

Stephen F. Austin State University

Annual Report

**Continuing Disclosure Requirements of SEC Rule 15(c)2-12
Fiscal Year Ended August 31, 2024**

Stephen F. Austin State University
Annual Report
Fiscal Year Ended 08/31/2024

Continuing Disclosure Requirements of SEC Rule 15(c)2-12

This information is provided by **Stephen F. Austin State University** (SFA, the University, or the Issuer) in compliance with its contractual undertaking (the Undertaking) to provide an annual report of financial and operating information, as required by Rule 15(c)2-12 (the Rule) of the Securities and Exchange Commission, regarding the following municipal debt issues:


<u>Issuer</u> <u>CUSIP Number</u>	<u>Issue Description</u>
858620 X85	Stephen F. Austin State University \$22,255,000 Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds, Series 2013
858620 2C0	Stephen F. Austin State University \$61,205,000 Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds, Series 2016
858620 3B1	Stephen F. Austin State University \$94,290,000 Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2019A
858620 3U9	Stephen F. Austin State University \$15,925,000 Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Bonds - Taxable, Series 2019B
858620 4D6	Stephen F. Austin State University \$15,935,000 Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds, Series 2020

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This report is based on information compiled and provided by the Issuer. This information has been obtained from Issuer records, unaudited financial statements and other sources which are believed to be reliable. This information is provided in satisfaction of the Undertaking, containing information as prescribed by the Rule. The Issuer makes no warranty concerning the usefulness of such information to a decision to invest in, hold or sell bonds or other debt instruments of the Issuer. Information agreed to be provided by the Issuer may be reported in full text herein, or may be incorporated by reference to certain other publicly available documents. The Undertaking requires that the Issuer provide information annually, while the debt identified above is outstanding, and that such information will be provided by a date not more than six months following the close of the Issuer's fiscal year. The required information includes financial statements of the Issuer, which may be provided separately. If it becomes available within the aforesaid period for providing information, the audited annual financial report of the Issuer will be provided, otherwise unaudited financial information will be provided within the prescribed time and audited financial information will be provided when and if it becomes available.

Approved for submission:

2-27-25
Date



Judith Kruwell
Vice President for Finance

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DEBT SERVICE REQUIREMENTS

Revenue Bonds

Fiscal Year	Total (1) Existing Debt Service	Actual Gross Coverage *
2025	21,644,634	3.40 x
2026	19,843,194	3.71 x
2027	14,570,472	5.06 x
2028	14,578,238	5.05 x
2029	13,422,684	5.49 x
2030	12,020,463	6.13 x
2031	9,441,225	7.80 x
2032	9,439,569	7.80 x
2033	9,442,080	7.80 x
2034	9,445,791	7.80 x
2035	9,440,885	7.80 x
2036	9,444,118	7.80 x
2037	9,444,800	7.80 x
2038	6,602,000	11.16 x
2039	6,603,500	11.15 x
2040	6,601,100	11.16 x
2041	6,602,475	11.16 x
2042	6,602,350	11.16 x
2043	6,600,225	11.16 x
2044	6,602,600	11.16 x
2045	6,596,400	11.17 x
2046	6,601,400	11.16 x
2047	6,597,200	11.16 x
2048	6,603,400	11.15 x
2049	6,604,500	11.15 x
Total	<u>\$ 241,395,304</u>	

* Gross pledged revenues = \$ 73,656,671 as of 8/31/2024

(1) Total existing Consolidated Revenue Debt includes the outstanding
Stephen F. Austin State University Revenue Financing System Revenue Bonds
Series 2013, Series 2015, Series 2016, Series 2019 A & B, and Series 2020.

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SECURITY OF BONDS

Table 1: Pledged Revenues

The following table contains a summary of the Pledged Revenues for the Fiscal Years Ended August 31, 2020 through 2024, including pledged unappropriated fund balances available at the beginning of the fiscal year. The Pledged Revenues consist of Unrestricted Current Funds Revenues but do not include: remissions, governmental appropriations, restricted gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds⁽³⁾; and certain student service fees in the Auxiliary Fund Group.

