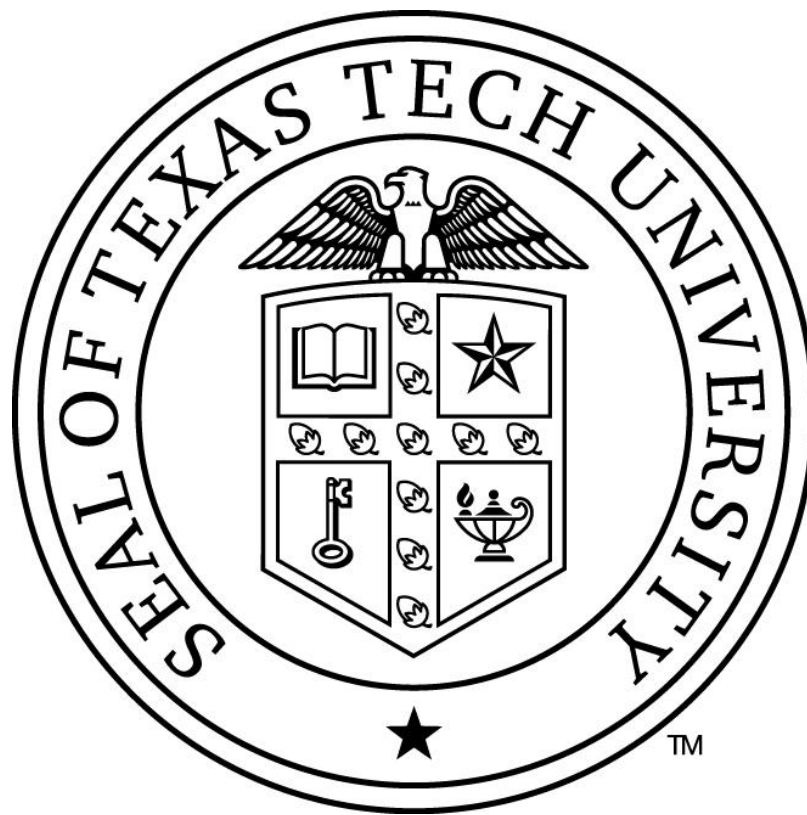


# TEXAS TECH UNIVERSITY



## ANNUAL FINANCIAL REPORT

**FISCAL YEAR 2013**

**ANNUAL FINANCIAL REPORT**

**OF**

**TEXAS TECH UNIVERSITY**

**LUBBOCK, TEXAS**

**For the Year Ended August 31, 2013**

Texas Tech University

88 years of growth,  
progress, educational  
excellence, and service  
to the State of Texas.

1925-2013

# Texas Tech University (733)

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TEXAS TECH UNIVERSITY

Office of the President

November 15, 2013

Honorable Rick Perry  
Governor of Texas

Honorable Susan Combs  
Texas Comptroller

Ms. Ursula Parks  
Director, Legislative Budget Board

Mr. John Keel, CPA  
State Auditor

To Agency Heads Addressed:

We are pleased to submit the annual financial report of Texas Tech University for the year ended 08/31/2013, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the 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 *Comprehensive Annual Financial Report (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

As indicated by the following letter of transmittal, this report has been prepared by the fiscal office of the University to provide a summary of the University’s financial records. If you have any questions, please contact Elisabeth Grisham, Financial Reporting Manager at 806-742-2970. Simone Barnhill, Managing Director of Sponsored Programs Accounting and Reporting may be contacted at 806-742-2985 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in black ink, appearing to read "M Duane Nellis".

Dr. M. Duane Nellis  
President



TEXAS TECH UNIVERSITY

Financial Services and Tax

November 15, 2013

Dr. M. Duane Nellis  
President  
Texas Tech University  
P.O. Box 42005  
Lubbock, Texas 79409

President Nellis:

Submitted herein is the Annual Financial Report of Texas Tech University for the fiscal year ended August 31, 2013.

The accompanying Annual Financial Report has been prepared in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

This Annual Financial Report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report (CAFR); 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 742-2970.

Sincerely,

*Elisabeth Grisham*

Elisabeth Grisham, CPA  
Financial Reporting Manager

Approved:

Sharon Williamson, CPA  
Interim Assistant Vice President for Financial Affairs & Controller

Noel Sloan, JD, CPA  
Interim Vice President for Administration & Finance and Chief Financial Officer

**Texas Tech University (733)**  
**Organizational Data**  
**August 31, 2013**

**Board of Regents**

**Term Expires**

Mickey L. Long (**Chair**) .....January 31, 2015 ..... Midland, TX  
Larry K. Anders (**Vice Chair**) .. . . .January 31, 2017 .....Dallas, TX

John Esparza.....January 31, 2019 ..... Austin, TX  
L. Frederick Francis .....January 31, 2019 ..... El Paso, TX  
Tim Lancaster.....January 31, 2019 ..... Abilene, TX  
Debbie Montford... ..January 31, 2017 ..... San Antonio, TX  
Nancy Neal.....January 31, 2015 .....Lubbock, TX  
John D. Steinmetz .....January 31, 2017 .....Lubbock, TX  
John Walker .....January 31, 2015 ..... Houston, TX

Joshua Heimbecker (**Student Regent**)...May 31, 2014..... San Angelo, TX

Ben W. Lock (**Staff**)..... Secretary

**Fiscal Officers**

M. Duane Nellis. .... President  
Noel Sloan.....Interim Vice President for Administration & Finance and CFO  
Sharon Williamson..... Interim Asst Vice President for Financial Affairs & Controller  
Elisabeth Grisham ..... Financial Reporting Manager

UNAUDITED  
**TEXAS TECH UNIVERSITY (733)**

**FINANCIAL STATEMENTS**



**Texas Tech University (733)**  
**Statement of Net Position**  
**August 31, 2013 and 2012**

	2013	2012
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 151,063,954.01	\$ 165,524,211.59
Restricted:		
Cash and Cash Equivalents	50,268,048.38	45,505,423.32
Legislative Appropriations	48,327,106.21	46,735,441.85
Accounts Receivable, net:		
Federal Receivables	10,925,834.01	20,585,928.95
Interest and Dividends	152,161.58	172,604.44
Student Receivables	5,188,389.38	4,173,935.52
Gift Receivables	14,384,616.29	12,722,239.54
Accounts Receivable	4,686,608.34	5,902,679.75
Other Receivables	4,086,810.59	2,621,490.58
Due From Other Agencies (Note 12)	17,107,308.60	10,651,430.49
Prepaid Items	27,514,304.89	24,881,503.79
Inventories	2,514,115.62	2,750,224.56
Loans and Notes Receivable, net	576,220.30	371,484.34
Other Current Assets	450,000.00	450,000.00
Total Current Assets	337,245,478.20	343,048,598.72
Non-Current Assets:		
Restricted:		
Cash and Cash Equivalents	40,837,582.91	40,275,897.50
Investments (Note 3)	213,178,324.42	193,554,803.82
Gift Receivables	20,205,455.07	12,728,417.80
Loans and Notes Receivable, net	435,056.63	383,705.45
Investments (Note 3)	244,241,980.04	196,826,053.23
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable	98,064,685.58	74,418,807.02
Depreciable or Amortizable	1,662,073,209.35	1,614,220,268.47
Accumulated Depreciation and Amortization	(831,968,675.02)	(758,784,804.53)
Total Non-Current Assets	1,447,067,618.98	1,373,623,148.76
Total Assets	1,784,313,097.18	1,716,671,747.48

The accompanying notes to the financial statements are an integral part of this statement.

**Texas Tech University (733)**  
**Statement of Net Position**  
**August 31, 2013 and 2012**

<b>LIABILITIES</b>	2013	2012
Current Liabilities:		
Accounts Payable	\$ 16,694,002.03	\$ 22,828,257.21
Payroll Payable	24,378,960.71	21,373,172.92
Unearned Revenues	125,967,339.64	128,229,543.39
Due to Other State Agencies (Note 12)	1,164,687.33	2,631,114.03
Employees' Compensable Leave (Note 5)	1,442,290.38	1,417,406.22
Notes and Loans Payable (Note 5)	50,389,565.38	21,512,538.24
Bonds Payable (Note 5)	19,532,303.16	17,836,911.08
Funds Held for Others	16,766,451.71	14,647,797.28
Other Current Liabilities	4,252,739.31	4,311,111.27
Total Current Liabilities	260,588,339.65	234,787,851.64
Non-Current Liabilities:		
Employees' Compensable Leave (Note 5)	10,576,796.18	10,394,312.11
Bonds Payable (Note 5)	318,828,607.71	338,360,910.87
Total Non-Current Liabilities	329,405,403.89	348,755,222.98
Total Liabilities	589,993,743.54	583,543,074.62
 <b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	565,989,924.48	574,220,589.02
Restricted:		
Nonexpendable:		
Endowments	86,145,197.27	81,735,374.17
Expendable:		
Capital Projects	2,293,824.36	6,518,296.52
Higher Education Assistance Fund	40,484,615.48	33,536,685.24
Debt Service	27,226,182.10	27,939,431.63
Other	114,399,616.23	92,405,163.47
Unrestricted	357,779,993.72	316,773,132.81
Total Net Position	\$ 1,194,319,353.64	\$ 1,133,128,672.86

The accompanying notes to the financial statements are an integral part of this statement.

**Texas Tech University (733)**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2013 and 2012**

	2013	Restated 2012
<b>Operating Revenues</b>		
Tuition and Fees	\$ 5,984,142.42	\$ 6,021,758.88
Tuition and Fees - Pledged	332,445,827.89	323,985,129.10
Less Discounts and Allowances	(69,741,602.17)	(72,932,886.51)
Sales and Services of Auxiliary Enterprises - Pledged	120,101,526.23	113,909,673.40
Other Sales and Services	2,226,720.38	380,073.59
Other Sales and Services - Pledged	7,869,269.86	6,869,546.37
Federal Grants and Contracts (Schedule 1A)	31,809,393.00	32,924,657.54
Federal Grant Pass-Throughs from Other State Agencies (Schedule 1A)	3,719,805.01	4,076,518.88
State Grants and Contracts	353,014.72	3,126,866.94
State Grant Pass-Throughs from Other State Agencies (Schedule 1B)	23,586,283.57	18,222,969.99
Local Governmental Grants and Contracts	764,927.70	903,198.15
Nongovernmental Grants and Contracts	6,754,193.36	8,876,238.95
Total Operating Revenues	<u>465,873,501.97</u>	<u>446,363,745.28</u>
<b>Operating Expenses</b>		
Instruction	154,607,186.25	151,854,350.12
Research	117,839,533.87	107,323,564.64
Public Service	12,374,842.44	11,816,508.18
Academic Support	65,300,634.73	61,958,967.15
Student Services	36,120,639.49	33,874,757.61
Institutional Support	40,406,668.66	37,594,532.73
Operations and Maintenance of Plant	39,118,561.24	37,771,144.52
Scholarships and Fellowships	36,449,839.94	41,090,536.49
Auxiliary Enterprises	105,537,267.20	95,707,531.46
Depreciation and Amortization	84,396,490.10	78,517,981.41
Total Operating Expenses	<u>692,151,663.92</u>	<u>657,509,874.31</u>
Operating Income (Loss)	<u>(226,278,161.95)</u>	<u>(211,146,129.03)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Legislative Revenue	155,039,053.48	154,957,943.81
Federal Grants and Contracts (Schedule 1A)	30,181,256.00	33,600,548.98
Private Gifts	37,529,539.26	38,853,088.39
Private Gifts - Pledged	13,659,127.51	164,959.64
Investment Income (Expense)	21,747,024.85	13,423,397.10
Investment Income (Expense) - Pledged	5,658,281.19	4,232,917.92
Interest Expense on Capital Asset Financing	(14,674,589.68)	(14,618,633.15)
Gain (Loss) on Sale and Disposal of Capital Assets	(1,698,748.25)	(409,322.41)
Net Increase in Fair Value of Investments	5,147,658.78	6,171,198.20
Other Nonoperating Revenues (Expenses)	678,832.37	(3,500,026.24)
Other Nonoperating Revenues (Expenses) - Pledged	2,941,944.12	1,096,205.34
Total Nonoperating Revenues (Expenses)	<u>256,209,379.63</u>	<u>233,972,277.58</u>
Income (Loss) Before Other Revenues, Expenses, Gains, Losses, and Transfers	29,931,217.68	22,826,148.55
<b>Other Revenues, Expenses, Gains, Losses, and Transfers</b>		
Capital Appropriations (HEAF)	23,936,088.00	23,936,088.00
Capital Contributions	2,922,040.57	11,028,474.29
Contributions to Permanent and Term Endowments	78,818.98	654,688.62
Increase Net Assets - Interagency Transfer Capital Assets (Note 12)	462,836.33	117,441.61
Decrease Net Assets - Interagency Transfer Capital Assets (Note 12)	(330,145.85)	(21,735.86)
Legislative Transfer to TTU System Administration (Note 12)	(1,667,837.00)	(1,667,837.00)
Net Transfers from Texas Tech Foundation Inc.	7,053,163.31	32,431,969.28
Net Transfers to TTU Health Sciences Center	(1,292,302.66)	(997,581.74)
Net Transfers (to) from TTU System Administration	(4,452,618.70)	192,113.31
Net Transfers from Angelo State University		1,666.98
Transfers from Other State Agencies (Note 12)	8,453,949.25	7,877,932.04
Transfers to Other State Agencies (Note 12)	(3,904,529.13)	(3,700,646.34)
Net Other Revenues, Expenses, Gains, Losses, and Transfers	<u>31,259,463.10</u>	<u>69,852,573.19</u>
<b>TOTAL CHANGES IN NET POSITION</b>	<u>\$ 61,190,680.78</u>	<u>\$ 92,678,721.74</u>
Beginning Net Position (September 1, 2012 and 2011)	1,133,128,672.86	1,040,449,951.12
Ending Net Position (August 31, 2013 and 2012)	<u>\$ 1,194,319,353.64</u>	<u>\$ 1,133,128,672.86</u>

