



System Administration

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2023



November 16, 2023

Honorable Greg Abbott
Governor of Texas

Honorable Glenn Hegar
Texas Comptroller of Public Accounts

Mr. Jerry McGinty
Director, Legislative Budget Board

Ms. Lisa R. Collier, CPA, CFE, CIDA
State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of The Texas State University System Administration for the year ended August 31, 2023, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas *Annual Comprehensive Financial Report* (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Should you have any questions, please contact Daniel Harper, Vice Chancellor and Chief Financial Officer at (512) 463-1808.

Sincerely,

Brian McCall
Chancellor

UNAUDITED

**Texas State University System Administration
Table of Contents
For the Year Ended August 31, 2023**

Organizational Data.....	1
---------------------------------	----------

Financial Statements

Statement of Net Position	2
Statement of Revenues, Expenses and Changes in Net Position	4
Matrix of Operating Expenses Reported by Function	5
Statement of Cash Flows	6
Notes to the Financial Statements.....	8

Supplemental Information

Schedule 1A	Schedule of Expenditures of Federal Awards.....	32
Schedule 2A	Miscellaneous Bond Information.....	35
Schedule 2B	Changes in Bonded Indebtedness	36
Schedule 2C	Debt Service Requirements.....	38
Schedule 2D	Analysis of Funds Available for Debt Service	41
Schedule 2E	Defeased Bonds Outstanding.....	42
Schedule 2F	Early Extinguishment and Refunding.....	43
Schedule 3	Reconciliation of Cash in the State Treasury.....	44

UNAUDITED

**Texas State University System Administration
Organizational Data
For the Year Ended August 31, 2023**

Board of Regents

Name	City (Texas)	Term Expires
Duke Austin, Chairman	Houston	February 1, 2029
Alan L. Tinsley, Vice Chairman	Madisonville	February 1, 2027
Charlie Amato	San Antonio	February 1, 2025
Sheila Faske	Rose City	February 1, 2027
Dionicio (Don) Flores	El Paso	February 1, 2025
Russell Gordy	Houston	February 1, 2029
Stephen Lee	Beaumont	February 1, 2027
Tom Long	Frisco	February 1, 2029
William F. Scott	Nederland	February 1, 2025
Kelvin Elgar, Student Regent	Beaumont	May 31, 2024

System Administration

Name	Title
Dr. Brian McCall	Chancellor
Dr. John Hayek	Vice Chancellor for Academic and Health Affairs
Nelly Herrera	Vice Chancellor and General Counsel
Sean Cunningham	Vice Chancellor for Governmental Relations
Daniel Harper	Vice Chancellor and Chief Financial Officer
Dr. Mike Wintemute	Vice Chancellor for Marketing and Communications
Carole Fox	Chief Audit Executive

UNAUDITED

**Texas State University System Administration
Statement of Net Position
For the Year Ended August 31, 2023**

Assets	2023	2022
Current Assets:		
Cash and Cash Equivalents: (Note 3)		
Cash in Bank	\$ 275,981.97	\$ 1,423,394.90
Cash Equivalents	6,592,871.98	3,191,287.90
Restricted:		
Cash and Cash Equivalents: (Note 3)		
Cash in State Treasury (Schedule 3)	130.83	-
Cash Equivalents	58,543,460.30	-
Receivables:		
Accounts – Other Revenue	15,009.86	865,560.53
Due From Component Units (Note 12)	250,893.50	25,359.37
Prepaid Items	272,054.19	226,844.66
Other Current Assets	-	6,390.62
Total Current Assets	<u>\$ 65,950,402.63</u>	<u>\$ 5,738,837.98</u>
Noncurrent Assets		
Restricted:		
Investments (Note 3)	\$ 11,449,727.46	\$ 8,280,603.15
Investments (Note 3)	3,890,950.77	3,536,309.06
Capital Assets: (Note 2)		
Non-Depreciable or Non-Amortizable		
Land and Land Improvements	4,112,432.65	4,073,005.21
Construction in Progress	161,472.17	-
Depreciable or Amortizable		
Building and Building Improvements	10,747,656.93	10,747,656.93
Less Accumulated Depreciation	(2,258,427.61)	(1,911,636.75)
Furniture and Equipment	117,713.96	117,713.96
Less Accumulated Depreciation	(105,167.82)	(101,340.89)
Other Capital Assets	6,439.92	6,439.92
Less Accumulated Depreciation	(6,439.92)	(6,439.92)
Total Noncurrent Assets	<u>\$ 28,116,358.51</u>	<u>\$ 24,742,310.67</u>
Total Assets	<u><u>\$ 94,066,761.14</u></u>	<u><u>\$ 30,481,148.65</u></u>
Deferred Outflows of Resources		
Unamortized Loss on Refunding Debt	<u>\$ 2,456,260.11</u>	<u>\$ 2,865,636.79</u>
Total Deferred Outflows of Resources	<u><u>\$ 2,456,260.11</u></u>	<u><u>\$ 2,865,636.79</u></u>

UNAUDITED

**Texas State University System Administration
Statement of Net Position
For the Year Ended August 31, 2023**

Liabilities	2023	2022
Current Liabilities:		
Payables from:		
Accounts Payable	\$ 150,966.78	\$ 148,615.99
Payroll Payable	540,568.99	452,723.95
Interest Payable	14,553,718.97	15,403,922.86
Due to Other Agencies (Note 12)	254,215.76	898,331.25
Short Term Debt (Note 4)	159,358,000.00	90,289,000.00
Employees' Compensable Leave (Note 5)	517,458.32	461,128.05
Revenue Bonds Payable (Note 5, 6)	68,650,000.00	67,580,000.00
Unamortized Premiums on Rev Bonds (Note 5, 6)	6,223,335.55	6,619,561.91
Funds Held for Others	90.16	1,793.75
Other Current Liabilities	104,936.75	162,596.29
Total Current Liabilities	\$ 250,353,291.28	\$ 182,017,674.05
Noncurrent Liabilities		
Employees' Compensable Leave (Note 5)	\$ 686,121.12	\$ 486,813.50
Revenue Bonds Payable (Note 5, 6)	825,735,000.00	894,385,000.00
Unamortized Premiums on Rev Bonds (Note 5, 6)	91,725,900.17	97,949,235.72
Total Non-Current Liabilities	\$ 918,147,021.29	\$ 992,821,049.22
Total Liabilities	\$ 1,168,500,312.57	\$ 1,174,838,723.27
DEFERRED INFLOWS OF RESOURCES		
Unamortized Gain on Refunding Debt	\$ 4,185,464.57	\$ 4,460,673.69
Total Deferred Inflows of Resources	\$ 4,185,464.57	\$ 4,460,673.69
Net Position		
Net Investment in Capital Assets	\$ (1,140,645,759.90)	\$ (1,143,897,399.17)
Restricted for:		
Debt Retirement	28,010,294.05	(16,802,230.19)
Capital Projects	15,781,313.13	-
Other	4,750,614.84	1,671,160.46
Funds Held as Permanent Investments:		
Nonexpendable:		
Endowment Funds	5,771,409.51	5,718,703.73
Expendable:		
Endowment Funds	1,153,038.02	679,690.47
Unrestricted	9,016,334.46	6,677,463.18
Total Net Position	\$ (1,076,162,755.89)	\$ (1,145,952,611.52)

UNAUDITED

**Texas State University System Administration
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023**

	2023	2022
Operating Revenues:		
Other Sales of Goods and Svcs – Non-Pledged	\$ -	\$ 3,000,000.00
Total Operating Revenues	<u>\$ -</u>	<u>\$ 3,000,000.00</u>
Operating Expenses:		
Instruction	\$ -	\$ 3,000,000.00
Student Services	109,097.26	-
Institutional Support	12,660,122.84	11,900,196.97
Operation and Maintenance of Plant	224,512.11	201,961.30
Scholarships and Fellowships	487,500.00	463,750.00
Depreciation & Amortization	350,617.79	351,833.72
Total Operating Expenses	<u>\$ 13,831,850.00</u>	<u>\$ 15,917,741.99</u>
Operating Income (Loss)	<u>\$ (13,831,850.00)</u>	<u>\$ (12,917,741.99)</u>
Nonoperating Revenues (Expenses):		
Legislative Revenue (GR)	\$ 1,299,600.00	\$ 1,299,600.00
Additional Appropriations (GR)	418,008.64	413,245.81
Federal Pass Through Revenue	100,000.00	-
Gifts – Pledged	67,979.00	38,632.00
Gifts – Non-Pledged	5,020,000.00	-
Investment Income – Non-Pledged	2,331,902.65	448,379.24
Investment Income – Pledged	379,543.90	262,903.56
Investing Activities Expenses	(31,292.08)	(44,424.12)
Net Increase (Decrease) Fair Value – Pledged	255,702.62	(689,207.94)
Net Increase (Decrease) Fair Value – Non-Pledged	562,985.53	(1,562,295.28)
Interest Expenses and Fiscal Charges	(36,107,115.12)	(35,261,407.60)
Other Nonoperating Revenues – Non-Pledged	41,205,570.17	-
Other Nonoperating Revenues – Pledged	108,475.46	15,077.45
Other Nonoperating Expenses	(130,720.55)	(8,814.71)
Total Nonoperating Revenues (Expenses)	<u>\$ 15,480,640.22</u>	<u>\$ (35,088,311.59)</u>
Income (Loss) before Capital Contributions, Endowments and Transfers	<u>\$ 1,648,790.22</u>	<u>\$ (48,006,053.58)</u>
Capital Contributions, Endowments and Transfers		
Transfers-In (Note 12)	\$ 88,841,813.59	\$ 90,546,965.49
Transfers-Out (Note 12)	(54,343,881.34)	(64,370,432.12)
Legislative Transfer-In (Note 12)	<u>33,643,133.16</u>	<u>37,733,747.21</u>
Total Capital Contributions, Endowments and Transfers	<u>\$ 68,141,065.41</u>	<u>\$ 63,910,280.58</u>
Change in Net Position	<u>\$ 69,789,855.63</u>	<u>\$ 15,904,227.00</u>
Net Position, September 1	<u>(1,145,952,611.52)</u>	<u>(1,161,856,838.52)</u>
Net Position, August 31	<u><u>\$ (1,076,162,755.89)</u></u>	<u><u>\$ (1,145,952,611.52)</u></u>