	For Fiscal Years Ending August 31,				
	2024	2023	2022 - Restated	2021 - Restated	2020 - Restated
Available Pledged Revenues ⁽¹⁾	\$ 166,040,612	\$ 155,636,897	\$ 161,456,763	\$ 165,167,542	\$ 165,717,522
Pledged Unrestricted Fund Balance ⁽²⁾	73,656,671	(106,183,481)	(82,940,146)	(51,280,870)	(48,387,730)
Less HEF Fund Balance ⁽³⁾	-	-	-	-	(11,726,168)
Add back balances for GASB 68 & 75, TRS Pension Liability & ERS OPEB Liability	-	188,914,236	174,495,210	158,743,983	135,313,980
Total Unrestricted Fund Balance	\$ 73,656,671	\$ 82,730,755	\$ 91,555,064	\$ 113,886,672	\$ 105,603,624

⁽¹⁾ Available Pledged Revenues include the gross revenues of the Revenue Financing System, including pledged and non-pledged student tuition/fees, pledged and non-pledged auxiliary enterprise revenues, and pledged and non-pledged other sales of goods/services. Available Pledged Revenues exclude State appropriations and restricted revenues.

⁽²⁾ Pledged Unrestricted Fund Balance include all the Unrestricted Funds as reported in Net Position on the Statement of Net Position, except unspent balances in the Higher Education Fund (HEF).

⁽³⁾ HEF fund balance was not included in Pledged Unrestricted Fund Balance beginning in 2021. As a member of the UT system beginning 9/01/23, SFA no longer participates in HEF funding.

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Table 2: Enrollment Data

First Time Freshman Statistics

Fall Enrollment by Gender Trend by Fiscal Year *

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Men	857	744	621	581	518
Women	<u>1,596</u>	<u>1,221</u>	<u>1,145</u>	<u>1,051</u>	<u>1,041</u>
Total	<u><u>2,453</u></u>	<u><u>1,965</u></u>	<u><u>1,766</u></u>	<u><u>1,632</u></u>	<u><u>1,559</u></u>
Annual % Change	24.83%	11.27%	8.21%	4.68%	-17.73%
One Year Retention Rate **	71.0%	71.3%	73.2%	76.2%	76.9%

* Represents Full-Time Enrollment Students

** One-year retention rates for the fall year are return rates for first-time, full-time freshmen enrolled in prior fall term.

Residency Statistics

<u>Student Types</u>	<u>Fall 2024</u>	<u>Summer 2024</u>	<u>Spring 2024</u>	<u>Fall 2023</u>
Texas Resident	10,112	3,655	9,351	10,454
Out of State	59	39	94	52
Foreign	301	143	313	275
Inter-institutional	-	-	-	-
Total	<u><u>10,472</u></u>	<u><u>3,837</u></u>	<u><u>9,758</u></u>	<u><u>10,781</u></u>

Exemption Status

<u>Exemption and Waiver Types</u>	<u>Fall 2024</u>	<u>Summer 2024</u>	<u>Spring 2024</u>	<u>Fall 2023</u>
Hazlewood Act and Legacy	499	184	414	483
High School Scholarship	21	-	30	27
Visually & Hearing Impaired	53	27	40	45
Adopted and Foster Care	94	39	80	96
Dual Credit	404	29	747	863
Distance Education	-	-	-	-
Other Exemptions	356	263	365	330
Out of State Waivers	385	197	376	378

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Undergraduate and Graduate Fall Enrollment Data

<u>Fiscal Year</u>	<u>Students</u>	<u>Semester Hours</u>
2025 (Fall 2024)	10,472	131,155
2024 (Fall 2023)	10,781	131,438
2023 (Fall 2022)	11,327	135,554
2022 (Fall 2021)	11,946	143,729
2021 (Fall 2020)	12,620	150,785

Curriculum

SFA is a comprehensive institution serving students (97% Texas residents) through a variety of undergraduate and graduate programs. More than 80 undergraduate programs and over 40 Master's programs are available in six colleges (Business, Education, Fine Arts, Forestry and Agriculture, Liberal and Applied Arts and Sciences and Mathematics). The Master's degrees include two terminal degree programs, the Master of Fine Arts in Art and Master of Social Work. Additionally, SFA offers the Doctor of Philosophy in Forestry, the Doctor of Education in Educational Leadership, the Doctor of Philosophy in School Psychology, and the Doctor of Social Work.

