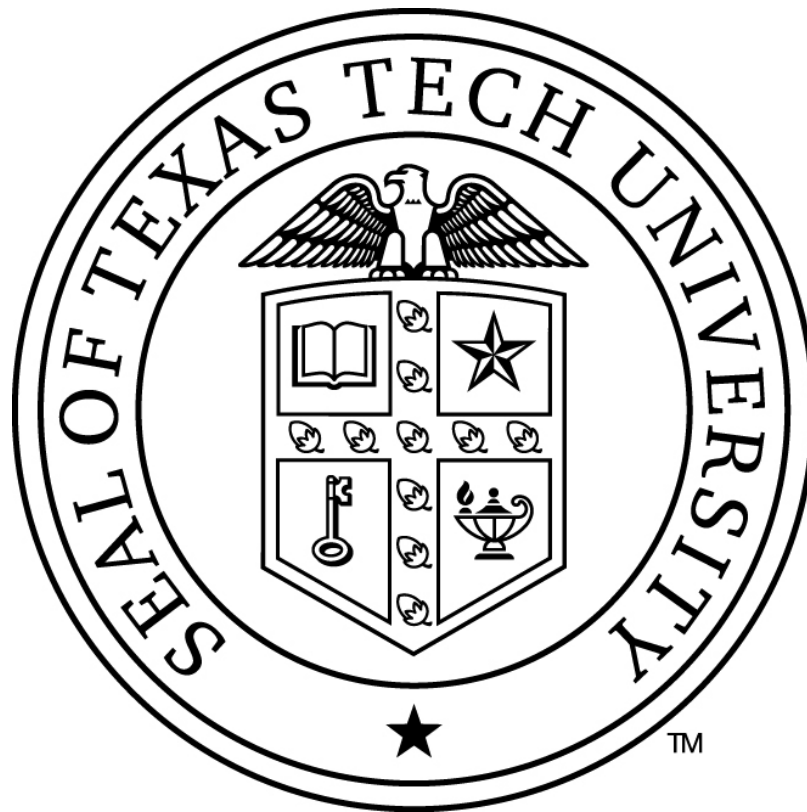


TEXAS TECH UNIVERSITY



ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2021

LUBBOCK, TEXAS

Texas Tech University (733) Financial Statements

Presented herein are the financial statements for Texas Tech University for the year ended August 31, 2021. These statements have been prepared in compliance with Governmental Accounting Standards Board pronouncements and the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements.

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

The Combined Annual Financial Report of the Texas Tech University System includes primary statements as well as supplemental notes and schedules. The numbers therein are presented on a combined System-wide basis.

Texas Tech University (733)
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**Texas Tech University (733)
Organizational Data**

Board of Regents

Officers of the Board

J. Michael Lewis, Chairman
Mark Griffin, Vice Chairman

Members

Term Expires January 31, 2023

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

Term Expires January 31, 2025

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

Term Expires January 31, 2027

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

Term Expires May 31, 2022

Keaghan Holt (Student Regent)	Seguin, TX
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Fiscal Officers

Lawrence Schovanec	President
Noel Sloan	CFO and Senior Vice President of Administration & Finance
Eric Fisher	Chief Accounting Officer and Controller

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Texas Tech University (733)
Statement of Net Position
August 31, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 84,248,731.70	\$ 42,437,107.25
Restricted Cash and Cash Equivalents	3,167,834.56	368,042.30
Legislative Appropriations	149,469,661.52	115,620,679.05
Receivables:		
Federal	37,421,784.69	11,012,599.57
Student	8,553,993.58	7,992,012.97
Accounts	5,898,444.86	8,726,814.13
Interest and Dividends	860,179.36	860,065.96
Gifts	650,566.62	680,341.23
Other	1,140,697.43	746,150.56
Due From Other State Agencies	26,238,812.85	27,547,406.75
Inventories	4,694,914.01	2,651,602.80
Prepaid Items	50,845,731.71	47,080,677.67
Loans and Contracts	344,043.75	415,787.46
Other Current Assets	937,035.42	945,257.39
Total Current Assets	<u>374,472,432.06</u>	<u>267,084,545.09</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	423,740.36	447,511.40
Restricted Investments	318,698,348.35	304,631,453.14
Gift Receivables	6,920,590.05	7,498,557.99
Investments	866,963,385.13	744,499,527.15
Capital Assets:		
Non-Depreciable or Non-Amortizable	197,073,060.18	150,514,109.32
Depreciable or Amortizable	2,466,109,449.68	2,379,709,204.82
Accumulated Depreciation and Amortization	(1,458,479,964.34)	(1,373,466,426.44)
Total Non-Current Assets	<u>2,397,708,609.41</u>	<u>2,213,833,937.38</u>
Total Assets	<u>\$ 2,772,181,041.47</u>	<u>\$ 2,480,918,482.47</u>