UNAUDITED

**Texas State University System Administration
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2023**

For the Year Ended August 31, 2023

Operating Expenses	Instruction	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Depreciation and Amortization	Total Expenses
Salaries and Wages	\$ -	\$ 17,580.3	\$ 8,783,619.0	\$ -	\$ -	\$ -	\$ 8,801,199.3
Payroll Related Costs	-	3,472.93	1,682,104.64	-	-	-	1,685,577.57
Professional Fees and Services	-	75,947.74	936,755.81	-	-	-	1,012,703.55
Travel	-	8,573.22	190,969.34	-	-	-	199,542.56
Materials and Supplies	-	524.04	155,483.82	-	-	-	156,007.86
Communications and Utilities	-	-	56,584.66	47,237.73	-	-	103,822.39
Repairs and Maintenance	-	-	30,364.00	106,942.15	-	-	137,306.15
Rentals and Leases	-	-	122,251.46	-	-	-	122,251.46
Printing and Reproduction	-	-	7,124.90	-	-	-	7,124.90
Depreciation and Amortization	-	-	-	-	-	350,617.79	350,617.79
Scholarships	-	-	-	-	487,500.00	-	487,500.00
Other Operating Expenses	-	2,999.00	694,865.15	70,332.23	-	-	768,196.38
Total Operating Expenses	\$ -	\$ 109,097.26	\$ 12,660,122.8	\$ 224,512.1	\$ 487,500.00	\$ 350,617.7	\$ 13,831,850.00

For the Year Ended August 31, 2022

Operating Expenses	Instruction	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Depreciation and Amortization	Total Expenses
Salaries and Wages	\$ -	\$ -	\$ 7,737,486.1	\$ -	\$ -	\$ -	\$ 7,737,486.1
Payroll Related Costs	-	-	1,561,556.57	-	-	-	1,561,556.57
Professional Fees and Services	3,000,000.00	-	1,300,853.03	-	-	-	4,300,853.03
Travel	-	-	119,773.66	-	-	-	119,773.66
Materials and Supplies	-	-	133,584.44	-	-	-	133,584.44
Communications and Utilities	-	-	56,382.17	41,341.81	-	-	97,723.98
Repairs and Maintenance	-	-	13,007.14	97,332.97	-	-	110,340.11
Rentals and Leases	-	-	137,936.75	-	-	-	137,936.75
Printing and Reproduction	-	-	2,651.88	-	-	-	2,651.88
Depreciation and Amortization	-	-	-	-	-	351,833.72	351,833.72
Scholarships	-	-	-	-	463,750.00	-	463,750.00
Other Operating Expenses	-	-	836,965.23	63,286.52	-	-	900,251.75
Total Operating Expenses	\$ 3,000,000.00	\$ -	\$ 11,900,196.97	\$ 201,961.3	\$ 463,750.00	\$ 351,833.7	\$ 15,917,741.99

UNAUDITED

**Texas State University System Administration
Statement of Cash Flows
For the Year Ended August 31, 2023**

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Receipts from Customers	\$ -	\$ 3,000,000.00
Payments to Suppliers for Goods and Services	(1,799,323.72)	(4,892,119.87)
Payments to Employees for Salaries	(8,545,561.50)	(7,746,433.25)
Payments to Employees for Benefits	(1,273,637.65)	(1,203,373.78)
Payments for Other Operating Expenses	(1,291,479.65)	(1,343,228.34)
Net Cash Provided by Operating Activities	<u>\$ (12,910,002.52)</u>	<u>\$ (12,185,155.24)</u>
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	\$ 1,393,513.76	\$ 1,393,000.01
Proceeds from Gifts	5,087,979.00	38,632.00
Proceeds of Transfers from Other Funds	122,484,946.75	128,280,712.70
Proceeds from Grant Receipts	100,000.00	-
Proceeds from Other Noncapital Financing Activities	41,256,131.56	27,621.39
Payments for Transfers to Other Funds	(54,343,881.34)	(64,370,432.12)
Payments for Other Noncapital Financing Uses	(91,519.39)	(8,923.64)
Net Cash Provided by Noncapital Financing Activities	<u>\$ 115,887,170.34</u>	<u>\$ 65,360,610.34</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Debt Issuance	\$ 736,291,000.00	\$ 378,411,000.00
Payments for Additions to Capital Assets	(200,899.61)	-
Payments of Principal on Debt	(734,802,000.00)	(388,500,000.00)
Payments of Interest on Debt Issuance	(43,442,713.36)	(43,720,363.88)
Payments of Other Costs of Debt Issuance	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (42,154,612.97)</u>	<u>\$ (53,809,363.88)</u>
Cash Flow from Investing Activities		
Proceeds from Sales of Investments	\$ 1,525,000.00	\$ 100,000.00
Proceeds from Investment Income	2,451,076.60	30,317.11
Payments to Acquire Investments	(4,001,000.00)	(4,000,000.00)
Net Cash Provided by Investing Activities	<u>\$ (24,923.40)</u>	<u>\$ (3,869,682.89)</u>

UNAUDITED

**Texas State University System Administration
Statement of Cash Flows
For the Year Ended August 31, 2023**

	<u>2023</u>	<u>2022</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 60,797,631.45	\$ (4,503,591.67)
Cash and Cash Equivalents, September 1	\$ 4,614,682.80	\$ 9,118,274.47
Restatements to Beginning Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, September 1 as Restated	<u>4,614,682.80</u>	<u>9,118,274.47</u>
Cash and Cash Equivalents, August 31	<u><u>\$ 65,412,314.25</u></u>	<u><u>\$ 4,614,682.80</u></u>

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities

Operating Income (Loss)	\$ (13,831,850.00)	\$ (12,917,741.99)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Amortization and Depreciation	350,617.79	351,833.72
On-behalf Benefit Payments	324,094.88	319,845.80
Operating Income (Loss) and Cash Flow Categories:		
Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	625,016.54	(878,235.19)
(Increase) Decrease in Due from Component Units	-	-
(Increase) Decrease in Inventories	-	(2,493.15)
(Increase) Decrease in Prepaid Expenses	(42,716.38)	102,366.95
(Increase) Decrease in Other Assets	6,645.15	(681.58)
Increase (Decrease) in Payables	(685,293.43)	810,560.36
Increase (Decrease) in Compensated Absences	255,637.89	(8,947.15)
Increase (Decrease) in Benefits Payable	87,845.04	38,336.99
Total Adjustments	<u>\$ 921,847.48</u>	<u>\$ 732,586.75</u>
Net Cash Provided by Operating Activities	<u><u>\$ (12,910,002.52)</u></u>	<u><u>\$ (12,185,155.24)</u></u>

Non Cash Transactions

Net Change in Fair Value of Investments	\$ 818,688.15	\$ (2,251,503.22)
---	---------------	-------------------

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

NOTE 1: Summary of Significant Accounting Policies

Reporting Entity

The Texas State University System is a Public System of Higher Education comprised of System Administration and the following institutions: Lamar University, Sam Houston State University, Sul Ross State University, Texas State University, Lamar Institute of Technology, Lamar State College Orange, and Lamar State College Port Arthur. System Administration's primary role is to provide administrative support services for the member institutions. Other groups served by System Administration include the Board of Regents, other state agencies, and the citizens of Texas, including the staffs and students of the member institutions.

