

**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, 2023

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 2023

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

	Pledged Revenues and Balances Available for Debt Service				
	2019	2020	2021	2022	2023
Available Pledged Revenues Not Including Net Position (1)	\$ 768,237,673	\$ 763,587,280	\$ 807,948,884	\$ 796,867,642	\$ 840,566,100
Unrestricted Net Position: (2)					
Unrestricted Net Position per Annual Financial Report	91,831,090	34,621,117	59,799,312	75,964,624	4,425,958
Portion attributable to Revenue Streams Unavailable for Debt Service (3)	<u>(136,567,451)</u>	<u>(152,792,417)</u>	<u>(156,691,541)</u>	<u>(190,462,525)</u>	<u>(221,417,516)</u>
As Adjusted for Revenue Streams Unavailable for Debt Service (4)	(44,736,361)	(118,171,300)	(96,892,229)	(114,497,901)	(216,991,558)
Pension Entry (5)	158,965,449	193,732,164	204,315,904	185,785,589	188,767,059
OPEB Entry (5)	<u>273,541,486</u>	<u>390,336,295</u>	<u>495,013,713</u>	<u>595,833,243</u>	<u>683,270,773</u>
Unrestricted Net Position After Adjustments (6)	<u>387,770,574</u>	<u>465,897,159</u>	<u>602,437,388</u>	<u>667,120,931</u>	<u>655,046,274</u>
Total Pledged Revenues and Unrestricted Net Position (4)	<u>\$ 1,156,008,247</u>	<u>\$ 1,229,484,439</u>	<u>\$ 1,410,386,272</u>	<u>\$ 1,463,988,573</u>	<u>\$ 1,495,612,374</u>

	Additional Sources of Payment not Included in Pledged Revenues				
	2019	2020	2021	2022	2023
Available HEF (7)	\$ 107,619,849	\$ 122,784,614	\$ 134,215,977	\$ 144,192,825	\$ 142,392,700
Available TRB (8)	34,555,153	34,532,862	33,680,200	34,286,863	27,706,612
Total Pledged Revenues and Additional Sources	<u>\$ 1,298,183,249</u>	<u>\$ 1,386,801,915</u>	<u>\$ 1,578,282,449</u>	<u>\$ 1,642,468,261</u>	<u>\$ 1,665,711,686</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 ("Capital Construction Assistance Bonds," formerly "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/CCAP appropriations are not Pledged Revenues.

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

Fiscal Year End <u>August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Debt Service ^{(1)*}</u>
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	\$ 894,385,000	\$ 270,471,341	\$ 1,164,856,341

* A portion of such outstanding Parity Debt constitute Capital Construction Assistance Projects Bonds that qualify the University System to be reimbursed from State appropriations for debt service payments in the amounts of \$63,459,650 in FY 2024 and \$63,445,900 in FY 2025. 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 this table.

TABLE A-1
Headcount Enrollment

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Lamar Institute of Technology	4,011	4,402	4,470	4,788	5,261
Lamar State College - Orange	2,395	2,382	2,353	2,629	3,154
Lamar State College - Port Arthur	2,710	2,566	2,524	2,698	3,941
Lamar University	14,811	15,799	15,687	16,218	16,919
Sam Houston State University	21,363	21,725	21,404	21,326	21,245
Sul Ross State University	2,465	2,473	2,325	2,071 (1)	2,091
Texas State University	38,187	37,812	37,864	38,171	38,723
Total	85,942	87,159	86,627	87,901	91,334

(1) Restated: Updated from preliminary to final.

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 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Lamar University	6,201	7,326	7,363	8,063	9,000
Sam Houston State University	2,580	2,935	3,145	3,117	3,100
Sul Ross State University	571	570	506	459 ⁽²⁾	516
Texas State University	4,270	4,619	4,689	4,337	4,175
Total	13,622	15,450	15,703	15,976	16,791

(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.

(2) Restated: Updated from preliminary to final.

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

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

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Lamar Institute of Technology	2,453	2,592	2,566	2,681	2,823
Lamar State College - Orange	1,432	1,389	1,364	1,488	1,672
Lamar State College - Port Arthur	1,645 (2)	1,532	1,418	1,478	1,842
Lamar University	9,230	9,455	9,201	11,214	12,393
Sam Houston State University	17,493	17,606	17,024	17,136	17,246
Sul Ross State University	1,643	1,601	1,414	1,313 (2)	1,267
Texas State University	31,540	30,832	30,729	31,491	32,688
Total	65,436	65,006	63,716	66,800	69,931

(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.

