

CONTINUING DISCLOSURE ANNUAL REPORT

Filed by

BOARD OF REGENTS OF THE TEXAS TECH UNIVERSITY SYSTEM



FISCAL YEAR 2022- CORRECTED

Pursuant to Undertaking Provided to
Permit Compliance with SEC Rule 15c2-12
Relating to
Each Issue of the Board's Outstanding Parity Obligations Issued since 1996

Texas Tech University System
Lubbock, Texas

Board of Regents

<u>Name</u>	<u>Term Expiration</u> ⁽¹⁾	<u>Residence</u>
Mr. J. Michael Lewis	January 31, 2023	Dallas, TX
Mr. John D. Steinmetz	January 31, 2023	Dallas, TX
Mr. John Walker	January 31, 2023	Houston, TX
Mrs. Ginger Kerrick Davis	January 31, 2025	Webster, TX
Mr. Mark Griffin	January 31, 2025	Lubbock, TX
Mr. Dusty Womble	January 31, 2025	Lubbock, TX
Ms. Arcilia Acosta	January 31, 2027	Dallas, TX
Mr. Cody Campbell	January 31, 2027	Fort Worth, TX
Mr. Pat Gordon	January 31, 2027	El Paso, TX

Student Regent⁽²⁾

Mr. Hani Michael Annabi..... May 31, 2023 El Paso, TX

Officers of the Board

Mr. Mark Griffin..... Chairman
Mrs. Ginger Kerrick Davis Vice Chairman
Mr. Keino McWhinney..... Secretary

Principal Administrators

<u>Name</u>	<u>Title</u>
Dr. Tedd L. Mitchell	Chancellor
Mr. James Mauldin	Vice Chancellor and Chief Financial Officer
Lt. Gen. Ronnie D. Hawkins Jr.....	ASU President
Dr. Keith Lamb	Interim MSU President
Dr. Lawrence Schovanec	TTU President
Dr. Lori Rice-Spearman.....	TTUHSC President
Dr. Richard A. Lange.....	TTUHSC at El Paso President

⁽¹⁾ The actual expiration date of the term depends on the date the successor is appointed, qualified and takes the oath of office.

⁽²⁾ Student Regent. Current state law does not allow a Student Regent to vote on any matter before the Board.

This information is being provided by the Board of Regents (“Board”) of the Texas Tech University System (“University System”) in compliance with the contractual undertaking (“Undertaking”) to provide annual reports of quantitative financial information and operating data, as required by Rule 15c2-12 (“Rule”) of the Securities and Exchange Commission, regarding each issue of the Board’s outstanding Parity Obligations issued since 1996 (“Issues”).

This Annual Report contains financial information and operating data with respect to the University System. Information in this Annual Report has been compiled from the University System’s records and other sources which are believed by the Board to be reliable. This report is provided in satisfaction of the Board’s Undertaking, and contains information prescribed by the Rule. The Board does not make any warranty concerning the usefulness of such information to a decision to invest in, hold, or sell bonds, Notes, or other obligations payable, in whole or in part, from the sources pledged for the payment of the Issues. Information agreed to be provided by the Board may be reported in full text herein or may be incorporated by reference to certain other publicly available documents. The Board is required by the Undertaking to provide information annually by a date not more than 180 days following the close of its fiscal year, for as long as any of the Issues are outstanding.

General Overview

The Texas Tech University System is composed of a central administrative agency, the Texas Tech University System Administration, and five component institutions – Texas Tech University, Texas Tech University Health Sciences Center - Lubbock, Angelo State University, Midwestern State University, and Texas Tech University Health Sciences Center at El Paso. These five separate academic institutions are governed by the ten-member Board of Regents. The Regents are appointed by the Governor of the State of Texas to six-year staggered terms apart from a student Regent who is appointed to a one-year term. The Chancellor is the chief executive officer of the System and is appointed by, and reports directly to, the Board of Regents. The Chancellor is supported by the Texas Tech University System Administration.

The University System employs more than 21,000 faculty and staff. The annual combined budget of the System is approximately \$2.38 billion. Approximately \$604 million of these funds are appropriated by the Texas Legislature and about \$223 million in research expenditures annually. The total enrollment across all components is more than 62,900 students.

The University System is committed to providing the highest quality and most efficient resources and services to its components. Throughout all institutions and centers, the University System strives to increase accessibility, enhance instruction and infrastructure formula funding, provide necessary financial aid, produce and commercialize new technologies, strengthen academic quality and reputation, advance research, improve productivity and efficiency, and further the quality and availability of health care for all Texans.

Texas Tech University (TTU) is a major comprehensive, multi-faceted research university with more than 40,600 students pursuing 105 undergraduate, 100 graduate or 50 doctoral degrees in 15 different instructional schools and colleges. Texas Tech has students from 247 of the 254 counties in Texas, 49 states plus Puerto Rico, Virgin Islands and the District of Columbia, and more than 114 foreign countries. Approximately 85 percent of Texas Tech students are Texans with 5 percent coming from foreign countries. In Fall 2019, Texas Tech achieved full status as a Hispanic Serving Institution (“HSI”). In the Fall of 2021, Texas Tech boasted an undergraduate enrollment Hispanic population of 27 percent. In addition, 7,799 or 19 percent of students are enrolled in graduate or professional programs. Texas Tech offers the most comprehensive academic programs in the state on a single campus. It remains the only institution in the nation to offer six doctoral programs in agriculture without the benefit of land-grant support.

