

**OFFICIAL STATEMENT
DATED FEBRUARY 20, 2025**

NEW ISSUE - BOOK ENTRY ONLY

Ratings:

Fitch: "AA+"

Moody's: "Aa1"

KBRA: "AA+"

See "RATINGS" herein

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, interest on the Series 2025A Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings, and court decisions existing on the date thereof, subject to the matters described herein under "TAX MATTERS – Series 2025A Bonds", including the alternative minimum tax on certain corporations.

**\$304,335,000
BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM
REFUNDING AND IMPROVEMENT BONDS
SERIES 2025A**



Dated: March 1, 2025 (Interest accrues from the Date of Delivery (defined below))

Due: As shown on page ii

The Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds, Series 2025A (the "Series 2025A Bonds") constitute valid and legally binding special obligations of the Board of Regents (the "Board") of the Texas Tech University System (the "University System"). The Series 2025A Bonds shall be issued pursuant to a Master Resolution adopted by the Board on October 21, 1993, and amended on November 8, 1996 and August 22, 1997 (as amended, the "Master Resolution"), a Twenty-First Supplemental Resolution adopted by the Board on August 8, 2024, and a Pricing Certificate executed by the Pricing Officer on the date of sale of the Series 2025A Bonds. The Series 2025A Bonds are payable from and secured solely by the Pledged Revenues (as defined herein) of the University System's Revenue Financing System. The Series 2025A Bonds are Parity Obligations (as defined herein). See "SECURITY FOR THE BONDS".

The proceeds from the sale of the Series 2025A Bonds will be used for the purposes of: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for the University System, (ii) effectuating the hereinafter-defined Athletic Project Acquisition, (iii) refunding certain of the bonds and commercial paper notes as specifically described in SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS, and (iv) paying the costs of issuance of the Series 2025A Bonds. See "PLAN OF FINANCE — Series 2025A Bonds".

Interest on the Series 2025A Bonds will accrue from the Date of Delivery (as defined below) and is calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Series 2025A Bonds is initially payable on August 15, 2025, and each February 15 and August 15 thereafter until stated maturity or prior redemption. Principal of the Series 2025A Bonds will be payable on the dates and in the amounts shown on page ii. The Series 2025A Bonds are initially issuable only to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the book-entry-only system described herein. Beneficial ownership of the Series 2025A Bonds may be acquired in denominations of \$5,000 or multiples thereof within a maturity. No physical delivery of the Series 2025A Bonds will be made to the purchasers thereof. Interest on and principal of the Series 2025A Bonds will be payable by BOKF, NA, Dallas, Texas, the initial Paying Agent/Registrar, to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Series 2025A Bonds. See "DESCRIPTION OF THE BONDS — Book-Entry-Only System".

The Series 2025A Bonds will mature, bear interest, and have initial prices or yields and CUSIP numbers as shown on page ii of this Official Statement.

**SEE PAGE ii FOR MATURITIES, INTEREST RATES, AND PRICING SCHEDULE
CUSIP 882806**

The Series 2025A Bonds are subject to redemption as provided herein. See "DESCRIPTION OF THE BONDS — Redemption".

THE SERIES 2025A BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE UNIVERSITY SYSTEM, TEXAS TECH UNIVERSITY, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER AT EL PASO, ANGELO STATE UNIVERSITY, MIDWESTERN STATE UNIVERSITY, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2025A BONDS. SEE "SECURITY FOR THE BONDS".

The Series 2025A Bonds are offered when, as, and if issued, subject to approval of legality by the Attorney General of the State of Texas and the opinions of McCall, Parkhurst & Horton L.L.P., Dallas and San Antonio, Texas, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas. The Series 2025A Bonds are expected to be available for delivery through DTC on or about March 13, 2025 (the "Date of Delivery").

SIEBERT WILLIAMS SHANK

JEFFERIES

ESTRADA HINOJOSA

STIFEL

TRUIST SECURITIES

\$304,335,000
Board of Regents of Texas Tech University System Revenue Financing System
Refunding and Improvement Bonds, Series 2025A

\$259,025,000 Serial Bonds

Maturity Date	Principal Amount (\$)	Interest Rate (%)	Initial Yield (%)	CUSIP⁽¹⁾
2/15/2026	6,250,000	5.000	2.730	882806JT0
2/15/2027	9,145,000	5.000	2.740	882806JU7
2/15/2028	9,630,000	5.000	2.810	882806JV5
2/15/2029	10,700,000	5.000	2.850	882806JW3
2/15/2030	11,675,000	5.000	2.840	882806JX1
2/15/2031	11,710,000	5.000	2.910	882806JY9
2/15/2032	11,295,000	5.000	2.970	882806JZ6
2/15/2033	10,035,000	5.000	3.020	882806KA9
2/15/2034	10,230,000	5.000	3.070	882806KB7
2/15/2035	5,495,000	5.000	3.120	882806KC5
2/15/2036	5,640,000	5.000	3.230 ⁽²⁾	882806KD3
2/15/2037	5,970,000	5.000	3.280 ⁽²⁾	882806KE1
2/15/2038	6,330,000	5.000	3.350 ⁽²⁾	882806KF8
2/15/2039	9,960,000	5.000	3.420 ⁽²⁾	882806KG6
2/15/2040	12,545,000	5.000	3.510 ⁽²⁾	882806KH4
2/15/2041	12,370,000	5.000	3.640 ⁽²⁾	882806KJ0
2/15/2042	13,065,000	5.000	3.750 ⁽²⁾	882806KK7
2/15/2043	13,720,000	4.000	4.110	882806KL5
2/15/2044	14,335,000	4.000	4.170	882806KM3
2/15/2045	15,055,000	5.000	4.010 ⁽²⁾	882806KN1
2/15/2046	7,895,000	5.000	4.110 ⁽²⁾	882806KP6
2/15/2047	8,300,000	5.000	4.160 ⁽²⁾	882806KQ4
2/15/2048	8,725,000	5.000	4.180 ⁽²⁾	882806KR2
2/15/2049	9,170,000	5.000	4.190 ⁽²⁾	882806KS0
2/15/2050	9,645,000	5.000	4.210 ⁽²⁾	882806KT8
2/15/2051	10,135,000	5.000	4.220 ⁽²⁾	882806KU5

\$45,310,000 4.250% Term Bonds, due February 15, 2055, Yield 4.410%, CUSIP No. 882806KV3⁽¹⁾

(Interest to accrue from Date of Delivery)

⁽¹⁾ CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned to the Series 2025A Bonds by CUSIP Global Services (“CGS”), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is included solely for the convenience of the registered owners of the Series 2025A Bonds, is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Board, the University System, the Financial Advisor, or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers shown herein.

⁽²⁾ Yield to first optional par call date (February 15, 2035).

Redemption. The Series 2025A Bonds are subject to optional redemption prior to stated maturity. The Series 2025A Term Bonds (defined herein) will be subject to mandatory sinking fund redemption. See “DESCRIPTION OF THE BONDS – Redemption.”

Concurrent and Separate Issues. Concurrently with the issuance of the Series 2025A Bonds, the Board is issuing its Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2025B (the “Series 2025B Bonds”) pursuant to the Master Resolution, a Twenty-First Supplemental Resolution adopted by the Board on August 8, 2024, and a Pricing Certificate executed by the Pricing Officer on the date of sale of the Series 2025B Bonds. The Series 2025A Bonds and the Series 2025B Bonds are referred to herein collectively as the “Bonds.”

The Series 2025A Bonds and the Series 2025B Bonds are each separate and distinct securities offerings being issued and sold independently except for the use of this common Official Statement, and, while the Series 2025A Bonds and the Series 2025B Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the terms for payment, the rights of holders, the treatment of interest for federal income tax purposes, and other features. The sale and delivery of each series of Bonds is not dependent upon the sale and delivery of the other series of Bonds.

**OFFICIAL STATEMENT
DATED FEBRUARY 20, 2025**

NEW ISSUE - BOOK ENTRY ONLY

Ratings:
Fitch: "AA+"
Moody's: "Aa1"
KBRA: "AA+"
See "RATINGS" herein

Interest on the Series 2025B Bonds is includable in the gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS – Series 2025B Bonds" herein.

\$37,160,000
BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM
REFUNDING AND IMPROVEMENT BONDS
TAXABLE SERIES 2025B



Dated: March 1, 2025 (Interest accrues from the Date of Delivery (defined below)) **Due: As shown on page iv**

The Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2025B (the "Series 2025B Bonds") constitute valid and legally binding special obligations of the Board of Regents (the "Board") of the Texas Tech University System (the "University System"). The Series 2025B Bonds shall be issued pursuant to a Master Resolution adopted by the Board on October 21, 1993, and amended on November 8, 1996 and August 22, 1997 (as amended, the "Master Resolution"), a Twenty-First Supplemental Resolution adopted by the Board on August 8, 2024, and a Pricing Certificate executed by the Pricing Officer on the date of sale of the Series 2025B Bonds. The Series 2025B Bonds are payable from and secured solely by the Pledged Revenues (as defined herein) of the University System's Revenue Financing System. The Series 2025B Bonds are Parity Obligations (as defined herein). See "SECURITY FOR THE BONDS".

The proceeds from the sale of the Series 2025B Bonds will be used for the purposes of: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for the University System, (ii) effectuating the hereinafter-defined Athletic Project Acquisition, (iii) refunding certain of the bonds and commercial paper notes as specifically described in SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS, and (iv) paying the costs of issuance of the Series 2025B Bonds. See "PLAN OF FINANCE — Series 2025B Bonds".

Interest on the Series 2025B Bonds will accrue from the Date of Delivery (as defined below) and is calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Series 2025B Bonds is initially payable on August 15, 2025 and each February 15 and August 15 thereafter until stated maturity or prior redemption. Principal of the Series 2025B Bonds will be payable on the dates and in the amounts shown on page iv. The Series 2025B Bonds are initially issuable only to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the book-entry-only system described herein. Beneficial ownership of the Series 2025B Bonds may be acquired in denominations of \$5,000 or multiples thereof within a maturity. No physical delivery of the Series 2025B Bonds will be made to the purchasers thereof. Interest on and principal of the Series 2025B Bonds will be payable by BOKF, NA, Dallas, Texas, the initial Paying Agent/Registrar, to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Series 2025B Bonds. See "DESCRIPTION OF THE BONDS — Book-Entry-Only System".

The Series 2025B Bonds will mature, bear interest, and have initial prices or yields and CUSIP numbers as shown on page iv of this Official Statement.

SEE PAGE iv FOR MATURITIES, INTEREST RATES, AND PRICING SCHEDULE
CUSIP 882806

The Series 2025B Bonds are subject to redemption as provided herein. See "DESCRIPTION OF THE BONDS — Redemption".

THE SERIES 2025B BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE UNIVERSITY SYSTEM, TEXAS TECH UNIVERSITY, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER AT EL PASO, ANGELO STATE UNIVERSITY, MIDWESTERN STATE UNIVERSITY, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2025B BONDS. SEE "SECURITY FOR THE BONDS".

The Series 2025B Bonds are offered when, as, and if issued, subject to approval of legality by the Attorney General of the State of Texas and the opinions of McCall, Parkhurst & Horton L.L.P., Dallas and San Antonio, Texas, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas. The Series 2025B Bonds are expected to be available for delivery through DTC on or about March 13, 2025 (the "Date of Delivery").

