

THE UNIVERSITY OF TEXAS SYSTEM

CONSOLIDATED FINANCIAL STATEMENTS FOR THE

YEARS ENDED AUGUST 31, 2025 AND 2024

AND INDEPENDENT AUDITOR'S REPORT



The University of Texas at Arlington ♦ The University of Texas at Austin ♦ The University of Texas at Dallas ♦ The University of Texas at El Paso ♦ The University of Texas Permian Basin ♦ The University of Texas Rio Grande Valley ♦ The University of Texas at San Antonio ♦ Stephen F. Austin State University ♦ The University of Texas at Tyler ♦ The University of Texas Southwestern Medical Center ♦ The University of Texas Medical Branch at Galveston ♦ The University of Texas Health Science Center at Houston ♦ The University of Texas Health Science Center at San Antonio ♦ The University of Texas M. D. Anderson Cancer Center ♦ The University of Texas System Administration

THE UNIVERSITY OF TEXAS SYSTEM

TABLE OF CONTENTS

	Page
THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS	1
THE UNIVERSITY OF TEXAS SYSTEM EXECUTIVE ADMINISTRATIVE OFFICIALS	2
INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023	
Consolidated Statements of Net Position – Business Type Activities	17
Consolidated Statements of Revenues, Expenses and Changes in Net Position – Business Type Activities	19
Consolidated Statements of Cash Flows – Business Type Activities	20
Consolidated Statements of Fiduciary Net Position	22
Consolidated Statements of Changes in Fiduciary Net Position	23
Notes to the Consolidated Financial Statements	24
REQUIRED SUPPLEMENTARY INFORMATION	147
SUPPLEMENTARY INFORMATION - System Administration and Institution Financial Information	154

THE UNIVERSITY OF TEXAS SYSTEM

BOARD OF REGENTS

As of August 31, 2025

Officers

Kevin P. Eltife, Chairman
Janiece Longoria, Vice Chairman
James C. "Rad" Weaver, Vice Chairman
Stacey Napier, General Counsel to the Board of Regents

Members

<i>Term scheduled to expire February 1, 2027*</i>	
Kevin P. Eltife	Tyler
Nolan Perez	Harlingen
Stuart W. Stedman	Houston

<i>Term scheduled to expire February 1, 2029*</i>	
Janiece Longoria	Houston
James C. "Rad" Weaver	San Antonio
Robert P. Gauntt	Austin

<i>Term scheduled to expire February 1, 2031*</i>	
Christina Melton Crain	Dallas
Jodie Lee Jiles	Houston
Kelcy L. Warren	Dallas

<i>Term scheduled to expire May 31, 2026*</i>	
Luke Schwartz (Student Regent)	Tyler

* Each Regent's term expires when a successor has been appointed, qualified, and taken the oath of office. The Student Regent serves a one-year term.

**THE UNIVERSITY OF TEXAS SYSTEM
EXECUTIVE ADMINISTRATIVE OFFICIALS**

As of August 31, 2025

John M. Zerwas, MD, Chancellor

Jonathan C. Pruitt, Executive Vice Chancellor and Chief Operating Officer for Business Affairs

Archie L. Holmes, Jr., Executive Vice Chancellor for Academic Affairs

David L. Lakey, Vice Chancellor for Health Affairs and Chief Medical Officer

Julia Jeffrey Rathgeber, Vice Chancellor for Governmental Relations

Randa S. Safady, Vice Chancellor for External Relations, Communications, and Advancement Services

Daniel H. Sharphorn, Vice Chancellor and General Counsel

Rich Hall, President, Chief Executive Officer, and Chief Investment Officer–UTIMCO

INDEPENDENT AUDITOR'S REPORT

To the Members of the Audit, Compliance, and
Risk Management Committee of the
University of Texas System Board of Regents:

Report on the Audits of the Consolidated Financial Statements

Opinions

We have audited the consolidated financial statements of the business-type activities and fiduciary activities of The University of Texas System (the System), as of and for the years ended August 31, 2025 and 2024, and the related notes to the consolidated financial statements, which collectively comprise the System's consolidated financial statements as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the System as of August 31, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the consolidated financial statements of the System are intended to present the financial position, the changes in net position, and, where applicable, cash flows of only that portion of the State of Texas that is attributable to the transactions of the System. They do not purport to, and do not, present fairly the financial position of the State of Texas as of August 31, 2025 and 2024, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America,

and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of the System's Proportionate Share of Changes in Employer Total OPEB Liability and Related Ratios, the Schedule of the System's Proportionate Share of Total OPEB Liability, the Schedule of the System's Proportionate Share of the Net Pension Liability for the Teacher Retirement System Pension Plan, the Schedule of the System's Contributions for the Teacher Retirement System Pension Plan, and the Schedule of M. D. Anderson's PRS SRP/RBP Pension Liability be presented to supplement the consolidated financial statements. Such information is the responsibility of management and, although not a part of the consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational, economic, or historical

context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the consolidated financial statements, and other knowledge we obtained during our audit of the consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's consolidated financial statements. The System Administration and Institution Financial Information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the System Administration and Institution Financial Information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Deloitte & Touche LLP

December 11, 2025

THE UNIVERSITY OF TEXAS SYSTEM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2025

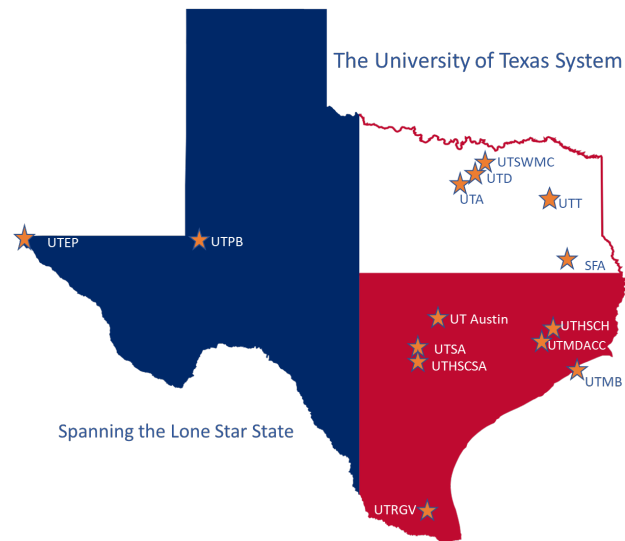
INTRODUCTION

The University of Texas System (the System) was established by the *Texas Constitution of 1876*. In 1881, Austin was designated the site of the main academic campus and Galveston as the location of the medical branch. The University of Texas at Austin opened in 1883, and eight years later, the John Sealy Hospital in Galveston established a program for university-trained medical professionals. In addition to the original academic campus of The University of Texas at Austin, the System now includes eight additional academic institutions:

- The University of Texas at Arlington
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas Permian Basin
- The University of Texas Rio Grande Valley
- The University of Texas at San Antonio
- Stephen F. Austin State University
- The University of Texas at Tyler

Health institutions for medical education and research have expanded beyond The University of Texas Medical Branch at Galveston to include:

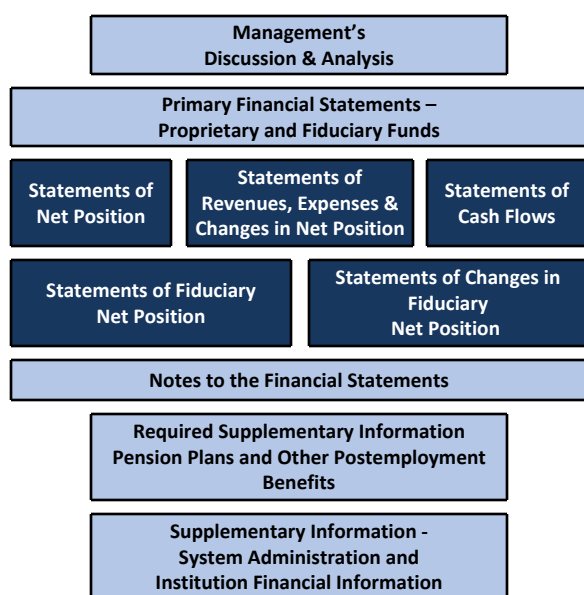
- The University of Texas M. D. Anderson Cancer Center
- The University of Texas Southwestern Medical Center
- The University of Texas Health Science Center at Houston
- The University of Texas Health Science Center at San Antonio



The System's fourteen institutions are, collectively, one of the nation's largest educational enterprises. They provide instruction and learning opportunities to approximately 261,000 undergraduate, graduate, and professional school students from a wide range of social, ethnic, cultural, and economic backgrounds. The System is governed by a nine-member Board of Regents appointed by the Governor of Texas and confirmed by the Texas Senate. In addition, the Governor appoints a Student Regent for a one-year term.

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The objective of Management's Discussion and Analysis (MD&A) is to provide an overview of the financial position and activities of the System for the year ended August 31, 2025, with selected comparative information for the years ended August 31, 2024 and 2023. The complete set of financial statements includes:



The System's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The System's financial records are reported as business-type activities and fiduciary funds in the State of Texas' Annual Comprehensive Financial Report. For purposes of the MD&A, references to the System in the discussion of financial results relate to the System's business-type activity.

FINANCIAL HIGHLIGHTS

The System continues to maintain and protect its strong financial condition, with net position of \$87.1 billion as of August 31, 2025. Revenues totaled \$41.5 billion and expenses totaled \$31.9 billion in 2025. Net patient care revenues, sponsored program revenues, and net investment income were the largest contributors to the revenues of the System in 2025. Net investment income and the change in fair value of investments often drive the year to year fluctuation in System revenues, as those values vary from year to year based on market conditions and other factors. Compensation and benefits, including the Teacher Retirement System of Texas pension and other postemployment benefits (OPEB) continue to be the largest expense of the System. The System is committed to recruiting and retaining outstanding faculty and staff, and the compensation package is one way to successfully compete with peer institutions and nonacademic employers.

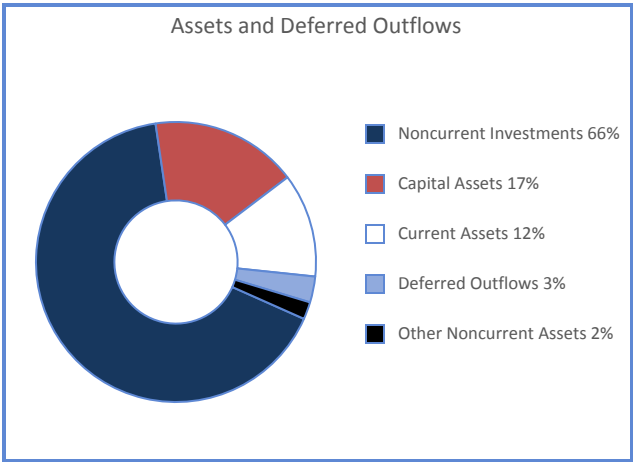
The Statement of Net Position

The statement of net position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the System as of the end of the year. This is a point in time financial presentation of the financial status as of August 31, 2025, with comparative information for the previous years. Net position is the residual value of the System's assets and deferred outflows of resources, after liabilities and deferred inflows of resources are deducted. Changes in net position are one indicator of the improvement or decline of the System's financial strength. A summarized comparison of the System's statement of net position as of August 31, 2025, 2024 and 2023 follows:

Condensed Statements of Net Position			
(\$ in millions)			
	2025	2024	2023
Assets and Deferred Outflows			
Current assets	\$ 16,880.4	16,015.2	13,443.4
Noncurrent investments	91,864.6	83,058.6	78,468.0
Capital/intangible assets, net	23,514.4	21,250.2	19,541.1
Other noncurrent assets	2,363.8	1,871.3	1,546.5
Total assets	134,623.2	122,195.3	112,999.0
Total deferred outflows	4,619.0	6,213.5	6,088.9
Total assets and deferred outflows	\$ 139,242.2	128,408.8	119,087.9
Liabilities and Deferred Inflows			
Current liabilities	\$ 14,914.2	12,681.2	13,149.2
Noncurrent liabilities	30,077.8	29,538.2	26,001.1
Total liabilities	44,992.0	42,219.4	39,150.3
Total deferred inflows	7,175.6	8,084.9	9,273.7
Total liabilities and deferred inflows	\$ 52,167.6	50,304.3	48,424.0
Net Position			
Net investment in capital assets	\$ 8,445.1	7,439.1	6,963.7
Restricted	69,338.4	63,721.0	59,514.7
Unrestricted	9,291.1	6,944.4	4,185.5
Total net position	\$ 87,074.6	78,104.5	70,663.9

Assets and Deferred Outflows

The chart below depicts the makeup of the System’s assets and deferred outflows as of August 31, 2025.



Assets and deferred outflows increased \$10.8 billion, or 8.4%, to \$139.2 billion in 2025 primarily due to increases in noncurrent investments and capital assets.

Current Assets

Current assets are comprised of assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities including cash, temporary investments and receivables. These assets increased \$865.2 million in 2025 largely due to increases in cash and equivalents, receivables for federal grants, and patient and healthcare offset by decrease in securities lending collateral.

Cash and cash equivalents increased due to increased collections on patient charges along with higher liquidity levels being maintained due to the fluctuating market. Federal receivables increased due to increased contract and grant activity, driven by large awards and expanded research programs. Patient and healthcare receivables increased mainly due to the addition of a new facility, expanded service lines, higher service volumes, and improved reimbursement rates. Securities lending collateral decreased due to less securities on loan at the end of 2025 compared to 2024. The balance in securities lending collateral, which is exactly offset by the balance in securities lending obligations in current liabilities, fluctuates from year to year as the System manages security lending transactions to maximize earnings while managing risk.

Noncurrent Investments

Noncurrent investments are comprised of permanent endowments, funds functioning as endowments, annuity and life income funds, and other investments including investment derivative instruments. These assets increased \$8,806.0 million in 2025 largely due to investment and mineral income earned, increases in the fair value of Permanent University Fund (PUF) investments and lands.

The Permanent University Fund (PUF), which includes the fair value of the PUF investment fund and the fair value of PUF lands, increased \$3.9 billion in 2025 primarily due to significant investment income. The increases in the PUF can be broken down as follows: (1) \$1.7 billion PUF lands mineral income earned that was added to the endowment in accordance with requirements of the Texas Constitution offset by \$1.6 billion in transfers to the Available University Fund and Texas A&M University System (TAMUS); (2) \$2.6 billion investment income earned in the PUF investment fund; (3) \$1.1 billion increase in the fair value of the PUF investments; and (4) \$240 million increase in the fair value of the PUF lands, primarily attributable to higher forecasted net royalty revenues.

Capital and Intangible Assets

A critical factor in sustaining the quality of the System’s academic and research programs and residential life is the development and maintenance of its capital assets. Capital additions totaled \$4.3 billion in 2025, of which \$3.0 billion consisted of new projects under construction. Capital additions were comprised of replacement, renovation, and new construction of academic, research and healthcare facilities, as well as significant investments in equipment and software. The table below depicts the System’s capital improvement program for the next six years.

Capital Improvement Program

2026 - 2031

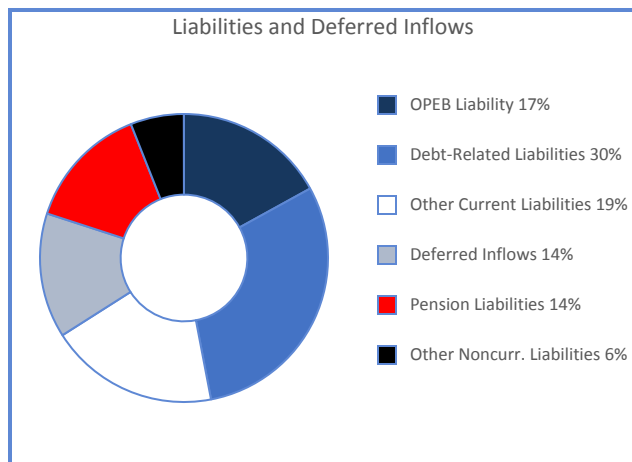
Institution:	(\$ in billions)
UT Arlington	\$ 0.6
UT Austin	1.8
UT Dallas	0.5
UT El Paso	0.3
UT Permian Basin	0.1
UT Rio Grande Valley	0.3
UT San Antonio	0.3
UT Tyler	0.2
Stephen F. Austin State University	0.1
UT Southwestern Medical Center	0.3
UTMB Galveston	0.4
UTHSC Houston	0.3
UTHSC San Antonio	0.3
UT HSC-Tyler	0.3
UT MD Anderson Cancer Center	4.6
UT System	0.1
Total	10.5

Deferred Outflows

Total deferred outflows decreased \$1,594.5 million in 2025 primarily due to the net changes in pension and OPEB related balances, specifically in the net difference between projected and actual investment return and changes of assumptions.

Liabilities and Deferred Inflows

The chart below depicts the makeup of the System's liabilities and deferred inflows as of August 31, 2025.



Liabilities and deferred inflows increased \$1.9 billion, or 3.7%, to \$52.2 billion in 2025 primarily due to increases in the debt-related liabilities and investment trade payables and partially offset by decreases in the pension liabilities and deferred inflows of resources.

Debt-Related Liabilities

Debt-related liabilities consist of both the current and noncurrent portions of short-term debt, or commercial paper, as well as leases, notes, loans, and bonds payable. The \$1,910.9 million increase in debt-related liabilities in 2025 was primarily driven by an increase in bonds payable and commercial paper, partially offset by the decrease in notes, loans and leases payable. Bonds payable relate to the financing of the System's capital needs. Commercial paper notes are issued periodically to provide interim financing for capital improvements and to finance the acquisition of capital equipment. The System typically refunds a portion of these outstanding notes through the issuance of long-term debt to provide permanent financing for projects. The table below depicts the change in the System's debt-related liabilities over the past three years:

Current & Noncurrent Debt			
	2025	2024	2023
	(\$ in millions)		
Bonds Payable	\$ 11,515.5	10,324.5	9,836.4
Commercial Paper	3,260.0	2,131.5	2,341.1
Leases, Notes & Loans	1,003.1	1,411.7	1,172.1
Total Debt-Related Liabilities	\$ 15,778.6	13,867.7	13,349.6

OPEB Liabilities

The State provides certain health and life insurance benefits for retired employees which are guaranteed in accordance with State statutes. Other postemployment benefits are provided to the System's retirees under the U.T. System Employee Group Insurance Program. The Employee Group Insurance Program is a single-employer defined benefit OPEB plan; however, because State statute requires funding for the plan from State appropriations, the State's governmental fund reports a proportionate share of the OPEB liability. The System reported a total OPEB liability of \$8.9 billion in 2025 compared to \$8.8 billion in 2024. The change is driven by ongoing accruals of the plan offset by updates to the participant census data and demographic and economic actuarial assumptions.

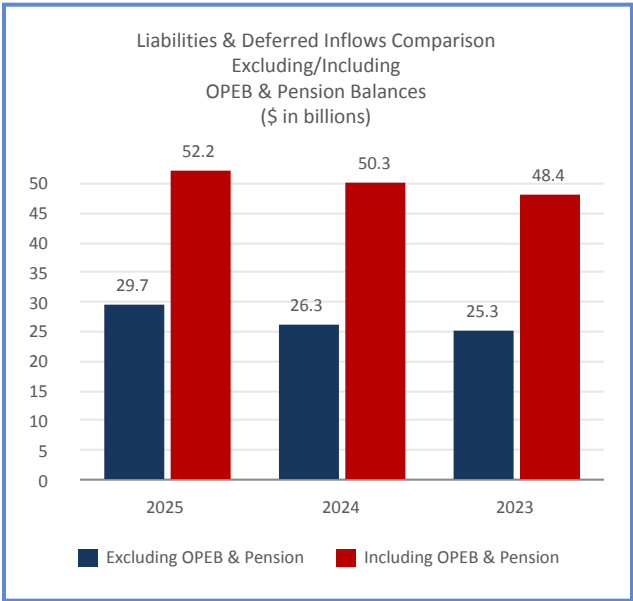
Pension Liabilities

The System participates in a cost-sharing multiple-employer defined benefit pension plan with a special funding arrangement administered by the Teacher Retirement System of Texas (TRS). The System receives a proportional share of the net pension liability, pension-related deferred outflows and pension-related deferred inflows, and pension expense from the Texas Comptroller of Public Accounts. The System’s proportion of the State’s collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers to the plan. The System reported a net pension liability of \$6.5 billion in 2025 compared to \$7.0 billion in 2024. The decrease is driven by higher than expected investment earnings. The University of Texas M. D. Anderson Cancer Center has established, primarily for the physicians of its Physicians Referral Service, the Physicians Referral Service SRP/RBP Plans. The System reported a total pension liability of \$1.0 billion in 2025 compared to \$0.9 billion in 2024 related to the SRP/RBP Plans.

Deferred Inflows

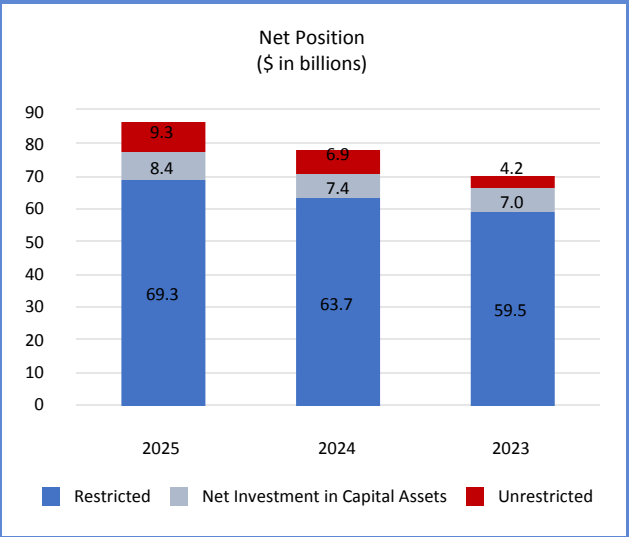
Total deferred inflows decreased \$0.9 billion in 2025 primarily driven by changes to OPEB deferred inflows. OPEB deferred inflows decreased \$0.9 billion in 2025 due to amortization of the effect of certain changes of assumptions related to 2024.

The following chart compares the liabilities and deferred inflows with or without OPEB and pension to illustrate these items’ significant impact on the System’s total liabilities and deferred inflows.



Net Position

Net position increased \$9.0 billion in 2025 compared to a \$7.4 billion increase in 2024. The increase in net position was primarily due to net investment income of \$10.1 billion. The three-year trend of the classifications of net position is depicted here:



Net Investment in Capital Assets

Net investment in capital assets represents the System’s capital and intangible assets, net of accumulated depreciation and amortization and outstanding liabilities and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Restricted net position primarily includes the System’s permanent endowment funds subject to externally imposed restrictions governing their use. They include:

- Permanent University Fund (PUF) - supports both the System and TAMUS,
- Permanent Health Fund endowments (PHF) - established in 1999 from tobacco-related litigation funds which support programs that benefit medical research, health education or treatment at health-related institutions, and
- Donor restricted endowments - income generated is used to fund various endeavors in accordance with the donors’ restrictions.

Restricted net position also includes current purpose gifts and grants. System’s restricted net position was \$69.3 billion in 2025 compared to \$63.7 billion in 2024.

Unrestricted Net Position

System's unrestricted net position was \$9.3 billion in 2025 as compared to \$6.9 billion in 2024. The increase in unrestricted net position between 2024 and 2025 was primarily due to long term funds, investments, general designated and practice plan funds, and improvement in income/loss before other revenue, expenses, gains(losses), and transfers.

2024 Highlights – Statement of Net Position

The System's assets and deferred outflows increased \$9.3 billion to \$128.4 billion in 2024 primarily due to increases in noncurrent investments, current assets, and capital/intangible assets. Liabilities and deferred inflows increased \$1.9 billion to \$50.3 billion in 2024 primarily due to increases in the pension, OPEB, and debt-related liabilities and partially offset by decreases in deferred inflows of resources.

Restatements

The restatement in fiscal year 2024 resulted from the implementation of GASB Statement No. 101, *Compensated Absences*. See Note 4 for further information on the impact of this standard. The new standard did not affect the opening net position for fiscal year 2024.

The Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position details the changes in total net position. The following table summarizes the System's revenues, expenses and changes in net position for the years ended August 31, 2025, 2024 and 2023:

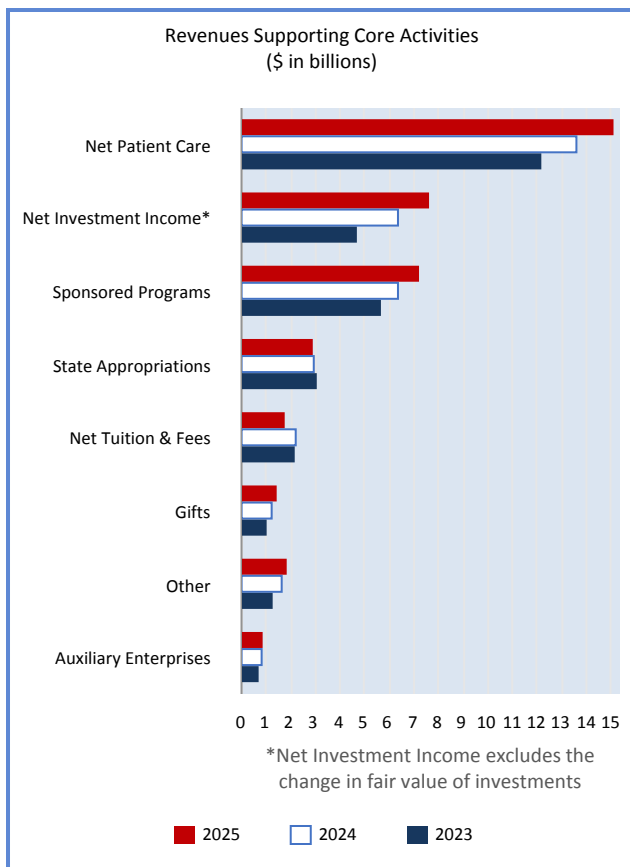
Condensed Statements of Revenues, Expenses and Changes in Net Position (\$ in millions)			
	2025	2024	2023
Operating revenues:			
Net student tuition and fees	\$ 1,789.1	2,164.3	2,162.3
Sponsored programs	6,352.4	5,712.2	5,114.9
Net sales and services of hospitals	12,161.5	10,855.9	9,638.1
Net professional fees	3,004.0	2,758.9	2,577.5
Net auxiliary enterprises	876.6	845.5	723.2
Other	1,874.4	1,658.0	1,275.8
Total operating revenues	26,058.0	23,994.8	21,491.8
Total operating expenses	(31,500.4)	(29,321.7)	(26,720.6)
Operating income (loss)	(5,442.4)	(5,326.9)	(5,228.8)
Nonoperating revenues (expenses):			
State appropriations	2,926.1	2,965.9	3,052.8
Nonexchange sponsored programs	877.8	653.7	621.7
Gift contributions for operations	930.9	605.3	684.0
Net investment income excluding the change in fair value of investments	7,642.0	6,250.4	4,682.3
Net increase (decrease) upon hedge termination	—	102.0	61.9
Net increase (decrease) in fair value of investments	2,507.4	2,571.5	479.2
Interest expense on capital asset financings	(435.2)	(438.6)	(379.4)
Net other nonoperating revenues (expenses)	(24.3)	6.1	139.5
Income (loss) before other changes in net position	8,982.3	7,389.4	4,113.2
Capital gifts and grants and additions to endowments	516.8	586.6	347.4
Net transfers to other State agencies	(529.1)	(552.6)	(485.9)
Change in net position	8,970.0	7,423.4	3,974.7
Net position, beginning of the year	78,104.6	70,681.2 *	66,689.1
Net position, end of the year	\$ 87,074.6	78,104.6 *	70,663.8

*Net position includes effect of restatements. See Note 4 for each year.

Revenues Supporting Core Activities

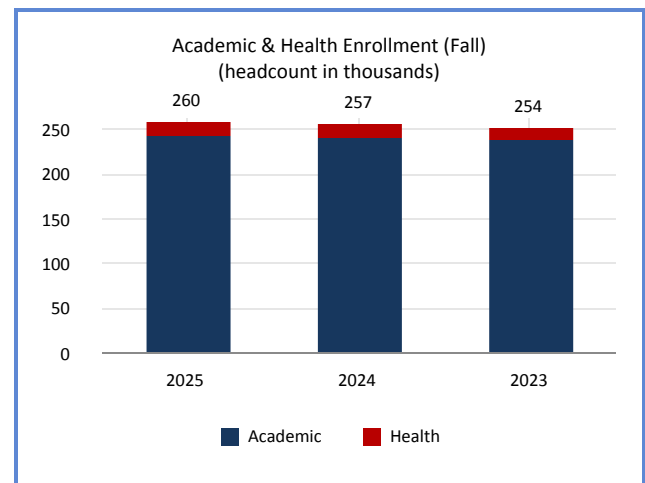
Revenues to support the System's core activities, including those classified as nonoperating revenues, were \$39.0 billion, \$35.2 billion, and \$30.9 billion in 2025, 2024, and 2023, respectively. These diverse sources of revenues increased by \$3.8 billion in 2025 primarily due to increases in net patient care revenue and net investment income.

The chart below shows a three-year comparison of the components of revenues that support the core activities of the System:



Net Student Tuition and Fees

Student tuition and fees, net of scholarship allowances, are a primary source of funding for the System's academic programs. Scholarship allowances, or financial aid, are the differences between the stated charge for tuition and fees and the amount that is paid by the student and third parties on behalf of the student. For the year ended August 31, 2025, the System changed the measurement methodology used to estimate tuition discounts, as explained in Note 4. This change resulted in an increase in student discounts and a decrease in scholarships and fellowships expense compared to years ended August 31, 2024 and 2023. Tuition and fees are generated from students enrolled primarily in the System's academic institutions as illustrated in the chart below:



The System's academic institutions enroll 35.6% of the State's public college students, and the System's health-related institutions enroll 52.3% of the students attending the State's public health institutions.

Sponsored Programs

Sponsored program revenues are primarily generated from governmental and private sources related to research programs that typically provide for the recovery of direct and indirect costs. Sponsored programs include student financial aid and contracts with affiliated hospitals for clinical activities. Sponsored programs revenues were \$7.2 billion, \$6.4 billion, and \$5.7 billion in 2025, 2024, and 2023, respectively.

Net Patient Care Revenues

Net patient care revenues, which consist of net sales and services of hospitals and net professional fees, are principally generated within the System's hospitals and physicians' practice plans under contractual arrangements with governmental payors and private insurers. These revenues are reported net of contractual allowances, bad debt expense, and unreimbursed charges for financially or medically indigent patients. Net patient care revenues were \$15.2 billion, \$13.6 billion, and \$12.2 billion in 2025, 2024, and 2023, respectively. Net patient care revenues increased \$1.6 billion, or 11.4%, in 2025, primarily because of increased patient volumes.

Net Auxiliary Enterprises

Net auxiliary enterprise revenues were earned from a host of activities such as athletics, housing and food services, bookstores, parking, student health, and other activities. Net auxiliary enterprises were \$876.6 million, \$845.5 million, and \$723.2 million in 2025, 2024, and 2023, respectively. Net auxiliary enterprise revenues increased \$31.1 million or 3.7% in 2025.

State Appropriations

State appropriations, in conjunction with student tuition and fees, are core components that support the instructional mission of the System. State appropriations were \$2.9 billion, \$3.0 billion, and \$3.1 billion in 2025, 2024, and 2023, respectively.

Net Investment Income Excluding the Change in Fair Value of Investments

The System carefully navigates the investment environment and works diligently to manage its financial resources. Net investment income, excluding the change in fair value of investments, was \$7.6 billion, \$6.4 billion, and \$4.7 billion in 2025, 2024, and 2023, respectively. Net investment income includes realized gains of \$4.5 billion in 2025 and \$3.3 billion in 2024. Net investment income, excluding the change in the fair value of investments, increased \$1.3 billion from 2024 to 2025, primarily due to increases in net realized gains and investment income in the PUF.

Net Increase (Decrease) in Fair Value of Investments

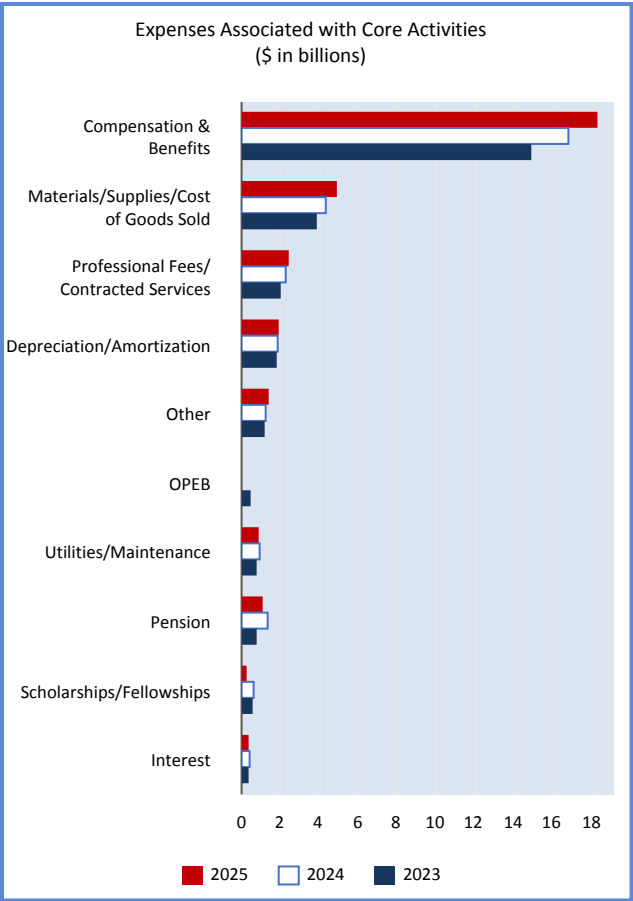
Net increase (decrease) in fair value of investments reported an increase of \$2.5 billion in 2025, an increase of \$2.6 billion in 2024, and an increase of \$0.5 billion in 2023. The 2025 increase was \$0.1 billion lower than 2024, primarily due to a slight decrease in market performance when compared to prior year.

Gifts

The System receives gift contributions for operations as well as nonoperating gifts and grants of capital and gifts that are held in perpetuity which are added to the System’s endowment holdings. In 2025, gifts for operations totaled \$930.9 million, an increase of \$325.6 million or 53.8% over 2024. Capital gifts and grants and additions to permanent endowments totaled \$516.8 million for 2025, a decrease of \$69.8 million over 2024 due to decreased gifts for capital acquisitions in 2025. The System continues its fundraising efforts to address facilities expansion and renovation, and the establishment of endowments for instruction, research, and patient care activities.

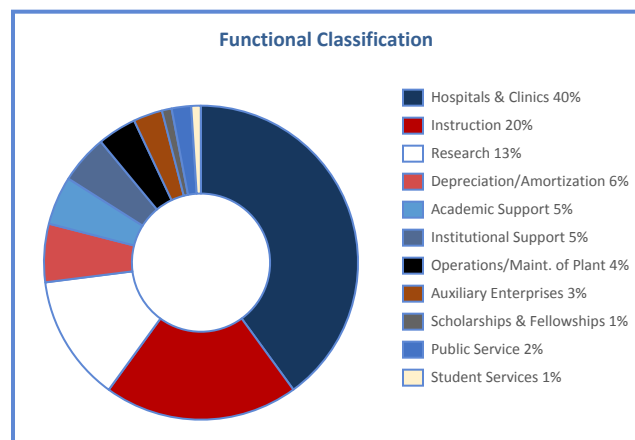
Expenses Supporting Core Activities

Expenses associated with the System’s core activities, including interest expense classified as nonoperating, were \$31.9 billion, \$29.8 billion, and \$27.1 billion in 2025, 2024, and 2023, respectively. The changes, by category, for the three years are depicted below:



Operating expenses increased by \$2.2 billion in 2025 and increased by \$2.6 billion in 2024 primarily due to the rising cost of supporting the institution’s primary missions of instruction, research, public service, patient care, and student support activities. Additionally, OPEB expense decreased by \$176.9 million, mainly due to recognition of demographic experience and assumption changes, and pension expense decreased by \$229.8 million, mainly due to recognition of the difference between projected and actual investment earnings. Scholarships and fellowships expense in 2025 decreased compared to prior years due to a change in measurement methodology, as explained under “Net Student Tuition and Fees.” Nonoperating expenses include interest expense which decreased to \$435.2 million in 2025.

The following charts illustrate the makeup of operating expenses by functional classification for the year ended August 31, 2025:



Income (Loss) Before Other Changes in Net Position

Income (Loss) before other changes in net position is the sum of the operating loss plus nonoperating revenues (expenses). It is an indication of recurring revenues and expenses for the System and does not take into account capital and endowment-related additions, discussed above, or transfers. The income (loss) before other changes in net position totaled \$9.0 billion in 2025, an increase of \$1.6 billion over 2024. This increase was largely a result of the increases in net investment income and fair value of investments discussed above.

Net Transfers to Other State Agencies

Net transfers to other State agencies totaled \$529.1 million in 2025, a decrease of \$23.5 million over 2024. These transfers primarily include \$555.4 million and \$665.0 million for 2025 and 2024, respectively, for the AUF distribution to TAMUS for its one-third share of distributions from the PUF endowment and PUF land surface income, in accordance with the *Texas Constitution*. In addition to the transfers of the current year earnings, the net change in PUF debt outstanding at TAMUS is reflected as a transfer to other State agencies. In 2024, the PUF debt at TAMUS decreased \$5.1 million, whereas in 2025 the debt increased \$118.6 million contributing to the decrease in net transfers to other State agencies in 2025.

2024 Highlights – Statement of Revenues, Expenses and Changes in Net Position

The System's change in net position increased by \$7.4 billion in 2024, compared to \$4.0 billion in 2023. The larger increase in 2024 was driven by higher net investment income and fluctuations in the fair value of investments. In 2024, net investment income rose by \$6.3 billion and the fair value of investments by \$2.6 billion, compared to increases of \$4.7 billion and \$0.5 billion, respectively, in 2023—representing year-over-year increases of \$1.6 billion and \$2.1 billion. The PUF accounted for \$2.3 billion of this increase in 2024.

The Statement of Cash Flows

The Statement of Cash Flows provides information about the System's financial results by reporting the major sources and uses of cash and cash equivalents during the fiscal year. Ending cash and cash equivalents were \$8.5 billion, \$7.7 billion, and \$6.5 billion in 2025, 2024, and 2023, respectively. A summarized three-year comparison of the System's changes in cash and cash equivalents follows:

Condensed Statements of Cash Flows			
(\$ in millions)			
	2025	2024	2023
Net cash provided by (used for):			
Operating activities	\$ (3,387.9)	(3,490.6)	(2,392.4)
Noncapital financing activities	4,552.9	3,492.3	3,637.6
Capital and related financing activities	(2,344.6)	(2,635.7)	(1,619.4)
Investing activities	2,008.4	3,657.4	1,390.0
Net increase (decrease) in cash and cash equivalents	828.8	1,023.4	1,015.8
Beginning cash and cash equivalents (as restated)	7,650.8	6,627.4	5,508.8
Ending cash and cash equivalents	\$ 8,479.6	7,650.8	6,524.6

In 2025, cash and cash equivalents increased \$0.8 billion.

Cash increases during 2025 were primarily due to (1) \$4.6 billion provided by noncapital financing activities, which includes cash inflows related to state appropriations and nonexchange sponsored programs, offset by transfers to other agencies and (2) \$2.0 billion of cash provided by investing activities, which includes cash inflows for interest and investment income.

Cash decreases during 2025 were primarily due to (1) \$3.4 billion used by operating activities, which includes cash payments to employees and suppliers, partially offset by collection of cash related to tuition and fees, patient charges, and sponsored program activities and (2) \$2.3 billion used by capital and related financing activities primarily for the purchase of capital assets and the net activity associated with issuing and retiring capital related debt.

ECONOMIC OUTLOOK

The mission of the System is to leverage scientific and academic insights and innovation, education and training and the delivery of clinical health care for the common good, in Texas and around the world. It is a mission that depends upon the System's ability to attract and support students from backgrounds and with an array of goals and talents; to recruit and retain a broadly skilled and respected faculty of various viewpoints and expertise; to employ and appropriately recognize dedicated administrators and staff; to build and maintain physical environments and facilities that enhance and complement these other goals; and to encourage ongoing public and private sector support of higher education, creating a virtuous cycle of investment and return for all of Texas.

In carrying out this mission, the System has a vast, deep and positive impact on society through the generation of a thoughtful, skilled and engaged citizenry and the dissemination of knowledge, ideas and inventions that influence public policy and society's shared economic success.

The System is one of the largest and most comprehensive institutions of higher education in the country, as well as one of the largest employers in Texas. The System's operating budget provides a wide range of services for Texans. Budgeted revenues of the System include both operating and nonoperating revenues. Budgeted revenues for 2026 increased 9.8% to \$35.1 billion. The largest area of growth is net sales and services of hospitals and clinics. Budgeted expenses for 2026 increased 8.0% to \$33.3 billion. The most significant area of growth occurred in operations, maintenance, and travel costs, driven by higher patient care volumes and rising medical and pharmaceutical expenditures, as well as in personnel costs, which include benefits provided to employees and retirees. The State provides certain health and life insurance benefits for retired employees in accordance with State statutes. In addition to OPEB, the System also receives a proportional share of the State's net pension liability, which is also guaranteed in State statute. These significant costs will continue to be a challenge to both the System and the state of Texas as a whole. The System continues to sustain the highest credit ratings of Fitch Ratings (AAA), Moody's Investors Service

(Aaa) and Standard & Poor's Global Ratings (AAA). The System's ongoing efforts toward revenue diversification and cost containment will enable the System to achieve its goals and realize its mission.

Public support for this mission, and the resulting economic health of the System, is vital to our continued success. The System greatly appreciates the support of the Texas Legislature, which made historic investments in funding for public institutions and affordability during the 89th Session, resulting in more than \$300 million in new funding for the System institutions in the 2026-2027 biennium.

***CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
AUGUST 31, 2025 AND 2024***

THE UNIVERSITY OF TEXAS SYSTEM
CONSOLIDATED STATEMENTS OF NET POSITION — BUSINESS-TYPE ACTIVITIES
AUGUST 31, 2025 AND 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,340,364,257	6,568,388,135
Restricted cash and cash equivalents	1,058,781,171	1,046,527,957
Balance in State appropriations	515,207,087	726,525,203
Accounts receivable, net:		
Federal (net of allowances of \$5,343,661 and \$3,697,188, respectively)	1,085,140,899	786,515,273
Other intergovernmental (net of allowances of \$4,401,101 and \$4,222,818, respectively)	299,852,652	332,062,027
Student (net of allowances of \$65,372,147 and \$67,664,204, respectively)	540,287,677	432,763,059
Patient and healthcare (net of allowances of \$1,027,448,068 and \$872,415,933, respectively)	1,968,183,403	1,733,583,800
Interest and dividends	122,408,994	113,349,395
Contributions (net of allowances of \$14,897,021 and \$5,048,945, respectively)	223,968,133	165,167,606
Investment trades	1,183,308,397	1,113,156,644
Other (net of allowances of \$31,415,066 and \$11,677,803, respectively)	855,025,869	1,022,851,889
Lease receivable	16,591,066	11,305,763
P3 receivable	5,444,331	5,880,784
Due from other agencies	52,744,554	87,509,526
Inventories	288,873,961	258,252,497
Restricted loans and contracts (net of allowances of \$23,389,050 and \$23,087,761, respectively)	32,666,192	40,183,064
Securities lending collateral	673,524,457	953,630,199
Other current assets	618,041,546	617,506,149
Total current assets	<u>16,880,414,646</u>	<u>16,015,158,970</u>
NONCURRENT ASSETS		
Cash and cash equivalents (noncurrent restricted)	80,419,080	35,901,786
Restricted investments	71,008,936,137	64,573,558,202
Deposit with brokers for derivative contracts	443,098,770	490,408,514
Restricted loans and contracts (net of allowances of \$10,679,438 and \$8,851,061, respectively)	22,540,854	27,503,751
Contributions receivable (net of allowances of \$6,118,972 and \$2,832,216, respectively)	591,925,548	427,842,989
Unrestricted investments	20,855,674,900	18,485,042,966
Hedging derivative asset	70,972,281	58,870,039
Lease receivable	404,700,591	214,425,963
P3 receivable	40,510,608	46,260,237
Other noncurrent assets	709,664,828	570,086,715
Gross capital/intangible assets	48,603,219,591	44,847,626,509
Less accumulated depreciation/amortization	(25,088,821,446)	(23,597,410,833)
Net capital assets	<u>23,514,398,145</u>	<u>21,250,215,676</u>
Total noncurrent assets	<u>117,742,841,742</u>	<u>106,180,116,838</u>
TOTAL ASSETS	<u>134,623,256,388</u>	<u>122,195,275,808</u>
Deferred outflows of resources	<u>4,618,951,470</u>	<u>6,213,486,904</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 139,242,207,858</u>	<u>128,408,762,712</u>

See accompanying notes to consolidated financial statements

(Continued)

THE UNIVERSITY OF TEXAS SYSTEM
CONSOLIDATED STATEMENTS OF NET POSITION — BUSINESS-TYPE ACTIVITIES (Continued)
AUGUST 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
LIABILITIES AND DEFERRED INFLOWS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,529,423,409	2,072,585,181
Salaries payable	1,070,628,926	999,665,451
Investment trades payable	2,053,513,390	1,524,899,716
Incurred but not reported self-insurance claims	211,097,631	189,052,286
Total other postemployment benefits liability	199,868,583	184,459,372
Pension liabilities	78,774,942	78,798,695
Securities lending obligations	673,524,457	953,630,199
Due to other State agencies	77,931,972	143,979,563
Statewide interfund payable	69,863,684	67,149,789
Unearned revenue	2,391,545,865	2,243,209,549
Employees' compensable leave	701,735,544	591,395,613
Short-term debt	3,260,000,000	2,131,500,000
Notes, loans, and leases payable	218,924,513	184,529,586
Bonds payable	1,179,458,191	1,107,282,950
Other current liabilities	197,918,536	209,032,989
Total current liabilities	<u>14,914,209,643</u>	<u>12,681,170,939</u>
NONCURRENT LIABILITIES		
Incurred but not reported self-insurance claims	45,216,861	41,029,279
Employees' compensable leave	447,598,970	454,973,245
Assets held for others	179,124,986	165,073,161
Liability to beneficiaries	14,826,243	14,315,621
Total other postemployment benefits liability	8,694,156,200	8,601,248,649
Pension liabilities	7,382,174,006	7,809,116,835
Notes, loans and leases payable	784,210,065	1,227,165,063
Bonds payable	10,336,076,692	9,217,173,011
Statewide interfund payable	1,611,355,836	1,495,590,100
Hedging derivative liability	14,862,113	22,619,314
Payable to brokers for collateral held	144,031,200	106,628,021
Investment derivatives - liability positions	238,164,208	207,716,648
Asset retirement obligation	20,259,613	18,987,780
Other noncurrent liabilities	165,701,867	156,539,423
Total noncurrent liabilities	<u>30,077,758,860</u>	<u>29,538,176,150</u>
TOTAL LIABILITIES	<u>44,991,968,503</u>	<u>42,219,347,089</u>
Deferred inflows of resources	7,175,624,917	8,084,855,566
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>\$ 52,167,593,420</u>	<u>50,304,202,655</u>
NET POSITION		
Net investment in capital assets	\$ 8,445,062,705	7,439,147,923
Restricted:		
Nonexpendable	42,071,726,856	39,721,621,730
Expendable	27,266,660,025	23,999,374,842
Total restricted	<u>69,338,386,881</u>	<u>63,720,996,572</u>
Unrestricted	9,291,164,852	6,944,415,562
TOTAL NET POSITION	<u>\$ 87,074,614,438</u>	<u>78,104,560,057</u>

See accompanying notes to consolidated financial statements

(Concluded)

THE UNIVERSITY OF TEXAS SYSTEM
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION — BUSINESS-TYPE ACTIVITIES
YEARS ENDED AUGUST 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Net student tuition and fees (net of discounts and allowances of \$1,522,097,987 and \$1,074,785,918, respectively)	\$ 1,789,058,830	2,164,275,396
Sponsored programs	6,352,434,282	5,712,199,285
Net sales and services of educational activities (net of discounts and allowances of \$357,887 and \$19,880, respectively)	839,254,704	726,177,652
Net sales and services of hospitals (net of discounts and allowances of \$19,928,252,861 and \$16,867,676,289, respectively)	12,161,517,811	10,855,945,547
Net professional fees (net of discounts and allowances of \$8,165,470,679 and \$7,530,588,692, respectively)	3,003,972,316	2,758,851,714
Net auxiliary enterprises (net of discounts and allowances of \$14,320,245 and \$24,509,845, respectively)	876,605,014	845,496,755
Other	1,035,196,851	931,774,708
Total operating revenues	<u>26,058,039,808</u>	<u>23,994,721,057</u>
OPERATING EXPENSES		
Instruction	6,229,802,265	6,033,477,705
Research	4,249,918,947	3,946,674,227
Public service	633,186,088	568,621,187
Hospitals and clinics	12,209,164,845	10,985,014,306
Academic support	1,703,485,299	1,515,689,656
Student services	358,657,219	336,451,866
Institutional support	1,620,539,692	1,401,793,928
Operations and maintenance of plant	1,205,695,545	1,166,859,460
Scholarships and fellowships	281,596,450	551,148,745
Auxiliary enterprises	1,014,266,103	942,648,311
Depreciation and amortization	1,994,116,540	1,873,383,717
Total operating expenses	<u>31,500,428,993</u>	<u>29,321,763,108</u>
Operating loss	<u>(5,442,389,185)</u>	<u>(5,327,042,051)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	2,926,060,311	2,965,947,593
Nonexchange sponsored programs	877,838,853	653,661,614
Gift contributions for operations	930,866,736	605,276,837
Net investment income	10,149,378,276	8,821,959,252
Net increase upon hedge termination	—	101,989,500
Interest expense on capital asset financings	(435,201,831)	(438,603,425)
Loss on sale of capital assets	(33,192,512)	(44,167,824)
Other	8,961,746	50,262,093
Net nonoperating revenues	<u>14,424,711,579</u>	<u>12,716,325,640</u>
Income before other changes in net position	8,982,322,394	7,389,283,589
OTHER CHANGES IN NET POSITION		
Capital gifts and grants	182,069,391	267,767,432
Additions to permanent endowments	334,739,329	318,847,673
Net transfers to other State agencies	(529,076,732)	(549,532,295)
Legislative appropriations lapsed	(1)	(3,018,472)
Change in net position	<u>8,970,054,381</u>	<u>7,423,347,927</u>
NET POSITION		
Net position, beginning of year	78,104,560,057	70,681,212,130
Net position, end of year	<u>\$ 87,074,614,438</u>	<u>78,104,560,057</u>

See accompanying notes to consolidated financial statements

(Continued)

THE UNIVERSITY OF TEXAS SYSTEM
CONSOLIDATED STATEMENTS OF CASH FLOWS — BUSINESS-TYPE ACTIVITIES
YEARS ENDED AUGUST 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from tuition and fees	\$ 1,763,828,165	2,145,512,721
Proceeds from patients and customers	14,985,026,156	13,412,191,127
Proceeds from sponsored programs	6,094,205,705	5,497,183,600
Proceeds from auxiliaries	864,692,017	841,092,313
Proceeds from other revenues	1,903,370,117	1,286,098,264
Payments to suppliers	(10,139,971,073)	(9,510,864,487)
Payments to employees	(18,857,761,254)	(17,161,432,747)
Payments for loans provided	(54,905,520)	(70,523,466)
Proceeds from loan programs	63,040,702	78,133,116
Payments for Other Expenses	(9,434,319)	(7,942,780)
Net cash used for operating activities	<u>(3,387,909,304)</u>	<u>(3,490,552,339)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from State appropriations	3,137,378,425	2,886,017,778
Proceeds from operating gifts	689,955,091	559,519,433
Proceeds from private gifts for endowment purposes	292,340,645	288,848,478
Proceeds from other noncapital financing activities	1,068,381,642	1,038,352,216
Receipts for transfers from other agencies	759,673,771	1,134,881,843
Payments for transfers to other agencies	(1,203,624,014)	(1,965,660,874)
Payments for other uses	(1,061,109,814)	(1,084,463,875)
Proceeds from nonexchange sponsored programs	869,904,018	634,841,039
Net cash provided by noncapital financing activities	<u>4,552,899,764</u>	<u>3,492,336,038</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of capital debt	5,223,732,168	3,716,489,476
Payments of other costs on debt issuance	(10,798,345)	(7,848,543)
Proceeds from capital appropriations, grants and gifts	192,408,084	180,524,741
Proceeds from sale of capital assets	10,383,367	7,454,207
Payments for additions to capital assets	(3,757,397,546)	(2,913,510,695)
Payments of principal on capital related debt and other long-term obligations	(3,452,504,723)	(3,124,358,990)
Payments of interest on capital related debt and other long-term obligations	(550,444,174)	(494,478,036)
Net cash used for capital and related financing activities	<u>(2,344,621,169)</u>	<u>(2,635,727,840)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	62,586,541,492	61,738,776,785
Proceeds from interest and investment income	3,183,256,926	3,053,245,706
Payments to acquire investments	(63,761,421,079)	(61,134,717,121)
Net cash provided by investing activities	<u>2,008,377,339</u>	<u>3,657,305,370</u>
Net increase in cash and cash equivalents	828,746,630	1,023,361,229
Cash and cash equivalents, beginning of year	7,650,817,878	6,627,456,649
Cash and cash equivalents, end of year	<u>\$ 8,479,564,508</u>	<u>7,650,817,878</u>
See accompanying notes to consolidated financial statements		(Continued)

THE UNIVERSITY OF TEXAS SYSTEM
CONSOLIDATED STATEMENTS OF CASH FLOWS — BUSINESS-TYPE ACTIVITIES (Continued)
YEARS ENDED AUGUST 31, 2025 AND 2024

	2025	2024
Reconciliation of operating loss to net cash provided by (used for) operating activities:		
Operating loss	\$ (5,442,389,185)	(5,327,042,051)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation and amortization expense	1,994,116,540	1,873,383,717
Bad debt expense	535,916,433	634,212,680
Other postemployment benefits obligation expense	(163,353,951)	13,522,164
Pension expense	1,134,117,850	1,363,962,192
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(934,811,200)	(1,179,741,938)
Lessor-related balances	(5,567,201)	(2,252,920)
P3 Related Balances	(9,226,295)	18,845,787
Inventories	(30,621,464)	(18,350,723)
Loans and contracts	8,138,758	7,615,625
Other current and noncurrent assets	(135,982,665)	(274,918,885)
Deferred outflows-other postemployment benefits	520,370,103	231,229,466
Deferred outflows-pension related	1,064,768,104	(375,933,837)
Accounts payable	328,918,287	165,603,824
Unearned revenue	137,196,862	(19,945,327)
Employees' compensable leave	102,965,657	125,116,655
Other postemployment benefits obligation	271,670,714	493,535,944
Pension related obligations	(1,561,084,432)	(34,026,715)
Asset retirement obligations	1,599,785	(1,141,873)
Deferred inflows-other postemployment benefits	(975,119,302)	(945,407,755)
Deferred inflows-pension related	(212,590,794)	(198,620,485)
Other current and noncurrent liabilities	(16,941,908)	(40,197,884)
Total adjustments	2,054,479,881	1,836,489,712
Net cash used for operating activities	<u>\$ (3,387,909,304)</u>	<u>(3,490,552,339)</u>
Noncash transactions:		
Net increase in fair value of investments	\$ 2,507,384,837	2,571,530,132
Donated capital assets	19,600,803	106,758,929
Capital assets acquired/adjusted under lease purchases or direct borrowings	381,814,513	275,322,169
Miscellaneous noncash transactions	(20,250,610)	(7,777,245)
See accompanying notes to consolidated financial statements		(Concluded)

THE UNIVERSITY OF TEXAS SYSTEM
CONSOLIDATED STATEMENTS OF FIDUCIARY NET POSITION
AUGUST 31, 2025 AND 2024

	2025			2024		
	Custodial Funds		Total Fiduciary Activities	Custodial Funds		Total Fiduciary Activities
	External Investment Pool Fund	Custodial Funds, Other		External Investment Pool Fund	Custodial Funds, Other	
ASSETS						
Cash and cash equivalents	\$ 880	1,868,136	1,869,016	880	1,923,665	1,924,545
Accounts receivable, net:						
Interest and dividends	293,124	—	293,124	277,102	—	277,102
Investment trades	5,487,706	—	5,487,706	4,884,078	—	4,884,078
Other	34,116	8,492	42,608	36,802	4,735	41,537
Total accounts receivable, net	5,814,946	8,492	5,823,438	5,197,982	4,735	5,202,717
Investments at fair value:						
Investment derivatives - asset positions	1,122,228	—	1,122,228	1,094,287	—	1,094,287
Other investments	357,157,016	—	357,157,016	324,623,027	—	324,623,027
Total investments	358,279,244	—	358,279,244	325,717,314	—	325,717,314
Securities lending collateral	3,043,782	—	3,043,782	4,317,787	—	4,317,787
Deposit with brokers for derivative contracts	2,015,327	—	2,015,327	2,244,043	—	2,244,043
Other assets	3,200	—	3,200	3,205	—	3,205
Total assets	369,157,379	1,876,628	371,034,007	337,481,211	1,928,400	339,409,611
LIABILITIES						
Accounts payable and accrued liabilities	220,012	240,033	460,045	300,005	47,619	347,624
Investment trades payables	9,426,307	—	9,426,307	6,632,340	—	6,632,340
Securities lending obligations	3,043,782	—	3,043,782	4,317,787	—	4,317,787
Investment derivatives - liability positions	1,077,602	—	1,077,602	929,173	—	929,173
Payable to brokers for collateral held	363,974	—	363,974	239,258	—	239,258
Total liabilities	14,131,677	240,033	14,371,710	12,418,563	47,619	12,466,182
NET POSITION						
Restricted for:						
Pool participants	355,025,702	—	355,025,702	325,062,648	—	325,062,648
Individuals, organizations, and other governments	—	1,636,595	1,636,595	—	1,880,781	1,880,781
TOTAL NET POSITION	<u>\$ 355,025,702</u>	<u>1,636,595</u>	<u>356,662,297</u>	<u>325,062,648</u>	<u>1,880,781</u>	<u>326,943,429</u>

See accompanying notes to consolidated financial statements

THE UNIVERSITY OF TEXAS SYSTEM
CONSOLIDATED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED AUGUST 31, 2025 AND 2024

	2025			2024		
	Custodial Funds		Total Fiduciary Activities	Custodial Funds		Total Fiduciary Activities
	External Investment Pool Fund	Custodial Funds, Other		External Investment Pool Fund	Custodial Funds, Other	
ADDITIONS						
Contributions:						
Contributions from student organizations	\$ —	273,685	273,685	—	325,666	325,666
Contributions from foundations or associations	9,341,943	654,125	9,996,068	13,626,698	627,733	14,254,431
Contributions faculty/staff organizations	—	1,382	1,382	—	1,588	1,588
Contributions from participants	—	—	—	—	—	—
Other contributions	—	114	114	—	11,550	11,550
Total contributions	9,341,943	929,306	10,271,249	13,626,698	966,537	14,593,235
Investment earnings:						
Interest, dividends, and other	4,976,116	—	4,976,116	5,124,524	—	5,124,524
Realized gain (loss) on sale of investments	134,578	—	134,578	48,681	—	48,681
Net increase (decrease) in fair value of investments	15,949,400	—	15,949,400	15,525,531	—	15,525,531
Total investment earnings	21,060,094	—	21,060,094	20,698,736	—	20,698,736
Miscellaneous	—	18,188	18,188	—	148,080	148,080
Total additions	30,402,037	947,494	31,349,531	34,325,434	1,114,617	35,440,051
DEDUCTIONS						
Payments to student organizations	—	222,998	222,998	—	200,984	200,984
Payments to foundations or associations	438,983	64,417	503,400	776,728	129,900	906,628
Payments to faculty/staff organizations	—	1,354	1,354	—	1,144	1,144
Payments to participants	—	1,176	1,176	—	2,079	2,079
Other expenses	—	901,735	901,735	—	1,042,058	1,042,058
Total deductions	438,983	1,191,680	1,630,663	776,728	1,376,165	2,152,893
Net increase (decrease) in fiduciary net position	29,963,054	(244,186)	29,718,868	33,548,706	(261,548)	33,287,158
Beginning net position	325,062,648	1,880,781	326,943,429	291,513,943	2,142,329	293,656,271
Ending net position	\$ 355,025,702	1,636,595	356,662,297	325,062,648	1,880,781	326,943,429

See accompanying notes to consolidated financial statements

**THE UNIVERSITY OF TEXAS SYSTEM
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2025 AND 2024**

1. The Financial Reporting Entity

The financial records of The University of Texas System (the System) reflect compliance with applicable State statutes and Governmental Accounting Standards Board (GASB) pronouncements. The System's financial records are reported as a business-type activity in the State of Texas' Annual Comprehensive Financial Report and the System's custodial fund financial records are reported as fiduciary funds in the State of Texas' Annual Comprehensive Financial Report. The significant accounting policies followed by the System in maintaining accounts and in the preparation of the consolidated financial statements are in accordance with the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements and with generally accepted accounting principles in the United States of America (GAAP).

The consolidated financial statements include The University of Texas System Administration and all institutions of the System. Amounts due between and among institutions, amounts held for institutions by The University of Texas System Administration and other duplications in reporting are eliminated in consolidating the financial statements.

The System is composed of fourteen institutions of higher education, as well as the System administrative offices. The fourteen institutions are as follows: The University of Texas at Arlington, The University of Texas at Austin, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas Permian Basin, The University of Texas Rio Grande Valley, The University of Texas at San Antonio, Stephen F. Austin State University, The University of Texas at Tyler (which includes two state agencies – The University of Texas at Tyler and The University of Texas Health Science Center at Tyler), The University of Texas Southwestern Medical Center, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, and The University of Texas M. D. Anderson Cancer Center. The System is governed by a ten-member Board of Regents (including one non-voting student member) appointed by the Governor.

BLENDED COMPONENT UNITS

The following component units are included in the consolidated financial statements because the System appoints a voting majority of the component units' boards and the System is able to impose its will on the component units. Blended component unit financial information is available upon request.

U.T. Southwestern Health Systems is governed by a three-member board appointed by the president of U.T. Southwestern Medical Center. U.T. Southwestern Health Systems provides support of health care services and grants to conduct research and provide educational programs to accomplish the mission of U.T. Southwestern Medical Center. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U.T. Southwestern Medical Center is the sole corporate member. The corporation's fiscal year end is August 31. Separate financial statements may be obtained by contacting U.T. Southwestern Health Systems, 5323 Harry Hines Boulevard, Dallas, Texas 75390.

U.T. Southwestern Moncrief Cancer Center is governed by a four-member board appointed by the president of U.T. Southwestern Medical Center. U.T. Southwestern Moncrief Cancer Center provides resources for cancer prevention, early detection and support services to cancer patients and their families within Tarrant County and surrounding areas. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U.T. Southwestern Medical Center is the sole corporate member. The corporation's fiscal year end is August 31. Separate financial statements may be obtained by contacting U.T. Southwestern Moncrief Cancer Center, 400 West Magnolia Avenue, Fort Worth, Texas 76104.

Moncrief Cancer Foundation is governed by a six-member board appointed by the president of U.T. Southwestern Medical Center. Moncrief Cancer Foundation supports comprehensive, multidisciplinary cancer treatment programs in Tarrant County and surrounding areas. The foundation is blended rather than discretely presented because it is organized as a not-for-profit foundation and U.T. Southwestern Medical Center is the sole corporate member. The foundation's fiscal year end is August 31. Separate financial statements may be obtained by contacting Moncrief Cancer Foundation, 5323 Harry Hines Boulevard, Dallas, Texas 75390.

UTMB HealthCare Systems, Inc. is governed by an nine-member board appointed by U.T. Medical Branch - Galveston. UTMB HealthCare Systems, Inc. provides temporary staffing and leased property, and manages the Medicare Select insurance product in selected markets for U.T. Medical Branch - Galveston. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U.T. Medical Branch – Galveston is the sole corporate member. The corporation’s fiscal year end is August 31. Separate financial statements may be obtained by contacting UTMB HealthCare Systems, Inc., 301 University Boulevard, Galveston, Texas 77555.

The University Medical Branch Student Book Store, Inc. is governed by a five-member board appointed by U.T. Medical Branch - Galveston. The corporation is blended rather than discretely presented because it operates the book store for U.T. Medical Branch - Galveston and provides services entirely or almost entirely to U.T. Medical Branch - Galveston. The corporation’s fiscal year end is August 31. Separate financial statements may be obtained by contacting The University Medical Branch Student Book Store, Inc., 301 University Boulevard, Galveston, Texas 77555.

Medical Branch Innovations, Inc. is governed by a five-member board appointed by U.T. Medical Branch – Galveston. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U.T. Medical Branch – Galveston is the sole corporate member. The corporation’s fiscal year end is August 31. Separate financial statements may be obtained by contacting Medical Branch Innovations, Inc., 301 University Boulevard, Galveston, Texas 77555.

U.T. Physicians is governed by an eight-member board appointed by its sole corporate member. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and LaTanya Love, as Interim President of U.T. Health Science Center - Houston, is the sole corporate member. The corporation’s fiscal year end is August 31. Separate financial statements may be obtained by contacting U.T. Physicians, 7000 Fannin Street, Suite 860, Houston, Texas 77030.

University Physicians Group is governed by a five-member board. The Dean of the School of Medicine is the Chairman of the Board, and four board members are members of and elected by the physician practice plan board. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U.T. Health Science Center - San Antonio is the sole corporate member. The corporation’s fiscal year end is August 31. Separate financial statements may be obtained by contacting University Physicians Group, 8431 Fredericksburg Road, Suite 507, San Antonio, Texas 78229.

U.T. Health San Antonio Regional Physician Network is governed by a seven-member board. The Dean of the School of Medicine is the Chair of the Board of Directors. The corporation owns, operates, and manages an Accountable Care Organization in accordance with the requirements of the Medicare Shared Savings Program, as set forth in section 1899 of the Social Security Act and related regulations. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U.T. Health Science Center - San Antonio is the sole corporate member. The corporation’s fiscal year end is August 31. Separate financial statements may be obtained by contacting U.T. Health San Antonio Regional Physician Network, 8431 Fredericksburg Road, Suite 500, San Antonio, Texas 78229.

M. D. Anderson Physicians Network is governed by a nine-member board appointed by the president of M. D. Anderson. M. D. Anderson Physicians Network transfers programs representative of M. D. Anderson to the broad community. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and M. D. Anderson is the sole corporate member. The corporation’s fiscal year end is August 31. Separate financial statements may be obtained by contacting M. D. Anderson Physicians Network, PO Box 301407, Unit 1670, Houston, TX 77230-1407.

M. D. Anderson Services Corporation is governed by a seven-member board appointed by the president of M. D. Anderson. M. D. Anderson Services Corporation serves as an instrument of M. D. Anderson in its efforts to achieve its mission beyond the M. D. Anderson main campus. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and M. D. Anderson is the sole corporate member. The corporation’s fiscal year end is August 31. Separate financial statements may be obtained by contacting M. D. Anderson Services Corporation, PO Box 301407, Unit 1670, Houston, TX 77230-1407.

East Texas Quality Care Network, Inc. is governed by a four-member board appointed by U.T. Health Science Center - Tyler. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U.T. Health Science Center - Tyler is the sole corporate member. The corporation’s fiscal year end is August 31. Separate financial statements may be obtained by contacting East Texas Quality Care Network, Inc., 11937 US Highway 271, Tyler, Texas 75708-3154.

The University of Texas/Texas A&M Investment Management Company (UTIMCO) is governed by a nine-member board consisting of at least three members of the U.T. System Board of Regents, four members appointed by the U.T. System Board of Regents (one of whom may be the Chancellor of the System), and two members appointed by the Texas A&M System Board of Regents. At least three members appointed by the U.T. System Board of Regents and at least one member appointed by the Texas A&M System Board of Regents must have substantial background and expertise in investments. The corporation is blended rather than discretely presented because it provides investment management services entirely or almost entirely to the System. The corporation's fiscal year end is August 31. Separate financial statements may be obtained by contacting The University of Texas/Texas A&M Investment Management Company (UTIMCO), 210 West 7th Street, Suite 1700, Austin, Texas 78701.

The University of Texas Communication Foundation is governed by a three-member board appointed by U.T. Austin. The University of Texas Communication Foundation provides services to the U.T. Austin College of Communication to facilitate the participation by students, faculty and others in professional communication projects. The foundation is blended rather than discretely presented because it provides services entirely to U.T. Austin. The foundation's fiscal year end is August 31. Separate financial statements may be obtained by contacting The University of Texas Communication Foundation, U.T. Austin, P. O. Box 7322, Austin, Texas 78713.

The 2033 Higher Education Development Foundation (HEDF) is a legally separate entity that provides services exclusively for the benefit of U.T. Austin in matters pertaining to the acquisition, management, development, and administration of real property. HEDF is governed by a five-member board appointed by U.T. Austin. HEDF is blended rather than discretely presented because U.T. Austin can remove board members at will and the foundation provides services exclusively to U.T. Austin. HEDF's fiscal year is December 31. Separate financial statements may be obtained by contacting The 2033 Higher Education Development Foundation, 1300 Red River Street, Suite 510, Austin, Texas 78701.

When the financial statements of HEDF are consolidated with U.T. Austin's financial statements, the duplicated transactions and balances are eliminated to avoid overstating the financial statements of U.T. Austin. As separate legal entities, both U.T. Austin and HEDF reported the same Ground Lease and buildings. HEDF entered a Ground Lease Agreement with Central Health and subleased it to U.T. Austin in 2018. U.T. Austin advanced funds for HEDF to construct the building, Innovation Tower, beginning 2019. When consolidating the financial statements of HEDF, U.T. Austin eliminated the balances related to the Ground Lease and the Innovation Tower that are reported by HEDF.

HEDF constructed the Graduate Student Housing with funds borrowed from a financial institution. As of January 1, 2023, HEDF reported a beginning balance of \$21.2 million in Construction in Progress (CIP) and \$22.4 million long-term debt related to the Graduate Student Housing. The construction was completed in 2024. U.T. Austin acquired the facility from HEDF in July 2024 and paid off the outstanding loan balance. When consolidating the financial statements of HEDF, U.T. Austin eliminated the CIP and long-term debt reported by HEDF at December 31, 2023.