The financial records of System Administration comply with state statutes and regulations, including compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Institutions of Higher Education. Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Fund Structure

The accompanying financial statements are presented on the basis of funds. A fund is considered a separate accounting entity. The fund designation for institutions of higher education is a Business Type Activity within the Proprietary Fund Type.

Business Type Activity funds account for activities financed through the charging of fees and sales for goods or services to the ultimate user. Institutions of higher education report their financial activities as business type because the institution's funding comes primarily through charges to students, sales of goods and services, and grant revenues.

Component Units

The fund types of the individual discrete component units are available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

UNAUDITED

Texas State University System Administration Notes to the Financial Statements For the Year Ended August 31, 2023

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Business Type Activity funds are accounted for using the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the accounting period when they are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Budget and Budgetary Accounting

The operating budget is prepared annually and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act) and other revenues generated by System Administration. Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Legislative Appropriations

The Texas Legislature meets during odd-numbered years, approving a two-year (biennial) budget for state agencies. The appropriation of revenues by the Legislature results in general revenue held in the State Treasury until spent. Legislative Appropriations reported in the Statement of Net Position represent those general revenues held in the State Treasury at year-end, where the System is authorized to spend the funds in the subsequent period(s) in accordance with the appropriation.

General revenue appropriations to the System support the instruction, research and operation of the System. Appropriations include payments made by the State on behalf of the System for benefits related to salaries funded by state appropriations.

Securities Lending Collateral

Investments are stated at fair value in all funds except pension trust funds in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For pension trust funds, investments are required to be reported at fair value using the accrual basis of accounting in accordance with GASB Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

Securities lent are reported as assets on the balance sheet. The costs of securities lending transactions are reported as expenditures or expenses in the Operating Statement. These costs are reported at gross.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the proprietary fund types. The cost of these items is expensed when the items are consumed.

Capital Assets and Related Debt

Purchases of assets with an estimated useful life in excess of one year which exceed System Administration's capitalization thresholds are recorded as capital assets at their acquisition cost on the date of acquisition. Donated assets with an estimated useful life in excess of one year which exceed the capitalization thresholds are recorded as capital assets at their fair market value on the date of acquisition. Intangible capital assets are defined as assets that lack physical substance, are nonfinancial in nature and have an initial useful life extending beyond a single reporting period. Routine repairs and maintenance that do not increase the value of buildings are charged to operating expense in the year in which the expense was incurred. Interest expense related to construction is expensed in accordance with the requirements of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

System Administration's capitalization thresholds are:

Asset Category	Threshold
Land, land improvements, and land use rights	All acquisitions
Books and materials for academic and research libraries	All acquisitions
Works of art and historical treasures not held for financial gain	All acquisitions
Furniture, equipment, and vehicles	\$5,000
Buildings and building, facilities, and other improvements	\$100,000
Leased Assets – Right to Use	\$100,000
Purchased computer software and land use rights (A)	\$100,000
Infrastructure	\$500,000
Internally generated computer software	\$1,000,000

(A) Applies only to land use rights considered to have a limited useful life (TERM.)

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

Assets are depreciated or amortized over the estimated useful life of the asset using the straight-line method as follows:

Asset Category	Useful Life
Furniture and Equipment	4-15 years
Purchased and Internally Developed Software	5 years
Vehicles	5-10 years
Other Tangible Assets	10 years
TERM Land Use Rights	10 years
Buildings, Infrastructure and Facilities	10-30 years
Other Assets	15 years
Leases Assets – Right to Use	Term of Lease

All land, land improvements, land use rights, and works of art and historical treasures not held for financial gain are considered to have an indefinite useful life. Because these assets are inexhaustible, they are not depreciated.

Bonded indebtedness is issued by the Texas State University System Revenue Financing System, which is comprised of System Administration and each member institution within the system. Debt service requirements are disclosed in Note 6, Bonded Indebtedness.

Current Receivables - Other

Other receivables include year-end revenue accruals not included in any other receivable category.

Deferred Outflows of Resources

For debt refunding, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows or deferred inflows. The gain or loss is amortized using the straight-line method over the remaining life of the old debt or the life of the new debt, whichever is shorter, in the Statement of Revenues, Expenses and Changes in Net Position as a component of interest expense.

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Current Payables – Other

Other payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions.

Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by

UNAUDITED

Texas State University System Administration Notes to the Financial Statements For the Year Ended August 31, 2023

covered employees. Liabilities are reported separately as either current or non-current in the statement of net assets.

Right to Use Lease Obligations

Current and non-current Right to Use Lease Obligations in accordance with GASB 87 *Leases* and GASB 96 *Subscription-Based Information Technology Arrangements (SBITA)* are recorded for any liability within one fiscal year and over one year, respectively. The liability starts on the lease or subscription contract commencement date. The present value of total contractual principal payments is amortized during the contract period.

Bonds Payable - General Obligation Bonds and Revenue Bonds

General obligation and revenue bonds are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Payables are reported separately as either current or non-current in the statement of net assets. Bond proceeds and principal payments are reported in the Statement of Cash Flows.

Net Position

The difference between assets and liabilities is net position.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Unrestricted net assets consist of net assets which do not meet the definition of the two *preceding* categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified.

Interfund Activities and Balances

System Administration has the following types of transactions among funds:

Transfers

Legally required transfers that are reported when incurred as “Transfers In” by the recipient fund and as “Transfers Out” by the disbursing fund.

UNAUDITED

Texas State University System Administration Notes to the Financial Statements For the Year Ended August 31, 2023

Reimbursements

Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

Interfund Receivables and Payables

Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as “Current”, repayment for two (or more) years is classified as “Non-Current.”

Interfund Sales and Purchases

Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of System Administration’s Interfund activities is presented in Note 12.

CARES Act

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act authorized more than \$2 trillion in relief to individuals, businesses, and nonprofit and government organizations impacted by COVID-19.

Governor’s Emergency Education Relief (GEER) funding, was awarded to the State of Texas Governor’s Office and passed through the Texas Higher Education Coordinating Board (THECB) to System Administration. The revenues from these programs are earned by fulfilling the terms and conditions of the agreements with the THECB and are recognized when qualifying expenditures are incurred and eligibility requirements are met.

A summary of CARES Act funding awarded, expensed as of August 31, 2023, and the balance of the unearned amounts are presented below:

Program	Awarded	Expensed	Unearned
GEER - Educator Preparation Program Planning Grant	\$ 50,000	\$ 50,000	\$ -
GEER - Accelerate Student Success Planning	50,000	50,000	-
GEER - GEER II Educator Preparation Direct Grant	250,000	-	250,000
Total	<u>\$ 300,000</u>	<u>\$ 100,000</u>	<u>\$ 250,000</u>

New Accounting Pronouncements

GASB Statement No. 91, *Conduit Debt Obligations*, clarifies the existing definition of conduit debt obligation (“CDO”), establishes that a CDO is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary

UNAUDITED

Texas State University System Administration Notes to the Financial Statements For the Year Ended August 31, 2023

commitments extended by issuers and arrangements associated with CDOs, and improves note disclosures related to CDOs.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, is effective for fiscal years beginning after June 15, 2022, and defines and establishes criteria for public-private and public-public partnerships (PPPs), availability payment arrangements (APA), and certain criteria where service concession arrangements are considered PPPs.

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (SBITA)*, is effective for fiscal years beginning after June 15, 2022, and establishes uniform accounting and financial reporting requirements for SBITAs. GASB 96 requires recording an intangible, right-to-use subscription asset and the corresponding subscription liability and provides the capitalization criteria for outlays other than subscription payments, including implementation costs associated with SBITAs. The Texas Comptroller of Public Accounts established a capitalization threshold of \$500,000 for SBITA agreements.

GASB Statement No. 99, *Omnibus 2022* was partially implemented in the current year. Provisions related to leases, PPPs, and SBITAs are implanted for fiscal year 2023. Provisions related to financial guarantees and derivative classification and reporting will be effective in fiscal year 2024. Minimal impact is expected.

Upcoming Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*, amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and will be implanted in fiscal year 2024. This statement addresses display of accounting changes and error corrections in the financial statements, disclosures in the notes to the financial statements, and presentation in required supplementary information and supplementary information.

GASB Statement No. 101, *Compensated Absences*, will be implemented in fiscal year 2025. The standard aligns recognition and measurement guidance for all types of compensated absences under a unified model and eliminates certain previously required disclosures.