Degrees Awarded by School and Percent Total

For Fiscal Year Ended August 31,										
	<u>2024</u>		<u>2023</u>		<u>2022</u>		<u>2021</u>		<u>2020</u>	
Business	361	14.84%	360	13.55%	408	14.61%	433	14.68%	432	15.34%
Education	629	25.84%	688	25.89%	740	26.51%	883	29.93%	773	27.45%
Fine Arts	163	6.70%	175	6.59%	178	6.38%	165	5.59%	180	6.39%
Forestry and Agriculture	159	6.54%	138	5.19%	143	5.12%	142	4.81%	138	4.90%
Liberal and Applied Arts	392	16.11%	437	16.45%	439	15.72%	449	15.22%	441	15.66%
Sciences & Mathematics	260	10.69%	298	11.22%	322	11.53%	333	11.29%	295	10.48%
Graduate	469	19.28%	561	21.11%	562	20.13%	545	18.48%	557	19.78%
Total	2,433	100.00%	2,657	100.00%	2,792	100.00%	2,950	100.00%	2,816	100.00%

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Faculty Profile

During the fall semester 2024, the University employed 427 full-time instructional faculty and 234 part-time faculty (excludes teaching assistants).

<u>Academic Credentials</u>	<u>Number</u>	<u>Academic Rank</u>	<u>Number</u>	<u>% Tenured</u>
Doctorate	390	Professor	123	99.19%
Master's Degree (or equivalent)	217	Associate Professor	123	95.12%
Other	54	Assistant Professor	118	17.80%
		Instructor	0	0.00%
		Lecturer	72	2.78%
		Visiting/Special Prof.	62	0.00%
		Adjunct	163	4.91%
	<u>661</u>	Total	<u>661</u>	<u>40.85%</u>

Endowments

The University is benefited by endowments with a market value at August 31, 2024 of approximately \$139.5 million. These include endowments for the University, SFA Foundation and SFA Alumni Association. As of August 31, 2024, true endowment funds under the direct control of the University had a value of approximately \$83.7 million while quasi endowment funds had a value of approximately \$2.8 million. Endowment funds under direct control of the University are invested in University of Texas/Texas A&M Investment Management Company (UTIMCO). The University's target distribution rate is 4%.

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Retirement Information

The State of Texas has joint contributory retirement plans for all of its benefits-eligible employees. One of the plans in which the University participates is administered by the Teacher Retirement System of Texas (TRS). The TRS defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. During the measurement period of 2023 for fiscal 2024 reporting, the contributory percentages by the State and by each participant were 8.25% and 8.25%, respectively, of annual compensation. Further information regarding actuarial assumptions and conclusions, together with audited financial statements, are included in TRS' annual financial report. Additional information about the TRS plan can be found in Note 17 of the UT System Consolidated Financial Statements.

The State has also established an Optional Retirement Program (ORP) for institutions of higher education for certain administrative personnel and faculty. Participation in ORP is in lieu of participation in TRS, and the selection to participate in ORP must be made in the first 90 days of eligibility. The ORP allows participants to select from a variety of companies for the purchase of annuity contracts or to invest in mutual funds. The State provides an option for a local supplement on top of the state base rate. Each institution within the System can decide to adopt and fund a local supplement each year to provide each ORP employee the maximum employer rate. The chancellor then approves the employer rates each fiscal year. SFA has decided to adopt and fund the local supplement for the maximum employer rate. Contributions are made by participants (6.65% of annual compensation) and the University (6.6% State base rate plus local supplement for a maximum of 8.5%). Since these are individual annuity contracts or mutual fund investments, the University has no additional or unfunded liability for this program. Additional information about the ORP plan can be found in Note 17 of the UT System Consolidated Financial Statements.

Fiscal Year 2024 TRS and ORP Contributions:

Source of Contributions	TRS Contributions	ORP Contributions	Total
Member	\$ 5,628,992.75	\$1,743,836.27	\$7,372,829.02
University	3,673,542.41	1,045,641.94	4,719,184.35
State	1,846,095.36	1,205,440.21	3,051,535.57
Total	\$ 11,148,630.52	\$3,994,918.42	\$15,143,548.94

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SELECTED FINANCIAL INFORMATION

Financial Reports

Prior to September 1, 2023, SFA was an independent public university within the State of Texas, governed by the Stephen F. Austin State University Board of Regents. As an independent university, SFA issued a stand-alone financial report. On September 1, 2023, the University was reestablished in statute as Stephen F. Austin State University, a member of The University of Texas System (UT System) pursuant to legislation enacted by the 88th Texas Legislature. SFA's Board of Regents was dissolved and the University became subject to the authority of the UT System Board of Regents. Under UT System, SFA's annual financial information is reported as a component of the UT System Consolidated Annual Financial Report. SFA's Vice President for Finance is responsible for the financial management of the University's cash, risk, budgets, accounting, and financial reporting.

State ACFR

The State issues an audited Annual Comprehensive Financial Report (ACFR), prepared in accordance with generally accepted accounting principles, for the State as a whole. The ACFR for each year is normally available in April of the following year. The ACFR is prepared by the State Comptroller of Public Accounts and is audited by the State Auditor's Office. The State Auditor expresses an opinion on the ACFR but does not express an opinion on the financial reports of individual member units, including those of Stephen F. Austin State University.

