

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

Annual Report

Updated Financial Information
and
Operating Data

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

For the Fiscal Year Ended
August 31, 2020

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The Texas State University System Combined Annual Financial Report - Fiscal Year 2020

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

Pledged Revenues and Balances Available for Debt Service					
	2016	2017	2018	2019	2020
Available Pledged Revenues Not Including Net Position (1)	\$ 739,361,077	\$ 747,065,640	\$ 753,523,054	\$ 768,237,673	\$ 763,587,280
Unrestricted Net Position: (2)					
Unrestricted Net Position per Annual Financial Report	320,698,782	341,151,487	312,327,858	91,831,090	34,621,117
Portion attributable to Revenue Streams Unavailable for Debt Service (3)	<u>(65,022,141)</u>	<u>(103,106,586)</u>	<u>(139,015,222)</u>	<u>(136,567,451)</u>	<u>(152,792,417)</u>
As Adjusted for Revenue Streams Unavailable for Debt Service (4)	255,676,641	238,044,901	173,312,636	(44,736,361)	(118,171,300)
Pension Entry (5)	135,697,929	137,044,421	135,868,364	158,965,449	193,732,164
OPEB Entry (5)	<u>-</u>	<u>-</u>	<u>87,275,907</u>	<u>273,541,486</u>	<u>390,336,295</u>
Unrestricted Net Position After Adjustments (6)	<u>391,374,570</u>	<u>375,089,322</u>	<u>396,456,907</u>	<u>387,770,574</u>	<u>465,897,159</u>
Total Pledged Revenues and Unrestricted Net Position (4)	<u>\$ 1,130,735,647</u>	<u>\$ 1,122,154,962</u>	<u>\$ 1,149,979,961</u>	<u>\$ 1,156,008,247</u>	<u>\$ 1,229,484,439</u>
Additional Sources of Payment not Included in Pledged Revenues					
	2016	2017	2018	2019	2020
Available HEF (7)	\$ 48,802,357	\$ 73,559,204	\$ 99,297,250	\$ 107,619,849	\$ 122,784,614
Available TRB (8)	17,611,278	37,752,779	32,338,610	34,555,153	34,532,862
Total Pledged Revenues and Additional Sources	<u>\$ 1,197,149,282</u>	<u>\$ 1,233,466,944</u>	<u>\$ 1,281,615,821</u>	<u>\$ 1,298,183,249</u>	<u>\$ 1,386,801,915</u>

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

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

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

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

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

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

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

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

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

Fiscal Year End August 31	Principal	Interest	Total Annual Debt Service ^{(1)*}
2021	69,555,000	43,792,791	113,347,791
2022	71,920,000	40,755,556	112,675,556
2023	65,005,000	37,654,432	102,659,432
2024	65,975,000	34,819,177	100,794,177
2025	68,535,000	31,975,860	100,510,860
2026	71,530,000	28,991,364	100,521,364
2027	70,560,000	25,847,247	96,407,247
2028	68,265,000	22,719,826	90,984,826
2029	62,410,000	19,799,038	82,209,038
2030	58,785,000	17,060,320	75,845,320
2031	58,905,000	14,488,273	73,393,273
2032	54,110,000	11,870,629	65,980,629
2033	35,720,000	9,440,728	45,160,728
2034	37,055,000	7,829,148	44,884,148
2035	34,920,000	6,299,542	41,219,542
2036	31,170,000	4,819,783	35,989,783
2037	19,050,000	3,518,319	22,568,319
2038	19,340,000	2,870,497	22,210,497
2039	17,015,000	2,212,001	19,227,001
2040	8,990,000	1,628,770	10,618,770
2041	6,490,000	1,283,717	7,773,717
2042	6,760,000	1,018,865	7,778,865
2043	7,035,000	742,983	7,777,983
2044	7,320,000	455,871	7,775,871
2045	3,890,000	157,129	4,047,129
TOTAL	\$ 1,020,310,000	\$ 372,051,866	\$ 1,392,361,866

* A portion of such outstanding Parity Debt constitute Tuition Revenue Bonds that qualify the University System to be reimbursed from State appropriations for debt service payments in the amount of \$33.7 million during fiscal year 2021. Future reimbursement by the State for debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State Biennium.

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

TABLE A-1
Headcount Enrollment

	Fall 2016	Fall 2017	Fall 2018	Fall 2019
Lamar Institute of Technology	2,757	2,983	3,260	4,011
Lamar State College - Orange	2,338	2,293	2,350	2,395
Lamar State College - Port Arthur	2,051	2,293	2,413	2,710
Lamar University	14,391	13,929	14,176	14,811
Sam Houston State University	20,477	20,938	21,025	21,363
Sul Ross State University	3,085	2,970	2,775	2,465
Texas State University	38,808	38,666	38,644	38,187
Total	83,907	84,072	84,643	85,942

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

Note: Does not include students enrolled in non-credit formula funded courses. Fall 2020 data are not certified

TABLE A-2
Graduate Enrollment (1)

	Fall 2016	Fall 2017	Fall 2018	Fall 2019
Lamar University	5,213	4,800	5,364	6,201
Sam Houston State University	2,575	2,522	2,552	2,580
Sul Ross State University	817	740	687	571
Texas State University	4,564	4,486	4,457	4,270
Total	13,169	12,548	13,060	13,622

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

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

Note: Fall 2020 data are not certified.

