the Year Ended August 31, 2024**

| Description of Issue                    | Fiscal Year | Principal       | Interest        | Total           |
|---|-------------|-----------------|-----------------|-----------------|
| Revenue Bonds                           |             |                 |                 |                 |
| Rev Fin Sys Rev Ref & Imp Bds Ser '12B  |             |                 |                 |                 |
|   | 2025        | \$ 630,000.00   | \$ 10,209.15    | \$ 640,209.15   |
| Rev Fin Sys Bldg Rev & Ref Bds Ser '15A |             |                 |                 |                 |
|   | 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        | 2,320,000.00    | 1,598,606.26    | 3,918,606.26    |
|   | 2029        | 1,705,000.00    | 1,497,981.26    | 3,202,981.26    |
|   | 2030-2034   | 9,260,000.00    | 6,141,056.30    | 15,401,056.30   |
|   | 2035-2039   | 9,395,000.00    | 4,253,831.30    | 13,648,831.30   |
|   | 2040-2044   | 12,890,000.00   | 2,024,171.94    | 14,914,171.94   |
|   | 2045        | 3,080,000.00    | 63,525.01       | 3,143,525.01    |
|   |             | 44,715,000.00   | 21,018,115.85   | 65,733,115.85   |
| Rev Fin Sys Rev & Ref Bds Ser '16A      |             |                 |                 |                 |
|   | 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        | 4,115,000.00    | 1,562,275.00    | 5,677,275.00    |
|   | 2029        | 4,315,000.00    | 1,373,100.00    | 5,688,100.00    |
|   | 2030-2034   | 23,825,000.00   | 4,127,500.00    | 27,952,500.00   |
|   | 2035-2036   | 8,345,000.00    | 325,300.00      | 8,670,300.00    |
|   |             | 51,800,000.00   | 13,242,375.00   | 65,042,375.00   |
| Rev Fin Sys Rev & Ref Bds Ser '16B      |             |                 |                 |                 |
|   | 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        | 790,000.00      | 190,331.70      | 980,331.70      |
|   | 2029        | 815,000.00      | 166,839.30      | 981,839.30      |
|   | 2030-2034   | 4,180,000.00    | 436,488.65      | 4,616,488.65    |
|   | 2035        | 330,000.00      | 6,131.40        | 336,131.40      |
|   |             | \$ 8,370,000.00 | \$ 1,493,643.30 | \$ 9,863,643.30 |



UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 2C - Debt Service Requirements**  
**For the Year Ended August 31, 2024**

| Description of Issue                        | Fiscal Year | Principal         | Interest         | Total             |
|---|-------------|-------------------|------------------|-------------------|
| Rev Fin Sys Ref & Imp Bds 16th Ser '15A     |             |                   |                  |                   |
|   | 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        | 4,990,000.00      | 1,747,986.26     | 6,737,986.26      |
|   | 2029        | 5,885,000.00      | 1,575,010.01     | 7,460,010.01      |
|   | 2030-2034   | 29,940,000.00     | 4,471,230.05     | 34,411,230.05     |
|   | 2035-2039   | 4,055,000.00      | 525,809.39       | 4,580,809.39      |
|   | 2040        | 860,000.00        | 15,587.50        | 875,587.50        |
|   |             | 54,935,000.00     | 14,383,179.49    | 69,318,179.49     |
| Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B |             |                   |                  |                   |
|   | 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        | 6,310,000.00      | 1,534,589.30     | 7,844,589.30      |
|   | 2029        | 5,630,000.00      | 1,320,243.74     | 6,950,243.74      |
|   | 2030-2034   | 14,525,000.00     | 4,621,205.65     | 19,146,205.65     |
|   | 2035-2039   | 7,010,000.00      | 2,444,787.40     | 9,454,787.40      |
|   | 2040-2044   | 7,055,000.00      | 1,093,168.30     | 8,148,168.30      |
|   | 2045        | 1,595,000.00      | 33,271.70        | 1,628,271.70      |
|   |             | 77,920,000.00     | 17,407,425.63    | 95,327,425.63     |
| Rev Fin Sys Ref & Imp Bds Ser '17A          |             |                   |                  |                   |
|   | 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        | 5,030,000.00      | 1,817,750.00     | 6,847,750.00      |
|   | 2029        | 5,150,000.00      | 1,563,250.00     | 6,713,250.00      |
|   | 2030-2034   | 20,170,000.00     | 4,254,500.00     | 24,424,500.00     |
|   | 2035-2036   | 9,300,000.00      | 369,000.00       | 9,669,000.00      |
|   |             | 53,495,000.00     | 14,893,125.00    | 68,388,125.00     |
| Rev Fin Sys Ref & Imp Bds Tax Ser '17B      |             |                   |                  |                   |
|   | 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        | 17,545,000.00     | 3,038,603.75     | 20,583,603.75     |
|   | 2029        | 17,295,000.00     | 2,418,514.25     | 19,713,514.25     |
|   | 2030-2034   | 47,675,000.00     | 4,393,872.75     | 52,068,872.75     |
|   | 2035-2038   | 7,410,000.00      | 567,400.00       | 7,977,400.00      |
|   |             | \$ 151,970,000.00 | \$ 23,357,967.75 | \$ 175,327,967.75 |

# UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 2C - Debt Service Requirements**  
**For the Year Ended August 31, 2024**

| Description of Issue                  | Fiscal Year | Principal         | Interest          | Total               |
|---------------------------------------|-------------|-------------------|-------------------|---------------------|
| Rev Fin Sys Ref & Imp Bds Tax Ser '20 |             |                   |                   |                     |
|                                       | 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        | 8,165,000.00      | 6,096,410.00      | 14,261,410.00       |
|                                       | 2029        | 8,610,000.00      | 5,961,847.00      | 14,571,847.00       |
|                                       | 2030-2034   | 49,380,000.00     | 26,710,870.00     | 76,090,870.00       |
|                                       | 2035-2039   | 38,660,000.00     | 21,938,117.00     | 60,598,117.00       |
|                                       | 2040-2044   | 140,580,000.00    | 2,611,504.00      | 143,191,504.00      |
|                                       | 2045-2049   | 2,535,000.00      | 266,144.00        | 2,801,144.00        |
|                                       | 2050        | 555,000.00        | 7,986.00          | 562,986.00          |
|                                       |             | 273,565,000.00    | 82,501,363.00     | 356,066,363.00      |
| Rev Fin Sys Ref & Imp Bds Ser '23A    |             |                   |                   |                     |
|                                       | 2025        | 1,045,000.00      | 9,655,125.00      | 10,700,125.00       |
|                                       | 2026        | 4,240,000.00      | 9,523,000.00      | 13,763,000.00       |
|                                       | 2027        | 4,450,000.00      | 9,305,750.00      | 13,755,750.00       |
|                                       | 2028        | 5,725,000.00      | 9,051,375.00      | 14,776,375.00       |
|                                       | 2029        | 13,330,000.00     | 8,575,000.00      | 21,905,000.00       |
|                                       | 2030-2034   | 96,850,000.00     | 29,586,500.00     | 126,436,500.00      |
|                                       | 2035-2039   | 56,820,000.00     | 7,565,000.00      | 64,385,000.00       |
|                                       | 2040        | 11,165,000.00     | 279,125.00        | 11,444,125.00       |
|                                       |             | 193,625,000.00    | 83,540,875.00     | 277,165,875.00      |
| Rev Fin Sys Imp Bds Ser Tax '23B      |             |                   |                   |                     |
|                                       | 2025        | 11,010,000.00     | 1,888,493.28      | 12,898,493.28       |
|                                       | 2026        | 10,155,000.00     | 1,366,094.64      | 11,521,094.64       |
|                                       | 2027        | 10,655,000.00     | 873,294.95        | 11,528,294.95       |
|                                       | 2028        | 10,120,000.00     | 391,107.20        | 10,511,107.20       |
|                                       | 2029        | 3,300,000.00      | 78,111.00         | 3,378,111.00        |
|                                       |             | 45,240,000.00     | 4,597,101.07      | 49,837,101.07       |
| Total Principal and Interest          |             |                   |                   |                     |
|                                       | 2025        | 74,670,000.00     | 34,428,185.96     | 109,098,185.96      |
|                                       | 2026        | 69,175,000.00     | 31,887,434.42     | 101,062,434.42      |
|                                       | 2027        | 63,830,000.00     | 29,437,745.49     | 93,267,745.49       |
|                                       | 2028        | 65,110,000.00     | 27,029,034.47     | 92,139,034.47       |
|                                       | 2029        | 66,035,000.00     | 24,529,896.56     | 90,564,896.56       |
|                                       | 2030-2034   | 295,805,000.00    | 84,743,223.40     | 380,548,223.40      |
|                                       | 2035-2039   | 141,325,000.00    | 37,995,376.49     | 179,320,376.49      |
|                                       | 2040-2044   | 172,550,000.00    | 6,023,556.74      | 178,573,556.74      |
|                                       | 2045-2049   | 7,210,000.00      | 362,940.71        | 7,572,940.71        |
|                                       | 2050        | 555,000.00        | 7,986.00          | 562,986.00          |
|                                       |             | \$ 956,265,000.00 | \$ 276,445,380.24 | \$ 1,232,710,380.24 |

UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 2D - Analysis of Funds Available for Debt Service**  
**For the Year Ended August 31, 2024**

| Pledged and Other Sources and Related Expenditures for FY 2024 |                                    |  |                  |                  |
|--|------------------------------------|--|------------------|------------------|
| Description of Issue   | Net Available for Debt Service     |  | Debt Service     |                  |
|  | Total Pledged<br>and Other Sources | Operating<br>Expenses/Expenditures<br>and Capital Outlay |                  |                  |
|  |                                    |  | Principal        | Interest         |
| Revenue Bonds:   |                                    |  |                  |                  |
| Rev Fin Sys Rev Ref & Imp Bds Ser '12B                         |                                    |  | \$ 610,000.00    | \$ 30,150.85     |
| Rev Fin Sys Bldg Rev & Ref Bds Ser '15A                        |                                    |  | 1,750,000.00     | 2,003,606.26     |
| Rev Fin Sys Rev & Ref Bds Ser '16A                             |                                    |  | 3,375,000.00     | 2,309,525.00     |
| Rev Fin Sys Rev & Ref Bds Ser '16B                             |                                    |  | 715,000.00       | 267,669.00       |
| Rev Fin Sys Ref & Imp Bds 16th Ser '15A                        |                                    |  | 2,035,000.00     | 2,235,131.26     |
| Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B                    |                                    |  | 16,570,000.00    | 2,995,323.48     |
| Rev Fin Sys Ref & Imp Bds Ser '17A                             |                                    |  | 4,210,000.00     | 2,741,000.00     |
| Rev Fin Sys Ref & Imp Bds Tax Ser '17B                         |                                    |  | 21,665,000.00    | 5,678,064.72     |
| Rev Fin Sys Ref & Imp Bds Tax Ser '20                          |                                    |  | 10,150,000.00    | 6,483,089.00     |
| Rev Fin Sys Ref & Imp Bds Ser '23A                             |                                    |  | 0.00             | 9,869,496.52     |
| Rev Fin Sys Imp Bds Ser Tax '23B                               |                                    |  | 11,160,000.00    | 2,513,581.27     |
| Total  | \$ 1,052,915,744.30                | (B)  | \$ 72,240,000.00 | \$ 37,126,637.36 |

(A) Beginning balances as of 09/01/23 of \$1,358,884,996.72 are not included in "Total Pledged and Other Sources".

(B) Expenditures associated with pledged sources were approximately \$916,426,884.28.

UNAUDITED

Texas Tech University System (793)  
 Combined Schedule 2E - Defeased Bonds Outstanding  
 For the Year Ended August 31, 2024

| Description of Issue | Year<br>Defeased | Par Value<br>Outstanding |
|----------------------|------------------|--------------------------|
| Revenue Bonds        |                  |                          |
|                      |                  |                          |
|                      |                  |                          |
|                      |                  | <div>\$0.00</div>        |

UNAUDITED

**Texas Tech University System (793)**  
**Combined Schedule 2F - Early Extinguishment and Refunding**  
**For the Year Ended August 31, 2024**

| Description of Issue | Category | Amount                      | Refunding          | Cash Flow              | Economic        |
|----------------------|----------|-----------------------------|--------------------|------------------------|-----------------|
|                      |          | Extinguished or<br>Refunded | Issue<br>Par Value | Increase<br>(Decrease) | Gain/<br>(Loss) |
| 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, 2024**

| <b>Cash in State Treasury</b>                      | <b>Current<br/>Unrestricted</b> | <b>Current<br/>Restricted</b> |
|--|---------------------------------|-------------------------------|
| Local Revenue (Fund 0227)                          | \$ 6,928,765.73                 | \$ 0.00                       |
| Local Revenue (Fund 0239)                          | 21,937,990.72                   | 0.00                          |
| Local Revenue (Fund 0255)                          | 6,960,047.26                    | 0.00                          |
| Local Revenue (Fund 0264)                          | 7,442,786.08                    | 0.00                          |
| Local Revenue (Fund 0294)                          | 8,004,246.16                    | 0.00                          |
| Local Revenue (Fund 0325)                          | 0.00                            | 0.00                          |
| Permanent Health Fund - El Paso Campus (Fund 0820) | 4,496,615.27                    | 0.00                          |
| Permanent Health Fund - Other Campuses (Fund 0821) | 6,859,304.64                    | 0.00                          |
|  |                                 |                               |
| Total Cash in State Treasury                       | <u>\$ 62,629,755.86</u>         | <u>\$ 0.00</u>                |

# UNAUDITED

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

|  | 2024             | 2023             | 2022             | 2021             | 2020             |
|--|------------------|------------------|------------------|------------------|------------------|
| TTU System's proportion of the net pension liability   | 0.6304650 %      | 0.6123797 %      | 0.6147036 %      | 0.6024890 %      | 0.6116105 %      |
| TTU System's proportionate share of net pension liability  | \$433,068,648.00 | \$363,554,074.00 | \$156,543,241.00 | \$322,680,807.00 | \$317,934,234.00 |
| TTU System's covered payroll   | \$354,046,963.39 | \$322,542,056.84 | \$306,493,078.63 | \$292,393,180.74 | \$276,644,114.00 |
| TTU System's proportionate share of net pension liability as a percentage of its covered payroll | 122.32 %         | 112.72 %         | 51.08 %          | 110.36 %         | 114.93 %         |
| Plan fiduciary net position as a percentage of the total pension liability                       | 73.15 %          | 75.62 %          | 88.79 %          | 75.54 %          | 75.24 %          |

|  | 2019             | 2018             | 2017             | 2016             | 2015             |
|--|------------------|------------------|------------------|------------------|------------------|
| TTU System's proportion of the net pension liability   | 0.6081304 %      | 0.5766112 %      | 0.5788987 %      | 0.5280855 %      | 0.6064722 %      |
| TTU System's proportionate share of net pension liability  | \$334,729,720.00 | \$184,369,216.00 | \$218,757,231.00 | \$186,671,195.00 | \$162,030,163.65 |
| TTU System's covered payroll   | \$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 | 126.11 %         | 75.93 %          | 92.75 %          | 91.94 %          | 72.89 %          |
| Plan fiduciary net position as a percentage of the total pension liability                       | 73.74 %          | 82.17 %          | 78.00 %          | 78.43 %          | 83.25 %          |

UNAUDITED

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

|   | <b>2024</b>     | <b>2023</b>     | <b>2022</b>     | <b>2021</b>     | <b>2020</b>     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Statutorily required contributions                                  | \$33,528,247.43 | \$28,609,480.44 | \$27,798,922.23 | \$27,280,283.76 | \$26,225,862.22 |
| Contributions in relation to the statutorily required contributions | 32,407,407.00   | 28,575,447.00   | 26,232,321.00   | 24,858,860.00   | 21,407,103.00   |
| Contribution deficiency (excess)                                    | 1,120,840.43    | 34,033.44       | 1,566,601.23    | 2,421,423.76    | 4,818,759.22    |
| TTU System's covered payroll  | 354,046,963.39  | 322,542,056.84  | 306,493,078.63  | 292,383,180.74  | 276,644,114.00  |
| Contributions as a percentage of covered payroll                    | 9.15 %          | 8.86 %          | 8.56 %          | 8.50 %          | 7.74 %          |
|   | <b>2019</b>     | <b>2018</b>     | <b>2017</b>     | <b>2016</b>     | <b>2015</b>     |
| Statutorily required contributions                                  | \$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 | 20,486,374.00   | 18,861,478.00   | 18,429,661.00   | 15,681,265.00   | 15,253,844.56   |
| Contribution deficiency (excess)                                    | 349,650.00      | 418,228.00      | 250,428.00      | 1,069,450.00    | 4,019,399.30    |
| TTU System's covered payroll  | 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                    | 7.72 %          | 7.77 %          | 7.81 %          | 7.72 %          | 6.86 %          |



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>2024</b>       | <b>2023</b>       | <b>2022</b>        | <b>2021</b>       | <b>2020</b>       | <b>2019</b>       | <b>2018</b>      |
|---|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|------------------|
| TTU System's proportion of the net OPEB liability   | 2.8551330 %       | 2.8072002 %       | 2.8428150 %        | 2.6962363 %       | 2.6636141 %       | 2.7025980 %       | 0.8421099 %      |
| TTU System's proportionate share of the net OPEB liability  | \$ 762,820,995.00 | \$ 799,686,162.00 | \$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  | 393,013,367.57    | 357,472,524.10    | 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 | 194.10 %          | 223.71 %          | 300.55 %           | 261.11 %          | 280.54 %          | 240.57 %          | 290.10 %         |
| Plan fiduciary net position as a percentage of the total OPEB liability                           | 0.63 %            | 0.57 %            | 0.38 %             | 0.32 %            | 0.17 %            | 1.28 %            | 2.04 %           |

Note: This schedule is intended to present 10 years of information. Currently only seven 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>2024</b>     | <b>2023</b>     | <b>2022</b>     | <b>2021</b>     | <b>2020</b>     | <b>2019</b>     | <b>2018</b>     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Statutorily required contributions                                  | \$57,484,399.24 | \$59,260,779.36 | \$77,339,298.57 | \$69,838,893.00 | \$71,576,849.00 | \$63,041,982.00 | \$22,862,931.00 |
| Contributions in relation to the statutorily required contributions | 24,076,452.00   | 20,682,053.00   | 22,909,612.00   | 21,195,278.00   | 11,226,273.00   | 8,745,978.00    | 7,892,593.19    |
| Contribution deficiency (excess)                                    | 33,407,947.24   | 38,578,726.36   | 54,429,686.57   | 48,643,615.00   | 60,350,576.00   | 54,296,004.00   | 14,970,337.81   |
| TTU System's covered payroll  | 393,013,367.57  | 357,472,524.10  | 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                    | 6.13 %          | 5.79 %          | 6.75 %          | 6.21 %          | 3.42 %          | 2.63 %          | 7.98 %          |

Note: This schedule is intended to present 10 years of information. Currently only seven 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, 2024 and 2023**

| OPERATING EXPENSES                 | INSTRUCTION              | RESEARCH                 | PUBLIC SERVICE           | HOSPITALS & CLINICS      | ACADEMIC SUPPORT         | STUDENT SERVICES         | INSTITUTIONAL SUPPORT    |
|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Cost of Goods Sold                 | \$ 109,289.37            | \$ 0.00                  | \$ 14,850.43             | \$ 0.00                  | \$ 32,509.49             | \$ 19,000.00             | \$ 1,658,281.42          |
| Salaries and Wages                 | 539,407,551.80           | 154,033,836.79           | 98,289,120.66            | 89,911,273.43            | 165,148,677.59           | 57,486,247.32            | 89,269,436.65            |
| Payroll Related Costs              | 147,527,769.95           | 50,625,603.62            | 33,123,236.76            | 36,846,974.26            | 57,307,283.25            | 22,026,852.91            | 43,078,433.72            |
| Professional Fees and Services     | 21,025,569.77            | 5,459,621.70             | 52,002,433.87            | 4,843,058.85             | 18,673,067.53            | 6,641,732.80             | 26,049,777.60            |
| Travel                             | 7,160,614.54             | 7,180,377.82             | 2,504,533.16             | 65,967.41                | 7,936,543.30             | 3,695,427.38             | 2,352,013.04             |
| Materials and Supplies             | 13,869,980.04            | 18,797,621.70            | 15,511,209.07            | 10,757,063.94            | 17,745,956.98            | 8,033,264.23             | 2,863,237.05             |
| Communications and Utilities       | 2,497,311.85             | 3,132,318.30             | 1,097,173.50             | 699,821.16               | 12,420,977.53            | 3,066,589.15             | 2,181,819.16             |
| Repairs and Maintenance            | 1,910,423.95             | 4,474,948.80             | 1,330,693.81             | 609,302.49               | 8,647,292.37             | 3,095,511.81             | 2,131,381.55             |
| Rentals and Leases                 | 2,425,823.95             | 1,072,593.75             | 1,264,905.64             | 1,820,317.81             | 7,196,959.64             | 4,773,865.75             | 2,775,218.09             |
| Printing and Reproduction          | 407,895.12               | 610,958.94               | 403,173.83               | 165,800.48               | 973,809.18               | 1,095,299.87             | 1,079,220.01             |
| Federal Grant Pass-Through Expense | 109,903.07               | 411,562.47               | 488,355.85               | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| State Grant Pass-Through Expense   | 0.00                     | 77,484.46                | 14,055.41                | 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                     | 474,732.71               | 272,161.97               |
| Interest                           | 5,897.53                 | 14,381.93                | 657.22                   | 1,460.95                 | 11,136.88                | 4,667.23                 | 6,153.40                 |
| Scholarships                       | 2,271,212.07             | 4,629,096.16             | 260,274.30               | 0.00                     | 1,618,108.24             | 168,617.87               | 10,450.00                |
| Claims and Judgments               | 0.00                     | 0.00                     | 0.00                     | 0.00                     | 665,791.00               | 0.00                     | 50,000.00                |
| Other Operating Expenses           | 15,172,820.71            | 22,108,579.06            | 20,372,339.06            | 3,006,874.72             | 70,597,437.75            | 21,105,246.00            | 15,754,010.43            |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>\$ 753,902,063.72</b> | <b>\$ 272,628,985.50</b> | <b>\$ 226,677,012.57</b> | <b>\$ 148,727,915.50</b> | <b>\$ 368,975,550.73</b> | <b>\$ 131,687,055.03</b> | <b>\$ 189,531,594.09</b> |

