

ANNUAL FINANCIAL REPORT

for the fiscal year ended August 31, 2025 for

TEXAS STATE UNIVERSITY





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MESSAGE FROM THE PRESIDENT



Dr. Kelly Damphousse

In my fourth year as president of Texas State University, I remain deeply honored to lead this remarkable institution as we continue to grow, innovate, and serve the people of Texas. Each year, our progress reinforces what I already know to be true—Texas State is a university on the rise, fueled by purpose, vision, and an unshakable belief in the transformative power of higher education.

Once again, we set new records this fall, enrolling more than 44,000 students—a milestone that speaks to the trust families and communities place in us. Yet, our pride rests not only in how many students we welcome, but in how successfully we help them thrive. We continue to invest heavily in student success—enhancing academic support, expanding experiential learning, and improving the student experience on our San Marcos, Round Rock, and online campuses. The opening of the Richard A. Castro Residence Hall and groundbreaking

of the Hilltop 2 Residence and Dining Complex—the largest construction project in TXST history—reflect our commitment to creating vibrant living-learning communities. In addition, we are equally proud that enrollment growth was matched by record first-to-second year retention rates, underscoring our focus on keeping students on the path to graduation.

Our pursuit of excellence as a nationally recognized research university continues to accelerate. This year, research expenditures surpassed \$183 million, a double-digit increase and a new all-time high for TXST. This momentum helped us qualify for our full share of the Texas University Fund, a \$5 billion endowment designed to amplify the global impact of Texas State, Texas Tech, the University of Houston, and the University of North Texas. These achievements are a testament to the creativity and determination of our faculty, staff, and students who are shaping the future through discovery and innovation.

None of our success would be possible without the extraordinary people who make up the TXST community. We continue to invest in a workplace culture that attracts and sustains outstanding faculty and staff—expanding our team, improving compensation and benefits, and ensuring that Texas State remains a place where talented people build lifelong careers of service and impact.

All of this progress rests on a strong financial foundation. Through careful stewardship and strategic investment, we have maintained our financial health while expanding access, elevating academic quality, and strengthening our research enterprise. This Annual Financial Report reflects a university that is not only financially sound, but also boldly pursuing its aspirations with clarity and confidence.

These accomplishments are the product of vision, planning, and the collective hard work of every member of the Texas State family. I am immensely proud of what we've achieved—and even more excited about what lies ahead. I invite you to explore this report and witness the remarkable transformation taking place at Texas State University.

Sincerely, Kelly Damphousse President



EXECUTIVE VICE PRESIDENT FOR OPERATIONS AND CHIEF FINANCIAL OFFICER



Mr. Eric Algoe

In a period when many institutions across the nation face financial headwinds, Texas State University continues to demonstrate remarkable stability and growth. Our FY 2025 financial results reflect a university that is not only managing through a changing environment but thriving—supported by disciplined financial management, strategic investments, and a clear vision for long-term sustainability.

This year, the university's net position increased by more than \$100 million, continuing the upward trajectory that began several years ago and reaffirming our place among Texas' financially strongest public universities. Our total net position now exceeds \$2.1 billion, anchored by balanced operations, steady enrollment growth, and record levels of research activity.

From a liquidity standpoint, unrestricted cash and cash equivalents remain at historic highs, providing the flexibility

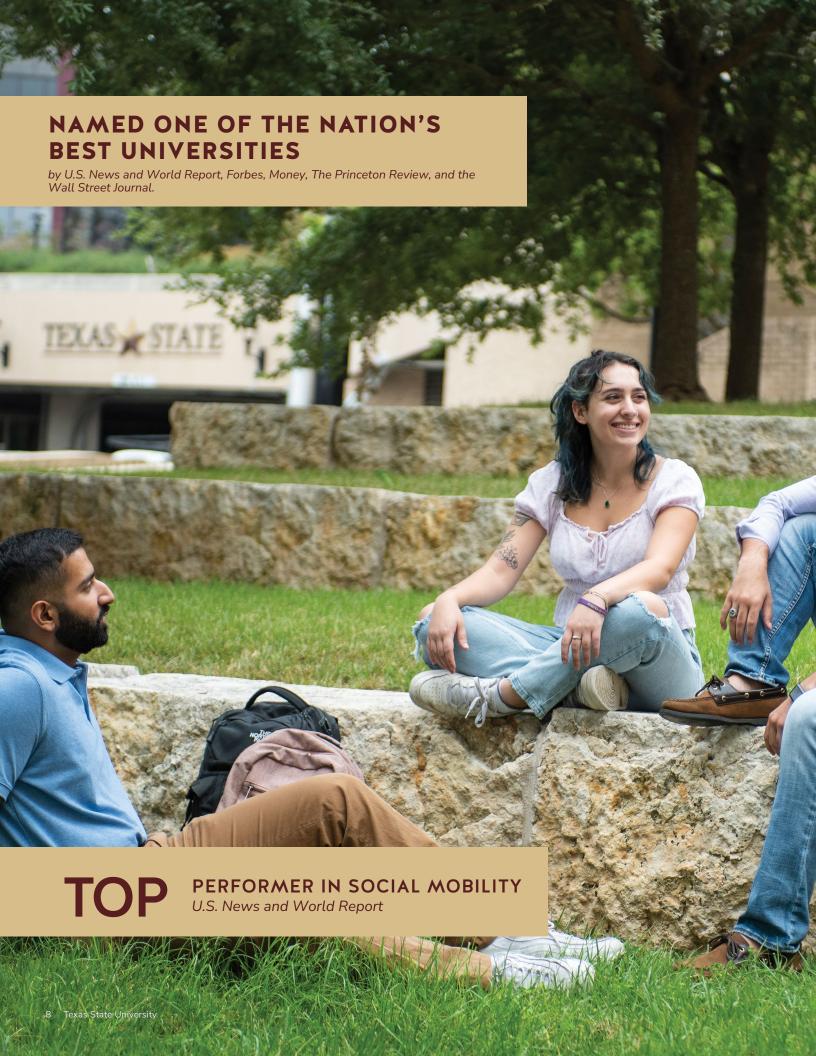
to invest in student success, faculty excellence, and our growing research enterprise. We also maintained a prudent debt profile and strengthened our reserves, ensuring the capacity to finance future priorities without compromising long-term fiscal health.

FY 2025 also marked our first full year reporting under NACUBO Advisory 2023-01, which refined how universities classify institutional financial aid as a tuition discount. While this change adjusted the presentation of revenues and expenses, it had no effect on our actual financial performance. In fact, the underlying story is one of continued strength: higher tuition and state revenues, record sponsored research, and responsible cost management across all divisions.

Looking ahead, we remain committed to strategic capital investment guided by our new University Master Plan, which envisions more than \$600 million in upcoming construction and renovation projects. These include residence halls, dining facilities, state-of-the-art academic and research facilities, and continued expansion of our Round Rock Campus. Each investment is designed to enhance the student experience, elevate our research capabilities, and position Texas State as one of the nation's premier public research universities.

Our mission has always been greater than the numbers on a balance sheet. Financial strength is a means to an end—a foundation that allows us to expand opportunity, drive discovery, and serve Texas with excellence. Through careful stewardship, thoughtful planning, and an unwavering commitment to our students and employees, we are ensuring that Texas State's financial health remains as strong as its ambitions.

Sincerely, Eric Algoe Executive Vice President for Operations and Chief Financial Officer





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Houston
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THE TEXAS STATE UNIVERSITY SYSTEM - SENIOR ADMINISTRATIVE OFFICIALS

Brian McCall. Ph.D. Chancellor

Vice Chancellor for Finance Mr. Daniel Harper

UNIVERSITY ADMINISTRATION - KEY OFFICERS

President Dr. Kelly Damphousse

Mr. Eric Algoe **Executive Vice President for**

Operations and Chief Financial Officer

Dr. Pranesh Aswath Provost and Executive Vice President

for Academic Affairs

Vice President. Athletics Mr. Don Corvell

Mr. Matthew Hall Vice President for Information

Technology and

Chief Information Officer

Dr. Cynthia L. Hernandez Vice President for Student Success

Mr. Brooks Hull Vice President for University

Advancement, Executive Director for

the Texas State University **Development Foundation**

Dr. Julie Lessiter Vice President for Round Rock

Vice President, Chief of Staff Dr. Lisa Lloyd

Dr. Shreekanth "Shreek" Mandayam Vice President for Research

Mrs. Sandy Pantlik Vice President for Marketing

and Communications

Dr. Thillainatarajan

"Thilla" Sivakumaran Vice President for TXST Global

Mrs. Cristine Black Associate Vice President for

Budget & Planning

TRANSFORMING COMMUNITIES. POWERING ECONOMIES. REIMAGINING THE WORLD.



THE VALUE OF EDUCATION

Texas State University is efficient in the use of funds with a primary focus on instruction.

Instruction 213,326,334.97

Research 166,591,153.02

Auxiliary Enterprises 115,906,554.21

Depreciation and Amortization 88,246,178.47

Academic Support 65,761,842.34

Public Service 2,854,956.05

Scholarships and Fellowships 34,492,827.14

Institutional Support 46,136,301.44

Student Services 46,403,172.15

Operation and Maintenance of Plant 53,108,119.97



Statement of Net Position as of August 31, 2025 with Comparative Data for August 31, 2024

	Enterprise Funds			
		2025		2024
ASSETS AND DEFERRED OUTFLOWS				
Current Assets:				
Unrestricted Cash and Cash Equivalents:				
Cash on Hand	\$	54,848.81	\$	50,428.95
Cash in Bank (Note 3)		58,257,997.90		7,465,462.74
Cash in Transit/Reimbursement from Treasury		955,654.01		309,644.13
Cash in State Treasury		29,463,609.43		30,261,480.49
Cash Equivalents (Note 3)		359,119,896.67		431,064,115.97
Legislative Appropriations		102,512,817.32		80,244,678.71
Short Term Investments (Note 3)		75,000,000.00		100,000,000.00
Restricted Cash and Cash Equivalents:		75,000,000.00		100,000,000.00
Cash in Bank (Note 3)		10,483.33		7,330.04
Cash Equivalents (Note 3)		3,388,561.28		7,369,692.89
Net Receivables (Note 1)		3,300,301.20		7,505,052.05
Federal		13,718,037.45		19,549,308.78
State and Other Grants		2,903,554.04		4,598,789.76
Student Accounts		92,196,844.48		78,436,353.57
Gifts Receivable - Pledges Other		1,354,403.69		1,586,277.37
		3,164,493.50		18,335,940.60
Leases Receivable (Note 6)		91,861.77		90,089.26
Due From Other Agencies (Note 8)		4,003,915.82		2,986,018.34
Due from Component Units		1,335,745.21		1,137,309.58
Inventories		848,655.62		844,438.12
Prepaid Items		75,406,830.99		73,417,845.00
Loans and Contracts		1,290,785.67		1,639,075.62
Total Current Assets	\$	825,078,996.99	\$	859,394,279.92
Non-Current Assets:				
Restricted:				
Gifts Receivable - Pledges	\$	2,801,350.32	\$	3,264,219.07
Investments (Note 3)		59,200,071.57		54,586,954.31
Loans and Contracts		76,570.15		75,292.36
Receivables		12,989,629.01		
Leases Receivable (Note 6)		2,162,310.03		2,254,171.77
Investments (Note 3)		285,646,051.95		226,235,212.01
Capital Assets, Non-Depreciable (Note 2)		215,354,799.75		180,260,778.33
Capital Assets, Net of Accumulated Depreciation (Note 2)		1,164,169,355.00		1,095,767,004.63
Intangible Assets, Net of Accumulated Amortization (Note 2)		998,572.88		1,230,108.34
Total Non-Current Assets	\$	1,743,398,710.66	\$	1,563,673,740.82
Total Assets	\$	2,568,477,707.65	\$	2,423,068,020.74
DEFERRED OUTFLOWS				
Deferred Outflows of Resources	\$		\$	
Total Deferred Outflows	\$	0.00	\$	0.00
Total Assets and Deferred Outflows	\$	2,568,477,707.65	\$	2,423,068,020.74
Total Assets and Deterred Outhows	Ф	4,500,477,707.05	Ф	2,423,008,020.74