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Texas Tech University (733)
Statement of Net Position
August 31, 2021 and 2020

	2021	2020
Liabilities		
Current Liabilities:		
Accounts Payable	\$ 25,614,429.58	\$ 18,551,074.74
Payroll Payable	41,099,233.93	41,000,777.18
Unearned Revenue	211,357,870.65	177,233,116.41
Due to Other State Agencies	1,492,248.85	812,191.81
Capital Lease Obligations	10,763.72	10,446.00
Capital Lease - Direct Borrowings	-	230,948.09
Employees' Compensable Leave	2,344,088.23	1,900,678.72
Funds Held for Others	8,020,678.00	7,477,230.66
Other Current Liabilities	4,519,612.00	4,315,746.51
Total Current Liabilities	294,458,924.96	251,532,210.12
Non-Current Liabilities:		
Employees' Compensable Leave	16,058,530.79	16,884,054.77
Capital Lease Obligations	3,660.18	14,423.90
Pollution Remediation Obligation	1,529,525.50	1,022,641.50
Total Non-Current Liabilities	17,591,716.47	17,921,120.17
Total Liabilities	312,050,641.43	269,453,330.29
Deferred Inflows of Resources		
Deferred Inflows of Resources	21,282,934.39	20,168,437.47
Total Deferred Inflows of Resources	21,282,934.39	20,168,437.47
Net Position		
Net Investment in Capital Assets	1,204,702,545.52	1,156,756,887.70
Restricted:		
Nonexpendable:		
Endowments	104,777,724.99	102,469,138.20
Expendable:		
Capital Projects	13,250,111.47	12,612,447.85
Other	207,026,542.48	184,482,977.18
Unrestricted	909,090,541.19	734,975,263.78
Total Net Position	\$ 2,438,847,465.65	\$ 2,191,296,714.71

UNAUDITED

Texas Tech University (733)
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended August 31, 2021 and 2020

	2021	2020
Operating Revenues		
Tuition and Fees	\$ 6,993,515.08	\$ 6,883,731.53
Tuition and Fees - Pledged	471,356,885.07	444,865,729.97
Less Discounts and Allowances	(121,055,561.55)	(111,490,717.22)
Sales and Services of Auxiliary Enterprises - Pledged	135,482,858.36	141,603,197.17
Less Discounts and Allowances	(1,072,547.73)	(1,522,823.34)
Other Sales and Services	5,937,883.18	5,616,615.20
Other Sales and Services - Pledged	9,996,146.76	8,391,261.46
Federal Grants and Contracts	40,628,528.29	36,618,949.73
Federal Grant Pass-Throughs from Other State Agencies	3,823,575.89	2,770,065.18
State Grants and Contracts	499,108.85	220,943.55
State Grant Pass-Throughs from Other State Agencies	18,984,207.11	24,137,285.04
Local Governmental Grants and Contracts	897,267.05	1,076,164.87
Nongovernmental Grants and Contracts	15,121,789.75	13,365,362.34
Total Operating Revenues	<u>587,593,656.11</u>	<u>572,535,765.48</u>
Operating Expenses		
Cost of Goods Sold	10,675,660.87	11,916,277.15
Salaries and Wages	411,751,971.30	413,089,186.03
Payroll Related Costs	123,235,250.63	123,373,964.48
Professional Fees and Services	20,056,218.77	21,927,849.35
Travel	8,780,147.07	17,051,965.78
Materials and Supplies	38,298,204.45	29,732,517.39
Communications and Utilities	31,558,481.98	28,376,158.62
Repairs and Maintenance	22,411,547.59	22,778,830.13
Rentals and Leases	16,223,767.18	13,254,422.19
Printing and Reproduction	2,010,522.33	2,479,978.21
Federal Grant Pass-Through Expense	684,802.59	445,091.38
State Grant Pass-Through Expense	24,003.94	105,321.54
Depreciation and Amortization	92,951,310.13	92,512,887.16
Interest	9,245.04	9,343.54
Scholarships	74,429,865.40	74,094,133.72
Net Change in Pollution Remediation Obligation	506,884.00	-
Claims and Judgements	81,569.93	-
Other Operating Expenses	54,636,097.17	57,856,252.86
Total Operating Expenses	<u>908,325,550.37</u>	<u>909,004,179.53</u>
Operating Income (Loss)	<u>\$ (320,731,894.26)</u>	<u>\$ (336,468,414.05)</u>