The accompanying notes to the financial statements are an integral part of this statement.

**Texas Tech University (733)**  
**Matrix of Operating Expenses by Function**  
**For the Years Ended August 31, 2013 and 2012**

Natural Classification	Functional Classification					
	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support
Salaries and Wages	\$ 110,788,437.60	\$ 72,430,897.93	\$ 5,864,945.61	\$ 38,426,309.49	\$ 15,237,979.05	\$ 20,884,103.19
Payroll Related Costs	25,940,947.46	15,773,645.04	1,450,295.09	9,960,322.59	3,730,764.59	6,293,820.05
Professional Fees and Services	759,995.87	1,135,978.70	287,364.90	795,074.83	493,425.06	1,137,057.53
Travel	3,454,019.29	5,174,802.34	541,355.11	2,223,681.29	1,774,938.50	765,886.43
Materials and Supplies	4,729,482.36	6,297,414.14	528,555.69	4,384,893.64	1,713,979.10	1,383,836.28
Communications and Utilities	781,014.71	1,537,418.14	224,259.39	942,304.51	715,362.16	1,237,385.20
Repairs and Maintenance	641,011.10	1,868,211.65	117,603.28	1,732,834.01	431,890.56	359,641.12
Rentals and Leases	854,659.12	531,669.17	496,389.59	2,629,146.72	1,093,832.38	641,066.90
Printing and Reproduction	348,335.55	218,865.38	143,884.94	517,989.67	830,914.63	412,804.18
Depreciation and Amortization						
Scholarship	4,034,154.13	4,547,484.94	135,370.12	450,044.26	333,656.53	209,301.48
Cost of Goods Sold	151,609.86	2,955.50	92,955.48	36,377.47	11,191.25	136,121.21
Bad Debt	69.91	13,448.97	24,151.01	210.00		58,651.63
Interest	450.55	721.27	438.96	1,163.13	839.32	(1,689.39)
Claims and Losses						14,326.87
Federal Pass-Through		606,529.94	521,649.76			
State Pass-Through	16,177.25	235,968.20				
Other Operating Expenses	2,106,821.49	7,463,522.56	1,945,623.51	3,200,283.12	9,751,866.36	6,874,355.98
Total Operating Expenses	\$ 154,607,186.25	\$ 117,839,533.87	\$ 12,374,842.44	\$ 65,300,634.73	\$ 36,120,639.49	\$ 40,406,668.66

**Texas Tech University (733)**  
**Matrix of Operating Expenses by Function**  
**For the Years Ended August 31, 2013 and 2012**

Natural Classification	Functional Classification					Restated Prior Year
	Operations and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total	
Salaries and Wages	\$ 6,607,432.47	\$ 42,561.02	\$ 38,529,141.09	\$	\$ 308,811,807.45	\$ 295,213,039.11
Payroll Related Costs	1,710,384.69	21,492.10	9,005,417.86		73,887,089.47	68,892,298.42
Professional Fees and Services	748,183.26		780,121.12		6,137,201.27	5,699,633.41
Travel	27,675.19		4,680,246.27		18,642,604.42	16,752,124.77
Materials and Supplies	1,997,278.18		7,422,876.43		28,458,315.82	29,936,911.73
Communications and Utilities	14,759,281.18		7,226,899.87		27,423,925.16	26,744,018.38
Repairs and Maintenance	10,916,365.98		5,984,492.14		22,052,049.84	19,783,842.10
Rentals and Leases	69,990.55		3,040,953.26		9,357,707.69	8,516,404.18
Printing and Reproduction	6,104.08		572,572.99		3,051,471.42	2,753,460.81
Depreciation and Amortization				84,396,490.10	84,396,490.10	78,517,981.41
Scholarship		36,385,696.82	22,267.29		46,117,975.57	50,663,346.35
Cost of Goods Sold			12,936,439.64		13,367,650.41	11,783,338.97
Bad Debt		90.00			96,621.52	430,735.59
Interest	291.24		3,636.24		5,851.32	7,762.18
Claims and Losses					14,326.87	(123,934.91)
Federal Pass-Through					1,128,179.70	1,308,315.55
State Pass-Through					252,145.45	344,774.24
Other Operating Expenses	2,275,574.42		15,332,203.00		48,950,250.44	40,285,822.02
Total Operating Expenses	\$ 39,118,561.24	\$ 36,449,839.94	\$ 105,537,267.20	\$ 84,396,490.10	\$ 692,151,663.92	\$ 657,509,874.31

**Texas Tech University (733)**  
**Statement of Cash Flows**  
**For the Years Ended August 31, 2013 and 2012**

	2013	Restated 2012
<b>Cash Flows from Operating Activities</b>		
Proceeds from Customers	\$ 10,190,677.06	\$ 7,422,519.79
Proceeds from Tuition and Fees	265,639,672.12	251,902,052.10
Proceeds from Grants and Contracts	67,687,603.96	75,000,377.87
Proceeds from Collection of Loans to Students	1,900,223.38	2,276,045.55
Proceeds from Sales and Services of Auxiliary Enterprises	119,152,751.56	109,847,460.82
Payments to Suppliers for Goods and Services	(53,559,090.06)	(52,958,134.92)
Payments to Employees for Salaries	(305,806,019.66)	(296,249,249.94)
Payments to Employees for Benefits	(73,679,721.24)	(69,381,846.65)
Payments for Loans Provided to Students	(2,156,310.52)	(1,323,515.28)
Payments for Other Expenses	(178,452,252.97)	(164,174,482.27)
Net Cash Used By Operating Activities	(149,082,466.37)	(137,638,772.93)
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from State Appropriations	154,017,066.03	156,900,741.42
Proceeds from Gifts	42,128,071.73	30,035,115.03
Proceeds from Transfers from Components	780,814.63	4,580,866.78
Proceeds from Transfers from Texas Tech Foundation, Inc.	7,150,047.92	32,431,969.28
Proceeds from Transfers from Other State Agencies	1,155,925.06	0.00
Proceeds from Nonoperating Grants and Contracts	37,527,726.00	37,629,966.00
Proceeds from Agency Transactions	161,610,465.92	223,433,151.40
Proceeds from Other Financing Activities	2,869,006.07	1,381,271.04
Payments for Transfers to Components	(8,193,572.99)	(7,035,663.98)
Payments for Transfers to Texas Tech Foundation, Inc.	(96,884.61)	0.00
Payments for Transfers to Other State Agencies	(3,904,529.13)	(3,700,646.34)
Payments for Other Uses	(159,078,801.37)	(166,678,428.18)
Net Cash Provided by Noncapital Financing Activities	235,965,335.26	308,978,342.45
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Sale of Capital Assets	5,227.10	14,871.00
Proceeds from Capital Debt Issuance	40,219,584.44	162,234,613.65
Proceeds from Capital Appropriations	23,440,971.38	14,594,288.91
Payments for Additions to Capital Assets	(81,273,801.99)	(118,329,493.45)
Payments for Principal Paid on Capital Debt	(28,586,411.45)	(126,412,959.40)
Payments for Interest Paid on Capital Debt	(15,358,345.75)	(16,040,178.72)
Payments for Other Costs on Debt Issuance		(776,178.57)
Net Cash Used by Capital and Related Financing Activities	(61,552,776.27)	(84,715,036.58)
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	141,134,689.27	201,276,038.35
Proceeds from Interest and Investment Income	27,947,906.22	24,612,910.05
Payments to Acquire Investments	(203,548,635.22)	(255,412,906.86)
Net Cash Used by Investing Activities	(34,466,039.73)	(29,523,958.46)
<b>TOTAL NET CASH FLOWS</b>	<b>\$ (9,135,947.11)</b>	<b>\$ 57,100,574.48</b>
Beginning Cash & Cash Equivalents (September 1, 2012 and 2011)	251,305,532.41	194,204,957.93
Ending Cash & Cash Equivalents (August 31, 2013 and 2012)	<b>\$ 242,169,585.30</b>	<b>\$ 251,305,532.41</b>
<b>Reconciliation of Operating Loss to Net Cash Flows from Operating Activities</b>		
Operating Loss	\$ (226,278,161.95)	\$ (211,146,129.03)
Adjustments:		
Depreciation Expense	84,396,490.10	78,517,981.41
Bad Debt	96,621.52	430,735.59
(Increase) Decrease in Accounts Receivables	(184,002.62)	1,727,836.72
(Increase) Decrease in Loans and Notes Receivable	(256,087.14)	952,530.27
(Increase) Decrease in Inventory	236,108.94	(483,920.28)
(Increase) Decrease in Prepaid Items	(1,283,597.05)	(6,946,516.80)
(Increase) Decrease in Due From Other Agencies	767,585.79	(304,337.77)
Increase (Decrease) in Accounts Payables	(6,143,183.24)	4,450,364.37
Increase (Decrease) in Payroll Payables	3,005,787.79	(1,036,210.83)
Increase (Decrease) in Unearned Revenue	(2,319,953.74)	(4,302,885.05)
Increase (Decrease) in Compensable Leave	207,368.23	(489,548.23)
Increase (Decrease) in Due to Other Agencies	(1,466,426.70)	688,051.40
Increase (Decrease) in Other Liabilities	138,983.70	303,275.30
Net Cash Used for Operating Activities	\$ (149,082,466.37)	\$ (137,638,772.93)
Noncash Transactions		
Donation of Capital Assets	\$ 2,922,040.57	\$ 11,028,474.29
Net Change in Fair Value of Investments	\$ 5,147,658.78	\$ 6,171,198.20
Other	\$ 204,564.17	\$ 80,248.73

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED  
**TEXAS TECH UNIVERSITY (733)**

**NOTES to the  
FINANCIAL STATEMENTS**

UNAUDITED

**TEXAS TECH UNIVERSITY (733)**

**Notes to the Financial Statements**

**Note 1: Summary of Significant Accounting Policies**

**Reporting Entity**

Texas Tech University 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.

Texas Tech University is one of four components of the Texas Tech University System. The other three components, reported separately, are Texas Tech University Health Sciences Center, Angelo State University, and Texas Tech University System Administration. Texas Tech University includes within this report all components as determined by an analysis of their relationship to Texas Tech University as listed below.