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

NOTE 2: Capital Assets

A summary of changes in capital assets for the year ended August 31, 2023 is presented as follows:

	Balance 09/01/22	Completed CIP	Interagency Transfers	Additions	Deletions	Balance 08/31/23
Non-depreciable Assets						
Land and Land Improvements	\$4,073,005.21	\$0.00	\$0.00	\$39,424.44	\$0.00	\$4,112,432.65
Construction in Progress	0.00	0.00	0.00	161,472.17	0.00	161,472.17
Total Non-depreciable Assets	\$4,073,005.21	\$0.00	\$0.00	\$200,899.61	\$0.00	\$4,273,904.82
Depreciable Assets						
Building and Building Improvements	\$10,747,656.93	\$0.00	\$0.00	\$0.00	\$0.00	\$10,747,656.93
Furniture and Equipment	117,713.96	0.00	0.00	0.00	0.00	117,713.96
Other Capital Assets	6,439.92	0.00	0.00	0.00	0.00	6,439.92
Total Depreciable Assets	\$10,871,810.81	\$0.00	\$0.00	\$0.00	\$0.00	\$10,871,810.81
Accumulated Depreciation						
Building and Building Improvements	\$(1,911,636.75)	\$0.00	\$0.00	\$(346,790.86)	\$0.00	\$(2,258,427.61)
Furniture and Equipment	(101,340.89)	0.00	0.00	(3,826.93)	0.00	(105,167.82)
Other Capital Assets	(6,439.92)	0.00	0.00	0.00	0.00	(6,439.92)
Total Accumulated Depreciation	\$(2,019,417.56)	\$0.00	\$0.00	\$(350,617.79)	\$0.00	\$(2,370,035.35)
Capital Assets, Net	\$12,925,398.46	\$0.00	\$0.00	\$(149,718.18)	\$0.00	\$12,775,680.28

NOTE 3: Deposits, Investments, & Repurchase Agreements

Deposits of Cash in Banks

As of August 31, 2023, actual bank balances totaled \$1,061,633.91. The carrying value is presented below.

Cash in Bank – Carrying Value	\$ 275,981.97
Proprietary Funds:	
Current Assets – Cash in Bank	\$ 275,981.97
Cash in Bank per Statement of Net Position	\$ 275,981.97

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, System Administration will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. System

UNAUDITED

Texas State University System Administration Notes to the Financial Statements For the Year Ended August 31, 2023

Administration's policy is that all deposits are governed by a bank depository agreement between System Administration and the respective banking institution. This agreement provides that System Administration's deposits, to the extent such deposits exceed the maximum insured limit under deposit insurance provided by the Federal Deposit Insurance Corporation (the "FDIC"), shall at all times be collateralized with government securities.

As of August 31, 2023, System Administration had no bank balances exposed to custodial credit risk.

Investments

The TSUS *Investment Policy for Operating and Endowment Funds*, adopted by the TSUS Board of Regents, governs System Administration investments. In accordance with the policy, System Administration invests its operating funds in a manner that provides security of invested principal, provides liquidity for operating requirements which may be reasonably anticipated, manages interest-rate and market risk, maximizes total return within established risk constraints, and provides for diversification of investment assets. Additionally, System Administration invests its endowment funds in a manner that provides security of invested principal, provides for appreciation of principal, provides a continuing and dependable cash payout within market constraints, provides for planned liquidity for anticipated cash flow purposes, manages market risks, maximizes overall total return within the established risk constraints, and provides for diversification of investment assets.

Pursuant to Texas Education Code §51.0031(d), the prudent person standard guides all investment functions in the context of both individual transactions and management of the overall portfolio. Furthermore, System Administration invests endowment funds in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Texas Property Code Chapter 163.

Investments are recorded at fair value as of year-end and are categorized in accordance with GASB Statement Number 72, *Fair Value Measurement and Application* (GASB 72). GASB 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a fair value hierarchy. The fair value hierarchy is based upon valuation inputs used to measure fair value of the assets. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following levels are used to measure fair value:

- Level 1* Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2* Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (quoted market prices for similar assets or liabilities) or indirectly (corroborated from observable market information).
- Level 3* Unobservable inputs for an asset or liability.

UNAUDITED

Texas State University System Administration Notes to the Financial Statements For the Year Ended August 31, 2023

Investments with readily available fair values are primarily valued based on market valuations provided by independent pricing services.

As of August 31, 2023, investments of Proprietary Funds, at fair market value, consisted of the following:

	Value at 08/31/2023	Fair Value Measurements			NAV
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Equity	\$ 2,045,692.88	2,045,692.88			
International Equity	1,684,454.51	1,684,454.51			
Domestic Mutual Funds	2,129,691.28	2,129,691.28			
International Mutual Funds	2,142,205.13	2,142,205.13			
Fixed Income Money Market and Bond Mutual Fund	4,364,349.60	4,364,349.60			
Other Commingled Funds	2,566,297.59	753,960.98			1,812,336.61
Externally Managed Investments - Domestic	1,755,986.01			1,755,986.01	
Externally Managed Investments – International	464,337.84			464,337.84	
Total Investments	\$17,153,014.84	\$13,120,354.38		\$2,220,323.85	\$1,812,336.61

Total Cash Equivalents Reported at Net Asset Value

Other Commingled Funds – TexPool	\$63,323,995.67
Total Cash Equivalents	\$63,323,995.67

Total Investments and Cash Equivalents	\$80,477,010.51
---	------------------------

Proprietary Funds:

Current Unrestricted Assets – Cash Equivalents	\$ 6,592,871.98
Current Restricted Assets - Cash Equivalents	58,543,460.30
Noncurrent Restricted Assets – Investments	11,449,727.46
Noncurrent Assets – Investments	3,890,950.77
Total per Statement of Net Position	\$80,477,010.51

Private Investments

System Administration invests in limited partnerships with external investment managers or general partners who invest primarily in private equity securities. These investments are illiquid and typically become liquid over multi-year periods when and if the fund managers distribute proceeds realized from underlying fund investments. Risks associated with these investments include liquidity risk, key personnel risk, limited transparency risk, and investment strategy risk. System Administration has committed \$720,682 of future funding to various private investments as of August 31, 2023. The fair value of private investment funds, are estimated using the investment's capital account balance at the closest available reporting date, as communicated by

UNAUDITED

Texas State University System Administration Notes to the Financial Statements For the Year Ended August 31, 2023

the investment manager, adjusted for contributions and withdrawals subsequent to the latest available reporting date, as well as consideration of any other information which has been provided by the investment manager or other sources.

Amounts Reported at NAV

System Administration invests a portion of its excess working capital in TexPool and TexPool Prime (TexPool). TexPool investments consist exclusively of U. S. Government securities, repurchase agreements collateralized by U. S. Government securities, and AAA-rated no-load money market mutual funds. TexPool Prime invests in the above plus, commercial paper and certificates of deposits. TexPool and TexPool Prime are each rated AAAM by Standard & Poor's. No limitations or restrictions on redemptions exist and redemptions can occur at any time. There are no unfunded commitments.

System Administration invests a portion of its excess working capital in Texas CLASS. The fund only invests in investments legally permitted under Texas State Law (Public Funds Investment Act). The fund is rated AAAM by Standard & Poor's. No limitations or restrictions on redemptions exist and redemptions can occur at any time. There are no unfunded commitments.

Credit Risk for Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using the rating assigned by Standard & Poor's. At year-end, the System Administration's credit quality ratings for securities with credit risk exposure were:

	<u>Rating</u>	<u>Amount</u>
Fixed Income Money Market and Bond Mutual Funds	AAA	\$ 3,709,336.90
	AA	23,029.90
	A	216,917.35
	BBB	291,644.27
	BB	7,373.68
	B	4,305.79
	NR	111,840.52
Externally Managed Investments	NR	2,220,323.85
Total		<u>\$ 6,584,673.45</u>

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

NOTE 4: Short-Term Debt

On May 22, 2014 the Board of Regents, Texas State University System adopted the Eighteenth Supplemental Resolution to the Master Resolution Establishing the Texas State University System Revenue Financing System Commercial Paper Program, Series A. The Eighteenth Supplement authorizes the issuance of Commercial Paper Notes by the Texas State University System in an aggregate principal amount not to exceed \$240,000,000 at any one time outstanding for the purpose of financing project costs of eligible projects and to refinance, renew, or refund commercial paper notes, prior encumbered obligations and parity debt, including interest thereon. Non-taxable commercial paper was issued during the fiscal year to finance various construction projects. All commercial paper outstanding at year end will mature within the next fiscal year or will be rolled into a long-term bond. Commercial paper has short maturities up to 270 days with interest rates ranging during the fiscal year from 1.55% to 3.50%.