U.T. Austin paid HEDF for the real estate consulting services provided. The intra-entity transactions were eliminated in U.T. Austin's consolidated financial statements.

The University of Texas at Austin – Mexico Institute, A.C., Centro de Ciencias de la Complejidad (Edificio C3), Planta Baja, Unidad Internacional de Sedes Universitarias, Circuito Cultural c/n, Zona Cultural, Ciudad Universitaria, Ciudad de México, México, CP. 04510, is governed by a four-member board appointed by U.T. Austin. The University of Texas at Austin – Mexico Institute, A.C. advances collaborative cross-disciplinary academic and scientific research partnerships in science, technology, engineering, and mathematics, and scholarly and cultural studies between The University of Texas at Austin and Mexico's academic institutions. The institute is blended rather than discretely presented because it is organized as a not-for-profit corporation and U.T. Austin is the sole corporate member. The Mexico Institute's fiscal year end is December 31. Separate financial statements may be obtained by contacting The University of Texas at Austin J. Pinon, Director of Institutional Relations – Mexico, 2275 Speedway, Austin, TX, 78712.

The Crow Museum of Asian Art - Foundation is governed by a board of five directors appointed by U.T. Dallas. The foundation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U.T. Dallas is the sole corporate member. The foundation's fiscal year end is December 31. In fiscal year 2021, substantially all assets and operations of the foundation transferred to U.T. Dallas in accordance with a unanimous consent letter executed by the board of directors. Assets distributed to U.T. Dallas will be managed in accordance with the memorandum of understanding associated with the 2018 donation of the Crow Museum of Asian Art. The foundation will continue its corporate existence as deemed advisable by the board of directors.

Condensed financial statement information related to the System's blended component units for the year ended August 31, 2025 is as follows:

As of August 31, 2025	UT Southwestern Health Systems	UT Southwestern Moncrief Cancer Center	Moncrief Cancer Foundation	UTMB HealthCare Systems, Inc.	The University Medical Branch Student Book Store, Inc.
Condensed Statement of Net Position					
Current Assets	\$ 5,565,803	5,031,850	1,374,619	22,921,317	589,915
Noncurrent Assets	6,965,455	29,085,417	104,680,983	24,807,818	2,062,562
Total Assets	12,531,258	34,117,267	106,055,602	47,729,135	2,652,477
Current Liabilities	—	7,160,023	2,271,346	3,542,097	63,712
Noncurrent Liabilities	—	318,926	—	—	—
Total Liabilities	—	7,478,949	2,271,346	3,542,097	63,712
Net Investment in Capital Assets	—	23,869,915	—	1,021,753	—
Restricted Nonexpendable	—	3,073,674	—	—	—
Restricted Expendable	—	—	103,784,256	—	—
Unrestricted	12,531,258	(305,271)	—	43,165,285	2,588,765
Total Net Position	\$ 12,531,258	26,638,318	103,784,256	44,187,038	2,588,765
Condensed Statement of Revenues, Expenses and Changes in Net Position					
Operating Revenues	\$ 116,557	9,099,032	433	62,429,201	1,106,571
Operating Expenses	(45,401)	(15,591,192)	(164,664)	(63,093,936)	(1,111,686)
Operating Income (Loss)	71,156	(6,492,160)	(164,231)	(664,735)	(5,115)
Nonoperating Revenues (Expenses)	3,333,988	6,306,345	8,467,195	2,666,829	215,542
Income (Loss) Before Other Changes in Net Position	3,405,144	(185,815)	8,302,964	2,002,094	210,427
Other Changes in Net Position	—	(432,672)	(4,902,672)	—	—
Change in Net Position	3,405,144	(618,487)	3,400,292	2,002,094	210,427
Net Position - August 31, 2024	9,126,114	27,256,805	100,383,964	42,184,944	2,378,338
Net Position - August 31, 2025	\$ 12,531,258	26,638,318	103,784,256	44,187,038	2,588,765
Condensed Statement of Cash Flows					
Net Cash provided by (used for):					
Operating Activities	\$ 3,098,298	2,316,926	1,888,705	975,261	31,727
Noncapital Financing Activities	—	—	—	—	—
Capital and Related Financing	—	—	—	—	—
Investing Activities	111,146	(1,450,347)	(2,159,595)	(578,293)	6,525
Net Increase (Decrease) in Cash and Cash Equivalents	3,209,444	866,579	(270,890)	396,968	38,252
Cash and Cash Equivalents - August 31, 2024	2,352,850	1,206,273	1,593,856	19,216,560	261,298
Cash and Cash Equivalents - August 31, 2025	\$ 5,562,294	2,072,852	1,322,966	19,613,528	299,550

(Continued)

As of August 31, 2025	Medical Branch Innovations, Inc.	U. T. Physicians	University Physicians Group	U. T. Health San Antonio Regional Physician Network	M. D. Anderson Physician's Network
Condensed Statement of Net Position					
Current Assets	\$ 1,142,963	101,187,615	—	14,159	167,769,396
Noncurrent Assets	5,714,754	170,513,603	1,935,622	—	281,096,352
Total Assets	6,857,717	271,701,218	1,935,622	14,159	448,865,748
Current Liabilities	17,400	105,735,726	—	14,159	9,451,920
Noncurrent Liabilities	7,829,137	73,441,317	—	—	255,704
Total Liabilities	7,846,537	179,177,043	—	14,159	9,707,624
Net Investment in Capital Assets	—	48,070,977	—	—	1,000,946
Restricted Nonexpendable	—	—	—	—	—
Restricted Expendable	—	—	—	—	—
Unrestricted	(988,820)	44,453,198	1,935,622	—	438,157,178
Total Net Position	\$ (988,820)	92,524,175	1,935,622	—	439,158,124
Condensed Statement of Revenues, Expenses and Changes in Net Position					
Operating Revenues	\$ —	132,527,093	—	2,182,070	49,904,416
Operating Expenses	(341,549)	(132,805,103)	—	(2,182,070)	(10,284,186)
Operating Income (Loss)	(341,549)	(278,010)	—	—	39,620,230
Nonoperating Revenues (Expenses)	601,899	7,865,868	—	—	34,483,905
Income (Loss) Before Other Changes in Net Position	260,350	7,587,858	—	—	74,104,135
Other Changes in Net Position	—	(304,615)	—	—	—
Change in Net Position	260,350	7,283,243	—	—	74,104,135
Net Position - August 31, 2024	(1,249,170)	85,240,932	1,935,622	—	365,053,989
Net Position - August 31, 2025	\$ (988,820)	92,524,175	1,935,622	—	439,158,124
Condensed Statement of Cash Flows					
Net Cash provided by (used for):					
Operating Activities	\$ (43,980)	16,621,909	—	—	69,717,056
Noncapital Financing Activities	—	1,000	—	—	—
Capital and Related Financing	—	(18,316,077)	—	—	—
Investing Activities	43,110	3,441,414	—	—	(28,385,151)
Net Increase (Decrease) in Cash and Cash Equivalents	(870)	1,748,246	—	—	41,331,905
Cash and Cash Equivalents - August 31, 2024	1,126,433	82,937,558	—	—	118,480,449
Cash and Cash Equivalents - August 31, 2025	\$ 1,125,563	84,685,804	—	—	159,812,354

(Continued)

As of August 31, 2025	M. D. Anderson Services Corporation	East Texas Quality Care Network, Inc.	UTIMCO	The University of Texas Communication Foundation
Condensed Statement of Net Position				
Current Assets	\$ 100,004,285	136,650	60,383,748	110,628
Noncurrent Assets	908,385,272	—	22,607,487	69,254
Total Assets	1,008,389,557	136,650	82,991,235	179,882
Current Liabilities	110,041,608	(360,201)	29,546,289	121,528
Noncurrent Liabilities	1,101,208	—	16,287,216	39,051
Total Liabilities	111,142,816	(360,201)	45,833,505	160,579
Net Investment in Capital Assets	(62,055)	—	17,073,319	—
Restricted Nonexpendable	50,000,000	—	—	—
Restricted Expendable	764,314,057	—	—	—
Unrestricted	82,994,739	496,851	20,084,411	19,303
Total Net Position	\$ 897,246,741	496,851	37,157,730	19,303
Condensed Statement of Revenues, Expenses and Changes in Net Position				
Operating Revenues	\$ 2,011,561	40,999	80,311,900	—
Operating Expenses	(911,780)	(21,654)	(74,922,363)	(15)
Operating Income (Loss)	1,099,781	19,345	5,389,537	(15)
Nonoperating Revenues (Expenses)	84,535,569	—	2,509,821	—
Income (Loss) Before Other Changes in Net Position	85,635,350	19,345	7,899,358	(15)
Other Changes in Net Position	—	—	(4,404,256)	—
Change in Net Position	85,635,350	19,345	3,495,102	(15)
Net Position - August 31, 2024	811,611,391	477,506	33,662,628	19,318
Net Position - August 31, 2025	\$ 897,246,741	496,851	37,157,730	19,303
Condensed Statement of Cash Flows				
Net Cash provided by (used for):				
Operating Activities	\$ 77,726,327	61,818	19,240,466	(15)
Noncapital Financing Activities	(36,487,322)	—	(12,000,000)	—
Capital and Related Financing	—	—	(4,415,374)	—
Investing Activities	(34,072,912)	—	2,735,547	—
Net Increase (Decrease) in Cash and Cash Equivalents	7,166,093	61,818	5,560,639	(15)
Cash and Cash Equivalents - August 31, 2024	89,591,747	320,826	52,856,077	1,987
Cash and Cash Equivalents - August 31, 2025	\$ 96,757,840	382,644	58,416,716	1,972

(Concluded)

As of August 31, 2025	2033 Higher Education Development Foundation	The University of Texas at Austin - Mexico Institute A.C.	The Crow Museum of Asian Art - Foundation	Combined Blended Component Unit Total
Condensed Statement of Net Position				
Current Assets	\$ 2,721,634	71,466	—	469,026,048
Noncurrent Assets	—	—	—	1,557,924,579
Total Assets	2,721,634	71,466	—	2,026,950,627
Current Liabilities	2,274,215	—	—	269,879,822
Noncurrent Liabilities	—	—	—	99,272,559
Total Liabilities	2,274,215	—	—	369,152,381
Net Investment in Capital Assets	30,000	—	—	91,004,855
Restricted Nonexpendable	—	—	—	53,073,674
Restricted Expendable	—	—	—	868,098,313
Unrestricted	417,419	71,466	—	645,621,404
Total Net Position	\$ 447,419	71,466	—	1,657,798,246
Condensed Statement of Revenues, Expenses and Changes in Net Position				
Operating Revenues	\$ 140,395	133,170	—	340,003,398
Operating Expenses	2,200,104	(98,860)	—	(299,374,355)
Operating Income (Loss)	2,340,499	34,310	—	40,629,043
Nonoperating Revenues (Expenses)	—	—	—	150,986,961
Income (Loss) Before Other Changes in Net Position	2,340,499	34,310	—	191,616,004
Other Changes in Net Position	—	—	(45,872)	(10,090,087)
Change in Net Position	2,340,499	34,310	(45,872)	181,525,917
Net Position - August 31, 2024	(1,893,080)	37,156	45,872	1,476,272,329
Net Position - August 31, 2025	\$ 447,419	71,466	—	1,657,798,246
Condensed Statement of Cash Flows				
Net Cash provided by (used for):				
Operating Activities	\$ (2,957,299)	(28,633)	—	188,648,566
Noncapital Financing Activities	(72,412,404)	—	—	(120,898,726)
Capital and Related Financing	—	—	(45,872)	(22,777,323)
Investing Activities	77,620,924	—	—	17,312,368
Net Increase (Decrease) in Cash and Cash Equivalents	2,251,221	(28,633)	(45,872)	62,284,885
Cash and Cash Equivalents - August 31, 2024	440,413	100,099	45,872	370,532,298
Cash and Cash Equivalents - August 31, 2025	\$ 2,691,634	71,466	—	432,817,183

Condensed financial statement information related to the System's blended component units for the year ended August 31, 2024 is as follows:

As of August 31, 2024	UT Southwestern Health Systems	UT Southwestern Moncrief Cancer Center	Moncrief Cancer Foundation	UTMB HealthCare Systems, Inc.	The University Medical Branch Student Book Store, Inc.
Condensed Statement of Net Position					
Current Assets	\$ 2,353,647	4,855,809	1,657,752	22,171,532	618,322
Noncurrent Assets	6,772,467	30,361,232	100,564,886	23,110,213	1,853,546
Total Assets	9,126,114	35,217,041	102,222,638	45,281,745	2,471,868
Current Liabilities	—	7,610,662	1,838,674	3,096,801	93,530
Noncurrent Liabilities	—	349,574	—	—	—
Total Liabilities	—	7,960,236	1,838,674	3,096,801	93,530
Net Investment in Capital Assets	—	25,263,652	—	1,056,084	—
Restricted Nonexpendable	—	1,853,567	—	—	—
Restricted Expendable	—	—	100,383,964	—	—
Unrestricted	9,126,114	139,586	—	41,128,860	2,378,338
Total Net Position	\$ 9,126,114	27,256,805	100,383,964	42,184,944	2,378,338
Condensed Statement of Revenues, Expenses and Changes in Net Position					
Operating Revenues	\$ 160,450	9,896,726	403	81,790,465	1,060,279
Operating Expenses	(109,920)	(14,504,281)	(158,138)	(81,975,826)	(1,214,437)
Operating Income (Loss)	50,530	(4,607,555)	(157,735)	(185,361)	(154,158)
Nonoperating Revenues (Expenses)	2,074,839	4,276,470	13,698,737	2,912,122	221,272
Income (Loss) Before Other Changes in Net Position	2,125,369	(331,085)	13,541,002	2,726,761	67,114
Other Changes in Net Position	(2,800,000)	(376,201)	(4,076,201)	—	801
Change in Net Position	(674,631)	(707,286)	9,464,801	2,726,761	67,915
Net Position - August 31, 2023	9,800,745	27,964,091	90,919,163	39,458,183	2,310,423
Net Position - August 31, 2024	\$ 9,126,114	27,256,805	100,383,964	42,184,944	2,378,338
Condensed Statement of Cash Flows					
Net Cash provided by (used for):					
Operating Activities	\$ (134,042)	1,095,490	(1,069,260)	8,001,894	(78,130)
Noncapital Financing Activities	—	—	—	—	—
Capital and Related Financing	—	—	—	215,480	—
Investing Activities	131,097	(1,718,781)	1,932,871	(525,425)	9,737
Net Increase (Decrease) in Cash and Cash Equivalents	(2,945)	(623,291)	863,611	7,691,949	(68,393)
Cash and Cash Equivalents - August 31, 2023	2,355,795	1,829,564	730,245	11,524,611	329,691
Cash and Cash Equivalents - August 31, 2024	\$ 2,352,850	1,206,273	1,593,856	19,216,560	261,298

(Continued)

As of August 31, 2024	Medical Branch Innovations, Inc.	U. T. Physicians	University Physicians Group	U. T. Health San Antonio Regional Physician Network	M. D. Anderson Physician's Network
Condensed Statement of Net Position					
Current Assets	\$ 1,546,403	99,032,441	—	—	120,986,424
Noncurrent Assets	5,155,964	192,361,784	1,935,622	—	252,574,176
Total Assets	6,702,367	291,394,225	1,935,622	—	373,560,600
Current Liabilities	332,400	96,295,834	—	—	8,506,611
Noncurrent Liabilities	7,619,137	109,857,458	—	—	—
Total Liabilities	7,951,537	206,153,292	—	—	8,506,611
Net Investment in Capital Assets	—	34,268,136	—	—	768,027
Restricted Nonexpendable	—	—	—	—	—
Restricted Expendable	—	—	—	—	—
Unrestricted	(1,249,170)	50,972,796	1,935,622	—	364,285,962
Total Net Position	\$ (1,249,170)	85,240,932	1,935,622	—	365,053,989
Condensed Statement of Revenues, Expenses and Changes in Net Position					
Operating Revenues	\$ 13,597	126,225,903	—	—	45,978,913
Operating Expenses	106,238	(133,078,211)	—	(1,610,916)	(15,522,610)
Operating Income (Loss)	119,835	(6,852,308)	—	(1,610,916)	30,456,303
Nonoperating Revenues (Expenses)	621,328	10,642,456	—	—	33,988,871
Income (Loss) Before Other Changes in Net Position	741,163	3,790,148	—	(1,610,916)	64,445,174
Other Changes in Net Position	—	282,511	—	1,610,916	—
Change in Net Position	741,163	4,072,659	—	—	64,445,174
Net Position - August 31, 2023	(1,990,333)	81,168,273	1,935,622	—	300,608,815
Net Position - August 31, 2024	\$ (1,249,170)	85,240,932	1,935,622	—	365,053,989
Condensed Statement of Cash Flows					
Net Cash provided by (used for):					
Operating Activities	\$ (99,008)	(75,929,140)	—	—	33,153,861
Noncapital Financing Activities	—	—	—	—	—
Capital and Related Financing	—	(3,424,559)	—	—	(168,060)
Investing Activities	53,933	55,555,683	—	—	1,148,324
Net Increase (Decrease) in Cash and Cash Equivalents	(45,075)	(23,798,016)	—	—	34,134,125
Cash and Cash Equivalents - August 31, 2023	1,171,508	106,735,574	—	—	84,346,324
Cash and Cash Equivalents - August 31, 2024	\$ 1,126,433	82,937,558	—	—	118,480,449

(Continued)

As of August 31, 2024	M. D. Anderson Services Corporation	East Texas Quality Care Network, Inc.	UTIMCO	The University of Texas Communication Foundation
Condensed Statement of Net Position				
Current Assets	\$ 90,166,400	169,453	54,788,189	110,644
Noncurrent Assets	857,735,646	—	7,433,487	69,254
Total Assets	947,902,046	169,453	62,221,676	179,898
Current Liabilities	116,315,262	(308,053)	22,642,614	121,528
Noncurrent Liabilities	19,975,393	—	5,916,434	39,052
Total Liabilities	136,290,655	(308,053)	28,559,048	160,580
Net Investment in Capital Assets	102,891	—	547,660	—
Restricted Nonexpendable	50,000,000	—	—	—
Restricted Expendable	683,738,639	—	—	—
Unrestricted	77,769,861	477,506	33,114,968	19,318
Total Net Position	\$ 811,611,391	477,506	33,662,628	19,318
Condensed Statement of Revenues, Expenses and Changes in Net Position				
Operating Revenues	\$ 1,321,308	72,538	71,691,629	—
Operating Expenses	(3,149,218)	(22,411)	(62,834,224)	(55)
Operating Income (Loss)	(1,827,910)	50,127	8,857,405	(55)
Nonoperating Revenues (Expenses)	83,421,752	—	2,727,533	—
Income (Loss) Before Other Changes in Net Position	81,593,842	50,127	11,584,938	(55)
Other Changes in Net Position	—	—	—	—
Change in Net Position	81,593,842	50,127	11,584,938	(55)
Net Position - August 31, 2023	730,017,549	427,379	22,077,690	19,373
Net Position - August 31, 2024	\$ 811,611,391	477,506	33,662,628	19,318
Condensed Statement of Cash Flows				
Net Cash provided by (used for):				
Operating Activities	\$ (1,522,912)	48,886	9,564,137	(55)
Noncapital Financing Activities	(27,016,391)	—	—	—
Capital and Related Financing	(79,585)	—	(1,444,618)	—
Investing Activities	34,788,298	—	2,938,032	—
Net Increase (Decrease) in Cash and Cash Equivalents	6,169,410	48,886	11,057,551	(55)
Cash and Cash Equivalents - August 31, 2023	83,422,337	271,940	41,798,526	2,042
Cash and Cash Equivalents - August 31, 2024	\$ 89,591,747	320,826	52,856,077	1,987

(Concluded)

As of August 31, 2024	2033 Higher Education Development Foundation	The University of Texas at Austin - Mexico Institute A.C.	The Crow Museum of Asian Art - Foundation	Combined Blended Component Unit Total
Condensed Statement of Net Position				
Current Assets	\$ 469,524	37,156	45,872	399,009,568
Noncurrent Assets	3,187,916	—	—	1,483,116,193
Total Assets	3,657,440	37,156	45,872	1,882,125,761
Current Liabilities	5,433,520	—	—	261,979,383
Noncurrent Liabilities	117,000	—	—	143,874,048
Total Liabilities	5,550,520	—	—	405,853,431
Net Investment in Capital Assets	3,187,916	—	—	65,194,366
Restricted Nonexpendable	—	—	—	51,853,567
Restricted Expendable	—	—	—	784,122,603
Unrestricted	(5,080,996)	37,156	45,872	575,101,793
Total Net Position	\$ (1,893,080)	37,156	45,872	1,476,272,329
Condensed Statement of Revenues, Expenses and Changes in Net Position				
Operating Revenues	\$ 3,248,983	139,456	—	341,600,650
Operating Expenses	(6,174,743)	(122,370)	—	(320,371,122)
Operating Income (Loss)	(2,925,760)	17,086	—	21,229,528
Nonoperating Revenues (Expenses)	—	—	—	154,585,380
Income (Loss) Before Other Changes in Net Position	(2,925,760)	17,086	—	175,814,908
Other Changes in Net Position	—	—	—	(5,358,174)
Change in Net Position	(2,925,760)	17,086	—	170,456,734
Net Position - August 31, 2023	1,032,680	20,070	45,872	1,305,815,595
Net Position - August 31, 2024	\$ (1,893,080)	37,156	45,872	1,476,272,329
Condensed Statement of Cash Flows				
Net Cash provided by (used for):				
Operating Activities	\$ (51,120,105)	17,086	—	(78,071,298)
Noncapital Financing Activities	50,679,850	—	—	23,663,459
Capital and Related Financing	—	—	—	(4,901,342)
Investing Activities	—	—	—	94,313,769
Net Increase (Decrease) in Cash and Cash Equivalents	(440,255)	17,086	—	35,004,588
Cash and Cash Equivalents - August 31, 2023	880,668	83,013	45,872	335,527,710
Cash and Cash Equivalents - August 31, 2024	\$ 440,413	100,099	45,872	370,532,298

ASSETS HELD BY AFFILIATED ORGANIZATIONS

GASB authoritative guidance provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship to the System. This guidance states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The System has defined significance as 5% of System's net position. As of August 31, 2025, none of the System's potential component units individually meet the 5% of System's net position criteria for inclusion in the System's financial statements. Based upon the most recent available information, the combined net position of these potential component units reported by the organizations total \$4,187,829,150 at August 31, 2025 and \$3,677,737,411 at August 31, 2024.

2. Related Parties

Through the normal course of operations, the System both receives funds from and provides funds to other State agencies in support of sponsored research programs. Funds received and provided during the year ended August 31, 2025, related to pass-through grants were \$988,173,267 and \$17,480,703, respectively. Funds received and provided during the year ended August 31, 2024, related to pass-through grants were \$595,304,627 and \$25,356,646, respectively.

Other related-party transactions identified in the financial statements include Due From/To Other State Agencies, State Appropriations, Capital Appropriations and Transfers From/To Other State Agencies.

3. Joint Ventures

The University of Texas Southwestern Medical Center (UTSW) and Texas Health Resources (THR) are participating members of Southwestern Health Resources (SWHR) entities, including SWHR, SWHR Clinically Integrated Network (CIN), and SWHR Joint Operating Company (JOC). This integrated regional health network offers key advantages for patients in North Texas including a broad, integrated continuum of physician-driven care utilizing UTSW's network of faculty and community-based physicians, THR's employed physicians, and independent physicians affiliated with both organizations; and an integrated hospital network consisting of UTSW's two university hospitals and THR's wholly-controlled and joint-ventured community hospitals. UTSW's equity interest in SWHR, SWHR CIN, and SWHR JOC at August 31, 2025 and 2024 was \$50,384,670 and \$54,598,646 respectively, or approximately 50%.

UTSW is a participating member of Texas Health Hospital Frisco (THHF). THHF is a joint venture entered into by UTSW and THR on August 27, 2018 whose purpose is to provide superior medical care to the residents of Collin County and other surrounding areas. UTSW's equity interest in THHF at August 31, 2025 and 2024 was \$149,407,747 and \$131,852,367, respectively, or 50%.

UTSW is a participating member of Pediatric Health Management Services (PHMS). PHMS is a non-profit corporate entity that was formed by UTSW and Children's Health System of Texas (CHST) on October 1, 2019, for the purpose of developing a joint pediatric enterprise. UTSW's equity interest in Pediatric Health Management Services at August 31, 2025 and 2024 was \$227,352,740 and \$114,199,128, respectively. Under the terms of the Amended and Restated Development Agreement dated June 12, 2024, PHMS will record philanthropic funds raised by either UTSW or CHST for the joint venture as contributions and a corresponding increase in Members' equity of 50% for each.

U.T. Southwestern Health Systems (UTSHS), a blended component unit of UTSW, is a participating member of U.T. Southwestern DVA Healthcare, LLP (DVA). DVA is a joint venture between UTSHS and DaVita Inc. to provide care for dialysis patients in the Dallas-Fort Worth area. UTSHS's equity interest in DVA at August 31, 2025 and 2024 was \$5,045,123 and \$5,608,961, respectively, or 49%. Separate financial statements for DaVita may be obtained at DaVita Inc., 601 Hawaii Street, El Segundo, California 90245 or www.DaVita.com.

UTSHS is a participating member of Crowder Dialysis, LLC (Crowder). Crowder is a joint venture between UTSHS, Crowder, and Renal Treatment Centers-Southeast, LP, formed for the purpose of developing, establishing, owning or leasing, and operating one or more licensed outpatient dialysis and renal care service centers and for the purpose of doing such other things as are necessary, convenient, desirable or incidental to the foregoing, and for such other purposes as may be agreed upon from time to time. UTSHS's equity interest in Crowder at August 31, 2025 and 2024 was \$1,920,332 and \$1,163,506, respectively or 49%. Separate financial statements for Crowder may be obtained at c/o DaVita Inc., 2000 16th Street, Denver, Colorado, 80202 or www.DaVita.com.

U.T. Health Science Center - Houston is a participating member of UT Health Houston Ambulatory Surgery Center, LLC. UT Health Houston Ambulatory Surgery Center, LLC is a joint venture entered into by U.T. Health Science Center - Houston and SCA-UTH Holdings, LLC. U.T. Health Science Center - Houston's equity interest in UT Health Houston Ambulatory Surgery Center, LLC at August 31, 2025 and 2024 was \$5,029,810 and \$6,369,799 respectively, or 73.99%. Separate financial statements for UT Health Houston Ambulatory Surgery Center, LLC may be obtained at SCA-UTH Holdings, LLC, c/o Surgical Care Affiliates, LLC, 569 Brookwood Village, Suite 901, Birmingham, Alabama 35209.

U.T. Health Science Center - Houston is a participating member of Memorial Houston Surgery Center, LLC. Memorial Houston Surgery Center, LLC, is a joint venture entered into by U.T. Health Science Center - Houston and SC Affiliates, LLC, Surgical Care Affiliates, LLC, and SCA-Memorial, LLC. U.T. Health Science Center - Houston's equity interest in Memorial Houston Surgery Center, LLC at August 31, 2025 was \$251,000, or 30%. Separate financial statements for Memorial Houston Surgery Center, LLC may be obtained at SC Affiliates, LLC, c/o Surgical Care Affiliates, LLC, 569 Brookwood Village, Suite 901, Birmingham, Alabama 35209.

U.T. Health Science Center - Houston's blended component unit, U.T. Physicians, is a participating member of Physician's Dialysis of Houston. Physician's Dialysis of Houston is a joint venture entered into by U.T. Physicians and DaVita, Inc. U.T. Physicians' equity interest in Physician's Dialysis of Houston at August 31, 2025 and 2024 was \$593,100 and \$579,757, respectively, or 35.6%. Separate financial statements for Physician's Dialysis of Houston may be obtained at Physician's Dialysis of Houston, Attention: D. Gieser, JV Accounting, 32275 32nd Ave South, Federal Way, Washington 98001.

U.T. Health Science Center - Houston's blended component unit, U.T. Physicians, is a participating member of Bluesky MOB, L.L.P. Bluesky MOB, L.L.P. is a Limited Liability Partnership of which U.T. Physicians purchased an 18.7% interest in for \$380,755 on August 1, 2012. U.T. Physicians' equity interest in Bluesky MOB, LLP at August 31, 2025 and 2024 was \$380,755, or 18.7%. Separate financial statements for Bluesky MOB, L.L.P. may be obtained at Moore, Reichl, & Baker, P.C., c/o C. Presley, CPA, 11200 Westheimer Suite 410, Houston, Texas, 77042.

U.T. Health Science Center - Houston and M. D. Anderson are participating members of the Texas Medical Center Central Heating and Cooling Services Cooperative Association (TECO). TECO was incorporated on October 2, 1975, for the purpose of operating a central heating and cooling services facility on a cooperative basis solely for the benefit of eligible institutions. On June 1, 2003, TECO transferred substantially all of its assets and operation to TECO Corporation, and TECO Corporation assumed the liabilities and obligations of TECO. TECO still renders services to member and non-member patrons at cost. Savings or margins are refunded to the member and non-member patrons on a patronage basis in the form of cash or equity by TECO. In fiscal year 2016, U.T. Health Science Center – Houston purchased the Jessie Jones Library and obtained additional patronage equity in TECO in the amount of \$301,800 via the Houston Academy of Medicine's shares of TECO equity. In fiscal year 2022, U.T. Health Science Center – Houston obtained additional patronage equity in TECO in the amount of \$153,252 related to the School of Biomedical Informatics addition via the Houston Academy of Medicine's shares of TECO equity. U.T. Health Science Center - Houston's equity interest in TECO at August 31, 2025 and 2024 was \$23,307,509 and \$22,248,539, respectively, or 9.9% and 9.9%, respectively. M. D. Anderson's equity interest in TECO at August 31, 2025 and 2024 was \$77,105,837 and \$73,507,747, respectively, or 32.9% and 33%, respectively. Separate financial statements for TECO may be obtained at Thermal Energy Corporation, 1615 Braeswood Boulevard, Houston, Texas 77030.

M. D. Anderson is a participating member of the Texas Medical Center Hospital Laundry Cooperative Association (the Association). The Association was established on April 30, 1971, for the purpose of acquiring, owning, and operating a laundry system on a cooperative basis solely for the benefit of members of the Association. Net earnings of the Association may be refunded to the members on a patronage basis or retained by the Association as equity allocated to the members. M. D. Anderson's equity interest in the Association at August 31, 2025 and 2024 was \$7,532,930 and \$7,005,344, respectively, or 40%. Separate financial statements for the Association may be obtained at 9424 Fannin Street, Building C, Houston, Texas 77045.

M. D. Anderson is a participating member of P.E.T. Net Houston, LLC (PETNet). PETNet is a joint venture entered into by M. D. Anderson and P.E.T. Pharmaceuticals, Inc. to lease and operate a facility located on M. D. Anderson's campus to produce positron radiopharmaceuticals and isotopes. Construction of the facility commenced in 2003. M. D. Anderson's equity interest in PETNet at August 31, 2025 and 2024 was \$6,432,736 and \$5,842,877, respectively, or 49%. Separate financial statements for PETNet may be obtained at Siemens Medical Solutions USA, Inc., 51 Valley Stream Parkway, Malvern, Pennsylvania 19355.

M. D. Anderson, National Resilience, Inc. a Delaware corporation (Resilience), and Resilience Texas, LLC, a Delaware limited liability company entered into a new joint venture on October 21, 2021 to form Cell Therapy Manufacturing Center (CTMC). The entity was formed for the purpose of engaging in a strategic manufacturing relationship for gene and cell therapy cGMP manufacturing at the Resilience Texas, LLC facility for all phases of clinical development and for commercial supply. M. D. Anderson's participation in such strategic manufacturing relationship for gene and cell therapy cGMP manufacturing will support and advance its mission by facilitating and funding the development and commercialization of new products and technologies for the diagnosis, teaching, study, prevention, and treatment of cancer. The Board of Regents of the University of Texas System, on behalf of M. D. Anderson's engagement in the joint venture, support the public mission of and serve public purposes appropriate to the function of M. D. Anderson. As of August 31, 2025 and 2024, M. D. Anderson's equity interest in CTMC was \$29,965,748 and \$25,419,943, respectively, or 50%. Separate financial statements for Resilience Texas, LLC dba CTMC may be obtained at 2130 W Holcombe Blvd. Houston TX, 77030.

On March 1, 2018, U.T. Health Science Center – Tyler (UTHSC – Tyler) entered into a joint venture with AHS East Texas Health System, LLC, to form East Texas Health System, LLC, a Texas Limited Liability Company. The resulting health system, known as U.T. Health East Texas, is designed to expand medical education, research and community health in Northeast Texas. U.T. Health Science Center – Tyler's hospital and physician clinic operations are participants in the ten-hospital system, designed to advance the achievement of UTHSC – Tyler's mission through financial and clinical alignment and integration and to improve the delivery of cost effective, quality health care services in the Northeast Texas region. UTHSC – Tyler's equity interest in U.T. Health East Texas at August 31, 2025 and 2024 was \$32,117,701 and \$35,660,700, respectively, or approximately 30%.

In March 2016, U.T. Austin entered into a joint venture with Ascension Seton and Central Health to form Capital City Innovation (CCI), a nonprofit organization. CCI was created to provide a vision, focused strategic direction, advocacy for, and synergistic coordination of expertise, culture, uses and development to support the creation, growth and sustainability of an Innovation Zone in Austin, Texas. U.T. Austin's equity interest in CCI at August 31, 2025 and 2024 was \$350,000, or 23.7%.

4. Summary of Significant Accounting Policies

BASIS OF ACCOUNTING

The proprietary financial statements of the System have been prepared using the economic resources measurement focus and the accrual basis of accounting and reports as a business type activity, as defined by GASB. Business type activities (enterprise funds) are those that are financed in whole or in part by fees charged to external parties for goods or services. The System's fiduciary funds account for assets held in a custodial capacity and are accounted for on the accrual basis of accounting in accordance with GASB Statement No. 84, *Fiduciary Activities*. All financial statements of the System have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB.

GASB STATEMENTS IMPLEMENTED IN FISCAL YEAR 2024

Other than the portion of this statement implemented in 2022 and 2023, the remainder of GASB Statement No. 99, *Omnibus 2022*, became effective in 2024. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 were effective 2024. The effects of the implementation of this Statement were recognized in the financial statements for the year ended August 31, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective 2024, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The effects of the implementation of this Statement were recognized in the financial statements for the year ended August 31, 2024.

GASB STATEMENTS IMPLEMENTED IN FISCAL YEAR 2025

GASB Statement No. 101, *Compensated Absences*, which supersedes GASB Statement No. 16, became effective for fiscal years beginning after December 15, 2023. It establishes a unified model for recognizing and measuring liabilities for compensated absences. The Statement improves consistency in financial reporting by aligning recognition criteria across various leave types and clarifying measurement requirements, including salary-related payments directly and incrementally associated with leave. Changes adopted to conform to the provisions of this Statement were applied retroactively by restating the financial statements for the earliest period presented, August 31, 2024, and related disclosures in Notes 12, 20 and 21.

GASB Statement No. 102, *Certain Risk Disclosures*, became effective for fiscal years beginning after June 15, 2024. The Statement requires disclosure of vulnerabilities due to certain concentrations or constraints that could have a substantial impact on a government's ability to acquire resources or control spending, if specific criteria are met. The implementation of this Statement did not result in any note disclosures, as the System did not identify any events, associated with any concentrations or constraints, that have occurred or are more likely than not to begin occurring within 12 months that would make the System vulnerable to the risk of a substantial impact.

RESTATEMENT

The implementation of GASB Statement No. 101, *Compensated Absences*, did not result in restating beginning net position for the fiscal year ended August 31, 2024; however, the following balances as of August 31, 2024 were restated as follows:

	As Reported in Fiscal Year 2024	GASB Statement No. 101 Restatement	Restated Fiscal Year 2024
Employees' compensable leave (noncurrent)	\$ 385,648,074	69,325,171	454,973,245
Operating Expenses			
Instruction	\$ 6,005,580,291	27,897,414	6,033,477,705
Research	\$ 3,937,488,011	9,186,216	3,946,674,227
Public service	\$ 568,276,200	344,987	568,621,187
Hospitals and clinics	\$ 10,959,982,226	25,032,080	10,985,014,306
Academic support	\$ 1,514,028,609	1,661,047	1,515,689,656
Institutional support	\$ 1,397,950,599	3,843,329	1,401,793,928
Operations and maintenance of plant	\$ 1,165,680,933	1,178,527	1,166,859,460
Scholarships and fellowships	\$ 551,143,757	4,988	551,148,745
Auxiliary enterprises	\$ 942,471,728	176,583	942,648,311
Ending Net Position (unrestricted)	\$ 7,013,740,733	(69,325,171)	6,944,415,562

CASH AND CASH EQUIVALENTS

Short-term, highly liquid investments with maturities of three months or less when purchased are generally considered cash and cash equivalents. It is the System's policy to exclude items that meet this definition if they are part of an investment pool, which has an investment horizon of one year or greater. Therefore, highly liquid investments that are part of the Permanent University Fund (PUF), General Endowment Fund (GEF) and Intermediate Term Fund (ITF) are not considered cash and cash equivalents. Additionally, endowments invested in money market accounts are also excluded from Cash and Cash Equivalents as the intent is to invest these funds for more than one year. Cash held in the State treasury for the PUF, the Permanent Health Fund (PHF) and the Available University Fund (AUF) are considered cash and cash equivalents. Other highly liquid investments of these major funds which are held in pooled funds and invested with custodians are not considered cash and cash equivalents according to the investment policies of the System. Restricted cash and cash equivalents include cash held in the State treasury for the PUF and PHF and restricted sources of funds used for construction of capital assets as well as funds held for debt service. The System holds bond proceeds in restricted investments to be disbursed to the institutions to support capital projects on a cost reimbursable basis.

BALANCE IN STATE APPROPRIATIONS

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

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instruments are recorded at fair value. The fair value of derivative instruments is recorded as either an investment, an investment derivative liability, a hedging derivative asset or a hedging derivative liability on the statement of net position. The valuation of investment derivative instruments is discussed in the Investments disclosure below. The System has calculated the fair value of the interest rate swaps using a forecast of expected discounted future net cash flows and considered the nonperformance risk of the parties.

The System has entered into interest rate swap agreements with various counterparties, all of which are highly rated financial institutions, to manage various risks associated with the System's debt programs. Each of the System's interest rate swaps is a contractual agreement entered into between the System and a counterparty under which each party agrees to exchange periodic fixed or variable payments, based upon a stated notional amount, over the stated life of the agreement. The net differential paid or received is recognized over the life of the agreement as an adjustment to interest expense.

Interest rate swaps determined to be hedging derivative instruments are designated as cash flow hedges. Hedging derivative instrument assets and hedging derivative instrument liabilities are recorded on the System's statement of net position. Under hedge accounting, for derivative instruments that are determined to be effective, changes in the fair value of hedging derivative instruments are considered to be deferred inflows (for hedging derivative instruments with positive fair values) or deferred outflows (for hedging derivative instruments with negative fair values).

Changes in fair value of derivative instruments that are not effective are recorded as either net investment income for investment derivative instruments or net increase (decrease) in other derivative instruments for other derivative instruments.

INVESTMENTS

The majority of the investments of the System, except for PUF lands, are managed by UTIMCO, a private investment corporation that provides services to the System and its related foundations. All investments are reported as noncurrent as these funds have an investment horizon extending beyond one year. Restricted investments include investments restricted by legal or contractual requirements, including those related to donors and constitutional restrictions.

The audited financial statements of the funds managed by UTIMCO may be found on UTIMCO's website and inquiries may be directed to UTIMCO.

Investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the measurement date.

The System is authorized to invest funds, as provided in Section 51.0031 of the *Texas Education Code* and the Constitution of the State of Texas, under prudent investor investment standards. Such investments include various fixed income and equity type securities, hedge funds, public market funds, and private investments. The investments of the System are governed by various investment policies approved by the U.T. System Board of Regents.

CONTRIBUTIONS RECEIVABLE

Current and noncurrent contributions receivable are amounts pledged to the System by donors, net of allowances. Multi-year gift pledges greater than \$10,000 must be reported at the discounted present value. At the beginning of each fiscal year, the System re-establishes the scale of discount rates applicable for present valuing new multi-year gift pledges that are received during the new fiscal year. The scale of discount rates is based upon U.S. Treasury Notes and Bonds asked yields as listed in the Wall Street Journal on the first day of the fiscal year. Existing gift pledges are not recalculated since these pledges were previously calculated at historical discount rates.

INVENTORIES

Inventories, consisting primarily of supplies and merchandise for resale, are valued at cost, typically based on the specific identification, weighted average or first-in, first-out methods, which are not in excess of net realizable value.

RESTRICTED ASSETS

Restricted assets include funds restricted by legal or contractual requirements, including those related to sponsored programs, donors, constitutional restrictions, bond covenants, and loan agreements.

LOANS AND CONTRACTS

Current and noncurrent loans and contracts are receivables, net of allowances, related to student loans.

SECURITIES LENDING COLLATERAL AND OBLIGATIONS

The collateral secured for securities lent are reported as an asset on the statement of net position. The obligations for securities lent are reported as a liability on the statement of net position that directly offsets the cash collateral received from brokers or dealers in exchange for securities loaned. The costs of securities lending transactions are reported as part of investment income in the statement of revenues, expenses and changes in net position. See Note 6 for details regarding the securities lending program.

LEASE RECEIVABLES

Lease receivables are recorded by the System at the present value of lease payments expected to be received under all leases other than short term leases, regulated leases, or leases of assets that are classified as investments. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short term leases, those with a maximum period of 12 months, are recognized as collected.

P3 RECEIVABLE

The System recognizes a receivable for payments to be received from the operator under public-private and public-public partnerships (PPPs or P3s). The receivable for PPP installment payments is initially measured at the present value of PPP installment payments expected to be received over the term reduced by any provision for estimated uncollectible amounts. Present value of PPP installment payments are discounted based on a borrowing rate determined by the System.

For P3 arrangements that do not meet the criteria to be a service concession arrangement, the System recognizes a receivable for underlying PPP assets when a new asset has been purchased or constructed by an operator and the System is to receive the asset during or at the end of the PPP term. The receivable for the underlying PPP asset is measured at the operator's estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership from the operator to the System.

CAPITAL AND INTANGIBLE ASSETS

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. The System follows the State's capitalization policy with a cost equal to or greater than \$10,000 in the current year, or \$5,000 in prior years, for equipment items, \$100,000 for buildings, building improvements and improvements other than buildings, and \$500,000 for infrastructure items, and an estimated useful life of greater than one year. Purchases of library books are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Outlays for construction in progress are capitalized as incurred. The thresholds for software are \$100,000 for purchased software and \$1,000,000 for internally developed software including Enterprise Resource Planning replacements. The System capitalizes but does not depreciate works of art and historical treasures that are held for exhibition, education, research and public service. These collections are protected and preserved.

Right-of-Use (ROU) intangible assets are recognized at the contract's commencement date and represent the System's right to use an underlying asset for the contract term. ROU assets are measured at the initial value of the liability plus any payments made at or before commencement and initial direct costs.

Depreciation and amortization for most capital and intangible assets is computed using the straight-line method over the estimated useful lives of the assets, generally two to fifteen years for equipment items, five years for software, six years for Enterprise Resource Planning replacements, fifteen years for library books, ten to fifty years for buildings and their components and fifteen to forty years for infrastructure elements. Amortization for ROU intangible assets is computed using the straight-line method over the shorter of the contract term or estimated useful lives of the assets; but if the underlying contract contains a purchase option determined to be reasonably certain of being exercised, the ROU intangible asset is amortized over the estimated useful life of the asset.

OTHER ASSETS

Other current assets are primarily made up of prepaid expenses, while other noncurrent assets are primarily made up of equity interests in joint ventures that do not meet the definition of an investment and beneficial interests in irrevocable split-interest agreements in which a third-party is the intermediary.

DEFERRED OUTFLOWS

Deferred outflows consist of the fair value of hedging derivative instruments in a liability position, unamortized losses on refunding of debt, unamortized interest rate lock termination payments, certain changes in the pension and OPEB liabilities, unamortized portions of asset retirement obligation, and excess consideration paid in a government acquisition. Changes in fair value for effective hedges that are achieved with derivative instruments are to be reported as deferred inflows and deferred outflows in the statement of net position. For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows or deferred inflows. The gain or loss is amortized, using the straight-line method, over the remaining life of the old debt or the life of the new debt, whichever is shorter, in the statement of revenues, expenses and changes in net position as a component of interest expense. When a Treasury Lock is used to hedge interest rate exposure on bonds, the lock termination payment is recorded as a deferred outflow and is amortized, using the straight-line method, over the remaining life of the related debt in the statement of revenues, expenses and changes in net position as a component of interest expense. Changes in the pension liabilities not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions, and employer contributions subsequent to the measurement date of the pension liabilities are also required to be reported as deferred outflows of resources. Similarly, changes in the total OPEB liability not included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEB, and employer contributions subsequent to the measurement date of the total OPEB liability are also required to be reported as deferred outflows of resources. For asset retirement obligations, deferred outflows are recognized for anticipated clean-up and decommissioning costs, amortized over the life of the related assets. Deferred outflows are also recognized for excess consideration paid in a government acquisition, amortized over the estimated service life.

UNEARNED REVENUE

Unearned revenue represents revenues such as tuition recorded in August for the fall semester and payments received in advance for sponsored programs.

EMPLOYEES' COMPENSABLE LEAVE

The System's liability for employees' compensable leave—including vacation, sick leave, paid time off, and other qualifying types—that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. The liability is measured using employees' pay rate as of the date of the financial statements and includes applicable salary-related payments that are directly and incrementally associated with the leave, excluding those related to defined benefit pension plans. For sick leave and other applicable leave types, leave taken is considered to come first from hours earned most recently.

ASSETS HELD FOR OTHERS

Assets held for others is the liability offsetting the assets held for the University of Texas System Governmental Retirement Arrangement excess benefit plan managed by the System discussed in Note 18.

LIABILITY TO BENEFICIARIES

The System holds numerous irrevocable charitable remainder trusts and a pooled income fund. Together, these assets are reflected in the accompanying consolidated financial statements within restricted investments.

The charitable remainder trusts designate the U.T. System Board of Regents as both trustee and remainder beneficiary. The System is required to pay to the donors (or other donor-designated income beneficiaries) either a fixed amount or the lesser of a fixed percentage of the fair value of the trusts' assets or the trusts' income during the beneficiaries' lives. Trust assets are measured at acquisition value when received and at fair value thereafter. A corresponding liability to beneficiaries is measured at the present value of expected future cash flows to be paid to the beneficiaries based upon the applicable federal rate on the gift date. Upon death of the income beneficiaries, substantially all of the principal balance passes to the System to be used in accordance with the donors' restrictions.

The pooled income fund was formed with contributions from several donors. The contributed assets are invested and managed by UTIMCO. Donors (or designated beneficiaries) periodically receive, during their lives, a share of the income earned on the fund proportionate to the value of their contributions to the fund. Upon death of the income beneficiaries, substantially all of the principal balance passes to the System to be used in accordance with the donors' restrictions. Contribution revenue is measured at the acquisition value of the assets received, discounted for a term equal to the life expectancies of the beneficiaries.

TOTAL OPEB LIABILITY

OPEB are provided to the System's retirees under the U.T. System Employee Group Insurance Program (EGIP). The EGIP is a single-employer defined benefit OPEB plan. The System and member contribution rates are determined annually by the System based on the recommendations of the Office of Employee Benefits staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs expected to be incurred and (i) the funds appropriated and (ii) the funding policy established by the Texas Legislature in connection with benefits provided through the EGIP. The System revises benefits when necessary to match expected benefit and administrative costs with available revenue. The plan is operated on a pay-as-you-go basis. The OPEB plan described herein is not administered through a trust.

PENSION LIABILITIES

Net Pension Liability

The System participates in a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the Teacher Retirement System of Texas (TRS). TRS is primarily funded through State and employee contributions. The System receives a proportional share of the net pension liability, pension-related deferred outflows and pension-related deferred inflows from the Texas Comptroller of Public Accounts.

Other Pension Liability

M. D. Anderson Cancer Center participates in a single-employer defined benefit deferred compensation pension plan primarily for physicians, the Physicians Referral Service Supplemental Retirement Plan and Retirement Benefit Plan (SRP/RBP Plan). The SRP/RBP Plan is a nonqualified plan described by Section 457(f) of the Internal Revenue Code of 1986 (IRC), as amended. The SRP/RBP Plan is funded through contributions from M. D. Anderson Cancer Center and is administered through a trust that is not protected from the creditors of M. D. Anderson Cancer Center. The SRP/RBP Plan assets are measured at fair value and presented as restricted investments in the System's statement of net position. The total pension liability and related deferred outflows of resources and deferred inflows of resources are measured and reported in accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*.

NOTES, LOANS, AND LEASES PAYABLE

Lease Liability

Lease liabilities, included as part of notes, loans, and leases payable on the statement of net position, represent the System's obligation to make lease payments arising from leases other than 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. Short term leases, those with a maximum period of 12 months, are expensed as incurred.

Subscription Liability

Subscription liabilities, included as part of notes, loans, and leases payable on the statement of net position, represent the System's obligation to make payments to the vendor, measured at the present value of subscription payments over the remaining term. Subscription liabilities are recognized at the subscription-based information technology arrangements (SBITA) commencement date based upon the present value of future subscription payments over the remaining SBITA term. Short term subscription liabilities, those with a maximum period of 12 months (or less), are expensed as incurred.

ASSET RETIREMENT OBLIGATION

The liability related to clean-up and decommissioning of items using radiation such as broadscope licenses, cyclotrons, and nuclear reactors is reported as asset retirement obligation. The liability is measured using best estimates of expected outlays for clean-up and decommissioning costs.

DEFERRED INFLOWS

Deferred inflows consist of the fair value of hedging derivative instruments in an asset position, unamortized gains on refunding of debt, certain changes in the pension and total OPEB liabilities, beneficial interests in irrevocable split-interest agreements, future period revenues from leases, and future period revenues from PPPs. Changes in fair value for effective hedges that are achieved with derivative instruments are to be reported as deferred inflows and deferred outflows in the statement of net position. For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows or deferred inflows. The gain or loss is amortized, using the straight-line method, over the remaining life of the old debt or the life of the new debt, whichever is shorter, in the statement of revenues, expenses and changes in net position as a component of interest expense. Changes in the pension liabilities not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. Similarly, changes in the total OPEB liability not included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEB. For irrevocable split-interest agreements in which U.T. System has an unconditional beneficial interest, the fair value of the gift beneficial interest is deferred and reported as deferred inflows until the resources become applicable to the reporting period. Future period revenues from leases where the System is the lessor are recorded as deferred inflows and amortized using the straight-line method over the lease term. Future period revenues from PPPs where the System is the transferor are recorded as deferred inflows and are amortized using the straight-line method over the PPP term.

NET POSITION – Enterprise Funds

The System has classified resources into the following three net position categories:

Net Investment in Capital Assets

Capital assets, net of accumulated depreciation and outstanding principal balances of debt and other liabilities and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets.

Restricted:

Nonexpendable

Net position subject to externally imposed stipulations that require the amounts be maintained in perpetuity by the System. Such assets include the System's permanent endowment funds.

Expendable

Net position whose use by the System is subject to externally imposed stipulations that can be fulfilled by actions of the System pursuant to those stipulations or that expire with the passage of time.

Unrestricted

Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for special purposes by action of management or the U.T. System Board of Regents. Substantially all unrestricted net position is designated for academic programs, patient care, research programs and initiatives, and capital programs (see Note 21 for details on unrestricted net position).

When an expense is incurred that can be paid using either restricted or unrestricted resources, the System addresses each situation on a case-by-case basis prior to determining the resources to be used to satisfy the obligation. Generally, the System's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

NET POSITION – Fiduciary Funds

The System fiduciary funds classify resources into the following two net position categories:

Restricted for Pool Participants

Net position related to custodial funds-external investment pool

Restricted for Individuals, Organizations, and Other Governments

Net position related to custodial funds-other

REVENUES AND EXPENSES

Operating revenues include activities such as student tuition and fees; net sales and services of hospitals; net professional fees; net sales and services of auxiliary enterprises; the exchange basis federal, state and local grants and contracts. Operating expenses include salaries and wages, payroll related costs, materials and supplies, depreciation, other contracted services, pension expense, postemployment benefits, and scholarships and fellowships. In addition, all changes to incurred but not reported liabilities related to insurance programs are reflected as operating.

Nonoperating revenues include activities such as gifts and contributions, insurance recoveries received in years subsequent to the associated loss, State appropriations, investment income, the nonexchange basis federal and state grants and contracts, and other revenue sources that are defined as nonoperating revenues by GASB. The System's institutions are the named beneficiaries in certain lawsuits, wills, trusts, and insurance policies. The System does not recognize these potential refunds, gifts and contributions until realized. Nonoperating expenses include activities such as interest expense on capital asset financings, and other expenses that are defined as nonoperating expenses by GASB.

STUDENT DISCOUNTS AND ALLOWANCES

Financial aid to students is reported in accordance with guidance from the National Association of College and University Business Officers (NACUBO). Certain aid—such as student loans, funds awarded by third parties, and Federal Direct Lending—is treated as third-party payments and credited to the student's account as if paid by the student. All other aid is reflected as either scholarships and fellowships expense or a discount that reduces tuition and fee revenues. Scholarships and fellowships expense generally represents aid provided in cash, while student tuition discounts generally represent aid applied as tuition reductions.

For the year ended August 31, 2024, student tuition discounts were estimated on an entity-wide basis by allocating cash payments to students, excluding payments for services, based on the ratio of total aid to aid not considered third-party. Based on new industry guidance, the System changed the measurement methodology used to estimate student tuition discounts to a more preferable methodology. For the year ended August 31, 2025, student tuition discounts are being estimated by first allocating institutional aid to tuition and fee charges, then any excess aid is reported as scholarships and fellowships expense. This change in methodology resulted in an increase in student tuition discounts and a decrease in scholarships and fellowships expense when comparing the years ended August 31, 2025 and 2024. This change in methodology has no impact on the change in net position in either year.

STATEWIDE INTERFUND TRANSFERS AND INTERFUND PAYABLES

In accordance with the provisions set forth in Article 7, Section 18 of the *Texas Constitution*, the System transfers one-third of the annual earnings of the PUF investments and lands to the Texas A&M University System (TAMUS). In addition to the transfer of the current year earnings in 2025 and 2024 of \$555,356,598 and \$665,017,078, respectively, the System recorded a liability of \$1,680,989,690 and \$1,562,418,583 at August 31, 2025 and 2024, respectively, for future amounts due to TAMUS from the PUF to cover principal on outstanding PUF bonds and notes issued by TAMUS. This liability is reported as current and noncurrent statewide interfund payable on the statement of net position. Additional details related to the operations of the PUF can be found in Note 8. Also included in statewide interfund payables as of August 31, 2025 and 2024 is \$229,831 and \$321,306, respectively, related to the revolving loan programs administered by the Texas State Comptroller's Office.

UNCOMPENSATED CARE AND CHARITY CARE

The System's health-related institutions and medical schools provide uncompensated care to patients who meet certain criteria. Uncompensated care includes the unreimbursed costs for the uninsured and the underinsured as well as the unreimbursed costs from government-sponsored health programs. To calculate uncompensated care, charges are converted to costs which are offset by appropriate patient specific and lump sum funding. Hospital charges are converted to cost by the application of the Medicare cost to charge ratio, as calculated in the most recent Medicare cost report. Since a standard cost report does not exist for physician charges, a proxy cost to charge ratio was developed through a process involving all Texas public academic medical centers and the State Auditor's Office. Uncompensated care costs amounted to \$1,243,987,825 and \$1,484,190,687 for 2025 and 2024, respectively.

GASB requires health-related institutions to report the cost of providing "charity care." The American Institute of Certified Public Accountants (AICPA) defines charity care as care for which hospitals never expected to be reimbursed. Charity care occurs when a patient applies to the hospital for financial assistance and the hospital waives all or part of its charges in accordance with the hospital's established financial assistance policy. The cost of charity care is calculated using the uncompensated care calculation methodology discussed above. Charity care costs amounted to \$185,318,868 and \$194,771,864 for 2025 and 2024, respectively.

NET PATIENT SERVICE REVENUE

The System's health-related institutions and medical schools have agreements with third-party payors that provide for payments to these institutions at amounts different from their established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

U.T. Southwestern Medical Center's, U.T. Medical Branch - Galveston's, U.T. Health Science Center - San Antonio's, U.T. Health Science Center - Houston's, and U.T. Health Science Center - Tyler's inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are reimbursed under a prospective reimbursement methodology. Also, additional reimbursement is received for graduate medical education, disproportionate share, bad debts and other reimbursable costs, as defined, under a variety of payment methodologies.

M. D. Anderson's inpatient acute care services rendered to Medicare program beneficiaries are paid based on a cost reimbursement methodology that is limited by a facility-specific amount per discharge. The final reimbursement also includes a calculation of an incentive or relief payment determined through a comparison of the facility's current year cost to the facility-specific cost per discharge. Certain outpatient services and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. Effective August 1, 2000, the Medicare program implemented a prospective payment system for outpatient services. However, as M. D. Anderson is designated as a cancer hospital, the Medicare program provides for a "hold-harmless" payment that is equal to the difference between the prospectively determined amounts and the current year adjusted cost (i.e., the current year adjusted cost is determined through application of a payment to cost ratio, which is published in the Federal Register each year). M. D. Anderson is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare Administrative Contractor (MAC).

The physician practices at other institutions – U.T. Health Science Center - Houston, U.T. Health Science Center - San Antonio, U.T. Austin Dell Medical School, and U.T. Rio Grande Valley – are reimbursed by Medicare according to the Medicare Physician Fee Schedule and/or various Medicare Alternative Payment Models.

Medicaid

The System's health-related institutions' hospitals are reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the System's health-related institutions and audits thereof by the Medicaid fiscal intermediary. Inpatient services rendered to Medicaid program beneficiaries are reimbursed based on a TEFRA (Tax Equity and Fiscal Responsibility Act) or a PPS (Prospective Payment System) methodology. Certain outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology.

The System's health-related institutions have also entered into payment agreements with certain commercial, Medicaid and Medicare payors which offer benefit plans for health maintenance organizations, and preferred provider organizations. The basis for payment to the System's health-related institutions under these agreements includes prospectively determined rates for inpatient and outpatient services. The System's health-related institutions recognized bad debt expense of \$535,313,690 and \$638,526,911 in 2025 and 2024, respectively.

USE OF ESTIMATES

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

5. Disaggregation of Other Receivable Balances

Net other receivables at August 31, 2025 and 2024 for the System are detailed by type as follows:

	2025	2024
Receivables Related to Investments	\$ 289,598,092	322,163,242
Receivables Related to Gifts, Grants and Sponsored Programs	186,550,107	208,808,802
Receivables Related to External Parties/Other Companies	249,093,797	359,302,951
Receivables Related to Auxiliary Enterprises	70,304,750	58,723,210
Receivables Related to Payroll	5,227,372	3,263,101
Receivables Related to Patents	—	1,396,204
Receivables Related to Travel	1,565,197	1,383,717
Receivables Related to Loan Funds and Financial Aid	16,234,335	4,920,053
Receivables Related to Other Various Activities	36,452,219	62,890,609
Total	<u>\$ 855,025,869</u>	<u>1,022,851,889</u>

In addition, net other receivables at August 31, 2025 and 2024 for the System's fiduciary funds were \$42,608 and \$41,537, respectively.

6. Deposits, Investments and Repurchase Agreements

DEPOSITS OF CASH IN BANK

As of August 31, 2025 and 2024, the carrying amount of the System's deposits was \$80,616,793 and \$106,640,523, respectively, as presented below:

	2025	2024
Cash and Cash Equivalents per Statement of Cash Flows and Statement of Net Position	\$ 8,479,564,508	7,650,817,878
Less: Cash in State Treasury	1,915,914,406	1,786,619,997
Repurchase Agreement – Texas Treasury Safekeeping Trust Co.	9,449,457	3,067,404
Other Cash Equivalent Investments	6,411,748,117	5,727,159,460
Other	61,835,735	27,330,494
Deposits of Cash in Bank	<u>\$ 80,616,793</u>	<u>106,640,523</u>

In addition, cash and cash equivalents at August 31, 2025 and 2024 for the System's fiduciary funds were \$1,869,016 and \$1,924,545, respectively.

As of August 31, 2025 and 2024, the total bank balances held by System were \$118,181,141 and \$154,113,287, respectively.

DEPOSIT RISKS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the System 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 System maintains depository relationships with various banking institutions. The System's policy is that all deposits are governed by a bank depository agreement between the System and the respective banking institution. State law requires that the System's deposits, to the extent such deposits exceed the maximum insured limit under deposit insurance provided by the Federal Deposit Insurance Corporation, shall at all times be collateralized with government securities.

As of August 31, 2025, U.T. Health Science Center at Tyler's blended component unit, East Texas Quality Care Network (ETQCN), held deposits that were exposed to custodial credit risk. ETQCN has no policies regarding these deposits. As of August 31, 2025, the bank balances exposed to custodial risk as uninsured and uncollateralized deposits were \$4,485. As of August 31, 2024, the bank balances exposed to custodial risk as uninsured and uncollateralized deposits were \$503.

INVESTMENTS

Investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the measurement date. GAAP provides a hierarchy that prioritizes the inputs of fair value measurements based on the extent to which inputs to valuation techniques are observable in the marketplace. The hierarchy assigns a higher priority to observable inputs that reflect verifiable information obtained from independent sources, and a lower priority to unobservable inputs that would reflect management's assumptions about how market participants would value an asset or liability based on the best information available. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the hierarchy of inputs used to measure fair value are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs.

The System's investments with readily available fair values are primarily valued on the basis of market valuations provided by independent pricing services.

Debt securities held by System include U.S. government and agency obligations, corporate obligations, corporate asset and mortgage-backed securities, and international obligations. U.S. government obligations valued based on unadjusted prices in active markets are categorized as Level 1. Debt securities, including corporate obligations and governmental and international obligations are valued based upon prices supplied by Intercontinental Exchange Data Services and other major fixed income pricing services, external broker quotes and internal pricing matrices. Debt securities valued based on multiple quotations or models utilizing observable market inputs are categorized as Level 2; otherwise, they would be categorized as Level 3.

Fixed income money market and bond mutual funds consist primarily of money market investments, foreign currencies and other overnight funds. Investments in publicly listed money market funds are categorized as Level 1.

Mutual funds include a large portion of the holdings for the University of Texas System Governmental Retirement Arrangement (UTGRA), discussed in Note 18. A majority of the underlying investments in UTGRA are valued based on the closing price on the primary exchange on which they are traded and are classified as Level 1. The remaining holdings are classified as Levels 2 and 3.

Equity securities, including common and preferred stocks, fair values are based on the closing price on the primary exchange on which they are traded (if a closing price is not available, the average of the last reported bid and ask price is used). When these securities are actively traded, and valuation adjustments are not applied, they are categorized as Level 1. In the event that a stock is not actively traded or a closing price is unavailable on a national or international securities exchange, the last available price per the exchange would be used, and the security would be categorized as Level 2.

Other commingled funds at fair value include fixed income and U.S. equity funds. International other commingled funds at fair value include non-U.S. developed equity, emerging markets, real estate and natural resources. Fair values are based on the closing price on the primary exchange on which the security is traded (if a closing price is not available, the average of the last reported bid and ask price is used). Investments valued as such are classified as Level 1.

Real estate and other investments include real estate, commodities and the asset positions of investment derivative instruments. The fair value of the PUF land's interest in oil and gas is based on a third party reserve study of proved, probable, and possible reserves. The present value of the royalty cash flows is calculated by applying a 10% discount rate to future expected production volumes of oil and gas based on the price of oil and gas on August 31. The PUF lands' surface interests are reported at the price per acre from the American Society of Farm Managers and Rural Appraisers. The PUF lands are categorized as Level 3 in the fair value hierarchy. The remaining minerals, the trust minerals, because of size, distribution, and limited production histories are generally valued at three times the previous 12 months' revenue. As a rule of thumb, this measure has been used historically to determine the selling price of these types of properties by willing parties. Other real estate holdings are reported by one of the following methods of valuation: the latest available appraised amount as determined by an independent State certified or other licensed appraiser, tax assessments use for real estate investments with values that are not significant or by any other generally accepted industry standard. All other real estate is categorized as Level 3 in the fair value hierarchy, with a small amount valued using net asset value.

All derivative instrument investments are categorized as Level 2 in the fair value hierarchy, except for some of the purchased options which are categorized as Level 1. The fair values of the interest rate swaps on U.T. System's debt are calculated using a forecast of expected discounted future net cash flows. Other swaps are fair valued by using independent broker quotes or using models with primarily externally verifiable model inputs. Foreign exchange contracts are fair valued at closing market prices on the valuation date.

Alternative investments include private equity securities and limited partnerships, or private investment funds. Equity securities related to non-public equity investments are valued using a variety of methods, including information from recent rounds of financing, the Guideline Public Company method, the Discounted Cash Flow method, the Common Stock Equivalent method and the Option-Pricing method. The fair value of private investment funds, which consist of non-regulated investment funds and various other investment vehicles, are estimated by management using the investment's capital account balance at the closest available reporting date, as communicated by the investment manager, adjusted for contributions and withdrawals subsequent to the latest available reporting date as well as consideration of any other information, which has been provided by the investment manager or other sources. These investments are classified as Level 3.

Miscellaneous investments primarily include municipal bonds, valued on multiple quotations or models utilizing observable market inputs, and are categorized as Level 2. Investments with fair values based on the closing price on the primary exchange on which they are traded are categorized as Level 1.

GAAP permits management to fair value certain investments that do not have a readily determinable fair value using the investment's net asset value per share or the System's ownership interest in partners' capital as a practical expedient. Investments valued in this manner are not classified in the fair value hierarchy.

The following tables reflect fair value measurements of investments as of August 31, 2025 and 2024, respectively, as categorized by level of the fair value hierarchy, and include both the System's enterprise and fiduciary funds:

Type of Security	Fair Value as of August 31, 2025	Fair Value Measurement Using		
		Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Debt Securities:				
U.S. Government Treasury Securities	\$ 2,473,524,193	2,473,524,193	—	—
U.S. Government Treasury TIPS	523,662,289	523,662,289	—	—
U.S. Government Treasury STRIPS	13,440,331	13,440,331	—	—
U.S. Government Agency Obligations	630,787,087	—	630,787,087	—
Corporate Obligations	204,370,229	—	204,139,744	230,485
Corporate Asset and Mortgage-Backed Securities	65,997,404	—	65,997,404	—
International Obligations (Government and Corporate)	1,158,519,195	—	1,158,519,195	—
Fixed Income Money Market and Bond Mutual Funds	4,760,450,448	4,711,950,449	48,499,999	—
Mutual Funds	534,130,868	529,743,655	4,387,213	—
Equity Securities:				
Equity	2,710,851,272	2,710,851,271	—	1
International Equity	2,966,397,683	2,966,386,828	10,856	—
Other Commingled Funds:				
Fixed Income	131,127,125	131,127,125	—	—
U.S. Equity	18,041,441	18,041,441	—	—
International Other Commingled Funds:				
Non-U.S. Developed Equity	587,967,309	587,967,309	—	—
Emerging Markets	107,663,076	107,663,076	—	—
Real Estate and Other:				
PUF Lands	10,631,790,835	—	—	10,631,790,835
Other Real Estate	860,113,823	—	—	860,113,823
Investment Derivative Instruments – Asset Positions	268,130,031	—	268,130,031	—
Alternative Investments:				
Private Investments	300,094,176	—	—	300,094,176
Miscellaneous	3,066,752	1,977,217	1,089,510	25
Total Investments by Fair Value Level	28,950,125,567	14,776,335,183	2,381,561,038	11,792,229,346

Type of Security	Fair Value as of August 31, 2025	Fair Value Measurement Using		
		Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Funds Fair Valued Using Net Asset Value:				
Real Estate	19,543,446			
Hedge Funds	22,209,042,774			
International Other Commingled Funds	11,289,870,414			
Other Investment Funds	159,313,080			
Private Investments	29,403,271,241			
Total Investment Funds Fair Valued Using Net Asset Value	63,081,040,955			
Investments Held in Cash (Not at Fair Value)	191,149,584			
Other Investments (Not at Fair Value)	574,175			
Total Investments	\$ 92,222,890,281			
Securities Lending Collateral Investment Pool (See Securities Lending Section)	\$ 676,568,239	—	676,568,239	—
Investments Classified as Cash Equivalents:				
Repurchase Agreement – Texas Treasury Safekeeping Trust Co. (Not at Fair Value)	\$ 9,449,457			
Fixed Income Money Market Funds	6,411,648,117	6,411,648,117	—	—
Time Deposits (Not at Fair Value)	100,000			
Total Investments Classified as Cash Equivalents	\$ 6,421,197,574			
Deposit with Brokers for Derivative Contracts, Net (Related to Investments):				
U.S. Government Direct Obligations	\$ 319,841,464	319,841,464	—	—
Held in Cash (Not at Fair Value)	43,826,459			
Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)	\$ 363,667,923			

Type of Security	Fair Value as of August 31, 2024	Fair Value Measurement Using		
		Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Debt Securities:				
U.S. Government Treasury Securities	\$ 2,910,932,832	2,910,932,832	—	—
U.S. Government Treasury TIPS	452,535,840	452,535,840	—	—
U.S. Government Agency Obligations	462,558,643	—	462,558,643	—
Corporate Obligations	127,879,621	—	127,709,436	170,185
Corporate Asset and Mortgage-Backed Securities	107,440,290	—	107,440,290	—
International Obligations (Government and Corporate)	1,050,667,671	—	1,050,667,671	—
Fixed Income Money Market and Bond Mutual Funds	2,606,318,872	2,569,118,872	37,200,000	—
Mutual Funds	488,863,314	484,562,155	4,301,159	—
Equity Securities:				
Equity	3,727,168,365	3,726,743,742	—	424,623
International Equity	3,128,143,898	3,128,141,180	2,718	—
Other Commingled Funds:				
Fixed Income	162,045,600	162,045,600	—	—
U.S. Equity	19,429,958	19,429,958	—	—
International Other Commingled Funds:				
Non-U.S. Developed Equity	509,272,199	509,272,199	—	—
Emerging Markets	2,394,597	2,394,597	—	—
Real Estate and Other:				
PUF Lands	10,391,422,332	—	—	10,391,422,332
Other Real Estate	691,994,821	—	—	691,994,821
Investment Derivative Instruments – Asset Positions	263,873,787	809,492	263,064,295	—
Alternative Investments:				
Private Investments	379,269,969	—	—	379,269,969
Miscellaneous	3,109,030	1,853,567	1,255,438	25
Total Investments by Fair Value Level	27,485,321,639	13,967,840,034	2,054,199,650	11,463,281,955

Type of Security	Fair Value as of August 31, 2024	Fair Value Measurement Using		
		Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Funds Fair Valued Using Net Asset Value:				
Real Estate	30,177,772			
Hedge Funds	18,353,348,090			
International Other Commingled Funds	11,524,773,708			
Other Investment Funds	52,800,403			
Private Investments	25,785,934,823			
Total Investment Funds Fair Valued Using Net Asset Value	55,747,034,796			
Investments Held in Cash (Not at Fair Value)	151,515,209			
Other Investments (Not at Fair Value)	446,838			
Total Investments	\$ 83,384,318,482			
Securities Lending Collateral Investment Pool (See Securities Lending Section)	\$ 957,947,986	–	957,947,986	–
Investments Classified as Cash Equivalents:				
Repurchase Agreement – Texas Treasury Safekeeping Trust Co. (Not at Fair Value)	\$ 3,067,404			
Fixed Income Money Market Funds	5,727,050,260	5,727,050,260	–	–
Time Deposits (Not at Fair Value)	109,200			
Total Investments Classified as Cash Equivalents	\$ 5,730,226,864			
Deposit with Brokers for Derivative Contracts, Net (Related to Investments):				
U.S. Government Direct Obligations	\$ 156,057,413	156,057,413	–	–
Held in Cash (Not at Fair Value)	284,488,365			
Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)	\$ 440,545,778			

The following tables display the breakout of total investments, securities lending collateral, total investments classified as cash equivalents, and total deposit with brokers for derivative contracts, net between enterprise and fiduciary funds as of August 31, 2025 and 2024:

	August 31, 2025		
	Enterprise Funds	Fiduciary Funds	Total
Total Investments	\$ 91,864,611,037	358,279,244	92,222,890,281
Securities Lending Collateral	673,524,457	3,043,782	676,568,239
Total Investments Classified as Cash Equivalents	6,421,197,574	—	6,421,197,574
Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)	362,016,570	1,651,353	363,667,923

	August 31, 2024		
	Enterprise Funds	Fiduciary Funds	Total
Total Investments	\$ 83,058,601,168	325,717,315	83,384,318,483
Securities Lending Collateral	953,630,199	4,317,787	957,947,986
Total Investments Classified as Cash Equivalents	5,730,226,865	—	5,730,226,865
Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)	438,540,994	2,004,784	440,545,778

Investment funds fair valued at net asset value per share or based on the System's ownership interest in partner's capital include externally managed funds, limited partnerships, and corporate structures which are generally unrated and may be unregulated. The composition of investment funds that are fair valued using Net Asset Value (NAV) at August 31, 2025 and 2024 is summarized in the tables below as they are included within the asset mix of the System. Tables and disclosures that follow include both the System's enterprise and fiduciary funds.