Blended Component Units

The National Wind Resource Center (NWRC) is a not-for-profit 501(c)(3) organization, exempt from income taxes, and is reported as a blended component unit of Texas Tech University. See note 19 for further discussion.

Due to the significant changes related to Governmental Accounting Standards Board 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 statements to be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

**Basis of Accounting**

The accounting records of Texas Tech University are maintained using a modified accrual basis of accounting. Accounting data for most external reports, including this Annual Financial Report, are converted to full accrual basis of accounting in compliance with Governmental Accounting Standards Board (GASB) Statements 34 and 35. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. For financial reporting purposes, Texas Tech University is considered a special-purpose government engaged only in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services, and focus on determining operating income, changes in net assets, financial position, and cash flows. Accordingly, the University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

**Cash and Cash Equivalents**

For the purpose of financial statement reporting, cash and cash equivalents are defined as all cash on hand, cash in banks, reimbursements due from the State Treasury, local balances of legislative appropriations (held in the State Treasury), and temporary investments with original maturities of 90 days or less. Texas



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Texas Tech University (733) – Notes to the Financial Statements (continued)

Tech University utilizes bank deposits and eligible investment pools as cash equivalents in its Short/Intermediate Term Investment Fund.

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

### **Investments**

Texas Tech University accounts for its investments at fair market value, as determined by quoted market prices, in accordance with GASB Statement No. 31 – *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of the investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

### **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**

Inventories include both merchandise inventories on hand for sale and consumable inventories such as maintenance supplies, housing supplies, janitorial supplies, office supplies, and telecommunications supplies. Inventories are valued at cost, generally utilizing the last-in, first-out method.

### **Receivables**

Accounts receivable consist of tuition and fees charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable are recorded net of estimated uncollectible amounts.

Federal receivable includes amounts due from the federal, state, and local governments or private sources, in connection with reimbursement of allowable expenditures disbursed by the University's grants and contracts department.

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

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

Other receivables include year-end revenue accruals not included in any other receivable category.

### **Prepaid Items**

Disbursements for insurances, subscriptions, prepaid postage, prepaid travel costs and similar services paid in the current or prior fiscal years and benefiting more than one accounting period are allocated among accounting periods. Also included are scholarships paid in the current period for future terms. Disbursements for capital equipment that are paid, but deemed as not yet received by year end, are also included in prepaid items.

**Loans and Notes Receivable**

These receivables are student loans receivable that consist of amounts due from the Federal Perkins Loan Program, and from other loans administered by the University.

**Capital Assets**

Furniture, equipment, and vehicles with a cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. Capitalization thresholds for buildings, building improvements, facilities and other improvements are \$100,000. The capitalization threshold for infrastructure is \$500,000. These assets are capitalized at cost. Donated assets are reported at fair market value as of the acquisition date. Routine repairs and maintenance and capital assets acquired for less than the threshold amounts are charges to operating expenses in the year in which the expense was incurred. Depreciation is based on allocation methods and estimated lives prescribed by the State Property Accounting System (SPA). Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Intangible capital assets are defined as assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. These assets are required to be reported if they are identifiable. Land use rights are capitalized if the cost meets or exceeds \$100,000. 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. Intangible assets are amortized based on the estimated useful life of the asset using the straight-line method.

**Accounts Payable and Accrued Liabilities**

Accounts Payable and Payroll Payable represent the liability for the value of assets or services received, and wages/salaries owed at the balance sheet date for which payment is pending.

**Unearned Revenues**

Unearned Revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

**Employees' Compensable Leave Balances**

Employees' Compensable Leave payable balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the Statement of Net Position.

**Notes and Loans Payable**

Notes payable represents amounts owed for commercial paper that was issued during the current accounting period. Notes and loans payable are further explained in Note 5.

**Bonds Payable**

Texas Tech University has a number of bond issues outstanding, most of which are supported either directly or indirectly by tuition revenue. Bonds payable are addressed in more detail in Note 6.

**Funds Held for Others**

Current balances in funds held for others result from the University acting as an agent or fiduciary for faculty and student organizations.

**Net Position**

Net Position is the difference between fund assets and liabilities. They are presented in three separate classes: Invested in Capital Assets, Net of Related Debt; Restricted Net Position and Unrestricted Net Position.

***Invested in Capital Assets, Net of Related Debt***

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

***Restricted Net Position***

Restricted net position results when constraints placed on net asset use are either externally imposed by a party external to the University such as creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

***Unrestricted Net Position***

Unrestricted net position consists of net position, which does not meet the definition of restricted net position. Unrestricted net position often has constraints on resources, which are imposed by management, but can be moved or modified.

**Interfund Activity and Transactions**

Texas Tech University is regularly involved in both interfund activity and interfund transactions. Interfund activity is defined as financial interaction between internal funds, including blended component units. Interfund transactions are defined as financial transactions between legally separate entities. Interfund activity and interfund transactions are both clearly identifiable and are eliminated where appropriate.

**Note 2: Capital Assets**

Depreciation of capital assets is recorded as a periodic expense and accumulated as an offset to the asset book values. Depreciation of capital assets is based on allocation methods and estimated lives prescribed by the State Property Accounting (SPA) system. Accumulated depreciation is classified by capital asset category, providing for an estimation of the net book value of each asset category.

Capital assets are categorized as (1) Land and Land Improvements, (2) Buildings and Building Improvements, (3) Infrastructure, (4) Furniture and Equipment, (5) Vehicles, Boats and Aircraft, (6) Construction in Progress, (7) Other Capital Assets, (8) Facilities and Other Improvements, (9) Land Use Rights, (10) Computer Software, or (11) Other Intangible Capital Assets. The changes to fixed asset balances are summarized below.

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Texas Tech University (733) – Notes to the Financial Statements (continued)

As of August 31, 2013:

	PRIMARY GOVERNMENT							
	Reclassifications							Balance 8/31/13
	Balance 9/1/12	Adjustments	Completed CIP	Inc-Int'agy Trans	Dec-Inter'agy Trans	Additions	Deletions	
<b>BUSINESS-TYPE ACTIVITIES</b>								
<b>Non-depreciable or Non-amortizable Assets</b>								
Land and Land Improvements	\$ 3,724,592.94					\$ 15,259.00		\$ 3,739,851.94
Construction in Progress	2,955,011.70		(1,222,724.38)			21,380,644.27		23,112,931.59
Other Capital Assets	67,739,202.38					3,554,699.67	(82,000.00)	71,211,902.05
Total Non-depreciable or Non-amortizable Assets	\$ 74,418,807.02	\$ 0.00	\$ (1,222,724.38)	\$ 0.00	\$ 0.00	\$ 24,950,602.94	(82,000.00)	\$ 98,064,685.58
<b>Depreciable Assets</b>								
Buildings and Building Improvements	\$ 1,020,273,962.81		\$ 1,222,724.38			\$ 28,191,996.64		\$ 1,049,688,683.83
Infrastructure	30,419,533.51							30,419,533.51
Facilities and Other Improvements	147,547,218.52					8,389,948.74		155,937,167.26
Furniture and Equipment	158,407,482.14	1,070,000.00		525,364.17	(896,671.21)	9,782,554.72	(10,953,054.96)	157,935,674.86
Vehicle, Boats and Aircraft	13,082,591.72			45,575.00	(19,955.00)	906,028.71	(682,471.12)	13,331,769.31
Other Capital Assets	122,812,044.88					10,989,632.37	(706,127.00)	133,095,550.25
Total Depreciable Assets at Historical Cost	\$ 1,492,542,833.58	1,070,000.00	\$ 1,222,724.38	\$ 570,939.17	\$ (916,626.21)	\$ 58,260,161.18	\$ (12,341,653.08)	\$ 1,540,408,379.02
Less Accumulated Depreciation for:								
Buildings and Building Improvements	\$ (472,858,664.55)					\$ (32,796,872.24)		\$ (505,655,536.79)
Infrastructure	(10,259,571.56)					(1,025,639.62)		(11,285,211.18)
Facilities and Other Improvements	(59,842,735.50)					(5,732,426.17)		(65,575,161.67)
Furniture and Equipment	(98,842,595.01)	(1,078,631.46)		(361,820.29)	566,525.36	(13,339,580.97)	10,216,549.58	(102,839,552.79)
Vehicles, Boats and Aircraft	(9,526,939.46)	(26.79)		(45,575.00)	19,955.00	(976,589.17)	628,571.34	(9,900,604.08)
Other Capital Assets	(49,855,235.80)					(8,276,047.61)		(58,131,283.41)
Total Accumulated Depreciation	\$ (701,185,741.88)	\$ (1,078,658.25)	\$ 0.00	\$ (407,395.29)	\$ 586,480.36	\$ (62,147,155.78)	\$ 10,845,120.92	\$ (753,387,349.92)
Depreciable Assets, Net	\$ 791,357,091.70	\$ (8,658.25)	\$ 1,222,724.38	\$ 163,543.88	\$ (330,145.85)	\$ (3,886,994.60)	\$ (1,496,532.16)	\$ 787,021,029.10
<b>Amortizable Assets - Intangible</b>								
Computer Software – Intangible	\$ 121,677,434.89			\$ 400,610.81		\$ 1,078,169.37	\$ (1,491,384.74)	\$ 121,664,830.33
Total Intangible Assets at Historical Cost	\$ 121,677,434.89	\$ 0.00	\$ 0.00	\$ 400,610.81	\$ 0.00	\$ 1,078,169.37	\$ (1,491,384.74)	\$ 121,664,830.33
Less Accumulated Amortization for:								
Computer Software – Intangible	\$ (57,599,062.65)	\$ 2,448.68		\$ (101,318.36)		\$ (22,249,334.32)	\$ 1,365,941.55	\$ (78,581,325.10)
Total Accumulated Amortization	\$ (57,599,062.65)	\$ 2,448.68	\$ 0.00	\$ (101,318.36)	\$ 0.00	\$ (22,249,334.32)	\$ 1,365,941.55	\$ (78,581,325.10)
Amortizable Assets, Net	\$ 64,078,372.24	\$ 2,448.68	\$ 0.00	\$ 299,292.45	\$ 0.00	\$ (21,171,164.95)	\$ (125,443.19)	\$ 43,083,505.23
<b>Business-Type Activities Capital Assets, Net</b>	\$ 929,854,270.96	\$ (6,209.57)	\$ 0.00	\$ 462,836.33	\$ (330,145.85)	\$ (107,556.61)	\$ (1,703,975.35)	\$ 928,169,219.91

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Texas Tech University (733) – Notes to the Financial Statements (continued)

As of August 31, 2012:

PRIMARY GOVERNMENT								
	Balance 9/1/11	Adjustments	Reclassifications Completed CIP	Reclassifications Inc-Int'gry Trans	Reclassifications Dec-Int'gry Trans	Additions	Deletions	Balance 8/31/12
<b>BUSINESS-TYPE ACTIVITIES</b>								
<b>Non-depreciable or Non-amortizable Assets</b>								
Land and Land Improvements	\$ 3,724,592.94							\$ 3,724,592.94
Construction in Progress	112,845,114.34		(169,625,990.34)			60,884,505.34	(1,148,617.64)	2,955,011.70
Other Capital Assets	65,304,260.98					2,511,867.35	(76,925.95)	67,739,202.38
Total Non-depreciable or Non-amortizable Asses	\$ 181,873,968.26	\$ 0.00	\$ (169,625,990.34)	\$ 0.00	\$ 0.00	\$ 63,396,372.69	\$ (1,225,543.59)	\$ 74,418,807.02
<b>Depreciable Assets</b>								
Buildings and Building Improvements	\$ 822,060,610.03		\$ 169,625,990.34			\$ 29,029,058.87	\$ (441,696.43)	\$ 1,020,273,962.81
Infrastructure	30,419,533.51							30,419,533.51
Facilities and Other Improvements	146,111,736.80	(34,797.00)				1,470,278.72		147,547,218.52
Furniture and Equipment	141,565,718.55	(176,948.33)		119,095.72	(26,775.44)	17,398,722.76	(472,331.12)	158,407,482.14
Vehicle, Boats and Aircraft	12,545,992.07	211,745.33				1,015,808.09	(690,953.77)	13,082,591.72
Other Capital Assets	111,404,401.00					11,657,395.62	(249,751.74)	122,812,044.88
Total Depreciable Assets at Historical Cost	\$ 1,264,107,991.96	\$ 0.00	\$ 169,625,990.34	\$ 119,095.72	\$ (26,775.44)	\$ 60,571,264.06	\$ (1,854,733.06)	\$ 1,492,542,833.58
Less Accumulated Depreciation for:								
Buildings and Building Improvements	\$ (444,953,976.13)					\$ (28,306,587.87)	\$ 401,899.45	\$ (472,858,664.55)
Infrastructure	(9,233,925.89)					(1,025,645.67)		(10,259,571.56)
Facilities and Other Improvements	(54,139,060.03)	15,254.92				(5,718,930.39)		(59,842,735.50)
Furniture and Equipment	(86,353,269.55)	(2,766.96)		(1,654.11)	5,039.58	(12,948,700.44)	458,756.47	(98,842,595.01)
Vehicles, Boats and Aircraft	(8,912,958.05)	(12,487.96)				(976,873.13)	375,379.68	(9,526,939.46)
Other Capital Assets	(42,350,975.60)					(7,504,260.20)		(49,855,235.80)
Total Accumulated Depreciation	\$ (645,944,165.25)	\$ 0.00	\$ 0.00	\$ (1,654.11)	\$ 5,039.58	\$ (56,480,997.70)	\$ 1,236,035.60	\$ (701,185,741.88)
Depreciable Assets, Net	\$ 618,163,826.71	\$ 0.00	\$ 169,625,990.34	\$ 117,441.61	\$ (21,735.86)	\$ 4,090,266.36	\$ (618,697.46)	\$ 791,357,091.70
<b>Intangible Capital Assets – Amortizable</b>								
Computer Software – Intangible	\$ 111,849,994.01					\$ 9,970,347.88	\$ (142,907.00)	\$ 121,677,434.89
Total Intangible Assets at Historical Cost	\$ 111,849,994.01	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 9,970,347.88	\$ (142,907.00)	\$ 121,677,434.89
Less Accumulated Amortization for:								
Computer Software – Intangible	\$ (35,704,985.94)					\$ (22,036,983.71)	\$ 142,907.00	\$ (57,599,062.65)
Total Accumulated Amortization	\$ (35,704,985.94)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (22,036,983.71)	\$ 142,907.00	\$ (57,599,062.65)
Amortizable Assets, Net	\$ 76,145,008.07	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (12,066,635.83)	\$ 0.00	\$ 64,078,372.24
<b>Business-Type Activities Capital Assets, Net</b>	\$ 876,182,803.04	\$ 0.00	\$ 0.00	\$ 117,441.61	\$ (21,735.86)	\$ 55,420,003.22	\$ (1,844,241.05)	\$ 929,854,270.96

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

Texas Tech University’s investment portfolio is invested pursuant to the parameters of applicable Texas law and the governing board’s Investment Policies. Under Texas law, Texas Tech University 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, Texas Tech University is required to invest its institutional funds according to written investment policies

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Texas Tech University (733) – Notes to the Financial Statements (continued)

adopted by the Board of Regents. No person may invest Texas Tech University funds without express written authority from the governing board.

The governing investment policy is Regents’ Rules Chapter 09, “Investment and Endowments.” The majority of Texas Tech University assets are invested in two investment pools; the Long Term Investment Fund (LTIF) and the Short/Intermediate Term Investment Fund (STIF), both having their own stand-alone investment policies. 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. Other institutional funds not in the LTIF are invested in the STIF. Other assets include securities gifted to Texas Tech University with donor instructions to maintain in their original form, and bond proceeds invested in external investment pools.

**Deposits of Cash in Bank**

As of August 31, 2013 and August 31, 2012, the carrying amount of deposits was \$26,517,268.56 and \$21,629,899.18 as presented below:

**Business-Type Activities**

As of August 31, 2013:

CASH IN BANK – CARRYING VALUE	\$ 26,517,268.56
Less: Certificates of Deposit including in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral including in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral including in carrying value and reported as Securities Lending Collateral	
Cash in Bank per AFR	<u>\$ 26,517,268.56</u>
Proprietary Funds Current Assets Cash in Bank	\$ 15,009,206.23
Proprietary Funds Current Assets Restricted Cash in Bank	5,444,130.57
Proprietary Funds Non-Current Assets Restricted Cash in Bank	<u>6,063,931.76</u>
Cash in Bank per AFR	<u>\$ 26,517,268.56</u>

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Texas Tech University (733) – Notes to the Financial Statements (continued)

As of August 31, 2012:

CASH IN BANK – CARRYING VALUE	\$ 21,629,899.18
Less: Certificates of Deposit including in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral including in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral including in carrying value and reported as Securities Lending Collateral	
Cash in Bank per AFR	<u>\$ 21,629,899.18</u>
Proprietary Funds Current Assets Cash in Bank	\$ 17,349,712.96
Proprietary Funds Current Assets Restricted Cash in Bank	2,724,054.59
Proprietary Funds Non-Current Assets Restricted Cash in Bank	<u>1,556,131.63</u>
Cash in Bank per AFR	<u>\$ 21,629,899.18</u>

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

As of August 31, 2013 and August 31, 2012, the total **bank balance** for Business-Type Activities was \$29,138,683.46 and \$19,184,991.23, respectively.

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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Investments**

As of August 31, 2013, the fair value of investments is as presented below:

<b>Type of Security</b>	<b>Fair Value</b>
<b>Business-Type Activities</b>	
U. S. Government	
U.S. Treasury Securities	\$ 43,010,529.56
U.S. Treasury TIPs	9,262,753.07
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Sallie Mae, etc.)	80,404,661.63
Corporate Asset and Mortgage Backed Securities	522,574.33
Equity	23,005,011.27
International Obligations	1,111,775.51
Fixed Income Money Market and Bond Mutual Fund	152,722,163.89
Mutual Funds	23,442,650.02
Other Commingled Funds	51,946,219.45
Other Commingled Funds (Texpool)	100,747,892.26
International Other Commingled Funds	41,284,201.31
Real Estate	6,989,161.65
Externally Managed Investments:	
Domestic	121,431,648.53
International	2,545,051.36
Miscellaneous	278,776.32
<b>Total Investments</b>	<u>\$658,705,070.16</u>
Non-Current Investments	\$457,420,304.46
Items in Cash and Cash Equivalents:	
Money Market Funds	97,108,481.84
Texpool & TexSTAR Investments	104,176,283.86
<b>Total Investments</b>	<u>\$658,705,070.16</u>



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Texas Tech University (733) – Notes to the Financial Statements (continued)

As of August 31, 2012, the fair value of investments is as presented below:

Type of Security	Fair Value
<b>Business-Type Activities</b>	
U. S. Government	
U.S. Treasury Securities	\$ 23,063,283.16
U.S. Treasury TIPs	2,611,904.71
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Sallie Mae, etc.)	43,968,712.30
Equity	14,975,095.81
International Obligations	3,785,003.68
Fixed Income Money Market and Bond Mutual Fund	197,775,455.59
Mutual Funds	14,307,223.18
Other Commingled Funds	39,250,519.98
Other Commingled Funds (Texpool)	127,771,178.07
International Other Commingled Funds	27,635,039.32
Real Estate	7,870,447.32
Externally Managed Investments:	
Domestic	98,436,331.94
International	1,470,279.59
Miscellaneous	278,843.09
<b>Total Investments</b>	<u><u>\$603,199,317.74</u></u>
Non-Current Investments	\$390,380,857.05
Items in Cash and Cash Equivalents:	
Money Market Funds	72,544,545.02
Texpool & TexSTAR Investments	140,273,915.67
<b>Total Investments</b>	<u><u>\$603,199,317.74</u></u>

**Custodial credit risk for investments** is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The University's investment policy is to require third party custody for the two investment pools, the LTIF and the STIF. The balances listed below relate to the securities outside of those pools.

As of August 31, 2013:

Fund Type	GAAP Fund	Type	Uninsured and unregistered with securities held by the counterparty	Uninsured and unregistered with securities held by the counterparty's trust department or agent but not in the state's name
05	9999	Equity	\$100,979.51	\$ 0.00

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Texas Tech University (733) – Notes to the Financial Statements (continued)

As of August 31, 2012:

<b>Fund Type</b>	<b>GAAP Fund</b>	<b>Type</b>	<b>Uninsured and unregistered with securities held by the counterparty</b>	<b>Uninsured and unregistered with securities held by the counterparty's trust department or agent but not in the state's name</b>
05	9999	Equity	\$ 86,877.34	\$ 0.00

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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Foreign currency risk for investments** is the risk that changes in exchange rates will adversely affect the investment. The LTIF’s policy is to limit international equity to between 10% and 20% of the portfolio: the STIF does not have a policy limit. All exposures are through funds managed by external investment managers. The exposure to foreign currency risk as of August 31, 2013 and August 31, 2012, is as follows:

As of August 31, 2013:

Fund Type	GAAP Fund	Foreign Currency	International Obligation	International Other Commingled Funds	International Externally Managed Investments
05	9999	Argentine peso		\$ 327,709.11	
05	9999	Australian dollar		87,891.15	\$ 35.67
05	9999	Brazilian real	\$ 173,423.68	2,636,469.65	
05	9999	Canadian dollar		398,724.61	
05	9999	Chilean Peso	117,085.56	238,487.71	
05	9999	Chinese yuan		2,791,124.02	71.35
05	9999	Colombian peso	239,942.38		
05	9999	Czech koruna		317,109.36	
05	9999	Danish krone		69,025.24	
05	9999	Egyptian pound		176,662.59	
05	9999	Euro	114,736.97	8,415,851.97	2,437,128.62
05	9999	Hong Kong dollar		1,113,470.58	
05	9999	Indian rupee		1,403,799.19	107,815.72
05	9999	Indonesian rupiah		721,092.66	
05	9999	Japanese yen		4,293,770.09	
05	9999	Kazakhstani tenge		114,474.10	
05	9999	Malaysian ringgit		236,665.00	
05	9999	Mexican peso		1,682,725.14	
05	9999	Nigerian naira	131,611.94		
05	9999	Norwegian krone		94,909.70	
05	9999	Panamanian balboa		95,029.52	
05	9999	Peruvian nuevo sol	80,239.15	276,645.74	
05	9999	Phillippino peso		318,794.35	
05	9999	Pound sterling		4,201,701.56	
05	9999	Russian ruble	150,299.10	429,042.42	
05	9999	Singapore dollar		301,985.40	
05	9999	South African rand	104,436.73	1,383,967.70	
05	9999	South Korean wan		2,605,173.76	
05	9999	Swedish krona		377,864.17	
05	9999	Swiss franc		2,527,541.86	
05	9999	New Taiwan dollar		2,087,375.84	
05	9999	Thai baht		511,649.44	
05	9999	New Turkish lira		823,106.18	
05	9999	UAE dirham		224,361.50	
		Total	\$ 1,111,775.51	\$ 41,284,201.31	\$ 2,545,051.36

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Texas Tech University (733) – Notes to the Financial Statements (continued)

As of August 31, 2012:

Fund Type	GAAP Fund	Foreign Currency	International Obligation	International Other Commingled Funds	International Externally Managed Investments
05	9999	Argentine peso	\$ 80,125.79	\$ 310,502.40	
05	9999	Australian dollar		196,367.30	\$ 2,613.36
05	9999	Brazilian real	326916.17	2,311,244.49	
05	9999	Canadian dollar	2,579.95	284,366.53	
05	9999	Cayman dollar	18,575.62		
05	9999	CFA franc	105,704.12		
05	9999	Chilean Peso	263,596.89	152,203.86	
05	9999	Chinese yuan	23,440.66	2,138,656.40	67.01
05	9999	Colombian peso	254,456.51		
05	9999	Czech koruna		239,818.92	
05	9999	Danish krone		70,208.70	
05	9999	Dominican peso	49,756.12		
05	9999	Egyptian pound		173,342.80	
05	9999	Euro	279,150.33	3,424,505.08	1,349,582.42
05	9999	Hong Kong dollar	18,280.77	447,134.74	
05	9999	Indian rupee		1,352,165.00	118,016.80
05	9999	Indonesian rupiah	384,780.70	546,769.65	
05	9999	Iraqi dinar	30,517.09		
05	9999	New Israel shekel		74,341.73	
05	9999	Japanese yen		2,475,828.56	
05	9999	Kazakhstani tenge	98,701.41	105,880.95	
05	9999	Latvian lats	152,732.87		
05	9999	Lithuanian litas	124,795.73		
05	9999	Malaysian ringgit	663.41	53,154.04	
05	9999	Mexican peso	143,887.34	1,538,739.03	
05	9999	Norwegian krone		109,363.74	
05	9999	Panamanian balboa	25,578.33	37,546.33	
05	9999	Peruvian nuevo sol	70,100.85	257,052.17	
05	9999	Phillippino peso	275,833.21	225,231.54	
05	9999	Pound sterling	29,853.67	2,042,429.21	
05	9999	Qatari riyal	95,384.33		
05	9999	Russian ruble	47,913.30	338,105.51	
05	9999	Singapore dollar		319,342.84	
05	9999	South African rand	122,215.78	1,579,036.29	
05	9999	South Korean wan	25,283.48	2,182,589.53	
05	9999	Swedish krona		218,217.48	
05	9999	Swiss franc		1,504,262.45	
05	9999	New Taiwan dollar		1,503,229.78	
05	9999	Thai baht	663.41	719,753.15	
05	9999	New Turkish lira		606,038.61	
05	9999	UAE dirham	13,268.30	97,610.51	
05	9999	Uruguay peso	156,713.36		
		Venezuela bolivar	563,534.18		
		Total	\$ 3,785,003.68	\$ 27,635,039.32	\$ 1,470,279.59

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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Credit risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University’s investment policy limits fixed income securities held by the STIF to those issued by the U.S. or its agencies and instrumentalities. As of August 31, 2013 and August 31, 2012, respectively, the University’s credit quality distribution for securities with credit risk exposure was as follows:

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB	BB	Unrated
05	9999	U.S. Government Agency Obligations	\$ 80,404,661.63					
05	9999	Corporate Asset and Mortgage Backed Securities	\$ 522,574.33					
05	9999	International Obligations		\$ 28,572.63	\$ 94,389.74	\$ 609,697.69	\$ 132,968.35	\$ 246,147.10
			<b>AAAf</b>	<b>Aaf</b>	<b>Af</b>			<b>Unrated</b>
05	9999	Fixed Income Money Market and Bond Muual Fund	\$ 97,108,481.84					\$ 55,613,682.05

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB	BB	Unrated
05	9999	U.S. Government Agency Obligations	\$ 43,968,712.30					
05	9999	International Obligations		\$ 200,605.20	\$ 401,210.39	\$ 1,669,186.62	\$ 673,730.66	\$ 840,270.81
			<b>AAAf</b>	<b>Aaf</b>	<b>Af</b>			<b>Unrated</b>
05	9999	Fixed Income Money Market and Bond Muual Fund	\$ 72,544,545.02					\$ 125,230,910.57

**Derivative Investing**

Texas Tech University has no direct derivative investments. Investment managers in invested vehicles such as hedge funds do employ derivatives, and the values associated with those managers reflect those securities.

**Note 4: Short-Term Debt**

Texas Tech University has no outstanding short-term debt as of August 31, 2013 or August 31, 2012.

**Note 5: Long-Term Liabilities**

**Changes in Long-Term Liabilities**

During the year ended August 31, 2013, the following changes occurred in liabilities:

Business-Type Activities	Balance 9/1/2012	Additions	Reductions	Other Changes	Balance 8/31/2013	Amounts due within one year	Amounts Due Thereafter
Notes and Loans Payable	\$ 21,512,538.24	\$ 40,219,584.44	\$ 11,342,557.30		\$ 50,389,565.38	\$ 50,389,565.38	\$ 0.00
Revenue Bonds Payable	356,197,821.95		17,243,854.15	(593,056.93)	338,360,910.87	19,532,303.16	\$ 318,828,607.71
Compensable Leave Payable	11,811,718.33	207,368.23			12,019,086.56	1,442,290.38	\$ 10,576,796.18
<b>Total Business-Type Activities</b>	<b>\$ 389,522,078.52</b>	<b>\$ 40,426,952.67</b>	<b>\$ 28,586,411.45</b>	<b>\$ (593,056.93)</b>	<b>\$ 400,769,562.81</b>	<b>\$ 71,364,158.92</b>	<b>\$ 329,405,403.89</b>

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Texas Tech University (733) – Notes to the Financial Statements (continued)

During the year ended August 31, 2012, the following changes occurred in liabilities:

Business-Type Activities	Balance 9/1/2011	Additions	Reductions	Other Changes	Balance 8/31/2012	Amounts due within one year	Amounts Due Thereafter
Notes and Loans Payable	\$ 50,619,091.16	\$ 36,027,701.00	\$ 65,134,253.92		\$ 21,512,538.24	\$ 21,512,538.24	\$ 0.00
Revenue Bonds Payable	292,648,522.90	126,565,822.79	61,278,705.48	(1,737,818.26)	356,197,821.95	17,836,911.08	\$ 338,360,910.87
Compensable Leave Payable	12,301,266.56		489,548.23		11,811,718.33	1,417,406.22	\$ 10,394,312.11
<b>Total Business-Type Activities</b>	<b>\$ 355,568,880.62</b>	<b>\$ 162,593,523.79</b>	<b>\$ 126,902,507.63</b>	<b>\$ (1,737,818.26)</b>	<b>\$ 389,522,078.52</b>	<b>\$ 40,766,855.54</b>	<b>\$ 348,755,222.98</b>

**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 accumulated hours are limited based on the employees’ length of service, with a maximum accrual of 532 hours for employees with 35 or more years of service. The expense and liability are recorded annually as these benefits accrue for employees. 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.

**Pollution Remediation Obligations**

Texas Tech University is waiting further review by the Texas Commission on Environmental Quality to determine the responsible party and the cost for pollution remediation activities on land that the University owns in Carson County, Texas.

**Bonds Payable**

See Note 6 for detailed information on bond liability balances and transactions.

**Notes and Loans Payable**

Notes Payable represents commercial paper payable, which is issued to provide interim funding for long-term construction and equipment projects in advance of the issuance of authorized bonds. Even though commercial paper itself is short-term in nature, because the intent of the commercial paper issuance is to continue funding of these long-term projects to be financed by bond issues, the payable is reported as long-term debt. Debt service for the obligation is provided in general appropriation for tuition revenue bonds and revenue from various projects. All commercial paper outstanding at 8/31/13 will mature in fiscal year 2014. Commercial paper has short maturities up to 270 days with interest rates for tax-exempt and taxable ranging from .09% to .20% and .13% to .17%, respectively.

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Texas Tech University (733) – Notes to the Financial Statements (continued)

*Summary of Debt Service Requirements for Notes Payable*

As of August 31, 2013:

<b>Fiscal Year</b>	<b>Balance Principal</b>	<b>Interest</b>	<b>Total</b>
2014	\$ 50,389,565.38	\$ 186,363.48	\$ 50,575,928.86
2015			
2016			
2017			
2018			
All Other Years			
<b>Total Requirements</b>	<b>\$ 50,389,565.38</b>	<b>\$ 186,363.48</b>	<b>\$ 50,575,928.86</b>

As of August 31, 2012:

<b>Fiscal Year</b>	<b>Balance Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 21,512,538.24	\$ 64,537.61	\$ 21,577,075.85
2014			
2015			
2016			
2017			
All Other Years			
<b>Total Requirements</b>	<b>\$ 21,512,538.24</b>	<b>\$ 64,537.61</b>	<b>\$ 21,577,075.85</b>

**Note 6: Bonded Indebtedness**

**Bonds Payable**

Several bond issues were outstanding as of August 31, 2013. These are summarized in the paragraphs that follow.

**Revenue Financing System Refunding and Improvement Bonds, 9<sup>th</sup> Series 2003**

Purpose: For current refunding of Series A Notes and Series 1993 bonds; for construction of the Experimental Sciences Building and renovations of Horn/Knapp dormitory and other University construction of capital improvements projects

Original Issue Amount \$32,995,000.00; all authorized bonds have been issued

Issue Date September 23, 2003

Interest Rates 2.00% to 5.25%

Maturity Date Range 2004 through 2023

Type of Bond Revenue

Changes in Debt \$0 issued; \$1,570,000.00 retired

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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Revenue Financing System Refunding and Improvement Bonds, 10<sup>th</sup> Series 2006**

**Purpose:** For advanced refunding of Series A Notes and Series 1999 and 2001 bonds, for construction of Murray Hall and renovation of the Student Union Building and various dormitories and other University construction of capital improvement projects.

Original Issue Amount \$161,220,476.00; all authorized bonds have been issued  
 Issue Date February 2, 2006  
 Interest Rates 4.00% to 5.00%  
 Maturity Date Range 2007 through 2031  
 Type of Bond Revenue  
 Changes in Debt \$0 issued; \$3,528,673.64 retired

**Revenue Financing System Refunding and Improvement Bonds, 12<sup>th</sup> Series 2009**

**Purpose:** For current refunding of Series A Notes in the aggregate principal amount of \$14,486,000 and Series 1999 bonds in the aggregate principal amount of \$32,377,742.71 and to pay for construction of the new College of Business Administration Building, renovation of the existing College of Business Administration Building, construction of the Lanier Professional Development Center, construction of the Student Leisure Pool, and other University construction of capital improvement projects.

Original Issue Amount \$104,352,181.17; all authorized bonds have been issued  
 Issue Date March 3, 2009  
 Interest Rates 3.00% to 5.25%  
 Maturity Date Range 2009 through 2038  
 Type of Bond Revenue  
 Changes in Debt \$0 issued; \$6,380,180.51 retired

**Revenue Financing System Refunding and Improvement Bonds, 14<sup>th</sup> Series 2012A**

**Purpose:** For refunding of \$55,089,500.00 of Revenue Financing System Commercial Paper Notes Series A and a partial current refunding of \$3,240,000.00 of Revenue Financing System Bonds Series 2001. For partial advanced refunding of \$13,460,000.00 of Revenue Financing System Bonds Series 2003. To provide new funding for the new College of Business Administration Building, the new TTU Boston & 18<sup>th</sup> Street Residence Hall and Dining Facility, Jones Stadium East Side Expansion and other University capital improvement projects.

Original Issue Amount \$86,230,000.00; all authorized bonds have been issued  
 Issue Date February 1, 2012  
 Interest Rates 2.00% to 5.00%  
 Maturity Date Range 2012 through 2036  
 Type of Bond Revenue  
 Changes in Debt \$0 issued; \$4,945,000.00 retired



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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Revenue Financing System Refunding and Improvement Bonds, 15<sup>th</sup> Series 2012B (Taxable)**

Purpose:	For current refunding of \$27,710,000 of Revenue Financing System Bonds Taxable Series 2001.
Original Issue Amount	\$27,585,000.00; all authorized bonds have been issued
Issue Date	February 1, 2012
Interest Rates	.40% to 4.44%
Maturity Date Range	2012 through 2031
Type of Bond	Revenue
Changes in Debt	\$0 issued; \$820,000.00 retired

**Sources of Debt-Service Revenue**

On October 21, 1993, the governing board of the Texas Tech University System established a Revenue Financing System for the purpose of providing a financing structure for all revenue supported indebtedness of Texas Tech University System components. The source of revenues for debt service issued under the Revenue Financing System 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 Texas Tech University System components. 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.

