



TEXAS TECH UNIVERSITY SYSTEM™

Review of the

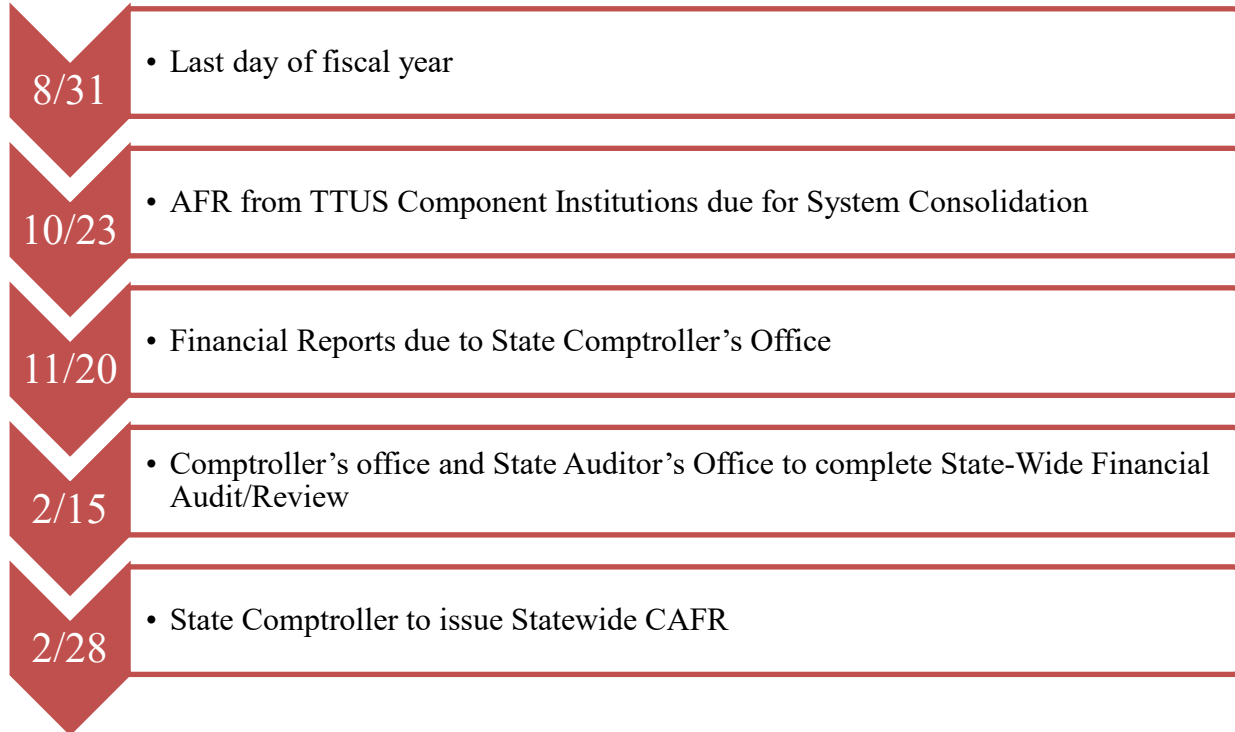
FY 2021 Texas Tech University System Combined Annual Financial Report

