



Report on TTUS Endowments

As of August 31, 2020

Gary Barnes

Vice Chancellor and Chief Financial Officer

December 10, 2020



Endowment Funds



Definition:

- Gifts that are invested for long term growth to produce earnings that will last into perpetuity.

Purpose:

- Support strategic mission and goals of institution while also fulfilling philanthropic goals of individual donors.

Benefits:

- Support that will impact both current and future generations.
- Consistent and stable source of revenue that will last into perpetuity.



Endowment Funds

Financial Management/Oversight

TTUS Vice Chancellor and CFO (Treasurer of TTFI) oversees all financial functions related to Endowment Fund Management

IA Financial Services & Stewardship/Compliance

- Annual Compilation/Distribution of Endowment Reports to Donors
- Manage endowment pledge reminders/collections
- Review setup of all new endowment funds

TTUS Accounting & Reporting

- Calc/Process quarterly endowment distributions
- Manage all exceptions outside of LTIF Policy
- Year end profit/loss calculations/entry
- TTUS Consolidated Annual Financial Report schedules

TTUS Investment Office

- All areas of endowment fund investments
- Performance Reports to BOR, IAC, TTFI

- Total Value in excess of \$1.3B
- More than **4,000 separate endowment funds** across all TTUS Components
- **3,500+ Individual Endowment Reports** Prepared Each Year
- Annual audit by external audit firm (Foundation Endowments)

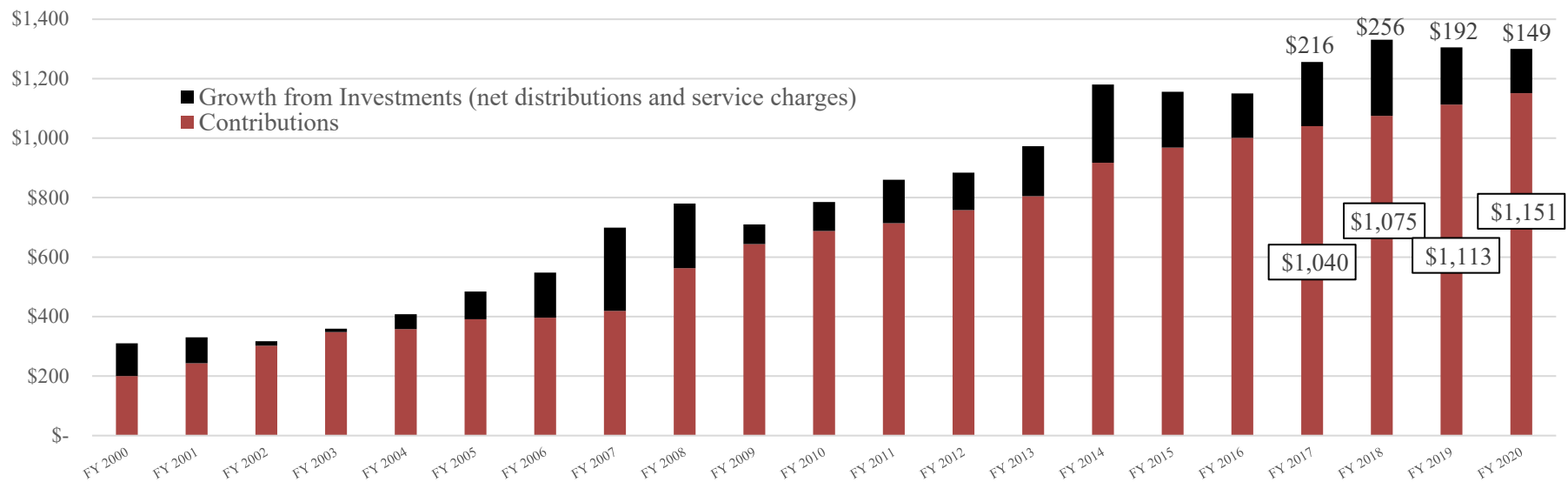
The Financial Management Structure for TTUS Endowments provides:

- Appropriate Separation of Duties
- Enhanced internal controls and financial compliance
- System level service/support to components on all matters related to endowments



TTU System Total Endowment

FY 2000 – FY 2020 (in Millions)



(in Millions)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Contributions	200	243	302	348	358	391	396	419	563	644	688	714	758	805	917	968	1,001	1,040	1,075	1,113	1,151
Growth from Investments	110	87	15	11	50	93	152	280	217	66	97	146	126	168	263	188	149	216	256	192	149
Total Endowment	310	330	317	359	408	484	548	699	780	710	785	860	884	973	1,180	1,156	1,150	1,256	1,331	1,305	1,300

