

# **2024 Annual Financial Report**



***For Fiscal Year Ended August 31, 2024***

***ANNUAL FINANCIAL REPORT***

of

**TEXAS SOUTHERN UNIVERSITY**  
(An Agency of State of Texas)

For the Year Ended  
August 31, 2024

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# **TEXAS SOUTHERN UNIVERSITY**

(An Agency of the State of Texas)

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**For the Year Ended August 31, 2024**

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## **INTRODUCTORY SECTION**

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Office of the President

# TEXAS SOUTHERN UNIVERSITY

3100 CLEBURNE ST. | HOUSTON, TEXAS 77004 | 713.313.1179

December 9, 2024

The Annual Financial Report (AFR) for Fiscal Year 2024 for Texas Southern University is a comprehensive report encapsulating our steadfast commitment to the principles of academic excellence, financial stewardship, and transformational leadership, which are the cornerstones of our institution.

As we reflect on the year ended August 31, 2024, Texas Southern University continues to advance its mission of providing accessible and exceptional education while preparing our students to thrive in a global society. Guided by the values of integrity, accountability, and innovation, we have fortified our position as a leading urban-serving comprehensive university dedicated to empowering diverse communities.

Our financial stewardship remains resolute, ensuring the highest level of accountability and transparency. This AFR details our robust processes to account for funds received from diverse sources, including state and federal agencies, public and private corporations, philanthropic foundations, and individual benefactors. We have instituted rigorous financial controls and audits to ensure these resources' judicious allocation and utilization align with the university's strategic priorities.

The university continues to be recognized for its research as an elite Carnegie R2 Institution and one of the nation's most prominent Historically Black Colleges and Universities (HBCU). TSU aims to achieve Carnegie R1 status, underscoring our commitment to addressing critical societal challenges through groundbreaking research in fields such as artificial intelligence, global energy, aerospace, and healthcare. These efforts aim to support academic excellence and maintain strong community relationships.

The administration honors its rich past while envisioning a transformative future. Key highlights of the fiscal year include approval to begin demolition of outdated facilities, paving the way to launch the upcoming TSU Transformative and Transdisciplinary Complex. This cutting-edge complex will evolve to meet the current and future needs of students, featuring state-of-the-art technology and innovative design elements to foster pedagogical best practices, research innovation, and academic excellence across disciplines. The complex encompasses three (3) facilities: The Catalyst for Urban Transformation, Nabrit Science Center, and the Health and Wellness Center. TSU also celebrated the renovation of the historic Rhinehart Auditorium, which has revitalized one of Texas Southern University's most cherished spaces, creating a modern venue that honors its legacy while enhancing the cultural and academic experiences of our students and community.

The University achieved remarkable milestones in both our academic and philanthropic endeavors. Notably, we exceeded 62% of our Key Performance Measure Targets and the prior year's Outcomes on 23% of the Key Performance Measures. The University experienced the highest 4-year graduation rate, a 10-percentage point increase over the prior year. The six-year graduation rate improved by two (2) percentage points, the percentage of first-generation college graduates exceeded the state target by seven (7) percentage points, and student loan debt at the time of graduation declined by five (5) percentage points.

Texas Southern University proudly achieved a significant advancement this fiscal year, surpassing \$100 million in endowment, a testament to the unwavering support and confidence of our donors, alumni, and partners. This remarkable accomplishment enhances the university's ability to invest in transformative initiatives, scholarships, and programs that empower our students and advance our mission.



As we move forward, our commitment to maintaining the trust of our stakeholders through full and open financial disclosures remains unwavering. Texas Southern University is committed to financial transparency as substantive evidence of institutional integrity and accountability.

Thank you for your steadfast support and dedication to the success of Texas Southern University. Together, we are building a legacy of excellence and achievement, ensuring that TSU continues to deliver the highest quality advanced education, serving as a beacon of opportunity for the citizens of the State of Texas, and catalyzing intellectual and societal progress.

Sincerely,

**J. W. Crawford III**

Vice Admiral, JAGC, U.S. Navy (Retired)

President, Texas Southern University

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**TEXAS SOUTHERN UNIVERSITY**  
(An Agency of the State of Texas)  
**BOARD OF REGENTS**  
August 31, 2024

**Officers**

Honorable Brandon L. Simmons, Chairman  
Honorable James M. Benham, Vice Chair  
Honorable Stephanie D. Nellons-Paige, 2<sup>nd</sup> Vice Chair  
Honorable Marilyn A. Rose, Secretary

**Members**

Honorable Pamela A. Medina,	Houston
Honorable Stephanie D. Nellons-Paige, 2 <sup>nd</sup> Vice Chair	Houston
Honorable Lauren A. Gore	Houston
Terms Expire February 1, 2025	

Honorable Taylor L. Getwood, Student Regent	Port Arthur
Term Expires May 31, 2025	

Honorable Caroline Baker Hurley	Houston
Honorable Marilyn A. Rose, Secretary	Houston
Honorable Benjamin C. Kohlmann	Dallas
Terms Expire February 1, 2027	

Honorable Brandon L. Simmons, Chairman	Houston
Honorable James M. Benham, Vice Chair	College Station
Honorable Richard A. Johnson III,	Houston
Terms Expire February 1, 2029	

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**TEXAS SOUTHERN UNIVERSITY**  
(An Agency of the State of Texas)  
**UNIVERSITY ADMINISTRATION**  
August 31, 2024

**University Administration**

Vice Admiral (Ret.) James Crawford, III	President
Dr. Carl Goodman	Provost & Vice President for Academic Affairs & Research
Dr. James White	Vice President Governmental Affairs & Civic Engagement
Kia Harper	Chief of Staff & Executive Director of Presidential Initiatives
Charlie Nhan	General Counsel
Dr. Michelle Penn-Marshall	Vice President for Research and Innovation
Dr. Kevin Granger	Vice President of Intercollegiate Athletics
Dr. Cynthia Buckley	Interim Vice President for Human Resources
Benjamin Green	Interim Vice President & Chief Information Officer
Melanie Jackson	Interim Chief Operating Officer
Bobby Brown	Chief of Police & Director of Emergency Management
Dr. Raijanel Crockem	Associate Vice President Institutional Assessment
Tracy Clemons	Associate Vice President of Marketing
Charlie Coleman III	Associate Vice President of Development

**Fiscal Administration**

John Pittman	Interim Vice President for Administration and Finance/CFO
Darlene Brown	Chief Audit Executive
Paula Stapleton	Assistant Vice President for Business & Finance & Controller
Glenda Wright	Director of General Accounting

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## **FINANCIAL SECTION**

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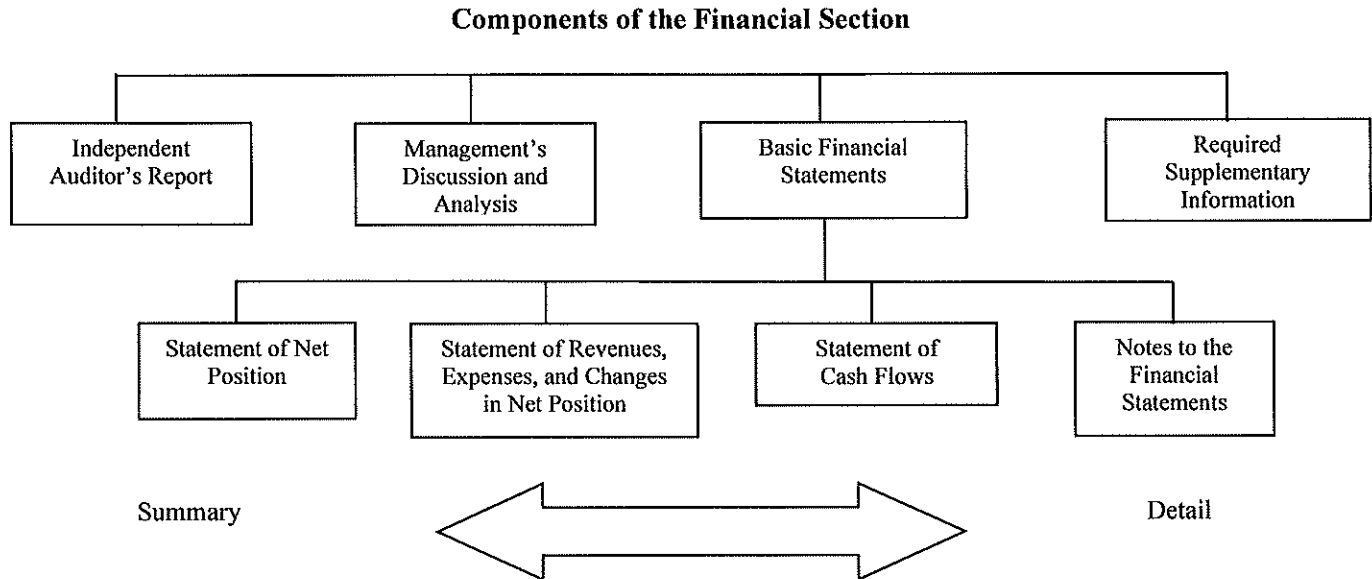
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## **MANAGEMENT'S DISCUSSION** **AND ANALYSIS**

**TEXAS SOUTHERN UNIVERSITY**  
(An Agency of the State of Texas)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
For the Year Ended August 31, 2024

The following is Texas Southern University's Management's Discussion and Analysis (MD&A) which outlines the financial performance for the fiscal year ended August 31, 2024. The information that is being presented should be read in conjunction with other areas of the financial section of the report including the message from the President located in the introductory session.

**THE STRUCTURE OF OUR ANNUAL REPORT**



TSU's basic financial statements include the statement of net position; statement of revenues, expenses, and changes in net position; statement of cash flows; and notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Basic Financial Statements**

The basic financial statements report information for TSU. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about the cost of services, operating results, and financial position of TSU as an economic entity. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, which appear first in the financial statements, report information on TSU's activities that enable the reader to understand the financial condition of TSU. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All the current year revenues and expenses are considered even if cash has not yet changed hands.

**TEXAS SOUTHERN UNIVERSITY**  
(An Agency of the State of Texas)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For the Year Ended August 31, 2024**

The Statement of Net Position presents information on TSU's assets and deferred outflows of resources that exceed liabilities and deferred inflows of resources. The difference between these categories is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of TSU is improving or deteriorating. Other nonfinancial factors, such as TSU's student enrollment and the condition of TSU's infrastructure, should be considered to assess the overall health of TSU.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how TSU's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method.

The Statement of Cash Flows presents information about TSU's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balances during the reporting period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The basic financial statements can be found after the Management's Discussion and Analysis (MD&A) within this report.

#### **FINANCIAL ANALYSIS OF TSU**

As noted earlier, net position may serve over time as a useful indicator of Texas Southern University's financial position. As of August 31, 2024, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$359,516,665.25. The largest portion of TSU's net position (67%) reflects its investments in capital assets (e.g., land, buildings and improvements, equipment, leased land, library books, construction in progress, and infrastructure), less any debt used to acquire those assets that are still outstanding. TSU uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although Texas Southern University's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since those assets themselves cannot be used to liquidate these liabilities.

**TEXAS SOUTHERN UNIVERSITY**  
 (An Agency of the State of Texas)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
 For the Year Ended August 31, 2024

**Condensed Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

**CONDENSED STATEMENT OF NET POSITION**

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 318,206,952.48	\$ 304,395,675.51
Non-current Restricted assets	103,920,906.96	87,918,184.37
Capital assets, net	296,155,211.50	304,224,012.06
<b>Total Assets</b>	<u>718,283,070.94</u>	<u>696,537,871.94</u>
 <b>Deferred Outflows of Resources</b>	 <u>17,925,174.34</u>	 <u>32,767,313.34</u>
Current liabilities	110,964,133.81	124,681,526.97
Noncurrent liabilities	220,213,671.22	236,640,906.66
<b>Total Liabilities</b>	<u>331,177,805.03</u>	<u>361,322,433.63</u>
 <b>Deferred Inflows of Resources</b>	 <u>45,513,775.00</u>	 <u>43,843,737.00</u>
Net investment in capital assets	241,520,133.21	248,452,228.15
Restricted for:		
Debt Retirement	217,003.69	158,498.70
Other	119,286,496.84	107,800,598.75
Unrestricted	(1,506,968.49)	(32,272,310.95)
<b>Total Net Position</b>	<u>\$ 359,516,665.25</u>	<u>\$ 324,139,014.65</u>

Total Assets increased by \$21,745,199 from \$696,537,871.94 in the prior year to \$718,283,070.94 in the current year as a result of an increase in market value related to TSU's Capital Construction Assistance Projects (CCAP) bond issuance, formerly known as Tuition Revenue Bonds, which were issued in July 2023. Texas Southern University (TSU) recognized a \$10,468,135.00 increase in legislative appropriations from \$68,401,447.00 in fiscal year 2023 to \$78,869,582.00 in fiscal year 2024. The Texas Legislative Budget Board (LBB) approved the funding in February 2024 at the close of the 88<sup>th</sup> Legislative Session. This directly affected the General Revenue and General Revenue – Dedicated Funds.

Total Liabilities decreased by \$30,144,628.60 from \$361,322,433.63 in the prior year to \$331,177,805.03. TSU recognized a decrease in non-current liabilities from \$236,640,906.66 to \$220,213,671.22 primarily due to a decrease in Net OPEB Liability discussed in Note 9B and the extinguishment of the Series 2013 Bonds.

The unrestricted net position improved by \$30,765,342.4659 from a deficit of (\$32,272,310.95) to a deficit of (\$1,506,968.49) at 2024 year end. Unrestricted net position represents amounts that can be used to finance day-to-day operations without constraints established by debt covenants and enabling legislation. Most of the increase in net position can be attributed to the increase in market value related to funds held as permanent investments and the increase in legislative appropriation mentioned above.



**TEXAS SOUTHERN UNIVERSITY**  
**(An Agency of the State of Texas)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For the Year Ended August 31, 2024**

Restricted Net Position increased by \$11,544,403.08 from \$107,959,097.45 to \$119,503,500.53. The increase can be attributed to the positive change in endowment value of \$27,793,265.77 from \$85,691,680.08 in the prior fiscal year to \$113,484,945.85 in fiscal year 2024.