Gary Barnes, *TTUS Vice Chancellor and CFO*

February 24, 2022

Texas Tech University System

Timeline for Combined Annual Financial Reporting



Revenues, Expenses and Changes in Net Position

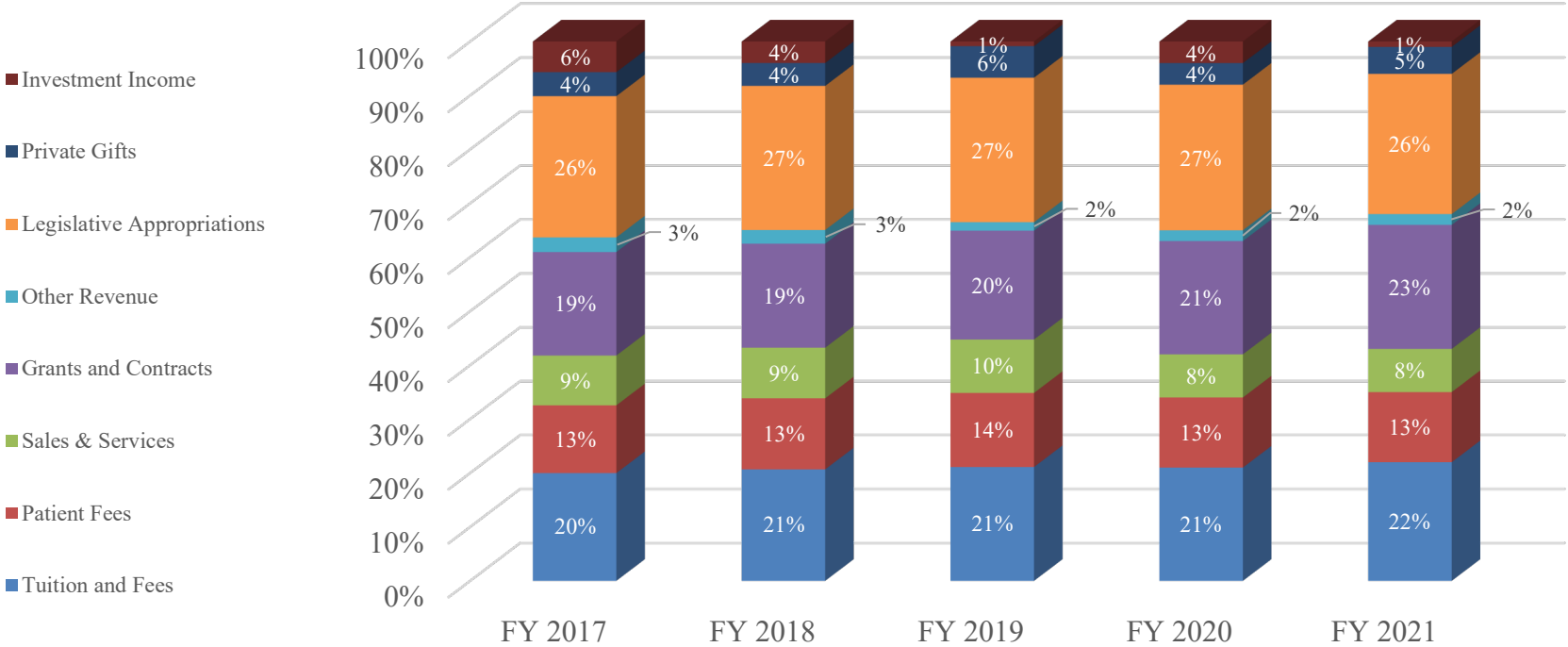
FY 2017 – FY 2021 (In Thousands)



| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Net Position | \$ 2,924,055 | \$ 2,833,287 | \$ 3,024,809 | \$ 2,991,843 | \$ 2,953,383 |
| Revenues | | | | | |
| Tuition and Fees | 413,531 | 429,180 | 451,387 | 461,533 | 481,326 |
| Patient Fees | 260,173 | 273,361 | 287,391 | 285,223 | 290,480 |
| Sales and Services (<i>Room Rent, Meals, Athletics</i>) | 191,103 | 194,800 | 207,137 | 176,114 | 171,070 |
| Grants and Contracts | 397,159 | 400,522 | 422,063 | 461,538 | 504,764 |
| Other Revenue | 56,421 | 52,567 | 32,953 | 57,245 | 55,448 |
| Legislative Appropriations (<i>General Revenue</i>) | 541,934 | 554,682 | 560,340 | 604,278 | 586,386 |
| Private Gifts | 92,203 | 88,246 | 122,304 | 88,959 | 113,729 |
| Investment Income | 117,710 | 82,715 | 18,100 | 86,405 | 30,031 |
| TOTAL REVENUE | 2,070,234 | 2,076,073 | 2,101,675 | 2,221,295 | 2,233,234 |
| Expenses | | | | | |
| Salaries, Wages & Benefits | 1,184,505 | 1,219,859 | 1,416,550 | 1,481,158 | 1,458,117 |
| Professional Fees and Services | 80,018 | 79,680 | 86,413 | 94,818 | 88,041 |
| Travel | 33,796 | 35,146 | 37,982 | 22,891 | 10,389 |
| Materials and Supplies | 93,380 | 90,384 | 92,474 | 86,612 | 93,213 |
| Utilities, Rentals & Leases | 75,182 | 77,120 | 79,316 | 76,069 | 82,893 |
| Repairs & Maintenance | 39,357 | 43,274 | 46,296 | 47,163 | 48,467 |
| Interest Expense on Capital Assets, Depreciation | 145,044 | 153,369 | 158,719 | 160,675 | 169,392 |
| Scholarships | 83,208 | 83,698 | 84,013 | 101,880 | 102,398 |
| Other Operating Expenses | 141,139 | 151,467 | 157,008 | 140,644 | 130,447 |
| TOTAL EXPENSES | 1,875,629 | 1,933,997 | 2,158,771 | 2,211,910 | 2,183,357 |
| <i>Sub-Total, Net Position</i> | <i>194,605</i> | <i>142,076</i> | <i>(57,096)</i> | <i>9,385</i> | <i>49,877</i> |
| Other | | | | | |
| Increase (Decrease) in Fair Mkt Value of Inv | 65,927 | 40,631 | 24,130 | (47,845) | 419,976 |
| Prior Period Adjustment(s) | (351,300) | 8,815 | - | - | - |
| Ending Net Position | \$ 2,833,287 | \$ 3,024,809 | \$ 2,991,843 | \$ 2,953,383 | \$ 3,423,236 |