Table Tabl		Enterprise Funds				
Current Liabilities:			2025		2024	
Accounts Payable \$ 79,127,915.45 \$ 81,274,827.63 Accrued Payroll 20,775,287.95 19,714,933.05 Unearned Revenues 315,284,885.56 281,288,948.57 Due to Other Agencies (Note 8) 7,781,571.06 678,797.38 Interfund Payable (Note 8) 351,351.17 Employees' Compensable Leave (Note 4) 9,675,590.06 8,987,746.20 Right to Use Lease Obligation (Note 6) 295,478.74 292,212.29 Other Current Liabilities 48,192.93 62,650.96 Total Current Liabilities \$ 433,340,272.92 392,300,116.08 Non-Current Liabilities \$ 6,456,275.14 \$ 5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$ 7,605,131.82 7,085,912.32 Total Non-Current Liabilities \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 1,379,078,392.21	LIABILITIES AND DEFERRED INFLOWS					
Accrued Payroll 20,775,287.95 19,714,933.05 Unearned Revenues 315,284,885.56 281,288,948.77 Due to Other Agencies (Note 8) 7,781,571.06 678,797.38 Interfund Payable (Note 8) 351,351.17 81,000 Employees' Compensable Leave (Note 4) 9,675,590.06 8,987,746.20 Right to Use Lease Obligation (Note 6) 295,478.74 292,212.29 Other Current Liabilities 48,192.93 62,650.96 Total Current Liabilities \$433,340,272.92 392,300,116.08 Non-Current Liabilities \$1,148,856.68 1,247,085.75 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$7,605,131.82 7,085,912.32 Total Liabilities \$2,130,599.84 \$2,257,799.72 Total Liabilities \$2,130,599.84 \$2,257,799.72 Total Deferred Inflows \$2,130,599.84 \$2,257,799.72 Total Liabilities and Deferred Inflows \$443,076,004.58 \$40,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$1,379,078,392.21 \$1,275	Current Liabilities:					
Unearned Revenues 315,284,885.56 281,288,948.57 Due to Other Agencies (Note 8) 7,781,571.06 678,797.38 Interfund Payable (Note 8) 351,351.17 678,797.38 Employees' Compensable Leave (Note 4) 9,675,590.06 8,987,746.20 Right to Use Lease Obligation (Note 6) 295,478.74 292,212.29 Other Current Liabilities 48,192.93 62,650.96 Total Current Liabilities \$433,340,272.92 392,300,116.08 Non-Current Liabilities \$6,456,275.14 \$5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$7,605,131.82 \$7,085,912.32 Total Liabilities \$440,945,404.74 \$399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$2,130,599.84 \$2,257,799.72 Total Deferred Inflows of Resources (Note 6) \$2,130,599.84 \$2,257,799.72 Total Liabilities and Deferred Inflows \$443,076,004.58 \$40,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$1,379,078,392.21 \$1	Accounts Payable	\$	79,127,915.45	\$	81,274,827.63	
Due to Other Agencies (Note 8) 7,781,571.06 678,797.38 Interfund Payable (Note 8) 351,351.17 8 Employees' Compensable Leave (Note 4) 9,675,590.06 8,987,746.20 Right to Use Lease Obligation (Note 6) 295,478.74 292,212.29 Other Current Liabilities 48,192.93 62,650.96 Total Current Liabilities ** 433,340,272.92 \$392,300,116.08 Non-Current Liabilities: Employees' Compensable Leave (Note 4) \$6,456,275.14 \$5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$7,605,131.82 \$7,085,912.32 Total Liabilities \$2,130,599.84 \$2,257,799.72 Total Deferred Inflows \$2,130,599.84 \$2,257,799.72 Total Deferred Inflows \$2,130,599.84 \$2,257,799.72 Total Liabilities and Deferred Inflows \$3,379,078,392.21 \$1,275,718,593.26 NET POSITION \$1,379,078,392.21 \$1,275,718,593.26 Restricted for: \$4,690,095.10 Funds Held as Permanent Investments: \$22,770,691.53 <	Accrued Payroll		20,775,287.95		19,714,933.05	
Interfund Payable (Note 8) 351,351.17 Employees' Compensable Leave (Note 4) 9,675,590.06 8,987,746.20 Right to Use Lease Obligation (Note 6) 295,478.74 292,212.29 Other Current Liabilities 48,192.93 62,650.96 Total Current Liabilities \$433,340,272.92 \$392,300,116.08 Non-Current Liabilities: Employees' Compensable Leave (Note 4) \$6,456,275.14 \$5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$7,605,131.82 7,085,912.32 Total Liabilities \$2,130,599.84 \$2,257,799.72 Total Deferred Inflows of Resources (Note 6) \$2,130,599.84 \$2,257,799.72 Total Deferred Inflows \$2,130,599.84 \$2,257,799.72 Total Liabilities and Deferred Inflows \$443,076,004.58 \$401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$1,379,078,392.21 \$1,275,718,593.26 Restricted for: \$4,690,095.10 \$4,690,095.10 \$4,690,095.10 Funds Held as Permanent Investments: \$22,770,691.53 <td>Unearned Revenues</td> <td></td> <td>315,284,885.56</td> <td></td> <td>281,288,948.57</td>	Unearned Revenues		315,284,885.56		281,288,948.57	
Employees' Compensable Leave (Note 4) 9,675,590.06 8,987,746.20 Right to Use Lease Obligation (Note 6) 295,478.74 292,212.29 Other Current Liabilities 48,192.93 62,650.96 Total Current Liabilities \$ 433,340,272.92 \$ 392,300,116.08 Non-Current Liabilities: Employees' Compensable Leave (Note 4) \$ 6,456,275.14 \$ 5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$ 7,605,131.82 \$ 7,085,912.32 Total Liabilities \$ 440,945,404.74 \$ 399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: 22,770,691.53 22,640,695.60 Expendable 22,770,691.53 22,640,695.60 Expe	Due to Other Agencies (Note 8)		7,781,571.06		678,797.38	
Right to Use Lease Obligation (Note 6) 295,478.74 292,212.29 Other Current Liabilities 48,192.93 62,650.96 Total Current Liabilities \$433,340,272.92 392,300,116.08 Non-Current Liabilities: Employees' Compensable Leave (Note 4) \$6,456,275.14 \$5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$7,605,131.82 \$7,085,912.32 Total Liabilities \$440,945,404.74 \$399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$2,130,599.84 \$2,257,799.72 Total Deferred Inflows \$443,076,004.58 \$401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$1,379,078,392.21 \$1,275,718,593.26 Restricted for: \$4,690,095.10 \$4,690,095.10 Funds Held as Permanent Investments: \$22,770,691.53 \$22,640,695.60 Non-Expendable \$22,770,691.53 \$22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,	Interfund Payable (Note 8)		351,351.17			
Other Current Liabilities 48,192.93 62,650.96 Total Current Liabilities \$ 433,340,272.92 \$ 392,300,116.08 Non-Current Liabilities: Employees' Compensable Leave (Note 4) \$ 6,456,275.14 \$ 5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$ 7,605,131.82 \$ 7,085,912.32 Total Liabilities \$ 440,945,404.74 \$ 399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: \$ 4,690,095.10 \$ 4,690,095.10 Funds Held as Permanent Investments: \$ 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted <td>- · · · · · · · · · · · · · · · · · · ·</td> <td></td> <td>9,675,590.06</td> <td></td> <td>8,987,746.20</td>	- · · · · · · · · · · · · · · · · · · ·		9,675,590.06		8,987,746.20	
Total Current Liabilities \$ 433,340,272.92 \$ 392,300,116.08 Non-Current Liabilities: \$ 6,456,275.14 \$ 5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$ 7,605,131.82 \$ 7,085,912.32 Total Liabilities \$ 440,945,404.74 \$ 399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: 4,690,095.10 \$ 4,690,095.10 Funds Held as Permanent Investments: 22,770,691.53 22,640,695.60 Non-Expendable 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Right to Use Lease Obligation (Note 6)		295,478.74		292,212.29	
Non-Current Liabilities: Employees' Compensable Leave (Note 4) \$ 6,456,275.14 \$ 5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$ 7,605,131.82 \$ 7,085,912.32 Total Liabilities \$ 440,945,404.74 \$ 399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: Capital Projects 4,690,095.10 Funds Held as Permanent Investments: Non-Expendable 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Other Current Liabilities		48,192.93			
Employees' Compensable Leave (Note 4) \$ 6,456,275.14 \$ 5,838,826.57 Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$ 7,605,131.82 \$ 7,085,912.32 Total Liabilities \$ 440,945,404.74 \$ 399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: Capital Projects 4,690,095.10 Funds Held as Permanent Investments: Non-Expendable 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Total Current Liabilities	\$	433,340,272.92	\$	392,300,116.08	
Right to Use Lease Obligation (Note 6) 1,148,856.68 1,247,085.75 Total Non-Current Liabilities \$ 7,605,131.82 \$ 7,085,912.32 Total Liabilities \$ 440,945,404.74 \$ 399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: \$ 4,690,095.10 \$ 4,690,095.10 Funds Held as Permanent Investments: \$ 22,770,691.53 \$ 22,640,695.60 Expendable (Note 13) \$ 37,597,835.25 \$ 33,047,244.12 Other \$ 24,835,618.70 \$ 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Non-Current Liabilities:					
Total Non-Current Liabilities \$ 7,605,131.82 \$ 7,085,912.32 Total Liabilities \$ 440,945,404.74 \$ 399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: 4,690,095.10 Funds Held as Permanent Investments: Yon-Expendable 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Employees' Compensable Leave (Note 4)	\$	6,456,275.14	\$	5,838,826.57	
Total Liabilities \$ 440,945,404.74 \$ 399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: \$ 4,690,095.10 \$ 4,690,095.10 Funds Held as Permanent Investments: \$ 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Right to Use Lease Obligation (Note 6)		1,148,856.68		1,247,085.75	
Total Liabilities \$ 440,945,404.74 \$ 399,386,028.40 DEFERRED INFLOWS Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: \$ 4,690,095.10 \$ 4,690,095.10 Funds Held as Permanent Investments: \$ 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Total Non-Current Liabilities	\$	7,605,131.82	\$	7,085,912.32	
Deferred Inflows of Resources (Note 6) \$ 2,130,599.84 \$ 2,257,799.72 Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: Capital Projects 4,690,095.10 Funds Held as Permanent Investments: Non-Expendable 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Total Liabilities	\$	440,945,404.74	\$	399,386,028.40	
Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: Capital Projects 4,690,095.10 Funds Held as Permanent Investments: 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	DEFERRED INFLOWS					
Total Deferred Inflows \$ 2,130,599.84 \$ 2,257,799.72 Total Liabilities and Deferred Inflows \$ 443,076,004.58 \$ 401,643,828.12 NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: Capital Projects 4,690,095.10 Funds Held as Permanent Investments: 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Deferred Inflows of Resources (Note 6)	\$	2,130,599.84	\$	2,257,799.72	
NET POSITION Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: 4,690,095.10 Capital Projects 4,690,095.10 Funds Held as Permanent Investments: Non-Expendable 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	· · · · · · · · · · · · · · · · · · ·					
Invested in Capital Assets, Net of Related Debt \$ 1,379,078,392.21 \$ 1,275,718,593.26 Restricted for: Capital Projects 4,690,095.10 Funds Held as Permanent Investments: Variable 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Total Liabilities and Deferred Inflows	\$		\$		
Restricted for: 4,690,095.10 Capital Projects 4,690,095.10 Funds Held as Permanent Investments: 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	NET POSITION					
Restricted for: 4,690,095.10 Capital Projects 4,690,095.10 Funds Held as Permanent Investments: 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Invested in Capital Assets, Net of Related Debt	\$	1,379,078,392.21	\$	1,275,718,593.26	
Funds Held as Permanent Investments: Non-Expendable Expendable (Note 13) Other 22,770,691.53 22,640,695.60 37,597,835.25 33,047,244.12 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	*					
Non-Expendable 22,770,691.53 22,640,695.60 Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Capital Projects				4,690,095.10	
Expendable (Note 13) 37,597,835.25 33,047,244.12 Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Funds Held as Permanent Investments:					
Other 24,835,618.70 28,677,218.22 Unrestricted 661,119,165.38 656,650,346.32	Non-Expendable		22,770,691.53		22,640,695.60	
Unrestricted 661,119,165.38 656,650,346.32	Expendable (Note 13)		37,597,835.25		33,047,244.12	
	Other		24,835,618.70		28,677,218.22	
Total Net Position \$ 2,125,401,703.07 \$ 2,021,424,192.62	Unrestricted					
	Total Net Position	\$	2,125,401,703.07	\$	2,021,424,192.62	

Statement of Revenues, Expenses, and Changes in Net Position for the Fiscal Year ended August 31, 2025 with Comparative Data for August 31, 2024

	Enterprise Funds				
		2025		2024	
OPERATING REVENUES				_	
Sales of Goods and Services:					
Tuition and Fees	\$	486,832,756.58	\$	450,806,207.03	
Discounts and Allowances (Note 1)		(240,547,096.89)		(164,133,640.52)	
Auxiliary Enterprises		120,668,975.41		124,161,696.53	
Other Sales of Goods and Services		24,913,440.92		19,967,807.66	
Federal Revenue-Operating		65,283,341.27		54,770,691.95	
Federal Pass Through Revenue		4,418,876.21		6,765,872.05	
State Grant Revenue		4,632,601.67		3,607,929.91	
State Grant Pass Through Revenue		39,446,883.88		38,643,965.90	
Other Grants & Contracts		6,360,285.76		7,179,432.67	
Other Operating Revenue		588,362.56		620,869.16	
Total Operating Revenues	\$	512,598,427.37	\$	542,390,832.34	
OPERATING EXPENSES					
Instruction	\$	213,326,334.97	\$	204,387,419.76	
Research	Ψ	166,591,153.02	Ψ	151,103,828.42	
Public Service		2,854,956.05		2,302,374.61	
Academic Support		65,761,842.34		56,999,813.11	
Student Services		46,403,172.15		38,882,799.45	
Institutional Support		46,136,301.44		44,909,115.88	
Operation and Maintenance of Plant		53,108,119.97		47,314,828.47	
Scholarships and Fellowships		34,492,827.14		79,905,175.87	
Auxiliary Enterprises		115,906,554.21		97,806,170.51	
Depreciation and Amortization		88,246,178.47		78,005,356.37	
Total Operating Expenses	\$	832,827,439.76	\$	801,616,882.45	
Operating Income (Loss)	\$	(320,229,012.39)	\$	(259,226,050.11)	
Operating meonic (Loss)	<u> </u>	(320,229,012.39)	φ	(239,220,030.11)	
NONOPERATING REVENUES (EXPENSES)					
Legislative Revenue	\$	163,013,768.00	\$	138,128,730.00	
Additional Appropriations		32,197,284.65		31,679,823.27	
Federal Grant - Non Exchange		98,592,002.67		82,887,399.11	
State Pass Through - Non Exchange		14,526,236.86		408,937.50	
Gifts, Pledges, and Donations		17,154,738.29		11,566,006.80	
Investment Income		37,016,061.82		31,493,116.23	
Net Increase (Decrease) in Fair Value of Investments		19,334,812.43		27,065,998.90	
Lease Interest Revenue (Expense) and Fiscal Charges		8,165.85		18,743.22	
Gain (Loss) on Sales of Capital Assets		(384,271.41)		71,399.02	
Other Nonoperating Revenues		3,531,239.39		24,119.68	
Other Nonoperating Expenses		(325,713.32)		(1,718,602.11)	
Total Nonoperating Revenues (Expenses)	\$	384,664,325.23	\$	321,625,671.62	
Income (Loss) before Other Revenues, Expenses,					
Gains, Losses and Transfers	\$	64,435,312.84	\$	62,399,621.51	

	Enterprise Funds					
	2025			2024		
OTHER REVENUES, EXPENSES, GAINS,						
LOSSES, AND TRANSFERS						
HEF Appropriation Revenue	\$	38,741,061.00	\$	38,741,061.00		
Capital Contributions-Federal		1,131,580.00				
Additions to Permanent and Term Endowments		124,633.29		436,078.48		
Increase (Decrease) Interagency Transfer Capital Assets		3,915.04				
Transfers In From Other State Agencies (Note 8)		85,115,825.15		242,310,969.06		
Transfers Out To Other State Agencies (Note 8)		(67,131,098.92)		(43,707,778.01)		
Legislative Transfers-In (Note 8)		9,868,183.00		32,157,434.00		
Legislative Transfers-Out (Note 8)		(28,311,900.95)		(28,455,400.83)		
Total Other Revenues, Expenses, Gains/Losses and Transfers	\$	39,542,197.61	\$	241,482,363.70		
Change in Net Position	\$	103,977,510.45	\$	303,881,985.21		
Net Position, September 1	\$ 2	2,021,424,192.62	\$	1,717,542,207.41		
Restatements			_			
Net Position, September 1, as Restated		2,021,424,192.62		1,717,542,207.41		
Net Position, August 31	\$ 2	2,125,401,703.07	\$	2,021,424,192.62		

Matrix of Operating Expenses Reported by Function for the fiscal year ended August 31, 2025 with Comparative Data for August 31, 2024

Enterprise Funds

Eartha Fiscal Voor Ended August 31, 2025

	For	r the Fiscal Year F	Cnde	ed August 31, 202	5			
Operating Expenses		Instruction		Research		Public Service	Academic Support	Student Services
Cost of Goods Sold	\$	-	\$	-	\$	-	\$ -	\$ -
Salaries and Wages		135,659,917.79		109,824,392.27		681,985.07	37,858,465.17	22,862,614.34
Payroll Related Costs		51,821,831.88		15,501,950.75		885,727.54	11,884,345.52	7,226,942.52
Professional Fees and Services		12,105,275.39		21,770,278.53		592,449.58	4,451,861.45	5,820,822.88
Federal Grant Pass-Through Expense		-		1,693,029.74		-	-	-
State Grant Pass-Through Expense		-		18,077.49		-	-	-
Travel		5,654,213.25		3,530,850.91		94,358.79	751,513.65	1,240,738.38
Materials and Supplies		6,010,264.07		11,532,689.47		488,037.44	9,364,142.58	6,418,117.36
Communication and Utilities		553,834.56		408,446.79		4,034.44	208,444.83	60,327.51
Repairs and Maintenance		191,943.13		466,064.58		26,672.08	810,518.09	1,949,093.54
Rentals and Leases		772,653.60		247,514.83		27,062.08	255,028.55	221,366.32
Printing and Reproduction		316,274.57		405,847.25		47,780.75	117,134.35	519,894.12
Depreciation and Amortization		-		-		-	-	-
Interest		506.33		2,682.34		0.60	590.36	26.51
Scholarships		-		-		-	-	-
Claims and Judgments		82,000.00		-		-	-	-
Other Operating Expenses		157,620.40		1,189,328.07		6,847.68	59,797.79	83,228.67
Total Operating Expenses	\$	213,326,334.97	\$	166,591,153.02	\$	2,854,956.05	\$ 65,761,842.34	\$ 46,403,172.15