TTUS Total Endowment Activity

As of August 31, 2020



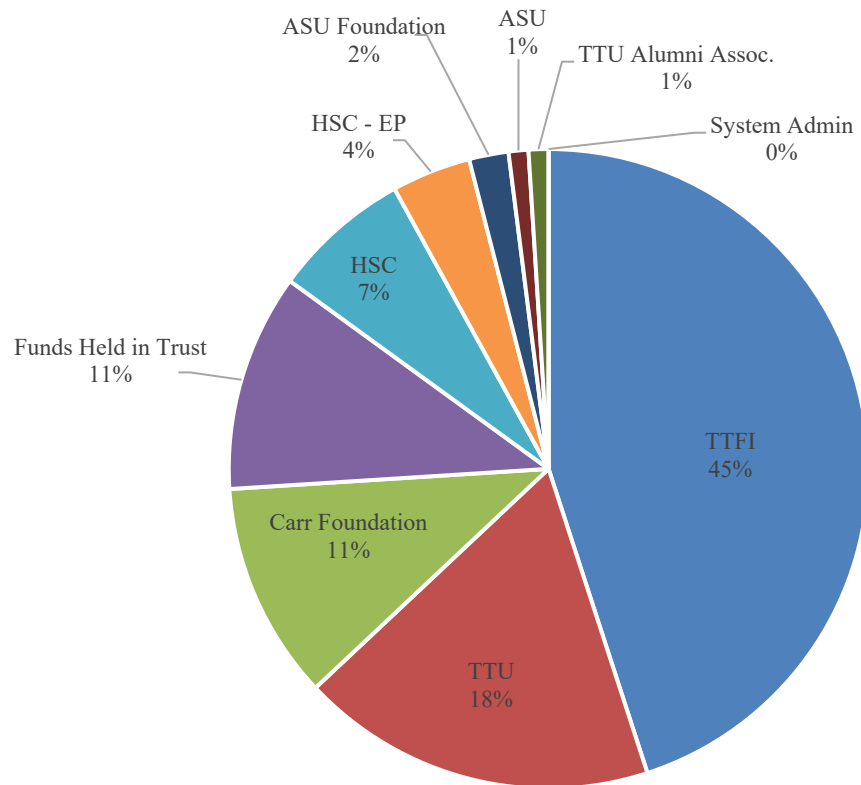
Endowment Activity (in millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Beginning Fair Market Value	\$973.1	\$1,179.5	\$1,155.7	\$1,150.3	\$1,256.3	\$1,331.0	\$1,304.9
Contributions Received	\$112.3	\$50.5	\$33.8	\$38.4	\$35.4	\$38.0	\$38.1
Investment Returns <i>(realized and unrealized gains/losses)</i>	\$141.0	(\$20.9)	\$18.8	\$126.8	\$100.2	(\$0.7)	\$23.7
Distributions/Payout	(\$42.7)	(\$47.4)	(\$51.1)	(\$52.2)	(\$53.7)	(\$55.9)	(\$58.4)
Management Fee	(\$4.2)	(\$6.0)	(\$6.9)	(\$7.0)	(\$7.2)	(\$7.5)	(\$7.9)
Ending Fair Market Value	\$1,179.5	\$1,155.7	\$1,150.3	\$1,256.3	\$1,331.0	\$1,304.9	\$1,300.4

TTUS Long-Term Investment Fund Performance (%)

FY 20XX	1 – Year	3 – Year	5 – Year	10 - Year
FY 2020	1.15%	3.40%	5.24%	6.09%
FY 2019	0.18%	7.31%	4.87%	6.90%
FY 2018	9.06%	8.30%	7.69%	5.88%