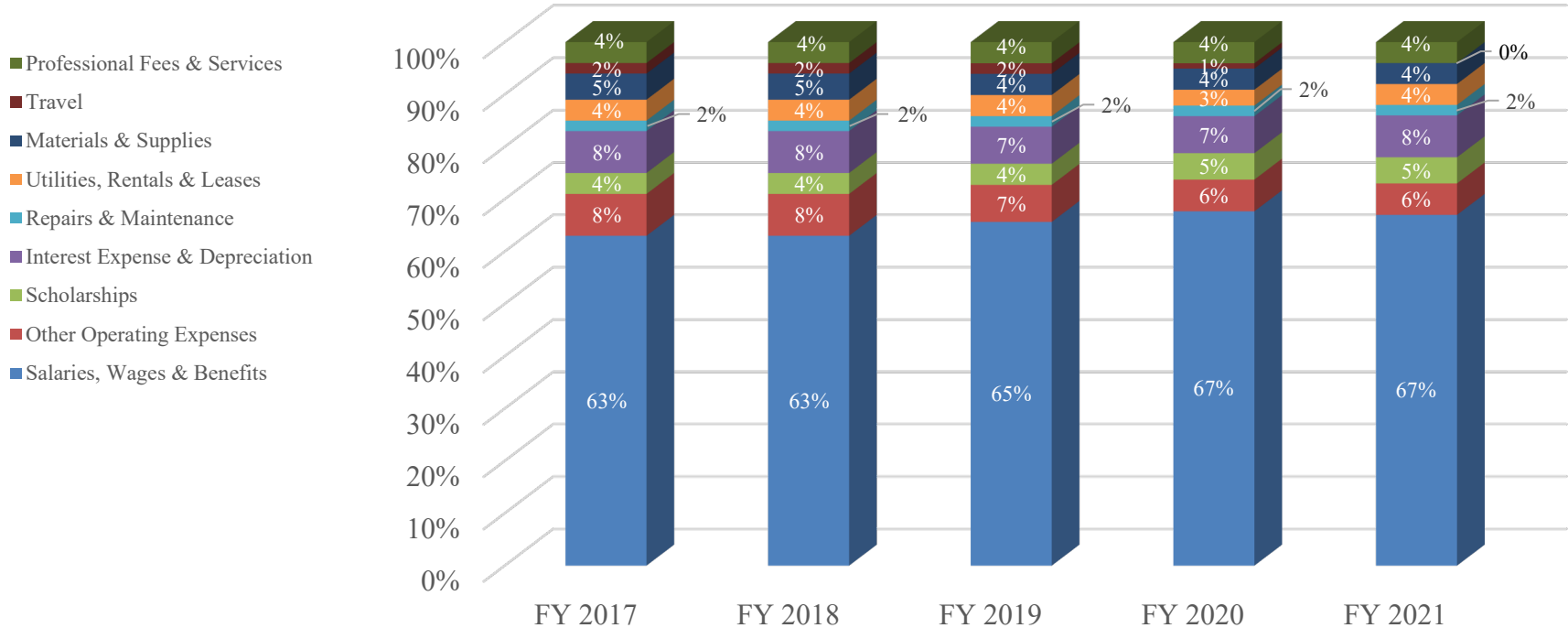
Analysis of Total Revenues by Category

FY 2017 – FY 2021

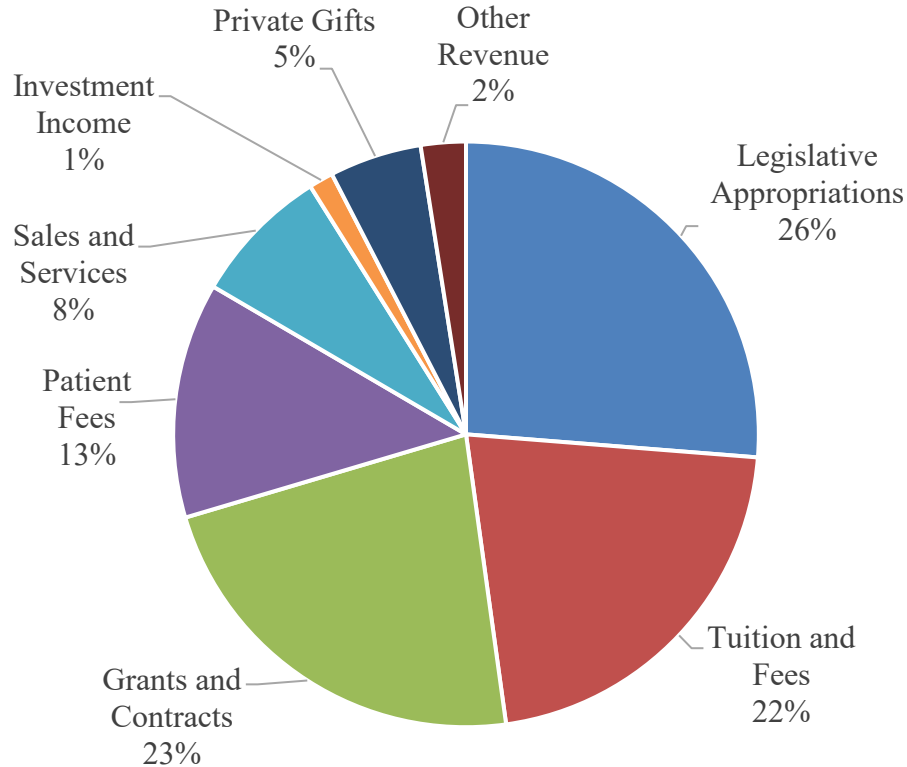


Analysis of Total Expenses by Category

FY 2017 – FY 2021

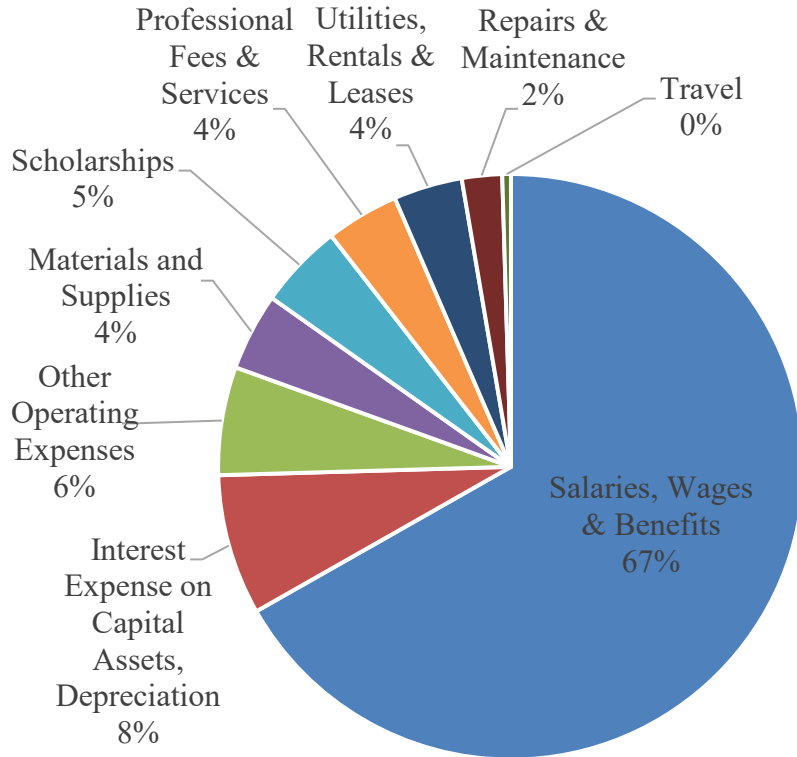


Total Revenues, FY 2021



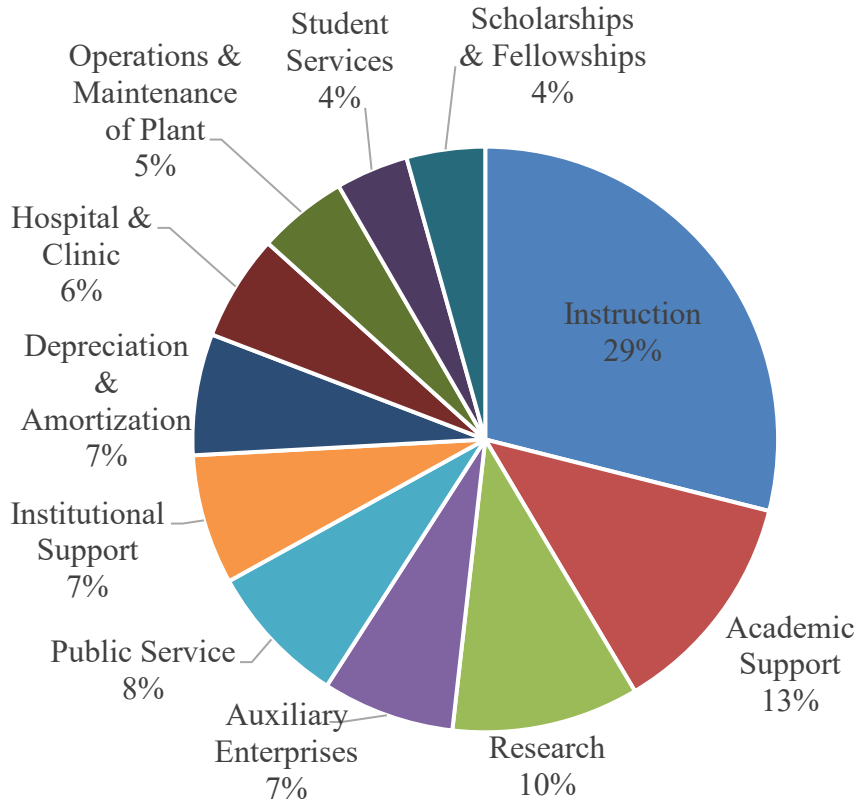
| Revenues (in thousands) | FY 2021 | |
|---|-------------------------|-----|
| Legislative Appropriations (<i>General Revenue, HEF, TRB</i>) | 586,386 | 26% |
| Tuition and Fees | 481,326 | 22% |
| Grants and Contracts | 504,764 | 23% |
| Patient Fees | 290,480 | 13% |
| Sales and Services (<i>Room Rent, Meals, Athletics</i>) | 171,070 | 8% |
| Investment Income | 30,031 | 1% |
| Private Gifts | 113,729 | 5% |
| Other Revenue | 55,448 | 2% |
| TOTAL REVENUE | <u>2,233,234</u> | |

