



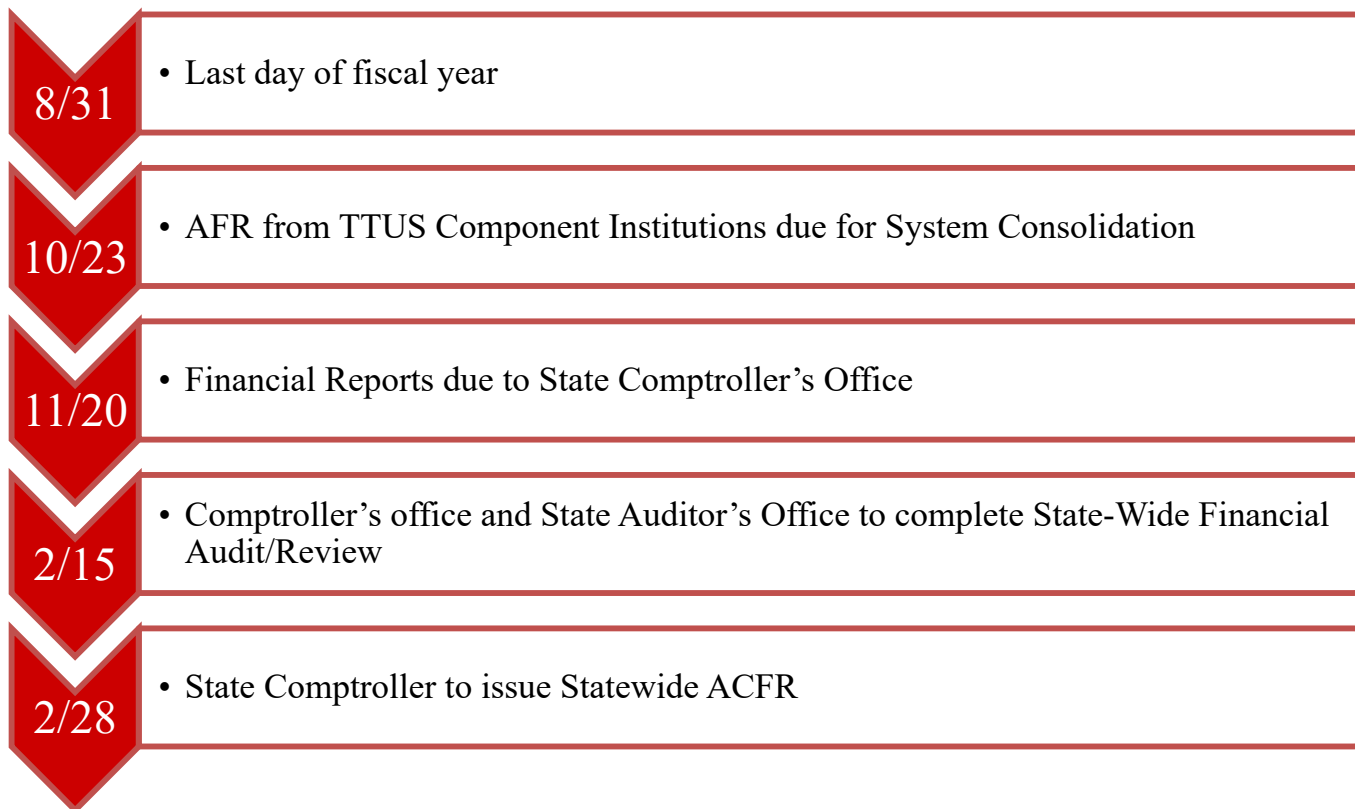
TEXAS TECH UNIVERSITY SYSTEM™

*Review of the*  
FY 2022 Texas Tech University System  
Annual Combined Financial Report