TTUS Total Endowment by Institution

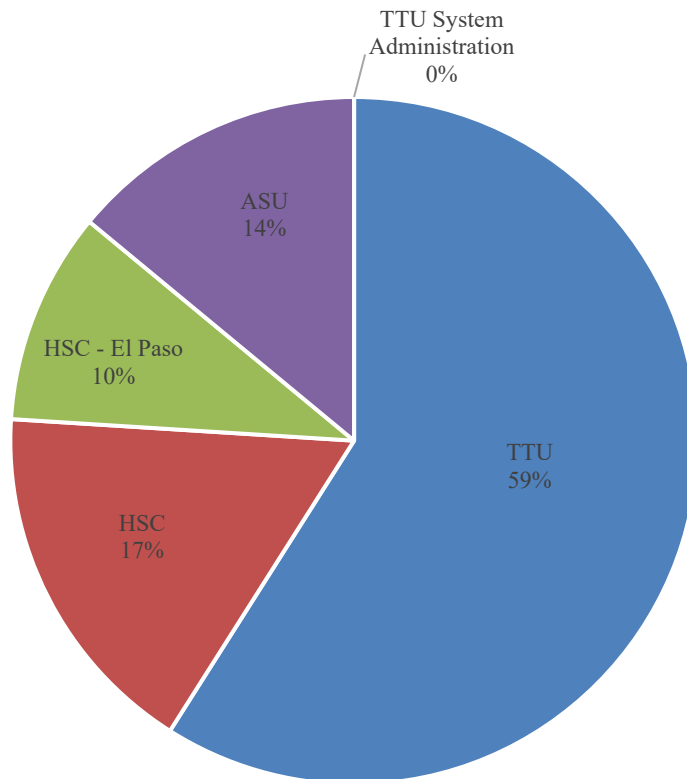
As of August 31, 2020 (Donor Directed)



Institution	Total Endowment (\$)	(%)
TTFI	587,147,352	45%
TTU	233,406,247	18%
Carr Foundation	140,702,979	11%
Funds Held in Trust	144,899,016	11%
HSC	89,375,475	7%
HSC EP	53,434,538	4%
ASU Foundation	23,135,568	2%
ASU	17,289,241	1%
TTU Alumni Assoc.	8,683,019	1%
System Admin	2,331,543	0.18%
TTUS Total Endowment	\$1,300,404,978	100%

TTUS Total Endowment by Component

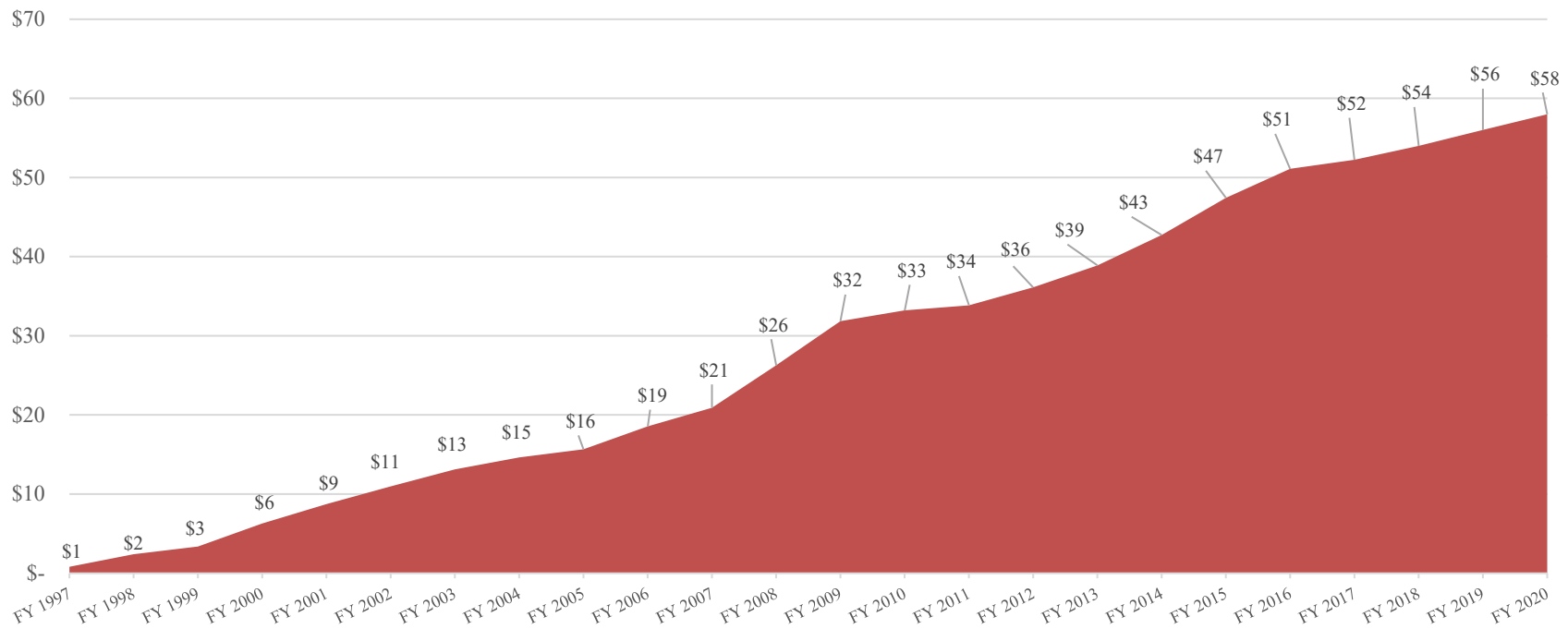
As of August 31, 2020 (Donor Directed)