Total Expenses, FY 2021



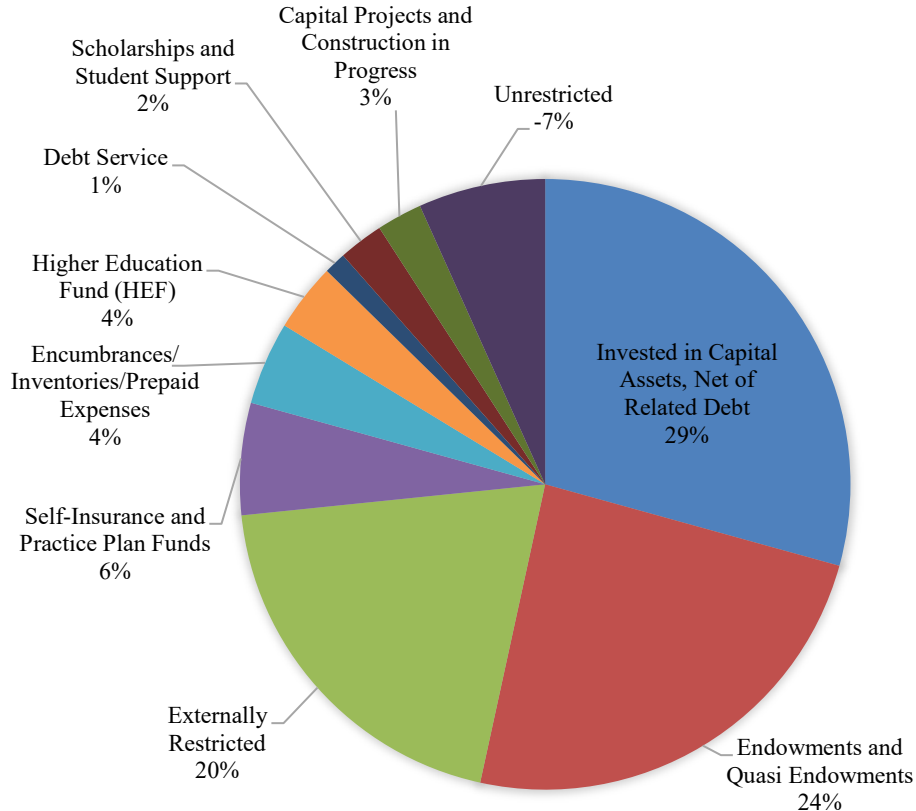
| Expenses (in thousands) | FY 2021 | |
|--|-------------------------|-----|
| Salaries, Wages & Benefits | 1,458,117 | 67% |
| Interest Expense on Capital Assets, Depreciation | 169,392 | 8% |
| Other Operating Expenses | 130,447 | 6% |
| Materials and Supplies | 93,213 | 4% |
| Scholarships | 102,398 | 5% |
| Professional Fees and Services | 88,041 | 4% |
| Utilities, Rentals & Leases | 82,893 | 4% |
| Repairs & Maintenance | 48,467 | 2% |
| Travel | 10,389 | 0% |
| TOTAL EXPENSES | <u>2,183,357</u> | |

Operating Expenses by NACUBO Function, FY 2021



| Operating Expenses by NACUBO Function (in thousands) | FY 2021 | |
|--|------------------|-----|
| Instruction (faculty salaries, academic admin depts, office supplies) | 624,427 | 29% |
| Academic Support (libraries, academic computing, central academic admin) | 270,502 | 13% |
| Research | 223,063 | 10% |
| Auxiliary Enterprises (Athletics, Res Hall, Dining) | 157,625 | 7% |
| Public Service (SBDC, public broadcasting, TDCJ) | 169,697 | 8% |
| Institutional Support (General Admin, Exec. Mgt, legal/fiscal ops) | 154,906 | 7% |
| Depreciation and Amortization | 144,502 | 7% |
| Hospital and Clinic | 126,475 | 6% |
| Operations and Maintenance of Plant | 107,145 | 5% |
| Student Services (admissions, registrar, financial aid) | 86,469 | 4% |
| Scholarships and Fellowships | 93,657 | 4% |
| TOTAL OPERATING EXPENSES | 2,158,468 | |