Stephen F. Austin State University Financial Reports

SFA became a member of the UT System and remains an agency of the State of Texas (State). The University's financial records comply with the State's statutes and regulations. This includes compliance with the Texas Comptroller of Public Account's Reporting Requirements for the Annual Financial Reports of State Agencies and Universities.

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Table 3 – Statement of Revenues and Changes in Net Position (1)(2)

	<u>For Fiscal Years Ending August 31,</u>				
	2024*	2023	2022	2021	2020
Operating Revenues:					
Tuition & Fees - Pledged	\$ 115,398,899	\$ 107,981,990	\$ 115,572,126	\$ 124,442,915	\$ 124,442,983
Tuition & Fees - Non-Pledged	-	3,778,243	4,036,094	4,331,692	4,382,524
Tuition - Discounts/Allowances	(64,404,893)	(37,994,706)	(33,796,430)	(47,773,232)	(41,219,485)
Auxiliary Enterprise - Pledged	43,741,473	35,829,124	32,631,194	29,480,475	31,399,353
Auxiliary Enterprise - Non-Pledged	-	2,511,437	3,027,434	2,122,909	1,827,389
Auxiliary Enterprise - Discounts/Allowances	(286,378)	(9,774,352)	(9,516,358)	(11,089,230)	(10,894,812)
Other Sales of Goods and Svcs - Pledged	6,900,240	4,690,528	5,374,027	4,218,199	3,141,965
Other Sales of Goods and Svcs - Non-Pledged	-	845,575	815,888	571,352	523,309
Federal Revenue	3,630,937	1,877,833	1,510,072	1,320,022	1,802,046
Federal Pass Through Rev from Non-State Entities	-	13,950	67,200	245,455	77,179
Federal Pass Through Revenue	953,094	1,440,006	944,525	2,632,795	830,483
State Pass Through Revenue	13,305,879	12,120,594	11,910,766	11,746,071	12,440,400
Local Contracts and Grants	1,691,308	2,170,345	620,544	1,129,224	667,716
Other Contracts and Grants	650,734	484,873	340,119	319,452	757,516
Other Operating Revenues - Pledged	358,322	234,996	334,075	209,967	700,983
Other Operating Revenues - Non-Pledged	-	92,022	3,345	4,139	47,343
Total Operating Revenues	121,939,615	126,302,458	133,874,621	123,912,206	130,926,890
Operating Expenses:					
Salaries and Wages	105,824,554	101,713,446	94,624,494	101,376,211	102,619,588
Payroll Related Costs	39,290,469	47,680,368	48,309,999	57,302,917	60,508,281
Membership Dues	491,883	-	-	-	-
Registration Fees, Meetings, Conferences	586,633	-	-	-	-
Professional Fees and Services	2,394,335	2,644,077	2,787,982	2,348,435	2,585,960
Other Contracted Services	14,069,649	11,085,638	11,655,158	7,845,745	9,194,859
Fees and Other Charges	2,047,221	-	-	-	-
Travel	3,234,984	3,496,312	3,173,511	1,109,966	1,822,363
Materials and Supplies	17,392,958	19,806,486	12,444,872	11,139,689	10,463,593
Communication and Utilities	8,998,813	9,624,355	8,953,759	8,258,422	8,312,862
Repairs and Maintenance	5,998,007	6,451,354	5,624,618	5,028,835	4,542,671
Rentals and Leases	3,188,211	2,607,374	3,183,696	2,576,824	2,582,531
Printing and Reproduction	508,201	396,458	504,939	285,271	307,754
Bad Debt Expense	73,149	367,173	859,605	-	-
Insurance Costs/Premiums	470,924	-	-	-	-
Scholarships	9,023,638	20,628,232	24,536,337	33,675,827	22,682,015
Amortization	-	141,074	-	-	-
Depreciation	22,947,932	18,812,869	19,207,098	18,823,601	19,213,096
Federal Pass Through Expenditure	43,067	2,705	-	-	-
Fed Pass Through Exp to Non-State Entities	-	16,815	16,838	-	19,732
Interest Expense	-	18,809	576	125	134
Claims and Settlements	-	541	35,000	-	37,800
Other Operating Expenses	2,770,597	4,884,887	6,991,979	6,081,628	5,876,434
Total Operating Expenses	239,355,224	250,378,973	242,910,460	255,853,495	250,769,673
Operating Income (Loss)	(117,415,609)	(124,076,515)	(109,035,839)	(131,941,290)	(119,842,783)

* Some presentation changes are related to membership in the UT System. Also note that as a member of the UT System, SFA net assets no longer include liabilities for bonded indebtedness, GASB 68 Net Pension Liability, or GASB 75 Other Post Employment Benefits.