Component	Total Endowment (\$)	(%)
TTU	764,090,631	59%
HSC	218,322,639	17%
HSC EP	134,221,718	10%
ASU	181,127,788	14%
TTU System Admin	2,642,202	0.2%
TTUS Total Endowment	\$1,300,404,978	100%

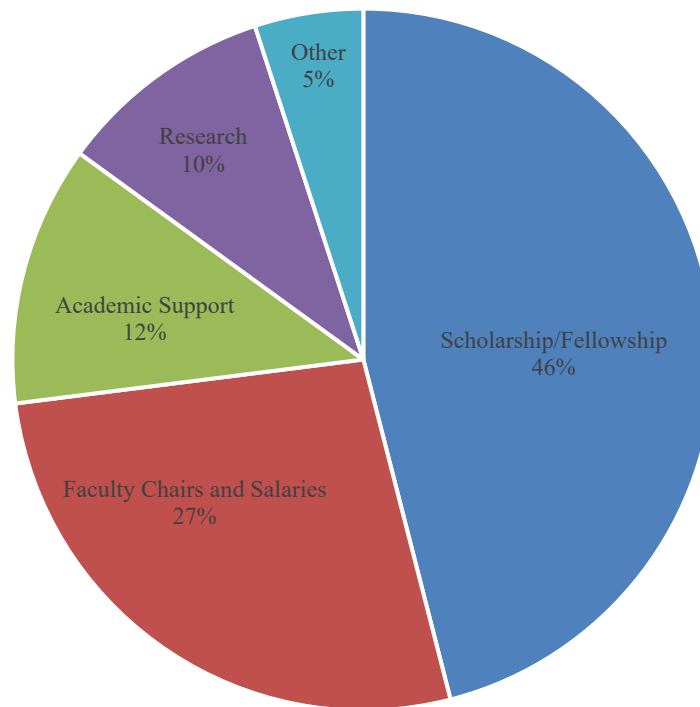
Distributions to Component Institutions

FY 1997 - FY 2020 (in millions)



- Through careful stewardship, the target distribution rate of **4.5%** has been realized **EVERY** year since inception
- Over **\$678M in total earnings** paid since inception of TTUS Endowment in FY 1997
- Increases in total distributions realized **EVERY** year since inception

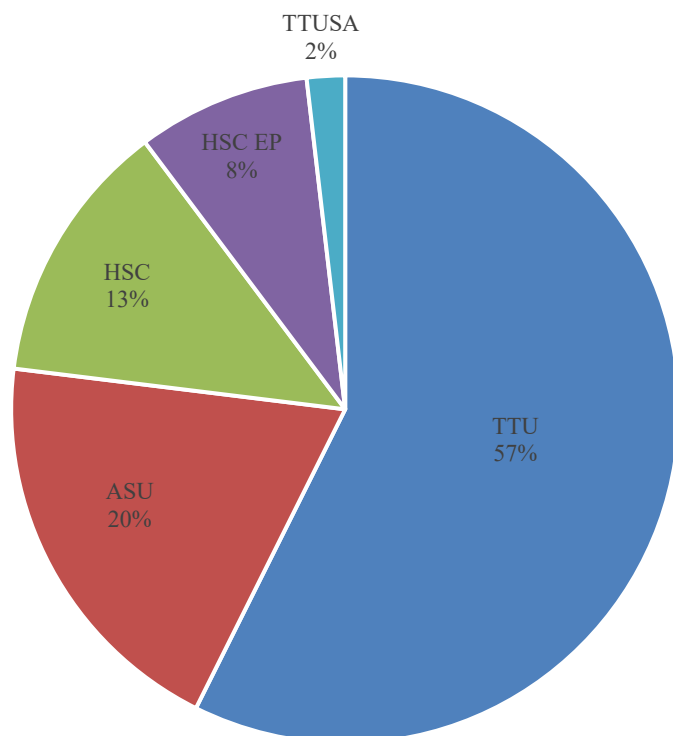
TTUS Total Endowment by Type



➤ Almost 50% of total TTUS Endowment dedicated to scholarship support

Endowment Distribution by Component

As of August 31, 2020



Component	Total Distributions (\$)	(%)
TTU	33,522,229	57%
ASU	11,437,982	20%
HSC	7,482,819	13%
HSC EP	4,901,528	8%
TTU System Admin	1,079,898	2%
TTUS Total Endowment	\$58,424,456	100%



Questions?