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprise Expenditures	Depreciation and Amortization	Total Expenses
\$ -	\$ -	\$ -	\$ 11,122.70	\$ - \$	11,122.70
28,214,762.62	17,373,161.47	-	26,138,338.65	-	378,613,637.38
8,043,920.68	6,182,084.05	-	6,796,317.36	-	108,343,120.30
2,268,212.56	7,490,351.81	-	14,225,785.66	-	68,725,037.86
-	-	-	-	-	1,693,029.74
-	-	-	-	-	18,077.49
517,269.43	53,876.24	-	4,655,470.53	-	16,498,291.18
5,094,801.32	5,305,232.32	-	43,679,889.61	-	87,893,174.17
829,623.37	14,809,062.05	-	8,589,931.35	-	25,463,704.90
297,726.65	1,778,737.01	-	5,973,482.02	-	11,494,237.10
189,032.28	90,582.87	-	542,679.50	-	2,345,920.03
210,436.09	21,730.32	-	216,508.19	-	1,855,605.64
-	-	-	-	88,246,178.47	88,246,178.47
88,391.53	3,301.83	-	6.49	-	95,505.99
-	-	34,492,827.14		-	34,492,827.14
345,265.96	-	-	-	-	427,265.96
36,858.95	<u>-</u>	-	5,077,022.15	-	6,610,703.71
\$ 46,136,301.44	\$ 53,108,119.97	\$ 34,492,827.14	\$ 115,906,554.21	\$ 88,246,178.47 \$	832,827,439.76

(to next page)

Matrix of Operating Expenses Reported by Function for the fiscal year ended August 31, 2025 with Comparative Data for August 31, 2024

Enterprise Funds

	 the Fiscal Year E	nde	d August 31, 202	4			
Operating Expenses	 Instruction		Research		Public Service	Academic Support	Student Services
Cost of Goods Sold	\$ -	\$	-	\$	-	\$ - \$	-
Salaries and Wages	134,146,462.39		91,987,989.81		459,528.47	34,945,890.13	20,326,423.80
Payroll Related Costs	48,132,879.45		18,511,601.11		219,337.43	8,364,970.13	5,785,937.11
Professional Fees and Services	4,917,479.58		23,871,706.02		937,822.68	3,092,018.66	5,061,583.68
Federal Grant Pass-Through Expense	-		1,477,812.95		-	-	-
State Grant Pass-Through Expense	-		52,109.22		-	-	-
Travel	5,003,886.17		3,133,403.95		101,838.12	670,211.49	962,739.52
Materials and Supplies	10,821,221.07		8,508,328.68		437,658.87	8,705,055.42	5,588,095.73
Communication and Utilities	14,053.14		504,446.17		4,662.09	400,168.02	176,465.83
Repairs and Maintenance	272,443.71		307,678.59		23,377.25	421,791.52	165,000.59
Rentals and Leases	470,165.39		212,435.73		102,812.89	170,658.81	228,284.98
Printing and Reproduction	504,418.91		1,264,972.47		11,209.59	176,830.84	510,756.20
Depreciation and Amortization	-		-		-	-	-
Interest	1,753.98		7,999.02		0.62	6,728.33	260.29
Scholarships	-		-		-	-	-
Claims and Judgments	-		-		-	-	-
Other Operating Expenses	 102,655.97		1,263,344.70		4,126.60	45,489.76	77,251.72
Total Operating Expenses	\$ 204,387,419.76	\$	151,103,828.42	\$	2,302,374.61	\$ 56,999,813.11 \$	38,882,799.45

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprise Expenditures	Depreciation and Amortization	Total Expenses
\$ -	\$ -	\$ -	\$ 15,052.97	\$ - \$	15,052.97
26,499,160.56	15,125,443.85	-	24,377,193.09	-	347,868,092.10
7,572,271.91	5,390,207.07	-	6,952,779.01	-	100,929,983.22
2,028,806.55	7,830,454.45	-	11,563,528.12	-	59,303,399.74
-	-	-	-	-	1,477,812.95
-	-	-	-	-	52,109.22
452,118.40	47,708.82	-	4,053,153.11	-	14,425,059.58
5,109,097.79	1,358,805.68	-	38,256,257.46	-	78,784,520.70
2,675,422.10	13,748,050.01	-	7,030,252.35	-	24,553,519.71
39,037.57	3,280,871.67	-	4,221,219.43	-	8,731,420.33
161,432.69	476,188.50	-	1,035,296.35	-	2,857,275.34
81,607.43	40,676.82	-	229,924.61	-	2,820,396.87
-	-	-	-	78,005,356.37	78,005,356.37
56,069.89	16,421.60	-	2.44	-	89,236.17
-	-	79,905,175.87	-	-	79,905,175.87
171,347.14	-	-	37,609.66	-	208,956.80
62,743.85	-	-	33,901.91	-	1,589,514.51
\$ 44,909,115.88	\$ 47,314,828.47	\$ 79,905,175.87	\$ 97,806,170.51	\$ 78,005,356.37 \$	801,616,882.45

Statement of Cash Flows for the fiscal year ended August 31, 2025 with Comparative Data for August 31, 2024

	Enterprise Funds			
		2025		2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$	25,581,282.80	\$	5,841,267.18
Proceeds from Tuition and Fees		265,030,801.19		290,572,621.21
Proceeds from Research Grants and Contracts		118,354,654.32		106,097,002.24
Proceeds from Loan Programs		17,395,613.63		4,009,509.27
Proceeds from Auxiliaries		123,470,421.45		124,562,477.31
Proceeds from Other Operating Revenues		261,726.18		232,702.74
Payments to Suppliers for Goods and Services		(220,924,807.91)		(185,225,573.49)
Payments to Employees for Salaries		(377,688,322.13)		(345,960,947.38)
Payments to Employees for Benefits		(88,127,881.38)		(70,383,089.99)
Payments for Loans Provided		(10,697,339.32)		(8,207,360.90)
Payments for Other Expenses		(34,739,360.41)		(85,251,636.14)
Net Cash Provided (Used) by Operating Activities	\$	(182,083,211.58)	\$	(163,713,027.95)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from State Appropriations	\$	197,762,290.05	\$	221,452,089.52
Proceeds from Gifts		17,836,362.99		14,444,596.10
Proceeds of Transfers from Other Funds		39,042,564.68		1,468,929.28
Proceeds from Grant Receipts		114,927,419.23		84,443,707.92
Proceeds from Other Noncapital Financing Activities		3,526,246.34		6,115.09
Payments for Other Noncapital Financing Uses		(12,364,637.12)		(8,665,341.10)
Net Cash Provided (Used) by Noncapital Financing Activities	\$	360,730,246.17	\$	313,150,096.81
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIV	'ITII	ES		
Proceeds from Sale of Capital Assets	\$	72,391.81	\$	152,542.59
Proceeds from Debt Issuance		46,073,260.47	\$	240,842,039.78
Proceeds from Other Financing Activities		2,193,167.50		
Payments for Additions to Capital Assets		(186,247,592.72)		(309,931,763.30)
Payments for Leases		(611,981.25)		(1,804,604.19)
Payments of Principal on Debt Issuance		(50,461,500.00)		(44,410,000.00)
Payments of Interest on Debt Issuance		(32,957,034.10)		(20,805,851.84)
Payments for Other Financing Activities				(38,847.15)
Net Cash Provided (Used) by Capital and Related Financing Activities	\$	(221,939,288.29)	\$	(135,996,484.11)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sales of Investments	\$	48,634,204.75	\$	130,375,546.11
Proceeds from Investment Income		56,935,097.90		59,218,182.03
Payments to Acquire Investments		(87,554,152.73)		(63,612,471.24)
Net Cash Provided (Used) by Investing Activities	\$	18,015,149.92	\$	125,981,256.90
Increase (Decrease) in Cash and Cash Equivalents	\$	(25,277,103.78)	\$	139,421,841.65
Cash and Cash Equivalents, September 1	\$	476,528,155.21	\$	337,106,313.56
Cash and Cash Equivalents, August 31	\$	451,251,051.43	\$	476,528,155.21

	Enterprise Funds			
		2025		2024
RECONCILIATION OF OPERATING INCOME (LOSS) TO				_
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$	(320,229,012.39)	\$	(259,226,050.11)
Adjustments to Reconcile Operating Income				
to Net Cash Provided (Used) by Operating Activities:				
Amortization and Depreciation	\$	88,246,178.47	\$	78,005,356.37
On Behalf Payments for Fringe Benefits		23,789,867.99		22,885,176.65
Operating Income and Cash Flow Categories:				
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	\$	(6,743,020.92)	\$	(40,573,819.44)
(Increase) Decrease in Due from Other Agencies		(1,017,897.48)		789,776.69
(Increase) Decrease in Inventories		(4,217.50)		42,981.66
(Increase) Decrease in Prepaid Expenses		(6,766,602.01)		(5,386,894.91)
(Increase) Decrease in Loans & Contracts		347,012.16		984,808.32
Increase (Decrease) in Payables		(3,042,678.02)		15,115,481.71
Increase (Decrease) in Due to Other Funds		7,102,773.68		(496,630.79)
Increase (Decrease) in Unearned Revenue		33,995,936.99		20,797,988.84
Increase (Decrease) in Compensated Absence Liability		687,843.86		902,569.90
Increase (Decrease) in Benefits Payable		1,677,803.47		2,446,227.16
Increase (Decrease) in Deferred Inflows		(127,199.88)		
Total Adjustments	\$	138,145,800.81	\$	95,513,022.16
Net Cash Provided (Used) by Operating Activities	\$	(182,083,211.58)	\$	(163,713,027.95)
NON-CASH TRANSACTIONS				
Net Change in the Fair Value of Investments	\$	19,334,812.43	\$	27,065,998.90
Donation of Capital Assets	Ψ	137,751.02	Ψ	515,649.00
Gain (Loss) on Sale of Capital Assets		(361,123.28)		(81,143.57)
Borrowing Under Lease Purchase		480,273.71		(01,110.07)
5		,		

Statement of Fiduciary Net Position as of August 31, 2025 with Comparative Data for August 31, 2024

	Custodiai Fullus			
		2025		2024
ASSETS				
Cash				
Cash in Bank (Note 3)	\$	4,757,657.90	\$	4,795,732.13
Receivables (Note 1)				
Accounts Receivable		243,147.57		174,371.92
Total Assets	\$	5,000,805.47	\$	4,970,104.05
LIABILITIES				
Accounts Payable	\$	480,312.26	\$	297,314.77
Unearned Revenue		1,774,408.00		1,231,285.00
Other Current Liabilities		972.50		43,184.31
Total Liabilities	\$	2,255,692.76	\$	1,571,784.08
NET POSITION				
Restricted for Individuals, Organizations or Other Governments	\$	2,745,112.71	\$	3,398,319.97
Total Net Position	\$	2,745,112.71	\$	3,398,319.97

Custodial Funds

Statement of Changes in Fiduciary Net Position for the Fiscal Year ended August 31, 2025 with Comparative Data for August 31, 2024 Custodial Funds

	Custodial Funds				
		2025		2024	
ADDITIONS				_	
Contributions:					
Loan and Scholarship Revenue	\$	42,108,538.17	\$	36,058,598.21	
Student Club		345,584.63		273,426.55	
Alumni and Faculty		466,465.80		455,775.77	
Camps, Training & Conference		1,725.00		31,616.00	
Gifts and Donations		10,412.53		3,370.07	
Total Contributions	\$	42,932,726.13	\$	36,822,786.60	
Investment Income:					
Interest, Dividends and Other	\$	3,494.60	\$	2,047.37	
Total Net Investment Income	\$	3,494.60	\$	2,047.37	
Other Additions:					
Other Revenue	\$	2,450.00	\$	25,443.33	
Total Other Additions	\$	2,450.00	\$	25,443.33	
Total Additions	\$	42,938,670.73	\$	36,850,277.30	
DEDUCTIONS					
Loan and Scholarship Expense	\$	42,681,199.02	\$	34,949,566.31	
Club Account Disbursements		81,971.91		122,811.49	
Administrative Expenses:					
Communications and Utilities		1,220.40		670.88	
Materials and Supplies		225,390.80		205,018.36	
Printing and Reproduction		10,631.75		14,778.40	
Professional Fees and Services		349,066.86		203,521.26	
Rentals and Leases		67,383.86		50,210.15	
Travel		30,784.37		25,352.62	
Other Administrative Expenses		144,229.02		99,600.13	
Total Deductions	\$	43,591,877.99	\$	35,671,529.60	
Change in Net Position	\$	(653,207.26)	\$	1,178,747.70	
Net Position, September 1	\$	3,398,319.97	\$	2,219,572.27	
Restatements					
Net Position, September 1, as Restated	\$	3,398,319.97	\$	2,219,572.27	
Net Position, August 31	\$	2,745,112.71	\$	3,398,319.97	

Statement of Net Position as of August 31, 2025

	Discrete Component Units					
	Texas State Development Foundation			Emmett and Miriam McCoy College of Business Administration Development Foundation		
ASSETS AND DEFERRED OUTFLOWS						
Current Assets:						
Unrestricted Cash and Cash Equivalents:						
Cash in Bank	\$	177,612.15	\$	817,659.85		
Cash Equivalents				1,919,395.83		
Accounts Receivable		528,646.51		968,887.31		
Total Current Assets	\$	706,258.66	\$	3,705,942.99		
Non-Current Assets:						
Restricted:						
Gifts Receivable - Pledges	\$	4,862,054.70	\$			
Investments		139,371,386.36		83,008,347.68		
Total Non-Current Assets	\$	144,233,441.06	\$	83,008,347.68		
Total Assets and Deferred Outflows	\$	144,939,699.72	\$	86,714,290.67		
LIABILITIES AND DEFERRED INFLOWS Liabilities:						
Annuities Payable-Current	\$	39,546.34	\$			
Due to Primary Government		1,335,745.21				
Total Current Liabilities	\$	1,375,291.55	\$	0.00		
Non-Current Liabilities:						
Annuities Payable-Non-Current	\$	277,314.32	\$			
Total Non-Current Liabilities	\$	277,314.32	\$	0.00		
Total Liabilities and Deferred Inflows	\$	1,652,605.87	\$	0.00		
NET POSITION Restricted for:						
Funds Held as Permanent Investments:						
Non-Expendable	\$	81,875,563.00	\$	51,386,170.00		
Expendable		61,070,563.75		35,328,120.67		
Unrestricted		340,967.10				
Total Net Position	\$	143,287,093.85	\$	86,714,290.67		

Statement of Revenues, Expenses, and Changes in Net Position for the Fiscal Year ended August 31, 2025

	Discrete Component Units					
		Texas State Development Foundation	M	Emmett and Miriam McCoy College of Business Administration Development Foundation		
OPERATING REVENUES						
Total Operating Revenues	\$	0.00	\$	0.00		
OPERATING EXPENSES						
Academic Programs	\$	2,618,213.89	\$			
Scholarships and Fellowships		3,437,379.53		2,386,816.53		
Administrative Expenses:						
Salaries and Wages				186,054.31		
Professional Fees		1,391,335.14		176,296.58		
Travel						
Materials and Supplies		42,998.24		2,566.67		
Fundraising Activities		420,897.68		1,250.00		
Other Operating Expenses		9,713.11		20,492.70		
Total Operating Expenses	\$	7,920,537.59	\$	2,773,476.79		
Operating Income (Loss)	\$	(7,920,537.59)	\$	(2,773,476.79)		
NONOPERATING REVENUES (EXPENSES)						
Gifts, Pledges, and Donations	\$	547,920.66	\$			
Investment Income		15,283,939.91		10,202,573.39		
Total Nonoperating Revenues (Expenses)	\$	15,831,860.57	\$	10,202,573.39		
Income (Loss) before Other Revenues, Expenses,						
Gains, Losses and Transfers	\$	7,911,322.98	\$	7,429,096.60		
OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS						
Additions to Permanent and Term Endowments	\$	6,885,222.08	\$	1,835,876.55		
Total Other Revenues, Expenses, Gains/Losses and Transfers	\$	6,885,222.08	\$	1,835,876.55		
Change in Net Position	\$	14,796,545.06	\$	9,264,973.15		
Net Position, September 1 Restatements-Prior Year Audit Adjustments	\$	128,490,548.79	\$	77,449,317.52		
Net Position, September 1, as Restated	\$	128,490,548.79	\$	77,449,317.52		
Net Position, August 31	\$	143,287,093.85	\$	86,714,290.67		
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Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

NATURE OF OPERATIONS AND HISTORY

Texas State University (Texas State) is a doctoral-granting, student-centered institution dedicated to excellence and innovation in teaching, research, including creative expression, and service. The university strives to create new knowledge, to embrace a diversity of people and ideas, to foster cultural and economic development, and to prepare its graduates to participate fully and freely as citizens of Texas, the nation, and the world.