The following changes occurred in short-term debt during the fiscal year:

	Balance 09/01/22	Increases	Decreases	Balance 08/31/23
Extendable Commercial Paper	\$90,289,000.00	\$736,291,000.00	\$667,222,000.00	\$159,358,000.00

NOTE 5: Summary of Long-Term Liabilities

During the year ended August 31, 2023, the following changes occurred in long-term liabilities:

	Balance 09/01/22	Additions	Reductions	Balance 08/31/23	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds	\$961,965,000.00	\$0.00	\$67,580,000.00	\$894,385,000.00	\$68,650,000.00	\$825,735,000.00
Unamortized Bond Premiums	104,568,797.63	0.00	6,619,561.91	97,949,235.72	6,223,335.55	91,725,900.17
Compensable Leave	947,941.55	265,196.09	9,558.20	1,203,579.44	517,458.31	686,121.13
Totals	\$1,067,481,739.18	\$265,196.09	\$80,750,282.57	\$1,067,481,739.18	\$74,660,689.96	\$992,821,049.22

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

Revenue Bonds Payable

Scheduled principal and interest payments for revenue bonds issued and outstanding as of August 31, 2023 are as follows:

Year(s)	Principal	Interest	Total Debt Service
2024	68,650,000.00	36,927,165.62	105,577,165.62
2025	71,325,000.00	33,971,880.80	105,296,880.80
2026	74,435,000.00	30,869,090.22	105,304,090.22
2027	73,600,000.00	27,599,915.26	101,199,915.26
2028	71,430,000.00	24,340,258.70	95,770,258.70
2029-2033	287,975,000.00	78,551,358.46	366,526,358.46
2034-2038	162,725,000.00	28,092,589.96	190,817,589.96
2039-2043	57,440,000.00	7,897,765.32	65,337,765.32
2044-2048	21,020,000.00	2,025,340.66	23,045,340.66
2049-2050	5,785,000.00	195,975.00	5,980,975.00
Total	\$ 894,385,000.00	\$ 270,471,340.00	\$ 1,164,856,340.00

See Note 6, *Bonded Indebtedness*, for a further discussion of Revenue Bonds Payable.

Notes and Loans Payable

As of August 31, 2023, System Administration had no notes and loans payable.

Employees' Compensable Leave

Accrued compensable leave is System Administration's liability for unpaid overtime accrued by classified employees and unused vacation time for all employees. Any obligation to System Administration personnel is paid at the time an employee is dismissed, resigns, or separates from the university, provided the employee has had six months of continuous employment with the State of Texas in their lifetime. An expense and liability are recorded annually as the benefits accrue to employees. Accrued sick leave is only paid when an employee is off due to illness or to the estate of an employee in the event of his/her death. No liability is recorded for these non-vesting rights to sick pay benefits.

Right to Use Lease Obligations and Right to Use Subscription Obligations

See Note 8, *Leases and Subscription-Based Information Technology Arrangements* for more information on right to use obligations of TSUS.

Claims and Judgments

As of August 31, 2023, System Administration had no claims and judgments.

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

NOTE 6: Bonded Indebtedness

The Board of Regents approved the order establishing the Master Resolution for the Texas State University System Revenue Financing System in August 1998. The Master Resolution provides a financing structure under which revenue supported indebtedness of the Revenue Financing System can be incurred. Each member institution and the System Administration of TSUS are members of the Revenue Financing System. The Board pledged all of the funds (revenues) and balances derived or attributable to any member of the Revenue Financing System that is lawfully available to the Board for payments on Parity Debt. Specifically exempted from pledged revenues are:

- (a) Amounts received on behalf of any member under Article 7, Section 17 of the Constitution of the State of Texas, including the income there from and any balances relating thereto, and
- (b) General Revenue Fund appropriations, except to the extent so specifically appropriated for debt service to the Board by the Legislature of the State of Texas.

Members may use the Revenue Financing System to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure. An institution's request for the use of the Revenue Financing System is evaluated for an adequate revenue stream and bonding capacity for the specific institution prior to Board approval of issuing additional parity debt.

Each member institution receives its portion of the bond proceeds and accounts for the earnings and disbursements of the bond proceeds. Assets created and/or acquired as a result of the Revenue Financing System bond proceeds expended and subsequently capitalized are reported on the member institutions' Financial Reports. The associated bond liability and debt service activities are reported in total by System Administration.

The following outstanding bonds have been issued utilizing the Revenue Financing System:

Bonds	Purpose	Revenue Source for Debt Service	Issue Date	Interest Rates	Amount Issued
Revenue and 9,915,3Series 2013	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay any costs related to the issuance of the bonds.	RFS	02/12/2013	2.00% - 5.00%	\$87,060,000
Revenue and Refunding Bonds, Series 2014	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay any costs related to the issuance of the bonds	RFS	07/02/2014	1.00% - 5.00%	\$88,415,000

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

Bonds	Purpose	Revenue Source for Debt Service	Issue Date	Interest Rates	Amount Issued
Revenue and Refunding Bonds, Series 2015A	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay any costs related to the issuance of the bonds.	RFS, GR (TRB)	03/18/2015	2.50% - 5.00%	\$183,560,000
Revenue and Refunding Bonds, Series 2015B	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay any costs related to the issuance of the bonds.	RFS	03/18/2015	0.40% - 3.78%	\$132,160,000
Revenue and Refunding Bonds, Series 2017A	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure; to refund a portion of outstanding obligations, and to pay certain costs related to the issuance of the bonds.	RFS, GR (TRB)	01/31/2017	4.00% - 5.00%	\$425,545,000
Revenue Bonds, Series 2017B (Taxable)	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay certain costs related to the issuance of the bonds.	RFS	01/31/2017	0.89% - 3.91%	\$30,980,000
Revenue and Refunding Bonds, Series 2019A	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads or related infrastructure for certain members of the Revenue Financing System, refund a portion of outstanding Commercial Paper Notes, refund a portion of outstanding obligations for debt service savings, and pay certain costs of issuing the bonds.	RFS, GR (TRB)	12/17/2019	3.00% - 5.00%	\$176,055,000
Refunding Bonds, Series 2019B (Taxable)	To provide funds to refund a portion of outstanding obligations for debt service savings and pay certain costs of issuing the bonds.	RFS	11/21/2019	1.76% - 3.29%	\$149,480,000
Revenue and Refunding Bonds, Series 2021A	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads or related infrastructure for certain members of the Revenue Financing System, refund a portion of outstanding Commercial Paper Notes, and pay certain costs of issuing the bonds.	RFS	02/02/2021	2.20% - 5.00%	\$83,705,000
Refunding Bonds, Series 2021B (Taxable)	To provide funds to refund a portion of outstanding obligations for debt service savings and pay certain costs of issuing the bonds.	RFS	02/02/2021	0.35% - 2.77%	\$32,200,000

UNAUDITED

Texas State University System Administration Notes to the Financial Statements For the Year Ended August 31, 2023

Funds Available for Debt Service

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, as amended, makes a basic distinction between sales of receivables and future revenues and the pledging of receivables or future revenues to repay a borrowing (a collateralized borrowing).

System Administration's pledged revenues consist of unrestricted gifts, investment income, and other nonoperating revenues. The following table provides the pledged revenue information for the System's revenue bonds:

Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	\$1,164,856,340.00
Term of Commitment Year Ending 8/31	2050
Percentage of Pledged Revenue	100%
Current Year Pledged Revenue	\$11,099,654.98
Current Year Principal and Interest Paid	\$107,448,404.12

NOTE 7: Derivative Instruments

During the year ended August 31, 2023, System Administration had no derivative instruments to report.

NOTE 8: Leases and Subscription-Based Information Technology Arrangements

System Administration had no reportable lease activity for the year ended August 31, 2023.

NOTE 9: Defined Benefit Pension Plan and Defined Contribution Plan

Teacher Retirement System of Texas (TRS)

Teacher Retirement System is the administrator of the TRS plan, a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation. The employers of the TRS plan include the state of Texas, TRS, the state's public schools, education service centers, charter schools, and community and junior colleges. All employees of public, state-supported education institutions in Texas who are employed for one-half or more of the standard workload and not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system. Employees of TRS and state of Texas colleges, universities and medical schools are members of the TRS plan.

The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by state law and may be

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

amended by the Legislature. The pension benefit formulas are based on members' average annual compensation and years of service credit. The standard annuity is 2.3 percent of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered members who were hired on or before August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic cost of living adjustments (COLAs).

Audited Annual Comprehensive Financial Report (ACFR) for Teacher Retirement System may be obtained from their website at www.trs.texas.gov by searching for financial reports.

In accordance with the *Reporting Requirements for Annual Financial Reports of State Agencies and Universities* promulgated by the Texas Comptroller of Public Accounts, The Texas State University System annual financial report (consolidated) and notes to the financial statements include the net pension expense, net pension liability, related deferred inflows and outflows of all member institutions of the System as well as the related GASB required disclosures. Therefore, System Administration's financial statements and notes to the financial statements neither record nor disclose this information.

Optional Retirement Program (ORP)

The State has also established the Optional Retirement Program (ORP) for institutions of higher education, which is available to certain eligible employees in lieu of participation in the TRS. Employees eligible for participation in ORP are defined in Texas Administrative Code § 25.4.

ORP provides for the purchase of annuity contracts and mutual funds. Participants are vested in the employer contributions after one year and one day of service. Employee and employer contribution rates are established by the State Legislature. The State provides an option for a local supplement on top of the state base rate. During the current fiscal year, contributions were made by participants at a rate of 6.65 percent of annual compensation. Employer contributions were 6.60 per cent of annual compensation.