**Statement of Revenues, Expenses, and Changes in Net Position**

	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Tuition and Fees - Pledged	\$ 95,640,418.69	\$ 93,468,771.30
Discount on Tuition and Fees	(35,862,277.55)	(35,200,508.04)
Auxiliary Enterprises -Pledged	19,643,437.21	19,300,563.36
Other Sales of Goods and Services - Pledged	34,469.25	49,526.07
Federal Revenue	31,336,946.17	23,660,942.04
Federal Pass-Through Revenue	699,796.31	1,460,632.47
State Revenue	1,793,805.88	1,145,461.65
State Pass-Through Revenue	5,477,367.00	15,414,264.05
Other Contracts and Grants - Pledged	5,460,766.14	4,658,953.52
Other Operating Revenue	10,939,750.03	10,472,723.38
<b>Total Operating Revenues</b>	<u>135,164,479.13</u>	<u>134,431,329.80</u>
<b>OPERATING EXPENSES</b>		
Salaries and Wages	92,020,430.26	87,893,799.41
Payroll Related Costs	29,945,439.32	37,572,216.73
Professional Fees and Services	17,731,829.06	21,129,514.96
Travel	3,844,634.97	2,665,157.72
Materials and Supplies	12,363,843.54	13,545,881.72
Communication and Utilities	8,514,677.64	8,752,411.53
Repairs and Maintenance	7,908,936.48	9,356,986.97
Rentals and Leases	1,702,032.12	2,149,877.28
Printing and Reproductions	507,799.21	452,416.21
Federal Pass-Through Expense	679,574.59	525,171.97
Bad Debt Expense	802,288.05	84,627.91
Scholarships	16,458,868.89	28,731,379.14
Other Operating Expenses	11,370,199.36	16,457,192.35
Depreciation and Amortization	20,734,354.57	21,920,181.15
<b>Total Operating Expenses</b>	<u>224,584,908.06</u>	<u>251,236,815.05</u>
<b>Operating (Loss)</b>	<u>\$ (89,420,428.93)</u>	<u>\$ (116,805,485.25)</u>

**TEXAS SOUTHERN UNIVERSITY**  
 (An Agency of the State of Texas)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
 For the Year Ended August 31, 2024

**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**

	<u>2024</u>	<u>2023</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Legislative Revenue	\$ 55,384,388.00	\$ 49,133,972.00
Additional Appropriations	15,399,694.47	13,696,942.57
Gifts	239,940.54	274,457.28
Federal Revenue Nonoperating	23,206,164.55	81,563,278.88
Interest Income	10,107,268.95	6,130,866.74
Investing Activities Expenses	(85,796.00)	(335,236.64)
Interest Expense and Fiscal Charges	(1,454,950.66)	(3,983,873.54)
Net Increase In Fair Value	11,809,092.75	5,012,769.45
Other Nonoperating Revenue (Net)	3,881,602.64	1,621,987.17
<b>Total Nonoperating Revenues (Expenses)</b>	<u>118,487,405.24</u>	<u>153,115,163.91</u>
 <b>Income (Loss) Before Other Revenues, Expenses, and Transfers</b>	 <u>29,066,976.31</u>	 <u>36,309,678.66</u>
 <b>OTHER REVENUES, EXPENSES, AND TRANSFERS</b>		
Capital Appropriations (HEAF)	12,072,906.00	11,719,335.00
Contributions to Permanent and Term Endowments	1,397,018.69	846,764.32
Lapses	(8,484,011.72)	-
Transfer In	9,131,716.35	11,465,362.00
Transfer Out	(7,806,955.03)	(11,498,829.82)
<b>Total Other Revenues, Expenses, and Transfers</b>	<u>6,310,674.29</u>	<u>12,532,631.50</u>
 <b>Change in Net Position</b>	 35,377,650.60	 48,842,310.16
 <b>Beginning Net Position</b>	 <u>324,139,014.65</u>	 <u>275,296,704.49</u>
 <b>Ending Net Position</b>	 <u>\$ 359,516,665.25</u>	 <u>\$ 324,139,014.65</u>

For the year ended August 31, 2024, total revenue was \$277,794,272.07. This represents a decrease in total revenues of (\$38,102,793.14) or 12% and is primarily attributed to federal revenue nonoperating in the form of reduced HEERF and Pell grant spending by \$58,357,114.33.

Total net position increased by \$35,377,650.60. The primary reason for the increase is attributed to the net increase in fair value and positive endowment performance mentioned above. Texas Southern University experienced a \$27,793,265.77 increase in endowment value caused by the overall market performance for fiscal year 2024 of \$11,809,092.75 along with the settlement of an outstanding lawsuit in favor of TSU for approximately \$12,100,000 that has been designated for capital projects.

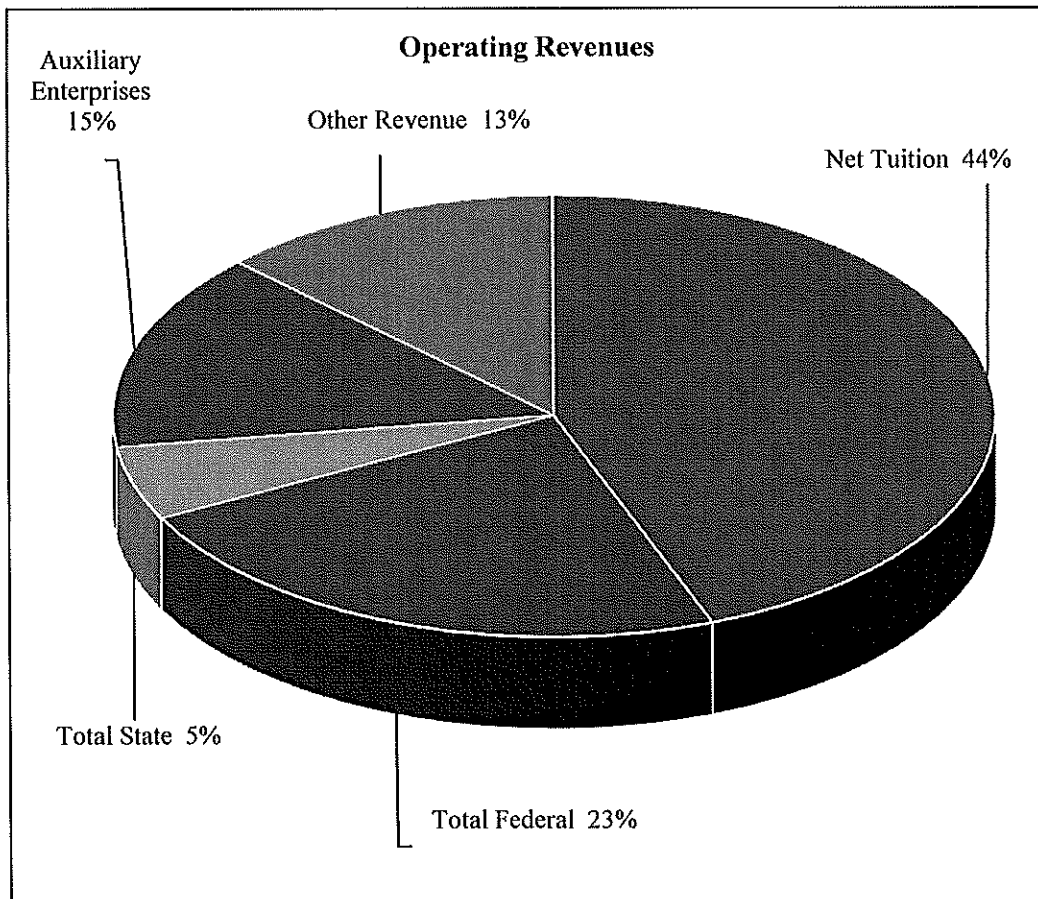
Texas Southern University's expenses totaled \$242,416,621.47 for the year ended August 31, 2024. This represents a decrease of (\$24,638,133.57) or 9% from last year which can be attributed in large part to a reduction in administrative personnel which dropped payroll related costs by \$7,626,777.41 and decreased scholarships activity which dropped by \$12,272,510.25 because of reduced HEERF available funds.

**TEXAS SOUTHERN UNIVERSITY**  
(An Agency of the State of Texas)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
For the Year Ended August 31, 2024

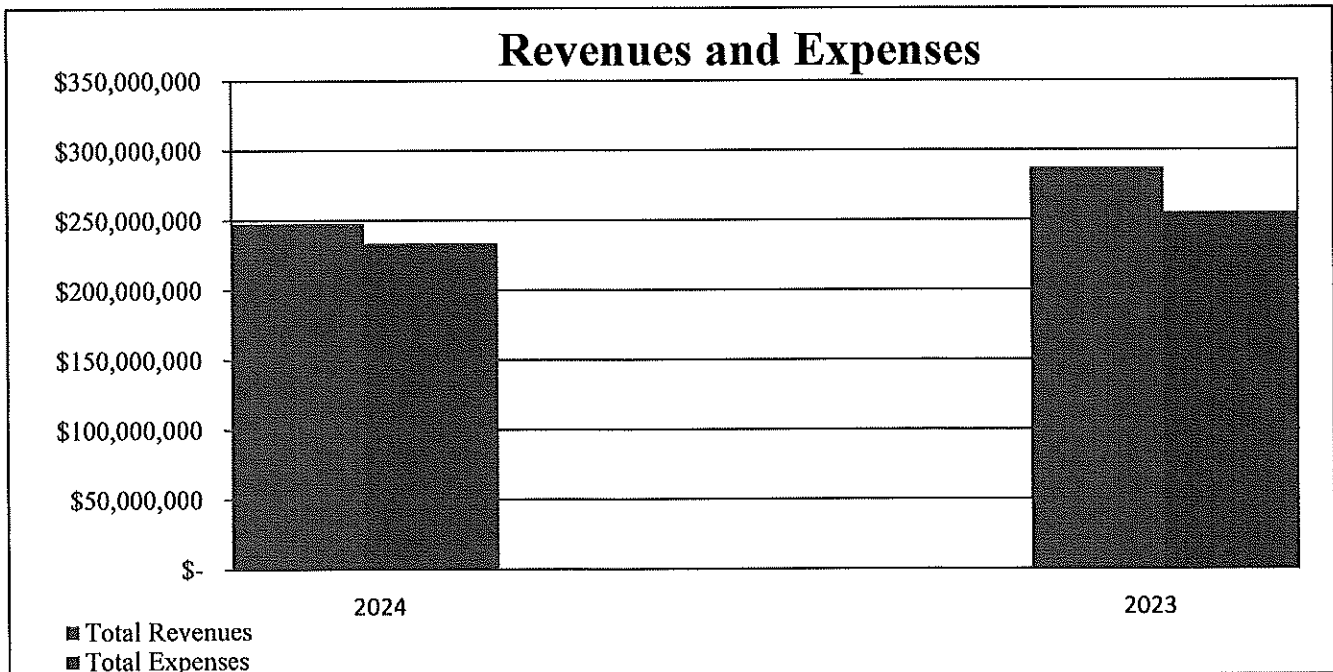
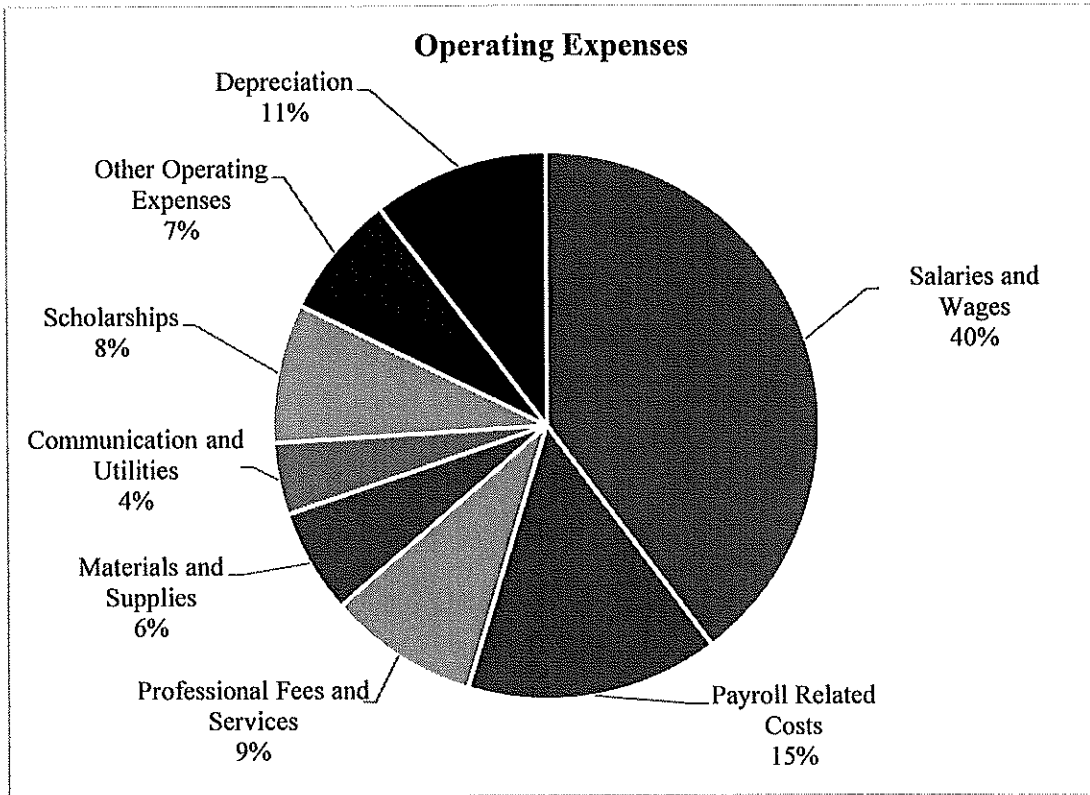
Key elements to these changes are as follows:

- Operating revenues increased by \$733,149.33 or .6%. This activity included the return of funds, \$8,677,495.97, related to unencumbered 2023 CCAP bonds from the Texas Higher Education Coordinating Board (THECB) in May 2024.
- Non-operating revenues and Other Revenues decreased by (\$32,613,985.25) or 19% primarily due to reduced HEERF and Pell grant as discussed previously.
- Operating expenses less depreciation expense decreased by (\$25,466,080.41) due to a decrease in payroll related costs of \$7,626,777.41 as well as the result of the above mentioned reduced scholarship activity of \$12,272,510.25.
- Non-operating expenses and Other Expenses increased by \$2,013,773.41 primarily due to the repayment of unencumbered 2023 CCAP Bond proceeds in the amount of \$8,677,495.97 which occurred in December 2023.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of TSU's activities.



**TEXAS SOUTHERN UNIVERSITY**  
 (An Agency of the State of Texas)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
 For the Year Ended August 31, 2024



**TEXAS SOUTHERN UNIVERSITY**  
(An Agency of the State of Texas)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
For the Year Ended August 31, 2024

**CAPITAL ASSETS**

At year-end, Texas Southern University had capital assets and infrastructure (net of accumulated depreciation) in the amount of \$296,155,211.50. This represents a net decrease of \$8,068,801.46.

Major capital asset events during the current year include the following:

- Building improvements were completed at a cost of \$19,403,351.98.
- Various equipment and other capital assets increased for a total of \$4,226,032.33.
- Library books were increased by \$2,054,780.46

More detailed information about TSU's capital assets is presented in Note 2 to the financial statements.

**LONG-TERM DEBT**

TSU's revenue bonds carry the rating of "BBB+" with a stable outlook from Fitch Ratings, Inc. At year end, TSU had \$137,871,771.28 in revenue bonds outstanding versus \$146,704,814.00 last year.

More detailed information about TSU's long-term liabilities is presented in Note 5 to the financial statements.

**ECONOMIC FACTORS**

Texas Southern University is a vibrant and progressive HBCU located in the historic Third Ward District of the Houston metropolitan area. Its rich history and unwavering connection to the community have led to the successful bridging of the gap for many first-generation college students. As a public 4-year institution offering professional programs in Pharmacy, Business, and Law, the University's financial position is closely tied to the State of Texas and the health of the state's economy.