	Fair Value as of August 31, 2025	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investment Funds Fair Valued Using Net Asset Value				
Real Estate:				
Redeemable Within One Year	\$ 19,543,446	—	Quarterly	60 days
Hedge Funds:				
Redeemable Within One Year	13,349,077,128		Monthly to Annually	1 - 120 Days
Redeemable Beyond One Year	5,563,916,848		Monthly to Annually	45 - 100 Days
Nonredeemable	3,296,048,798		Not Applicable	Not Applicable
Total Hedge Funds	22,209,042,774	2,574,488,773		
International Other Commingled Funds:				
Global Developed Equity				
Redeemable Within One Year	8,265,452,941		Daily to Quarterly	5 - 45 Days
Redeemable Beyond One Year	392,260,813		Monthly	45 Days
Nonredeemable	61,400,961		Not Applicable	Not Applicable
Total Global Developed Equity	8,719,114,715	—		
Emerging Markets				
Redeemable Within One Year	2,526,803,582		Daily to Quarterly	1 - 120 Days
Nonredeemable	43,952,118		Not Applicable	Not Applicable
Total Emerging Markets	2,570,755,700	—		
Total International Other Commingled Funds	11,289,870,414	—		
Other:				
Redeemable Within One Year	28,020,637		Quarterly	90 Days
Redeemable Beyond One Year	9,340,213		Quarterly	90 Days
Nonredeemable	121,952,230		Not Applicable	Not Applicable
Total Other	159,313,080	4,148,732		
Limited Partnerships (Private Investments):				
Redeemable Within One Year	41,202,400		Quarterly	90 days
Nonredeemable	29,362,068,841		Not Applicable	Not Applicable
Total Limited Partnerships (Private Investments)	29,403,271,241	18,018,602,321		
Total Investment Funds Fair Valued Using NAV	\$ 63,081,040,955	20,597,239,826		

	Fair Value as of August 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investment Funds Fair Valued Using Net Asset Value				
Real Estate:				
Redeemable Within One Year	\$ 30,177,772	—	Quarterly	60 days
Hedge Funds:				
Redeemable Within One Year	9,177,509,059		Monthly to Annually	1 - 100 Days
Redeemable Beyond One Year	6,368,289,565		Monthly to Annually	5 - 100 Days
Nonredeemable	2,807,549,466		Not Applicable	Not Applicable
Total Hedge Funds	18,353,348,090	2,410,582,206		
International Other Commingled Funds:				
Global Developed Equity				
Redeemable Within One Year	8,242,424,167		Daily to Quarterly	5 - 60 Days
Redeemable Beyond One Year	405,274,002		Monthly to Quarterly	45 - 60 Days
Nonredeemable	10,067,185		Not Applicable	Not Applicable
Total Global Developed Equity	8,657,765,354	15,217,415		
Emerging Markets				
Redeemable Within One Year	2,721,283,032		Daily to Quarterly	1 - 120 Days
Redeemable Beyond One Year	100,336,338		Monthly	60 Days
Nonredeemable	45,388,984		Not Applicable	Not Applicable
Total Emerging Markets	2,867,008,354	—		
Total International Other Commingled Funds	11,524,773,708	15,217,415		
Other:				
Redeemable Within One Year	11,344,210		Quarterly	90 days
Redeemable Beyond One Year	34,032,628		Quarterly	90 days
Nonredeemable	7,423,565		Not Applicable	Not Applicable
Total Other	52,800,403	7,354,576		
Limited Partnerships (Private Investments):				
Redeemable Within One Year	38,978,665		Quarterly	90 days
Nonredeemable	25,746,956,158		Not Applicable	Not Applicable
Total Limited Partnerships (Private Investments)	25,785,934,823	16,378,764,107		
Total Investment Funds Fair Valued Using NAV	\$ 55,747,034,796	18,811,918,304		

The System invests in hedge fund pools which are invested in private funds with external investment managers who invest in equity and fixed income securities of both domestic and international issuers. These investment managers may invest in both long and short securities and may utilize leverage in their portfolios. The funds invested may be subject to a lock-up restriction of typically one to three years before the investment may be withdrawn from the manager without significant penalty. The amounts shown as nonredeemable are considered illiquid in that they typically become liquid over multi-year periods when and if the fund managers distribute proceeds realized from the underlying fund investments and the timing cannot be estimated. There are certain risks associated with these private funds, some of which include investment manager risk, market risk and liquidity risk, as well as the risk of utilizing leverage in the portfolios. The hedge fund pools have committed \$2,574,488,773 and \$2,410,582,206 of future funding to various hedge fund investments as of August 31, 2025 and 2024, respectively. Hedge funds are fair valued by management based on net asset value information provided by the investment manager, as well as other relevant factors.

Public market funds are invested in exchange traded funds, index funds and private placements with external investment managers who invest in equity and fixed income securities of both domestic and international issuers. These funds are characterized as public market funds based on individual risk/return characteristics and their relationship to the overall asset mix of the funds. Some of these investment managers may invest in both long and short securities and may utilize modest leverage in their portfolios. The amounts shown as nonredeemable are considered illiquid in that they typically become liquid over multi-year periods when and if the fund managers distribute proceeds realized from the underlying fund investments and the timing cannot be estimated. Certain of these investments are held through limited liability companies of which UTIMCO is the sole managing member. There are certain risks associated with these investments, some of which are investment manager risk, market risk and liquidity risk, as well as the risk of utilizing leverage in the portfolios. As of August 31, 2025 and 2024, future fundings in the amount of \$0 and \$15,217,415, respectively, have been committed to certain public market funds. The fair value of private investment funds, are estimated using the investment's capital account balance at the closest available reporting date, as communicated by the investment manager, adjusted for contributions and withdrawals subsequent to the latest available reporting date as well as consideration of any other information, which has been provided by the investment manager or other sources.

The System invests in private investments through private investment pools which are invested in limited partnerships with external investment managers or general partners who invest primarily in private equity securities. These investments, domestic and international, are illiquid and typically become liquid over multi-year periods when and if the fund managers distribute proceeds realized from underlying fund investments. It is estimated that the underlying assets of the private investments will be liquidated over seven to ten years. There are certain risks associated with these investments, some of which are liquidity risk, market risk, event risk and investment manager risk. Certain of these investments are held through LLCs, of which UTIMCO is the sole managing member. The System had committed \$18,018,602,321 and \$16,378,764,107 of future funding to various private investments as of August 31, 2025 and 2024, respectively.

Hedge funds, private investments and public market funds include investments in private placement vehicles that are subject to risk, which could result in the loss of invested capital. The risks include the following:

- *Key personnel risk* – The success of certain funds is substantially dependent upon key investment managers and the loss of those individuals may adversely impact the fund's performance.
- *Liquidity risk* – Many of the System's investment funds may impose lock-up periods, which would cause the System to incur penalties to redeem its units or prevent the System from redeeming its shares until a certain period of time has elapsed.
- *Limited transparency* – As private placement investment vehicles, these funds may not disclose the holdings of their portfolios.
- *Investment strategy risk* – These funds often employ sophisticated investment strategies and may use leverage, which could result in the loss of invested capital.

Investments in hedge funds, private investments and public market funds are also subject to the investment risks discussed below. Fixed income investments held by these funds would also be subject to credit risk and interest rate risk; moreover, they may invest in securities whose fair values would be sensitive to changes in interest rates.

The fair values of these various investment funds, excluding the publicly traded funds, as of August 31, 2025 and 2024 were \$63,081,040,955 and \$55,747,034,796, respectively.

INVESTMENT RISKS

(A) *Credit Risk* - Article VII, Section 11b of the *Texas Constitution* authorizes the U.T. System Board of Regents, subject to procedures and restrictions it establishes, to invest System funds in any kind of investment and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the U.T. System Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill and caution, would acquire or retain in light of the purposes, terms, distribution requirements and other circumstances of the fund then prevailing, taking into consideration the investment of all of the assets of the fund rather than a single investment.

Credit risk is the risk that an 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 (NRSRO). The System's investment policy does not provide specific requirements and limitations regarding investment ratings. Per GASB authoritative guidance, unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The following tables present each applicable investment type, in both the System's enterprise and fiduciary funds, grouped by rating as of August 31, 2025 and 2024:

Investment Type	August 31, 2025					
	MOODY'S		STANDARD & POOR'S		FITCH	
	Fair Value	Rating	Fair Value	Rating	Fair Value	Rating
Investments and Investments Classified as Cash Equivalents:						
U.S. Government Direct Obligations	\$ 3,010,626,812	Aa	3,010,626,812	AA	3,010,626,812	AA
U.S. Government Agency Obligations	230,288,820	Aaa	1,931,004	AAA	628,856,083	AA
	400,498,267	Aa	628,856,083	AA	1,931,004	NR
Corporate Obligations	380,704	Aaa	2,244,693	AAA	1,958,394	AAA
	14,960,400	Aa	11,545,848	AA	31,073,129	AA
	119,900,877	A	94,587,961	A	50,216,462	A
	43,797,725	Baa	78,604,793	BBB	62,803,383	BBB
	15,787,070	Ba	11,823,294	BB	3,459,865	CCC
	3,459,865	Ca	3,459,865	CCC	54,858,995	NR
	6,083,587	NR	2,103,774	NR	—	
Corporate Asset and Mortgage-Backed Securities	30,736,414	Aaa	15,155,718	AAA	24,577,956	AAA
	1,068,971	Aa	469,909	AA	1,875,390	AA
	954,909	A	1,508,824	A	948,566	A
	541,167	Baa	2,267,884	BBB	651,897	BBB
	4,795	Ba	1,225,237	BB	37,943,595	NR
	70,373	B	128,918	B	—	
	1,773,653	Caa	2,310,750	CCC	—	
	30,847,123	NR	54,581	CC	—	
	—		42,875,583	NR	—	

August 31, 2025						
Investment Type	MOODY'S		STANDARD & POOR'S		FITCH	
	Fair Value	Rating	Fair Value	Rating	Fair Value	Rating
International Obligations (Government and Corporate)	115,696,740	Aaa	46,687,695	AAA	90,040,744	AAA
	189,687,224	Aa	59,515,597	AA	218,301,484	AA
	241,660,254	A	122,367,132	A	220,790,684	A
	214,080,042	Baa	212,189,114	BBB	140,176,139	BBB
	12,290,923	Ba	11,153,304	BB	79,510,227	BB
	6,449,100	B	706,606,353	NR	409,699,916	NR
	378,654,912	NR	—		—	
Investment Funds, Other	159,313,080	NR	159,313,080	NR	159,313,080	NR
Fixed Income Money Market and Mutual Funds	10,722,620,758	Aaa	10,728,180,905	AAA	10,557,190,708	AAA
	640,627,392	NR	635,067,245	NR	806,057,442	NR
Repurchase Agreement – Texas Treasury Safekeeping Trust Co.	9,449,457	NR	9,449,457	AA	9,449,457	NR
Miscellaneous	714,800	Aaa	374,710	A	374,710	A
	374,710	A	131,941,924	NR	131,941,924	NR
	131,227,125	NR	—		—	
Total Investments and Investments Classified as Cash Equivalents	<u>\$ 16,734,628,048</u>		<u>16,734,628,048</u>		<u>16,734,628,048</u>	
Deposit with Brokers for Derivative Contracts, Net (Related to Investments):						
U.S. Government Direct Obligations	\$ 319,841,464	Aa	319,841,464	AA	319,841,464	AA
Cash	43,826,459	NR	43,826,459	NR	43,826,459	NR
Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)	<u>\$ 363,667,923</u>		<u>363,667,923</u>		<u>363,667,923</u>	

August 31, 2024						
Investment Type	MOODY'S		STANDARD & POOR'S		FITCH	
	Fair Value	Rating	Fair Value	Rating	Fair Value	Rating
Investments and Investments Classified as Cash Equivalents:						
U.S. Government Direct Obligations	\$ 3,363,468,672	Aaa	3,363,468,672	AA	3,363,468,672	AA
U.S. Government Agency Obligations	462,558,643	Aaa	462,558,643	AA	462,558,643	AA
Corporate Obligations	369,687	Aaa	4,645,022	AAA	19,557,271	AAA
	25,949,238	Aa	9,801,887	AA	35,214,680	AA
	71,243,266	A	74,793,272	A	32,208,295	A
	21,472,593	Baa	35,112,812	BBB	16,024,834	BBB
	3,339,766	Ba	2,314,745	BB	24,874,541	NR
	5,505,071	NR	1,211,883	NR	—	
Corporate Asset and Mortgage-Backed Securities	50,482,790	Aaa	27,591,299	AAA	40,261,055	AAA
	2,230,959	A	2,376,786	AA	2,759,783	AA
	636,750	Baa	1,901,348	A	2,139,846	A
	94,824	Ba	1,929,751	BBB	7,201	BBB
	1,798,423	B	1,472,772	BB	253,830	CC
	1,226,351	Caa	1,971,949	B	62,018,575	NR
	1,389,664	Ca	2,287,433	CCC	—	
	49,580,529	NR	153,735	CC	—	
	—		67,755,217	NR	—	
International Obligations (Government and Corporate)	118,871,308	Aaa	69,375,430	AAA	75,161,996	AAA
	69,343,921	Aa	43,128,384	AA	115,883,817	AA
	130,494,193	A	91,285,471	A	127,923,410	A
	247,899,790	Baa	267,586,683	BBB	131,810,467	BBB
	35,919,037	Ba	35,919,036	BB	146,979,512	BB
	12,723,450	B	543,372,667	NR	12,723,450	B
	435,415,972	NR	—		440,185,019	NR
Investment Funds, Other	52,800,403	NR	52,800,403	NR	52,800,403	NR
Fixed Income Money Market and Mutual Funds	7,415,731,824	Aaa	7,438,108,596	AAA	1,602,478,796	AAA
	1,069,152,517	NR	1,046,775,745	NR	6,882,405,545	NR
Repurchase Agreement – Texas Treasury Safekeeping Trust Co.	3,067,404	NR	3,067,404	AA	3,067,404	NR
Miscellaneous	749,242	Aaa	406,194	A	506,194	A
	406,195	A	163,004,044	NR	162,904,044	NR
	162,254,801	NR	—		—	

August 31, 2024						
Investment Type	MOODY'S		STANDARD & POOR'S		FITCH	
	Fair Value	Rating	Fair Value	Rating	Fair Value	Rating
Total Investments and Investments Classified as Cash Equivalents	<u>\$ 13,816,177,283</u>		<u>13,816,177,283</u>		<u>13,816,177,283</u>	
Deposit with Brokers for Derivative Contracts, Net (Related to Investments):						
U.S. Government Direct Obligations	\$ 156,057,413	Aaa	156,057,413	AA	156,057,413	AA
Cash	<u>284,488,365</u>	NR	<u>284,488,365</u>	NR	<u>284,488,365</u>	NR
Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)	<u>\$ 440,545,778</u>		<u>440,545,778</u>		<u>440,545,778</u>	

(B) *Concentrations of Credit Risk* – The System’s investment policy statements for funds managed by UTIMCO contain the limitation that no more than 5% of the fair value of fixed income securities may be invested in corporate or municipal bonds of a single issuer. As of August 31, 2025 and 2024 , these funds did not hold any direct investments in any one issuer of corporate or municipal bonds that were 5% or more of the fair value of the fund’s fixed income investments.

(C) *Custodial Credit Risk* – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Texas State Statutes and the System’s investment policy statements do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. All System investments are held by the System’s custodian bank in the name of the U.T. System Board of Regents. Uninvested cash is invested in overnight money market funds that are also held in the name of the U.T. System Board of Regents. Required collateral is posted unilaterally by System and each counterparty to segregated accounts established at the System’s custodian bank. As all investments and collateral deposits are held in the name of the U.T. System Board of Regents or in segregated accounts in the name of the U.T. System Board of Regents as of August 31, 2025 and 2024, the System has minimal exposure to custodial credit risk.

(D) *Interest Rate Risk*— Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Interest rate risk inherent in the System’s investments is measured by monitoring the modified duration of the overall investment portfolio. Modified duration estimates the sensitivity of the System’s investments to changes in interest rates. The System has no specific policy statement limitations with respect to its overall modified duration. The following table summarizes the System’s modified duration in years by investment type, in both the System’s enterprise and fiduciary funds, as of August 31, 2025 and 2024:

Investment Type	August 31, 2025		August 31, 2024	
	Fair Value	Modified Duration	Fair Value	Modified Duration
Investments:				
U.S. Government Guaranteed:				
U.S. Treasury Bills	\$ 2,388,506	0.11	4,613,894	0.10
U.S. Treasury Bonds and Notes	2,471,135,686	12.99	2,906,318,938	12.17
U.S. Treasury Inflation Protected	523,662,289	6.26	452,535,840	6.20
U.S. Agency Asset Backed	191,543,093	3.75	98,218,784	3.16
U.S. Treasury STRIPS	13,440,331	—	—	—
Total U.S. Government Guaranteed	3,202,169,905	11.27	3,461,687,456	11.12
U.S. Government Non-Guaranteed:				
U.S. Agency	9,440,984	7.70	6,141,052	9.60
U.S. Agency Asset Backed	429,803,010	3.89	358,198,807	4.32
Total U.S. Government Non-Guaranteed	439,243,994	3.97	364,339,859	4.41
Total U.S. Government	3,641,413,899	10.39	3,826,027,315	10.48
Corporate Obligations:				
Domestic	270,367,633	3.41	235,319,911	3.80
Foreign	234,110,646	2.87	222,779,290	3.59
Total Corporate Obligations	504,478,279	3.16	458,099,201	3.70
Foreign Government and Provincial Obligations	924,408,549	8.21	827,888,381	5.72
Other Debt Securities	1,089,510	12.24	1,255,437	11.94
Total Debt Securities	5,071,390,236	9.28	5,113,270,334	9.10
Other Investment Funds - Debt	131,127,125	4.60	162,045,600	4.33
Fixed Income Money Market and Mutual Funds & Cash	4,951,600,033	0.47	2,757,834,081	0.81
Investment Funds, Other	159,313,080	—	52,800,403	—
Total Investments	\$ 10,313,430,474	4.85	8,085,950,418	6.12
Investments Classified as Cash Equivalents:				
Repurchase Agreement - Texas Treasury Safekeeping Trust Co.	\$ 9,449,457	0.01	3,067,404	0.01
Fixed Income Money Market Funds	6,411,648,117	0.08	5,727,050,260	0.08
Time Deposits	100,000	—	109,200	—
Total Investments Classified as Cash Equivalents	\$ 6,421,197,574	0.08	5,730,226,864	0.08
Deposit with Brokers for Derivative Contracts, Net (Related to Investments):				
U.S. Government Guaranteed:				
U.S. Government Direct Obligations	\$ 319,841,464	14.62	156,057,413	0.12
Total U.S. Government Guaranteed	319,841,464	14.62	156,057,413	0.12
Cash	43,826,459	—	284,488,365	—
Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)	\$ 363,667,923	—	440,545,778	—

(E) *Investments with Fair Values That Are Highly Sensitive to Interest Rate Changes* – The System may invest in various mortgage-backed securities, such as collateralized mortgage-backed obligations. The System also may invest in investments that have floating rates with periodic coupon changes in market rates, zero coupon bonds and stripped treasury and agency securities created from coupon securities. No percentage of holdings limitations are specified in the investment policy statements regarding these types of securities. As of August 31, 2025 and 2024, the System’s investments included the following investments that are highly sensitive to interest rate changes:

- Collateralized mortgage obligations which are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows will affect the fair value of these securities. As of August 31, 2025 and 2024, these securities amounted to \$60,320,674 and \$83,461,635, respectively.
- Mortgage-backed securities which are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows will affect the fair value of these securities. As of August 31, 2025 and 2024, these securities amounted to \$616,516,734 and \$454,887,509, respectively.
- Asset backed securities which are backed by home equity loans, auto loans, equipment loans and credit card receivables. Prepayments by the obligees of the underlying assets in periods of decreasing interest rates could reduce or eliminate the stream of income that would have been received. As of August 31, 2025 and 2024, these securities amounted to \$14,573,587 and \$39,372,973, respectively.

(F) *Foreign Currency Risk* – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the System’s non-U.S. dollar investments. There are no limitations on investments in non-U.S. denominated bonds or common stocks in relation to the System’s total fixed income and developed country equity exposures in the System’s investment policy statements.

Classification between domestic common stock and foreign common stock is based on the country of domicile of the issuer, not the currency in which the security is traded. The following tables summarize the System’s exposure to non-U.S. dollar investments by asset type as of August 31, 2025 and 2024.

Investment Type	August 31	
	2025	2024
Domestic Common Stock:		
Euro	\$ —	\$ 2,565,373
UK Pound	20,026,426	1,778,174
Total Domestic Common Stock	20,026,426	4,343,547
Foreign Common Stock:		
Australian Dollar	\$ 70,150,661	10,640,485
Brazilian Real	2,940,771	99,244,404
Canadian Dollar	50,407,340	17,291,164
Chilean Peso	1,028,867	171,783
Chinese Yuan Renminbi	60,954	30,076,016
Colombian Peso	199,235	—
Czech Koruna	410,371	245,675
Danish Krone	59,795,676	81,085,708
Egyptian Pound	32,673	65,909
Euro	652,163,127	416,918,761
Hong Kong Dollar	1,588,216	157,716,086
Hungarian Forint	619,823	1,672,652
Indian Rupee	69,467,514	182,637,862
Indonesian Rupiah	8,614,490	30,593,493
Israeli Shekel	861,248	—
Japanese Yen	251,506,831	93,563,144
Kuwaiti Dinar	1,205,328	—
Malaysian Ringgit	2,543,494	11,007,177
Mexican Peso	2,547,651	13,057,753
New Zealand Dollar	2,902,113	457,570
Norwegian Krone	196,571	7,345,467
Peruvian Sol	—	42,863
Philippine Peso	783,883	1,998,375
Polish Zloty	1,108,650	5,926,599
Qatari Riyal	1,167,276	4,204,140
Singapore Dollar	23,308,718	5,750,243
South African Rand	4,201,438	18,191,763
Russian Ruble	5	166
Saudi Arabian Riyal	4,197,952	15,168,546
South Korean Won	217,916,725	234,806,947
Swedish Krona	52,150,648	20,758,572
Swiss Franc	177,281,377	140,145,629
Taiwan Dollar	134,894,616	478,354,541
Thai Baht	2,221,315	8,859,645
Turkish Lira	403,380	10,138,648
UK Pound	235,391,858	296,021,948
United Arab Emirates Dirham	7,929,211	14,129,459
Total Foreign Common Stock	2,042,200,006	2,408,289,193
Other - Equity Securities:		
Malaysian Ringgit	38,930	—
South Korean Won	—	2,154
Total Other - Equity Securities	38,930	2,154

Investment Type	August 31	
	2025	2024
Foreign Preferred Stocks:		
Brazilian Real	8,587,393	19,425,823
Colombian Peso	171,664	—
Euro	—	206,720
South Korean Won	53,471,660	55,196,292
Total Foreign Preferred Stock	62,230,717	74,828,835
Foreign Government and Provincial Obligations:		
Australian Dollar	34,783,533	5,922,641
Brazilian Real	59,567,333	35,942,043
Canadian Dollar	46,915,813	42,420,108
Colombian Peso	1,202,871	75,118,434
Euro	235,657,247	124,038,290
Indian Rupee	1,944,042	2,010,840
Indonesian Rupiah	6,911,092	6,829,348
Israeli Shekel	—	472,540
Japanese Yen	178,499,642	244,888,455
Malaysian Ringgit	16,027,006	12,070,780
Mexican Peso	95,822,992	95,121,062
New Zealand Dollar	14,615,222	23,298,721
Norwegian Krone	9,609,350	8,744,609
Peruvian Sol	8,958,800	—
Polish Zloty	79,584,670	—
Russian Ruble	2,667,911	2,366,244
Singapore Dollar	8,387,314	13,125,324
South African Rand	9,985,270	33,874,919
South Korean Won	6,263,184	35,284,262
Thai Baht	10,680,354	—
UK Pound	38,871,540	15,101,116
Total Foreign Government and Provincial Obligations	866,955,186	776,629,736
Corporate Obligations:		
Australian Dollar	8,194,563	6,001,630
Brazilian Real	—	378,483
Danish Krone	2,259	2,158
Euro	12,858,900	23,753,671
Indian Rupee	—	113
Japanese Yen	323,299	—
Peruvian Sol	1,330,135	—
UK Pound	15,090,244	21,035,705
Total Corporate Obligations	37,799,400	51,171,760
Purchased Options:		
Australian Dollar	3,184	—
Brazilian Real	—	34
Euro	200,088	442,084
Total Purchased Options	203,272	442,118
Investment Funds-Emerging Markets:		
Brazilian Real	1,066,937	1,069,474
Thai Baht	—	217,251
Total Investment Funds-Emerging Markets	1,066,937	1,286,725

Investment Type	August 31	
	2025	2024
Private Investments:		
Australian Dollar	65,694,824	69,969,719
Canadian Dollar	139,546,468	183,491,829
Euro	1,378,317,919	1,124,642,423
Japanese Yen	24,078,366	36,087,480
Swedish Krona	18,790,469	17,004,097
UK Pound	401,087,419	351,977,398
Total Private Investments	2,027,515,465	1,783,172,946
Cash and Cash Equivalents:		
Australian Dollar	539,302	(1,756,965)
Brazilian Real	1,451,801	12,634,187
Canadian Dollar	(454,572)	(3,449,961)
Chilean Peso	—	9,387
Chinese Yuan Renminbi	3,426	242,433
Colombian Peso	103,220	60,700
Czech Koruna	5,772	29,981
Danish Krone	120,648	3,274
Egyptian Pound	—	5,124
Euro	1,036,820	5,893,469
Hong Kong Dollar	3,350	(782,056)
Hungarian Forint	7	250
Indian Rupee	44,342,047	120,721
Indonesian Rupiah	361,397	343,272
Israeli Shekel	215	21,745
Japanese Yen	(4,212,533)	(5,266,739)
Malaysian Ringgit	32,090	77,705
Mexican Peso	2,928	68,662
New Zealand Dollar	94,124	427,762
Norwegian Krone	44,217	47,222
Philippine Peso	—	16,606
Polish Zloty	83,125	26,830
Qatari Riyal	(458)	7,167
Romanian Leu	43,259	79
Saudi Arabian Riyal	27,141	37,724
Singapore Dollar	106,793	435,542
South African Rand	5,697	58,852
South Korean Won	2,802,527	7,056,236
Swedish Krona	20,868	15,114
Swiss Franc	1,920,578	305,328
Taiwan Dollar	232,351	2,322,053
Thai Baht	5,297	4,045
Turkish Lira	592	2,032
UK Pound	455,366	5,987,914
United Arab Emirates Dirham	2	3,532
Total Cash and Cash Equivalents	49,177,397	25,010,797
Written Options:		
Euro	(10,675)	(409,267)
UK Pound	—	(13)
Total Written Options	(10,675)	(409,280)

Investment Type	August 31	
	2025	2024
Swaps:		
Australian Dollar	1,283	536,971
Canadian Dollar	(349,792)	(1,224,644)
Chinese Yuan Renminbi	—	(931,324)
Czech Koruna	(16,884)	(17,732)
Euro	1,317,280	(2,411,102)
Indian Rupee	(17,951)	36,650
Japanese Yen	(129,668,998)	(100,323,351)
Malaysian Ringgit	(117,089)	(141,174)
Mexican Peso	—	(55,405)
New Zealand Dollar	297,228	195,834
Singapore Dollar	(314,419)	(1,252,459)
South Korean Won	(230,533)	(604,836)
Swedish Krona	71,931	(50,751)
Swiss Franc	44,974	(95,393)
Thai Baht	(310,026)	(1,384,728)
UK Pound	371,603	1,266,055
Total Swaps	(128,921,393)	(106,457,389)
Futures:		
Australian Dollar	(156,456)	(147,541)
Canadian Dollar	12,127	71,544
Euro	2,287,006	(134,772)
Japanese Yen	3,414,678	3,098,233
UK Pound	221,751	(53,159)
Total Futures	5,779,106	2,834,305
Total	\$ 4,984,060,774	5,021,145,447

(G) *Counterparty (Credit) Risk* – The derivative instruments utilized by the System contain varying degrees of off-statement of net position risk whereby changes in the fair values of securities underlying the financial instruments may exceed the amounts recognized in the statement of net position. The System manages these risks on an aggregate basis along with the risks associated with its other investments as part of its overall risk management process.

The System had gross counterparty exposure as of August 31, 2025 for options, swaps, and foreign currency exchange contracts as shown in the following table:

	Notional		Fair Value		Counterparty Rating
	Assets	Liabilities	Assets	Liabilities	
Options	\$ 32,141,320	28,400,000	155,835	126,906	AA
Options	77,742,000	11,391,000	186,489	64,408	A
Swaps	3,068,818,829	1,651,352,281	55,603,879	48,179,505	AA
Swaps	948,109,960	145,476,916	134,652,718	126,726,330	A
Foreign Currency Exchange Contracts	691,443,938	885,830,439	3,503,001	7,439,826	AA
Foreign Currency Exchange Contracts	1,525,386,013	2,044,516,754	15,676,806	21,681,268	A
	<u>\$ 6,343,642,060</u>	<u>4,766,967,390</u>	<u>209,778,728</u>	<u>204,218,243</u>	

The System had gross counterparty exposure as of August 31, 2024 for options, swaps, and foreign currency exchange contracts as shown in the following table:

	Notional		Fair Value		Counterparty Rating
	Assets	Liabilities	Assets	Liabilities	
Options	\$ 32,320,000	33,406,899	827,487	3,381,184	AA
Options	80,000	—	199	—	A
Swaps	2,599,989,858	1,070,848,794	60,989,206	31,568,174	AA
Swaps	700,743,596	121,899,162	111,058,152	102,870,608	A
Foreign Currency Exchange Contracts	675,832,950	733,420,371	14,139,281	14,019,245	AA
Foreign Currency Exchange Contracts	1,326,692,737	1,459,986,897	25,412,961	28,274,712	A
	<u>\$ 5,335,659,141</u>	<u>3,419,562,123</u>	<u>212,427,286</u>	<u>180,113,923</u>	

As of August 31, 2025 and 2024, the System also had investments in futures contracts, options on futures contracts and exchange-cleared swaps. Futures contracts, options on futures contracts and exchange-cleared swaps expose the System to minimal counterparty credit risk since they are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default, and therefore, they are not presented in the previous tables.

Counterparty risk for swaps, options and foreign currency exchange contracts which are traded over-the-counter is mitigated by having master netting arrangements between the System and its counterparties, and by the posting of collateral on a daily basis by the counterparty to the System to cover the System's exposure to a counterparty above the limits set in place in each master netting agreement. Collateral posted by counterparties is held by the System in one of its accounts at the System's custodian bank. As of August 31, 2025 and 2024 the System held \$81,446,174 and \$52,106,779, respectively, as collateral related to derivative instruments other than futures, and had on deposit with brokers \$415,533,541 and \$404,250,811, respectively, as collateral related to derivative instruments other than futures.

SECURITIES LENDING

In accordance with the prudent investor investment standards, the System participates in a securities lending program. The System began the program, under a contract with the System's lending agent, on September 1, 1995. The lending agent is authorized to lend any securities held by the System's custodian except those securities, which the policy guidelines prohibit lending. At August 31, 2025 and 2024, there were a total of \$774,029,200 and \$1,107,434,098, respectively, of securities out on loan to brokers/dealers. A combination of cash and qualified non-cash securities are held as collateral against the outstanding securities on loan. The value of cash collateral held for these securities consisted of \$676,568,239 at August 31, 2025 and \$957,947,986 at August 31, 2024. These amounts are recorded as assets, with an offsetting liability to return the collateral on the consolidated statement of net position. The qualified non-cash securities received as collateral for securities lending activities are not recorded as assets because these securities remain under the control of the transferor, except in the event of default.

In security lending transactions, the System transfers its securities to brokers/dealers for collateral, which may be cash, securities issued or guaranteed by the United States government or its agencies, and irrevocable bank letters of credit, and simultaneously agrees to return the collateral for the same securities in the future.

Cash received as collateral for securities lending activities is invested and reinvested in a non-commingled pool exclusively for the benefit of the System. The pool is managed in accordance with investment guidelines established in the securities lending contract between the System and its securities lending agent. The maturities of the investments in the pool do not necessarily match the term of the loans, rather the pool is managed to maintain a maximum dollar weighted average maturity of 60 days and an overnight liquidity of 20%. The System was collateralized 102% on August 31, 2025 and 102% on August 31, 2024 for securities on loan collateralized by cash. The System's collateral pool investments, rating by NRSRO and weighted average maturity in days as of August 31, 2025 and 2024, are shown in the following table and include both the System's enterprise and fiduciary funds:

Description	August 31, 2025			August 31, 2024		
	Fair Value	Rating	Weighted Average	Fair Value	Rating	Weighted Average
Repurchase Agreements	\$ 280,723,724	Not Rated	2	\$ 427,886,898	Not Rated	3
Commercial Paper	29,502,637	AA		42,052,430	AA	
Commercial Paper	242,789,726	A		340,875,632	A	
Total Commercial Paper	272,292,363		14	382,928,062		7
Certificate of Deposit	22,750,000	AA		26,199,527	AA	
Certificate of Deposit	102,051,340	A		121,699,543	A	
Total Certificate of Deposit	124,801,340		—	147,899,070		3
Other Receivables/Payables	(1,249,188)	Not Rated	—	(766,044)	Not Rated	—
Total Collateral Pool Investment	\$ 676,568,239		15	\$ 957,947,986		12

Collateral pool investments are uninsured and are held by the securities lending agent, in its name, on behalf of the System, except for the investments in repurchase agreements, which are held in the securities lending agent's name by a third party custodian not affiliated with the System or the borrower of the associated loaned securities. Therefore, the collateral pool is not exposed to custodial credit risk, because the pool investments are not held by counterparties to the lending transactions or a counterparties' trust department or agent. All collateral pool investments are categorized as Level 2 in the fair value hierarchy and are valued based upon prices supplied by major fixed income pricing services, external broker quotes and internal pricing matrices.

Lending income is earned if the returns on those investments exceed the "rebate" paid to borrowers of the securities. The income is then shared with the lending agent based on a contractually negotiated rate split. If the investment of the cash collateral does not provide a return exceeding the rebate or if the investment incurs a loss of principal, part of the payment to the borrower would come from the System's resources and the lending agent based on the rate split.

Loans that are collateralized with securities generate income when the borrower pays a loan premium or fee for the securities loan. This income is split with the same ratio as the earnings for cash collateral. The collateral pledged to the System by the borrower is custodied by the lending agent or through a third-party arrangement. These securities held as collateral are not available to the System for selling or pledging unless the borrower is in default of the loan. The System held collateral equal to 103% and 102% of the securities on loan that were collateralized by non-cash securities as of August 31, 2025 and August 31, 2024, respectively.

The collateral received must have a fair value of 102% of the loaned securities of United States issuers. If the fair value of the collateral held in connection with loans of securities of United States issuers is less than 100% at the close of trading on any business day, the borrower is required to deliver additional collateral by the close of the next business day to equal 102% of the fair value.

For non-U.S. issuers, except those foreign securities that are denominated and payable in U.S. Dollars, the collateral should remain at 105% of the fair value of the loaned securities at the close of any business day. If it falls below 105%, the borrower must deliver additional collateral by the close of the following business day. The System was collateralized 105% for international loans on August 31, 2025 and 106% for international loans on August 31, 2024.

In the event of default, where the borrower is unable to return the securities loaned, the System has authorized the lending agent to seize the collateral held. The collateral is then used to replace the borrowed securities where possible. Due to some market conditions, it is possible that the original securities cannot be replaced. If the collateral is insufficient to replace the securities, the lending agent has indemnified the System from any loss due to borrower default.

At August 31, 2025 and 2024, the System had no credit risk exposure to borrowers because the amounts the System owed to borrowers exceeded the amounts the borrowers owed the System.

There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses and no recoveries of prior period losses during the years ended August 31, 2025 and 2024.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instrument securities are financial instruments whose value is derived, in whole or in part, from the value of any one or more underlying securities or assets, or index of securities or assets, such as stocks, bonds, commodities or currencies. Derivative instruments cover a broad range of financial instruments, such as forwards, futures, options and swaps.

(A) *Futures Contracts* – Futures contracts are used to facilitate various trading strategies, primarily as a tool to increase or decrease market exposure to various asset classes. The fair value of the asset positions is included in investments, and the fair value of the liability positions is included in investment derivatives-liability positions on the consolidated statement of net position. Futures contracts are marked to market daily; that is, they are valued at the close of business each day and a gain or loss is recorded between the value of the contracts that day and on the previous day. The daily gain or loss difference is referred to as the daily variation margin, which is settled in cash with the broker each morning for the amount of the previous day's mark to market. The amount that is settled in cash with the broker each morning is the fair value of the futures contracts.

The changes in fair value of open futures contracts were increases of \$88,957,948 and \$89,838,620 for the years ending August 31, 2025 and 2024, respectively, which are included in investment income on the consolidated statements of revenues, expenses and changes in net position. The System had \$29,580,556 and \$88,401,745 on deposit with brokers for collateral as margin for the futures contracts as of August 31, 2025 and 2024, respectively. Short futures may be used by internal managers and a limited number of external managers of the System to hedge the System's interest rate or currency risk associated with security positions. The System executes such contracts either on major exchanges or with major international financial institutions and minimizes market and credit risk associated with these contracts through the managers' various trading and credit monitoring techniques.

The following discloses the type, notional value, and fair value of futures contracts at August 31, 2025:

	Notional Value at August 31, 2025		Fair Value at August 31, 2025	
	Long	Short	Assets	Liabilities
Domestic Fixed Income	\$ 3,345,137,004	490,018,564	156,787	7,924,305
International Fixed Income	797,461,380	1,807,404,336	5,975,110	1,131,646
Domestic Equity	733,222,429	119,770,705	—	2,794,049
International Equity	123,846,647	16,048,023	667,330	427,350
Totals	<u>\$ 4,999,667,460</u>	<u>2,433,241,628</u>	<u>6,799,227</u>	<u>12,277,350</u>

The following discloses the type, notional value, and fair value of futures contracts at August 31, 2024:

	Notional Value at August 31, 2024		Fair Value at August 31, 2024	
	Long	Short	Assets	Liabilities
Domestic Fixed Income	\$ 2,312,203,670	1,026,019,720	2,851,486	10,905,804
International Fixed Income	348,456,792	1,480,081,385	240,159	219,651
Domestic Equity	1,274,986,134	218,440,150	4,443,174	1,515,210
International Equity	579,547,978	49,014,687	3,229,320	415,522
Totals	<u>\$ 4,515,194,574</u>	<u>2,773,555,942</u>	<u>10,764,139</u>	<u>13,056,187</u>

(B) *Foreign Currency Exchange Contracts* – The System enters into forward foreign currency exchange contracts to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities and to facilitate trading strategies primarily as a tool to increase or decrease market exposure to various foreign currencies. When entering into a forward currency contract, the System agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the System's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in investments for the asset positions and investment derivatives-liability positions for the liability positions. These instruments involve market and/or credit risk in excess of the amount recognized in the consolidated statement of net position. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

The following tables summarize, by currency, the contractual amounts of the System's foreign exchange contracts at August 31, 2025 and 2024. Foreign currency amounts are translated at exchange rates as of August 31, 2025 and 2024. The "Net Buy" amounts represent the U.S. dollar equivalent of net commitments to purchase foreign currencies and the "Net Sell" amounts represent the U.S. dollar equivalent of net commitments to sell foreign currencies.

Currency	August 31, 2025			
	Net Buy	Net Sell	Unrealized Gains on Foreign Exchange Contracts	Unrealized Losses on Foreign Exchange Contracts
Australian Dollar	\$ 131,161,841	2,624,587	1,377,610	1,971,854
Brazilian Real	2,834,047	784,273	1,019,922	3,312,459
Canadian Dollar	186,749,944	7,881,849	963,140	1,776,607
Chilean Peso	—	2,816,988	—	12,399
Chinese Yuan Renminbi	—	—	—	—
Colombian Peso	985,315	8,267,560	19,092	57,105
Czech Koruna	—	11,931,922	114,600	271,580
Danish Krone	6,541,059	—	10,395	4,284
Egyptian Pound	803,894	—	1,894	—
Euro	—	133,994,764	7,912,463	7,457,082
Hong Kong Dollar	—	6,432,738	4,864	1,122
Hungarian Forint	122,170	5,955,598	13,166	6,488
Indian Rupee	69,370,854	—	52,083	565,479
Indonesian Rupiah	6,880,279	—	126,549	156,191
Israeli Shekel	—	2,756,939	80,396	90,483
Japanese Yen	182,308,441	2,049,410	3,154,685	6,703,267
Kazakhstan Tenge	2,622,490	—	23,303	39,813
Malaysian Ringgit	—	17,770,535	20,780	3,693
Mexican Peso	—	99,458,325	122,464	103,865
New Zealand Dollar	53,322,713	17,973,433	519,797	1,245,468
Nigerian Naira	3,347,174	—	64,174	—
Norwegian Krone	34,136,078	1,750,985	560,665	218,845
Peruvian Sol	—	11,196,544	7,111	363,366
Philippines Peso	13,901,196	—	—	75,377
Polish Zloty	—	67,585,630	75,248	531,835
Romanian Leu	1,678,099	3,645,145	42,012	24,243
Singapore Dollar	—	31,710,774	256,989	64,310
South African Rand	—	8,729,703	349,245	649,568
South Korean Won	6,729,746	15,014,709	82,674	226,215
Swedish Krona	16,273,643	38,463,386	320,594	665,313
Swiss Franc	—	55,730,939	196,072	625,615
Taiwan Dollar	—	64,168,674	469,485	297,309
Thailand Baht	—	23,929,886	33,768	59,216
Turkish Lira	20,258,746	—	220,358	28,817
United Arab Emirates Dirham	—	6,015,409	49	—
UK Pound	187,825,547	7,999,617	964,160	1,511,826
TOTAL	\$ 927,853,276	656,640,322	19,179,807	29,121,094

The change in fair value of open foreign currency exchange contracts for the year ending August 31, 2025 was a decrease in the amount of \$9,941,287, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

Currency	August 31, 2024			
	Net Buy	Net Sell	Unrealized Gains on Foreign Exchange Contracts	Unrealized Losses on Foreign Exchange Contracts
Australian Dollar	\$ 116,115,440	—	4,318,918	1,472,684
Brazilian Real	—	8,562,013	943,840	534,425
Canadian Dollar	26,824,512	23,444,311	2,474,376	2,607,128
Chilean Peso	21,354,681	—	452,946	301,221
Chinese Yuan Renminbi	—	1,928,819	777,414	484,953
Colombian Peso	—	63,746,455	1,473,956	212,579
Czech Koruna	—	15,346,093	7,013	203,683
Danish Krone	27,817	1,418,835	8,081	37,971
Egyptian Pound	—	—	—	—
Euro	—	131,939,576	3,346,143	5,514,605
Hong Kong Dollar	—	1,237,062	27	1,627
Hungarian Forint	1,027,875	2,459,649	12,094	80,772
Indian Rupee	18,176,420	—	77,882	41,041
Indonesian Rupiah	—	11,380,454	159,804	149,573
Israeli Shekel	—	2,671,777	—	69,667
Japanese Yen	—	154,627,955	8,286,906	14,356,685
Malaysian Ringgit	—	8,305,400	1,868	212,304
Mexican Peso	—	69,794,267	7,282,382	1,677,878
New Zealand Dollar	—	61,602,735	1,298,829	3,318,159
Norwegian Krone	27,486,002	—	442,139	2,421
Peruvian Sol	—	1,255,978	19,426	21,415
Philippines Peso	—	10,281,911	34,747	201,567
Polish Zloty	8,420,886	—	229,015	77,006
Romanian Leu	707,036	2,532,528	55,563	67,230
Singapore Dollar	—	13,907,584	808,653	1,379,707
South African Rand	—	33,894,376	397,018	1,337,477
South Korean Won	2,112,816	3,590,807	494,637	1,015,488
Swedish Krona	36,970,901	—	1,251,012	535,799
Swiss Franc	—	68,538,065	1,996,616	2,290,986
Taiwan Dollar	—	10,194,027	233,254	541,472
Thailand Baht	2,500,749	4,602,786	197,652	716,374
Turkish Lira	11,027,823	—	244,357	87,760
UK Pound	—	71,607,827	2,225,674	2,742,272
TOTAL	<u>\$ 272,752,958</u>	<u>778,890,234</u>	<u>39,552,242</u>	<u>42,293,957</u>

The change in fair value of open foreign currency exchange contracts for the year ending August 31, 2024 was a decrease in the amount of \$4,115,276, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position

(C) *Written Options* – Written options are used to alter the market (systematic) exposure without trading the underlying cash market securities, and to hedge and control risks, so that the actual risk/return profile is more closely aligned with the target risk/return profile. The fair value is included on the consolidated statement of net position in investment derivatives-liability positions. The following discloses the fair values of the outstanding written call options contracts as of August 31, 2025 and 2024:

Type	Fair Value at August 31, 2025	
	Assets	Liabilities
Currency	\$ —	171,890
Interest Rate Swap	—	31,278
Other	—	14,867
	<u>\$ —</u>	<u>218,035</u>

The change in fair value of open call options for the year ending August 31, 2025, was an increase in the amount of \$48,209, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

Type	Fair Value at August 31, 2024	
	Assets	Liabilities
Equity	\$ —	2,986,096
Interest Rate Swap	—	28,075
Other	—	5,224
	<u>\$ —</u>	<u>3,019,395</u>

The change in fair value of open call options for the year ending August 31, 2024, was an increase in the amount of \$259,319, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

The following discloses the fair values of the outstanding written put options contracts as of August 31, 2025 and 2024:

Type	Fair Value at August 31, 2025	
	Assets	Liabilities
Currency	\$ —	19,424
Interest Rate Swap	—	14,372
Other	—	7,058
	<u>\$ —</u>	<u>40,854</u>

The change in fair value of open put options for the year ending August 31, 2025, was an increase in the amount of \$327,221, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

Type	Fair Value at August 31, 2024	
	Assets	Liabilities
Interest Rate Swap	\$ —	759,714
Other	—	8,803
	<u>\$ —</u>	<u>768,517</u>

The change in fair value of open put options for the year ending August 31, 2024, was an increase in the amount of \$69,594, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

(D) *Swaps* – Swaps are used to adjust interest rate and yield curve exposures. The fair value of the asset positions is included in investments, and the fair value of the liability positions is included in investment derivatives-liability positions on the consolidated statement of net position. The following discloses the notional amount (presented in US dollar equivalents) and the fair values of the outstanding swap contracts as of August 31, 2025:

Type	USD Notional Value	Fair Value at August 31, 2025	
		Assets	Liabilities
Interest Rate (Pay-Fixed Receive-Variable)	\$ 2,221,145,422	22,626,693	20,363,422
Interest Rate (Pay-Variable Receive-Fixed)	1,509,452,807	10,526,383	14,854,237
Commodity	242,994,398	3,857,685	—
Credit Default	345,930,000	8,055,691	154,781
Currency	284,431,764	126,792,795	124,556,405
Equity	5,093,941,426	59,439,348	46,952,458
Fixed Income	172,405,250	—	2,980,525
Total	<u>\$ 9,870,301,067</u>	<u>231,298,595</u>	<u>209,861,828</u>

The change in fair value of open swap positions for the year ending August 31, 2025, was an increase in the amount of \$21,436,767, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

The following discloses the notional amount (presented in US dollar equivalents) and the fair values of the outstanding swap contracts as of August 31, 2024:

Type	USD Notional Value	Fair Value at August 31, 2024	
		Assets	Liabilities
Interest Rate (Pay-Fixed Receive-Variable)	\$ 2,696,776,299	16,707,497	25,342,277
Interest Rate (Pay-Variable Receive-Fixed)	181,370,186	3,993,187	2,127,934
Commodity	200,059,754	—	741,031
Credit Default	403,364,242	8,504,655	957,223
Currency	228,649,392	100,225,550	99,515,708
Equity	3,869,810,154	71,795,360	29,799,949
Fixed Income	147,679,450	—	4,079,825
Total	<u>\$ 7,727,709,477</u>	<u>201,226,249</u>	<u>162,563,947</u>

The change in fair value of open swap positions for the year ending August 31, 2024, was an increase in the amount of \$36,262,081, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

7. Derivative Instruments

Derivative instruments are financial instruments the value of which is derived, in whole or part, from the value of any one or more underlying assets or index of asset values. Derivative instruments include forwards, futures, options and swaps. Hedging derivative instrument contracts are entered into for the purpose of reducing the overall cost of borrowing long-term capital and to protect the System against the risk of rising interest rates. The hedging derivative instruments primarily consist of interest rate swap agreements entered into in connection with long-term bonds. The derivative instrument contracts enable the System to issue bonds at a cost less than what the System would have paid to issue conventional fixed-rate debt. Investment derivative instruments are entered into with the intention of managing transaction or currency exchange risk in purchasing, selling or holding investments. Ineffective hedges, if any, are reported as other derivative instruments.

All derivative instruments are categorized as Level 2 in the fair value hierarchy, except for futures contracts and some of the purchased options which are categorized as Level 1. The fair values of the interest rate swaps are calculated using a forecast of expected discounted future net cash flows. Other swaps are fair valued by using independent broker quotes or using models with primarily externally verifiable model inputs. Futures contracts and foreign exchange contracts are fair valued at closing market prices on the valuation date. The following disclosures summarize the System's derivative instrument activity, in both the System's enterprise and fiduciary funds, as reported in the consolidated financial statements.

	Change in Fair Value (FV) August 31, 2024 to August 31, 2025		Fair Value at August 31, 2025		
	Classification	Amount	Classification	Amount	Notional Amount
Interest Rate Swaps					
Fair Value Hedging Derivative Instrument Assets Receive-Fixed Pay-Variable	Def Inflows	\$ (1,552,788)	Hedging Derivative Instrument Asset	\$ 2,927,142	128,180,000
Cash Flow Hedging Derivative Instrument Assets Pay-Fixed Receive-Variable	Def Inflows	13,655,030	Hedging Derivative Instrument Asset	68,045,139	250,000,000
Cash Flow Hedging Derivative Instrument Liabilities Pay-Fixed Receive-Variable	Def Outflows	7,757,201	Hedging Derivative Instrument Liab	(14,862,113)	323,210,000
Investment Derivative Instrument Assets Basis Swaps	Net Incr. (Decr.) in FV of Invest	(3,920,754)	Investments	17,309,305	479,855,000
Investment Derivative Instruments					
Investment Derivative Instrument Assets:					
Swaps:					
Pay-Fixed Receive-Variable		22,626,693		22,626,693	1,023,788,595
Pay-Variable Receive-Fixed		10,526,383		10,526,383	893,395,925
Commodity		3,857,685		3,857,685	242,994,398
Credit Default		8,055,691		8,055,691	341,820,000
Currency		126,792,795		126,792,795	146,352,422
Equity		59,439,348		59,439,348	3,620,054,750
Total Swaps	Net Incr. (Decr.) in FV of Invest	231,298,595	Investments	231,298,595	6,268,406,090
Futures	Net Incr. (Decr.) in FV of Invest	6,799,227	Other Accounts Receivable	6,799,227	4,999,667,460
Unrealized Gains on Foreign Forwards	Net Incr. (Decr.) in FV of Invest	19,179,807	Investments	19,179,807	2,216,829,951
Purchased Options	Net Incr. (Decr.) in FV of Invest	(155,480)	Investments	342,324	113,198,320
Investment Derivative Instrument Liabilities:					
Swaps:					
Pay-Fixed Receive-Variable		(20,363,422)		(20,363,422)	1,197,356,827
Pay-Variable Receive-Fixed		(14,854,237)		(14,854,237)	616,056,882
Credit Default		(154,781)		(154,781)	4,110,000
Currency		(124,556,405)		(124,556,405)	138,079,342
Equity		(46,952,458)		(46,952,458)	1,473,886,676
Fixed Income		(2,980,525)		(2,980,525)	172,405,250
Total Swaps	Net Incr. (Decr.) in FV of Invest	(209,861,828)	Invest Deriv – Liab Positions	(209,861,828)	3,601,894,977
Futures	Net Incr. (Decr.) in FV of Invest	(12,277,350)	Current Accounts Payable	(12,277,350)	2,433,241,628
Unrealized Losses on Foreign Forwards	Net Incr. (Decr.) in FV of Invest	(29,121,094)	Invest Deriv – Liab Positions	(29,121,094)	2,930,347,193
Options Written	Net Incr. (Decr.) in FV of Invest	375,430	Invest Deriv – Liab Positions	(258,889)	87,076,112

	Change in Fair Value (FV)		Fair Value at August 31, 2024		
	August 31, 2023 to August 31, 2024				
	Classification	Amount	Classification	Amount	Notional Amount
Interest Rate Swaps					
Fair Value Hedging Derivative					
Instrument Assets Receive-Fixed Pay-Variable	Def Inflows	\$ 3,939,112	Hedging Derivative Instrument Asset	\$ 4,479,930	128,180,000
Cash Flow Hedging Derivative					
Instrument Assets Pay-Fixed Receive-Variable	Def Inflows	(75,848,811)	Hedging Derivative Instrument Asset	54,390,109	250,000,000
Cash Flow Hedging Derivative					
Instrument Liabilities Pay-Fixed Receive-Variable	Def Outflows	16,769,341	Hedging Derivative Instrument Liab	(22,619,314)	346,045,000
Investment Derivative Instrument Assets Basis Swaps	Net Incr. (Decr.) in FV of Invest	(20,047,044)	Investments	21,230,059	479,855,000
Investment Derivative Instruments					
Investment Derivative Instrument Assets:					
Swaps:					
Pay-Fixed Receive-Variable		12,076,674		16,707,497	1,389,317,564
Pay-Variable Receive-Fixed		(2,470,078)		3,993,187	84,478,330
Credit Default		8,484,428		8,504,655	353,200,002
Currency		99,892,865		100,225,550	114,468,604
Equity		71,795,360		71,795,360	3,182,864,850
Total Swaps	Net Incr. (Decr.) in FV of Invest	189,779,249	Investments	201,226,249	5,124,329,350
Futures	Net Incr. (Decr.) in FV of Invest	10,764,139	Other Accounts Receivable	10,764,139	4,515,194,574
Unrealized Gains on Foreign Forwards	Net Incr. (Decr.) in FV of Invest	39,552,242	Investments	39,552,239	2,002,525,687
Purchased Options	Net Incr. (Decr.) in FV of Invest	(2,748,609)	Investments	1,865,240	198,602,078
Investment Derivative Instrument Liabilities:					
Swaps:					
Pay-Fixed Receive-Variable		(18,275,486)		(25,342,277)	1,307,458,735
Pay-Variable Receive-Fixed		(2,100,472)		(2,127,934)	96,891,856
Commodity		(25,863)		(741,031)	200,059,754
Credit Default		(957,223)		(957,223)	50,164,240
Currency		(99,173,049)		(99,515,708)	114,180,788
Equity		(28,905,250)		(29,799,949)	686,945,304
Fixed Income		(4,079,825)		(4,079,825)	147,679,450
Total Swaps	Net Incr. (Decr.) in FV of Invest	(153,517,168)	Invest Deriv – Liab Positions	(162,563,947)	2,603,380,127
Futures	Net Incr. (Decr.) in FV of Invest	(13,056,187)	Current Accounts Payable	(13,056,187)	2,773,555,942
Unrealized Losses on Foreign Forwards	Net Incr. (Decr.) in FV of Invest	(43,667,518)	Invest Deriv – Liab Positions	(42,293,957)	2,193,407,268
Options Written	Net Incr. (Decr.) in FV of Invest	328,913	Invest Deriv – Liab Positions	(3,787,917)	144,155,134

Fiduciary fund investment derivative instrument assets of \$1,122,228 and \$1,094,287 as of August 31, 2025 and 2024, respectively, are included in the numbers in the tables above. Fiduciary fund investment derivative instrument liabilities of \$1,077,602 and \$929,173 as of August 31, 2025 and 2024, respectively, are included in the numbers in the tables above.

See Note 13 for more information on Cash Flow Hedges – Interest Rate Swaps and Note 6 for more information on Investment Derivative Instruments.

8. Endowments

Investments include \$69,453,726,651 and \$63,420,180,721 of endowment funds as of August 31, 2025 and 2024, respectively. The net position classifications on the statement of net position related to endowment funds as of August 31, 2025 and 2024 are as follows:

Net Position Classification of Endowments	2025	2024
Restricted, Nonexpendable	\$ 42,071,726,856	39,721,621,731
Restricted, Expendable:		
Net Appreciation on True Endowments	22,519,003,571	19,731,602,494
Funds Functioning as Endowments	1,225,343,622	1,135,580,640
Book Value of Term Endowments	45,359,220	44,300,693
Net Appreciation on Term Endowments	64,509,724	60,530,557
Unrestricted:		
Funds Functioning as Endowments	1,518,856,102	1,414,681,836
Total	<u>\$ 67,444,799,094</u>	<u>62,108,317,951</u>

In the table above, amounts reported as “Net Appreciation” represent net appreciation on investments of donor or constitutionally restricted endowments that are available for authorization for expenditure by the U.T. System Board of Regents. For donor restricted endowments, pursuant to the Uniform Prudent Management of Institutional Funds Act, as adopted by Texas, the U.T. System Board of Regents may distribute net appreciation, realized and unrealized, in the fair value of the assets of endowment holdings over the historic dollar value of the gifts, to the extent prudent. The System’s policy is to retain all undistributed net realized and unrealized appreciation within the endowment funds. The System’s endowment distribution policy is further discussed below.

ENDOWMENTS AND SIMILAR FUNDS – STATE

These endowments are comprised of the PUF and the PHF. The PUF was established for the benefit of the System and the Texas A&M University System. The University of Texas System administers the PHF and the distributions from the PHF benefit the System’s health-related institutions, as well as for the Texas A&M University Health Science Center, the University of North Texas Health Science Center at Fort Worth, the Texas Tech University Health Science Center and Baylor College of Medicine.

The PUF was established by Article 7, Section 11 of the *Texas Constitution of 1876* through the appropriation of land grants. Amendments to the Constitution, approved by voters in 1999, were related to the investment of the PUF and the distributions from the PUF to the AUF. The Constitution, as amended, is summarized as follows: (i) The U.T. System Board of Regents is held to a “prudent investor” rather than a “prudent person” standard; (ii) distributions to the AUF are made from the total return on all PUF investment assets; (iii) the U.T. System Board of Regents determines the amount of distributions to the AUF, which may not exceed an amount equal to 7% of the average net fair value of investment assets, except as necessary to pay debt service on PUF bonds and notes; (iv) the U.T. System Board of Regents determines the amount of distributions to the AUF in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain, over time, the purchasing power of PUF investments and annual distributions to the AUF; and (v) the expenses of managing PUF land and investments are paid by the PUF.

The U.T. System Board of Regents manages certain permanent funds for health-related institutions of higher education as more fully described in Chapter 63 of the *Texas Education Code*. Certain funds created by this statute were transferred to the U.T. System Board of Regents on August 30, 1999, to be managed and invested in the same manner as the U.T. System Board of Regents manages and invests other endowment funds. The PHF as defined in the statute is classified as Endowment and Similar Funds – State. These endowments provide support for programs that benefit medical research, health education or treatment at health-related institutions. The U.T. System Board of Regents determines the amount of distributions to support the programs on an annual basis.

The annual payout of the PHF is determined by the U.T. System Board of Regents. The annual payout is typically adjusted by the average consumer price index of the previous twelve quarters provided that the distribution rate remains within a range of 3.5% to 5.5% of the PHF’s net position; however, the U.T. System Board of Regents may approve distribution amount above, within, or below this range.

The General Endowment Fund (GEF), created March 1, 2001, is a pooled fund established for the collective investment of long-term funds under the control and management of the U.T. System Board of Regents. The GEF is organized as a pooled investment and has two participants, the PHF and the LTF. The PHF and LTF initially purchased units of the GEF on March 1, 2001, in exchange for the contribution of their investment assets. The GEF provides for greater diversification of investments than would be possible if each account were managed separately. The annual payout of the LTF is also determined by the U.T. System Board of Regents. The annual payout is typically adjusted by the average consumer price index of the previous twelve quarters provided that the distribution rate remains within a range of 3.5% to 5.5% of the LTF's net position; however, the U.T. System Board of Regents may approve distribution amount above, within, or below this range.

ENDOWMENT AND SIMILAR FUNDS - OTHER THAN STATE

The funds are subject to restrictions of endowment and trust instruments, requiring that the principal be maintained and that only the income be utilized. Funds may include Permanent Endowments, Term Endowments and Funds Functioning as Endowments. Funds Functioning as Endowments consist of amounts that have been internally dedicated by the System for long-term investment purposes. Funds with external donor restrictions are classified as Funds Functioning as Endowments – Restricted. If no external restriction exists, the funds are classified as Funds Functioning as Endowments – Unrestricted. Endowment holdings may be invested in the LTF, or may be separately invested based upon the following three factors: (i) there are investment restrictions incorporated into the trust or endowment document; (ii) the inability to sell the gifted investment asset; or (iii) they are holdings being migrated upon liquidation into the LTF. Distributions are based upon the actual income received from the separately invested holdings.

AVAILABLE UNIVERSITY FUND

The AUF consists of distributions made to it from the total return on the PUF investment assets and surface income from PUF lands. All surface income from the PUF lands (i.e., grazing leases and land easements) is deposited to the AUF. The AUF must be used first to pay debt service on the PUF bonds and notes. After debt service requirements are met, the AUF may be appropriated for the support and maintenance of U.T. Austin and U.T. System Administration.

9. Capital Assets

A summary of changes in the capital assets for the year ended August 31, 2025, is presented below.

	Balance September 1, 2024	Reclassifications Completed CIP	Reclassifications Interagency Transfers - In
<u>Nondepreciable Assets:</u>			
Land and Land Improvements	\$ 1,231,010,826	12,131,725	—
Construction in Progress (CIP)	2,594,846,980	(1,890,913,115)	—
Nondepreciable Collections	936,378,782	—	—
Nonamortizable Intangible Assets	24,596,943	—	—
Total Nondepreciable/Nonamortizable Assets	4,786,833,531	(1,878,781,390)	—
<u>Depreciable Assets:</u>			
Buildings and Building Improvements	27,419,037,652	1,723,333,745	325,779
Infrastructure	858,881,947	18,814,437	—
Facilities and Other Improvements	1,455,835,594	70,144,140	—
Furniture and Equipment	6,087,874,464	15,750,871	(315,787)
Vehicles, Boats and Aircraft	136,695,713	—	(23,936)
Other Depreciable Assets (including Library Books)	1,207,855,604	20,761,228	—
Total Depreciable Assets at Historical Cost	37,166,180,974	1,848,804,421	(13,944)
Less Accumulated Depreciation for:			
Buildings and Building Improvements	(15,270,194,824)	—	83,749
Infrastructure	(423,752,358)	—	—
Facilities and Other Improvements	(829,966,649)	—	—
Furniture and Equipment	(4,361,838,548)	—	(88,190)
Vehicles, Boats and Aircraft	(92,383,705)	—	23,936
Other Depreciable Assets (including Library Books)	(803,742,249)	—	—
Total Accumulated Depreciation	(21,781,878,333)	—	19,495
Depreciable Assets, Net	15,384,302,641	1,848,804,421	5,551
<u>Amortizable Intangible Assets:</u>			
Computer Software	1,440,408,632	29,976,969	—
Other Intangibles	700,000	—	—
Right-of-Use Land	86,047,840	—	—
Right-of-Use Building	853,548,093	—	—
Right-of-Use Equipment	115,260,358	—	—
Right-of-Use Vehicle	386,045	—	—
Right-of-Use Infrastructure	2,124,030	—	—
Right-of-Use SBITA	396,137,006	—	—
Total Amortizable Intangible Assets	2,894,612,004	29,976,969	—
Less Accumulated Amortization for:			
Computer Software	(1,301,251,937)	—	—
Other Intangibles	(700,000)	—	—
Right-of-Use Land	(6,082,246)	—	—
Right-of-Use Building	(277,501,296)	—	—
Right-of-Use Equipment	(55,049,557)	—	—
Right-of-Use Vehicle	(121,997)	—	—
Right-of-Use Infrastructure	(907,990)	—	—
Right-of-Use SBITA	(173,917,477)	—	—
Total Accumulated Amortization	(1,815,532,500)	—	—
Intangible Capital Assets, Net	1,079,079,504	29,976,969	—
Capital Assets, Net	\$ 21,250,215,676	—	5,551

	Reclassifications Interagency Transfers - Out	Additions	Deletions	Balance August 31, 2025
<u>Nondepreciable Assets:</u>				
Land and Land Improvements	\$ —	69,236,116	(180,881)	1,312,197,786
Construction in Progress (CIP)	—	3,014,671,505	(209,737)	3,718,395,633
Nondepreciable Collections	—	16,613,838	(536,738)	952,455,882
Nonamortizable Intangible Assets	—	—	—	24,596,943
Total Nondepreciable/Nonamortizable Assets	—	3,100,521,459	(927,356)	6,007,646,244
<u>Depreciable Assets:</u>				
Buildings and Building Improvements	(325,779)	96,942,818	(10,784,824)	29,228,529,391
Infrastructure	—	6,302	(1,800,724)	875,901,962
Facilities and Other Improvements	—	7,271,349	(5,683,292)	1,527,567,791
Furniture and Equipment	(128,263)	685,688,100	(302,165,540)	6,486,703,845
Vehicles, Boats and Aircraft	(59,020)	12,805,160	(6,007,581)	143,410,336
Other Depreciable Assets (including Library Books)	—	18,382,952	(38,875,418)	1,208,124,366
Total Depreciable Assets at Historical Cost	(513,062)	821,096,681	(365,317,379)	39,470,237,691
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(83,749)	(1,037,973,928)	7,595,808	(16,300,572,944)
Infrastructure	—	(33,818,981)	490,144	(457,081,195)
Facilities and Other Improvements	—	(61,468,443)	3,436,454	(887,998,638)
Furniture and Equipment	295,845	(479,799,271)	264,674,329	(4,576,755,835)
Vehicles, Boats and Aircraft	59,020	(12,037,223)	5,495,772	(98,842,200)
Other Depreciable Assets (including Library Books)	—	(58,966,665)	38,115,158	(824,593,756)
Total Accumulated Depreciation	271,116	(1,684,064,511)	319,807,665	(23,145,844,568)
Depreciable Assets, Net	(241,946)	(862,967,830)	(45,509,714)	16,324,393,123
<u>Amortizable Intangible Assets:</u>				
Computer Software	—	24,086,798	(69,494,623)	1,424,977,776
Other Intangibles	—	—	—	700,000
Right-of-Use Land	—	—	(470,449)	85,577,391
Right-of-Use Building	—	71,501,420	(45,485,865)	879,563,648
Right-of-Use Equipment	—	46,983,063	(28,898,263)	133,345,158
Right-of-Use Vehicle	—	246,981	—	633,026
Right-of-Use Infrastructure	—	—	—	2,124,030
Right-of-Use SBITA	—	261,122,426	(58,844,805)	598,414,627
Total Amortizable Intangible Assets	—	403,940,688	(203,194,005)	3,125,335,656
Less Accumulated Amortization for:				
Computer Software	—	(63,564,789)	68,972,272	(1,295,844,454)
Other Intangibles	—	—	—	(700,000)
Right-of-Use Land	—	(1,550,285)	470,298	(7,162,233)
Right-of-Use Building	—	(92,673,131)	27,872,433	(342,301,994)
Right-of-Use Equipment	—	(35,499,432)	28,897,270	(61,651,719)
Right-of-Use Vehicle	—	(110,960)	—	(232,957)
Right-of-Use Infrastructure	—	(256,381)	—	(1,164,371)
Right-of-Use SBITA	—	(116,030,511)	56,028,838	(233,919,150)
Total Accumulated Amortization	—	(309,685,489)	182,241,111	(1,942,976,878)
Intangible Capital Assets, Net	—	94,255,199	(20,952,894)	1,182,358,778
Capital Assets, Net	\$ (241,946)	2,331,808,828	(67,389,964)	23,514,398,145

A summary of changes in the capital assets for the year ended August 31, 2024, is presented below.