James Mauldin, CPA  
TTUS Vice Chancellor and CFO  
*February 23-24, 2023*

# Texas Tech University System

## Timeline for Annual Combined Financial Reporting (ACFR)



# Revenues, Expenses and Changes in Net Position

## FY 2018 – FY 2022 (In Thousands)



	<i>Restated</i>				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Revenues</b>					
Tuition and Fees	429,180	451,387	461,533	481,326	552,452
Patient Fees	273,361	287,391	285,223	290,480	305,432
Sales and Services <i>(Room Rent, Meals, Athletics)</i>	194,800	207,137	176,114	170,960	220,107
Grants and Contracts	400,522	422,063	461,538	504,070	605,233
Other Revenue	52,567	32,953	57,245	57,808	113,824
Legislative Appropriations <i>(General Revenue)</i>	554,682	560,340	604,278	586,386	654,691
Private Gifts	88,246	122,304	88,959	113,729	222,838
Investment Income	82,715	18,100	86,405	30,656	82,787
TOTAL REVENUE	<u>2,076,073</u>	<u>2,101,675</u>	<u>2,221,295</u>	<u>2,235,415</u>	<u>2,757,364</u>
<b>Expenses</b>					
Salaries, Wages & Benefits	1,219,859	1,416,550	1,481,158	1,458,117	1,534,502
Professional Fees and Services	79,680	86,413	94,818	88,709	112,885
Travel	35,146	37,982	22,891	10,389	32,460
Materials and Supplies	90,384	92,474	86,612	93,213	113,936
Utilities, Rentals & Leases	77,120	79,316	76,069	76,971	89,064
Repairs & Maintenance	43,274	46,296	47,163	48,467	60,395
Interest Expense on Capital Assets, Depreciation	153,369	158,719	160,675	176,457	213,072
Scholarships	83,698	84,013	101,880	102,398	151,827
Other Operating Expenses	151,467	157,008	140,644	130,878	203,922
TOTAL EXPENSES	<u>1,933,997</u>	<u>2,158,771</u>	<u>2,211,910</u>	<u>2,185,599</u>	<u>2,512,063</u>
<b>Other</b>					
Increase (Decrease) in Fair Mkt Value of Inv	40,631	24,130	(47,845)	419,976	(187,641)
Transfer In of MSU Prior Period Beginning Balances	-	-	-	-	120,451
Total Change in Net Position	<u>182,707</u>	<u>(32,966)</u>	<u>(38,460)</u>	<u>469,792</u>	<u>178,111</u>
<b>Beginning Net Position (Sept 1)</b>	<b>\$ 2,833,287</b>	<b>\$ 3,024,809</b>	<b>\$ 2,991,843</b>	<b>\$ 2,953,383</b>	<b>\$ 3,423,236</b>
Restatement of Beginning Net Position	8,815	-	-	(24,558)	(24,619)
<b>Beginning Net Position (Sept 1) as Restated</b>	<b>2,842,102</b>	<b>3,024,809</b>	<b>2,991,843</b>	<b>2,928,825</b>	<b>3,398,617</b>
Restatement of Beg Net Position for MSU's share of Pension and OPEB	-	-	-	-	(52,638)