During fiscal year 2024, TSU received a second no cost extension on federal relief grant funding for campus wide projects to supplement the institution's budget. Equity markets generated positive gains during the fiscal year while fixed income markets showed positive returns, and bond prices got a boost. The Federal Reserve increased the federal funds rate to a near record high during the first half of the fiscal period. Strong U.S. economic growth and tempered inflation gave no indication for a need to tighten monetary policy. Retail prices increased slightly, and the job market was down for part of the fiscal year. The Federal Reserve is monitoring inflation levels along with other financial indicators across the country. These events have set expectations about modest growth in the economy and give policymakers the ability to take a mindful approach when deciding on interventions like interest rate cuts. TSU has invested in a diversified portfolio that has the potential to grow over the long term. During shorter time periods, the portfolios may be impacted by market conditions and negative changes. TSU will continue to ensure best practices in fiscal management efforts while supporting the institution's priority of student success.

The University continued to heavily invest in its existing online e-learning and conference platforms, software upgrades and installations, and updated online security. Classes continued to be offered in three formats: face-to-face, hybrid (face-to-face and remote), and online only. By offering various learning modalities, the i5 instruction has been able to continue providing online instructions, and innovative resources during times of economic uncertainty.

**TEXAS SOUTHERN UNIVERSITY**  
(An Agency of the State of Texas)  
***MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued***  
**For the Year Ended August 31, 2024**

**CONTACTING TSU'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our students, alumni, citizens, taxpayers, donors, and creditors with a general overview of TSU's finances and to show TSU's accountability for the money it has received. If you have questions about this report or need additional financial information, refer to our website, <http://www.tsu.edu>, or contact the Texas Southern University General Accounting Department, 3100 Cleburne Street, Houston, Texas 77004.

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## **BASIC FINANCIAL STATEMENTS**



# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## STATEMENT OF NET POSITION

August 31, 2024

ASSETS	<u>Total</u>
<b>Current Assets</b>	
Cash and Cash Equivalents	
Cash on Hand	\$ 2,341.87
Cash in Bank	76,486,223.29
Cash in Transit/Reimburse from Treasury	22,670.46
Cash in State Treasury	8,907,670.04
Restricted:	
Cash in Bank-Restricted	88,317,117.01
Cash Equivalent	4,938,577.84
Short-Term Investments	6,426,143.24
Legislative Appropriations	55,313,071.63
Receivables:	
Federal	29,628,457.54
Accounts, Net	31,827,378.36
Other	7,205,159.00
Consumable Inventories	686,740.74
Prepaid Costs	8,445,401.46
<b>Total Current Assets</b>	<u>318,206,952.48</u>
<b>Non-Current Assets</b>	
Restricted:	
Investments	102,120,224.77
Loans and Contracts	517,901.47
Prepaid Cost	1,282,780.72
<b>Total Non-Current Restricted Assets</b>	<u>103,920,906.96</u>
Land	24,166,653.62
Construction in Progress	3,518,964.79
Historical Treasures and Works of Art	2,829,312.50
<b>Total Non-Depreciable or Non-Amortizable</b>	<u>30,514,930.91</u>
Capital and Leased Assets Depreciable:	
Buildings and Building Improvements	593,804,226.32
Infrastructure	7,096,483.95
Equipment	60,525,768.27
Leased Land	731,811.65
Library Books	42,860,876.86
Less: Accumulated Depreciation and Amortization	(439,378,886.46)
<b>Total Depreciable or Amortizable, Net</b>	<u>265,640,280.59</u>
<b>Total Non-Current Assets</b>	<u>400,076,118.46</u>
<b>TOTAL ASSETS</b>	<u>718,283,070.94</u>
<b>Deferred Outflows of Resources</b>	
Deferred Outflows of Resources-Pension	13,454,096.00
Deferred Outflows of Resources-OPEB	4,231,847.00
Deferred Outflows of Resources-ARO	133,462.62
Deferred Outflow of Resources - Deferred Loss on Refunding	105,768.72
<b>Total Deferred Outflows of Resources</b>	<u>\$ 17,925,174.34</u>

See Notes to Financial Statements.

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## STATEMENT OF NET POSITION

August 31, 2024

LIABILITIES	<u>Total</u>
<b>Current Liabilities</b>	
Accounts Payable	\$ 8,822,505.40
Payroll Payable	7,178,214.28
Due to Other Agencies	1,648,332.00
Interest Payable	2,003,965.10
Escheat Payable	2,520,489.13
Unearned Revenues	63,090,424.96
Student Refunds Payable	9,940,904.95
Other Payables	3,780,521.74
Net OPEB Liability Current	2,430,706.00
Lease Liability	68,024.49
Revenue Bonds Current Payable, Net	7,400,613.27
Employees' Compensable Leave	2,079,432.49
<b>Total Current Liabilities</b>	<u>110,964,133.81</u>
<b>Non-Current Liabilities</b>	
Net Pension Liability	32,116,878.00
Net OPEB Liability	55,259,336.00
Lease Liability	469,370.39
Revenue Bonds Payable, Net	130,471,158.28
Employees' Compensable Leave	1,896,928.55
<b>Total Non-Current Liabilities</b>	<u>220,213,671.22</u>
<b>TOTAL LIABILITIES</b>	<u>331,177,805.03</u>
<b>Deferred Inflows of Resources</b>	
Deferred Inflows of Resources-Pension	10,537,749.00
Deferred Inflows of Resources-OPEB	34,976,026.00
<b>Total Deferred Inflows of Resources</b>	<u>45,513,775.00</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	241,520,133.21
Restricted For:	
Debt Retirement	217,003.69
Capital Projects	12,632,787.37
Loans	287,986.22
Other Restricted	4,245,498.48
Funds Held as Permanent Investments:	
Nonexpendable	42,890,494.40
Expendable	59,229,730.37
Unrestricted	(1,506,968.49)
<b>TOTAL NET POSITION</b>	<u>\$ 359,516,665.25</u>

See Notes to Financial Statements.

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended August 31, 2024

	<u>2024</u>
<b>OPERATING REVENUES</b>	
Tuition and Fees-Pledged	\$ 95,640,418.69
Discount on Tuition and Fees	(35,862,277.55)
Auxiliary Enterprises-Pledged	19,643,437.21
Other Sales of Goods and Services-Pledged	34,469.25
Federal Revenue	31,336,946.17
Federal Pass-Through Revenue	699,796.31
State Revenue	1,793,805.88
State Pass-Through Revenue	5,477,367.00
Other Contracts and Grants-Pledged	5,460,766.14
Other Operating Revenue	10,939,750.03
<b>Total Operating Revenues</b>	<u><b>135,164,479.13</b></u>
<b>OPERATING EXPENSES</b>	
Salaries and Wages	92,020,430.26
Payroll Related Costs	29,945,439.32
Professional Fees and Services	17,731,829.06
Travel	3,844,634.97
Materials and Supplies	12,363,843.54
Communication and Utilities	8,514,677.64
Repairs and Maintenance	7,908,936.48
Rental and Leases	1,702,032.12
Printing and Reproduction	507,799.21
Federal Pass-Through Expense	679,574.59
Bad Debt Expense	802,288.05
Scholarships	16,458,868.89
Other Operating Expenses	11,370,199.36
Depreciation and Amortization	20,734,354.57
<b>Total Operating Expenses</b>	<u><b>224,584,908.06</b></u>
<b>Operating (Loss)</b>	<u><b>\$ (89,420,428.93)</b></u>

See Notes to Financial Statements.

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended August 31, 2024

	<u>2024</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Legislative Revenue	\$ 55,384,388.00
Additional Appropriation	15,399,694.47
Gifts	239,940.54
Federal Revenue Nonoperating	23,206,164.55
Interest Income	10,107,268.95
Investing Activities Expenses	(85,796.00)
Interest Expense and Fiscal Charges	(1,454,950.66)
Net Increase in Fair Value	11,809,092.75
Other Nonoperating Revenue	3,881,602.64
<b>Total Non-Operating Revenues</b>	<u><b>118,487,405.24</b></u>
 <b>Income Before Other Revenues, Expenses, Gains/Losses and Transfers</b>	 <u><b>29,066,976.31</b></u>
 <b>OTHER REVENUES, EXPENSES, GAINS, LOSSES AND TRANSFERS</b>	
Capital Appropriations (HEF)	\$ 12,072,906.00
Additions to Permanent and Term Endowments	1,397,018.69
Lapses	(8,484,011.72)
Legislative Transfer-In	
Transfer-In	9,131,716.35
Transfer-Out	(7,806,955.03)
<b>Total Other Revenues, Expenses, Gain/Losses and Transfers</b>	<u><b>6,310,674.29</b></u>
 <b>Change in Net Position</b>	 <u><b>35,377,650.60</b></u>
 <b>Beginning Net Position</b>	 <u><b>324,139,014.65</b></u>
 <b>Ending Net Position</b>	 <u><u><b>\$ 359,516,665.25</b></u></u>

See Notes to Financial Statements.

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## STATEMENT OF CASH FLOWS

For the Year Ended August 31, 2024

<u>Cash Flows from Operating Activities</u>	<u>2024</u>
Proceeds from tuition and fees	\$ 61,011,182.13
Proceeds from research grants and contracts	26,535,436.00
Proceeds from state grants and contracts	8,265,559.28
Proceeds from auxiliary enterprises	19,643,437.21
Proceeds from other revenues	13,114,094.09
Payments to suppliers for goods and services	(89,435,565.03)
Payments to employees for salaries and wages	(92,260,304.45)
Payments for employee related costs	(25,606,290.75)
Payments for other expenses	(13,716,445.39)
<b>Net Cash Used by Operating Activities</b>	<b>(92,448,896.91)</b>
<u>Cash Flows from Noncapital Financing Activities</u>	
Proceeds from state appropriations	59,568,484.66
Proceeds from gifts	1,636,959.23
Proceeds from grants receipts	35,716,751.96
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>96,922,195.85</b>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Proceeds from capital appropriations	12,072,906.00
Payments for additions to capital assets	(12,665,554.01)
Payments of principal on debt	(8,296,115.44)
Payments of interest on debt	(396,942.96)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(9,285,706.41)</b>
<u>Cash Flows from Investing Activities</u>	
Proceeds from sale of investments	55,951,507.40
Proceeds from interest and investment income	9,354,029.66
Payments to acquire investment	(62,785,773.50)
<b>Net Cash Provided by Investing Activities</b>	<b>2,519,763.56</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(2,292,643.64)</b>
Beginning cash and cash equivalents	180,967,244.15
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 178,674,600.51</b>
Unrestricted cash and cash equivalents	85,418,905.66
Restricted cash and cash equivalents	93,255,694.85
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 178,674,600.51</b>

See Notes to Financial Statements.

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## STATEMENT OF CASH FLOWS

For the Year Ended August 31, 2024

Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	<u>2024</u>
Operating (loss)	\$ (89,420,428.93)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:	
Depreciation and amortization	20,734,354.57
Bad Debt Expense	802,288.05
Operating (Loss) and Cash Flow Categories	(67,883,786.31)
 <b>Changes in Operating Assets and Liabilities:</b>	
Accounts receivable, net	(4,229,100.46)
Due from other funds	(5,501,306.48)
Inventories	(69,973.28)
Prepaid expenses	(1,978,175.75)
Other assets	(3,320,891.33)
Deferred outflows of resources-Pension	546,207.00
Deferred outflows of resources-OPEB	14,295,932.00
Accounts payable	(21,823,773.31)
Salaries payable	1,106,614.70
Unearned revenue	(274,277.69)
Compensated absences liability	(1,346,488.89)
Net pension liability	3,834,070.00
Net OPEB liability	(12,546,176.00)
Deferred inflows of resources-Pension	(2,999,898.00)
Deferred inflows of resources-OPEB	4,669,936.00
Due to state	(3,460,922.43)
Escheat payable	1,490,803.47
Student refunds payable	6,730,805.54
Other current liabilities	311,504.31
<b>Net Cash (Used) by Operating Activities</b>	<u><u>\$ (92,448,896.91)</u></u>
See Notes to Financial Statements.	

Non-Cash Transactions Net Change in Fair Value of Investments	\$ 11,809,092.75
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# 717 - TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of Texas Southern University (TSU), reported as a business-type activity in the State of Texas Annual Comprehensive Financial Report, have been prepared in conformity with generally accepted accounting principles (GAAP) for local governmental units and with State statutes. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

TSU's annual financial report is prepared to satisfy both the requirements of GAAP and the Texas Comptroller of Public Accounts' (the "Comptroller") requirements as specified in the Comptroller's *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*. The Comptroller specifies, among other items, account captions, note organization, and does not allow the rounding of financial statement amounts to whole dollars.

The most significant accounting and reporting policies of TSU are described in the following notes to the financial statements:

#### A. Reporting Entity

TSU is an agency of the State of Texas (the "State"). No component units have been identified which should be presented within TSU's report.

#### B. General Background

TSU serves the State by providing education, research, and extension work in the fields of the arts, business, education, law, pharmacy, public affairs, science, and technology. TSU is located within the heart of Houston, Texas. It is home to an increasingly diverse population of students with more than 80 undergraduate, graduate, and professional degree programs.

#### C. Financial Statement Presentation

Although the COVID-19 pandemic health crisis subsided considerably, in fiscal year 2024, federal relief funding for campus wide projects remained available to TSU to supplement the institution's budget through a second no cost extension approved by the Department of Education in May 2024. As a result, TSU continued to include reporting consideration for COVID-19 pandemic response during the fiscal period under review. Congress passed these Acts in fiscal year 2020 and 2021:

- Coronavirus Aid, Relief, and Economic Security (CARES) Act
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan (ARP)

These Acts provided economic grants to offset additional expenses and forgone revenue as a response to COVID-19.

As a result of the acts provided, The Higher Education Emergency Relief Funds (HEERF I, II, and III) was created, which provides budgetary relief to higher education institutions through numerous provisions.

These financial statements include implementation of (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* an Amendment of GASB Statement No. 34. Requirements of the statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of TSU's overall financial position and results of operations.

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

- Financial statements prepared using full accrual accounting for all TSU's activities. Statement No. 35 established standards for external financial reporting for all public colleges and universities, which includes a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted.

These classifications are defined as follows:

- Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws, regulations of other governments or constraints imposed by law through constitutional legislation.
- Unrestricted** - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

### D. Measurement Focus and Basis of Accounting

For financial reporting purposes, TSU is considered a special-purpose government engaged only in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. Accordingly, TSU's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

### E. Budgets and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriation Act). Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

### F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

#### 1. Cash and Cash Equivalents

TSU's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

#### 2. Balance in Legislative Appropriations

This item represents the balance of general revenue funds at August 31, 2024 as calculated in the Texas Comptroller's General Revenue Reconciliation.

#### 3. Current Receivables – Other

Other receivables include year-end accruals. Accounts receivables are shown net of an allowance for uncollectible accounts.



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(An Agency of the State of Texas)

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### 4. Lease Receivable

Lease receivables are recorded by TSU as the present value of lease payments expected to be received under leases meeting the \$100,000 threshold per contract excluding short term. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short term leases, defined as having a maximum period of twelve (12) months, are recognized as collected. Texas Southern University had no lease receivables for the period under review.

### 5. Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements, including those related to sponsored programs, donors, bond covenants, and loan agreements.

### 6. Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, TSU reports all investments at fair value. Changes in unrealized gain (loss) on the carrying value of the investments are reported as Net Increase in Fair Value in the statement of revenues, expenses, and changes in net position.