UNAUDITED

**Texas Tech University System (793)**  
**Combined Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES                 | OPERATION &<br>MAINTENANCE OF<br>PLANT | SCHOLARSHIPS &<br>FELLOWSHIPS | AUXILIARY<br>ENTERPRISES | DEPRECIATION &<br>AMORTIZATION | GRAND<br>TOTAL            | Restated<br>2023          |
|------------------------------------|--|-------------------------------|--------------------------|--------------------------------|---------------------------|---------------------------|
| Cost of Goods Sold                 | \$ 0.00                                | \$ 0.00                       | \$ 14,394,359.55         | \$ 0.00                        | \$ 16,228,290.26          | \$ 14,897,596.69          |
| Salaries and Wages                 | 27,259,867.30                          | 9,892.00                      | 80,691,952.84            | 0.00                           | 1,301,507,856.38          | 1,219,097,012.54          |
| Payroll Related Costs              | 9,545,089.03                           | 5,152.58                      | 28,336,456.60            | 0.00                           | 428,422,852.68            | 429,344,713.32            |
| Professional Fees and Services     | 3,146,028.61                           | 0.00                          | 3,749,518.44             | 0.00                           | 141,590,809.17            | 129,501,916.09            |
| Travel                             | 99,540.11                              | 0.00                          | 14,048,167.70            | 0.00                           | 45,043,184.46             | 42,084,834.89             |
| Materials and Supplies             | 6,290,588.83                           | 0.00                          | 19,706,335.52            | 0.00                           | 113,575,257.36            | 107,818,250.41            |
| Communications and Utilities       | 33,908,979.78                          | 0.00                          | 13,457,937.26            | 0.00                           | 72,462,927.69             | 66,755,912.31             |
| Repairs and Maintenance            | 35,579,236.35                          | 0.00                          | 13,512,766.59            | 0.00                           | 71,291,557.72             | 70,986,021.53             |
| Rentals and Leases                 | 898,891.84                             | 0.00                          | 2,498,493.40             | 0.00                           | 24,727,069.87             | 20,020,721.21             |
| Printing and Reproduction          | 26,661.71                              | 0.00                          | 652,943.69               | 0.00                           | 5,415,762.83              | 5,222,406.27              |
| Federal Grant Pass-Through Expense | 0.00                                   | 0.00                          | 0.00                     | 0.00                           | 1,009,821.39              | 997,120.20                |
| State Grant Pass-Through Expense   | 0.00                                   | 0.00                          | 0.00                     | 0.00                           | 91,539.87                 | 61,582.89                 |
| Depreciation and Amortization      | 0.00                                   | 0.00                          | 0.00                     | 192,411,130.49                 | 192,411,130.49            | 187,492,859.16            |
| Bad Debt Expense                   | 0.00                                   | 60,000.00                     | 334,803.45               | 0.00                           | 1,141,698.13              | 1,441,549.47              |
| Interest                           | 20,999.21                              | 0.00                          | 779.25                   | 0.00                           | 66,133.60                 | 41,765.08                 |
| Scholarships                       | 0.00                                   | 94,423,108.90                 | 249,690.92               | 0.00                           | 103,630,558.46            | 97,601,935.28             |
| Claims and Judgments               | 0.00                                   | 0.00                          | 0.00                     | 0.00                           | 715,791.00                | 1,243,523.15              |
| Other Operating Expenses           | 20,695,938.40                          | 127,509.49                    | 31,028,527.32            | 0.00                           | 219,969,282.94            | 222,663,655.89            |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>\$ 137,471,821.17</b>               | <b>\$ 94,625,662.97</b>       | <b>\$ 222,662,732.53</b> | <b>\$ 192,411,130.49</b>       | <b>\$2,739,301,524.30</b> | <b>\$2,617,273,376.38</b> |

**FIDUCIARY  
FINANCIAL STATEMENTS**

**Texas Tech University System (793)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|                                       | Custodial Funds | External<br>Investment Pool<br>Non-Trusted | Total<br>2024    | 2023             |
|---------------------------------------|-----------------|--|------------------|------------------|
| <b>ASSETS</b>                         |                 |  |                  |                  |
| Cash and Cash Equivalents             | \$ 5,803,962.58 | \$ 0.00                                    | \$ 5,803,962.58  | \$ 4,841,066.99  |
| Investments (Note 3)                  | 0.00            | 13,416,323.93                              | 13,416,323.93    | 12,708,999.14    |
| Other Assets                          | 17,999.99       | 0.00                                       | 17,999.99        | 18,999.99        |
| Total Assets                          | 5,821,962.57    | 13,416,323.93                              | 19,238,286.50    | 17,569,066.12    |
| <b>LIABILITIES</b>                    |                 |  |                  |                  |
| Accounts Payable                      | 0.00            | 0.00                                       | 0.00             | 1,450.23         |
| Total Liabilities                     | 0.00            | 0.00                                       | 0.00             | 1,450.23         |
| <b>NET POSITION</b>                   |                 |  |                  |                  |
| Restricted for Pool Participants      | 0.00            | 13,416,323.93                              | 13,416,323.93    | 12,708,999.14    |
| Fiduciary Net Position Other Purposes | 5,821,962.57    | 0.00                                       | 5,821,962.57     | 4,858,616.75     |
| Total Net Position                    | \$ 5,821,962.57 | \$ 13,416,323.93                           | \$ 19,238,286.50 | \$ 17,567,615.89 |

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, 2024 and 2023**

|  | Custodial Funds      | External<br>Investment Pool<br>Non-Trusted | Total<br>2024          | 2023                  |
|--|----------------------|--|------------------------|-----------------------|
| <b>Additions:</b>                                    |                      |  |                        |                       |
| Investment Income:                                   |                      |  |                        |                       |
| From Investing Activities:                           |                      |  |                        |                       |
| Net Increase (Decrease) in Fair Value of Investments | \$ 0.00              | \$ 1,215,317.34                            | \$ 1,215,317.34        | \$ 428,839.76         |
| Interest, Dividends and Other                        | 161,547.17           | 163,383.34                                 | 324,930.51             | 285,161.95            |
| Total Investing Income (Loss)                        | 161,547.17           | 1,378,700.68                               | 1,540,247.85           | 714,001.71            |
| Less Investing Activities Expense                    | 9,914.02             | 90,377.52                                  | 100,291.54             | 95,925.82             |
| Net Income (Loss) from Investing Activities          | 151,633.15           | 1,288,323.16                               | 1,439,956.31           | 618,075.89            |
| Total Net Investment Income (Loss)                   | 151,633.15           | 1,288,323.16                               | 1,439,956.31           | 618,075.89            |
| Other Additions:                                     |                      |  |                        |                       |
| Other Revenue  | 2,642,188.88         | 0.00                                       | 2,642,188.88           | 1,767,214.71          |
| Total Other Additions                                | 2,642,188.88         | 0.00                                       | 2,642,188.88           | 1,767,214.71          |
| <b>Total Additions</b>                               | <b>2,793,822.03</b>  | <b>1,288,323.16</b>                        | <b>4,082,145.19</b>    | <b>2,385,290.60</b>   |
| <b>Deductions:</b>                                   |                      |  |                        |                       |
| Other Expenses                                       | 1,830,476.21         | 580,998.37                                 | 2,411,474.58           | 2,413,230.87          |
| <b>Total Deductions</b>                              | <b>1,830,476.21</b>  | <b>580,998.37</b>                          | <b>2,411,474.58</b>    | <b>2,413,230.87</b>   |
| <b>Increase (Decrease) in Net Position</b>           | <b>\$ 963,345.82</b> | <b>\$ 707,324.79</b>                       | <b>\$ 1,670,670.61</b> | <b>\$ (27,940.27)</b> |
| <b>Net Position:</b>                                 |                      |  |                        |                       |
| Beginning Net Position (September 1)                 | 4,858,616.75         | 12,708,999.14                              | 17,567,615.89          | 17,595,556.16         |
| Ending Net Position (August 31)                      | \$ 5,821,962.57      | \$ 13,416,323.93                           | \$ 19,238,286.50       | \$ 17,567,615.89      |

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, 2024 and 2023**

|  | Carr<br>Scholarship<br>Foundation | Texas Tech<br>Research Park | 2024                    | 2023                     |
|--|-----------------------------------|-----------------------------|-------------------------|--------------------------|
| <b>ASSETS</b>                          |                                   |                             |                         |                          |
| Current Assets:                        |                                   |                             |                         |                          |
| Unrestricted Cash and Cash Equivalents | \$ 0.00                           | \$ 5,063.48                 | \$ 5,063.48             | \$ 13,719.00             |
| Restricted Cash and Cash Equivalents   | 136,563.51                        | 0.00                        | 136,563.51              | 128,553.66               |
| Accounts Receivable                    | 420,396.28                        | 0.00                        | 420,396.28              | 499,850.79               |
| Total Current Assets                   | <u>556,959.79</u>                 | <u>5,063.48</u>             | <u>562,023.27</u>       | <u>642,123.45</u>        |
| Non-Current Assets:                    |                                   |                             |                         |                          |
| Restricted Cash and Cash Equivalents   | 6,191.44                          | 0.00                        | 6,191.44                | 5,967.65                 |
| Restricted Investments (Note 3)        | 180,289,768.16                    | 0.00                        | 180,289,768.16          | 171,909,151.24           |
| Total Non-Current Assets               | <u>180,295,959.60</u>             | <u>0.00</u>                 | <u>180,295,959.60</u>   | <u>171,915,118.89</u>    |
| Total Assets                           | <u>\$180,852,919.39</u>           | <u>\$ 5,063.48</u>          | <u>\$180,857,982.87</u> | <u>\$ 172,557,242.34</u> |
| <b>LIABILITIES</b>                     |                                   |                             |                         |                          |
| Current Liabilities:                   |                                   |                             |                         |                          |
| Accounts Payable                       | \$ 8,794.00                       | \$ 151,999.00               | \$ 160,793.00           | \$ 156,341.50            |
| Payroll Payable                        | 13,803.40                         | 0.00                        | 13,803.40               | 13,765.95                |
| Total Current Liabilities              | <u>22,597.40</u>                  | <u>151,999.00</u>           | <u>174,596.40</u>       | <u>170,107.45</u>        |
| Employees' Compensable Leave (Note 5)  | 18,470.80                         | 0.00                        | 18,470.80               | 22,420.82                |
| Total Non-Current Liabilities          | <u>18,470.80</u>                  | <u>0.00</u>                 | <u>18,470.80</u>        | <u>22,420.82</u>         |
| Total Liabilities                      | <u>\$ 41,068.20</u>               | <u>\$ 151,999.00</u>        | <u>\$ 193,067.20</u>    | <u>\$ 192,528.27</u>     |
| <b>NET POSITION</b>                    |                                   |                             |                         |                          |
| Restricted:                            |                                   |                             |                         |                          |
| Nonexpendable:                         |                                   |                             |                         |                          |
| Endowments                             | \$180,716,355.88                  | \$ 0.00                     | \$180,716,355.88        | \$ 172,414,969.68        |
| Expendable:                            |                                   |                             |                         |                          |
| Other                                  | 95,495.31                         | 0.00                        | 95,495.31               | 88,024.39                |
| Unrestricted                           | 0.00                              | (146,935.52)                | (146,935.52)            | (138,280.00)             |
| Total Net Position                     | <u>\$180,811,851.19</u>           | <u>\$ (146,935.52)</u>      | <u>\$180,664,915.67</u> | <u>\$ 172,364,714.07</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, 2024 and 2023**

|   | Carr Scholarship<br>Foundation | Texas Tech<br>Research Park | 2024                    | 2023                    |
|---|--------------------------------|-----------------------------|-------------------------|-------------------------|
| Operating Revenues  |                                |                             |                         |                         |
| Total Operating Revenues  | \$ 0.00                        | \$ 0.00                     | \$ 0.00                 | \$ 0.00                 |
| Operating Expenses  |                                |                             |                         |                         |
| Salaries and Wages  | 180,533.24                     | 0.00                        | 180,533.24              | 175,079.85              |
| Payroll Related Costs   | 49,727.62                      | 0.00                        | 49,727.62               | 55,701.23               |
| Professional Fees and Services  | 15,832.50                      | 8,655.52                    | 24,488.02               | 65,251.00               |
| Travel  | 2,387.40                       | 0.00                        | 2,387.40                | 1,151.12                |
| Materials and Supplies  | 80,005.38                      | 0.00                        | 80,005.38               | 52,988.81               |
| Communications and Utilities  | 1,445.94                       | 0.00                        | 1,445.94                | 1,386.40                |
| Printing and Reproduction   | 4,421.99                       | 0.00                        | 4,421.99                | 355.26                  |
| Other Operating Expenses  | 3,210.01                       | 0.00                        | 3,210.01                | 16,313.45               |
| Total Operating Expenses  | 337,564.08                     | 8,655.52                    | 346,219.60              | 368,227.12              |
| Operating Income (Loss)   | \$ (337,564.08)                | \$ (8,655.52)               | \$ (346,219.60)         | \$ (368,227.12)         |
| Nonoperating Revenues (Expenses)  |                                |                             |                         |                         |
| Investment Income (Expense)   | 1,056,803.32                   | 0.00                        | 1,056,803.32            | 2,609,431.49            |
| Net Increase (Decrease) in Fair Value of Investments                        | 14,011,415.38                  | 0.00                        | 14,011,415.38           | 4,418,188.89            |
| Other Nonoperating Revenues (Expenses) - Pledged                            | (6,421,797.50)                 | 0.00                        | (6,421,797.50)          | (5,476,190.15)          |
| Total Nonoperating Revenues (Expenses)                                      | 8,646,421.20                   | 0.00                        | 8,646,421.20            | 1,551,430.23            |
| Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers | \$ 8,308,857.12                | \$ (8,655.52)               | \$ 8,300,201.60         | \$ 1,183,203.11         |
| 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  | \$ 8,308,857.12                | \$ (8,655.52)               | \$ 8,300,201.60         | \$ 1,183,203.11         |
| Beginning Net Position (September 1)  | 172,502,994.07                 | (138,280.00)                | 172,364,714.07          | 171,181,510.96          |
| Ending Net Position (August 31)   | <u>\$180,811,851.19</u>        | <u>\$ (146,935.52)</u>      | <u>\$180,664,915.67</u> | <u>\$172,364,714.07</u> |

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, 2024 and 2023**

|   | 2024                       | Restated<br>2023           |
|---|----------------------------|----------------------------|
| <b>ASSETS</b>                             |                            |                            |
| Current Assets:                           |                            |                            |
| Cash and Cash Equivalents                 | \$ 64,779,804.53           | \$ 67,583,099.47           |
| Restricted Cash and Cash Equivalents      | 4,163,836.46               | 7,924,558.63               |
| Legislative Appropriations                | 237,255,487.32             | 177,066,256.58             |
| Receivables:                              |                            |                            |
| Federal                                   | 18,992,777.06              | 17,080,061.02              |
| Student                                   | 8,578,257.69               | 8,297,188.74               |
| Accounts                                  | 8,662,701.94               | 7,581,826.49               |
| Interest and Dividends                    | 2,113,451.02               | 1,466,420.60               |
| Gifts                                     | 16,646,463.49              | 15,661,159.49              |
| Leases                                    | 262,590.27                 | 558,181.81                 |
| Other                                     | 1,000,046.98               | 989,017.89                 |
| Due From Other State Agencies             | 2,735,158.28               | 6,377,382.57               |
| Inventories                               | 2,517,933.33               | 2,668,169.90               |
| Prepaid Items                             | 93,215,306.68              | 86,449,715.60              |
| Loans and Contracts                       | 328,517.97                 | 330,882.06                 |
| Other Current Assets                      | 1,236,547.23               | 1,251,242.24               |
| Total Current Assets                      | <u>462,488,880.25</u>      | <u>401,285,163.09</u>      |
| Non-Current Assets:                       |                            |                            |
| Restricted Cash and Cash Equivalents      | 5,732,759.87               | 17,039,864.33              |
| Restricted Investments                    | 351,257,578.49             | 300,010,021.87             |
| Gifts Receivable                          | 51,344,933.02              | 57,490,667.51              |
| Leases Receivable                         | 1,972,554.59               | 6,547,816.62               |
| PPP Assets Receivable                     | 457,984.12                 | 457,984.12                 |
| Investments                               | 1,113,106,374.44           | 967,543,327.67             |
| Capital Assets                            |                            |                            |
| Non-Depreciable or Non-Amortizable        | 212,407,763.67             | 265,825,826.72             |
| Depreciable or Amortizable                | 2,862,994,785.26           | 2,555,992,424.97           |
| Accumulated Depreciation and Amortization | (1,604,227,003.22)         | (1,520,264,918.74)         |
| Right to Use Assets                       |                            |                            |
| Amortizable                               | 29,214,330.20              | 24,554,156.98              |
| Accumulated Amortization                  | (14,256,618.59)            | (8,920,502.28)             |
| Other Non-current Assets                  | 119,623.98                 | 119,623.98                 |
| Total Non-Current Assets                  | <u>3,010,125,065.83</u>    | <u>2,666,396,293.75</u>    |
| Total Assets                              | <u>\$ 3,472,613,946.08</u> | <u>\$ 3,067,681,456.84</u> |

# UNAUDITED

## Texas Tech University (733) Statement of Net Position August 31, 2024 and 2023

|   | 2024                              | Restated<br>2023                  |
|---|-----------------------------------|-----------------------------------|
| <b>LIABILITIES</b>                                  |                                   |                                   |
| Current Liabilities:                                |                                   |                                   |
| Accounts Payable                                    | \$ 57,290,740.41                  | \$ 37,050,037.18                  |
| Payroll Payable                                     | 50,006,374.33                     | 48,069,651.12                     |
| Unearned Revenue                                    | 225,390,023.86                    | 209,039,306.90                    |
| Due to Other State Agencies                         | 4,420,312.82                      | 3,610,251.40                      |
| Employees' Compensable Leave                        | 3,250,736.69                      | 3,068,653.78                      |
| Right to Use Lease Obligations                      | 673,163.75                        | 657,820.22                        |
| Right to Use Subscription Obligations               | 3,427,568.99                      | 5,331,813.73                      |
| Notes and Loans Payable - Direct Borrowing (Note 5) | 150,816,399.00                    | 0.00                              |
| Funds Held for Others                               | 10,796,668.19                     | 9,075,644.60                      |
| Other Current Liabilities                           | 4,629,556.61                      | 4,892,685.90                      |
| Total Current Liabilities                           | <u>510,701,544.65</u>             | <u>320,795,864.83</u>             |
| Non-Current Liabilities:                            |                                   |                                   |
| Employees' Compensable Leave                        | 20,857,733.17                     | 18,572,185.82                     |
| Right to Use Lease Obligations                      | 4,834,311.18                      | 949,256.01                        |
| Right to Use Subscription Obligations               | 2,816,477.95                      | 4,043,679.39                      |
| Notes and Loans Payable - Direct Borrowings         | 0.00                              | 36,869,354.00                     |
| Pollution Remediation Obligation                    | 1,529,525.50                      | 1,529,525.50                      |
| Other Non-Current Liabilities                       | 0.00                              | 7,000,000.00                      |
| Total Non-Current Liabilities                       | <u>30,038,047.80</u>              | <u>68,964,000.72</u>              |
| Total Liabilities                                   | <u>\$ 540,739,592.45</u>          | <u>\$ 389,759,865.55</u>          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                   |                                   |
| Deferred Inflows of Resources                       | 32,811,399.67                     | 35,776,753.54                     |
| Total Deferred Inflows of Resources                 | <u>\$ 32,811,399.67</u>           | <u>\$ 35,776,753.54</u>           |
| <b>NET POSITION</b>                                 |                                   |                                   |
| Net Investment in Capital Assets                    | \$ 1,284,631,082.55               | \$ 1,248,496,013.98               |
| Restricted:   |                                   |                                   |
| Nonexpendable:                                      |                                   |                                   |
| Endowments  | 108,247,886.23                    | 106,991,749.00                    |
| Expendable:   |                                   |                                   |
| Capital Projects                                    | 79,221,955.81                     | 86,375,173.78                     |
| Other   | 262,046,157.67                    | 225,342,871.95                    |
| Unrestricted  | <u>1,164,915,871.70</u>           | <u>974,939,029.04</u>             |
| Total Net Position                                  | <u><u>\$ 2,899,062,953.96</u></u> | <u><u>\$ 2,642,144,837.75</u></u> |

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**Texas Tech University (733)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                       | Restated<br>2023           |
|---|----------------------------|----------------------------|
| Operating Revenues                                    |                            |                            |
| Tuition and Fees                                      | \$ 7,412,150.76            | \$ 7,271,815.48            |
| Tuition and Fees - Pledged                            | 527,200,215.31             | 514,925,103.64             |
| Less Discounts and Allowances                         | (139,420,701.45)           | (128,359,321.98)           |
| Sales and Services of Auxiliary Enterprises - Pledged | 182,512,387.09             | 176,507,429.05             |
| Other Sales and Services                              | 8,521,302.46               | 8,701,686.26               |
| Other Sales and Services - Pledged                    | 13,364,276.86              | 12,438,389.53              |
| Federal Grants and Contracts                          | 61,253,751.07              | 55,964,547.04              |
| Federal Grant Pass-Throughs from Other State Agencies | 4,041,715.83               | 4,197,200.89               |
| State Grants and Contracts                            | 389,413.67                 | 214,102.94                 |
| State Grant Pass-Throughs from Other State Agencies   | 36,066,187.54              | 21,922,906.01              |
| Local Governmental Grants and Contracts               | 3,516,970.31               | 3,578,963.19               |
| Nongovernmental Grants and Contracts                  | 15,169,264.80              | 16,041,034.49              |
| Total Operating Revenues                              | <u>720,026,934.25</u>      | <u>693,403,856.54</u>      |
| Operating Expenses                                    |                            |                            |
| Cost of Goods Sold                                    | 16,228,290.26              | 14,897,596.69              |
| Salaries and Wages                                    | 528,436,697.61             | 490,451,486.14             |
| Payroll Related Costs                                 | 148,973,890.41             | 138,394,738.94             |
| Professional Fees and Services                        | 30,879,372.30              | 29,010,329.67              |
| Travel  | 32,888,008.74              | 30,995,959.90              |
| Materials and Supplies                                | 49,430,865.11              | 48,166,532.35              |
| Communications and Utilities                          | 39,821,828.38              | 35,951,241.31              |
| Repairs and Maintenance                               | 41,552,144.87              | 42,118,850.96              |
| Rentals and Leases                                    | 17,215,278.95              | 14,780,443.66              |
| Printing and Reproduction                             | 3,110,535.02               | 2,981,719.18               |
| Federal Grant Pass-Through Expense                    | 1,145,684.85               | 1,027,858.62               |
| State Grant Pass-Through Expense                      | 0.00                       | (0.10)                     |
| Depreciation and Amortization                         | 111,089,058.72             | 105,397,764.06             |
| Interest  | 30,820.39                  | 13,465.10                  |
| Scholarships  | 71,932,562.12              | 65,103,470.04              |
| Claims and Judgments                                  | 0.00                       | 190,000.00                 |
| Other Operating Expenses                              | 91,496,563.58              | 94,710,406.86              |
| Total Operating Expenses                              | <u>1,184,231,601.31</u>    | <u>1,114,191,863.38</u>    |
| Operating Income (Loss)                               | <u>\$ (464,204,667.06)</u> | <u>\$ (420,788,006.84)</u> |