<b>Ending Net Position</b>	<b>\$ 3,024,809</b>	<b>\$ 2,991,843</b>	<b>\$ 2,953,383</b>	<b>\$ 3,398,617</b>	<b>\$ 3,524,090</b>

# Revenues, Expenses and Changes in Net Position

## FY 2018 – FY 2022 (In Thousands)



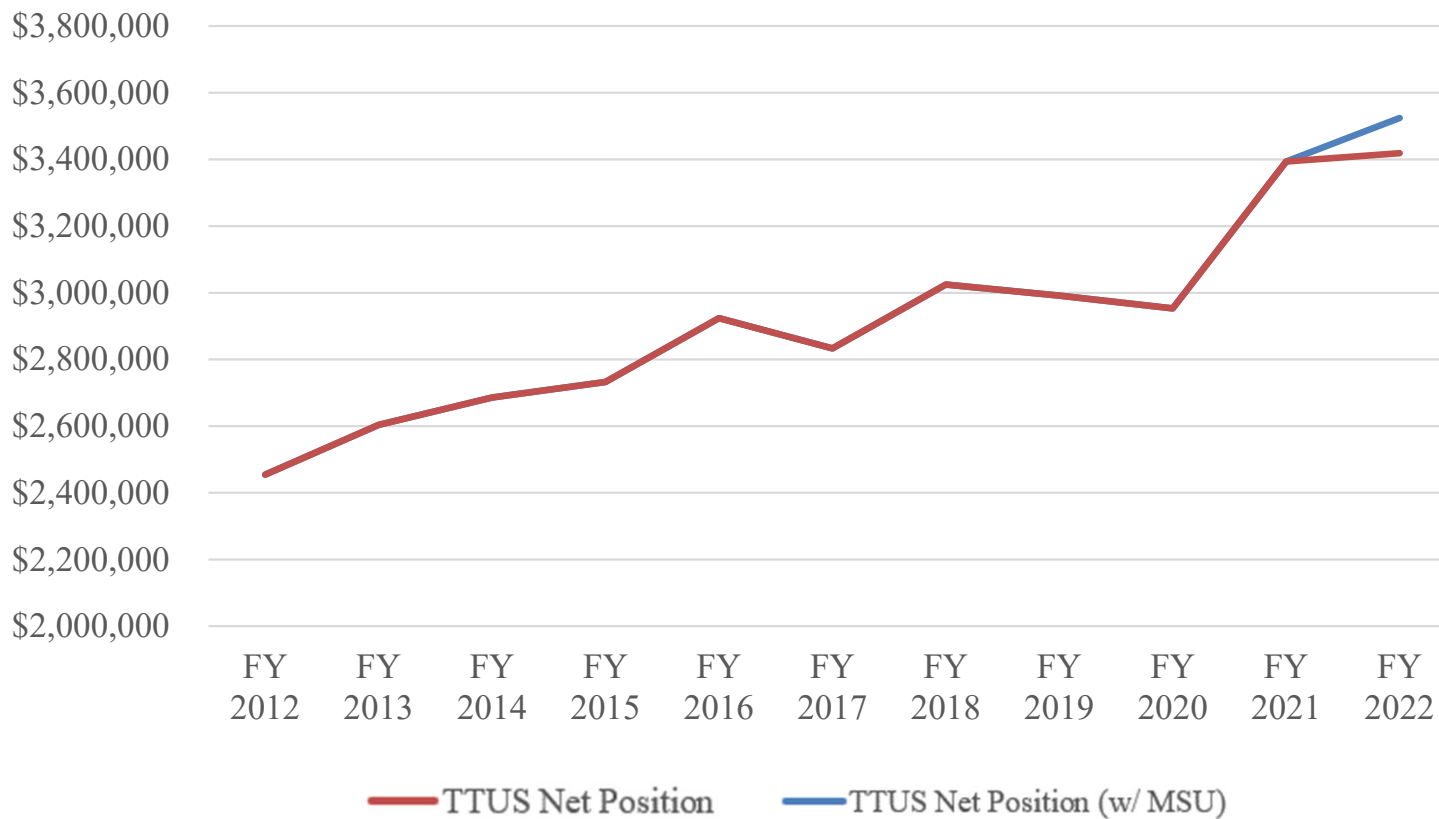
	<i>Restated</i>				FY 2022 (excluding MSU)	FY 2022
	FY 2018	FY 2019	FY 2020	FY 2021		
<b>Revenues</b>						
Tuition and Fees	429,180	451,387	461,533	481,326	518,607	552,452
Patient Fees	273,361	287,391	285,223	290,480	305,432	305,432
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<b>TOTAL REVENUE</b>	<b>2,076,073</b>	<b>2,101,675</b>	<b>2,221,295</b>	<b>2,235,415</b>	<b>2,630,682</b>	<b>2,757,364</b>
<b>Expenses</b>						
Salaries, Wages & Benefits	1,219,859	1,416,550	1,481,158	1,458,117	1,475,609	1,534,502
Professional Fees and Services	79,680	86,413	94,818	88,709	107,298	112,885
Travel	35,146	37,982	22,891	10,389	30,554	32,460
Materials and Supplies	90,384	92,474	86,612	93,213	104,959	113,936
Utilities, Rentals & Leases	77,120	79,316	76,069	76,971	85,575	89,064
Repairs & Maintenance	43,274	46,296	47,163	48,467	56,931	60,395
Interest Expense on Capital Assets, Depreciation	153,369	158,719	160,675	176,457	190,405	213,072
Scholarships	83,698	84,013	101,880	102,398	131,886	151,827
Other Operating Expenses	151,467	157,008	140,644	130,878	203,387	203,922
<b>TOTAL EXPENSES</b>	<b>1,933,997</b>	<b>2,158,771</b>	<b>2,211,910</b>	<b>2,185,599</b>	<b>2,386,604</b>	<b>2,512,063</b>
<b>Other</b>						
Increase (Decrease) in Fair Mkt Value of Inv	40,631	24,130	(47,845)	419,976	(171,251)	(187,641)
Transfer In of MSU Prior Period Beginning Balances	-	-	-	-	-	120,451
<b>Total Change in Net Position</b>	<b>182,707</b>	<b>(32,966)</b>	<b>(38,460)</b>	<b>469,792</b>	<b>72,827</b>	<b>178,111</b>
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Restatement of Beginning Net Position	8,815	-	-	(24,559)	(24,619)	(24,619)
<b>Beginning Net Position (Sept 1) as Restated</b>	<b>2,842,102</b>	<b>3,024,809</b>	<b>2,991,843</b>	<b>2,928,824</b>	<b>3,398,617</b>	<b>3,398,617</b>
Restatement of Beg Net Position for MSU's share of Pension and OPEB	-	-	-	-	-	(52,638)
<b>Ending Net Position</b>	<b>\$ 3,024,809</b>	<b>\$ 2,991,843</b>	<b>\$ 2,953,383</b>	<b>\$ 3,398,616</b>	<b>\$ 3,471,444</b>	<b>\$ 3,524,090</b>