Texas Tech provides educational services to the residents of the Texas Hill Country, West Texas and the Dallas/Fort Worth area. TTU has established academic centers in Junction, Fredericksburg, Marble Falls/Highland Lakes, Cleburne, Austin, and El Paso, along with academic centers in Waco through the University Center at McLennan Community College and in McKinney through the Higher Education Center at Collin College.

Texas Tech University Health Sciences Center (“TTUHSC”) has an enrollment of over 5,100 students in its six schools of Medicine, Nursing, Health Professions, Pharmacy and Graduate School of Biomedical Sciences, and School of Population and Public Health. The Lubbock campus serves as the administrative hub for the Health Sciences Center, with regional campuses located in Abilene, Amarillo, the Permian Basin (Odessa/Midland), and the Dallas/Fort Worth metroplex. TTUHSC is also home to five specialized institutes that strategically focus on rural and community health, women’s health, aging, clinical research, and anatomical sciences through interdisciplinary collaboration.

The Texas Tech Physicians (“TTP”), an academic non-profit medical practice comprised of faculty and staff from the Texas Tech University Health Sciences Center, serves more than 253,000 patients annually in 108-county area stretching from Texas Panhandle south to the Permian Basin and west into New Mexico covering close to 50% of Texas’ land mass. TTP provides a direct teaching platform for the students and residents enrolled at TTUHSC and, through its clinics, offers medical services for all individuals who seek medical care.

Since 1989, TTUHSC provided medical services to the Texas State Prisons. In 1993, TTUHSC formally partnered with the Texas Department of Criminal Justice (“TDCJ”) and the University of Texas Medical Branch (“UTMB”) at Galveston in providing comprehensive correctional managed health care services to more than 31,000 adult offender patients in 23 TDCJ units. TTUHSC serves the prisons located in West Texas where as UTMB serves East Texas. Full funding for these services is appropriated bi-annually through the State Legislature Budget process. These services from TTUHSC are accredited by the American Correctional Association (ACA).

Angelo State University (“ASU”) based in San Angelo, was established in 1928 as San Angelo College; in 1965 new legislation was passed to create Angelo State College. ASU’s campus covers more than 268 acres and enrolls more than 10,800 students from 215 of Texas’ 254 counties, 47 other states, and 35 countries. The Texas Legislature (80th Regular Session) passed House Bill 3564 and pursuant to the statute, the governance, control, management and property of Angelo State University were transferred from the Texas State University System to the Texas Tech University System, effective September 1, 2007.

ASU boasts a 19:1 student to faculty ratio within its 50 undergraduate, 28 graduate, and 3 doctoral programs. ASU is both a Military Friendly School and Hispanic Serving Institution.

Texas Tech University Health Sciences Center at El Paso (“TTUHSC El Paso”) was established as the fourth independent university in the Texas Tech University System with the signing of Senate Bill 120 in May 2013. Existing since 1973, the campus has grown significantly to serve the El Paso community through programs in education, research and patient care. With enrollment of 785 students, the TTUHSC El Paso Paul L. Foster School of Medicine, Gayle Greve Hunt School of Nursing, Graduate School of Biomedical Sciences, and Woody L. Hunt School of Dental Medicine (WLHSDM) offer comprehensive education programs at the undergraduate and graduate level, preparing them for competitive careers in the health care field. WLHSDM welcomed its inaugural class in the summer of 2021 with current enrollment of 101 students. El Paso, the sixth most populous city in the state of Texas and 22nd in the US, is a medical hub of West Texas and Southern New Mexico. The region has been federally designated as a medically underserved area.

Midwestern State University (“MSU”) established in 1922 and located in Wichita Falls, Texas, became the fifth member institution of the University System on June 8, 2021. MSU offers more than 75 majors of

undergraduate and graduate programs. With enrollment of 5,700, MSU is the only Texas university to become a member of the Council of Public Liberal Arts Colleges (COPLAC). MSU brings a spirit of competition to 13 NCAA Division II athletic programs. In 2018, a student learning center opened in Flower Mound, Texas. MSU commemorated 100 years of education in 2022.

Accreditation The institutions, agencies, and services comprising the University System are members of the following professional associations and accredited by those which apply accreditation standards: Commission on Colleges of the Southern Association of Colleges and Schools; National Commission on Accrediting; Association of Texas Colleges and Universities; American Council on Education; Association of American Colleges; American Association of State Colleges and Universities, Council on Higher Education; Association of Urban Universities; National Association of State Universities and Land-Grant Colleges; and Liaison Committee on Medical Education.

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Pledged Revenues

As outlined in the Master Resolution, Parity Obligations are secured by Pledged Revenues of the University System’s Revenue Financing System. The Pledged Revenues consist of Revenue Funds and lawfully available (unappropriated) reserve and fund balances with certain exceptions. Revenue Funds are defined in Section 55.01 of the Texas Education Code as revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds. All financial sums include Midwestern State University. At the publishing of this report, Midwestern State University’s prior encumbered parity obligations are *not* part of the Texas Tech University System RFS Parity Obligations and are reported separately within this disclosure.

Set forth below is the information relating to the University System’s Pledged Revenues for the last five fiscal years.

<u>Pledged Revenues and Balances Available for Debt Service (\$000)</u>					
	2018	2019	2020	2021	2022
Available Pledged Revenues Not Including Fund Balances ⁽¹⁾	\$733,579	\$758,582	\$757,337	\$675,295	\$784,378
Available Pledged Revenues Fund Balances ⁽²⁾	\$890,042	\$922,895	\$946,493	\$962,499	\$1,256,623
Total Pledged Revenues and Pledged Fund Balances	\$1,623,621	\$1,681,477	\$1,703,830	\$1,637,794	\$2,041,001

⁽¹⁾ Excludes (i) amounts received from the Higher Education Fund pursuant to Article VII, Section 17 of the State Constitution. See “Additional Sources of Payments: “HEF and Additional Appropriations” below.