SIEBERT WILLIAMS SHANK

JEFFERIES

ESTRADA HINOJOSA

STIFEL

TRUIST SECURITIES

\$37,160,000
Board of Regents of Texas Tech University System Revenue Financing System
Refunding and Improvement Bonds, Taxable Series 2025B

\$36,045,000 Serial Bonds

Maturity Date	Principal Amount (\$)	Interest Rate (%)	Initial Yield (%)	CUSIP⁽¹⁾
2/15/2026	645,000	4.520	4.520	882806KW1
2/15/2027	675,000	4.560	4.560	882806KX9
2/15/2028	705,000	4.600	4.600	882806KY7
2/15/2029	3,130,000	4.620	4.620	882806KZ4
2/15/2030	1,575,000	4.680	4.680	882806LA8
2/15/2031	675,000	4.790	4.790	882806LB6
2/15/2032	2,800,000	4.820	4.820	882806LC4
2/15/2033	2,930,000	4.900	4.900	882806LD2
2/15/2034	3,075,000	4.950	4.950	882806LE0
2/15/2035	3,240,000	5.000	5.000	882806LF7
2/15/2036	3,400,000	5.120	5.120	882806LG5
2/15/2037	5,250,000	5.200	5.200	882806LH3
2/15/2038	5,530,000	5.260	5.260	882806LJ9
2/15/2039	2,415,000	5.310	5.310	882806LK6

\$1,115,000 5.540% Term Bonds, due February 15, 2045, Yield 5.540%, CUSIP No. 882806LL4⁽¹⁾

(Interest to accrue from Date of Delivery)

⁽¹⁾ CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned to the Series 2025B Bonds by CUSIP Global Services (“CGS”), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is included solely for the convenience of the registered owners of the Series 2025B Bonds, is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Board, the University System, the Financial Advisor, or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers shown herein.

Redemption. The Series 2025B Bonds are subject to redemption prior to stated maturity, in the amounts and at the prices set forth herein. The Series 2025B Term Bonds (defined herein) will be subject to mandatory sinking fund redemption. See “DESCRIPTION OF THE BONDS – Redemption”.

Concurrent and Separate Issues. Concurrently with the issuance of the Series 2025B Bonds, the Board is issuing its Revenue Financing System Refunding and Improvement Bonds, Series 2025A (the “Series 2025A Bonds”) pursuant to the Master Resolution, a Twenty-First Supplemental Resolution adopted by the Board on August 8, 2024, and a Pricing Certificate executed by the Pricing Officer on the date of sale of the Series 2025A Bonds. The Series 2025A Bonds and the Series 2025B Bonds are referred to herein collectively as the “Bonds.”

The Series 2025A Bonds and the Series 2025B Bonds are each separate and distinct securities offerings being issued and sold independently except for the use of this common Official Statement, and, while the Series 2025A Bonds and the Series 2025B Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the terms for payment, the rights of holders, the treatment of interest for federal income tax purposes, and other features. The sale and delivery of each series of Bonds is not dependent upon the sale and delivery of the other series of Bonds.

BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM

<u>Name</u>	<u>Residence</u>	<u>Term Expiration</u> ⁽²⁾
Mark Griffin, Chairman	Lubbock	January 31, 2025
Ginger Kerrick Davis, Vice Chairwoman	Webster	January 31, 2025
Dusty Womble	Lubbock	January 31, 2025
Arcilia Acosta	Dallas	January 31, 2027
Cody Campbell	Fort Worth	January 31, 2027
Pat Gordon	El Paso	January 31, 2027
Clay Cash	Lubbock	January 31, 2029
Tim Culp	Midland	January 31, 2029
Shelley Sweatt	Wichita Falls	January 31, 2029
Jad Zeitouni ⁽¹⁾	Lubbock	May 31, 2025

⁽¹⁾ Student Regent. Current state law does not allow a Student Regent to vote on any matter before the Board.

⁽²⁾ The actual expiration date of the term depends on the date the successor is appointed, qualified, and takes the oath of office. Regents will continue to serve until their term is extended or the Governor appoints, and the legislature confirms, a new Regent.

PRINCIPAL ADMINISTRATORS

<u>Name</u>	<u>Title</u>
Dr. Tedd L. Mitchell	Chancellor
James Mauldin	Vice Chancellor and Chief Financial Officer
Dr. Lawrence Schovanec	President (Texas Tech University)
Dr. Lori Rice-Spearman	President (Texas Tech University Health Sciences Center)
Dr. Richard A. Lange	President (Texas Tech University Health Sciences Center at El Paso)
Lt. Gen. Ronnie D. Hawkins Jr.	President (Angelo State University)
Dr. Stacia L. Haynie	President (Midwestern State University)

CONSULTANTS

<u>Financial Advisor</u>	<u>Bond Counsel and Disclosure Counsel</u>
Hilltop Securities Inc. Dallas, Texas	McCall, Parkhurst & Horton L.L.P. Dallas and San Antonio, Texas

For additional information regarding the University System, please contact:

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Managing Director
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717 N. Harwood St., Suite 3400
Dallas, Texas 75201
(214) 953-4021

SALE AND DISTRIBUTION OF THE BONDS

Use of Official Statement

No dealer, broker, salesman or other person has been authorized by the Board to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Board's undertaking to provide certain information on a continuing basis. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and in no instance may this Official Statement be reproduced or used for any other purpose.

Certain information set forth in this Official Statement has been furnished by the Board and other sources which are believed to be reliable, but such information is not to be construed as a representation by the Underwriters. CUSIP numbers have been assigned to these issues by the CUSIP Service Bureau for the convenience of the owners of the Bonds. Neither the Board nor the Underwriters shall be responsible for the selection or the correctness of the CUSIP numbers.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION MAY NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

NONE OF THE BOARD, THE FINANCIAL ADVISOR, OR THE UNDERWRITERS MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION WAS FURNISHED BY DTC. THE BOARD MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING EUROCLEAR BANK S.A./N.V., AS OPERATOR OF THE EUROCLEAR SYSTEM ("EUROCLEAR") AND CLEARSTREAM BANKING, SOCIETE ANONYME, LUXEMBOURG ("CLEARSTREAM"), AS SUCH INFORMATION WAS FURNISHED BY EUROCLEAR AND CLEARSTREAM, RESPECTIVELY.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

The statements contained in this Official Statement, and in other information provided by the Board, that are not purely historical are forward-looking statements, including statements regarding the Board's expectations, hopes, intentions, or strategies regarding the future. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements.

Marketability

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS THEREOF MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH BONDS AT A LEVEL ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT APPROVED OR DISAPPROVED THE BONDS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The Board assumes no responsibility for the registration or qualification for sale or other disposition of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind regarding the availability of any exemption from securities registration or qualification provisions.

**INFORMATION CONCERNING OFFERING RESTRICTIONS
IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES**

ANY REFERENCES TO THE “ISSUER” MEANS THE BOARD AND REFERENCES TO “BONDS” OR “SECURITIES” MEAN THE SERIES 2025B BONDS OFFERED HEREBY. **NEITHER THE ISSUER NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THE CONTENTS OF THIS SECTION.**

MINIMUM UNIT SALES

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF \$5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

**NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA (“EEA”) OR
THE UNITED KINGDOM**

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A “RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A “RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (“EUWA”); (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE BONDS TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) OF THE PROSPECTUS REGULATION OR SECTION 86 OF THE FSMA (IN EACH CASE AS APPLICABLE) FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE BONDS. ACCORDINGLY, ANY

PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN “OFFER OF SECURITIES TO THE PUBLIC” IN RELATION TO THE BONDS IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE BONDS OR SUBSCRIBE FOR THE BONDS.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” AS DEFINED IN THE PROSPECTUS REGULATION AND IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

ADDITIONAL NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“FSMA”) AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON, WHO IS NOT A RELEVANT PERSON, SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THIS OFFICIAL STATEMENT IS NOT INTENDED TO CONSTITUTE AN OFFER OR A SOLICITATION TO PURCHASE OR INVEST IN THE BONDS. THE BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (“FINSA”) AND NO APPLICATION HAS OR WILL BE MADE TO ADMIT THE BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS CONSTITUTES A PROSPECTUS PURSUANT TO (I) THE FINSA OR (II) THE LISTING RULES OF THE SIX SWISS EXCHANGE AG OR ANY OTHER REGULATED TRADING VENUE IN SWITZERLAND AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS MAY BE PUBLICLY DISTRIBUTED OR

OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. THIS OFFICIAL STATEMENT WILL NOT BE REVIEWED NOR APPROVED BY A REVIEWING BODY FOR PROSPECTUSES (*PRÜFSTELLE*).

NONE OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE ISSUER OR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFICIAL STATEMENT WILL NOT BE FILED WITH, AND THE OFFER OF THE BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY (“FINMA”), AND THE OFFER OF BONDS HAS NOT BEEN AND WILL NOT BE AUTHORIZED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (“CISA”). ACCORDINGLY, INVESTORS DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE INVESTMENT ADVICE. IT MAY ONLY BE USED BY THOSE PERSONS TO WHOM IT HAS BEEN HANDED OUT IN CONNECTION WITH THE BONDS AND MAY NEITHER BE COPIED NOR DIRECTLY OR INDIRECTLY DISTRIBUTED OR MADE AVAILABLE TO OTHER PERSONS.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN OR WILL NOT BE REGISTERED AS A PROSPECTUS (AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32) OF HONG KONG (“C(WUMP)O”)) IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CAP. 571) OF HONG KONG (“SFO”).

ACCORDINGLY: (I) THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT, OTHER THAN (A) TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO, OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN THE C(WUMP)O OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O; AND (II) NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED, THE “FIEA”). NEITHER THE BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA (“QIIS”) IN RELIANCE ON THE QIIS-ONLY PRIVATE PLACEMENT EXEMPTION AS SET FORTH IN ITEM 2(I), PARAGRAPH 3, ARTICLE 2 OF THE FIEA. A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS, AND THE BONDS MAY NOT BE OFFERED, ISSUED OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY, TO THE EXTENT PERMITTED UNDER APPLICABLE LAWS AND REGULATIONS. ANY SUBSCRIPTIONS OF BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE ISSUER OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE ISSUER OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE BONDS SIGNED BY THE INVESTORS.