UNAUDITED

**Texas Tech University (733)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                       | Restated<br>2023           |
|---|----------------------------|----------------------------|
| Nonoperating Revenues (Expenses)  |                            |                            |
| Legislative Revenue   | \$ 275,704,409.03          | \$ 225,709,489.17          |
| Federal Grants and Contracts  | 61,263,819.98              | 61,675,107.77              |
| Federal Grant Pass-Throughs from Other State Agencies                       | 10,895,733.57              | 32,380,685.02              |
| Private Gifts   | 69,856,994.58              | 56,690,878.29              |
| Private Gifts - Pledged   | 1,921,210.67               | 2,191,659.37               |
| Investment Income (Expense)   | 6,689,991.90               | 5,682,012.87               |
| Investment Income (Expense) - Pledged                                       | 35,202,636.39              | 29,465,486.10              |
| Interest Expense on Capital Asset Financing                                 | (3,713,460.00)             | (425,380.00)               |
| Gain (Loss) on Sale and Disposal of Capital Assets                          | (2,445,917.32)             | (907,483.64)               |
| Net Increase (Decrease) in Fair Value of Investments                        | 103,864,383.35             | 41,711,622.33              |
| Interest Expense  | (417,742.04)               | (147,629.02)               |
| Other Nonoperating Revenues (Expenses)                                      | 1,008,637.00               | (818,781.13)               |
| Other Nonoperating Revenues (Expenses) - Pledged                            | 2,686,718.83               | 4,417,527.18               |
| Total Nonoperating Revenues (Expenses)                                      | <u>562,517,415.94</u>      | <u>457,625,194.31</u>      |
| Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers | 98,312,748.88              | 36,837,187.47              |
| Other Revenues, Expenses, Gains, Losses, and Transfers                      |                            |                            |
| Capital Appropriations (HEF)  | 51,379,460.50              | 49,874,746.00              |
| Capital Contributions, Grants and Contracts                                 | 34,750,843.55              | 47,448,482.60              |
| Lapsed Appropriations   | (60.58)                    | 0.00                       |
| Contributions to Permanent and Term Endowments                              | 1,075,752.79               | 1,812,958.44               |
| Legislative Transfers In (Out)  | 31,396,753.00              | (14,907,519.00)            |
| Interagency Transfers of Capital Assets - Increase                          | 4,154.85                   | 4,215.81                   |
| Interagency Transfers of Capital Assets - Decrease                          | (2,348.45)                 | (780,532.44)               |
| Net Transfers from (to) Texas Tech University System Components             | 18,270,328.87              | (27,867,935.12)            |
| Net Transfers from (to) Other State Agencies                                | 21,730,482.80              | 7,834,694.42               |
| Net Other Revenues, Expenses, Gains, Losses, and Transfers                  | <u>158,605,367.33</u>      | <u>63,419,110.71</u>       |
| Total Change in Net Position  | <u>256,918,116.21</u>      | <u>100,256,298.18</u>      |
| Beginning Net Position (September 1)  | 2,619,706,415.34           | 2,523,429,059.13           |
| Restatements  | <u>22,438,422.41</u>       | <u>18,459,480.44</u>       |
| Ending Net Position (August 31)   | <u>\$ 2,899,062,953.96</u> | <u>\$ 2,642,144,837.75</u> |

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**Texas Tech University (733)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                             | Restated<br>2023              |
|--|----------------------------------|-------------------------------|
| <b>Cash Flows from Operating Activities</b>                          |                                  |                               |
| Proceeds from Customers  | \$ 20,545,964.05                 | \$ 20,781,815.21              |
| Proceeds from Tuition and Fees                                       | 397,899,637.80                   | 391,437,226.84                |
| Proceeds from Grants and Contracts                                   | 121,591,874.36                   | 99,088,601.19                 |
| Proceeds from Sales and Services of Auxiliary Enterprises            | 182,690,906.38                   | 179,386,213.98                |
| Proceeds from Loan Programs  | 152,952,031.49                   | 155,318,172.90                |
| Proceeds from Fiduciary Activities (Held 3 Months or Less)           | 54,375,766.83                    | 53,097,341.15                 |
| Payments to Suppliers for Goods and Services                         | (94,046,404.43)                  | (92,377,466.96)               |
| Payments to Employees for Salaries                                   | (527,041,703.22)                 | (487,651,079.61)              |
| Payments to Employees for Benefits                                   | (148,432,161.59)                 | (136,257,890.66)              |
| Payments for Loans Issued to Students                                | (152,183,861.40)                 | (155,162,663.77)              |
| Payments for Fiduciary Activities (Held 3 Months or Less)            | (53,958,380.85)                  | (53,565,723.86)               |
| Payments for Other Expenses  | (307,630,924.36)                 | (287,249,882.00)              |
| Net Cash Provided/(Used) by Operating Activities                     | <u>(353,237,254.94)</u>          | <u>(313,155,335.59)</u>       |
| <b>Cash Flows from Noncapital Financing Activities</b>               |                                  |                               |
| Proceeds from State Appropriations                                   | 222,718,140.77                   | 225,037,875.73                |
| Proceeds from Gifts  | 73,461,274.53                    | 61,363,493.65                 |
| Proceeds from Nonoperating Grants and Contracts                      | 75,196,443.12                    | 112,553,313.43                |
| Proceeds from Other Financing Activities                             | 3,725,889.27                     | 4,749,685.57                  |
| Proceeds from Transfers from Component Institutions                  | 637,381.33                       | 4,501,349.76                  |
| Proceeds from Transfers In from Other State Agencies                 | 76,023,791.48                    | 9,414,202.96                  |
| Payments for Transfers to Component Institutions                     | (8,235,840.72)                   | (7,802,371.14)                |
| Payments for Transfers to Other State Agencies                       | (663,452.89)                     | (650,775.26)                  |
| Payments for Other Uses  | (382,040.62)                     | (349,354.47)                  |
| Net Cash Provided/(Used) by Noncapital Financing Activities          | <u>442,481,586.27</u>            | <u>408,817,420.23</u>         |
| <b>Cash Flows from Capital and Related Financing Activities</b>      |                                  |                               |
| Proceeds from Sale of Capital Assets                                 | 221,344.57                       | 125,016.85                    |
| Proceeds from Capital Debt Issuances                                 | 113,947,045.00                   | 36,869,354.00                 |
| Proceeds from Capital Gifts, Grants and Contracts                    | 41,452,396.67                    | 39,839,172.79                 |
| Proceeds from Capital Appropriations                                 | 44,176,437.44                    | 44,851,748.10                 |
| Proceeds from Transfers from Component Institutions                  | 57,802,404.99                    | 39,044,002.10                 |
| Payments for Transfers to Component Institutions                     | (54,553,987.73)                  | (79,788,842.84)               |
| Payments for Additions to Capital Assets                             | (250,091,730.07)                 | (180,933,722.70)              |
| Payments for Interest Paid on Capital Debt                           | (3,713,460.00)                   | (425,380.00)                  |
| Payments for Leases/SBITAs   | (7,591,957.87)                   | (8,818,888.70)                |
| Payments for Other Costs on Debt Issuance                            | (54,670.00)                      | (1,734,279.00)                |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>(58,406,177.00)</u>           | <u>(110,971,819.40)</u>       |
| <b>Cash Flows from Investing Activities</b>                          |                                  |                               |
| Proceeds from Investment Sales and Maturities                        | 126,684,394.80                   | 13,092,782.06                 |
| Proceeds from Interest and Investment Income                         | 52,836,256.61                    | 45,772,452.98                 |
| Payments to Acquire Investments                                      | (228,229,927.31)                 | (39,387,169.33)               |
| Net Cash Provided/(Used) by Investing Activities                     | <u>(48,709,275.90)</u>           | <u>19,478,065.71</u>          |
| <b>TOTAL NET CASH FLOWS</b>  | <u><u>\$ (17,871,121.57)</u></u> | <u><u>\$ 4,168,330.95</u></u> |



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**Texas Tech University (733)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                     | Restated<br>2023        |
|--|--------------------------|-------------------------|
|  | <u>2024</u>              | <u>2023</u>             |
| Beginning Cash & Cash Equivalents (September 1)                              | \$ 92,547,522.43         | \$ 88,379,191.48        |
| Ending Cash & Cash Equivalents (August 31)                                   | <u>\$ 74,676,400.86</u>  | <u>\$ 92,547,522.43</u> |
| Reconciliation of Operating Loss to Net Cash Flows from Operating Activities |                          |                         |
| Operating Loss   | \$ (464,204,667.06)      | \$ (420,788,006.84)     |
| Adjustments:   |                          |                         |
| Depreciation and Amortization Expense  | 111,089,058.72           | 105,397,764.06          |
| (Increase) Decrease in Accounts Receivables                                  | (4,433,010.56)           | (2,402,300.74)          |
| (Increase) Decrease in Loans and Notes Receivable                            | 768,170.09               | 155,509.13              |
| (Increase) Decrease in Inventories   | 150,236.57               | 1,284,861.53            |
| (Increase) Decrease in Other Assets  | 18,536.06                | (165,639.25)            |
| (Increase) Decrease in Due From Other State Agencies                         | 1,363,980.80             | 63,452.77               |
| (Increase) Decrease in Prepaid Items   | (9,310,631.39)           | (7,680,994.47)          |
| Increase (Decrease) in Accounts Payable                                      | 1,556,660.34             | 1,025,001.15            |
| Increase (Decrease) in Payroll Payable                                       | 1,394,994.39             | 2,800,406.53            |
| Increase (Decrease) in Unearned Revenue                                      | 5,700,290.60             | 4,584,532.47            |
| Increase (Decrease) in Employees' Compensable Leave                          | 2,467,630.26             | 2,267,303.38            |
| Increase (Decrease) in Due To Other State Agencies                           | 893,080.58               | (692,615.46)            |
| Increase (Decrease) in Benefits Payable                                      | 541,728.82               | 2,136,848.28            |
| Increase (Decrease) in Fiduciary Funds Held 3 Months or Less                 | 417,385.98               | (468,382.71)            |
| Increase (Decrease) in Deferred Inflows of Resources - PPP                   | (1,112,767.89)           | (992,902.92)            |
| Increase (Decrease) in Other Liabilities                                     | (537,931.25)             | 319,827.50              |
| Net Cash Used for Operating Activities                                       | <u>(353,237,254.94)</u>  | <u>(313,155,335.59)</u> |
| Noncash Transactions   |                          |                         |
| Donations of Capital Assets  | 1,500,725.24             | 2,179,608.12            |
| Net Increase (Decrease) in Fair Value of Investments                         | 103,864,383.35           | 41,711,622.33           |
| Other  | (2,209,570.07)           | 2,165,972.68            |
| Total Noncash Transactions   | <u>\$ 103,155,538.52</u> | <u>\$ 46,057,203.13</u> |

UNAUDITED

**Texas Tech University (733)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES                 | INSTRUCTION              | RESEARCH                 | PUBLIC SERVICE          | ACADEMIC<br>SUPPORT      | STUDENT<br>SERVICES     | INSTITUTIONAL<br>SUPPORT |
|------------------------------------|--------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| Cost of Goods Sold                 | \$ 109,289.37            | \$ 0.00                  | \$ 14,850.43            | \$ 32,509.49             | \$ 19,000.00            | \$ 1,658,281.42          |
| Salaries and Wages                 | 177,851,639.70           | 120,112,686.37           | 10,020,715.39           | 74,705,409.60            | 32,647,457.73           | 29,913,210.36            |
| Payroll Related Costs              | 53,816,731.59            | 34,568,964.69            | 3,392,153.64            | 20,635,439.12            | 9,095,730.53            | 8,656,875.02             |
| Professional Fees and Services     | 1,291,279.44             | 4,325,720.90             | 932,160.11              | 2,562,674.60             | 1,499,755.49            | 17,588,207.07            |
| Travel                             | 4,321,575.20             | 6,345,857.81             | 980,537.86              | 5,060,489.18             | 2,146,802.94            | 874,534.26               |
| Materials and Supplies             | 8,202,550.56             | 14,454,631.81            | 1,186,309.43            | 7,083,089.33             | 3,652,128.80            | 1,001,774.14             |
| Communications and Utilities       | 1,396,005.16             | 2,963,439.68             | 259,754.73              | 2,018,574.68             | 1,894,474.64            | 621,613.69               |
| Repairs and Maintenance            | 905,568.71               | 2,704,481.59             | 540,802.79              | 2,534,346.09             | 1,143,121.15            | 235,799.79               |
| Rentals and Leases                 | 1,809,709.59             | 987,880.29               | 800,790.11              | 4,235,675.05             | 4,423,139.89            | 2,208,218.22             |
| Printing and Reproduction          | 182,626.05               | 368,454.91               | 143,887.20              | 517,093.65               | 727,614.67              | 564,640.06               |
| Federal Grant Pass-Through Expense | 109,903.07               | 543,385.57               | 492,396.21              | 0.00                     | 0.00                    | 0.00                     |
| State Grant Pass-Through Expense   | 0.00                     | 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                     |
| Interest                           | 1,762.17                 | 12,213.13                | 49.26                   | 716.59                   | 470.90                  | 1,461.42                 |
| Scholarships                       | 2,159,212.07             | 4,476,866.70             | 9,225.30                | 370,126.19               | 86,979.00               | 2,000.00                 |
| Claims and Judgments               | 0.00                     | 0.00                     | 0.00                    | 0.00                     | 0.00                    | 0.00                     |
| Other Operating Expenses           | 5,183,716.63             | 13,879,020.73            | 3,717,134.24            | 10,962,480.82            | 15,048,146.84           | 5,185,370.36             |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>\$ 257,341,569.31</b> | <b>\$ 205,743,604.18</b> | <b>\$ 22,490,766.70</b> | <b>\$ 130,718,624.39</b> | <b>\$ 72,384,822.58</b> | <b>\$ 68,511,985.81</b>  |

UNAUDITED

**Texas Tech University (733)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES                 | OPERATIONS &<br>MAINTENANCE<br>OF PLANT | SCHOLARSHIPS<br>& FELLOWSHIPS | AUXILIARY<br>ENTERPRISES | DEPRECIATION &<br>AMORTIZATION | GRAND TOTAL                | Restated<br>2023           |
|------------------------------------|---|-------------------------------|--------------------------|--------------------------------|----------------------------|----------------------------|
| Cost of Goods Sold                 | \$ 0.00                                 | \$ 0.00                       | \$ 14,394,359.55         | \$ 0.00                        | \$ 16,228,290.26           | \$ 14,897,596.69           |
| Salaries and Wages                 | 10,846,964.60                           | 0.00                          | 72,338,613.86            | 0.00                           | 528,436,697.61             | 490,451,486.14             |
| Payroll Related Costs              | 2,858,986.56                            | 0.00                          | 15,949,009.26            | 0.00                           | 148,973,890.41             | 138,394,738.94             |
| Professional Fees and Services     | 924,958.89                              | 0.00                          | 1,754,615.80             | 0.00                           | 30,879,372.30              | 29,010,329.67              |
| Travel                             | 42,044.30                               | 0.00                          | 13,116,167.19            | 0.00                           | 32,888,008.74              | 30,995,959.90              |
| Materials and Supplies             | 4,495,201.71                            | 0.00                          | 9,355,179.33             | 0.00                           | 49,430,865.11              | 48,166,532.35              |
| Communications and Utilities       | 20,336,828.48                           | 0.00                          | 10,331,137.32            | 0.00                           | 39,821,828.38              | 35,951,241.31              |
| Repairs and Maintenance            | 22,433,620.39                           | 0.00                          | 11,054,404.36            | 0.00                           | 41,552,144.87              | 42,118,850.96              |
| Rentals and Leases                 | 603,549.70                              | 0.00                          | 2,146,316.10             | 0.00                           | 17,215,278.95              | 14,780,443.66              |
| Printing and Reproduction          | 5,593.55                                | 0.00                          | 600,624.93               | 0.00                           | 3,110,535.02               | 2,981,719.18               |
| Federal Grant Pass-Through Expense | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 1,145,684.85               | 1,027,858.62               |
| State Grant Pass-Through Expense   | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 0.00                       | (0.10)                     |
| Depreciation and Amortization      | 0.00                                    | 0.00                          | 0.00                     | 111,089,058.72                 | 111,089,058.72             | 105,397,764.06             |
| Interest                           | 13,861.34                               | 0.00                          | 285.58                   | 0.00                           | 30,820.39                  | 13,465.10                  |
| Scholarships                       | 0.00                                    | 64,578,461.94                 | 249,690.92               | 0.00                           | 71,932,562.12              | 65,103,470.04              |
| Claims and Judgments               | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 0.00                       | 190,000.00                 |
| Other Operating Expenses           | 8,572,809.39                            | 0.00                          | 28,947,884.57            | 0.00                           | 91,496,563.58              | 94,710,406.86              |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>\$ 71,134,418.91</b>                 | <b>\$ 64,578,461.94</b>       | <b>\$ 180,238,288.77</b> | <b>\$ 111,089,058.72</b>       | <b>\$ 1,184,231,601.31</b> | <b>\$ 1,114,191,863.38</b> |

UNAUDITED

**Texas Tech University (733)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|                                       | Custodial Funds | External<br>Investment Pool<br>Non-Trusted | Total<br>2024    | 2023             |
|---------------------------------------|-----------------|--|------------------|------------------|
| <b>ASSETS</b>                         |                 |  |                  |                  |
| Cash and Cash Equivalents             | \$ 5,803,962.58 | \$ 0.00                                    | \$ 5,803,962.58  | \$ 4,841,066.99  |
| Investments                           | 0.00            | 13,416,323.93                              | 13,416,323.93    | 12,708,999.14    |
| Other Assets                          | 17,999.99       | 0.00                                       | 17,999.99        | 18,999.99        |
| Total Assets                          | 5,821,962.57    | 13,416,323.93                              | 19,238,286.50    | 17,569,066.12    |
| <b>LIABILITIES</b>                    |                 |  |                  |                  |
| Accounts Payable                      | 0.00            | 0.00                                       | 0.00             | 1,450.23         |
| Total Liabilities                     | 0.00            | 0.00                                       | 0.00             | 1,450.23         |
| <b>NET POSITION</b>                   |                 |  |                  |                  |
| Restricted for Pool Participants      | 0.00            | 13,416,323.93                              | 13,416,323.93    | 12,708,999.14    |
| Fiduciary Net Position Other Purposes | 5,821,962.57    | 0.00                                       | 5,821,962.57     | 4,858,616.75     |
| Total Net Position                    | \$ 5,821,962.57 | \$ 13,416,323.93                           | \$ 19,238,286.50 | \$ 17,567,615.89 |

UNAUDITED

**Texas Tech University (733)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|  | Custodial Funds        | External<br>Investment Pool<br>Non-Trusted | Total<br>2024           | 2023                    |
|--|------------------------|--|-------------------------|-------------------------|
| <b>Additions:</b>                                    |                        |  |                         |                         |
| Investment Income:                                   |                        |  |                         |                         |
| From Investing Activities:                           |                        |  |                         |                         |
| Net Increase (Decrease) in Fair Value of Investments | \$ 0.00                | \$ 1,215,317.34                            | \$ 1,215,317.34         | \$ 428,839.76           |
| Interest, Dividends and Other                        | 161,547.17             | 163,383.34                                 | 324,930.51              | 285,161.95              |
| Total Investing Income (Loss)                        | 161,547.17             | 1,378,700.68                               | 1,540,247.85            | 714,001.71              |
| Less Investing Activities Expense                    | 9,914.02               | 90,377.52                                  | 100,291.54              | 95,925.82               |
| Net Income (Loss) from Investing Activities          | 151,633.15             | 1,288,323.16                               | 1,439,956.31            | 618,075.89              |
| Total Net Investment Income (Loss)                   | 151,633.15             | 1,288,323.16                               | 1,439,956.31            | 618,075.89              |
| Other Additions:                                     |                        |  |                         |                         |
| Other Revenue  | 2,642,188.88           | 0.00                                       | 2,642,188.88            | 1,767,214.71            |
| Total Other Additions                                | 2,642,188.88           | 0.00                                       | 2,642,188.88            | 1,767,214.71            |
| <b>Total Additions</b>                               | <b>2,793,822.03</b>    | <b>1,288,323.16</b>                        | <b>4,082,145.19</b>     | <b>2,385,290.60</b>     |
| <b>Deductions:</b>                                   |                        |  |                         |                         |
| Other Expenses                                       | 1,830,476.21           | 580,998.37                                 | 2,411,474.58            | 2,413,230.87            |
| <b>Total Deductions</b>                              | <b>1,830,476.21</b>    | <b>580,998.37</b>                          | <b>2,411,474.58</b>     | <b>2,413,230.87</b>     |
| <b>Increase (Decrease) in Net Position</b>           | <b>\$ 963,345.82</b>   | <b>\$ 707,324.79</b>                       | <b>\$ 1,670,670.61</b>  | <b>\$ (27,940.27)</b>   |
| <b>Net Position:</b>                                 |                        |  |                         |                         |
| <b>Beginning Net Position (September 1)</b>          | 4,858,616.75           | 12,708,999.14                              | 17,567,615.89           | 17,595,556.16           |
| <b>Ending Net Position (August 31)</b>               | <b>\$ 5,821,962.57</b> | <b>\$ 13,416,323.93</b>                    | <b>\$ 19,238,286.50</b> | <b>\$ 17,567,615.89</b> |