Net Position, FY 2021



| Net Position (in thousands) | FY 2021 | |
|--|------------------|-----|
| Invested in Capital Assets, Net of Related Debt <i>(buildings, land, equipment)</i> | 1,159,031 | 34% |
| Endowments and Quasi Endowments | 953,826 | 28% |
| Externally Restricted <i>(grants, contracts, loan funds)</i> | 789,529 | 23% |
| Self-Insurance and Practice Plan Funds | 234,454 | 7% |
| Encumbrances/Inventories/Prepaid Expenses | 174,176 | 5% |
| Higher Education Fund (HEF) | 142,932 | 4% |
| Debt Service | 46,019 | 1% |
| Scholarships and Student Support | 94,084 | 3% |
| Capital Projects and Construction in Progress | 95,303 | 3% |
| Unrestricted | (266,118) | -8% |
| TOTAL NET POSITION | 3,423,236 | |



Midwestern State University Annual Financial Report Review

Midwestern State University

Revenues, Expenses and Changes in Net Position

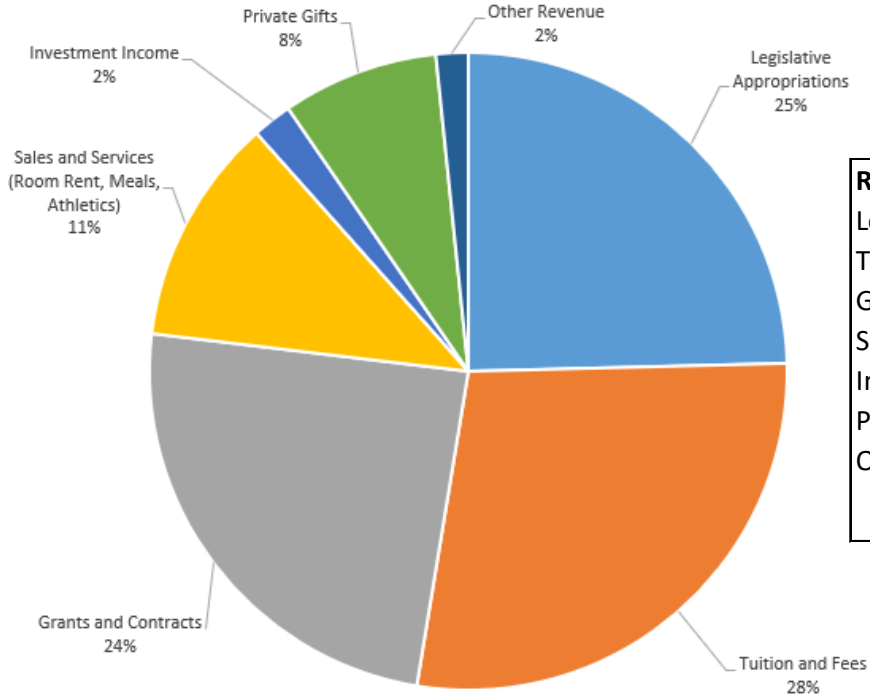
FY 2020 and FY 2021 (In Thousands)



| | 2020 | 2021 |
|---|----------------|----------------|
| Beginning Net Position | \$ 82,155 | \$ 68,798 |
| Revenues | | |
| Tuition and Fees | 37,155 | 33,833 |
| Sales and Services (<i>Room Rent, Meals, Athletics</i>) | 11,655 | 13,949 |
| Grants and Contracts | 23,356 | 29,373 |
| Other Revenue | 1,461 | 1,974 |
| Legislative Appropriations (<i>General Revenue</i>) | 31,575 | 29,738 |
| Private Gifts | 9,580 | 9,583 |
| Investment Income | 3,111 | 2,429 |
| TOTAL REVENUE | 117,893 | 120,878 |
| Expenses | | |
| Salaries, Wages, & Benefits | 70,839 | 67,275 |
| Professional Fees and Services | 5,758 | 6,047 |
| Travel | 1,063 | 417 |
| Materials and Supplies | 8,764 | 7,476 |
| Utilities, Rentals, & Leases | 4,008 | 3,737 |
| Repairs & Maintenance | 3,395 | 2,900 |
| Interest Expense on Capital Assets, Depreciation | 22,611 | 22,445 |
| Scholarships | 16,161 | 17,263 |
| Other Operating Expenses | 1,866 | 1,949 |
| TOTAL EXPENSES | 134,466 | 129,509 |
| Other | | |
| Increase in Fair Mkt Value of Investments | 3,282 | 7,705 |
| Prior Period Adjustment | (66) | - |
| Ending Net Position | 68,798 | 67,872 |