### 7. Inventories and Prepaid Costs

Inventories are valued at cost, utilizing the first-in and first-out method. The consumption method of accounting is used, meaning these items are expensed when the items are consumed. Certain payments to vendors made in advance of the scheduled due date have been recorded as prepaid costs.

### 8. Capital Assets

Capital assets are defined by the State as follows:

<u>Class of Asset</u>	<u>Threshold</u>
Land and Land Improvements	Capitalize all
Buildings and Building Improvements	\$100,000
Facilities and Other Improvements	\$100,000
Infrastructure-Depreciable	\$500,000
Infrastructure-Non-Depreciable	Capitalize all
Furniture and Equipment/Vehicles	\$5,000
Leased Land	\$100,000
Library Books (collections)	Capitalize all
Works of Art/Historical Treasures	Capitalize all
Leasehold Improvements	\$100,000
Internally Generated Computer Software	\$1,000,000
Other Computer Software	\$100,000
Land Use Rights – Permanent	Capitalize all
Land Use Right – Term	\$100,000
Other Intangible Capital Assets	\$100,000
Construction in Progress	Capitalize all

These assets are capitalized at cost. Donated capital assets, donated works of art, historical treasures and similar items acquired subsequent to fiscal year 2015, are recorded at acquisition

# 717 - TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

value at the date of donation (marketplace value). Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is reported on all exhaustible assets. Inexhaustible assets such as land, works of art and historical treasures are not depreciated.

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	15 to 50 years
Facilities and other improvements	22 years
Furniture and equipment	3 to 10 years
Infrastructure	30 to 50 years
Computer software	5 to 6 years
Leased Land	Lease term
Library books	15 years
Land use rights	10 years

### 9. Accounts Payable

Accounts payable represent the liability for the value of assets or services received at the statement of net position date for which payment is pending.

### 10. Lease Liability

Lease liabilities represent TSU's obligation to make lease payments arising from leases meeting the \$100,000 threshold per right to use (RTU) asset, excluding short term leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments is discounted based on a borrowing rate determined by TSU. Short term leases, those with a maximum period of 12 months, are expensed as incurred. Additional details are provided in Note 8, Leases Liabilities.

### 11. Compensated Absences

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net position. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

### 12. Bonds Payable – Revenue Bonds

Revenue bonds are reported as short-term liabilities (current for amounts due within one year) and long-term liabilities (noncurrent for amounts due thereafter in the statement of net position). The bonds are reported at par, net of unamortized premiums, discounts, if applicable.

### 13. Net Position, Deferred Outflows/Inflows of Resources

Net position is the difference between assets plus deferred outflows of resources and liabilities

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(An Agency of the State of Texas)

## ***NOTES TO FINANCIAL STATEMENTS***

For the Year Ended August 31, 2024

plus deferred inflows of resources. Deferred outflows of resources is a consumption of an entity's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the entity that is applicable to a future reporting period.

The University has four items that qualify for reporting in this category:

- Deferred outflows of resources for pension – Reported in the statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred outflows of resources for other post-employment benefits – Reported in the statement of net position, this deferred outflow results from OPEB plan contribution made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments; 2) changes in the University's proportional share of OPEB liabilities and 3) change in actuarial assumptions. The deferred outflows of resources related to post-employment benefits resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five year period. The remaining deferred outflows will be amortized over the expected remaining service lives of the employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.
- Deferred outflows of resources for asset retirement obligations – Reported in the statement of net position, this deferred outflow results from laws and regulations requiring specific action to retire certain tangible capital assets, such as decommissioning radioactive equipment at end of the useful life.
- Deferred outflows of resources for deferred loss on refunding – Reported in the statement of net position, this deferred outflow results from the loss on Series 2011 bond refunding.

A deferred inflow of resources is an acquisition of an entity's net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the entity that is applicable to a future reporting period. The University has two items that qualify for reporting in this category:

- Deferred inflows of resources for pension – Reported in the statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2)

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

differences between expected and actual actuarial experiences and 3) changes in the proportional share of pension liabilities. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

- Deferred inflows of resources for post-employment benefits – Reported in the statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These post-employment related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

### 14. Other Post-Employment Benefits (OPEB)

The University participates in the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP). The fiduciary net position of the ERS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

### 15. Pensions

The University participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple employer cost-sharing-defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

### G. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### H. Operating versus Non-operating Revenues

TSU categorizes revenues as operating versus non-operating following the Comptroller's guidelines. Generally, all revenues are considered operating revenue unless they are non-exchange transactions, such as State appropriations, gifts, or investment related earnings. Other non-operating revenue includes some federal funds received from the federal government and Title IV funds.

# 717 - TEXAS SOUTHERN UNIVERSITY

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### I. Restricted versus Unrestricted Resources

Expenses incurred by TSU for items that could be applied to restricted or unrestricted sources are first applied to restricted sources.

### J. Economic Dependency

TSU relies extensively on State appropriations as well as resources from grantor agencies to support its operations.

### NOTE 2: CAPITAL AND LEASED ASSETS

A summary of changes in capital assets for the year ended August 31, 2024 is as follows:

	Balance 9/1/2023	Reclassify Completed CIP	Additions	Deletions	Balance 8/31/2024
<b>Non-depreciable or Non-amortizable Assets</b>					
Land and Land Improvements	\$ 23,900,138.20	\$ -	\$ 266,515.42	\$ -	\$ 24,166,653.62
Construction in Progress	16,804,090.97	(17,320,165.15)	4,035,038.97	-	3,518,964.79
Other Tangible Capital Assets	2,829,312.50	-	-	-	2,829,312.50
<b>Total Non-depreciable/amortizable</b>	<b>43,533,541.67</b>	<b>(17,320,165.15)</b>	<b>4,301,554.39</b>	<b>-</b>	<b>30,514,930.91</b>
<b>Depreciable Assets</b>					
Buildings and Building Improvements	557,430,014.47	17,320,165.15	1,333,435.83	-	576,083,615.45
Infrastructure	7,096,483.95	-	-	-	7,096,483.95
Facilities and Other Improvements	16,970,859.87	-	749,751.00	-	17,720,610.87
Furniture and Equipment	50,585,614.28	-	2,366,316.68	-	52,951,930.96
Leased Land	731,811.65	-	-	-	731,811.65
Vehicle, Boats and Aircraft	4,172,818.06	-	1,417,466.81	-	5,590,284.87
Library Books	40,806,096.40	-	2,054,780.46	-	42,860,876.86
<b>Total Depreciable/Amortizable Assets</b>	<b>677,793,698.68</b>	<b>17,320,165.15</b>	<b>7,921,750.78</b>	<b>-</b>	<b>703,035,614.61</b>
<b>Less Accumulated Depreciation for:</b>					
Buildings and Building Improvements	(341,588,546.14)	-	(16,688,105.68)	-	(358,276,651.82)
Infrastructure	(5,402,961.03)	-	(239,762.06)	-	(5,642,723.09)
Facilities and Other Improvements	(14,188,251.35)	-	(836,188.37)	-	(15,024,439.72)
Furniture and Equipment	(31,647,331.09)	-	(523,517.07)	-	(32,170,848.16)
Vehicle, Boats, and Aircraft	(2,558,031.86)	-	(214,795.62)	-	(2,772,827.48)
Library Books	(22,419,345.80)	-	(2,081,619.14)	-	(24,500,964.94)
<b>Total Accumulated Depreciation</b>	<b>(417,804,467.27)</b>	<b>-</b>	<b>(20,583,987.94)</b>	<b>-</b>	<b>(438,388,455.21)</b>
<b>Depreciable Assets, Net</b>	<b>259,989,231.41</b>	<b>17,320,165.15</b>	<b>(12,662,237.16)</b>	<b>-</b>	<b>264,647,159.40</b>
<b>Intangible Capital Assets- Amortizable</b>					
Computer Software - Intangible	1,541,830.37	-	441,722.07	-	1,983,552.44
<b>Total Intangible Capital Assets</b>	<b>1,541,830.37</b>	<b>-</b>	<b>441,722.07</b>	<b>-</b>	<b>1,983,552.44</b>
<b>Less Accumulated Amortization for:</b>					
Computer Software - Intangible	(755,280.78)	-	(40,733.70)	-	(796,014.48)
Leased Land	(84,743.84)	-	(109,672.93)	-	(194,416.77)
<b>Total Accumulated Amortization</b>	<b>(840,024.62)</b>	<b>-</b>	<b>(150,406.63)</b>	<b>-</b>	<b>(990,431.25)</b>
<b>Intangible Capital Assets</b>	<b>701,805.75</b>	<b>-</b>	<b>291,315.44</b>	<b>-</b>	<b>993,121.19</b>
<b>Business Activities Capital and Leased Assets, Net</b>	<b>\$ 304,224,578.83</b>	<b>\$ -</b>	<b>\$ (8,069,367.33)</b>	<b>\$ -</b>	<b>\$ 296,155,211.50</b>

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Construction commitments outstanding at year end were as follows:

Project Description/ Project Manager	Overall Project Budget	Total Spent To Date	Remaining Balance
Bldg. 143 - MLK HVAC Assessment	1,242,192.00	764,372.80	477,819.20
Business Building HVAC Assessment	1,081,750.00	720,121.92	361,628.08
Campus Signage & Wayfinding	324,880.00	48,732.00	276,148.00
CCAP-Nabrit Science Center	2,529,734.00	483,272.44	2,046,461.56
CCAP Project Advisor	1,364,810.00	212,000.00	1,152,810.00
Education Building HVAC Assessment	385,876.19	385,876.19	-
Public Affairs Building HVAC Assessment	513,677.00	482,814.76	30,862.24
Transformational Center Project	981,692.00	315,864.82	665,827.18
Campus Signage & Wayfinding	324,880.00	105,909.86	218,970.14
	<u>\$ 8,749,491.19</u>	<u>\$ 3,518,964.79</u>	<u>\$ 5,230,526.40</u>

The construction commitments whose total spend equals the project budget were placed into service in fiscal year 2025.

### NOTE 3: DEPOSITS AND INVESTMENTS

#### A. Cash in Bank-Carrying Amount

As of August 31, 2024, the carrying amount of cash is:

<u>Carrying Amount-Cash in Bank</u>	<u>Amount FY</u>
Cash in Bank- Carrying Amount	\$ 165,303,340.30
Less: Nonnegotiable CD's included in Carrying Amount	-
Less: Uninvested Collateral Included in Carrying Amount	500,000.00
Less: Nonnegotiable CD's Collateral Included in Carrying Amount	-
Total Cash In Bank	<u>\$ 164,803,340.30</u>
Current Assets Restricted Cash in Bank	-
Cash in Bank Per AFR	<u>\$ 164,803,340.30</u>

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, TSU will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The bank balances that were exposed to custodial credit risks are as follows:

Fund Type	Uninsured and uncollateralized	Uninsured and collateralized with securities held by the pledging financial institution	Uninsured and collateralized with securities held by the pledging financial institution's trust department but not in the state's name
5	\$ -	\$ 164,803,340.30	\$ -

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For the Year Ended August 31, 2024

### B. Investments

TSU has adopted written investment policies regarding the investment of its endowment and non-endowed funds. All investments shall be made in accordance with applicable laws, the investment policies, and resolutions of the Board of Regents. In summary, TSU is authorized to invest in the following:

- Direct obligations of the U.S. Government or its agencies and instrumentalities
- Obligations of this State, or its agencies or its instrumentalities
- Fully collateralized certificates of deposit
- Fully collateralized repurchase agreements or reverse repurchase agreements
- Bankers' acceptance notes
- Commercial paper
- Mutual funds
- Investment pools
- Cash management and fixed income funds exempt from federal income taxation
- Negotiable certificates of deposit
- Corporate bonds rated in one of the two highest categories
- Common or convertible preferred stock
- Foreign government bonds
- Foreign corporate bonds
- Private Credit
- Hedge Funds

As of August 31, 2024, TSU had the following investments:

<b>Investment Type</b>	<b>Fair Value</b>
U.S. Government Agency Obligations	\$ 306,096.28
U.S. Treasury Securities	9,932,603.03
Equity	62,525,583.19
International Government Obligations	362,036.00
Corporate Obligations	7,422,249.02
Bond Mutual Funds	8,174,217.95
TexStar Investment Pool	1,516,826.01
Fixed Income Money Market Funds	12,870,636.86
Private Credit	1,468,774.00
Hedge Fund	3,995,919.48
U.S. Treasury Bills	4,910,004.03
	<u>\$ 113,484,945.85</u>

**Credit risk.** Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. TSU's investment policy limits investments in obligations of states, agencies, counties, cities, and other political subdivisions of any investments rated greater than A or its equivalent. Corporate bonds, debentures, or similar debt instruments must be rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradation within those categories.

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The following table presents each applicable investment type grouped by rating as of August 31, 2024:

Investment Ratings						
Investment Type		AAA	AA	AA+	AA-	A
U.S. Government Agency Obligations	\$			63,612.68		
U.S. Treasury Securities	\$			9,932,603.03		
International Government Obligations	\$					
Corporate Obligations	\$	325,537.76				579,497.30
Bond Mutual Funds	\$	31,105.46	2,415,979.37			118,932.64
Investment Ratings						
Investment Type		A+	A-	BBB	BBB+	BBB-
U.S. Government Agency Obligations	\$					
U.S. Treasury Securities	\$					
International Government Obligations	\$					362,036.00
Corporate Obligations	\$	220,341.30	1,249,371.25	2,178,773.60	1,202,506.55	969,349.15
Bond Mutual Funds	\$			1,094,943.84		
Investment Ratings						
Investment Type		BB	B	CC	CCC	
U.S. Government Agency Obligations	\$					
U.S. Treasury Securities	\$					
International Government Obligations	\$					
Corporate Obligations	\$					
Bond Mutual Funds	\$	2,506,615.07	1,507,035.38		52,822.60	
Unrated						
Equity	\$	62,525,583.19				
U.S. Government Agency Obligations		242,483.60				
Corporate Obligations	\$	696,872.11				
Bond Mutual Funds	\$	446,783.60				
Private Credit	\$	1,468,774.00				
Hedge Fund	\$	3,995,919.48				
Cash/Money Markets	\$	12,870,636.86				
U.S. Treasury Bills	\$	4,910,004.03				
TexStar Investment Pool	\$	1,516,826.01				

*Concentration of credit risk – investments.* TSU's investment policy contains diversification as an investment risk but does not contain any limitation on a dollar amount that may be invested in a specific maturity, issuer, or class of investment for its non-endowment funds and endowment funds.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, TSU will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. TSU's investment policy requires safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in TSU's safekeeping account prior to the release of funds. Investments of \$113,484,945.85 are exposed to Uninsured and Unregistered Fair Value Securities Held by Counterparty Custodial Credit Risk.

*Investment Pool:* The University is a voluntary participant in the external investment pool with fair value measured as follows:

Investment Pool	Measurement	Credit Risk
TexSTAR	Net Asset Value	AAAm

*Interest rate risk-investments.* For an investment, this is the risk that changes in interest rates will adversely affect the fair value of an investment.



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For the Year Ended August 31, 2024

The following table demonstrates TSU's interest rate risk.