➤ MSU was consolidated into TTUS financials beginning in FY 2022.

➤ Addition of MSU resulted in \$52M increase to Total Net Position.

# Revenues, Expenses and Changes in Net Position

FY 2012 – FY 2022 (In Thousands)



➤ 44% increase in Total Net Position over the last 10 years

# Adjusted Unrestricted Net Position Reserves

FY 2019 – FY 2022

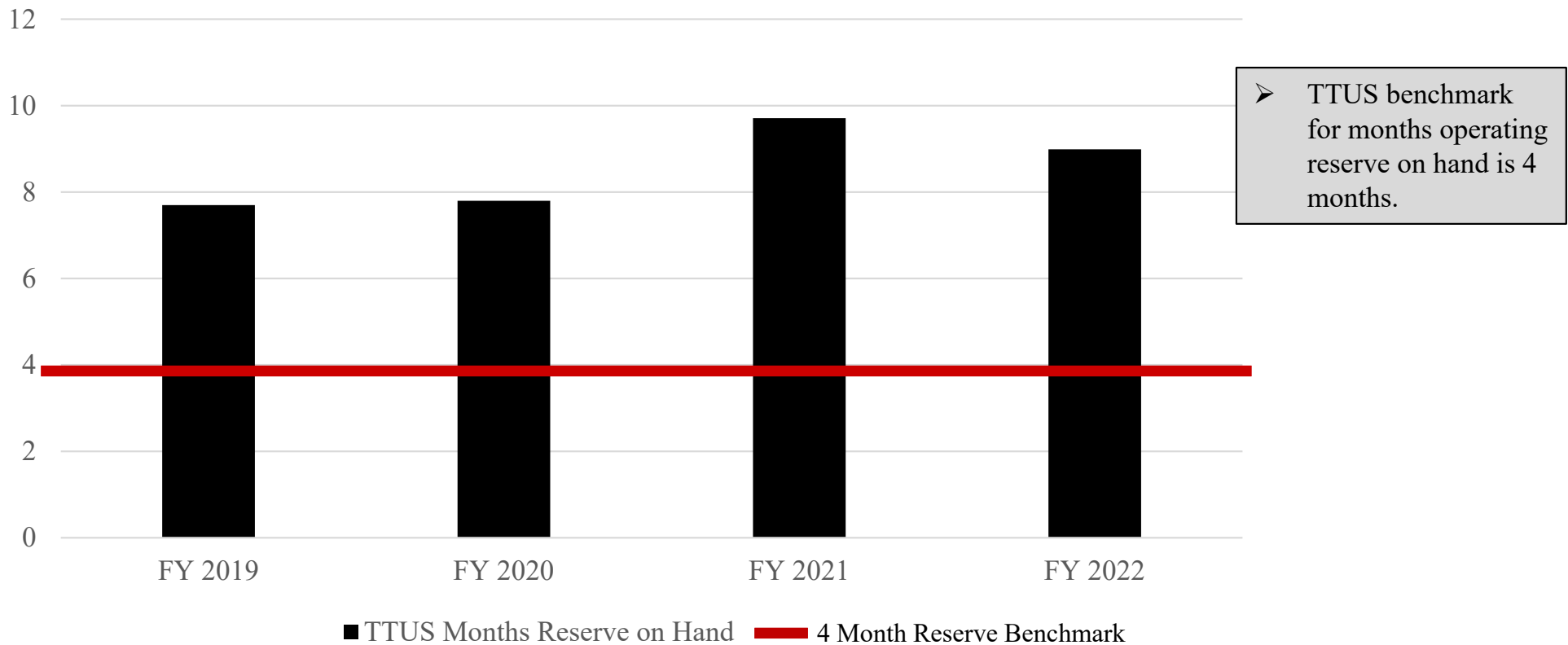


	FY 2019	FY 2020	FY 2021	FY 2022
Unrestricted Net Position	639,696,194	534,994,253	705,039,994	664,080,974
Adjustments for Select GASB Accruals:				
Compensated Absences	47,412,464	58,226,175	58,158,264	59,868,057
Deferred Outflows	(796,317,056)	(710,618,379)	(534,081,309)	(406,266,012)
Deferred Inflows	360,313,607	331,763,355	334,248,185	388,547,433
OPEB Liability	783,201,673	891,437,921	861,242,072	992,427,539