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Statement of Net Position**  
**August 31, 2024 and 2023**

|   | 2024                       | Restated<br>2023           |
|---|----------------------------|----------------------------|
| <b>ASSETS</b>                             |                            |                            |
| Current Assets:                           |                            |                            |
| Cash and Cash Equivalents                 | \$ 99,574,780.01           | \$ 91,762,018.61           |
| Restricted Cash and Cash Equivalents      | 14,998,281.33              | 12,443,718.43              |
| Legislative Appropriations                | 53,161,853.11              | 45,714,554.77              |
| Receivables:                              |                            |                            |
| Federal                                   | 3,086,345.60               | 7,395,331.01               |
| Patient                                   | 15,985,355.46              | 14,627,285.64              |
| Student                                   | 724,791.10                 | 717,174.90                 |
| Contracts                                 | 32,382,880.31              | 23,141,475.02              |
| Interest and Dividends                    | 1,038,448.76               | 751,292.43                 |
| Leases                                    | 158,303.71                 | 103,666.32                 |
| Other                                     | 540,871.40                 | 502,601.88                 |
| Due From Other State Agencies             | 8,237,359.45               | 13,610,503.02              |
| Inventories                               | 1,592,638.79               | 1,930,052.06               |
| Prepaid Items                             | 18,832,361.40              | 18,505,005.55              |
| Loans and Contracts                       | 406,867.39                 | 384,993.92                 |
| Total Current Assets                      | <u>250,721,137.82</u>      | <u>231,589,673.56</u>      |
| Non-Current Assets:                       |                            |                            |
| Restricted Cash and Cash Equivalents      | 1,850.37                   | 27,570.22                  |
| Restricted Investments                    | 158,699,035.27             | 146,769,097.51             |
| Leases Receivable                         | 7,091,426.90               | 7,596,725.10               |
| Loans and Notes Receivable                | 491,942.29                 | 564,838.95                 |
| Investments                               | 431,867,459.68             | 410,129,744.31             |
| Capital Assets                            |                            |                            |
| Non-Depreciable or Non-Amortizable        | 30,012,283.30              | 24,411,521.14              |
| Depreciable or Amortizable                | 727,549,672.82             | 710,420,056.47             |
| Accumulated Depreciation and Amortization | (425,803,940.66)           | (407,183,887.60)           |
| Right to Use Assets                       |                            |                            |
| Amortizable                               | 18,998,739.24              | 17,602,021.89              |
| Accumulated Amortization                  | (9,661,702.63)             | (8,585,093.92)             |
| Total Non-Current Assets                  | <u>939,246,766.58</u>      | <u>901,752,594.07</u>      |
| Total Assets                              | <u>\$ 1,189,967,904.40</u> | <u>\$ 1,133,342,267.63</u> |

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Statement of Net Position**  
**August 31, 2024 and 2023**

|                                       | 2024                       | Restated<br>2023           |
|---------------------------------------|----------------------------|----------------------------|
| <b>LIABILITIES</b>                    |                            |                            |
| Current Liabilities:                  |                            |                            |
| Accounts Payable                      | \$ 16,122,511.12           | \$ 13,066,816.52           |
| Payroll Payable                       | 41,830,995.53              | 41,730,137.07              |
| Unearned Revenue                      | 16,929,683.62              | 21,710,048.68              |
| Due to Other State Agencies           | 164,879.27                 | 240,255.10                 |
| Employees' Compensable Leave          | 3,959,994.52               | 4,560,465.75               |
| Right to Use Lease Obligations        | 2,430,357.66               | 2,507,138.95               |
| Right to Use Subscription Obligations | 1,333,713.61               | 721,503.63                 |
| Funds Held for Others                 | 623,971.97                 | 588,835.59                 |
| Other Current Liabilities             | 132,850.54                 | 64,372.75                  |
| Total Current Liabilities             | <u>83,528,957.84</u>       | <u>85,189,574.04</u>       |
| Non-Current Liabilities:              |                            |                            |
| Employees' Compensable Leave          | 34,135,765.59              | 30,093,529.29              |
| Right to Use Lease Obligations        | 2,634,183.15               | 4,692,456.88               |
| Right to Use Subscription Obligations | 2,700,851.37               | 486,205.08                 |
| Other Non-Current Liabilities         | 66,506.49                  | 98,739.91                  |
| Total Non-Current Liabilities         | <u>39,537,306.60</u>       | <u>35,370,931.16</u>       |
| Total Liabilities                     | <u>\$ 123,066,264.44</u>   | <u>\$ 120,560,505.20</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                            |                            |
| Deferred Inflows of Resources         | 6,823,427.44               | 7,383,601.60               |
| Total Deferred Inflows of Resources   | <u>\$ 6,823,427.44</u>     | <u>\$ 7,383,601.60</u>     |
| <b>NET POSITION</b>                   |                            |                            |
| Net Investment in Capital Assets      | \$ 331,920,344.50          | \$ 328,226,057.76          |
| Restricted:                           |                            |                            |
| Nonexpendable:                        |                            |                            |
| Endowments                            | 73,953,284.36              | 71,741,710.66              |
| Expendable:                           |                            |                            |
| Capital Projects                      | (3,093,376.05)             | (239,580.47)               |
| Other                                 | 105,989,359.06             | 97,569,501.67              |
| Unrestricted                          | <u>551,308,600.65</u>      | <u>508,100,471.21</u>      |
| Total Net Position                    | <u>\$ 1,060,078,212.52</u> | <u>\$ 1,005,398,160.83</u> |

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                       | Restated<br>2023           |
|---|----------------------------|----------------------------|
| Operating Revenues                                    |                            |                            |
| Tuition and Fees                                      | \$ 1,556,444.05            | \$ 1,586,121.96            |
| Tuition and Fees - Pledged                            | 75,907,414.43              | 77,446,610.32              |
| Less Discounts and Allowances                         | (11,695,963.13)            | (11,485,456.71)            |
| Professional Fees                                     | 270,571,564.73             | 254,773,529.62             |
| Professional Fees - Pledged                           | 354,593.78                 | 636,602.52                 |
| Sales and Services of Auxiliary Enterprises - Pledged | 1,054,617.02               | 1,021,267.27               |
| Other Sales and Services                              | 5,151,252.91               | 6,172,156.25               |
| Other Sales and Services - Pledged                    | 7,571,158.60               | 8,393,926.00               |
| Federal Grants and Contracts                          | 32,644,066.58              | 34,053,833.54              |
| Federal Grants and Contracts - Pledged                | 5,093.31                   | 26,081.29                  |
| Federal Grant Pass-Throughs from Other State Agencies | 1,582,997.35               | 1,614,481.02               |
| State Grants and Contracts                            | 408,557.32                 | 107,733.16                 |
| State Grants and Contracts - Pledged                  | 0.00                       | 52,026.50                  |
| State Grant Pass-Throughs from Other State Agencies   | 12,475,019.43              | 15,568,766.96              |
| Local Governmental Grants and Contracts               | 99,732,925.61              | 98,356,136.14              |
| Local Governmental Grants and Contracts - Pledged     | 1,567,926.34               | 671,457.48                 |
| Nongovernmental Grants and Contracts                  | 73,298,181.15              | 61,432,623.88              |
| Nongovernmental Grants and Contracts - Pledged        | 2,064,714.69               | 1,970,837.14               |
| Other Operating Revenues                              | 47,695,638.12              | 62,635,018.66              |
| Total Operating Revenues                              | <u>621,946,202.29</u>      | <u>615,033,753.00</u>      |
| Operating Expenses                                    |                            |                            |
| Salaries and Wages                                    | 478,828,630.65             | 445,331,312.07             |
| Payroll Related Costs                                 | 118,740,060.92             | 110,780,615.30             |
| Professional Fees and Services                        | 79,477,493.48              | 74,717,946.99              |
| Travel  | 5,426,352.75               | 4,798,485.96               |
| Materials and Supplies                                | 35,772,238.93              | 34,659,528.01              |
| Communications and Utilities                          | 19,589,371.48              | 18,320,979.69              |
| Repairs and Maintenance                               | 16,379,961.47              | 16,091,369.95              |
| Rentals and Leases                                    | 3,486,100.38               | 1,444,630.01               |
| Printing and Reproduction                             | 1,412,981.39               | 1,496,473.37               |
| Federal Grant Pass-Through Expense                    | 550,463.81                 | 529,119.52                 |
| State Grant Pass-Through Expense                      | 26,059.03                  | 24,392.58                  |
| Depreciation and Amortization                         | 30,026,785.99              | 30,035,937.87              |
| Bad Debt Expense                                      | 180,412.50                 | 415,577.35                 |
| Interest  | 16,272.29                  | 8,237.35                   |
| Scholarships  | 3,760,892.10               | 3,926,545.37               |
| Claims and Judgments                                  | 0.00                       | 500.00                     |
| Other Operating Expenses                              | 82,737,974.01              | 80,510,011.15              |
| Total Operating Expenses                              | <u>876,412,051.18</u>      | <u>823,091,662.54</u>      |
| Operating Income (Loss)                               | <u>\$ (254,465,848.89)</u> | <u>\$ (208,057,909.54)</u> |



UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                       | Restated<br>2023           |
|---|----------------------------|----------------------------|
| Nonoperating Revenues (Expenses)  |                            |                            |
| Legislative Revenue   | \$ 194,709,085.85          | \$ 181,491,120.38          |
| Federal Grants and Contracts  | 2,841,410.57               | 2,286,971.00               |
| State Grant Pass-Throughs from Other State Agencies                         | 29,879.00                  | 62,000.00                  |
| Private Gifts   | 7,495,210.27               | 11,416,409.42              |
| Private Gifts - Pledged   | 3,400.00                   | 0.00                       |
| Investment Income (Expense)   | 8,105,703.07               | 6,466,747.31               |
| Investment Income (Expense) - Pledged                                       | 12,755,673.21              | 10,258,053.37              |
| Gain (Loss) on Sale and Disposal of Capital Assets                          | (728,652.16)               | (1,270,910.02)             |
| Net Increase (Decrease) in Fair Value of Investments                        | 50,504,407.89              | 17,423,225.72              |
| Interest Expenses   | (432,842.46)               | (221,824.76)               |
| Other Nonoperating Revenues (Expenses)                                      | 3,466,169.13               | 2,095,379.41               |
| Other Nonoperating Revenues (Expenses) - Pledged                            | 313,281.15                 | 115,947.65                 |
| Total Nonoperating Revenues (Expenses)                                      | <u>279,062,725.52</u>      | <u>230,123,119.48</u>      |
| Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers | 24,596,876.63              | 22,065,209.94              |
| Other Revenues, Expenses, Gains, Losses, and Transfers                      |                            |                            |
| Capital Appropriations (HEF)  | 22,305,642.00              | 21,652,392.00              |
| Capital Contributions   | 1,021,985.22               | 9,107,752.52               |
| Contributions to Permanent and Term Endowments                              | 116,854.65                 | 196,782.27                 |
| Legislative Transfers In (Out)  | 4,563,347.00               | (5,599,087.16)             |
| Interagency Transfers of Capital Assets - Increase                          | 38,104.31                  | 0.00                       |
| Interagency Transfers of Capital Assets - Decrease                          | (35,016.92)                | (282,576.13)               |
| Net Transfers from (to) Texas Tech University System Components             | 2,018,219.80               | (5,710,816.60)             |
| Net Transfers from (to) Other State Agencies                                | 54,039.00                  | 45,164.00                  |
| Net Other Revenues, Expenses, Gains, Losses, and Transfers                  | <u>30,083,175.06</u>       | <u>19,409,610.90</u>       |
| Total Change in Net Position  | <u>54,680,051.69</u>       | <u>41,474,820.84</u>       |
| Beginning Net Position (September 1)  | 1,006,929,403.15           | 965,454,582.31             |
| Restatements  | <u>(1,531,242.32)</u>      | <u>(1,531,242.32)</u>      |
| Ending Net Position (August 31)   | <u>\$ 1,060,078,212.52</u> | <u>\$ 1,005,398,160.83</u> |

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                           | 2023                             |
|--|--------------------------------|----------------------------------|
| <b>Cash Flows from Operating Activities</b>                          |                                |                                  |
| Proceeds from Customers  | \$ 329,859,484.16              | \$ 331,353,081.98                |
| Proceeds from Tuition and Fees                                       | 60,618,030.00                  | 67,526,974.44                    |
| Proceeds from Grants and Contracts                                   | 224,410,117.72                 | 204,778,031.63                   |
| Proceeds from Sales and Services of Auxiliary Enterprises            | 1,054,617.02                   | 1,021,267.27                     |
| Proceeds from Loan Programs  | 63,027,268.71                  | 71,180,663.62                    |
| Proceeds from Fiduciary Activities (Held 3 Months or Less)           | 1,069,705.18                   | 1,399,541.64                     |
| Payments to Suppliers for Goods and Services                         | (160,590,269.30)               | (160,611,785.86)                 |
| Payments to Employees for Salaries                                   | (475,366,714.68)               | (441,494,497.34)                 |
| Payments to Employees for Benefits                                   | (118,583,672.38)               | (109,461,158.66)                 |
| Payments for Loans Issued to Students                                | (62,880,476.81)                | (71,629,134.29)                  |
| Payments for Fiduciary Activities (Held 3 Months or Less)            | (1,034,358.47)                 | (1,263,200.14)                   |
| Payments for Other Expenses  | (85,240,358.81)                | (83,108,929.80)                  |
| Net Cash Provided/(Used) by Operating Activities                     | <u>(223,656,627.66)</u>        | <u>(190,309,145.51)</u>          |
| <b>Cash Flows from Noncapital Financing Activities</b>               |                                |                                  |
| Proceeds from State Appropriations                                   | 187,261,787.51                 | 185,850,888.15                   |
| Proceeds from Gifts  | 7,615,464.92                   | 11,613,191.69                    |
| Proceeds from Nonoperating Grants and Contracts                      | 2,871,289.57                   | 2,348,971.00                     |
| Proceeds from Other Financing Activities                             | 3,669,726.60                   | 2,117,077.61                     |
| Proceeds from Transfers from Component Institutions                  | 348,695.29                     | 4,993,917.08                     |
| Proceeds from Transfers In from Other State Agencies                 | 21,485,144.00                  | 4,355,280.34                     |
| Payments for Transfers to Component Institutions                     | (6,781,431.79)                 | (5,609,214.74)                   |
| Payments for Other Uses  | 0.00                           | (17,745.21)                      |
| Net Cash Provided/(Used) by Noncapital Financing Activities          | <u>216,470,676.10</u>          | <u>205,652,365.92</u>            |
| <b>Cash Flows from Capital and Related Financing Activities</b>      |                                |                                  |
| Proceeds from Sale of Capital Assets                                 | 329,457.71                     | 75,018.89                        |
| Proceeds from Capital Gifts, Grants and Contracts                    | 0.00                           | 7,637,993.00                     |
| Proceeds from Capital Appropriations                                 | 22,305,642.00                  | 21,652,392.00                    |
| Proceeds from Transfers from Component Institutions                  | 7,018,947.30                   | 1,285,104.06                     |
| Payments for Transfers to Component Institutions                     | (15,435,749.00)                | (16,289,826.50)                  |
| Payments for Additions to Capital Assets                             | (29,938,489.28)                | (19,964,798.19)                  |
| Payments for Leases/SBITAs   | (4,248,463.16)                 | (4,517,115.66)                   |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>(19,968,654.43)</u>         | <u>(10,121,232.40)</u>           |
| <b>Cash Flows from Investing Activities</b>                          |                                |                                  |
| Proceeds from Investment Sales and Maturities                        | 71,248,360.77                  | 0.00                             |
| Proceeds from Interest and Investment Income                         | 25,543,274.97                  | 21,308,654.78                    |
| Payments to Acquire Investments                                      | (59,295,425.30)                | (76,562,263.35)                  |
| Net Cash Provided/(Used) by Investing Activities                     | <u>37,496,210.44</u>           | <u>(55,253,608.57)</u>           |
| <b>TOTAL NET CASH FLOWS</b>  | <u><u>\$ 10,341,604.45</u></u> | <u><u>\$ (50,031,620.56)</u></u> |

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                     | 2023                     |
|--|--------------------------|--------------------------|
| Beginning Cash & Cash Equivalents (September 1)                              | \$ 104,233,307.26        | \$ 154,264,927.82        |
| Ending Cash & Cash Equivalents (August 31)                                   | <u>\$ 114,574,911.71</u> | <u>\$ 104,233,307.26</u> |
| Reconciliation of Operating Loss to Net Cash Flows from Operating Activities |                          |                          |
| Operating Loss   | \$ (254,465,848.89)      | \$ (208,057,909.54)      |
| Adjustments:   |                          |                          |
| Depreciation and Amortization Expense  | 30,026,785.99            | 30,035,937.87            |
| Bad Debt Expense   |                          |                          |
| (Increase) Decrease in Accounts Receivables                                  | (6,336,375.43)           | (5,035,085.93)           |
| (Increase) Decrease in Loans and Notes Receivable                            | 51,023.19                | 336,051.40               |
| (Increase) Decrease in Inventories   | 337,413.27               | (235,314.25)             |
| (Increase) Decrease in Due From Other State Agencies                         | 5,287,907.84             | (5,338,962.29)           |
| (Increase) Decrease in Prepaid Items   | (327,355.85)             | (192,755.70)             |
| Increase (Decrease) in Accounts Payable                                      | 3,156,553.06             | (3,100,061.24)           |
| Increase (Decrease) in Unearned Revenue                                      | (4,780,365.06)           | 53,393.26                |
| Increase (Decrease) in Employees' Compensable Leave                          | 3,441,765.07             | 1,585,256.60             |
| Increase (Decrease) in Due To Other State Agencies                           | (75,375.83)              | (506,190.47)             |
| Increase (Decrease) in Fiduciary Activities Held 3 Months or Less            | 35,346.71                | 136,341.50               |
| Increase (Decrease) in Other Liabilities                                     | (8,101.73)               | 10,153.28                |
| Net Cash Used for Operating Activities                                       | <u>(223,656,627.66)</u>  | <u>(190,309,145.51)</u>  |
| Noncash Transactions   |                          |                          |
| Donations of Capital Assets  | 1,021,985.22             | 1,469,759.52             |
| Net Increase (Decrease) in Fair Value of Investments                         | 50,504,407.89            | 17,423,225.72            |
| Other  | (1,058,109.87)           | 0.00                     |
| Total Noncash Transactions   | <u>\$ 50,468,283.24</u>  | <u>\$ 18,892,985.24</u>  |

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES                 | INSTRUCTION              | RESEARCH                | PUBLIC<br>SERVICE        | HOSPITALS<br>AND CLINICS | ACADEMIC<br>SUPPORT      | STUDENT<br>SERVICES     | INSTITUTIONAL<br>SUPPORT |
|------------------------------------|--------------------------|-------------------------|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------|
| Salaries and Wages                 | \$ 207,152,556.58        | \$ 26,023,584.64        | \$ 82,403,505.75         | \$ 69,360,062.04         | \$ 54,950,355.37         | \$ 9,636,417.61         | \$ 22,304,481.22         |
| Payroll Related Costs              | 40,146,432.65            | 6,019,449.77            | 23,592,851.18            | 19,554,247.98            | 15,894,770.12            | 2,819,830.49            | 8,073,220.64             |
| Professional Fees and Services     | 1,715,566.86             | 738,134.32              | 50,632,038.67            | 4,784,350.76             | 13,165,191.78            | 3,121,902.32            | 3,514,873.20             |
| Travel                             | 440,670.07               | 491,328.46              | 1,334,679.17             | 50,912.66                | 2,014,826.54             | 426,297.18              | 627,801.44               |
| Materials and Supplies             | 343,128.31               | 3,420,946.33            | 13,620,434.95            | 9,925,003.56             | 6,126,357.94             | 1,853,224.55            | 211,140.50               |
| Communications and Utilities       | 254,440.59               | 109,999.02              | 797,968.62               | 662,313.62               | 7,965,291.84             | 703,120.54              | 1,054,035.64             |
| Repairs and Maintenance            | 124,989.02               | 1,012,366.94            | 710,150.55               | 311,976.17               | 2,819,481.28             | 1,329,129.55            | 725,013.20               |
| Rentals and Leases                 | 25,120.90                | 74,933.79               | 423,591.64               | 1,229,489.10             | 1,587,440.85             | 130,175.68              | (21,512.29)              |
| Printing and Reproduction          | 54,833.12                | 213,271.02              | 242,982.19               | 163,332.18               | 333,669.57               | 183,097.92              | 199,329.26               |
| Federal Grant Pass-Through Expense | 0.00                     | 138,498.24              | 411,965.57               | 0.00                     | 0.00                     | 0.00                    | 0.00                     |
| State Grant Pass-Through Expense   | 0.00                     | 12,003.62               | 14,055.41                | 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                     | 180,412.50              | 0.00                     |
| Interest                           | 91.27                    | 1,616.32                | 384.53                   | 1,371.35                 | 5,963.88                 | 146.57                  | 3,173.52                 |
| Scholarships                       | 50,000.00                | 152,229.46              | 251,049.00               | 0.00                     | 497,754.94               | 81,638.87               | 8,450.00                 |
| Claims and Judgments               | 0.00                     | 0.00                    | 0.00                     | 0.00                     | 0.00                     | 0.00                    | 0.00                     |
| Other Operating Expenses           | 2,851,260.48             | 6,403,900.40            | 12,719,874.53            | 2,185,823.83             | 39,682,025.42            | 6,745,966.35            | 3,478,855.42             |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>\$ 253,159,089.85</b> | <b>\$ 44,812,262.33</b> | <b>\$ 187,155,531.76</b> | <b>\$ 108,228,883.25</b> | <b>\$ 145,043,129.53</b> | <b>\$ 27,211,360.13</b> | <b>\$ 40,178,861.75</b>  |

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES                 | OPERATIONS &<br>MAINTENANCE<br>OF PLANT | SCHOLARSHIPS<br>& FELLOWSHIPS | AUXILIARY<br>ENTERPRISES | DEPRECIATION &<br>AMORTIZATION | GRAND TOTAL              | 2023                     |
|------------------------------------|---|-------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|
| Salaries and Wages                 | \$ 6,639,027.44                         | \$ 8,750.00                   | \$ 349,890.00            | \$ 0.00                        | \$ 478,828,630.65        | \$ 445,331,312.07        |
| Payroll Related Costs              | 2,521,801.71                            | 603.86                        | 116,852.52               | 0.00                           | 118,740,060.92           | 110,780,615.30           |
| Professional Fees and Services     | 1,804,003.27                            | 0.00                          | 1,432.30                 | 0.00                           | 79,477,493.48            | 74,717,946.99            |
| Travel                             | 37,492.48                               | 0.00                          | 2,344.75                 | 0.00                           | 5,426,352.75             | 4,798,485.96             |
| Materials and Supplies             | 248,558.70                              | 0.00                          | 23,444.09                | 0.00                           | 35,772,238.93            | 34,659,528.01            |
| Communications and Utilities       | 8,037,650.20                            | 0.00                          | 4,551.41                 | 0.00                           | 19,589,371.48            | 18,320,979.69            |
| Repairs and Maintenance            | 9,328,161.01                            | 0.00                          | 18,693.75                | 0.00                           | 16,379,961.47            | 16,091,369.95            |
| Rentals and Leases                 | 35,436.06                               | 0.00                          | 1,424.65                 | 0.00                           | 3,486,100.38             | 1,444,630.01             |
| Printing and Reproduction          | 13,755.34                               | 0.00                          | 8,710.79                 | 0.00                           | 1,412,981.39             | 1,496,473.37             |
| Federal Grant Pass-Through Expense | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 550,463.81               | 529,119.52               |
| State Grant Pass-Through Expense   | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 26,059.03                | 24,392.58                |
| Depreciation and Amortization      | 0.00                                    | 0.00                          | 0.00                     | 30,026,785.99                  | 30,026,785.99            | 30,035,937.87            |
| Bad Debt Expense                   | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 180,412.50               | 415,577.35               |
| Interest                           | 3,508.28                                | 0.00                          | 16.57                    | 0.00                           | 16,272.29                | 8,237.35                 |
| Scholarships                       | 0.00                                    | 2,719,769.83                  | 0.00                     | 0.00                           | 3,760,892.10             | 3,926,545.37             |
| Claims and Judgments               | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 0.00                     | 500.00                   |
| Other Operating Expenses           | 8,491,332.52                            | 16,712.39                     | 162,222.67               | 0.00                           | 82,737,974.01            | 80,510,011.15            |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>\$ 37,160,727.01</b>                 | <b>\$ 2,745,836.08</b>        | <b>\$ 689,583.50</b>     | <b>\$ 30,026,785.99</b>        | <b>\$ 876,412,051.18</b> | <b>\$ 823,091,662.54</b> |

UNAUDITED

**Texas Tech University Health Sciences Center (739)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Texas Tech University Health Sciences Center for the years ended August 31, 2024 and 2023.