Investment Type	Fair Value	Maturity Schedule			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. Government Agency Obligations	\$ 306,096.28	\$ -	\$ 306,096.28	\$ -	\$ -
U.S. Treasury Securities	9,932,603.03	2,157,108.23	4,782,561.15	2,992,933.65	-
Corporate Obligations	7,422,249.02	552,816.92	4,374,194.17	2,300,852.35	194,385.58
Bond Mutual Funds	8,174,217.93	-	4,514,752.08	-	3,659,465.87
Fixed Income Money Market Funds	12,870,636.86	12,870,636.86	-	-	-
Total	\$ 38,705,803.12	\$ 15,580,562.01	\$ 13,977,603.68	\$ 5,293,786.00	\$ 3,853,851.45

*Fair value measurement – investments.* GASB 72 addresses accounting and reporting issues related to fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly fashion between market participants at the measurement date. GASB 72 establishes a Fair Value Hierarchy that includes three levels of input based on the reliability and objectivity of the information:

Level 1 — inputs are quoted prices (unadjusted) in active markets for assets or liabilities identical to the ones being measured. Level 1 inputs receive the highest priority.

Level 2 — inputs are observable for similar assets or liabilities, either directly (quoted market prices for similar assets or liabilities) or indirectly (corroborated from observable market information).

Level 3 — inputs are unobservable (for example: management's assumption of the default rate among underlying mortgages of a mortgage-backed security). Level 3 inputs receive the lowest priority.

Fair Value Hierarchy for TSU's investments as of August 31, 2024 is as follows:

Investments	Fair Value Hierarchy				
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Net Asset Value	Fair Value
U.S. Government					
US Government Agency Obligations	\$ 0	306,096.28	\$ -	\$ -	\$ 306,096.28
US Treasury Securities	9,932,603.03	-	-	-	9,932,603.03
Equity	62,525,583.19	-	-	-	62,525,583.19
Corporate Obligations	0	7,422,249.02	-	-	7,422,249.02
Bond Mutual Funds	8,174,217.95	-	-	-	8,174,217.95
International Government Obligations	0	362,036.00	-	-	362,036.00
TexStar Investment Pool	-	-	-	1,516,826.01	1,516,826.01
Fixed Income Money Market Funds	12,870,636.86	-	-	-	12,870,636.86
Private Credit	-	-	-	1,468,774.00	1,468,774.00
Hedge Fund	-	-	-	3,995,919.48	3,995,919.48
U.S. Treasury Bills	4,910,004.03	-	-	-	4,910,004.03
Total Investments	\$ 98,413,045.06	\$ 8,090,381.30	\$ -	\$ 6,981,519.49	\$ 113,484,945.85

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### NOTE 5: SUMMARY OF LONG-TERM LIABILITIES

During the year ended August 31, 2024, the following changes occurred in the long-term liabilities:

Long-Term Liabilities	Balance 9/1/2023	Additions	Reductions	Balance 8/31/2024	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds Payable:						
Series 2013	860,000.00	-	860,000.00	-	-	0.00
Series 2016	40,775,000.00	-	2,365,000.00	38,410,000.00	2,485,000.00	35,925,000.00
Series 2021	11,545,000.00	-	1,420,000.00	10,125,000.00	1,490,000.00	8,635,000.00
Series 2023	80,680,000.00	-	3,520,000.00	77,160,000.00	2,730,000.00	74,430,000.00
Premiums & discounts	12,844,814.00	-	667,443.29	12,176,771.28	695,613.00	11,481,158.28
Total revenue bonds	146,704,814.00	-	8,832,443.29	137,871,771.28 *	7,400,613.00	130,471,158.28
Lease Payable:						
Lease Liability	667,910.61	-	130,515.73	537,394.88	68,024.49	469,370.39
Total Lease payable	667,910.61	-	130,515.73	537,394.88 *	68,024.49	469,370.39
Other Liabilities:						
Asset Retirement Obligations	133,462.62	-	-	133,462.62	-	133,462.62
Employees' Compensated Leave	5,322,849.00	1,222,995.49	2,569,483.45	3,976,361.04	2,079,432.49	1,896,928.55
Total other liabilities	5,456,311.62	1,222,995.49	2,569,483.45	4,109,823.66	2,079,432.49	2,030,391.17
Total	\$ 152,829,036.23	\$ 1,222,995.49	\$ 11,532,442.47	\$ 142,518,989.82	\$ 9,548,069.98	\$ 132,970,919.84
Long-term Debt Due in More Than One Year				\$ 132,970,919.84		
*Debt associated with capital assets				\$ 138,409,166.16		

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending August 31st	Revenue Bonds	
	Principal	Interest
2025	\$ 6,705,000.00	\$ 6,011,900.00
2026	7,025,000.00	5,676,650.00
2027	7,385,000.00	5,325,400.00
2028	7,755,000.00	4,956,150.00
2029	8,150,000.00	4,568,400.00
2030-2034	38,124,000.00	17,440,250.00
2035-2039	26,925,000.00	7,898,839.50
2040-2043	23,625,000.00	3,179,662.50
Total	\$ 125,694,000.00	\$ 55,057,252.00

Interest expense incurred on revenue bonds for the year ended August 31, 2024 totaled \$6,483,617.34

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### A. Compensated Absences

A State employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. An expense and liability are recorded as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source from which the employee's salary or wage compensation was paid.

### B. Asset Retirement Obligations

TSU purchased radiation equipment which resulted in an asset retirement obligation. TSU must estimate the new obligation amount using probability weighting and record the initial measurement as a deferred outflow of resources ARO and a noncurrent ARO. TSU must assess any relevant factors annually to determine if a significant change in current value has occurred, if so, record the change in ARO deferred outflow of resources and noncurrent ARO. When the radiation equipment reaches the end of their useful life, the value of the ARO is moved to current ARO. Current ARO is then reduced by the amount of actual expenditures to retire the asset, with an offset to deferred outflows of resources.

## NOTE 6: BONDED INDEBTEDNESS

### Revenue Bonds, Series 2016

Purpose	On June 23, 2016, TSU Board of Regents authorized the issuance of revenue financing system bonds for the purpose of constructing a library/learning center
Amount of Issue	\$55,490,000; all authorized have been issued
Issue Date	September 15, 2016
Type of Bond	Revenue Bond - Self Supporting
Reporting	Business-type Activities
Source of Revenue	Pledged Revenues

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### Revenue Bonds, Series 2021

Purpose	On April 15, 2021, TSU Board of Regents authorized the issuance of revenue financing system bonds for the purpose of refinancing Series 2011 Bond for the construction of Leonard Spearman Technology Building.
Amount of Issue	\$14,275,000; all authorized have been issued
Issue Date	June 24, 2021
Type of Bond	Revenue Bond - Self Supporting
Reporting	Business-type Activities
Source of Revenue	Pledged Revenues
Change in Debt	None

### Revenue Bonds, Series 2023

Purpose	On April 11, 2023, TSU Board of Regents authorized the issuance of revenue financing system bonds to acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure.
Amount of Issue	\$80,680,000; all authorized have been issued
Issue Date	July 11, 2023
Type of Bond	Revenue Bond - Self Supporting
Reporting	Business-type Activities
Source of Revenue	Pledged Revenues
Change in Debt	None

### NOTE 8: LEASE LIABILITIES

GASB Statement No. 87, *Leases*, adopted in 2022, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Limited exceptions to the single approach guidance are provided for short-term leases, defined as lasting a maximum of twelve months at inception, including any options to extend, financed purchases, leases of assets that are investments and certain regulated leases. TSU's leases are recognized and measured using the facts and circumstances that exist at the beginning of the earliest period presented. The State of Texas Comptroller's Office has established a materiality threshold for leases of \$100,000 per asset to be applied to the present value of the right-to-use (RTU) assets and/or lease receivable. TSU has adopted this materiality threshold for all GASB 87 leases. TSU signed three (3) lease contracts for land/grounds. These leasing arrangements have been examined according to the GASB 87 standard, implementation guidelines, and the State Comptroller Office's requirements, the details for the identified leases are discussed below. Included in the expenses reported in the financial statements are the following amounts of rent paid or due.

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<u>Fund Type</u>	<u>Amount</u>
Enterprise Fund	<u>\$ 77,524.59</u>

Future lease payments having an initial term of more than one year are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 68,024.49	\$ 9,666.00	\$ 77,690.49
2026	69,006.70	8,683.81	77,690.51
2027	22,310.40	7,689.60	30,000.00
2028	22,734.10	7,265.89	29,999.99
2029	23,206.18	6,793.82	30,000.00
2030-2034	123,124.18	26,875.81	149,999.99
2035-2039	135,869.08	14,130.92	150,000.00
2040-2044	73,119.75	1,880.27	75,000.02
<b>Total</b>	<b>\$ 537,394.88</b>	<b>\$ 82,986.12</b>	<b>\$ 620,381.00</b>

### NOTE 9: EMPLOYEE RETIREMENT PLAN

#### A. Teacher Retirement System (TRS)

The State of Texas has joint contributory retirement plans for substantially all its employees. One of the primary plans in which TSU participates is a cost-sharing, multi-employer, public employee retirement system administered by the Teacher Retirement System of Texas ("TRS"). TRS is primarily funded through State and employee contributions. Depending upon the source of funding for a participant's salary, TSU may be required to make contributions in lieu of the State.

All TSU personnel employed in a position on a half time or greater basis for at least four and a half months or more are eligible for membership in TRS. Members with at least five years of service at age 65 or any combination of age plus years of service which equals 80, have a vested right to retirement benefits. Additionally, reduced benefits are available at age 55 with at least five years of service or at any age below 50 with 30 years of service. Members are fully vested after five years of service and are entitled to any benefits for which the eligibility requirements have been met.

TRS contribution rates for both employers and employees are not actuarially determined but are legally established by the State Legislature. Contributions by employees are 7.7 percent of gross earnings. Depending upon the source of funding for the employee's compensation, the State or TSU contributes a percentage of participant salaries totaling 7.5 percent of annual compensation. TSU's contributions to TRS for the year ended August 31, 2024 were \$2,704,786.06 which equaled the amount of the required contributions for the year.

Each of TRS's component government agencies accounts for its share of the pension fund based on its proportionate share of the State of Texas TRS Pension Fund. Disclosures regarding TSU's proportionate share as well as the underlying actuarial assumptions and conclusions are discussed in a separate note.

#### Optional Retirement Program (ORP)

The State of Texas has also established an Optional Retirement Program ("ORP") for institutions of higher education. Participation in the ORP is in lieu of participation in TRS. The ORP provides for the purchase of annuity contracts and mutual funds. Participants are vested in the employer contributions after one year and one day of service. The contributory

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percentages of participant salaries currently provided by the State of Texas and each participant are 6.60 percent and 6.65 percent, respectively. Depending upon the source of funding for the employee's compensation, TSU may be required to make the employer contributions in lieu of the State. Additionally, the State or TSU must make additional contributions above six percent depending upon the employee's date of hire. Since these are individual annuity contracts, the State and TSU have no additional or unfunded liability for this program.

<u>Employee Retirement Plans</u>	<u>Aug. 31, 2024</u>
Employee Contribution	\$ 1,826,746.30
Employer Contribution	1,978,975.16
	<u>\$ 3,805,721.46</u>

### NOTE 9A: TRS PENSION FUND – TSU's PROPORTIONATE SHARE

The state of Texas has three retirement systems in its financial reporting entity – Employees Retirement System (ERS), Teacher Retirement System (TRS), and Texas Emergency Services Retirement System (TESRS). These three retirement systems administer the following six defined benefit pension plans:

- ERS – the Employees Retirement System of Texas Plan (ERS), the Law Enforcement and Custodial Officer Supplemental Retirement Plan (LECOS), the Judicial Retirement System of Texas Plan One (JRS 1) and Judicial Retirement System of Texas Plan Two (JRS2).
- TRS – the Teacher Retirement System of Texas (TRS) plan
- TESRS – the Texas Emergency Services Retirement System (TESRS) plan.

ERS, LECOS, JRS2, TRS, and TESRS plans are administered through several trusts; JRS1 plan is on a pay-as-you-go basis.

#### TRS plan

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

The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by state law and may be amended by the Legislature. The pension benefit formulas are based on members' average annual compensation and years of service credit. The standard annuity is 2.3 percent of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered members who were hired on or before August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic cost of living adjustments (COLAs).

Audited Annual Comprehensive Financial Report (ACFR) for the Teacher Retirement System may be obtained from their website at [www.trs.state.tx.us](http://www.trs.state.tx.us) and searching for financial reports.

During the measurement period of 2023 for fiscal 2024 reporting, the amount of TSU's contributions recognized by the plan was \$2,353,933.43. The contribution rates are based on a percentage of the monthly gross compensation for each

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member. The contribution requirements for the state and the members in the measurement period are presented in the table below:

### Required Contribution Rates

	TRS Plan
Contribution Rates:	
Employer	8.25%
Employees	8.25%

The total pension liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total pension liability as of the August 31, 2022 measurement date.

### Actuarial Methods and Assumptions

	TRS Plan
Actuarial Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Discount Rate	7.00%
Long-term Expected Rate of Return	7.00%
Municipal Bond Rate as of August 2020	4.13% *
Inflation	2.30%
Salary Increase	2.95% to 8.95% including inflation
Mortality:	
Active	PUB(2010) Mortality Tables for Teachers, below median, with full generational mortality.
Post-Retirement	2021 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP
Ad Hoc Post-Employment Benefit Changes	None

### Notes:

\* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total pension liability to August 31, 2023.

The actuarial assumptions used in the determination of the total pension liability were primarily based on the result of an actuarial experience study for the four-year period ending August 31, 2021 and adopted in July 2022. The primary assumption change was the lowering of the single discount rate from 7.25% to 7%.

The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the Net Pension Liability of TRS. In addition, the Legislature also provided for a cost-of-living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023. Otherwise, there have been no changes to the benefit provisions of the plan since the prior measurement date.

The discount rate of 7.00% was applied to measure the total pension liability. The discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projected cash flows into and out of the pension plan assumed that active members, employers, and non-employer contributing entity make their contributions at the statutorily required rates. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 gradually increasing to 9.56% in fiscal year 2025 and thereafter. This includes a factor for all employer and state contributions for active and rehired retirees. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

The long-term expected rate of return on plan investments was developed using a building-block method in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class for the plan's investment portfolio are presented below:

Asset Class <sup>1</sup>	Target Allocation <sup>2</sup>	Long-Term Expected Geometric Real Rate of Return <sup>3</sup>
<b>Global Equity</b>		
USA	18.00%	4.00%
Non-US Developed	13.00%	4.50%
Emerging Markets	9.00%	4.80%
Private Equity	14.00%	7.00%
<b>Stable Value</b>		
Government Bonds	16.00%	2.5%
Absolute Return		3.60%
Stable Value Hedge Funds	5.00%	4.10%



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### Real Return

Real Estate	15.00%	4.90%
Energy, Natural Resources and Infrastructure	6.00%	4.80%
Commodities		4.40%

### Risk Parity

Risk Parity	8.00%	4.50%
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### Asset Allocation Leverage

Cash	2.00%	3.70%
Asset Allocation Leverage	(6.00)%	4.40%

<b>Total</b>	<u>100.00%</u>	
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### Notes:

<sup>1</sup>Absolute Return includes Credit Sensitive Investments.