Net Pension Liability	334,729,720	317,934,234	322,680,807	156,543,241
Total Adjustments	729,340,408	888,743,306	1,042,248,019	1,191,120,258
<b>Adjusted Unrestricted Net Position</b>	<b>1,369,036,602</b>	<b>1,423,737,559</b>	<b>1,747,288,013</b>	<b>1,855,201,231</b>
<b><u>Adjusted UNP Analysis:</u></b>				
<b>Total Operating Expenses</b>	<b>2,132,971,373</b>	<b>2,190,441,354</b>	<b>2,160,235,816</b>	<b>2,475,358,590</b>
Adjusted UNP% of Operating Expenses	64.2%	65.0%	80.9%	74.9%
<b>Months Reserve On Hand</b>	<b>7.70</b>	<b>7.80</b>	<b>9.71</b>	<b>8.99</b>

- SACSCOC uses the adjusted net position to total operating expense approach to evaluate financial health in their accreditation process.
- SACSCOC uses a benchmark of 25% or 90 days recommended operating reserves.

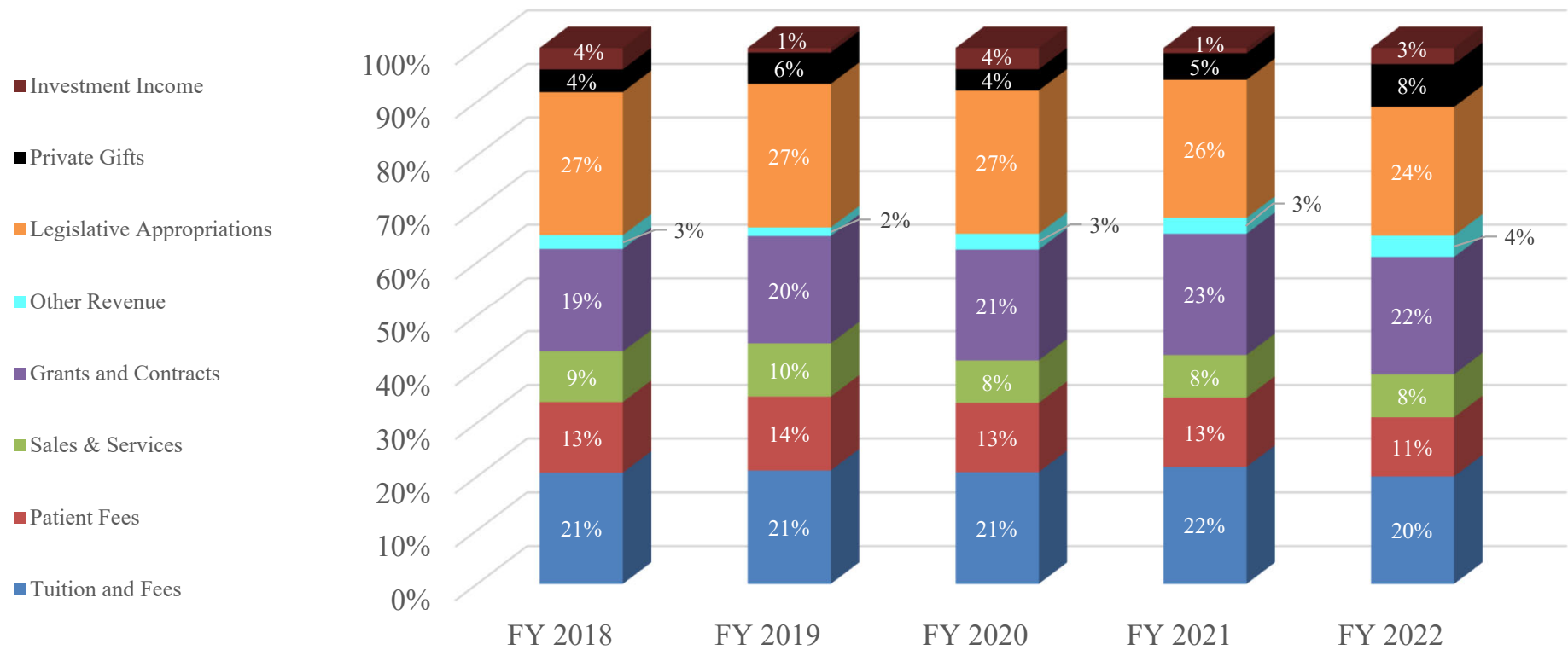
# Adjusted Unrestricted Net Position Reserves