⁽²⁾ In addition to current year Pledged Revenues, any unappropriated or reserve fund balances remaining at Fiscal Year-end are available for payment of debt service on Parity Obligations coming due during the subsequent year. In addition, historically, the Board has set aside certain reserve fund balances for specified University System purposes.

<u>Additional Sources of Payment: HEF and Other (\$000)</u>					
	2018	2019	2020	2021	2022
Available HEF Appropriations	\$84,152	\$84,152	\$84,152	\$88,810	\$88,810
Additional Appropriations		\$10,000	\$10,000	\$12,500	
Total	\$84,152	\$94,152	\$94,152	\$101,310	\$88,810

Note: Midwestern State University’s HEF appropriations are only included in FY 2021 and forward. All HEF allocations for MSU prior to their membership in the TTUS are reported independently.

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Outstanding Obligations as of December 1, 2022

TTUS Outstanding Parity Obligations & Other Debt Obligations

	<u>Total</u>
TTUS RFS Tax-Exempt Bonds 2015A	\$58,905,000
TTUS RFS Taxable Bonds 2015B	\$110,585,000
TTUS RFS Tax-Exempt Bonds 2017A	\$61,700,000
TTUS RFS Taxable Bonds 2017B	\$195,825,000
TTUS RFS Taxable Bonds 2020	<u>\$294,360,000</u>
Total TTUS RFS Parity Obligations	\$721,375,000
RRFF- Interim Financing Loan	\$225,000,000
Total Outstanding Debt Obligations	<u>\$946,375,000</u>

MSU Outstanding Parity Obligations

	<u>Total</u>
MSU RFS Series 2012B	\$1,830,000
MSU RFS Series 2015A	\$48,100,000
MSU RFS Series 2016B	\$9,780,000
MSU RFS Series 2016A	<u>\$58,390,000</u>
Total	\$118,100,000

Note: Midwestern State University's Prior Encumbered Outstanding Parity Obligations are excluded from the outstanding TTUS Parity Obligations and are secured solely by MSU pledged revenues. In the event Midwestern State University refinances the prior encumbered parity obligations as part of a TTUS Bond issuance, these obligations will become part of the TTUS RFS Parity Obligations. MSU debt outstanding is recognized in the TTUS FY22 ACFR according to GASB guidelines.

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Set forth below is a summary of the debt service requirements of the TTUS & RRF Parity Obligations outstanding as of December 1, 2022, excluding commercial paper:

TTUS Debt Service			
As of December 1, 2022 to Maturity			
Date	Principal	Interest	Debt Service
11/1/2022			
11/1/2023	65,472,560	25,784,023.19	91,256,583.58
11/1/2024	65,074,006	24,524,987.00	89,598,993.16
11/1/2025	66,092,269	23,197,910.13	89,290,179.10
11/1/2026	58,356,952	21,771,041.04	80,127,992.58
11/1/2027	51,757,637	20,421,874.81	72,179,512.18
11/1/2028	51,723,890	19,321,596.34	71,045,485.98
11/1/2029	52,040,250	18,163,898.64	70,204,149.02
11/1/2030	61,196,239	16,966,298.24	78,162,537.66
11/1/2031	46,486,353	15,600,320.97	62,086,674.14
11/1/2032	39,545,064	14,558,720.60	54,103,784.30
11/1/2033	29,621,817	13,656,260.12	43,278,077.54
11/1/2034	28,606,034	13,134,241.21	41,740,275.00
11/1/2035	32,417,104	12,645,874.51	45,062,978.74
11/1/2036	22,924,390	12,145,236.21	35,069,626.68
11/1/2037	16,527,223	11,940,912.86	28,468,136.22
11/1/2038	16,509,901	11,972,240.76	28,482,141.92
11/1/2039	14,691,688	12,009,160.35	26,700,848.52
11/1/2040	143,721,813	12,123,709.30	155,845,522.22
11/1/2041	11,259,467	8,699,045.92	19,958,512.42
11/1/2042	7,383,801	8,923,989.22	16,307,789.92
11/1/2043	7,043,926	9,267,519.24	16,311,445.42
11/1/2044	6,683,910	9,628,255.68	16,312,166.02
11/1/2045	6,307,775	10,007,176.27	16,314,951.72
11/1/2046	4,249,496	10,405,097.78	14,654,593.92
11/1/2047	3,757,997	10,892,350.41	14,650,347.82
11/1/2048	3,247,152	11,403,661.94	14,650,813.92
11/1/2049	2,710,778	11,940,070.46	14,650,848.32
11/1/2050	2,152,636	12,502,815.33	14,655,451.02
11/1/2051	991,426	13,093,052.17	14,084,478.12
11/1/2052	355,786	13,728,692.13	14,084,478.12
	<u>\$918,909,342.45</u>	<u>\$430,430,032.83</u>	<u>\$1,349,339,375.28</u>

Note: RRF interim financing ends in FY25. At that time all outstanding RRF debt will be refinanced into a 30 yr bond. Proforma debt service was calculated on a 30 year bond, semi-annual payments, with a 4.75% coupon. This debt service does not include any prior encumbered parity obligations of Midwestern State University before 9/1/2021 when it became a member of the Texas Tech University System.