**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, on the one hand, and the pledging of receivables or future revenues to repay a borrowing (a collateralized borrowing), on the other. The following table provides the pledged future revenue information for Texas Tech University’s revenue bonds:

	Business - Type Activities	
	August 31, 2013	August 31, 2012
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	\$ 459,439,709.28	\$ 491,989,496.62
Term of Commitment for Year Ending 8/31	2038	2038
Percentage of Revenue Pledged	100%	100%
Current Year Pledged Revenue	\$ 527,479,942.18	\$ 537,011,719.12
Current Year Principal and Interest Paid	\$ 32,549,787.34	\$ 31,889,575.98

**Pledged revenue sources** from business-type activities include income from tuition/fees, investments, other sales and services, TRB state appropriations, auxiliary activities, and plant gifts.

**Note 7: Derivative Instruments**

As of August 31, 2013 or August 31, 2012, Texas Tech University held no derivative instruments subject to reporting requirements.

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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Note 8: Leases**

Texas Tech University had no outstanding capital leases as of August 31, 2013 or August 31, 2012.

Texas Tech University has entered into various operating leases for buildings and equipment. Expenses for operating lease obligations included in the financial statements were \$600,270.10 and \$722,581.53 for the fiscal year ended August 31, 2013 and August 31, 2012.

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2013 are as follows:

<b>Fiscal Year Ended August 31,</b>	
2014	\$ 692,769.28
2015	505,658.17
2016	312,906.25
2017	112,256.07
2018	84,034.26
2019-2023	89,158.80
2024-2028	89,158.80
2029-2033	89,158.80
2034-2038	89,158.80
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$ 2,064,259.23</b>

Texas Tech University also leases building space to outside parties under various operating leases. Rental income from these leases of \$236,288.24 and \$242,242.52 is included in the financial statements for the fiscal year ended August 31, 2013 and August 31, 2012.

Leased space comprises approximately 14.4% of the total building space. The carrying value of the building is \$2,034,493.65 and \$2,125,538.14 as of August 31, 2013 and August 31, 2012, with a historical cost of \$5,182,795.13, and related accumulated depreciation of \$3,148,301.48 and \$3,057,256.99 as of August 31, 2013 and August 31, 2012. There were no reported contingent rental revenues.

Minimum future lease rental income under non-cancelable operating leases as of August 31, 2013 was as follows:

<b>Fiscal Year Ended August 31,</b>	
2014	\$ 269,298.96
2015	271,733.96
2016	274,101.96
2017	274,443.60
2018	274,792.07
<b>Total Minimum Future Lease Rental Income</b>	<b>\$ 1,364,370.55</b>

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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Note 9: Pension Plans**

The State has established an Optional Retirement Program (ORP) for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System of Texas and is available to certain eligible employees. The contributions made by plan members and the employer for the fiscal year ended August 31, 2013 and August 31, 2012 are:

Description	For the Year Ended August 2013	For the Year Ended August 2012
Member Contributions	\$ 7,124,209.82	\$ 6,990,613.39
Employer Contributions	7,564,222.99	7,473,334.68
<b>Total Contributions</b>	<b>\$ 14,688,432.81</b>	<b>\$ 14,463,948.07</b>

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

Not applicable.

**Note 11: Postemployment Health Care and Life Insurance Benefits**

Not applicable.

**Note 12: Interfund Activity and Transactions**

As explained in Note 1 on interfund activities and transactions, there are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due from Other Agencies or Due to Other Agencies
- Transfers In or Transfers Out
- 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 will occur within one year from the date of the financial statement.

Individual balances and activity at August 31, 2013 and August 31, 2012, follow.

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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Due from / Due to Other State Agencies**

As of August 31, 2013:

<b>Agency Name</b>	<b>Agency Number</b>	<b>D23 Fund</b>	<b>Due from Other Agencies</b>	<b>Due to Other Agencies</b>
Office of the Governor	300	5124		660,136.80
Texas Workforce Commission	320	5026	29,810.02	
Department of State Health Services	537	0001	4,419.21	
Department of State Health Services	537	0273	81,531.74	
Cancer Prevention and Research Institute of Texas	542	7639	121,392.78	
Texas Department of Agriculture	551	5026	32,095.87	1,697.53
Texas AgriLife Extension Service	555	7999	41,643.02	39,634.48
Texas AgriLife Research	556	7999	22,302.74	8,424.74
Texas Water Development Board	580	1358	193,149.28	
Texas Commission on Environmental Quality	582	1515	3,883.60	
Texas Department of Motor Vehicles	608	5015	8,433.92	
Texas Education Agency	701	0148	293,361.58	
TAMU System	710	7999		40,018.08
Texas A&M Engineering Experiment Station	712	7999	12,852.99	19,164.25
Tartleton State University	713	7999		91,977.98
The University of Texas at Arlington	714	7999	78,559.59	
The University of Texas System	720	7999		3,025.54
The University of Texas at Austin	721	7999		722.68
The University of Texas Medical Branch	723	7999	20,996.84	
Midwestern State University	735	7999		71,815.56
Angelo State University	737	7999		10,436.72
Texas Tech Univesity Health Sciences Center	739	0001	174,868.32	
Texas Tech Univesity Health Sciences Center	739	7999	6,920.96	18,208.32
The Univesity of Texas at San Antonio	743	7999	14,506.52	
Texas State Univesity San Marcos	754	7999		26,800.27
Stephen F Austin State Univesity	755	7999	415,441.02	
Sul Ross State Univesity	756	7999		9,124.09
West Texas A&M Univesity	757	7999		89,389.06
Texas A&M Univesity Corpus Christi	760	7999	17,815.49	1,902.71
Texas School for the Blind and Visually Impaired	771	0001	74,756.75	
The Higher Education Coordinating Board	781	0001	22,635.44	72,208.52
Texas Parks and Wildlife	802	0951	94,532.02	
Texas Parks and Wildlife	802	5043	13,296.87	
Comptroller of Public Accounts	902	0214	15,175,956.23	
State Energy Conservation Office	907	0224	152,145.80	
<b>Total Due from / Due to Other Agencies</b>			<b>\$ 17,107,308.60</b>	<b>\$ 1,164,687.33</b>

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Texas Tech University (733) – Notes to the Financial Statements (continued)

As of August 31, 2012:

Agency Name	Agency Number	D23 Fund	Due from Other Agencies	Due to Other Agencies
Office of the Governor	300	5124		\$ 22,302.97
Office of the Governor	300	5524		1,761,313.64
Office of the Governor	300	6822	\$ 63,763.70	
Texas Workforce Commission	320	5026	33,836.19	
Cancer Prevention and Research Institute of Texas	542	7639	421,210.29	
Texas Department of Agriculture	551	0001	126,012.94	
Texas Department of Agriculture	551	0005	74,027.61	
Texas Agrilife Extension Service	555	7999	46,086.05	54,842.09
Texas Agrilife Research	556	7999	70,727.79	111,498.46
Texas Water Development Board	580	1358	464,487.41	
Texas Water Development Board	580	4832	8,641.41	
Texas Commission on Environmental Quality	582	0340	20,126.95	
Texas Commission on Environmental Quality	582	1515	1,698.91	
Texas Department of Motor Vehicles	608	5015	91,369.91	
Texas Education Agency	701	0148	248,798.84	
Tarleton State University	713	7999		106,363.70
The University of Texas at Arlington	714	7999	51,279.69	
The University of Texas System	720	7999		1,915.78
The University of Texas at Austin	721	7999	3,949.25	
The University of Houston	730	7999		1,525.09
Texas A&M University - Kingsville	732	7999	12,367.18	
Midwestern State University	735	7999		55,664.31
Angelo State University	737	7999		7,082.72
The University of Texas at Dallas	738	7999	79,292.96	
Texas Tech University Health Sciences Center	739	0001	166,492.62	
Texas Tech University Health Sciences Center	739	7999		33,571.70
The University of Texas at San Antonio	743	7999		11,927.52
The University of North Texas	752	7999		7,178.96
Texas State University - San Marcos	754	7999	35,270.31	
Stephen F. Austin State University	755	7999	415,441.02	
Sul Ross State University	756	7999		10,368.38
West Texas A&M University	757	7999	33,502.76	103,776.54
Texas A&M University - Corpus Christi	760	7999	2978.02	14,437.96
Texas School for the Blind and Visually Impaired	771	0001	48,748.90	
The Higher Education Coordinating Board	781	0001	40,058.37	327,344.21
Texas Parks and Wildlife Department	802	0931	29,149.73	
Texas Parks and Wildlife Department	802	0951	184,179.64	
Comptroller of Public Accounts	902	0214	7,877,932.04	
<b>Total Due from / Due to Other Agencies</b>			<b>\$ 10,651,430.49</b>	<b>\$ 2,631,114.03</b>

**Legislative Transfers In / Out**

As of August 31, 2013:

Agency Name	Agency Number	D23 Fund	Legislative Transfers In	Legislative Transfers Out
Texas Tech University System Administration	768	0001		\$ 1,667,837.00
<b>Total Legislative Transfers In / Out</b>				<b>\$ 1,667,837.00</b>

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Texas Tech University (733) – Notes to the Financial Statements (continued)

As of August 31, 2012:

Agency Name	Agency Number	D23 Fund	Legislative Transfers In	Legislative Transfers Out
Texas Tech University System Administration	768	0001		\$ 1,667,837.00
<b>Total Legislative Transfers In / Out</b>				<b>\$ 1,667,837.00</b>

**Transfers to / from Other State Agencies**

As of August 31, 2013:

Agency Name	Agency Number	D23 Fund	Transfers In	Transfers Out
Texas Public Financing Authority	347	0507		\$ 114,788.74
Texas Public Financing Authority	347	0735		573.48
Texas Higher Education Coordinating Board	781	0001		96,697.58
Texas Higher Education Coordinating Board	781	5103		3,692,469.33
Comptroller of Public Accounts	902	0214	\$ 8,453,949.25	
<b>Total Transfers to / from Other Agencies</b>			<b>\$ 8,453,949.25</b>	<b>\$ 3,904,529.13</b>

As of August 31, 2012:

Agency Name	Agency Number	D23 Fund	Transfers In	Transfers Out
Texas Public Financing Authority	347	0507		\$ 118,546.04
Texas Public Financing Authority	347	0735		2,329.47
Texas Higher Education Coordinating Board	781	0001		92,070.21
Texas Higher Education Coordinating Board	781	5103		3,487,700.62
Comptroller of Public Accounts	902	0214	\$ 7,877,932.04	
<b>Total Transfers to / from Other Agencies</b>			<b>\$ 7,877,932.04</b>	<b>\$ 3,700,646.34</b>

**Interagency Capital Asset Transfers to / from Other State Agencies**

As of August 31, 2013:

Agency Name	Agency Number	Net Asset Increase	Net Asset Decrease
Texas Tech University Health Sciences Center	739	\$ 453,933.14	\$ 61,766.09
Texas A&M Engineering Experiment Station	712		32,170.21
Texas State University - San Marcos	754		236,209.55
Department of State Health Services	537	8,903.19	
<b>Total Capital Asset Transfers to / from Other Agencies</b>		<b>\$ 462,836.33</b>	<b>\$ 330,145.85</b>

As of August 31, 2012:

Agency Name	Agency Number	Net Asset Increase	Net Asset Decrease
Texas Tech University Health Sciences Center	739	\$ 117,441.61	\$ 21,735.86
<b>Total Capital Asset Transfers to / from Other Agencies</b>		<b>\$ 117,441.61</b>	<b>\$ 21,735.86</b>

The detailed State Grant Pass-Through information is listed on Schedule 1B – Schedule of State Grant Pass-Throughs from/to State Agencies.

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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Note 13: Continuance Subject to Review**

Texas Tech University is not subject to the Texas Sunset Act.

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

Texas Tech University has no restatement of Fund Balance or Net Position as of August 31, 2013 or August 31, 2012.

There was an error found in the scholarship allowance/discount calculation for the year ended August 31, 2012 which offsets the scholarship and fellowship expenses. This does not result in a restatement of fund balance or net position.