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TABLE OF CONTENTS

INTRODUCTION	1
General	1
The University System	1
PLAN OF FINANCE	2
Authority for Issuance	2
Purpose	2
Refunded Bonds	4
Refunded Notes	4
SOURCES AND USES OF FUNDS.....	5
DESCRIPTION OF THE BONDS	5
General	5
Transfer, Exchange, and Registration.....	5
Limitation on Transfer of Bonds Called for Redemption.....	6
Record Date for Interest Payment.....	6
Redemption.....	6
Paying Agent/Registrar.....	9
Defeasance.....	9
Bondholder Remedies.....	9
Book-Entry-Only System and Global Clearance Procedures	9
SECURITY FOR THE BONDS.....	14
The Revenue Financing System	14
Pledge Under Master Resolution.....	14
University System Outstanding Obligations.....	18
Midwestern State Outstanding Obligations	18
Commercial Paper Notes	19
Additional Obligations	19
DEBT SERVICE REQUIREMENTS	20
FUTURE CAPITAL IMPROVEMENT PLANS	21
RISK FACTORS FOR UNIVERSITY SYSTEM OPERATIONS	21
Cybersecurity.....	21
Severe Weather and Environmental Events.....	21
Future Disease Outbreaks	22
Texas Legislature.....	22
Enrollment Trends for Institutions of Higher Education	22
Modifications to Collegiate Athletics.....	22
ABSENCE OF LITIGATION	22
CONTINUING DISCLOSURE OF INFORMATION.....	22
Continuing Disclosure Undertaking of the Board	22
Annual Reports.....	23
Notice of Certain Events.....	23
Availability of Information.....	24
Limitations and Amendments.....	24
Compliance with Prior Undertakings	25
LEGAL MATTERS	25
TAX MATTERS	25
Series 2025A Bonds	25
Series 2025B Bonds.....	28
LEGAL INVESTMENTS IN TEXAS	30
REGISTRATION AND QUALIFICATION OF BONDS FOR SALE.....	30
RATINGS.....	30
FINANCIAL ADVISOR.....	31
VERIFICATION OF MATHEMATICAL COMPUTATIONS.....	31
UNDERWRITING	31
FORWARD LOOKING STATEMENTS	32
AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION.....	33

Schedule I – Schedule of Refunded Obligations
Appendix A – Texas Tech University System
Appendix B – Texas Tech University System Annual Combined Financial Report
Appendix C – Summary of Certain Provisions of the Resolution
Appendix D – Forms of Bond Counsel Opinions

**OFFICIAL STATEMENT
relating to**

\$304,335,000

**BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM
REFUNDING AND IMPROVEMENT BONDS
SERIES 2025A**

\$37,160,000

**BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM
REFUNDING AND IMPROVEMENT BONDS
TAXABLE SERIES 2025B**

INTRODUCTION

General

This Official Statement, which includes the cover pages, Schedules, and Appendices hereto, provides certain information regarding the issuance by the Board of Regents of the Texas Tech University System (the “Board”), acting for and on behalf of the Texas Tech University System (the “University System”) of its bonds, entitled “Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds, Series 2025A” (the “Series 2025A Bonds”), and “Board of Regents of Texas Tech University System Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2025B” (the “Series 2025B Bonds” and, together with the Series 2025A Bonds, the “Bonds”). Capitalized terms used in this Official Statement and not otherwise defined have the same meanings assigned to such terms in “Appendix C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION”.

The Series 2025A Bonds and the Series 2025B Bonds are each separate and distinct securities offerings being issued and sold independently except for the use of this common Official Statement. The sale and delivery of each series of Bonds is not dependent upon the sale and delivery of the other series of Bonds.

This Official Statement contains summaries and descriptions of the plan of finance, the Resolution (as defined herein), the Bonds, the Board, the University System, Texas Tech University (the “University”), Texas Tech University Health Sciences Center (the “Health Sciences Center”), Texas Tech University Health Sciences Center at El Paso (the “Health Sciences Center at El Paso”), Angelo State University (“Angelo State”), Midwestern State University (“Midwestern State”), and other related matters. All references to and descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from James Mauldin, Vice Chancellor and Chief Financial Officer, Texas Tech University System, System Administration Building, 1508 Knoxville Ave., Suite 315, Box 42016, Lubbock, Texas 79409-2016.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of this final Official Statement will be submitted to the Municipal Securities Rulemaking Board (the “MSRB”) and will be available through its Electronic Municipal Market Access (“EMMA”) system. See “CONTINUING DISCLOSURE OF INFORMATION” for information regarding the EMMA system and for a description of the Board’s undertaking to provide certain information on a continuing basis.

The University System

The University System currently consists of the University, the Health Sciences Center, the Health Sciences Center at El Paso, Angelo State, and Midwestern State. The University, the Health Sciences Center, the Health Sciences Center at El Paso, Angelo State, and Midwestern State were established pursuant to the provisions of the Constitution and the general laws of the State of Texas (the “State”) as institutions of higher education. Pursuant to a Master Resolution adopted by the Board on October 21, 1993, as amended on November 8, 1996 and August 22, 1997 (as amended, the “Master Resolution”), the Board created the University System’s Revenue Financing System (the “Revenue Financing

System”) for the purpose of providing a system-wide financing structure for revenue-supported indebtedness to reduce costs, increase borrowing capacity, provide additional security to the credit markets and provide the Board with increased financial flexibility. Currently, the University, the Health Sciences Center, the Health Sciences Center at El Paso, Angelo State, and Midwestern State are the only Participants in the Revenue Financing System. Pursuant to the Master Resolution, the Board has, with certain exceptions, combined all of the revenues, funds, and balances attributable to any Participant in the Revenue Financing System that may lawfully be pledged to secure the payment of revenue supported debt obligations and has pledged those sources as Pledged Revenues to secure the payment of revenue supported debt obligations of the Board incurred as Parity Obligations under the Master Resolution. See “SECURITY FOR THE BONDS — The Revenue Financing System” and “Appendix C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION”.

PLAN OF FINANCE

Authority for Issuance

The Series 2025A Bonds are being issued in accordance with the Constitution and the general laws of the State, including particularly Chapter 55, Texas Education Code, as amended (“Chapter 55”), Chapter 1371, Texas Government Code, as amended (“Chapter 1371”), and Chapter 1207, Texas Government Code, as amended (“Chapter 1207”). The Series 2025B Bonds are being issued in accordance with the Constitution and the general laws of the State, including Chapter 55, Chapter 1371, and Chapter 1207. The Series 2025A Bonds are being issued pursuant to the Master Resolution, a Twenty-First Supplemental Resolution adopted by the Board on August 8, 2024 (the “Twenty-First Supplemental Resolution”), and a Pricing Certificate executed by the Pricing Officer relating to the sale of the Series 2025A Bonds (the Twenty-First Supplemental Resolution and the Pricing Certificate relating to the Series 2025A Bonds are jointly referred to herein as the “Twenty-First A Supplemental Resolution”). The Series 2025B Bonds are being issued pursuant to the Master Resolution, the Twenty-First Supplemental Resolution, and a Pricing Certificate executed by the Pricing Officer relating to the sale of the Series 2025B Bonds (the Twenty-First Supplemental Resolution and the Pricing Certificate relating to the Series 2025B Bonds are jointly referred to herein as the “Twenty-First B Supplemental Resolution”). The Master Resolution, the Twenty-First A Supplemental Resolution, and the Twenty-First B Supplemental Resolution are referred to herein collectively as the “Resolution”.

The Twenty-First Supplemental Resolution authorized the issuance of Revenue Financing System bonds, in one or more taxable or tax-exempt series, in the maximum aggregate principal amount of \$550,000,000. The Bonds constitute the first and second installments, respectively, of bonds issued under authority of the Twenty-First Supplemental Resolution. The authority of the Pricing Officer to execute a bond purchase agreement and sell bonds under the provisions of the Twenty-First Supplemental Resolution expires August 8, 2025. For a description of the Outstanding Parity Obligations and the ability of the Board to issue Additional Parity Obligations, see “SECURITY FOR THE BONDS — University System Outstanding Obligations” and “— Additional Obligations”.

Purpose

Series 2025A Bonds. The Series 2025A Bonds are being issued for the purposes of: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure for the University System, (ii) effectuating the acquisition of the Athletic Project pursuant to the Lease Agreements related thereto (all as defined herein and collectively referred to as the “Athletic Project Acquisition”), (iii) refunding all or a portion of the Board’s outstanding “Revenue Financing System Refunding and Improvement Bonds, Sixteenth Series (2015A)” (the “Refunded TTUS Bonds”) as described in SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS, (iv) refunding all or a portion of the outstanding “Texas Public Finance Authority Midwestern State University Revenue Financing System Revenue and Refunding Bonds, Series 2015A” (the “Refunded MSU Bonds” and, together with the Refunded TTUS Bonds, the “Refunded Bonds”) as described in SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS, (v) refunding all or a portion of the Board’s outstanding “Revenue Financing System Commercial Paper Notes, Series A” (the “Refunded Notes” and, together with the Refunded Bonds, the “Refunded Obligations”) as described in SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS, and (vi) paying the costs of issuance of the Series 2025A Bonds. The Commercial Paper Notes constitute Parity Obligations under the terms of the Master Resolution. See “SECURITY FOR THE BONDS — The Revenue Financing System”.

Series 2025B Bonds. The Series 2025B Bonds are being issued for the purposes of: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure for the University System, (ii) effectuating the Athletic Project Acquisition, (iii) refunding the Refunded Bonds, (iv) refunding the Refunded Notes, and (v) paying the costs of issuance of the Series 2025B Bonds.

Athletic Project Acquisition

On November 22, 2022, the University entered into a Ground Lease Agreement covering approximately 17.914 acres of land, including the south end of its Jones AT&T Stadium, and accompanying Sublease Agreement for the same property (as amended, the “Lease Agreements”) with Red Raider Facilities Foundation, Inc. (the “Foundation”). The Foundation is a 501(c)(3) nonprofit corporation operated exclusively for charitable and educational purposes whose mission is to support and promote, and otherwise hold, invest, construct, and administer property, and make expenditures for the benefit of, athletic activities and endeavors of the University.

Pursuant to the Lease Agreements, the Foundation agreed to finance, design, build, and construct a new athletic training facility and south end zone improvements on the leased property (the “Athletic Project”). The cost of the Athletic Project, financed by the Foundation, consists of a combination of charitable contributions to the Foundation, and tax-exempt and taxable drawdown loans in the original maximum aggregate amount of \$225,000,000 (collectively, the “Loan”) from Truist Bank and Truist Commercial Equity, Inc., respectively (together, the “Lender”) through the New Hope Cultural Education Facilities Finance Corporation.

In July of 2023, the Board authorized an amendment to the Lease Agreements (the “First Amendment”), which contained several modifications, including an expanded scope of stadium improvements, an increase in the total project costs up to \$254,000,000 (\$250 million of project costs and up to \$4 million of additional project costs), \$27,300,000 of capitalized interest, the establishment of an additional taxable line of credit of up to \$28,400,000 (the “Letter of Credit”), and refining the scope of the Athletic Project into two distinct components: the south end zone improvements (the “Stadium Improvements”) and the new athletic training facility (the “Training Facility Improvements,” and together with the Stadium Improvements, the “Athletic Project”).

As of January 28, 2025, \$116.7 million has been raised (of which \$60.3 million has been received) by the Foundation in charitable contributions for the Athletic Project, which it agreed to apply as collected to pay Athletic Project costs or Loan payments. The Loan terms include interest at a variable rate of (i) 0.79 multiplied by the one-month SOFR, plus a spread of 57 basis points for the tax-exempt portion of the Loan, and (ii) the one-month SOFR, plus a spread of 57 basis points for the taxable portion of the Loan. The Loan becomes due on May 22, 2025.

While the First Amendment allows the University the option of purchasing each component separately upon substantial completion of that specific component, the University plans to acquire the Athletic Project (both the Stadium Improvements and the Training Facility Improvements) on March 31, 2025 (subject to change), prior to the maturity of the Loan. Substantial completion with respect to the Stadium Improvements occurred on August 28, 2024 and substantial completion with respect to the Training Facility Improvements occurred on December 13, 2024. The purchase price for the Athletic Project will be equal to the then-outstanding balances of the Loan and Letter of Credit, accrued and unpaid interest and fees, and other unpaid qualified Athletic Project costs incurred by the Foundation, less collected but unspent charitable contributions for the Athletic Project. If for any reason the University does not purchase the Athletic Project upon substantial completion or, if earlier, the date when budgeted capitalized interest on the Loan has been exhausted, the University is obligated for the payment of monthly sublease rent and an amount sufficient to pay interest on the Loan when due, and any other obligations of the Foundation under the loan documents or of the University under the Sublease. A portion of the Bond proceeds will be utilized to pay off the Loan on March 31, 2025 (subject to change) and subsequently, the Lease Agreements will terminate.

Neither the University nor the University System is obligated on the Loan, and none of the revenues, faith, or credit of the University or the University System has been pledged as security for the University’s obligations under the Lease Agreements or for the Foundation’s obligations under the Loan. The Lease Agreements contain no provisions for accelerating the payment obligations of the University. However, if the University fails to purchase the Athletic Project upon substantial completion, the University may be denied possession of the Athletic Project until the purchase is completed.

