

BOARD OF REGENTS
THE TEXAS STATE UNIVERSITY SYSTEM
601 Colorado Street
Austin, Texas 78701

Annual Report

Updated Financial Information
and
Operating Data

Submitted in Accordance with Provisions of
SEC Rule 15c2-12

For the Fiscal Year Ended
August 31, 2021

Table of Contents

Table 1 - Revenue Financing System Pledged Revenue

Table 2 - Revenue Financing System Debt-Service Requirements

Table A-1 - Headcount Enrollment

Table A-2 - Graduate Headcount Enrollment

Table A-3 - Full-Time Equivalent Enrollment

Table A-4 - Headcount Enrollment by Residency

Table A-5 - Admissions and Matriculation

Table A-9 - Current Investments

Table A-10 - Endowment Funds Summary

The Texas State University System Combined Annual Financial Report - Fiscal Year 2021

TABLE 1
The Texas State University System
Revenue Financing System Pledged Revenue and Additional Sources

Pledged Revenues and Balances Available for Debt Service					
	2017	2018	2019	2020	2021
Available Pledged Revenues Not Including Net Position (1)	\$ 747,065,640	\$ 753,523,054	\$ 768,237,673	\$ 763,587,280	\$ 807,948,884
Unrestricted Net Position: (2)					
Unrestricted Net Position per Annual Financial Report	341,151,487	312,327,858	91,831,090	34,621,117	59,799,312
Portion attributable to Revenue Streams Unavailable for Debt Service (3)	<u>(103,106,586)</u>	<u>(139,015,222)</u>	<u>(136,567,451)</u>	<u>(152,792,417)</u>	<u>(156,691,541)</u>
As Adjusted for Revenue Streams Unavailable for Debt Service (4)	238,044,901	173,312,636	(44,736,361)	(118,171,300)	(96,892,229)
Pension Entry (5)	137,044,421	135,868,364	158,965,449	193,732,164	204,315,904
OPEB Entry (5)	<u>-</u>	<u>87,275,907</u>	<u>273,541,486</u>	<u>390,336,295</u>	<u>495,013,713</u>
Unrestricted Net Position After Adjustments (6)	<u>375,089,322</u>	<u>396,456,907</u>	<u>387,770,574</u>	<u>465,897,159</u>	<u>602,437,388</u>
Total Pledged Revenues and Unrestricted Net Position (4)	<u>\$ 1,122,154,962</u>	<u>\$ 1,149,979,961</u>	<u>\$ 1,156,008,247</u>	<u>\$ 1,229,484,439</u>	<u>\$ 1,410,386,272</u>
Additional Sources of Payment not Included in Pledged Revenues					
	2017	2018	2019	2020	2021
Available HEF (7)	\$ 73,559,204	\$ 99,297,250	\$ 107,619,849	\$ 122,784,614	\$ 134,215,977
Available TRB (8)	37,752,779	32,338,610	34,555,153	34,532,862	33,680,200
Total Pledged Revenues and Additional Sources	<u>\$ 1,233,466,944</u>	<u>\$ 1,281,615,821</u>	<u>\$ 1,298,183,249</u>	<u>\$ 1,386,801,915</u>	<u>\$ 1,578,282,449</u>

(1) The Available Pledged Revenues shown above consist of tuition, designated tuition, student center fees, and recovery of indirect costs for federal grants and contracts, federal pass-through grants from other agencies and State grants and contracts. Excludes State appropriations for reimbursement of debt service on tuition revenue bonds ("TRBs").

(2) The Texas State University System Combined Annual Financial Report, as adjusted for revenue streams unavailable for payment of debt service. In addition to current year Pledged Revenues, any unappropriated year-end balances are available for payment of debt service.

(3) Certain revenue streams are unavailable for debt service. The portion of the System's unrestricted net position resulting from those revenue streams has been excluded.

(4) Amounts reported as "As Adjusted for Revenue Streams Unavailable for Debt Service" were formerly reported as "Available Pledged Revenues Fund Balances." This amount is the unappropriated or reserved net position remaining at year-end that is available for payment of the subsequent year's debt service. Amounts formerly reported as "Total Pledged Revenues and Pledged Revenues Fund Balances" are reported as "Total Pledged Revenues and Unrestricted Net Position."

(5) Details concerning the net pension and OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expenses may be found in the Notes to the Financial Statements of the TSUS Annual Financial Report. Significant changes to actuarial assumptions and the discount rate assumptions for the OPEB liability between FY 18 and FY 19 exist. Further information may be found on the GASB Requirements webpage published by the Employees Retirement System of Texas, who administers the plan.

(6) The effect on unrestricted net position resulting from the liabilities related to unfunded pension and other post-employment benefits has been excluded to arrive at an unrestricted net position after adjustments. For further details related to the liabilities, see the Notes to the Financial Statements in the System's Annual Financial Report for each year.

