

BAYLOR UNIVERSITY
ANNUAL DISCLOSURE INFORMATION

For Fiscal Year Ended May 31, 2021

Updated as of November 15, 2021

The financial information and operating data contained in this report is provided by Baylor University (the “University”) in accordance with the provisions of its continuing disclosure agreements described in the respective Official Statement under the heading “CONTINUING DISCLOSURE OF INFORMATION.” The University does not make any representation or warranty concerning the usefulness of this report to a decision to invest in, hold, or sell bonds or other obligations payable, in whole or in part, by the University.

The information contained in this report is provided as of the respective dates and for the periods specified herein, and the filing of this report does not, under any circumstances, imply that there has been no change in the affairs of the University since the specified date or dates as of which such information is provided. The ongoing COVID-19 pandemic or any other similar outbreak in the future and the related impact on social interaction, travel, economies and financial markets may adversely impact the financial condition and operations of the University. The future impact of the COVID-19 pandemic and the scope of any adverse impact on the University’s operations and financial condition cannot be fully determined at this time. Accordingly, the historical information set forth in this report may not be indicative of future results or performance due to these and other factors.

1. First-time freshman applications, admittances, and enrolled, for or as of the most recently concluded fall semester (Appendix A, “Section IV – Students”).

First-Time Freshman	Fall				
	2017	2018⁽¹⁾	2019	2020	2021
Number of completed applications	37,084	34,689	34,582	33,680	36,589
Number of students admitted	14,442	17,918	15,676	23,061	20,741
% of completed applications	39%	52%	45%	68%	57%
Number of students enrolled	3,320	3,366	3,307	3,731	4,271
% of admitted	23%	19%	21%	16%	21%
Enrolled Freshman Average SAT	1276	1277	1293	1278	1258
Enrolled Freshman Average ACT	28.2	28.5	28.8	28.6	27.9

Note:

⁽¹⁾ Effective for Fall 2018, the University implemented a need-aware admissions process.

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2. Enrollment trends (FTE) by undergraduate and graduate; enrollment by academic unit; and retention rate and graduation rate of first-time freshman classes, all for or as of the most recently concluded fall semester (Appendix A, “Section IV – Students”).

Enrollment Trends (FTE)

	Fall				
	2017	2018	2019	2020	2021
Undergraduate	14,223	14,105	14,031	14,298	15,047
Graduate ⁽¹⁾⁽²⁾	1,637	2,066	2,789	3,557	3,946
Law School	381	428	474	466	501
Seminary	302	288	271	273	297
Health Science – Military Programs ⁽¹⁾	199	-	-	-	-
Total	<u>16,742</u>	<u>16,887</u>	<u>17,565</u>	<u>18,594</u>	<u>19,791</u>

Notes:

- ⁽¹⁾ Beginning in Fall 2018, the military programs are reported in graduate enrollment in the College of Health and Human Sciences and are no longer reported separately.
- ⁽²⁾ Growth in graduate enrollment is primarily due to the addition of new online graduate professional education programs in areas such as education, nursing, occupational therapy and law.

Enrollment by Academic Unit (Headcount)

	Fall				
	2017	2018	2019	2020	2021
College of Arts & Sciences	6,609	6,600	6,796	6,836	7,171
College of Health & Human Sciences ⁽¹⁾	1,869	2,174	2,638	3,132	3,289
Honors College	304	323	322	294	282
School of Business	4,031	4,040	3,906	4,142	4,366
School of Education	611	686	843	1,011	1,140
School of Engineering & Computer Science	1,119	990	899	958	960
School of Law	385	431	479	467	503
School of Music	359	353	335	338	315
School of Nursing	936	1,028	1,106	1,341	1,727
School of Social Work	285	266	386	432	506
Truett Seminary	348	322	320	343	367
Other ⁽¹⁾	203	4	3	3	-
Total	<u>17,059</u>	<u>17,217</u>	<u>18,033</u>	<u>19,297</u>	<u>20,626</u>

Note:

- ⁽¹⁾ Beginning in Fall 2018, the military programs are reported in graduate enrollment in the College of Health and Human Sciences and are no longer reported separately.