UNAUDITED

**Texas Tech University Health Science Center (739)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Texas Tech University Health Sciences Center for the years ended August 31, 2024 and 2023.

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Net Position**  
**August 31, 2024 and 2023**

|   | 2024                     | Restated<br>2023         |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>                             |                          |                          |
| Current Assets:                           |                          |                          |
| Cash and Cash Equivalents                 | \$ 53,400,218.20         | \$ 43,815,575.63         |
| Restricted Cash and Cash Equivalents      | 5,816,056.71             | 3,554,757.60             |
| Legislative Appropriations                | 87,650,745.15            | 85,594,406.51            |
| Receivables:                              |                          |                          |
| Federal                                   | 1,611,317.45             | 402,578.98               |
| Patient                                   | 11,266,185.98            | 8,259,689.75             |
| Student                                   | 20,649.22                | 22,286.76                |
| Contracts                                 | 17,609,304.78            | 17,661,385.70            |
| Interest and Dividends                    | 541,999.37               | 334,120.63               |
| Gifts                                     | 605,880.00               | 605,880.00               |
| Leases                                    | 489,366.46               | 440,354.43               |
| Other                                     | 4,714,057.01             | 472,915.17               |
| Due From Other State Agencies             | 4,699,115.84             | 3,337,326.50             |
| Inventories                               | 529,950.15               | 589,196.95               |
| Prepaid Items                             | 3,559,122.73             | 3,651,257.43             |
| Loans and Contracts                       | 23,681.71                | 44,090.46                |
| Total Current Assets                      | <u>192,537,650.76</u>    | <u>168,785,822.50</u>    |
| Non-Current Assets:                       |                          |                          |
| Restricted Cash and Cash Equivalents      | 2.50                     | (31.54)                  |
| Restricted Investments                    | 78,969,312.66            | 68,317,814.74            |
| Gifts Receivable                          | 3,029,400.00             | 3,635,280.00             |
| Leases Receivable                         | 1,662,612.23             | 2,104,465.29             |
| Loans and Notes Receivable                | 219,921.28               | 311,613.35               |
| Investments                               | 227,884,366.88           | 192,923,605.94           |
| Capital Assets                            |                          |                          |
| Non-Depreciable or Non-Amortizable        | 32,857,907.07            | 34,360,168.68            |
| Depreciable or Amortizable                | 353,381,518.32           | 338,830,848.18           |
| Accumulated Depreciation and Amortization | (176,971,374.84)         | (165,102,250.74)         |
| Right to Use Assets                       |                          |                          |
| Amortizable                               | 51,410,603.42            | 51,361,030.96            |
| Accumulated Amortization                  | (18,356,993.15)          | (13,177,085.36)          |
| Total Non-Current Assets                  | <u>554,087,276.37</u>    | <u>513,565,459.50</u>    |
| Total Assets                              | <u>\$ 746,624,927.13</u> | <u>\$ 682,351,282.00</u> |



UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Net Position**  
**August 31, 2024 and 2023**

|                                       | 2024                            | Restated<br>2023                |
|---------------------------------------|---------------------------------|---------------------------------|
| <b>LIABILITIES</b>                    |                                 |                                 |
| Current Liabilities:                  |                                 |                                 |
| Accounts Payable                      | \$ 4,752,680.62                 | \$ 7,262,830.91                 |
| Payroll Payable                       | 15,840,689.32                   | 14,807,248.25                   |
| Unearned Revenue                      | 7,888,060.62                    | 7,165,009.33                    |
| Due to Other State Agencies           | 31,837.79                       | 18,776.22                       |
| Employees' Compensable Leave          | 1,243,512.94                    | 1,444,528.46                    |
| Right to Use Lease Obligations        | 3,204,867.94                    | 3,036,273.67                    |
| Right to Use Subscription Obligations | 2,001,056.25                    | 1,949,886.18                    |
| Funds Held for Others                 | 173,466.06                      | 155,703.76                      |
| Other Current Liabilities             | 72,437.25                       | 73,780.69                       |
| Total Current Liabilities             | <u>35,208,608.79</u>            | <u>35,914,037.47</u>            |
| Non-Current Liabilities:              |                                 |                                 |
| Employees' Compensable Leave          | 10,628,275.50                   | 9,995,904.52                    |
| Right to Use Lease Obligations        | 28,173,017.93                   | 31,011,384.30                   |
| Right to Use Subscription Obligations | 2,050,629.63                    | 4,156,964.96                    |
| Other Non-Current Liabilities         | 24,935.08                       | 36,679.92                       |
| Total Non-Current Liabilities         | <u>40,876,858.14</u>            | <u>45,200,933.70</u>            |
| Total Liabilities                     | <u>\$ 76,085,466.93</u>         | <u>\$ 81,114,971.17</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                 |                                 |
| Deferred Inflows of Resources         | 2,109,861.65                    | 2,544,261.89                    |
| Total Deferred Inflows of Resources   | <u>\$ 2,109,861.65</u>          | <u>\$ 2,544,261.89</u>          |
| <b>NET POSITION</b>                   |                                 |                                 |
| Net Investment in Capital Assets      | \$ 205,902,955.41               | \$ 201,728,342.67               |
| Restricted:                           |                                 |                                 |
| Nonexpendable:                        |                                 |                                 |
| Endowments                            | 36,898,113.15                   | 36,881,333.59                   |
| Expendable:                           |                                 |                                 |
| Capital Projects                      | 4,668,490.46                    | 5,238,118.07                    |
| Other                                 | 52,726,320.74                   | 39,573,664.45                   |
| Unrestricted                          | <u>368,233,718.79</u>           | <u>315,270,590.16</u>           |
| Total Net Position                    | <u><u>\$ 668,429,598.55</u></u> | <u><u>\$ 598,692,048.94</u></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, 2024 and 2023**

|   | 2024                      | Restated<br>2023          |
|---|---------------------------|---------------------------|
| Operating Revenues                                    |                           |                           |
| Tuition and Fees                                      | \$ 409,536.52             | \$ 399,991.71             |
| Tuition and Fees - Pledged                            | 22,775,704.70             | 19,039,935.19             |
| Less Discounts and Allowances                         | (3,437,437.74)            | (3,300,987.60)            |
| Professional Fees                                     | 65,930,721.64             | 63,413,190.71             |
| Sales and Services of Auxiliary Enterprises - Pledged | 406,250.54                | 349,949.96                |
| Other Sales and Services                              | 64,152.58                 | 54,627.23                 |
| Other Sales and Services - Pledged                    | 469,541.20                | 335,306.22                |
| Federal Grants and Contracts                          | 6,578,493.10              | 2,827,941.11              |
| Federal Grant Pass-Throughs from Other State Agencies | 995,325.22                | 767,952.17                |
| State Grants and Contracts                            | 1,690,824.84              | 1,637,038.22              |
| State Grants and Contracts - Pledged                  | 3,898.77                  | 29,630.02                 |
| State Grant Pass-Throughs from Other State Agencies   | 4,795,908.18              | 7,579,405.29              |
| Local Governmental Grants and Contracts               | 80,274,498.91             | 81,842,976.69             |
| Nongovernmental Grants and Contracts                  | 22,490,692.75             | 24,513,193.66             |
| Nongovernmental Grants and Contracts - Pledged        | 44,636.54                 | 78,781.09                 |
| Other Operating Revenues                              | 38,984,701.31             | 20,666,869.43             |
| Total Operating Revenues                              | <u>242,477,449.06</u>     | <u>220,235,801.10</u>     |
| Operating Expenses                                    |                           |                           |
| Salaries and Wages                                    | 174,031,034.21            | 165,057,809.20            |
| Payroll Related Costs                                 | 40,382,808.21             | 38,065,131.02             |
| Professional Fees and Services                        | 17,550,148.79             | 14,422,674.47             |
| Travel  | 1,750,967.46              | 1,691,479.66              |
| Materials and Supplies                                | 6,350,339.11              | 4,981,790.01              |
| Communications and Utilities                          | 5,945,478.72              | 5,558,970.42              |
| Repairs and Maintenance                               | 7,271,815.89              | 5,642,997.19              |
| Rentals and Leases                                    | 1,932,478.48              | 1,637,980.79              |
| Printing and Reproduction                             | 242,041.37                | 235,448.65                |
| Federal Grant Pass-Through Expense                    | 0.00                      | 17,679.49                 |
| State Grant Pass-Through Expense                      | 125,469.94                | 73,225.17                 |
| Depreciation and Amortization                         | 20,684,733.14             | 20,123,477.01             |
| Bad Debt Expense                                      | 58,179.96                 | 103,911.66                |
| Interest  | 12,536.08                 | 15,857.28                 |
| Scholarships  | 2,586,237.77              | 2,117,740.88              |
| Other Operating Expenses                              | 32,530,613.69             | 31,138,450.01             |
| Total Operating Expenses                              | <u>311,454,882.82</u>     | <u>290,884,622.91</u>     |
| Operating Income (Loss)                               | <u>\$ (68,977,433.76)</u> | <u>\$ (70,648,821.81)</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, 2024 and 2023**

|   | 2024                            | Restated<br>2023                |
|---|---------------------------------|---------------------------------|
| Nonoperating Revenues (Expenses)  |                                 |                                 |
| Legislative Revenue   | \$ 91,309,678.44                | \$ 144,354,150.02               |
| Federal Grants and Contracts  | 1,101,686.00                    | 1,004,560.10                    |
| Federal Grant Pass-Throughs from Other State Agencies                       | 0.00                            | 311,935.95                      |
| State Grant Pass-Throughs from Other State Agencies                         | 44,126.00                       | 16,112.00                       |
| Private Gifts   | 13,805,545.07                   | 8,425,186.50                    |
| Investment Income (Expense)   | 4,274,452.99                    | 2,607,873.54                    |
| Investment Income (Expense) - Pledged                                       | 5,910,284.59                    | 4,964,613.58                    |
| Gain (Loss) on Sale and Disposal of Capital Assets                          | (1,024.82)                      | (32,537.34)                     |
| Net Increase (Decrease) in Fair Value of Investments                        | 24,377,080.47                   | 7,589,637.82                    |
| Interest Expense  | (324,540.87)                    | (382,431.44)                    |
| Other Nonoperating Revenues (Expenses)                                      | 651,326.96                      | 252,464.46                      |
| Other Nonoperating Revenues (Expenses) - Pledged                            | 587,123.09                      | 143,081.92                      |
| Total Nonoperating Revenues (Expenses)                                      | <u>141,735,737.92</u>           | <u>169,254,647.11</u>           |
| Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers | 72,758,304.16                   | 98,605,825.30                   |
| Other Revenues, Expenses, Gains, Losses, and Transfers                      |                                 |                                 |
| Capital Appropriations (HEF)  | 5,725,243.00                    | 5,557,572.00                    |
| Capital Contributions, Grants and Contracts                                 | 1,292,530.14                    | 7,831,782.06                    |
| Contributions to Permanent and Term Endowments                              | 71,467.32                       | 71,928.57                       |
| Legislative Transfers In (Out)  | (11,879,720.99)                 | (8,611,032.50)                  |
| Interagency Transfers of Capital Assets - Decrease                          | 0.00                            | (215,673.98)                    |
| Net Transfers from (to) Texas Tech University System Components             | 1,776,185.37                    | 5,095,644.30                    |
| Net Transfers from (to) Other State Agencies                                | (6,459.39)                      | (5,971.61)                      |
| Net Other Revenues, Expenses, Gains, Losses, and Transfers                  | <u>(3,020,754.55)</u>           | <u>9,724,248.84</u>             |
| Total Change in Net Position  | <u>69,737,549.61</u>            | <u>108,330,074.14</u>           |
| Beginning Net Position (September 1)  | 599,448,818.42                  | 491,118,744.28                  |
| Restatements  | <u>(756,769.48)</u>             | <u>(756,769.48)</u>             |
| Ending Net Position (August 31)   | <u><u>\$ 668,429,598.55</u></u> | <u><u>\$ 598,692,048.94</u></u> |

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                           | 2023                             |
|--|--------------------------------|----------------------------------|
| <b>Cash Flows from Operating Activities</b>                          |                                |                                  |
| Proceeds from Customers  | \$ 98,440,530.16               | \$ 84,478,430.46                 |
| Proceeds from Tuition and Fees                                       | 20,505,289.44                  | 16,853,142.48                    |
| Proceeds from Grants and Contracts                                   | 115,263,928.98                 | 118,618,354.40                   |
| Proceeds from Sales and Services of Auxiliary Enterprises            | 434,250.87                     | 371,529.22                       |
| Proceeds from Loan Programs  | 27,933,703.75                  | 22,679,720.83                    |
| Payments to Suppliers for Goods and Services                         | (44,316,792.96)                | (34,590,748.65)                  |
| Payments to Employees for Salaries                                   | (173,325,909.86)               | (165,884,048.66)                 |
| Payments to Employees for Benefits                                   | (39,623,136.03)                | (37,718,530.79)                  |
| Payments for Loans Issued to Students                                | (28,249,008.02)                | (22,730,459.50)                  |
| Payments for Other Expenses  | (34,725,525.14)                | (33,132,465.65)                  |
| Net Cash Provided/(Used) by Operating Activities                     | <u>(57,662,668.81)</u>         | <u>(51,055,075.86)</u>           |
| <b>Cash Flows from Noncapital Financing Activities</b>               |                                |                                  |
| Proceeds from State Appropriations                                   | 89,253,339.80                  | 90,195,599.44                    |
| Proceeds from Gifts  | 13,870,892.39                  | 8,490,995.07                     |
| Proceeds from Nonoperating Grants and Contracts                      | 1,145,812.00                   | 1,332,608.05                     |
| Proceeds from Other Financing Activities                             | 1,214,653.14                   | 398,525.16                       |
| Proceeds from Transfers from Component Institutions                  | 753,419.61                     | 1,156,336.36                     |
| Proceeds from Transfers In from Other State Agencies                 | 4,787,417.51                   | 2,840,402.00                     |
| Payments for Transfers to Component Institutions                     | (2,470,676.10)                 | (2,304,923.06)                   |
| Payments for Transfers to Other State Agencies                       | (15,842.39)                    | (13,065.61)                      |
| Net Cash Provided/(Used) by Noncapital Financing Activities          | <u>108,539,015.96</u>          | <u>102,096,477.41</u>            |
| <b>Cash Flows from Capital and Related Financing Activities</b>      |                                |                                  |
| Proceeds from Sale of Capital Assets                                 | 46,770.97                      | 29,862.76                        |
| Proceeds from Capital Gifts, Grants and Contracts                    | 612,000.00                     | 6,431,423.00                     |
| Proceeds from Capital Appropriations                                 | 5,725,243.00                   | 5,557,572.00                     |
| Proceeds from Transfers from Component Institutions                  | 9,183,863.57                   | 17,800,202.83                    |
| Payments for Transfers to Component Institutions                     | (22,348,177.21)                | (23,000,312.33)                  |
| Payments for Additions to Capital Assets                             | (15,092,478.76)                | (24,875,053.08)                  |
| Payments for Leases/SBITAs   | (5,455,351.89)                 | (5,308,784.87)                   |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>(27,328,130.32)</u>         | <u>(23,365,089.69)</u>           |
| <b>Cash Flows from Investing Activities</b>                          |                                |                                  |
| Proceeds from Investment Sales and Maturities                        | 0.00                           | 0.00                             |
| Proceeds from Interest and Investment Income                         | 12,082,730.81                  | 9,912,945.45                     |
| Payments to Acquire Investments                                      | (23,784,971.92)                | (52,428,591.84)                  |
| Net Cash Provided/(Used) by Investing Activities                     | <u>(11,702,241.11)</u>         | <u>(42,515,646.39)</u>           |
| <b>TOTAL NET CASH FLOWS</b>  | <u><u>\$ 11,845,975.72</u></u> | <u><u>\$ (14,839,334.53)</u></u> |

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                    | 2023                    |
|--|-------------------------|-------------------------|
| Beginning Cash & Cash Equivalents (September 1)                              | \$ 47,370,301.69        | \$ 62,209,636.22        |
| Ending Cash & Cash Equivalents (August 31)                                   | <u>\$ 59,216,277.41</u> | <u>\$ 47,370,301.69</u> |
| Reconciliation of Operating Loss to Net Cash Flows from Operating Activities |                         |                         |
| Operating Loss   | \$ (68,977,433.76)      | \$ (70,648,821.81)      |
| Adjustments:   |                         |                         |
| Depreciation and Amortization Expense  | 20,684,733.14           | 20,123,477.01           |
| (Increase) Decrease in Accounts Receivables                                  | (8,402,658.08)          | 234,164.42              |
| (Increase) Decrease in Loans and Notes Receivable                            | 112,100.82              | 136,047.89              |
| (Increase) Decrease in Inventories   | 59,246.80               | (72,119.69)             |
| (Increase) Decrease in Due From Other State Agencies                         | (917,867.78)            | (91,927.70)             |
| (Increase) Decrease in Prepaid Items   | 92,134.70               | (475,003.28)            |
| Increase (Decrease) in Accounts Payable                                      | (2,510,150.29)          | (438,694.76)            |
| Increase (Decrease) in Payroll Payable                                       | 1,033,441.07            | 588,520.22              |
| Increase (Decrease) in Unearned Revenue                                      | 723,051.29              | 795,998.51              |
| Increase (Decrease) in Employees' Compensable Leave                          | 431,355.46              | (1,068,159.45)          |
| Increase (Decrease) in Due To Other State Agencies                           | 13,061.57               | (151,079.77)            |
| Increase (Decrease) in Other Liabilities                                     | (3,683.75)              | 12,522.55               |
| Net Cash Used for Operating Activities                                       | <u>(57,662,668.81)</u>  | <u>(51,055,075.86)</u>  |
| Noncash Transactions   |                         |                         |
| Donations of Capital Assets  | 1,292,530.14            | 2,012,359.06            |
| Net Increase (Decrease) in Fair Value of Investments                         | 24,377,080.47           | 7,589,637.82            |
| Other  | (50,177.66)             | (62,400.10)             |
| Total Noncash Transactions   | <u>\$ 25,619,432.95</u> | <u>\$ 9,539,596.78</u>  |