(1) Some columns may not foot due to rounding. (2) Restated as necessary.

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Table 3 – Statement of Revenues and Changes in Net Position (1)(2) – continued

	For Fiscal Years Ending August 31,				
	2024*	2023	2022	2021	2020
Non-Operating Revenues (Expenses):					
Legislative Revenue	\$ 78,466,724	\$ 39,301,837	\$ 39,152,020	\$ 36,406,557	\$ 39,106,062
Additional Appropriations	-	11,317,442	9,972,909	10,743,445	10,650,410
Federal Revenue	23,929,550	20,665,518	23,108,074	70,292,372	31,535,813
Gifts - Non-Pledged	9,336,378	9,359,443	7,398,661	6,734,995	5,463,161
Gifts - Pledged	-	265,159	237,674	1,000,000	-
Other Rental Income	-	158,414	151,246	178,908	138,668
Investment Income-Pledged	7,659,051	6,142,270	456,323	3,498,010	3,339,599
Investment Income-Non-Pledged	-	1,501,674	75,574	1,572,555	1,026,962
Net Increase (Decrease) Fair Value - Pledged	3,883,285	-	(12,873,383)	7,862,028	5,283,026
Net Increase (Decrease) Fair Value - Non-Pledged	-	(609,562)	(1,991,950)	1,971,919	177,797
Investing Activities Expenses	-	(330,084)	(474,933)	(457,037)	(376,003)
Income on Loans Receivable	-	26,066	24,615	(168,136)	30,515
Interest Income on Capital Investments - Pledged	-	2,227,938	393,152	240,323	1,773,403
Interest Expenses and Fiscal Charges	(234,683)	(8,356,168)	(6,244,380)	(7,243,291)	(7,664,055)
Gain(Loss) on Sale of Capital Assets	(321,013)	(438,773)	(28,235)	417,202	(1,131)
Settlement of Claims	-	274,387	310,669	294	159,889
Other Non-Operating Revenues (Expenses)	(1,012,613)	4,944,480	256,773	348,347	193,464
Total Non-Operating Revenues (Expenses)	121,706,678	86,450,041	59,924,809	133,398,489	90,837,581
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	4,291,069	(37,626,474)	(49,111,030)	1,457,199	(29,005,201)
Other Revenues, Expenses, Gains/Losses and Transfers					
Capital Contributions	3,995	195,487	149,608	4,183,278	253,600
Capital Appropriations (HEF)	-	11,277,793	11,277,793	11,277,793	11,636,163
Additions to Permanent and Term Endowments	69,740,014	11,868	240,990	23,478	45,498
Lapsed Appropriations	(18,388)	4,600	(4,600)	(100)	(1,632,928)
Legislative Transfer In	-	404,609	381,499	403,398	376,564
Transfers-In	253,099,591	280,994	248,437	265,086	221,308
Transfers-Out	(61,111,744)	(3,112)	(6,034)	1,751	(570)
Total Other Revenue, Expenses, Gain/Losses and Transfers	261,713,469	12,172,238	12,287,693	16,154,685	10,899,635
Change in Net Position	266,004,537	(25,454,236)	(36,823,337)	17,611,883	(18,105,566)
Net Position, Beginning of Year	16,364,533	41,728,481	78,651,874	61,007,067	79,284,267
Restatements	188,915,558	90,289	(100,056)	32,923	(171,634)
Net Position, Beginning of Year - Restated	205,280,091	41,818,769	78,551,818	61,039,990	79,112,633
Net Position, August 31, 20xx	\$ 471,284,629	\$ 16,364,533	\$ 41,728,481	\$ 78,651,874	\$ 61,007,067

* Some presentation changes are related to membership in the UT System. Also note that as a member of the UT System, SFA net assets no longer include liabilities for bonded indebtedness, GASB 68 Net Pension Liability, or GASB 75 Other Post Employment Benefits.

(1) Some columns may not foot due to rounding. (2) Restated as necessary.