Description	8/31/2012 As Reported	Correction	8/31/2012 As Corrected
Less Discounts and Allowances per SRECNP Operating Revenue	\$ (78,238,051.12)	\$ 5,305,164.61	\$ (72,932,886.51)
Scholarships and Fellowships per SRECNP Operating Expenses	35,785,371.88	5,305,164.61	41,090,536.49
Scholarships column ending balance per Matrix of Operating Expenses	45,358,181.74	5,305,164.61	50,663,346.35
Scholarships and Fellowships ending balance per Matrix of Operating Expenses	35,785,371.88	5,305,164.61	41,090,536.49

**Note 15: Contingencies and Commitments**

At August 31, 2013 and August 31, 2012, various lawsuits and claims involving Texas Tech University were pending. While the ultimate liability with respect to litigation and other claims asserted against the University 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 University.

**Note 16: Subsequent Events**

Texas Tech University has no subsequent events to disclose.

**Note 17: Risk Management**

Texas Tech University by state law is required to be a participant in the Worker’s Compensation Program and Pool managed by the State Office of Risk Management (SORM). The University is assessed fees by SORM based upon claims cost, claim count, payroll and FTE. Total payments to SORM for fiscal year 2013 and 2012 totaled \$806,771.76 and \$785,526.14, respectively. The State Office of Risk Management pays all WCI claims. The Worker’s Compensation pool for the fiscal year was funded by a .25 percent charge on non-educational and general gross payroll for paying its proportionate share of the SORM assessment.

The University has self-insured arrangements for Unemployment Compensation Fund coverage. The State of Texas pays 50% of claims for employees paid from state funds. The University pays the remainder for employees paid from state funds and 100% of the claims paid for employees from non-state funds. Total payments for unemployment compensation for fiscal year 2013 and 2012 amounted to \$165,292.01 and \$312,647.62 respectively. 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.

Insurance for University vehicles owned or leased is purchased through commercial carriers. Liability limits are \$250,000 per person/\$500,000 per collision bodily injury, and \$100,000 per collision property

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Texas Tech University (733) – Notes to the Financial Statements (continued)

damage for collisions occurring within Texas. Out of state limits are \$1,000,000 combined single limit per occurrence.

**Note 18: Management Discussion and Analysis (MD&A)**

Texas Tech University does not issue an audited AFR or have any material amounts or events to disclose.

**Note 19: The Financial Reporting Entity**

Texas Tech University is an agency of the State of Texas, and is one of four components of the Texas Tech University System.

The National Wind Resource Center (NWRC) is a not-for-profit 501(c)(3) organization, exempt from income taxes, and is reported as a blended component unit of Texas Tech University. The NWRC was founded to support research at Texas Tech University. Based on the application of GASB Standard No. 61 criteria, the NWRC’s financial data has been blended into the financial data of Texas Tech University due to the significance of its financial relationship with the University.

Texas Tech University	<u>National Wind Resource Center</u>	
	<u>2013</u>	<u>2012</u>
<b>Condensed Statement of Net Position</b>		
Total Current Assets	\$ 304,260.36	\$ 406,790.40
Total Current Liabilities		12,475.80
Net Position:		
Expendable:		
Other	304,260.36	394,314.60
Total Net Position	<u>\$ 304,260.36</u>	<u>\$ 394,314.60</u>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>		
Operating Revenues		
State Grant Pass-Throughs (Schedule 1B)	\$ 0.00	\$ 575,000.00
Operating Expenses		
Research	90,054.24	168,185.31
Operating Income (Loss)	<u>(90,054.24)</u>	<u>406,814.69</u>
Total Change in Net Position	<u>(90,054.24)</u>	<u>406,814.69</u>
Beginning Net Position (September 1, 2012 and 2011)	394,314.60	(12,500.09)
Ending Net Position (August 31, 2013 and 2012)	<u>\$ 304,260.36</u>	<u>\$ 394,314.60</u>
<b>Condensed Statement of Cash Flows</b>		
Net Cash Provided (Used) by Operating Activities	\$ (90,054.24)	\$ 406,814.69
Total Net Cash Flows	<u>(90,054.24)</u>	<u>406,814.69</u>
Beginning Cash and Cash Equivalents (September 1, 2012 and 2011)	394,314.60	(12,500.09)
Ending Cash and Cash Equivalents (August 31, 2013 and 2012)	<u>\$ 304,260.36</u>	<u>\$ 394,314.60</u>



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

Texas Tech University has no material stewardship, compliance, and accountability issues.

**Note 21: N/A****Note 22: Donor Restricted Endowments**

Expenditure of endowed funds is not allowed without the express consent of the donor. Most of Texas Tech'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.

Endowment assets are invested predominantly in the Long Term Investment Fund (LTIF). The LTIF has experienced varying performance since its inception. The cumulative effect of valuation changes assignable to endowment fund assets by the University are summarized in the following table:

<b>Donor Restricted Endowment</b>	<b>Amount Net Appreciation</b>	<b>Reported in Statement of Net Position</b>	<b>As of</b>
True Endowments	\$ 16,571,081.99	Restricted Nonexpendable	August 31, 2013
Term Endowments	\$ 74,255.55	Restricted Nonexpendable	August 31, 2013
True Endowments	\$ 12,366,682.75	Restricted Nonexpendable	August 31, 2012
Term Endowments	\$ 54,591.43	Restricted Nonexpendable	August 31, 2012

The System's spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives while protecting the inflation-adjusted value of the principal. The following factors are considered in the spending policy: the duration and preservation of the LTIF, the purposes of the System and the LTIF, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, other resources of the System and the overall investment policy. The distribution of spendable earnings shall not exceed 6% nor be less than 4% of the average NAV of the LTIF for the 12 quarters just ended.

**Note 23: Extraordinary and Special Items**

Texas Tech University has no special or extraordinary items for the fiscal year ended August 31, 2013 or August 31, 2012.

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

Texas Tech University has no reportable disaggregation of receivable or payable balances for the year ended August 31, 2013 or August 31, 2012.

**Note 25: Termination Benefits**

Texas Tech University has no reportable voluntary or involuntary termination benefits as of August 31, 2013 or August 31, 2012.

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Texas Tech University (733) – Notes to the Financial Statements (continued)

**Note 26: Segment Information**

Texas Tech University has no reportable segments.

**Note 27: Service Concession Arrangements**

Texas Tech University has no reportable service concession arrangements.

**Note 28: Troubled Debt Restructuring**

Texas Tech University had no outstanding receivables whose terms were modified pursuant to troubled debt restructuring for the year ended August 31, 2013 or August 31, 2012.

**Note 29: Deferred Outflows and Deferred Inflows of Resources**

Texas Tech University had no deferred outflows or deferred inflows of resources for the year ended August 31, 2013 or August 31, 2012.

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**TEXAS TECH UNIVERSITY (733)**

**SUPPORTING SCHEDULES**

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Texas Tech University (733)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Year Ended August 31, 2013

**Note 1: Non-Monetary Assistance**

Texas Tech University did not receive any non-monetary federal assistance in fiscal year 2013.

**Note 2: Reconciliation**

Federal Grants and Contracts Operating (SRECNP)	\$ 31,809,393.00
Federal Grants and Contracts Nonoperating (SRECNP)	30,181,256.00
Federal Pass-Through Grants from Other State Agencies (SRECNP)	3,719,805.01
Total Federal Revenues	<u>\$ 65,710,454.01</u>

Reconciling Items:

*New Loans Processed*

Federal Direct Student Loans (84.268)	146,775,480.00
Federal Perkins Loan Program (84.038)	367,099.00

*Other*

Texas A&M Research Foundation	(8,509.76)
Total Pass-Through and Expenditures per Federal Schedule	<u>\$ 212,844,523.25</u>

**Note 3: Student Loan Processed and Administrative Costs Recovered**

Program	CFDA	New Loans Processed	Administrative Costs Recovered	Total Loans Processed and Admin Costs Recovered	Ending Balance Previous Years' Loans
Federal Direct Student Loans	84.268	\$ 146,775,480.00	\$	\$ 146,775,480.00	\$
Federal Perkins Loan Program	84.038	367,099.00	92,802.61	459,901.61	768,424.64
		<u>\$ 147,142,579.00</u>	<u>\$ 92,802.61</u>	<u>\$ 147,235,381.61</u>	<u>\$ 768,424.64</u>

The Perkins Loan Program is outsourced to Campus Partners.

**Note 4: Depository Libraries for Governmental Publications**

The University participates as a depository library in the government printing office's depository libraries for government publications program, CFDA 40.001. The University is the legal custodian of government publications which remain the property of the federal government. The publications are not assigned a value by the government printing office.

**Note 5: Unemployment Insurance Funds**

Texas Tech University was not the recipient of CFDA 17.225 funding for fiscal year 2013.

**Note 6: Rebates for the Special Supplemental Food Program For Women, Infants, and Children (WIC)**

Texas Tech University was not the recipient of CFDA 10.557 funding for fiscal year 2013.

Texas Tech University (733)  
 Schedule 1A - Schedule of Expenditures of Federal Awards (continued)  
 For the Year Ended August 31, 2013

**Note 7: Federal Deferred Revenue**

The deferred revenue total of \$378,797.00 represents advanced payments on Federal grants and contracts.

CFDA	Deferred Revenue September 1, 2012	Increase/ (Decrease)	Deferred Revenue August 31, 2013
10.200	\$	\$	546.13
			\$ 546.13
10.303	3.22	(3.22)	
11.468	16,552.41	(16,552.41)	
12.000	15,275.60	(13,495.15)	1,780.45
12.300		188,924.78	188,924.78
12.351	116,493.97	(43,008.54)	73,485.43
12.800	18,679.32	(18,679.32)	
12.910	749,454.54	(726,768.73)	22,685.81
15.669		7,273.00	7,273.00
15.820		0.06	0.06
43.000	11,489.99	(11,489.99)	
43.003	637.30	(637.30)	
47.000		0.06	0.06
47.041	8,104.18	12,114.98	20,219.16
47.050	9,202.80	(11.03)	9,191.77
47.082	10,831.57	(10,831.57)	
66.509	70.12	(70.12)	
66.514	15,716.07	(15,716.07)	
81.000	1,229.86	15,911.01	17,140.87
81.049	204.39	3,835.77	4,040.16
81.087	309.91	(309.91)	
84.031	3,020.37	13,774.56	16,794.93
84.047	2,234.41	(2,234.41)	
84.048	1,525.98	(1,525.98)	
84.153	15.53	(15.53)	
84.325	16,867.19	(16,867.19)	
93.279		15,962.10	15,962.10
93.000	5,565.41	(4,813.12)	752.29
	<u>\$ 1,003,484.14</u>	<u>\$ (624,687.14)</u>	<u>\$ 378,797.00</u>

**Note 8: Supplemental Nutrition Assistance Program (SNAP)**

Texas Tech University was not the recipient of CFDA 10.551 funding for fiscal year 2013.