Refunded Bonds

A portion of the proceeds from the issuance and sale of the Bonds will be applied to refund the Refunded Bonds. The refunding will result in the defeasance of the Refunded Bonds in accordance with the terms thereof and the laws of the State of Texas.

The principal and interest due on the Refunded Bonds are to be paid on the scheduled interest payment dates and the redemption date of such Refunded Bonds from funds to be deposited pursuant to one or more escrow agreements (collectively, the “Escrow Agreement”), each between the Board and BOKF, NA, Dallas, Texas (the “Escrow Agent”). The Resolution provides that from certain proceeds of the sale of the Bonds received from the Underwriters (identified on the cover page hereof), the Board will deposit with the Escrow Agent the amount which, together with Federal Securities (defined below) purchased with a portion of the Bond proceeds and the interest to be earned on such Federal Securities, will be sufficient to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Escrow Agent in one or more special escrow accounts (collectively, the “Escrow Fund”) and used to purchase direct obligations of the United States of America (the “Federal Securities”), which will come due on or before the redemption date. Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

Casey Public Finance, LLC, certified public accountants (the “Verification Agent”), will verify at the time of delivery of the Bonds to the Underwriters the mathematical accuracy of the schedules that demonstrate that the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Such maturing principal of and interest on the Federal Securities will not be available to pay the Bonds. Such verification report will be based on information and assumptions supplied by the Board and the Underwriters, and such verifications, information, and assumptions will be relied upon by Bond Counsel in rendering its opinion relating to the Series 2025A Bonds described herein. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein. By the deposit of the Federal Securities and cash, if any, with the Escrow Agent pursuant to the Escrow Agreement, the Board will have effected the defeasance of all of the Refunded Bonds in accordance with Chapter 1207.

As a result of such defeasance, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Federal Securities and any cash held for such purpose by the Escrow Agent and such Refunded Bonds will not be deemed as being outstanding obligations of the Board payable from Pledged Revenues nor for the purpose of applying any limitation on the issuance of debt.

Refunded Notes

The Resolution provides that from the proceeds of the sale of the Bonds received from the Underwriters, together with other lawfully available funds of the Board, if any, the Board will deposit with U.S. Bank Trust Company, National Association, in its capacity as the issuing and paying agent for the Commercial Paper Notes (the “CP Issuing and Paying Agent”), the amount necessary to accomplish the discharge, defeasance, and final payment of Refunded Notes in the principal amount of \$77,162,000 in accordance with the terms of the supplemental resolution authorizing the issuance thereof. Thereafter, the Refunded Notes, together with interest due thereon, will be paid on the scheduled maturity dates therefore, from the amounts deposited with the CP Issuing and Paying Agent. The amounts deposited with the CP Issuing and Paying Agent will be in the form of cash and will be sufficient to provide for the payment of the principal of and interest on the Refunded Notes when due.

By the deposit of the cash with the CP Issuing and Paying Agent, the Board will have effected the defeasance of all of the Refunded Notes in accordance with Chapter 1207 and pursuant to the terms of the supplemental resolution authorizing their issuance. As a result of such defeasance, the Refunded Notes will be outstanding only for the purpose of receiving payments from such cash held by the CP Issuing and Paying Agent and such Refunded Notes will not be deemed as being outstanding obligations of the Board payable from Pledged Revenues nor for the purpose of applying any limitation on the issuance of debt.

SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds of each series, together with other lawfully available funds of the Board, if any, will be applied approximately as follows:

Sources of Funds	<u>Series 2025A</u>	<u>Series 2025B</u>	<u>Total</u>
Par Amount of Bonds	\$304,335,000.00	\$37,160,000.00	\$341,495,000.00
Net Reoffering Premium	20,875,194.30	-	20,875,194.30
Commercial Paper Notes ⁽¹⁾	-	29,479,000.00	29,479,000.00
Total Sources of Funds	<u>\$325,210,194.30</u>	<u>\$66,639,000.00</u>	<u>\$391,849,194.30</u>
Applications of Funds			
Deposit to Project Fund	\$154,413,379.00	\$61,813,009.00	\$216,226,388.00
Deposit with CP Issuing and Paying Agent	72,578,800.00	4,583,200.00	77,162,000.00
Deposit to Escrow Fund	96,253,577.92	-	96,253,577.92
Costs of Issuance ⁽²⁾	1,964,437.38	242,791.00	2,207,228.38
Total Applications of Funds	<u>\$325,210,194.30</u>	<u>\$66,639,000.00</u>	<u>\$391,849,194.30</u>

⁽¹⁾ Estimated amount to be issued to pay a portion of the purchase price for the Athletic Project.

⁽²⁾ Includes Underwriters' discount and other costs of issuance. See "UNDERWRITING" herein.

DESCRIPTION OF THE BONDS

General

The Bonds of each series will be dated March 1, 2025 and will accrue interest from their Date of Delivery (as defined on the respective cover pages hereof). Further, the Bonds of each series will bear interest at the per annum rates and will mature on the dates and in the amounts shown on pages ii and iv of this Official Statement. Interest on the Bonds of each series will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Bonds of each series is initially payable on August 15, 2025 and each February 15 and August 15 thereafter until stated maturity or prior redemption. The Bonds of each series are initially issuable in book-entry-only form.

Interest on the Bonds of each series shall be paid to the registered owners appearing on the registration books of the paying agent/registrar for the Bonds, initially BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), at the close of business on the Record Date (as defined herein), and such interest shall be paid (i) by check sent United States mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar, or (ii) by such other method, acceptable to the Paying Agent/Registrar required by, and at the risk and expense of, the registered owner. Principal of the Bonds will be paid to the registered owner at their stated maturity or upon earlier redemption upon presentation and surrender of such Bonds to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "DESCRIPTION OF THE BONDS — Book-Entry-Only System and Global Clearance Procedures" herein. In the event that any date for payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law or executive order to close in the city where the Designated Trust Office (as defined herein) of the Paying Agent/Registrar is located, then the date for such payment will be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close (a "Business Day"). Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

Transfer, Exchange, and Registration

In the event the use of DTC's book-entry-only system should be discontinued, the Bonds will be printed and delivered to the registered owners thereof, and thereafter the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar at its designated trust office, initially its office in Dallas, Texas (the "Designated Trust Office"), and such transfer or

exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond or Bonds being transferred or exchanged, at the Designated Trust Office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or the designee thereof. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or their duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any multiple of \$5,000 for any one maturity and for a like aggregate principal amount and like series as the Bond or Bonds surrendered for exchange or transfer.

Limitation on Transfer of Bonds Called for Redemption

The Paying Agent/Registrar shall not be required to make any transfer or exchange (i) during a period beginning with the close of business on any Record Date (as defined herein) and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

Record Date for Interest Payment

The record date (“Record Date”) for the interest payable on any interest payment date means the close of business on the last Business Day of the month next preceding each interest payment date.

Redemption

Optional Redemption (Series 2025A Bonds). The Series 2025A Bonds scheduled to mature on and after February 15, 2036 are subject to redemption prior to maturity at the option of the Board on February 15, 2035, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any multiple thereof (and, if in part, the particular Series 2025A Bonds or portion thereof to be redeemed shall be selected by the Board) at a price of 100% of the principal amount plus accrued interest to the redemption date.

During any period in which ownership of the 2025A Bonds is determined by a book entry at a securities depository for the 2025A Bonds, if fewer than all the 2025A Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular 2025A Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository. See “DESCRIPTION OF THE BONDS — Book-Entry-Only System and Global Clearance Procedures” below.

Make-Whole Optional Redemption (Series 2025B Bonds). The Board reserves the right, at its option, to redeem the Series 2025B Bonds in whole or in part at any time prior to February 15, 2035 at a redemption price equal to the greater of: (1) 100% of the principal amount of the Series 2025B Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal and interest to the stated maturity date of such Series 2025B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2025B Bonds are to be redeemed, discounted to the date on which such Series 2025B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus (i) with respect to the Series 2025B Bonds maturing in 2026 through 2029, 5 basis points, and (ii) with respect to the Series 2025B Bonds maturing in 2030 through 2036, 10 basis points, with respect to the Series 2025B Bonds maturing 2037 through 2039 and 2045, 15 basis points, and plus, in each case, accrued interest on such Series 2025B Bonds to be redeemed to but not including the redemption date.

“Treasury Rate” means, with respect to any redemption date, the yield to maturity as of such redemption date of U.S. Treasury securities with a constant maturity most nearly equal to the period from the redemption date to the maturity date of such Series 2025B Bond (taking into account any sinking fund installments for such Series 2025B Bonds); however, if the period from the redemption date to such maturity date (taking into account any sinking fund installments for such Series 2025B Bonds) is less than one year, the yield to maturity of the U.S. Treasury securities

with a constant maturity of one year, in each case, as compiled and published in the most recent Federal Reserve Release H.15 which has become publicly available at least two business days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) or, if such Release is no longer published, any publicly available source of similar market data.

Optional Redemption (Series 2025B Bonds). The Series 2025B Bonds scheduled to mature on and after February 15, 2036 are subject to redemption prior to maturity at the option of the Board on February 15, 2035, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any multiple thereof (and, if in part, the particular Series 2025B Bonds or portion thereof to be redeemed shall be selected by the Board) at a price of 100% of the principal amount plus accrued interest to the redemption date.

During any period in which ownership of the 2025B Bonds is determined by a book entry at a securities depository for the 2025B Bonds, if fewer than all the 2025B Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular 2025B Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository. See “DESCRIPTION OF THE BONDS — Book-Entry-Only System and Global Clearance Procedures” below.

Mandatory Sinking Fund Redemption of the Bonds.

The Series 2025A Bonds scheduled to mature on February 15, 2055 (the “Series 2025A Term Bonds”) and the Series 2025B Bonds scheduled to mature on February 15, 2045 (the “Series 2025B Term Bonds” and, together with the Series 2025A Term Bonds, the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their scheduled maturity and shall be redeemed by the Board, in part, prior to their scheduled maturity, with the particular Term Bonds or portions thereof to be redeemed to be selected and designated by the Board (provided that a portion of a Term Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the par or principal amount thereof plus accrued interest to the date of redemption, on the dates, and in the principal amounts set forth below:

<u>Series 2025A Term Bonds due February 15, 2055</u>	
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
February 15, 2052	10,615,000
February 15, 2053	11,075,000
February 15, 2054	11,560,000
February 15, 2055 (Final Maturity)	12,060,000

<u>Series 2025B Term Bonds due February 15, 2045</u>	
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
February 15, 2040	160,000
February 15, 2041	170,000
February 15, 2042	180,000
February 15, 2043	190,000
February 15, 2044	200,000
February 15, 2045 (Final Maturity)	215,000

The principal amount of the Term Bonds required to be redeemed on each such redemption date pursuant to the foregoing operation of the mandatory sinking fund shall be reduced, at the option of the Board, by the principal amount of any Term Bonds, which, at least 45 days prior to the mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Board, in either case at a price not exceeding the par or principal amount of such Term Bonds, or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against mandatory sinking fund redemption. During any period in which ownership of the Term Bonds to be redeemed is determined by a book entry at a securities depository for such Term Bonds, if fewer than all of such Term Bonds of the same series and maturity and bearing the same interest rate are to be redeemed, the particular Term Bonds of such series and maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository. See “DESCRIPTION OF THE BONDS — Book-Entry-Only System and Global Clearance Procedures.”