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Fund Balances (1)(2)

	For Fiscal Years Ending August 31,				
	2024*	2023	2022	2021	2020
Invested in Capital Assets (Net of Related Debt)	\$ 248,417,644	\$ 77,095,096	\$ 81,333,960	\$ 81,340,280	\$ 71,755,447
Restricted for:					
Debt Retirement					
Capital Projects	43,143,474	8,942,937	6,453,068	11,006,727	4,304,325
Funds Held as Permanent Endowments					
Non-Expendable	80,337,927	6,359,901	6,348,034	6,107,044	6,083,566
Expendable	3,040,728	4,017,207	4,025,773	5,712,933	3,837,457
Other	22,688,185	26,132,873	26,507,792	25,765,761	23,414,002
Unrestricted	73,656,671	(106,183,481)	(82,940,146)	(51,280,870)	(48,387,730)
	<u>\$ 471,284,629</u>	<u>\$ 16,364,534</u>	<u>\$ 41,728,481</u>	<u>\$ 78,651,874</u>	<u>\$ 61,007,067</u>

*As a member of UT System, SFA net assets no longer include liabilities for bonded indebtedness, GASB 68 Net Pension Liability, or GASB 75 Other Post Employment Benefits.

(1) Some columns may not foot due to rounding.

(2) Restated as necessary.

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Funding for the University

Funding for the University for the Fiscal Year ended August 31, 2024 consisted of government appropriations; tuition and student fees; gifts; investment and endowment income; sales and services; auxiliary enterprises; and other sources. The amounts and the sources of such funding vary from year to year and there is no guarantee that the source or amounts of such funding will remain the same in future years. See "State Government Appropriations" on page 13.

Tuition and Fees

Each Texas public university granting degrees charges tuition and fees as authorized by the State Legislature and the governing Board under Chapters 54 and 55 of the Texas Education Code. Tuition charges are comprised of "State Mandated Tuition," "Board Designated Tuition" and "Board Authorized Tuition," as further described below.

State Mandated Tuition

Section 54.051, Texas Education Code, currently permits (i) undergraduate tuition applicable to state residents to be charged up to \$50 per semester credit hour; and (ii) tuition of a non-resident student at a general academic teaching institution or medical and dental unit to be increased to an amount equal to the average of the non-resident undergraduate tuition charged to a resident of the State at a public state university in each of the five most populous states other than the State (the amount of which would be computed by the Coordinating Board for each academic year). For the 2024-25 academic year, the Coordinating Board computed \$460 per semester credit hour for non-resident undergraduate tuition.

Section 56.033 of the Texas Education Code requires that not less than 15% of each resident student's tuition charge for State mandated tuition and 3% of each non-resident student's tuition charge for State Mandated tuition be set aside for Texas Public Education Grants.

Board Designated Tuition

In 2003, the Texas Legislature approved and the Governor signed into law House Bill 3015, which provided for the deregulation of a portion of tuition that a governing board of an institution of higher education, such as the Board, has the authority to charge under Section 54.0513 of the Texas Education Code. Effective with the tuition that was charged for the fall 2003 semester, a governing board may charge any student an amount (referred to as "Board Designated Tuition") that it considers necessary for the effective operation of the institution. The new legislation also granted authority to the governing board to set a different tuition rate for each program and course level offered by the institution. This new authority offers more opportunity for the University to develop a tuition schedule that assists in meeting its strategic objectives in terms of access, affordability, effective use of campus resources, and improvement of graduation rates.

Beginning with the spring 2024 semester with no subsequent changes, the Board authorized the Board Designated Tuition rate for all University students to vary from \$91.80 to \$268.42 per credit hour depending on the number of semester credit hours taken.

Board Designated Tuition (General Fee) for the	\$ Minimum	\$ Maximum
Fall 2020 - 2021 Academic Year :	\$204.00	\$3,221
Fall 2021 - 2022 Academic Year :	\$204.00	\$3,221
Fall 2022 - 2023 Academic Year :	\$204.00	\$3,221
Fall 2023 - 2024 Academic Year :	\$204.00	\$3,221
Fall 2024 - 2025 Academic Year :	\$204.00	\$3,221

Consistent with Section 56.011 and 56.012 of the Texas Education Code, no less than 15% of the Board designated tuition charged to resident undergraduate and resident graduate students in excess of \$46 per semester hour will be set aside to provide financial assistance to resident students.

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The Board has adopted guaranteed tuition and fee rates allowing students to pay the same rate of tuition for up to four years (twelve consecutive semesters) with certain variances for tuition requirements for certain programs. After the expiration of four years, students will pay the current year's rates for each term until completion. For the 2024-25 academic year, students may elect the variable one-year rate or a four-year guaranteed rate of from \$145.62 to \$299.67 per semester credit hour depending on the number of semester credit hours taken.