The university was first authorized by the Texas legislature in 1899, and Southwest Texas State Normal School opened its doors in 1903. Over the years, the school has broadened its scope and changed its name a few times as well:

1918: Southwest Texas State Normal College

1923: Southwest Texas State Teachers College

1959: Southwest Texas State College

1969: Southwest Texas State University

2003: Texas State University-San Marcos

2013: Texas State University

Each name reflects the evolution from a small teaching institution to a major, multi-purpose university. Through the nine academic colleges, Texas State offers more than 200 undergraduate and post-graduate degrees to serve the needs of future generations of Texans. Texas State is the only university in Texas to have graduated a U.S. president or vice president. President Johnson's memory remains alive on campus through the LBJ Student Center, the university's Lyndon Baines Johnson Distinguished Lecture Series, and the LBJ Statue. Johnson returned to Texas State many times. In 1965, he returned to his alma mater to sign the Higher Education Act, which strengthened resources so all Americans could obtain financial support for a postsecondary education.

REPORTING ENTITY

Texas State University is a part of the legal entity and primary government of the State of Texas and is governed by the Texas State University System (TSUS) nine-member Board of Regents appointed by the governor and confirmed by the Senate. The University's financial activity is consolidated along with the remaining seven components of the system into the system-wide financial report of TSUS. The system-wide report is further consolidated into the Annual Comprehensive Financial Report (ACFR) for the State of Texas. Financial reports for the State of Texas may be obtained from the Texas Comptroller of Public Accounts website: https://www.comptroller.texas.gov/transparency/reports/comprehensive-annual-financial. Texas State University System is reported as a proprietary fund within the statewide ACFR. The State Auditor expresses an opinion on the ACFR, but not on the financial statements of individual state agencies or universities contained therein.

This financial report includes all activities and programs for which Texas State University exercises fiscal control and responsibility and includes all funds that comprise the university's financial reporting entity. The financial reporting entity consists of Texas State University's funds, as the primary government, plus any closely related entities for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship would be misleading to exclude. As a result of their relationships with the University, the Texas State University Research Foundation and the Harold M. Freeman Educational Foundation are included in the financial statements of Texas State as blended component units. The University has two discrete component units – the Texas State University Development Foundation and the Emmett and Miriam McCoy College of Business Administration Development Foundation. Statements for the discretely presented component units appear separately at the end of the financial statements. Another entity, Texas State Alumni Association, is reported as an affiliated organization and is not included in the basic financial statements. More details on these foundations and organizations may be found in the Financial Reporting Entity note later in this section.

Copies of this Annual Financial Report may be obtained by contacting Texas State University, Director of Financial Reporting and Accounting, 601 University Drive, JCK 549, San Marcos, TX 78666-4684 or at https://www.fss.txst.edu/budgetplanning/financial-reporting/financial-reports.html.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

Texas State University's accounts are organized on the basis of funds, each of which is considered a separate accounting entity according to governmental accounting. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, revenues, and expenses. As a special-purpose government engaged only in business-type activities, the

Notes to the Financial Statements

operating funds are presented in a single enterprise fund column for financial reporting purposes. Three primary financial statements are presented with supporting schedules: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; the Statement of Cash Flows and the supporting schedule Matrix of Operating Expenses Reported by Function. Accounting principles similar to those used by private-sector businesses are applied in accounting for these funds. These statements are prepared using the economic resources measurement focus and accrual basis of accounting.

The basis of accounting determines when revenues and expenses are recognized and reported in the financial statements. Under the accrual basis, revenues are recognized when earned and expenses are recognized when the liability is incurred. The enterprise or business-type activities are financed in whole or in part by fees charged to external parties for goods or services and focus on determining operating income, changes in net position, financial position, and cash flows. Operating items are distinguished from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the principle of ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All significant inter-fund transactions have been eliminated.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds or private-purpose trust funds. Balances and activities are recorded using the accrual basis of accounting and represent amounts held for individuals, organizations or other governments. Two primary financial statements are presented: the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements are presented in accordance with GASB Statement 84 Fiduciary Activities.

The accompanying statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), with the exception of the items described below, and in accordance with state statutes and regulations. The Texas Comptroller of Public Accounts issues the Reporting Requirements for Annual Financial Reports (AFRs) of State Agencies and Universities for purposes of consolidation at the state-wide level. As an individual university, Texas State's AFR complies with the State Comptroller's requirements.

Certain elements of a typical stand-alone report are omitted at the individual university level in accordance with the **Reporting** Requirements for Annual Financial Reports (AFRs), because they are reported at the system-level of TSUS or at the consolidated Texas Annual Comprehensive Financial Report (ACFR) level. These Reporting Requirements do not require components of university systems to record their portion of pension liabilities under GASB 67 Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27 or their retiree healthcare liabilities under GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Instead, the related liabilities are recorded at the system level in the TSUS report described above. Management's Discussion and Analysis, which is part of the required supplementary information under GASB 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, is prepared at the state-wide level and is only required for audited reports or agencies with certain types of activity that are material to the statewide report. Texas State has no such activity and therefore does not include this element in its AFR.

NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 101 Compensated Absences was issued in June 2022 and is effective for fiscal years beginning after December 15, 2023. This statement addresses accounting and financial reporting issues related to compensated absences. This statement provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 Certain Risk Disclosures was issued in December 2023 and is effective for fiscal years beginning after June 15, 2024. This statement addresses accounting and financial reporting issues related to certain risk disclosures. This statement provides guidance for providing users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

The National Association of College and University Business Officers (NACUBO) issued Advisory Report (AR) 2023-01, Public Institutions: Accounting for and Reporting Financial Aid as a Discount, in April 2023 with an implementation date of no later than fiscal year 2025. The new guidance provides estimation and measurement methodologies that more accurately reflect how financial aid is provided to students by leveraging detailed student financial aid data. Initially, during the implementation of GASB 34-Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments, the university adopted NACUBO's Alternate Method, an allocation methodology based on pooled student refunds for the fiscal year, which introduced non-discountable transactions into the calculation process and reduced the precision of reported figures. In response to

Notes to the Financial Statements

advancements in enterprise financial systems, NACUBO issued their new guidance which no longer allows public universities to use the Alternate Method. The implementation of the new tuition discounting methodology in fiscal year 2025 resulted in increased discounts and allowances with a corresponding decrease in scholarships expense within the Statement of Revenues, Expenses, and Changes in Net Position.

BUDGETS, APPROPRIATIONS AND RESTRICTED RESOURCES

The administrative costs and capital asset outlay for the university are controlled by annual budgets approved by university management and the TSUS Board of Regents. As a public university, Texas State received appropriations from the state for a portion of its operations in the form of Legislative Revenue, Additional Appropriations and Legislative Transfers In or Out. State appropriations are authorized biennially by the Texas legislature and approved by the governor in the General Appropriations Act. Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they are appropriated. State appropriations represented approximately 23.9% and 24.5% of total revenues from operations for fiscal years ended August 31, 2025, and 2024, respectively. Included in the state appropriation Legislative Revenue for fiscal year 2025 is \$24.9 million for one-time funding of a capital project. Included in the state appropriation Legislative Transfers-In for fiscal year 2024 is \$22.3 million for the Available Texas University Fund. Funding this transfer from the General Revenue fund was a one-time event and is not expected to occur in the future. The 24.5% ratio shown above was calculated in a historically consistent manner. Excluding the Available Texas University Fund transfer results in a ratio of 22.5% for fiscal year 2024. When both restricted and unrestricted resources are available for use, restricted resources are generally used first, then unrestricted resources are used as needed.

USE OF ESTIMATES IN THE PREPARATION OF BASIC FINANCIAL STATEMENTS

The preparation of financial statements and related notes requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses during the reporting period; actual results may differ from these estimates.

A significant estimate for scholarship discounts and allowances is made by Texas State. In fiscal year 2025 a new tuition discounting methodology was implemented consistent with NACUBO, AR 2023-01, Public Institutions: Accounting for and Reporting Financial Aid as a Discount, and applicable state guidance. As a result, the Discounts and Allowances reflect this change. As of August 31, 2025 and 2024, estimates of \$240,547,096.89 and \$164,133,640.52, respectively, were used for the university's discounts and allowances associated with tuition and fees. For fiscal year 2024, the Alternate Method was used and was not restated.

CURRENT AND NON-CURRENT ASSETS

Current assets are those considered available for appropriation and expenditure within one fiscal year. Examples of expendable financial resources include cash, various receivables, and short-term investments. All other assets are considered non-current.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash in local banks, cash in transit, and cash in the state treasury. Cash equivalents are defined as short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near maturity that the risk of changes in value due to changes in interest rates is insignificant. Only investments with an original maturity of three months or less are considered cash equivalents. TexPool, a Local Government Investment Pool, is valued at a stable \$1.00 share price and is reported at amortized cost.

ACCOUNTS RECEIVABLE

Accounts receivable represent amounts for student tuition and fees, grant and contract expense reimbursements, various sales and services provided to students and third parties, loans receivable, investment-related transactions, and gifts receivable. Federal accounts include amounts from sponsored program activity as well as financial aid. Gifts receivable represent amounts pledged to the university by donors. Other accounts receivable include year-end revenue accruals or accounts not included in the other categories. Certain accounts are recorded net of allowances.

Notes to the Financial Statements

The allowances for those accounts by receivable type and fiscal year are as follows:

Allowances by Receivable Type	2025	2024
Student Accounts	\$5,139,115.34	\$4,542,990.86
Current and Noncurrent Gift Receivables	2,528,418.43	2,780,708.78
Loans Receivable	504,713.86	745,761.73

INVESTMENTS

Investments are reported at fair value in the Statement of Net Position in accordance with GASB Statement Number 72, *Fair Value Measurement and Application*. Fair value is defined by GASB 72 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."

INVENTORIES

Inventories, including both merchandise and consumable inventories, are valued at cost and expensed when consumed.

PREPAID ASSETS

Payments made for costs or services benefiting a future accounting period are recorded as prepaid assets and include items such as scholarships, deposits on capital assets and a variety of administrative expenses. Prepaid scholarships represent funds paid in the current fiscal year relating to the subsequent year.

RESTRICTED ASSETS

Restricted assets represent resources that are constrained to a particular purpose, such as for endowments, academic programs or construction projects, and either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

CAPITAL ASSETS AND RELATED DEBT ACTIVITY

Purchases of assets with (a) an estimated useful life in excess of one year and that (b) exceed the university's capitalization thresholds are recorded as capital assets at their acquisition cost on the date of acquisition. Donated assets with (a) an estimated useful life in excess of one year and that (b) exceed the university's 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 building values are charged to operating expenses in the year in which the expenses are incurred.

The university's capitalization thresholds are:

Asset Category	Capitalization Threshold
Land, land improvements, and permanent land use rights	All acquisitions are capitalized
Books and materials for the university's academic and research library	All acquisitions are capitalized
Works of art and historical treasures not held for financial gain	All acquisitions are capitalized
Furniture, equipment, and vehicles	\$10,000
Buildings, building improvements, facilities, and other improvements	\$100,000
Purchased computer software and term(A) land use rights	\$100,000
Right to Use-Leased Assets	\$100,000
Right to Use-Subscription-Based IT Arrangements (SBITA's)	\$500,000
Infrastructure	\$500,000
Internally generated computer software	\$1,000,000
(A) Applies only to land use rights considered to have a limited useful life	

Notes to the Financial Statements

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

Asset Category	Estimated 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			
Leased Assets-Right to Use	Lease Term			

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 TSUS Revenue Financing System. The Revenue Financing System is comprised of the TSUS administration and the component institutions within TSUS. Although Texas State must repay debt issued on its behalf, the associated bond liability is reported in total by the TSUS administration and is not included in the liabilities of the university on its financial statements. Debt service requirements reported by the TSUS administration which are attributable to Texas State are disclosed in Note 5, Bonded Indebtedness.

ACCOUNTS PAYABLE

Accounts Payable represents the liability for the value of assets or services received at the Statement of Net Position date for which payment is pending.

OTHER PAYABLES

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

UNEARNED REVENUES

Unearned Revenues represents payments received in advance of providing goods or services.

RIGHT TO USE LEASE OBLIGATIONS

Current and Non-current Right to Use Lease Obligations arise from the implementation of GASB 87 *Leases* and GASB 96 *Subscription-Based Information Technology Arrangements (SBITA)*, if applicable, for the 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.

NON-CURRENT LIABILITIES

Non-current liabilities may arise from debt issuances or other commitments with an expected liquidation date of more than one year from fiscal year end.

EMPLOYEES' COMPENSABLE LEAVE BALANCES

State employees are entitled to be paid for all unused vacation time accrued in the event of resignation, dismissal, or separation from State employment, provided the employee has been continuously employed with the State for six months. An expense and liability are recorded as the benefits accrue to employees. A liability is only recorded for non-vesting accumulating rights to receive sick pay benefits when it is more likely than not that a benefit will be used. Compensable leave liabilities are reported as either current or non-current in the Statement of Net Position. The current portion is that which is expected to be paid within one year. The non-current portion has an expected payment date of more than one year.

Notes to the Financial Statements

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 bonds, notes, and other debt attributed to the acquisition, construction, or improvement of those assets.

RESTRICTED NET POSITION

Restricted net position consists of restricted assets less liabilities and deferred inflows of resources related to those assets. This represents resources that are constrained to a particular purpose, such as for endowments, academic programs or construction projects, and 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 position is the residual amount of total net position less investment in capital assets and restricted net position. Unrestricted net position often has constraints on resources which are imposed by management, but can be removed or modified. Substantially, all unrestricted net assets are designated for capital projects as well as academic and research programs and initiatives.