UNAUDITED

Texas Tech University (733)
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended August 31, 2021 and 2020

	2021	2020
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 194,264,323.70	\$ 208,244,907.04
Federal Grants and Contracts	79,362,961.98	68,428,146.15
Federal Grant Pass-Throughs from Other State Agencies	3,032,192.00	-
Private Gifts	41,347,251.36	45,782,175.35
Private Gifts - Pledged	1,888,398.97	1,979,140.79
Investment Income (Expense)	(1,618,919.91)	6,687,424.41
Investment Income (Expense) - Pledged	13,969,445.90	19,804,526.13
Interest Expense on Capital Asset Financing	(5,406.02)	(17,009.47)
Gain (Loss) on Sale and Disposal of Capital Assets	(592,374.20)	(446,685.03)
Net Increase (Decrease) in Fair Value of Investments	129,822,567.99	(23,238,368.17)
Other Nonoperating Revenues (Expenses)	1,683,312.38	963,208.30
Other Nonoperating Revenues (Expenses) - Pledged	6,690,878.72	3,410,818.17
Total Nonoperating Revenues (Expenses)	469,844,632.87	331,598,283.67
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	149,112,738.61	(4,870,130.38)
Other Revenues, Expenses, Gains, Losses and Transfers		
Capital Appropriations (HEAF)	49,874,746.00	49,225,809.00
Capital Contributions	62,658,904.52	23,472,464.23
Contributions to Permanent and Term Endowments	540,520.34	541,189.28
Special Items	-	698,034.56
Legislative Transfers In (Out)	(21,790,017.00)	(19,900,020.50)
Interagency Transfers of Capital Assets - Increase	96,996.33	1,703,799.32
Interagency Transfers of Capital Assets - Decrease	(135,775.49)	(57,788.18)
Net Transfers from (to) Texas Tech University System Components	181,911.65	10,482,815.18
Net Transfers from (to) Other State Agencies	7,010,725.98	8,768,174.29
Net Other Revenues, Expenses, Gains, Losses and Transfers	98,438,012.33	74,934,477.18
Total Change in Net Position	247,550,750.94	70,064,346.80
Beginning Net Position (September 1)	2,191,296,714.71	2,121,232,367.91
Ending Net Position (August 31)	\$ 2,438,847,465.65	\$ 2,191,296,714.71