Texas Tech University (733)  
 Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies  
 For the Year Ended August 31, 2013

**Pass-through from:**

Agency Number	Agency Name Grant ID / Grant Description	Amount
300	<b>Office of the Governor</b>	
	300.0006 Texas Emerging Technology Grants	\$ 1,081,162.95
	<i>Total for Office of the Governor</i>	<u>1,081,162.95</u>
457	<b>Texas State Board of Public Accountancy</b>	
	457.0001 Fifth Year Accounting Student Scholarship Program	8,444.00
	<i>Total for Texas State Board of Public Accountancy</i>	<u>8,444.00</u>
537	<b>Department of State Health Services</b>	
	537.0026 Indigent Care	4,902.63
	<i>Total for Department of State Health Services</i>	<u>4,902.63</u>
542	<b>Cancer Prevention and Research Institute of Texas</b>	
	542.0017 A Public-Private Partnership for Cancer Prevention in Rural Communities	85,280.44
	542.0018 Implementation of the Clinical Practice Guidelines for Treating Tobacco Use and Dependence in Oncology and Primary Care Settings	114,079.20
	542.0020 Integrated Microfluidic Technology for High Throughput Screening of the Metastatic Potential of Tumor Cells	(4,008.29)
	542.0021 Beam-Scanning Radar for Tumor Tracking in Lung Cancer Radiotherapy	106,452.32
	<i>Total for Cancer Prevention and Research Institute of Texas</i>	<u>301,803.67</u>
551	<b>Texas Department of Agriculture</b>	
	551.0003 Enology and Viticulture Education and Research Grant	210.81
	551.0014 Molecular Breeding for Improvement	(4,134.60)
	551.0020 Enhancing Cotton Fiber	(30,732.74)
	551.0032 Natural Fibers Research Grant Program	98,197.37
	<i>Total for Texas Department of Agriculture</i>	<u>63,540.84</u>
580	<b>Texas Water Development Board</b>	
	580.0018 WSC - Agriculture Water Conservation	1,028,172.22
	580.0019 WSC - Research	105,036.13
	<i>Total for Texas Water Development Board</i>	<u>1,133,208.35</u>
582	<b>Texas Commission on Environmental Quality</b>	
	582.0005 Effectiveness and Utility of Surface Application and Soil Percolation for Removal of Pharmaceutical and Personal Care Product Microcontaminants	21,267.24
	582.0011 Refining the Application Rates for On-site Surface Application	14,051.04
	582.0096 Literature Search on Available Wastewater Disinfection Technologies	7,135.60
	<i>Total for Texas Commission on Environmental Quality</i>	<u>42,453.88</u>
710	<b>Texas A&amp;M University System</b>	
	710.0008 ETF-NCTM Research Program	9,981.92
	<i>Total for Texas A&amp;M University System</i>	<u>9,981.92</u>
720	<b>University of Texas System</b>	
	720.0002 Joint Admission Medical Program (JAMP)	12,752.46
	<i>Total for University of Texas System</i>	\$ <u>12,752.46</u>

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Texas Tech University (733)  
 Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies (continued)  
 For the Year Ended August 31, 2013

Agency Number	Agency Name Grant ID / Grant Description	Amount
710	<b>University of Texas at Dallas</b>	
	738.0001 Texas Analog Research Superiority Program	\$ 64,622.24
	<i>Total for University of Texas at Dallas</i>	<u>64,622.24</u>
781	<b>Texas Higher Education Coordinating Board</b>	
	781.0008 TEXAS Grant Program	9,510,000.00
	781.0010 Advanced Research Program	173,438.39
	781.0021 Texas Research Incentive Program - HB51	1,952,537.04
	781.0023 College Work Study Program	130,283.90
	781.0026 College Readiness Initiative	18,214.95
	781.0028 Top 10% Scholarships	1,186,000.00
	781.0029 Work Study Mentorship Program	89,000.00
	781.0055 Texas Research Incentive Program - HB1025	7,745,035.62
	<i>Total for Texas Higher Education Coordinating Board</i>	<u>20,804,509.90</u>
802	<b>Texas Parks and Wildlife</b>	
	802.0064 Orchid Conservation: Species Status Assessments and Field Biology	26,063.42
	802.0065 Evaluation and Refinement of Guadalupe Bass	32,837.31
	<i>Total for Texas Parks and Wildlife</i>	<u>58,900.73</u>
	<b>Total State Grant Pass-through Revenues from Other State Agencies</b>	<u>\$ 23,586,283.57</u>
<b>Pass-through to:</b>		
555	<b>Texas Agrilife Extension Service</b>	
	733.0002 An Integrated Approach to Water Conservation	\$ 178,878.69
	733.0004 Auditing Irrigation Systems in the Texas High Plains	27,331.46
	<i>Total for Texas Agrilife Extension Service</i>	<u>206,210.15</u>
739	<b>Texas Tech University Health Sciences Center</b>	
	733.0006 Implementation of the Clinical Practice Guidelines for Treating Tobacco Use and Dependence in Oncology and Primary Care Settings	16,177.25
	<i>Total for Texas Tech University Health Sciences Center</i>	<u>16,177.25</u>
752	<b>University of North Texas</b>	
	733.0007 Beam Scanning Radar for Tumor Tracking in Lung Cancer Radiotherapy	29,758.05
	<i>Total for University of North Texas</i>	<u>29,758.05</u>
	<b>Total State Grant Pass-through Expenditures to Other State Agencies</b>	<u>\$ 252,145.45</u>

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Texas Tech University (733)  
 Schedule 2A - Miscellaneous Bond Information  
 For the Year Ended August 31, 2013

Description of Issue	Bonds Issued to Date	Range of Interest Rates		Scheduled Maturities		First Call Date
				First Year	Final Maturity Date	
Revenue Bonds						
Rev Fin Sys Ref & Imp Bds 9th Ser '03	\$ 32,995,000.00	2.00%	5.25%	2004	2/15/2023	8/15/2013
Rev Fin Sys Ref & Imp Bds 10th Ser '06	161,220,476.00	4.00%	5.00%	2007	2/15/2031	2/15/2016
Rev Fin Sys Ref & Imp Bds 12th Ser '09	104,352,181.17	3.00%	5.25%	2009	2/15/2038	2/15/2019
Rev Fin Sys Ref & Imp Bds 14th Ser '12A	86,230,000.00	2.00%	5.00%	2012	8/15/2036	8/15/2021
Rev Fin Sys Ref Bds Tax 15th Ser '12B	<u>27,585,000.00</u>	0.40%	4.44%	2012	8/15/2031	8/15/2021
Total	<u>\$ 412,382,657.17</u>					



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Texas Tech University (733)  
 Schedule 2B - Changes in Bonded Indebtedness  
 For the Year Ended August 31, 2013

Description of Issue	Bonds Outstanding 9/1/12	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/13
Revenue Bonds					
Rev Fin Sys Ref & Imp Bds 9th Ser '03	\$ 2,770,000.00	\$	\$ 1,570,000.00	\$	\$ 1,200,000.00
Rev Fin Sys Ref & Imp Bds 10th Ser '06	147,230,412.68		3,528,673.64		143,701,739.04
Rev Fin Sys Ref & Imp Bds 12th Ser '09	77,888,455.96		6,380,180.51		71,508,275.45
Rev Fin Sys Ref & Imp Bds 14th Ser '12A	84,165,000.00		4,945,000.00		79,220,000.00
Rev Fin Sys Ref Bds Tax 15th Ser '12B	27,185,000.00		820,000.00		26,365,000.00
Total	\$ 339,238,868.64	\$	\$ 17,243,854.15	\$	\$ 321,995,014.49

	Unamortized Premium	Unamortized Gain/ (Loss) on Refunding	Other Adjustments	Net Bonds Outstanding 8/31/13	Amounts Due Within One Year
Rev Fin Sys Ref & Imp Bds 9th Ser '03	\$	\$	\$	\$ 1,200,000.00	\$ 1,145,000.00
Rev Fin Sys Ref & Imp Bds 10th Ser '06				143,701,739.04	7,198,177.85
Rev Fin Sys Ref & Imp Bds 12th Ser '09	5,505,508.14			77,013,783.59	6,767,683.86
Rev Fin Sys Ref & Imp Bds 14th Ser '12A	10,860,388.24			90,080,388.24	3,596,441.45
Rev Fin Sys Ref Bds Tax 15th Ser '12B				26,365,000.00	825,000.00
Total	\$ 16,365,896.38	\$	\$	\$ 338,360,910.87	\$ 19,532,303.16

Note: 12th Series amount due within one year includes bond premium amortization of \$220,220.32.  
 The 14th Series amount due within one year includes bond premium amortization of \$951,441.45.

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Texas Tech University (733)  
 Schedule 2C - Debt Service Requirements  
 For the Year Ended August 31, 2013

Description of Issue	Fiscal Year	Principal	Interest
<b>Revenue Bonds</b>			
Rev Fin Sys Ref & Imp Bds 9th Ser '03	2014	\$ 1,145,000.00	\$ 32,868.75
	2015	5,000.00	2,681.25
	2016	5,000.00	2,418.75
	2017	5,000.00	2,156.25
	2018	5,000.00	1,893.75
	2019 - 2023	35,000.00	4,631.25
			<u>1,200,000.00</u>
Rev Fin Sys Ref & Imp Bds 10th Ser '06	2014	7,198,177.85	6,657,244.82
	2015	7,576,001.21	6,287,890.35
	2016	7,965,693.85	5,899,347.98
	2017	8,086,453.51	5,498,044.31
	2018	10,857,618.59	5,067,873.01
	2019 - 2023	52,135,693.34	18,050,234.09
	2024 - 2028	39,656,100.69	6,842,383.13
	2029 - 2031	10,226,000.00	582,262.50
		<u>143,701,739.04</u>	<u>54,885,280.19</u>
Rev Fin Sys Ref & Imp Bds 12th Ser '09	2014	6,547,463.54	3,352,215.04
	2015	6,800,811.91	3,083,982.79
	2016	5,850,000.00	2,767,712.50
	2017	6,140,000.00	2,467,962.50
	2018	3,015,000.00	2,239,087.50
	2019 - 2023	17,555,000.00	8,712,937.50
	2024 - 2028	22,550,000.00	3,723,312.50
	2029 - 2033	1,330,000.00	629,081.27
	2034 - 2038	1,720,000.00	234,937.50
		<u>71,508,275.45</u>	<u>27,211,229.10</u>
Rev Fin Sys Ref & Imp Bds 14th Ser '12A	2014	2,645,000.00	3,684,562.50
	2015	3,885,000.00	3,605,212.50
	2016	4,005,000.00	3,488,662.50
	2017	4,135,000.00	3,368,512.50
	2018	4,330,000.00	3,161,762.50
	2019 - 2023	21,185,000.00	12,529,412.50
	2024 - 2028	13,480,000.00	8,420,250.00
	2029 - 2033	15,180,000.00	4,895,750.00
	2034 - 2036	10,375,000.00	1,054,500.00
		<u>79,220,000.00</u>	<u>44,208,625.00</u>
Rev Fin Sys Ref Bds Tax 15th Ser '12B	2014	825,000.00	909,059.00
	2015	870,000.00	899,819.00
	2016	870,000.00	888,335.00
	2017	890,000.00	875,111.00
	2018	1,315,000.00	858,023.00
	2019 - 2023	7,135,000.00	3,724,416.50
	2024 - 2028	8,475,000.00	2,399,131.00
	2029 - 2031	5,985,000.00	539,016.00
		<u>26,365,000.00</u>	<u>11,092,910.50</u>
Total Principal and Interest		<u>\$ 321,995,014.49</u>	<u>\$ 137,444,694.79</u>

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Texas Tech University (733)  
 Schedule 2D - Analysis of Funds Available for Debt Service  
 For the Year Ended August 31, 2013

Description of Issue	Pledged and Other Sources and Related Expenditures for FY2013			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
Revenue Bonds:				
Rev Fin Sys Ref & Imp Bds 9th Ser '03			\$ 1,570,000.00	\$ 102,175.00
Rev Fin Sys Ref & Imp Bds 10th Ser '06			3,528,673.64	6,925,416.08
Rev Fin Sys Ref & Imp Bds 12th Ser '09			6,380,180.51	3,578,030.61
Rev Fin Sys Ref & Imp Bds 14th Ser '12A			4,945,000.00	3,783,462.50
Rev Fin Sys Ref Bds Tax 15th Ser '12B			820,000.00	916,849.00
Total	\$ 527,479,942.18	\$ (B)	\$ 17,243,854.15	\$ 15,305,933.19

(A) Beginning balances as of 09/01/12 of \$251,614,964.19 are not included in "Total Pledged and Other Sources."

(B) Expenditures associated with pledged sources were approximately \$446,406,240.02.

UNAUDITED

Texas Tech University (733)  
Schedule 2E - Defeased Bonds Outstanding  
For the Year Ended August 31, 2013

Description of Issue	Year Refunded	Par Value Outstanding
Revenue Bonds		\$ <u>0.00</u>

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Texas Tech University (733)  
 Schedule 2F - Early Extinguishment and Refunding  
 For the Year Ended August 31, 2013

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

UNAUDITED

Texas Tech University (733)  
Schedule 3 - Reconciliation of Cash in State Treasury  
For the Year Ended August 31, 2013

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0255	\$ 14,144,746.04	\$	\$ 14,144,746.04
Total Cash in State Treasury	<u>\$ 14,144,746.04</u>	<u>\$</u>	<u>\$ 14,144,746.04</u>