Contributions made by participants and System Administration for the current fiscal year were as follows:

Participant contributions	\$ 12,825
Employer contributions	12,728
Total	<u>\$ 25,553</u>

Since contributions are invested in individual annuity contracts, neither the State nor System Administration have any liability for this program.

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

NOTE 10: Deferred Compensation

The state of Texas offers a deferred compensation plan to all state employees. This plan is in accordance with Internal Revenue Code Section 457 and permits employees to defer a portion of their salary until future years. The deferred compensation funds are not available to employees until distribution due to termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are held in trust by the Employees Retirement System (ERS) Board of Trustees for the exclusive benefit of participants and their beneficiaries and may not be used for, or diverted to, any other expense, except to defray the reasonable expenses of administering the plan.

The Board of Trustees is not liable to participating employees for the diminution in value or loss of all or part of the participating employees' deferred amounts or investment income because of market conditions or the failure, insolvency or bankruptcy of a qualified vendor.

The state also administers the TexaSaver 401(k) plan. The assets of this plan do not belong to the state and the state has no liability related to this plan.

As the administrating agency, the Employees Retirement System reports the plans, balances, and liabilities.

NOTE 11: Post Employment Health Care and Life Insurance Benefits

Employees Retirement System (ERS) is the administrator of the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer defined benefit OPEB plan with a special funding situation.

The 61 employers of SRHP include state of Texas agencies and universities, community and junior colleges, and other entities specified by the Legislature. Benefits are provided to retirees through the Texas Employees Group Benefits Program as authorized by Texas Insurance Code, Chapter 1551.

The SRHP provides postemployment health care, life and dental insurance benefits to retirees. The benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Legislature. Retirees must meet certain age and service requirements and have at least 10 years of service at retirement to participate in the plan. Surviving spouses and dependents of retirees are also covered by the plan. The plan does not provide automatic cost of living adjustments (COLAs).

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

ERS issues a stand-alone audited Annual Comprehensive Financial Report (ACFR). The ERS ACFR may be obtained from their website at www.ers.texas.gov by searching for reports and studies.

In accordance with the *Reporting Requirements for Annual Financial Reports of State Agencies and Universities* promulgated by the Texas Comptroller of Public Accounts, The Texas State University System (TSUS) annual financial report (consolidated) and notes to the financial statements include the net OPEB expense, net OPEB liability, and related deferred inflows and outflows of all member institutions of the System as well as the related GASB disclosures. Therefore, System Administration's financial statements and notes to the financial statements neither record nor disclose this information.

NOTE 12: Interfund Activity and Transactions

System Administration experienced routine transfers with other State agencies, which were consistent with the activities of the fund making the transfer. Repayment of interagency balances will occur within one year from the date of the financial statements.

Individual balances and activity at fiscal year-end consist of the following:

	Due from Other Agencies	Due to Other Agencies	Source
Appd Fund 0325, D23 Fund 0325			
Agency 734	\$ 43,500.00	\$ -	Fed PT
Agency 753	50,000.00	-	Fed PT
Agency 754	50,000.00	-	Fed PT
Agency 756	37,500.00	-	Fed PT
Agency 781	-	250,130.83	Fed PT/Interest
Agency 787	38,000.00	-	Fed PT
Agency 789	31,000.00	-	Fed PT
Not included in USAS			
Agency 756	893.50	-	Fed PT/Local
Agency 787	-	4,084.93	Fed PT/Local
Totals	\$ 250,893.50	\$ 254,215.76	

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

	Legislative Transfers In	Legislative Transfers Out	Purpose
Appd Fund 0001, D23 Fund 0001			
Agency 734	\$ 4,956,250.00	\$ -	Debt
Agency 753	4,403,150.00	-	Debt
Agency 754	20,869,983.16	-	Debt
Agency 756	480,500.00	-	Debt
Agency 787	1,229,750.00	-	Debt
Agency 788	737,750.00	-	Debt
Agency 789	965,750.00	-	Debt
Totals	<u>\$ 33,643,133.16</u>	<u>\$ -</u>	

	Transfer In	Transfer Out	Purpose
Not included in USAS			
Agency 734	\$12,122,313.28	\$ 9,289,500.00	Reimbursement & Debt Service
Agency 753	32,316,928.36	26,069,000.00	Reimbursement, Debt Issuance, & Debt Service
Agency 754	41,365,248.02	7,828,675.96	Reimbursement & Debt Service
Agency 756	2,118,209.76	5,125,000.00	Reimbursement & Debt Service
Agency 787	268,372.26	3,175,000.00	Reimbursement & Debt Service
Agency 788	408,331.91	100,000.00	Reimbursement & Debt Service
Agency 789	242,410.00	2,100,000.00	Reimbursement & Debt Service
Totals	<u>\$88,841,813.59</u>	<u>\$54,343,881.34</u>	

NOTE 13: Continuance Subject to Review

System Administration is not subject to the Texas Sunset Act.

NOTE 14: Adjustments to Fund Balances and Net Position

System Administration had no adjustment to beginning net position.

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

NOTE 15: Contingencies and Commitments

While the ultimate liability with respect to any litigation and other claims asserted cannot be reasonably estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is unlikely to have a material effect on System Administration. Under Texas law, System Administration, as an agency of the State of Texas, enjoys immunity from most causes of action. Most claims are dismissed prior to trial.

TSUS has made capital commitments with investment managers for funding of private investments in limited partnerships with external investment managers or general partners who invest primarily in private equity transactions. As of August 31, 2023, the remaining commitment to these private investments totaled \$720,682.

NOTE 16: Subsequent Events

On October 3, 2023, the TSUS Revenue Financing System (RFS) rolled the outstanding balance of Tax-Exempt Commercial Paper Notes totaling \$159,358,000.00 and issued an additional \$10,500,000.00 in Tax-Exempt Commercial Paper Notes to finance capital projects at TSUS member institutions. Subsequent to the issuance, \$169,858,000.00 of Tax-Exempt Commercial Paper Notes were outstanding.

On November 6, 2023, the TSUS Revenue Financing System (RFS) redeemed \$41,891,000.00 of Tax-Exempt Commercial Paper Notes. Subsequent to the issuance, \$127,967,000.00 of Tax-Exempt Commercial Paper Notes remained outstanding.

NOTE 17: Risk Management

System Administration may be subject to a variety of civil claims or complaints arising from the performance of its duties; however, no claims or complaints are currently pending against System Administration for actions arising from performance of its duties. It is System Administration's policy periodically to assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. Currently purchase of commercial insurance is not planned, nor is System Administration involved in any risk pool with other government entities for these risks.

NOTE 18: Management's Discussion and Analysis (MD&A)

Although MD&A is a required part of the basic financial statements, MD&A is omitted because System Administration is reported in a consolidated format with the combined Texas State

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

University System (TSUS). TSUS is reported as a component of the State of Texas. MD&A, as it relates to TSUS, can be found in the State of Texas Annual Comprehensive Financial Report.

NOTE 19: The Financial Reporting Entity

Component Units (CUs) are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, CUs can be other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would create misleading or incomplete financial statements. System Administration has determined that no legally separate organizations should be considered a CU.

The following foundation, while not a component unit, is disclosed due to its significant relationship with System Administration:

The Texas State University System Foundation, Inc. was established in 1977 by the Board of Regents to assist the System in gaining private financial support, and to help member institutions pursue additional education-related activities and outreach. It is a nonprofit corporation that exists solely for the benefit of the Texas State University System. It has an independent board of directors that governs Foundation activities and manages Foundation funds. For the fiscal year ended August 31, 2023, the Foundation had net assets of \$6,648,612. The Foundation provided \$120,170 in scholarships and faculty/staff awards, as well as assistance to constituent schools, the Chancellor and Board of Regents.

NOTE 20: Stewardship, Compliance and Accountability

System Administration is not aware of any non-compliance items or material violations of finance related legal and contract provisions.

NOTE 21: Not Applicable

NOTE 22: Donor Restricted Endowments

Net appreciation of \$1,153,038.02, related to true endowments and available for authorization for expenditure, was classified as restricted, expendable on the Statement of Net Position. The net appreciation included a fair value adjustment totaling \$373,370.00 for the fiscal year.

UNAUDITED

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

Pursuant to the Uniform Prudent Management of Institutional Funds Act (Property Code Chapter 163.001), net appreciation, realized and unrealized, in the fair market value of the endowment assets in excess of historical dollar value of the gifts may be distributed to the extent prudent.

Under the terms of the will establishing the endowment, 90% of the income received by the endowment is to be distributed for spend. The remaining 10% of the income is retained in the endowment and reinvested in corpus.

Changes from prior year balances for expendable and non-expendable balance of true endowments for the year were:

<u>Net Position Category</u>	<u>Increase/(Decrease)</u>	<u>Reason for Change</u>
Restricted, expendable	\$473,347.55	Earnings, fair value changes, fees, and distributions
Restricted, non-expendable	\$52,705.79	Earnings, fair value changes, fees, and additions to corpus

NOTE 23: Extraordinary and Special Items

For the current fiscal year, System Administration had no extraordinary or special items to report.