Notice of Redemption. At least 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption will be sent by the Paying Agent/Registrar by United States mail, first-class, postage prepaid, to each registered owner of a Bond to be redeemed in whole or in part at the address of each such owner appearing on the registration books of the Paying Agent/Registrar on the 45th day prior to such redemption date, to each registered securities depository, and to any national information service that disseminates redemption notices. FAILURE TO MAIL OR RECEIVE SUCH NOTICE WILL NOT AFFECT THE PROCEEDINGS FOR REDEMPTION. If such written notice of redemption is sent and if due provision for such payment is made, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. In addition, in the event of a redemption caused by an advance refunding, the Paying Agent/Registrar shall send a second notice of redemption to registered owners subject to redemption at least 30 days but not more than 90 days prior to the actual redemption date. Any notice sent to the registered securities depositories or national information services shall be sent so that they are received at least two days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to any registered owner who has not submitted Bonds for redemption 60 days after the redemption date. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, payable in the same manner, in any authorized denomination at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board.

All redemption notices shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the series, the dates of issue, the interest rates, the maturity dates, the CUSIP numbers, the amounts of Bonds called, the mailing dates for the notices, the dates of redemption, the redemption prices, the name of the Paying Agent/Registrar, and the address at which the Bonds may be redeemed including a contact person and telephone number.

Paying Agent/Registrar

In the Resolution, the Board reserves the right to replace the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. The Board covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are outstanding, and any successor Paying Agent/Registrar shall be a competent and legally qualified bank, trust company, financial institution, or other qualified agency. In the event that the entity at any time acting as Paying Agent/Registrar should resign or otherwise cease to act as such, the Board covenants to promptly appoint a competent and legally qualified bank, trust company, financial institution or other qualified agency to act as Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the Board agrees to promptly cause a written notice thereof to be sent to each registered owner of Bonds by United States mail, first-class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Defeasance

The Resolution provides for the defeasance of the Bonds, and the Pricing Officer may restrict the eligible defeasance securities in connection with the sale of each series of Bonds. See “Appendix C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Defeasance.”

Bondholder Remedies

The Resolution does not establish specific events of default with respect to the Bonds. If the Board defaults in the payment of the principal of or interest on the Bonds when due, any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the Board to make such payment or observe and perform such covenants, obligations or conditions. Such right is in addition to any other rights the registered owners of the Bonds may be provided by the laws of the State. Under State law, there is no right to the acceleration of maturity of the Bonds upon the failure of the Board to observe any covenant under the Resolution. Such registered owner’s only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the Board to set tuition and fees at a level sufficient to pay principal of and interest on the Bonds as such becomes due. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis.

In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, Texas courts have held that mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party, including the payment of monies due under a contract.

Under current State law, the Board is prohibited from waiving sovereign immunity from suit or liability with respect to the Bonds, and the owners thereof are prevented by operation of the Board’s sovereign immunity from bringing a suit against the Board in a court of law to adjudicate a claim to enforce the Bonds or for damages for breach of the Bonds. However, State courts have held that mandamus proceedings against a governmental unit, such as the Board, as discussed in the preceding paragraphs, are not prohibited by sovereign immunity.

The Resolution does not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the Board to perform in accordance with the terms of the Resolution, or upon any other condition. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Resolution and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

Book-Entry-Only System and Global Clearance Procedures

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee’s name.

The information in this section concerning DTC, Euroclear Bank SA/NV as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, S.A., Luxembourg (“Clearstream Banking”) (DTC, Euroclear and Clearstream Banking together, the “Clearing Systems”), and DTC’s book-entry-only system has been provided by DTC, Euroclear and Clearstream Banking for use in disclosure documents such as this Official Statement.

DTC will act as the initial securities depository for the Bonds. Euroclear and Clearstream Banking are participants of DTC and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders.

The information set forth below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect and the Board expressly disclaims any responsibility to update this Official Statement to reflect any such changes. The information herein concerning the Clearing Systems has been obtained from sources that the Board believes to be reliable, but neither the Board nor the Underwriters take any responsibility for the accuracy or completeness of the information set forth herein. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Board and the Underwriters will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Board cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to participants of the Clearing Systems (“Participants”), (2) Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC or the other Clearing Systems will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants (hereinafter defined) are on file with DTC.

DTC Book-Entry-Only System

Clearing Systems. DTC will act initially as Securities Depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest Securities Depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company of DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating from S&P Global Ratings of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written

confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction.

Transfers of beneficial ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, does not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed, unless other arrangements are made between the Board and DTC.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent/Registrar. Under such circumstances, in the event that a successor Securities Depository is not obtained, Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities Depository). In that event, Bonds will be printed and delivered in accordance with the Trust Indenture.

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Trust Indenture will be given only to DTC.

Euroclear and Clearstream Banking. Euroclear and Clearstream Banking have advised as follows:

Euroclear and Clearstream Banking each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream Banking provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream Banking also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream Banking have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream Banking customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream Banking is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. Any Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, for the account of its participants, including but not limited to Euroclear and Clearstream Banking. If the investors are participants in Clearstream Banking and Euroclear in Europe, or indirectly through organizations that are participants in the Clearing Systems, Clearstream Banking and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream Banking's and Euroclear's names on the books of their respective depositories. In all cases, the record holder of the Bonds will be DTC's nominee and not Euroclear or Clearstream Banking. The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream Banking or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream Banking or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream Banking or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream Banking participant on that business day. Cash received in Clearstream Banking or Euroclear as a result of sales of securities by or through a Clearstream Banking participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream Banking or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream Banking or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream Banking participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Banking participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream Banking participants or Euroclear participants may not deliver instructions directly to the depositories.

The Board will not impose any fees in respect of holding the Bonds; however, holders of book-entry interests in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

Initial Settlement. Interests in the Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Bonds through Euroclear and Clearstream Banking accounts will follow the settlement procedures applicable thereto and applicable to DTC. Book-entry interests in the Bonds will be credited by DTC to Euroclear and Clearstream Banking participants' securities clearance accounts on the business day following the Date of Delivery of the Bonds against payment (value as on the Date of Delivery of the Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the Bonds following confirmation of receipt of payment to the Board on the Date of Delivery of the Bonds.

Secondary Market Trading. Secondary market trades in the Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream Banking or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the Bonds may be transferred within Euroclear and within Clearstream Banking and between Euroclear and Clearstream Banking in accordance with procedures established for these purposes by Euroclear and Clearstream Banking. Book-entry interests in the Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Bonds between Euroclear or Clearstream Banking and DTC shall be effected in accordance with procedures established for this purpose by Euroclear, Clearstream Banking and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Bonds through Euroclear or Clearstream Banking on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream Banking and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Bonds, or to receive or make a payment or delivery of Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream Banking is used, or Brussels if Euroclear is used.

Clearing Information. The Board and the Underwriters expect that the Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream Banking. CUSIP numbers for the Bonds are set out on pages ii and iv of this Official Statement.

General. None of Euroclear, Clearstream Banking or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the Board, the Underwriters nor any of their agents will have any responsibility for the performance by Euroclear, Clearstream Banking or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

Limitations. For so long as the Bonds are registered in the name of DTC or its nominee, Cede & Co., the Board and the Paying Agent/Registrar will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the Bonds, references in this Official Statement to registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

Because DTC is treated as the owner of the Bonds for substantially all purposes, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of Beneficial Owners is unknown to the Board or DTC, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Bonds that may be transmitted by or through DTC.

The Board will have no responsibility or obligation with respect to:

- the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any Beneficial Ownership interest in any Bonds;

- the delivery to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Paying Agent/Registrar, of any notice with respect to any Bonds including, without limitation, any notice of redemption with respect to any Bonds;
- the payment to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Paying Agent/Registrar, of any amount with respect to the principal of, premium, if any, or interest on, any Bonds; or
- any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book entry only system hereinabove described, the Board and the Paying Agent/Registrar may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal, premium, if any, and interest on the Bonds;
- giving notices of redemption and other matters with respect to the Bonds;
- registering transfers with respect to the Bonds; and
- the selection of Bonds for redemption.

SECURITY FOR THE BONDS

The Revenue Financing System

The Master Resolution created the Revenue Financing System to provide a financing structure for revenue-supported indebtedness of the University, the Health Sciences Center and other entities which may be included in the future by Board action, as Participants in the Revenue Financing System. The Board added Angelo State, the Health Sciences Center at El Paso, and Midwestern State as Participants in the Revenue Financing System in 2007, 2013, and 2021, respectively. The Revenue Financing System is intended to facilitate the assembling of all the Participants' revenue-supported debt capacity into a single financing program to provide a cost-effective debt program to Participants and to maximize the financing options available to the Board. The Master Resolution provides that once a university or agency becomes a Participant, the lawfully available revenues, income, receipts, rentals, rates, charges, fees, including interest or other income, and balances attributable to that entity and pledged by the Board become part of the Pledged Revenues; provided, however, that, if at the time an entity becomes a Participant it has outstanding obligations secured by such sources, such obligations will constitute Prior Encumbered Obligations under the Master Resolution and the pledge of such sources as Pledged Revenues will be subject and subordinate to such outstanding Prior Encumbered Obligations. Thereafter, the Board may issue bonds, notes, commercial paper, contracts, or other evidences of indebtedness, including credit agreements, on behalf of such institution, on a parity, as to payment and security, with the Outstanding Parity Obligations, subject only to the outstanding Prior Encumbered Obligations, if any, with respect to such Participant. Upon becoming a Participant, an entity may no longer issue obligations having a lien on Pledged Revenues prior to the lien on the Outstanding Parity Obligations. Generally, Prior Encumbered Obligations are those bonds or other obligations issued on behalf of a Participant which were outstanding on the date such entity became a Participant in the Revenue Financing System. Other than the Prior Encumbered Obligations of Midwestern State described in "SECURITY FOR THE BONDS – Midwestern State Outstanding Obligations" herein, there are no Prior Encumbered Obligations outstanding, and the Board does not currently anticipate adding Participants to the Revenue Financing System which would result in the assumption of Prior Encumbered Obligations. See "Appendix C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION".

As described in "Appendix A — TEXAS TECH UNIVERSITY SYSTEM – General Description – Member Institutions – Midwestern State University", effective September 1, 2021, the governance, control, management, and property of Midwestern State was transferred from the Board of Regents of Midwestern State University to the Board.

Pledge Under Master Resolution

The Parity Obligations are special obligations of the Board equally and ratably secured solely by and payable solely from a pledge of and lien on the Pledged Revenues as described below.