	Balance September 1, 2023	Reclassifications Completed CIP	Reclassifications Interagency Transfers - In
<u>Nondepreciable Assets:</u>			
Land and Land Improvements	\$ 1,150,939,441	762,842	—
Construction in Progress (CIP)	1,541,142,639	(1,001,560,120)	—
Nondepreciable Collections	850,581,003	160,266	—
Nonamortizable Intangible Assets	24,596,943	—	—
Total Nondepreciable/Nonamortizable Assets	3,567,260,026	(1,000,637,012)	—
<u>Depreciable Assets:</u>			
Buildings and Building Improvements	26,277,270,057	782,147,533	1,967,861
Infrastructure	847,529,821	13,075,975	—
Facilities and Other Improvements	1,387,490,708	54,991,864	—
Furniture and Equipment	5,730,593,651	85,865,407	592,740
Vehicles, Boats and Aircraft	116,117,476	—	—
Other Depreciable Assets (including Library Books)	1,184,019,777	10,458,267	—
Total Depreciable Assets at Historical Cost	35,543,021,490	946,539,046	2,560,601
Less Accumulated Depreciation for:			
Buildings and Building Improvements	(14,364,390,015)	—	(1,869,468)
Infrastructure	(391,285,144)	—	—
Facilities and Other Improvements	(777,835,355)	—	—
Furniture and Equipment	(4,224,608,200)	—	(584,249)
Vehicles, Boats and Aircraft	(87,504,560)	—	—
Other Depreciable Assets (including Library Books)	(750,701,105)	—	—
Total Accumulated Depreciation	(20,596,324,379)	—	(2,453,717)
Depreciable Assets, Net	14,946,697,111	946,539,046	106,884
<u>Amortizable Intangible Assets:</u>			
Computer Software	1,372,818,086	54,097,966	—
Other Intangibles	700,000	—	—
Right-of-Use Land	86,525,573	—	—
Right-of-Use Building	1,090,501,794	—	—
Right-of-Use Equipment	101,151,438	—	—
Right-of-Use Vehicle	265,361	—	—
Right-of-Use Infrastructure	2,124,030	—	—
Right-of-Use SBITA	272,426,131	—	—
Total Amortizable Intangible Assets	2,926,512,413	54,097,966	—
Less Accumulated Amortization for:			
Computer Software	(1,258,946,208)	—	—
Other Intangibles	(560,000)	—	—
Right-of-Use Land	(4,503,440)	—	—
Right-of-Use Building	(241,487,699)	—	—
Right-of-Use Equipment	(45,717,590)	—	—
Right-of-Use Vehicle	(26,240)	—	—
Right-of-Use Facilities/Improvements	—	—	—
Right-of-Use Infrastructure	(651,609)	—	—
Right-of-Use SBITA	(100,554,661)	—	—
Total Accumulated Amortization	(1,652,447,447)	—	—
Intangible Capital Assets, Net	1,274,064,966	54,097,966	—
Capital Assets, Net	\$ 19,788,022,103	—	106,884

	Reclassifications Interagency Transfers - Out	Additions	Deletions	Balance August 31, 2024
<u>Nondepreciable Assets:</u>				
Land and Land Improvements	\$ —	79,457,063	(148,520)	1,231,010,826
Construction in Progress (CIP)	—	2,055,998,816	(734,355)	2,594,846,980
Nondepreciable Collections	—	87,295,138	(1,657,625)	936,378,782
Nonamortizable Intangible Assets	—	—	—	24,596,943
Total Nondepreciable/Nonamortizable Assets	—	2,222,751,017	(2,540,500)	4,786,833,531
<u>Depreciable Assets:</u>				
Buildings and Building Improvements	(3,000)	461,733,785	(104,078,584)	27,419,037,652
Infrastructure	—	26,025	(1,749,874)	858,881,947
Facilities and Other Improvements	—	39,004,613	(25,651,591)	1,455,835,594
Furniture and Equipment	(845,505)	596,605,503	(324,937,332)	6,087,874,464
Vehicles, Boats and Aircraft	(54,379)	26,827,857	(6,195,241)	136,695,713
Other Depreciable Assets (including Library Books)	—	21,149,881	(7,772,321)	1,207,855,604
Total Depreciable Assets at Historical Cost	(902,884)	1,145,347,664	(470,384,943)	37,166,180,974
Less Accumulated Depreciation for:				
Buildings and Building Improvements	—	(999,571,245)	95,635,904	(15,270,194,824)
Infrastructure	—	(33,584,915)	1,117,701	(423,752,358)
Facilities and Other Improvements	—	(62,006,395)	9,875,101	(829,966,649)
Furniture and Equipment	596,051	(427,924,058)	290,681,908	(4,361,838,548)
Vehicles, Boats and Aircraft	54,379	(10,756,624)	5,823,100	(92,383,705)
Other Depreciable Assets (including Library Books)	—	(60,801,604)	7,760,460	(803,742,249)
Total Accumulated Depreciation	650,430	(1,594,644,841)	410,894,174	(21,781,878,333)
Depreciable Assets, Net	(252,454)	(449,297,177)	(59,490,769)	15,384,302,641
<u>Amortizable Intangible Assets:</u>				
Computer Software	—	31,227,804	(17,735,224)	1,440,408,632
Other Intangibles	—	—	—	700,000
Right-of-Use Land	—	—	(477,733)	86,047,840
Right-of-Use Building	—	95,332,975	(332,286,676)	853,548,093
Right-of-Use Equipment	—	35,659,209	(21,550,289)	115,260,358
Right-of-Use Vehicle	—	120,684	—	386,045
Right-of-Use Infrastructure	—	—	—	2,124,030
Right-of-Use SBITA	—	144,764,690	(21,053,815)	396,137,006
Total Amortizable Intangible Assets	—	307,105,362	(393,103,737)	2,894,612,004
Less Accumulated Amortization for:				
Computer Software	—	(59,315,285)	17,009,556	(1,301,251,937)
Other Intangibles	—	(140,000)	—	(700,000)
Right-of-Use Land	—	(1,578,806)	—	(6,082,246)
Right-of-Use Building	—	(93,176,089)	57,162,492	(277,501,296)
Right-of-Use Equipment	—	(30,635,396)	21,303,429	(55,049,557)
Right-of-Use Vehicle	—	(95,757)	—	(121,997)
Right-of-Use Infrastructure	—	(256,381)	—	(907,990)
Right-of-Use SBITA	—	(93,174,621)	19,811,805	(173,917,477)
Total Accumulated Amortization	—	(278,372,335)	115,287,282	(1,815,532,500)
Intangible Capital Assets, Net	—	28,733,027	(277,816,455)	1,079,079,504
Capital Assets, Net	\$ (252,454)	1,802,186,867	(339,847,724)	21,250,215,676

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*, requires the disclosure of impairment losses and associated insurance recoveries.

The System reported no impairment of capital assets for the years ended August 31, 2025 and 2024. In February 2021, U.T. System institutions experienced significant property damage and business income losses as a result of *Winter Storm Uri*, which resulted in insurance recoveries totaling \$0 million and \$26.0 million for the years ended August 31, 2025 and 2024, respectively.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, requires the disclosure of asset retirement obligations resulting from *Texas Administrative Code*, Title 25, Part 1, Chapter 289. Subchapter F, Rule 289.252, Licensing of Radioactive Material. The liabilities were measured using best estimates of current values of outlays expected. The *Texas Administrative Code*, Title 25, Part 1, Chapter 289. Subchapter F, Rule 289.252 (gg)(6)(D) exempts State licenses from providing financial assurances and no assets have been restricted for payment of the liability.

The Asset Retirement Obligation as of August 31, 2025 is presented below (remaining life of the corresponding Deferred Outflows in months):

Asset Retirement Obligation	Amount	Life
Broadscope	\$ 9,267,030	0 - 10 months
Cyclotron	2,247,820	0 - 0 months
Gamma Knife	3,695,835	0 - 60 months
Proton Therapy	—	0 - 0 months
Gamma Pod	458,261	0 - 0 months
Irradiator	79,392	0 - 0 months
Nuclear Engineering Teaching Lab	4,511,275	0 - 0 months
Total	<u>\$ 20,259,613</u>	

The Asset Retirement Obligation as of August 31, 2024 is presented below:

Asset Retirement Obligation	Amount	Life
Broadscope	\$ 8,946,351	0 - 22 months
Cyclotron	2,082,710	0 - 0 months
Gamma Knife	3,185,129	0 - 72 months
Proton Therapy	—	0 - 0 months
Gamma Pod	334,753	0 - 0 months
Irradiator	51,097	0 - 0 months
Nuclear Engineering Teaching Lab	4,387,740	0 - 15 months
Total	<u>\$ 18,987,780</u>	

10. Short-Term Debt

The System had RFS Commercial Paper Notes and PUF Commercial Paper Notes outstanding at August 31, 2025 and 2024. The notes are issued to provide interim financing for capital improvements and to finance equipment purchases. While the interest is payable on these notes in periodic installments not to exceed 270 days, they are generally intended to be refinanced with long-term debt. Short-term debt activity for the year ended August 31, 2025, is summarized below:

	Balance September 1, 2024	Additions	Reductions	Balance August 31, 2025
<u>Commercial Paper Notes:</u>				
Permanent University Fund CP Notes	\$ 849,000,000	741,000,000	380,000,000	1,210,000,000
Revenue Financing System CP Notes	1,282,500,000	1,956,048,000	1,188,548,000	2,050,000,000
Total Commercial Paper Notes	<u>\$ 2,131,500,000</u>	<u>2,697,048,000</u>	<u>1,568,548,000</u>	<u>3,260,000,000</u>

Short-term debt activity for the year ended August 31, 2024, is summarized below:

	Balance September 1, 2023	Additions	Reductions ¹	Balance August 31, 2024
<u>Commercial Paper Notes:</u>				
Permanent University Fund CP Notes	\$ 1,006,300,000	450,000,000	607,300,000	849,000,000
Revenue Financing System CP Notes	1,334,761,000	1,273,890,000	1,326,151,000	1,282,500,000
Total Commercial Paper Notes	<u>\$ 2,341,061,000</u>	<u>1,723,890,000</u>	<u>1,933,451,000</u>	<u>2,131,500,000</u>

¹ Reductions of short-term debt include \$467,500,000 of RFS commercial paper notes reclassified to long-term notes and loans payable on the statement of net position as a result of refunding commercial paper notes subsequent to August 31, 2024 through the issuance of long-term bonds.

General information related to the commercial paper notes at August 31, 2025, is summarized as follows:

- Note or Loan Payable issue name: Permanent University Fund Commercial Paper Notes, Series A and Taxable Commercial Paper Notes, Series B

Purpose: To provide interim financing for capital improvements and to finance capital equipment purchases

Authorized Amount: Aggregate principal amount not to exceed \$1.25 billion

Source of revenue for debt service: Available University Fund

Terms: Interest payable in periodic installments not to exceed 270 days at interest rates established by the System's commercial paper dealers
- Note or Loan Payable issue name: Revenue Financing System (RFS) Commercial Paper Notes, Series A and Taxable Commercial Paper Notes, Series B, and RFS Commercial Paper Notes, Series C

Purpose: To provide interim financing for capital improvements and to finance capital equipment purchases

Authorized Amount: Aggregate principal amount not to exceed \$3.00 billion

Source of revenue for debt service: All pledged revenues, subject to the provisions of the Prior Encumbered Obligations, collectively: (a) the pledged tuition fee; (b) the pledged General Fee; and (c) any or all of the revenues, funds, and balances lawfully available to the U.T. System Board of Regents and derived from and attributable to any Member of the Revenue Financing System, which are lawfully available to the U.T. System Board of Regents for payments on parity debt.

Terms: Interest payable in periodic installments not to exceed 270 days at interest rates established by the System's commercial paper dealers

11. Leases and SBITAs

LEASES WHERE THE SYSTEM IS THE LESSEE

The System entered into various leases for land, building, equipment, vehicle, and infrastructure. Of these leases, some agreements call for payments that are partially or completely variable and therefore were not included in ROU assets or lease liabilities. These variable lease payments are derived from a percentage of sales, use of the leased asset, or changes in indexes or rates. The System recognized a total of \$11,048,346 and \$9,461,490 as expenses from these variable payments for the years ended August 31, 2025 and 2024, respectively.

See Note 9 for a summary of changes in the ROU assets, displayed by the nature of underlying assets, for the years ended August 31, 2025 and 2024. See Note 12 for the lease liability activity for the years ended August 31, 2025 and 2024.

The principal and interest expense for the next five years and beyond are projected below for lease obligations:

Fiscal Year	Principal	Interest	Total
2026	\$ 119,133,648	15,790,430	134,924,078
2027	103,688,873	13,205,160	116,894,033
2028	83,714,009	11,026,681	94,740,690
2029	62,547,568	9,314,697	71,862,264
2030	47,805,096	8,055,584	55,860,680
2031-2035	159,921,440	27,762,929	187,684,369
2036-2040	65,912,119	16,221,392	82,133,511
2041-2045	18,406,922	12,056,802	30,463,724
2046-2050	8,454,378	10,355,908	18,810,286
2051-2055	8,539,663	9,052,948	17,592,611
2056-2060	6,266,018	7,793,978	14,059,996
2061-2065	1,833,336	6,923,237	8,756,574
2066-2070	1,739,162	6,710,523	8,449,685
2071-2075	2,938,133	6,391,002	9,329,135
2076-2080	2,754,927	5,925,664	8,680,592
2081-2085	2,890,349	5,559,337	8,449,685
2086-2090	4,267,628	5,061,508	9,329,135
2091-2095	4,290,349	4,390,242	8,680,592
2096-2100	4,663,594	3,786,091	8,449,685
2101-2105	6,315,533	3,013,602	9,329,135
2106-2110	6,655,457	2,025,134	8,680,592
2111-2115	7,395,036	1,054,649	8,449,685
2116-2120	2,524,075	105,694	2,629,769
Total Requirements	<u>\$ 732,657,312</u>	<u>191,583,194</u>	<u>924,240,506</u>

FUTURE LEASES

The System entered into additional leases that have not yet commenced as of August 31, 2025, including leases for building, with both fixed and variable payments required. Terms range from 2026 to 2036 with a total future commitment of \$61,784,937.

SUBLEASES

The System subleases certain portions of various Right-of-Use building assets to third parties. Since the System is both a lessee and a lessor in these sublease arrangements, the System's lessor transactions are included within lessor disclosures, separately from the System's lessee transactions related to the original leases which are included within the lessee disclosures.

LEASES WHERE THE SYSTEM IS THE LESSOR

For the years ended August 31, 2025 and 2024, the System earned a total of \$21,109,664 and \$16,526,556 in lease revenue and \$13,650,053 and \$5,753,160 in lease interest revenue, respectively, from arrangements meeting the definition of a lease.

The System entered into some leases which call for payments that are partially or completely variable and therefore were not included in lease receivables or deferred inflows of resources. These variable lease payments are derived from a percentage of sales, use of the leased asset, or changes in indexes or rates. The System recognized a total of \$4,018,523 and \$3,484,776 as revenue from these variable payments for the years ended August 31, 2025 and 2024, respectively.

SBITAs

The System entered into various SBITAs that convey the System control of the right to use vendor-provided software, alone or in combination with an underlying tangible IT capital asset. Of these SBITAs, some agreements call for payments that are partially or completely variable and therefore were not included in ROU subscription assets or subscription liabilities. These variable payments are derived from a number of licenses that change from time to time, use of the IT asset, or changes in index rates. The System recognized a total of \$3,111,230 and \$2,258,368 as expenses from these variable payments for the years ended August 31, 2025, and 2024, respectively.

The principal and interest expense for the next five years and beyond are projected below for subscription obligations:

Fiscal Year	SBITA Maturity Schedule		
	Principal	Interest	Total
2026	\$ 97,096,369	7,207,722	104,304,091
2027	65,376,073	4,945,544	70,321,617
2028	36,831,795	3,206,627	40,038,421
2029	21,480,413	2,215,793	23,696,205
2030	3,991,444	1,654,370	5,645,813
2031-2045	37,814,741	12,394,184	50,208,925
Total Requirements	<u>\$ 262,590,834</u>	<u>31,624,238</u>	<u>294,215,073</u>

FUTURE SBITAs

The System has entered into additional SBITAs that have not yet commenced as of August 31, 2025, with both fixed and variable payments required. Terms range from 2026 to 2030 with a total future commitment of \$7,332,532.

12. Summary of Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2025, is summarized as follows:

	Balance September 1, 2024	Additions	Reductions	Balance August 31, 2025	Amounts due within one year
<u>Bonds Payable:</u>					
Permanent University Fund	2,912,555,000	631,860,000	538,090,000	3,006,325,000	93,680,000
Revenue Financing System	6,475,475,000	1,617,535,000	576,435,000	7,516,575,000	957,030,000
Revenue Financing System - Stephen F. Austin	164,850,000	—	14,765,000	150,085,000	13,490,000
Subtotal Bonds Payable – Par	9,552,880,000	2,249,395,000	1,129,290,000	10,672,985,000	1,064,200,000
Unamortized Net Premiums	771,575,961	206,009,320	135,035,398	842,549,883	115,258,191
Total Bonds Payable	10,324,455,961	2,455,404,320	1,264,325,398	11,515,534,883	1,179,458,191
<u>Notes, Loans and Leases Payable:</u>					
Notes and Loans Payable	467,500,000	—	467,500,000	—	—
Notes from Direct Borrowings	7,886,752	1,961,715	1,962,035	7,886,432	2,694,496
Lease Obligations	751,737,254	118,731,517	137,811,459	732,657,312	119,133,648
SBITA Liability	184,570,643	261,122,426	183,102,235	262,590,834	97,096,369
Total Notes, Loans and Leases Payable	1,411,694,649	381,815,658	790,375,729	1,003,134,578	218,924,513
Total OPEB Liability	8,785,708,021	859,020,918	750,704,156	8,894,024,783	199,868,583
Net Pension Liability	6,961,419,620	—	452,851,833	6,508,567,787	—
Other Pension Liability	926,495,910	71,981,314	46,096,063	952,381,161	78,774,942
Hedging Derivative Liability	22,619,314	—	7,757,201	14,862,113	—
Employee Compensable Leave	1,046,368,858	102,965,656	—	1,149,334,514	701,735,544
Incurred But Not Reported Self-Insurance Claims	230,081,565	2,603,667,530	2,577,434,603	256,314,492	211,097,631
Asset Retirement Obligation	18,987,780	1,271,833	—	20,259,613	—
Total	29,727,831,678	6,476,127,229	5,889,544,983	30,314,413,924	2,589,859,404

Long-term liability activity for the year ended August 31, 2024, as restated for GASB Statement No. 101 is summarized as follows:

	Balance September 1, 2023	Additions	Reductions	Balance August 31, 2024	Amounts due within one year
Bonds Payable:					
Permanent University Fund	\$ 2,614,470,000	825,800,000	527,715,000	2,912,555,000	87,445,000
Revenue Financing System	6,559,535,000	801,735,000	885,795,000	6,475,475,000	899,290,000
Revenue Financing System - Stephen F. Austin	179,060,000	—	14,210,000	164,850,000	14,765,000
Subtotal Bonds Payable – Par	9,353,065,000	1,627,535,000	1,427,720,000	9,552,880,000	1,001,500,000
Unamortized Net Premiums	672,818,851	207,503,426	108,746,316	771,575,961	105,782,950
Total Bonds Payable	10,025,883,851	1,835,038,426	1,536,466,316	10,324,455,961	1,107,282,950
Notes, Loans and Leases Payable:					
Notes and Loans Payable	—	467,500,000 ¹	—	467,500,000	—
Notes from Direct Borrowings	22,786,474	962,292	15,862,014	7,886,752	1,801,879
Lease Obligations	1,017,271,932	131,112,868	396,647,546	751,737,254	108,453,968
SBITA Liability	140,711,481	144,764,690	100,905,528	184,570,643	74,273,739
Total Notes, Loans and Leases Payable	1,180,769,887	744,339,850	513,415,088	1,411,694,649	184,529,586
Total OPEB Liability	8,217,898,931	931,088,707	363,279,617	8,785,708,021	184,459,372
Net Pension Liability	5,681,634,133	1,279,785,487	—	6,961,419,620	—
Other Pension Liability	918,839,384	65,921,373	58,264,847	926,495,910	78,798,695
Hedging Derivative Liability	39,388,655	—	16,769,341	22,619,314	—
Employee Compensable Leave	921,270,958	125,097,900	—	1,046,368,858	591,395,613
Incurred But Not Reported Self-Insurance Claims	237,901,675	2,258,148,226	2,265,968,336	230,081,565	189,052,286
Asset Retirement Obligation	20,268,251	348,892	1,629,363	18,987,780	—
Total	\$ 27,243,855,724	7,239,768,861	4,755,792,908	29,727,831,678	2,335,518,502

1 Additions of Notes and Loans Payable include \$467,500,000 of commercial paper notes reclassified from short-term debt to long-term notes and loans payable on the statement of net position as a result of refunding commercial paper notes subsequent to August 31, 2024 through the issuance of long-term bonds. See note 10 related to short-term debt.

PROJECTED BOND DEBT SERVICE REQUIREMENTS

The principal and interest expense for the next five years and beyond are projected below for bonds issued and outstanding:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,064,200,000	467,947,836	1,532,147,836
2027	469,210,000	439,380,029	908,590,029
2028	454,820,000	415,975,414	870,795,414
2029	411,900,000	393,761,450	805,661,450
2030	423,935,000	373,177,894	797,112,894
2031 – 2035	2,318,855,000	1,543,343,219	3,862,198,219
2036 – 2040	1,715,890,000	1,009,448,891	2,725,338,891
2041 – 2045	1,343,050,000	647,525,657	1,990,575,657
2046 – 2050	2,031,935,000	290,240,740	2,322,175,740
2051 – 2055	439,190,000	39,643,500	478,833,500
Total Requirements	\$ 10,672,985,000	5,620,444,630	16,293,429,630

The System's variable rate demand bonds mature at various dates through August 1, 2045. Outstanding principal balances on variable rate demand bonds may be classified as non-current liabilities if the issuer has entered into a "take-out agreement" to convert bonds "put" but not resold into some other form of long-term obligation. In the absence of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities. Although it is the System's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the System does not have "take-out" agreements in place. Accordingly, the System has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. The obligations totaled \$573,210,000 and \$596,045,000 at August 31, 2025 and 2024, respectively.

PLEDGED FUTURE REVENUES

The following table provides the pledged future revenue information for the System's bonds:

	2025	2024
Pledged Revenue Required for Future Principal and Interest on Existing Bonds	\$ 16,293,429,630	14,608,848,860
Term of Commitment Year Ending 8/31	2054	2054
Percentage of Specific Revenues Pledged	100%	100%
Current Year Pledged Revenue	\$ 20,802,770,811	19,170,301,347
Current Year Principal and Interest Paid	\$ 875,950,130	791,672,164

The following table provides the pledged future revenue information for Stephen F. Austin State University's (SFASU) bonds. See footnote 13 for specific details on all SFASU bonds outstanding:

	2025	2024
Pledged Revenue Required for Future Principal and Interest on Existing Bonds	\$ 219,750,670	\$ 241,395,304
Term of Commitment Year Ending 8/31	2048	2048
Percentage of Specific Revenues Pledged	100%	100%
Current Year Pledged Revenue	\$ 163,851,042	\$ 166,040,612
Current Year Principal and Interest Paid	\$ 21,644,634	\$ 21,636,581

DIRECT BORROWINGS

Certain direct borrowings to finance the purchase of property are capitalized at the present value of future minimum direct borrowing payments. The original capitalized cost of all such property financed with direct borrowings as of August 31, 2025 and 2024 is as follows:

Assets - Direct Borrowings	2025	2024
Furniture and Equipment	\$ 3,990,590	2,530,520
Less: Accumulated Depreciation	(1,824,039)	(1,022,555)
Buildings	16,856,906	16,856,906
Less: Accumulated Depreciation	(13,174,239)	(12,780,295)
Nondepreciable Collections	1,933,438	2,132,500
Total	<u>\$ 7,782,656</u>	<u>7,717,076</u>

Direct borrowing obligations are due in annual installments through 2046. The following is a schedule of the future minimum payments for direct borrowings at August 31, 2025.

Fiscal Year	Principal	Interest	Total
2026	\$ 2,694,496	176,421	2,870,917
2027	2,191,872	119,116	2,310,988
2028	1,284,862	81,339	1,366,201
2029	1,094,994	46,139	1,141,133
2030	620,208	16,684	636,892
2031 – 2035	—	—	—
Total Minimum Payments	<u>\$ 7,886,432</u>	<u>439,699</u>	<u>8,326,131</u>

POLLUTION REMEDIATION OBLIGATION

The University of Texas System Administration purchased contaminated land with plans to remediate. The estimated outlays for the pollution remediation are \$3,500,000 using the expected cash flow technique. These pollution remediation outlays qualify for capitalization and \$3,233,853 and \$3,178,725 were capitalized through August 31, 2025 and 2024 respectively. The purchase price of \$213,584,352 and total expected outlays did not exceed the fair market value of the uncontaminated property of \$232,290,000, and as such, no pollution remediation liability was established.

EMPLOYEES' COMPENSABLE LEAVE

Employees' compensable leave represents the System's liability for compensated absences as described in Note 4. The liability is reported in two components: (1) the amount estimated to be due within one year and (2) the amount estimated to be due in more than one year.

13. Bonded Indebtedness

At August 31, 2025 and 2024, the System had outstanding bonds payable of \$10,672,985,000 and \$9,552,880,000, respectively. Permanent University Fund bonds are secured by and payable from the System's interest in the Available University Fund, which consists of distributions from the investment income of the Permanent University Fund. Revenue Financing System debt is secured by and payable from Pledged Revenues as defined in the Master Resolution establishing the Revenue Financing System. Pledged Revenues consist of all lawfully available revenues, funds and balances, with certain exceptions, pledged to secure revenue-supported indebtedness issued under the Master Resolution.

Bonded Indebtedness	Interest Rates	Maturity Dates	Outstanding Principal
Permanent University Fund	2.000% - 5.250%	2026-2053	\$ 3,006,325,000
Revenue Financing System	2.000% - 5.134%	2026-2054	7,516,575,000
Revenue Financing System - Stephen F. Austin	2.010% - 5.000%	2026-2049	150,085,000

As of August 31, 2025, the following amounts were authorized, but unissued: Permanent University Fund bonds up to a maximum aggregate amount of \$975 million, authorized to be issued on or before August 20, 2026, and Revenue Financing System bonds up to a maximum aggregate amount of \$1.5 billion, authorized to be issued on or before August 21, 2026. All bonds issued by the System are defined as revenue bonds. Segment information as reported in footnote 27 is only applicable for SFASU as bonds associated with this entity are pledged exclusively by SFASU revenue. Segment information is not applicable for other bonds, due to the bond indentures' lack of specifically identifiable activities and external party imposed separate accounting requirements. General information related to bonds outstanding as of August 31, 2025, is summarized in the following table.

Bond Series	Purpose	Issue Date	Amount Issued
Permanent University Fund:			
Refunding Bonds, Series 2006B	To refund \$85,545,000 principal amount of Permanent University Fund Bonds, Series 2002B, maturing on July 1 in the years 2020 through 2022, both inclusive; to refund \$172,985,000 principal amount of Permanent University Fund Bonds, Series 2004B, maturing on July 1 in the years 2023, 2026 and 2028 through 2030, both inclusive; to refund \$51,905,000 principal amount of Permanent University Fund Bonds, Series 2005B, maturing on July 1 in the year 2035, and pay the cost of issuance	January 24, 2007	\$ 284,065,000
Refunding Bonds, Series 2015A	To refund \$50,390,000 principal amount of Permanent University Fund Refunding Bonds, Series 2005A, maturing on July 1 in the years 2016 through 2019, both inclusive; to refund \$72,720,000 principal amount of Permanent University Fund Bonds, Series 2005B, maturing on July 1 in the years 2018, 2019, 2034 and 2035; and to refund \$87,485,000 principal amount of Permanent University Fund Bonds, Series 2006C, maturing on July 1 in the years 2017 through 2035, both inclusive, and pay the cost of issuance	April 2, 2015	197,970,000
Bonds, Taxable Series 2015C	To refund \$125,500,000 principal amount of Permanent University Fund Taxable Commercial Paper Notes, Series B and pay the cost of issuance	December 9, 2015	126,020,000
Bonds, Series 2016A	To refund \$137,000,000 principal amount of Permanent University Fund Taxable Commercial Paper Notes, Series B and pay the cost of issuance	January 5, 2016	117,270,000
Bonds, Series 2016B	To refund \$319,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A and pay the cost of issuance	September 1, 2016	272,350,000
Bonds, Taxable Series 2017A	To refund \$81,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A, and to refund \$220,000,000 principal amount of Permanent University Fund Taxable Commercial Paper Notes, Series B and pay the cost of issuance	November 14, 2017	302,640,000
Bonds, Series 2022A	To refund \$417,700,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A and pay the cost of issuance	October 13, 2022	372,915,000
Bonds, Series 2023A	To refund \$240,340,000 of Permanent University Fund Bonds, Series 2014A, to refund \$176,000,000 of Permanent University Fund Commercial Paper Notes, Series A, and pay the cost of issuance	April 4, 2023	375,270,000

Bond Series	Purpose	Issue Date	Amount Issued
Bonds, Series 2024A	To refund \$62,660,000 principal amount of Permanent University Fund Bonds, Series 2014B, to refund \$65,665,000 principal amount of Permanent University Fund Bonds, Series 2015A, to refund \$336,300,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A, and pay the cost of issuance	April 2, 2024	412,570,000
Bonds, Series 2024B	To refund \$150,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A, to refund \$324,905,000 principal amount of Permanent University Fund Bonds, Series 2008A, and pay the cost of issuance	June 5, 2024	413,230,000
Bonds, Series 2025A	To refund \$250,000,000 principal amount of Permanent University Fund Taxable Bonds, Series 2009A, \$131,930,000 principal amount of Permanent University Fund Bonds, Series 2015B, \$68,715,000 principal amount of Permanent University Fund Bonds, Series 2016A, \$240,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A, and pay the costs of issuance	April 2, 2025	631,860,000
Revenue Financing System:			
Taxable Bonds, Series 2010C	To provide new money of \$600,741,596 and pay the cost of issuance	September 23, 2010	604,310,000
Taxable Bonds, Series 2010D	To refund \$349,415,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, provide new money of \$163,441,000 and pay the cost of issuance	June 30, 2010	516,245,000
Bonds, Series 2014A	To refund \$179,411,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, provide new money of \$103,148,328 and pay the cost of issuance	May 1, 2014	259,135,000
Refunding Bonds, Series 2014B	To refund \$261,840,000 principal amount of portions of Revenue Financing System Bonds, 2006B, 2006D and 2006F, and pay the cost of issuance	November 24, 2014	250,700,000
Bonds, Taxable Series 2016A	To refund \$48,494,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, to refund \$107,630,000 principal amount of Revenue Financing System Taxable Commercial Paper Notes, Series B, provide new money of \$98,745,350 and pay the cost of issuance	January 14, 2016	255,825,000
Bonds, Series 2016B	To refund \$105,478,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, provide new money of \$118,490,125 and pay the cost of issuance	January 22, 2016	206,040,000
Refunding Bonds, Series 2016C	To refund \$87,145,000 principal amount of Revenue Financing System Bonds, Series 2008A, provide new money of \$64,800,000 and pay the cost of issuance	May 10, 2016	133,240,000
Bonds, Series 2016D	To provide new money of \$260,000,000 and pay the cost of issuance	July 1, 2016	213,180,000
Bonds, Series 2016E	To provide new money of \$245,000,000 and pay the cost of issuance	August 22, 2016	196,215,000
Bonds, Series 2016F	To refund \$465,019,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the cost of issuance	September 1, 2016	376,030,000

Bond Series	Purpose	Issue Date	Amount Issued
Refunding Bonds, Series 2016H	To refund \$266,640,000 principal amount of portions of Revenue Financing System Bonds, 2006D and 2006F, and pay the cost of issuance	November 17, 2016	233,350,000
Bonds, Series 2016J	To provide new money of \$352,832,000 and pay the cost of issuance	January 4, 2017	306,925,000
Bonds, Taxable Series 2017A	To refund \$349,000,000 principal amount of Revenue Financing System Taxable Commercial Paper Notes, Series B, and pay the cost of issuance	September 14, 2017	350,815,000
Bonds, Series 2017B	To refund \$87,455,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, to refund \$191,664,000 principal amount of Revenue Financing System Taxable Commercial Paper Notes, Series B, and pay the cost of issuance	October 24, 2017	265,490,000
Refunding Bonds, Series 2017C	To refund \$265,855,000 principal amount of portions of Revenue Financing System Bonds, 2009D, 2012A and 2012B, and pay the cost of issuance	December 7, 2017	258,465,000
Refunding Bonds, Series 2019A	To refund \$386,785,000 principal amount of portions of Revenue Financing System Bonds, 2009B and 2014B, and pay the cost of issuance	June 13, 2019	320,435,000
Bonds, Series 2019B	To refund \$449,478,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the cost of issuance	July 18, 2019	318,715,000
Bonds, Series 2020A	To refund \$381,590,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, to refund \$99,530,000 of Revenue Financing System Bonds, Series 2016F and pay the cost of issuance	April 14, 2020	347,580,000
Bonds, Taxable Series 2020B	To refund \$159,500,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, to refund \$139,412,000 principal amount of Revenue Financing System Taxable Commercial Paper Notes, Series B and pay the cost of issuance	May 29, 2020	300,805,000
Bonds, Series 2020C	To refund \$98,800,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, to refund \$28,405,000 of Revenue Financing System Bonds, Series 2017B and pay the cost of issuance	June 16, 2020	101,065,000
Bonds, Series 2021A	To refund \$300,000,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, to refund \$115,000,000 of Revenue Financing System Bonds, Series 2016B and pay the cost of issuance	May 19, 2021	381,865,000
Bonds, Series 2022A	To refund \$194,911,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, to refund \$11,920,000 of Revenue Financing System Bonds, Series 2012A, to refund \$76,855,000 of Revenue Financing System Bonds, Series 2012B and pay the cost of issuance	May 18, 2022	256,395,000
Bonds, Series 2023A	To refund \$389,340,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the cost of issuance	June 21, 2023	337,915,000

Bond Series	Purpose	Issue Date	Amount Issued
Bonds, Series 2024A	To refund \$283,520,000 principal amount of Revenue Financing System Bonds, Series 2007B, to refund \$198,135,000 principal amount of Revenue Financing System Bonds, Series 2014A, to refund \$106,960,000 principal amount of Revenue Financing System Bonds, Series 2014B, to refund \$294,653,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the cost of issuance	May 21, 2024	801,735,000
Bonds, Series 2024B	To refund \$467,500,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the costs of issuance	October 17, 2024	535,535,000
Bonds, Series 2025A	To refund \$409,063,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the costs of issuance	February 19, 2025	387,825,000
Bonds, Series 2025B	To refund, through purchasing and canceling via a tender offer, \$50,000,000 principal amount of Revenue Financing System Bonds, Series 2016F and \$200,355,000 principal amount of Revenue Financing System Bonds, Series 2021A, to current refund \$572,499,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the costs of issuance	July 2, 2025	694,175,000
Revenue Financing System - Stephen F. Austin:			
SFA Revenue Refunding Bonds, Series 2015 (Direct Placement)	<p>To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2005 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2005A</p> <p>Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.</p> <p>Changes in Debt: Principal paid during fiscal year \$5,015,000; Outstanding at year end \$10,340,000.</p>	May 1, 2015	48,410,000
SFA Revenue Refunding and Improvement Bonds, Series 2016	<p>To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2008 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2009, and provide funds to construct a new STEM building to house the University's Science, Technology, Engineering and Mathematics departments, and pay the cost of issuance</p> <p>Source of revenue for debt service: Pledged Student Tuition; Pledged Student Center Fees; and Other Pledged Revenues.</p> <p>Changes in Debt: Principal paid during fiscal year \$3,480,000; Outstanding at year end \$38,205,000.</p>	September 29, 2016	61,205,000

Bond Series	Purpose	Issue Date	Amount Issued
SFA Bonds, Series 2019A	<p>To provide funds to construct a new basketball practice facility; to construct a new welcome and student support center; to expand buildings utilized by the College of Fine Arts; to construct a new student residential facility, and pay the cost of issuance</p> <p>Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.</p> <p>Changes in Debt: Principal paid during fiscal year \$1,345,000; Outstanding at year end \$88,795,000.</p>	February 6, 2019	94,290,000
SFA Bonds, Taxable Series 2019B	<p>To provide funds to construct a new dining facility and pay the cost of issuance</p> <p>Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.</p> <p>Changes in Debt: Principal paid during fiscal year \$815,000; Outstanding at year end \$12,380,000.</p>	February 6, 2019	15,925,000
SFA Refunding Bonds, Series 2020	<p>To refund a portion of outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Bonds, Series 2010, and pay the cost of issuance</p> <p>Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.</p> <p>Changes in Debt: Principal paid during fiscal year \$1,865,000; Outstanding at year end \$13,365,000.</p>	October 28, 2020	15,935,000

DEMAND BONDS

Revenue Financing System Bonds, Series 2008B and Revenue Financing System Bonds, Taxable Series 2016G are variable rate demand bonds with an option to tender on seven days' notice. The System has entered into corresponding interest rate swap agreements to convert the System's interest rate exposure to a fixed rate. The Revenue Financing System Bonds, Series 2008B and the corresponding swap agreements extend to August 1, 2039. The Revenue Financing System Bonds, Taxable Series 2016G and the corresponding swap agreements extend to August 1, 2045. The Board of Regents is obligated to pay the purchase price of demand bonds tendered for purchase and not remarketed by using lawfully available funds. General information related to demand bonds outstanding as of August 31, 2025 is summarized in the following table:

Bond Series	Purpose	Issue Date	Amount Issued
Revenue Financing System:			
Bonds, Series 2008B	To refund \$461,922,000 of Revenue Financing System Commercial Paper Notes, Series A and \$34,715,000 of Revenue Financing System Bonds, Series 1998B, provide \$182,590,000 of new money to finance the costs of campus improvements, and pay costs of issuance	March 18, 2008	685,485,000
Bonds, Taxable Series 2016G	To refund \$250,000,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the cost of issuance	September 15, 2016	250,000,000

BUILD AMERICA BONDS

The American Recovery and Reinvestment Act of 2009 authorized the issuance of Build America Bonds (BABs), whereby certain issuers are authorized to issue taxable bonds and receive from the federal government a subsidy equal to 35% of the interest payments on Direct Payment BABs reduced by the applicable federal sequestration reduction rate. The System did not issue any BABs during 2025 or 2024. The System had \$809,275,000 and \$1,092,780,000 of BABs outstanding at August 31, 2025 and 2024, respectively.

EARLY EXTINGUISHMENTS IN FISCAL YEAR 2025

Revenue Financing System Bonds, Series 2024B were issued on October 17, 2024, to current refund \$467,500,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A and to pay the costs of issuance related thereof.

- Net proceeds related to the issuance were \$592,695,700, which represents the principal amount of the 2024B Bonds of \$535,535,000, plus an original issue premium of \$58,771,506, less an underwriting discount of \$1,610,806. The net proceeds were used to pay costs of issuance of \$472,975, to deposit \$125,000,000 in a construction fund to finance various projects, and to purchase \$467,222,725 of eligible defeasance securities for the refunded notes.
- The refunded notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting gain of \$277,275 resulted from the transaction as the reacquisition price of \$467,222,725 was below the net carrying amount of \$467,500,000 par value.

Revenue Financing System Bonds, Series 2025A were issued on February 19, 2025, to current refund \$409,063,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A and to pay the costs of issuance related thereof.

- Net proceeds related to the issuance were \$411,509,904, which represents the principal amount of the 2025A Bonds of \$387,825,000, plus an original issue premium of \$24,746,462, less an underwriting discount of \$1,061,558. The net proceeds were used to pay costs of issuance of \$418,075, to purchase \$411,091,828 of eligible defeasance securities and to deposit \$1 with the escrow agent for the refunded notes.
- The refunded notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting loss of \$2,028,829 resulted from the transaction as the reacquisition price of \$411,091,829 exceeded the net carrying amount of \$409,063,000 par value.

Permanent University Fund Bonds, Series 2025A were issued on April 2, 2025, to current refund \$250,000,000 principal amount of Permanent University Fund Taxable Bonds, Series 2009A, \$131,930,000 principal amount of Permanent University Fund Bonds, Series 2015B, \$68,715,000 principal amount of Permanent University Fund Bonds, Series 2016A, \$240,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A and to pay the costs of issuance related thereof.

- Net proceeds related to the issuance were \$697,158,810, which represents the principal amount of the 2025A Bonds of \$631,860,000, plus an original issue premium of \$67,003,273, less an underwriting discount of \$1,704,463. The net proceeds were used to pay costs of issuance of \$318,070, to deposit \$253,325,292 with the paying agent for the Series 2009A Bonds to defease the Series 2009A Bonds, and to purchase \$443,515,448 of eligible defeasance securities for the refunded bonds and notes.
- The refunded bonds and notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting loss of \$3,765,979 resulted from the transaction as the reacquisition price of \$696,840,740 exceeded the net carrying amount of \$690,645,000 par value and \$2,429,761 unamortized original issue premium on refunded debt.
- As a result of this refunding, the System reduced its future debt service payments by \$20,813,009 from closing through July 1, 2039, and an economic gain from the transaction resulted in a net present value savings of \$14,015,082 between the old and new debt service payments.

Revenue Financing System Bonds, Series 2025B were issued on July 2, 2025, to refund, through purchasing and canceling via a tender offer, \$50,000,000 principal amount of Revenue Financing System Bonds, Series 2016F and \$200,355,000 principal amount of Revenue Financing System Bonds, Series 2021A, to current refund \$572,499,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A and to pay the costs of issuance related thereof.

- Net proceeds related to the issuance were \$747,693,321, which represents the principal amount of the 2025B Bonds of \$694,175,000, plus an original issue premium of \$55,488,078, less an underwriting discount of \$1,969,757. Of the net proceeds, \$1,266,902 was used to pay costs of issuance, \$172,879,412 was used to purchase the Series 2016F and Series 2021A tendered bonds, and \$573,547,007 was used to purchase eligible defeasance securities for the refunded notes.
- The refunded notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position. The purchased bonds were canceled on July 2, 2025, and are no longer outstanding.
- An accounting net gain of \$94,400,708 resulted from the transaction as the reacquisition price of \$746,426,419 was below the net carrying amount of \$822,854,000 par value, \$18,224,043 unamortized original issue premium, and \$250,916 unamortized loss on refunded debt.
- As a result of this tender refunding, the System reduced its future debt service payments by \$34,467,528 from closing through August 15, 2051, and an economic gain from the transaction resulted in a net present value savings of \$5,005,811 between the old and new debt service payments.

EARLY EXTINGUISHMENTS IN FISCAL YEAR 2024

Permanent University Fund Bonds, Series 2024A were issued on April 2, 2024, to current refund \$62,660,000 principal amount of Permanent University Fund Bonds, Series 2014B, \$65,665,000 principal amount of Permanent University Fund Bonds, Series 2015A, \$336,300,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A and to pay the costs of issuance related thereof.

- Net proceeds related to the issuance were \$466,742,949, which represents the principal amount of the 2024A Bonds of \$412,570,000, plus an original issue premium of \$55,326,617, less an underwriting discount of \$1,153,668. The net proceeds were used to pay costs of issuance of \$314,620, to purchase \$466,428,327 of eligible defeasance securities and to deposit \$2 with the escrow agent for the refunded bonds and notes.
- The refunded bonds and notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.

- An accounting loss of \$1,270,765 resulted from the transaction as the reacquisition price of \$466,428,329 exceeded the net carrying amount of \$464,625,000 par value and \$532,564 unamortized original issue premium on refunded debt.
- As a result of this refunding, the System reduced its future debt service payments by \$21,269,253 from closing through July 1, 2033, and an economic gain from the transaction resulted in a net present value savings of \$11,236,277 between the old and new debt service payments.

Revenue Financing System Bonds, Series 2024A were issued on May 21, 2024, to current refund \$283,520,000 principal amount of Revenue Financing System Bonds, Series 2007B, \$198,135,000 principal amount of Revenue Financing System Bonds, Series 2014A, \$106,960,000 principal amount of Revenue Financing System Bonds, Series 2014B, \$294,653,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A and to pay the costs of issuance related thereof. In connection with this transaction, the System terminated two hedging derivatives associated with Revenue Financing System Bonds, Series 2007B.

- Net proceeds related to the issuance were \$888,749,706, which represents the principal amount of the 2024A Bonds of \$801,735,000, plus an original issue premium of \$89,220,157, less an underwriting discount of \$2,205,451. The net proceeds along with System contribution of \$65,688 were used to pay costs of issuance of \$574,324, to deposit \$284,073,715 with the paying agent for the Series 2007B Bonds to defease the Series 2007B Bonds, to purchase \$604,167,354 of eligible defeasance securities and to deposit \$1 with the escrow agent for the refunded bonds and notes.
- The refunded bonds and notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting loss of \$13,148,471 resulted from the transaction as the reacquisition price of \$888,241,070 exceeded the net carrying amount of \$883,268,000 par value, \$1,429,143 unamortized original issue premium, \$304,544 unamortized loss on refunding, and \$9,300,000 associated hedges on refunded debt.
- As a result of this refunding, the System reduced its future debt service payments by \$65,358,554 from closing through August 15, 2044, and an economic gain from the transaction resulted in a net present value savings of \$36,918,153 between the old and new debt service payments.

Permanent University Fund Bonds, Series 2024B were issued on June 5, 2024, to current refund \$150,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A, \$324,905,000 principal amount of Permanent University Fund Bonds, Series 2008A, and to pay the costs of issuance related thereof. In connection with this transaction, the System terminated two hedging derivatives and two investment derivatives associated with Permanent University Fund Bonds, Series 2008A.

- Net proceeds related to the issuance were \$475,058,282, which represents the principal amount of the 2023A Bonds of \$413,230,000, plus an original issue premium of \$62,956,652, less an underwriting discount of \$1,128,370. The net proceeds along with a System contribution of \$59,566 were used to pay costs of issuance of \$380,838, to deposit \$324,964,566 with the paying agent for the refunded bonds, to purchase \$149,772,433 of eligible defeasance securities and to deposit \$11 with the escrow agent for the refunded notes.
- The refunded bonds and notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting loss of \$16,693,533 resulted from the transaction as the reacquisition price of \$474,737,010 exceeded the net carrying amount of \$474,905,000 par value, \$218,477 unamortized gain on refunding, and \$17,080,000 associated hedges on refunded debt.
- As a result of this refunding, the System reduced its future debt service payments by \$24,245,574 from closing through July 1, 2038, and an economic gain from the transaction resulted in a net present value savings of \$4,700,307 between the old and new debt service payments.

DERIVATIVE INSTRUMENTS – HEDGING DERIVATIVE INSTRUMENT INTEREST RATE SWAPS

All interest rate swaps are valued using the fair value hierarchy of level 2. The System has calculated the fair value of the interest rate swaps using a forecast of expected discounted future net cash flows and considered the nonperformance risk of the parties. The following table outlines the terms of the System's hedging derivative instrument interest rate swap agreements in effect at August 31, 2025:

Interest Rate Swaps- by Type	Hedgeable Item	Current Notional	Effective Date	Maturity Date	Terms*	Embedded Options?	Cash Paid or Received	Counterparty Credit Rating (Moody's/S&P)	Weighted Average Maturity As of 08/31/25
Pay Fixed; Receive Variable	RFS Bonds 2008B	\$ 85,430,000	3/18/2008	8/1/2036	Pay 3.900%; receive SIFMA	No	No	Aa2/AA-	7.2 yrs
	RFS Bonds 2008B	85,430,000	3/18/2008	8/1/2036	Pay 3.900%; receive SIFMA	No	No	Aa3/A+	7.2 yrs
	RFS Bonds 2008B	152,350,000	3/18/2008	8/1/2039	Pay 3.614%; receive SIFMA	No	No	Aa2/AA-	7.4 yrs
	RFS Bonds 2016G	250,000,000	12/1/2016	8/1/2045	Pay 2.000%; receive 100% of SOFR + 0.1145%	No	No	Aa3/A+	19.9 yrs
Receive Fixed; Pay Variable	PUF Bonds 2023A	128,180,000	9/1/2023	7/1/2033	Pay SIFMA; receive 3.250%	No	No	Aa2/A+	7.3 yrs
TOTAL		\$ 701,390,000							

*Secured Overnight Financing Rate (SOFR)
Securities Industry and Financial Markets Association (SIFMA)
USD-Federal Funds-H.15 (Fed Funds)

The following table outlines the terms of the System's hedging derivative instrument interest rate swap agreements in effect at August 31, 2024:

Interest Rate Swaps- by Type	Hedgeable Item	Current Notional	Effective Date	Maturity Date	Terms*	Embedded Options?	Cash Paid or Received	Counterparty Credit Rating (Moody's/S&P)	Weighted Average Maturity As of 08/31/2024
Pay Fixed; Receive Variable									
	RFS Bonds 2008B	\$ 90,240,000	3/18/2008	8/1/2036	Pay 3.900%; receive SIFMA	No	No	Aa2/A+	7.9 yrs
	RFS Bonds 2008B	90,240,000	3/18/2008	8/1/2036	Pay 3.900%; receive SIFMA	No	No	A1/A-	7.9 yrs
	RFS Bonds 2008B	165,565,000	3/18/2008	8/1/2039	Pay 3.614%; receive SIFMA	No	No	Aa2/A+	7.8 yrs
	RFS Bonds 2016G	250,000,000	12/1/2016	8/1/2045	Pay 2.000%; receive 100% of SOFR + 0.1145%	No	No	Aa3/A+	20.9 yrs
Receive Fixed; Pay Variable									
	PUF Bonds 2023A	128,180,000	9/1/2023	7/1/2033	Pay SIFMA; receive 3.250%	No	No	Aa2/A+	8.3 yrs
TOTAL		<u>\$ 724,225,000</u>							

*Secured Overnight Financing Rate (SOFR)
Securities Industry and Financial Markets Association (SIFMA)
USD-Federal Funds-H.15 (Fed Funds)

The following is the fair value of the derivative instrument agreements related to debt in effect at August 31, 2025 based on the zero-coupon method and the classification of change in fair value from the previous fiscal year:

Derivative Instruments by Type	Hedgeable Item	Current Notional	Accrued Interest (through 08/31/2025)	Fair Value as of 08/31/2025	Fair Value as of 08/31/2024	Change in Fair Value 08/31/2024 - 08/31/2025	Change in Fair Value Recorded as
Hedging Derivative Assets							
	PUF Bonds 2023A	\$ 128,180,000	(199,991)	2,927,142	4,479,930	(1,552,788)	Def Inflow
	RFS Bonds 2016G	250,000,000	(530,279)	68,045,139	54,390,109	13,655,030	Def Inflow
		<u>378,180,000</u>	<u>(730,270)</u>	<u>70,972,281</u>	<u>58,870,039</u>	<u>12,102,242</u>	
Hedging Derivative Liabilities							
	RFS Bonds 2008B	85,430,000	100,819	(4,850,390)	(6,893,094)	2,042,704	Def Outflow
	RFS Bonds 2008B	85,430,000	100,819	(4,850,390)	(6,893,094)	2,042,704	Def Outflow
	RFS Bonds 2008B	152,350,000	143,483	(5,161,333)	(8,833,126)	3,671,793	Def Outflow
		<u>323,210,000</u>	<u>345,121</u>	<u>(14,862,113)</u>	<u>(22,619,314)</u>	<u>7,757,201</u>	
Investment Derivatives-Asset Positions							
	PUF Bonds 2006B	180,350,000	(188,487)	705,560	1,419,007	(713,447)	Incr./Decr. in Fair Value of Inv
	RFS Bonds 2008B	90,270,000	(255,621)	6,894,114	8,098,289	(1,204,175)	Incr./Decr. in Fair Value of Inv
	RFS Bonds 2008B	92,045,000	(232,037)	2,496,857	3,131,559	(634,702)	Incr./Decr. in Fair Value of Inv
	RFS Bonds 2008B	117,190,000	(334,654)	7,212,774	8,581,204	(1,368,430)	Incr./Decr. in Fair Value of Inv
		<u>479,855,000</u>	<u>(1,010,799)</u>	<u>17,309,305</u>	<u>21,230,059</u>	<u>(3,920,754)</u>	
TOTAL		<u>\$ 1,181,245,000</u>	<u>(1,395,948)</u>	<u>73,419,473</u>	<u>57,480,784</u>	<u>15,938,689</u>	

The following is the fair value of the derivative instrument agreements related to debt in effect at August 31, 2024 based on the zero-coupon method and the classification of change in fair value from the previous fiscal year:

Derivative Instruments by Type	Hedgeable Item	Current Notional	Accrued Interest (through 08/31/2024)	Fair Value as of 08/31/2024	Fair Value as of 08/31/2023	Change in Fair Value 08/31/2023 - 08/31/2024	Change in Fair Value Recorded as
Hedging Derivative Assets							
	PUF Bonds 2023A	\$ 128,180,000	10,577	4,479,930	540,818	3,939,112	Def Inflow
	RFS Bonds 2016G	250,000,000	(739,737)	54,390,109	57,075,740	(2,685,631)	Def Inflow
	RFS Taxable CP	—	—	—	73,163,180	(73,163,180)	Def Inflow
		<u>378,180,000</u>	<u>(729,160)</u>	<u>58,870,039</u>	<u>130,779,738</u>	<u>(71,909,699)</u>	
Hedging Derivative Liabilities							
	PUF Bonds 2008A	—	—	—	(7,713,532)	7,713,532	Def Outflow
	PUF Bonds 2008A	—	—	—	(7,169,550)	7,169,550	Def Outflow
	RFS Bonds 2007B	—	—	—	(4,905,722)	4,905,722	Def Outflow
	RFS Bonds 2007B	—	—	—	(4,545,722)	4,545,722	Def Outflow
	RFS Bonds 2008B	90,240,000	31,954	(6,893,094)	(4,820,866)	(2,072,228)	Def Outflow
	RFS Bonds 2008B	90,240,000	31,954	(6,893,094)	(4,820,866)	(2,072,228)	Def Outflow
	RFS Bonds 2008B	165,565,000	19,167	(8,833,126)	(5,412,397)	(3,420,729)	Def Outflow
		<u>346,045,000</u>	<u>83,075</u>	<u>(22,619,314)</u>	<u>(39,388,655)</u>	<u>16,769,341</u>	
Investment Derivatives- Asset Positions							
	PUF Bonds 2006B	180,350,000	(162,126)	1,419,007	1,199,420	219,587	Incr./Decr. in Fair Value of Inv
	PUF Bonds 2008A	—	—	—	8,123,820	(8,123,820)	Incr./Decr. in Fair Value of Inv
	PUF Bonds 2008A	—	—	—	11,138,314	(11,138,314)	Incr./Decr. in Fair Value of Inv
	RFS Bonds 2008B	90,270,000	(179,846)	8,098,289	7,977,272	121,017	Incr./Decr. in Fair Value of Inv
	RFS Bonds 2008B	92,045,000	(154,850)	3,131,559	3,846,609	(715,050)	Incr./Decr. in Fair Value of Inv
	RFS Bonds 2008B	117,190,000	(236,273)	8,581,204	8,991,668	(410,464)	Incr./Decr. in Fair Value of Inv
		<u>479,855,000</u>	<u>(733,095)</u>	<u>21,230,059</u>	<u>41,277,103</u>	<u>(20,047,044)</u>	
TOTAL		<u>\$ 1,204,080,000</u>	<u>(1,379,180)</u>	<u>57,480,784</u>	<u>132,668,186</u>	<u>(75,187,402)</u>	

Derivative Instrument Objectives

Derivative Instruments by Type	Hedgeable Item	Current Notional	Objective	Effective at 08/31/2025	Evaluation for Effectiveness
Hedging Derivative Instruments	PUF Bonds 2023A	\$ 128,180,000	Hedge changes in fair value of Series 2023A bonds	Yes	Consistent Critical Terms
	RFS Bonds 2008B	85,430,000	Hedge changes in cash flows on Series 2008B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2008B	85,430,000	Hedge changes in cash flows on Series 2008B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2008B	152,350,000	Hedge changes in cash flows on Series 2008B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2016G	250,000,000	Hedge changes in cash flows on Series 2016G bonds	Yes	Consistent Critical Terms
Investment Derivative Instruments	PUF Bonds 2006B	180,350,000	Manage changes in cash flows on Series 2006B bonds	N/A	N/A
	RFS Bonds 2008B	90,270,000	Manage changes in cash flows on Series 2008B bonds	N/A	N/A
	RFS Bonds 2008B	92,045,000	Manage changes in cash flows on Series 2008B bonds	N/A	N/A
	RFS Bonds 2008B	117,190,000	Manage changes in cash flows on Series 2008B bonds	N/A	N/A
TOTAL		<u>\$ 1,181,245,000</u>			

Derivative Instrument Objectives

Derivative Instruments by Type	Hedgeable Item	Current Notional	Objective	Effective at 08/31/2024	Evaluation for Effectiveness
Hedging Derivative Instruments					
	PUF Bonds 2023A	\$ 128,180,000	Hedge changes in fair value of Series 2023A bonds	Yes	Consistent Critical Terms
	RFS Bonds 2008B	90,240,000	Hedge changes in cash flows on Series 2008B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2008B	90,240,000	Hedge changes in cash flows on Series 2008B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2008B	165,565,000	Hedge changes in cash flows on Series 2008B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2016G	250,000,000	Hedge changes in cash flows on Series 2016G bonds	Yes	Consistent Critical Terms
Investment Derivative Instruments					
	PUF Bonds 2006B	180,350,000	Manage changes in cash flows on Series 2006B bonds	N/A	N/A
	RFS Bonds 2008B	90,270,000	Manage changes in cash flows on Series 2008B bonds	N/A	N/A
	RFS Bonds 2008B	92,045,000	Manage changes in cash flows on Series 2008B bonds	N/A	N/A
	RFS Bonds 2008B	117,190,000	Manage changes in cash flows on Series 2008B bonds	N/A	N/A
TOTAL		\$ 1,204,080,000			

The fair value of interest rate swaps reported as investment derivative instruments-asset positions of \$17,309,305 and \$21,230,059 as of August 31, 2025 and 2024, respectively, is included on the consolidated statement of net position as noncurrent unrestricted investments and in the summary of investments in Note 6. System had no interest rate swaps reported as investment derivative instruments liability positions as of August 31, 2025 and 2024. The change in fair value of interest rate swaps reported as investment derivative instruments are included in investment income on the consolidated statement of revenues, expenses and changes in net position. For the years ending August 31, 2025 and 2024, the change in fair value of interest rate swaps reported as investment derivative instruments was a decrease in the amount of \$3,920,754 and a decrease in the amount of \$20,047,044, respectively.

Hedging Derivative Instrument and Investment Derivative Instrument Risks

Credit Risk: The System is exposed to credit risk if the counterparty to an interest rate swap fails to meet the terms and obligations of its contracts. Contracts with a positive fair value expose the System to credit risk. The System faces a maximum possible loss equivalent to the amount of the swap contract's fair value, less any collateral held by the System provided by the counterparty. Contracts with a negative fair value do not expose the System to credit risk. All of the counterparties associated with swap contracts with the System are creditworthy financial institutions. Additionally, each of the System's swap counterparties has agreed to provide collateral to the System to the extent the positive value before considering nonperformance risk of the parties exceeds certain threshold amounts. Should a counterparty fail to meet its contractual agreements, or if the System's credit rating falls below investment grade (Baa2 by Moody's or BBB by S&P), the System could be required to pay or receive a substantial termination payment. As of August 31, 2025, the System's credit ratings were Aaa by Moody's and AAA by S&P. The System does not have to post collateral due to changes in fair value of its swap agreements unless the System does not have a credit rating or the System commits a specified event of default and the event of default is continuing. As of August 31, 2025, the maximum loss due to credit risk was \$20,149,759. It is the System's policy to require counterparty collateral posting provisions in its non-exchange-traded derivative instruments. These terms require collateralization of the aggregate value of derivative instruments in asset positions, net of the effect of applicable threshold amounts based on each counterparty's credit rating. It is the System's policy to require counterparty collateral posting provisions in its non-exchange-traded derivative instruments. These terms require collateralization of the aggregate value of derivative instruments in asset positions, net of the effect of applicable threshold amounts based on each counterparty's credit rating. Posted collateral can be in the form of cash, U.S. Treasury or U.S. agency securities held directly by the System or by the System's third-party custodian. The System has not entered into master netting arrangements.

Bankruptcy Risk: The System is exposed to bankruptcy risk of its swap counterparties. The amount of any termination the System would receive, if a termination payment is owed, would be subject to the swap counterparty's ability to make the required payment. Upon the swap counterparty's bankruptcy, the System's obligation to make payments, the timing of termination, and the valuation of the swap upon termination may be affected by relevant bankruptcy law.

Interest Rate Risk: Interest rate risk involves the risk that the value of the System's interest rate swaps will fluctuate because of changes in interest rates. The value of interest rate swap agreements with a longer weighted average maturity tend to be more sensitive to changing interest rates, and therefore, more volatile than those with shorter maturities.

Basis Risk: The System is exposed to basis risk when the variable rate received under an interest rate swap does not match the variable rate paid on hedged bonds. The interest rate on the System's variable rate bonds is a tax-exempt interest rate based on the System's credit ratings. The variable receipt on the System's interest rate swaps is based on either a tax-exempt index (SIFMA) or a taxable index (SOFR). Tax-exempt interest rates can change without a corresponding change in taxable interest rates due to factors affecting the tax-exempt market that do not have a similar effect on the taxable market.

Index Risk: The System is exposed to risk that the method of establishing SOFR, the Thomson Municipal Market Data (MMD) or the SIFMA index could change over time. A change in SOFR, MMD or the SIFMA index may affect the rate that the System pays or receives on certain interest rate swaps.

Liquidity Risk: The System is exposed to risk that, under certain market conditions, the System may be unable to terminate, assign or novate an interest rate swap. The System may not amend, assign or novate a swap without the swap counterparty's consent. There can be no assurance that another party will be willing to accept an assignment or novation of the System's interest rate swap.

Termination Risk: Termination risk is the risk that the swap may be terminated prior to its scheduled maturity date as a result of certain specified events. None of the System's interest rate swaps are subject to automatic early termination. The System is subject to termination risk if the System's credit rating falls below investment grade (Baa2 by Moody's or BBB by S&P), or if the System commits a specified event of default or other specified event of termination. The System has the right to optionally terminate any of its swaps at any time. At termination, if the fair value of the swap is negative, the System would be liable to pay a termination payment to the appropriate counterparty in the amount of the swap's fair value. If the fair value of the swap is positive at termination, the counterparty would owe a termination payment to the System in the amount of the swap's fair value.

Amortization Risk: Amortization risk is the risk caused by a mismatch between the amortization of a derivative instrument contract and the underlying hedged bonds. The System is not exposed to amortization risk by exactly matching the notional amounts and amortization schedules of its swap contracts with the principal amounts and amortization schedules of the associated hedged bonds.

Market Access Risk: Each swap associated with underlying variable rate debt that is subject to tender at the option of the bondholder is subject to market access risk. In the event the System is unable to remarket its variable rate bonds, the System may choose to refund the variable rate bonds with fixed-rate bonds and optionally terminate the related interest rate swap agreements. Should an early termination event occur, the System could be required to pay or to receive a substantial termination payment. As of August 31, 2025, the System had market access risk associated with \$573,210,000 aggregate notional amount of pay-fixed, receive-variable interest rate swaps used to hedge interest rate risk on variable rate bonds subject to tender. As of August 31, 2025, the System's variable rate bonds carried the highest short-term ratings from Moody's and S&P of VMIG1 and A-1+, respectively.

Hedging Derivative Instrument Swap Scheduled Payments

The following tables reflect the scheduled payments on the hedging derivative instrument swap agreements which differ from the presentation in the projected bond debt service requirements table for the related demand bonds and commercial paper. The debt service requirements reflect the entire outstanding balance of the demand bonds in 2026 because the bonds are supported by internal liquidity.

As of August 31, 2025				
Fiscal Year	Associated Variable Rate Bonds and Commercial Paper		Pay-Fixed Receive-Variable Interest Rate Swaps ³	Total
	Principal ¹	Interest ²		
2026	\$ 23,705,000	19,291,878	(2,790,364)	40,206,514
2027	24,605,000	18,663,695	(3,028,774)	40,239,921
2028	25,535,000	18,011,663	(3,276,512)	40,270,151
2029	20,850,000	17,334,985	(3,532,843)	34,652,142
2030	21,055,000	16,782,460	(3,749,189)	34,088,271
2031 - 2035	117,190,000	75,162,735	(22,220,350)	170,132,385
2036 - 2040	90,270,000	59,290,970	(28,765,011)	120,795,959
2041 - 2045	250,000,000	54,062,500	(30,681,000)	273,381,500

¹ Reflects scheduled principal and interest payments of Revenue Financing System Bonds, Series 2008B, and Revenue Financing System Bonds, Taxable Series 2016G to be optionally or mandatorily redeemed in the fiscal years reflected.

² Annual debt service requirements are computed using the System's interest rates in effect on August 31, 2025, on its Series 2008A Bonds and Series 2016G Bonds.

³ Reflects net payments on pay-fixed, receive-variable interest rate swaps based on static interest rate environment as of August 31, 2025, and applied on the respective notional amounts of the swaps through their respective termination dates.

As of August 31, 2025

Fiscal Year	Associated Fixed Rate Bonds¹		Receive-Fixed Pay-Variable Interest Rate Swaps²	Total
	Principal	Interest		
2026	\$ —	6,409,000	(666,536)	5,742,464
2027	—	6,409,000	(666,536)	5,742,464
2028	—	6,409,000	(666,536)	5,742,464
2029	—	6,409,000	(666,536)	5,742,464
2030	—	6,409,000	(666,536)	5,742,464
2031 - 2035	128,180,000	16,100,750	(1,674,478)	142,606,272

¹Reflects scheduled principal and interest payments of Permanent University Fund Bonds, Series 2023A maturing in the fiscal years reflected.

²Reflects net payments on receive-fixed, pay-variable interest rate swaps based on static interest rate environment as of August 31, 2025, and applied on the respective notional amounts of the swaps through their respective termination dates.

As of August 31, 2024

Fiscal Year	Associated Variable Rate Bonds and Commercial Paper		Pay-Fixed Receive-Variable Interest Rate Swaps³	Total
	Principal¹	Interest²		
2025	\$ 22,835,000	23,484,975	(5,668,475)	40,651,500
2026	23,705,000	22,799,925	(5,854,463)	40,650,462
2027	24,605,000	22,088,775	(6,047,833)	40,645,942
2028	25,535,000	21,350,625	(6,248,822)	40,636,803
2029	20,850,000	20,584,575	(6,456,637)	34,977,938
2030 - 2034	113,240,000	93,273,230	(35,038,753)	171,474,477
2035 - 2039	115,275,000	75,549,730	(40,415,959)	150,408,771
2040 - 2044	—	66,375,000	(42,931,000)	23,444,000
2045 - 2049	250,000,000	13,275,000	(8,586,200)	254,688,800

¹ Reflects scheduled principal and interest payments of Revenue Financing System Bonds, Series 2008B, and Revenue Financing System Bonds, Taxable Series 2016G to be optionally or mandatorily redeemed in the fiscal years reflected.

² Annual debt service requirements are computed using the System's interest rates in effect on August 31, 2024, on its Series 2008A Bonds and Series 2016G Bonds.

³ Reflects net payments on pay-fixed, receive-variable interest rate swaps based on static interest rate environment as of August 31, 2024, and applied on the respective notional amounts of the swaps through their respective termination dates.

As of August 31, 2024

Fiscal Year	Associated Fixed Rate Bonds ¹		Receive-Fixed Pay-Variable Interest Rate Swaps ²	Total
	Principal	Interest		
2025	\$ —	6,409,000	(422,994)	5,986,006
2026	—	6,409,000	(422,994)	5,986,006
2027	—	6,409,000	(422,994)	5,986,006
2028	—	6,409,000	(422,994)	5,986,006
2029	—	6,409,000	(422,994)	5,986,006
2030 - 2034	128,180,000	22,509,750	(1,485,643)	149,204,107

¹Reflects scheduled principal and interest payments of Permanent University Fund Bonds, Series 2023A maturing in the fiscal years reflected.

²Reflects net payments on receive-fixed, pay-variable interest rate swaps based on static interest rate environment as of August 31, 2024, and applied on the respective notional amounts of the swaps through their respective termination dates.

14. Stewardship, Compliance and Accountability

The System had no significant violations of bond or note covenants. Per State law, the System cannot spend amounts in excess of appropriations granted by the Texas Legislature. There are no deficits reported in net position.

15. Risk Management and Related Insurance

The System has eight funded self-insurance/high retention plans providing coverage in the following areas: employee health and dental, unemployment compensation, workers' compensation, professional medical liability, property protection, directors and officers/employment practices and cyber liability, construction contractor insurance, and automobile, property and liability.

EMPLOYEE AND RETIREE INSURANCE BENEFITS

The U.T. System Employee Benefits program provides health insurance, dental insurance, vision insurance, life insurance, accidental death and dismemberment (AD&D), long-term disability, short-term disability, and flexible spending account coverage to all benefits-eligible employees and retirees of the System and its fourteen institutions. These insurance benefits are provided through both self-funded and fully-insured arrangements. A portion of the System's cost of providing group health and basic life insurance coverage is paid by the State as specified in the General Appropriations Act. The System's Office of Employee Benefits (OEB) is responsible for the overall administration of the insurance plans. The System's OEB program was established by Chapter 1601 of the *Texas Insurance Code* and complies with State laws and statutes pertinent to employee benefits for the System.