MSU DEBT SERVICE
As of December 1, 2022 to Maturity

Date	Principal	Coupon	Interest	Debt Service	Bond Balance
8/1/2022		**			118,100,000
8/1/2023	6,135,000	**	4,894,751.56	11,029,751.56	111,965,000
8/1/2024	6,450,000	**	4,610,951.11	11,060,951.11	105,515,000
8/1/2025	6,790,000	**	4,309,960.06	11,099,960.06	98,725,000
8/1/2026	6,505,000	**	4,001,565.86	10,506,565.86	92,220,000
8/1/2027	6,855,000	**	3,685,679.26	10,540,679.26	85,365,000
8/1/2028	7,225,000	**	3,351,212.96	10,576,212.96	78,140,000
8/1/2029	6,835,000	**	3,037,920.56	9,872,920.56	71,305,000
8/1/2030	7,010,000	**	2,750,582.96	9,760,582.96	64,295,000
8/1/2031	7,350,000	**	2,450,539.91	9,800,539.91	56,945,000
8/1/2032	7,695,000	**	2,145,157.46	9,840,157.46	49,250,000
8/1/2033	7,630,000	**	1,834,113.96	9,464,113.96	41,620,000
8/1/2034	7,580,000	**	1,524,650.66	9,104,650.66	34,040,000
8/1/2035	6,350,000	**	1,248,237.66	7,598,237.66	27,690,000
8/1/2036	5,715,000	**	1,007,406.26	6,722,406.26	21,975,000
8/1/2037	1,870,000	**	855,706.26	2,725,706.26	20,105,000
8/1/2038	2,000,000	**	778,306.26	2,778,306.26	18,105,000
8/1/2039	2,135,000	**	695,606.26	2,830,606.26	15,970,000
8/1/2040	2,270,000	**	607,506.26	2,877,506.26	13,700,000
8/1/2041	2,415,000	**	513,806.26	2,928,806.26	11,285,000
8/1/2042	2,565,000	**	412,603.13	2,977,603.13	8,720,000
8/1/2043	2,735,000	**	303,290.63	3,038,290.63	5,985,000
8/1/2044	2,905,000	**	186,965.63	3,091,965.63	3,080,000
8/1/2045	3,080,000	**	63,525.00	3,143,525.00	0
	118,100,000		45,270,045.93	163,370,045.93	

Note: The Midwestern State University debt schedule is solely for prior encumbered parity obligations as part of the MSU Revenue Finance System (RFS) prior to its membership into the Texas Tech University System on 9/1/2021.

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Enrollment

Set forth below is the fall semester headcount and full-time equivalent enrollment at Texas Tech University System for each of the last five fall semesters:

Headcount Enrollment Information					
<u>Undergraduate</u>	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Texas Tech University	31,957	32,125	33,269	33,256	32,729
Health Sciences Center	1,520	1,478	1,393	1,468	1,448
Health Sciences Center at El Paso	264	300	288	267	258
Angelo State University	8,752	9,046	9,190	9,213	9,144
Midwestern State University	N/A	N/A	N/A	5,041	4,818
Undergraduate Total	42,493	42,949	44,140	49,245	48,397
<u>Graduate & Professional</u>					
Texas Tech University	6,252	6,617	7,053	7,410	7,799
Health Sciences Center	3,563	3,816	3,892	3,910	3,688
Health Sciences Center at El Paso	466	465	487	518	597
Angelo State University	1,635	1,522	1,585	1,613	1,456
Midwestern State University	N/A	N/A	N/A	756	966
Graduate Total	11,916	12,420	13,017	14,207	14,506
Total	54,409	55,369	57,157	63,452	62,903
Full-Time Equivalent Enrollment Information					
<u>Undergraduate</u>	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Texas Tech University	29,084	29,416	30,729	30,754	30,645
Health Sciences Center	1,420	1,401	1,327	1,393	1,330
Health Sciences Center at El Paso	224	268	263	243	243
Angelo State University	6,946	7,113	6,990	6,862	6,679
Midwestern State University	N/A	N/A	N/A	4,093	3,827
Undergraduate Total	37,674	38,198	39,309	43,345	42,724
<u>Graduate & Professional</u>					
Texas Tech University	4,649	4,511	5,259	5,550	6,013
Health Sciences Center	3,068	3,305	3,364	3,330	3,161
Health Sciences Center at El Paso	461	459	486	516	595
Angelo State University	1,263	1,222	1,283	1,313	1,160
Midwestern State University	N/A	N/A	N/A	452	612
Graduate Total	9,441	9,497	10,392	11,161	11,541
Total	47,115	47,695	49,701	54,506	54,265

Note: Enrollment numbers for Midwestern State University are reflected after its membership into the TTUS on 9/1/2021. Prior enrollment numbers were reported independently.