FY 2019 – FY 2022



# Analysis of Total Revenues by Category

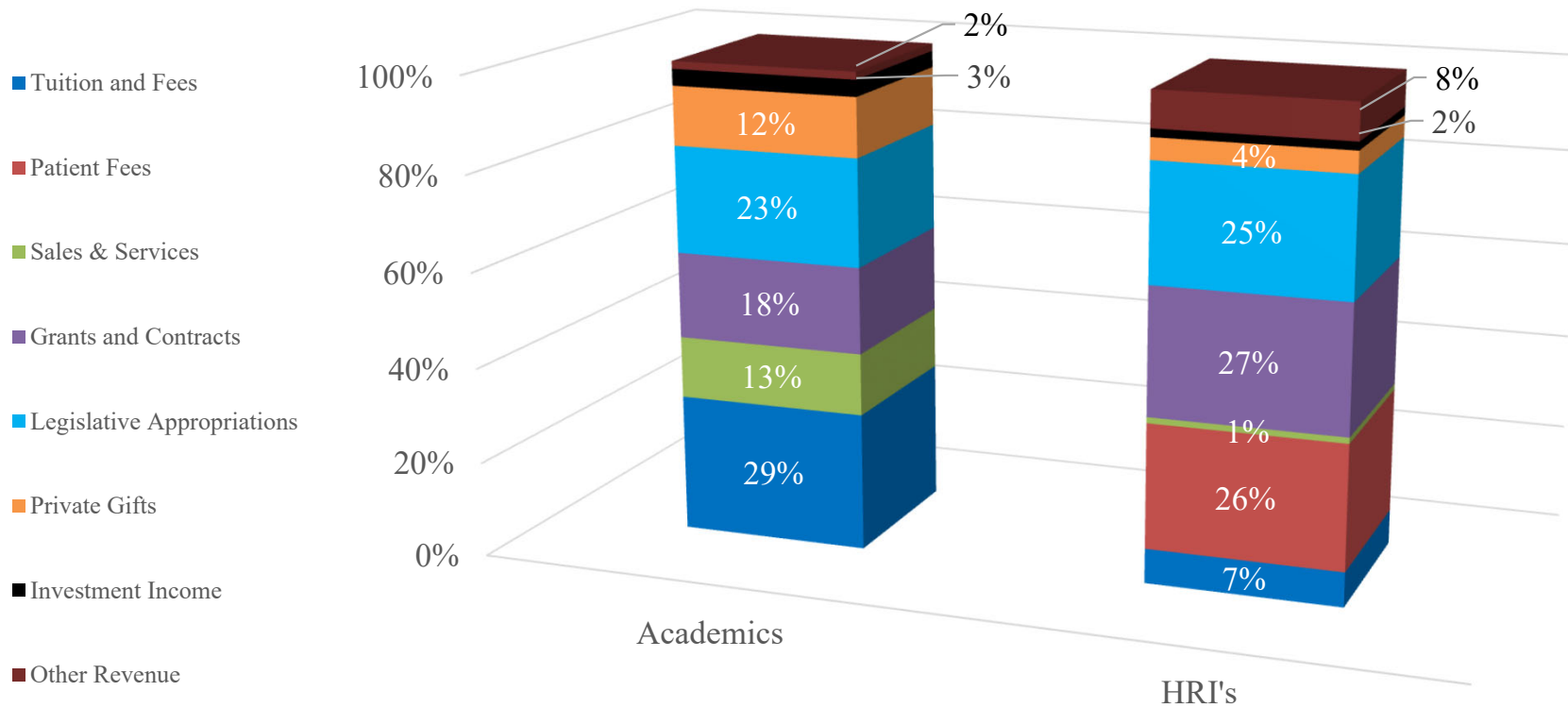
## FY 2018 – FY 2022





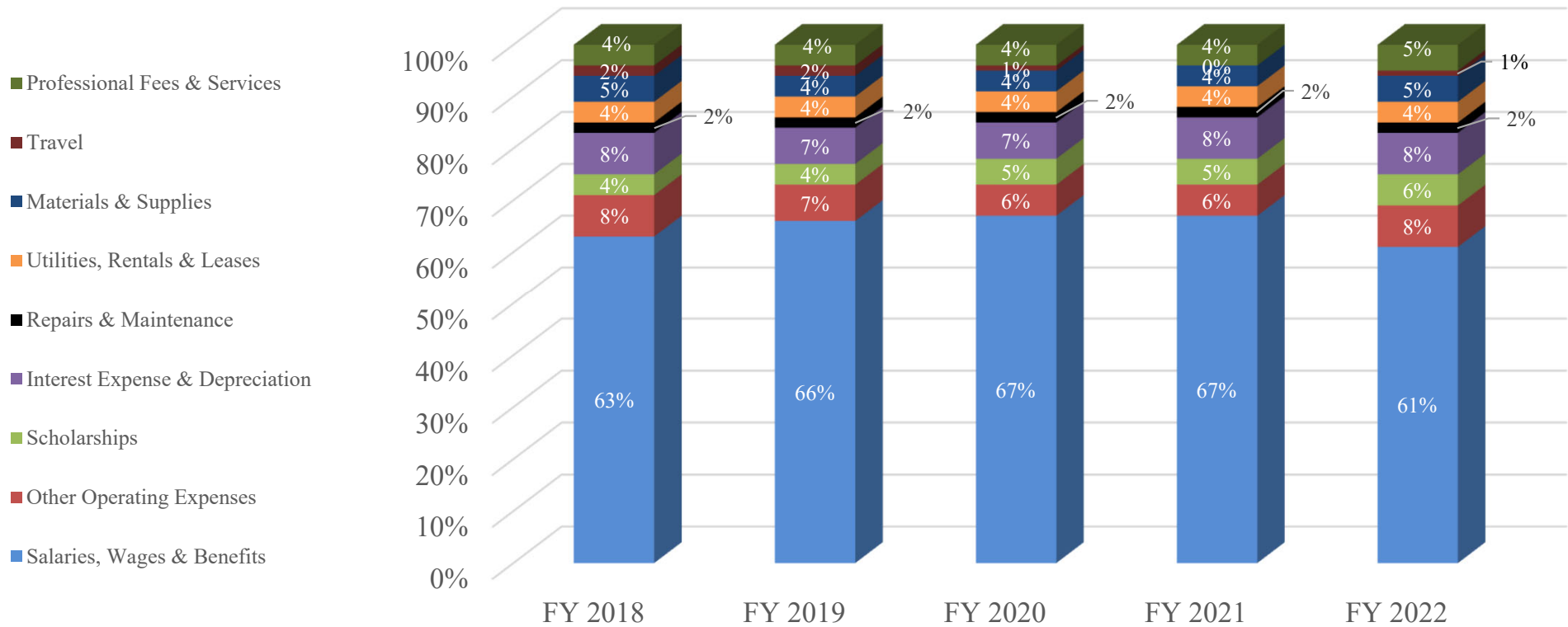
# Analysis of Total Revenues

## FY 2022 Academic Institution to Health-Related Institution (HRI) Comparison



# Analysis of Total Expenses by Category

## FY 2018 – FY 2022

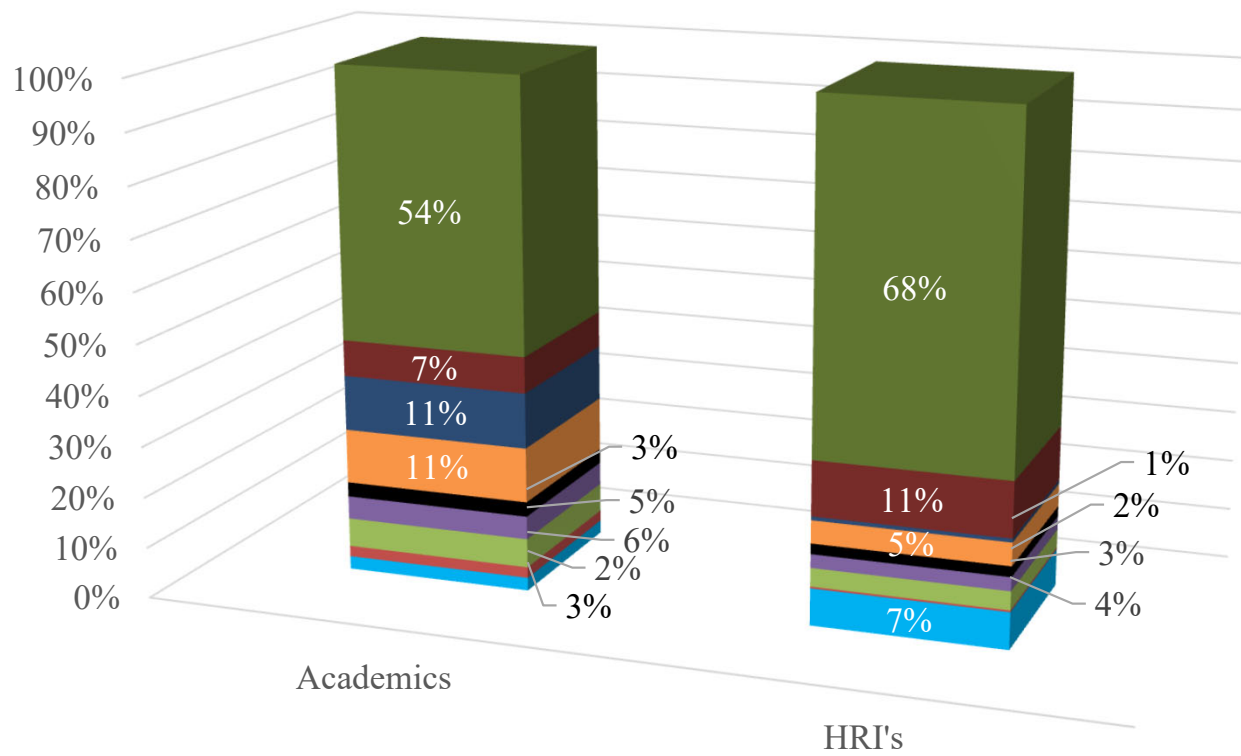