Notes to the Financial Statements

NOTE 2: **Capital Assets**

Changes in capital assets for the fiscal year ended August 31, 2025 are summarized as follows:

		Balance 9/1/2024	A	djustments	_(Completed CIP
Non-Depreciable Assets:						
Land and Land Improvements	\$	68,831,938.25	\$	-	\$	-
Construction in Progress		98,205,964.17		-		(143,839,978.99)
Other Assets		13,222,875.91		-		-
Total Non-Depreciable Assets	\$	180,260,778.33	\$	-	\$	(143,839,978.99)
Depreciable Assets:						
Buildings and Building Improvements	\$	1,646,556,364.62	\$	-	\$	136,618,473.95
Infrastructure		94,249,592.00		-		5,869,843.19
Facilities & Other Improvements		184,875,298.03		-		1,351,661.85
Furniture and Equipment		102,352,222.93		-		-
Vehicle, Boats & Aircraft		19,853,459.42		-		-
Other Assets		104,388,398.47		-		-
Total Depreciable Assets at Historical Costs	\$	2,152,275,335.47	\$	-	\$	143,839,978.99
Less Accumulated Depreciation for:						
Buildings and Improvements	\$	(748,460,640.63)	\$	-	\$	-
Infrastructure		(52,129,767.48)		-		-
Facilities & Other Improvements		(108,672,214.73)		-		-
Furniture and Equipment		(81,696,410.07)		-		-
Vehicles, Boats & Aircraft		(9,189,410.56)		-		-
Other Assets		(56,359,887.37)		-		-
Total Accumulated Depreciation	\$	(1,056,508,330.84)	\$	-	\$	-
Depreciable Assets, Net	\$	1,095,767,004.63	\$	-	\$ \$	143,839,978.99
Amortizable Assets - Intangible and Right to Use:						
Computer Software	\$	28,315,158.68	\$	-	\$	-
Right to Use-Building Leases		2,265,138.45		-		-
Total Amortizable Assets - Intangible	\$	30,580,297.13	\$	-	\$	-
Less Accumulated Amortization for:						
Computer Software	\$	(28,076,854.65)	\$	_	\$	_
Right to Use-Building Leases	-	(1,273,334.14)	•	_	*	-
Total Accumulated Amortization	\$	(29,350,188.79)	\$	_	\$	-
Amortizable Assets - Intangible, Net	\$	1,230,108.34	\$	-	<u>\$</u>	-
Capital Assets, Net	\$	1,277,257,891.30	\$	-	\$	

Notes to the Financial Statements

_	Interagency Transfers In		Interagency Transfers Out Additions				Deletions		Balance 8/31/2025
\$	- - -	\$	- - -	\$	4,315,010.13 173,315,374.04 1,303,616.24	\$	- - -	\$	73,146,948.38 127,681,359.22 14,526,492.15
\$	-	\$	-	\$	178,934,000.41	\$	-	\$	215,354,799.75
\$	_	\$	-	\$	431,245.55	\$	(5,431,838.16)	\$	1,778,174,245.96
	_		_		, -		-		100,119,435.19
	-		_		_		_		186,226,959.88
	83,964.20		-		7,524,524.57		(1,024,897.97)		108,935,813.73
	-		-		317,448.21		(96,427.96)		20,074,479.67
	-		-		4,506,245.35		(693,149.81)		108,201,494.01
\$	83,964.20	\$	-	\$	12,779,463.68	\$	(7,246,313.90)	\$	2,301,732,428.44
\$	-	\$	-	\$	(62,106,832.21)	\$	4,845,812.25	\$	(805,721,660.59)
	-		-		(2,739,135.80)		-		(54,868,903.28)
	-		-		(8,309,704.06)		-		(116,981,918.79)
	(80,049.16)		-		(6,981,435.28)		1,018,275.85		(87,739,618.66)
	-		-		(1,532,483.87)		94,062.85		(10,627,831.58)
_			-	-	(5,956,402.98)		693,149.81		(61,623,140.54)
<u>\$</u> \$	(80,049.16)	\$	-	\$	(87,625,994.20)	\$	6,651,300.76	\$	(1,137,563,073.44)
\$	3,915.04	\$	-	\$	(74,846,530.52)	\$	(595,013.14)	\$	1,164,169,355.00
\$		\$		\$		\$		\$	28,315,158.68
Φ	-	φ	-	Φ	480,273.71	φ	(366,499.60)	Φ	2,378,912.56
\$		\$		\$	480,273.71	\$	(366,499.60)	\$	30,694,071.24
Ψ		Ψ		_ Ψ	400,273.71	Ψ	(300,477.00)	Ψ	30,074,071.24
\$	-	\$	_	\$	(136,056.75)	\$	-	\$	(28,212,911.40)
	-		-		(484,127.52)		274,874.70		(1,482,586.96)
<u>\$</u>	-	\$	<u>-</u>	\$ \$	(620,184.27)	\$	274,874.70	\$	(29,695,498.36)
\$	-	\$	-	\$	(139,910.56)	\$	(91,624.90)	\$	998,572.88
\$	3,915.04	\$		<u>\$</u>	103,947,559.33	\$	(686,638.04)	<u>\$</u>	1,380,522,727.63

Notes to the Financial Statements

NOTE 2: **Capital Assets**

Changes in capital assets for the fiscal year ended August 31, 2024 are summarized as follows:

		Balance 9/1/2023	A(ljustments	 Completed CIP
Non-Depreciable Assets:					
Land and Land Improvements	\$	57,611,145.70	\$	-	\$ -
Construction in Progress		65,976,214.40		-	(114,971,298.86)
Other Assets		11,833,526.33		-	
Total Non-Depreciable Assets	\$	135,420,886.43	\$	-	\$ (114,971,298.86)
Depreciable Assets:					
Buildings and Building Improvements	\$	1,400,857,194.18	\$	-	\$ 114,087,381.95
Infrastructure		93,654,152.93		-	595,439.07
Facilities & Other Improvements		184,586,820.19		-	288,477.84
Furniture and Equipment		97,126,341.73		-	-
Vehicle, Boats & Aircraft		11,560,867.38		-	-
Other Assets		100,806,307.56		-	 <u>-</u> _
Total Depreciable Assets at Historical Costs	\$	1,888,591,683.97	\$	-	\$ 114,971,298.86
Less Accumulated Depreciation for:					
Buildings and Improvements	\$	(696,448,236.61)	\$	-	\$ -
Infrastructure		(49,546,385.91)		-	-
Facilities & Other Improvements		(100,376,211.53)		-	-
Furniture and Equipment		(76,749,452.50)		-	-
Vehicles, Boats & Aircraft		(8,457,083.17)		_	-
Other Assets		(51,606,575.74)		-	-
Total Accumulated Depreciation	\$	(983,183,945.46)	\$	-	\$ -
Depreciable Assets, Net	\$	905,407,738.51	\$	-	\$ 114,971,298.86
Amortizable Assets - Intangible and Right to Use:					
Computer Software	\$	28,457,158.68	\$	_	\$ -
Right to Use-Building Leases		2,265,138.45		-	-
Total Amortizable Assets - Intangible	\$	30,722,297.13	\$	-	\$ -
Less Accumulated Amortization for:					
Computer Software	\$	(28,076,625.89)	\$	_	\$ _
Right to Use-Building Leases		(816,129.42)		_	-
Total Accumulated Amortization	\$	(28,892,755.31)	\$	_	\$ -
Amortizable Assets - Intangible, Net	\$	1,829,541.82	\$	-	\$
Capital Assets, Net	<u>\$</u>	1,042,658,166.76	\$		\$

Notes to the Financial Statements

	Interagency Transfers In		ragency sfers Out		Additions		Deletions		Balance 8/31/2024
\$	_	\$	_	\$	11,220,792.55	\$	_	\$	68,831,938.25
Ψ	_	Ψ	_	Ψ	147,201,048.63	Ψ	_	Ψ	98,205,964.17
			_		1,389,349.58		_		13,222,875.91
\$		\$		\$	159,811,190.76	\$		\$	180,260,778.33
Ψ		Ψ		Ψ	100,011,100.70	Ψ		Ψ	100,200,770.33
\$	-	\$	-	\$	132,189,441.68	\$	(577,653.19)	\$	1,646,556,364.62
	-		-		-		-		94,249,592.00
	-		-		-		-		184,875,298.03
	-		-		7,186,549.77		(1,960,668.57)		102,352,222.93
	-		-		8,677,211.58		(384,619.54)		19,853,459.42
	-		-		4,821,830.69		(1,239,739.78)		104,388,398.47
\$	-	\$		\$	152,875,033.72	\$	(4,162,681.08)	\$	2,152,275,335.47
\$		\$		\$	(52,561,174.55)	\$	548,770.53	\$	(748,460,640.63)
Φ	-	Ф	-	Ф	(2,583,381.57)	Φ	540,770.55	Φ	(52,129,767.48)
	-		-		(8,296,003.20)		-		(108,672,214.73)
	-		-		(6,869,744.18)		1,922,786.61		(81,696,410.07)
	-		-		(1,102,567.98)		370,240.59		(9,189,410.56)
	-		-		(5,993,051.41)		1,239,739.78		(56,359,887.37)
<u>c</u>	-	•	-	•	(77,405,922.89)	Φ	4,081,537.51	•	(1,056,508,330.84)
<u>\$</u> \$	-	\$ \$	-	\$\$	75,469,110.83	<u>\$</u> \$	(81,143.57)	<u>\$</u> \$	1,095,767,004.63
Φ	<u>-</u>	Φ	<u>-</u>	Φ	/3,409,110.83	Ф	(81,143.37)	Φ	1,093,707,004.03
\$	-	\$	-	\$	-	\$	(142,000.00)	\$	28,315,158.68
_	-		-		-				2,265,138.45
\$	-	\$	-	\$	-	\$	(142,000.00)	\$	30,580,297.13
\$	<u>-</u>	\$	_	\$	(142,228.76)	\$	142,000.00	\$	(28,076,854.65)
-	_	*	_	**	(457,204.72)	•	_,	•	(1,273,334.14)
\$	_	\$	-	\$	(599,433.48)	\$	142,000.00	\$	(29,350,188.79)
\$	-	\$	-	\$	(599,433.48)	\$	-	\$	1,230,108.34
•					224 (00 0(6 11		(01.110.77)	•	4.422.422.004.20
\$	-	\$		<u>\$</u>	234,680,868.11	\$	(81,143.57)	\$	1,277,257,891.30

Notes to the Financial Statements

NOTE 3: Deposits, Investments, and Repurchase Agreements

Deposits

As of August 31, 2025, and 2024, the carrying amount of deposits was \$63,026,139.13 and \$12,268,524.91, respectively, as presented below:

CAOW.	<u>2025</u>	<u>2024</u>
Cash in Bank - Carrying Value	\$ 63,026,139.13	\$ 12,268,524.91
Less: Certificates of Deposit included in carrying		
value and reported as Cash Equivalent	-	-
Less: Uninvested Securities Lending Cash Collateral		
included in carrying value and reported as		
Securities Lending Collateral	-	-
Less: Securities Lending CD Collateral included in		
carrying value and reported as Securities Lending		
Collateral	-	-
Cash in Bank per AFR	\$ 63,026,139.13	\$ 12,268,524.91
Current Assets Cash in Bank-Proprietary Funds	\$ 58,257,997.90	\$ 7,465,462.74
Current Assets Restricted Cash in Bank	10,483.33	7,330.04
Current Assets Cash in Bank-Fiduciary Funds	4,757,657.90	4,795,732.13
Cash in Bank per AFR	\$ 63,026,139.13	\$ 12,268,524.91

As of August 31, 2025, and 2024, the total bank balances were \$68,279,752.14 and \$15,481,440.30, respectively.

Investments

Texas State is authorized to invest in Operating Long-Term and Endowment Funds as a prudent person in obligations and instruments as defined in the Texas State University System Investment Policy.

Investments at Amortized Cost

TexPool and TexPool Prime

Investments in TexPool and TexPool Prime money market funds that maintain a stable \$1.00 share price are reported at amortized cost. TexPool Prime has a very conservative investment policy and aligns with Rule 2a-7 money-market practices. TexPool Prime invests in US Government Securities, repurchase agreements, AAA rated money market mutual funds, commercial paper, and certificates of deposit to provide a safe, efficient, and liquid investment option. The fund is rated AAAm by Standard & Poor's, the highest rating a local government investment pool can achieve. There is no penalty or limit for withdrawal, however, a courtesy one-day notification is requested for withdrawals exceeding approximately \$20 million.

TexPool Prime is one of two portfolios developed on behalf of Texas entities to provide for the creation of investment pools for public funds and to allow eligible governmental entities to jointly invest their funds in authorized investments. The TexPool Prime portfolio was created to allow for an investment alternative that incorporates into its investment framework commercial paper and certificates of deposit, as well as U.S. Treasury and U.S. government agency securities. The Texas Treasury Safekeeping Trust Company, under the guidance of the Texas Comptroller of Public Accounts, administers the TexPool portfolios as public fund investment pools. Federated Hermes under contract with the State Comptroller is the full-service provider to the pools managing the assets, providing Participant Services, and arranging for all custody and other functions in support of the pool's operations.

Texas Fixed Income Trust

The Texas Fixed Income Trust (TX FIT) is an investment pool designed for Texas' local governments. Texas State invests in the Cash and Choice Pools. Both are rated AAAf by Fitch. The underlying holdings are commercial paper. The pool offers fixed term investments with stated rates of return (depending on duration). Interest is paid out on the maturity date of the investment. Texas State does not invest in durations longer than one year.

Fair Value of Investments

Texas State measures and records investments using fair value measurement guidelines in accordance with GASB Statement 72, Fair Value Measurement and Application. GASB 72 recognizes a three-level fair value hierarchy for inputs to valuation techniques; however, due to the transition to an investment pool administered by System Administration values are presented in summary below. Detailed investment holdings at the component level are no longer available as Texas State holds units of the pool. For more detailed fair value information refer to the Texas State University System consolidated report.

As of August 31, 2025, and 2024, the investment valuations were:

	2025		2024	
	No. of Units	2025 Value	No. of Units	2024 Value
Fair Value				
Fixed Income Money Market		\$ 75,030,606.70		\$ 189,030.52
Other Commingled Funds (TxFIT)		293,039.74		100,020,350.75
Operating Equity	562,409.2824	85,153,076.27	414,914.0030	55,171,862.54
Operating Fixed Income	146,781.9336	16,159,910.01	146,781.9336	15,441,901.91
Operating Real Assets	92,741.7194	15,646,910.21	30,188.2823	4,797,679.77
Endowments	1,496,024.7786	227,562,580.59	1,497,647.3831	205,201,340.83
Total Investments	2,297,957.7140	\$ 419,846,123.52	2,089,531.6020	\$ 380,822,166.32
Amortized Cost				
Other Commingled Funds (TexPool)		\$ 362,508,457.95		\$ 438,433,808.86
Cash Equivalents		\$ 362,508,457.95	-	\$ 438,433,808.86

Texas University Fund

The Texas University Fund (TUF) was established in November 2023 when voters approved a constitutional amendment placed on the ballot by the Texas Legislature. The approved constitutional amendment created the TUF for the purpose of providing a dedicated, independent, and equitable source of funding to enable emerging research universities to achieve national prominence as major research universities. Texas State University was recognized as one of four eligible institutions. Eligibility criteria was defined for other institutions to become TUF eligible institutions.

Annually, the TUF may receive appropriations in an amount equal to the interest and investment earnings attributable to the Economic Stabilization Fund for the preceding state fiscal year, with annual appropriations capped at 7.0 percent of the average net market value of the fund. The TUF may also receive additional appropriations under two scenarios which are intended to avoid dilution of the distributions to TUF eligible institutions. Those two scenarios include when a new institution becomes eligible or when an existing institution with a partial share fulfills the requirements to receive a full share. In fiscal year 2025, Texas State University became eligible to receive a full share of the TUF distribution, and an additional \$650 million was deposited to the TUF. The TUF consists of funds appropriated or transferred to the credit of the TUF, gifts, grants and interest and other earnings attributable to the TUF. The TUF is held outside of the state treasury and invested by the Texas Treasury Safekeeping Trust Company under the prudent investor standard. The TUF investment policy directs that "annual distributions calculations are computed at up to 4.5% of the 12-quarter moving-average of the Fund as of August 31st, subject to prudent adjustments as set forth herein." The allocation of the annual distribution to eligible institutions is determined through a two-tiered calculation, with a base tier comprising 75% of the allocation and a performance tier comprising the remaining 25% of the allocation. The base tier is weighted between two funding levels while the performance tier is allocated using three-year averages of federal and private research expenditures (85%) and research doctoral degrees awarded (15%).