Retention of First-Time Freshman Classes

	Fall				
	2017	2018	2019	2020	2021
Freshman Retention Rate	90%	89%	88%	91%	88%
Graduation Rate	77%	79%	78%	79%	82%
(From the freshman class 6 years previous)					

3. Student/faculty ratio; staff/faculty ratio; full-time and part-time faculty; and full-time and part-time staff, all for or as of the most recently concluded fall semester (Appendix A, “Section V – Faculty & Staff”).

	Fall				
	2017	2018	2019	2020	2021
Full-Time Teaching Faculty	1,103	1,133	1,171	1,105	1,099
Part-Time/Adjunct Teaching Faculty ⁽¹⁾	307	329	422	448	616
% of FT Faculty w/ Terminal Degrees	83%	84%	85%	88%	88%
Library Faculty	33	33	36	36	34
Full-Time Staff	1,707	1,742	1,786	1,776	1,865
Part-Time Staff	55	48	56	45	44
Student FTE (excludes Military)	16,543	16,641	17,310	18,333	19,670
Faculty FTE	1,205.3	1,242.7	1,311.7	1,254.3	1,304.3
Staff FTE	1,725.3	1,758.0	1,804.7	1,791.0	1,879.7
Student/Faculty Ratio	13.7	13.4	13.2	14.6	15.1
Staff/Faculty Ratio	1.4	1.4	1.4	1.4	1.4

Note:

- ⁽¹⁾ Beginning in Fall 2020, temporary faculty are included in the part-time/adjunct faculty counts, even if they have a full-time load for the Fall semester.

4. Campus facilities information as most recently available (Appendix A, “Section VI – Campus Facilities”).

Campus Facilities

Existing Campus

The University’s approximate 1,200-acre campus in Waco, Texas, is located along the banks of the Brazos River and, as of November 1, 2021, included 130 buildings with over 9.5 million square feet of space. Campus facilities include:

<u>Buildings</u>	<u>Approximate Square Footage</u>
39 academic	2,974,000
7 administrative	311,000
19 athletic	1,487,000
6 dining facilities	129,000
15 residence facilities	1,647,000
12 managed properties	476,000
5 libraries	334,000
5 maintenance facilities	98,000
2 warehouses	29,000
20 student services facilities	2,024,000

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Recent & Current Projects

In November 2018, the University announced *Give Light*, the \$1.1 billion comprehensive philanthropic fundraising initiative as part of *Illuminate*. As of October 31, 2021, \$1.08 billion had been raised toward the \$1.1 billion campaign. The capital projects described in the following paragraphs are included in the *Give Light* campaign.

In May 2019, the Board of Regents approved the Phase I - Planning and Design for the complete renovation of the Tidwell Bible Building. Phase II – Construction was approved by the Board of Regents in February 2020. The \$21.2 million renovation of the 67-year-old building was completed ahead of schedule and the building re-opened for the Fall 2021 semester. The renovation of Tidwell's 57,000 square feet included full replacement of mechanical and electrical systems, expanded and enhanced areas devoted to academic instruction, new faculty offices and work space on every floor, the creation of new classrooms of varying sizes, and meeting spaces to meet Academic and University needs. The project was fully funded by gifts, grants and University funds.

In October 2020, the Board of Regents approved the purchase of a 119,300 square-foot, multi-tenant office complex located on a significant thoroughfare of the downtown Waco area. The University currently uses these buildings for various academic programs and leases a portion of these buildings not currently utilized by the University to third parties. The \$9.15 million purchase was funded with University funds and reduced lease assets and liabilities by almost \$11 million.

In May 2021, the Board of Regents approved Phase II - Construction of the \$75.0 million Mark and Paula Hurd Welcome Center ("Welcome Center"). Fundraising for projects such as the Welcome Center is included in the *Give Light* campaign. The Welcome Center is slated to be a 125,000 usable square-foot complex designed to create interest and enthusiasm in the University through high-tech, immersive, and interactive experiences, and serve as the epicenter for University academic, cultural and social activities. A portion of the proceeds of the Series 2021 Bonds is being used to finance the construction of the Welcome Center.

Also in May 2021, the Board of Regents approved renovations totaling \$38.5 million for Collins Residence Hall, which are anticipated to occur during fiscal year 2023 and \$35.0 million for renovations to Memorial and Alexander Residence Halls, which are anticipated to occur during fiscal year 2024. Renovations will include the latest trends in programming, student amenities, facility upgrades and security. Renovations to Collins, Memorial, and Alexander Residence halls are expected to be funded with proceeds from the Series 2021 Bonds.