# Analysis of Total Expenses

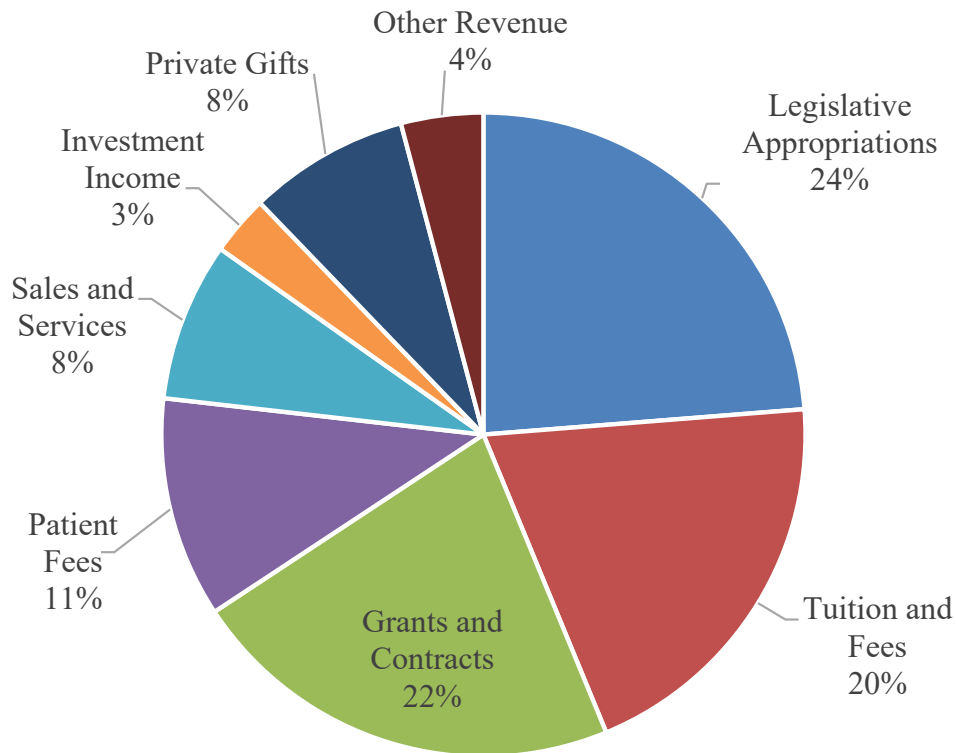
## FY 2022 Academic Institution to Health-Related Institution (HRI) Comparison



- Professional Fees & Services
- Travel
- Materials & Supplies
- Utilities, Rentals & Leases
- Repairs & Maintenance
- Interest Expense & Depreciation
- Scholarships
- Other Operating Expenses
- Salaries, Wages & Benefits