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**Texas Tech University Health Sciences Center at El Paso (774)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES                 | INSTRUCTION              | RESEARCH                | PUBLIC SERVICE         | HOSPITALS<br>AND CLINICS | ACADEMIC<br>SUPPORT     | STUDENT<br>SERVICES    | INSTITUTIONAL<br>SUPPORT |
|------------------------------------|--------------------------|-------------------------|------------------------|--------------------------|-------------------------|------------------------|--------------------------|
| Salaries and Wages                 | \$ 98,721,539.43         | \$ 6,837,749.93         | \$ 3,160,852.24        | \$ 20,551,211.39         | \$ 26,559,287.61        | \$ 2,269,598.67        | \$ 11,220,639.69         |
| Payroll Related Costs              | 17,943,451.33            | 1,894,652.23            | 786,432.61             | 6,593,215.58             | 7,075,943.09            | 513,413.69             | 3,923,113.28             |
| Professional Fees and Services     | 13,925,442.29            | 329,774.36              | 81,662.41              | 58,708.09                | 1,532,650.65            | 74,964.88              | 1,431,051.74             |
| Travel                             | 666,713.53               | 166,750.73              | 84,004.69              | 15,054.75                | 498,132.66              | 140,754.18             | 162,429.75               |
| Materials and Supplies             | 1,549,253.16             | 674,547.35              | 85,634.91              | 832,060.38               | 2,333,163.61            | 294,854.64             | 93,979.63                |
| Communications and Utilities       | 690,751.96               | 54,544.75               | 23,232.96              | 37,507.54                | 2,350,057.86            | 172,538.42             | 222,836.64               |
| Repairs and Maintenance            | 366,289.16               | 757,998.14              | 6,905.32               | 297,326.32               | 2,810,781.50            | 38,619.45              | 349,251.67               |
| Rentals and Leases                 | 182,092.65               | 5,758.02                | 9,004.70               | 590,828.71               | 867,328.27              | 41,704.58              | 52,842.94                |
| Printing and Reproduction          | 100,029.81               | 24,733.65               | 4,092.87               | 2,468.30                 | 35,682.23               | 22,440.35              | 48,182.51                |
| Federal Grant Pass-Through Expense | 0.00                     | 0.00                    | 0.00                   | 0.00                     | 0.00                    | 0.00                   | 0.00                     |
| State Grant Pass-Through Expense   | 0.00                     | 125,469.94              | 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                    | (1,820.04)             | 0.00                     |
| Interest                           | 2,684.10                 | 519.81                  | 75.50                  | 89.60                    | 4,112.12                | 1,525.10               | 663.22                   |
| Scholarships                       | 62,000.00                | 0.00                    | 0.00                   | 0.00                     | 750,227.11              | 0.00                   | 0.00                     |
| Other Operating Expenses           | 3,583,511.93             | 1,723,921.29            | 215,784.91             | 821,050.89               | 16,469,140.27           | 2,489,266.02           | 4,153,931.58             |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>\$ 137,793,759.35</b> | <b>\$ 12,596,420.20</b> | <b>\$ 4,457,683.12</b> | <b>\$ 29,799,521.55</b>  | <b>\$ 61,286,506.98</b> | <b>\$ 6,057,859.94</b> | <b>\$ 21,658,922.65</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, 2024 and 2023**

| OPERATING EXPENSES                 | OPERATIONS &<br>MAINTENANCE<br>OF PLANT | SCHOLARSHIPS<br>& FELLOWSHIPS | AUXILIARY<br>ENTERPRISES | DEPRECIATION &<br>AMORTIZATION | GRAND TOTAL              | 2023                     |
|------------------------------------|---|-------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|
| Salaries and Wages                 | \$ 4,587,577.15                         | \$ 1,142.00                   | \$ 121,436.10            | \$ 0.00                        | \$ 174,031,034.21        | \$ 165,057,809.20        |
| Payroll Related Costs              | 1,596,093.60                            | 80.98                         | 56,411.82                | 0.00                           | 40,382,808.21            | 38,065,131.02            |
| Professional Fees and Services     | 112,844.37                              | 0.00                          | 3,050.00                 | 0.00                           | 17,550,148.79            | 14,422,674.47            |
| Travel                             | 17,127.17                               | 0.00                          | 0.00                     | 0.00                           | 1,750,967.46             | 1,691,479.66             |
| Materials and Supplies             | 481,279.22                              | 0.00                          | 5,566.21                 | 0.00                           | 6,350,339.11             | 4,981,790.01             |
| Communications and Utilities       | 2,389,520.21                            | 0.00                          | 4,488.38                 | 0.00                           | 5,945,478.72             | 5,558,970.42             |
| Repairs and Maintenance            | 2,613,943.80                            | 0.00                          | 30,700.53                | 0.00                           | 7,271,815.89             | 5,642,997.19             |
| Rentals and Leases                 | 178,332.84                              | 0.00                          | 4,585.77                 | 0.00                           | 1,932,478.48             | 1,637,980.79             |
| Printing and Reproduction          | 4,338.35                                | 0.00                          | 73.30                    | 0.00                           | 242,041.37               | 235,448.65               |
| Federal Grant Pass-Through Expense | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 0.00                     | 17,679.49                |
| State Grant Pass-Through Expense   | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 125,469.94               | 73,225.17                |
| Depreciation and Amortization      | 0.00                                    | 0.00                          | 0.00                     | 20,684,733.14                  | 20,684,733.14            | 20,123,477.01            |
| Bad Debt Expense                   | 0.00                                    | 60,000.00                     | 0.00                     | 0.00                           | 58,179.96                | 103,911.66               |
| Interest                           | 2,866.63                                | 0.00                          | 0.00                     | 0.00                           | 12,536.08                | 15,857.28                |
| Scholarships                       | 0.00                                    | 1,774,010.66                  | 0.00                     | 0.00                           | 2,586,237.77             | 2,117,740.88             |
| Other Operating Expenses           | 3,016,679.97                            | 0.00                          | 57,326.83                | 0.00                           | 32,530,613.69            | 31,138,450.01            |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>\$ 15,000,603.31</b>                 | <b>\$ 1,835,233.64</b>        | <b>\$ 283,638.94</b>     | <b>\$ 20,684,733.14</b>        | <b>\$ 311,454,882.82</b> | <b>\$ 290,884,622.91</b> |

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Texas Tech University Health Sciences Center at El Paso for the years ended August 31, 2024 and 2023.



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, 2024 and 2023**

There is no fiduciary activity to report for Texas Tech University Health Sciences Center at El Paso for the years ended August 31, 2024 and 2023.

UNAUDITED

**Angelo State University (737)**  
**Statement of Net Position**  
**August 31, 2024 and 2023**

|  | 2024                     | Restated<br>2023         |
|--|--------------------------|--------------------------|
| <b>ASSETS</b>  |                          |                          |
| Current Assets:  |                          |                          |
| Cash and Cash Equivalents  | \$ 32,714,541.15         | \$ 46,604,321.08         |
| Restricted Cash and Cash Equivalents                                 | 9,263,372.18             | 3,824,367.48             |
| Legislative Appropriations   | 14,873,650.36            | 15,660,290.27            |
| Receivables:   |                          |                          |
| Federal  | 921,035.56               | 983,988.52               |
| Student  | 23,637,819.31            | 19,920,353.81            |
| Accounts   | 2,277,571.98             | 1,505,132.42             |
| Interest and Dividends   | 122,121.02               | 117,552.25               |
| Gifts  | 8,489,765.45             | 3,682,970.59             |
| Leases   | 42,538.49                | 55,998.62                |
| Public-Private and Public-Public Partnership Installments            | 329,316.98               | 1,319,370.04             |
| Due From Other State Agencies  | 179,274.06               | 228,912.55               |
| Inventories  | 226,127.05               | 245,412.74               |
| Prepaid Items  | 12,887,691.73            | 12,270,911.48            |
| Loans and Contracts  | 52,803.54                | 60,175.28                |
| Total Current Assets   | <u>106,017,628.86</u>    | <u>106,479,757.13</u>    |
| Non-Current Assets:  |                          |                          |
| Restricted Cash and Cash Equivalents                                 | 5,943.58                 | 61.78                    |
| Restricted Investments   | 70,998,241.05            | 60,428,611.37            |
| Gifts Receivable   | 3,776,505.14             | 2,625,480.00             |
| Leases Receivable  | 150,330.55               | 1,297,182.27             |
| Public-Private and Public-Public Partnership Installments Receivable | 1,125,918.35             | 1,455,235.52             |
| Investments  | 59,924,402.43            | 53,038,902.92            |
| Capital Assets   |                          |                          |
| Non-Depreciable or Non-Amortizable                                   | 19,512,823.02            | 12,806,450.97            |
| Depreciable or Amortizable   | 350,132,948.84           | 332,474,265.48           |
| Accumulated Depreciation and Amortization                            | (210,162,892.86)         | (203,219,450.28)         |
| Right to Use Assets  |                          |                          |
| Amortizable  | 1,219,960.77             | 1,033,949.02             |
| Accumulated Amortization   | (243,949.65)             | (760,181.86)             |
| Total Non-Current Assets   | <u>296,440,231.22</u>    | <u>261,180,507.19</u>    |
| Total Assets   | <u>\$ 402,457,860.08</u> | <u>\$ 367,660,264.32</u> |

# UNAUDITED

## Angelo State University (737) Statement of Net Position August 31, 2024 and 2023

|                                       | 2024                     | Restated<br>2023         |
|---------------------------------------|--------------------------|--------------------------|
| <b>LIABILITIES</b>                    |                          |                          |
| Current Liabilities:                  |                          |                          |
| Accounts Payable                      | \$ 3,698,000.98          | \$ 10,082,240.32         |
| Payroll Payable                       | 4,733,076.27             | 4,419,823.33             |
| Unearned Revenue                      | 55,493,639.50            | 50,193,516.27            |
| Due to Other State Agencies           | 0.00                     | 17,928.01                |
| Right to Use Leases Obligations       | 6,875.54                 | 6,266.38                 |
| Right to Use Subscription Obligations | 223,416.74               | 0.00                     |
| Funds Held for Others                 | 3,731,541.56             | 3,130,133.69             |
| Other Current Liabilities             | 26,361.47                | 269.20                   |
| Total Current Liabilities             | <u>67,912,912.06</u>     | <u>67,850,177.20</u>     |
| Non-Current Liabilities:              |                          |                          |
| Employees' Compensable Leave          | 3,220,499.56             | 3,170,211.82             |
| Right to Use Lease Obligations        | 259,474.86               | 266,350.41               |
| Right to Use Subscription Obligations | 472,451.49               | 0.00                     |
| Other Non-Current Liabilities         | 2,071.18                 | 2,071.18                 |
| Total Non-Current Liabilities         | <u>3,954,497.09</u>      | <u>3,438,633.41</u>      |
| Total Liabilities                     | <u>71,867,409.15</u>     | <u>71,288,810.61</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                          |                          |
| Deferred Inflows of Resources         | 2,141,521.66             | 3,685,894.89             |
| Total Deferred Inflows of Resources   | <u>2,141,521.66</u>      | <u>3,685,894.89</u>      |
| <b>NET POSITION</b>                   |                          |                          |
| Net Investment in Capital Assets      | 160,458,890.12           | 142,335,033.33           |
| Restricted:                           |                          |                          |
| Nonexpendable:                        |                          |                          |
| Endowments                            | 55,580,373.21            | 50,696,111.09            |
| Expendable:                           |                          |                          |
| Other                                 | 55,959,610.42            | 36,352,502.25            |
| Unrestricted                          | <u>56,450,055.52</u>     | <u>63,301,912.15</u>     |
| Total Net Position                    | <u>\$ 328,448,929.27</u> | <u>\$ 292,685,558.82</u> |

UNAUDITED

**Angelo State University (737)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                      | Restated<br>2023          |
|---|---------------------------|---------------------------|
| Operating Revenues                                    |                           |                           |
| Tuition and Fees                                      | \$ 4,687,183.14           | \$ 4,444,465.80           |
| Tuition and Fees - Pledged                            | 81,211,630.14             | 74,173,133.18             |
| Less Discounts and Allowances                         | (38,800,402.70)           | (33,478,950.00)           |
| Sales and Services of Auxiliary Enterprises - Pledged | 12,403,748.89             | 12,315,246.38             |
| Other Sales and Services - Pledged                    | 1,111,850.48              | 1,115,949.03              |
| Federal Grants and Contracts                          | 2,965,970.07              | 2,015,228.23              |
| Federal Grant Pass-Throughs from Other State Agencies | 474,310.02                | 489,543.53                |
| State Grant Pass-Throughs from Other State Agencies   | 8,396,548.13              | 8,560,868.38              |
| Nongovernmental Grants and Contracts                  | 323,072.31                | 601,990.22                |
| Total Operating Revenues                              | <u>72,773,910.48</u>      | <u>70,237,474.75</u>      |
| Operating Expenses                                    |                           |                           |
| Salaries and Wages                                    | 64,319,367.44             | 60,257,527.84             |
| Payroll Related Costs                                 | 19,960,369.90             | 19,159,019.31             |
| Professional Fees and Services                        | 4,649,821.04              | 3,024,823.01              |
| Travel  | 2,453,871.11              | 2,147,583.00              |
| Materials and Supplies                                | 11,481,234.13             | 10,961,896.66             |
| Communications and Utilities                          | 3,965,623.99              | 3,709,981.09              |
| Repairs and Maintenance                               | 3,410,556.86              | 3,386,458.89              |
| Rentals and Leases                                    | 953,359.30                | 846,491.59                |
| Printing and Reproduction                             | 365,170.24                | 340,920.42                |
| Depreciation and Amortization                         | 12,297,692.59             | 12,677,358.92             |
| Bad Debt Expense                                      | 606,965.42                | 521,095.66                |
| Interest  | 1,013.30                  | 1,539.52                  |
| Scholarships  | 12,122,747.52             | 12,599,873.57             |
| Other Operating Expenses                              | 17,017,683.78             | 20,223,916.93             |
| Total Operating Expenses                              | <u>153,605,476.62</u>     | <u>149,858,486.41</u>     |
| Operating Income (Loss)                               | <u>\$ (80,831,566.14)</u> | <u>\$ (79,621,011.66)</u> |

UNAUDITED

**Angelo State University (737)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                            | Restated<br>2023                |
|---|---------------------------------|---------------------------------|
| Nonoperating Revenues (Expenses)  |                                 |                                 |
| Legislative Revenue   | \$ 44,783,182.00                | \$ 37,895,602.80                |
| Federal Grants and Contracts  | 15,576,493.12                   | 17,133,426.65                   |
| Federal Grant Pass-Throughs from Other State Agencies                       | 5,367.82                        | 119,482.74                      |
| Private Gifts   | 18,273,045.50                   | 19,713,036.95                   |
| Investment Income (Expense)   | 15,898,955.12                   | 11,732,316.78                   |
| Net Increase (Decrease) in Fair Value of Investments                        | 8,504,107.64                    | 1,878,604.89                    |
| Interest Expense  | (36,424.95)                     | (584.42)                        |
| Other Nonoperating Revenues (Expenses) - Pledged                            | 7,527,321.37                    | 3,817,884.37                    |
| Total Nonoperating Revenues (Expenses)                                      | <u>110,532,047.62</u>           | <u>92,289,770.76</u>            |
| Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers | 29,700,481.48                   | 12,668,759.10                   |
| Other Revenues, Expenses, Gains, Losses, and Transfers                      |                                 |                                 |
| Capital Appropriations (HEF)  | 6,997,943.00                    | 6,792,999.00                    |
| Capital Contributions, Grants and Contracts                                 | 59,900.00                       | 3,554,313.20                    |
| Lapsed Appropriations   | (0.50)                          | (0.25)                          |
| Legislative Transfers In (Out)  | (4,621,495.63)                  | (3,016,789.35)                  |
| Net Transfers from (to) Texas Tech University System Components             | 3,489,265.75                    | (9,771,624.21)                  |
| Net Transfers from (to) Other State Agencies                                | 137,276.35                      | 119,624.83                      |
| Net Other Revenues, Expenses, Gains, Losses, and Transfers                  | <u>6,062,888.97</u>             | <u>(2,321,476.78)</u>           |
| Total Change in Net Position  | <u>35,763,370.45</u>            | <u>10,347,282.32</u>            |
| Beginning Net Position (September 1)  | 292,685,059.30                  | 282,338,276.50                  |
| Restatements  | <u>499.52</u>                   | <u>0.00</u>                     |
| Ending Net Position (August 31)   | <u><u>\$ 328,448,929.27</u></u> | <u><u>\$ 292,685,558.82</u></u> |

UNAUDITED

**Angelo State University (737)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                            | Restated<br>2023               |
|--|---------------------------------|--------------------------------|
| <b>Cash Flows from Operating Activities</b>                          |                                 |                                |
| Proceeds from Customers  | \$ 1,111,750.36                 | \$ 1,115,838.84                |
| Proceeds from Tuition and Fees                                       | 47,566,924.30                   | 45,984,769.47                  |
| Proceeds from Grants and Contracts                                   | 12,269,175.97                   | 13,301,411.82                  |
| Proceeds from Sales and Services of Auxiliary Enterprises            | 12,492,836.54                   | 12,585,173.68                  |
| Proceeds from Loan Programs  | 37,093.07                       | 106,140.09                     |
| Proceeds from Fiduciary Activities (Held 3 Months or Less)           | 32,722,932.22                   | 30,751,748.36                  |
| Payments to Suppliers for Goods and Services                         | (27,666,993.12)                 | (24,254,934.57)                |
| Payments to Employees for Salaries                                   | (63,985,758.09)                 | (60,026,110.53)                |
| Payments to Employees for Benefits                                   | (19,930,438.57)                 | (20,163,850.36)                |
| Payments for Loans Issued to Students                                | (30,397.98)                     | (45,864.65)                    |
| Payments for Fiduciary Activities (Held 3 Months or Less)            | (32,121,524.35)                 | (30,154,643.45)                |
| Payments for Other Expenses  | (37,650,225.94)                 | (28,963,809.50)                |
| Net Cash Provided/(Used) by Operating Activities                     | <u>(75,184,625.59)</u>          | <u>(59,764,130.80)</u>         |
| <b>Cash Flows from Noncapital Financing Activities</b>               |                                 |                                |
| Proceeds from State Appropriations                                   | 45,569,821.91                   | 34,161,342.13                  |
| Proceeds from Gifts  | 18,273,045.50                   | 19,713,036.95                  |
| Proceeds from Nonoperating Grants and Contracts                      | 15,581,860.94                   | 17,252,909.39                  |
| Proceeds from Other Financing Activities                             | 7,915,503.75                    | 17,206,778.46                  |
| Proceeds from Transfers In from Other State Agencies                 | 1,585,261.00                    | 295,755.00                     |
| Payments for Transfers to Component Institutions                     | (692,087.00)                    | (578,892.00)                   |
| Payments for Transfers to Other State Agencies                       | (1,574.65)                      | (1,590.17)                     |
| Payments for Other Uses  | (4,841,637.00)                  | (11,342,090.27)                |
| Net Cash Provided/(Used) by Noncapital Financing Activities          | <u>83,390,194.45</u>            | <u>76,707,249.49</u>           |
| <b>Cash Flows from Capital and Related Financing Activities</b>      |                                 |                                |
| Proceeds from Capital Gifts, Grants and Contracts                    | 0.00                            | 3,497,652.00                   |
| Proceeds from Other Capital and Related Financing Activities         | 721,985.08                      | 0.00                           |
| Proceeds from Capital Appropriations                                 | 6,997,943.00                    | 6,792,999.00                   |
| Proceeds from Transfers from Component Institutions                  | 12,298,986.38                   | 1,751,167.15                   |
| Payments for Transfers to Component Institutions                     | (14,185,539.26)                 | (14,135,228.71)                |
| Payments for Additions to Capital Assets                             | (29,389,075.14)                 | (13,279,483.17)                |
| Payments for Leases  | (42,695.92)                     | (96,905.72)                    |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>(23,598,395.86)</u>          | <u>(15,469,799.45)</u>         |
| <b>Cash Flows from Investing Activities</b>                          |                                 |                                |
| Proceeds from Investment Sales and Maturities                        | 0.00                            | 7,158,536.99                   |
| Proceeds from Interest and Investment Income                         | 15,898,955.12                   | 11,732,316.78                  |
| Payments to Acquire Investments                                      | (8,951,021.55)                  | 0.00                           |
| Net Cash Provided/(Used) by Investing Activities                     | <u>6,947,933.57</u>             | <u>18,890,853.77</u>           |
| <b>TOTAL NET CASH FLOWS</b>  | <u><u>\$ (8,444,893.43)</u></u> | <u><u>\$ 20,364,173.01</u></u> |

# UNAUDITED

## Angelo State University (737) Statement of Cash Flows For the Years Ended August 31, 2024 and 2023

|  | 2024                    | Restated<br>2023        |
|--|-------------------------|-------------------------|
| Beginning Cash & Cash Equivalents (September 1)                              | \$ 50,428,750.34        | \$ 30,064,577.33        |
| Ending Cash & Cash Equivalents (August 31)                                   | <u>\$ 41,983,856.91</u> | <u>\$ 50,428,750.34</u> |
| Reconciliation of Operating Loss to Net Cash Flows from Operating Activities |                         |                         |
| Operating Loss   | \$ (80,831,566.14)      | \$ (79,621,011.66)      |
| Adjustments:   |                         |                         |
| Depreciation and Amortization Expense  | 12,297,692.59           | 12,677,358.92           |
| Bad Debt Expense   | 606,965.42              | 521,095.66              |
| (Increase) Decrease in Accounts Receivables                                  | (8,503,534.59)          | (576,891.19)            |
| (Increase) Decrease in Loans and Notes Receivable                            | 7,371.74                | 74,967.02               |
| (Increase) Decrease in Inventories   | 19,285.69               | (10,709.91)             |
| (Increase) Decrease in Due From Other State Agencies                         | 49,638.49               | (84,618.49)             |
| (Increase) Decrease in Prepaid Items   | (106,461.30)            | (919,570.50)            |
| Increase (Decrease) in Accounts Payable                                      | (4,569,970.82)          | 4,056,679.80            |
| Increase (Decrease) in Payroll Payable                                       | 333,609.35              | 231,417.31              |
| Increase (Decrease) in Unearned Revenue                                      | 5,300,123.23            | 4,688,920.66            |
| Increase (Decrease) in Employees' Compensable Leave                          | 50,287.74               | 8,991.16                |
| Increase (Decrease) in Due To Other State Agencies                           | (17,928.01)             | 17,173.17               |
| Increase (Decrease) in Benefits Payable                                      | (20,356.41)             | (1,013,822.21)          |
| Increase (Decrease) in Fiduciary Funds Held 3 Months or Less                 | 601,407.87              | 597,104.91              |
| Increase (Decrease) in Deferred Inflows of Resources - PPP                   | (401,170.44)            | (401,170.32)            |
| Increase (Decrease) in Other Liabilities                                     | (20.00)                 | (10,045.13)             |
| Net Cash Used for Operating Activities                                       | <u>(75,184,625.59)</u>  | <u>(59,764,130.80)</u>  |
| Noncash Transactions   |                         |                         |
| Donations of Capital Assets  | 59,900.00               | 56,661.20               |
| Net Increase (Decrease) in Fair Value of Investments                         | 8,504,107.64            | 1,878,604.89            |
| Other  | (3,943,555.94)          | (308,709.84)            |
| Total Noncash Transactions   | <u>\$ 4,620,451.70</u>  | <u>\$ 1,626,556.25</u>  |

UNAUDITED

**Angelo State University (737)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES              | INSTRUCTION             | RESEARCH             | PUBLIC SERVICE         | ACADEMIC<br>SUPPORT    | STUDENT<br>SERVICES     | INSTITUTIONAL<br>SUPPORT |
|---------------------------------|-------------------------|----------------------|------------------------|------------------------|-------------------------|--------------------------|
| Salaries and Wages              | \$ 32,635,640.76        | \$ 564,329.13        | \$ 1,857,696.93        | \$ 4,356,533.39        | \$ 6,700,569.58         | \$ 9,447,601.63          |
| Payroll Related Costs           | 9,628,087.30            | 102,066.40           | 595,290.52             | 1,244,946.59           | 1,779,043.46            | 3,977,649.64             |
| Professional Fees and Services  | 3,645,547.49            | 4,405.60             | 228,245.15             | 28,141.30              | 95,847.41               | 241,467.87               |
| Travel                          | 889,199.72              | 69,181.85            | 79,838.46              | 57,006.77              | 118,096.19              | 314,924.50               |
| Materials and Supplies          | 2,425,221.09            | 121,234.69           | 303,215.79             | 334,847.41             | 498,221.99              | 843,073.25               |
| Communications and Utilities    | 136,588.44              | 1,979.81             | 9,114.79               | 26,348.35              | 26,941.01               | 103,285.30               |
| Repairs and Maintenance         | 349,475.40              | 102.13               | 29,146.35              | 75,605.84              | 138,967.57              | 441,331.30               |
| Rentals and Leases              | 309,665.20              | 187.27               | 24,390.79              | 17,585.93              | 67,795.95               | 169,072.09               |
| Printing and Reproduction       | 53,279.36               | 3,211.38             | 9,275.58               | 8,186.20               | 43,684.10               | 218,213.16               |
| 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                    | 272,161.97               |
| Interest                        | 260.85                  | 32.67                | 69.75                  | 8.34                   | 0.71                    | 605.81                   |
| Scholarships                    | 0.00                    | 0.00                 | 0.00                   | 0.00                   | 0.00                    | 0.00                     |
| Other Operating Expenses        | 3,554,331.67            | 101,736.64           | 3,711,689.60           | 1,832,999.46           | 1,453,259.29            | 3,801,692.41             |
| <b>TOTAL OPERATING EXPENSES</b> | <b>\$ 53,627,297.28</b> | <b>\$ 968,467.57</b> | <b>\$ 6,847,973.71</b> | <b>\$ 7,982,209.58</b> | <b>\$ 10,922,427.26</b> | <b>\$ 19,831,078.93</b>  |