<sup>2</sup>Target allocations are based on fiscal year 2023 policy model.

<sup>3</sup>Aon Hewitt Capital Market Assumptions Report as of August 31, 2023

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of TSU's net pension liability. The result of the analysis is presented in the table below:

### Sensitivity of TSU's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 48,016,511	\$ 32,116,878	\$ 18,896,324

The pension plan's fiduciary net position is determined using economic resources measurement focus and accrual basis of accounting, which is the same basis used by TRS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Fair value is a market-based measurement, not an entity-specific measurement. TRS utilizes one or more of the following valuation techniques in order to measure fair value: the market approach, the cost approach, and the income approach. More detailed information on the plan's investment policy, assets, and fiduciary net position, may be obtained from TRS' fiscal 2023 ACFR.

At August 31, 2024, TSU reported a liability of \$32,116,878 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. TSU's proportion at August 31, 2024 was 0.0467560259 percent which was a decrease from the 0.047640278 percent measured at the prior measurement date. TSU's proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the period September 1, 2022 through August 31, 2023.

For the year ending August 31, 2024, TSU recognized pension expense of \$4,282,423. At August 31, 2024, TSU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 373,766.28	\$ 479,978.26
Changes of assumptions	4,803,123.35	1,022,380.57
Net difference between projected and actual investment return	2,546,700.54	-
Effect of change in proportion and contribution difference	3,025,719.77	9,035,390.17
Contributions subsequent to the measurement date	2,704,786.06	-
Total	<u>\$ 13,454,096.00</u>	<u>\$ 10,537,749.00</u>

There were \$2,704,786.06 in contributions subsequent to the measurement date that will be recognized as a reduction in the net pension liability for the year ending August 31, 2025.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the following years:

Year Ending August 31:	Amortization of Deferred Outflows/Inflows
2025	\$ 84,485.00
2026	(984,541.00)
2027	1,508,755.00
2028	(468,262.00)
2029	71,124.00
Thereafter	-
	<u>\$ 211,561.00</u>

### NOTE 9B: ERS OPEB Plan – TSU’s PROPORTIONATE SHARE

#### ERS plan

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

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

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

ERS issued a stand-alone audited Annual Comprehensive Financial Report (ACFR). The ERS ACFR may be obtained from their website at [www.ers.texas.gov](http://www.ers.texas.gov) and searching for reports and studies.

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For the Year Ended August 31, 2024

During the measurement period of 2023 for fiscal 2024 reporting, the amount of TSU's contributions recognized by the plan was \$2,430,706.00. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. The contribution requirements for the state and the members in the measurement period are presented in the table below:

### Employer Contribution Rates

#### Retiree Health and Basic Life Premium

Retiree Only	\$624.82
Retiree & Spouse	1,340.82
Retiree & Children	1,104.22
Retiree & Family	1,820.22

The total OPEB liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total OPEB liability as of the August 31, 2023 measurement date.

### Actuarial Methods and Assumptions

	SRHP
Actuarial Valuation Date	August 31, 2023
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount Rate	3.81% *
Inflation	2.30%
Salary Increase	2.30% to 8.95%, including inflation
Healthcare Cost and Trend Rate	
HealthSelect	5.60% for FY 2025, 5.30% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years
HealthSelect Medicare Advantage	16.40% for FY 2025, 8.40% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years
Pharmacy	10.00% for FY 2025 and FY 2026, decreasing 100 basis points per year to 5.00% for FY 2031, and 4.30% for FY 2032 and later years
Aggregate Payroll Growth	2.70%

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For the Year Ended August 31, 2024

Retirement Age	Experience-based tables of rates that are specific to the class of employee
Mortality	
State Agency Members	
Service Retirees, Survivors and Other Inactive Members	2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP 2020 Projection Scale projected from the year 2020
Disabled Retirees	2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with Ultimate MP-2019 Projection Scale projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females respectively
Active Members	Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP Projection Scale from the year 2010
Higher Education Members	
Service Retirees, Survivors and Other Inactive Members	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021
Disabled Retirees	Tables based on TRS experience with Ultimate MP 2021 Projection Scale from year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active Members	Sex Distinct PUB-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP Projection Scale from the year 2010
Ad Hoc Post-Employment Benefit Changes	None

*\* The source of the municipal bond rate is the Bond Buyer Index of general obligations bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.*

The many actuarial assumptions used in the valuation were primarily based on the result of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2014 to August 31, 2019 for state agency members and for the period September 1, 2010 to August 31, 2017 for higher education members. The mortality rates were based on the tables identified in the table above titled *Actuarial Methods and Assumptions*.

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The following assumptions and other inputs have been adopted since the prior valuation to reflect plan experience and trends as expected by ERS and the actuaries attesting to the results of the valuation:

- a. The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence;
- b. Proportion of future retirees assumed to cover dependent children;
- c. The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement;
- d. Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short term expectations.
- e. The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect recent plan experience and expected trends; and
- f. The discount rate was changed from 3.59% as of August 31, 2022 to 3.81% as of August 31, 2023 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

The discount rate that was used to measure the total OPEB liability is the municipal bond rate of 3.81% as of the end of the measurement year; as of the beginning of the measurement year, the discount rate was 3.59%. Projected cash flows into the plan are equal to projected benefit payments out of the plan. As the plan operates on a pay as you go basis and is not intended to accumulate assets, there is no long-term expected rate of return. ERS' board of trustees adopted an amendment to the investment policy statement in August 2022 to require that all funds in this plan be invested in cash and equivalent securities. The expected rate of return on these investments is currently 4.1%. The investment rate of return used to calculate the projected earnings on OPEB plan investments was 3.59%.

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of TSU's net OPEB liability. The result of the analysis is presented in the table below:

### Sensitivity of TSU's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

1% Decrease (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
\$ 66,941,005	\$ 57,690,042	\$ 50,249,291

Sensitivity analysis was performed on the impact of changes in the healthcare cost trend rates on the proportionate share of TSU's net OPEB liability. The result of the analysis is presented in the table below:

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For the Year Ended August 31, 2024

### Sensitivity of TSU's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate HealthSelect (HS) or HealthSelect Medicare Advantage (HSMA)

1% Decrease	Current Healthcare Cost	1% Increase
HS/HSMA/Pharmacy:	Trend Rates	HS/HSMA/Pharmacy:
4.60/15.40/9.00 %	5.60/16.40/10.00 %	6.60/17.40/11.00 %
decreasing to 3.30%	decreasing to 4.30%	decreasing to 5.30%
\$ 49,621,454	\$ 57,690,042	\$ 67,937,189

The OPEB plan's fiduciary net position is determined using economic resources measurement focus and accrual basis of accounting, which is the same basis used by ERS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments of the Other Employee Benefit Trust Fund are reported at fair value in accordance with GASB Statement No. 72. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings. More detailed information on the plan's investment valuation, investment policy, assets, and fiduciary net position may be obtained from ERS' fiscal 2023 ACFR.

At August 31, 2024, TSU reported a liability of \$57,690,042 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of August 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. TSU's proportion at August 31, 2023 was 0.21592581 percent. The prior year proportion was 0.24655563 percent. TSU's proportion of the collective net OPEB liability was based on its contributions to the OPEB plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the period September 1, 2022 through August 31, 2023.

For the year ending August 31, 2024, Texas Southern University recognized OPEB expense of \$6,422,972. At August 31, 2024, TSU reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,525,932.00
Changes of assumptions	1,924,477.00	18,017,369.00
Net difference between projected and actual investment return	4,661.00	-
Effect of change in proportion and contribution difference	2,302,709.00	15,432,725.00
Total	\$ 4,231,847.00	\$ 34,976,026.00

There were no deferred outflows of resources resulting from contributions subsequent to the measurement date that will be recognized as a reduction in the net OPEB liability for the year ending August 31, 2025.

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Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense in the following years:

<b>Year Ending</b>		<b>Total</b>
<b>August 31:</b>		
2025	\$	(7,108,170.00)
2026		(8,202,779.00)
2027		(8,025,082.00)
2028		(5,820,735.00)
2029		(1,587,413.00)
Thereafter		-
<b>Total</b>	<b>\$</b>	<b>(30,744,179.00)</b>

### NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

TSU reports their financial statements in accordance with GASB Statement No. 35. The statement requires TSU to report as one fund. Accordingly, no interfund balances and activities are reported.

### NOTE 15: CONTINGENCIES AND COMMITMENTS

#### A. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although TSU expects such amounts, if any, to be immaterial.

#### B. Lawsuits

TSU is a defendant in numerous lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of TSU's management that resolution of these matters will not have a materially adverse effect on the financial condition of TSU.

### NOTE 16: SUBSEQUENT EVENT

TSU evaluated subsequent events through January 30, 2025 the date the financial statements were available to be issued and is not aware of any subsequent events that would require recognition or disclosure.

### NOTE 17: RISK FINANCING AND RELATED INSURANCE

Texas Southern University endeavors to manage its financial exposures and third-party claims that are inherent with business transactions. The University conducts periodic assessments of operations in accordance with risk profiles to determine risk transfer, retention and management strategies. There have been no significant reductions in insurance coverage in the past year and losses have not exceeded policy limits in the life of the insurance program.

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## ***NOTES TO FINANCIAL STATEMENTS***

**For the Year Ended August 31, 2024**

The following outlines relevant insurance coverage and other applicable provisions.

### **Property Insurance, Equipment Breakdown and Terrorism**

Pursuant to Chapter 412 of the Texas Labor Code, Texas Southern University participates in the Statewide Property Insurance Program to transfer financial burden resulting from property damage and loss of University assets. The program, administered by the State Office of Risk Management, affords a shared limit that includes coverage for both building contents and business interruptions.

### **Workers' Compensation**

Pursuant to Chapters 412 and 501 of the Texas Labor Code, the State of Texas self-insures with respect to workers' compensation. The statutory Government Employees Workers' Compensation Insurance Program is administered by the State Office of Risk Management and provides mandatory workers' compensation coverage and risk management services to all state agencies. Texas Southern University employees are provided continuous coverage pursuant to Chapter 501.

The coverage extends domestically and in foreign countries. The current General Appropriations Act provides that TSU must reimburse the general revenue fund, consolidated from TSU appropriations, one-half of the unemployment benefits and 25 percent of the workers' compensation benefits paid for former and current employees. The Comptroller determines the proportionate amount to be reimbursed from each appropriated fund type. TSU must reimburse the general revenue fund 100 percent of the cost for workers' compensation and unemployment compensation for any employees paid from funds held in local bank accounts and local funds held in the State treasury. Workers' compensation and unemployment plans are on a pay- as-you-go basis, in which no assets are set aside to be accumulated for the payment of claims. No material outstanding claims are pending at August 31, 2024.

### **General Liability**

As an agency of the State of Texas, the University has limited liability pursuant to Chapter 101 of the Texas Civil Practice and Remedies Code. The limits of liability under Chapter 101 are \$250,000 for each person, \$500,000 for each single occurrence for bodily injury or death and \$100,000 for each single occurrence for injury or destruction of property. The University maintains insurance policies including Commercial General, Umbrella, Directors and Officers, Employment Practices and Internships Professional Liability to satisfy any contractual obligations.

### **Automobile Liability**

Texas Southern University maintains a Commercial Auto Liability Policy for owned, hired and leased, and loaned vehicles with limits of \$250,000 per person, \$500,000 per accident for bodily injury and \$100,000 per accident for property damage to the extent of the waivers of State sovereign immunity specified in the Texas Tort Claims Act. In addition, coverage includes \$1,000,000 Combined Single Limit Bodily Injury & Property Damage per accident for claims that are not subject to the Texas Tort Claims Act.

## **NOTE 18: MANAGEMENT'S DISCUSSION AND ANALYSIS**

Although normally included as Note 18 following the Comptroller's requirements, Management's Discussion and Analysis is included as a separate section in the front of this report to comply with GASB.

## **NOTE 19: THE FINANCIAL REPORTING ENTITY**

### **A. Related Parties**

TSU is affiliated with the Texas Southern University Foundation. The stated purpose of the foundation is "to solicit and receive gifts, grants, devices, or bequests and to maintain, use, and apply the income there from and the principal thereof exclusively for charitable, scientific, literary or educational activities in order to aid and benefit Texas Southern University." According to foundation bylaws, the President of TSU and a representative of TSU's Board of Regents shall



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be ex officio members of the foundation's Board of Directors with full voting rights.

TSU is also affiliated with the Texas Southern University Alumni Association. The alumni association is a non-profit organization created for the purpose of promoting, fostering, and advancing the educational goals of TSU and the interests and welfare of its students; to provide the means for continuing relationships between TSU, former students, and the community; and to enable them to contribute to and share in the progress of TSU. All former students are eligible for membership in the alumni association. The Board of Directors of the alumni association is elected by the membership. TSU administration has no controlling interest in the alumni association. The financial statements of TSU encompass the financial activity only of TSU. TSU does not have any component entities that should be included in these financial statements.

### NOTE 20: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

TSU has no material violations of finance related legal and contract provisions. Per the laws of the State of Texas, TSU cannot spend amounts in excess of appropriations granted by the Texas Legislature and there are no deficits reported in net position.

### NOTE 22: DONOR-RESTRICTED ENDOWMENTS

<b>Donor-Restricted Endowments</b>	<b>Amount of Net Appreciation (Depreciation)</b>	<b>Reported in Net Position</b>
True Endowments	\$ 61,871,992.48	Restricted for expendable
Term Endowments	3,949,276.12	Restricted for expendable
Total	<u>\$ 65,821,268.59</u>	

In the table above, amounts reported as "Net Appreciation" represent net appreciation (cumulative and unexpended) on investments of donor or constitutionally restricted endowments that are available for authorization and expenditure by the Texas Southern University Board of Regents. For donor restricted endowments, pursuant to the Uniform Prudent Management of Institutional Funds Act, as adopted by Texas, the TSU Board of Regents may distribute net appreciation, realized and unrealized, in the fair market value of the assets of endowment holdings over the historic dollar value of the gifts, to the extent prudent.

TSU's spending policy for endowments reflects an objective to distribute as much of the total return as is consistent with overall investment objectives while protecting the real value of the endowment corpus. The primary long-term investment objective of the endowment is to earn a total rate of return that exceeds the spending rate plus the cost of managing the investment fund. The University all-inclusive spending rate of 7%, which includes 5% spending rate and 0.5% costs of managing the investment fund. In order to preserve purchasing power parity, the Endowment's spending policy shall not exceed 5%. The calculation of the 5% spending rate will be based upon a three year moving average of Endowment Fund earnings with the most recent year removed. The 5% annual spending rate is required to be applied to each individual endowment. The University will calculate the average market value based upon the time period that these endowments are in existence.