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Texas Tech University (733)
Statement of Cash Flows
For the Years Ended August 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Proceeds from Customers	\$ 15,761,913.32	\$ 14,355,931.70
Proceeds from Tuition and Fees	370,541,121.68	345,094,909.29
Proceeds from Grants and Contracts	79,337,379.10	82,446,055.66
Proceeds from Sales and Services of Auxiliary Enterprises	140,725,641.99	134,724,055.02
Proceeds from Collections of Loans to Students	483,258.89	595,431.69
Proceeds from Fiduciary Activities Held 3 Months or Less	165,290,062.80	159,442,266.01
Payments to Suppliers for Goods and Services	(64,763,585.58)	(55,119,684.97)
Payments to Employees for Salaries	(411,542,834.68)	(413,821,450.68)
Payments to Employees for Benefits	(123,345,930.50)	(122,191,214.94)
Payments for Loans Issued to Students	(411,515.18)	(549,150.80)
Payments for Fiduciary Activities Held 3 Months or Less	(166,203,804.81)	(156,366,298.10)
Payments for Other Expenses	(216,863,798.24)	(224,657,491.17)
Net Cash Provided (Used) by Operating Activities	<u>(210,992,091.21)</u>	<u>(236,046,641.29)</u>
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	181,999,790.69	218,236,156.37
Proceeds from Gifts	44,383,913.22	40,181,172.74
Proceeds from Nonoperating Grants and Contracts	74,040,710.28	68,602,894.77
Proceeds from Other Financing Activities	7,477,445.14	4,178,798.03
Proceeds from Transfers from Component Institutions	368,986.04	480,995.32
Proceeds from Transfers from Other State Agencies	10,119,913.92	11,210,789.18
Payments for Transfers to Component Institutions	(5,361,713.44)	(5,579,771.33)
Payments for Transfers to Other State Agencies	(3,686.56)	(11,665.37)
Payments for Other Uses	(331,656.79)	(411,709.46)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>312,693,702.50</u>	<u>336,887,660.25</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	-	10,862.05
Proceeds from Capital Gifts	57,018,196.01	21,272,834.36
Proceeds from Capital Appropriations	28,290,296.54	40,763,755.47
Proceeds from Transfers from Component Institutions	89,031,002.81	47,924,177.50
Payments for Transfers to Component Institutions	(106,628,331.76)	(53,311,715.81)
Payments for Additions to Capital Assets	(131,328,330.91)	(109,504,417.79)
Payments for Principal Paid on Capital Debt	(230,948.09)	(219,971.49)
Payments for Interest Paid on Capital Debt	(11,525.29)	(22,500.89)
Payments for Capital Leases	(11,049.24)	(11,049.24)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (63,870,689.93)</u>	<u>\$ (53,098,025.84)</u>

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Texas Tech University (733)
Statement of Cash Flows
For the Years Ended August 31, 2021 and 2020

	2021	2020
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	\$ 79,125,245.21	\$ 310,013,389.68
Proceeds from Interest and Investment Income	29,893,598.72	32,203,404.10
Payments to Acquire Investments	(102,262,119.62)	(385,799,500.47)
Net Cash Provided (Used) by Investing Activities	6,756,724.31	(43,582,706.69)
 Total Net Cash Flows	 44,587,645.67	 4,160,286.43
 Beginning Cash and Cash Equivalents (September 1)	 43,252,660.95	 39,092,374.52
 Ending Cash and Cash Equivalents (August 31)	 \$ 87,840,306.62	 \$ 43,252,660.95
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (320,731,894.26)	\$ (336,468,414.05)
Adjustments:		
Depreciation and Amortization Expense	92,951,310.13	92,512,887.16
(Increase) Decrease in Accounts Receivable	(621,578.82)	(2,625,485.33)
(Increase) Decrease in Loans and Notes Receivable	71,743.71	46,280.89
(Increase) Decrease in Inventories	(2,043,311.21)	(128,359.24)
(Increase) Decrease in Other Assets	8,221.97	(161,190.54)
(Increase) Decrease in Due From Other State Agencies	(814,956.48)	1,488,255.56
(Increase) Decrease in Prepaid Items	(4,426,696.71)	1,949,103.00
Increase (Decrease) in Accounts Payable	4,886,062.91	(4,547,913.15)
Increase (Decrease) in Payroll Payable	209,136.62	(732,264.65)
Increase (Decrease) in Unearned Revenue	20,276,288.10	5,014,658.48
Increase (Decrease) in Employees' Compensable Leave	(382,114.47)	2,934,015.65
Increase (Decrease) in Due to Other State Agencies	(67,352.82)	207,757.48
Increase (Decrease) in Benefits Payable	(110,679.87)	1,182,749.54
Increase (Decrease) in Pollution Remediation Obligation	506,884.00	-
Increase (Decrease) in Fiduciary Funds Held 3 Months or Less	(913,742.01)	3,075,967.91
Increase (Decrease) in Other Liabilities	210,588.00	205,310.00
Net Cash Used for Operating Activities	\$ (210,992,091.21)	\$ (236,046,641.29)
 Noncash Transactions		
Donations of Capital Assets	\$ 5,640,708.51	\$ 4,458,341.02
Net Increase (Decrease) in Fair Value of Investments	129,822,567.99	(23,238,368.17)
Other	510,489.15	2,236,206.11
Total Noncash Transactions	\$ 135,973,765.65	\$ (16,543,821.04)