TUF holdings are not reflected in the financial statements of Texas State University as the holdings are reported by the Texas Treasury Safekeeping Trust Company. The net position of the TUF at August 31, 2025 was \$5,316,500,319.18. Texas State University's reportable share of the TUF endowment at August 31, 2025, calculated in accordance with Texas Administrative Code, 19 TAC, section 15.28, is \$1,139,250,068. For the fiscal years ended August 31, 2025, and 2024, Texas State received \$30,266,136 and \$22,354,263, respectively. Fiscal year 2025 funds are reported as a Transfer In from Other State Agency, and fiscal year 2024 funds are reported as a Legislative Transfer In.

Deposit and Investment Risk Factors

The following paragraphs describe various types of risk related to Deposits and Investments.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the university will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The university's investment policy limits holding of securities by counterparties to those involved with securities lending. As of August 31, 2025, Texas State had no investments subject to custodial credit risk.

Notes to the Financial Statements

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The TSUS investment policy requires that investments in debt securities have credit ratings recognized by the agencies of Standard and Poor's, Finch, and/or Moody's. For operating, a short-intermediate term funds portfolio, average credit quality of the entire portfolio is to be greater than or equal to A-, as defined by S&P (A- by Finch, A3 for Moody's). The minimum credit quality of any diversified fund vehicle must be investment grade at the time of purchase. Operating Long-Term fund portfolios are intended to be invested in a similar manner to Endowment funds, but no more than 20% of the global fixed income and credit may be rated below investment grade, and a maximum of 20% of the total Long-Term Operating Portfolio may be invested in emerging markets, regardless of asset type. An Operating Long-Term funds portfolio may only invest up to 60% of the market value of its total operating funds portfolio, exclusive of bond proceeds, in this type of investment strategy. In order to invest with managers who utilize alternative investments, Texas State must retain an investment consultant. For the endowment portfolio, risk is controlled through the portfolio diversification of market sector and maturity. Risk is further defined by prohibited investments and activities, and limited by maximum single purchase and maximum aggregate position percentages. The credit quality distributions for securities with credit risk exposures are disclosed in the System's Investment Note.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. Government, and investments in mutual funds, external investment pools, and other pooled investments are excluded from this disclosure requirement. Texas State, by following the TSUS Investment Policy, limits the Operating Short-Intermediate fund for mutual funds, commingled vehicles, and registered Exchange Traded Funds (ETFs) portfolio holdings to be no more than 10% of the total assets of a single fund, commingled vehicle or ETF. For Operating Short-Intermediate and Operating Long fund combined, excluding pooled vehicles, mutual funds, ETFs or Managed Accounts which are multi-strategy and multi-manager products, no more than 40% of the portfolio may be invested in a single mutual fund or manager. As of August 31, 2025, Texas State was not subject to concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Usually, a longer maturity results in a greater degree of price volatility. The university minimizes interest rate risk on investments by managing maturities to cash flow. Interest rate risk is reduced by investing in fixed-income securities with varying maturities. The weighted average maturity of the entire short-intermediate term funds portfolio is to be less than or equal to 36 months. There is no maximum maturity of any single issue. Operating Long funds are intended to be invested in a similar manner to endowment funds. The long-term objective of the Endowment portfolio is to preserve the intergenerational equity of the endowment while providing for appropriate current spending. All operating long and endowment funds are managed by the "prudent person standard". Although all long-term investments are subject to some interest rate risk due to various economic forces, as of August 31, 2025, Texas State had limited the exposure to interest rate risk through asset allocation. Global fixed income/credit is intended to offset the volatility of equities, particularly during market downturns, as well as provide deflation protection.

Reverse Repurchase, Securities Lending and Derivative Investing

The university did not participate in Reverse Repurchase Agreements, Securities Lending, or Derivative Investing during fiscal year 2025.

NOTE 4: Long-Term Liabilities

Employees' Compensable Leave

Accrued compensable leave is Texas State's liability for unpaid overtime accrued by classified employees and unused vacation time for all employees. Obligations to personnel are paid at the time of dismissal, resignation, or separation from the university, provided the employee has at least six months of continuous employment with the state. An expense and liability are recorded annually as the benefits accrue to employees. For the fiscal years ended August 31, 2025, and 2024, the accrued liability for vacation and overtime totaled \$16,131,865.20 and 14,826,572.77, respectively. During the same periods, the university made lump sum payments totaling \$1,556,843.49 and \$1,545,782.12 for accrued vacation and overtime to employees who separated from state service. The maximum accrual for vacation is 532 hours. It is allowed for employees with 35 or more years of service. Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and paid only when an employee is off due to illness or to the estate of an employee in the event of his/her death. The maximum leave that may be paid to an employee's estate is the lesser of (a) one-half of the employee's accumulated entitlement or (b) 336 hours.

For GASB 101, *Compensable Absences*, the State of Texas has elected to apply a last-in, first-out (LIFO) method for accounting for sick leave. Under this approach, employees are considered to use the most recently earned leave first. When the sick leave used

does not exceed the amount earned in the current year, no additional liability is recorded for financial reporting purposes. This treatment is consistent with historical experience, indicating that such leave is unlikely to be paid out.

The following changes occurred in long-term liabilities during the fiscal years ended August 31, 2025, and 2024:

Employees' Compensable Leave	2025	2024
Balance, September 1	\$ 14,826,572.77	\$ 13,406,716.71
Additions	2,862,135.92	2,965,638.18
Reductions	(1,556,843.49)	(1,545,782.12)
Balance, August 31	\$ 16,131,865.20	\$ 14,826,572.77
Amounts Due Within One Year	\$ 9,675,590.06	\$ 8,987,746.20
Amounts Due Thereafter	6,456,275.14	5,838,826.57
Total Due	\$ 16,131,865.20	\$ 14,826,572.77

Right to Use Lease Obligations

See Note 6, Leases, for details on the liability associated with leases.

NOTE 5: **Bonded Indebtedness**

All bonded indebtedness for Texas State is issued by System Administration through the Texas State University System Revenue Financing System. System Administration and each component institution within the system are members of the Revenue Financing System. The Board of Regents 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. System Administration issued the debt; therefore, the bonds payable attributable to the institution are included with the Bonds Payable reported by System Administration consolidated report. The University must repay the debt that was issued on its behalf; consequently, the following debt amortization schedule is presented for informational purposes only.

	Debt Service Requirements							
Year	Principal	Interest	Total					
2026	\$ 48,625,645.00	\$ 30,759,069.48	\$ 79,384,714.48					
2027	50,276,896.00	28,625,483.92	78,902,379.92					
2028	48,391,749.00	26,399,742.40	74,791,491.40					
2029	45,321,593.00	24,312,309.38	69,633,902.38					
2030	44,171,991.00	22,322,109.38	66,494,100.38					
2031-2035	178,432,404.00	83,619,052.90	262,051,456.90					
2036-2040	100,200,000.00	52,341,485.66	152,541,485.66					
2041-2045	62,145,000.00	34,812,709.64	96,957,709.64					
2046-2050	56,325,000.00	22,236,900.00	78,561,900.00					
2051-2054	55,395,000.00	7,456,312.50	62,851,312.50					
Totals	\$ 689,285,278.00	\$ 332,885,175.26	\$1,022,170,453.26					

A portion of the debt represents Capital Construction Assistance Projects (CCAP), formerly known as Tuition Revenue Bonds, historically funded by the Texas Legislature through General Revenue Appropriations. For fiscal years ended August 31, 2025, and 2024, the institution was appropriated \$23,206,500 and \$23,209,000, respectively, for CCAP debt service. The institution expects future Legislative appropriations to meet debt service requirements for CCAP Bonds.

NOTE 6: Leases

Texas State has entered into various leases for buildings and vehicles. The Texas Comptroller of Public Accounts established a threshold of \$100,000 for reporting leases under GASB 87 Leases requirements. In accordance with that guidance, leases with a present value exceeding the threshold are reported below. All other rental payments for leases below the threshold are reported as Rentals and Leases expense in the Matrix of Operating Expenses Reported by Function and are not included in the following lease disclosures. Rental payments for leases above the threshold for the fiscal years ended August 31, 2025, and 2024 were \$378,091.39 and \$311,955.21, respectively.

Notes to the Financial Statements

Future minimum lease rental payments reported in the financial statements include the following amounts of principal and interest paid or due under lease liability, as of August 31, 2025.

Lease Liability: Future Lease Payments

Fiscal Year	Principal	Interest
2026	\$ 295,478.74	\$ 29,528.56
2027	301,671.82	21,160.77
2028	218,429.36	13,776.47
2029	201,962.19	9,136.75
2030	163,135.40	5,600.56
2031-2032	263,657.91	3,507.36
Totals	\$ 1,444,335.42	\$ 82,710.47

For lease revenue subject to GASB 87 guidelines future minimum lease rental receipts reported in the financial statements include the following amounts of principal and interest received or due under leases of buildings leased to outside parties as of August 31, 2025

Lease Receivable: Future Lease Receipts

Fiscal Year	Principal	Interest
2026	\$ 91,861.77	\$ 43,138.23
2027	97,049.67	41,325.33
2028	110,131.48	39,298.53
2029	116,066.79	37,098.19
2030	122,194.44	34,780.56
2031-2035	681,073.02	135,409.98
2036-2040	754,040.17	65,439.83
2041-2045	281,754.45	5,063.55
Totals	\$ 2,254,171.80	\$ 401,554.20

Amortization of Deferred Inflows on a straight-line basis related to Leases Receivable as of August 31, 2025, are as follows:

Deferred Inflow of Resources-Lease Receivable

Lease Receivable				
Year	Amount			
2026	\$ 127,199.88			
2027	127,199.88			
2028	127,199.88			
2029	127,199.88			
2030	127,199.88			
2031-2035	635,999.40			
2036-2040	635,999.40			
2041-2045	222,601.64			
Totals	\$ 2,130,599.84			

NOTE 7: Pension Plans and Fringe Benefits Paid by the State

The State of Texas established an optional retirement program (ORP) for institutions of higher education. Participation in the ORP is in lieu of participation in the Teacher Retirement System and is available to certain eligible employees. Employee member and employer contributions were as follows for the fiscal years ended August 31, 2025, and 2024:

Contributions	2025	2024
Member Contributions	\$ 4,711,041	\$ 4,553,557
Employer Contributions	5,718,533	5,693,698
Total	\$ 10,429,574	\$ 10,247,255

For the fiscal year ended August 31, 2025, the State provided on-behalf unemployment contributions of \$30,670.00. Other paidon-behalf amounts pertain to pension and other post-employment benefit contributions and liabilities which are covered by System reporting.

NOTE 8: **Interfund Activity and Transactions**

Texas State experienced routine transfers with other state agencies, consistent with the activities of the fund making the transfer and as a result of various grants and contract activities. In addition to transfers, Texas State recorded assets and liabilities for future amounts due from/to other state agencies. Repayment of interagency balances will occur within one year from the date of the financial statements.

The university also has other interagency activity, which is classified as transfers in/out or legislative transfers in/out. These transfers pertained to the receipt of bond proceeds and debt service payments from/to TSUS. Legislative transfer activity is attributable to bonds authorized by the Legislature and historically funded by means of special line items in the university's General Revenue appropriations or other transfers of appropriations between state agencies.

			202	25	202	24
Agency Name	Agency Number	D23 Fund	Due From Other State Agencies	Due to Other State Agencies	Due From Other State Agencies	Due to Other State Agencies
Federal						
General Land Office	305	0027	\$ -	\$ -	\$ 4,098.18	\$ -
Health and Human Services	529	0001	-	-	426,772.55	-
Department of Agriculture	551	5026	2,102.52	-	2,334.41	-
Texas A&M AgriLife Research	556	7999	, -	105,394.09	, -	86,703.76
Texas Division of Emergency				,		,
Management	575	0092	96,718.56	-	-	-
Texas Division of Emergency						
Management	575	0325	279,719.94	-	-	-
Texas Division of Emergency						
Management	575	0109	-	-	22,725.89	-
Texas Division of Emergency						
Management	575	0161	-	-	7,507.77	-
Texas Division of Emergency						
Management	575	3256	-	-	905,799.59	-
Texas Water Development Board	580	0001	74,971.04	-	80,580.66	-
Texas Commission on Environmental						
Quality	582	1535	174,076.40	-	150,098.14	-
Texas Department of Transportation	601	0006	30,675.76	-	20,842.77	-
Texas Education Agency	701	0148	22,644.26	-	63,856.57	-
Texas A&M University	711	7999	8,398.36	-	2,651.35	-
Texas A&M Engineering Experiment						
Station	712	7999	_	53,570.80	-	36,013.29
Texas A&M Prairie View	715	7999	108.72	-	-	_
Texas A&M Engineering Extension						
Service	716	7999	353,325.95	-	241,067.32	-
Texas Southern University	717	7999	21,729.45	-	168.20	-
University of Texas-Austin	721	7999	74,170.36	113,278.92	41,543.96	114,655.66
Texas A&M University – Kingsville	732	7999	38,865.78	· <u>-</u>	50,520.01	-
University of Texas at Dallas	738	7999	_	22,963.17	_	_
University of Texas at San Antonio	743	7999	406,962.40		379,249.47	_
University of Texas Health Science			,			
Center at Houston	744	7999	5,304.23	_	_	_
University of Texas Health Science			2,00			
Center at San Antonio	745	7999	_	1,166.56	22,759.58	_
University of Texas Rio Grande				,	,	
Valley	746	7999	24,108.09	135,801.84	33,252.63	41,228.53
Texas A&M University at San			,	,	,	,
Antonio	749	7999	-	12,446.68	-	-
University of North Texas	752	7999	14,129.88	118,302.96	-	_
Sam Houston State University	753	7999	, -	, -	-	17,892.47