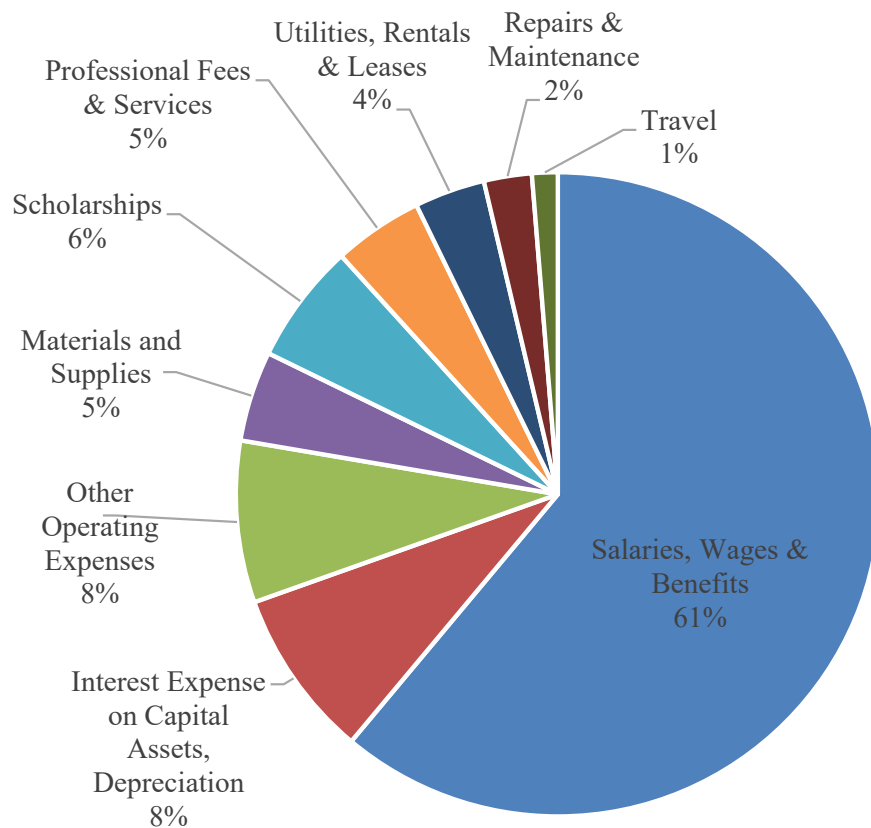


# Total Revenues, FY 2022



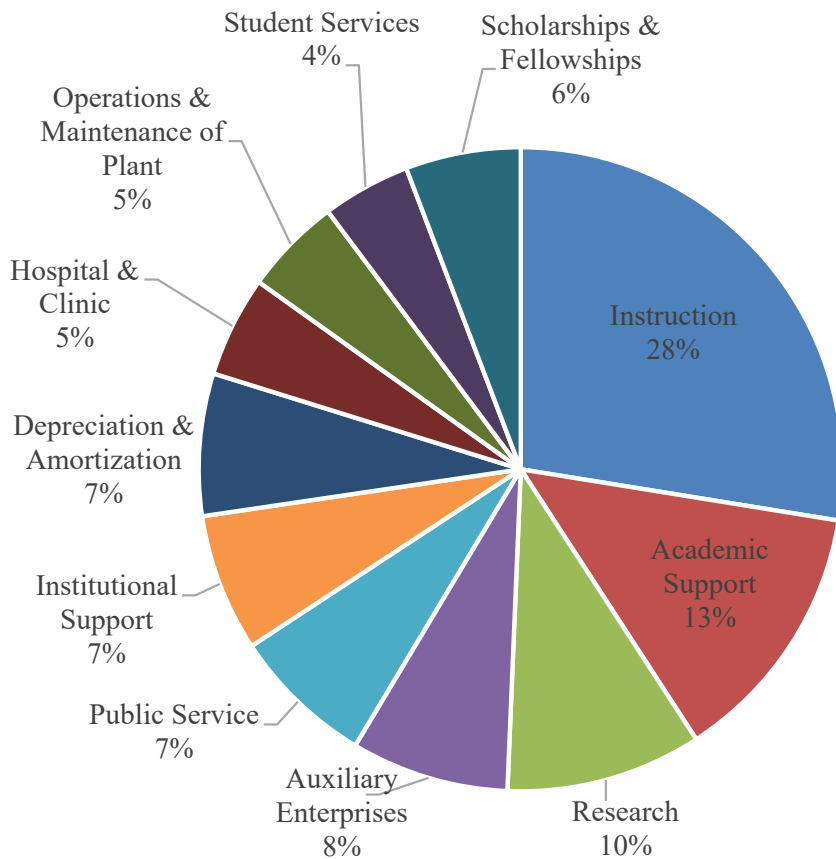
Revenues (in thousands)	FY 2022	
Legislative Appropriations ( <i>General Revenue, HEF</i> )	654,691	24%
Tuition and Fees	552,452	20%
Grants and Contracts	605,233	22%
Patient Fees	305,432	11%
Sales and Services ( <i>Room Rent, Meals, Athletics</i> )	220,107	8%
Investment Income	82,787	3%
Private Gifts	222,838	8%
Other Revenue	113,824	4%
<b>TOTAL REVENUE</b>	<b><u>2,757,364</u></b>	

# Total Expenses, FY 2022



Expenses (in thousands)	FY 2022	
Salaries, Wages & Benefits	1,534,502	61%
Interest Expense on Capital Assets, Depreciation	213,072	8%
Other Operating Expenses	203,922	8%
Materials and Supplies	113,936	5%
Scholarships	151,827	6%
Professional Fees and Services	112,885	5%
Utilities, Rentals & Leases	89,064	4%
Repairs & Maintenance	60,395	2%
Travel	32,460	1%
<b>TOTAL EXPENSES</b>	<b><u>2,512,063</u></b>	

# Operating Expenses by NACUBO Function, FY 2022



Operating Expenses by NACUBO Function (in thousands)		FY 2022
Instruction (faculty salaries, academic admin depts, office supplies)	681,957	28%
Academic Support (libraries, academic computing, central academic admin)	328,616	13%
Research	243,423	10%
Auxiliary Enterprises (Athletics, Res Hall, Dining)	196,277	8%
Public Service (SBDC, public broadcasting, TDCJ)	177,307	7%
Institutional Support (General Admin, Exec. Mgt, legal/fiscal ops)	171,160	7%
Depreciation and Amortization	176,831	7%
Hospital and Clinic	125,410	5%
Operations and Maintenance of Plant	121,342	5%
Student Services (admissions, registrar, financial aid)	109,761	4%
Scholarships and Fellowships	143,274	6%
<b>TOTAL OPERATING EXPENSES</b>	<b>2,475,358</b>	



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