In November 2021, the Board of Regents approved \$6.0 million to begin Phase 1 - Planning and Design of an approximately 105,000 square-foot \$65.0 million state-of-the-art football operations center, located along the Brazos River with views toward McLane Stadium. The Board of Regents also approved increasing Phase I – Planning and Design for the Baylor Basketball Pavilion to \$11.3 million for additional design and pre-construction services. The approximately 150,000 square-foot \$185.0 million basketball facility is expected to seat 7,000 fans and will be located along the Brazos River. The Board of Regents has not approved the construction of or any specific timelines for commencing construction activities for the football operations center or the Basketball Pavilion and fundraising continues. These two projects are expected to be funded by gifts and University funds.

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5. Long-term investment fair value by asset type and investment return as of the end of or for the most recently completed fiscal year (Appendix A, “Section VIII – Financial – Investments”).

The following table reflects the asset categories of the University’s investments in accordance with the University’s Endowment Investment Policy (“IP”).

Long-Term Investments (at fair value)
(in thousands of dollars)

	May 31,				
	2017	2018	2019	2020	2021
Fixed Income Securities	\$ 230,654	\$ 152,617	\$ 133,966	\$ 127,723	\$ 59,859
Public Equities	422,362	463,535	416,028	466,049	568,029
Marketable Alternatives	271,228	308,049	306,137	320,522	542,973
Private Investments	334,259	417,330	491,152	477,619	706,207
Mineral Rights	19,751	19,469	24,716	33,752	28,548
Total Long-Term Investments	<u>\$ 1,278,254</u>	<u>\$ 1,361,000</u>	<u>\$ 1,371,999</u>	<u>\$ 1,425,665</u>	<u>\$ 1,905,616</u>

As of May 31, 2021, return on long-term investments (net of investment expenses) totaled \$472.5 million compared to \$87.9 million as of May 31, 2020, an increase of \$384.6 million from the prior year.

As of May 31, 2021, Baylor’s endowment and Board designated endowment net assets totaled \$1,829.4 million, an increase of \$448.0 million from the prior fiscal year. Of the total, \$1,581.1 million was invested in the Baylor managed Baylor University Fund (“BUF”). The BUF is a unitized fund consisting of publicly traded equity and fixed income securities, alternative assets, and mineral rights; and serves as the primary investment vehicle for the University’s endowment and other long-term investments. Annual BUF distributions approximate 5% of the market value of the endowment at the beginning of each fiscal year. The minimum distribution in any year shall equal the amount distributed from the previous year, and the maximum shall not exceed 7% of the average net asset value of the previous 36 months. New contributions to the endowment within a fiscal year will participate in pro-rata distributions starting in the first month of the following fiscal year.

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6. Tuition, fees, room and board per student for the most recently approved academic year (Appendix A, “Section VIII – Financial – Tuition & Fees”).

Tuition & Fees

The University’s primary source of revenues is student tuition and fees. Tuition and fees, net of scholarships, provided 58.8% and 58.9% of total unrestricted operating revenues in fiscal year 2021 and 2020, respectively.

Tuition, Fees, Room & Board per Student
(Academic Year Costs - 2 Semesters)

	Year Ended May 31,				
	2019	2020	2021 ⁽³⁾	2022	2023
Tuition & Fees ⁽¹⁾	\$ 46,002	\$ 47,824	\$ 49,686	\$ 50,692	\$ 52,203
Room & Board ⁽²⁾	11,874	12,247	11,772	12,521	12,808
Total	\$ 57,876	\$ 60,071	\$ 61,458	\$ 63,213	\$ 65,011

Notes:

- ⁽¹⁾ Average cost of tuition and fees based on 30 semester hours; actual cost per student may be higher or lower.
- ⁽²⁾ Average cost of room and meal plans available to students; actual cost per student may be higher or lower; beginning in 2021, meal plans reflect increase from \$100 dining dollars to \$200 dining dollars.
- ⁽³⁾ Due to COVID-19, parking fees, room and board were reduced based upon the adjusted Fall 2020 academic calendar.

7. Balance sheet and statements of activities and cash flows as of the end of or for the most recently completed fiscal year (Appendix B).

The University’s audited May 31, 2021 financial statements have been filed separately.