The Pledged Revenues consist of, subject to the provisions of the proceedings authorizing the issuance of any Prior Encumbered Obligations, the Revenue Funds (as defined herein), including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Revenue Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a Supplement to the Master Resolution: (a) amounts received by any Participant under Article VII, Section 17 of the State Constitution, including the income therefrom and any fund balances relating thereto; (b) amounts received on behalf of the Health Sciences Center under Article 7, Section 17 of the State Constitution, including the income therefrom and any fund balances relating thereto; (c) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the State Legislature; and (d) Practice Plan Funds of the Health Sciences Center, including the income therefrom and any fund balances relating thereto, to the extent such moneys are included in Pledged Practice Plan Funds. In addition, revenues appropriated to the Board from the Texas University Fund established by Section 20, Article VII, of the State Constitution, are not Pledged Revenues. The “Revenue Funds” are defined in the Master Resolution to include the “revenue funds” of the Board (as defined in Section 55.01, Texas Education Code, as amended, to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of the Participants, including specifically the Pledged General Tuition, and to the extent and subject to the provisions of the Master Resolution, the Pledged General Fee and the Pledged Tuition Fee; provided, that Revenue Funds do not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of adoption of the supplement relating to such Parity Obligations, is exempt by law from paying such tuition, rentals, rates, fees, or other charges. All legally available funds of the Participants, including unrestricted fund and reserve balances, are pledged to the payment of the Parity Obligations. For a more detailed description of the Pledged General Tuition, the Pledged Tuition Fee, the Pledged General Fee and the Pledged Practice Plan Funds, see “Appendix C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION”. For a more detailed description of the types of revenues and expenditures of the University System, see “Appendix A — TEXAS TECH UNIVERSITY SYSTEM” and “Appendix B — TEXAS TECH UNIVERSITY SYSTEM ANNUAL COMBINED FINANCIAL REPORT”. Subsequent to the adoption of the Master Resolution, State law was amended to recharacterize Pledged General Tuition and Pledged General Fee as “State Mandated Tuition”, “Board Designated Tuition”, and “Board Authorized Tuition”. See “Appendix A — TEXAS TECH UNIVERSITY SYSTEM – Selected Financial Information”. Such sources constitute Revenue Funds and are available for the payment of debt service on Parity Obligations.

Chapter 1208, Texas Government Code, as amended, applies to the issuance of the Bonds and the pledge of the Pledged Revenues, and such pledge is therefore valid, effective, and perfected. Should State law be amended while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Revenues is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, as amended, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the Board agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

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The following table sets forth a historical compilation for Fiscal Years 2020 through 2024, inclusive, of the revenues available during such years that would constitute Pledged Revenues under the Revenue Financing System based on current law:

	<u>Pledged Revenues and Balances Available for Debt Service (\$000)</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Available Pledged Revenues Not Including Fund Balances ⁽¹⁾	\$757,337	\$834,127	\$795,951	\$932,849	\$1,052,915
Available Pledged Revenues Fund Balances ⁽²⁾	946,493	962,499	1,256,623	1,288,305	1,358,885
Total Pledged Revenues and Pledged Fund Balances⁽³⁾	<u>\$1,703,830</u>	<u>\$1,796,626</u>	<u>\$2,052,574</u>	<u>\$2,221,154</u>	<u>\$2,411,800</u>

⁽¹⁾ Excludes (i) amounts received from the Higher Education Fund pursuant to Article VII, Section 17 of the State Constitution, and (ii) State appropriations for the reimbursement of debt service on certain revenue bonds (including the Bonds) issued to fund hereinafter-defined CCAPs. See “Higher Education Fund Appropriations” below and “Appendix A — TEXAS TECH UNIVERSITY SYSTEM – Selected Financial Information – Funding for the University System and its Member Institutions – Capital Construction Assistance Projects”.

⁽²⁾ In addition to current year’s Pledged Revenues, any unappropriated or reserve fund balances remaining at Fiscal Year-end are available for payment of debt service on Parity Obligations coming due during the subsequent year. In addition, historically, the Board has set aside certain reserve fund balances for specified University System purposes.

⁽³⁾ All financial sums include revenues attributable to Midwestern State. Outstanding obligations previously issued by or on behalf of Midwestern State, prior to Midwestern State becoming a Participant in the Revenue Financing System on September 1, 2021, constitute Prior Encumbered Obligations under the Master Resolution. The pledge of Midwestern State’s revenues as Pledged Revenues under the Master Resolution is subject and subordinate to such outstanding Prior Encumbered Obligations. The Total Pledged Revenues and Pledged Fund Balances attributable to Midwestern State in Fiscal Years 2020, 2021, 2022, 2023, and 2024 were \$90,633,765, \$102,280,310, \$85,629,218, \$92,391,877, and \$90,120,604, respectively. See “SECURITY FOR THE BONDS – Midwestern State Outstanding Obligations” for a description of the Prior Encumbered Obligations of Midwestern State.

	<u>Higher Education Fund Appropriations (\$000)</u>				
	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Available HEF Appropriations	\$88,811	\$88,811	\$91,490	\$91,490	\$91,490

The Board has covenanted in the Master Resolution that in each Fiscal Year it will establish, charge, and use its reasonable efforts to collect, to the extent permitted by law, Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board relating to the Revenue Financing System including all deposits or payments due on or with respect to Outstanding Parity Obligations for such Fiscal Year. The Board has also covenanted in the Master Resolution that it will not incur any debt secured by Pledged Revenues unless such debt constitutes a Parity Obligation or is junior and subordinate to the Parity Obligations. The Board intends to issue most of its revenue-supported debt obligations which benefit the Participants as Parity Obligations under the Master Resolution. The Resolution does not establish a reserve fund for the Bonds or any other Parity Obligations.

THE OPERATIONS OF THE UNIVERSITY SYSTEM AND THE PARTICIPANTS OF THE REVENUE FINANCING SYSTEM ARE HEAVILY DEPENDENT ON STATE APPROPRIATIONS. THE BOARD AND THE PARTICIPANTS HAVE NO ASSURANCE THAT STATE APPROPRIATIONS TO THE PARTICIPANTS WILL CONTINUE AT THE SAME LEVEL AS IN PREVIOUS YEARS. See “Appendix A — TEXAS TECH UNIVERSITY SYSTEM – Selected Financial Information – Funding for the University System and its Member Institutions”.

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE UNIVERSITY SYSTEM, THE UNIVERSITY, THE HEALTH SCIENCES CENTER, THE HEALTH SCIENCES CENTER AT EL

PASO, ANGELO STATE, MIDWESTERN STATE, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS NO TAXING POWER AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED AS SECURITY FOR THE BONDS.

THE BREACH OF ANY COVENANT, AGREEMENT, OR OBLIGATION CONTAINED IN THE RESOLUTION WILL NOT IMPOSE OR RESULT IN GENERAL LIABILITY ON OR A CHARGE AGAINST THE GENERAL CREDIT OF THE BOARD, THE UNIVERSITY SYSTEM, THE UNIVERSITY, THE HEALTH SCIENCES CENTER, THE HEALTH SCIENCES CENTER AT EL PASO, ANGELO STATE, OR MIDWESTERN STATE.

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University System Outstanding Obligations

Following the delivery of the Bonds, the Board will have the obligations set forth in the following table:

<i>Outstanding Parity Obligations</i>	Outstanding Principal As of March 13, 2025
Revenue Financing System Refunding and Improvement Bonds, Sixteenth Series (2015A) ⁽¹⁾	\$ -
Revenue Financing System Refunding and Improvement Bonds, Seventeenth Series (Taxable 2015B) ⁽²⁾	60,870,000
Revenue Financing System Refunding and Improvement Bonds, Series 2017A ⁽²⁾	49,420,000
Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2017B ⁽²⁾	129,655,000
Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2020	263,315,000
Revenue Financing System Refunding and Improvement Bonds, Series 2023A ⁽²⁾	192,580,000
Revenue Financing System Improvement Bonds, Taxable Series 2023B ⁽²⁾	34,230,000
Revenue Financing System Refunding and Improvement Bonds, Series 2025A	304,335,000
Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2025B	37,160,000
Revenue Financing System Commercial Paper Notes, Series A ⁽³⁾	46,284,000
Total Outstanding Parity Obligations	\$1,117,849,000
<i>Other Obligations</i>	
Red Raider Facilities Foundation Projected Outstanding Debt ⁽⁴⁾	\$ 209,112,388
Total Outstanding Obligations	\$1,326,961,388

(1) Excludes the Refunded TTUS Bonds.

(2) The amount budgeted by the State Legislature for reimbursement to the University System of CCAP debt service for Fiscal Year 2025 is \$60,054,474, of which a portion is reimbursement for debt service of Midwestern State's Prior Encumbered Obligations as noted in Footnote 1 to the table located under "SECURITY FOR THE BONDS – Midwestern State Outstanding Obligations". Future reimbursement by the State for CCAP debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State biennium. See "Appendix A — TEXAS TECH UNIVERSITY SYSTEM – Selected Financial Information – Funding for the University System and its Member Institutions – Capital Construction Assistance Projects".

(3) As of March 13, 2025. Excludes the Refunded Notes in the principal amount of \$77,162,000 and includes the estimated Commercial Paper Notes to be issued in the principal amount of \$29,479,000. The estimated Commercial Paper Notes to be issued along with proceeds from the Bonds will be used to pay a portion of the purchase price for the Athletic Project on the anticipated acquisition date of March 31, 2025 (subject to change). Under current Board authorization, Commercial Paper Notes may be issued in an aggregate amount not to exceed \$150 million.

(4) Not a Parity Obligation of the University System. Amount shown is the projected purchase price for the Athletic Project on the anticipated acquisition date of March 31, 2025 (subject to change). See "PLAN OF FINANCE – Athletic Project Acquisition".

Midwestern State Outstanding Obligations

Following the delivery of the Bonds, the Board will have the following described indebtedness which constitutes Prior Encumbered Obligations of Midwestern State and are secured solely by a prior lien on the pledged revenues of Midwestern State.

	Outstanding Principal ⁽²⁾ As of March 13, 2025
Texas Public Finance Authority Midwestern State University Revenue Financing System Revenue and Refunding Bonds, Series 2015A ⁽¹⁾⁽³⁾	\$ -
Texas Public Finance Authority Midwestern State University Revenue Financing System Revenue and Refunding Bonds, Series 2016A ⁽¹⁾	48,255,000
Texas Public Finance Authority Midwestern State University Revenue Financing System Revenue Refunding Bonds, Taxable Series 2016B	7,635,000
TOTAL	\$55,890,000

(1) Future reimbursement by the State for debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State biennium. See "Appendix A — TEXAS TECH UNIVERSITY SYSTEM – Selected Financial Information – Funding for the University System and its Member Institutions – Capital Construction Assistance Projects".

(2) Midwestern State's outstanding Prior Encumbered Obligations are recognized in the University System's Fiscal Year 2024 Annual Combined Financial Report in accordance with GASB guidelines, but do not constitute Parity Obligations under the Master Resolution.

(3) Excludes the Refunded MSU Bonds.

Commercial Paper Notes

Commercial Paper Notes issued by the Board are Parity Obligations under the terms of the Master Resolution and may be issued as either tax-exempt or taxable notes. Pursuant to an Amended and Restated Fifth Supplemental Resolution to the Master Resolution adopted by the Board on February 27, 2003, as amended and restated by the Board on August 8, 2008 (the “Fifth Supplement”), the Board established (i) the authority to issue from time to time and at any one time Commercial Paper Notes in an amount not to exceed \$150,000,000, and (ii) that the payment of the Commercial Paper Notes may be, but is not required to be, supported by either a credit facility or a liquidity facility issued pursuant to the terms of a “Liquidity Agreement” (as defined in the Fifth Supplement). Under the terms of the Fifth Supplement, the Board covenanted to maintain available funds plus any available bank loan commitment issued under the terms of a Liquidity Agreement in an amount equal to the total principal amount of outstanding Commercial Paper Notes plus interest to accrue thereon for the following 90 days. Acting upon the authority originally granted by the Board on February 27, 2003, the Board began on May 8, 2003, to provide its own liquidity in support of the Commercial Paper Notes then and thereafter outstanding.