UNEMPLOYMENT COMPENSATION INSURANCE

The General Appropriations Act requires the System to reimburse the Texas Workforce Commission (TWC) for 50% of the unemployment benefits paid to qualified former employees paid from general revenue funds and 100% of the unemployment benefits paid from local funds.

WORKERS' COMPENSATION INSURANCE

The Workers' Compensation Insurance (WCI) program provides coverage to all employees who are on the payroll of the System and its institutions. Under the oversight of the System's Office of Risk Management (ORM), the System self-insures and administers the systemwide program through the use of a third-party administrator. For employees who sustain compensable job-related injuries or occupational diseases, workers' compensation pays for related and necessary medical treatment and replaces some lost wages. The program's statutory authority is embodied in Chapter 503 of the *Texas Labor Code*.

PROFESSIONAL MEDICAL LIABILITY BENEFIT PLAN

The coverage provided under the Professional Medical Liability Benefit Plan (the “Plan”) is on an occurrence basis; thus, a participant is covered by the Plan for claims and lawsuits relating to events that occurred while enrolled in the Plan, including those filed after the participant has left the System’s employment or training. The Plan covers all the System staff physicians, dentists, residents, fellows, and medical and dental students who have been enrolled. Effective July 1, 2020, healthcare professional staff members and faculty who are licensed, certified, or registered to provide patient care have Plan coverage. The limits of liability of the Plan include an annual policy aggregate of \$30 million, an annual aggregate of \$1.5 million for each staff physician, resident, fellow and healthcare professional (\$500,000 per claim), and a \$75,000 annual aggregate for each medical and dental student (\$25,000 per claim). Additional coverage is available outside of Texas and for approved international activities. Liability is limited to \$2 million per claim, regardless of the number of claimants or plan participants involved in an incident.

The limits of liability are prescribed by law as \$100,000 per health care liability claim per physician determined to be a public servant. U.T. institutions are covered under the Plan for actions that could have been brought against an individual plan participant. The liability of a U.T. institution is limited by law to \$250,000 per person injured and \$500,000 per occurrence for bodily injury or death.

COMPREHENSIVE PROPERTY PROTECTION PROGRAM

The Comprehensive Property Protection Plan (CPPP) uses a combination of interim financing and commercial insurance to provide Fire and All Other Perils (Fire and AOP) and Named Windstorm and Resulting Flood (Wind and Flood) coverage. All coverage is subject to the terms, exclusions, limits and conditions of the commercial insurance policies and the interim financing plans. The System participates in a quota share of the following layers of commercial insurance coverage: six and a half percent (6.5%) of the \$75 million layer excess of \$25 million and five percent (5%) of the \$50 million layer excess of \$100 million. The interim financing plans are funded by annual contributions made by each institution.

The Fire and AOP program provides a \$2.26 billion per occurrence program limit, with sub-limits that apply. Deductibles for Fire and AOP are \$10 million per occurrence with a \$20 million annual aggregate limit. Institutions have a per occurrence deductible of 0.0001% of property values with a minimum of \$250,000 for institutions with property values under \$2 billion and a minimum of \$500,000 for institutions with property values over \$2 billion. The commercial insurance coverage for Named Windstorm and resulting perils provides a \$250 million per occurrence limit. U.T. M. D. Anderson Cancer Center (M. D. Anderson) purchases a dedicated \$100 million policy excess of the \$250 million per occurrence Named Windstorm CPPP limit. Deductibles for Wind and Flood are \$100 million per occurrence for U.T. Medical Branch - Galveston (locations in Galveston only), \$50 million per occurrence for U.T. Health Science Center - Houston and M. D. Anderson locations in Texas Medical Center, 5% of affected values in other Tier 1 counties subject to a \$10 million minimum, and Fire and AOP deductibles for all other locations. Tier 1 counties include counties along the Texas coast plus Harris County.

Primary insurance policies are purchased on certain flood and named windstorm exposed properties to partially offset the large deductibles. These policies provide underlying limits (up to \$4.4 million per building/contents for named windstorm and \$1 million maximum building/contents for flood) and are purchased through the Texas Windstorm Insurance Association (TWIA) for facilities in Tier 1 seacoast territories and the National Flood Insurance Program (NFIP) for properties located in higher risk flood zones. U.T. Medical Branch - Galveston purchases a \$50 million Named Windstorm buydown policy to reduce the \$100 million deductible for locations in Galveston only; they have an 8.5% share of the \$50 million to \$100 million layer. M. D. Anderson purchases a \$25 million Named Windstorm Multi Year Single Limit (MYSL) buydown policy to reduce the \$50 million Wind and Flood deductible; they have a 40% share of the \$25 million to \$50 million layer. The interim financing component of the program participates in losses resulting from physical damage that exceeds the coverage available under these primary policies and the institution’s deductible.

DIRECTORS AND OFFICERS/EMPLOYMENT PRACTICES LIABILITY PLAN AND CYBER LIABILITY PROGRAM

The Directors and Officers Liability (D&O) and Employment Practices Liability (EPL) Plan (the “Plan”) provides coverage for claims arising from actual or alleged wrongful acts performed by the Plan beneficiaries and for EPL claims, such as wrongful termination, failure to promote, and wrongful discipline.

Coverage applies to individual board members, employees, faculty, and other covered individuals, as well as to each of the institutions and U.T. System Administration. The limit of liability is a \$15 million annual aggregate (Coverages A, B and C combined), with an additional \$5 million self-insured annual aggregate excess limit for Coverages A and B. Self-insured retentions for the Plan are subject to a \$5 million annual aggregate. Coverage A applies to non-indemnifiable claims made against individuals and it has no deductible. Coverage B applies to a U.T. institution that is required to indemnify a covered individual with deductibles of \$100,000 per individual and \$500,000 per occurrence. Coverage C applies to a U.T. institution with a \$500,000 deductible or a \$750,000 per occurrence deductible for Non-Attorney General claims where outside counsel costs exceed \$250,000. In the event a loss involves any or all of Coverages A, B, and C, then only the single largest deductible amount will apply.

The Cyber Liability Program provides coverage for claims arising from the following causes of loss: media liability, network security liability, privacy liability, regulatory liability, loss of digital assets, network asset protection, and Payment Card Industry Data Security Standard (PCI-DSS). Each claim is subject to a \$5 million self-insured retention; institutions have a \$500,000 per occurrence deductible.

ROLLING OWNER CONTROLLED INSURANCE PROGRAM

The Rolling Owner Controlled Insurance Program (ROCIP) was established for the centralized purchase of construction contractor insurance on various capital improvement projects. This program provides workers’ compensation, employers’ liability and general liability insurance coverage for all contractors enrolled on projects participating in the program. Each coverage carries a \$250,000 per occurrence deductible with a maximum \$375,000 per occurrence clash deductible, if more than one coverage is triggered by the same occurrence. Deductibles are paid through the program’s self-insurance fund. The self-insurance fund also pays portions of Builder’s Risk deductibles.

AUTOMOBILE, PROPERTY & LIABILITY PLAN

The Automobile, Property & Liability Plan provides automobile liability and physical damage coverage for owned, leased, hired, and non-owned (excess liability only) vehicles, along with general liability coverage for certain scheduled exposures. Auto liability coverages are subject to a self-insured retention of \$150,000, general liability coverages are subject to a self-insured retention of \$100,000, and physical damage claims are subject to a \$35,000 self-insured retention per occurrence. There is a \$1,000,000 annual aggregate stop loss for the fiscal year 2025 policy term. Institution deductibles are \$2,500 per occurrence for auto liability, \$1,000 per vehicle for physical damage, and \$5,000 per vehicle for physical damage for vehicles valued over \$100,000. Catastrophe physical damage claims are subject to a \$100,000 per occurrence self-insured retention.

INCURRED BUT NOT REPORTED SELF-INSURANCE CLAIMS

Insurance claims that were Incurred But Not Reported (IBNR) were actuarially determined for the employee’s health and dental, workers’ compensation, professional medical liability, directors and officers/employment practices liability and cyber liability program, rolling owner controlled, and automobile, property and liability self-insurance plans. IBNR figures for the workers’ compensation, professional medical liability, directors and officers/employment practices liability and cyber liability program, rolling owner controlled, and automobile, property and liability self-insurance plans include liabilities for unpaid reported claims and are reported on an undiscounted basis. The IBNR liability for the property protection self-insurance plan is not actuarially determined but estimated based on unpaid reported claims. Since an annual accrual is recorded for the third quarter TWC billing, no IBNR liability is recorded for Unemployment Compensation Insurance. No settlements exceeded insurance coverage in the past three fiscal years.

Since the responsibility for processing all claims for self-funded employee health and dental benefits has been fully delegated to third parties, the IBNR claims liability for those benefits does not include a provision for unallocated loss adjustment expenses (ULAE). However, it does include a provision of 5% of the projected incurred but unpaid claims for the administrative expenses associated with processing those claims. The IBNR claims liability for the workers' compensation, professional medical liability, directors and officers/employment practices liability and cyber liability program, rolling owner controlled, and automobile, property and liability self-insurance plans includes a related accrual for allocated loss adjustment expenses (ALAE), which are the claim-specific defense and settlement costs associated with the ultimate settlement of those claims. They do not include a provision for ULAE, which are general administrative expenses associated with claims settlement, but are not specifically attributable to individual claims.

Changes in the System's claims liabilities for the various self-insurance plans during fiscal years 2025 and 2024 were as follows:

Fiscal Year 2025 Plan	IBNR Liability 09/01/2024	Current Year Claims and Changes in Estimates	Claims Payments	IBNR Liability 08/31/2025
Employee Health and Dental	\$ 170,000,000	2,585,024,723	(2,560,144,723)	194,880,000
Workers' Compensation	4,870,000	5,352,622	(5,038,622)	5,184,000
Professional Medical Liability	21,325,325	5,294,330	(3,495,325)	23,124,330
Property Protection – Fire & AOP	15,362,118	12,749,374	(6,433,912)	21,677,580
Property Protection – Wind & Flood	5,000,000	(4,917,461)	(82,539)	—
Directors and Officers/EPL/Cyber	8,902,616	(2,428,327)	(164,510)	6,309,779
ROCIP	3,794,551	1,646,564	(1,216,521)	4,224,594
Automobile, Property & Liability	826,955	945,705	(858,451)	914,209
TOTAL	\$ 230,081,565	2,603,667,530	(2,577,434,603)	256,314,492

Fiscal Year 2024 Plan	IBNR Liability 09/01/2023	Current Year Claims and Changes in Estimates	Claims Payments	IBNR Liability 08/31/2024
Employee Health and Dental	\$ 189,100,000	2,228,989,190	(2,248,089,190)	170,000,000
Workers' Compensation	4,603,000	4,761,437	(4,494,437)	4,870,000
Professional Medical Liability	21,727,242	4,839,115	(5,241,032)	21,325,325
Property Protection – Fire & AOP	10,804,633	10,052,928	(5,495,443)	15,362,118
Property Protection – Wind & Flood	—	5,000,000	—	5,000,000
Directors and Officers/EPL/Cyber	7,757,375	1,145,241	—	8,902,616
ROCIP	3,235,431	2,301,083	(1,741,963)	3,794,551
Automobile, Property & Liability	673,994	1,059,232	(906,271)	826,955
TOTAL	\$ 237,901,675	2,258,148,226	(2,265,968,336)	230,081,565

16. Postemployment Health Care and Life Insurance Benefits

HEALTH AND LIFE INSURANCE BENEFITS FOR RETIRED EMPLOYEES

In addition to providing pension benefits, the State provides certain health (medical and pharmacy) and life insurance benefits for retired employees (OPEB), in accordance with State statutes. Many employees may become eligible for the health and life insurance benefits as a retired employee if they meet certain age and service requirements as defined by the State. Similar benefits for active employees are provided through the same self-funded plan. Prior to and during fiscal year 2022 and continuing through December 31, 2022, all retiree medical benefits were provided through UT Select, the System's self-funded health plan. Effective January 1, 2023, medical benefits for retirees for whom Medicare is primary (Medicare-primary retirees) and retiree dependents for whom Medicare is primary (Medicare-primary dependents) are provided through UT Care, a fully insured Medicare Advantage plan provided by Blue Cross Blue Shield of Texas. Medical benefits for retirees and retiree dependents for whom Medicare is not primary continue to be provided through UT Select. Pharmacy benefits for all retirees regardless of Medicare status have been and continue to be provided through UT Select.

Texas Senate Bill 1055, which was signed by the Governor on May 10, 2023, added SFASU into the System. As a result, eligible employees, inactive employees, and retired employees of SFASU became members under this OPEB plan effective September 1, 2023. The effect of this change of benefit terms is an increase in the Total OPEB Liability of approximately \$182 million.

For the years ended August 31, 2025 and 2024, the employer and retiree monthly contribution rates for full-time retired employee are shown in the following table. The retiree contributes any premium charged over and above the employer contributions. Note contribution rates for fiscal year 2025 and 2024 are the same for UT Select and UT Care.

Level of Coverage	2025		2024	
	Employer	Retiree	Employer	Retiree
Retiree Only	\$ 780.24	—	725.80	—
Retiree/Spouse	1,189.20	335.94	1,106.24	312.50
Retiree/Children	1,041.90	351.36	969.22	326.84
Retiree/Family	1,453.34	661.56	1,351.94	615.40

Retiree contributions as of January 1, 2025 under UT Care Medicare Advantage are \$352.37 for the spouse, if retiree is deceased, \$352.37 for dependent children, and \$704.75 for spouse plus children, if retiree is deceased. Retiree contributions as of January 1, 2024 under UT Care Medicare Advantage are \$343.26 for the spouse, if retiree is deceased, \$343.26 for dependent children, and \$686.53 for spouse plus children, if retiree is deceased.

PLAN DESCRIPTION AND FUNDING POLICY

OPEB are provided to the System's retirees under the UT System Employee Group Insurance Program (EGIP). The EGIP is a single-employer defined benefit OPEB plan; however, due to the State statute requiring appropriations for funding the plan, the State is reporting a proportionate share. Chapter 1551 of the *Texas Insurance Code*, Sections 310 and 311, require that the State contribute to the cost of each participant's insurance coverage. The funds are appropriated under the General Appropriations Act Higher Education Employees Group Insurance (HEGI) Contributions. The State's proportion was 16.00% and 15.51% of the collective OPEB-related liabilities, deferred outflows and inflows and expense based on HEGI contributions by the State to total contributions as of August 31, 2025 and 2024. The System's proportion as of August 31, 2025 and 2024 was 84.00% and 84.49%. At August 31, 2025 and 2024, the amount of the total OPEB liability related to the System reported by the State was \$1,693,706,680 and \$1,612,475,073, respectively. The amount reported by the State is related to the premium sharing contributions, which are recognized as State appropriation general revenue on the System's financial statements in the fiscal year that the State contributed the amounts for OPEB on the System's behalf.

The System and member contribution rates are determined annually by the System based on the recommendations of the OEB staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs expected to be incurred and (i) the funds appropriated and (ii) the funding policy established by the Texas Legislature in connection with benefits provided through the EGIP. The System revises benefits when necessary to match expected benefit and administrative costs with available revenue. The plan is operated on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

EMPLOYEES COVERED BY BENEFIT TERMS

The benefits provided are discussed in Note 15. The authority under which the obligations of the plan members and the System are established and may be amended is Chapter 1601, *Texas Insurance Code*. At the respective measurement dates, the following employees were covered by the benefit terms:

		Measurement Date	
		December 31, 2024	December 31, 2023
a.	Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	34,356	33,812
b.	Inactive Employees Entitled to but not yet Receiving Benefit Payments	18,278	16,814
c.	Active Employees	123,514	116,520
d.	Total	176,148	167,146

TOTAL OPEB LIABILITY

The System has elected to use a measurement date that is eight months in advance of the fiscal year end. The System's proportionate share of the total OPEB liability of \$8,894,024,783, current portion of \$199,868,583 and a noncurrent portion of \$8,694,156,200, reported for the fiscal year ended August 31, 2025 was measured as of December 31, 2024 and was determined by an actuarial valuation as of the same date. The System's proportionate share of the prior year's total OPEB liability of \$8,785,708,021, current portion of \$184,459,372 and a noncurrent portion of \$8,601,248,649, reported for the fiscal year ended August 31, 2024 was measured as of December 31, 2023, and was determined by an actuarial valuation as of the same date.

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability as of December 31, 2024 was determined by an actuarial valuation as of the same date using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Summary of Actuarial Methods and Assumptions – OPEB

Inflation	2.30%
Salary Increases	2.95% to 8.95% (includes inflation)
Discount Rate	4.08% for December 31, 2024; 3.26% for December 31, 2023;
Healthcare cost Trend Rates:	
Medical	UT Select: 6.90% for CY26, 5.75% for CY27, 5.25% for CY28, 5.00% for CY29, 4.75% for CY30, 4.60% for CY31, 4.50% for CY32, 4.40% for CY33 and 4.30% for CY34 and later years UT Care: 105.00% for CY26, 5.75% for CY27, 5.25% for CY28, 5.00% for CY29, 4.75% for CY30, 4.60% for CY31, 4.50% for CY32, 4.40% for CY33 and 4.30% for CY34 and later years
Pharmacy	9.30% for CY26, 10.00% for CY27, 9.50% for CY28, 9.00% for CY29, 8.00% for CY30, 7.00% for CY31, 6.00% for CY32, 5.00% for CY33 and 4.30% for CY34 and later years
Retiree contributions and opt-out credit trend rates	8.00% for CY26, 8.00% for CY27, 6.45% for CY28, 6.10% for CY29, 5.65% for CY30, 5.25% for CY31, 4.90% for CY32, 4.55% for CY33 and 4.30% for CY34 and later years
Mortality:	
a. Service Retirees, Survivors and other Inactive Members:	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021.
b. Disability Retirees:	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
c. Active Members:	Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010.
Discount Rate:	
a. For fiscal year ended August 31, 2025: The discount rate used to measure the total OPEB liability as of December 31, 2024 was 4.08%. The discount rate used to determine the total OPEB liability as of December 31, 2023 was 3.26%.	
b. For fiscal year ended August 31, 2024: The discount rate used to measure the total OPEB liability as of December 31, 2023 was 3.26%. The discount rate used to determine the total OPEB liability as of December 31, 2022 was 3.72%.	
c. Municipal Bond Rate: 4.08% as of December 31, 2024 and 3.26% as of December 31, 2023; the source of the municipal bond rate is the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. In describing their index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.	

Last State Employer Assumption:

Members who terminate employment are assumed to participate in the EGIP (i.e., as a result of UT System being their last State employer), provided all other eligibility requirements are satisfied, according to the following schedule:

<u>Age at Termination</u>	<u>Participation Rate</u>
<20	5%
20-24	5%
25-29	5%
30-34	5%
35-39	10%
40-44	25%
45-49	30%
50-54	35%
≥55	45%

Many of the actuarial assumptions used in this valuation were based on the results of an actuarial experience study performed by the TRS retirement plan actuary as of August 31, 2021.

The following assumptions or other inputs were changed since the previous measurement date:

i. **Demographic Assumptions**

- The proportion of future retirees covering dependent children has been updated based on more recent experience.
- The percentage of eligible terminated employees who are assumed to participate in the EGIP as a result of UT System being their last State employer has been updated to reflect expected trends.
- For current terminated members who have already attained their assumed commencement age, the probability of commencing benefits has been updated to reflect expected trends.

ii. **Economic Assumptions**

- 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 short-term expectations.
- The expenses directly related to the payment of EGIP health benefits have been updated since the previous valuation.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the Affordable Care Act (ACA) have been updated since the previous valuation.

iii. **Other Inputs**

- The discount rate was changed as a result of requirements by GASB Statement No. 75 to utilize the yield or index rate as of the measurement date for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher.

Sensitivity of the System's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate

	1% Decrease	FY25 Discount Rate	1% Increase
	3.08%	4.08%	5.08%
Total OPEB Liability	\$ 10,478,911,223	\$ 8,894,024,783	\$ 7,631,013,089

	1% Decrease	FY24 Discount Rate	1% Increase
	2.26%	3.26%	4.26%
Total OPEB Liability	\$ 10,423,247,507	\$ 8,785,708,021	\$ 7,488,903,760

Sensitivity of the System's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

	1% Decrease¹	FY25 Healthcare Cost Trend Rates¹	1% Increase¹
Total OPEB Liability	\$ 7,513,427,147	\$ 8,894,024,783	\$ 10,691,067,948

	1% Decrease²	FY24 Healthcare Cost Trend Rates²	1% Increase²
Total OPEB Liability	\$ 7,350,567,894	\$ 8,785,708,021	\$ 10,675,789,855

¹Healthcare Cost Trend Rates used for fiscal year 2025 are shown below:

Calendar Year	Medical - UT Select			Medical - UT Care		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase	1% Decrease	Healthcare Cost Trend Rates	1% Increase
2026	5.90%	6.90%	7.90%	104.00%	105.00%	106.00%
2027	4.75%	5.75%	6.75%	4.75%	5.75%	6.75%
2028	4.25%	5.25%	6.25%	4.25%	5.25%	6.25%
2029	4.00%	5.00%	6.00%	4.00%	5.00%	6.00%
2030	3.75%	4.75%	5.75%	3.75%	4.75%	5.75%
2031	3.60%	4.60%	5.60%	3.60%	4.60%	5.60%
2032	3.50%	4.50%	5.50%	3.50%	4.50%	5.50%
2033	3.40%	4.40%	5.40%	3.40%	4.40%	5.40%
2034 and beyond	3.30%	4.30%	5.30%	3.30%	4.30%	5.30%

Calendar Year	Pharmacy		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
2026	8.30 %	9.30%	10.30%
2027	9.00 %	10.00%	11.00%
2028	8.50 %	9.50%	10.50%
2029	8.00 %	9.00%	10.00%
2030	7.00 %	8.00%	9.00%
2031	6.00 %	7.00%	8.00%
2032	5.00 %	6.00%	7.00%
2033	4.00 %	5.00%	6.00%
2034 and beyond	3.30 %	4.30%	5.30%

²Healthcare Cost Trend Rates used for fiscal year 2024 are shown below:

Calendar Year	Medical - UT Select			Medical - UT Care		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase	1% Decrease	Healthcare Cost Trend Rates	1% Increase
2025	4.60%	5.60%	6.60%	19.00%	20.00%	21.00%
2026	4.50%	5.50%	6.50%	4.50%	5.50%	6.50%
2027	4.25%	5.25%	6.25%	4.25%	5.25%	6.25%
2028	4.00%	5.00%	6.00%	4.00%	5.00%	6.00%
2029	3.75%	4.75%	5.75%	3.75%	4.75%	5.75%
2030	3.60%	4.60%	5.60%	3.60%	4.60%	5.60%
2031	3.50%	4.50%	5.50%	3.50%	4.50%	5.50%
2032	3.40%	4.40%	5.40%	3.40%	4.40%	5.40%
2033 and beyond	3.30%	4.30%	5.30%	3.30%	4.30%	5.30%

Calendar Year	Pharmacy		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
2025	10.00%	11.00%	12.00%
2026	9.00%	10.00%	11.00%
2027	8.50%	9.50%	10.50%
2028	8.00%	9.00%	10.00%
2029	7.00%	8.00%	9.00%
2030	6.00%	7.00%	8.00%
2031	5.00%	6.00%	7.00%
2032	4.00%	5.00%	6.00%
2033 and beyond	3.30%	4.30%	5.30%

CHANGES IN THE SYSTEM'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY

	Increase (Decrease) in Total OPEB Liability	
	For Measurement Year from 12/31/2023 - 12/31/2024	For Measurement Year from 12/31/2022 - 12/31/2023
Balance at Beginning of Measurement Year	\$ 8,785,708,021	8,089,734,355
Changes for the Year:		
Service Cost	477,850,029	378,902,203
Interest	297,435,793	317,630,978
Benefit Terms	—	150,459,040
Differences Between Expected and Actual Experience	83,735,096	(175,730,898)
Changes of Assumptions or Other Inputs	(238,761,224)	45,613,267
Benefit Payments (Employer)	(177,701,849)	(187,548,719)
Other Changes	(283,331,301)	—
Net Changes	159,226,544	529,325,871
Changes in Proportionate Share	(50,909,782)	166,647,795
Balance at End of Measurement Year	\$ 8,894,024,783	8,785,708,021

The System recognized OPEB expense of \$(163,353,952) for the fiscal year ended August 31, 2025 and \$13,522,163 for the fiscal year ended August 31, 2024.

The changes in the total OPEB liability, including both the System's and the State's portion, are shown in the table below.

	Increase (Decrease) in Total OPEB Liability	
	For Measurement Year from 12/31/2023 - 12/31/2024	For Measurement Year from 12/31/2022 - 12/31/2023
Balance at Beginning of Measurement Year	\$ 10,398,183,094	9,768,106,677
Changes for the Year:		
Service Cost	568,847,952	448,443,594
Interest	354,077,078	375,927,023
Benefit Terms	—	181,674,686
Differences Between Expected and Actual Experience	99,680,936	(207,983,471)
Changes of Assumptions or Other Inputs	(284,228,995)	53,984,848
Benefit Payments (Employer)	(211,541,962)	(221,970,263)
Other Changes	(337,286,640)	—
Net Changes	189,548,369	630,076,417
Changes in Proportionate Share	—	—
Balance at End of Measurement Year	<u>\$ 10,587,731,463</u>	<u>10,398,183,094</u>

At each fiscal year-end, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources listed in the table below.

	As of August 31, 2025		As of August 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 159,478,119	160,304,640	107,609,747	208,074,013
Changes of Assumptions or Other Inputs	1,709,998,376	5,651,011,062	2,150,551,215	6,641,886,930
Change in Proportion and Contribution Difference	524,508,858	69,146,270	658,771,683	5,620,332
Contributions Subsequent to the Measurement Date	121,335,521	—	118,758,332	—
Total	<u>\$ 2,515,320,874</u>	<u>5,880,461,972</u>	<u>3,035,690,977</u>	<u>6,855,581,275</u>

Amounts reported as Deferred Outflows/(Inflows) of Resources will be recognized in OPEB expense as follows:

For the Fiscal Year ended August 31, 2025:

Fiscal Year Ended August 31	Amount
2026	\$ (542,943,386)
2027	(498,301,891)
2028	(438,174,813)
2029	(499,172,614)
2030	(751,918,248)
Thereafter	(755,965,667)
Total	<u><u>\$ (3,486,476,619)</u></u>

17. Pension Plans

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 the System participates is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the Teacher Retirement System of Texas. TRS is primarily funded through State and employee contributions. Depending upon the source of funding for a participant's salary, the System may be required to make contributions in lieu of the State.

All System personnel employed in a position on a half time or greater basis for at least four and one half months or more are eligible for membership in the TRS retirement plan. However, students employed in positions that require student status as a condition of employment do not participate. Members with at least five years of service have a vested right to unreduced retirement benefits at age 65 or provided they have a combination of age plus years of service totaling 80 or more. However, members who began TRS participation on or after September 1, 2007 must be age 60 to retire with unreduced benefits and members who are not vested in TRS on August 31, 2014 must be age 62 to retire with unreduced benefits under the second option. Members are fully vested after five years of service and are entitled to any reduced benefits for which the eligibility requirements have been met prior to meeting the eligibility requirements for unreduced benefits.

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% 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 (COLA).

The Texas 2023 Legislature passed legislation that authorized a one-time stipend to certain retired teachers. The stipend was paid to retirees in September of 2023. The Legislature also appropriated funds to pay for this one-time stipend so there will be no impact on the Net Pension Liability of TRS. Both the benefit payment and the appropriation occurred during the fiscal year 2025 measurement date of August 31, 2024. The Legislature also provided for a COLA to retirees. The voters approved the constitutional amendment in the November 2023 election and the COLA was applied to eligible annuitants' payments beginning with their January 2024 payment. The effects of the COLA to the net pension liability and related balances are reflected in fiscal year 2025 disclosure information.

TRS contribution rates for both employers and employees are not actuarially determined but are legally established by the State Legislature. Contributions by employees were 8.25% of gross earnings for 2025, and 8.25% of gross earnings for 2024. Depending upon the source of funding for the employee's compensation, the State or the System contributes a percentage of participant salaries totaling 8.25% of annual compensation for 2025, and 8.25% of annual compensation for 2024. The System's actual contributions excluding the State match to TRS for the years ended August 31, 2025, 2024 and 2023 were \$650,570,772, \$595,077,489, and \$514,850,265, respectively.

The total pension liability is determined by an annual actuarial valuation. The tables below present the actuarial methods and assumptions used to measure the total pension liability as of the August 31, 2024 and August 31, 2023 measurement dates.

Summary of Actuarial Methods and Assumptions – TRS Plan	
Actuarial Valuation Date	Aug 31, 2023 rolled forward to Aug 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	7.00 %
Long-term Expected Rate of Return	7.00 %
Municipal Bond Rate as of August 2024*	3.87 %
Inflation	2.30 %
Salary Increase	2.95% to 8.95% including inflation
Payroll Growth Rate	2.90 %
Mortality:	
Active	Based on the PUB(2010), Amount-Weighted, Below-Median Income, Teacher, Male and Female tables, with a 2-year set forward for males. The rates are projected on a fully generational basis by the long-term rates of scale UMP 2021 to account for future mortality improvements.
Post-Retirement	The 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates are projected on a fully generational basis by Scale UMP 2021, but with immediate convergence, to account for future mortality improvements. For disabled retirees, a three-year set forward of these tables are used, with minimum mortality rates of 0.0200 for females and 0.0400 for males, respectively.
Ad Hoc Post-Employment Benefit Changes	None

Summary of Actuarial Methods and Assumptions – TRS Plan

Actuarial Valuation Date	Aug 31, 2022 rolled forward to Aug 31, 2023	
Actuarial Cost Method	Individual Entry Age Normal	
Asset Valuation Method	Market Value	
Actuarial Assumptions:		
Discount Rate		7.00 %
Long-term Expected Rate of Return		7.00 %
Municipal Bond Rate as of August 2023*		4.13 %
Inflation		2.30 %
Salary Increase	2.95% to 8.95% including inflation	
Payroll Growth Rate		2.90 %
Mortality:		
Active	Based on the PUB(2010), Amount-Weighted, Below-Median Income, Teacher, Male and Female tables, with a 2-year set forward for males. The rates are projected on a fully generational basis by the long-term rates of scale UMP 2021 to account for future mortality improvements.	
Post-Retirement	The 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates are projected on a fully generational basis by Scale UMP 2021, but with immediate convergence, to account for future mortality improvements. For disabled retirees, a three-year set forward of these tables are used, with minimum mortality rates of 0.0200 for females and 0.0400 for males, respectively.	
Ad Hoc Post-Employment Benefit Changes	None	

Notes:

*Source for the municipal bond 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."

The actuarial assumptions used in the determination of the total pension liability as of August 31, 2024 and August 31, 2023 were primarily based on the result of an actuarial experience study for the period ended August 31, 2021 and adopted on July 15, 2022. 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 9.54% of payroll 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 as of the August 31, 2024 measurement date are presented below:

Asset Class*	Target Allocation**	Long-Term Expected Geometric Real Rate of Return***
Global Equity		
U.S.	18.0 %	4.4 %
Non-U.S. Developed	13.0 %	4.2 %
Emerging Markets	9.0 %	5.2 %
Private Equity	14.0 %	6.7 %
Stable Value		
U.S. Treasury	16.0 %	1.9 %
Absolute Return	—	4.0 %
Stable Value Hedge Funds	5.0 %	3.0 %
Real Return		
Real Assets	15.0 %	6.6 %
Energy, Natural Resources, and Infrastructure	6.0 %	5.6 %
Commodities	—	2.5 %
Risk Parity		
Risk Parity	8.0 %	4.0 %
Asset Allocation Leverage Cash	2.0 %	1.0 %
Asset Allocation Leverage	(6.0)%	1.3 %
Total	100.0 %	

Notes:

*Absolute Return includes Credit Sensitive Investments.

**Target allocations are based on fiscal year 2024 policy model.

***Capital Market assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023).

The target allocation and best estimates of geometric real rates of return for each major asset class for the plan's investment portfolio as of the August 31, 2023 measurement date are presented below:

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return**
Global Equity		
U.S.	18.0 %	4.0 %
Non-U.S. Developed	13.0 %	4.5 %
Emerging Markets	9.0 %	4.8 %
Private Equity	14.0 %	7.0 %
Stable Value		
U.S. Treasury	16.0 %	2.5 %
Absolute Return	—	3.6 %
Stable Value Hedge Funds	5.0 %	4.1 %
Real Return		
Real Assets	15.0 %	4.9 %
Energy, Natural Resources, and Infrastructure	6.0 %	4.8 %
Commodities	—	4.4 %
Risk Parity		
Risk Parity	8.0 %	4.5 %
Asset Allocation Leverage Cash	2.0 %	3.7 %
Asset Allocation Leverage	(6.0)%	4.4 %
Total	100.0 %	

Notes:

*Absolute Return includes Credit Sensitive Investments.

**Target allocations are based on fiscal year 2023 policy model.

***Capital Market assumptions come from Aon Hewitt (as of 08/31/2023).

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

Sensitivity of System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate FY25

1% Decrease	Current Discount Rate	1% Increase
6.00%	7.00%	8.00%
\$10,395,831,952	\$6,508,567,787	\$3,287,693,086

Sensitivity of System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate FY24

1% Decrease	Current Discount Rate	1% Increase
6.00%	7.00%	8.00%
\$10,407,707,853	\$6,961,419,620	\$4,095,829,102

The pension plan's fiduciary net position is determined using economic resources measurement focus and the 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 2024 Annual Comprehensive Financial Report. Further information regarding actuarial assumptions and conclusions, together with audited financial statements are included in the TRS' annual financial report, which may be obtained from the TRS website.

As of August 31, 2025 and 2024, respectively, the System reported a liability of \$6,508,567,787 and \$6,961,419,620 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2024 and 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2023 and 2022, respectively, and rolled forward to the measurement date. The System's proportion as of the August 31, 2024 and 2023 measurements dates was 10.6550800% and 10.1344942%, respectively. The System'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 periods September 1, 2023 through August 31, 2024 and September 1, 2022 through August 31, 2023. At August 31, 2025 and 2024, respectively, the amount of the net pension liability related to the System reported by the State was \$2,559,942,506 and \$2,675,683,500. The amount reported by the State is related to the on-behalf contributions, which are recognized as State appropriation general revenue on the System's financial statements in the fiscal year that the State contributed the amounts to TRS on the System's behalf.

For the years ending August 31, 2025 and 2024, the System recognized pension expense of \$1,070,444,137 and \$1,306,009,024, respectively. At August 31, 2025 and 2024, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 358,743,381	50,815,730	248,037,738	84,295,176
Changes of Assumptions	336,051,287	45,052,993	658,413,938	161,128,900
Net Diff Between Projected and Actual Investment Return	39,563,310	—	1,013,055,535	—
Change in Proportion and Contribution Difference	588,592,549	75,546,503	528,763,484	128,466,806
Contributions Subsequent to the Measurement Date	650,570,772	—	595,077,489	—
Total	<u>\$ 1,973,521,299</u>	<u>171,415,226</u>	<u>3,043,348,184</u>	<u>373,890,882</u>

The \$650,570,772 and \$595,077,489 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the years ending August 31, 2026 and 2025, respectively.

Amounts reported as Deferred Outflows/(Inflows) of Resources related to pensions as of August 31, 2025 will be recognized in pension expense in the following years:

Fiscal Year	Increase (Reduction) of Pension Expense
2026	\$ 171,407,485
2027	828,749,617
2028	186,859,968
2029	(88,443,291)
2030	52,961,522
Total	<u>\$ 1,151,535,301</u>

OPTIONAL RETIREMENT PROGRAM (ORP)

The State has also established an optional defined contribution retirement program for institutions of higher education. Participation in the ORP is in lieu of participation in the TRS. ORP is available to certain eligible employees who hold faculty positions and other professional positions including but limited to director-level and above, librarians and coaches. 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. Depending upon the source of funding for the employee's compensation, the System may be required to make the employer contributions in lieu of the State. Since these are individual annuity contracts, the State and the System have no additional or unfunded liability for this program. The employee and employer contribution rates are established by the State Legislature each biennium. The State provides an option for a local supplement on top of the state base rate. Each institution within the System can decide to adopt and fund a local supplement each year to provide each ORP employee the maximum employer rate. The chancellor then approves the employer rates each fiscal year. The contributions made by participants (6.65% of annual compensation) and the System (6.6% State base rate plus any local supplement for a maximum of 8.5%) for the fiscal years ended August 31, 2025, 2024 and 2023, respectively, are provided in the following table.

	2025	2024	2023
Participant Contributions	\$ 235,874,815	233,423,972	206,452,660
System Contributions	303,179,772	274,779,583	264,003,722
Total	<u>\$ 539,054,587</u>	<u>508,203,555</u>	<u>470,456,382</u>

PHYSICIANS REFERRAL SERVICE (PRS) SUPPLEMENTAL RETIREMENT PLAN (SRP)/RETIREMENT BENEFIT PLAN (RBP)

M. D. Anderson has established, primarily for the physicians of its Physicians Referral Service, the Physicians Referral Service SRP/RBP Plans (the SRP/RBP Plans). The SRP/RBP Plans are nonqualified plans described by Section 457(f) of the Internal Revenue Code of 1986 (IRC), as amended. The assets of the SRP/RBP Plans of approximately \$775 million and \$731 million at August 31, 2025 and 2024, respectively, are measured at fair value and presented as restricted investments in the System's statement of net position. SRP/RBP deferred compensation plan assets remain subject to the claims of the general creditors of M. D. Anderson.

PRS offers eligible employees participation in one of two nonqualified retirement plans based on date of employment. The assets in the SRP/RBP trust can be used to pay the benefits of either plan's participants. The PRS Executive Council and Retirement Board members have the authority to administer the Plans under the terms that are established and may approve amendments to the Plans. The PRS Bylaws establish the PRS Retirement Board and Executive Council. Per the PRS Bylaws, one of the standing committees for the Physicians Referral Service Faculty Practice Plan (Plan) is the PRS Retirement Board. A chair is appointed, and elections are held every two years for committee membership. There are both voting members and non-voting ex-officio members. The PRS Retirement Board is advisory to the PRS Executive Council which is chaired by the President. The PRS Executive Council also has committee membership elections every three years and includes voting and ex-officio members. The President is the head of the Plan and has the ultimate decision authority.

Employees Covered by Benefit Terms

At the respective measurement dates, the following employees of M. D. Anderson were covered by the benefit terms:

	Measurement Date September 1, 2024	Measurement Date September 1, 2023
a. Inactive Employees or Beneficiaries Receiving Benefit Payments	522	510
b. Inactive Employees Entitled to but not yet Receiving Benefit Payments	226	277
c. Active Employees	1,901	1,790
d. Total	2,649	2,577

SRP of the Anderson Hospital

Eligible employees of M. D. Anderson prior to July 1, 1986, may participate in the SRP, a single-employer nonqualified noncontributory defined benefit pension plan. Eligible employees include physicians with a license to practice medicine in the state of Texas; any individual with a Ph.D. rank of assistant or higher; D.D.S. with the rank of clinical instructor or higher; D.V.M. degree or equivalent having attained the rank of assistant or higher; and individuals elected to membership by the Executive Council of PRS as an administrative staff officer. No new members have been admitted to the SRP since May 31, 1989, as the SRP is closed to new entrants. In general, participants are fully vested in the SRP after five years of credited service. Former participants not in active service on January 1, 1985, require ten years of credited service as required by previous plan provisions. An active member receives full retirement benefits based on the SRP payment formula at age 65, age 60 with 20 years of credited service, or age 55 with 25 years of credited service. A vested member who becomes inactive for any reason other than death or retirement is entitled to an earned retirement allowance. This is a deferred allowance with benefit payments beginning at the former participant's normal retirement age. Participants in the SRP are not taxed on the employer's contributions made until benefits are paid since the SRP is grandfathered under the provisions of Section 457 of the Internal Revenue Code.

PRS RBP

On September 1, 1990, PRS established the RBP, a single-employer nonqualified noncontributory defined benefit plan. Eligible employees may participate in the RBP upon the later of their employment date or September 1, 1990. Employees who were eligible for the SRP because of their employment date had a one-time option to become members of the RBP and forego membership in the SRP.

The amount of a participant's benefit is equal to each participant's account balance, as outlined in the RBP provisions. In general, a participant's account balance is equal to a stated percentage of annual compensation for each year of service plus a provision for annual interest credits. The earnings credit percentage is equal to the Moody's Average Corporate Bond yield determined as of the first day of such plan year.

Participants are taxed on the employer's contributions made when the contributions become vested. Participants become vested in their account balances after five years of service. Any vested member who becomes inactive for any reason other than death or retirement and has not attained the age of 55 will have his or her account maintained under RBP until retirement and earn half the interest credits of active participants.

Federal income and Social Security taxes resulting from annual benefits earned in the RBP are reimbursed by the Plans to the Employer, who pays the taxes to, or on behalf of, participants at the time participants vest in their contributions and are reflected as a liability in the trust's financial statements.

Total Pension Liability for SRP/RBP Plans

The total pension liability for the SRP/RBP Plans is determined by an annual actuarial valuation. The tables below present the actuarial methods and assumptions used to measure the total pension liability as of the September 1, 2024 and 2023 measurement dates.

Summary of Actuarial Methods and Assumptions

Actuarial Valuation Date	September 1, 2024
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Average Remaining Service Life
Asset Valuation Method	N/A – Unfunded Plan

Actuarial Assumptions:

Discount Rate*	3.87%
Rate of Compensation Increase	4.00%

Mortality:

The mortality table is based upon the final report of PRI-2012 Mortality Tables and MP-2021 mortality improvement scale as published by the Society of Actuaries' (SOA's) Retirement Plans Experience Committee (RPEC). This table and projection scale represent the most recent available data as of the valuation date.

The other key demographic assumptions, such as Termination and Retirement, are based upon a review of the PRS participant experience. This experience study is documented in the Assumption Rationale as last being conducted in 2021.

Summary of Actuarial Methods and Assumptions

Actuarial Valuation Date	September 1, 2023
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Average Remaining Service Life
Asset Valuation Method	N/A – Unfunded Plan

Actuarial Assumptions:

Discount Rate*	3.81%
Rate of Compensation Increase	4.00%

Mortality:

The mortality table is based upon the final report of PRI-2012 Mortality Tables and MP-2021 mortality improvement scale as published by the Society of Actuaries' (SOA's) Retirement Plans Experience Committee (RPEC). This table and projection scale represent the most recent available data as of the valuation date.

The other key demographic assumptions, such as Termination and Retirement, are based upon a review of the PRS participant experience. This experience study is documented in the Assumption Rationale as last being conducted in 2021.

Notes:

* The discount rates used in these valuations were determined using the 20-year yields on the Bond Buyer 20-Bond GO Index as of August 31, prior to the measurement date.

The total pension liability for the fiscal year ending August 31, 2025 was measured as of September 1, 2024 based on an actuarial valuation as of that date. The total pension liability for the fiscal year ended August 31, 2022 was measured as of September 1, 2021 based on actuarial valuation as of that date.

The deferred outflows (inflows) included in the expense each year for assumption changes reflect the impact of the changes in discount rates noted above.

The valuation does not include any assets since the assets are not in a trust that is protected from creditors and thus, the plan is considered unfunded under GASB 73.

Sensitivity analysis was performed on the impact of changes in the discount rate on M. D. Anderson's total pension liability. The result of the analysis is presented in the table below:

Sensitivity of Total Pension Liability to Changes in the Discount Rate FY25		
1% Decrease	Current Discount Rate	1% Increase
2.87%	3.87%	4.87%
\$1,035,239,308	\$952,381,161	\$879,500,837

Sensitivity of Total Pension Liability to Changes in the Discount Rate FY24		
1% Decrease	Current Discount Rate	1% Increase
2.81%	3.81%	4.81%
\$1,007,894,919	\$926,495,910	\$854,974,843

At August 31, 2025 and 2024, M. D. Anderson reported a total pension liability of \$952,381,161 and \$926,495,910 respectively, for the SRP/RBP Plans.

	Increase (Decrease) in Total Pension Liability	
	For Measurement Year from 09/01/2023 to 08/31/2024	For Measurement Year from 09/01/2022 to 08/31/2023
Balance at Beginning of Measurement Year	\$ 926,495,910	918,839,384
Changes for the Year:		
Service Cost	35,686,698	32,648,294
Interest	35,781,027	33,273,079
Changes of Assumptions or Other Inputs	513,589	(8,942,928)
Benefit Payments (Employer)	(46,096,063)	(49,321,919)
Net Changes	25,885,251	7,656,526
Balance at End of Measurement Year	<u>\$ 952,381,161</u>	<u>926,495,910</u>

For the years ended August 31, 2025 and 2024, M. D. Anderson recognized pension expense of \$63,673,713 and \$57,953,168, respectively. At August 31, 2025 and 2024, M. D. Anderson reported deferred outflows of resources and deferred inflows of resources related to the PRS RBP and SRP from the following sources:

	As of August 31, 2025		As of August 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,127,000	104,855,871		(2,110,000)
Changes of Assumptions	32,614,009		41,660,095	117,081,009
Benefit Payments Subsequent to the Measurement Date	52,209,504		46,096,063	
Administrative Costs Subsequent to the Measurement Date	752,876		888,450	
Total	<u>\$ 93,703,389</u>	<u>104,855,871</u>	<u>88,644,608</u>	<u>114,971,009</u>

The \$52,209,504 and \$46,096,063 reported as deferred outflows and inflows of resources resulting from benefit payments subsequent to the measurement date will be recognized as a reduction in the total pension liability for the years ending August 31, 2026 and 2025, respectively. Other amounts reported as deferred outflows and inflows of resources related to the SRP/RBP Plans as of August 31, 2025 will be recognized in pension expense in the following years:

Fiscal Year Ended August 31	Increase (Reduction) of Pension Expense
2026	\$ (7,929,586)
2027	(8,682,463)
2028	(8,682,463)
2029	(12,613,798)
2030	(17,367,315)
Thereafter	(8,086,361)
Total	<u>\$ (63,361,986)</u>

EMPLOYEES RETIREMENT SYSTEM (ERS)

Certain employees at U.T. Medical Branch - Galveston participate in the Employees Retirement System of Texas. The Board of Trustees of the Employees Retirement System of Texas is the administrator of the ERS, which is considered to be a single employer defined benefit pension plan. ERS covers the eligible System employees who are not covered by the TRS or the ORP. Benefits vest after five years of credited service. Employees may retire at age 60 with five years of service or any combination of age plus years of service that equals 80.

The ERS plan provides a standard monthly benefit in a life annuity at retirement as well as death and disability benefits for members. Additional payment options are available. The benefit and contribution provisions are authorized by State law and may be amended by the Texas Legislature. Contribution requirements are not actuarially determined. The ERS contribution requirement, calculated using entry age normal actuarial cost method, is established through State statute.

The funding policy requires monthly contributions by both the State and employees. For the year beginning September 1, 2015, the required contributions for the State and the employee are each 9.5% of pay. For Law Enforcement and Custodial Officers Supplemental Retirement Fund eligible employees, the State and the employee contribution is an additional 0.50% of pay, respectively.

The Texas State Comptroller's Office has decided not to allocate ERS pension to proprietary funds due to immateriality, as a result, there is no ERS pension net pension liability reported in the System's financial statements. Additional information can be obtained from the separately issued ERS Annual Comprehensive Financial Report which can be obtained from the Employees Retirement System of Texas, 200 East 18th Street, Austin, Texas 78701 or found on the ERS website.

18. Deferred Compensation

DEFERRED COMPENSATION-457(b)

The System employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the *Texas Government Code*, Sec. 609.001. The System offers its own deferred compensation plan, created in accordance with Internal Revenue Code Section 457(b). All System employees are eligible to participate in the System's plan and cannot participate in the plan offered by the state of Texas. All investments, amounts, property, and rights held under the Deferred Compensation Trust Fund are held for the exclusive benefit of participants and beneficiaries at the fair market value of the plan account for each participant in the accounts established by the participants with the System's retirement providers. The System has no liability under the plan.

TAX-SHELTERED ANNUITY-403(b)

The System also administers the UTSAver Tax-Sheltered Annuity Program (TSA), created in accordance with IRC Section 403(b). All employees are eligible to participate. The UTSAver TSA is a private plan, and the deductions, purchased investments and earnings attributed to each employee's 403(b) plan are held by vendors chosen by the employee. The vendors may be insurance companies, banks or approved non-bank trustees such as mutual fund companies. The assets of this plan do not belong to the System or the State. Therefore, neither the System nor the State has a liability related to this plan.

THE UNIVERSITY OF TEXAS SYSTEM GOVERNMENTAL RETIREMENT ARRANGEMENT (UTGRA)

The University of Texas System Governmental Retirement Arrangement (UTGRA) is an excess benefit plan established by the System, via Section 415(m) of the Internal Revenue Code, to provide certain participants in the ORP that portion of their benefits that would otherwise be payable under the ORP except for the \$70,000 limit on contributions imposed by Section 415 of the Internal Revenue Code (IRC) for calendar year 2025 (\$69,000 for calendar year 2024). As of August 31, 2025 and 2024, there were 508 and 530 plan members, respectively. Persons employed by the System prior to September 1, 1996, whose compensation exceeds the limit set by IRC Section 401(a)(17) and whose ORP contribution is limited by the \$70,000 cap under IRC Section 415(c) for calendar year 2025 (\$69,000 for calendar year 2024), defer 6.65% of their excess compensation while the System contributes between 6.58% and 8.50% depending upon the institution and the date of employment. The System contributed \$2,406,375 for the year ended August 31, 2025 and \$2,995,690 for the year ended August 31, 2024. The participants contributed \$3,075,818 for the year ended August 31, 2025 and \$2,343,687 for the year ended August 31, 2024. Plan provisions are established and may be amended at any time by the U.T. System Board of Regents.

Plan assets are recorded at fair value and are invested in contracts and accounts in a similar manner to the ORP. Participants are immediately vested in the plan, both for the employee deferrals and the employer contributions. However, deferrals, contributions, purchased investments and earnings attributable to the plan are the property of the System and subject only to the claims of the System's general creditors. Participant's rights under the plan are equal to those of the general creditors of the System in an amount equal to the fair value of the participant's account balance. The System has no liability under the UTGRA that would exceed the aggregate value of the investments, and it is unlikely that any of UTGRA's assets will be used to satisfy the claims of general creditors in the future.

19. Commitments and Contingent Liabilities

On August 31, 2025, various lawsuits and claims involving the System were pending. After conferring with legal counsel concerning pending litigation and claims, the System's management believes that the outcome of pending litigation should not have a material adverse effect on the financial statements of the System.

The System continues to implement its \$10.5 billion capital improvement program, planned for fiscal years 2026 through 2031, to upgrade facilities. Contracts have been entered into for the construction and renovation of various facilities. These projects are in various stages of completion.

The System receives grants and other forms of reimbursement from various federal and state agencies. These activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. The System believes that the liability, if any, for reimbursement which may arise as the result of audits, would not be material.

Based on the credit support annex agreements with all counterparties, the System does not have to post any collateral for any hedging derivative instruments.

Laws and regulations governing the Medicare and Medicaid programs and certain other third-party programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates of third-party settlements will change by a material amount in the near term. The System's intent is to be in compliance with all applicable laws and regulations, and it is not aware of any significant pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future review and interpretation. Changes in the Medicare and Medicaid programs and a reduction of funding could have an adverse effect on the System.

20. Matrix of Operating Expenses Reported by Function

For the year ended August 31, 2025, the following table represents operating expenses for both natural and functional classifications for the System:

Operating Expenses	Instruction	Research	Public Service	Hospitals and Clinics
Cost of Goods Sold	\$ 652,364	100,122	3,229,497	104,944,166
Salaries and Wages	4,570,379,501	2,138,509,726	250,535,037	5,251,024,232
Payroll Related Costs	922,417,168	500,491,065	60,723,324	1,330,588,791
Membership Dues	13,883,715	3,945,652	575,535	10,411,037
Registration Fees/Meetings/Conferences	20,505,053	18,046,624	8,062,438	7,128,507
Professional Fees and Services	72,139,467	197,919,127	65,570,881	351,165,687
Other Contracted Services	43,769,230	477,500,081	114,103,418	423,344,055
Fees and Other Charges	13,038,683	29,686,744	2,626,661	26,074,484
Travel	35,580,999	59,287,663	6,191,995	21,208,186
Materials and Supplies	133,997,112	345,021,789	66,285,272	3,877,165,749
Utilities	1,212,543	5,219,005	263,064	19,578,404
Communications	5,964,370	3,821,778	3,454,494	26,173,183
Repairs and Maintenance	20,029,436	32,425,868	3,309,041	221,995,499
Rentals and Leases	13,921,779	8,665,659	4,061,461	49,093,639
Printing and Reproduction	5,365,439	7,650,059	2,184,686	7,567,694
Royalty Payments	219,577	25,601,257	143,752	1,006,772
Bad Debt Expense	—	—	—	—
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	—	5,661
Insurance Costs/Premiums	7,304,599	386,508	297,111	38,514,142
Claims and Losses	—	—	—	—
OPEB Expense	(51,879,059)	(23,299,025)	(2,837,035)	(57,177,228)
Pension Expense	339,958,931	152,676,469	18,590,839	438,351,081
Scholarships and Fellowships	14,796,316	69,008,338	3,096,356	107,820
Depreciation and Amortization	—	—	—	—
Federal Sponsored Pass-through to State Agencies	329,726	7,289,563	6,376,233	—
State Sponsored Pass-through to State Agencies	(2,913)	1,886,701	975,711	—
Other Operating Expenses	46,218,229	188,078,174	15,366,317	60,893,284
Total Operating Expenses	\$ 6,229,802,265	4,249,918,947	633,186,088	12,209,164,845

Operating Expenses	Academic Support	Student Services	Institutional Support	Operations and Maintenance of Plant
Cost of Goods Sold	\$ 722,182	17,815	1,270,968	2,223
Salaries and Wages	923,080,564	165,919,017	724,439,868	371,332,550
Payroll Related Costs	239,939,718	43,183,102	273,795,496	104,636,002
Membership Dues	5,684,766	1,515,887	5,811,893	991,913
Registration Fees/Meetings/Conferences	15,681,318	2,087,551	5,712,790	972,255
Professional Fees and Services	49,826,778	15,158,237	95,189,742	46,136,329
Other Contracted Services	105,254,461	43,959,357	127,031,843	87,568,555
Fees and Other Charges	3,676,877	2,717,573	2,692,184	1,125,702
Travel	21,383,153	6,006,397	8,432,991	1,259,193
Materials and Supplies	111,719,045	31,488,971	82,529,391	90,769,734
Utilities	375,585	49,055	17,827,958	251,842,314
Communications	5,770,569	1,527,082	15,499,837	3,850,478
Repairs and Maintenance	16,858,120	4,306,868	70,311,051	188,379,327
Rentals and Leases	5,815,541	2,891,816	14,249,777	10,501,799
Printing and Reproduction	4,770,186	2,505,127	5,910,058	271,310
Royalty Payments	100,158,853	603	78,640	1,803
Bad Debt Expense	(108)	602,882	(31)	—
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	2,155	1,591,969
Insurance Costs/Premiums	170,242	107,233	14,369,525	10,055,197
Claims and Losses	—	—	75,891,745	—
OPEB Expense	(9,861,265)	(1,912,863)	(8,110,398)	(4,114,344)
Pension Expense	64,620,007	12,534,826	53,146,726	26,960,937
Scholarships and Fellowships	5,327,436	8,066,167	2,722,364	440
Depreciation and Amortization	—	—	—	—
Federal Sponsored Pass-through to State Agencies	(189,994)	—	(1,905)	—
State Sponsored Pass-through to State Agencies	—	—	871,739	—
Other Operating Expenses	32,701,265	15,924,516	30,863,285	11,559,859
Total Operating Expenses	\$ 1,703,485,299	358,657,219	1,620,539,692	1,205,695,545

Operating Expenses	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenses
Cost of Goods Sold	\$ 1,682	52,625,301	—	163,566,320
Salaries and Wages	22,840,661	343,730,043	—	14,761,791,199
Payroll Related Costs	7,779,484	77,221,929	—	3,560,776,079
Membership Dues	43,133	3,711,878	—	46,575,409
Registration Fees/Meetings/Conferences	560,648	9,017,495	—	87,774,679
Professional Fees and Services	636,489	29,051,900	—	922,794,637
Other Contracted Services	700,930	152,179,524	—	1,575,411,454
Fees and Other Charges	2,047,630	7,312,205	—	90,998,743
Travel	1,210,369	47,693,234	—	208,254,180
Materials and Supplies	1,129,335	65,825,289	—	4,805,931,687
Utilities	33	45,726,039	—	342,094,000
Communications	9,511	9,370,044	—	75,441,346
Repairs and Maintenance	1,063,973	44,194,893	—	602,874,076
Rentals and Leases	484,133	20,936,650	—	130,622,254
Printing and Reproduction	74,305	3,163,399	—	39,462,263
Royalty Payments	579	35,986,020	—	163,197,856
Bad Debt Expense	—	—	—	602,743
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	—	1,599,785
Insurance Costs/Premiums	5,183	4,199,107	—	75,408,847
Claims and Losses	—	—	—	75,891,745
OPEB Expense	(275,222)	(3,887,512)	—	(163,353,951)
Pension Expense	1,803,508	25,474,526	—	1,134,117,850
Scholarships and Fellowships	238,856,832	15,423,272	—	357,405,341
Depreciation and Amortization	—	—	1,994,116,540	1,994,116,540
Federal Sponsored Pass-through to State Agencies	—	—	—	13,803,623
State Sponsored Pass-through to State Agencies	(54,158)	—	—	3,677,080
Other Operating Expenses	2,677,412	25,310,867	—	429,593,208
Total Operating Expenses	\$ 281,596,450	1,014,266,103	1,994,116,540	31,500,428,993

For the year ended August 31, 2024, the following table represents operating expenses for both natural and functional classifications for the System, with some expenses restated for GASB Statement No. 101. See Note 4 for further details on the restatements:

Operating Expenses	Instruction	Research	Public Service	Hospitals and Clinics
Cost of Goods Sold	\$ 713,821	101,736	3,296,288	88,422,750
Salaries and Wages	4,306,491,659	1,934,056,975	235,502,834	4,746,293,784
Payroll Related Costs	865,698,941	463,280,630	56,614,992	1,145,646,648
Membership Dues	13,805,213	3,852,672	510,091	11,338,673
Registration Fees/Meetings/Conferences	21,942,018	16,545,349	7,360,913	6,464,743
Professional Fees and Services	62,648,987	178,148,916	60,004,587	320,600,165
Other Contracted Services	57,393,218	430,549,440	74,524,435	405,541,011
Fees and Other Charges	13,226,199	24,452,007	2,397,074	22,228,313
Travel	35,630,245	59,603,674	5,995,880	20,298,756
Materials and Supplies	109,854,624	335,159,295	58,604,196	3,356,487,177
Utilities	1,220,436	4,961,762	239,031	14,693,899
Communications	6,293,535	3,659,045	2,955,425	23,420,039
Repairs and Maintenance	19,334,266	31,681,496	5,971,465	189,916,107
Rentals and Leases	9,937,462	8,441,999	2,940,297	48,073,394
Printing and Reproduction	5,294,791	7,115,776	2,907,981	4,686,227
Royalty Payments	27,084	3,389,913	27	871,120
Bad Debt Expense	—	—	—	—
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	—	(1,173,682)
Insurance Costs/Premiums	6,707,345	332,523	250,245	39,758,857
Claims and Losses	—	—	—	—
OPEB Expense	4,420,869	1,959,643	223,824	4,615,523
Pension Expense	426,980,079	189,267,876	21,617,578	503,733,535
Scholarships and Fellowships	15,834,243	66,021,611	2,166,435	62,517
Depreciation and Amortization	—	—	—	—
Federal Sponsored Pass-through to State Agencies	1,353,109	3,184,646	7,808,580	—
State Sponsored Pass-through to State Agencies	(295,490)	2,388,613	280,619	—
Other Operating Expenses	48,965,051	178,518,630	16,448,390	33,034,750
Total Operating Expenses	\$ 6,033,477,705	3,946,674,227	568,621,187	10,985,014,306

Operating Expenses	Academic Support	Student Services	Institutional Support	Operations and Maintenance of Plant
Cost of Goods Sold	\$ 660,891	61,298	1,029,127	73,354
Salaries and Wages	818,585,703	158,787,190	667,359,798	341,532,579
Payroll Related Costs	219,424,213	42,557,798	202,307,380	98,933,806
Membership Dues	5,766,525	1,194,586	5,877,680	742,678
Registration Fees/Meetings/Conferences	15,149,473	2,267,263	5,207,842	898,055
Professional Fees and Services	44,743,536	14,119,317	97,849,022	44,591,862
Other Contracted Services	92,310,626	41,361,382	76,733,460	85,139,069
Fees and Other Charges	11,946,513	2,780,839	1,608,289	1,634,219
Travel	19,912,937	5,539,158	8,362,415	1,059,290
Materials and Supplies	115,943,657	22,259,845	63,343,396	92,533,468
Utilities	433,424	40,648	11,520,838	249,398,732
Communications	5,743,060	1,526,342	14,578,238	3,262,377
Repairs and Maintenance	18,253,970	3,521,095	55,827,086	185,061,010
Rentals and Leases	7,945,661	3,201,515	13,552,599	14,055,630
Printing and Reproduction	4,714,845	3,143,525	4,166,311	210,863
Royalty Payments	14,711,133	259	12,147	397
Bad Debt Expense	—	(4,330,190)	15,959	—
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	(425,817)	457,626
Insurance Costs/Premiums	185,043	160,869	(12,293,411)	6,678,514
Claims and Losses	—	—	87,417,125	—
OPEB Expense	814,871	154,277	678,605	333,528
Pension Expense	78,702,578	14,900,475	65,541,683	32,213,089
Scholarships and Fellowships	6,645,301	6,571,199	2,246,013	213
Depreciation and Amortization	—	—	—	—
Federal Sponsored Pass-through to State Agencies	(50,114)	—	—	—
State Sponsored Pass-through to State Agencies	8,769,094	—	1,179,221	—
Other Operating Expenses	24,376,716	16,633,176	28,098,922	8,049,101
Total Operating Expenses	\$ 1,515,689,656	336,451,866	1,401,793,928	1,166,859,460

Operating Expenses	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenses
Cost of Goods Sold	\$ (607)	48,069,181	—	142,427,839
Salaries and Wages	22,846,269	322,703,203	—	13,554,159,994
Payroll Related Costs	2,368,732	73,163,779	—	3,169,996,919
Membership Dues	46,196	3,215,483	—	46,349,797
Registration Fees/Meetings/Conferences	380,506	8,156,405	—	84,372,567
Professional Fees and Services	823,127	22,999,719	—	846,529,238
Other Contracted Services	663,593	149,890,919	—	1,414,107,153
Fees and Other Charges	2,397,903	5,944,641	—	88,615,997
Travel	1,131,719	41,353,853	—	198,887,927
Materials and Supplies	1,106,700	58,511,220	—	4,213,803,578
Utilities	27	45,854,974	—	328,363,771
Communications	4,447	9,046,420	—	70,488,928
Repairs and Maintenance	206,789	41,850,148	—	551,623,432
Rentals and Leases	540,040	18,182,513	—	126,871,110
Printing and Reproduction	97,836	3,552,862	—	35,891,017
Royalty Payments	3	98,768	—	19,110,851
Bad Debt Expense	—	—	—	(4,314,231)
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	—	(1,141,873)
Insurance Costs/Premiums	1,222,102	3,471,688	—	46,473,775
Claims and Losses	—	—	—	87,417,125
OPEB Expense	21,943	299,080	—	13,522,163
Pension Expense	2,119,300	28,885,999	—	1,363,962,192
Scholarships and Fellowships	511,338,398	23,378,083	—	634,264,013
Depreciation and Amortization	—	—	1,873,383,717	1,873,383,717
Federal Sponsored Pass-through to State Agencies	—	—	—	12,296,221
State Sponsored Pass-through to State Agencies	738,366	—	—	13,060,423
Other Operating Expenses	3,095,356	34,019,373	—	391,239,465
Total Operating Expenses	\$ 551,148,745	942,648,311	1,873,383,717	29,321,763,108

21. Net Position

The System's net position at August 31, 2025 and 2024 was comprised of the following:

	2025	Restated 2024*
Net Investment in Capital Assets	\$ 8,445,062,705	7,439,147,923
Restricted:		
Nonexpendable	42,071,726,856	39,721,621,730
Expendable	27,266,660,025	23,999,374,842
Total Restricted	69,338,386,881	63,720,996,572
Unrestricted Net Position:		
Unrestricted:		
Reserved:		
Encumbrances	3,496,883,857	2,476,794,811
Accounts Receivable (Less Unearned Revenue Portion)	2,729,876,719	2,578,019,482
Inventories	288,873,961	258,252,497
Self-insurance Plans	798,838,966	670,344,978
Other Specific Purposes:		
Notes Receivable	244	244
Deposits	699,846	564,534
Prepaid Expenses	247,553,104	219,737,689
Deferred Charges	—	158,849
Imprest Funds	78,152,986	875,243
Travel Advances	195,514	11,044,154
Unreserved:		
Allocated:		
Funds Functioning as Endowment-unrestricted	1,518,856,102	1,414,681,836
Provision for Operating Budgets	49,596,185	95,667,015
Capital Projects	6,241,359,809	6,405,208,280
Debt Service	291,807,285	248,889,228
Start-up/Matching	153,234,872	163,949,659
Utilities Reserve	10,228,530	10,152,839
Research Enhancement and Support	1,215,256,497	829,774,913
Market Adjustments	247,939,584	238,402,526
Student Fees	317,547,198	340,769,962
Texas Tomorrow Fund Shortfall	1,810,836	1,884,843
Instructional Program Support	2,413,200,665	2,907,439,228
Dean, Chair and Faculty Recruitment Packages	4,667,090	4,956,162
Self-supporting Enterprises	315,624,048	313,216,447
Patient Care Support	4,086,966,956	3,624,265,871
Practice Plan Minimum Operating Reserve of 90 Days	247,624,674	318,639,070
Unallocated	(15,465,630,676)	(16,189,274,798)
Total Unrestricted	9,291,164,852	6,944,415,562
Total Net Position	\$ 87,074,614,438	78,104,560,057

*August 31, 2024 net investment in unrestricted net position was restated as a result of implementing GASB Statement No.101. See Note 4 for further details.

As of August 31, 2025 and 2024, restricted nonexpendable net position includes \$33,669,480,945 and \$31,738,755,218, respectively, of the Permanent University Fund corpus, and \$820,000,000 for both years of the Permanent Health Fund corpus. As of August 31, 2025 and 2024, restricted expendable net position includes \$15,855,487,713 and \$13,870,563,621, respectively, of the Permanent University Fund appreciation, and \$817,355,848 and \$728,154,290, respectively, of the Permanent Health Fund appreciation.

Unrestricted net position, detailed in the table above, is not subject to externally imposed stipulations. Unrestricted net position may be designated for special purposes by actions of the Texas Legislature, internal management, and the U.T. System Board of Regents, or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic programs, patient care, research programs and initiatives, and capital programs.

The System's fiduciary fund net position at August 31, 2025 and 2024 was comprised of the following:

	2025	2024
Restricted for:		
Pooled Participants	\$ 355,025,702	325,062,648
Individuals, Organizations, and Other Governments	1,636,595	1,880,781
Total Fiduciary Fund Net Position	<u>\$ 356,662,297</u>	<u>326,943,429</u>

22. Termination Benefits

U.T. System Administration contracted with NextJob to provide outplacement services to employees of the System who implemented a reduction in force. U.T. System Administration incurred expenses of \$242,500 for 676 terminated employees of the System as of August 31, 2025, and \$231,845 for 497 terminated employees of the System as of August 31, 2024. While U.T. System Administration contracted with NextJob, the U.T. institutions may incur travel expenses for NextJob if they request NextJob to come to their campus or if the institution requests services that fall outside of the standard service in the contract.

In 2025, U.T. San Antonio had one employee who received a lump-sum payment of \$117,243 and Consolidated Omnibus Budget Reconciliation Act (COBRA) premiums of \$4,921 paid on their behalf to the vendor upon separation from the University

In 2025, U.T. Austin Intercollegiate Athletics terminated five employees entitled to buyout clauses. As of August 31, 2025, the total buyout payments of \$6,477,181 span from April 1, 2025 to March 31, 2028. As of August 31, 2025, \$1,126,621 in buyout payments have been made. Additionally, in 2024, U.T. Austin Intercollegiate Athletics terminated one employee entitled to a buyout clause spanning July 1, 2024 to August 31, 2026 and totaling \$1,533,658. As of August 31, 2025 and 2024, buyout payments \$905,898 and \$149,037, respectively, have been paid.

In February 2025, U.T. Rio Grande Valley offered a Voluntary Separation Incentive Program (VSIP) to employees eligible to retire under TRS or ORP as of August 31, 2025. The 96 employees elected to participate in the VSIP and received incentive payments equal to 100 percent of their gross annual base salary as of January 1, 2025, totaling \$7,993,689.

Healthcare continuation under the COBRA is provided for both voluntary and involuntary terminations. COBRA participants are eligible to continue group benefits for 18 to 36 months, depending upon the circumstances leading to loss of coverage. COBRA benefits for the self-insured plans offered by the System for the years ended August 31, 2025 and 2024 are provided below:

	2025	2024
Total Number of Participants ¹	2,054	1,680
Total Revenue	\$ 5,321,120	5,059,468
Less 2% Administrative Fee Revenue ²	—	(101,845)
Net COBRA Premium Revenue	5,321,120	4,957,623
Less Claims Paid	(16,357,509)	(10,897,742)
Cost to System	<u>\$ (11,036,389)</u>	<u>(5,940,119)</u>

¹ The participants above are for the self-insured program.

² In FY 2024, the 2.00% administrative fee was paid by the participant and retained by UT COBRA within OEB for administering the COBRA benefit. Beginning in FY 2025, COBRA administration was outsourced.