NOTE 24: Disaggregation of Receivable and Payable Balances

Balances of receivables and payables reported on the Statements of Net Position are not obscured by aggregation. There are no significant receivable balances expected to be collected beyond one year of the date of the financial statements.

NOTE 25: Termination Benefits

System Administration provided no termination benefits during the current fiscal year.

NOTE 26: Segment Information

System Administration has no segments to report for the current fiscal year.

**Texas State University System Administration
Notes to the Financial Statements
For the Year Ended August 31, 2023**

NOTE 27: Public-Private and Public-Public Partnerships

System Administration had no reportable service concession arrangements for the current fiscal year.

NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources

As of the fiscal year end, deferred outflows of resources, totaling \$2,456,260.11 were comprised of unamortized losses from bond refunding transactions. Deferred inflows of resources, totaling \$4,185,464.57 were comprised of unamortized gains from bond refunding transactions. See Note 1, *Summary of Significant Accounting Policies* and Note 6, *Bonded Indebtedness* for additional details.

NOTE 29: Troubled Debt Restructuring

System Administration had no troubled debt restructuring to report for the current fiscal year.

NOTE 30: Non-Exchange Financial Guarantees

System Administration had no non-exchange financial guarantees to report for the current fiscal year.

NOTE 31: Tax Abatements

System Administration had no tax abatements to report for the current fiscal year.

NOTE 32: Fund Balances

System Administration had no governmental funds for the current fiscal year.

UNAUDITED

**Texas State University System Administration
Schedule 1A
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2023**

Federal Grantor/Pass Through Grantor Program Title	CFDA Number	PASS-THROUGH FROM			Total		Pass-Through Expenditures	Pass-Through & Expenditures
		Agy #	Agency or Univ. Amount	Direct Program Amount	Pass-Through & Direct Program			
U.S. Department of Education								
Pass-Through From:								
Texas Higher Education Coordinating Board								
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	781	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	
Total Texas Higher Education Coordinating Board			100,000.00		100,000.00	100,000.00	100,000.00	
Totals - U.S. Department of Education			100,000.00	-	100,000.00	100,000.00	100,000.00	
Total Expenditures of Federal Awards			\$ 100,000.00	\$ -	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	

UNAUDITED

**Texas State University System Administration
Schedule of Expenditures of Federal Awards**

**Note 2 - Reconciliation
For the Year Ended August 31, 2023**

Federal Pass-Through Revenue	AFR Amount	USAS Amount	Note 2 Amount
Proprietary Funds			
Non-operating	Exhibit IV/SRECNP	<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>
Total Federal Pass-Through Revenue		<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>
Total Federal Revenue and Federal Pass-Through Revenue		<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>
Total Per Note 2		\$ 100,000.00	\$ 100,000.00
Total Pass Through and Expenditures per Federal Schedule		<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>
Difference		<u>\$ -</u>	<u>\$ -</u>

This Page Intentionally Left Blank

UNAUDITED

**Texas State University System Administration
Schedule 2A
Miscellaneous Bond Information
For the Year Ended August 31, 2023**

Description	Bonds	Range of	Scheduled Maturities		First
	Issued to Date	Interest Rates	First Year	Last Year	Call Date
Revenue Financing System Bonds					
Texas State University System Administration					
Series 2013	87,060,000	2.00% - 5.00%	2013	2042	03/15/2023
Series 2014	88,415,000	1.00% - 5.00%	2015	2034	03/15/2024
Series 2015A	183,560,000	2.50% - 5.00%	2016	2045	03/15/2025
Series 2015B	132,160,000	0.40% - 3.78%	2016	2045	03/15/2025
Series 2017A	425,545,000	4.00% - 5.00%	2017	2036	03/15/2027
Series 2017B	30,980,000	0.89% - 3.91%	2017	2036	03/15/2027
Series 2019A	176,055,000	3.00% - 5.00%	2020	2039	03/15/2029
Series 2019B	149,480,000	1.76% - 3.29%	2020	2040	03/15/2029
Series 2021A	83,705,000	2.20% - 5.00%	2022	2050	03/15/2031
Series 2021B	<u>32,200,000</u>	0.35% - 2.77%	2021	2042	03/15/2031
TOTAL	<u>\$ 1,389,160,000</u>				

UNAUDITED

**Texas State University System Administration
Schedule 2B
Changes in Bonded Indebtedness
For the Year Ended August 31, 2023**

Description	Bonds Outstanding Sep 1, 2022	Bonds Issued	Bonds Matured
Revenue Financing System Bonds			
Texas State University System Administration			
Series 2013			
Par Value	3,360,000.00	-	3,360,000.00
Premium	396,226.36	-	396,226.36
Series 2014			
Par Value	35,940,000.00	-	2,700,000.00
Premium	3,096,879.35	-	258,073.28
Series 2015A			
Par Value	134,240,000.00	-	14,490,000.00
Premium	21,118,703.55	-	918,204.50
Series 2015B	90,815,000.00	-	7,030,000.00
Series 2017A			
Par Value	283,290,000.00	-	21,905,000.00
Premium	46,444,510.29	-	3,317,465.02
Series 2017B	23,900,000.00	-	1,115,000.00
Series 2019A			
Par Value	141,970,000.00	-	6,370,000.00
Premium	23,052,183.77	-	1,356,010.81
Series 2019B	135,215,000.00	-	8,035,000.00
Series 2021A			
Par Value	82,080,000.00	-	2,055,000.00
Premium	10,460,294.31	-	373,581.94
Series 2021B	31,155,000.00	-	520,000.00
Total	\$ 1,066,533,797.63	\$ -	\$ 74,199,561.91

UNAUDITED

**Texas State University System Administration
Schedule 2B
Changes in Bonded Indebtedness
For the Year Ended August 31, 2023**

Bonds Refunded or Extinguished	Bonds Outstanding Aug 31, 2023	Amounts Due Within One Year
-	-	-
-	-	-
-	33,240,000.00	2,835,000.00
-	2,838,806.07	258,073.28
-	119,750,000.00	15,200,000.00
-	20,200,499.05	918,204.50
-	83,785,000.00	7,230,000.00
-	261,385,000.00	22,995,000.00
-	43,127,045.27	3,317,465.02
-	22,785,000.00	1,180,000.00
-	135,600,000.00	6,690,000.00
-	21,696,172.96	1,356,010.81
-	127,180,000.00	9,845,000.00
-	80,025,000.00	2,155,000.00
-	10,086,712.37	373,581.94
-	30,635,000.00	520,000.00
<hr/>		
\$ -	\$ 992,334,235.72	\$ 74,873,335.55

UNAUDITED

**Texas State University System Administration
Schedule 2C
Debt Service Requirements
For the Year Ended August 31, 2023**

Description	Year	Principal	Interest
Revenue Financing System Bonds			
Texas State University System Administration			
Series 2014	2024	\$ 2,835,000.00	\$ 1,615,275.00
	2025	2,975,000.00	1,473,525.00
	2026	3,115,000.00	1,324,775.00
	2027	2,565,000.00	1,169,025.00
	2028	2,690,000.00	1,040,775.00
	2029-2033	15,510,000.00	3,141,825.00
	2034	3,550,000.00	177,500.00
		<u>\$ 33,240,000.00</u>	<u>\$ 9,942,700.00</u>
Series 2015A	2024	\$ 15,200,000.00	\$ 5,510,612.52
	2025	15,980,000.00	4,750,612.52
	2026	16,760,000.00	3,951,612.52
	2027	14,880,000.00	3,113,612.52
	2028	10,195,000.00	2,369,612.52
	2029-2033	12,745,000.00	8,639,462.60
	2034-2038	13,215,000.00	5,729,312.52
	2039-2043	14,245,000.00	3,060,000.00
	2044-2045	6,530,000.00	394,400.00
		<u>\$ 119,750,000.00</u>	<u>\$ 37,519,237.72</u>
Series 2015B	2024	\$ 7,230,000.00	\$ 3,059,803.78
	2025	7,450,000.00	2,844,277.48
	2026	7,675,000.00	2,613,253.00
	2027	7,915,000.00	2,365,273.70
	2028	8,170,000.00	2,097,667.60
	2029-2033	34,725,000.00	5,867,628.16
	2034-2038	7,160,000.00	1,272,722.52
	2039-2043	2,365,000.00	545,875.78
	2044-2045	1,095,000.00	70,718.16
		<u>\$ 83,785,000.00</u>	<u>\$ 20,737,220.18</u>

UNAUDITED

**Texas State University System Administration
Schedule 2C
Debt Service Requirements
For the Year Ended August 31, 2023**