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Texas Tech University (733)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2021 and 2020

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support
Cost of Goods Sold	\$ 15,750.41	\$ -	\$ 3,574.42	\$ 21,338.64	\$ 160,561.42	\$ 1,013,617.75
Salaries and Wages	145,972,717.96	99,733,521.65	8,049,926.26	51,886,656.04	22,126,467.53	21,650,509.35
Payroll Related Costs	45,452,669.41	31,429,111.97	2,668,608.13	15,248,215.84	6,393,275.90	6,813,014.46
Professional Fees and Services	734,315.95	3,472,587.56	477,656.68	1,568,407.60	1,640,759.93	10,768,935.61
Travel	621,654.02	1,070,704.99	227,825.87	485,234.89	694,800.84	37,295.57
Materials and Supplies	4,942,796.12	10,227,532.94	1,439,855.17	4,675,220.51	1,784,488.01	1,440,532.25
Communications and Utilities	1,231,872.76	1,484,478.27	329,166.12	1,513,446.24	924,013.02	365,311.86
Repairs and Maintenance	550,670.78	1,821,235.66	301,037.07	2,761,756.80	689,770.81	419,256.72
Rentals and Leases	1,892,346.37	758,169.85	682,098.90	3,730,857.07	4,563,737.36	2,074,504.41
Printing and Reproduction	88,657.37	358,645.48	53,156.41	332,815.92	388,445.16	182,542.64
Federal Grant Pass-Through Expense	91,814.48	103,812.32	489,175.79	-	-	-
State Grant Pass-Through Expense	-	24,003.94	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
Interest	310.26	2,584.46	17.95	198.78	6.14	17.99
Scholarships	2,069,963.28	4,569,742.15	5,985.00	213,800.80	610,510.09	17,900.00
Net Change in Pollution Remediation Obligation	-	-	-	-	-	-
Claims and Judgements	-	-	-	-	-	81,569.93
Other Operating Expenses	2,079,324.83	9,194,362.54	1,955,362.64	4,295,533.29	10,391,031.71	3,043,587.04
Total Operating Expenses	<u>\$ 205,744,864.00</u>	<u>\$ 164,250,493.78</u>	<u>\$ 16,683,446.41</u>	<u>\$ 86,733,482.42</u>	<u>\$ 50,367,867.92</u>	<u>\$ 47,908,595.58</u>

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Texas Tech University (733)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2021 and 2020

Operating Expenses	Operations & Maintenance of Plant	Scholarships & Fellowships	Auxiliary Enterprises	Depreciation & Amortization	Grand Total	2020
Cost of Goods Sold	\$ -	\$ -	\$ 9,460,818.23	\$ -	\$ 10,675,660.87	\$ 11,916,277.15
Salaries and Wages	8,792,972.47	-	53,539,200.04	-	411,751,971.30	413,089,186.03
Payroll Related Costs	2,255,222.58	-	12,975,132.34	-	123,235,250.63	123,373,964.48
Professional Fees and Services	483,091.68	-	910,463.76	-	20,056,218.77	21,927,849.35
Travel	7,988.67	-	5,634,642.22	-	8,780,147.07	17,051,965.78
Materials and Supplies	5,765,382.44	-	8,022,397.01	-	38,298,204.45	29,732,517.39
Communications and Utilities	16,857,527.13	-	8,852,666.58	-	31,558,481.98	28,376,158.62
Repairs and Maintenance	10,762,795.77	-	5,105,023.98	-	22,411,547.59	22,778,830.13
Rentals and Leases	304,741.62	-	2,217,311.60	-	16,223,767.18	13,254,422.19
Printing and Reproduction	20,294.21	-	585,965.14	-	2,010,522.33	2,479,978.21
Federal Grant Pass-Through Expense	-	-	-	-	684,802.59	445,091.38
State Grant Pass-Through Expense	-	-	-	-	24,003.94	105,321.54
Depreciation and Amortization	-	-	-	92,951,310.13	92,951,310.13	92,512,887.16
Interest	1,940.03	-	4,169.43	-	9,245.04	9,343.54
Scholarships	-	66,923,464.08	18,500.00	-	74,429,865.40	74,094,133.72
Net Change in Pollution Remediation Obligation	506,884.00	-	-	-	506,884.00	-
Claims and Judgements	-	-	-	-	81,569.93	-
Other Operating Expenses	7,216,766.58	-	16,460,128.54	-	54,636,097.17	57,856,252.86
Total Operating Expenses	\$ 52,975,607.18	\$ 66,923,464.08	\$ 123,786,418.87	\$ 92,951,310.13	\$ 908,325,550.37	\$ 909,004,179.53