23. Deferred Outflows of Resources and Deferred Inflows of Resources

As of August 31, 2025 and 2024, the System reported deferred outflows of resources and deferred inflows of resources in connection with its hedging derivative instruments, unamortized (losses)/gains on refunding debt, the OPEB plan, the TRS and SRP/RBP pension plans, unamortized interest rate lock termination payments, asset retirement obligations, beneficial interests in irrevocable split-interest agreements, acquisitions, lease revenues, and P3 related balances as presented in the table below:

	2025		2024	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Hedging Derivative Instruments	\$ 14,862,113	70,972,281	22,619,314	58,870,039
Unamortized Loss/Gain on Refunding Debt	1,394,234	88,204,550	2,022,397	1,419,788
OPEB-Related	2,515,320,874	5,880,461,972	3,035,690,977	6,855,581,275
Pension Related	2,067,224,688	276,271,097	3,131,992,792	488,861,891
Unamortized Interest Rate Lock Termination	6,817,642	—	7,135,013	—
Asset Retirement Obligation	1,144,464	—	1,472,416	—
Split-Interest Agreements	—	42,506,605	—	37,494,515
Acquisition Related	12,187,455	—	12,553,995	—
Lease Revenue Related	—	407,475,791	—	217,483,060
P3 Related Balances	—	409,732,621	—	425,144,998
Total	\$ 4,618,951,470	7,175,624,917	6,213,486,904	8,084,855,566

Deferred outflows of resources of \$14,862,113 and \$22,619,314 as of August 31, 2025 and 2024, respectively, were related to hedging derivative instruments in a liability position. Deferred inflows of resources of \$70,972,281 and \$58,870,039 as of August 31, 2025 and 2024, respectively, were related to hedging derivative instruments in an asset position. The hedging derivative instrument asset and liability are disclosed in Note 7.

Deferred outflows of resources of \$1,394,234 and \$2,022,397 as of August 31, 2025 and 2024, respectively, were related to the unamortized losses on refunding debt. Deferred inflows of resources of \$88,204,550 and \$1,419,788 as of August 31, 2025 and 2024, respectively, were related to the unamortized gains on refunding debt. For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows or deferred inflows.

Deferred outflows of resources of \$2,515,320,874 and \$3,035,690,977 and deferred inflows of resources of \$5,880,461,972 and \$6,855,581,275 as of August 31, 2025 and 2024, respectively, were related to the OPEB plan.

Deferred outflows of resources of \$1,973,521,299 and \$3,043,348,184 and deferred inflows of resources of \$171,415,226 and \$373,890,882 as of August 31, 2025 and 2024, respectively, were related to the TRS pension plan. Deferred outflows of resources of \$93,703,389 and \$88,644,608 and deferred inflows of resources of \$104,855,871 and \$114,971,009 as of August 31, 2025 and 2024, respectively, were related to the SRP/RBP pension plans.

Deferred outflows of resources of \$6,817,642 and \$7,135,013 as of August 31, 2025 and 2024, respectively, were related to unamortized interest rate lock termination payments.

Deferred outflows of resources of \$1,144,464 and \$1,472,416 as of August 31, 2025 and 2024, respectively, were related to asset retirement obligations.

Deferred outflows of resources of \$12,187,455 and \$12,553,995 as of August 31, 2025 and 2024, respectively, were related to unamortized excess consideration paid as a result of an asset purchase agreement with PTC- Houston Management, LP in fiscal year 2019.

Deferred inflows of resources of \$42,506,605 and \$37,494,515 as of August 31, 2025 and 2024, respectively, were related to the System's unconditional beneficial interests in irrevocable split-interest agreements.

Deferred inflows of resources of \$407,475,791 and \$217,483,060 as of August 31, 2025 and 2024, respectively, were related to future period revenues from leases in which the System is the lessor other than short term leases, regulated leases, and leases of assets classified as investments.

Deferred inflows of resources of \$409,732,621 and \$425,144,998 as of August 31, 2025 and 2024, respectively, were related to P3 Related Balances in which the System is the transferor.

24. Public-Private and Public-Public Partnerships

The System has entered into various PPPs under which the System meets the definition of the transferor, in which the operator has been contracted to provide public services for, but not limited to the operation of student housing, operation of sports/recreational arenas, and general improvements made to dining facilities on behalf of the System. The nature and extent of rights retained by the System as transferor under the PPP arrangements include, but are not limited to, maintaining residual interest of the utility of the assets used in P3 agreements and setting prices and hours of operations. Rights granted to operators in these agreements may include the ability to make improvements to the space with written permission from the System.

Totals of \$39,995,591 and \$46,181,674 were recognized as the Receivable for PPP Installment Payments for the years ended August 31, 2025 and 2024, respectively. Of the total receivable, \$5,444,331 and \$5,880,784 were recognized as the current portion of the receivable for PPP installment payments for the years ended August 31, 2025 and 2024, respectively. Present value of PPP installment payments are discounted based on a borrowing rate determined by the System and ranged from 0.11% to 3.81%.

Variable payments are a result of the underlying PPP measured not in a fixed rate, but rather variable due to underlying payments derived from a revenue and/or profit-sharing arrangements, usage of the underlying PPP asset, or changes in an index or rate. A total of \$2,331,345 and \$2,034,924 was recognized as revenue from these variable payments for the years ended August 31, 2025, and 2024, respectively.

For capital assets under P3 agreements, a total of \$376,799,965 and \$384,216,244 were recognized for the years ended August 31, 2025, and 2024 respectively.

Receivables for the Underlying PPP Assets purchased or constructed and placed into service by the operator were \$5,959,348 and \$5,959,348 for the years ended August 31, 2025, and 2024, respectively. Ownership of the underlying asset of the PPP has not yet been transferred to the System for assets carried by the System as PPP asset receivables.

Deferred Inflow of Resources corresponding to the P3 Receivables, P3 Assets to be Transferred, and P3 capital assets were \$409,732,621 and \$425,144,998 for the years ended August 31, 2025 and 2024, respectively.

A general description of the PPP arrangements, including the status of projects during the construction period and terms is presented in the table below:

Institution	Partner	Description	Construction Status	Term of Concession	Contract Begin	Contract End
UT Arlington	Centennial Apartments	Apartments	Completed	36	1/14/1994	8/31/2029
UT Arlington	Chartwells	Dining Services	Completed	16	5/14/2016	5/13/2031
UT Arlington	Follett Higher Education Group	Bookstore	Completed	26	2/11/1999	1/31/2024
UT Austin	ArenaCo	Arena	Completed	35	2/2/2023	2/2/2058
UT Dallas	Compass Group USA, Inc., DBA Chartwells	Dining Services	Completed	17	1/1/2019	12/31/2035
UT Rio Grande Valley	Boyer Harlingen, L.C.	Building for Federal Government VA Services	Completed	21	3/9/2009	9/30/2023
UT Rio Grande Valley	Chartwells (Annual Financial Considerations)	Dining Services	Completed	10	7/16/2023	7/15/2033
UT Rio Grande Valley	Chartwells (Monthly Royalties)	Dining Services	Completed	10	7/16/2023	7/15/2033
UT Rio Grande Valley	Edinburg CISD	High School Facility for Dual Credit Educational Programs	Completed	35	6/27/2024	6/26/2059
UT Rio Grande Valley	Harlingen CISD	High School Facility for Dual Credit Educational Programs	Completed	35	10/7/2021	10/6/2056
UT Rio Grande Valley	McAllen CISD	High School Facility for Dual Credit Educational Programs	Completed	35	5/17/2024	5/16/2039
UT San Antonio	Aramark Educational Service	Food Services	Completed	14	9/1/2021	7/30/2035
UT San Antonio	Follett Higher Education Group	Campus Bookstore	Completed	15	3/1/2023	5/31/2038
Stephen F. Austin	Chartwells	Dining Services	Not Complete	7	9/1/2021	6/30/2028

25. Subsequent Events

On September 30, 2025, the U.T. System Board of Regents defeased \$50,000,000 of outstanding PUF Tax-Exempt Commercial Paper Notes, Series A. Subsequent to this defeasance, the System had \$1,160,000,000 of PUF Tax-Exempt Commercial Paper Notes, Series A outstanding.

On October 7, 2025, the U.T. System Board of Regents issued \$750,000,000 of RFS Tax-Exempt Commercial Paper Notes, Series A to finance a variety of capital projects at various U.T. System institutions. Subsequent to this issuance, the System had \$2,400,000,000 of RFS Tax-Exempt Commercial Paper Notes, Series A outstanding.

M.D. Anderson entered into negotiations for a joint venture with Texas Children's Hospital (TCH) for the development of Kinder Children's Cancer Center. The agreement was not executed as of August 31, 2025. Management anticipates finalizing the arrangement in fiscal year 2026. The financial impact, if there is any, cannot be reasonably estimated at this time.

On September 1, 2025, The University of Texas System integrated The University of Texas at San Antonio (UTSA) and The University of Texas Health Science Center at San Antonio (UT Health San Antonio) into a single institution. The UT System Board of Regents authorized the integration on August 22, 2024, and all requisite external approvals were obtained prior to the effective date. Because the integration occurred after August 31, 2025, it does not affect the accompanying FY25 financial statements. Management is evaluating the reporting implications for fiscal year 2026.

26. Upcoming Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*, effective 2026, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing accountability. New or modified information requirements relate to MD&A, unusual or infrequent items, presentation of proprietary fund statement, major component unit, and budgetary comparison. The System is evaluating the effect that Statement 103 will have on its financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective 2026, provides essential information about certain types of capital assets by requiring separate disclosure and additional disclosures for capital assets held for sale. The System is evaluating the effect that Statement 104 will have on its financial statements.

27. Segment Information

SFASU Revenue Bonds identified in footnote 13 pledged by SFASU revenues represent identifiable activities within the System for which segment information as of August 31, 2025 and 2024 is presented below. Certain balances are only reported at the consolidated level.

	2025	2024
Condensed Statement of Net Position		
Current Assets		
Due from System Administration	\$ 66,633,182	—
Other Current Assets	130,010,880	167,839,712
Total Current Assets	196,644,062	167,839,712
Noncurrent Assets		
Capital Assets (Net)	274,288,143	255,688,149
Due from System Administration	—	10,147,669
Other Noncurrent Assets	241,563,985	157,235,880
Total Noncurrent Assets	515,852,128	423,071,698
Total Assets	712,496,190	590,911,410
Deferred Outflows of Resources	—	—
Total Assets and Deferred Outflows	712,496,190	590,911,410
Current Liabilities		
Due to System Administration	2,509,429	2,375,119
Other Current Liabilities	117,948,348	103,265,240
Total Current Liabilities	120,457,777	105,640,359
Noncurrent Liabilities	8,588,145	8,601,780
Total Liabilities	129,045,922	114,242,139
Deferred Inflows of Resources	3,982,170	5,384,642
Total Liabilities and Deferred Inflows	133,028,092	119,626,781
Net Position		
Net Investment in Capital Assets	266,716,932	248,417,644
Restricted Nonexpendable	122,784,658	80,337,927
Restricted Expendable	127,256,162	68,872,387
Unrestricted	62,710,346	73,656,671
Total Net Position	\$ 579,468,098	471,284,629
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Operating Revenues		
Student Tuition and Fees (Net)	\$ 51,586,051	50,994,006
Sponsored Programs	21,810,784	20,231,952
Sales and Services of Educational Activities (Net)	5,882,362	6,900,240
Auxiliary Enterprises (net)	37,954,862	43,455,095
Other Operating Revenues	464,246	358,322
Total Operating Revenues	117,698,305	121,939,615

	2025	2024
Operating Expenses		
Operating Expenses Excluding Depreciation and Amortization	225,318,753	216,407,293
Depreciation and Amortization	23,333,532	22,947,932
Total Operating Expenses	248,652,285	239,355,225
Operating Loss	(130,953,980)	(117,415,610)
Nonoperating Revenues (Expenses)		
State Appropriations	63,141,158	78,466,724
Federal Nonexchange Sponsored Programs	25,991,297	23,929,550
Gift Contributions for Operations	10,079,298	9,336,378
Net Investment Income	22,812,796	11,542,336
Other	449,343	(1,568,310)
Net Nonoperating Revenues	122,473,892	121,706,678
Income Before Other Changes in Net Position	(8,480,088)	4,291,068
Other Changes In Net Position		
Capital Gifts and Grants	4,969,631	3,995
Additions To Permanent Endowments	49,367,627	69,740,014
Net Internal Transfers and Reclass	59,605,011	189,218,794
Net Transfers from Other State Agencies	2,721,288	2,769,054
Legislative Appropriations Lapsed	—	(18,388)
Total Other Changes in Net Position	116,663,557	261,713,469
Change in Net Position	108,183,469	266,004,537
Net Position		
Net Position, Beginning of Year	471,284,629	205,280,092
Net Position, End of Year	\$ 579,468,098	471,284,629
Condensed Statement of Cash Flows		
Net Cash Provided (Used) By:		
Operating Activities	\$ (108,744,351)	(96,370,829)
Noncapital Financing Activities	160,984,228	157,214,533
Capital And Related Financing Activities	(34,684,723)	(33,509,654)
Investing Activities	(52,016,014)	(38,615,388)
Net Decrease in Cash and Cash Equivalents	(34,460,860)	(11,281,338)
Beginning Cash and Cash Equivalent Balances	91,561,054	102,842,392
Ending Cash and Cash Equivalent Balances	\$ 57,100,194	91,561,054

REQUIRED SUPPLEMENTARY INFORMATION

THE UNIVERSITY OF TEXAS SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SYSTEM'S PROPORTIONATE SHARE OF CHANGES
IN THE EMPLOYER TOTAL OPEB LIABILITY AND RELATED RATIOS
December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability									
Service Cost	\$ 477,850,029	378,902,203	877,350,009	708,022,293	572,677,209	471,785,731	548,093,347	569,296,804	584,209,916
Interest	297,435,793	317,630,978	321,938,242	266,654,173	286,398,460	442,516,885	394,480,742	426,298,831	384,344,675
Changes of Benefit Terms	—	150,459,040	(52,783,790)	—	—	—	—	—	—
Differences Between Expected and Actual Experience	83,735,096	(175,730,898)	—	160,861,824	—	(89,235,022)	—	(136,662,956)	—
Changes of Assumptions or Other Inputs	(238,761,224)	45,613,267	(7,704,380,357)	1,780,677,623	1,269,349,798	478,407,758	(1,429,460,396)	(781,692,644)	(299,449,010)
Benefit Payments (Employer)	(177,701,849)	(187,548,719)	(206,219,478)	(181,252,716)	(153,657,997)	(152,076,995)	(153,396,451)	(137,157,472)	(147,648,350)
Other Changes	(283,331,301)	—	—	—	—	—	—	—	—
Net Change in Total OPEB Liability	159,226,544	529,325,871	(6,764,095,374)	2,734,963,197	1,974,767,470	1,151,398,357	(640,282,758)	(59,917,437)	521,457,231
Total OPEB Liability – Beginning	8,785,708,021	8,089,734,355	14,695,594,306	11,931,417,814	9,683,463,315	10,355,785,546	10,717,111,345	10,777,028,782	10,255,571,551
Changes in Proportionate Share	(50,909,782)	166,647,795	158,235,423	29,213,295	273,187,029	41,561,977	278,956,959	—	—
Total OPEB Liability – Ending	<u>\$ 8,894,024,783</u>	<u>8,785,708,021</u>	<u>8,089,734,355</u>	<u>14,695,594,306</u>	<u>11,931,417,814</u>	<u>11,548,745,880</u>	<u>10,355,785,546</u>	<u>10,717,111,345</u>	<u>10,777,028,782</u>

* In FY 2022, the Beginning Total OPEB Liability for the measurement year ended December 31, 2020 was restated to correct demographic data errors and assumptions related to assumed rates of participation by eligible terminated employees. Measurement years prior to December 31, 2020 have not been restated for the correction of the error.

Notes to Schedule:

This schedule is intended to present ten years of information. Only nine years of information is presented due to GASB Statement No. 75 being implemented in fiscal year 2018. Additional years will be displayed as they become available.

Information is presented using measurement date which precedes the fiscal year end by eight months.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Other Changes:

From 2023 to 2024 reflects changes resulting from data adjustments relative to the prior year valuation.

Changes in benefit terms:

From 2022 to 2023, the following are reflected as changes in benefit terms:

-Texas Senate Bill 1055 was signed by the Governor on May 10, 2023 and added Stephen F. Austin State University into the University of Texas System. As a result, eligible employees of Stephen F. Austin State University became members under this OPEB plan effective September 1, 2023.

From 2021 to 2022, the following are reflected as changes in benefit terms:

-Increases in retiree cost sharing for retirees for whom Medicare is not primary

-An increase in the employer funded life insurance coverage for retirees who do not opt out of EGIP health coverage upon retirement

Changes in assumptions or other inputs:

From 2023 to 2024, the following are reflected as changes in assumptions or other inputs:

-Assumed Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations. This increased the Total OPEB Liability by approximately \$2.735 billion.

-The Per Capita Health Benefit Costs, Retiree Contributions, and expenses directly related to the payment of EGIP health benefits have been updated since the previous valuation. In addition, the PCORI fees payable under the ACA have been updated since the previous valuation. These economic assumption changes decreased the Total OPEB Liability by approximately \$1.197 billion.

-Changes in the discount rate (see table below). This decreased the Total OPEB Liability by approximately \$1.559 billion.

From 2022 to 2023, the following are reflected as changes in assumptions or other inputs:

-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 short-term expectations. This increased the Total OPEB Liability by approximately \$1 billion.

From 2021 to 2022, the following are reflected as changes in assumptions or other inputs:

-Assumed expenses, assumed per capita health benefit costs and assumed health benefit cost trends have been updated to reflect increases in retiree cost sharing in UT Select and the implementation of UT Care, a fully insured Medicare Advantage Plan for retirees for whom Medicare is primary, effective January 1, 2023. This decreased the Total OPEB Liability by approximately \$4.4 billion.

-Changes in the discount rate (see table below). This decreased the Total OPEB Liability by approximately \$4.9 billion.

From 2020 to 2021, the following are reflected as changes in assumptions or other inputs:

-Adjustments to assumptions for expenses, assumed per capita health benefit costs and assumed trend for health benefit costs and retiree contributions.

The following are the discount rates used in each period:

2024	4.08%
2023	3.26%
2022	3.72%
2021	2.06%
2020	2.12%
2019	2.74%
2018	4.10%

THE UNIVERSITY OF TEXAS SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN
August 31, 2025

**Schedule of the System's Proportionate Share of the Total OPEB Liability
as of the December 31 Measurement Date**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
System's Proportion of the Total OPEB Liability	84.0031202 %	84.4927000 %	82.8178338 %	81.9355890 %	81.7354650 %	79.4928364 %	79.1750747 %	77.1664987 %	77.1664987 %
System's Proportionate Share of the Total OPEB Liability	\$ 8,894,024,783	8,785,708,021	8,089,734,355	14,695,594,306	11,931,417,814	11,548,745,880	10,355,785,546	10,717,111,345	10,777,028,782
State's Proportionate Share of the Total OPEB Liability Related to System	1,693,706,680	1,612,475,073	1,678,372,322	3,239,950,544	2,666,184,108	2,979,287,588	2,723,817,586	3,171,184,120	3,188,913,639
Total OPEB Liability Related to System	\$10,587,731,463	10,398,183,094	9,768,106,677	17,935,544,850	14,597,601,922	14,528,033,468	13,079,603,132	13,888,295,465	13,965,942,421
System's Covered Payroll	\$12,649,508,673	11,427,460,578	9,812,399,798	9,457,441,724	6,791,262,006	6,425,556,183	6,062,198,170	5,820,998,450	5,987,051,307
System's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	70.31 %	76.88 %	82.44 %	155.39 %	175.69 %	179.73 %	170.83 %	184.11 %	180.01 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Only nine years of information is presented due to GASB Statement 75 being implemented in fiscal year 2018. Additional years will be displayed as they become available.

THE UNIVERSITY OF TEXAS SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
TEACHER RETIREMENT SYSTEM PENSION PLAN
August 31, 2025

Schedule of the System's Proportionate Share of the Net Pension Liability
as of the August 31 Measurement Date

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
System's Proportion of the Net Pension Liability	10.6550800 %	10.1344942 %	9.4987114 %	9.0342804 %	8.9723873 %	8.6902629 %	8.9377185 %	8.2879633 %	8.2932305 %	7.7646311 %
System's Proportionate Share of the Net Pension Liability	\$ 6,508,567,787	6,961,419,620	5,639,140,669	2,300,711,499	4,805,427,562	4,517,470,315	4,919,537,167	2,650,044,162	3,133,888,495	2,744,693,745
State's Proportionate Share of the Net Pension Liability Related to System	2,559,942,506	2,675,683,500	2,209,241,002	729,928,272	1,587,993,294	1,898,921,776	1,355,571,593	894,941,498	893,178,321	786,436,009
Total Net Pension Liability Related to System	\$ 9,068,510,293	9,637,103,120	7,848,381,671	3,030,639,771	6,393,420,856	6,416,392,091	6,275,108,760	3,544,985,660	4,027,066,816	3,531,129,754
System's Covered Payroll	\$ 8,550,431,806	7,592,051,434	6,783,241,812	6,196,286,308	5,942,147,682	5,435,527,295	5,106,576,133	4,891,473,913	4,635,793,582	4,472,632,860
System's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	76.12 %	91.69 %	83.13 %	37.13 %	80.87 %	83.11 %	96.34 %	54.18 %	67.60 %	61.37 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51 %	73.15 %	75.62 %	88.79 %	75.54 %	75.24 %	73.74 %	82.17 %	78.00 %	78.43 %

Schedule of the System's Contributions as of August 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contributions	\$ 770,456,150	705,410,624	601,660,709	525,701,240	464,721,473	445,661,076	369,615,856	347,247,177	332,620,226	315,233,963
Contributions in Relation to the Statutorily Required Contributions	\$ 650,570,772	595,077,489	514,850,265	439,933,274	381,611,428	366,510,043	302,294,698	282,808,370	262,734,718	262,370,366
Contribution Deficiency (Excess)	\$ 119,885,378	110,333,135	86,810,444	85,767,966	83,110,045	79,151,033	67,321,158	64,438,807	69,885,508	52,863,597
System's Covered Payroll	\$ 9,338,862,429	8,550,431,806	7,592,051,434	6,783,241,812	6,196,286,308	5,942,147,682	5,435,527,295	5,106,576,133	4,891,473,913	4,635,793,582
Contributions as a Percentage of Covered Payroll	6.97 %	6.96 %	6.78 %	6.49 %	6.16 %	6.17 %	5.56 %	5.54 %	5.37 %	5.66 %

Contributions by the State of Texas on behalf of the System substantially resolve the contribution deficiency.

THE UNIVERSITY OF TEXAS SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF M. D. ANDERSON'S PRS SRP/RBP PENSION LIABILITY
AS OF THE SEPTEMBER 1 MEASUREMENT DATE

	2024	2023	2022	2021	2020	2019
1. Total Pension Liability						
Service Cost	\$ 35,686,698	32,648,294	40,513,997	37,988,952	32,367,864	
Interest	35,781,027	33,273,079	22,719,060	22,898,554	28,255,880	
Changes of Assumptions or Other Inputs	513,589	(8,942,928)	(140,590,003)	5,813,235	71,349,543	
Benefit Payments (Employer)	(46,096,063)	(49,321,919)	(49,856,011)	(47,005,635)	(49,249,256)	
Net Change in Total Pension Liability	25,885,251	7,656,526	(127,212,957)	19,695,106	82,724,031	
Total Pension Liability - Beginning	926,495,910	918,839,384	1,046,052,341	1,026,357,235	943,633,204	
Total Pension Liability - Ending	<u>\$ 952,381,161</u>	<u>926,495,910</u>	<u>918,839,384</u>	<u>1,046,052,341</u>	<u>1,026,357,235</u>	<u>943,633,204</u>
2. Covered-Employee Payroll	\$ 713,760,083	661,356,765	575,070,266	549,500,639	520,630,549	506,351,431
3. Total Pension Liability as a Percentage of Covered-Employee Payroll	133.43%	140.09%	159.78%	190.36%	197.14%	186.36%

Only six years of information is presented due to GASB Statement No. 97 being implemented in fiscal year 2022. Additional years will be displayed as they become available. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 68 to pay related benefits.

SUPPLEMENTARY INFORMATION

System Administration and Institution Financial Information*

*The following schedules present financial information for each of the institutions of the System. The effects of eliminations performed during the consolidation process are not reflected in these schedules. Further, certain balances are only reported at the consolidated level. Financial statements for the year ended August 31, 2024 were restated for the implementation of GASB Statement No. 101, Compensated Absences. See Note 4 for further information.

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 2,141,057,458.88	2,061,511,360.22
Restricted Cash & Cash Equivalents	102,968,433.03	86,415,820.46
Balance in State Appropriations	10,085,320.21	8,627,305.86
Securities Lending Collateral	673,524,457.02	953,630,199.13
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	23,391,319.96	13,826,873.78
Interest and dividends	81,387,485.21	75,641,283.76
Contributions (allow. \$100.00 in 2025 & \$50.40 in 2024)	926.90	993.17
Investment trades	1,183,308,396.67	1,113,156,644.14
Other (allow. \$0.00 in 2025 & \$0.00 in 2024)	394,921,419.06	438,520,269.39
Lease Receivable (Current)	3,322,240.32	763,028.20
Due From Other Funds	630,985,701.91	545,403,429.35
Due From Other Institutions	412,930,417.13	195,041,071.25
Due From Other Agencies	127,427.08	148,306.69
Other Current Assets	62,231,032.01	62,006,734.56
Total Current Assets	5,720,242,035.39	5,554,693,319.96
Noncurrent Assets:		
Cash and Cash Equivalents (Noncurrent Restricted)	1,847,688.60	2,368,171.97
Restricted Investments	81,011,836,436.74	73,308,924,350.76
Deposit with Brokers for Derivative Contracts	443,098,770.19	490,408,514.56
Contributions Rec. (allow. \$0.00 in 2025 & \$49.60 in 2024)		977.30
Unrestricted Investments	9,934,808,356.70	8,880,395,942.74
Funds Held by System Administration (Unrestricted)	(10,265,733,330.32)	(9,475,029,951.01)
Hedging Derivative Asset (Noncurrent)	70,972,281.00	58,870,039.00
Lease Receivable (Noncurrent)	55,757,634.86	55,492,442.60
Other Noncurrent Assets	40,760,471.41	34,387,729.02
Gross Capital/Intangible Assets	15,450,252,181.65	13,527,821,757.42
Accumulated Depreciation/Amortization	(260,974,866.61)	(245,038,406.63)
Total Noncurrent Assets	96,482,625,624.22	86,638,601,567.73
Total Assets	102,202,867,659.61	92,193,294,887.69
Total Deferred Outflows of Resources	4,511,916,162.93	6,110,815,884.40
Total Assets and Deferred Outflows	106,714,783,822.54	98,304,110,772.09
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	313,224,588.97	251,670,388.24
Salaries Payable	10,302,927.03	5,370,502.46
Investment Trades Payables	2,053,513,389.75	1,524,899,715.63
Incurred But Not Reported Self Insurance Claims (Current)	211,097,631.12	189,052,285.59
Total Other Postemployment Benefits Liability (Current)	199,868,583.00	184,459,372.00
Securities Lending Obligations	673,524,457.02	953,630,199.13
Due To Other Funds	630,985,701.91	545,403,429.35
Due To Other Institutions	2,124,556,927.28	1,287,710,275.40
Due To Other State Agencies	15,939,864.60	15,669,143.97
Statewide Interfund Payable (Current)	69,742,152.79	67,028,256.87
Unearned Revenue	325,861.32	183,282.96
Employees' Compensable Leave (Current)	3,429,381.68	2,983,865.00
Short-term Debt - Commercial Paper Notes	3,260,000,000.00	2,131,500,000.00
Notes, Loans, and Leases Payable (Current)	12,254,315.42	10,242,032.37
Revenue Bonds Payable (Current)	1,179,458,190.63	1,107,282,950.04
Other Current Liabilities	15,132,806.92	396,778.13
Total Current Liabilities	10,773,356,779.44	8,277,482,477.14
Noncurrent Liabilities:		
Incurred But Not Reported Self Insurance Claims (Noncurrent)	45,216,860.56	41,029,279.41
Employees' Compensable Leave (Noncurrent)	4,963,211.38	4,053,891.46
Assets Held for Others (Noncurrent)	179,124,986.06	165,073,161.10
Liability to Beneficiaries	14,826,243.13	14,315,620.93
Total Other Postemployment Benefits Liability (Noncurrent)	8,694,156,200.00	8,601,248,649.00
Pension Liabilities (Noncurrent)	6,508,567,787.00	6,961,419,620.00
Notes, Loans, and Leases Payable (Noncurrent)	18,876,042.75	492,665,827.24
Revenue Bonds Payable (Noncurrent)	10,336,076,691.66	9,217,173,010.80
Statewide Interfund Payable (Noncurrent)	1,611,247,537.49	1,495,390,326.30
Hedging Derivative Liability (Noncurrent)	14,862,113.00	22,619,314.00
Payable to Brokers for Collateral Held	144,031,199.88	106,628,020.81
Investment Derivatives - Liability Positions	238,164,207.67	207,716,647.83
Other Noncurrent Liabilities	5,698,168.00	4,990,071.00
Total Noncurrent Liabilities	27,815,811,248.58	27,334,323,439.88
Total Liabilities	38,589,168,028.02	35,611,805,917.02
Total Deferred Inflows of Resources	6,310,928,973.23	7,382,228,193.96
Total Liabilities and Deferred Inflows	44,900,097,001.25	42,994,034,110.98
NET POSITION		
Net Investment in Capital Assets	334,465,723.15	339,808,869.18
Restricted for:		
Nonexpendable		
Permanent University Fund Endowment	33,669,480,944.93	31,738,755,217.98
Permanent Health and True Endowments Held for Institutions	7,413,605,526.61	7,001,438,447.63
Permanent Health and True Endowments	400,928,803.32	400,176,913.57
Expendable		
Capital Projects	2,889,856.73	1,695,560.68
Debt Service	56,347,707.21	52,156,938.14
Funds Functioning as Endowment (Restricted)	10,957,949.63	10,403,041.01
Funds Functioning as Endowments (Restricted Held for Institutions)	1,214,385,672.24	1,125,177,599.04
Other Expendable	22,367,387,294.50	19,612,273,509.01
Unrestricted	(3,655,762,657.03)	(4,971,809,435.13)
Total Net Position	\$ 61,814,686,821.29	55,310,076,661.11

The University of Texas System Administration
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Federal Sponsored Programs	75,541,826.31	43,370,940.38
State Sponsored Programs Pass-Through from State Agencies		12,062,014.00
Private Sponsored Programs	421,675.00	956,072.85
Sales and Services of Educational Activities	108,622,544.84	66,272,912.30
Other Operating Revenues	<u>230,442,456.05</u>	<u>208,092,286.72</u>
Total Operating Revenues	<u>415,028,502.20</u>	<u>330,754,226.25</u>
Operating Expenses:		
Instruction		
Research		
Public Service	6,546,789.20	4,836,909.93
Academic Support	19,628,936.52	15,871,926.45
Student Services		
Institutional Support	560,889,629.06	966,226,072.65
Operations and Maintenance of Plant	1,943,857.47	3,504,818.44
Scholarships and Fellowships	1,938,738.00	1,900,677.00
Auxiliary Enterprises		
Depreciation and Amortization	<u>23,698,836.30</u>	<u>23,872,364.67</u>
Total Operating Expenses	<u>614,646,786.55</u>	<u>1,016,212,769.14</u>
Operating Income (Loss)	<u>(199,618,284.35)</u>	<u>(685,458,542.89)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	11,034,669.08	31,027,379.66
Federal Nonexchange Sponsored Programs	16,102,158.68	18,555,624.99
Federal Nonexchange Pass-Through	(8,608.07)	115,741.99
State Nonexchange Pass-Through		
Gift Contributions for Operations	833,281.27	282,058.42
Investment Income	5,534,899,515.92	4,764,526,166.87
Net Increase (Decrease) in Fair Value of Investments	2,022,522,607.56	2,082,838,441.92
Interest Expense on Capital Asset Financings	(412,476,858.59)	(416,905,839.90)
Gain (Loss) on Sale of Capital Assets	15,954.93	43,417.62
Other Nonoperating Revenues	7,150,306.11	25,633,171.20
Other Nonoperating (Expenses)	<u>(12,311,036.32)</u>	<u>(10,144,876.07)</u>
Net Nonoperating Revenues (Expenses)	<u>7,167,761,990.57</u>	<u>6,495,971,286.70</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	6,968,143,706.22	5,810,512,743.81
Additions to Permanent Endowments	333,086,133.91	314,131,391.83
Reclass from/(to) Other Institutions	(893,453,369.20)	1,254,176,676.87
Change in Proceeds of Bonds Payable	1,916,098,052.54	744,583,283.14
Transfers Between Institutions & System, Debt Service - Mandatory	917,485,309.35	904,930,157.15
Transfers Between Institutions & System Admin. - Non mandatory	(2,067,529,524.77)	(4,320,205,703.24)
Transfers From Other State Agencies	4,707,557.00	13,256,511.82
Transfers to Other State Agencies	(673,927,704.87)	(665,017,078.33)
Legislative Appropriations Lapsed		
Change in Net Position	<u>6,504,610,160.18</u>	<u>4,056,367,983.05</u>
Beginning Net Position	55,310,076,661.11	51,442,624,236.06
Restatements		<u>(188,915,558.00)</u>
Beginning Net Position (As Restated)	<u>55,310,076,661.11</u>	<u>51,253,708,678.06</u>
Ending Net Position	<u>\$ 61,814,686,821.29</u>	<u>55,310,076,661.11</u>

The University of Texas System Administration
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Sponsored Programs	\$ 65,678,543.69	\$ 52,712,538.30
Proceeds from Other Revenues	349,730,716.66	248,983,154.51
Payments to Suppliers	(568,817,014.17)	(236,054,926.07)
Payments to Employees	(67,733,165.06)	(32,030,580.74)
Net Cash Provided (Used) by Operating Activities	(221,140,918.88)	33,610,186.00
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	9,576,654.73	23,436,351.16
Proceeds from Operating Gifts	830,324.84	287,123.51
Proceeds from Private Gifts for Endowment Purposes	290,687,449.72	284,132,196.83
Proceeds from Other Noncapital Financing Activities	15,278,484.33	(80,646,328.80)
Receipts for Transfers from System or Other Agencies	9,574,933.14	56,073,931.27
Payments for Transfers to System or Other Agencies	(1,593,541,569.39)	(2,315,001,786.99)
Payments for Other Uses	(1,240,031.66)	(2,296,333.14)
Proceeds from Nonexchange Sponsored Programs	16,839,104.43	18,692,294.83
Net Cash Provided by Noncapital Financing Activities	(1,251,994,649.86)	(2,015,322,551.33)
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Issuance of Capital Debt	5,223,732,167.77	3,716,489,475.69
Nonmandatory Capital Related Transfers	(2,108,487,141.98)	(1,921,963,289.03)
Payments of Other Costs on Debt Issuance	(10,798,345.34)	(7,848,542.93)
Proceeds from Sale of Capital Assets	75,642.00	63,131.00
Payments for Additions to Capital Assets	(5,582,616.04)	(1,591,309.44)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(3,162,877,531.63)	(2,906,341,499.50)
Mandatory Transfers to System for Capital Related Debt	917,485,309.35	904,930,157.15
Payments of Interest on Capital Related Debt and Other L-T Obligations	(527,635,316.83)	(472,842,072.56)
Net Cash Provided (Used) by Capital and Related Financing Activities	325,912,167.30	(689,103,949.62)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	62,509,168,631.40	61,669,313,811.83
Proceeds from Interest and Investment Income	2,431,359,673.69	2,578,660,476.36
Payments to Acquire Investments	(63,697,726,676.36)	(60,973,684,550.50)
Net Cash Provided (Used) by Investing Activities	1,242,801,628.73	3,274,289,737.69
Net Increase (Decrease) in Cash	95,578,227.29	603,473,422.74
Cash and Cash Equivalents (Beginning of the Year)	2,150,295,353.22	1,546,821,930.48
Cash and Cash Equivalents (End of the Year)	\$ 2,245,873,580.51	\$ 2,150,295,353.22
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(199,618,284.35)	(685,458,542.89)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	23,698,836.30	23,872,364.67
OPEB Expense	(163,353,951.84)	13,522,163.54
Pension Expense	1,070,444,137.00	1,306,009,024.00
Changes in Assets and Liabilities:		
Accounts Receivable	636,897.52	(28,415,959.82)
Lessor-Related Balances	(427,760.11)	(417,745.60)
Other Current and Noncurrent Assets	(2,466,192.65)	(19,956,942.73)
Deferred Outflows-Other Postemployment Benefits	520,370,102.99	231,229,465.95
Deferred Outflows-Pension Related	1,069,826,884.60	(388,164,368.06)
Accounts Payable	104,902,329.37	(55,320,831.18)
Due to System	(217,889,345.88)	260,691,289.48
Unearned Revenue	146,578.36	(27,579.09)
Employees' Compensable Leave	1,354,836.60	709,999.42
Other Postemployment Benefits Obligation	271,670,713.84	493,535,944.46
Pension Related Obligations	(1,523,295,970.00)	16,269,927.00
Deferred Inflows-Other Postemployment Benefits	(975,119,302.42)	(945,407,755.16)
Deferred Inflows-Pension Related	(202,475,656.00)	(189,778,341.00)
Other Current and Noncurrent Liabilities	454,227.79	718,073.01
Total Adjustments	(21,522,634.53)	719,068,728.89
Net Cash Provided (Used) by Operating Activities	\$ (221,140,918.88)	\$ 33,610,186.00
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	2,022,522,607.56	2,082,838,441.92
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	9,578,514.22	12,986,876.29
Miscellaneous Noncash Transactions	76,276.71	43,417.62

The University of Texas at Arlington
Exhibit A. Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 184,008,693.53	193,588,135.72
Restricted Cash & Cash Equivalents	21,433,135.56	17,382,586.45
Balance in State Appropriations	22,124,369.54	26,646,577.32
Accounts Receivable, Net:		
Federal (allow. \$40,430.69 in 2025 & \$125,654.87 in 2024)	41,116,571.81	63,210,025.26
Other Intergov. (allow. \$1,387,007.23 in 2025 & \$1,103,015.25 in 2024)	2,413,129.47	2,022,579.79
Student (allow. \$12,756,998.05 in 2025 & \$12,415,357.44 in 2024)	107,655,929.46	98,909,104.08
Interest and dividends	416.76	528.47
Contributions (allow. \$89,700.81 in 2025 & \$125,524.13 in 2024)	4,432,855.38	6,152,374.58
Other (allow. \$40,444.68 in 2025 & \$40,444.68 in 2024)	15,349,422.78	10,582,443.82
Lease Receivable (Current)	683,282.27	1,023,600.16
P3 Receivable (Current)	2,124,233.39	2,124,233.39
Due From Other Funds	31,249,278.00	75,107,406.91
Due From System Administration	41,152,637.95	38,871,913.68
Due From Other Institutions	458,003.24	594,815.98
Due From Other Agencies	3,109,009.58	4,315,616.10
Inventories	266,283.65	255,081.84
Loans & Contracts (allow. \$3,736,944.57 in 2025 & \$4,078,585.18 in 2024)	2,443,027.17	1,894,249.81
Other Current Assets	7,044,485.62	6,344,403.52
Total Current Assets	487,064,765.16	549,025,676.88
Noncurrent Assets:		
Loans & Contracts (allow. \$0.00 in 2025 & \$0.00 in 2024)	1,037,167.33	1,037,167.33
Funds Held by System Administration (Restricted)	209,228,303.19	194,099,347.75
Contributions Rec. (allow. \$82,539.70 in 2025 & \$148,917.54 in 2024)	4,157,878.60	7,344,014.47
Unrestricted Investments	906,531,978.93	776,727,408.79
Funds Held by System Administration (Unrestricted)	209,880,263.01	176,854,537.72
Lease Receivable (Noncurrent)	3,139,470.90	3,822,753.17
P3 Receivable (Noncurrent)	11,101,439.89	13,038,889.40
Gross Capital/Intangible Assets	1,854,027,896.50	1,623,031,696.05
Accumulated Depreciation/Amortization	(950,890,707.73)	(888,220,825.83)
Total Noncurrent Assets	2,248,213,690.62	1,907,734,988.85
Total Assets	2,735,278,455.78	2,456,760,665.73
Total Deferred Outflows of Resources	111,581.40	90,981.75
Total Assets and Deferred Outflows	2,735,390,037.18	2,456,851,647.48
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	52,309,567.64	36,005,006.20
Salaries Payable	29,346,426.20	28,478,729.66
Due To Other Funds	31,249,278.00	75,107,406.91
Due To System Administration	6,367,630.61	5,832,085.00
Due To Other Institutions	130,318.86	271,885.60
Due To Other State Agencies	521,127.87	966,975.62
Statewide Interfund Payable (Current)	121,531.65	121,531.65
Unearned Revenue	187,406,574.61	189,136,167.01
Employees' Compensable Leave (Current)	6,170,413.20	5,821,144.52
Notes, Loans, and Leases Payable (Current)	1,636,181.55	1,751,719.51
Other Current Liabilities	1,614,683.06	1,572,014.13
Total Current Liabilities	316,873,733.25	345,064,665.81
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	7,074,123.10	8,872,217.52
Liability to Beneficiaries	22,034.24	22,372.22
Notes, Loans, and Leases Payable (Noncurrent)	157,749.26	1,793,930.82
Statewide Interfund Payable (Noncurrent)	108,298.98	199,773.87
Asset Retirement Obligation (Noncurrent)	193,980.00	193,980.00
Other Noncurrent Liabilities	714,582.82	714,582.82
Total Noncurrent Liabilities	8,270,768.40	11,796,857.25
Total Liabilities	325,144,501.65	356,861,523.06
Total Deferred Inflows of Resources	19,289,469.23	22,664,795.31
Total Liabilities and Deferred Inflows	344,433,970.88	379,526,318.37
NET POSITION		
Net Investment in Capital Assets	901,343,257.96	731,265,219.89
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	127,546,566.23	121,183,770.74
Expendable		
Capital Projects	64,823,115.78	72,751,690.34
Funds Functioning as Endowment (Restricted)	6,206,227.80	5,882,971.63
Other Expendable	126,799,954.21	125,217,340.03
Unrestricted	1,164,236,944.32	1,021,024,336.48
Total Net Position	\$ 2,390,956,066.30	2,077,325,329.11

The University of Texas at Arlington
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 529,362,672.32	529,600,127.33
Discounts and Allowances	(262,494,870.20)	(172,363,892.13)
Federal Sponsored Programs	73,617,869.22	73,135,662.24
Federal Sponsored Programs Pass-Through from State Agencies	7,291,521.64	11,793,994.25
State Sponsored Programs	1,010,691.99	1,112,972.23
State Sponsored Programs Pass-Through from State Agencies	55,566,013.10	26,308,619.55
Local Sponsored Programs	949,113.29	872,057.00
Private Sponsored Programs	11,027,274.17	12,644,441.47
Sales and Services of Educational Activities	42,948,507.28	30,196,994.17
Auxiliary Enterprises	54,634,716.60	52,989,289.46
Other Operating Revenues	11,734,428.90	5,245,923.66
Total Operating Revenues	<u>525,647,938.31</u>	<u>571,536,189.23</u>
Operating Expenses:		
Instruction	236,776,365.76	241,968,411.74
Research	152,568,274.02	117,733,482.54
Public Service	20,943,556.93	25,094,181.90
Academic Support	65,379,074.50	59,138,828.75
Student Services	100,251,710.87	87,002,680.04
Institutional Support	60,605,843.66	61,564,859.12
Operations and Maintenance of Plant	54,537,383.54	46,181,621.17
Scholarships and Fellowships	(5,291,409.78)	65,591,171.94
Auxiliary Enterprises	66,983,857.90	66,675,731.90
Depreciation and Amortization	<u>73,325,499.41</u>	<u>57,527,921.85</u>
Total Operating Expenses	<u>826,080,156.81</u>	<u>828,478,890.95</u>
Operating Income (Loss)	<u>(300,432,218.50)</u>	<u>(256,942,701.72)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	188,307,471.32	187,560,730.29
Federal Nonexchange Sponsored Programs	98,312,664.85	87,788,338.22
Federal Nonexchange Pass-Through	148,027.53	(75,834.68)
State Nonexchange Pass-Through	15,478,540.42	143,000.00
Gift Contributions for Operations	4,179,320.35	15,785,088.43
Investment Income	54,038,343.90	52,626,168.43
Net Increase (Decrease) in Fair Value of Investments	87,570,079.51	72,863,874.84
Interest Expense on Capital Asset Financings	(229,034.47)	(78,540.76)
Gain (Loss) on Sale of Capital Assets	(208,405.82)	(26,635.58)
Other Nonoperating Revenues	6,598,157.36	3,894,384.51
Other Nonoperating (Expenses)	<u>(556,341.00)</u>	<u>(74,820.41)</u>
Net Nonoperating Revenues (Expenses)	<u>453,638,823.95</u>	<u>420,405,753.29</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	153,206,605.45	163,463,051.57
Gifts and Sponsored Programs for Capital Acquisitions	(204,658.30)	817,743.69
Additions to Permanent Endowments	6,937,798.46	3,457,703.21
Reclass from/(to) Other Institutions	163,246,487.32	(170,958,581.33)
Transfers Between Institutions & System, Debt Service - Mandatory	(36,637,709.75)	(37,539,830.41)
Transfers Between Institutions & System Admin. - Non mandatory	16,636,083.00	250,155,417.01
Transfers From Other State Agencies	18,422,198.00	11,117,450.46
Transfers to Other State Agencies	(7,976,066.99)	(5,009,033.76)
Legislative Appropriations Lapsed		
Change in Net Position	<u>313,630,737.19</u>	<u>215,503,920.44</u>
Beginning Net Position	<u>2,077,325,329.11</u>	<u>1,861,821,408.67</u>
Ending Net Position	<u>\$ 2,390,956,066.30</u>	<u>2,077,325,329.11</u>

The University of Texas at Arlington
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 262,988,645.91	\$ 348,735,566.53
Proceeds from Sponsored Programs	138,458,012.23	130,706,370.35
Proceeds from Auxiliaries	54,210,448.09	51,780,801.97
Proceeds from Other Revenues	53,047,465.32	35,170,058.05
Payments to Suppliers	(225,005,667.09)	(286,190,218.52)
Payments to Employees	(529,380,087.70)	(489,595,766.07)
Payments for Loans Provided	(1,406,326.34)	(1,696,396.53)
Proceeds from Loan Programs	1,157,866.81	1,834,631.91
Net Cash Provided (Used) by Operating Activities	<u>(245,929,642.77)</u>	<u>(209,254,952.31)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	192,829,679.10	182,270,765.10
Proceeds from Operating Gifts	8,436,442.16	8,252,330.24
Proceeds from Private Gifts for Endowment Purposes	6,937,798.46	3,457,703.21
Proceeds from Other Noncapital Financing Activities	144,686,687.80	151,202,115.02
Receipts for Transfers from System or Other Agencies	27,574,720.79	23,517,041.19
Payments for Transfers to System or Other Agencies	(8,008,745.57)	(5,098,063.13)
Payments for Other Uses	(148,378,109.83)	(143,616,502.38)
Proceeds from Nonexchange Sponsored Programs	141,768,230.83	87,870,277.35
Net Cash Provided by Noncapital Financing Activities	<u>365,846,703.74</u>	<u>307,855,666.60</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	168,456,351.37	30,074,333.18
Proceeds from Capital Appropriations, Grants, and Gifts	1,750.00	61,500.00
Payments for Additions to Capital Assets	(215,665,844.69)	(73,014,860.63)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(5,026,495.74)	(2,858,025.20)
Mandatory Transfers to System for Capital Related Debt	(36,637,709.75)	(37,539,830.41)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(229,034.47)	(78,540.76)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(89,100,983.28)</u>	<u>(83,355,423.82)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	2,308,707.29	5,539,340.57
Proceeds from Interest and Investment Income Invested by System	51,729,876.21	47,087,974.67
Payments to Acquire Investments Invested by System	(90,383,554.27)	(48,397,707.69)
Net Cash Provided (Used) by Investing Activities	<u>(36,344,970.77)</u>	<u>4,229,607.55</u>
Net Increase (Decrease) in Cash	(5,528,893.08)	19,474,898.02
Cash and Cash Equivalents (Beginning of the Year)	210,970,722.17	191,495,824.15
Cash and Cash Equivalents (End of the Year)	<u>\$ 205,441,829.09</u>	<u>\$ 210,970,722.17</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(300,432,218.50)	(256,942,701.72)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	73,325,499.41	57,527,921.85
Bad Debt Expense	(300,317.83)	(110,682.45)
Changes in Assets and Liabilities:		
Accounts Receivable	(14,330,395.81)	(11,618,266.85)
Lessor-Related Balances	(17,010.55)	(18,112.86)
P3 Related Balances	(403,220.93)	(1,586,523.50)
Inventories	(11,201.81)	12,466.01
Loans and Contracts	(248,459.53)	138,235.38
Other Current and Noncurrent Assets	(700,082.10)	896,511.29
Accounts Payable	(191,431.87)	2,520,067.14
Due to System	535,545.61	480,869.83
Unearned Revenue	(1,729,592.40)	7,372,322.18
Employees' Compensable Leave	(1,448,825.74)	(7,973,414.52)
Asset Retirement Obligations	(20,599.65)	-
Other Current and Noncurrent Liabilities	42,668.93	46,355.91
Total Adjustments	<u>54,502,575.73</u>	<u>47,687,749.41</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (245,929,642.77)</u>	<u>\$ (209,254,952.31)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	87,570,079.51	72,863,874.84
Donated Capital Assets	442,124.96	107,710.43
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	3,274,776.22	4,956,917.07
Miscellaneous Noncash Transactions	4,707,634.61	1,684,344.48

The University of Texas at Austin
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 634,491,230.78	601,385,526.49
Restricted Cash & Cash Equivalents	114,420,068.61	134,733,269.95
Balance in State Appropriations	272,829,437.31	455,277,147.62
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	250,001,411.03	157,354,185.77
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	19,530,290.34	31,986,346.83
Student (allow. \$2,931,075.90 in 2025 & \$1,392,654.76 in 2024)	84,366,370.59	66,923,307.45
Interest and dividends	7,203,649.38	7,139,516.41
Contributions (allow. \$11,299,101.92 in 2025 & \$919,806.79 in 2024)	186,729,838.29	128,345,758.82
Other (allow. \$560,504.04 in 2025 & \$273,120.12 in 2024)	95,743,615.50	82,195,229.78
Lease Receivable (Current)	6,363,357.66	5,081,455.50
P3 Receivable (Current)	601,562.22	807,917.41
Due From Other Funds	148,352,958.52	104,202,554.33
Due From System Administration	1,075,663,554.45	821,322,054.68
Due From Other Institutions	1,464,469.89	1,729,025.83
Due From Other Agencies	9,909,645.01	14,775,595.47
Inventories	8,727,218.70	11,655,628.52
Loans & Contracts (allow. \$0.00 in 2025 & \$0.00 in 2024)	4,648,389.62	5,449,909.10
Other Current Assets	96,600,769.55	103,938,051.23
Total Current Assets	3,017,647,837.45	2,734,302,481.19
Noncurrent Assets:		
Cash and Cash Equivalents (Noncurrent Restricted)	53,156.33	10,173.55
Restricted Investments	232,140,163.87	251,155,030.09
Loans & Contracts (allow. \$5,286,822.00 in 2025 & \$5,592,164.91 in 2024)	5,083,180.95	7,980,146.43
Funds Held by System Administration (Restricted)	6,833,831,191.02	6,261,653,823.63
Contributions Rec. (allow. \$57,963.44 in 2025 & \$45,920.18 in 2024)	359,682,227.54	288,197,262.26
Unrestricted Investments	1,007,870,766.07	896,195,412.63
Funds Held by System Administration (Unrestricted)	1,501,745,830.61	1,394,641,599.97
Lease Receivable (Noncurrent)	111,479,969.68	97,085,224.81
Other Noncurrent Assets	10,509,323.00	9,087,668.00
P3 Receivable (Noncurrent)	7,160,562.97	8,254,207.78
Gross Capital/Intangible Assets	11,313,799,171.46	10,571,453,063.50
Accumulated Depreciation/Amortization	(5,718,130,129.31)	(5,388,757,118.53)
Total Noncurrent Assets	15,665,225,414.19	14,396,956,494.12
Total Assets	18,682,873,251.64	17,131,258,975.31
Total Deferred Outflows of Resources	546,875.00	805,158.21
Total Assets and Deferred Outflows	18,683,420,126.64	17,132,064,133.52
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	309,358,296.36	232,481,469.23
Salaries Payable	156,374,562.21	155,289,344.03
Due To Other Funds	148,352,958.52	104,202,554.33
Due To System Administration	27,274,894.64	25,213,702.75
Due To Other Institutions	1,251,353.89	715,538.47
Due To Other State Agencies	9,946,938.51	14,518,345.95
Unearned Revenue	693,314,097.53	703,156,439.57
Employees' Compensable Leave (Current)	76,882,835.32	43,629,394.89
Notes, Loans, and Leases Payable (Current)	8,914,938.53	9,769,749.06
Other Current Liabilities	6,627,090.11	4,573,028.50
Total Current Liabilities	1,438,297,965.62	1,293,549,566.78
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	25,521,918.98	42,896,064.29
Liability to Beneficiaries	10,336,593.68	9,929,949.32
Notes, Loans, and Leases Payable (Noncurrent)	68,678,725.23	72,987,092.06
Asset Retirement Obligation (Noncurrent)	6,280,663.13	6,157,128.13
Other Noncurrent Liabilities	2,173,895.60	3,035,405.81
Total Noncurrent Liabilities	112,991,796.62	135,005,639.61
Total Liabilities	1,551,289,762.24	1,428,555,206.39
Total Deferred Inflows of Resources	454,972,561.45	449,842,567.21
Total Liabilities and Deferred Inflows	2,006,262,323.69	1,878,397,773.60
NET POSITION		
Net Investment in Capital Assets	5,203,057,242.65	4,775,219,810.81
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	2,969,320,691.80	2,786,633,433.96
Expendable		
Capital Projects	16,288,496.08	(96,669,503.83)
Funds Functioning as Endowment (Restricted)	460,590,843.16	427,692,869.99
Other Expendable	4,287,965,701.75	3,757,950,390.74
Unrestricted	3,739,934,827.51	3,602,839,358.25
Total Net Position	\$ 16,677,157,802.95	15,253,666,359.92

The University of Texas at Austin
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 804,812,778.60	764,991,390.82
Discounts and Allowances	(416,483,457.51)	(211,882,051.50)
Federal Sponsored Programs	903,435,630.14	733,390,282.81
Federal Sponsored Programs Pass-Through from State Agencies	30,249,606.26	36,550,545.44
State Sponsored Programs Pass-Through from State Agencies	114,568,510.83	70,149,481.81
Local Sponsored Programs	6,583,666.45	6,076,973.40
Private Sponsored Programs	285,454,358.26	272,008,572.16
Sales and Services of Educational Activities	448,910,188.62	362,144,196.26
Discounts and Allowances Sales and Services of Educational Activities	(54,804.46)	263,687.69
Sales and Services of Hospitals	11,734,334.64	9,972,377.88
Discounts and Allowances Sales and Services of Hospitals	(6,199,617.31)	(4,231,883.16)
Professional Fees (Patient Charges)	37,011,009.39	32,678,057.73
Discounts and Allowances Professional Fees (Patient Charges)	(19,579,824.17)	(16,122,317.85)
Auxiliary Enterprises	428,178,207.92	427,785,855.50
Discounts and Allowances Auxiliary Enterprises	(4,948,005.63)	(22,740,560.08)
Other Operating Revenues	11,101,969.52	51,554,027.83
Total Operating Revenues	2,634,774,551.55	2,512,588,636.74
Operating Expenses:		
Instruction	782,610,561.27	779,022,059.58
Research	923,050,151.79	849,265,202.65
Public Service	246,466,177.44	200,014,888.60
Hospitals / Clinics	205,074,640.25	182,855,918.95
Academic Support	672,465,709.81	545,790,652.38
Student Services	52,475,041.09	50,699,689.94
Institutional Support	348,362,227.17	255,301,603.81
Operations and Maintenance of Plant	304,965,488.45	274,651,926.77
Scholarships and Fellowships	38,698,655.18	190,790,530.07
Auxiliary Enterprises	477,032,197.39	431,683,154.75
Depreciation and Amortization	396,404,528.76	375,062,863.14
Total Operating Expenses	4,447,605,378.60	4,135,138,490.64
Operating Income (Loss)	(1,812,830,827.05)	(1,622,549,853.90)
Nonoperating Revenues (Expenses):		
State Appropriations	415,244,861.83	420,755,427.18
Federal Nonexchange Sponsored Programs	80,895,133.59	75,391,962.26
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through		
Local Nonexchange Sponsored Programs	35,000,000.00	35,000,000.00
Gift Contributions for Operations	387,492,582.76	268,194,874.98
Investment Income	636,471,700.68	368,480,739.37
Net Increase (Decrease) in Fair Value of Investments	571,974,011.38	442,695,737.33
Interest Expense on Capital Asset Financings	(2,366,270.47)	(1,891,744.51)
Gain (Loss) on Sale of Capital Assets	(29,247,491.15)	(33,033,884.85)
Other Nonoperating Revenues	4,805,686.13	48,420,057.77
Other Nonoperating (Expenses)	(873,726.27)	(8,698,652.47)
Net Nonoperating Revenues (Expenses)	2,099,396,488.48	1,615,314,517.06
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	286,565,661.43	(7,235,336.84)
Gifts and Sponsored Programs for Capital Acquisitions	126,213,070.96	208,398,880.66
Additions to Permanent Endowments	139,885,546.28	128,184,508.69
Reclass from/(to) Other Institutions	(243,824,315.38)	(227,304,308.79)
Transfers Between Institutions & System, Debt Service - Mandatory	(157,112,147.08)	(153,577,301.11)
Transfers Between Institutions & System Admin. - Non mandatory	1,241,874,995.18	970,953,155.45
Transfers From Other State Agencies	30,095,878.57	24,549,852.66
Transfers to Other State Agencies	(207,246.93)	(345,109.22)
Legislative Appropriations Lapsed		
Change in Net Position	1,423,491,443.03	943,624,341.50
Beginning Net Position	15,253,666,359.92	14,309,009,337.92
Restatements		1,032,680.50
Beginning Net Position (As Restated)	15,253,666,359.92	14,310,042,018.42
Ending Net Position	\$ 16,677,157,802.95	15,253,666,359.92

The University of Texas at Austin
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 385,344,597.60	\$ 559,048,981.29
Proceeds from Patients and Customers	22,965,902.55	22,296,234.60
Proceeds from Sponsored Programs	1,242,965,615.33	1,078,618,722.74
Proceeds from Auxiliaries	417,411,793.44	407,184,158.07
Proceeds from Other Revenues	451,140,576.51	376,263,158.52
Payments to Suppliers	(1,421,953,497.29)	(1,334,859,448.95)
Payments to Employees	(2,552,716,573.36)	(2,377,005,719.91)
Payments for Loans Provided	(9,824,216.48)	(10,025,270.81)
Proceeds from Loan Programs	13,812,703.68	15,549,933.56
Net Cash Provided (Used) by Operating Activities	<u>(1,450,853,098.02)</u>	<u>(1,262,929,250.89)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	597,692,572.14	442,384,267.98
Proceeds from Operating Gifts	257,623,538.01	229,015,231.18
Proceeds from Private Gifts for Endowment Purposes	139,885,546.28	128,184,508.69
Proceeds from Other Noncapital Financing Activities	233,673,265.28	278,150,170.58
Receipts for Transfers from System or Other Agencies	404,487,277.62	562,480,923.14
Payments for Transfers to System or Other Agencies	(231,067.88)	(210,378.30)
Payments for Other Uses	(239,294,810.03)	(267,692,467.77)
Proceeds from Nonexchange Sponsored Programs	110,391,962.26	99,247,611.05
Net Cash Provided by Noncapital Financing Activities	<u>1,504,228,283.68</u>	<u>1,471,559,866.55</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	367,954,079.21	214,871,546.47
Proceeds from Capital Appropriations, Grants, and Gifts	109,669,097.47	103,137,254.99
Proceeds from Sale of Capital Assets	895,525.45	1,362,519.83
Payments for Additions to Capital Assets	(788,566,274.96)	(549,159,142.14)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(9,966,410.84)	(10,552,875.09)
Mandatory Transfers to System for Capital Related Debt	(157,112,147.08)	(153,577,301.11)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(2,366,270.47)	(1,891,744.51)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(479,492,401.22)</u>	<u>(395,809,741.56)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	535,928,815.95	291,188,726.81
Proceeds from Interest and Investment Income Invested by System	101,862,270.84	77,746,311.11
Payments to Acquire Investments Invested by System	(198,838,385.50)	(173,823,603.53)
Net Cash Provided (Used) by Investing Activities	<u>438,952,701.29</u>	<u>195,111,434.39</u>
Net Increase (Decrease) in Cash	12,835,485.73	7,932,308.49
Cash and Cash Equivalents (Beginning of the Year)	<u>736,128,969.99</u>	<u>728,196,661.50</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 748,964,455.72</u>	<u>\$ 736,128,969.99</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(1,812,830,827.05)	(1,622,549,853.90)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	396,404,528.76	375,062,863.14
Bad Debt Expense	(290,002.24)	(3,931,823.28)
Changes in Assets and Liabilities:		
Accounts Receivable	(94,324,326.44)	(32,460,975.46)
Lessor-Related Balances	(2,657,492.62)	(1,112,846.15)
P3 Related Balances	(8,733,859.18)	(8,733,859.18)
Inventories	2,928,409.82	(3,485,913.15)
Loans and Contracts	3,988,487.20	5,524,662.75
Other Current and Noncurrent Assets	7,337,281.68	(18,459,258.00)
Accounts Payable	47,652,187.47	49,131,224.71
Due to System	2,061,191.89	2,261,726.42
Unearned Revenue	(9,842,342.04)	(4,419,817.53)
Employees' Compensable Leave	15,879,295.12	3,131,626.21
Asset Retirement Obligations	381,818.21	38,010.77
Other Current and Noncurrent Liabilities	1,192,551.40	(2,925,018.24)
Total Adjustments	<u>361,977,729.03</u>	<u>359,620,603.01</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,450,853,098.02)</u>	<u>\$ (1,262,929,250.89)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	571,974,011.38	442,695,737.33
Donated Capital Assets	16,543,973.49	105,261,625.67
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	4,840,697.27	24,800,434.28
Miscellaneous Noncash Transactions	(25,914,596.36)	1,397,071.09

The University of Texas at Dallas
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 200,756,081.92	113,319,387.95
Restricted Cash & Cash Equivalents	37,915,429.95	8,214,704.60
Balance in State Appropriations	551,504.22	2,357,689.69
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	26,917,835.63	50,925,398.09
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	1,843,778.36	2,017,085.46
Student (allow. \$5,796,632.97 in 2025 & \$6,171,548.92 in 2024)	79,829,909.49	51,949,793.12
Interest and dividends	1,117,147.59	771,119.30
Contributions (allow. \$17,297.20 in 2025 & \$2,261,471.34 in 2024)	327,681.15	3,357,947.06
Other (allow. \$651,247.11 in 2025 & \$510,680.46 in 2024)	24,908,320.16	17,868,427.15
Lease Receivable (Current)	87,166.25	53,577.77
Due From System Administration	101,146,986.37	42,536,974.60
Due From Other Institutions	680,671.94	555,084.49
Due From Other Agencies	1,639,087.03	2,010,089.87
Inventories	121,749.56	333,537.32
Loans & Contracts (allow. \$210,294.86 in 2025 & \$819,022.45 in 2024)	3,994,439.37	6,436,989.89
Other Current Assets	6,946,695.23	6,183,294.30
Total Current Assets	<u>488,784,484.22</u>	<u>308,891,100.66</u>
Noncurrent Assets:		
Restricted Investments	46,238,136.42	35,293,017.35
Loans & Contracts (allow. \$1,624,787.89 in 2025 & \$398,835.72 in 2024)	2,471,702.30	3,300,758.57
Funds Held by System Administration (Restricted)	793,327,893.43	734,063,458.94
Contributions Rec. (allow. \$614,218.79 in 2025 & \$866,776.23 in 2024)	11,668,355.92	16,193,599.36
Unrestricted Investments	225,158,767.48	209,248,285.72
Funds Held by System Administration (Unrestricted)	727,253,030.47	685,756,747.28
Lease Receivable (Noncurrent)	594,201.32	335,550.51
Other Noncurrent Assets	1,000,002.00	2.00
Gross Capital/Intangible Assets	2,444,306,735.65	2,241,840,416.91
Accumulated Depreciation/Amortization	(1,222,194,426.41)	(1,154,126,718.43)
Total Noncurrent Assets	<u>3,029,824,398.58</u>	<u>2,771,905,118.21</u>
Total Assets	<u>3,518,608,882.80</u>	<u>3,080,796,218.87</u>
Total Assets and Deferred Outflows	<u>3,518,608,882.80</u>	<u>3,080,796,218.87</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	46,531,711.71	37,512,219.49
Salaries Payable	38,177,806.78	37,668,442.26
Due To System Administration	5,800,115.25	5,300,818.36
Due To Other Institutions	1,195,003.79	1,456,436.21
Due To Other State Agencies	58,536.79	72,935.56
Unearned Revenue	213,039,412.13	200,162,127.97
Employees' Compensable Leave (Current)	10,000,383.97	8,496,272.10
Notes, Loans, and Leases Payable (Current)	5,196,926.66	6,200,756.64
Other Current Liabilities	345,031.76	454,073.19
Total Current Liabilities	<u>320,344,928.84</u>	<u>297,324,081.78</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	10,246,692.40	8,454,587.70
Notes, Loans, and Leases Payable (Noncurrent)	29,852,990.44	33,796,070.47
Asset Retirement Obligation (Noncurrent)	41,092.50	41,092.50
Other Noncurrent Liabilities	85,729.11	60,375.11
Total Noncurrent Liabilities	<u>40,226,504.45</u>	<u>42,352,125.78</u>
Total Liabilities	<u>360,571,433.29</u>	<u>339,676,207.56</u>
Total Deferred Inflows of Resources	<u>3,851,627.99</u>	<u>1,739,611.68</u>
Total Liabilities and Deferred Inflows	<u>364,423,061.28</u>	<u>341,415,819.24</u>
NET POSITION		
Net Investment in Capital Assets	1,187,062,392.14	1,047,716,871.37
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	365,445,140.85	350,547,483.24
Expendable		
Capital Projects	76,338,013.47	53,878,227.81
Funds Functioning as Endowment (Restricted)	115,124,707.43	113,967,964.40
Other Expendable	440,820,383.54	392,916,407.67
Unrestricted	969,395,184.09	780,353,445.14
Total Net Position	<u>\$ 3,154,185,821.52</u>	<u>2,739,380,399.63</u>

The University of Texas at Dallas
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 496,283,091.16	548,442,682.72
Discounts and Allowances	(171,847,101.80)	(155,790,583.00)
Federal Sponsored Programs	91,433,786.00	83,312,433.94
Federal Sponsored Programs Pass-Through from State Agencies	3,214,310.41	2,159,445.25
State Sponsored Programs Pass-Through from State Agencies	34,196,041.59	19,516,476.97
Local Sponsored Programs	25,000.00	71,559.91
Private Sponsored Programs	13,412,741.77	14,523,264.42
Sales and Services of Educational Activities	44,617,134.29	43,683,602.94
Auxiliary Enterprises	60,594,739.33	59,814,113.75
Other Operating Revenues	11,352,997.97	11,673,112.74
Total Operating Revenues	583,282,740.72	627,406,109.64
Operating Expenses:		
Instruction	252,579,408.38	243,024,569.87
Research	151,475,683.54	138,572,237.85
Public Service	14,554,811.67	15,243,003.26
Academic Support	106,411,040.61	96,570,711.94
Student Services	28,765,214.96	27,527,552.30
Institutional Support	57,059,416.90	52,175,568.26
Operations and Maintenance of Plant	63,772,769.84	62,487,325.77
Scholarships and Fellowships	36,209,928.24	40,547,315.57
Auxiliary Enterprises	59,174,743.25	54,685,227.78
Depreciation and Amortization	102,699,090.64	99,267,561.84
Total Operating Expenses	872,702,108.03	830,101,074.44
Operating Income (Loss)	(289,419,367.31)	(202,694,964.80)
Nonoperating Revenues (Expenses):		
State Appropriations	189,515,608.99	188,862,747.82
Federal Nonexchange Sponsored Programs	45,246,358.71	39,856,669.00
Federal Nonexchange Pass-Through	29,523.67	
State Nonexchange Pass-Through	90,463,453.28	3,563,113.64
Gift Contributions for Operations	24,599,271.34	10,699,086.41
Investment Income	89,805,803.54	68,913,881.70
Net Increase (Decrease) in Fair Value of Investments	88,687,436.68	86,502,171.29
Interest Expense on Capital Asset Financings	(551,595.99)	(610,942.15)
Gain (Loss) on Sale of Capital Assets	(702,029.45)	(1,636,942.80)
Other Nonoperating Revenues	63,430.17	1,048,155.32
Net Nonoperating Revenues (Expenses)	527,157,260.94	397,197,940.23
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	237,737,893.63	194,502,975.43
Gifts and Sponsored Programs for Capital Acquisitions	(800,692.03)	5,876,442.78
Additions to Permanent Endowments	13,182,473.78	5,320,681.58
Reclass from/(to) Other Institutions	169,006,532.71	(360,561,366.28)
Transfers Between Institutions & System, Debt Service - Mandatory	(56,379,191.84)	(54,516,530.99)
Transfers Between Institutions & System Admin. - Non mandatory	45,932,904.73	455,906,784.64
Transfers From Other State Agencies	6,128,993.52	12,092,730.74
Transfers to Other State Agencies	(3,492.61)	(119,080.40)
Legislative Appropriations Lapsed		
Change in Net Position	414,805,421.89	258,502,637.50
Beginning Net Position	2,739,380,399.63	2,480,877,762.13
Ending Net Position	\$ 3,154,185,821.52	2,739,380,399.63

