

BAYLOR UNIVERSITY
ANNUAL DISCLOSURE INFORMATION

For Fiscal Year Ended May 31, 2022

Updated as of November 15, 2022

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. Accordingly, the historical information set forth in this report may not be indicative of future results or performance.

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				
	2018	2019	2020	2021	2022
Number of completed applications	34,689	34,582	33,680	36,589	40,753
Number of students admitted	17,918	15,676	23,061	20,741	18,699
% of completed applications	52%	45%	68%	57%	46%
Number of students enrolled	3,366	3,307	3,731	4,271	3,296
% of admitted	19%	21%	16%	21%	18%
Enrolled Freshman Average SAT	1277	1293	1278	1258	1266
Enrolled Freshman Average ACT	28.5	28.8	28.6	27.9	28.6

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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				
	2018	2019	2020	2021	2022
Undergraduate	14,105	14,031	14,298	15,047	15,083
Graduate ⁽¹⁾	2,066	2,789	3,557	3,946	4,132
Law School	428	474	466	501	448
Seminary	288	271	273	297	281
Total	<u>16,887</u>	<u>17,565</u>	<u>18,594</u>	<u>19,791</u>	<u>19,944</u>

Note:

- ⁽¹⁾ 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				
	2018	2019	2020	2021	2022
College of Arts & Sciences	6,600	6,796	6,836	7,171	6,971
College of Health & Human Sciences	2,174	2,638	3,132	3,289	3,428
Honors College	323	322	294	282	279
School of Business	4,040	3,906	4,142	4,366	4,453
School of Education	686	843	1,011	1,140	1,166
School of Engineering & Computer Science	990	899	958	960	1,047
School of Law	431	479	467	503	450
School of Music	353	335	338	315	310
School of Nursing	1,028	1,106	1,341	1,727	1,835
School of Social Work	266	386	432	506	407
Truett Seminary	322	320	343	367	361
Other	4	3	3	-	2
Total	<u>17,217</u>	<u>18,033</u>	<u>19,297</u>	<u>20,626</u>	<u>20,709</u>

Retention of First-Time Freshman Classes

	Fall				
	2018	2019	2020	2021	2022
Freshman Retention Rate	89%	88%	91%	88%	90%
Graduation Rate (From the freshman class 6 years previous)	79%	78%	79%	82%	81%

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				
	2018	2019	2020	2021	2022
Full-Time Teaching Faculty	1,133	1,171	1,105	1,099	1,147
Part-Time/Adjunct Teaching Faculty ⁽¹⁾	329	422	448	616	667
% of FT Faculty w/ Terminal Degrees	84%	85%	88%	88%	89%
Library Faculty	33	36	36	34	36
Full-Time Staff	1,742	1,786	1,776	1,865	1,971
Part-Time Staff	48	56	45	44	45
Student FTE (excludes Military)	16,641	17,310	18,333	19,670	19,641
Faculty FTE	1,242.7	1,311.7	1,254.3	1,304.3	1,369.3
Staff FTE	1,758.0	1,804.7	1,791.0	1,879.7	1,986.0
Student/Faculty Ratio	13.4	13.2	14.6	15.1	14.3
Staff/Faculty Ratio	1.4	1.4	1.4	1.4	1.5

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, 2022, included 130 buildings with over 9.3 million square feet of space. Campus facilities include:

<u>Buildings</u>	<u>Approximate Square Footage</u>
37 academic	2,766,000
6 administrative	275,000
19 athletic	1,487,000
6 dining facilities	129,000
15 residence facilities	1,647,000
13 managed properties	514,000
5 libraries	334,000
5 maintenance facilities	98,000
3 warehouses	88,000
21 student services facilities	2,024,000

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 September 30, 2022, \$1.24 billion had been raised. The capital projects described in the following paragraphs are included in the *Give Light* campaign.

In May 2021, Baylor’s Board of Regents approved the construction of the Mark and Paula Hurd Welcome Center. In November 2018, Baylor announced a lead gift from Mark and Paula Hurd, relating to the naming rights for the Mark and Paula

Hurd Welcome Center. Fundraising for the new 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 a high-tech and interactive experience, and serve as the epicenter for academic, cultural and social activities. A portion of the proceeds of the Series 2021 Bonds is being used to finance the construction of the estimated \$75.0 million Welcome Center that is estimated to be completed in May 2023.

Also in May 2021, 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 and student amenities, facilities, security, and campus goals. Renovations to Collins, Memorial, and Alexander Residence halls are expected to be funded with proceeds from the Series 2021 Bonds.

In December 2021, Board of Regents approved a partnership with the City of Waco to construct the Paul and Alejandra Foster Basketball Pavilion. In February 2022, the Board approved Baylor's \$212.6 million portion of construction cost of the Pavilion. The 245,000 square foot facility will seat 7,500 fans and will be located along the Brazos River. Construction of the Foster Pavilion began in June 2022 with an early opening of the pavilion targeted for January 2024. Funding for the Foster Pavilion is from a lead gift from Paul and Alejandra Foster, additional gifts, City of Waco grants, and University funds.

In November 2022, the Board of Regents gave final approval of the \$89.6 million, state-of-the-art Fudge Football Development Center, which will be located along the Brazos River with views toward McLane Stadium. The Fudge Center will connect to the Allison Indoor Practice Facility, expanding the 80-yard indoor turf field to 100 yards and creating more than 100,000 square feet of new space for the Baylor football program. The facility will include offices for coaches, equipment staff, medical trainers and a locker room for student-athletes, as well as a medical training room, equipment distribution room, a strength and conditioning weight room and a large team meeting room. The facility is expected to be completed during Spring 2024. Funding for the Development Center is from a lead gift from Jeremy and Kristy Fudge, additional 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,				
	2018	2019	2020	2021	2022
Fixed Income Securities	\$ 152,617	\$ 133,966	\$ 127,723	\$ 59,859	\$ 129,624
Public Equities	463,535	416,028	466,049	568,029	533,428
Marketable Alternatives	308,049	306,137	320,522	542,973	515,171
Private Investments	417,330	491,152	477,619	706,207	970,630
Mineral Rights	19,469	24,716	33,752	28,548	34,907
Total Long-Term Investments	<u>\$ 1,361,000</u>	<u>\$ 1,371,999</u>	<u>\$ 1,425,665</u>	<u>\$ 1,905,616</u>	<u>\$ 2,183,760</u>

As of May 31, 2022, return on long-term investments (net of investment expenses) totaled \$183.7 million compared to \$472.5 million as of May 31, 2021.

As of May 31, 2022, Baylor’s endowment and Board designated endowment net assets totaled \$1,993.6 million, an increase of \$164.2 million from the prior fiscal year. Of the total, \$1,732.4 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 62.8% and 58.8% of total unrestricted operating revenues in fiscal year 2022 and 2021, 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 an 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, 2022 financial statements have been filed separately.