Midwestern State University

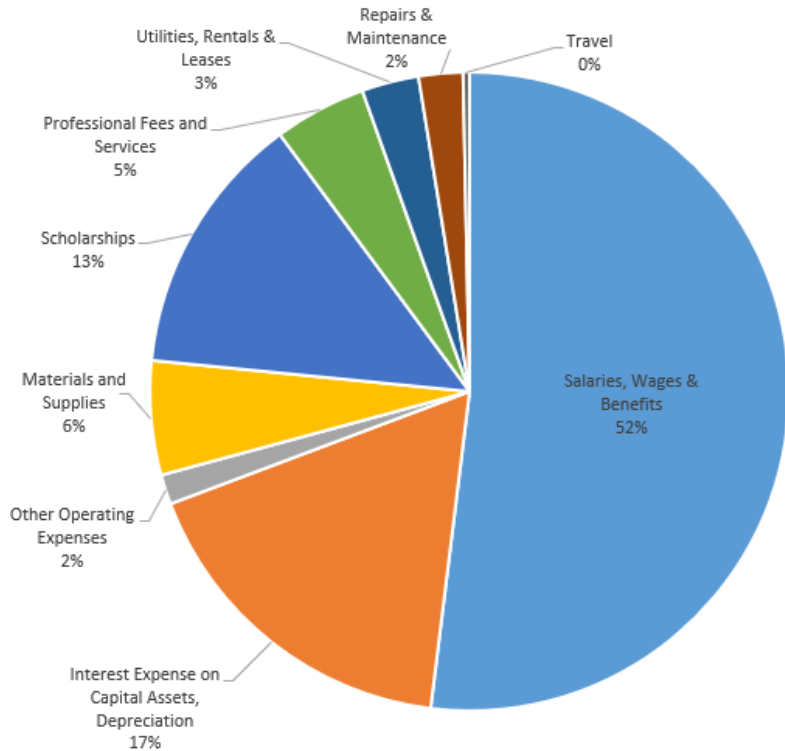
Total Revenues, FY 2021



| Revenue (in thousands) | FY 2021 | |
|---|-----------------------|-----|
| Legislative Appropriations (General Revenue, HEF, TRB) | 29,738 | 25% |
| Tuition and Fees | 33,833 | 28% |
| Grants and Contracts | 29,373 | 24% |
| Sales and Services (<i>Room Rent, Meals, Athletics</i>) | 13,949 | 12% |
| Investment Income | 2,429 | 2% |
| Private Gifts | 9,583 | 8% |
| Other Revenue | 1,974 | 2% |
| TOTAL REVENUE | <u>120,878</u> | |