Description	Year	Principal	Interest
Series 2017A	2024	\$ 22,995,000.00	\$ 13,069,250.00
	2025	23,795,000.00	11,919,500.00
	2026	24,985,000.00	10,729,750.00
	2027	26,240,000.00	9,480,500.00
	2028	27,545,000.00	8,168,500.00
	2029-2033	109,915,000.00	20,899,500.00
	2034-2036	25,910,000.00	2,633,000.00
		<u>\$ 261,385,000.00</u>	<u>\$ 76,900,000.00</u>
Series 2017B	2024	\$ 1,180,000.00	\$ 846,375.62
	2025	1,260,000.00	811,624.62
	2026	1,340,000.00	772,854.42
	2027	1,425,000.00	730,148.62
	2028	1,515,000.00	683,451.36
	2029-2033	9,115,000.00	2,521,764.00
	2034-2038	6,950,000.00	575,788.50
		<u>\$ 22,785,000.00</u>	<u>\$ 6,942,007.14</u>
Series 2019A	2024	\$ 6,690,000.00	\$ 6,014,150.00
	2025	7,015,000.00	5,679,650.00
	2026	7,375,000.00	5,328,900.00
	2027	7,745,000.00	4,960,150.00
	2028	8,125,000.00	4,572,900.00
	2029-2033	45,410,000.00	16,502,000.00
	2034-2038	45,235,000.00	5,590,500.00
	2039	8,005,000.00	240,150.00
		<u>\$ 135,600,000.00</u>	<u>\$ 48,888,400.00</u>
Series 2019B	2024	\$ 9,845,000.00	\$ 3,465,265.48
	2025	10,060,000.00	3,258,225.16
	2026	10,280,000.00	3,031,774.52
	2027	9,790,000.00	2,790,091.66
	2028	10,025,000.00	2,548,474.46
	2029-2033	42,510,000.00	8,894,583.40
	2034-2038	28,900,000.00	3,797,229.62
	2039-2040	5,770,000.00	280,387.26
		<u>\$ 127,180,000.00</u>	<u>\$ 28,066,031.56</u>

UNAUDITED

**Texas State University System Administration
Schedule 2C
Debt Service Requirements
For the Year Ended August 31, 2023**

Description	Year	Principal	Interest
Series 2021A	2024	\$ 2,155,000.00	\$ 2,637,920.00
	2025	2,265,000.00	2,530,170.00
	2026	2,375,000.00	2,416,920.00
	2027	2,500,000.00	2,298,170.00
	2028	2,620,000.00	2,173,170.00
	2029-2033	15,170,000.00	8,796,700.00
	2034-2038	18,290,000.00	5,678,400.00
	2039-2043	15,470,000.00	3,089,330.00
	2044-2048	13,395,000.00	1,560,222.50
	2049-2050	5,785,000.00	195,975.00
		<u>\$ 80,025,000.00</u>	<u>\$ 31,376,977.50</u>
Series 2021B	2024	\$ 520,000.00	\$ 708,513.22
	2025	525,000.00	704,296.02
	2026	530,000.00	699,250.76
	2027	540,000.00	692,943.76
	2028	545,000.00	685,707.76
	2029-2033	2,875,000.00	3,287,895.30
	2034-2038	13,515,000.00	2,638,136.80
	2039-2042	11,585,000.00	682,022.28
		<u>\$ 30,635,000.00</u>	<u>\$ 10,098,765.90</u>

UNAUDITED

**Texas State University System Administration
Schedule 2D
Schedule of Analysis of Funds Available for Debt Service
For the Year Ended August 31, 2023**

Description of Issues	Pledged and Other Sources and Related Expenditures for the Year			
	Net Available for Debt Service			
	Total	Operating Expenses	Debt Service	
	Pledged and	Expenditures and	Principal	Interest
	Other Sources	Capital Outlay		
Revenue Financing System Bonds				
Texas State University System Administration				
Series 2013			3,360,000.00	168,000.00
Series 2014			2,700,000.00	1,750,275.00
Series 2015A			14,490,000.00	6,235,112.52
Series 2015B			7,030,000.00	3,258,823.06
Series 2017A			21,905,000.00	14,164,500.00
Series 2017B			1,115,000.00	877,205.36
Series 2019A			6,370,000.00	6,332,650.00
Series 2019B			8,035,000.00	3,629,420.56
Series 2021A			2,055,000.00	2,740,670.00
Series 2021B			520,000.00	711,747.62
Total	\$ 11,099,654.98	\$ 11,377,023.18	\$ 67,580,000.00	\$ 39,868,404.12

UNAUDITED

**Texas State University System Administration
Schedule 2E
Schedule of Defeased Bonds Outstanding
For the Year Ended August 31, 2023**

Description of Issues	Year Refunded	Par Value Outstanding
Revenue Financing System Revenue Bonds Texas State University System Administration		
Series 2014	2021	<u>30,105,000.00</u>
Total Defeased Bonds		<u><u>\$ 30,105,000.00</u></u>

UNAUDITED

Texas State University System Administration
Schedule 2F
Early Extinguishment and Refunding
For the Year Ended August 31, 2023

Description of	Category	Amount Extinguished or Refunded	Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
----------------	----------	---------------------------------------	---------------------------------	-------------------------------------	-----------------------------

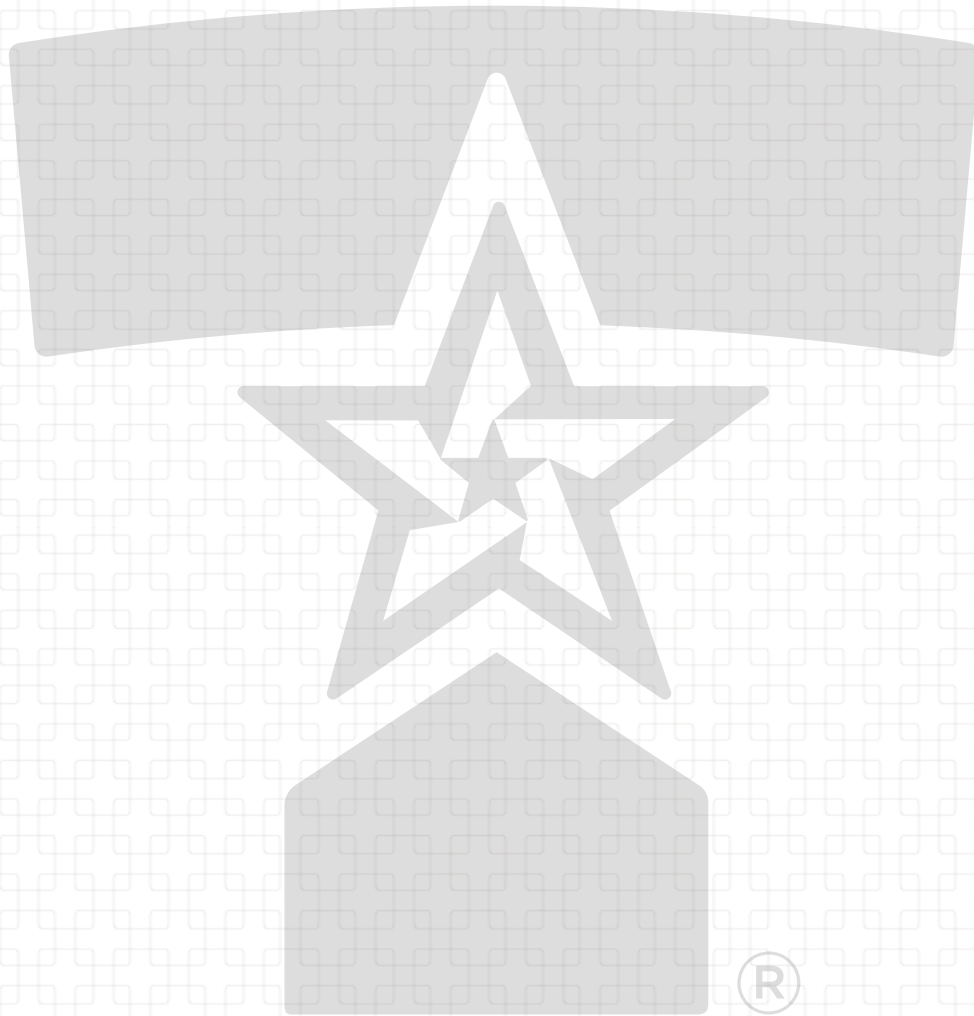
Revenue Financing System Revenue Bonds
Texas State University System Administration

No bonds were refunded in the fiscal year ended August 31, 2023.

UNAUDITED

**Texas State University System Administration
Schedule 3
Reconciliation of Cash in State Treasury
For the Year Ended August 31, 2023**

Fund No.	Fund Name	Restricted	Total
0325	Coronavirus Relief Fund	\$ 130.83	\$ 130.83
Total Cash in State Treasury		<u>\$ 130.83</u>	<u>\$ 130.83</u>



THE TEXAS  STATE UNIVERSITY SYSTEM.

601 Colorado Street
Austin, TX 78701