The Board has no assurance that the State Legislature will not place future limits on the Board's ability to charge Board Designated Tuition in an amount that it considers necessary for the effective operation of the University. However, Section 55.16 of the Texas Education Code specifically allows the Board to levy and collect any necessary fees, tuition, rentals, rates, or other charges necessary to provide funds sufficient for the payment of outstanding Parity Obligations.

Board Authorized Tuition

Section 54.008 of the Texas Education Code permits the governing board of each institution to set tuition for graduate programs for that institution at a rate that is at least equal to that of the State Mandated tuition, but that is not more than twice that rate. Between the maximum and minimum rates, the Board may also set differential tuition among programs offered by an institution of higher education. The Board has set graduate tuition at an additional \$30 per semester hour for both resident and non-resident graduate students. The Board has set differential tuition at an additional \$100 for undergraduate and an additional \$75 for graduate students per semester.

Set forth below is a table showing the State Mandated tuition, Board Designated tuition, Board Authorized tuition, mandatory fees, and the amount set aside for financial assistance to resident and non-resident students for the 2024-2025 academic year based on 15 semester credit hours per semester for undergraduate students and 9 semester credit hours per semester for graduate students.

State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, Mandatory Fees And Financial Set-Aside Per Semester 2024-2025 Academic Year Based on 15 Undergraduate and 9 Graduate Credit Hours for Fall Semester:						
	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees	Financial Assistance Set-Aside ⁽¹⁾
Resident Undergraduate	\$ 750	\$ 3,031	\$ 100	\$ 1,684	\$ 5,564	\$ 479
Resident Undergraduate-Fixed Rate (23/24 Cohort)	750	3,406	100	1,684	5,939	535
Border State Undergraduates ⁽²⁾	1,200	3,031	100	1,684	6,014	36
Non-resident Undergraduate	6,900	3,031	100	1,684	11,714	207
Resident Master's/Doctoral	450	1,836	345	1,284	3,915	333
Border State Master's/Doctoral	720	1,836	345	1,284	4,185	22
Non-resident Master's/Doctoral	4,140	1,836	345	1,284	7,605	124

⁽¹⁾ Total tuition and fees includes amounts required to be set aside for financial assistance according to Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated tuition, not less than 15% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); from Board Designated Tuition, not less than 15% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011) and not less than 15% charged to resident graduate students in excess of \$46 per semester hour is set aside for financial assistance (Section 56.012).

⁽²⁾ Consistent with Section 54.0601, students who are residents of Louisiana and enrolled at SFA shall pay a tuition rate at the University of not less than \$30.00 more than the resident tuition rate.

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State Government Appropriations

The operations of SFA are heavily dependent upon the continued support of the State through biennial appropriations of general revenues. The University receives a significant portion of its operating funds from State appropriations. The Board has no assurance that the Texas Legislature will continue to appropriate to the University the general revenue funds of the State at the same levels as in previous years. Future levels of State support are dependent upon the ability and willingness of the Texas Legislature to make appropriations to the University taking into consideration the availability of financial resources and other potential uses of such resources.

The State Legislature budgeted to the University a total of \$77,171,688 and \$58,182,186 for the 2024-2025 biennium. Included in the budget were \$65,544,840 and \$46,547,409 from the general revenue fund, \$11,618,902 and \$11,626,831 from dedicated general revenue (which includes tuition remissions from the University to the State), and \$7,946 and \$7,946 from the License Plate Trust Account for fiscal years 2024 and 2025, respectively. Additional appropriations allocated to the University for employee benefits were \$14,050,637 for 2024 and \$14,218,133 for 2025. State appropriations included a 25.56% increase in operational funding and a 6.53% increase in benefits funding.

University of Texas System Support

As a member of the UT System, the SFA may participate in funding from the Permanent University Fund (PUF). PUF funding of \$15,000,000 is anticipated for fiscal year 2025. Additional operational support for the University from the UT System related to transitioning to system membership totals \$7,500,000 for fiscal year 2025.

Private Funding

In fiscal years 2020-2024, the University received contributions (gifts, grants and contracts) averaging \$9.4 million annually from the private sector.

	For Fiscal Years Ending August 31,				
	2024*	2023	2022 - Restated	2021	2020
Private Sponsored Programs	\$ 650,734	\$ 484,873	\$ 340,119	\$ 319,452	\$ 757,516
Gift Contributions for Operations	9,336,378	9,359,443	7,398,661	6,734,995	5,463,160
Gifts - Pledged	-	265,159	237,674	1,000,000	-
Gifts and Sponsored Programs for Capital Acquisitions	3,995	195,487	149,608	4,183,278	253,600
	<u>\$ 9,991,106</u>	<u>\$ 10,304,962</u>	<u>\$ 8,126,062</u>	<u>\$ 12,237,725</u>	<u>\$ 6,474,276</u>

* Some presentation changes are related to membership in UT System.