Admissions and Matriculation

Set forth below is the information relating to admissions and matriculation for Texas Tech University System for the general academic institutions (Texas Tech University and Angelo State University) for each of the last five fall semesters:

Admissions and Matriculation Information										
	2018	%	2019	%	2020	%	2021	%	2022	%
<u>Freshman:</u>										
Applications Submitted	43,755	-	44,509	-	47,717	-	57,174	-	55,574	-
Applications Accepted	22,836	52	22,695	51	25,548	54	31,113	54	33,931	61
Matriculation	9,671	42	9,544	42	9,774	38	10,611	34	10,616	31
Matriculation from outside state	525	5	457	5	539	6	795	7	872	8
<u>Transfers:</u>										
Applications Submitted	6,040	-	5,978	-	6,448	-	7,129	-	6,587	-
Applications Accepted	4,733	78	4,694	79	5,139	80	5,606	79	4,981	76
Matriculation	3,108	66	3,195	68	3,301	64	3,530	63	3,234	65
Matriculation from outside state	306	10	288	9	259	8	391	11	359	11
<u>Graduates:</u>										
Applications Submitted	11,234	-	11,156	-	12,814	-	16,790	-	17,546	-
Applications Accepted	4,216	38	4,070	36	5,447	43	6,254	37	7,585	43
Matriculation	2,336	55	2,559	63	2,899	53	3,111	50	3,517	46
Matriculation from outside state	672	29	741	29	721	25	1,026	33	1,198	34

Note: Admissions and matriculation numbers for Midwestern State University are reflected after its membership into the TTUS on 9/1/2021. Prior enrollment numbers were reported independently.

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Degrees Conferred

Set forth below is a listing of degrees conferred by the member institutions during each of the last five years:

Total Degrees Conferred					
<u>Institutions:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Texas Tech University	8,435	8,480	8,572	8,980	9,140
Angelo State	1,695	1,817	1,902	1,878	2,002
The Health Sciences Center	2,217	2,295	2,325	2,280	2,458
Health Sciences Center at El Paso	238	263	305	323	284
Midwestern State University	N/A	N/A	N/A	1,349	1,395
Total	12,585	12,855	13,104	14,810	15,279

Note: Degree numbers for Midwestern State University are reflected after its membership into the TTUS on 9/1/2021. Prior enrollment numbers were reported independently.

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Financial Statements

The University System is an agency of the State and its financial records reflect compliance with applicable State statutes and regulations. The fiscal year of the State and the University System begins on September 1 of each year. Annually, an unaudited financial report dated as of August 31, is prepared for the University System no later than November 20 and then delivered to the Governor and the State Comptroller of Public Accounts. The State in turn issues an audited Annual Comprehensive Financial Report (ACFR), prepared in accordance with generally accepted accounting principles, encompassing all activities generally considered part of the State. The State Auditor's Office annually audits the general-purpose activities of the State and contracts with an outside firm to audit certain portions in compliance with federal audit procedures. Both the State Auditor and contracted auditing firm each express an opinion of the ACFR. However, neither the State Auditor nor the contracted auditing firm express opinions on the financial reports of individual agencies and/or member units, including the University System. Therefore, no independent audit of the University System is required.

Set forth below reflects the condensed statement of net position of the University System as of August 31, 2018 through 2022.

Condensed Statement of Net Position (unaudited)

As of August 31

(In Thousands)

Assets:	Restated 2018	Restated 2019	Restated 2020	Restated 2021	2022
Current Assets	\$782,254	\$830,087	\$717,904	\$821,928	\$918,773
Capital Assets, Net	1,592,729	1,715,867	1,779,293	1,842,111	1,904,681
Other Assets	2,331,639	2,327,125	2,436,873	2,527,005	2,973,541
Total Assets	\$4,706,622	\$4,873,079	\$4,934,070	\$5,191,044	\$5,796,995
Deferred Outflows of Resources:					
Total Deferred Outflows of Resources	\$70,885	\$45,894	\$796,317	\$710,618	\$534,081
Liabilities:					
Current Liabilities	\$512,336	\$535,381	\$560,348	\$619,824	\$682,699
Non-Current Liabilities	1,388,239	1,237,266	1,817,883	2,021,971	2,057,872
Total Liabilities	\$1,900,575	\$1,772,647	\$2,378,231	\$2,641,795	\$2,591,630
Deferred Inflows of Resources:					
Total Deferred Inflows of Resources	\$43,645	\$121,517	\$360,314	\$331,763	\$316,210
Net Position:					
Invested in Capital Assets, Net of Related Debt	\$930,236	\$1,016,654	\$1,081,350	\$1,129,812	\$1,159,031
Restricted					
Expendable	547,482	577,196	512,744	502,411	731,198
Non-Expendable	701,085	729,343	758,054	786,164	828,325
Unrestricted	654,483	701,616	639,696	534,994	704,679
Total Net Position	\$2,833,286	\$3,024,809	\$2,991,844	\$2,953,381	\$3,423,233

Note: Net position for 2018-2020 does not include Midwestern State University which is reported independently.

Set forth below reflects the condensed statement of revenues, expenses, and changes in net position of the University System as of August 31, 2018 through 2022.

Condensed Statement of Revenues, Expenses, and Changes in Net Position (unaudited) as of August 31, 2022

	(In Thousands)				
	Restated 2018	Restated 2019	Restated 2020	Restated 2021	2022
Operating Revenues	\$1,276,660	\$1,331,406	\$1,332,738	\$1,348,554	\$1,585,653
Operating Expenses	\$1,910,599	\$2,132,971	\$2,190,441	\$2,160,235	\$2,475,357
Operating Income (Loss)	-\$633,939	-\$801,565	-\$857,703	-\$811,681	-\$889,704
Non-Operating Revenues (Expenses)	\$661,852	\$589,654	\$676,123	\$1,116,083	\$695,906
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	\$27,913	-\$211,907	-\$181,579	\$304,402	\$193,798
Other Revenues, Expenses, Gains, Losses and Transfers	\$154,794	\$178,942	\$143,119	\$165,391	\$371,909
Changes in Net Position	\$182,707	-\$32,965	-\$38,460	\$469,793	\$178,111
Beginning Net Position (September 1)	\$2,833,287	\$3,024,809	\$2,991,843	\$2,953,383	\$3,423,235
Restatement of Beginning Net Position	\$2,842,101	\$3,024,808	\$2,991,843	\$2,928,823	\$3,345,979
Ending Net Position (August 31)	\$3,024,808	\$2,991,843	\$2,953,383	\$3,398,616	\$3,524,090

Note: Changes in net position for 2018-2020 do not include Midwestern State University which is reported independently.