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

	Fall 2016	Fall 2017	Fall 2018	Fall 2019
Lamar Institute of Technology	1,848	1,981	2,112	2,453
Lamar State College - Orange	1,416	1,371	1,360	1,427
Lamar State College - Port Arthur	1,218	1,315	1,474	1,645
Lamar University	8,791	9,294	9,815	9,230
Sam Houston State University	16,496	16,889	17,157	17,493
Sul Ross State University	2,015	1,951	1,836	1,643
Texas State University	31,812	31,792	31,845	31,540
Total	63,596	64,593	65,600	65,431

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

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

Note: Does not include students enrolled in non-credit formula funded courses. Fall 2020 data are not certified

TABLE A-4
Systemwide Enrollment by Residency

	Fall 2016	Fall 2017	Fall 2018	Fall 2019
Texas Residents	80,158	80,706	81,315	82,749
Non-Texas Residents	1,996	2,016	2,116	2,126
Non-US Residents	1,753	1,350 (1)	1,212	1,067
Total	83,907	84,072	84,643	85,942

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

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

Note: Does not include students enrolled in non-credit formula funded courses. Fall 2020 data are not certified.

TABLE A-5
Admissions and Matriculation (1)

	2016	2017	2018	2019	2020
Applications Submitted	42,514	43,986	43,750	44,784	48,136
Applications Accepted	30,687	32,456	34,597	34,841	39,405
Matriculation	10,432	10,691	10,917	10,875	10,396
Percentage Accepted	72%	74%	79%	78%	82%
Percentage Matriculated	34%	33%	32%	31%	26%

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

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

Note: Fall 2020 data are not certified.

TABLE A-6
Systemwide Degrees Awarded

	2016	2017	2018	2019	2020
Certificate ⁽¹⁾	942	947	1,685	1,711	1,842
Associate	837	956	900	941	1,072
Baccalaureate	11,978	12,809	13,179	13,574	13,747
Master's	4,880	4,851	4,514	4,662	4,493
Doctoral	243	251	229	228	224
Total	18,880	19,814	20,507	21,116	21,378

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

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

Note: 2020 data are not certified.

TABLE A-7
Faculty and Staff Headcount by Institution

	Faculty	Staff ⁽¹⁾	Total
System Administration	0	45	45
Lamar University	587	931	1,518
Sam Houston State University	948	1,365	2,313
Sul Ross State University	160	298	458
Texas State University	1,856	2,503	4,359
Lamar Institute of Technology	157	89	246
Lamar State College - Orange	117	129	246
Lamar State College - Port Arthur	121	99	220
Total	3,946	5,459	9,405

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

Source: Components' internal data files as of Fall 2019

TABLE A-9
Current Investments

Type of Security	Reported Value
U.S. Treasury Securities	\$ 7,313,255.00
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, etc.)	9,106,829.00
Corporate Obligations	35,525,496.00
Corporate Asset and Mortgage Backed Securities	10,289,020.00
Equity	119,995,210.00
International Obligations	2,949,140.00
International Equity	16,112,580.00
International Other Commingled Funds	16,895,397.00
Domestic Mutual Funds	73,979,668.00
International Mutual Funds	50,820,079.00
Fixed Income Money Market and Bond Mutual Fund	153,830,626.00
Other Commingled Funds	43,828,126.00
Real Estate	1,739,953.00
Externally Managed Investments - Domestic	15,538,825.00
Miscellaneous	3,500,070.00
Subtotal Investments	\$ 561,424,274.00
Other Commingled Funds (TexPool)	\$ 460,663,294.00
Subtotal Cash Equivalents	\$ 460,663,294.00
Total	\$ 1,022,087,568.00
Current Unrestricted Assets - Cash Equivalents	\$ 427,756,931.00
Current Restricted Assets - Cash Equivalents	44,442,382.00
Current Restricted Assets - Short Term Investments	12,775,127.00
Noncurrent Restricted Assets - Cash Equivalents	12,009,335.00
Noncurrent Restricted Assets - Investments	200,943,135.00
Noncurrent Assets - Investments	324,160,658.00
Total	\$ 1,022,087,568.00

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Lamar University	18,697,052	20,057,710	20,429,562	20,765,829	21,241,258
Sam Houston State University	64,355,361	66,928,874	76,255,989	88,684,759	92,191,456
Sul Ross State University	15,576,019	15,654,102	15,759,243	15,576,019	21,275,174
Texas State University	18,281,587	18,730,287	20,297,055	20,954,429	15,961,762
Lamar State College - Orange	30,524	5,524	5,524	5,524	5,524
Lamar State College - Port Arthur	1,200,302	1,153,494	1,127,435	1,182,968	1,187,707
Lamar Institute of Technology	0	0	0	0	0
System Administration	7,235,466	5,537,815	5,567,228	5,628,380	5,646,185
Total	125,376,311	128,067,806	139,442,035	152,797,908	157,509,066