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<b>Endowments</b>	<b>Increase/Decrease</b>	<b>Reason for Change</b>
True Endowments	\$ 10,944,630.06	Change in fair value of portfolio
Term Endowments	864,462.69	Change in fair value of portfolio
Total	<u>\$ 11,809,092.75</u>	

### NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Aggregate receivables and other payables as reported on the statement of net position as of August 31, 2024, are detailed as follows:

<b>Receivables</b>	<b>Balance</b>
Allowance for Doubtful Accounts	\$ (5,157,156.11)
Billed Grants Acct Rec Non Federal	(17,997.28)
General Accounts Receivable	1,109.50
Installment Receivable	570.00
Installment Receivable - II	27,592.14
Loan Receivable - I	629.00
Non-Federal Grants Acct Rec	1,526,584.52
Short-Term Student Loan	7,748.63
Student Accounts Receivable	33,890,978.55
Suspense Clearing Receivable	516,060.31
Third Party Receivable	<u>1,031,259.10</u>
	<u>\$ 31,827,378.36</u>

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<b>Other Payables</b>	<b>Balance</b>
Sales Tax	\$ (209,667.27)
Advanced Payments-Pledged Aux Dorm	(208,620.66)
ARO Capital Liability	(295,566.99)
Aviation Deposits	54,697.30
Bookstore Reserve Clearing	(1,487,700.00)
Cashier Overage-Shortage	751.87
Debt Service Clearing	351,020.97
Declining Balance Debit Card	9,358.57
Deposits Held for Clubs	(16,763.80)
Greystone -Apt	(3,407.62)
Housing Community College	1,182.00
Housing Deposits	10,684.00
Housing Reserve	(4,749.50)
Icon	29,471.04
Inactive Deposits	99,357.03
International Student Deposits	(89,966.38)
Intl. Student Health Premium Fee	(354,296.82)
License Prof Insurance	(46,905.00)
Other Deposits	(700.00)
Palm Apartments	3,990.00
Retainage Payable	(2,198,161.79)
Rosewood Housing	17,836.00
Savoy Apartments	16,162.00
Student Deposits - Regular	3,254.62
Student Health Insurance	4,332.00
Suspense Clearing Liability	334,161.23
Texas B on Time Loan	(126,705.24)
Texas B on Time Loan Clearing Account	(1,744.00)
The Proper	19,793.74
Tierwester Oaks - Apt	64,827.00
Vue on MacGregor Apt	245,473.96
Wiley College	(1,920.00)
	<u>\$ (3,780,521.74)</u>

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### NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In fiscal year 2024, TSU reported deferred outflows of resources in connection with GASB 68 pension plan, GASB 75 OPEB plan, Asset Retirement Obligation, and a loss on refunding Series 2021 bond as well as deferred inflows of resources for GASB 68 pension plan and GASB 75 OPEB.

<b>As of August 31, 2024</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
TRS Pension Plan (GASB 68)	\$ 13,454,096.00	\$ 10,537,749.00
ERS OPEB Plan (GASB 75)	4,231,847.00	34,976,026.00
Asset Retirement Obligations (GASB 83)	133,462.62	-
Deferred Loss on Refunding	105,768.72	-
Total	<u>\$ 17,925,174.34</u>	<u>\$ 45,513,775.00</u>

Deferred outflows of resources of \$13,454,096 and Deferred inflows of resources of \$10,537,749 were related to changes in employee TRS pension plan. Deferred outflows of resources of \$4,231,847.00 and Deferred inflows of resources of \$34,976,026.00 were related to changes in employee OPEB plan. See Note 9 for additional information. Deferred outflows of resources of \$133,462.62 were related to Asset Retirement Obligation. Deferred loss on refunding of \$105,768.72 was related to the loss on the Series 2021 Bonds that refunded the Series 2011 Bonds.

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## **SUPPLEMENTARY INFORMATION**

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## *SCHEDULE OF OPERATING EXPENSES*

For the Year Ended August 31, 2024

<u>Expenses by Natural Classification</u>	<u>2024</u>
Salaries and Wages	\$ 92,020,430.26
Payroll Related Costs	29,945,439.32
Professional Fees and Services	17,731,829.06
Travel	3,844,634.97
Materials and Supplies	12,363,843.54
Communication and Utilities	8,514,677.64
Repairs and Maintenance	7,908,936.48
Rentals and Leases	1,702,032.12
Printing and Reproductions	507,799.21
Federal Pass-Through Expense	679,574.59
Bad Debt Expense	802,288.05
Scholarships	16,458,868.89
Other Operating Expenses	11,370,199.36
Depreciation	20,734,354.57
<b>Total Operating Expenses by Natural Class</b>	<b>\$ 224,584,908.06</b>

<u>Expenses by NACUBO Classification</u>	<u>2024</u>
Instruction	\$ 64,537,566.80
Research	5,746,080.59
Public Service	1,943,357.11
Academic Support	10,131,888.15
Student Services	12,203,419.58
Institutional Support	49,481,385.24
Operation and Maintenance of Plant	14,870,403.67
Scholarships and Fellowships	29,468,418.08
Auxiliary	15,468,034.28
Depreciation	20,734,354.57
<b>Total Operating Expenses by NACUBO</b>	<b>\$ 224,584,908.06</b>

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## Schedule 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2024

Federal Grantor/  Pass-through Grantor/  Program Title	ALN  Number	NSE Name/  Identifying Number	Agy/  Univ  No	Pass-through From		Direct  Program  Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
<b>National Science Foundation</b>						
<u>Direct Programs:</u>						
STEM Education (formerly Education and Human Resources)	47.076					143,112.18
Totals - National Science Foundation				0	0	143,112.18
<b>U.S. Department of Education</b>						
<u>Direct Programs:</u>						
Higher Education Institutional Aid	84.031					256,186.78
Title III Part B Programs - Strengthening Institutions Program	84.031B					10,019,121.00
Title III Part B, Strengthening Historically Black Colleges and Universities Program - FUTURE Act	84.031E					3,371,964.94
Strengthening Historically Black Graduate Institutions Program	84.031K					5,247,272.67
School Emergency Response to Violence (Project SERV)	84.184S					173,760.13
COVID-19 - Higher Education Emergency Relief Fund (HEERF) Institutional Portion	84.425F					5,985,171.48
COVID-19 - HEERF Historically Black Colleges and Universities (HBCUs)	84.425J					31,005.00
<u>Pass-Through From:</u>						
COVID-19 - Governors Emergency Education Relief (GEER) Fund	84.425C					
<u>Pass-Through From:</u>						
Texas Higher Education Coordinating Board			781	-3,959.73		
Totals - U.S. Department of Education				-3,959.73	0	25,084,482.00
<b>U.S. Department of Health and Human Services</b>						
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	Deep South Center for Environmental Justice, Inc./			249,580.06	
		2U45ES010664-24				
<u>Direct Programs:</u>						
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243					537,171.04
Teenage Pregnancy Prevention Program	93.297					245.07
Congressional Directives	93.493					80,430.39
PPHF Geriatric Education Centers	93.969					12,670.64
<u>Pass-Through From:</u>						
Teenage Pregnancy Prevention Program	93.297					
<u>Pass-Through From:</u>						
University of Texas Health Science Center at Houston			744	193,348.62		
Totals - U.S. Department of Health and Human Services				193,348.62	249,580.06	630,517.14
<b>U.S. Department of Transportation</b>						
<u>Direct Programs:</u>						
Highway Training and Education	20.215					30,730.06
Totals - U.S. Department of Transportation				0	0	30,730.06
<b>Research &amp; Development Cluster</b>						



Total	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
PT From and Direct Prog. Amount					PT To and Expenditures Amount
143,112.18				143,112.18	143,112.18
143,112.18		0	0	143,112.18	143,112.18
256,186.78				256,186.78	256,186.78
10,019,121.00				10,019,121.00	10,019,121.00
3,371,964.94				3,371,964.94	3,371,964.94
5,247,272.67				5,247,272.67	5,247,272.67
173,760.13				173,760.13	173,760.13
5,985,171.48				5,985,171.48	5,985,171.48
31,005.00				31,005.00	31,005.00
-3,959.73				-3,959.73	-3,959.73
25,080,522.27		0	0	25,080,522.27	25,080,522.27
249,580.06				249,580.06	249,580.06
537,171.04				537,171.04	537,171.04
245.07				245.07	245.07
80,430.39				80,430.39	80,430.39
12,670.64				12,670.64	12,670.64
193,348.62				193,348.62	193,348.62
1,073,445.82		0	0	1,073,445.82	1,073,445.82
30,730.06				30,730.06	30,730.06
30,730.06		0	0	30,730.06	30,730.06

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## Schedule 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2024

Federal Grantor/  Pass-through Grantor/  Program Title	ALN  Number	NSE Name/  Identifying Number	Agy/  Univ  No	Pass-through From		Direct   Program   Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
<b>National Aeronautics and Space Administration</b>						
National Aeronautics and Space Administration	43.000	INNATEVR, LLC/  LTVS-2024-TSU-015			12,092.81	
<b>Direct Programs:</b>						
Space Operations	43.007					17,026.34
Totals - National Aeronautics and Space Administration				0	12,092.81	17,026.34
<b>National Science Foundation</b>						
STEM Education (formerly Education and Human Resources)	47.076	Platforms for Advanced Wireless Research (PAWR)/ R76522			13,347.50	
NSF Technology, innovation, and Partnerships	47.084	NSABP Foundation, Inc./ AWD-005307-G3/2333737			21,278.75	
<b>Direct Programs:</b>						
Mathematical and Physical Sciences	47.049					313,452.92
Computer and Information Science and Engineering	47.070					76,503.89
Social, Behavioral, and Economic Sciences	47.075					675.58
STEM Education (formerly Education and Human Resources)	47.076					1,061,355.63
STEM Education (formerly Education and Human Resources)	47.076					152,881.27
<b>Pass-Through To:</b>						
University of Houston						
STEM Education (formerly Education and Human Resources)	47.076					66,927.33
<b>Pass-Through To:</b>						
Texas State University						
STEM Education (formerly Education and Human Resources)	47.076					48,050.00
<b>Pass-Through To:</b>						
University of Houston - Clear Lake						
STEM Education (formerly Education and Human Resources)	47.076					61,900.00
<b>Pass-Through To:</b>						
University of Houston - Downtown						
<b>Pass-Through From:</b>						
STEM Education (formerly Education and Human Resources)	47.076					
<b>Pass-Through From:</b>						
University of Houston						
			730	4,978.49		
Integrative Activities	47.083					
<b>Pass-Through From:</b>						
Prairie View A&M University						
			715	9,700.81		

Total	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
12,092.81				12,092.81	12,092.81
17,026.34				17,026.34	17,026.34
29,119.15		0	0	29,119.15	29,119.15
13,347.50				13,347.50	13,347.50
21,278.75				21,278.75	21,278.75
313,452.92				313,452.92	313,452.92
76,503.89				76,503.89	76,503.89
675.58				675.58	675.58
1,061,355.63				1,061,355.63	1,061,355.63
152,881.27					152,881.27
	730	152,881.27			
66,927.33					66,927.33
	754	66,927.33			
48,050.00					48,050.00
	759	48,050.00			
61,900.00					61,900.00
	784	61,900.00			
4,978.49				4,978.49	4,978.49
9,700.81				9,700.81	9,700.81

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## Schedule 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
Totals - National Science Foundation				14,679.30	34,626.25	1,781,746.62
<b>U.S. Department of the Interior</b>						
<u>Direct Programs:</u>						
National and Regional Climate Adaptation Science Centers	15.820					1,040.00
Totals - U.S. Department of the Interior				0	0	1,040.00
<b>U.S. Department of Defense</b>						
Air Force Defense Research Sciences Program	12.800	Clarkson Aerospace Corporation FA9550-21-1-0460;TSU-21-1-0460			13,999.54	
<u>Direct Programs:</u>						
Air Force Defense Research Sciences Program	12.800					111,781.97
Air Force Defense Research Sciences Program	12.800					53,103.46
<u>Pass-Through To:</u>						
Texas A&M Engineering Experiment Station						
Air Force Defense Research Sciences Program	12.800					51,553.25
<u>Pass-Through To:</u>						
Prairie View A&M University						
Totals - U.S. Department of Defense				0	13,999.54	216,438.68
<b>U.S. Department of Education</b>						
<u>Direct Programs:</u>						
Fund for the Improvement of Postsecondary Education - RDI Grant Program	84.116H					90,063.25
Totals - U.S. Department of Education				0	0	90,063.25
<b>U.S. Department of Energy</b>						
Office of Science Financial Assistance Program	81.049	URS/ DE-SC0024606			70,350.12	
<u>Direct Programs:</u>						
Office of Science Financial Assistance Program	81.049					201,221.37
Totals - U.S. Department of Energy				0	70,350.12	201,221.37
<b>U.S. Department of Health and Human Services</b>						
Minority Health and Health Disparities Research	93.307	Baylor University/ 5P50MD015496 04			122,954.05	
Trans-NIH Research Support	93.310	Duke University/ 1U24MD016258-01			501.07	
CDC Partnership: Strengthening Public Health Laboratories	93.322	Center for Innovation at Arlington/ 56401-250-911-24-17			2,125.81	

Total	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
PT From and Direct Prog. Amount					PT To and Expenditures Amount
1,831,052.17		329,758.60	0	1,501,293.57	1,831,052.17
1,040.00				1,040.00	1,040.00
1,040.00		0	0	1,040.00	1,040.00
13,999.54				13,999.54	13,999.54
111,781.97				111,781.97	111,781.97
53,103.46					53,103.46
	712	53,103.46			
51,553.25					51,553.25
	715	51,553.25			
230,438.22		104,656.71	0	125,781.51	230,438.22
90,063.25				90,063.25	90,063.25
90,063.25		0	0	90,063.25	90,063.25
70,350.12				70,350.12	70,350.12
201,221.37				201,221.37	201,221.37
271,571.49		0	0	271,571.49	271,571.49
122,954.05				122,954.05	122,954.05
501.07				501.07	501.07
2,125.81				2,125.81	2,125.81

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## Schedule 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	CIMMYT/			239,989.61	
		460001730702022-0518				
<u>Direct Programs:</u>						
Maternal and Child Health Federal Consolidated Programs	93.110					132,891.90
Minority Health and Health Disparities Research	93.307					2,242,053.76
Cancer Centers Support Grants	93.397					203,014.42
Biomedical Research and Research Training	93.859					410,802.38
Biomedical Research and Research Training	93.859					44,746.90
<u>Pass-Through To:</u>						
University of Houston						
Vision Research	93.867					166,513.27
<u>Pass-Through From:</u>						
National Center for Advancing Translational Sciences	93.350					
<u>Pass-Through From:</u>						
University of Texas Medical Branch at Galveston			723	22,073.99		
Cancer Treatment Research	93.395					
<u>Pass-Through From:</u>						
University of Houston			730	69,796.12		
Totals - U.S. Department of Health and Human Services				91,870.11	365,570.54	3,200,022.63
<b>U.S. Department of Housing and Urban Development</b>						
<u>Direct Programs:</u>						
General Research and Technology Activity	14.506					360,789.62
General Research and Technology Activity	14.506					105,330.47
<u>Pass-Through To:</u>						
University of Texas at Austin						
Totals - U.S. Department of Housing and Urban Development				0	0	466,120.09
<b>U.S. Department of Justice</b>						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Bureau of Health Professions/			60,439.45	
		15PBJA-21-GK-02616-JAGT				
Totals - U.S. Department of Justice				0	60,439.45	0