Notes to the Financial Statements

Parks and Wildlife Department State Stat				2025		202	24
Taxas A&M University — Corpus Christi	Agency Name	0 .		Other State	Other State	Other State	Other State
Christ 760 799 3,419.88 - - Parks and Wildlife Department 802 0951 10,604.19 - 8,497.13 3 Parks and Wildlife Department 802 0951 61,258.79 3,837.13 80,681.84 - Beath State - - 433,943.65 - 20,938.48 - Leg of State Health Services 529 0001 433,943.65 - 209,398.48 - Texas Water Development Board 580 7999 31,796.57 - 1,450.12 - Crass Aka University 711 7999 867.53 - 1,450.12 - Crass Rak University Corpus 71 7999 11,212.07 - 2,587.95 1,450.12 - Texas Higher Education 760 7999 1 2 258.79.95 2 257.912.92 Texas Higher Education 781 0193 - 4,435.00 - 2 25,257.00 2 25,7912.92 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Parks and Wildlife Department	Texas A&M University - Corpus						
Parks and Wildlife Department 802 0951 61,258.79 3,837.13 80,681.84	Christi	760	7999	-	3,419.88	-	-
State Sta	Parks and Wildlife Department	802	0931	19,694.19	-	8,497.13	-
Heath and Human Services	Parks and Wildlife Department	802	0951	61,258.79	3,837.13	80,681.84	-
Dept of State Health Services 537 0001 273,511,43 269,398.48 1	State						
Dept of State Health Services 537 0001 273,511.43 - 269,398.48 - 1	Health and Human Services	529	0001	433,943.65	-	-	-
Texas Mader Development Board 580 7999 31,796.57 - <td>Dept of State Health Services</td> <td>537</td> <td>0001</td> <td></td> <td>-</td> <td>269,398.48</td> <td>-</td>	Dept of State Health Services	537	0001		-	269,398.48	-
Texas A&M University 711 7999 867.53 - 1,450.12 - 1 University of Texas System 720 7999 11,212.07 2,587.95 - 0 - 0 Texas A&M University - Corpus Christ 760 7999 11,212.07 - 0 - 0 - 18,761.21 Christ 760 7999 - 0 - 0 - 0 18,761.21 Texas Higher Education 760 7999 - 0 - 0 - 0 257,912.92 Texas Higher Education Coordinating Board 781 1013 - 0 4,435.00 - 0 - 0 Texas Higher Education 781 2825 - 0 45,339.31 35,077.59 - 0 - 0 Texas Higher Education 781 2825 - 0 45,339.31 35,077.59 - 0 <td< td=""><td></td><td>580</td><td>7999</td><td></td><td>_</td><td>-</td><td>-</td></td<>		580	7999		_	-	-
University of Texas Aystem 720 7999 11,212.07 - 2,587.95 - 1 University of Texas Axstant 721 7999 11,212.07 - 3 - 3 Texas Axstant University - Corpus Christi Texas Higher Education Coordinating Board 781 0193 - 4,435.00 - 5 Texas Higher Education Coordinating Board 781 2824 - 4,435.00 - 2 Texas Higher Education Coordinating Board 781 2825 - 4,435.00 - 2 Texas Higher Education Coordinating Board 781 2825 - 4,435.00 - 2 Texas Higher Education Coordinating Board 781 2825 - 2 Texas Higher Education Coordinating Board 781 2825 - 3 Texas Higher Education Coordinating Board 781 2825 - 3 Texas Higher Education Coordinating Board 781 2825 - 3 Texas Higher Education Coordinating Board 781 5103 - 3 Texas Higher Education Coordinating Board 781 5103 - 3 Texas Higher Education Coordinating Board 802 0064 17,568.39 - 13,040.18 - 3 Texas Higher Education Coordinating Board 802 0064 17,568.39 - 13,040.18 - 3 Texas Awstand Wildlife Department 802 0064 17,568.39 - 13,040.18 - 3 Texas Awstand Wildlife Department 802 0064 17,568.39 - 13,040.18 - 3 Texas Awstand Wildlife Department 802 0064 17,568.39 - 13,040.18 - 3 Texas Higher Education Coordinating Board 802 0064 17,568.39 - 13,040.18 - 3 Compredict Education Coordinating Board 902 0074 17,110,09.91 - 3 Texas Higher Education Coordinating Board 1,100,000 10,00	-				-	1,450.12	-
University of Texas Austin 721 7999 11,212.07 -				_	2 587 95	_	_
Texas A&M University - Corpus Christi 760 7999 - - - 18,761.25 Texas Higher Education Coordinating Board 781 0001 61,809.38 518,131.01 59,257.00 257,912.92 Texas Higher Education Coordinating Board 781 0193 - 4,435.00 - - - Texas Higher Education Coordinating Board 781 2824 - 45,339.31 35,077.59 - - Texas Higher Education Coordinating Board 781 2825 - - 25,626.46 -				11 212 07	2,307.73		
Christi 760 7999 - - - 18,761.25 Texas Higher Education 781 0001 61,809.38 518,131.01 59,257.00 257,912.92 Texas Higher Education 781 0193 - 4,435.00 - - Coordinating Board 781 2824 - 45,339.31 35,077.59 - Texas Higher Education 781 2825 - 45,339.31 35,077.59 - Coordinating Board 781 2825 - - 25,626.46 - Texas Higher Education - 6,640,895.76 - - - Coordinating Board 781 5103 - 6,640,895.76 - - Parks and Wildlife Department 802 0014 17,568.39 - 13,040.18 - Parks and Wildlife Department 802 0919 45,503.60 - 31,621.78 - Parks and Wildlife Department 802 0921 - - -		/ 21	()))	11,212.07	_	_	_
Texas Higher Education 781 0001 61,809.38 518,131.01 59,257.00 257,912.92 Texas Higher Education 781 0193 - 4,435.00		760	7999	_	_	_	18 761 23
Coordinating Board 781 0001 61,809.38 518,131.01 59,257.00 257,912.92 257,912.9		700	1000				10,701.23
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Coordinating Board 781 0193 - 4,435.00 - - 4,735.00 - - 7,725.00		701	0001	01,007.50	310,131.01	37,237.00	237,712.72
Texas Higher Education		781	0103		4.435.00		
Coordinating Board 781 2824 - 45,339.31 35,077.59 - Texas Higher Education Coordinating Board 781 2825 - 5 25,626.46 - 5 Texas Higher Education 781 5103 - 6,640,895.76 - 5 - 6,740.418 - 6,740.418 - 7 Parks and Wildlife Department 802 0014 17,568.39 - 6,640,895.76 - 5,538.71 - 7 Parks and Wildlife Department 802 0919 45,503.60 - 5,538.71 - 7 Parks and Wildlife Department 802 0919 45,503.60 - 6 - 7 - 7 Parks and Wildlife Department 802 0952 6,828.61 - 7 31,621.78 7 Parks and Wildlife Department 802 0952 6,828.61 - 7 31,621.78 7 Parks and Wildlife Department 802 0952 6,828.61 - 7 31,621.78 7 Coher Texas Higher Education - 7 - 7 - 7 - 7 - 7 - 7 - 7		701	0173	-	4,433.00	-	-
Texas Higher Education 781 2825 - - 25,626.46 - Coordinating Board 781 5103 - 6,640,895.76 - - - Coordinating Board 781 5103 - 6,640,895.76 - - - Parks and Wildlife Department 802 0614 17,568.39 - 13,040.18 - - Parks and Wildlife Department 802 0919 45,503.60 - - - - - Parks and Wildlife Department 802 0951 6,828.61 - - - - - Parks and Wildlife Department 802 0952 6,828.61 - <td></td> <td>781</td> <td>2824</td> <td></td> <td>45 330 31</td> <td>35 077 50</td> <td></td>		781	2824		45 330 31	35 077 50	
Coordinating Board 781 2825 -		701	2024	-	43,337.31	33,077.37	-
Texas Higher Education Coordinating Board 781 5103 - 6,640,895.76 - 13,040.18 - 27,220.00 - 13,040.18 - 27,220.00 - 27,538.71 - 27,220.00 - 27,538.71 - 27,220.00 - 27,538.71 - 27,220.00 - 27,538.71 - 27,220.00 - 27,538.71 - 27,220.00 - 27,220.20 - 2		701	2925			25 626 46	
Coordinating Board 781 5103 - 6,640,895.76 - 9	_	/01	2023	-	-	23,020.40	-
Parks and Wildlife Department 802 0014 17,568.39 - 13,040.18 - Parks and Wildlife Department 802 0664 - - 5,538.71 - Parks and Wildlife Department 802 0919 45,503.60 - 31,621.78 - Parks and Wildlife Department 802 0952 6,828.61 - - - - Other Texas Higher Education Coordinating Board-Interest 781 0325 - - - - 3,225.92 Comptroller-Available Texas University Fund 902 0214 1,411,909.91 -		781	5103		6 640 805 76		
Parks and Wildlife Department 802 0664 - 5,538.71 - Parks and Wildlife Department 802 0919 45,503.60 - - - - - Parks and Wildlife Department 802 0931 - - 31,621.78 - - Other Texas Higher Education Coordinating Board-Interest 781 0325 - - - - 3,225.92 Comptroller-Available Texas 902 0214 1,411,909.91 -				17 568 30	0,040,075.70	12 040 19	-
Parks and Wildlife Department 802 0919 45,503.60 - <td></td> <td></td> <td></td> <td>17,300.37</td> <td>-</td> <td>*</td> <td>-</td>				17,300.37	-	*	-
Parks and Wildlife Department 802 0931 -				45 502 60	-	3,336./1	-
Parks and Wildlife Department 802 0952 6,828.61 - - - - - - - Other Texas Higher Education Coordinating Board-Interest 781 0325 - - - - 3,225.92 Comptroller-Available Texas University Fund 902 0214 1,411,909.91 - - - - Total Due From / Due To Other Agencies \$4,003,915.82 \$7,781,571.06 \$2,986,018.34 \$576,393.78				45,505.00	-	- 24 (24 70	-
Other Texas Higher Education Coordinating Board-Interest 781 0325 -				-	-	31,621./8	-
Texas Higher Education	Parks and Wildlife Department	802	0952	6,828.61	-	-	-
Coordinating Board-Interest	Other						
Comptroller-Available Texas	Texas Higher Education						
Viniversity Fund 902 0214 1,411,909.91 - - - - - - - - -	Coordinating Board-Interest	781	0325	-	-	-	3,225.92
State Energy Conservation Office Superior Superio	Comptroller-Available Texas						
Agency Name Agency D23 758 7999 102	University Fund	902	0214	1,411,909.91	-	-	-
Agency Name	Total Due From / Due To Other						
Agency Name Number Fund Other Component Component Component Texas State University System Billings 758 7999 \$ - \$ - \$ - \$ 102,403.60 Total Due From / Due To Other Components Agency Name Agency Number Fund Receivable State Energy Conservation Office 907 0001 \$ - \$ 351,351.17 \$ - \$ - \$ -	Agencies			\$ 4,003,915.82	\$ 7,781,571.06	\$ 2,986,018.34	\$ 576,393.78
Agency Name Number Fund Other Component Component Component Texas State University System Billings 758 7999 \$ - \$ - \$ - \$ 102,403.60 Total Due From / Due To Other Components Agency Name Agency Number Fund Receivable State Energy Conservation Office 907 0001 \$ - \$ 351,351.17 \$ - \$ - \$ -				200	25	202	24
Agency Name Agency Number D23 Fund Other Component Interfund Interfund Interfund Interfund Interfund Interfund Interfund Receivable Payable Payable Receivable Payable Payab				-			
Agency Name Number Fund Component Comp		A	D22				
Texas State University System Billings 758 7999 \$ - \$ - \$ - \$ 102,403.60 Total Due From / Due To Other Components \$ - \$ - \$ - \$ - \$ 102,403.60 2025 2024 Agency Name D23 Number Interfund Receivable Interfund Payable Interfund Receivable Payable Payable Payable State Energy Conservation Office 907 0001 \$ - \$ 351,351.17 \$ - \$ -	Agency Name						
Billings 758 7999 \$ - \$ - \$ - \$ 102,403.60 Total Due From / Due To Other Components \$ - \$ - \$ - \$ - \$ 102,403.60 2025 2024 Agency Name Agency Number Fund Receivable Payable Interfund Receivable Payable Receivable Payable State Energy Conservation Office 907 0001 \$ - \$ 351,351.17 \$ - \$ -		1 10111001	1 4114	Component	Component	Component	Component
Total Due From / Due To Other Components		758	7999	\$ -	\$ -	\$ -	\$ 102,403,60
2025 2024 Agency Name Agency Number D23 Fund Fund Receivable Interfund Receivable Interfund Receivable Interfund Receivable Payable Payable State Energy Conservation Office 907 0001 \$ - \$ 351,351.17 \$ - \$ -							
Agency NameAgency NumberD23 FundInterfund ReceivableInterfund PayableInterfund ReceivableInterfund ReceivableState Energy Conservation Office9070001\$ -\$ 351,351.17\$ -\$ -	Total Due From / Due To Other C	components		5 -	5 -	5 -	\$ 102,403.00
Agency NameNumberFundReceivablePayableReceivablePayableState Energy Conservation Office9070001\$ -\$ 351,351.17\$ -\$ -				202	25	202	24
Agency NameNumberFundReceivablePayableReceivablePayableState Energy Conservation Office9070001\$ -\$ 351,351.17\$ -\$ -		A = · · · ·	Daa	T C 1	I-4: -C - 1	Indeed 1	Tarting 1
State Energy Conservation Office 907 0001 \$ - \$ 351,351.17 \$ - \$ -	A sussessment NT comme						
Total Interfund Receivable			0001				*
	Total Interfund Receivable/ Payal	ble		\$ -	\$ 351,351.17	\$ -	\$ -

			2	2025		2024		
Agency Name	Agency Number	D23 Fund	Transfers In	Transfers Out	Transfers In	Transfers Out		
Texas Dept of Motor Vehicles for								
License Plate	608	0802	\$ -	\$ 24,501.11	\$ 29,728.87	\$ -		
Texas State University System for								
Debt Service and Billings	758	7999	-	60,820,261.15	-	42,766,702.01		
Texas State University System for								
Bond Proceeds	758	7999	50,566,260.47	-	240,842,039.78	-		
Texas State University System for								
Grant Funding & Gifts	758	7999	941,432.77	-	498,124.41	-		
Comptroller – Fiscal-Hazlewood	902	0210	1,930,086.00	_	941,076.00	941,076.00		
Comptroller-Available Texas			-,, ,		,	7 , 0 . 0 . 0 . 0		
University Fund	902	0214	31,678,045.91	6,286,336.66	-	-		
Total Transfers			\$ 85,115,825.15	\$ 67,131,098.92	\$ 242,310,969.06	\$43,707,778.01		
			20	25	20	24		
Agency Name	Agency Number	D23 Fund	Legislative Transfers In	Legislative Transfers Out	Legislative Transfers In	Legislative Transfers Out		
Texas State University System for	ramber	1 unu	Transiers in	Transiers Out	Transiers in	Transiers Out		
Debt Service	758	0001	\$ -	\$ 28,311,900.95	\$ -	\$ 28,455,400.83		
Texas Veterans Commission for	750	0001	Ψ	Ψ 2 0,311,200.23	Ψ	¥ 20,133,100.03		
Reimbursement TVC	902	0001	9,868,183.00	_	9,803,171.00	_		
Comptroller- Available Texas	702	0001	2,000,103.00		2,003,171.00			
University Fund	902	0001	_		22,354,263.00			
Total Legislative Transfers	702	0001	\$ 9,868,183.00	\$ 28,311,900.95	\$ 32,157,434.00	\$ 28,455,400.83		

NOTE 9: **Contingencies and Commitments**

As of August 31, 2025, and 2024, various lawsuits and claims involving Texas State were pending. While the ultimate liability with respect to litigation and other claims asserted against the university cannot be reasonably estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the university.

NOTE 10: Risk Management

WORKERS' COMPENSATION

The State of Texas Workers' Compensation program is administered by the State Office of Risk Management (SORM). As a participating agency, Texas State is assessed an annual charge for Workers' Compensation coverage for employees according to a set formula. The assessment for all fund sources was \$626,118.76 and \$535,637.00 for the fiscal years ended August 31, 2025, and 2024, respectively.

UNEMPLOYMENT COMPENSATION

The State provides an Unemployment Compensation program; actual claims are paid from several funding sources as determined by the Comptroller of Public Accounts. The Unemployment Compensation program is on a pay-as-you-go basis, in which no assets are set aside to be accumulated for the payment of claims. The assessment for all fund sources for the fiscal year ended August 31, 2025, and 2024 were \$306,607.04 and \$205,438.11, respectively.

PROPERTY AND OTHER INSURANCE COVERAGE

Property insurance is obtained through Arthur J. Gallagher Risk Management Services, Inc (Gallagher) to include fire and flood coverage for all university buildings valued in excess of \$100,000. Texas State's other property, vehicle, and special events insurance policies are also obtained through Gallagher, which is a participant in the SORM's statewide insurance program.

Notes to the Financial Statements

VEHICLE INSURANCE

The Texas Motor Vehicle Safety Responsibility Act (Texas Transportation Code, Chapter 601) requires that every non-governmental vehicle operated on a state highway be insured for minimum limits of liability in the amount of \$30,000/\$60,000 (bodily injury) and \$25,000 (property damage). There is coverage of \$1,000,000 combined single liability. The coverage exceeds the extent of the waivers of state immunity in the Tort Claims Act.

Auto insurance is obtained through Gallagher to include liability coverage for all university-owned vehicles as well as hired and non-owned vehicles. Liability coverage is subject to a \$1,000 deductible. Vehicles rented or leased have additional comprehensive and collision coverage subject to a \$1,000 deductible.