UNAUDITED

Texas Tech University (733)
Statement of Fiduciary Net Position
For the Years Ended August 31, 2021 and 2020

	2021			2020		
	Custodial Funds	External Investment Pool Non-Trusted	Total	Custodial Funds	External Investment Pool Non-Trusted	Total
Assets						
Cash and Cash Equivalents	\$ 3,915,724.81	\$ -	\$ 3,915,724.81	\$ 2,914,997.09	\$ -	\$ 2,914,997.09
Investments	-	13,471,050.10	13,471,050.10	-	11,042,140.99	11,042,140.99
Total Assets	3,915,724.81	13,471,050.10	17,386,774.91	2,914,997.09	11,042,140.99	13,957,138.08
Liabilities						
Accounts Payable	30,871.20	-	30,871.20	-	-	-
Unearned Revenue	47,700.00	-	47,700.00	35,175.20	-	35,175.20
Total Liabilities	78,571.20	-	78,571.20	35,175.20	-	35,175.20
Net Position						
Restricted for Pool Participants	-	13,471,050.10	13,471,050.10	-	11,042,140.99	11,042,140.99
Fiduciary Net Position Other Purposes	3,837,153.61	-	3,837,153.61	2,879,821.89	-	2,879,821.89
Total Net Position	\$ 3,837,153.61	\$ 13,471,050.10	\$ 17,308,203.71	\$ 2,879,821.89	\$ 11,042,140.99	\$ 13,921,962.88

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Texas Tech University (733)
Statement of Changes in Fiduciary Net Position
For the Years Ended August 31, 2021 and 2020

	Custodial Funds	External Investment Pool Non-Trusted	Total	Custodial Funds	External Investment Pool Non-Trusted	Total
Additions						
Investment Income						
From Investing Activities						
Net Increase (Decrease) in Fair Value of Investments	\$ -	\$ 3,228,689.67	\$ 3,228,689.67	\$ -	\$ (156,041.86)	\$ (156,041.86)
Interest, Dividends and Other	66,243.29	(199,476.79)	(133,233.50)	71,178.61	356,118.90	427,297.51
Total Investing Income (Loss)	66,243.29	3,029,212.88	3,095,456.17	71,178.61	200,077.04	271,255.65
Less Investing Activities Expense	-	(80,810.13)	(80,810.13)	-	(82,255.24)	(82,255.24)
Total Net Investment Income (Loss)	66,243.29	2,948,402.75	3,014,646.04	71,178.61	117,821.80	189,000.41
Other Additions						
Other Revenue	1,797,107.44	-	1,797,107.44	1,531,119.55	-	1,531,119.55
Total Other Additions	1,797,107.44	-	1,797,107.44	1,531,119.55	-	1,531,119.55
Total Additions	1,863,350.73	2,948,402.75	4,811,753.48	1,602,298.16	117,821.80	1,720,119.96
Deductions						
Other Expenses	906,019.01	519,493.64	1,425,512.65	1,615,369.99	570,783.67	2,186,153.66
Total Deductions	906,019.01	519,493.64	1,425,512.65	1,615,369.99	570,783.67	2,186,153.66
Total Change in Net Position	957,331.72	2,428,909.11	3,386,240.83	(13,071.83)	(452,961.87)	(466,033.70)
Beginning Net Position (September 1)	2,879,821.89	11,042,140.99	13,921,962.88	2,892,893.72	11,495,102.86	14,387,996.58
Ending Net Position (August 31)	\$ 3,837,153.61	\$ 13,471,050.10	\$ 17,308,203.71	\$ 2,879,821.89	\$ 11,042,140.99	\$ 13,921,962.88