Total	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
239,989.61				239,989.61	239,989.61
132,891.90				132,891.90	132,891.90
2,242,053.76				2,242,053.76	2,242,053.76
203,014.42				203,014.42	203,014.42
410,802.38				410,802.38	410,802.38
44,746.90					44,746.90
	730	44,746.90			
166,513.27				166,513.27	166,513.27
22,073.99				22,073.99	22,073.99
69,796.12				69,796.12	69,796.12
3,657,463.28		44,746.90	0	3,612,716.38	3,657,463.28
360,789.62				360,789.62	360,789.62
105,330.47					105,330.47
	721	105,330.47			
466,120.09		105,330.47	0	360,789.62	466,120.09
60,439.45				60,439.45	60,439.45
60,439.45		0	0	60,439.45	60,439.45

**TEXAS SOUTHERN UNIVERSITY**  
(An Agency of the State of Texas)  
**Schedule 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended August 31, 2024

Federal Grantor/  Pass-through Grantor/  Program Title	ALN  Number	NSE Name/  Identifying Number	Agy/  Univ  No	Pass-through From		Direct  Program  Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
<hr/>						
<b>U.S. Department of Transportation</b>						
University Transportation Centers Program	20.701	University of North Carolina - Chapel Hill/ 69A3551747133/20160688-01-TSU			266,522.58	
<hr/>						
<b><u>Direct Programs:</u></b>						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505					38,514.26
University Transportation Centers Program	20.701					34,985.70
University Transportation Centers Program	20.701					95,081.91
<hr/>						
<b><u>Pass-Through To:</u></b>						
<i>University of Texas at Arlington</i>						
<hr/>						
<b><u>Pass-Through From:</u></b>						
Highway Planning and Construction	20.205					
<hr/>						
<b><u>Pass-Through From:</u></b>						
<i>Texas Department of Transportation</i>			601	74,677.73		
<hr/>						
University Transportation Centers Program	20.701					
<hr/>						
<b><u>Pass-Through From:</u></b>						
<i>University of Texas at Austin</i>			721	148,440.02		
<hr/>						
Totals - U.S. Department of Transportation				223,117.75	266,522.58	168,581.87
<hr/>						
<b><u>Student Financial Assistance Programs Cluster</u></b>						
<hr/>						
<b>U.S. Department of Education</b>						
<hr/>						
<b><u>Direct Programs:</u></b>						
Federal Supplemental Educational Opportunity Grants	84.007					508,526.53
Federal Work-Study Program	84.033					1,098,468.42
Federal Pell Grant Program	84.063					16,688,062.65
Federal Direct Student Loans	84.268					105,746,161.39
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379					22,874.50
<hr/>						
Totals - U.S. Department of Education				0	0	124,064,093.49
<hr/>						
<b>U.S. Department of Health and Human Services</b>						
<hr/>						
<b><u>Direct Programs:</u></b>						
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925					1,163,136.88
<hr/>						
Totals - U.S. Department of Health and Human Services				0	0	1,163,136.88
<hr/>						
<b><u>TRIO Cluster</u></b>						
<hr/>						
<b>U.S. Department of Education</b>						
<hr/>						
<b><u>Direct Programs:</u></b>						
TRIO Student Support Services	84.042A					466,148.75
TRIO Talent Search	84.044A					534,229.37
TRIO Upward Bound	84.047A					538,681.03
Upward Bound Math-Science	84.047M					335,711.65



Total	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
266,522.58				266,522.58	266,522.58
38,514.26				38,514.26	38,514.26
34,985.70				34,985.70	34,985.70
95,081.91					95,081.91
	714	95,081.91			
74,677.73				74,677.73	74,677.73
148,440.02				148,440.02	148,440.02
658,222.20		95,081.91	0	563,140.29	658,222.20
508,526.53				508,526.53	508,526.53
1,098,468.42				1,098,468.42	1,098,468.42
16,688,062.65				16,688,062.65	16,688,062.65
105,746,161.39				105,746,161.39	105,746,161.39
22,874.50				22,874.50	22,874.50
124,064,093.49		0	0	124,064,093.49	124,064,093.49
1,163,136.88				1,163,136.88	1,163,136.88
1,163,136.88		0	0	1,163,136.88	1,163,136.88
466,148.75				466,148.75	466,148.75
534,229.37				534,229.37	534,229.37
538,681.03				538,681.03	538,681.03
335,711.65				335,711.65	335,711.65

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## Schedule 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2024

Federal Grantor/	ALN	NSE Name/	Agcy/	Pass-through From		Direct
				Pass-Through From Agencies or	Pass-Through From Non-State	
Pass-through Grantor/	Number	Identifying Number	Univ	Universities	Entities	Program
Program Title			No	Amount	Amount	Amount
TRIO McNair Post-Baccalaureate Achievement	84.217A					263,727.62
Totals - U.S. Department of Education				0	0	2,138,498.42
Total Expenditures of Federal Awards				519,056.05	1,073,181.35	159,396,831.02

Total	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
PT From and Direct Prog. Amount					PT To and Expenditures Amount
263,727.62				263,727.62	263,727.62
2,138,498.42		0	0	2,138,498.42	2,138,498.42
160,989,068.42		679,574.59	0	160,309,493.83	160,989,068.42

#### SEFA Note 2 Reconciliation

#### Amount

Federal Revenue-Operating	\$ 31,336,946.17
Federal Revenue-Non-Operating	23,206,164.55
Federal Pass-Through Revenue	699,796.31
Federal Direct Student Loans	105,746,161.39
<b>Total Pass-Through and Expenditures per Federal Schedule</b>	<b>\$ 160,989,068.42</b>

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## SCHEDULE 1B - STATE GRANT PASS THROUGH FROM/TO STATE AGENCIES

For the Year Ended August 31, 2024

<u>Pass Through From:</u>	Grant ID	Amount
PP210049--Evidence-Based Prevention Programs and Services Cancer Prevention and Research Institute of Texas	542.0061 \$	272,513.93
RP180748--Core Facility Support Awards Cancer Prevention and Research Institute of Texas	542.0163	775,910.95
Provide technical expertise in all aspects of data base development, data entry and data reporting as well as assist with programmatic quality assurance planning and assessment Texas Commission on Environmental Quality	582.0097	503.34
Joint Admission Medical Program (JAMP) University of Texas System	720.0002	12,892.61
TEXAS Grant Program Texas Higher Education Coordinating Board	781.0008	4,356,225.17
College Work Study Texas Higher Education Coordinating Board	781.0023	49,221.00
Texas Grants B.1.10 Leadership Scholars Texas Higher Education Coordinating Board	781.009	10,100.00
<b>Total Pass Through From Other Agencies</b>	<b>\$</b>	<b><u>5,477,367.00</u></b>

**TEXAS SOUTHERN UNIVERSITY**  
 (An Agency of the State of Texas)  
**SCHEDULE 2A - MISCELLANEOUS BOND INFORMATION**  
 For the Year Ended August 31, 2024

**Business-Type Activities**

<b>Description</b>	<b>Interest Rate</b>	<b><u>Maturity Dates</u></b>		<b>First Call Date</b>	<b>Original Issue</b>
		<b>First Year</b>	<b>Last Year</b>		
<b>Revenue Bonds- Self Supporting</b>					
Series 2013	2.00-5.00%	2013	2023	n/a	62,355,000.00
Series 2016	2.00-3.00%	2016	2036	5/1/2026	55,490,000.00
Series 2021	2.00-5.00%	2021	2030	n/a	14,275,000.00
Series 2023	5.00-5.25%	2024	2042	5/1/2033	80,680,000.00
<b>Total Revenue Bonded Debt</b>					<b><u>\$ 212,800,000.00</u></b>

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## SCHEDULE 2B - CHANGES IN BOND INDEBTEDNESS

For the Year Ended August 31, 2024

Description	Bonds Outstanding 09/01/2023	Bonds Issued	Bonds Matured or Retired	Refunded or Extinguished	Par Value Adjustment \$	Bonds Outstanding 8/31/2024	Unamortized Premium	Unamortized Discount	Adjustment \$	Net Bonds Outstanding 8/31/2024	Amounts Due Within One Year	Bonds Outstanding 8/31/2024
<b>Revenue Bonds- Self Supporting</b>												
Series 2013	860,000.00	-	860,000.00	-	-	-	-	-	-	-	-	-
Series 2016	40,775,000.00	-	2,365,000.00	-	-	38,410,000.00	3,636,255.00	-	-	42,046,255.00	2,788,021.25	38,410,000.00
Series 2021	11,545,000.00	-	1,420,000.00	-	-	10,125,000.00	1,728,689.63	-	-	11,853,689.63	1,817,426.83	10,125,000.00
Series 2023	80,680,000.00	-	3,520,000.00	-	-	77,160,000.00	6,811,826.65	-	-	83,971,826.65	2,795,165.10	77,160,000.00
<b>Total General Bonded Debt</b>	<b>\$133,860,000.00</b>	<b>\$ -</b>	<b>\$ 8,165,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,695,000.00</b>	<b>\$ 12,176,771.28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,871,771.28</b>	<b>\$ 7,400,613.18</b>	<b>\$ 125,695,000.00</b>

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## SCHEDULE 2C - DEBT SERVICE REQUIREMENTS

For the Year Ended August 31, 2024

Year Ending Aug. 31	Series 2013 Revenue Bonds Refunding			Year Ending Aug. 31	Series 2021 Revenue Bonds Refunding		
	Principal	Interest	Total		Principal	Interest	Total
2025	-	-	-	2025	1,490,000.00	506,250.00	1,996,250.00
2026				2026	1,560,000.00	431,750.00	1,991,750.00
2027				2027	1,640,000.00	353,750.00	1,993,750.00
2028				2028	1,725,000.00	271,750.00	1,996,750.00
2029				2029	1,810,000.00	185,500.00	1,995,500.00
2030-2034	-	-	-	2030-2034	1,900,000.00	95,000.00	1,995,000.00
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total</b>	<b>\$ 10,125,000.00</b>	<b>\$ 1,844,000.00</b>	<b>\$ 11,969,000.00</b>

Year Ending Aug. 31	Series 2016 Revenue Bonds			Year Ending Aug. 31	Series 2023 Revenue Bonds		
	Principal	Interest	Total		Principal	Interest	Total
2025	2,485,000.00	1,529,900.00	4,014,900.00	2025	2,730,000.00	3,975,750.00	6,705,750.00
2026	2,605,000.00	1,405,650.00	4,010,650.00	2026	2,860,000.00	3,839,250.00	6,699,250.00
2027	2,740,000.00	1,275,400.00	4,015,400.00	2027	3,005,000.00	3,696,250.00	6,701,250.00
2028	2,875,000.00	1,138,400.00	4,013,400.00	2028	3,155,000.00	3,546,000.00	6,701,000.00
2029	3,020,000.00	994,650.00	4,014,650.00	2029	3,320,000.00	3,388,250.00	6,708,250.00
2030-2034	17,005,000.00	3,062,250.00	20,067,250.00	2030-2034	19,220,000.00	14,283,000.00	33,503,000.00
2035-2039	7,680,000.00	347,250.00	8,027,250.00	2035-2039	24,710,000.00	8,792,175.00	33,502,175.00
2040-2043	-	-	-	2040-2043	18,160,000.00	1,939,350.00	20,099,350.00
<b>Total</b>	<b>\$ 38,410,000.00</b>	<b>\$ 9,753,500.00</b>	<b>\$ 48,163,500.00</b>	<b>Total</b>	<b>\$ 77,160,000.00</b>	<b>\$ 43,460,025.00</b>	<b>\$ 120,620,025.00</b>

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)

## SCHEDULE 2D - ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE

For the Year Ended August 31, 2024

Business-Type Activities	Pledged and Other Sources and Related Expenditures for FY 2024			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest
Revenue Bonds				
TRB 2013, 2016, 2021, 2023	\$ 92,188,000.00	\$ 54,579,703.19	\$ 8,165,000.00	\$ 6,483,616.04
<b>Total</b>	<b>\$ 92,188,000.00</b>	<b>\$ 54,579,703.19</b>	<b>\$ 8,165,000.00</b>	<b>\$ 6,483,616.04</b>



# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)  
Required Supplementary Information  
For the Last Ten Years Ended August 31

## Schedule of Proportionate Share of Net Pension Liability Teacher Retirement System of Texas

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TSSU's proportion of the net pension liability	0.0468%	0.0476%	0.0734%	0.0805%	0.0714%	0.0722%	0.0591%	0.0562%	0.0572%	0.0677%
TSSU's proportionate share of the net pension liability	\$32,116,878	\$28,282,808	\$18,681,181	\$43,117,766	\$37,133,090	\$39,735,872	\$18,886,127	\$21,231,694	\$20,380,538	\$18,085,720
TSSU's covered payroll	\$63,149,424	\$53,299,278	\$55,338,037	\$56,860,767	\$53,462,578	\$48,780,116	\$21,229,587	\$21,992,327	\$22,004,400	\$24,812,792
TSSU's proportionate share of the net pension liability as a percentage of its covered payroll	50.86%	53.06%	33.76%	75.83%	69.46%	81.46%	88.96%	100.01%	91.94%	72.89%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)  
Required Supplementary Information  
For the Last Ten Years Ended August 31

## Schedule of Employer Contributions Teacher Retirement System of Texas

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$2,704,786	\$2,206,113	\$2,723,694	\$2,595,707	\$2,492,675	\$2,050,711	\$2,089,619	\$1,251,453	\$1,174,302	\$1,694,645
Contributions in relation to the statutorily required contributions	\$2,704,786	\$2,206,113	\$2,723,694	\$2,595,707	2,492,675	2,050,711	2,089,619	1,251,453	1,174,302	1,694,645
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$63,149,424	\$53,299,278	\$55,338,037	\$58,479,781	\$56,860,767	\$53,462,578	\$48,780,116	\$21,229,587	\$21,992,327	\$22,004,400
Contributions as a percentage of covered payroll	4.28%	4.14%	4.92%	4.44%	4.38%	3.84%	4.28%	5.89%	5.34%	7.70%

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)  
Required Supplementary Information  
For the Last Seven Years Ended August 31 \*

## Schedule of Proportionate Share of Net OPEB Liability\* Employee Retirement System of Texas Plan

	2023	2022	2021	2020	2019	2018	2017
TSU's proportion of the net OPEB liability	0.2159258%	0.2465556%	0.2531391%	0.2590784%	0.23850393%	0.21979663%	0.02648200%
TSU's proportionate share of the net OPEB liability	\$57,690,042	\$70,236,218	\$90,814,951	\$85,611,509	\$82,433,337	\$65,142,759	\$90,232
TSU's covered payroll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,040,027
TSU's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.49%
Plan fiduciary net position as a percentage of the total OPEB liability	0.38%	0.38%	0.38%	0.32%	1.27%	1.27%	2.04%

\* This schedule is intended to present 10 years of information. Currently only seven years of information is available. Information for future years will be added when it becomes available.

# TEXAS SOUTHERN UNIVERSITY

(An Agency of the State of Texas)  
Required Supplementary Information  
For the Last Seven Years Ended August 31 \*

## Schedule of Employer Contributions\* Employees Retirement System of Texas

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,040,027.00
Contributions in relation to the statutorily required contributions	-	-	-	-	-	-	\$ 6,040,027.00
Contribution deficiency (excess)	-	-	-	-	-	-	-
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,040,027.00
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

\* This schedule is intended to present 10 years of information. Currently only seven years of information is available. Information for future years will be added when it becomes available.