Set forth below reflects the condensed statement of cash flows of the University System as of August 31, 2018 through 2022.

	<u>Restated 2017</u>	<u>Restated 2018</u>	<u>Restated 2019</u>	<u>2020</u>	<u>2021</u>
Cash Flow From					
Operating Activities	(479,445)	(475,489)	(508,233)	(544,624)	(521,970)
Non-capital Financing Activities	611,244	599,837	606,121	701,261	688,842
Capital and Related Financing Activities	110,525	(214,432)	(173,638)	17,011	(159,354)
Investing Activities	(13,478)	20,893	(132,353)	(40,320)	(79,137)
Total Net Cash Flows	228,846	(69,191)	(208,103)	133,328	(71,619)
Cash & Cash Equivalents, Beginning of Year Sept 1	386,712	615,376	546,185	335,807	469,135
Restatement to Beginning Cash & Cash Equivalents	(182)		(2,276)		
Ending Cash & Cash Equivalents - August 31	\$615,376	\$546,185	\$335,806	\$469,135	\$397,516

Note: Cash Flows for 2018-2020 does not include Midwestern State University which is reported independently.

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Selected Financial Information

State Appropriations The operations of the member institutions are heavily dependent upon the continued support of the State pursuant to the biennial appropriations process initiated by the Texas Legislature. State appropriations for public higher education institutions are primarily allocated through funding formulas. TTUS member institutions are eligible to receive additional distributions such as the Higher Education Fund for certain capital expenditures and Tuition Revenue Bonds for certain debt service. Further information on those are detailed below. The most recent legislative session (the 87th), ended on May 31, 2021 of which the State Legislature adopted a budget for the 2022-23 biennium beginning September 1, 2021. The University System can provide no assurances with respect to any future appropriations by the State Legislature. Future levels of State appropriations are dependent upon the ability and willingness of the State Legislature to make appropriations to the University System taking into consideration the availability of financial resources and other potential uses of such resources.

Numbers below indicate State Formula Funding (less Board Authorized Tuition) for each member institution in the following amounts for Fiscal Years 2019 through 2023 (Note: Data for FY 2023 was not available at publishing of this report):

	State Formula Funding by Institution			
	FY 2019	FY 2020	FY 2021	FY 2022
Angelo State University	23,859,418	25,184,302	25,184,302	25,028,195
Health Sciences Center	104,799,502	104,799,502	114,608,794	110,022,589
Health Sciences Center at El Paso	26,851,928	25,184,302	25,184,302	25,028,196
Midwestern State University	16,949,320	17,667,024	17,667,024	16,629,921
Texas Tech University	156,671,931	161,876,869	161,876,869	174,988,063
Total	\$329,132,099	\$334,711,999	\$344,521,291	\$351,696,964

Note: State Formula Funding for FY 2019 & FY 2020 does not include Midwestern State University which is reported independently.

Higher Education Fund Appropriations. The Participants each receive a portion of an annual appropriation of funds made by the State Legislature to the Higher Education Fund (HEF) pursuant to the provisions of Article VII, Section 17 of the State Constitution. The annual allocation to the University System for fiscal years 2019 through 2023 is set forth below:

	Higher Education Fund Appropriations				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Angelo State University	5,320,102	5,320,102	6,792,999	6,792,999	6,792,999
Health Sciences Center	23,372,396	23,372,396	23,372,396	23,372,396	23,372,396
Health Sciences Center El Paso	6,234,075	6,234,075	5,557,572	5,557,572	5,557,572
Midwestern State University	5,061,412	5,061,412	4,933,200	4,933,200	4,933,200
Texas Tech University	49,225,809	49,225,809	49,874,746	49,874,746	49,874,746
Total	\$ 84,152,382.00	\$ 84,152,382.00	\$ 90,530,913.00	\$ 90,530,913.00	\$ 90,530,913.00

Note: HEF appropriations for Midwestern State University are reported but excluded for FY 2019 and FY 2020 TTUS totals. These total reflect HEF appropriations prior to its membership into the Texas Tech University System on 09/01/2021.

Tuition Revenue Bonds (TRB). A portion of the Parity Obligations of the University System constitute Tuition Revenue Bonds (defined in Chapter 55 of the Texas Education Code). Tuition Revenue Bonds issued by the University System carry no additional pledge or security and constitute Parity Obligations of the University System which are equally and ratably secured by and payable from a pledge of and lien on Pledged Revenues on parity with all other Parity Obligations of the University System. The State Legislature has appropriated funds to reimburse the University System in prior years in an amount equal to all or a portion of the debt service on the University System’s Tuition Revenue Bonds.

Set forth below reflects the Tuition Revenue Bond Appropriations in Fiscal Year 2019 through 2021 and the current 2022-23 biennium of the State Budget.