(7) Unexpended Higher Education Fund (HEF) funds carry forward to the next fiscal year. The year-end net positions attributable to HEF reflected are eligible to be applied to the payment of debt service on Parity Debt issued for qualifying projects as permitted in accordance with Article VII, Section 17(a) of the Texas Constitution; however, HEF funds are not Pledged Revenues.

(8) Historically, the State Legislature has appropriated general revenue funds in the State's budget each biennium to reimburse institutions of higher education for debt service on certain revenue bonds ("Tuition Revenue Bonds") issued pursuant to specific statutory authorizations for individual institutions and projects identified in Chapter 55 of the Texas Education Code. The annual TRB appropriations are not Pledged Revenues.

TABLE 2
Texas State University System
Revenue Financing System Debt Service Requirements

Fiscal Year End August 31	Principal	Interest	Total Annual Debt Service ^{(1)*}
2022	74,060,000	43,390,133	117,450,133
2023	67,580,000	39,868,404	107,448,404
2024	68,650,000	36,927,166	105,577,166
2025	71,325,000	33,971,881	105,296,881
2026	74,435,000	30,869,090	105,304,090
2027	73,600,000	27,599,915	101,199,915
2028	71,430,000	24,340,259	95,770,259
2029	65,715,000	21,280,023	86,995,023
2030	62,235,000	18,394,648	80,629,648
2031	62,520,000	15,668,577	78,188,577
2032	57,880,000	12,888,409	70,768,409
2033	39,625,000	10,319,701	49,944,701
2034	41,110,000	8,563,524	49,673,524
2035	39,085,000	6,917,453	46,002,453
2036	35,415,000	5,365,108	40,780,108
2037	23,370,000	3,987,225	27,357,225
2038	23,745,000	3,259,280	27,004,280
2039	21,500,000	2,516,467	24,016,467
2040	13,560,000	1,844,767	15,404,767
2041	9,320,000	1,442,267	10,762,267
2042	6,960,000	1,158,429	8,118,429
2043	6,100,000	935,835	7,035,835
2044	6,300,000	735,609	7,035,609
2045	6,510,000	528,319	7,038,319
2046	2,675,000	313,550	2,988,550
2047	2,735,000	254,700	2,989,700
2048	2,800,000	193,163	2,993,163
2049	2,860,000	130,163	2,990,163
2050	2,925,000	65,813	2,990,813
TOTAL	\$ 1,036,025,000	\$ 353,729,878	\$ 1,389,754,878

* A portion of such outstanding Parity Debt constitute Tuition Revenue Bonds that qualify the University System to be reimbursed from State appropriations for debt service payments in the amount of \$34.3 million during fiscal year 2022. Future reimbursement by the State for debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State Biennium.

⁽¹⁾ Totals of these columns may not calculate exactly due to rounding of pennies for purposes of

TABLE A-1
Headcount Enrollment

	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Lamar Institute of Technology	2,983	3,260	4,011	4,402	4,470
Lamar State College - Orange	2,293	2,350	2,395	2,382	2,353
Lamar State College - Port Arthur	2,293	2,413	2,710	2,566	2,524
Lamar University	13,929	14,176	14,811	15,799	15,687
Sam Houston State University	20,938	21,025	21,363	21,725	21,404
Sul Ross State University	2,970	2,775	2,465	2,473	2,325
Texas State University	38,666	38,644	38,187	37,812	37,864
Total	84,072	84,643	85,942	87,159	86,627

Source: Texas Higher Education Coordinating Board Accountability System and TSUS enrollment reports.

Note: Does not include students enrolled in non-credit formula funded courses.

TABLE A-2
Graduate Enrollment (1)

	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Lamar University	4,800	5,364	6,201	7,326	7,363
Sam Houston State University	2,522	2,552	2,580	2,935	3,145
Sul Ross State University	740	687	571	570	506
Texas State University	4,486	4,457	4,270	4,619	4,689
Total	12,548	13,060	13,622	15,450	15,703

(1) Lamar State College-Orange, Lamar State College-Port Arthur and Lamar Institute of Technology are lower-level (freshman and sophomore) institutions which do not offer graduate programs.

Source: Texas Higher Education Coordinating Board Accountability System and TSUS enrollment reports.

TABLE A-3
Full-Time Equivalent Enrollment (1)

	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Lamar Institute of Technology	1,981	2,112	2,453	2,592	2,566
Lamar State College - Orange	1,371	1,360	1,432	1,389	1,364
Lamar State College - Port Arthur	1,315	1,474	1,645 (2)	1,532	1,418
Lamar University	9,294	9,815	9,230	9,455	9,201
Sam Houston State University	16,889	17,157	17,493	17,606	17,024
Sul Ross State University	1,951	1,836	1,643	1,601	1,414
Texas State University	31,792	31,845	31,540	30,832	30,729
Total	64,593	65,600	65,436	65,006	63,716

(1) Full-time equivalent enrollment is 15 hours per semester for undergraduate students, 12 semester hours for master's/doctoral-professional, and 9 hours per semester for doctoral-research students.