The University of Texas at Dallas
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 306,339,772.53	\$ 365,311,083.18
Proceeds from Sponsored Programs	142,426,475.92	120,917,896.20
Proceeds from Auxiliaries	57,418,108.36	55,646,884.67
Proceeds from Other Revenues	56,020,552.85	54,950,384.72
Payments to Suppliers	(222,186,549.87)	(204,349,975.61)
Payments to Employees	(547,516,947.37)	(515,381,912.21)
Payments for Loans Provided	(11,183,278.87)	(17,822,015.76)
Proceeds from Loan Programs	13,826,518.35	17,445,808.64
Net Cash Provided (Used) by Operating Activities	<u>(204,855,348.10)</u>	<u>(123,281,846.17)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	191,321,794.46	187,946,240.89
Proceeds from Operating Gifts	27,463,851.18	27,456,321.48
Proceeds from Private Gifts for Endowment Purposes	13,182,473.78	5,320,681.58
Proceeds from Other Noncapital Financing Activities	70,275,453.17	54,267,051.56
Receipts for Transfers from System or Other Agencies	17,210,679.33	27,099,573.38
Payments for Transfers to System or Other Agencies	(284,870.68)	(6,801.23)
Payments for Other Uses	(58,662,015.00)	(64,180,542.00)
Proceeds from Nonexchange Sponsored Programs	148,412,517.66	24,050,873.64
Net Cash Provided by Noncapital Financing Activities	<u>408,919,883.90</u>	<u>261,953,399.30</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	143,705,298.11	33,662,656.19
Proceeds from Capital Appropriations, Grants, and Gifts	3,890,237.48	17,521,462.37
Proceeds from Sale of Capital Assets	458,762.81	142,839.00
Payments for Additions to Capital Assets	(222,057,905.42)	(99,876,942.34)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(6,600,751.88)	(6,632,837.59)
Mandatory Transfers to System for Capital Related Debt	(56,379,191.84)	(54,516,530.99)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(551,595.99)	(610,942.15)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(137,535,146.73)</u>	<u>(110,310,295.51)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	1,379,269.53	2,892,473.43
Proceeds from Interest and Investment Income Invested by System	88,157,642.55	66,468,456.74
Payments to Acquire Investments Invested by System	(38,928,881.83)	(174,618,184.83)
Net Cash Provided (Used) by Investing Activities	<u>50,608,030.25</u>	<u>(105,257,254.66)</u>
Net Increase (Decrease) in Cash	117,137,419.32	(76,895,997.04)
Cash and Cash Equivalents (Beginning of the Year)	121,534,092.55	198,430,089.59
Cash and Cash Equivalents (End of the Year)	<u>\$ 238,671,511.87</u>	<u>\$ 121,534,092.55</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(289,419,367.31)	(202,694,964.80)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	102,699,090.64	99,267,561.84
Bad Debt Expense	628,367.31	7,212.85
Changes in Assets and Liabilities:		
Accounts Receivable	(34,716,914.43)	(6,991,897.70)
Lessor-Related Balances	(4,992.54)	(918.70)
P3 Related Balances	824,769.56	(119,292.04)
Inventories	211,787.76	22,294.81
Loans and Contracts	2,643,239.48	(376,207.12)
Other Current and Noncurrent Assets	(763,400.93)	2,586,329.48
Accounts Payable	(3,547,037.83)	6,653,532.00
Due to System	499,296.89	524,921.15
Unearned Revenue	12,877,284.16	(23,438,479.53)
Employees' Compensable Leave	3,296,216.57	1,378,131.30
Other Current and Noncurrent Liabilities	(83,687.43)	(100,069.71)
Total Adjustments	<u>84,564,019.21</u>	<u>79,413,118.63</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (204,855,348.10)</u>	<u>\$ (123,281,846.17)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	88,687,436.68	86,502,171.29
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	1,656,199.86	2,478,307.39
Miscellaneous Noncash Transactions	743,112.73	6,446,209.69

The University of Texas at El Paso
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 133,280,625.76	93,107,612.78
Restricted Cash & Cash Equivalents	(26,135,678.76)	8,570,465.68
Balance in State Appropriations	1,466,384.88	2,034,584.30
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	100,148,942.49	45,869,757.04
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	4,750,151.56	5,959,910.36
Student (allow. \$3,044,237.13 in 2025 & \$3,213,988.43 in 2024)	30,695,574.26	30,944,464.37
Interest and dividends	1,520,140.94	1,367,912.03
Contributions (allow. \$1,109,179.67 in 2025 & \$643,527.57 in 2024)	6,449,291.07	3,852,298.25
Other (allow. \$5,053,357.47 in 2025 & \$3,983,225.58 in 2024)	32,282,852.53	22,608,760.51
Lease Receivable (Current)	433,523.38	403,761.41
Due From System Administration	50,661,811.28	37,905,899.10
Due From Other Institutions	371,768.52	277,640.22
Due From Other Agencies	280,179.21	247,048.83
Inventories	224,281.43	211,662.37
Loans & Contracts (allow. \$589,332.88 in 2025 & \$318,908.49 in 2024)	309,429.23	582,728.98
Other Current Assets	32,085,119.77	27,822,239.01
Total Current Assets	<u>368,824,397.55</u>	<u>281,766,745.24</u>
Noncurrent Assets:		
Restricted Investments	3,558,023.25	12,432,240.03
Loans & Contracts (allow. \$392,888.59 in 2025 & \$212,605.66 in 2024)	198,711.42	378,994.35
Funds Held by System Administration (Restricted)	394,965,660.02	373,026,796.24
Contributions Rec. (allow. \$2,898,292.93 in 2025 & \$711,869.80 in 2024)	17,110,149.79	5,080,349.98
Unrestricted Investments	211,914,389.81	192,836,517.05
Funds Held by System Administration (Unrestricted)	27,557,099.96	16,383,011.06
Lease Receivable (Noncurrent)	26,078,725.48	26,352,303.19
Other Noncurrent Assets	1,511,119.00	1,321,092.00
Gross Capital/Intangible Assets	1,223,042,210.61	1,143,756,681.79
Accumulated Depreciation/Amortization	(613,971,416.63)	(578,569,986.93)
Total Noncurrent Assets	<u>1,291,964,672.71</u>	<u>1,192,997,998.76</u>
Total Assets	<u>1,660,789,070.26</u>	<u>1,474,764,744.00</u>
Total Assets and Deferred Outflows	<u>1,660,789,070.26</u>	<u>1,474,764,744.00</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	29,819,416.51	22,699,267.27
Salaries Payable	14,035,533.37	14,603,952.07
Due To System Administration	4,238,265.17	3,829,932.87
Due To Other Institutions	529,549.53	487,480.94
Due To Other State Agencies	53,931.34	26,749.79
Unearned Revenue	110,114,389.13	104,637,708.27
Employees' Compensable Leave (Current)	4,944,984.86	4,834,609.94
Notes, Loans, and Leases Payable (Current)	922,083.94	248,658.52
Other Current Liabilities	19,789,113.12	22,611,714.80
Total Current Liabilities	<u>184,447,266.97</u>	<u>173,980,074.47</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	6,944,919.23	5,175,220.64
Liability to Beneficiaries	2,322,531.72	2,264,876.08
Notes, Loans, and Leases Payable (Noncurrent)	872,245.79	219,406.69
Other Noncurrent Liabilities	2,619,933.65	2,641,818.65
Total Noncurrent Liabilities	<u>12,759,630.39</u>	<u>10,301,322.06</u>
Total Liabilities	<u>197,206,897.36</u>	<u>184,281,396.53</u>
Total Deferred Inflows of Resources	<u>26,384,499.19</u>	<u>26,818,851.31</u>
Total Liabilities and Deferred Inflows	<u>223,591,396.55</u>	<u>211,100,247.84</u>
NET POSITION		
Net Investment in Capital Assets	607,276,464.25	564,718,629.65
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	179,419,206.02	172,269,949.73
Expendable		
Capital Projects	39,420,968.86	22,510,112.21
Funds Functioning as Endowment (Restricted)	33,645,969.89	31,780,288.63
Other Expendable	273,638,290.65	238,142,178.12
Unrestricted	303,796,774.04	234,243,337.82
Total Net Position	<u>\$ 1,437,197,673.71</u>	<u>1,263,664,496.16</u>

The University of Texas at El Paso
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 223,395,256.20	215,463,311.03
Discounts and Allowances	(133,401,819.00)	(79,907,581.00)
Federal Sponsored Programs	79,213,418.79	84,900,595.85
Federal Sponsored Programs Pass-Through from State Agencies	2,341,621.13	1,530,077.34
State Sponsored Programs Pass-Through from State Agencies	37,292,061.23	35,065,847.76
Local Sponsored Programs	1,910,125.74	1,669,418.20
Private Sponsored Programs	3,950,569.17	4,647,243.40
Sales and Services of Educational Activities	9,981,683.69	9,544,921.48
Auxiliary Enterprises	58,101,151.46	57,766,113.18
Other Operating Revenues	1,591,985.24	160,112.27
Total Operating Revenues	<u>284,376,053.65</u>	<u>330,840,059.51</u>
Operating Expenses:		
Instruction	133,106,439.60	124,482,153.39
Research	129,466,576.70	122,078,759.62
Public Service	8,198,867.64	7,783,578.76
Hospitals / Clinics		
Academic Support	34,315,527.01	27,881,175.62
Student Services	27,494,817.70	25,175,180.72
Institutional Support	46,459,535.92	43,196,058.27
Operations and Maintenance of Plant	37,669,823.24	36,798,955.05
Scholarships and Fellowships	26,798,791.58	66,573,199.98
Auxiliary Enterprises	73,766,821.31	75,647,471.98
Depreciation and Amortization	<u>38,246,130.98</u>	<u>35,840,648.68</u>
Total Operating Expenses	<u>555,523,331.68</u>	<u>565,457,182.07</u>
Operating Income (Loss)	<u>(271,147,278.03)</u>	<u>(234,617,122.56)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	141,890,746.40	141,836,487.67
Federal Nonexchange Sponsored Programs	95,574,216.18	93,192,024.33
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through	19,116,959.44	240,000.00
Gift Contributions for Operations	31,069,586.63	13,332,863.31
Investment Income	39,841,699.61	26,818,602.62
Net Increase (Decrease) in Fair Value of Investments	24,034,029.47	33,886,226.57
Interest Expense on Capital Asset Financings	(93,470.00)	(7,071.63)
Gain (Loss) on Sale of Capital Assets	(28,967.80)	(208,230.30)
Other Nonoperating Revenues		334,296.44
Other Nonoperating (Expenses)	<u>(23,653.33)</u>	<u>(40,973.61)</u>
Net Nonoperating Revenues (Expenses)	<u>351,381,146.60</u>	<u>309,384,225.40</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	80,233,868.57	74,767,102.84
Gifts and Sponsored Programs for Capital Acquisitions	293,366.30	60,440.64
Additions to Permanent Endowments	6,960,455.82	5,541,600.73
Reclass from/(to) Other Institutions	76,515,217.10	37,627,218.51
Transfers Between Institutions & System, Debt Service - Mandatory	(29,310,701.04)	(31,150,113.64)
Transfers Between Institutions & System Admin. - Non mandatory	36,782,210.14	16,150,485.80
Transfers From Other State Agencies	2,064,924.87	2,121,923.00
Transfers to Other State Agencies	(6,164.21)	(22,641.27)
Legislative Appropriations Lapsed		
Change in Net Position	<u>173,533,177.55</u>	<u>105,096,016.61</u>
Beginning Net Position	<u>1,263,664,496.16</u>	<u>1,158,568,479.55</u>
Ending Net Position	<u>\$ 1,437,197,673.71</u>	<u>1,263,664,496.16</u>

The University of Texas at El Paso
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 97,425,021.46	\$ 139,055,334.82
Proceeds from Sponsored Programs	118,714,790.65	119,409,115.37
Proceeds from Auxiliaries	54,902,162.50	56,969,801.07
Proceeds from Other Revenues	6,681,563.17	7,906,597.75
Payments to Suppliers	(172,247,327.91)	(227,722,226.52)
Payments to Employees	(337,392,014.33)	(311,375,709.48)
Payments for Loans Provided	(1,072,296.62)	(1,932,860.65)
Proceeds from Loan Programs	1,111,290.17	1,886,370.09
Net Cash Provided (Used) by Operating Activities	<u>(231,876,810.91)</u>	<u>(215,803,577.55)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	142,458,945.82	140,872,155.49
Proceeds from Operating Gifts	16,082,862.65	9,466,438.92
Proceeds from Private Gifts for Endowment Purposes	6,960,455.82	5,541,600.73
Proceeds from Other Noncapital Financing Activities	50,016,973.40	58,851,990.88
Receipts for Transfers from System or Other Agencies	30,573,921.72	13,674,766.32
Payments for Transfers to System or Other Agencies	(6,164.21)	(22,641.27)
Payments for Other Uses	(62,418,560.33)	(69,024,821.00)
Proceeds from Nonexchange Sponsored Programs	74,118,659.41	91,600,240.71
Net Cash Provided by Noncapital Financing Activities	<u>257,787,094.28</u>	<u>250,959,730.78</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	71,635,862.14	70,779,932.92
Proceeds from Capital Appropriations, Grants, and Gifts	653,297.65	405,641.99
Payments for Additions to Capital Assets	(82,329,303.07)	(88,946,625.65)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(1,884,484.22)	(495,526.50)
Mandatory Transfers to System for Capital Related Debt	(29,310,701.04)	(31,150,113.64)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(93,470.00)	(7,071.63)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(41,328,798.54)</u>	<u>(49,413,762.51)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	8,016,792.83
Proceeds from Interest and Investment Income	9,641,163.96	8,726,678.28
Proceeds from Interest and Investment Income Invested by System	30,439,412.94	17,392,501.49
Payments to Acquire Investments Invested by System	(19,195,193.19)	-
Net Cash Provided (Used) by Investing Activities	<u>20,885,383.71</u>	<u>34,135,972.60</u>
Net Increase (Decrease) in Cash	5,466,868.54	19,878,363.32
Cash and Cash Equivalents (Beginning of the Year)	<u>101,678,078.46</u>	<u>81,799,715.14</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 107,144,947.00</u>	<u>\$ 101,678,078.46</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(271,147,278.03)	(234,617,122.56)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	38,246,130.98	35,840,648.68
Bad Debt Expense	414,589.13	(55,749.34)
Changes in Assets and Liabilities:		
Accounts Receivable	(9,710,095.84)	(7,526,852.01)
Lessor-Related Balances	(410,293.74)	(355,969.52)
Inventories	(12,619.06)	94,640.69
Loans and Contracts	38,993.55	(46,490.56)
Other Current and Noncurrent Assets	(4,262,880.76)	(3,841,616.91)
Accounts Payable	10,046,042.87	(6,009,396.97)
Due to System	408,332.30	186,262.28
Unearned Revenue	5,476,680.86	2,226,958.86
Employees' Compensable Leave	1,880,073.51	895,823.95
Other Current and Noncurrent Liabilities	(2,844,486.68)	(2,594,714.14)
Total Adjustments	<u>39,270,467.12</u>	<u>18,813,545.01</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (231,876,810.91)</u>	<u>\$ (215,803,577.55)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	24,034,029.47	33,886,226.57
Donated Capital Assets	-	24,701.11
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	3,210,748.74	(137,835.45)
Miscellaneous Noncash Transactions	(23,417.93)	(243,703.91)

The University of Texas Permian Basin
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 19,123,990.30	14,814,564.42
Restricted Cash & Cash Equivalents	6,021,241.22	5,338,733.22
Balance in State Appropriations	967,899.09	1,463,177.75
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	406,194.65	(265,905.07)
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	1,788,266.47	1,789,346.29
Student (allow. \$1,393,202.22 in 2025 & \$5,546,158.28 in 2024)	12,854,602.55	8,189,565.81
Contributions (allow. \$100,795.87 in 2025 & \$16,825.26 in 2024)	1,127,204.13	1,665,700.39
Other (allow. \$0.00 in 2025 & \$0.00 in 2024)	5,609,592.89	4,336,342.87
Due From System Administration	30,097,143.68	26,558,244.46
Due From Other Institutions	46,182.22	65,283.83
Due From Other Agencies	188,920.58	506,160.82
Inventories	490,482.97	463,318.63
Loans & Contracts (allow. \$0.00 in 2025 & \$0.00 in 2024)	136,711.03	136,711.03
Other Current Assets	12,248,005.89	12,630,543.85
Total Current Assets	<u>91,106,437.67</u>	<u>77,691,788.30</u>
Noncurrent Assets:		
Funds Held by System Administration (Restricted)	75,780,258.90	68,482,036.11
Contributions Rec. (allow. \$520,091.27 in 2025 & \$161,276.40 in 2024)	2,571,408.73	15,966,363.33
Funds Held by System Administration (Unrestricted)	14,550.20	13,918.96
Gross Capital/Intangible Assets	510,364,192.88	481,913,858.46
Accumulated Depreciation/Amortization	(291,042,570.44)	(270,197,069.38)
Total Noncurrent Assets	<u>297,687,840.27</u>	<u>296,179,107.48</u>
Total Assets	<u>388,794,277.94</u>	<u>373,870,895.78</u>
Total Assets and Deferred Outflows	<u>388,794,277.94</u>	<u>373,870,895.78</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	13,290,129.40	9,388,380.54
Salaries Payable	652,753.10	1,582,208.03
Other Intergovernmental Payables		
Due To System Administration	790,188.40	747,246.84
Unearned Revenue	23,231,149.11	23,127,730.28
Employees' Compensable Leave (Current)	1,120,480.89	1,243,363.92
Notes, Loans, and Leases Payable (Current)	56,773.62	57,398.81
Assets Held for Others (Current)		
Other Current Liabilities	3,444,479.65	3,409,615.72
Total Current Liabilities	<u>42,585,954.17</u>	<u>39,555,944.14</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	1,552,129.11	942,827.03
Notes, Loans, and Leases Payable (Noncurrent)		
Total Noncurrent Liabilities	<u>1,552,129.11</u>	<u>942,827.03</u>
Total Liabilities	<u>44,138,083.28</u>	<u>40,498,771.17</u>
Total Liabilities and Deferred Inflows	<u>44,138,083.28</u>	<u>40,498,771.17</u>
NET POSITION		
Net Investment in Capital Assets	219,264,848.82	211,659,390.27
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	42,423,845.31	38,464,021.54
Expendable		
Capital Projects	27,058,676.60	24,852,959.21
Funds Functioning as Endowment (Restricted)	5,568,482.30	5,323,907.14
Other Expendable	30,119,359.85	55,841,089.18
Unrestricted	20,220,981.78	(2,769,242.73)
Total Net Position	<u>\$ 344,656,194.66</u>	<u>333,372,124.61</u>

The University of Texas Permian Basin
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 44,666,464.62	45,673,511.37
Discounts and Allowances	(15,543,932.93)	(17,124,612.11)
Federal Sponsored Programs	2,697,963.87	2,827,179.56
Federal Sponsored Programs Pass-Through from State Agencies	1,520,635.38	2,283,365.12
State Sponsored Programs Pass-Through from State Agencies	6,726,312.60	3,408,472.26
Local Sponsored Programs	1,114,998.87	868,632.73
Private Sponsored Programs	334,328.76	279,161.35
Sales and Services of Educational Activities	1,400,353.22	1,573,567.25
Auxiliary Enterprises	7,812,809.66	7,657,854.66
Discounts and Allowances Auxiliary Enterprises	(1,197,673.62)	(1,074,804.70)
Other Operating Revenues	2,625,794.32	2,150,247.21
Total Operating Revenues	52,158,054.75	48,522,574.70
Operating Expenses:		
Instruction	30,721,577.75	31,063,258.17
Research	2,896,756.64	3,783,193.72
Public Service	4,402,322.19	3,987,785.96
Academic Support	8,733,804.17	10,628,823.50
Student Services	3,869,611.36	4,206,654.62
Institutional Support	17,091,049.47	11,900,426.55
Operations and Maintenance of Plant	11,577,802.09	11,582,747.71
Scholarships and Fellowships	11,887,641.75	11,702,372.40
Auxiliary Enterprises	12,662,018.64	12,821,115.18
Depreciation and Amortization	20,953,213.74	21,356,511.62
Total Operating Expenses	124,795,797.80	123,032,889.43
Operating Income (Loss)	(72,637,743.05)	(74,510,314.73)
Nonoperating Revenues (Expenses):		
State Appropriations	46,412,145.41	45,275,696.38
Federal Nonexchange Sponsored Programs	11,184,930.00	13,102,762.12
Federal Nonexchange Pass-Through		(30,077.86)
State Nonexchange Pass-Through		
Gift Contributions for Operations	(3,649,468.97)	4,956,251.76
Investment Income	4,415,511.61	2,931,942.14
Net Increase (Decrease) in Fair Value of Investments	3,338,671.63	3,330,372.73
Interest Expense on Capital Asset Financings	(98.37)	(357.78)
Other Nonoperating Revenues	4,606,566.15	
Net Nonoperating Revenues (Expenses)	66,308,257.46	69,566,589.49
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	(6,329,485.59)	(4,943,725.24)
Gifts and Sponsored Programs for Capital Acquisitions		18,106.95
Additions to Permanent Endowments	3,987,008.44	514,977.30
Reclass from/(to) Other Institutions	28,833,823.71	(41,902,274.93)
Transfers Between Institutions & System, Debt Service - Mandatory	(21,154,323.62)	(21,185,988.03)
Transfers Between Institutions & System Admin. - Non mandatory	5,509,504.46	91,767,940.38
Transfers From Other State Agencies	451,908.02	397,698.30
Transfers to Other State Agencies	(14,364.01)	
Legislative Appropriations Lapsed	(1.36)	
Change in Net Position	11,284,070.05	24,666,734.73
Beginning Net Position	333,372,124.61	308,705,389.88
Ending Net Position	\$ 344,656,194.66	333,372,124.61

The University of Texas Permian Basin
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 24,365,001.88	\$ 32,221,146.51
Proceeds from Sponsored Programs	15,816,163.57	9,982,096.36
Proceeds from Auxiliaries	3,546,511.63	6,508,782.86
Proceeds from Other Revenues	2,655,073.36	3,909,840.89
Payments to Suppliers	(42,506,456.31)	(44,566,005.69)
Payments to Employees	(58,570,603.27)	(58,390,226.76)
Net Cash Provided (Used) by Operating Activities	(54,694,309.14)	(50,334,365.83)
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	46,907,422.71	44,657,391.94
Proceeds from Operating Gifts	10,283,981.89	9,543,733.62
Proceeds from Private Gifts for Endowment Purposes	3,987,008.44	514,977.30
Proceeds from Other Noncapital Financing Activities	22,862,073.15	20,191,721.00
Receipts for Transfers from System or Other Agencies	3,163,067.95	11,076,693.53
Payments for Transfers to System or Other Agencies	(14,364.01)	-
Payments for Other Uses	(18,832,659.00)	(19,454,592.00)
Proceeds from Nonexchange Sponsored Programs	11,184,930.00	13,072,684.26
Net Cash Provided by Noncapital Financing Activities	79,541,461.13	79,602,609.65
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	28,129,207.09	14,556,902.46
Payments for Additions to Capital Assets	(27,191,995.54)	(12,240,528.92)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(57,398.81)	(88,013.84)
Mandatory Transfers to System for Capital Related Debt	(21,154,323.62)	(21,185,988.03)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(98.37)	(357.78)
Net Cash Provided (Used) by Capital and Related Financing Activities	(20,274,609.25)	(18,957,986.11)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	258,199.72
Proceeds from Interest and Investment Income	119,672.47	31,687.25
Proceeds from Interest and Investment Income Invested by System	4,259,901.07	2,900,254.90
Payments to Acquire Investments Invested by System	(3,960,182.40)	-
Net Cash Provided (Used) by Investing Activities	419,391.14	3,190,141.87
Net Increase (Decrease) in Cash	4,991,933.88	13,500,399.58
Cash and Cash Equivalents (Beginning of the Year)	20,153,297.65	6,652,898.07
Cash and Cash Equivalents (End of the Year)	\$ 25,145,231.53	\$ 20,153,297.65
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(72,637,743.05)	(74,510,314.73)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	20,953,213.74	21,356,511.62
Changes in Assets and Liabilities:		
Accounts Receivable	(5,689,250.72)	4,667,445.81
Inventories	(27,164.34)	(30,227.89)
Other Current and Noncurrent Assets	382,537.96	(2,795,339.72)
Accounts Payable	1,656,453.90	1,060,449.39
Due to System	42,941.56	41,143.84
Unearned Revenue	103,418.83	(1,190,353.33)
Employees' Compensable Leave	486,419.05	455,095.64
Other Current and Noncurrent Liabilities	34,863.93	611,223.54
Total Adjustments	17,943,433.91	24,175,948.90
Net Cash Provided (Used) by Operating Activities	\$ (54,694,309.14)	\$ (50,334,365.83)
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	3,338,671.63	3,330,372.73
Donated Capital Assets	-	18,106.95
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	56,773.62	-

The University of Texas Rio Grande Valley
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 139,087,751.53	145,617,893.38
Restricted Cash & Cash Equivalents	(13,332,757.84)	(32,858,846.77)
Balance in State Appropriations	24,771,656.77	19,842,371.12
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	43,207,107.60	40,300,783.71
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	7,300,420.38	6,062,395.11
Student (allow. \$14,203,153.97 in 2025 & \$11,613,542.87 in 2024)	32,397,953.29	23,383,621.77
Patient & Healthcare(allow. \$427,026.77 in 2025 & \$1,251,988.39 in 2024)	5,898,152.48	4,847,070.06
Interest and dividends	528,918.40	532,005.75
Contributions (allow. \$29,489.94 in 2025 & \$19,988.57 in 2024)	2,221,542.69	2,761,307.77
Other (allow. \$21,173,856.19 in 2025 & \$239,321.71 in 2024)	16,558,417.73	35,656,646.85
Lease Receivable (Current)	54,458.31	53,230.29
P3 Receivable (Current)	1,191,121.61	1,356,555.55
Due From System Administration	39,544,063.23	16,913,417.49
Due From Other Institutions	826,596.41	1,122,387.89
Due From Other Agencies	1,864,543.35	10,629,202.99
Inventories	175,816.49	201,390.09
Loans & Contracts (allow. \$16,686,664.06 in 2025 & \$15,574,916.38 in 2024)	9,382,799.01	11,622,489.98
Other Current Assets	874,998.32	2,813,479.25
Total Current Assets	312,553,559.76	290,857,402.28
Noncurrent Assets:		
Restricted Investments		6,259,460.90
Loans & Contracts (allow. \$170,144.45 in 2025 & \$207,914.80 in 2024)	41,762.42	51,205.01
Funds Held by System Administration (Restricted)	93,063,488.73	84,566,652.57
Contributions Rec. (allow. \$1,292,375.40 in 2025 & \$31,124.93 in 2024)	13,177,957.66	15,894,110.32
Unrestricted Investments	204,934,228.10	200,803,971.01
Funds Held by System Administration (Unrestricted)	81,652,570.35	65,244,125.25
Lease Receivable (Noncurrent)	55,714.66	110,172.97
Other Noncurrent Assets	6,243,829.96	4,464,078.60
P3 Receivable (Noncurrent)	14,200,395.08	15,391,516.69
Gross Capital/Intangible Assets	1,820,048,117.25	1,643,711,299.26
Accumulated Depreciation/Amortization	(837,683,878.49)	(778,957,675.03)
Total Noncurrent Assets	1,395,734,185.72	1,257,538,917.55
Total Assets	1,708,287,745.48	1,548,396,319.83
Total Assets and Deferred Outflows	1,708,287,745.48	1,548,396,319.83
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	52,219,884.13	40,050,898.54
Salaries Payable	34,167,003.07	26,480,754.31
Federal Payables		
Other Intergovernmental Payables	1,125,476.64	816,559.32
Due To System Administration	5,986,975.38	5,528,086.13
Due To Other Institutions	157,156.73	220,892.89
Due To Other State Agencies	691,319.40	655,435.59
Unearned Revenue	132,550,032.52	119,162,869.12
Employees' Compensable Leave (Current)	9,181,192.21	7,678,108.58
Notes, Loans, and Leases Payable (Current)	9,405,980.83	8,329,067.35
Other Current Liabilities	3,115,929.68	3,442,221.51
Total Current Liabilities	248,600,950.59	212,364,893.34
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	10,336,181.72	8,728,842.45
Liability to Beneficiaries	126,766.09	127,256.50
Notes, Loans, and Leases Payable (Noncurrent)	17,920,620.50	22,289,216.48
Other Noncurrent Liabilities	373,753.48	211,960.80
Total Noncurrent Liabilities	28,757,321.79	31,357,276.23
Total Liabilities	277,358,272.38	243,722,169.57
Total Deferred Inflows of Resources	55,952,477.80	57,878,824.34
Total Liabilities and Deferred Inflows	333,310,750.18	301,600,993.91
NET POSITION		
Net Investment in Capital Assets	955,037,637.43	834,135,340.40
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	64,283,994.86	59,746,959.20
Expendable		
Capital Projects	5,174,705.29	(9,071,831.73)
Funds Functioning as Endowment (Restricted)	2,306,465.89	2,206,302.76
Other Expendable	61,812,584.86	46,879,810.24
Unrestricted	286,361,606.97	312,898,745.05
Total Net Position	\$ 1,374,976,995.30	1,246,795,325.92

The University of Texas Rio Grande Valley
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 324,623,943.67	309,857,421.36
Discounts and Allowances	(216,390,808.76)	(181,324,623.69)
Federal Sponsored Programs	75,540,796.44	63,183,896.53
Federal Sponsored Programs Pass-Through from State Agencies	3,844,739.29	8,272,429.36
State Sponsored Programs Pass-Through from State Agencies	78,098,197.67	59,968,288.21
Local Sponsored Programs	(5,296,868.99)	18,224,277.60
Private Sponsored Programs	8,383,361.98	8,315,328.35
Sales and Services of Educational Activities	10,859,548.59	10,572,692.41
Professional Fees (Patient Charges)	53,514,153.30	42,106,280.78
Discounts and Allowances Professional Fees (Patient Charges)	(35,067,952.67)	(26,775,285.57)
Auxiliary Enterprises	12,483,657.89	10,545,543.88
Discounts and Allowances Auxiliary Enterprises	(640,836.42)	(408,102.36)
Other Operating Revenues	24,378,238.02	18,708,370.97
Total Operating Revenues	334,330,170.01	341,246,517.83
Operating Expenses:		
Instruction	215,046,833.03	208,218,972.20
Research	86,618,734.90	72,842,701.51
Public Service	13,887,070.11	14,212,384.73
Hospitals / Clinics	49,710,268.29	36,414,877.26
Academic Support	86,063,305.70	83,752,441.14
Student Services	38,525,833.44	33,863,858.21
Institutional Support	44,447,305.53	41,025,669.97
Operations and Maintenance of Plant	49,014,073.49	44,517,425.13
Scholarships and Fellowships	49,611,260.17	52,660,470.82
Auxiliary Enterprises	42,783,823.91	39,796,669.40
Depreciation and Amortization	75,140,758.90	64,983,875.82
Total Operating Expenses	750,849,267.47	692,289,346.19
Operating Income (Loss)	(416,519,097.46)	(351,042,828.36)
Nonoperating Revenues (Expenses):		
State Appropriations	194,893,705.74	201,819,022.54
Federal Nonexchange Sponsored Programs	136,278,700.78	117,223,866.76
Federal Nonexchange Pass-Through		41,306.94
State Nonexchange Pass-Through		
Gift Contributions for Operations	6,510,854.41	3,634,483.80
Investment Income	31,190,484.39	24,201,674.42
Net Increase (Decrease) in Fair Value of Investments	13,221,370.64	20,638,329.37
Interest Expense on Capital Asset Financings	(643,403.52)	(537,593.90)
Gain (Loss) on Sale of Capital Assets	(1,556,595.28)	289,048.65
Other Nonoperating Revenues	21,870.00	508,218.25
Other Nonoperating (Expenses)	(801,622.77)	(1,282,279.29)
Net Nonoperating Revenues (Expenses)	379,115,364.39	366,536,077.54
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	(37,403,733.07)	15,493,249.18
Gifts and Sponsored Programs for Capital Acquisitions	3,120,022.69	15,604,183.29
Additions to Permanent Endowments	3,394,568.16	7,077,973.29
Reclass from/(to) Other Institutions	179,575,488.19	(82,259,107.54)
Transfers Between Institutions & System, Debt Service - Mandatory	(25,697,013.70)	(30,075,317.94)
Transfers Between Institutions & System Admin. - Non mandatory	(1,723,782.71)	195,158,210.80
Transfers From Other State Agencies	6,917,475.28	4,692,123.64
Transfers to Other State Agencies	(1,355.46)	(1,555.39)
Legislative Appropriations Lapsed		
Change in Net Position	128,181,669.38	125,689,759.33
Beginning Net Position	1,246,795,325.92	1,121,105,566.59
Ending Net Position	\$ 1,374,976,995.30	1,246,795,325.92

The University of Texas Rio Grande Valley
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 114,335,355.44	\$ 131,351,610.97
Proceeds from Patients and Customers	17,395,118.21	14,159,689.21
Proceeds from Sponsored Programs	176,032,801.66	141,960,364.07
Proceeds from Auxiliaries	13,315,304.80	13,171,546.06
Proceeds from Other Revenues	35,909,484.65	55,087,817.58
Payments to Suppliers	(177,204,566.07)	(173,946,694.72)
Payments to Employees	(478,024,367.94)	(451,203,633.28)
Payments for Loans Provided	(9,545,703.15)	(14,239,928.66)
Proceeds from Loan Programs	11,856,224.98	13,202,562.39
Net Cash Provided (Used) by Operating Activities	<u>(295,930,347.42)</u>	<u>(270,456,666.38)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	189,964,420.09	193,004,797.19
Proceeds from Operating Gifts	6,681,181.56	8,806,431.01
Proceeds from Private Gifts for Endowment Purposes	3,394,568.16	7,077,973.29
Proceeds from Other Noncapital Financing Activities	79,425,294.20	77,722,281.45
Receipts for Transfers from System or Other Agencies	14,256,996.59	11,859,689.28
Payments for Transfers to System or Other Agencies	(11,270.46)	(686,493.39)
Payments for Other Uses	(76,842,430.99)	(80,502,205.39)
Proceeds from Nonexchange Sponsored Programs	136,278,700.78	117,265,173.70
Net Cash Provided by Noncapital Financing Activities	<u>353,147,459.93</u>	<u>334,547,647.14</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	147,878,416.85	152,041,988.53
Proceeds from Capital Appropriations, Grants, and Gifts	4,267,448.60	1,000,000.00
Proceeds from Sale of Capital Assets	4,658,798.54	429,026.38
Payments for Additions to Capital Assets	(185,171,384.69)	(209,463,785.23)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(11,182,997.00)	(9,070,888.63)
Mandatory Transfers to System for Capital Related Debt	(25,697,013.70)	(30,075,317.94)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(643,403.52)	(537,593.90)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(65,890,134.92)</u>	<u>(95,676,570.79)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	21,828,074.92
Proceeds from Interest and Investment Income	3,663,473.82	3,329,584.58
Proceeds from Interest and Investment Income Invested by System	27,543,134.50	20,906,756.93
Payments to Acquire Investments Invested by System	(9,537,638.83)	-
Net Cash Provided (Used) by Investing Activities	<u>21,668,969.49</u>	<u>46,064,416.43</u>
Net Increase (Decrease) in Cash	12,995,947.08	14,478,826.40
Cash and Cash Equivalents (Beginning of the Year)	<u>112,759,046.61</u>	<u>98,280,220.21</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 125,754,993.69</u>	<u>\$ 112,759,046.61</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(416,519,097.46)	(351,042,828.36)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	75,140,758.90	64,983,875.82
Bad Debt Expense	(61,388.27)	(87,725.43)
Changes in Assets and Liabilities:		
Accounts Receivable	11,310,223.94	(24,191,021.28)
Lessor-Related Balances	(651.37)	(1,851.70)
P3 Related Balances	(1,989,633.72)	30,142,814.17
Inventories	25,573.60	(21,216.61)
Loans and Contracts	2,310,521.83	(1,037,366.27)
Other Current and Noncurrent Assets	1,614,895.57	(2,197,714.26)
Accounts Payable	15,446,473.16	8,824,365.71
Due to System	458,889.25	440,206.40
Unearned Revenue	13,387,163.40	2,223,972.00
Employees' Compensable Leave	3,110,422.90	1,374,551.12
Other Current and Noncurrent Liabilities	(164,499.15)	133,272.31
Total Adjustments	<u>120,588,750.04</u>	<u>80,586,161.98</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (295,930,347.42)</u>	<u>\$ (270,456,666.38)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	13,221,370.64	20,638,329.37
Donated Capital Assets	1,938,164.68	235,194.44
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	8,092,558.53	7,169,763.49
Miscellaneous Noncash Transactions	(1,556,595.28)	289,048.65

The University of Texas at San Antonio
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 226,907,159.79	155,807,257.23
Restricted Cash & Cash Equivalents	18,442,259.91	25,639,115.28
Balance in State Appropriations	5,372,198.45	13,855,061.15
Accounts Receivable, Net:		
Federal (allow. \$1,195,516.41 in 2025 & \$1,164,407.94 in 2024)	42,728,567.88	33,152,507.53
Other Intergov. (allow. \$2,898,735.36 in 2025 & \$2,939,838.98 in 2024)	1,480,173.01	5,447,023.11
Student (allow. \$3,120,576.60 in 2025 & \$5,353,946.08 in 2024)	68,811,706.18	60,650,421.41
Interest and dividends	1,786,725.96	1,447,848.50
Contributions (allow. \$26,774.21 in 2025 & \$23,588.08 in 2024)	5,328,067.81	4,694,025.98
Other (allow. \$0.00 in 2025 & \$0.00 in 2024)	10,012,951.52	7,372,985.02
Lease Receivable (Current)	1,739,620.24	137,885.40
P3 Receivable (Current)	287,924.71	277,295.63
Due From System Administration	50,382,184.00	32,335,271.46
Due From Other Institutions	935,455.92	802,120.98
Due From Other Agencies	1,671,886.68	1,432,733.20
Inventories	347,097.36	574,800.41
Loans & Contracts (allow. \$530,523.38 in 2025 & \$635,005.79 in 2024)	1,529,706.43	3,629,102.88
Other Current Assets	53,915,253.12	40,605,448.82
Total Current Assets	<u>491,678,938.97</u>	<u>387,860,903.99</u>
Noncurrent Assets:		
Restricted Investments	2,000,000.00	2,000,000.00
Loans & Contracts (allow. \$1,097,279.03 in 2025 & \$720,031.45 in 2024)	3,163,884.66	4,115,030.60
Funds Held by System Administration (Restricted)	267,771,720.76	236,796,250.17
Contributions Rec. (allow. \$28,151.73 in 2025 & \$17,338.22 in 2024)	5,602,193.73	3,450,307.36
Unrestricted Investments	524,031,634.83	456,543,348.09
Funds Held by System Administration (Unrestricted)	104,848,966.60	104,313,439.30
Lease Receivable (Noncurrent)	9,207,124.12	852,544.09
Other Noncurrent Assets	500,001.00	1.00
P3 Receivable (Noncurrent)	4,463,560.84	4,751,485.55
Gross Capital/Intangible Assets	2,094,146,476.15	1,879,191,939.93
Accumulated Depreciation/Amortization	(1,041,590,557.28)	(972,143,591.10)
Total Noncurrent Assets	<u>1,974,145,005.41</u>	<u>1,719,870,754.99</u>
Total Assets	<u>2,465,823,944.38</u>	<u>2,107,731,658.98</u>
Total Assets and Deferred Outflows	<u>2,465,823,944.38</u>	<u>2,107,731,658.98</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	43,850,380.86	39,285,924.94
Salaries Payable	24,671,554.10	25,224,236.33
Other Intergovernmental Payables	682,852.57	665,475.57
Due To System Administration	5,472,793.38	5,060,657.84
Due To Other Institutions	670,889.65	878,686.25
Due To Other State Agencies	890,380.39	1,095,843.48
Unearned Revenue	212,334,796.80	199,200,977.82
Employees' Compensable Leave (Current)	7,996,732.49	7,066,626.63
Notes, Loans, and Leases Payable (Current)	6,910,620.65	5,981,388.80
Other Current Liabilities	3,527,015.92	2,565,110.04
Total Current Liabilities	<u>307,008,016.81</u>	<u>287,024,927.70</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	13,373,405.80	9,669,387.48
Liability to Beneficiaries	245,155.52	246,641.43
Notes, Loans, and Leases Payable (Noncurrent)	11,343,427.53	10,465,298.06
Other Noncurrent Liabilities	359,433.92	(17,370.57)
Total Noncurrent Liabilities	<u>25,321,422.77</u>	<u>20,363,956.40</u>
Total Liabilities	<u>332,329,439.58</u>	<u>307,388,884.10</u>
Total Deferred Inflows of Resources	<u>23,613,194.84</u>	<u>12,894,325.47</u>
Total Liabilities and Deferred Inflows	<u>355,942,634.42</u>	<u>320,283,209.57</u>
NET POSITION		
Net Investment in Capital Assets	1,034,301,870.69	890,601,661.97
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	166,135,245.77	150,104,365.69
Expendable		
Capital Projects	35,080,390.63	17,262,086.89
Funds Functioning as Endowment (Restricted)	24,148,509.29	22,785,103.82
Other Expendable	149,934,572.75	134,542,952.18
Unrestricted	700,280,720.83	572,152,278.86
Total Net Position	<u>\$ 2,109,881,309.96</u>	<u>1,787,448,449.41</u>

The University of Texas at San Antonio
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 412,522,060.45	383,409,316.07
Discounts and Allowances	(165,238,179.88)	(140,988,838.47)
Federal Sponsored Programs	78,021,297.18	74,210,099.01
Federal Sponsored Programs Pass-Through from State Agencies	5,167,737.33	3,574,483.61
State Sponsored Programs Pass-Through from State Agencies	40,142,219.42	33,726,487.19
Local Sponsored Programs	3,520,293.22	4,365,863.67
Private Sponsored Programs	11,537,385.04	7,990,868.62
Sales and Services of Educational Activities	15,441,541.07	14,355,839.96
Discounts and Allowances Sales and Services of Educational Activities	(303,082.32)	(283,567.69)
Auxiliary Enterprises	73,085,035.76	68,105,926.38
Other Operating Revenues	6,548,682.91	4,944,172.08
Total Operating Revenues	<u>480,444,990.18</u>	<u>453,410,650.43</u>
Operating Expenses:		
Instruction	146,787,046.49	137,831,889.36
Research	155,653,121.79	146,307,494.50
Public Service	14,890,636.34	13,652,315.38
Academic Support	105,654,506.41	98,194,518.59
Student Services	41,838,648.77	39,672,554.88
Institutional Support	55,733,714.88	50,780,806.02
Operations and Maintenance of Plant	59,898,074.92	57,535,247.56
Scholarships and Fellowships	65,046,928.62	55,252,569.17
Auxiliary Enterprises	80,313,775.10	74,152,092.86
Depreciation and Amortization	<u>79,412,603.08</u>	<u>79,834,035.09</u>
Total Operating Expenses	<u>805,229,056.40</u>	<u>753,213,523.41</u>
Operating Income (Loss)	<u>(324,784,066.22)</u>	<u>(299,802,872.98)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	187,739,500.05	187,120,681.43
Federal Nonexchange Sponsored Programs	104,563,448.73	86,317,481.62
Federal Nonexchange Pass-Through		181,587.66
State Nonexchange Pass-Through	57,135,439.65	350,000.00
Gift Contributions for Operations	18,686,473.55	13,961,403.01
Investment Income	41,228,183.24	36,878,050.25
Net Increase (Decrease) in Fair Value of Investments	55,810,001.86	49,642,314.00
Interest Expense on Capital Asset Financings	(462,968.85)	(1,060,133.04)
Gain (Loss) on Sale of Capital Assets	(117,579.97)	(354,359.98)
Other Nonoperating Revenues	437,449.91	1,303,409.32
Other Nonoperating (Expenses)	<u>(42,732.48)</u>	<u>34,073.51</u>
Net Nonoperating Revenues (Expenses)	<u>464,977,215.69</u>	<u>374,374,507.78</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	140,193,149.47	74,571,634.80
Gifts and Sponsored Programs for Capital Acquisitions	676,540.10	1,111,590.50
Additions to Permanent Endowments	14,043,825.19	3,016,197.32
Reclass from/(to) Other Institutions	121,361,074.03	4,393,702.29
Transfers Between Institutions & System, Debt Service - Mandatory	(48,907,792.85)	(46,369,902.00)
Transfers Between Institutions & System Admin. - Non mandatory	80,539,805.73	48,269,282.26
Transfers From Other State Agencies	14,535,046.74	8,517,768.51
Transfers to Other State Agencies	(8,787.86)	(265,877.34)
Legislative Appropriations Lapsed		
Change in Net Position	<u>322,432,860.55</u>	<u>93,244,396.34</u>
Beginning Net Position	<u>1,787,448,449.41</u>	<u>1,694,204,053.07</u>
Ending Net Position	<u>\$ 2,109,881,309.96</u>	<u>1,787,448,449.41</u>

The University of Texas at San Antonio
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 252,364,021.57	\$ 253,792,720.60
Proceeds from Sponsored Programs	144,109,317.04	116,766,707.98
Proceeds from Auxiliaries	74,358,511.04	69,250,990.07
Proceeds from Other Revenues	21,480,041.78	19,464,373.04
Payments to Suppliers	(276,508,594.24)	(237,464,011.54)
Payments to Employees	(463,426,513.71)	(436,114,994.21)
Payments for Loans Provided	(11,547,377.32)	(15,346,232.77)
Proceeds from Loan Programs	14,290,864.28	17,884,880.11
Net Cash Provided (Used) by Operating Activities	<u>(244,879,729.56)</u>	<u>(211,765,566.72)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	196,222,362.75	181,544,644.64
Proceeds from Operating Gifts	15,900,545.35	22,915,023.01
Proceeds from Private Gifts for Endowment Purposes	14,043,825.19	3,016,197.32
Proceeds from Other Noncapital Financing Activities	111,868,920.91	131,906,851.32
Receipts for Transfers from System or Other Agencies	23,313,879.10	20,190,424.35
Payments for Transfers to System or Other Agencies	(36,027.00)	(862,699.88)
Payments for Other Uses	(118,124,351.31)	(119,742,899.94)
Proceeds from Nonexchange Sponsored Programs	159,435,971.31	86,891,905.40
Net Cash Provided by Noncapital Financing Activities	<u>402,625,126.30</u>	<u>325,859,446.22</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	175,107,072.95	81,929,659.31
Proceeds from Sale of Capital Assets	116,141.13	71,605.75
Payments for Additions to Capital Assets	(209,899,309.64)	(98,743,486.05)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(7,522,589.92)	(21,436,454.82)
Mandatory Transfers to System for Capital Related Debt	(48,907,792.85)	(46,369,902.00)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(462,968.85)	(1,060,133.04)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(91,569,447.18)</u>	<u>(85,608,710.85)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	2,178,936.66
Proceeds from Interest and Investment Income	5,991,579.07	4,199,869.35
Proceeds from Interest and Investment Income Invested by System	34,901,815.62	32,357,730.44
Payments to Acquire Investments Invested by System	(43,166,297.06)	-
Net Cash Provided (Used) by Investing Activities	<u>(2,272,902.37)</u>	<u>38,736,536.45</u>
Net Increase (Decrease) in Cash	63,903,047.19	67,221,705.10
Cash and Cash Equivalents (Beginning of the Year)	181,446,372.51	114,224,667.41
Cash and Cash Equivalents (End of the Year)	<u>\$ 245,349,419.70</u>	<u>\$ 181,446,372.51</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(324,784,066.22)	(299,802,872.98)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	79,412,603.08	79,834,035.09
Bad Debt Expense	303,479.23	(364,355.64)
Changes in Assets and Liabilities:		
Accounts Receivable	(4,601,968.87)	(13,379,674.68)
Lessor-Related Balances	(79,243.90)	(9,901.90)
P3 Related Balances	1,094,622.41	203,165.04
Inventories	227,703.05	11,248.98
Loans and Contracts	2,747,063.16	2,544,621.99
Other Current and Noncurrent Assets	(13,809,804.30)	(4,781,219.00)
Accounts Payable	(4,908,906.27)	5,326,126.41
Due to System	412,135.54	385,440.99
Unearned Revenue	13,133,818.98	17,633,299.09
Employees' Compensable Leave	4,634,124.18	1,560,363.73
Other Current and Noncurrent Liabilities	1,338,710.37	(925,843.84)
Total Adjustments	<u>79,904,336.66</u>	<u>88,037,306.26</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (244,879,729.56)</u>	<u>\$ (211,765,566.72)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	55,810,001.86	49,642,314.00
Donated Capital Assets	676,540.10	1,111,590.50
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	9,329,951.24	3,349,575.10
Miscellaneous Noncash Transactions	(126,367.83)	(351,097.47)

Stephen F. Austin
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 32,726,530.76	57,425,424.40
Restricted Cash & Cash Equivalents	24,373,662.51	34,135,628.55
Balance in State Appropriations	21,747,014.42	21,291,464.36
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	7,457,767.90	1,045,275.02
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	427,573.61	4,278,474.85
Student (allow. \$15,644,095.17 in 2025 & \$15,481,350.94 in 2024)	19,673,793.93	18,303,287.06
Interest and dividends	145,172.29	220,685.64
Other (allow. \$0.00 in 2025 & \$0.00 in 2024)	2,471,666.18	3,001,624.63
Lease Receivable (Current)	68,585.66	66,701.58
P3 Receivable (Current)	1,239,489.00	1,314,782.00
Due From System Administration	66,633,182.36	10,147,668.54
Due From Other Agencies	544,002.87	292,370.03
Inventories	1,079,876.79	983,765.90
Other Current Assets	18,055,743.70	15,332,559.20
Total Current Assets	<u>196,644,061.98</u>	<u>167,839,711.76</u>
Noncurrent Assets:		
Funds Held by System Administration (Restricted)	141,582,874.12	83,761,726.65
Unrestricted Investments	16,018,806.00	
Funds Held by System Administration (Unrestricted)	80,307,215.21	78,658,657.24
Lease Receivable (Noncurrent)	70,440.80	139,026.46
P3 Receivable (Noncurrent)	3,584,649.00	4,824,138.00
Gross Capital/Intangible Assets	715,290,750.75	676,558,746.83
Accumulated Depreciation/Amortization	(441,002,608.01)	(420,870,597.35)
Total Noncurrent Assets	<u>515,852,127.87</u>	<u>423,071,697.83</u>
Total Assets	<u>712,496,189.85</u>	<u>590,911,409.59</u>
Total Assets and Deferred Outflows	<u>712,496,189.85</u>	<u>590,911,409.59</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	28,021,267.20	21,109,192.06
Salaries Payable	10,289,389.70	10,032,331.10
Due To System Administration	2,509,429.12	2,375,118.95
Due To Other State Agencies	624,553.91	421,892.07
Unearned Revenue	74,298,660.67	67,654,095.54
Employees' Compensable Leave (Current)	2,756,530.41	2,429,826.05
Notes, Loans, and Leases Payable (Current)	1,957,944.77	1,617,902.60
Total Current Liabilities	<u>120,457,775.78</u>	<u>105,640,358.37</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	2,974,879.24	2,949,177.27
Notes, Loans, and Leases Payable (Noncurrent)	5,613,266.31	5,652,603.06
Total Noncurrent Liabilities	<u>8,588,145.55</u>	<u>8,601,780.33</u>
Total Liabilities	<u>129,045,921.33</u>	<u>114,242,138.70</u>
Total Deferred Inflows of Resources	<u>3,982,169.54</u>	<u>5,384,641.79</u>
Total Liabilities and Deferred Inflows	<u>133,028,090.87</u>	<u>119,626,780.49</u>
NET POSITION		
Net Investment in Capital Assets	266,716,931.66	248,417,643.81
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	122,784,657.80	80,337,926.68
Expendable		
Capital Projects	81,408,979.53	43,143,474.25
Funds Functioning as Endowment (Restricted)	13,229,982.67	3,040,727.58
Other Expendable	32,617,199.91	22,688,185.46
Unrestricted	62,710,347.41	73,656,671.32
Total Net Position	<u>\$ 579,468,098.98</u>	<u>471,284,629.10</u>

Stephen F. Austin
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 112,480,087.93	115,398,898.67
Discounts and Allowances	(60,894,037.67)	(64,404,893.45)
Federal Sponsored Programs	6,456,152.44	3,630,936.66
Federal Sponsored Programs Pass-Through from State Agencies	824,073.72	953,094.41
State Sponsored Programs Pass-Through from State Agencies	12,980,061.03	13,305,879.44
Local Sponsored Programs	1,032,705.04	1,691,308.15
Private Sponsored Programs	517,791.57	650,733.71
Sales and Services of Educational Activities	5,882,362.09	6,900,240.40
Auxiliary Enterprises	45,488,591.89	43,741,472.73
Discounts and Allowances Auxiliary Enterprises	(7,533,729.67)	(286,377.76)
Other Operating Revenues	464,246.28	358,321.95
Total Operating Revenues	<u>117,698,304.65</u>	<u>121,939,614.91</u>
Operating Expenses:		
Instruction	71,492,189.23	71,494,112.93
Research	5,227,786.45	4,182,933.61
Public Service	2,023,082.85	1,976,505.03
Hospitals / Clinics		
Academic Support	20,459,738.72	21,228,969.79
Student Services	12,420,270.40	12,176,041.89
Institutional Support	35,914,237.98	35,911,900.19
Operations and Maintenance of Plant	15,989,340.13	12,016,792.18
Scholarships and Fellowships	8,553,207.14	5,228,999.14
Auxiliary Enterprises	53,238,898.75	52,191,037.64
Depreciation and Amortization	<u>23,333,532.34</u>	<u>22,947,931.58</u>
Total Operating Expenses	<u>248,652,283.99</u>	<u>239,355,223.98</u>
Operating Income (Loss)	<u>(130,953,979.34)</u>	<u>(117,415,609.07)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	63,141,158.07	78,466,723.65
Federal Nonexchange Sponsored Programs	25,991,297.00	23,929,550.00
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through		
Gift Contributions for Operations	10,079,297.56	9,336,377.63
Investment Income	12,925,939.09	7,659,051.36
Net Increase (Decrease) in Fair Value of Investments	9,886,856.59	3,883,285.11
Interest Expense on Capital Asset Financings	(144,131.12)	(234,683.46)
Gain (Loss) on Sale of Capital Assets	(56,702.84)	(321,013.25)
Other Nonoperating Revenues	850,177.15	987,386.96
Other Nonoperating (Expenses)	<u>(200,000.00)</u>	<u>(2,000,000.00)</u>
Net Nonoperating Revenues (Expenses)	<u>122,473,891.50</u>	<u>121,706,678.00</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	(8,480,087.84)	4,291,068.93
Gifts and Sponsored Programs for Capital Acquisitions	4,969,630.71	3,995.00
Additions to Permanent Endowments	49,367,627.41	69,740,014.37
Reclass from/(to) Other Institutions	(12,142,260.64)	(31,288,158.08)
Transfers Between Institutions & System, Debt Service - Mandatory	(25,452,583.68)	(29,809,003.05)
Transfers Between Institutions & System Admin. - Non mandatory	97,199,855.60	250,315,955.18
Transfers From Other State Agencies	2,721,288.32	2,783,636.00
Transfers to Other State Agencies		(14,582.47)
Legislative Appropriations Lapsed		<u>(18,388.45)</u>
Change in Net Position	<u>108,183,469.88</u>	<u>266,004,537.43</u>
Beginning Net Position	471,284,629.10	16,364,533.67
Restatements		<u>188,915,558.00</u>
Beginning Net Position (As Restated)	<u>471,284,629.10</u>	<u>205,280,091.67</u>
Ending Net Position	<u>\$ 579,468,098.98</u>	<u>471,284,629.10</u>

Stephen F. Austin
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 53,134,637.79	\$ 53,396,333.22
Proceeds from Sponsored Programs	20,567,833.15	21,545,100.13
Proceeds from Auxiliaries	40,727,621.11	39,155,574.12
Proceeds from Other Revenues	7,838,133.52	17,626,874.13
Payments to Suppliers	(66,911,426.12)	(72,850,005.14)
Payments to Employees	(150,871,339.55)	(147,254,428.71)
Payments for Loans Provided	(7,169,715.70)	(6,505,440.89)
Proceeds from Loan Programs	3,374,223.74	6,457,943.83
Payments for Other Expenses	(9,434,319.32)	(7,942,779.79)
Net Cash Provided (Used) by Operating Activities	(108,744,351.38)	(96,370,829.10)
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	62,685,608.01	42,555,287.46
Proceeds from Operating Gifts	10,079,297.56	9,336,377.63
Proceeds from Private Gifts for Endowment Purposes	49,367,627.41	69,740,014.37
Proceeds from Other Noncapital Financing Activities	39,620,373.44	44,206,127.96
Receipts for Transfers from System or Other Agencies	14,999,350.92	9,984,111.33
Payments for Transfers to System or Other Agencies	-	(14,582.47)
Payments for Other Uses	(41,759,326.28)	(42,522,353.37)
Proceeds from Nonexchange Sponsored Programs	25,991,297.00	23,929,550.00
Net Cash Provided by Noncapital Financing Activities	160,984,228.06	157,214,532.91
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	16,088,079.83	8,811,356.34
Proceeds from Capital Appropriations, Grants, and Gifts	20,404,920.12	19,961,579.87
Payments for Additions to Capital Assets	(42,590,297.76)	(31,451,608.29)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(2,906,825.28)	(848,917.25)
Mandatory Transfers to System for Capital Related Debt	(25,452,583.68)	(29,809,003.05)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(228,015.88)	(173,061.74)
Net Cash Provided (Used) by Capital and Related Financing Activities	(34,684,722.65)	(33,509,654.12)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	13,001,452.44	31,124,626.40
Proceeds from Interest and Investment Income Invested by System	205,938.71	-
Payments to Acquire Investments	-	(69,740,014.37)
Payments to Acquire Investments Invested by System	(65,223,404.86)	-
Net Cash Provided (Used) by Investing Activities	(52,016,013.71)	(38,615,387.97)
Net Increase (Decrease) in Cash	(34,460,859.68)	(11,281,338.28)
Cash and Cash Equivalents (Beginning of the Year)	91,561,052.95	63,428,198.72
Restatements to Beginning Cash and Cash Equivalents	-	39,414,192.51
Cash and Cash Equivalents (End of the Year)	\$ 57,100,193.27	\$ 91,561,052.95
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(130,953,979.34)	(117,415,609.07)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	23,333,532.34	22,947,931.58
Bad Debt Expense	49,229.84	73,148.62
Changes in Assets and Liabilities:		
Accounts Receivable	(2,242,152.20)	(3,537,886.76)
Lessor-Related Balances	(2,016.01)	-
P3 Related Balances	(18,972.66)	(1,060,517.44)
Inventories	(96,110.89)	26,859.84
Loans and Contracts	(3,795,491.96)	(47,497.06)
Other Current and Noncurrent Assets	(2,723,184.50)	1,104,981.27
Accounts Payable	573,512.37	3,901,637.92
Due to System	134,310.17	2,375,118.95
Unearned Revenue	6,644,565.13	(485,674.55)
Employees' Compensable Leave	352,406.33	659,758.75
Other Current and Noncurrent Liabilities	-	(4,913,081.15)
Total Adjustments	22,209,627.96	21,044,779.97
Net Cash Provided (Used) by Operating Activities	\$ (108,744,351.38)	\$ (96,370,829.10)
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	9,886,856.59	3,883,285.11
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	2,315,671.38	1,021,978.94
Miscellaneous Noncash Transactions	4,455,427.87	-

The University of Texas at Tyler
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 31,045,029.07	43,579,475.01
Restricted Cash & Cash Equivalents	9,686,205.83	7,785,336.02
Balance in State Appropriations	4,842,785.88	2,623,453.48
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	19,574,358.76	5,562,405.76
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	2,005,542.36	1,441,783.82
Student (allow. \$2,595,963.78 in 2025 & \$2,546,200.56 in 2024)	36,881,623.13	13,361,917.77
Interest and dividends	(15,702.30)	
Contributions (allow. \$7,100.00 in 2025 & \$7,100.00 in 2024)	134,500.43	134,500.43
Other (allow. \$0.00 in 2025 & \$0.00 in 2024)	3,975,031.90	12,657,897.43
Due From System Administration	52,014,469.21	31,846,622.26
Due From Other Institutions	5,716,768.15	5,927,487.39
Due From Other Agencies		1,267.75
Loans & Contracts (allow. \$1,352,739.32 in 2025 & \$1,352,739.32 in 2024)	3,950,727.15	3,771,460.85
Other Current Assets	18,634,280.60	15,140,143.65
Total Current Assets	<u>188,445,620.17</u>	<u>143,833,751.62</u>
Noncurrent Assets:		
Funds Held by System Administration (Restricted)	138,638,343.10	131,206,228.84
Contributions Rec. (allow. \$11,700.00 in 2025 & \$11,700.00 in 2024)	238,564.11	238,564.11
Funds Held by System Administration (Unrestricted)	226,802.04	216,962.46
Gross Capital/Intangible Assets	503,979,218.00	484,286,364.39
Accumulated Depreciation/Amortization	(286,809,048.72)	(270,882,383.47)
Total Noncurrent Assets	<u>356,273,878.53</u>	<u>345,065,736.33</u>
Total Assets	<u>544,719,498.70</u>	<u>488,899,487.95</u>
Total Assets and Deferred Outflows	<u>544,719,498.70</u>	<u>488,899,487.95</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	29,941,199.57	16,889,782.93
Salaries Payable	9,185,251.14	8,381,532.82
Due To System Administration	1,773,839.69	1,604,993.69
Due To Other Institutions	8,185,195.03	4,733,357.92
Due To Other State Agencies	200.53	12,478.65
Unearned Revenue	64,709,782.20	34,111,412.57
Employees' Compensable Leave (Current)	1,686,922.47	1,452,884.61
Notes, Loans, and Leases Payable (Current)	639,992.08	613,053.93
Other Current Liabilities	(10,742.64)	102,757.36
Total Current Liabilities	<u>116,111,640.07</u>	<u>67,902,254.48</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	2,124,592.34	1,846,327.42
Notes, Loans, and Leases Payable (Noncurrent)	1,056,594.40	1,696,586.48
Total Noncurrent Liabilities	<u>3,181,186.74</u>	<u>3,542,913.90</u>
Total Liabilities	<u>119,292,826.81</u>	<u>71,445,168.38</u>
Total Liabilities and Deferred Inflows	<u>119,292,826.81</u>	<u>71,445,168.38</u>
NET POSITION		
Net Investment in Capital Assets	215,473,582.80	211,094,340.51
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	66,304,563.55	64,788,382.47
Expendable		
Capital Projects	46,793,613.88	26,137,310.71
Funds Functioning as Endowment (Restricted)	3,024,986.47	2,735,115.70
Other Expendable	91,605,095.24	86,218,853.47
Unrestricted	2,224,829.95	26,480,316.71
Total Net Position	<u>\$ 425,426,671.89</u>	<u>417,454,319.57</u>

The University of Texas at Tyler
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 102,986,582.64	94,135,820.77
Discounts and Allowances	(47,680,937.89)	(35,855,052.08)
Federal Sponsored Programs	4,355,476.09	3,478,106.00
Federal Sponsored Programs Pass-Through from State Agencies	748,753.83	767,170.72
State Sponsored Programs Pass-Through from State Agencies	20,559,294.92	16,494,025.89
Private Sponsored Programs	553,507.19	1,166,287.37
Sales and Services of Educational Activities	2,663,224.87	11,570,167.78
Auxiliary Enterprises	15,819,274.76	17,928,302.00
Other Operating Revenues	1,846,960.98	335,431.70
Total Operating Revenues	<u>101,852,137.39</u>	<u>110,020,260.15</u>
Operating Expenses:		
Instruction	81,447,184.18	72,436,537.67
Research	4,612,386.74	4,846,527.01
Public Service	990,817.71	997,580.86
Academic Support	23,456,249.62	17,797,803.42
Student Services	18,144,948.09	15,716,927.09
Institutional Support	18,149,550.75	16,880,478.03
Operations and Maintenance of Plant	14,671,763.64	15,626,906.19
Scholarships and Fellowships	11,966,706.44	14,028,550.61
Auxiliary Enterprises	22,155,113.90	18,953,988.73
Depreciation and Amortization	16,867,509.28	17,387,233.45
Total Operating Expenses	<u>212,462,230.35</u>	<u>194,672,533.06</u>
Operating Income (Loss)	<u>(110,610,092.96)</u>	<u>(84,652,272.91)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	55,458,710.60	58,054,749.64
Federal Nonexchange Sponsored Programs	24,153,417.00	18,002,505.00
Federal Nonexchange Pass-Through	(9,864.63)	(89,438.95)
State Nonexchange Pass-Through	1,108,102.55	
Gift Contributions for Operations	1,840,037.50	1,723,286.02
Investment Income	8,322,610.73	7,344,252.10
Net Increase (Decrease) in Fair Value of Investments	5,838,706.05	5,911,194.12
Interest Expense on Capital Asset Financings	(58,535.53)	(69,017.73)
Gain (Loss) on Sale of Capital Assets	(368,587.29)	(219,106.11)
Other Nonoperating Revenues	145,000.00	29,516.65
Other Nonoperating (Expenses)	(1,803,620.47)	(917.00)
Net Nonoperating Revenues (Expenses)	<u>94,625,976.51</u>	<u>90,687,023.74</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	(15,984,116.45)	6,034,750.83
Additions to Permanent Endowments	2,226,707.50	2,673,795.32
Reclass from/(to) Other Institutions	36,417,883.55	(56,495,968.27)
Transactions Between Funds		8,073.43
Transfers Between Institutions & System, Debt Service - Mandatory	(20,328,146.01)	(20,176,234.96)
Transfers Between Institutions & System Admin. - Non mandatory	4,071,045.73	118,926,093.20
Transfers From Other State Agencies	1,568,978.00	1,345,110.00
Legislative Appropriations Lapsed		
Change in Net Position	<u>7,972,352.32</u>	<u>52,315,619.55</u>
Beginning Net Position	<u>417,454,319.57</u>	<u>365,138,700.02</u>
Ending Net Position	<u>\$ 425,426,671.89</u>	<u>417,454,319.57</u>

The University of Texas at Tyler
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 48,566,366.24	\$ 46,162,608.15
Proceeds from Sponsored Programs	21,456,887.89	9,639,390.49
Proceeds from Auxiliaries	15,319,175.68	18,534,630.59
Proceeds from Other Revenues	4,261,596.94	3,677,819.13
Payments to Suppliers	(59,657,741.85)	(63,359,873.46)
Payments to Employees	(124,230,335.68)	(116,954,574.43)
Payments for Loans Provided	(349,097.63)	(674,098.00)
Proceeds from Loan Programs	169,831.33	990,829.16
Net Cash Provided (Used) by Operating Activities	<u>(94,463,317.08)</u>	<u>(101,983,268.37)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	53,239,378.20	57,652,644.31
Proceeds from Operating Gifts	1,840,037.50	1,531,925.10
Proceeds from Private Gifts for Endowment Purposes	2,226,707.50	2,673,795.32
Proceeds from Other Noncapital Financing Activities	103,222,446.56	76,677,442.42
Receipts for Transfers from System or Other Agencies	2,777,499.83	3,871,887.28
Payments for Other Uses	(85,773,849.81)	(52,281,354.58)
Proceeds from Nonexchange Sponsored Programs	25,251,654.92	30,151,737.05
Net Cash Provided by Noncapital Financing Activities	<u>102,783,874.70</u>	<u>120,278,076.90</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	19,174,631.83	36,083,751.51
Payments for Additions to Capital Assets	(23,810,097.45)	(37,513,527.29)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(604,980.50)	(877,332.34)
Mandatory Transfers to System for Capital Related Debt	(20,328,146.01)	(20,176,234.96)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(58,535.53)	(69,017.73)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(25,627,127.66)</u>	<u>(22,552,360.81)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	9,427,060.54
Proceeds from Interest and Investment Income	1,471,140.10	2,733,129.06
Proceeds from Interest and Investment Income Invested by System	6,805,101.60	4,640,367.52
Payments to Acquire Investments Invested by System	<u>(1,603,247.79)</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>6,672,993.91</u>	<u>16,800,557.12</u>
Net Increase (Decrease) in Cash	(10,633,576.13)	12,543,004.84
Cash and Cash Equivalents (Beginning of the Year)	<u>51,364,811.03</u>	<u>38,821,806.19</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 40,731,234.90</u>	<u>\$ 51,364,811.03</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(110,610,092.96)	(84,652,272.91)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	16,867,509.28	17,387,233.45
Bad Debt Expense	7,994.00	101,487.03
Changes in Assets and Liabilities:		
Accounts Receivable	(28,412,599.13)	(23,349,624.29)
Loans and Contracts	(179,266.30)	316,731.16
Other Current and Noncurrent Assets	(3,494,136.95)	(6,029,014.74)
Accounts Payable	14,495,760.57	2,216,755.83
Due to System	168,846.00	140,357.35
Unearned Revenue	16,293,865.63	(8,163,251.24)
Employees' Compensable Leave	512,302.78	575,366.69
Other Current and Noncurrent Liabilities	(113,500.00)	(527,036.70)
Total Adjustments	<u>16,146,775.88</u>	<u>(17,330,995.46)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (94,463,317.08)</u>	<u>\$ (101,983,268.37)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	5,838,706.05	5,911,194.12
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	(8,073.43)	1,509,401.99
Miscellaneous Noncash Transactions	(368,587.29)	(219,106.11)