Under the terms of the Fifth Supplement, to the extent that the “Dealer” (as defined in the Fifth Supplement) for the Board’s commercial paper program cannot sell Commercial Paper Notes to renew or refund outstanding Commercial Paper Notes on their maturity, the Board covenanted to use lawfully available funds to purchase Commercial Paper Notes issued to renew and refund maturing Commercial Paper Notes. Under the terms of the Fifth Supplement, such payment, issuance and purchase is not intended to constitute an extinguishment of the obligation represented by any Commercial Paper Notes held by the Board, and the Fifth Supplement provides that the Board may issue Commercial Paper Notes to renew and refund the Commercial Paper Notes held by it when the Dealer is again able to sell Commercial Paper Notes. While such Commercial Paper Notes are held by the Board, they shall bear interest at the prevailing market rate for alternative taxable investments of similar maturity and credit rating. The commercial paper program established under the terms of the Fifth Supplement expires on July 31, 2038.

In connection with providing self-liquidity in support of the Commercial Paper Notes, the Board has established a failed remarketing policy, where the Dealer will provide notice to the Board of its inability to remarket maturing Commercial Paper Notes and the Board will then take steps to provide funds either from available cash or through the liquidation of Comprehensive Cash and Investments Pool assets (see “Appendix A — TEXAS TECH UNIVERSITY SYSTEM – Selected Financial Information – Investment Policies and Procedures and Endowments”) in a manner sufficient to provide for the timely payment due to holders of maturing Commercial Paper Notes.

Additional Obligations

The Board may issue additional obligations to provide funds for new construction, renovation of existing facilities, acquisition of equipment, and to refund outstanding Debt. See “FUTURE CAPITAL IMPROVEMENT PLANS”.

Parity Obligations. The Board has reserved the right to issue or incur additional Parity Obligations for any purpose authorized by law pursuant to the provisions of the Master Resolution and a supplemental resolution. The Board may incur, assume, guarantee, or otherwise become liable with respect to any Parity Obligations if the Board has determined that it will have sufficient funds to meet the financial obligations of the Participants, including sufficient Pledged Revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System. The Master Resolution provides that the Board will not issue or incur additional Parity Obligations unless (i) the Board determines that the Participant for whom the Parity Obligations are being issued or incurred possesses the financial capacity to satisfy its respective Direct Obligations, after taking into account the then proposed additional Parity Obligations, and (ii) a Designated Financial Officer delivers to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in the Master Resolution and any supplemental resolution and is not in default in the performance and observance of any of the terms, provisions, and conditions thereof.

Nonrecourse Debt and Subordinated Debt. The Master Resolution provides that Non-Recourse Debt and Subordinated Debt may be incurred by the Board without limitation. No such Non-Recourse Debt or Subordinated Debt has been issued by the Board.

DEBT SERVICE REQUIREMENTS

The following table is a summary of the debt service requirements of all Parity Obligations and Prior Encumbered Obligations outstanding following the issuance of the Bonds.

Fiscal Year Ending 8/31	Debt Service on Outstanding Parity Obligations and Prior Encumbered Obligations ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Less Debt Service on Refunded Bonds ⁽⁵⁾	Series 2025A Bonds		Series 2025B Bonds		Total Parity Obligations & Other Debt
			Principal	Interest	Principal	Interest	
2025	\$16,582,085	\$1,971,681	\$ -	\$6,162,914	\$ -	\$ 786,904	\$21,560,222
2026	101,062,435	8,101,738	6,250,000	14,440,125	645,000	1,849,144	116,144,966
2027	93,267,745	10,596,025	9,145,000	14,055,250	675,000	1,819,177	108,366,147
2028	92,139,035	10,656,593	9,630,000	13,585,875	705,000	1,787,572	107,190,889
2029	90,564,897	10,662,991	10,700,000	13,077,625	3,130,000	1,699,054	108,508,584
2030	98,327,836	10,952,749	11,675,000	12,518,250	1,575,000	1,589,896	114,733,232
2031	82,441,916	10,390,025	11,710,000	11,933,625	675,000	1,536,874	97,907,390
2032	74,564,860	9,862,188	11,295,000	11,358,500	2,800,000	1,453,228	91,609,401
2033	63,551,187	9,482,588	10,035,000	10,825,250	2,930,000	1,313,963	79,172,813
2034	61,662,424	9,124,738	10,230,000	10,318,625	3,075,000	1,166,072	77,327,384
2035	63,465,562	3,708,938	5,495,000	9,925,500	3,240,000	1,008,966	79,426,090
2036	47,558,810	3,559,884	5,640,000	9,647,125	3,400,000	840,926	63,526,976
2037	23,291,242	3,599,925	5,970,000	9,356,875	5,250,000	617,386	40,885,578
2038	23,351,448	3,654,069	6,330,000	9,049,375	5,530,000	335,447	40,942,201
2039	21,653,314	3,706,825	9,960,000	8,642,125	2,415,000	125,889	39,089,503
2040	154,181,670	3,753,094	12,545,000	8,079,500	160,000	57,339	171,270,416
2041	8,717,479	2,928,806	12,370,000	7,456,625	170,000	48,198	25,833,496
2042	5,165,243	2,977,603	13,065,000	6,820,750	180,000	38,503	22,291,893
2043	5,228,118	3,038,291	13,720,000	6,219,725	190,000	28,254	22,347,807
2044	5,281,046	3,091,966	14,335,000	5,658,625	200,000	17,451	22,400,157
2045	5,333,820	3,143,525	15,055,000	4,995,550	215,000	5,956	22,461,800
2046	562,993	-	7,895,000	4,421,800	-	-	12,879,793
2047	558,603	-	8,300,000	4,016,925	-	-	12,875,528
2048	558,853	-	8,725,000	3,591,300	-	-	12,875,153
2049	558,672	-	9,170,000	3,143,925	-	-	12,872,597
2050	562,986	-	9,645,000	2,673,550	-	-	12,881,536
2051	-	-	10,135,000	2,179,050	-	-	12,314,050
2052	-	-	10,615,000	1,700,106	-	-	12,315,106
2053	-	-	11,075,000	1,239,194	-	-	12,314,194
2054	-	-	11,560,000	758,200	-	-	12,318,200
2055	-	-	12,060,000	256,275	-	-	12,316,275
	<u>\$1,140,194,279</u>	<u>\$ 128,964,239</u>	<u>\$304,335,000</u>	<u>\$228,108,139</u>	<u>\$37,160,000</u>	<u>\$18,126,194</u>	<u>\$1,598,959,373</u>

⁽¹⁾ The amount budgeted by the State Legislature for reimbursement of hereinafter-defined TRB and CCAP debt service for Fiscal Year 2025 is \$60,054,474, of which a portion is reimbursement for debt service of Midwestern State's Prior Encumbered Obligations as noted in Footnote 1 to the table located under "SECURITY FOR THE BONDS - Midwestern State Outstanding Obligations". Future reimbursement by the State for TRB and CCAP debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State biennium. See "Appendix A — TEXAS TECH UNIVERSITY SYSTEM — Selected Financial Information — Funding for the University System and its Member Institutions — Capital Construction Assistance Projects".

⁽²⁾ Does not include debt service on the outstanding Commercial Paper Notes. Includes debt service on the Refunded Bonds. See "SECURITY FOR THE BONDS — University System Outstanding Obligations".

⁽³⁾ Excludes debt service on the Foundation's outstanding debt relating to the Athletic Project. The debt obligations of the Foundation are not Parity Obligations of the University System. See "PLAN OF FINANCE — Athletic Project Acquisition".

⁽⁴⁾ Includes debt service on Midwestern State's outstanding Prior Encumbered Obligations. See "SECURITY FOR THE BONDS — Midwestern State Outstanding Obligations".

⁽⁵⁾ See Refunded Bonds set forth in "Schedule I — Refunded Obligations."

FUTURE CAPITAL IMPROVEMENT PLANS

In addition to the projects to be financed with the proceeds of the Bonds, the University System has various other projects under consideration as part of its five-year capital plan, which have not yet been financed. Projects with aggregate estimated costs of \$500 million may require financing or partial financing in the next five years. The University System may consider other construction projects as well. These estimates do not include Capital Construction Assistance Projects (“CCAPs”) that may be authorized in the future by the State Legislature.

RISK FACTORS FOR UNIVERSITY SYSTEM OPERATIONS

Cybersecurity

General. Information technology and data are vital to the operations of the University System. As with any organization, these information systems may be subject to attempted attacks by malicious actors, both internal and external to the University System. Vulnerabilities may exist due to software flaws, employee error, negligence, or malfeasance. A successful compromise of an information system within the University System may result in unauthorized access or disclosure of sensitive, confidential, or regulated information, and may also result in the disruption of University System operations. The University System recognizes this ongoing risk to the organization and its information assets.

The University System aims to reduce the likelihood of a material impact due to a cyber event using multiple risk mitigation strategies. In general, the University System adheres to the Texas Department of Information Resources Security Controls framework as required and set forth in Texas Administrative Code 202. Security risk assessments are performed to identify the inherent and residual risk related to confidential or sensitive information. Email communications are inspected and filtered to protect against spam and phishing attacks. Enterprise network firewalls filter malicious traffic based on a combination of access control lists and near real-time threat intelligence feeds. Anti-malware and ransomware protection has been deployed on University System desktop and laptop endpoints. The University System’s security training and awareness initiatives aim to tackle the people-centric nature and challenges of information security. The University System is covered under a cybersecurity insurance policy.

September 2024 Cybersecurity Event. In September 2024, the Health Sciences Center and the Health Sciences Center at El Paso (collectively, the “HSCs”) identified issues that resulted in a temporary disruption to some computer systems and applications. Immediately after identifying these issues, the HSCs took steps to ensure the security of the network and began an investigation. The investigation confirmed that a cybersecurity event (the “Cybersecurity Event”) caused the technology issues, resulting in access to or removal of certain files and folders from the HSCs’ network between September 17 and September 29, 2024. As a result, the HSCs conducted a detailed review of the systems involved to determine what information they may contain and to whom it belongs. To help prevent a recurrence, the HSCs are reviewing existing security policies and procedures as part of the investigation and are implementing additional safeguards to enhance system protection and monitoring. To date, estimated direct and indirect costs associated with the September 2024 cybersecurity event are in excess of \$10 million.

Severe Weather and Environmental Events

The University System and its Participants are located in a variety of geographic regions throughout the State and, as a result, the University System and its Participants may be exposed to differing climatic and environmental events, which may include potentially hazardous national disasters and catastrophic events (such as severe winds, heavy rains, flooding, tornados, hail, earthquakes, wildfires, drought, and freezing) and expose the University System and its Participants to operational disruptions and casualty losses.

Climatic and weather-related events have not materially impacted the University System or its Participants thus far; however, the University System cannot predict whether similar events will occur in the future and the impact such events may have on the University System and its Participants.

Future Disease Outbreaks

The outbreak of any future pandemic, epidemic, or other disease outbreak and the actions taken in response thereto could have material impacts on global, regional, and local economic conditions as well as on the higher education landscape in general and could adversely affect the financial conditions and operations of the University System.

Texas Legislature

The 89th Texas Legislature commenced on January 14, 2025. The Texas Legislature meets in regular session in odd numbered years, for 140 days. When the Texas Legislature is not in session, the Texas Governor may call one or more special sessions, at the Texas Governor's discretion, each lasting no more than 30 days, and for which the Texas Governor sets the agenda. During this time, the Texas Legislature may enact laws that materially change current law as it relates to the funding and operations of higher education institutions, including the University System. The University System can make no representations or predictions regarding the scope of legislation that may be considered during the 89th Legislative Session or the potential impact of such legislation.