(2) Restated: Updated from preliminary to final FTSE.

Source: Texas Higher Education Coordinating Board Accountability System and TSUS enrollment reports.

Note: Does not include students enrolled in non-credit formula funded courses.

TABLE A-4
Systemwide Enrollment by Residency

	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Texas Residents	80,706	81,315	82,749	84,205	83,348
Non-Texas Residents	2,016	2,116	2,126	2,039	2,086
Non-US Residents	1,350 (1)	1,212	1,067	915	1,193
Total	84,072	84,643	85,942	87,159	86,627

(1) Restated: Updated from preliminary to final headcount.

Source: Texas Higher Education Coordinating Board Accountability System and TSUS enrollment reports.

Note: Does not include students enrolled in non-credit formula funded courses.

TABLE A-5
Admissions and Matriculation (1)

	2017	2018	2019	2020	2021
Applications Submitted	43,986	43,750	44,784	48,038	44,151
Applications Accepted	32,456	34,597	34,841	39,405	38,762
Matriculation	10,691	10,917	10,875	10,396	11,238
Percentage Accepted	74%	79%	78%	82%	88%
Percentage Matriculated	33%	32%	31%	26%	29%

(1) This table reflects admissions and matriculation of first-time undergraduates for Lamar University, Sam Houston State University, Texas State University, and Sul Ross State University. This information is inclusive of summer and fall applicant data.

Source: TSUS enrollment reports.

TABLE A-6
Systemwide Degrees Awarded

	2017	2018	2019	2020	2021
Certificate ⁽¹⁾	947	1,685	1,711	1,816	1,824
Associate	956	900	941	1,072	1,137
Baccalaureate	12,809	13,179	13,574	13,750	14,019
Master's	4,851	4,514	4,662	4,516	5,232
Doctoral	251	229	228	224	229
Total	19,814	20,507	21,116	21,378	22,441

(1) Includes advanced technology, undergraduate, and graduate certificates.

Source: Texas Higher Education Coordinating Board Accountability System and TSUS enrollment reports.

TABLE A-7
Faculty and Staff Headcount by Institution

	Faculty	Staff ⁽¹⁾	Total
System Administration	0	46	46
Lamar University	582	815	1,397
Sam Houston State University	1,027	1,370	2,397
Sul Ross State University	150	268	418
Texas State University	1,737	2,354	4,091
Lamar Institute of Technology	196	106	302
Lamar State College - Orange	101	88	189
Lamar State College - Port Arthur	110	159	269
Total	3,903	5,206	9,109

(1) Includes part-time and full-time employees. Excludes student workers and teaching/graduate assistants.

Source: TSUS component internal data files as of fall 2021.

TABLE A-9
Current Investments

Type of Security	Reported Value
U.S. Treasury Securities	\$ 1,073,761
Corporate Obligations	1,519,506
Corporate Asset and Mortgage Backed Securities	21,181,167
Equity	106,378,537
International Obligations (Govt and Corp)	173,509
International Equity	97,423,041
Domestic Mutual Funds	103,376,488
International Mutual Funds	77,853,883
Fixed Income Money Market and Bond Mutual Fund	223,012,551
Other Commingled Funds	24,612,508
Externally Managed Investments - Domestic	73,528,016
Externally Managed Investments - International	1,569,289
Subtotal Investments	\$ 731,702,257
Other Commingled Funds (TexPool)	\$ 438,280,945
Subtotal Cash Equivalents	\$ 438,280,945
Total	\$ 1,169,983,202
Current Unrestricted Assets - Cash Equivalents	\$ 411,194,551
Current Restricted Assets - Cash Equivalents	21,673,415
Current Restricted Assets - Short Term Investments	12,973,392
Noncurrent Restricted Assets - Cash Equivalents	9,425,547
Noncurrent Restricted Assets - Investments	257,954,591
Noncurrent Assets - Investments	456,761,705
Total	\$ 1,169,983,202

TABLE A-10
 Endowment Funds Summary
 (as of fiscal year ending August 31)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Lamar University	20,057,710	20,429,562	20,765,829	21,241,258	21,631,713
Sam Houston State University	66,928,874	76,255,989	88,684,759	92,191,456	94,367,165
Sul Ross State University	15,654,102	15,759,243	15,576,019	21,275,174	21,553,196
Texas State University	18,730,287	20,297,055	20,954,429	15,961,762	16,158,068
Lamar State College - Orange	5,524	5,524	5,524	5,524	5,524
Lamar State College - Port Arthur	1,153,494	1,127,435	1,182,968	1,187,707	0
Lamar Institute of Technology	0	0	0	0	0
System Administration	5,537,815	5,567,228	5,628,380	5,646,185	5,791,626
Total	128,067,806	139,442,035	152,797,908	157,509,066	159,507,292