The University of Texas Southwestern Medical Center
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 241,430,386.64	128,926,169.23
Restricted Cash & Cash Equivalents	146,958,179.12	224,277,104.35
Balance in State Appropriations	40,862,738.82	82,401,060.85
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	27,629,510.28	22,848,258.97
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	106,367,232.74	80,756,450.73
Patient & Healthcare(allow. \$271,768,482.86 in 2025 & \$196,152,224.51 in 2024)	663,783,603.14	626,604,674.23
Interest and dividends	3,208,826.13	107,512.07
Contributions (allow. \$0.00 in 2025 & \$0.00 in 2024)	2,364,569.33	727,718.33
Other (allow. \$2,126,855.09 in 2025 & \$3,977,703.95 in 2024)	165,610,396.29	301,360,876.58
Lease Receivable (Current)	1,938,876.58	1,936,165.79
Due From System Administration	246,475,250.40	46,698,897.88
Due From Other Institutions	1,204,970.42	1,555,176.00
Due From Other Agencies	931,043.00	2,065,990.65
Inventories	82,071,516.65	71,952,261.38
Loans & Contracts (allow. \$3,558.12 in 2025 & \$16,568.21 in 2024)	41,493.32	20,640.31
Other Current Assets	40,986,858.62	33,595,912.96
Total Current Assets	<u>1,771,865,451.48</u>	<u>1,625,834,870.31</u>
Noncurrent Assets:		
Cash and Cash Equivalents (Noncurrent Restricted)	78,571,391.19	33,533,613.97
Restricted Investments	764,892,834.85	403,223,319.08
Loans & Contracts (allow. \$18,207.81 in 2025 & \$25,554.37 in 2024)	212,332.17	31,835.05
Funds Held by System Administration (Restricted)	2,419,360,291.21	2,285,593,145.69
Contributions Rec. (allow. \$0.00 in 2025 & \$0.00 in 2024)	152,186,453.96	42,786,758.80
Unrestricted Investments	416,728,986.42	176,947,362.67
Funds Held by System Administration (Unrestricted)	877,028,310.94	801,577,720.28
Lease Receivable (Noncurrent)	191,951,451.28	22,218,300.85
Other Noncurrent Assets	443,058,727.62	315,021,470.22
Gross Capital/Intangible Assets	6,102,838,053.98	5,844,112,997.02
Accumulated Depreciation/Amortization	(2,935,301,310.28)	(2,681,690,733.41)
Total Noncurrent Assets	<u>8,511,527,523.34</u>	<u>7,243,355,790.22</u>
Total Assets	<u>10,283,392,974.82</u>	<u>8,869,190,660.53</u>
Total Deferred Outflows of Resources		
	<u>446,927.95</u>	<u>529,380.97</u>
Total Assets and Deferred Outflows	<u>10,283,839,902.77</u>	<u>8,869,720,041.50</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	582,973,078.33	487,501,935.13
Salaries Payable	122,648,134.01	116,416,834.90
Due To System Administration	138,343,200.43	29,382,256.00
Due To Other Institutions	730,195.11	1,156,628.33
Due To Other State Agencies	44,986,891.78	90,925,543.40
Unearned Revenue	95,755,656.90	91,128,994.27
Employees' Compensable Leave (Current)	126,135,703.56	93,681,657.31
Notes, Loans, and Leases Payable (Current)	33,162,366.29	25,253,259.87
Assets Held for Others (Current)		
Other Current Liabilities	810,210.81	509,688.14
Total Current Liabilities	<u>1,145,545,437.22</u>	<u>935,956,797.35</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	167,768,612.88	171,018,306.26
Notes, Loans, and Leases Payable (Noncurrent)	116,037,315.53	113,817,744.59
Asset Retirement Obligation (Noncurrent)	3,784,983.75	2,636,686.07
Other Noncurrent Liabilities	3,466,154.58	2,919,759.78
Total Noncurrent Liabilities	<u>291,057,066.74</u>	<u>290,392,496.70</u>
Total Liabilities	<u>1,436,602,503.96</u>	<u>1,226,349,294.05</u>
Total Deferred Inflows of Resources		
	<u>193,155,002.58</u>	<u>25,045,602.70</u>
Total Liabilities and Deferred Inflows	<u>1,629,757,506.54</u>	<u>1,251,394,896.75</u>
NET POSITION		
Net Investment in Capital Assets	3,018,337,061.88	3,023,351,259.15
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	1,297,248,082.49	1,264,854,955.98
Expendable		
Capital Projects	379,149,788.19	95,281,119.81
Funds Functioning as Endowment (Restricted)	264,696,544.66	255,385,352.80
Other Expendable	1,737,281,149.71	1,445,712,085.61
Unrestricted	1,957,369,769.30	1,533,740,371.40
Total Net Position	<u>\$ 8,654,082,396.23</u>	<u>7,618,325,144.75</u>

The University of Texas Southwestern Medical Center
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 34,320,262.86	33,134,959.26
Discounts and Allowances	(3,113,971.51)	(3,340,734.73)
Federal Sponsored Programs	377,374,901.01	363,228,274.18
Federal Sponsored Programs Pass-Through from State Agencies	11,820,106.84	4,833,880.91
State Sponsored Programs Pass-Through from State Agencies	54,752,722.34	42,085,498.26
Local Sponsored Programs	162,660,745.66	160,057,460.70
Private Sponsored Programs	455,259,233.17	428,803,447.55
Sales and Services of Educational Activities	20,792,189.67	26,940,074.61
Sales and Services of Hospitals	8,935,039,587.92	7,729,451,176.58
Discounts and Allowances Sales and Services of Hospitals	(5,938,557,618.72)	(5,134,909,975.70)
Professional Fees (Patient Charges)	3,755,258,734.14	3,461,089,637.29
Discounts and Allowances Professional Fees (Patient Charges)	(2,648,058,320.40)	(2,487,289,430.08)
Auxiliary Enterprises	39,495,737.16	35,876,957.92
Other Operating Revenues	526,553,777.17	346,708,735.19
Total Operating Revenues	5,783,598,087.31	5,006,669,961.94
Operating Expenses:		
Instruction	1,649,792,842.49	1,507,831,217.56
Research	640,832,700.58	599,562,496.38
Public Service	21,855,263.81	23,543,926.41
Hospitals / Clinics	2,984,117,367.05	2,542,535,048.48
Academic Support	122,231,789.63	105,520,432.51
Student Services	2,301,853.00	2,391,609.80
Institutional Support	141,595,393.34	128,762,968.21
Operations and Maintenance of Plant	95,262,707.10	114,092,978.52
Scholarships and Fellowships	7,860,754.38	7,561,472.08
Auxiliary Enterprises	43,158,478.88	40,813,330.42
Depreciation and Amortization	284,725,929.27	280,476,280.08
Total Operating Expenses	5,993,735,079.53	5,353,091,760.45
Operating Income (Loss)	(210,136,992.22)	(346,421,798.51)
Nonoperating Revenues (Expenses):		
State Appropriations	227,712,476.53	234,334,566.54
Federal Nonexchange Sponsored Programs		
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through		
Gift Contributions for Operations	250,878,544.95	77,206,997.07
Investment Income	253,250,160.05	219,413,512.65
Net Increase (Decrease) in Fair Value of Investments	198,113,476.27	196,952,611.75
Interest Expense on Capital Asset Financings	(4,445,754.37)	(4,383,565.05)
Gain (Loss) on Sale of Capital Assets	(497,139.52)	(3,430,146.33)
Other Nonoperating Revenues	294,960.83	1,867,782.20
Other Nonoperating (Expenses)	900,000.00	(900,000.00)
Net Nonoperating Revenues (Expenses)	926,206,724.74	721,061,758.83
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	716,069,732.52	374,639,960.32
Gifts and Sponsored Programs for Capital Acquisitions	1,803,127.34	5,168,933.76
Additions to Permanent Endowments	17,243,117.89	22,470,033.64
Reclass from/(to) Other Institutions	306,528,840.40	(977,206,939.91)
Transfers Between Institutions & System, Debt Service - Mandatory	(151,366,448.05)	(155,175,333.87)
Transfers Between Institutions & System Admin. - Non mandatory	136,734,215.43	1,128,411,546.02
Transfers From Other State Agencies	10,189,808.13	13,939,758.17
Transfers to Other State Agencies	(1,445,142.18)	(8,171,991.43)
Legislative Appropriations Lapsed		
Change in Net Position	1,035,757,251.48	404,075,966.70
Beginning Net Position	7,618,325,144.75	7,214,249,178.05
Ending Net Position	\$ 8,654,082,396.23	7,618,325,144.75

The University of Texas Southwestern Medical Center
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 24,733,568.44	\$ 29,952,317.58
Proceeds from Patients and Customers	4,128,446,315.78	3,550,880,794.01
Proceeds from Sponsored Programs	953,484,496.08	973,982,881.69
Proceeds from Auxiliaries	37,596,360.01	35,315,674.25
Proceeds from Other Revenues	593,020,774.77	140,965,580.66
Payments to Suppliers	(1,888,636,848.21)	(1,778,612,519.40)
Payments to Employees	(3,656,317,751.47)	(3,262,624,488.06)
Proceeds from Loan Programs	53,858.73	95,484.66
Net Cash Provided (Used) by Operating Activities	192,380,774.13	(310,044,274.61)
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	269,250,798.56	198,885,612.10
Proceeds from Operating Gifts	139,342,301.13	53,295,423.80
Proceeds from Private Gifts for Endowment Purposes	17,243,117.89	22,470,033.64
Proceeds from Other Noncapital Financing Activities	36,084,926.40	40,782,152.00
Receipts for Transfers from System or Other Agencies	11,572,321.46	42,861,837.32
Payments for Transfers to System or Other Agencies	(1,480,279.62)	(719,103.95)
Payments for Other Uses	(36,739,550.54)	(28,305,883.58)
Net Cash Provided by Noncapital Financing Activities	435,273,635.28	329,270,071.33
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	260,804,541.52	117,932,594.81
Proceeds from Capital Appropriations, Grants, and Gifts	2,302,825.00	8,191,300.00
Proceeds from Sale of Capital Assets	347,937.58	371,044.04
Payments for Additions to Capital Assets	(240,842,525.73)	(283,329,322.78)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(34,906,831.41)	(24,770,335.85)
Mandatory Transfers to System for Capital Related Debt	(151,366,448.05)	(155,175,333.87)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(4,445,754.37)	(4,383,565.05)
Net Cash Provided (Used) by Capital and Related Financing Activities	(168,106,255.46)	(341,163,618.70)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	-	2,212,713.80
Proceeds from Sales of Investments Invested by System	-	106,990,733.46
Proceeds from Interest and Investment Income	36,120,307.88	32,589,494.82
Proceeds from Interest and Investment Income Invested by System	197,110,007.00	187,815,533.39
Payments to Acquire Investments	(1,924,798.63)	-
Payments to Acquire Investments Invested by System	(610,630,600.80)	-
Net Cash Provided (Used) by Investing Activities	(379,325,084.55)	329,608,475.47
Net Increase (Decrease) in Cash	80,223,069.40	7,670,653.49
Cash and Cash Equivalents (Beginning of the Year)	386,736,887.55	379,066,234.06
Cash and Cash Equivalents (End of the Year)	\$ 466,959,956.95	\$ 386,736,887.55
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(210,136,992.22)	(346,421,798.51)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	284,725,929.27	280,476,280.08
Bad Debt Expense	(255,208.86)	(10,692.53)
Changes in Assets and Liabilities:		
Accounts Receivable	71,957,106.01	(120,483,224.64)
Lessor-Related Balances	(1,882,925.34)	(383,623.76)
Inventories	(10,119,255.27)	(5,737,928.02)
Loans and Contracts	53,858.73	95,484.66
Other Current and Noncurrent Assets	(135,171,739.06)	(157,107,740.65)
Accounts Payable	48,340,372.77	40,945,949.95
Due to System	108,960,944.43	(91,567,011.31)
Unearned Revenue	4,626,662.63	10,774,449.01
Employees' Compensable Leave	29,204,352.87	78,308,886.93
Asset Retirement Obligations	1,230,750.70	419,615.03
Other Current and Noncurrent Liabilities	846,917.47	647,079.15
Total Adjustments	402,517,766.35	36,377,523.90
Net Cash Provided (Used) by Operating Activities	\$ 192,380,774.13	\$ (310,044,274.61)
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	198,113,476.27	196,952,611.75
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	55,681,075.13	12,232,690.80
Miscellaneous Noncash Transactions	(1,647,320.87)	(11,456,173.59)

The University of Texas Medical Branch at Galveston
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 44,359,778.73	28,615,964.02
Restricted Cash & Cash Equivalents	3,487,323.26	1,390,694.54
Balance in State Appropriations	19,538,938.94	11,922,918.59
Accounts Receivable, Net:		
Federal (allow. \$4,107,713.55 in 2025 & \$2,407,124.73 in 2024)	25,942,267.92	28,005,617.29
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	29,201,539.52	52,014,289.80
Student (allow. \$2,606,175.35 in 2025 & \$2,716,983.74 in 2024)	19,534,503.19	18,022,409.05
Patient & Healthcare(allow. \$107,195,464.44 in 2025 & \$126,020,097.34 in 2024)	290,469,555.21	230,093,865.68
Interest and dividends	1,927,457.38	1,746,174.12
Other (allow. \$1,276,929.63 in 2025 & \$1,276,929.63 in 2024)	19,070,541.20	31,693,719.83
Lease Receivable (Current)	105,893.60	98,923.39
Due From System Administration	55,887,804.89	32,227,796.96
Due From Other Institutions	654,333.24	609,662.30
Due From Other Agencies	8,257,356.31	7,430,253.30
Inventories	56,903,283.35	48,942,687.92
Loans & Contracts (allow. \$0.00 in 2025 & \$0.00 in 2024)	1,826,021.49	1,684,022.35
Other Current Assets	21,526,138.29	26,591,597.56
Total Current Assets	<u>598,692,736.52</u>	<u>521,090,596.70</u>
Noncurrent Assets:		
Restricted Investments	47,105,514.01	41,135,763.24
Loans & Contracts (allow. \$1,467,744.71 in 2025 & \$1,151,426.76 in 2024)	5,003,319.56	5,255,398.24
Funds Held by System Administration (Restricted)	840,331,384.97	791,645,635.73
Unrestricted Investments	666,459,380.49	619,005,500.81
Funds Held by System Administration (Unrestricted)	378,944,529.83	340,211,144.68
Lease Receivable (Noncurrent)	191,302.50	254,165.59
Other Noncurrent Assets	2,108,804.12	3,063,073.09
Gross Capital/Intangible Assets	4,866,193,150.07	4,680,066,943.37
Accumulated Depreciation/Amortization	(2,645,805,050.61)	(2,462,178,870.21)
Total Noncurrent Assets	<u>4,160,532,334.94</u>	<u>4,018,458,754.54</u>
Total Assets	<u>4,759,225,071.46</u>	<u>4,539,549,351.24</u>
Total Assets and Deferred Outflows	<u>4,759,225,071.46</u>	<u>4,539,549,351.24</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	296,650,164.51	285,836,994.91
Salaries Payable	68,591,560.13	60,038,296.76
Due To System Administration	74,664,437.94	42,646,699.77
Due To Other Institutions	500,985.99	568,892.62
Due To Other State Agencies	102,623.01	176,601.49
Unearned Revenue	61,930,126.61	59,347,676.61
Employees' Compensable Leave (Current)	106,548,638.68	98,205,546.31
Notes, Loans, and Leases Payable (Current)	30,826,382.76	23,127,948.54
Other Current Liabilities	1,050,000.00	525,000.00
Total Current Liabilities	<u>640,864,919.63</u>	<u>570,473,657.01</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	21,992,464.61	20,217,019.52
Notes, Loans, and Leases Payable (Noncurrent)	119,018,299.26	112,755,829.56
Asset Retirement Obligation (Noncurrent)	512,836.25	512,836.25
Other Noncurrent Liabilities	1,542,919.72	4,539,848.02
Total Noncurrent Liabilities	<u>143,066,519.84</u>	<u>138,025,533.35</u>
Total Liabilities	<u>783,931,439.47</u>	<u>708,499,190.36</u>
Total Deferred Inflows of Resources	<u>483,969.07</u>	<u>522,938.53</u>
Total Liabilities and Deferred Inflows	<u>784,415,408.54</u>	<u>709,022,128.89</u>
NET POSITION		
Net Investment in Capital Assets	2,070,543,417.44	2,082,004,295.06
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	410,625,542.78	398,770,774.64
Expendable		
Capital Projects	48,339,471.55	24,903,756.37
Funds Functioning as Endowment (Restricted)	58,128,732.97	54,389,130.33
Other Expendable	446,299,036.21	407,727,568.12
Unrestricted	940,873,461.97	862,731,697.83
Total Net Position	<u>\$ 3,974,809,662.92</u>	<u>3,830,527,222.35</u>

The University of Texas Medical Branch at Galveston
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 61,113,556.54	55,006,859.00
Discounts and Allowances	(11,098,795.61)	(5,878,888.18)
Federal Sponsored Programs	179,294,102.94	178,285,535.70
Federal Sponsored Programs Pass-Through from State Agencies	50,630,774.09	13,735,700.71
State Sponsored Programs Pass-Through from State Agencies	24,277,746.74	15,316,403.11
Local Sponsored Programs	588,183.27	636,084.01
Private Sponsored Programs	99,797,713.69	75,694,377.99
Sales and Services of Educational Activities	14,980,719.75	14,078,296.85
Sales and Services of Hospitals	7,838,639,282.92	6,410,323,136.60
Discounts and Allowances Sales and Services of Hospitals	(5,659,914,621.88)	(4,472,403,795.48)
Professional Fees (Patient Charges)	1,138,034,181.39	845,087,817.40
Discounts and Allowances Professional Fees (Patient Charges)	(794,267,145.17)	(560,343,401.50)
Auxiliary Enterprises	15,097,631.19	14,977,428.67
Other Operating Revenues	168,619,214.08	155,460,317.90
Total Operating Revenues	3,125,792,543.94	2,739,975,872.78
Operating Expenses:		
Instruction	546,073,895.19	513,554,600.47
Research	171,296,035.10	161,549,516.41
Public Service	35,971,021.96	31,517,281.63
Hospitals / Clinics	2,327,918,210.04	2,037,136,036.16
Academic Support	81,283,016.67	61,418,927.41
Student Services	9,637,779.84	8,949,677.79
Institutional Support	98,193,840.18	92,861,486.04
Operations and Maintenance of Plant	80,133,370.91	69,702,109.47
Scholarships and Fellowships	7,021,114.70	10,397,467.06
Auxiliary Enterprises	10,995,842.82	10,470,061.98
Depreciation and Amortization	239,455,749.27	228,484,560.11
Total Operating Expenses	3,607,979,876.68	3,226,041,724.53
Operating Income (Loss)	(482,187,332.74)	(486,065,851.75)
Nonoperating Revenues (Expenses):		
State Appropriations	418,922,868.19	410,657,737.80
Federal Nonexchange Sponsored Programs	1,526,951.00	1,215,633.00
Federal Nonexchange Pass-Through		(0.42)
State Nonexchange Pass-Through		
Local Nonexchange Sponsored Programs	(1,172,743.82)	16,000,000.00
Gift Contributions for Operations	8,370,083.55	8,901,803.87
Investment Income	90,544,108.57	83,745,169.37
Net Increase (Decrease) in Fair Value of Investments	104,380,790.30	106,810,872.86
Interest Expense on Capital Asset Financings	(2,969,126.80)	(3,410,866.98)
Gain (Loss) on Sale of Capital Assets	(357,593.95)	(7,237,942.96)
Other Nonoperating Revenues	1,213,453.00	12,565,958.67
Other Nonoperating (Expenses)	(2,305,607.00)	(389,270.66)
Net Nonoperating Revenues (Expenses)	618,153,183.04	628,859,094.55
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	135,965,850.30	142,793,242.80
Gifts and Sponsored Programs for Capital Acquisitions	43,102,705.68	24,928,158.19
Additions to Permanent Endowments	3,988,465.29	4,548,497.06
Reclass from/(to) Other Institutions	(506,024.29)	9,870,622.10
Transfers Between Institutions & System, Debt Service - Mandatory	(147,905,050.76)	(137,631,880.37)
Transfers Between Institutions & System Admin. - Non mandatory	100,328,301.09	391,648,863.89
Transfers From Other State Agencies	94,775,383.86	54,331,096.51
Transfers to Other State Agencies	(85,467,190.60)	(50,457,764.66)
Legislative Appropriations Lapsed		
Change in Net Position	144,282,440.57	440,030,835.52
Beginning Net Position	3,830,527,222.35	3,390,496,386.83
Ending Net Position	\$ 3,974,809,662.92	3,830,527,222.35

The University of Texas Medical Branch at Galveston
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 48,368,532.42	\$ 48,602,050.30
Proceeds from Patients and Customers	2,454,308,779.55	2,187,813,586.70
Proceeds from Sponsored Programs	397,909,807.48	260,516,684.16
Proceeds from Auxiliaries	15,902,287.09	14,091,637.31
Proceeds from Other Revenues	180,420,029.98	153,685,927.66
Payments to Suppliers	(1,130,603,508.82)	(1,025,387,679.64)
Payments to Employees	(2,162,843,707.20)	(1,962,810,410.70)
Payments for Loans Provided	(1,188,021.86)	(368,939.09)
Proceeds from Loan Programs	1,298,101.40	840,940.40
Net Cash Provided (Used) by Operating Activities	(196,427,699.96)	(323,016,202.90)
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	411,306,847.84	416,944,180.81
Proceeds from Operating Gifts	7,652,807.43	8,382,027.66
Proceeds from Private Gifts for Endowment Purposes	3,988,465.29	4,548,497.06
Proceeds from Other Noncapital Financing Activities	37,961,478.00	55,714,960.67
Receipts for Transfers from System or Other Agencies	96,506,592.92	64,471,268.89
Payments for Transfers to System or Other Agencies	(86,304,831.08)	(50,409,309.78)
Payments for Other Uses	(45,957,633.30)	(42,672,620.76)
Proceeds from Nonexchange Sponsored Programs	115,344.48	17,239,455.58
Net Cash Provided by Noncapital Financing Activities	425,269,071.58	474,218,460.13
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	75,537,341.21	117,658,359.37
Proceeds from Capital Appropriations, Grants, and Gifts	44,161,512.64	21,413,425.14
Proceeds from Sale of Capital Assets	1,055,841.82	507,608.48
Payments for Additions to Capital Assets	(206,073,544.18)	(256,430,846.20)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(28,462,522.75)	(35,657,723.97)
Mandatory Transfers to System for Capital Related Debt	(147,905,050.76)	(137,631,880.37)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(2,969,126.80)	(3,410,866.98)
Net Cash Provided (Used) by Capital and Related Financing Activities	(264,655,548.82)	(293,551,924.53)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	2,528,835.30
Proceeds from Interest and Investment Income	2,643,703.39	1,452,372.40
Proceeds from Interest and Investment Income Invested by System	87,472,891.78	82,605,681.07
Payments to Acquire Investments Invested by System	(36,461,974.54)	-
Net Cash Provided (Used) by Investing Activities	53,654,620.63	86,586,888.77
Net Increase (Decrease) in Cash	17,840,443.43	(55,762,778.53)
Cash and Cash Equivalents (Beginning of the Year)	30,006,658.56	85,769,437.09
Cash and Cash Equivalents (End of the Year)	\$ 47,847,101.99	\$ 30,006,658.56
Reconciliation of Net Operating Revenues (Expenses) to Net Cash		
Provided (Used) by Operating Activities		
Operating Income (Loss)	(482,187,332.74)	(486,065,851.75)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	239,455,749.27	228,484,560.11
Changes in Assets and Liabilities:		
Accounts Receivable	(17,574,329.90)	(70,432,746.63)
Lessor-Related Balances	1,217.42	1,532.38
Inventories	(7,960,595.43)	(3,135,217.30)
Loans and Contracts	110,079.54	472,001.31
Other Current and Noncurrent Assets	6,035,434.24	3,842,233.76
Accounts Payable	24,146,113.65	56,399,935.76
Due to System	32,017,738.17	(41,916,941.84)
Unearned Revenue	1,881,616.66	(15,980,503.97)
Employees' Compensable Leave	10,118,537.46	6,537,504.26
Other Current and Noncurrent Liabilities	(2,471,928.30)	(1,222,708.99)
Total Adjustments	285,759,632.78	163,049,648.85
Net Cash Provided (Used) by Operating Activities	\$ (196,427,699.96)	\$ (323,016,202.90)
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	104,380,790.30	106,810,872.86
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	42,431,391.67	56,587,839.54
Miscellaneous Noncash Transactions	(357,593.95)	(7,414,056.60)

The University of Texas Health Science Center at Houston
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 451,149,183.41	379,520,873.00
Restricted Cash & Cash Equivalents	123,221,201.91	112,677,201.81
Balance in State Appropriations	32,317,220.65	20,106,276.94
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	34,630,922.36	32,945,254.18
Other Intergov. (allow. \$115,358.23 in 2025 & \$179,963.72 in 2024)	79,466,086.22	89,473,571.95
Student (allow. \$1,280,035.98 in 2025 & \$1,212,472.38 in 2024)	24,773,498.87	23,337,877.56
Patient & Healthcare(allow. \$468,202,789.76 in 2025 & \$346,163,772.10 in 2024)	95,841,305.79	80,998,788.30
Interest and dividends	2,341,029.13	2,278,440.89
Contributions (allow. \$67,236.05 in 2025 & \$57,525.70 in 2024)	2,742,678.47	2,346,575.92
Other (allow. \$164,597.66 in 2025 & \$293,298.86 in 2024)	7,478,484.81	6,930,356.37
Lease Receivable (Current)	1,134,549.77	1,068,649.99
Due From System Administration	42,717,315.09	24,256,558.20
Due From Other Institutions	1,249,036.37	1,737,986.42
Due From Other Agencies	2,985,150.55	3,447,835.65
Inventories	1,250,256.07	1,703,885.02
Loans & Contracts (allow. \$231,182.92 in 2025 & \$274,225.60 in 2024)	4,255,570.19	4,722,530.35
Other Current Assets	7,392,818.60	6,999,003.82
Total Current Assets	<u>914,946,308.26</u>	<u>794,551,666.37</u>
Noncurrent Assets:		
Cash and Cash Equivalents (Noncurrent Restricted)	79,441.38	
Restricted Investments	48,645,248.75	47,484,942.82
Loans & Contracts (allow. \$494,212.74 in 2025 & \$476,761.78 in 2024)	5,071,182.84	4,936,307.30
Funds Held by System Administration (Restricted)	802,307,398.53	708,038,285.47
Contributions Rec. (allow. \$67,785.89 in 2025 & \$80,458.68 in 2024)	2,765,106.98	3,282,052.76
Unrestricted Investments	172,720,806.64	154,267,895.24
Funds Held by System Administration (Unrestricted)	1,080,804,533.25	1,022,842,167.68
Lease Receivable (Noncurrent)	527,600.05	1,662,149.82
Other Noncurrent Assets	62,625,259.23	63,106,229.69
Gross Capital/Intangible Assets	2,120,308,957.31	1,972,535,149.62
Accumulated Depreciation/Amortization	(1,197,797,151.90)	(1,130,206,410.03)
Total Noncurrent Assets	<u>3,098,058,383.06</u>	<u>2,847,948,770.37</u>
Total Assets	<u>4,013,004,691.32</u>	<u>3,642,500,436.74</u>
Total Assets and Deferred Outflows	<u>4,013,004,691.32</u>	<u>3,642,500,436.74</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	140,143,953.13	132,700,860.71
Salaries Payable	95,781,876.27	90,912,708.66
Due To System Administration	38,886,281.59	16,798,578.76
Due To Other Institutions	2,261,273.77	2,160,885.82
Due To Other State Agencies	517,730.45	972,492.76
Unearned Revenue	116,765,511.22	107,185,066.57
Employees' Compensable Leave (Current)	59,743,980.29	54,984,254.56
Notes, Loans, and Leases Payable (Current)	24,427,202.31	25,616,514.00
Assets Held for Others (Current)		
Other Current Liabilities	25,189,389.64	22,402,321.17
Total Current Liabilities	<u>503,717,198.67</u>	<u>453,733,683.01</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	88,257,459.26	78,357,696.49
Liability to Beneficiaries	147,566.24	148,492.44
Notes, Loans, and Leases Payable (Noncurrent)	106,220,834.57	122,830,729.54
Asset Retirement Obligation (Noncurrent)	975,121.25	975,121.25
Other Noncurrent Liabilities	143,637,737.21	132,815,472.63
Total Noncurrent Liabilities	<u>339,238,718.53</u>	<u>335,127,512.35</u>
Total Liabilities	<u>842,955,917.20</u>	<u>788,861,195.36</u>
Total Deferred Inflows of Resources	<u>2,565,033.05</u>	<u>3,619,619.44</u>
Total Liabilities and Deferred Inflows	<u>845,520,950.25</u>	<u>792,480,814.80</u>
NET POSITION		
Net Investment in Capital Assets	791,863,768.53	693,881,496.05
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	512,215,489.20	470,315,205.38
Expendable		
Capital Projects	40,611,397.78	15,994,394.56
Funds Functioning as Endowment (Restricted)	73,342,064.20	54,116,342.02
Other Expendable	417,167,928.88	371,403,448.74
Unrestricted	1,332,283,092.48	1,244,308,735.19
Total Net Position	<u>\$ 3,167,483,741.07</u>	<u>2,850,019,621.94</u>

The University of Texas Health Science Center at Houston
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 80,776,261.08	73,462,587.85
Discounts and Allowances	(3,823,530.71)	(2,303,050.76)
Federal Sponsored Programs	269,833,438.19	258,697,606.47
Federal Sponsored Programs Pass-Through from State Agencies	42,711,069.78	38,892,854.88
State Sponsored Programs Pass-Through from State Agencies	41,375,291.84	17,979,847.42
Local Sponsored Programs	907,203,178.24	833,834,636.83
Private Sponsored Programs	110,074,649.14	93,812,856.12
Sales and Services of Educational Activities	58,700,524.38	70,763,461.15
Sales and Services of Hospitals	364,789,665.16	352,202,142.87
Discounts and Allowances Sales and Services of Hospitals	(197,947,913.39)	(188,592,326.10)
Professional Fees (Patient Charges)	2,900,768,453.35	2,697,484,929.19
Discounts and Allowances Professional Fees (Patient Charges)	(2,310,811,718.20)	(2,132,093,570.69)
Auxiliary Enterprises	26,004,548.00	23,030,638.26
Other Operating Revenues	74,666,767.60	66,344,918.71
Total Operating Revenues	<u>2,364,320,684.46</u>	<u>2,203,517,532.20</u>
Operating Expenses:		
Instruction	1,145,998,624.69	1,072,835,723.36
Research	397,617,909.54	310,528,594.50
Public Service	89,605,682.36	87,734,116.44
Hospitals / Clinics	757,841,080.01	693,804,825.71
Academic Support	78,372,818.34	74,869,198.08
Student Services	14,255,183.69	14,383,770.34
Institutional Support	116,346,765.98	107,629,682.13
Operations and Maintenance of Plant	47,435,533.94	48,962,596.73
Scholarships and Fellowships	15,852,529.98	13,931,977.68
Auxiliary Enterprises	22,467,225.38	17,934,440.52
Depreciation and Amortization	<u>107,038,493.40</u>	<u>107,604,133.85</u>
Total Operating Expenses	<u>2,792,831,847.31</u>	<u>2,550,219,059.34</u>
Operating Income (Loss)	<u>(428,511,162.85)</u>	<u>(346,701,527.14)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	272,570,877.91	271,513,880.01
Federal Nonexchange Sponsored Programs	5,438,182.33	4,007,264.59
Federal Nonexchange Pass-Through	11,902,572.29	8,246,310.31
State Nonexchange Pass-Through		
Gift Contributions for Operations	14,730,626.97	12,863,301.16
Investment Income	196,141,214.71	109,441,450.31
Net Increase (Decrease) in Fair Value of Investments	97,889,898.18	98,430,068.21
Interest Expense on Capital Asset Financings	(3,278,746.52)	(3,423,241.37)
Gain (Loss) on Sale of Capital Assets	758,167.35	3,875,374.48
Other Nonoperating Revenues	<u>1,647,392.27</u>	<u>765,187.65</u>
Net Nonoperating Revenues (Expenses)	<u>597,800,185.49</u>	<u>505,719,595.35</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	169,289,022.64	159,018,068.21
Additions to Permanent Endowments	32,378,787.27	27,944,445.02
Reclass from/(to) Other Institutions	98,064,548.49	7,958,224.13
Transfers Between Institutions & System, Debt Service - Mandatory	(46,487,471.31)	(42,321,244.06)
Transfers Between Institutions & System Admin. - Non mandatory	52,776,804.39	107,935,709.24
Transfers From Other State Agencies	11,678,866.48	8,248,273.67
Transfers to Other State Agencies	(236,438.83)	(46,158.13)
Legislative Appropriations Lapsed		
Change in Net Position	<u>317,464,119.13</u>	<u>268,737,318.08</u>
Beginning Net Position	<u>2,850,019,621.94</u>	<u>2,581,282,303.86</u>
Ending Net Position	<u>\$ 3,167,483,741.07</u>	<u>2,850,019,621.94</u>

The University of Texas Health Science Center at Houston
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 76,330,531.95	\$ 68,422,758.61
Proceeds from Patients and Customers	741,955,969.43	712,703,124.47
Proceeds from Sponsored Programs	1,378,781,954.50	1,224,810,585.67
Proceeds from Auxiliaries	25,991,927.80	23,716,755.41
Proceeds from Other Revenues	156,924,226.99	85,139,970.51
Payments to Suppliers	(486,950,886.31)	(469,826,437.88)
Payments to Employees	(2,140,780,030.82)	(1,973,052,718.74)
Payments for Loans Provided	(1,619,485.59)	(1,912,282.53)
Proceeds from Loan Programs	1,951,570.21	1,739,980.37
Net Cash Provided (Used) by Operating Activities	(247,414,221.84)	(328,258,264.11)
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	260,359,934.20	276,068,450.92
Proceeds from Operating Gifts	14,851,470.20	15,354,312.25
Proceeds from Private Gifts for Endowment Purposes	32,378,787.27	27,944,445.02
Proceeds from Other Noncapital Financing Activities	59,682,538.43	55,447,876.40
Receipts for Transfers from System or Other Agencies	16,495,987.32	106,272,592.26
Payments for Transfers to System or Other Agencies	(636,841.59)	(287,966.34)
Payments for Other Uses	(59,677,130.98)	(54,095,926.25)
Proceeds from Nonexchange Sponsored Programs	17,328,501.37	12,277,955.37
Net Cash Provided by Noncapital Financing Activities	340,783,246.22	438,981,739.63
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	128,145,372.74	86,836,128.64
Proceeds from Sale of Capital Assets	695,612.45	685,862.90
Payments for Additions to Capital Assets	(183,777,087.50)	(203,748,377.51)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(28,556,256.67)	(29,730,086.72)
Mandatory Transfers to System for Capital Related Debt	(46,487,471.31)	(42,321,244.06)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(3,278,746.52)	(3,423,241.37)
Net Cash Provided (Used) by Capital and Related Financing Activities	(133,258,576.81)	(191,700,958.12)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	4,333,827.84	4,100,312.75
Proceeds from Interest and Investment Income Invested by System	191,745,484.65	104,924,854.44
Payments to Acquire Investments	(64,996.95)	(699.76)
Payments to Acquire Investments Invested by System	(73,873,011.22)	(3,094,650.84)
Net Cash Provided (Used) by Investing Activities	122,141,304.32	105,929,816.59
Net Increase (Decrease) in Cash	82,251,751.89	24,952,333.99
Cash and Cash Equivalents (Beginning of the Year)	492,198,074.81	467,245,740.82
Cash and Cash Equivalents (End of the Year)	\$ 574,449,826.70	\$ 492,198,074.81
Reconciliation of Net Operating Revenues (Expenses) to Net Cash		
Provided (Used) by Operating Activities		
Operating Income (Loss)	(428,511,162.85)	(346,701,527.14)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	107,038,493.40	107,604,133.85
Changes in Assets and Liabilities:		
Accounts Receivable	(8,212,700.29)	(18,362,005.27)
Lessor-Related Balances	(35,609.21)	75,394.38
Inventories	453,628.95	(103,018.31)
Loans and Contracts	332,084.62	(172,302.16)
Other Current and Noncurrent Assets	119,112.68	(7,803,848.42)
Accounts Payable	21,464,961.83	21,691,739.24
Due to System	22,087,702.83	(39,997,881.19)
Unearned Revenue	9,580,444.65	(40,756,952.45)
Employees' Compensable Leave	14,659,488.50	16,984,917.23
Other Current and Noncurrent Liabilities	13,609,333.05	(20,716,913.87)
Total Adjustments	181,096,941.01	18,443,263.03
Net Cash Provided (Used) by Operating Activities	\$ (247,414,221.84)	\$ (328,258,264.11)
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	97,889,898.18	98,430,068.21
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	17,841,370.29	34,207,756.16
Miscellaneous Noncash Transactions	575,986.50	3,875,374.48

The University of Texas Health Science Center at San Antonio
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ (53,855,208.17)	7,954,048.87
Restricted Cash & Cash Equivalents	151,568,341.17	124,469,678.53
Balance in State Appropriations	27,077,058.10	44,019,735.61
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	17,214,352.87	17,355,729.61
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	35,402,696.96	43,100,712.07
Student (allow. \$0.00 in 2025 & \$0.00 in 2024)	18,601,501.29	17,058,006.54
Patient & Healthcare(allow. \$4,544,554.66 in 2025 & \$5,760,287.83 in 2024)	151,965,796.98	55,486,551.81
Interest and dividends	423,222.28	853,690.87
Contributions (allow. \$41,286.87 in 2025 & \$49,405.53 in 2024)	728,758.43	588,035.47
Other (allow. \$0.00 in 2025 & \$0.00 in 2024)	34,842,332.85	29,041,062.18
Lease Receivable (Current)	659,512.16	618,783.04
Due From System Administration	40,836,998.17	19,435,045.09
Due From Other Institutions	746,802.35	1,327,616.16
Due From Other Agencies	12,794,528.38	21,318,635.46
Inventories	12,166,097.34	5,872,679.94
Loans & Contracts (allow. \$47,810.21 in 2025 & \$17,789.86 in 2024)	147,877.59	232,228.75
Other Current Assets	22,373,511.60	45,654,362.37
Total Current Assets	473,694,180.35	434,386,602.37
Noncurrent Assets:		
Restricted Investments	11,308,953.73	34,590,530.11
Loans & Contracts (allow. \$127,350.65 in 2025 & \$65,765.60 in 2024)	257,610.30	416,907.76
Funds Held by System Administration (Restricted)	865,871,460.26	814,764,908.23
Contributions Rec. (allow. \$27,613.88 in 2025 & \$62,653.96 in 2024)	6,092,415.92	10,505,854.27
Unrestricted Investments	115,998,253.74	212,211,064.68
Funds Held by System Administration (Unrestricted)	289,123,615.41	254,855,819.60
Lease Receivable (Noncurrent)	5,646,955.55	6,101,329.41
Other Noncurrent Assets	896,716.94	3,831,533.80
Gross Capital/Intangible Assets	2,445,527,123.78	2,149,088,916.94
Accumulated Depreciation/Amortization	(1,049,185,849.54)	(967,166,117.15)
Total Noncurrent Assets	2,691,537,256.09	2,519,200,747.65
Total Assets	3,165,231,436.44	2,953,587,350.02
Total Assets and Deferred Outflows	3,165,231,436.44	2,953,587,350.02
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	72,452,856.98	53,458,654.10
Salaries Payable	72,105,610.49	58,615,179.42
Due To System Administration	11,782,805.81	10,355,025.51
Due To Other Institutions	1,636,600.32	2,071,481.66
Due To Other State Agencies	3,175,923.22	17,880,341.29
Unearned Revenue	84,516,722.85	78,386,359.95
Employees' Compensable Leave (Current)	5,947,304.79	7,852,667.05
Notes, Loans, and Leases Payable (Current)	12,996,903.45	10,105,681.62
Other Current Liabilities	7,536,904.58	5,414,092.80
Total Current Liabilities	272,151,632.49	244,139,483.40
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	38,856,976.06	41,302,228.87
Liability to Beneficiaries	104,495.25	103,709.91
Notes, Loans, and Leases Payable (Noncurrent)	94,557,523.29	43,142,066.81
Asset Retirement Obligation (Noncurrent)	1,215,785.00	1,215,785.00
Other Noncurrent Liabilities	1,771,813.69	2,456,510.62
Total Noncurrent Liabilities	136,506,593.29	88,220,301.21
Total Liabilities	408,658,225.78	332,359,784.61
Total Deferred Inflows of Resources	6,181,832.07	8,600,696.87
Total Liabilities and Deferred Inflows	414,840,057.85	340,960,481.48
NET POSITION		
Net Investment in Capital Assets	1,288,786,847.50	1,128,675,051.36
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	479,391,455.39	468,195,782.11
Expendable		
Capital Projects	22,612,330.50	27,134,244.46
Funds Functioning as Endowment (Restricted)	39,893,669.13	38,140,336.52
Other Expendable	515,644,143.01	472,474,869.44
Unrestricted	404,062,933.06	478,006,584.65
Total Net Position	\$ 2,750,391,378.59	2,612,626,868.54

The University of Texas Health Science Center at San Antonio
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 77,627,941.63	67,383,518.25
Discounts and Allowances	(14,035,647.00)	(3,595,887.72)
Federal Sponsored Programs	195,542,681.12	179,475,131.17
Federal Sponsored Programs Pass-Through from State Agencies	54,174,397.23	43,478,539.07
State Sponsored Programs Pass-Through from State Agencies	33,546,434.04	23,547,882.87
Local Sponsored Programs	320,102,432.27	296,015,309.12
Private Sponsored Programs	37,805,541.66	30,890,102.09
Sales and Services of Educational Activities	37,233,799.65	45,159,359.85
Sales and Services of Hospitals	392,831,929.72	
Discounts and Allowances Sales and Services of Hospitals	(244,310,592.12)	
Professional Fees (Patient Charges)	999,151,698.07	1,109,807,990.78
Discounts and Allowances Professional Fees (Patient Charges)	(609,568,971.62)	(716,851,328.68)
Auxiliary Enterprises	6,102,578.01	5,659,859.37
Other Operating Revenues	23,023,557.55	42,669,438.03
Total Operating Revenues	1,309,227,780.21	1,123,639,914.20
Operating Expenses:		
Instruction	614,615,571.71	558,842,539.01
Research	254,459,984.09	224,712,984.67
Public Service	128,550,784.96	100,754,713.77
Hospitals / Clinics	361,007,713.36	268,397,418.32
Academic Support	71,610,300.69	69,828,242.57
Student Services	3,274,542.82	2,996,065.74
Institutional Support	85,372,067.43	76,614,998.58
Operations and Maintenance of Plant	61,654,594.44	52,830,983.71
Scholarships and Fellowships	2,351,342.86	11,032,951.69
Auxiliary Enterprises	10,552,543.41	6,852,182.72
Depreciation and Amortization	104,093,752.08	78,171,478.49
Total Operating Expenses	1,697,543,197.85	1,451,034,559.27
Operating Income (Loss)	(388,315,417.64)	(327,394,645.07)
Nonoperating Revenues (Expenses):		
State Appropriations	209,419,403.35	207,960,268.84
Federal Nonexchange Sponsored Programs	2,482,151.00	10,616,231.78
Federal Nonexchange Pass-Through		(23,649.05)
State Nonexchange Pass-Through		
Gift Contributions for Operations	15,725,961.02	9,066,583.25
Investment Income	97,775,369.03	77,808,015.82
Net Increase (Decrease) in Fair Value of Investments	36,861,746.26	58,747,993.35
Interest Expense on Capital Asset Financings	(2,654,454.32)	(1,651,720.96)
Gain (Loss) on Sale of Capital Assets	(490,892.02)	(124,480.74)
Other Nonoperating Revenues	63,171.00	394,775.83
Other Nonoperating (Expenses)		(35,650.61)
Net Nonoperating Revenues (Expenses)	359,182,455.32	362,758,367.51
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	(29,132,962.32)	35,363,722.44
Gifts and Sponsored Programs for Capital Acquisitions	2,759,749.07	5,778,956.17
Additions to Permanent Endowments	9,070,247.25	10,090,434.53
Reclass from/(to) Other Institutions	137,564,188.44	30,731,540.46
Transfers Between Institutions & System, Debt Service - Mandatory	(50,145,813.69)	(47,282,561.52)
Transfers Between Institutions & System Admin. - Non mandatory	42,281,772.19	148,563,924.60
Transfers From Other State Agencies	25,418,146.76	19,058,977.49
Transfers to Other State Agencies	(50,817.65)	(6,000,048.15)
Legislative Appropriations Lapsed		
Change in Net Position	137,764,510.05	196,304,946.02
Beginning Net Position	2,612,626,868.54	2,416,321,922.52
Ending Net Position	\$ 2,750,391,378.59	2,612,626,868.54

The University of Texas Health Science Center at San Antonio
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 65,845,903.02	\$ 67,574,355.91
Proceeds from Patients and Customers	441,624,818.88	380,117,375.58
Proceeds from Sponsored Programs	639,764,858.09	554,016,645.87
Proceeds from Auxiliaries	6,066,389.73	5,572,738.43
Proceeds from Other Revenues	61,595,725.49	87,132,147.33
Payments to Suppliers	(485,028,046.51)	(443,547,184.06)
Payments to Employees	(1,065,169,022.02)	(957,031,226.89)
Proceeds from Loan Programs	137,648.10	203,750.73
Net Cash Provided (Used) by Operating Activities	<u>(335,161,725.22)</u>	<u>(305,961,397.10)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	226,362,080.86	192,511,304.60
Proceeds from Operating Gifts	15,837,959.14	8,279,685.78
Proceeds from Private Gifts for Endowment Purposes	9,070,247.25	10,090,434.53
Proceeds from Other Noncapital Financing Activities	66,417,053.00	67,192,516.84
Receipts for Transfers from System or Other Agencies	27,047,455.13	47,180,373.56
Payments for Transfers to System or Other Agencies	(50,817.65)	(5,931,887.90)
Payments for Other Uses	(66,453,264.53)	(66,148,533.39)
Proceeds from Nonexchange Sponsored Programs	2,179,449.00	11,751,639.24
Net Cash Provided by Noncapital Financing Activities	<u>280,410,162.20</u>	<u>264,925,533.26</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	157,507,329.93	226,273,492.22
Proceeds from Capital Appropriations, Grants, and Gifts	6,920,466.34	8,832,576.38
Proceeds from Sale of Capital Assets	-	42,261.76
Payments for Additions to Capital Assets	(192,105,653.96)	(290,371,140.19)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(67,975,591.71)	(7,792,306.30)
Mandatory Transfers to System for Capital Related Debt	(50,145,813.69)	(47,282,561.52)
Payments of Interest on Capital Related Debt and Other L-T Obligations	<u>(2,654,454.32)</u>	<u>(1,651,720.96)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(148,453,717.41)</u>	<u>(111,949,398.61)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	70,997,402.78	28,253,856.05
Proceeds from Interest and Investment Income	5,528,894.43	4,458,640.47
Proceeds from Interest and Investment Income Invested by System	91,968,388.82	73,073,038.41
Payments to Acquire Investments Invested by System	-	-
Net Cash Provided (Used) by Investing Activities	<u>168,494,686.03</u>	<u>105,785,534.93</u>
Net Increase (Decrease) in Cash	(34,710,594.40)	(47,199,727.52)
Cash and Cash Equivalents (Beginning of the Year)	132,423,727.40	179,623,454.92
Cash and Cash Equivalents (End of the Year)	<u>\$ 97,713,133.00</u>	<u>\$ 132,423,727.40</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(388,315,417.64)	(327,394,645.07)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	104,093,752.08	78,171,478.49
Bad Debt Expense	106,000.52	64,949.17
Changes in Assets and Liabilities:		
Accounts Receivable	(86,473,267.55)	11,224,609.28
Lessor-Related Balances	(50,422.76)	(105,117.66)
Inventories	(6,293,417.40)	(277,944.47)
Loans and Contracts	137,648.10	203,750.73
Other Current and Noncurrent Assets	24,246,038.63	(31,372,748.24)
Accounts Payable	12,741,717.82	(45,693,828.73)
Due to System	1,427,780.30	1,227,562.27
Unearned Revenue	6,130,362.90	9,058,929.54
Employees' Compensable Leave	(4,350,615.07)	(2,983,005.10)
Other Current and Noncurrent Liabilities	1,438,114.85	1,914,612.69
Total Adjustments	<u>53,153,692.42</u>	<u>21,433,247.97</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (335,161,725.22)</u>	<u>\$ (305,961,397.10)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	36,861,746.26	58,747,993.35
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	123,851,651.40	28,554,448.86
Miscellaneous Noncash Transactions	(474,968.40)	30,080.49

The University of Texas M. D. Anderson Cancer Center
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 2,911,450,875.80	2,537,175,740.81
Restricted Cash & Cash Equivalents	327,497,899.21	277,857,051.83
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	418,201,577.49	268,495,360.31
Patient & Healthcare(allow. \$149,048,533.63 in 2025 & \$171,163,613.99 in 2024)	705,537,942.32	678,664,859.67
Interest and dividends	20,834,504.94	21,242,677.24
Contributions (allow. \$2,108,958.16 in 2025 & \$924,131.76 in 2024)	10,396,915.89	9,557,066.17
Other (allow. \$367,274.25 in 2025 & \$1,083,077.54 in 2024)	16,101,310.34	12,021,681.74
Due From System Administration	181,104,207.23	64,954,676.72
Due From Other Institutions	2,421,703.62	1,780,975.46
Due From Other Agencies	7,896,847.85	17,191,506.33
Inventories	120,770,431.98	111,513,541.02
Other Current Assets	215,022,198.78	209,790,508.91
Total Current Assets	<u>4,937,236,415.45</u>	<u>4,210,245,646.21</u>
Noncurrent Assets:		
Restricted Investments	1,642,764,971.46	1,554,531,878.55
Funds Held by System Administration (Restricted)	1,077,406,613.15	997,267,550.53
Contributions Rec. (allow. \$518,238.49 in 2025 & \$694,130.59 in 2024)	8,396,123.57	10,626,063.44
Unrestricted Investments	3,925,588,370.31	3,825,539,364.08
Funds Held by System Administration (Unrestricted)	4,928,588,341.83	4,480,786,000.74
Other Noncurrent Assets	133,609,121.97	121,990,084.37
Gross Capital/Intangible Assets	9,306,980,805.72	8,301,497,563.23
Accumulated Depreciation/Amortization	(5,314,698,627.50)	(5,121,041,437.72)
Total Noncurrent Assets	<u>15,708,635,720.51</u>	<u>14,171,197,067.22</u>
Total Assets	<u>20,645,872,135.96</u>	<u>18,381,442,713.43</u>
Total Deferred Outflows of Resources	<u>105,929,923.01</u>	<u>101,245,498.27</u>
Total Assets and Deferred Outflows	<u>20,751,802,058.97</u>	<u>18,482,688,211.70</u>
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	398,629,659.86	316,321,364.52
Salaries Payable	371,124,953.98	349,386,535.81
Federal Payables	89,557,494.70	58,026,315.59
Other Intergovernmental Payables		
Pension Liabilities (Current)	78,774,942.00	78,798,695.00
Due To System Administration	86,033,657.44	37,662,446.39
Due To Other Institutions	2,096,616.52	2,201,993.89
Due To Other State Agencies	322,411.22	15,995.18
Unearned Revenue	314,329,794.22	259,816,096.43
Employees' Compensable Leave (Current)	275,060,206.48	246,470,327.49
Notes, Loans, and Leases Payable (Current)	68,750,094.58	54,464,973.46
Assets Held for Others (Current)		
Other Current Liabilities	109,784,566.42	141,092,516.40
Total Current Liabilities	<u>1,794,464,397.42</u>	<u>1,544,257,260.16</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	39,979,978.08	47,089,499.57
Liability to Beneficiaries	590,673.15	585,337.63
Pension Liabilities (Noncurrent)	873,606,219.00	847,697,215.00
Notes, Loans, and Leases Payable (Noncurrent)	191,424,050.17	189,718,660.28
Asset Retirement Obligation (Noncurrent)	7,030,151.25	7,030,151.25
Other Noncurrent Liabilities	3,257,745.49	2,170,988.65
Total Noncurrent Liabilities	<u>1,115,888,817.14</u>	<u>1,094,291,852.38</u>
Total Liabilities	<u>2,910,353,214.56</u>	<u>2,638,549,112.54</u>
Total Deferred Inflows of Resources	<u>110,023,555.49</u>	<u>119,054,137.66</u>
Total Liabilities and Deferred Inflows	<u>3,020,376,770.05</u>	<u>2,757,603,250.20</u>
NET POSITION		
Net Investment in Capital Assets	3,732,108,033.47	2,936,272,491.77
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	1,144,562,720.38	1,108,222,261.07
Expendable		
Capital Projects	277,862,535.84	176,005,889.58
Funds Functioning as Endowment (Restricted)	111,822,831.37	105,190,773.57
Other Expendable	902,726,187.27	798,564,513.70
Unrestricted	11,562,342,980.59	10,600,829,031.81
Total Net Position	<u>\$ 17,731,425,288.92</u>	<u>15,725,084,961.50</u>

The University of Texas M. D. Anderson Cancer Center
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 1,903,860.49	1,881,849.64
Discounts and Allowances	(50,896.46)	(25,229.55)
Federal Sponsored Programs	310,815,301.04	314,689,755.28
Federal Sponsored Programs Pass-Through from State Agencies	6,963,277.19	5,682,003.72
State Sponsored Programs Pass-Through from State Agencies	44,194,073.75	41,221,319.05
Private Sponsored Programs	337,822,633.80	329,912,469.86
Sales and Services of Educational Activities	2,283,225.72	2,070,126.03
Sales and Services of Hospitals	13,826,297,924.82	12,576,212,128.51
Discounts and Allowances Sales and Services of Hospitals	(7,351,862,968.70)	(6,601,912,334.54)
Professional Fees (Patient Charges)	2,207,441,480.98	2,033,134,840.72
Discounts and Allowances Professional Fees (Patient Charges)	(1,694,869,397.08)	(1,541,796,972.89)
Auxiliary Enterprises	47,918,787.91	44,056,983.64
Other Operating Revenues	82,416,155.09	91,960,028.01
Total Operating Revenues	7,821,273,458.55	7,297,086,967.48
Operating Expenses:		
Instruction	106,485,254.89	93,534,179.68
Research	1,176,090,714.45	1,096,320,375.03
Public Service	30,290,680.09	29,586,047.46
Hospitals / Clinics	5,309,179,699.17	4,839,242,454.01
Academic Support	201,142,997.71	187,131,586.50
Student Services	3,095,502.99	3,029,067.98
Institutional Support	200,278,549.50	186,833,499.86
Operations and Maintenance of Plant	296,726,030.50	291,301,364.82
Scholarships and Fellowships	3,616,284.42	2,980,265.98
Auxiliary Enterprises	35,522,928.88	25,149,095.11
Depreciation and Amortization	392,536,532.15	363,370,503.46
Total Operating Expenses	7,754,965,174.75	7,118,478,439.89
Operating Income (Loss)	66,308,283.80	178,608,527.59
Nonoperating Revenues (Expenses):		
State Appropriations	237,189,220.48	236,684,682.46
Federal Nonexchange Sponsored Programs	897,840.58	799,641.09
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through		
Gift Contributions for Operations	146,403,455.64	147,891,259.23
Investment Income	674,293,337.06	616,710,517.03
Net Increase (Decrease) in Fair Value of Investments	579,617,071.48	655,402,460.88
Interest Expense on Capital Asset Financings	(4,748,330.10)	(4,244,050.84)
Gain (Loss) on Sale of Capital Assets	(280,459.90)	(1,782,921.39)
Other Nonoperating Revenues	1,039,761.97	7,893,155.22
Other Nonoperating (Expenses)	(1,999,325.39)	(33,112,189.10)
Net Nonoperating Revenues (Expenses)	1,632,412,571.82	1,626,242,554.58
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	1,698,720,855.62	1,804,851,082.17
Gifts and Sponsored Programs for Capital Acquisitions	136,528.60	
Additions to Permanent Endowments	26,507,638.12	23,255,733.57
Reclass from/(to) Other Institutions	160,248,526.98	(57,965,239.79)
Transfers Between Institutions & System, Debt Service - Mandatory	(85,702,154.61)	(82,627,489.00)
Transfers Between Institutions & System Admin. - Non mandatory	206,433,884.11	133,691,684.37
Transfers From Other State Agencies	37,998,944.67	57,186,554.98
Transfers to Other State Agencies	(38,003,896.07)	(57,247,417.56)
Legislative Appropriations Lapsed		
Change in Net Position	2,006,340,327.42	1,821,144,908.74
Beginning Net Position	15,725,084,961.50	13,903,940,052.76
Ending Net Position	\$ 17,731,425,288.92	15,725,084,961.50

The University of Texas M. D. Anderson Cancer Center
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 1,885,638.24	\$ 1,852,782.18
Proceeds from Patients and Customers	6,960,133,957.37	6,357,221,863.16
Proceeds from Sponsored Programs	607,898,128.09	646,369,643.12
Proceeds from Auxiliaries	47,817,623.95	44,122,077.62
Proceeds from Other Revenues	46,498,259.41	68,088,299.80
Payments to Suppliers	(2,982,720,259.63)	(2,937,819,351.39)
Payments to Employees	(4,268,294,433.60)	(3,820,331,372.62)
Net Cash Provided (Used) by Operating Activities	<u>413,218,913.83</u>	<u>359,503,941.87</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	237,189,220.48	244,897,265.46
Proceeds from Operating Gifts	147,789,218.29	140,156,428.79
Proceeds from Private Gifts for Endowment Purposes	26,507,638.12	23,255,733.57
Proceeds from Other Noncapital Financing Activities	640,315.97	7,170,025.22
Receipts for Transfers from System or Other Agencies	34,590,162.66	107,445,387.90
Payments for Transfers to System or Other Agencies	(52,741,599.93)	(61,743,554.83)
Payments for Other Uses	(1,276,195.39)	(32,415,857.10)
Proceeds from Nonexchange Sponsored Programs	607,694.30	799,641.09
Net Cash Provided by Noncapital Financing Activities	<u>393,306,454.50</u>	<u>429,565,070.10</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	264,897,881.91	133,549,602.77
Proceeds from Capital Appropriations, Grants, and Gifts	136,528.60	-
Proceeds from Sale of Capital Assets	2,079,105.08	3,778,307.86
Payments for Additions to Capital Assets	(1,018,395,160.93)	(586,961,777.21)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(82,821,706.19)	(66,048,139.12)
Mandatory Transfers to System for Capital Related Debt	(85,702,154.61)	(82,627,489.00)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(4,748,330.10)	(4,244,050.84)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(924,553,836.24)</u>	<u>(602,553,545.54)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	77,372,860.55	67,250,259.38
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	129,743,060.66	82,208,986.03
Proceeds from Interest and Investment Income Invested by System	488,931,634.25	444,184,319.45
Payments to Acquire Investments	(61,704,607.00)	(91,291,856.00)
Payments to Acquire Investments Invested by System	(92,398,498.18)	(250,880,217.79)
Net Cash Provided (Used) by Investing Activities	<u>541,944,450.28</u>	<u>251,471,491.07</u>
Net Increase (Decrease) in Cash	423,915,982.37	437,986,957.50
Cash and Cash Equivalents (Beginning of the Year)	<u>2,815,032,792.64</u>	<u>2,377,045,835.14</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 3,238,948,775.01</u>	<u>\$ 2,815,032,792.64</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	66,308,283.80	178,608,527.59
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	392,536,532.15	363,370,503.46
Pension Expense	63,673,713.00	57,953,168.00
Changes in Assets and Liabilities:		
Accounts Receivable	(172,038,280.97)	(182,276,462.73)
Lessor-Related Balances	-	76,240.61
Inventories	(9,256,890.96)	(5,581,774.19)
Other Current and Noncurrent Assets	(15,823,772.47)	(18,359,164.39)
Deferred Outflows-Pension Related	(5,058,780.63)	12,230,531.22
Accounts Payable	46,625,493.32	71,365,451.41
Due to System	48,371,211.05	(95,561,871.47)
Unearned Revenue	54,518,025.29	25,140,679.38
Employees' Compensable Leave	21,480,357.50	23,193,632.52
Pension Related Obligations	(37,788,462.00)	(50,296,642.00)
Asset Retirement Obligations	7,815.89	(1,599,499.11)
Deferred Inflows-Pension Related	(10,115,138.00)	(8,842,144.00)
Other Current and Noncurrent Liabilities	(30,221,193.14)	(9,917,234.43)
Total Adjustments	<u>346,910,630.03</u>	<u>180,895,414.28</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 413,218,913.83</u>	<u>\$ 359,503,941.87</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	579,617,071.48	655,402,460.88
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	99,547,155.71	85,486,759.77
Miscellaneous Noncash Transactions	(285,411.30)	(1,858,653.97)

The University of Texas Health Science Center at Tyler
Exhibit A Statement of Net Position
As of August 31, 2025

	Current Year Totals	Prior Year Totals
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash & Cash Equivalents	\$ 3,344,688.13	6,038,701.92
Restricted Cash & Cash Equivalents	10,256,226.36	10,499,412.31
Balance in State Appropriations	30,652,560.08	14,056,378.48
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2025 & \$0.00 in 2024)	6,572,190.21	5,883,746.22
Other Intergov. (allow. \$0.00 in 2025 & \$0.00 in 2024)	7,875,770.95	5,712,057.18
Student (allow. \$0.00 in 2025 & \$0.00 in 2024)	4,210,710.30	1,729,283.35
Patient & Healthcare(allow. \$26,261,215.70 in 2025 & \$25,903,948.39 in 2024)	54,687,047.55	56,887,990.05
Contributions (allow. \$0.00 in 2025 & \$0.00 in 2024)	983,303.51	983,303.51
Other (allow. \$0.00 in 2025 & \$0.00 in 2024)	10,089,513.67	7,003,564.61
Due From Other Funds	(85,199.63)	(116,422.13)
Due From System Administration	50,239,318.97	41,699,234.28
Due From Other Institutions	8,315,165.81	5,050,247.47
Due From Other Agencies	544,926.98	1,696,913.00
Inventories	4,279,568.26	3,588,256.67
Other Current Assets	2,103,636.03	2,057,864.43
Total Current Assets	194,069,427.18	162,770,531.35
Noncurrent Assets:		
Funds Held by System Administration (Restricted)	91,773,021.49	81,824,642.35
Contributions Rec. (allow. \$0.00 in 2025 & \$0.00 in 2024)	8,276,711.02	8,276,711.02
Unrestricted Investments	711,137.90	1,289,257.20
Funds Held by System Administration (Unrestricted)	371,721.51	355,594.75
Other Noncurrent Assets	32,117,701.00	35,660,701.00
Gross Capital/Intangible Assets	655,795,783.18	534,342,295.35
Accumulated Depreciation/Amortization	(281,743,246.30)	(267,362,891.31)
Total Noncurrent Assets	507,302,829.80	394,386,310.36
Total Assets	701,372,256.98	557,156,841.71
Total Assets and Deferred Outflows	701,372,256.98	557,156,841.71
LIABILITIES AND DEFERRED INFLOWS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	28,641,429.94	30,164,491.07
Salaries Payable	13,173,584.54	11,183,862.02
Due To Other Funds	(85,199.63)	(116,422.13)
Due To System Administration	3,005,902.28	2,703,422.39
Due To Other Institutions	5,746,788.91	6,211,349.82
Due To Other State Agencies	99,539.40	568,788.55
Unearned Revenue	6,923,297.38	6,812,544.06
Employees' Compensable Leave (Current)	4,129,853.03	4,565,064.52
Notes, Loans, and Leases Payable (Current)	865,805.61	1,149,481.29
Total Current Liabilities	62,501,001.46	63,242,581.59
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	5,631,426.00	3,399,950.37
Liability to Beneficiaries	930,427.24	886,985.40
Notes, Loans, and Leases Payable (Noncurrent)	2,580,379.67	3,334,001.18
Asset Retirement Obligation (Noncurrent)	225,000.00	225,000.00
Total Noncurrent Liabilities	9,367,232.91	7,845,936.95
Total Liabilities	71,868,234.37	71,088,518.54
Total Deferred Inflows of Resources	246,224.65	234,991.85
Total Liabilities and Deferred Inflows	72,114,459.02	71,323,510.39
NET POSITION		
Net Investment in Capital Assets	370,606,351.60	262,495,921.57
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	53,609,905.47	48,254,326.53
Expendable		
Capital Projects	32,425,831.72	28,922,279.63
Funds Functioning as Endowment (Restricted)	2,655,655.01	2,540,412.15
Other Expendable	82,207,841.79	59,264,509.46
Unrestricted	87,752,212.37	84,355,881.98
Total Net Position	\$ 629,257,797.96	485,833,331.32

The University of Texas Health Science Center at Tyler
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 4,281,996.96	1,219,060.04
Federal Sponsored Programs	8,443,821.03	9,205,837.53
Federal Sponsored Programs Pass-Through from State Agencies	2,110,322.21	2,914,415.90
State Sponsored Programs Pass-Through from State Agencies	24,097,460.31	10,513,578.55
Private Sponsored Programs	113,318,176.99	102,122,375.14
Sales and Services of Educational Activities	14,295,043.59	10,371,078.62
Sales and Services of Hospitals	720,437,946.46	645,460,873.38
Discounts and Allowances Sales and Services of Hospitals	(529,459,528.96)	(465,625,973.97)
Professional Fees (Patient Charges)	78,263,284.25	68,050,851.60
Discounts and Allowances Professional Fees (Patient Charges)	(53,247,349.73)	(49,316,384.72)
Auxiliary Enterprises	107,792.22	70,260.92
Other Operating Revenues	11,497,266.96	11,151,190.17
Total Operating Revenues	<u>394,146,232.29</u>	<u>346,137,163.16</u>
Operating Expenses:		
Instruction	144,474,757.90	128,094,240.01
Research	23,476,439.86	24,470,182.74
Public Service	226,511.42	229,434.62
Hospitals / Clinics	242,017,318.09	211,862,303.66
Academic Support	5,849,066.17	4,555,197.43
Student Services	2,111,846.85	1,744,533.96
Institutional Support	18,051,219.63	15,582,644.02
Operations and Maintenance of Plant	11,894,700.72	11,718,751.30
Scholarships and Fellowships	121,609.03	61,394.54
Auxiliary Enterprises	331,991.87	2,339.39
Depreciation and Amortization	16,184,380.70	17,195,813.68
Total Operating Expenses	<u>464,739,842.24</u>	<u>415,516,835.35</u>
Operating Income (Loss)	<u>(70,593,609.95)</u>	<u>(69,379,672.19)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	66,606,887.01	64,016,811.57
Federal Nonexchange Sponsored Programs		
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through		
Gift Contributions for Operations	13,116,827.31	7,441,118.65
Investment Income	5,665,895.80	5,599,307.07
Net Increase (Decrease) in Fair Value of Investments	3,998,668.15	4,038,892.92
Interest Expense on Capital Asset Financings	(79,052.38)	(94,054.71)
Gain (Loss) on Sale of Capital Assets	(54,189.12)	
Other Nonoperating Revenues	126,499.12	1,254,116.81
Other Nonoperating (Expenses)	(84,728.00)	
Net Nonoperating Revenues (Expenses)	<u>89,296,807.89</u>	<u>82,256,192.31</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	18,703,197.94	12,876,520.12
Additions to Permanent Endowments	5,066,051.68	4,705,185.05
Reclass from/(to) Other Institutions	121,805,254.88	40,977,867.33
Transactions Between Funds	259.94	
Transfers Between Institutions & System, Debt Service - Mandatory	(14,898,761.36)	(15,491,426.20)
Transfers Between Institutions & System Admin. - Non mandatory	2,151,925.70	12,350,650.40
Transfers From Other State Agencies	25,212,855.11	25,488,434.11
Transfers to Other State Agencies	(14,616,317.25)	(15,941,857.11)
Legislative Appropriations Lapsed		(3,000,083.28)
Change in Net Position	<u>143,424,466.64</u>	<u>61,965,290.42</u>
Beginning Net Position	<u>485,833,331.32</u>	<u>423,868,040.90</u>
Ending Net Position	<u>\$ 629,257,797.96</u>	<u>485,833,331.32</u>

The University of Texas Health Science Center at Tyler
Exhibit C - Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year Totals	Prior Year Totals
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 1,800,570.01	\$ 33,070.76
Proceeds from Patients and Customers	218,195,294.52	186,998,460.77
Proceeds from Sponsored Programs	142,087,228.97	117,211,310.99
Proceeds from Auxiliaries	107,792.22	70,260.92
Proceeds from Other Revenues	29,813,542.88	13,788,186.44
Payments to Suppliers	(149,120,142.86)	(119,924,993.13)
Payments to Employees	(308,319,322.52)	(275,229,113.63)
Net Cash Provided (Used) by Operating Activities	(65,435,036.78)	(77,052,816.88)
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	50,010,705.41	60,386,418.02
Proceeds from Operating Gifts	9,259,272.11	7,440,618.62
Proceeds from Private Gifts for Endowment Purposes	5,066,051.68	4,705,185.05
Proceeds from Other Noncapital Financing Activities	962,923.47	2,362,075.22
Receipts for Transfers from System or Other Agencies	25,528,924.25	26,821,341.53
Payments for Transfers to System or Other Agencies	(14,620,046.20)	(16,213,231.63)
Payments for Other Uses	320,104.63	489,017.68
Net Cash Provided by Noncapital Financing Activities	76,527,935.35	85,991,424.49
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	115,155,399.73	83,070,505.98
Payments for Additions to Capital Assets	(113,338,544.21)	(90,667,415.45)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(1,151,348.05)	(1,158,027.10)
Mandatory Transfers to System for Capital Related Debt	(14,898,761.36)	(15,491,426.20)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(79,052.38)	(94,054.71)
Net Cash Provided (Used) by Capital and Related Financing Activities	(14,312,306.27)	(24,340,417.48)
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	22,183.34	9,307.28
Proceeds from Interest and Investment Income Invested by System	5,593,068.43	5,594,828.80
Payments to Acquire Investments Invested by System	(5,333,043.81)	(4,803,954.72)
Net Cash Provided (Used) by Investing Activities	282,207.96	800,181.36
Net Increase (Decrease) in Cash	(2,937,199.74)	(14,601,628.51)
Cash and Cash Equivalents (Beginning of the Year)	16,538,114.23	31,139,742.74
Cash and Cash Equivalents (End of the Year)	\$ 13,600,914.49	\$ 16,538,114.23
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(70,593,609.95)	(69,379,672.19)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	16,184,380.70	17,195,813.68
Changes in Assets and Liabilities:		
Accounts Receivable	(8,331,523.59)	(17,813,915.28)
Inventories	(691,311.59)	(144,993.83)
Other Current and Noncurrent Assets	3,497,228.40	(10,644,333.87)
Accounts Payable	(11,567,253.30)	3,477,262.92
Due to System	302,479.89	288,806.85
Unearned Revenue	3,968,308.52	86,674.95
Employees' Compensable Leave	1,796,264.14	307,416.81
Other Current and Noncurrent Liabilities	-	(425,876.92)
Total Adjustments	5,158,573.17	(7,673,144.69)
Net Cash Provided (Used) by Operating Activities	\$ (65,435,036.78)	\$ (77,052,816.88)
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	3,998,668.15	4,038,892.92
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	114,050.86	117,254.64
Miscellaneous Noncash Transactions	(54,189.12)	-