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

TABLE A-4
Systemwide Enrollment by Residency

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Texas Residents	82,749	84,205	83,348	83,906 (1)	86,771
Non-Texas Residents	2,126	2,039	2,086	2,070 (1)	2,044
Non-US Residents	1,067	915	1,193	1,925	2,519
Total	85,942	87,159	86,627	87,901	91,334

(1) Restated: Updated from preliminary to final.

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

Note: Excludes non-reportable students and students enrolled in non-credit formula funded courses.

TABLE A-5
Admissions and Matriculation (1)

	2019	2020	2021	2022	2023
Applications Submitted	44,784	48,038	44,151	51,650	58,851
Applications Accepted	34,841	39,405	38,762	41,974	51,754
Matriculation	10,875	10,396	11,238	12,381	13,329
Percentage Accepted	78%	82%	88%	81%	88%
Percentage Matriculated	31%	26%	29%	29%	26%

(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

	2019	2020	2021	2022	2023
Certificate ⁽¹⁾	1,711	1,816	1,824	1,797 ⁽²⁾	1,924
Associate	941	1,072	1,137	1,156 ⁽²⁾	1,212
Baccalaureate	13,574	13,750	14,019	13,131 ⁽²⁾	13,021
Master's	4,662	4,516	5,232	5,691	5,780
Doctoral	228	224	229	237	222
Total	21,116	21,378	22,441	22,012	22,159

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

(2) Restated: Updated from preliminary to final.

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	41	41
Lamar University	578	870	1,448
Sam Houston State University	1,042	1,537	2,579
Sul Ross State University	133	292	425
Texas State University	2,045	2,431	4,476
Lamar Institute of Technology	294	120	414
Lamar State College - Orange	122	102	224
Lamar State College - Port Arthur	123	191	314
Total	4,337	5,584	9,921

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

Source: TSUS component internal data files as of fall 2023 (reported 1/2024)

TABLE A-9
Current Investments

Type of Security	Reported Value
U.S. Treasury Securities	\$ 992,291
Corporate Obligations	1,437,781
Corporate Asset and Mortgage Backed Securities	1,346,445
Equity	90,106,063
International Obligations (Govt and Corp)	192,419
International Equity	73,630,698
Domestic Mutual Funds	93,784,461
International Mutual Funds	86,767,867
Fixed Income Money Market and Bond Mutual Fund	211,450,379
Other Commingled Funds	133,234,343
Externally Managed Investments - Domestic	98,887,889
Externally Managed Investments - International	26,149,063
Subtotal Investments	\$ 817,979,699
Other Commingled Funds (TexPool)	\$ 514,712,145
Subtotal Cash Equivalents	\$ 514,712,145
Total	\$ 1,332,691,844
Current Unrestricted Assets - Cash Equivalents	\$ 432,174,442
Current Restricted Assets - Cash Equivalents	75,301,002
Current Restricted Assets - Short Term Investments	12,528,281
Noncurrent Restricted Assets - Cash Equivalents	15,879,901
Noncurrent Restricted Assets - Investments	250,068,670
Noncurrent Assets - Investments	546,739,548
Total	\$ 1,332,691,844

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

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Lamar University	\$ 20,765,829	\$ 21,241,258	\$ 21,631,713	\$ 21,886,900	\$ 22,056,590
Sam Houston State University	88,684,759	92,191,456	94,367,165	100,650,284	102,810,435
Sul Ross State University	15,576,019	21,275,174	21,553,196	21,904,235	17,715,329
Texas State University	20,954,429	15,961,762	16,158,068	16,377,450	22,199,645
Lamar State College - Orange	5,524	5,524	5,524	-	-
Lamar State College - Port Arthur	1,182,968	1,187,707	-	-	-
Lamar Institute of Technology	-	-	-	-	-
System Administration	5,628,380	5,646,185	5,791,626	5,718,704	5,771,410
Total	\$ 152,797,908	\$ 157,509,066	\$ 159,507,292	\$ 166,537,573	\$ 170,553,409