UNAUDITED

**Angelo State University (737)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES              | OPERATIONS &<br>MAINTENANCE<br>OF PLANT | SCHOLARSHIPS<br>& FELLOWSHIPS | AUXILIARY<br>ENTERPRISES | DEPRECIATION &<br>AMORTIZATION | GRAND TOTAL              | Restated<br>2023         |
|---------------------------------|---|-------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|
| Salaries and Wages              | \$ 2,226,656.33                         | \$ 0.00                       | \$ 6,530,339.69          | \$ 0.00                        | \$ 64,319,367.44         | \$ 60,257,527.84         |
| Payroll Related Costs           | 860,322.65                              | 0.00                          | 1,772,963.34             | 0.00                           | 19,960,369.90            | 19,159,019.31            |
| Professional Fees and Services  | 89,683.50                               | 0.00                          | 316,482.72               | 0.00                           | 4,649,821.04             | 3,024,823.01             |
| Travel                          | 2,507.90                                | 0.00                          | 923,115.72               | 0.00                           | 2,453,871.11             | 2,147,583.00             |
| Materials and Supplies          | 261,531.83                              | 0.00                          | 6,693,888.08             | 0.00                           | 11,481,234.13            | 10,961,896.66            |
| Communications and Utilities    | 1,964,136.82                            | 0.00                          | 1,697,229.47             | 0.00                           | 3,965,623.99             | 3,709,981.09             |
| Repairs and Maintenance         | 1,288,941.90                            | 0.00                          | 1,086,986.37             | 0.00                           | 3,410,556.86             | 3,386,458.89             |
| Rentals and Leases              | 33,629.87                               | 0.00                          | 331,032.20               | 0.00                           | 953,359.30               | 846,491.59               |
| Printing and Reproduction       | 2,198.47                                | 0.00                          | 27,121.99                | 0.00                           | 365,170.24               | 340,920.42               |
| Depreciation and Amortization   | 0.00                                    | 0.00                          | 0.00                     | 12,297,692.59                  | 12,297,692.59            | 12,677,358.92            |
| Bad Debt Expense                | 0.00                                    | 0.00                          | 334,803.45               | 0.00                           | 606,965.42               | 521,095.66               |
| Interest                        | 35.17                                   | 0.00                          | 0.00                     | 0.00                           | 1,013.30                 | 1,539.52                 |
| Scholarships                    | 0.00                                    | 12,122,747.52                 | 0.00                     | 0.00                           | 12,122,747.52            | 12,599,873.57            |
| Other Operating Expenses        | 590,084.36                              | 110,797.10                    | 1,861,093.25             | 0.00                           | 17,017,683.78            | 20,223,916.93            |
| <b>TOTAL OPERATING EXPENSES</b> | <b>\$ 7,319,728.80</b>                  | <b>\$ 12,233,544.62</b>       | <b>\$ 21,575,056.28</b>  | <b>\$ 12,297,692.59</b>        | <b>\$ 153,605,476.62</b> | <b>\$ 149,858,486.41</b> |

UNAUDITED

**Angelo State University (737)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Angelo State University for the years ended August 31, 2024 and 2023.

UNAUDITED

**Angelo State University (737)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Angelo State University for the years ended August 31, 2024 and 2023.

UNAUDITED

**Midwestern State University (735)**  
**Statement of Net Position**  
**August 31, 2024 and 2023**

|   | 2024                     | 2023                     |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>                             |                          |                          |
| Current Assets:                           |                          |                          |
| Cash and Cash Equivalents                 | \$ 14,900,714.97         | \$ 14,209,986.88         |
| Unrestricted Short-Term Investments       | 21,258,507.95            | 16,211,925.29            |
| Restricted Cash and Cash Equivalents      | 2,332,652.60             | (1,272,650.07)           |
| Restricted Short-Term Investments         | 3,664,466.42             | 576,649.70               |
| Legislative Appropriations                | 2,289,884.31             | 2,602,901.68             |
| Receivables:                              |                          |                          |
| Federal                                   | 1,600,163.15             | 294,325.43               |
| Student                                   | 11,175,661.13            | 10,840,144.53            |
| Interest and Dividends                    | 171,633.75               | 32,470.21                |
| Gifts                                     | 130,841.88               | 190,349.11               |
| Other                                     | 1,661,858.22             | 2,842,155.78             |
| Due From Other State Agencies             | 41,042.60                | 82,577.98                |
| Inventories                               | 168,477.71               | 199,956.37               |
| Prepaid Items                             | 13,549,431.86            | 12,167,283.65            |
| Total Current Assets                      | <u>72,945,336.55</u>     | <u>58,978,076.54</u>     |
| Non-Current Assets:                       |                          |                          |
| Restricted Investments                    | 81,124,326.60            | 8,236,777.87             |
| Gifts Receivable                          | 98,039.21                | 98,039.21                |
| Investments                               | 43,344,147.80            | 41,379,939.32            |
| Capital Assets                            |                          |                          |
| Non-Depreciable or Non-Amortizable        | 24,062,187.97            | 13,113,620.19            |
| Depreciable or Amortizable                | 396,138,319.66           | 395,046,268.33           |
| Accumulated Depreciation and Amortization | (270,308,220.76)         | (256,239,005.40)         |
| Right to Use Assets                       |                          |                          |
| Amortizable                               | 6,405,362.37             | 6,405,362.37             |
| Accumulated Amortization                  | (3,493,127.16)           | (2,533,244.74)           |
| Total Non-Current Assets                  | <u>277,371,035.69</u>    | <u>205,507,757.15</u>    |
| Total Assets                              | <u>\$ 350,316,372.24</u> | <u>\$ 264,485,833.69</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                          |                          |
| Deferred Outflows of Resources            | <u>1,949,945.82</u>      | <u>2,144,940.40</u>      |
| Total Deferred Outflows of Resources      | <u>\$ 1,949,945.82</u>   | <u>\$ 2,144,940.40</u>   |

UNAUDITED

**Midwestern State University (735)**  
**Statement of Net Position**  
**August 31, 2024 and 2023**

|                                       | 2024                            | 2023                           |
|---------------------------------------|---------------------------------|--------------------------------|
| <b>LIABILITIES</b>                    |                                 |                                |
| Current Liabilities:                  |                                 |                                |
| Accounts Payable                      | \$ 3,669,808.49                 | \$ 2,591,807.99                |
| Payroll Payable                       | 4,425,273.19                    | 4,550,814.57                   |
| Unearned Revenue                      | 36,153,040.67                   | 33,710,411.41                  |
| Due to Other State Agencies           | 6,270.65                        | 1,485.66                       |
| Employees' Compensable Leave          | 310,673.41                      | 312,442.82                     |
| Right to Use Lease Obligations        | 584,357.17                      | 593,038.98                     |
| Right to Use Subscription Obligations | 186,713.03                      | 393,933.78                     |
| Revenue Bonds Payable                 | 7,471,038.64                    | 7,131,038.64                   |
| Other Current Liabilities             | 1,922,076.88                    | 1,580,563.36                   |
| Total Current Liabilities             | <u>54,729,252.13</u>            | <u>50,865,537.21</u>           |
| Non-Current Liabilities:              |                                 |                                |
| Employees' Compensable Leave          | 1,684,912.14                    | 1,723,759.08                   |
| Right to Use Lease Obligations        | 1,686,316.65                    | 2,270,673.85                   |
| Right to Use Subscription Obligations | 574,653.92                      | 761,366.95                     |
| Revenue Bonds Payable                 | 106,977,639.38                  | 114,448,678.02                 |
| Other Non-Current Liabilities         | 96,752.07                       | 97,183.24                      |
| Total Non-Current Liabilities         | <u>111,020,274.16</u>           | <u>119,301,661.14</u>          |
| Total Liabilities                     | <u>\$ 165,749,526.29</u>        | <u>\$ 170,167,198.35</u>       |
| <b>NET POSITION</b>                   |                                 |                                |
| Net Investment in Capital Assets      | \$ 37,263,819.29                | \$ 32,326,406.92               |
| Restricted:                           |                                 |                                |
| Nonexpendable:                        |                                 |                                |
| Endowments                            | 47,056,848.06                   | 5,519,541.13                   |
| Expendable:                           |                                 |                                |
| Capital Projects                      | 336,053.14                      | 398,183.21                     |
| Other                                 | 53,660,186.30                   | 15,982,002.41                  |
| Unrestricted                          | <u>48,199,884.98</u>            | <u>42,237,442.07</u>           |
| Total Net Position                    | <u><u>\$ 186,516,791.77</u></u> | <u><u>\$ 96,463,575.74</u></u> |

UNAUDITED

**Midwestern State University (735)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                      | 2023                      |
|---|---------------------------|---------------------------|
| Operating Revenues                                    |                           |                           |
| Tuition and Fees - Pledged                            | \$ 50,479,707.21          | \$ 51,504,977.44          |
| Less Discounts and Allowances                         | (19,297,909.33)           | (17,567,893.95)           |
| Sales and Services of Auxiliary Enterprises - Pledged | 12,766,360.80             | 11,728,407.78             |
| Other Sales and Services                              | 1,372,487.88              | 1,224,461.33              |
| Federal Grants and Contracts                          | 1,898,543.42              | 1,696,515.96              |
| Federal Grant Pass-Throughs from Other State Agencies | 292,102.93                | 282,556.53                |
| State Grant Pass-Throughs from Other State Agencies   | 5,076,682.21              | 4,725,502.03              |
| Nongovernmental Grants and Contracts                  | 1,961,262.35              | 2,812,156.79              |
| Other Operating Revenues                              | 1,844,292.97              | 1,705,183.13              |
| Total Operating Revenues                              | <u>56,393,530.44</u>      | <u>58,111,867.04</u>      |
| Operating Expenses                                    |                           |                           |
| Salaries and Wages                                    | 42,133,289.95             | 44,077,530.89             |
| Payroll Related Costs                                 | 14,128,964.24             | 14,653,577.84             |
| Professional Fees and Services                        | 7,388,732.73              | 6,550,428.78              |
| Travel  | 2,137,359.48              | 2,077,478.02              |
| Materials and Supplies                                | 9,553,497.43              | 8,652,538.05              |
| Communications and Utilities                          | 2,893,466.65              | 3,001,257.17              |
| Repairs and Maintenance                               | 2,305,322.71              | 3,075,539.27              |
| Rentals and Leases                                    | 356,019.82                | 404,219.33                |
| Printing and Reproduction                             | 217,927.69                | 135,212.95                |
| Depreciation and Amortization                         | 15,266,838.94             | 16,843,278.59             |
| Bad Debt Expense                                      | 296,140.25                | 400,964.80                |
| Interest  | 5,450.58                  | 2,575.30                  |
| Scholarships  | 13,227,118.95             | 13,854,305.42             |
| Other Operating Expenses                              | 4,285.00                  | 0.00                      |
| Total Operating Expenses                              | <u>109,914,414.42</u>     | <u>113,728,906.41</u>     |
| Operating Income (Loss)                               | <u>\$ (53,520,883.98)</u> | <u>\$ (55,617,039.37)</u> |

UNAUDITED

**Midwestern State University (735)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                            | 2023                           |
|---|---------------------------------|--------------------------------|
| Nonoperating Revenues (Expenses)  |                                 |                                |
| Legislative Revenue   | \$ 32,669,586.29                | \$ 25,147,599.65               |
| Federal Grants and Contracts  | 11,869,381.37                   | 11,453,649.03                  |
| Federal Grant Pass-Throughs from Other State Agencies                       | 2,418.00                        | 1,278.80                       |
| State Grant Pass-Throughs from Other State Agencies                         | 19,300.00                       | 5,500.00                       |
| Private Gifts   | 1,825,385.50                    | 4,648,444.61                   |
| Investment Income (Expense)   | 14,421,980.38                   | 2,666,485.34                   |
| Interest Expense on Capital Asset Financing                                 | (4,075,556.69)                  | (4,369,885.98)                 |
| Net Increase (Decrease) in Fair Value of Investments                        | 3,226,553.18                    | 1,971,466.05                   |
| Total Nonoperating Revenues (Expenses)                                      | <u>59,959,048.03</u>            | <u>41,524,537.50</u>           |
| Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers | 6,438,164.05                    | (14,092,501.87)                |
| Other Revenues, Expenses, Gains, Losses, and Transfers                      |                                 |                                |
| Capital Appropriations (HEF)  | 5,082,034.00                    | 4,933,200.00                   |
| Capital Contributions, Grants and Contracts                                 | 1,189,961.60                    | 4,364,567.00                   |
| Contributions to Permanent and Term Endowments                              | 910,300.39                      | 190,552.41                     |
| Legislative Transfers In (Out)  | (3,276,601.00)                  | 92,432.00                      |
| Net Transfers from (to) Texas Tech University System Components             | 8,963,028.61                    | (3,615,558.14)                 |
| Net Transfers from (to) Other State Agencies                                | (542,327.62)                    | (717,248.98)                   |
| Net Other Revenues, Expenses, Gains, Losses, and Transfers                  | <u>12,326,395.98</u>            | <u>5,247,944.29</u>            |
| Total Change in Net Position  | <u>18,764,560.03</u>            | <u>(8,844,557.58)</u>          |
| Beginning Net Position (September 1)  | 96,463,575.74                   | 105,308,133.32                 |
| Restatements  | <u>71,288,656.00</u>            | <u>0.00</u>                    |
| Ending Net Position (August 31)   | <u><u>\$ 186,516,791.77</u></u> | <u><u>\$ 96,463,575.74</u></u> |

UNAUDITED

**Midwestern State University (735)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                        | 2023                          |
|--|-----------------------------|-------------------------------|
| <b>Cash Flows from Operating Activities</b>                          |                             |                               |
| Proceeds from Customers  | \$ 3,216,780.85             | \$ 2,929,644.46               |
| Proceeds from Tuition and Fees                                       | 32,762,018.09               | 32,316,174.28                 |
| Proceeds from Grants and Contracts                                   | 8,780,382.88                | 8,871,280.91                  |
| Proceeds from Sales and Services of Auxiliary Enterprises            | 13,366,101.24               | 12,313,571.74                 |
| Payments to Suppliers for Goods and Services                         | (23,363,247.21)             | (23,294,393.08)               |
| Payments to Employees for Salaries                                   | (42,299,447.68)             | (44,453,318.09)               |
| Payments to Employees for Benefits                                   | (14,128,964.24)             | (14,653,577.84)               |
| Payments for Other Expenses  | (14,534,762.13)             | (13,956,701.18)               |
| Net Cash Provided/(Used) by Operating Activities                     | <u>(36,201,138.20)</u>      | <u>(39,927,318.80)</u>        |
| <b>Cash Flows from Noncapital Financing Activities</b>               |                             |                               |
| Proceeds from State Appropriations                                   | 32,982,603.66               | 25,228,463.37                 |
| Proceeds from Gifts  | 3,539,709.08                | 4,822,313.77                  |
| Proceeds from Nonoperating Grants and Contracts                      | 11,891,099.37               | 11,460,427.83                 |
| Proceeds from Transfers In from Other State Agencies                 | 658,379.00                  | 156,624.00                    |
| Payments for Transfers to Component Institutions                     | (2,517,539.00)              | (317,130.42)                  |
| Payments for Transfers to Other State Agencies                       | (599,994.62)                | (781,440.98)                  |
| Net Cash Provided/(Used) by Noncapital Financing Activities          | <u>45,954,257.49</u>        | <u>40,569,257.57</u>          |
| <b>Cash Flows from Capital and Related Financing Activities</b>      |                             |                               |
| Proceeds from Capital Gifts, Grants and Contracts                    | 1,189,961.60                | 4,364,567.00                  |
| Proceeds from Other Capital and Related Financing Activities         | 13,571.59                   | 27,281.40                     |
| Proceeds from Capital Appropriations                                 | 5,082,034.00                | 4,933,200.00                  |
| Proceeds from Transfers from Component Institutions                  | 9,397,497.61                | 1,066,139.28                  |
| Payments for Transfers to Component Institutions                     | (1,794,243.00)              | (4,364,567.00)                |
| Payments for Additions to Capital Assets                             | (12,278,360.27)             | (2,564,879.29)                |
| Payments for Principal Paid on Capital Debt                          | (7,131,038.64)              | (6,816,038.64)                |
| Payments for Interest Paid on Capital Debt                           | (3,956,483.47)              | (4,246,159.28)                |
| Payments for Capital Leases  | (986,972.79)                | (929,435.67)                  |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>(10,464,033.37)</u>      | <u>(8,529,892.20)</u>         |
| <b>Cash Flows from Investing Activities</b>                          |                             |                               |
| Proceeds from Investment Sales and Maturities                        | 59,785,720.53               | 24,700,565.98                 |
| Proceeds from Interest and Investment Income                         | 6,150,637.57                | 2,579,295.76                  |
| Payments to Acquire Investments                                      | (64,294,303.26)             | (18,188,052.69)               |
| Net Cash Provided/(Used) by Investing Activities                     | <u>1,642,054.84</u>         | <u>9,091,809.05</u>           |
| <b>TOTAL NET CASH FLOWS</b>  | <u><u>\$ 931,140.76</u></u> | <u><u>\$ 1,203,855.62</u></u> |



UNAUDITED

**Midwestern State University (735)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024               | 2023               |
|--|--------------------|--------------------|
| Beginning Cash & Cash Equivalents (September 1)                              | \$ 12,937,336.81   | \$ 11,733,481.19   |
| Restatement to Beginning Cash & Cash Equivalents                             | 3,364,890.00       | 0.00               |
| Beginning Cash & Cash Equivalents (September 1) as Restated                  | 16,302,226.81      | 11,733,481.19      |
| Ending Cash & Cash Equivalents (August 31)                                   | \$ 17,233,367.57   | \$ 12,937,336.81   |
| Reconciliation of Operating Loss to Net Cash Flows from Operating Activities |                    |                    |
| Operating Loss   | \$ (53,520,883.98) | \$ (55,617,039.37) |
| Adjustments:   |                    |                    |
| Depreciation and Amortization Expense  | 15,266,838.94      | 16,843,278.59      |
| Bad Debt Expense   | 296,140.25         | 400,964.80         |
| (Increase) Decrease in Accounts Receivables                                  | (773,086.63)       | (804,731.82)       |
| (Increase) Decrease in Inventories   | 31,478.66          | 7,484.93           |
| (Increase) Decrease in Other Assets  | 93,831.04          | 109,067.79         |
| (Increase) Decrease in Prepaid Items   | (1,371,717.21)     | (93,284.28)        |
| Increase (Decrease) in Accounts Payable                                      | 1,432,287.42       | 482,169.19         |
| Increase (Decrease) in Payroll Payable                                       | (125,541.38)       | (227,060.50)       |
| Increase (Decrease) in Unearned Revenue                                      | 2,442,629.26       | (874,859.03)       |
| Increase (Decrease) in Employees' Compensable Leave                          | (40,616.35)        | (148,726.70)       |
| Increase (Decrease) in Other Liabilities                                     | 67,501.78          | (4,582.40)         |
| Net Cash Used for Operating Activities                                       | (36,201,138.20)    | (39,927,318.80)    |
| Noncash Transactions   |                    |                    |
| Net Increase (Decrease) in Fair Value of Investments                         | 3,226,553.18       | 1,971,466.05       |
| Total Noncash Transactions   | \$ 3,226,553.18    | \$ 1,971,466.05    |

UNAUDITED

**Midwestern State University (735)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES              | INSTRUCTION             | RESEARCH             | PUBLIC SERVICE         | ACADEMIC<br>SUPPORT    | STUDENT<br>SERVICES     | INSTITUTIONAL<br>SUPPORT |
|---------------------------------|-------------------------|----------------------|------------------------|------------------------|-------------------------|--------------------------|
| Salaries and Wages              | \$ 23,046,175.33        | \$ 495,486.72        | \$ 846,350.35          | \$ 3,552,988.78        | \$ 6,232,203.73         | \$ 3,648,770.07          |
| Payroll Related Costs           | 7,714,887.12            | 88,957.92            | 239,671.60             | 1,224,399.00           | 1,949,613.97            | 1,229,894.57             |
| Professional Fees and Services  | 447,733.69              | 61,586.52            | 329,052.32             | 988,706.27             | 1,849,262.70            | 1,823,915.03             |
| Travel                          | 842,456.02              | 107,258.97           | 25,472.98              | 216,591.74             | 863,476.89              | 75,194.58                |
| Materials and Supplies          | 1,349,826.92            | 126,261.52           | 312,768.11             | 1,036,882.14           | 1,734,834.25            | 573,988.22               |
| Communications and Utilities    | 19,525.70               | 2,355.04             | 7,102.40               | 3,110.15               | 269,514.54              | (8,015.93)               |
| Repairs and Maintenance         | 164,101.66              | 0.00                 | 43,688.80              | 186,827.23             | 445,674.09              | 258,731.10               |
| Rentals and Leases              | 99,235.61               | 3,834.38             | 7,128.40               | 38,132.32              | 111,049.65              | 33,561.41                |
| Printing and Reproduction       | 17,126.78               | 1,287.98             | 2,935.99               | 29,249.42              | 118,462.83              | 31,676.01                |
| 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                   | 296,140.25              | 0.00                     |
| Interest                        | 1,099.14                | 0.00                 | 78.18                  | 294.99                 | 2,523.95                | 249.43                   |
| Scholarships                    | 0.00                    | 0.00                 | 0.00                   | 0.00                   | 0.00                    | 0.00                     |
| Other Operating Expenses        | 0.00                    | 0.00                 | 0.00                   | 0.00                   | 0.00                    | 4,285.00                 |
| <b>TOTAL OPERATING EXPENSES</b> | <b>\$ 33,702,167.97</b> | <b>\$ 887,029.05</b> | <b>\$ 1,814,249.13</b> | <b>\$ 7,277,182.04</b> | <b>\$ 13,872,756.85</b> | <b>\$ 7,672,249.49</b>   |