FOREIGN TRAVEL INSURANCE

Foreign travel accident and sickness as well as liability coverage is obtained through Gallagher. This policy covers all students, faculty, and staff of the university that travel abroad for approved university business or instruction. The coverage offers out-of-country medical benefits of \$200,000, emergency medical of \$10,000, accidental death and dismemberment, emergency medical evacuation, emergency reunion, security evacuation, chaperone replacement, and war risk. The policy provides general liability coverage of \$1,000,000/\$2,000,000 and auto liability of \$1,000,000 combined single limit bodily injury and property damage.

OTHER

Texas State is exposed to a variety of civil claims resulting from the performance of its duties. It is the university's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. Liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. There were no liabilities outstanding as of August 31, 2025, and 2024.

Claims and Judgments	2025	2024		
Balance, September 1	\$ -	\$ -		
Increases	396,297.25	208,956.80		
Decreases	(396,297.25)	(208,956.80)		
Balance, August 31	\$ -	\$ -		

NOTE 11: The Financial Reporting Entity

Component Units are legally separate organizations for which the officials of the primary government are financially accountable. In addition, Component Units 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. The legally separate entities having the closest relationships with the University are reported as blended component units, and those having slightly more separation or independence from the University are reported as discrete component units. Both are described below.

COMPONENT UNITS

Blended Component Units

The financial transactions and records of the following component units are blended with the financial transactions and records of Texas State due to the significance of their operational or financial relationship with the university.

The **Texas State University Research Foundation** (Research Foundation) was formed as an independent 501(c)(3) organization on July 22, 2010. The Research Foundation was formed to support the university's mission and objectives of promoting higher education, conducting research, providing public service, and assisting in economic development in Texas. The Research Foundation is exclusively associated with the university and its fiscal year end concludes on February 28th.

The Research Foundation is included in Texas State's financial statements as a blended component unit in accordance with GASB Statement 14, as amended. Texas State's key business officers comprise the entirety of the Research Foundation's officers and directors, thereby enabling Texas State to impose its will on the Research Foundation. Condensed financial information appears below. Separate financial statements may be obtained by contacting Texas State University, Director of Financial Reporting and Accounting, 601 University Drive, JCK 549, San Marcos, TX 78666-4684 or financialreporting@txstate.edu.

The Harold M. Freeman Education Foundation (Freeman Foundation) is a legally separate entity formed through a trust to make the use of Freeman Ranch available exclusively to Texas State. The Freeman Center is used and operated solely for farm, ranch and game management, education, and research purposes in connection with the educational activities of Texas State. There is no formal governing board for the Freeman Foundation. Texas State acts as an active co-trustee to operate the Center. Frost Bank operates as an inactive trustee to ensure the provisions of the trust are followed. Based on the Freeman Foundation's close relationship to Texas State, it is included as a blended component unit. Information about the Freeman Foundation may be obtained by contacting Texas State University, Director of Financial Reporting and Accounting, 601 University Drive, JCK 549, San Marcos, TX 78666-4684 or financialreporting@txstate.edu.

Condensed Financial Information for Blended Component Units

Year Ended: February 28 August 31 Condensed Statement of New Position Assets Current Assets \$ 139,751.00 \$ 14,320.12 Capital Assets 139,751.00 66,276.28 Liabilities Current Liabilities 1.00 66,276.28 Non-Current Liabilities 200,000.00 6.00 Total Liabilities 200,000.00 6.00 Net Position \$ 1,956.16 Restricted, Expendable 14,320.12 Unrestricted (60,250.00) \$ 66,276.28 Total Net Position \$ (60,250.00) \$ 66,276.28 Condensed Statement of Revenues, Expenses and Changes in Net Position Operating Revenues Less: Depreciation Expense 270,384.00 110,242.66 Less: Depreciation Expense 270,384.00 111,061.99 Operating Revenues 96,600.00 (33,389.72) Non-Operating Revenues 1,354.27 Change in Net Position 96,600.00 (30,99		Research Foundation	Freeman Foundation	
Assets \$ 139,751.00 \$ 14,320.12 Capital Assets, Net 139,751.00 \$ 66,276.28 Total Assets 139,751.00 66,276.28 Liabilities 1.00 \$ 1.00 Current Liabilities 200,000.00 0.00 Total Liabilities 200,000.00 0.00 Net Position \$ 51,956.16 14,320.12 Capital Assets, Net of Related Debt 66,276.28 14,320.12 Restricted, Expendable (60,250.00) \$ 66,276.28 Unrestricted (60,250.00) \$ 66,276.28 Total Net Position \$ (60,250.00) \$ 66,276.28 Condensed Statement of Revenues, Expenses and Changes in Net Position 102,242.66 Less: Depreciation Expense 270,384.00 111,061.99 Operating Revenues 366,984.00 (33,389.72) Non-Operating Revenues 5,602.61 17,356.02 Transfers In / Transfer Out (3,212.67) (3,212.67) Change in Net Position, Beginning (156,850.00) 97,276.06 Net Position, Beginning (60,250.00) 66,276.28	Year Ended:	February 28	August 31	
Current Assets \$ 139,751.00 \$ 14,320.12 Capital Assets, Net 139,751.00 66,276.28 Liabilities \$ 1.00 \$ 66,276.28 Current Liabilities \$ 200,000.00 \$ 0.00 Non-Current Liabilities \$ 200,000.00 \$ 0.00 Notal Liabilities \$ 51,956.16 \$ 14,320.12 \$ 1.00 Restricted, Expendable \$ 14,320.12 \$ 1.00 \$ 1.00 \$ 1.00 \$ 1.02 \$ 1.00	Condensed Statement of Ne	et Position		
Liabilities 1.00 Current Liabilities 2.00,000.00 Total Liabilities 200,001.00 0.00 Net Position Capital Assets, Net of Related Debt 51,956.16 Restricted, Expendable 14,320.12 Unrestricted (60,250.00) \$ 66,276.28 Condensed Statement of Revenues, Expenses and Changes in Net Position Operating Revenues \$ 366,984.00 \$ 102,242.66 Less: Depreciation Expense 24,570.39 24,570.39 Operating Income/(Loss) 96,600.00 (33,389.72) Non-Operating Revenues 96,600.00 (33,212.67) Tonage in Net Position 96,600.00 (30,999.78) Net Position, Beginning (156,850.00) 97,276.06 Net Position, Ending (156,850.00) 97,276.06 Net Cash Provided (Used) by: Condensed Statement of Cash Plows Net Cash Provided (Inancing Activities 366,984.00 \$ (8,819.33) Non-Capital Financing Activities (270,384.00) \$ (8,819.35) Non-Capital Financing Activities (270,384.00) \$ (8,819.35)	Current Assets Capital Assets, Net		51,956.16	
Current Liabilities 1.00 Non-Current Liabilities 200,000.00 Total Liabilities 200,001.00 0.00 Net Position 51,956.16 Restricted, Expendable 14,320.12 Unrestricted (60,250.00) \$66,276.28 Condensed Statement of Revenues, Expenses and Operating Revenues \$366,984.00 \$102,242.66 Less: Depreciation Expense 24,570.39 0perating Expenses 24,570.39 Operating Income/(Loss) 96,600.00 33,389.72 Non-Operating Revenues 5,602.61 111,061.99 Operating Income/(Loss) 96,600.00 33,389.72 Non-Operating Revenues 5,602.61 17 ansfer Out 3,212.67 Change in Net Position 96,600.00 30,999.78 Net Position, Beginning (156,850.00) 97,276.06 Net Position, Ending \$66,250.00 \$6,819.33 Non-Capital Financing Activities \$366,984.00 \$(8,819.33) Non-Capital Financing Activities \$366,984.00 \$(8,819.33) Non-Capital and Related Financing Activities (270,384.00) \$1,035.67 </td <th>Total Assets</th> <td>139,751.00</td> <td>66,276.28</td>	Total Assets	139,751.00	66,276.28	
Capital Assets, Net of Related Debt 51,956.16 Restricted, Expendable 14,320.12 Unrestricted (60,250.00) Total Net Position \$ (60,250.00) \$ 66,276.28 Condensed Statement of Revenues, Expenses and Changes in Net Position Operating Revenues 24,570.39 Coperating Expenses 270,384.00 \$ 102,242.66 Less: Depreciation Expense 24,570.39 111,061.99 Operating Expenses 270,384.00 111,061.99 Operating Income/(Loss) 96,600.00 (33,389.72) Non-Operating Revenues 5,602.61 (3,212.67) Change in Net Position 96,600.00 (30,999.78) Net Position, Beginning (156,850.00) 97,276.06 Net Position, Ending (60,250.00) 66,276.28 Condensed Statement of Cash Flows Net Cash Provided (Used) by: (270,384.00) 1,354.27 Capital and Related Financing Activities (270,384.00) 1,354.27 Capital and Related Financing Activities 1,035.67 Beginning Cash Equivalents 43,151.00 20,749.51	Current Liabilities Non-Current Liabilities	200,000.00	0.00	
Condensed Statement of Revenues, Expenses and Changes in Net Position Operating Revenues \$ 366,984.00 \$ 102,242.66 Less: Depreciation Expense 24,570.39 24,570.39 Operating Expenses 270,384.00 111,061.99 Operating Income/(Loss) 96,600.00 (33,389.72) Non-Operating Revenues 5,602.61 Transfers In / Transfer Out (3,212.67) Change in Net Position 96,600.00 (30,999.78) Net Position, Beginning (156,850.00) 97,276.06 Net Position, Ending \$ (60,250.00) \$ 66,276.28 Condensed Statement of Cash Flows Net Cash Provided (Used) by: (270,384.00) \$ (8,819.33) Non-Capital Financing Activities (270,384.00) 1,354.27 Capital and Related Financing Activities (270,384.00) 1,354.27 Capital and Related Financing Activities 1,035.67 Beginning Cash Equivalents 43,151.00 20,749.51	Capital Assets, Net of Related Debt Restricted, Expendable	(60,250.00)		
Condensed Statement of Revenues, Expenses and Changes in Net Position Operating Revenues \$ 366,984.00 \$ 102,242.66 Less: Depreciation Expense 24,570.39 24,570.39 Operating Expenses 270,384.00 111,061.99 Operating Income/(Loss) 96,600.00 (33,389.72) Non-Operating Revenues 5,602.61 Transfers In / Transfer Out (3,212.67) Change in Net Position 96,600.00 (30,999.78) Net Position, Beginning (156,850.00) 97,276.06 Net Position, Ending \$ (60,250.00) \$ 66,276.28 Condensed Statement of Cash Flows Net Cash Provided (Used) by: (270,384.00) \$ (8,819.33) Non-Capital Financing Activities (270,384.00) 1,354.27 Capital and Related Financing Activities (270,384.00) 1,354.27 Capital and Related Financing Activities 1,035.67 Beginning Cash Equivalents 43,151.00 20,749.51	Total Net Position	\$ (60,250.00)	\$ 66,276.28	
Net Position, Ending\$ (60,250.00)\$ 66,276.28Condensed Statement of Cash FlowsNet Cash Provided (Used) by:Operating Activities\$ 366,984.00\$ (8,819.33)Non-Capital Financing Activities(270,384.00)1,354.27Capital and Related Financing ActivitiesInvesting Activities1,035.67Beginning Cash Equivalents43,151.0020,749.51	Less: Depreciation Expense Operating Expenses Operating Income/(Loss) Non-Operating Revenues Transfers In / Transfer Out	270,384.00 96,600.00	24,570.39 111,061.99 (33,389.72) 5,602.61 (3,212.67)	
Net Position, Ending\$ (60,250.00)\$ 66,276.28Condensed Statement of Cash FlowsNet Cash Provided (Used) by:Operating Activities\$ 366,984.00\$ (8,819.33)Non-Capital Financing Activities(270,384.00)1,354.27Capital and Related Financing ActivitiesInvesting Activities1,035.67Beginning Cash Equivalents43,151.0020,749.51	Net Position, Beginning	(156,850.00)	97,276.06	
Net Cash Provided (Used) by: Operating Activities Non-Capital Financing Activities Capital and Related Financing Activities Investing Activities Beginning Cash Equivalents \$ 366,984.00 \$ (8,819.33) \$ (270,384.00) \$ 1,354.27 \$ (270,384.00) \$ 1,354.27 \$ (270,384.00) \$ 1,035.67 \$ (270,384.00) \$				
Ending Cash Equivalents \$ 139,751.00 \$ 14,320.12	Net Cash Provided (Used) by: Operating Activities Non-Capital Financing Activities Capital and Related Financing Activities Investing Activities	\$ 366,984.00 (270,384.00)	1,354.27 1,035.67	
	Ending Cash Equivalents	\$ 139,751.00	\$ 14,320.12	

Discrete Component Units

The financial statements for the following entities are included at the end of the financial statement section as discretely presented component units of the university. The Texas State University Development Foundation (Development Foundation) was formed in 1977 to support the educational, scientific, and research mission of Texas State. The Development Foundation raises and manages endowment funds designated for scholarships and other support for the university. The 32-member Board of Trustees is

Notes to the Financial Statements

comprised of a cross-section of alumni and notable leaders who assist in the development and support of Texas State University. The fiscal year end is June 30, and audited financial statements can be obtained at the following url: https://www.ua.txst.edu/about/development-foundation/financial-activity/documents.html

The Emmett and Miriam McCoy College of Business Development Foundation (McCoy Foundation) is a 501(c)(3), founded in 2004, dedicated exclusively to the support of the McCoy College of Business Administration at Texas State. The McCoy Foundation's ten-member Board of Directors manages its investments and determines McCoy's annual funding to support chairs, professorships, undergraduate scholarships, and graduate fellowships, as well as the development of faculty, programs, and students. The board composition includes the University President, Dean of the McCoy College, and two employees of the College of Business Administration. The fiscal year end is August 31, and audited financial statements can be obtained at the following url under the Audit topic: https://www.mccoycollegefoundation.org/

RELATED ORGANIZATIONS

The **Texas State Alumni Association** (Association), while not a component unit, is disclosed due to its close relationship with the university. The Association is an affiliated organization which is controlled by a separate board of directors, pays their own expenses, and is not included in the basic financial statements of Texas State as the primary government.

The Alumni Association's efforts and funds are dedicated to the university, and are used to provide student scholarships, campus support, and alumni outreach or engagement activities. Financial activity as of and for the years ended August 31, 2025, and 2024 was as follows:

	2025	2024	
Student Scholarships	\$ 26,615.03	\$ 24,126.19	
Deposits Held in Trust at the University	\$ 204,222.00	\$ 282,263.00	

Deposits held in trust at the university are considered Custodial Funds in the financial statements.

NOTE 12: Stewardship, Compliance, and Accountability

Texas State's administration is not aware of any non-compliance items or material violations of finance-related legal and contract provisions. Per the laws of the State of Texas, Texas State cannot spend amounts in excess of appropriations granted by the Texas Legislature and there are no deficits reported in net position.

NOTE 13: Donor Restricted Endowments

Net appreciation classified as restricted, expendable on the Statement of Net Position is as follows:

2025		2024		
\$	37,597,835.25		\$	33,047,244.12

For fiscal year 2025, there was an increase in fair market value (FMV) totaling \$2,872,770.74 compared to the increase in fair value of \$5,298,488.69 for 2024. The amount reported as net appreciation represents net appreciation on investments of donor-restricted endowments available for authorization for expenditure. 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.

Distributions are calculated using a 60-month FMV rolling average times a 3.25% distribution. The individual endowments own units in a restricted investment pool, and the annual distribution is allocated on a per unit basis. Changes from prior year balances for expendable and non-expendable balances were as follows:

True Endowment Funds	2025	2024	Reason for Change
Expendable Balances	\$ 4,550,591.13	\$ 5,761,938.19	Fair value fluctuations,
Non-Expendable Balances	\$ 129,995.93	\$ 441,050.56	earnings, fees and distributions New gifts