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Table 4 – Outstanding Indebtedness (1)

Revenue Financing System Obligations	Principal	Interest
Revenue Financing System Revenue Bonds, Series 2020	\$ 13,365,000	\$ 2,101,625
Revenue Financing System Revenue Refunding Bonds, Series 2013	1,765,000	33,094
Revenue Financing System Revenue Refunding Bonds, Series 2016	38,205,000	10,333,200
Revenue Financing System Revenue Bonds, Series 2019A	88,795,000	60,699,225
Revenue Financing System Revenue Bonds, Series 2019B	12,380,000	3,169,321
Revenue Financing System Revenue Refunding Bonds, Series 2015	10,340,000	208,839
TOTAL REVENUE FINANCING SYSTEM OBLIGATIONS	164,850,000	76,545,304
Notes and Leases		
Banc of America Public Capital Corporation Equipment Lease	5,584,603	514,209
TOTAL NOTES AND LEASES	5,584,603	514,209
TOTAL OBLIGATIONS	\$ 170,434,603	\$ 77,059,513

(1) SFA bond related debt was transferred to UT System in FY24. However, SFA revenues continue to be pledged to pay the debt.

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Investment Program

The University invests public funds in its custody with primary emphasis on the preservation and safety of the principal amount. Secondly, investments must be of sufficient liquidity to meet the day-to-day cash requirements of the University. Finally, the University invests to maximize yield within the two previously indicated standards. All investments within this scope conform to applicable State statutes and UT Regent rules. Actual investment levels for eligible securities as of August 31, 2024 were:

	<u>Actual</u>	<u>Actual</u>
Local Government Investment Pool	-	-
Bank Deposits	1,528,470.84	1.05%
UTIMCO*	144,627,967.98	98.95%
Cash held in the State Treasury	-	-
Totals	<u>146,156,438.82</u>	<u>100.00%</u>

*Does not include Quasi Endowment investments. These are reflected in the Endowments table.

Endowments

The University is benefited by endowments consisting of investments which are not pledged to the payment of debt obligations. The value as of August 31, 2024 of the endowments, including both true endowments and quasi endowments, is presented in the table below:

	Market Value	Accrued Interest	Accrued Payables	Total
Endowments	\$ 83,761,726.65	\$ -	\$ 78,307.00	\$ 83,840,033.65
Quasi Endowments	2,824,873.53		-	2,824,873.53
	\$ 86,586,600.18	\$ -	\$ 78,307.00	\$ 86,664,907.18

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Deposits of Cash in Bank

Prior to September 1, 2023, Stephen F. Austin State University was an independent public university within the State of Texas and invested its funds under authority of provisions of the Texas Education Code, the Texas Property Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. On September 1, 2023, the University was reestablished in statute as Stephen F. Austin State University, a member of The University of Texas System pursuant to legislation enacted by the 88th Texas Legislature. As a member of the UT System, the University is no longer subject to the provisions of the Public Funds Investment Act. According to UT Regent Rules and the UT System Allocation Policy for Non-Endowment funds, the University invests its funds in UTIMCO.

At August 31, 2024, the carrying amount of the University's bank deposits was \$1,528,470.84 excluding fiduciary funds and total bank balances equaled \$2,989,968.38 excluding fiduciary funds.

Bank balances of \$469,352.53 were covered by federal depository insurance, and \$2,695,343.32 was covered by collateral pledged in the System's name. Included in the collateral coverage is \$174,727.47 of fiduciary funds held by the University. The collateral was held by UT System in the safekeeping departments of unrelated banks that act as the pledging banks' agents.

Cash and Temporary Investments, as reported on the university balance sheet consist of the items reported below:

Bank Deposits	
Cash in Bank	\$ 1,528,470.84
Cash and Cash Equivalents	
Petty Cash on Hand	15,315.00
Temporary Investments	-
Total Cash and Temporary Investments	<u>\$ 1,543,785.84</u>

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Investments

Investment Categories
August 31, 2024

	Investments
Other Commingled Funds - Fixed Income	252,437,451.00
Miscellaneous	-
Total Investments	<u>\$ 252,437,451.00</u>

Subsequent Events

There are no reportable subsequent events.

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