UNAUDITED

**Midwestern State University (735)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES              | OPERATIONS &<br>MAINTENANCE<br>OF PLANT | SCHOLARSHIPS<br>& FELLOWSHIPS | AUXILIARY<br>ENTERPRISES | DEPRECIATION &<br>AMORTIZATION | GRAND TOTAL              | 2023                     |
|---------------------------------|---|-------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|
| Salaries and Wages              | \$ 2,959,641.78                         | \$ 0.00                       | \$ 1,351,673.19          | \$ 0.00                        | \$ 42,133,289.95         | \$ 44,077,530.89         |
| Payroll Related Costs           | 1,348,736.20                            | 0.00                          | 332,803.86               | 0.00                           | 14,128,964.24            | 14,653,577.84            |
| Professional Fees and Services  | 214,538.58                              | 0.00                          | 1,673,937.62             | 0.00                           | 7,388,732.73             | 6,550,428.78             |
| Travel                          | 368.26                                  | 0.00                          | 6,540.04                 | 0.00                           | 2,137,359.48             | 2,077,478.02             |
| Materials and Supplies          | 790,678.46                              | 0.00                          | 3,628,257.81             | 0.00                           | 9,553,497.43             | 8,652,538.05             |
| Communications and Utilities    | 1,179,344.07                            | 0.00                          | 1,420,530.68             | 0.00                           | 2,893,466.65             | 3,001,257.17             |
| Repairs and Maintenance         | (115,681.75)                            | 0.00                          | 1,321,981.58             | 0.00                           | 2,305,322.71             | 3,075,539.27             |
| Rentals and Leases              | 47,943.37                               | 0.00                          | 15,134.68                | 0.00                           | 356,019.82               | 404,219.33               |
| Printing and Reproduction       | 776.00                                  | 0.00                          | 16,412.68                | 0.00                           | 217,927.69               | 135,212.95               |
| Depreciation and Amortization   | 0.00                                    | 0.00                          | 0.00                     | 15,266,838.94                  | 15,266,838.94            | 16,843,278.59            |
| Bad Debt Expense                | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 296,140.25               | 400,964.80               |
| Interest                        | 727.79                                  | 0.00                          | 477.10                   | 0.00                           | 5,450.58                 | 2,575.30                 |
| Scholarships                    | 0.00                                    | 13,227,118.95                 | 0.00                     | 0.00                           | 13,227,118.95            | 13,854,305.42            |
| Other Operating Expenses        | 0.00                                    | 0.00                          | 0.00                     | 0.00                           | 4,285.00                 | 0.00                     |
| <b>TOTAL OPERATING EXPENSES</b> | <b>\$ 6,427,072.76</b>                  | <b>\$ 13,227,118.95</b>       | <b>\$ 9,767,749.24</b>   | <b>\$ 15,266,838.94</b>        | <b>\$ 109,914,414.42</b> | <b>\$ 113,728,906.41</b> |

UNAUDITED

**Midwestern State University (735)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Midwestern State University for the years ended August 31, 2024 and 2023.

UNAUDITED

**Midwestern State University (735)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Midwestern State University for the years ended August 31, 2024 and 2023.

UNAUDITED

**Texas Tech University System Administration (768)**  
**Statement of Net Position**  
**August 31, 2024 and 2023**

|   | 2024                     | 2023                     |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>                             |                          |                          |
| Current Assets:                           |                          |                          |
| Cash and Cash Equivalents                 | \$ 2,404,120.74          | \$ 2,786,686.83          |
| Restricted Cash and Cash Equivalents      | 23,617.55                | 169,185.98               |
| Legislative Appropriations                | 549,572.83               | 546,938.91               |
| Receivables:                              |                          |                          |
| Interest and Dividends                    | 85,407.69                | 26,949.69                |
| Other                                     | 17,605.72                | 22,933.40                |
| Prepaid Items                             | 32,538.21                | 28,371.59                |
| Other Current Assets                      | 36,199.02                | 0.00                     |
| Total Current Assets                      | <u>3,149,061.76</u>      | <u>3,581,066.40</u>      |
| Non-Current Assets:                       |                          |                          |
| Restricted Cash and Cash Equivalents      | 301,150,576.81           | 319,120,379.72           |
| Restricted Investments                    | 108,419,492.62           | 99,690,815.62            |
| Investments                               | 71,672,187.53            | 66,621,059.67            |
| Capital Assets                            |                          |                          |
| Non-Depreciable or Non-Amortizable        | 9,648,846.25             | 672,419.24               |
| Depreciable or Amortizable                | 44,308,220.24            | 42,891,324.99            |
| Accumulated Depreciation and Amortization | (24,147,722.30)          | (24,567,446.42)          |
| Right to Use Assets                       |                          |                          |
| Amortizable                               | 1,633,562.81             | 1,646,786.07             |
| Accumulated Amortization                  | (834,054.78)             | (1,109,956.28)           |
| Total Non-Current Assets                  | <u>511,851,109.18</u>    | <u>504,965,382.61</u>    |
| Total Assets                              | <u>\$ 515,000,170.94</u> | <u>\$ 508,546,449.01</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                          |                          |
| Deferred Outflow of Resources             |                          |                          |
| Deferred Outflows of Resources            | 201,003,270.00           | 290,364,593.00           |
| Total Deferred Outflows of Resources      | <u>\$ 201,003,270.00</u> | <u>\$ 290,364,593.00</u> |

UNAUDITED

**Texas Tech University System Administration (768)**  
**Statement of Net Position**  
**August 31, 2024 and 2023**

|  | 2024                                | 2023                                |
|--|-------------------------------------|-------------------------------------|
| <b>LIABILITIES</b>                     |                                     |                                     |
| Current Liabilities:                   |                                     |                                     |
| Accounts Payable                       | \$ 328,124.47                       | \$ 174,234.81                       |
| Payroll Payable                        | 2,530,902.98                        | 2,362,825.13                        |
| Short-Term Debt Commercial Paper Notes | 104,814,000.00                      | 55,355,000.00                       |
| Claims and Judgments                   | 1,039,894.01                        | 1,088,118.60                        |
| Right to Use Lease Obligations         | 36,177.77                           | 81,032.92                           |
| Right to Use Subscription Obligations  | 348,665.48                          | 436,090.39                          |
| Employees' Compensable Leave           | 304,314.83                          | 317,419.08                          |
| Revenue Bonds Payable                  | 71,946,359.70                       | 69,967,480.40                       |
| Net OPEB Liability                     | 32,140,618.00                       | 30,550,915.00                       |
| Other Current Liabilities              | 1,457,075.04                        | 1,625,152.01                        |
| Total Current Liabilities              | <u>214,946,132.28</u>               | <u>161,958,268.34</u>               |
| Non-Current Liabilities:               |                                     |                                     |
| Claims and Judgments                   | 10,970,852.32                       | 4,765,548.40                        |
| Employees' Compensable Leave           | 2,153,246.11                        | 2,092,437.97                        |
| Right to Use Lease Obligations         | 0.00                                | 3,911.97                            |
| Right to Use Subscription Obligations  | 217,409.92                          | 14,947.46                           |
| Revenue Bonds Payable                  | 811,147,398.20                      | 883,093,757.90                      |
| Net OPEB Liability                     | 730,680,377.00                      | 769,135,247.00                      |
| Net Pension Liability                  | 433,068,648.00                      | 363,554,074.00                      |
| Total Non-Current Liabilities          | <u>1,988,237,931.55</u>             | <u>2,022,659,924.70</u>             |
| Total Liabilities                      | <u>\$ 2,203,184,063.83</u>          | <u>\$ 2,184,618,193.04</u>          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                                     |                                     |
| Deferred Inflows of Resources          | 310,693,697.00                      | 349,842,750.00                      |
| Total Deferred Inflows of Resources    | <u>\$ 310,693,697.00</u>            | <u>\$ 349,842,750.00</u>            |
| <b>NET POSITION</b>                    |                                     |                                     |
| Net Investment in Capital Assets       | \$ (660,753,242.10)                 | \$ (655,766,499.06)                 |
| Restricted:                            |                                     |                                     |
| Nonexpendable:                         |                                     |                                     |
| Endowments                             | 838,876.81                          | 767,608.81                          |
| Expendable:                            |                                     |                                     |
| Capital Projects                       | 30,170,746.22                       | 22,652,326.66                       |
| Other                                  | 96,830,776.13                       | 91,395,261.76                       |
| Unrestricted                           | <u>(1,264,961,476.95)</u>           | <u>(1,194,598,599.20)</u>           |
| Total Net Position                     | <u><u>\$ (1,797,874,319.89)</u></u> | <u><u>\$ (1,735,549,901.03)</u></u> |

UNAUDITED

**Texas Tech University System Administration (768)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

|   | 2024                         | 2023                         |
|---|------------------------------|------------------------------|
| Operating Revenues  |                              |                              |
| Other Sales and Services - Pledged  | \$ 17,327.90                 | \$ 8,014.61                  |
| Total Operating Revenues  | <u>17,327.90</u>             | <u>8,014.61</u>              |
| Operating Expenses  |                              |                              |
| Salaries and Wages  | 13,758,836.52                | 13,921,346.40                |
| Payroll Related Costs   | 86,236,759.00                | 108,291,630.91               |
| Professional Fees and Services  | 1,531,949.37                 | 1,497,147.75                 |
| Travel  | 325,152.73                   | 325,693.49                   |
| Materials and Supplies  | 950,384.27                   | 335,839.05                   |
| Communications and Utilities  | 221,346.24                   | 192,011.50                   |
| Repairs and Maintenance   | 265,549.92                   | 567,289.27                   |
| Rentals and Leases  | 337,537.34                   | 342,345.70                   |
| Printing and Reproduction   | 22,887.12                    | 14,643.51                    |
| Depreciation and Amortization   | 2,943,362.08                 | 2,348,532.52                 |
| Claims and Judgments  | 712,291.00                   | 1,053,023.15                 |
| Other Operating Expenses  | (259,037.22)                 | (791,153.91)                 |
| Total Operating Expenses  | <u>107,047,018.37</u>        | <u>128,098,349.34</u>        |
| Operating Income (Loss)   | <u>(107,029,690.47)</u>      | <u>(128,090,334.73)</u>      |
| Nonoperating Revenues (Expenses)  |                              |                              |
| Legislative Revenue   | 2,994,863.73                 | 2,876,788.60                 |
| Private Gifts   | 751,188.12                   | 252,077.75                   |
| Private Gifts - Pledged   | 1,016,000.00                 | 4,603,000.00                 |
| Investment Income (Expense)   | 18,232,684.80                | 4,477,183.85                 |
| Investment Income (Expense) - Pledged                                       | 2,020,427.62                 | 1,850,407.47                 |
| Interest Expense on Capital Asset Financing                                 | (31,827,635.76)              | (23,256,599.12)              |
| Gain (Loss) on Sale and Disposal of Capital Assets                          | (498,901.93)                 | (1,773.56)                   |
| Net Increase (Decrease) in Fair Value of Investments                        | 14,837,279.85                | 5,568,573.98                 |
| Interest Expense  | (29,226.61)                  | (1,078.56)                   |
| Other Nonoperating Revenues (Expenses)                                      | 43,382.73                    | 44,565.00                    |
| Other Nonoperating Revenues (Expenses) - Pledged                            | (6,441,254.88)               | (1,677,567.57)               |
| Total Nonoperating Revenues (Expenses)                                      | <u>1,098,807.67</u>          | <u>(5,264,422.16)</u>        |
| Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers | (105,930,882.80)             | (133,354,756.89)             |
| Other Revenues, Expenses, Gains, Losses, and Transfers                      |                              |                              |
| Capital Contributions   | 11,976,015.00                | 0.00                         |
| Contributions to Permanent and Term Endowments                              | 61,268.00                    | 22,210.00                    |
| Legislative Transfers In (Out)  | 66,091,103.13                | 40,722,800.35                |
| Interagency Transfers of Capital Assets - Increase                          | 30,862.07                    | 1,274,566.74                 |
| Interagency Transfers of Capital Assets - Decrease                          | (35,755.86)                  | 0.00                         |
| Net Transfers from (to) Texas Tech University System Components             | (34,517,028.40)              | 41,870,289.77                |
| Net Other Revenues, Expenses, Gains, Losses, and Transfers                  | <u>43,606,463.94</u>         | <u>83,889,866.86</u>         |
| Total Change in Net Position  | <u>(62,324,418.86)</u>       | <u>(49,464,890.03)</u>       |
| Beginning Net Position (September 1)  | (1,735,549,901.03)           | (1,686,085,011.00)           |
| Ending Net Position (August 31)   | <u>\$ (1,797,874,319.89)</u> | <u>\$ (1,735,549,901.03)</u> |



UNAUDITED

**Texas Tech University System Administration (768)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                             | 2023                            |
|--|----------------------------------|---------------------------------|
| <b>Cash Flows from Operating Activities</b>                          |                                  |                                 |
| Proceeds from Sales and Services of Auxiliary Enterprises            | \$ 17,327.90                     | \$ 8,014.61                     |
| Proceeds from Fiduciary Activities (Held 3 Months or Less)           | 141,701,378.69                   | 132,466,297.56                  |
| Payments to Suppliers for Goods and Services                         | (1,238,821.31)                   | (917,771.83)                    |
| Payments to Employees for Salaries                                   | (13,686,913.82)                  | (13,778,781.03)                 |
| Payments to Employees for Benefits                                   | (3,278,926.85)                   | (3,044,852.56)                  |
| Payments for Fiduciary Activities (Held 3 Months or Less)            | (141,701,378.69)                 | (132,466,297.56)                |
| Payments for Other Expenses  | 3,490,594.48                     | (2,317,341.61)                  |
| Net Cash Provided/(Used) by Operating Activities                     | <u>(14,696,739.60)</u>           | <u>(20,050,732.42)</u>          |
| <b>Cash Flows from Noncapital Financing Activities</b>               |                                  |                                 |
| Proceeds from State Appropriations                                   | 2,992,229.81                     | 2,931,173.61                    |
| Proceeds from Gifts  | 1,828,456.12                     | 4,877,287.75                    |
| Proceeds from Other Financing Activities                             | 43,382.73                        | 0.00                            |
| Proceeds from Transfers from Component Institutions                  | 19,402,484.71                    | 15,975,341.74                   |
| Payments for Transfers to Component Institutions                     | (444,406.33)                     | (10,014,413.58)                 |
| Payments for Other Uses  | (6,304,131.05)                   | 0.00                            |
| Net Cash Provided/(Used) by Noncapital Financing Activities          | <u>17,518,015.99</u>             | <u>13,769,389.52</u>            |
| <b>Cash Flows from Capital and Related Financing Activities</b>      |                                  |                                 |
| Proceeds from Capital Debt Issuances                                 | 59,970,000.00                    | 325,352,906.55                  |
| Proceeds from Transfers from Component Institutions                  | 108,317,696.20                   | 137,578,777.38                  |
| Payments for Transfers to Component Institutions                     | (95,701,699.85)                  | (60,946,615.42)                 |
| Payments for Additions to Capital Assets                             | (1,550,509.25)                   | (39,990.53)                     |
| Payments for Principal Paid on Capital Debt                          | (76,301,000.00)                  | (120,713,000.00)                |
| Payments for Interest Paid on Capital Debt                           | (36,207,750.39)                  | (24,044,158.54)                 |
| Payments for Leases  | (942,528.62)                     | (834,094.83)                    |
| Payments for Other Costs on Debt Issuance                            | (125,808.83)                     | (1,665,952.57)                  |
| Net Cash Provided/(Used) by Capital and Related Financing Activities | <u>(42,541,600.74)</u>           | <u>254,687,872.04</u>           |
| <b>Cash Flows from Investing Activities</b>                          |                                  |                                 |
| Proceeds from Investment Sales and Maturities                        | 3,050,770.53                     | 4,319,374.16                    |
| Proceeds from Interest and Investment Income                         | 25,179,309.17                    | 10,878,581.54                   |
| Payments to Acquire Investments                                      | (7,007,692.78)                   | (7,008,100.21)                  |
| Net Cash Provided/(Used) by Investing Activities                     | <u>21,222,386.92</u>             | <u>8,189,855.49</u>             |
| <b>TOTAL NET CASH FLOWS</b>  | <u><u>\$ (18,497,937.43)</u></u> | <u><u>\$ 256,596,384.63</u></u> |

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**Texas Tech University System Administration (768)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

|  | 2024                     | 2023                     |
|--|--------------------------|--------------------------|
| Beginning Cash & Cash Equivalents (September 1)                              | \$ 322,076,252.53        | \$ 65,479,867.90         |
| Ending Cash & Cash Equivalents (August 31)                                   | <u>\$ 303,578,315.10</u> | <u>\$ 322,076,252.53</u> |
| Reconciliation of Operating Loss to Net Cash Flows from Operating Activities |                          |                          |
| Operating Loss   | \$ (107,029,690.47)      | \$ (128,090,334.73)      |
| Adjustments:   |                          |                          |
| Depreciation and Amortization Expense  | 2,943,362.08             | 2,348,532.52             |
| Pension Expense  | 74,857,978.00            | 42,920,029.00            |
| OPEB Expense   | 52,799,845.00            | 104,348,269.40           |
| (Increase) Decrease in Accounts Receivables                                  | 5,327.68                 | (7,229.50)               |
| (Increase) Decrease in Prepaid Items   | (4,166.62)               | 1,341.76                 |
| (Increase) Decrease in Deferred Outflows of Resources                        | (72,007,054.00)          | 62,172,995.00            |
| Increase (Decrease) in Accounts Payable                                      | 153,889.66               | (83,448.98)              |
| Increase (Decrease) in Payroll Payable                                       | 71,922.70                | 142,565.37               |
| Increase (Decrease) in Employees' Compensable Leave                          | 47,703.89                | 297,699.79               |
| Increase (Decrease) in Claims and Judgments                                  | 6,157,079.33             | 93,363.00                |
| Increase (Decrease) in Benefits Payable                                      | 96,155.15                | 83,157.95                |
| Increase (Decrease) Net OPEB Liability                                       | (92,737,564.00)          | (288,076,938.00)         |
| Increase (Decrease) in Deferred Inflows                                      | 119,948,472.00           | 183,799,265.00           |
| Net Cash Used for Operating Activities                                       | <u>(14,696,739.60)</u>   | <u>(20,050,732.42)</u>   |
| Noncash Transactions   |                          |                          |
| Donations of Capital Assets  | 11,976,015.00            | 0.00                     |
| Net Increase (Decrease) in Fair Value of Investments                         | 14,837,279.85            | 5,568,573.98             |
| Total Noncash Transactions   | <u>\$ 26,813,294.85</u>  | <u>\$ 5,568,573.98</u>   |

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**Texas Tech University System Administration (768)**  
**Matrix of Operating Expenses Reported by Function**  
**For the Years Ended August 31, 2024 and 2023**

| OPERATING EXPENSES              | PUBLIC<br>SERVICE   | ACADEMIC<br>SUPPORT    | INSTITUTIONAL<br>SUPPORT | OPERATIONS &<br>MAINTENANCE<br>OF PLANT | DEPRECIATION &<br>AMORTIZATION | GRAND TOTAL              | 2023                     |
|---------------------------------|---------------------|------------------------|--------------------------|---|--------------------------------|--------------------------|--------------------------|
| Salaries and Wages              | \$ 0.00             | \$ 1,024,102.84        | \$ 12,734,733.68         | \$ 0.00                                 | \$ 0.00                        | \$ 13,758,836.52         | \$ 13,921,346.40         |
| Payroll Related Costs           | 0.00                | 277,039.44             | 85,959,719.56            | 0.00                                    | 0.00                           | 86,236,759.00            | 108,291,630.91           |
| Professional Fees and Services  | 0.00                | 81,686.68              | 1,450,262.69             | 0.00                                    | 0.00                           | 1,531,949.37             | 1,497,147.75             |
| Travel                          | 0.00                | 28,024.22              | 297,128.51               | 0.00                                    | 0.00                           | 325,152.73               | 325,693.49               |
| Materials and Supplies          | 2,845.88            | 794,918.17             | 139,281.31               | 13,338.91                               | 0.00                           | 950,384.27               | 335,839.05               |
| Communications and Utilities    | 0.00                | 31,782.42              | 188,063.82               | 1,500.00                                | 0.00                           | 221,346.24               | 192,011.50               |
| Repairs and Maintenance         | 0.00                | 114,044.43             | 121,254.49               | 30,251.00                               | 0.00                           | 265,549.92               | 567,289.27               |
| Rentals and Leases              | 0.00                | 4,501.62               | 333,035.72               | 0.00                                    | 0.00                           | 337,537.34               | 342,345.70               |
| Printing and Reproduction       | 0.00                | 5,708.11               | 17,179.01                | 0.00                                    | 0.00                           | 22,887.12                | 14,643.51                |
| Depreciation and Amortization   | 0.00                | 0.00                   | 0.00                     | 0.00                                    | 2,943,362.08                   | 2,943,362.08             | 2,348,532.52             |
| Claims and Judgments            | 0.00                | 662,291.00             | 50,000.00                | 0.00                                    | 0.00                           | 712,291.00               | 1,053,023.15             |
| Other Operating Expenses        | 7,855.78            | 24,771.18              | (316,696.34)             | 25,032.16                               | 0.00                           | (259,037.22)             | (791,153.91)             |
| <b>TOTAL OPERATING EXPENSES</b> | <b>\$ 10,701.66</b> | <b>\$ 3,048,870.11</b> | <b>\$ 100,973,962.45</b> | <b>\$ 70,122.07</b>                     | <b>\$ 2,943,362.08</b>         | <b>\$ 107,047,018.37</b> | <b>\$ 128,098,349.34</b> |

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**Texas Tech University System Administration (768)**  
**Combined Statement of Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Texas Tech University System Administration for the years ended August 31, 2024 and 2023.

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**Texas Tech University System Administration (768)**  
**Combined Statement of Changes in Fiduciary Net Position**  
**For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Texas Tech University System Administration for the years ended August 31, 2024 and 2023.