Midwestern State University

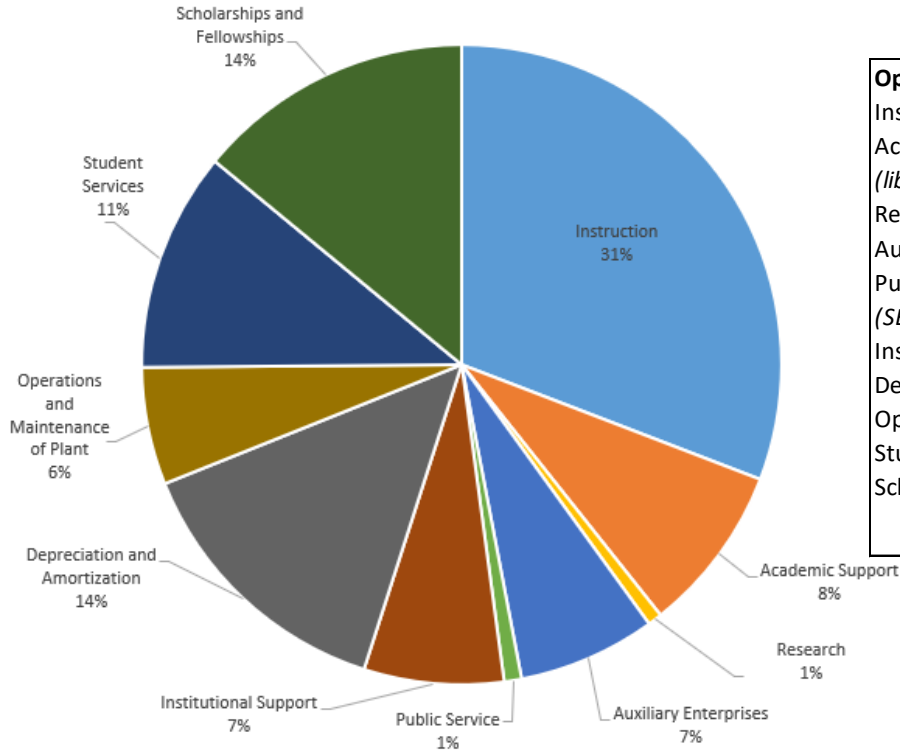
Total Expenses, FY 2021



| Expenses (in thousands) | FY 2021 | |
|--|----------------|-----|
| Salaries, Wages & Benefits | 67,275 | 52% |
| Interest Expense on Capital Assets, Depreciation | 22,445 | 17% |
| Other Operating Expenses | 1,949 | 2% |
| Materials and Supplies | 7,476 | 6% |
| Scholarships | 17,263 | 13% |
| Professional Fees and Services | 6,047 | 5% |
| Utilities, Rentals & Leases | 3,737 | 3% |
| Repairs & Maintenance | 2,900 | 2% |
| Travel | 417 | 0% |
| TOTAL EXPENSES | 129,509 | |

Midwestern State University

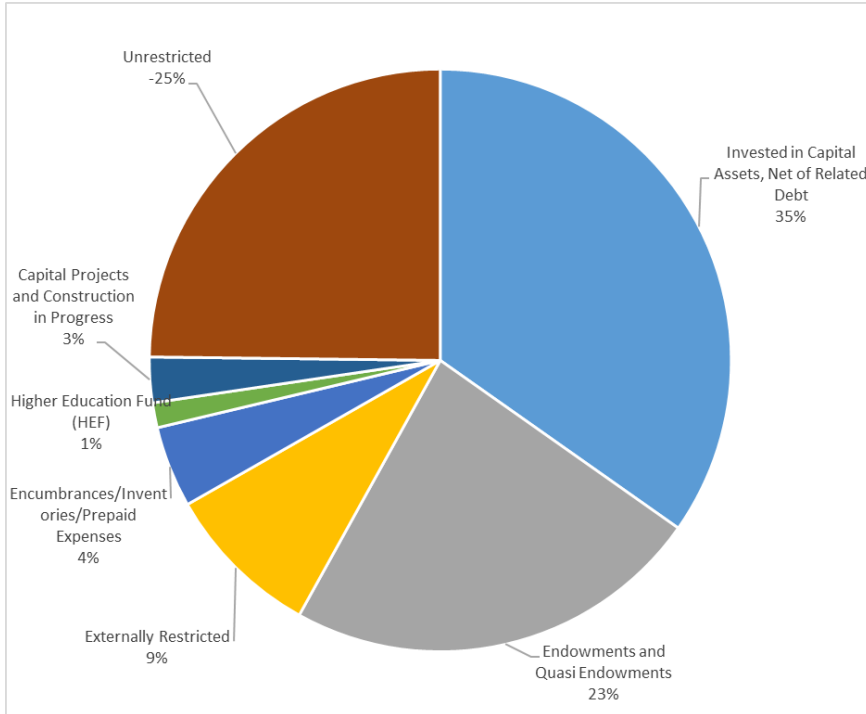
Operating Expenses by NACUBO Function, FY 2021



| Operating Expenses by NACUBO Function (in thousands) | FY 2021 | |
|--|----------------|-----|
| Instruction (<i>faculty salaries, academic admin depts, office supplies</i>) | 37,934 | 31% |
| Academic Support (<i>libraries, academic computing, central academic admin</i>) | 10,430 | 8% |
| Research | 882 | 1% |
| Auxiliary Enterprises (<i>Res Hall and Dining</i>) | 8,568 | 7% |
| Public Service (<i>SBDC</i>) | 1,081 | 1% |
| Institutional Support (<i>General Admin, Exec. Mgt, legal/fiscal ops</i>) | 8,692 | 7% |
| Depreciation and Amortization | 17,217 | 14% |
| Operations and Maintenance of Plant | 7,303 | 6% |
| Student Services (<i>admissions, athletics, registrar, financial aid</i>) | 13,652 | 11% |
| Scholarships and Fellowships | 17,263 | 14% |
| TOTAL OPERATING EXPENSES | 123,023 | |

Midwestern State University

Net Position, FY 2021



| Net Position (in thousands) | FY 2021 | |
|--|----------------------|------|
| Invested in Capital Assets, Net of Related Debt <i>(buildings, land, equipment)</i> | 46,831 | 69% |
| Endowments and Quasi Endowments | 31,386 | 46% |
| Externally Restricted <i>(grants, contracts, loan funds)</i> | 11,732 | 17% |
| Encumbrances/Inventories/Prepaid Expenses | 6,085 | 9% |
| Higher Education Fund (HEF) | 1,864 | 3% |
| Capital Projects and Construction in Progress | 3,397 | 5% |
| Unrestricted | (33,422) | -49% |
| TOTAL NET POSITION | <u>67,872</u> | |



TEXAS TECH UNIVERSITY SYSTEM™