2017-2021 State Tuition Revenue Bond (TRB) Appropriations

(In Thousands)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Texas Tech University	\$14,485	\$13,503	\$13,494	\$13,920	\$13,208
TTU Health Sciences Center	13,583	11,873	11,856	10,024	8,293
Angelo State University	2,877	2,879	2,860	2,669	1,711
TTUHSC at El Paso	10,932	14,062	14,046	13,109	10,827
System Administration	-	-	-	-	-
Total TRBs	\$41,877	\$42,317	\$42,256	\$39,722	\$34,039

Note: TRB Appropriations for FY 2019 & FY 2020 does not include Midwestern State University which is reported independently.

Capital Construction Assistance Projects (CCAP) A portion of future Parity Obligations of the University System will constitute CCAP Bonds authorized by the Texas Legislature for specific capital improvement projects, to be repaid by the institution by revenues from tuition. Though legally secured through an institution’s tuition and fee revenue, historically the state has used general revenue to reimburse the universities for debt service for these bonds. These Parity Obligations are defined by Texas Senate Bill 52 amending Chapter 55 of the Texas Education Code.

Set forth below reflects the CCAP Appropriations in Fiscal Year 2023 and the current 2022-23 biennium of the State Budget.

**CCAP Appropriations
For reimbursement of debt service**

	Total Project Authorization	FY 2023
Angelo State University	\$36,000,000	\$3,497,652
Health Sciences Center	\$78,614,958	\$7,637,993
Health Sciences Center El Paso	\$59,897,111	\$5,819,423
Midwestern State University	\$44,922,833	\$4,364,567
Texas Tech University	\$80,000,000	\$7,772,560
Total	\$299,434,902	\$29,092,195

Tuition and Fees Each component institution that grants degrees charges tuition and fees as set by the State Legislature and the Board under Chapters 54 and 55 of the Texas Education Code. Tuition charges are comprised of “State Mandated Tuition” and “Board Designated Tuition.” Mandatory fees comprise charges of certain activities and services utilized by all students. Each component institution charges various types of fees and in various amounts.

Fixed Rate Tuition Sections 54.016 and 54.017 of the Texas Education Code authorize the state’s general academic teaching institutions and junior colleges to provide an option for fixed price tuition beginning in fall 2014. Both Texas Tech University and Angelo State University have chosen to offer fixed price tuition plans. This option “freezes” only the designated tuition portion of a student’s cost of attendance for a period of twelve continuous semesters equating to four academic years. Incoming undergraduates, either via transfer from another institution or no prior college attendance, beginning with the fall 2014 semester are eligible to choose the fixed rate tuition plan. Dual high school credit is not considered prior college attendance. Students who have previously enrolled at Texas Tech University or Angelo State University and are returning from another institution and students classified either as graduate or non-resident distance education are not eligible for the plan. The opt-in period starts at registration for classes and ends on the day before the first day of class. Students can opt-out one-time at any time but will be reverted to original designated tuition rate in the succeeding semester. Students who elected to not participate will not be able to opt-in at a later date. The fixed tuition rate will be set each academic year for the incoming undergraduate classes.

Any changes in tuition or fees will originate and be recommended by the President of the component institution, reviewed by the Chancellor, and approved by the Board. Any changes in tuition will be implemented only after thorough consultation and review.

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Set forth below are tables showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, mandatory fees, and the amount set aside for financial assistance to resident undergraduates (excludes the Health Sciences Center and the Health Sciences Center at El Paso), for the 2022-23 academic year and the fixed rate tuition and fees for the 2022 Fall cohort based on 15 semester credit hours (SCH).

Tuition and Fees
Academic Year 2022-2023

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees	Financial Assistance Set Aside
Texas Tech University	\$750.00	\$3,195.00	\$750.00	\$1,458.50	\$6,153.50	\$751.50
Angelo State University	\$750.00	\$2,059.50	\$0.00	\$1,845.50	\$4,655.00	\$524.40
Midwestern State University	\$750.00	\$2,188.50	\$0.00	\$1,949.45	\$4,887.95	\$550.20

Fixed Rate Plan Tuition and Fees

Fall 2022 Cohort

Texas Tech University	\$750.00	\$4,785.00	\$750.00	\$1,458.50	\$7,743.50	\$1,069.50
Angelo State University	\$750.00	\$2,193.75	\$0.00	\$1,845.50	\$4,789.25	\$551.25
Midwestern State University	\$750.00	\$2,188.50	\$0.00	\$1,949.45	\$4,887.95	\$550.20

Note: Excludes the Health Sciences Center and the Health Sciences Center at El Paso. Total tuition and fees include amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% nor more than 20% of each resident student's tuition charge; from Board Designated Tuition no less than 20% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011).

The Board may set rates for graduate tuition at different levels for different institutions. State Mandated Tuition for a resident student enrolled in a program leading to an M.D. degree is \$6,550 per academic year. State Mandated Tuition for a nonresident student enrolled in a program leading to an M.D. degree is an amount per year equal to three times the rate that a resident student enrolled in a program leading to an M.D. degree would pay during the corresponding academic year. In addition, various other programs have specific annual rates for resident students and maximum rates that may be charged to nonresident students. For more detailed information regarding tuition and fees charged by the University System member institutions, reference is made to the respective member institutions' websites.

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Investments

Investment Programs and Policies. The Board is responsible for investment of University System funds held outside the State Treasury. To facilitate the investment of the University System funds, the Board has created two separate investment pools designated as the Comprehensive Cash Pool (the “CCP”), and the Long-Term Investment Fund (the “LTIF”), which are governed overall by Regents’ Rules Chapter 09 “Investments and Endowments”, and individually by the Investment Policy Statement of each pool, codified as Board Policy Statements. The CCP is centrally managed within the University System Office of Treasury under the direction of the Treasurer. The LTIF is centrally managed within the University System Office of Investments under the direction of the Chief Investment Officer.

Set forth below is the market value for each of the funds managed by the Board as of the end of the most recent five Fiscal Years.

Market Value of Investment Funds (in Thousands)

<u>8/31/2022</u>	<u>Comprehensive Cash Pool (CCP)</u>	<u>Long Term Investment Fund</u>	<u>Unspent Bond Proceeds</u>	<u>Total Market Value</u>
2018	\$1,393,231	\$1,211,115	\$129,833	\$2,734,179
2019	\$1,334,697	\$1,184,201	\$65,923	\$2,584,821
2020	\$1,405,397	\$1,175,295	\$163,544	\$2,744,236
2021	\$1,522,849	\$1,540,826	\$81,419	\$3,145,094
2022	\$1,675,144	\$1,564,200	\$61,929	\$3,301,273

Notes: CCP balance excludes demand depository accounts which are referenced in the CCP allocation and MV chart below.

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The Comprehensive Cash Pool. The CCP is a pooled investment fund redesigned by the Board in December 2020 for the collective investment of institutional funds of the University System operating funds, non-operating funds, and other funds.

Set forth below is the asset allocation of the CCP as of August 31, 2022. Currently, Angelo State University and Midwestern State University hold funds outside of the CCP that are not included in the market values below.

Asset Allocation for the Comprehensive Cash Pool		
(in Thousands)		
Description	Allocation Percentage	Market Value
Cash Segment:		
Depository Accounts	9.39%	\$173,698
Gov't Investment Pools	6.32%	\$116,917
Total Cash Segment	15.72%	\$290,615
Contingency Segment:		
U.S. Agency Securities	15.59%	\$288,278
U.S. Municipal Securities	10.93%	\$202,117
U.S. Treasury Securities	3.27%	\$60,497
Total Contingency Segment	29.80%	\$550,892
Noncurrent Segment:		
Public Equities	24.87%	\$459,758
Public Credit	12.70%	\$234,889
Diversifying Assets	4.90%	\$90,681
Private Credit	9.23%	\$170,707
Money Market Funds	2.77%	\$51,299
Total Noncurrent Segment	54.48%	\$1,007,334
CCP Total	100.00%	\$1,848,841

Note: These values do not include assets held in the LTIF or funds held outside of the CCP by Midwestern State University, Angelo State University, and the ASU Carr Foundation.

The Long-Term Investment Fund. The University System is benefited by certain eligible endowments and board approved institutional funds treated as endowments (“quasi-endowments”) collectively invested in the LTIF. The LTIF is a unitized pooled investment fund consisting of marketable securities and investments, land and other real estate holdings and mineral rights managed by unaffiliated investment managers selected by the Chief Investment Officer. To qualify for investment in the LTIF, endowment funds must be under the sole control of the Board and must not have donor-imposed restrictions that prevent investment in equity securities or corporate debt, or prevent the expenditure of net realized appreciation. Endowment funds not meeting these requirements are invested in the CCP or, if instructed by the donor, managed and safeguarded in their original form. The LTIF in its entirety is not classified as pledged revenues or fund balance to the payment of debt obligations. However, quasi-endowments and earning distributions are pledgeable.

Set forth below is the asset allocation of the Long Term Investment Fund (LTIF) managed by the Board as of December 1, 2022.

Asset Allocation for the Long Term Investment Fund
(in Thousands)

Description	Allocation Percentage	Market Value
Public Equities	30.07%	\$470,290
Private Equities	23.40%	\$366,080
Private Diversifying	4.19%	\$65,615
Growth	57.66%	\$901,985
Public Diversifying	13.82%	\$216,248
Private Credit	11.09%	\$173,464
Public Credit	10.05%	\$157,259
Liquidating	0.49%	\$7,708
Money Market Net Collateral	2.41%	\$37,640
Cash	4.47%	\$69,896
Stable Value	42.34%	\$662,215
Total	100.00%	\$1,564,200

Notes: These values do not included assets held in the CCP or funds held outside of the LTIF by Midwestern State University, Angelo State University, and the Carr Foundation.

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**Allocation of Assets held outside of CCP and LTIF
for MSU, ASU & Carr Foundation**

(in Thousands)

Description	Allocation Percentage	Market Value
<i>Midwestern State</i>		
Cash and Cash Equivalents		\$17,879
Total	100.00%	\$17,879
<i>ASU & CARR Foundation</i>		
Mineral Rights	74.51%	\$18,437
Cash and Cash Equivalents	25.49%	\$6,306
Total	100.00%	\$24,743

Note: Angelo State University was added to Texas Tech University System on September 1, 2007. A portion of its assets, and those of its related Carr Foundation, lie outside of the Long Term Investment Fund and are included here as managed investments. Midwestern State University was added to the Texas Tech University System on September 1, 2021. A portion of its assets lie outside of the CCP and Long Term Investment Fund and are included here as money market fund investments.

Set forth below is the market value for the University System endowment including funds managed by the Board and funds managed by third-parties as of the end of the most recent five Fiscal Years (as reported to the National Association of College and University Business Officers' ("NACUBO") Commonfund Study of Endowments Report).

Board Managed and Third-Party Managed -

Market Value of Endowments

(in Thousands)

2018	2019	2020	2021	2022
\$1,330,889	\$1,198,359	\$1,300,405	\$1,532,241	\$1,712,162

Note: Endowment reporting for 2018-2020 does not include Midwestern State University which is reported independently.

(End)