Enrollment Trends for Institutions of Higher Education

National and regional enrollment trends in higher education reflect a complex interplay of demographic shifts, economic factors, and educational policies. Understanding national and regional enrollment trends in higher education requires attention to both macro-level factors influencing overall demand and the localized dynamics that shape access and participation in different communities. Regionally, enrollment trends often diverge due to varying socioeconomic conditions and educational infrastructures. Recent years have produced fluctuations in enrollment throughout the country due to a variety of factors, including COVID-19, changes in immigration policies affecting international student enrollment, and economic conditions, and such fluctuations may continue based upon these factors and other factors that may not yet be known. The future of higher education enrollment will likely be affected by ongoing trends such as the integration of technology in learning, efforts to improve affordability and accessibility, and the evolving needs of the workforce, in addition to the expected decline of traditional college-aged students.

Modifications to Collegiate Athletics

Developments that could impact future revenues and expenses for collegiate athletics are ongoing. Such matters include, but are not limited to, changes in conferences and income distribution, media rights, federal and State legislation regarding name, image, and likeness (also known as "NIL") of college athletes, and litigation, judicial action, and legislation regarding compensation for college athletes, including their potential classification as employees. There are many factors that could materially affect the University System's athletic enterprises, the impact of which is unknown and not quantifiable with reasonable certainty.

ABSENCE OF LITIGATION

Neither the Board nor the University System is a party to any litigation, investigation, inquiry, or proceeding (whether or not purportedly on behalf of the Board) pending or, to the knowledge of such parties, threatened, in any court, governmental agency, public board or body or before any arbitrator or any governmental body or other administrative body (either state or federal) which, if decided adversely to such parties, would have a material adverse effect on the Pledged Revenues or on the business, properties or assets or the condition, financial or otherwise, of the University System, and no litigation of any nature has been filed or, to their knowledge, threatened which seeks to restrain or enjoin the maintenance of the Revenue Financing System, the issuance or delivery of the Bonds or the collection or application of Pledged Revenues to pay the principal of and interest on the Bonds, or in any manner questioning the validity of the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

Continuing Disclosure Undertaking of the Board

In the Twenty-First Supplemental Resolution, the Board has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Board has agreed that, so long as the Board is an "obligated person"

under Rule 15c2-12 of the SEC (the “Rule”), it will provide certain updated financial information and operating data about the University System annually, and timely notice of specified events, to the MSRB. Such information will be available to the public at no charge using the MSRB’s EMMA system via the MSRB’s Internet website, www.emma.msrb.org.

Annual Reports

The Board is to provide certain updated financial information and operating data to the MSRB annually. The information to be provided by the Board includes all quantitative financial information and operating data with respect to the University System of the general type included herein under the captions “DEBT SERVICE REQUIREMENTS”, “Appendix A — TEXAS TECH UNIVERSITY SYSTEM – General Description – Enrollment”, “– Admissions and Matriculation”, “– Financial Management”, and “– Selected Financial Information”, and in “Appendix B — TEXAS TECH UNIVERSITY SYSTEM ANNUAL COMBINED FINANCIAL REPORT”. The Board has agreed to update and provide this information within six months after the end of each of its Fiscal Years ending in or after 2024.

The Board may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements of the University System, if the Board commissions an audit and it is completed by the time required. If audited financial statements of the University System are not available by the required time, the Board will provide unaudited financial information of the type included in this Official Statement by the required time and audited financial statements when and if they become available. Any such financial statements are to be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with state law or regulation. No outside audit of the University System’s financial statements is currently required or obtained by the Board.

The Board’s current Fiscal Year end is August 31. Annually, not later than November 20th of each Fiscal Year, the unaudited primary financial statements of the University System dated as of August 31, prepared from the books of the University System, must be delivered to the Governor, the State Comptroller of Public Accounts and certain other State agencies and departments. The foregoing delivery requirement is not a part of the Board’s continuing disclosure agreements entered into with respect to the Bonds. See “Appendix A — TEXAS TECH UNIVERSITY SYSTEM – Financial Management – Financial Statements” and “Appendix B — TEXAS TECH UNIVERSITY SYSTEM ANNUAL COMBINED FINANCIAL REPORT”. If the Board changes its Fiscal Year, the Board will notify the MSRB of the change. If audited financial statements of the University System are not prepared for any Fiscal Year and audited financial statements are prepared with respect to the State for such Fiscal Year, the Board shall provide, or cause to be provided, the audited financial statements of the State for the applicable Fiscal Year to the MSRB within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor. Any such audited financial statements of the State so provided shall be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with state law.

Notice of Certain Events

The Board will also provide timely notices of certain events to the MSRB, not in excess of ten Business Days after the occurrence of the event. The Board will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the Board, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the University System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the

termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) the appointment of a successor or additional Paying Agent/Registrar or the change of name of the Paying Agent/Registrar, if material; (15) incurrence of a financial obligation of the Board, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Board, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a financial obligation of the Board, any of which reflect financial difficulties. In addition, the Board will provide timely notice of any failure by the Board to provide financial information or operating data in accordance with its agreement described above under “CONTINUING DISCLOSURE OF INFORMATION — Annual Reports”. The Resolution makes no provision for debt service reserves, credit enhancement, or liquidity facilities for the Bonds.

For the purposes of the event numbered 12 in the preceding paragraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board. The Board intends the words used in events numbered 15 and 16 in the preceding paragraph and the definition of “financial obligation” to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

Availability of Information

The Board has agreed to provide the foregoing updated information only to the MSRB. All documents provided by the Board to the MSRB described above under the captions “Annual Reports” and “Notice of Certain Events” will be in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Limitations and Amendments

The Board has agreed to update information and to provide notices of certain events only as described above. It has not agreed to provide other information that may be relevant or material to a complete presentation of the University System’s financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Board does not make any representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Board disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreements or from any statement made pursuant to its agreements, although holders of Bonds may seek a writ of mandamus to compel the Board to comply with its agreement.

The Board may amend its continuing disclosure agreements to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status or type of operations of the Board if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule and either the holders of a majority in aggregate principal amount of the outstanding Bonds of the respective series consent or any person unaffiliated with the Board (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of such series of Bonds. If the Board so amends its agreement, it will provide notice of such amendment to the MSRB, in a timely manner, including an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of its continuing disclosure requirement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the respective series of Bonds in the primary offering thereof. If the Board amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data provided.

Compliance with Prior Undertakings

During the past five years, the Board has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule, except as follows. Notice of a September 1, 2021 rating upgrade by Moody's with respect to Midwestern State's Prior Encumbered Obligations was filed on a timely basis on EMMA but was not linked to the CUSIP numbers relating to Midwestern State's Series 2016A and Series 2016B Bonds. Certain admissions and matriculation information of the University System has been reorganized and reported in the University System's annual operating data filings in differing formats from year to year, but such information has been of the general type contemplated by the University System's prior continuing disclosure undertakings. A separate "Tuition and Fees" table for each of the Health Sciences Center and the Health Sciences Center at El Paso was filed in the University System's annual operating data filings for Fiscal Years 2018 and 2019 but not for subsequent Fiscal Years.

LEGAL MATTERS

Legal matters relating to the Bonds are subject to approval of legality by the Attorney General of the State and of certain legal matters by McCall, Parkhurst & Horton L.L.P., Dallas and San Antonio, Texas ("Bond Counsel") and Disclosure Counsel, whose opinions will be delivered at the closing of the sale of the Bonds in substantially the forms attached hereto as Appendix D. Though they represent the Underwriters and the Financial Advisor from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel was engaged by, and only represent, the Board in connection with the issuance of the Bonds. Bond Counsel has not assumed any responsibility with respect to the Official Statement or undertaken to verify any of the information contained herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information relating to the Bonds, the Resolution, and the Revenue Financing System contained in this Official Statement under the captions "PLAN OF FINANCE", "DESCRIPTION OF THE BONDS" (other than information under the subcaption "— Book-Entry-Only System and Global Clearance Procedures"), "SECURITY FOR THE BONDS" (excluding any tables or statistical information contained thereunder), "CONTINUING DISCLOSURE OF INFORMATION" (other than information under the subcaption "— Compliance with Prior Undertakings"), "LEGAL MATTERS" (except for the last sentence of the first paragraph thereof), "TAX MATTERS", "LEGAL INVESTMENTS IN TEXAS", and "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE" and in Appendix C and Appendix D, and such firm is of the opinion that the information contained under such captions and in such Appendices is a fair and accurate summary of the information purported to be shown therein and is correct as to matters of law. The payment of legal fees to Bond Counsel is contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Series 2025A Bonds

Opinion. On the date of initial delivery of the Series 2025A Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Board, will render its opinion that, in accordance with statutes, regulations, published rulings, and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Series 2025A Bonds for federal income tax purposes will be excludable from the "gross income" of the owners thereof, and (2) the Series 2025A Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any other federal, state, or local tax consequences of the purchase, ownership or disposition of the Series 2025A Bonds. See "Appendix D – FORMS OF BOND COUNSEL OPINIONS"

In rendering its opinion, Bond Counsel will rely upon (a) the Board's federal tax certificate, the Verification Report prepared by Causey Public Finance, LLC, as Verification Agent, and (b) covenants of the Board with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Series 2025A Bonds and the Refunded Bonds and certain other matters. Failure of the Board to comply with these representations or covenants

could cause the interest on the Series 2025A Bonds to become includable in gross income retroactively to the date of issuance of the Series 2025A Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Series 2025A Bonds in order for interest on the Series 2025A Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Series 2025A Bonds to be included in gross income retroactively to the date of issuance of the Series 2025A Bonds. The opinion of Bond Counsel is conditioned on compliance by the Board with the covenants and requirements described in the preceding paragraph, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Series 2025A Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner that would adversely affect the tax treatment of the purchase, ownership or disposition of the Series 2025A Bonds.

A ruling was not sought from the Internal Revenue Service by the Board with respect to the Series 2025A Bonds or the facilities financed or refinanced with proceeds of the Series 2025A Bonds or the Refunded Bonds. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Series 2025A Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Board as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount. The initial public offering price to be paid for one or more maturities of the Series 2025A Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Series 2025A Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Series 2025A Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see "Collateral Federal Income Tax Consequences" below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2025A Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences. The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Series 2025A Bonds. This discussion is based on Existing Law which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE SERIES 2025A BONDS.

Interest on the Series 2025A Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, owners of tax-exempt obligations, such as the Series 2025A Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Series 2025A Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such Series 2025A Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the owner at a purchase price which is less than the stated redemption price at maturity or, in the case of an obligation issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the owner holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local, and Foreign Taxes. Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Series 2025A Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding. Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Series 2025A Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and

in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2025A Bonds under federal or state law and could affect the market price or marketability of the Series 2025A Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors regarding the foregoing matters.

Series 2025B Bonds

General. The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Series 2025B Bonds and is based on the Code, the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service (“IRS”) and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein. The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Series 2025B Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local, or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Series 2025B Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the “U.S. dollar”. This summary is further limited to investors who will hold the Series 2025B Bonds as “capital assets” (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term “U.S. Holder” means a beneficial owner of a Series 2025B Bond who or which is: (i) an individual citizen or resident of the United States, (ii) a corporation or partnership created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. As used herein, the term “Non-U.S. Holder” means a beneficial owner of a Series 2025B Bond that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF SERIES 2025B BONDS IN LIGHT OF THE HOLDER’S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE SERIES 2025B BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2025B BONDS BEFORE DETERMINING WHETHER TO PURCHASE SERIES 2025B BONDS. THE FOLLOWING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE SERIES 2025B BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

Information Reporting and Backup Withholding. Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Series 2025B Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

Periodic Interest Payments and Original Issue Discount. The Series 2025B Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the Series 2025B Bonds or any original issue discount accruing on the Series 2025B Bonds will be includable in "gross income" within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of Series 2025B Bonds. An owner will recognize gain or loss on the redemption, sale, exchange or other disposition of a Series 2025B Bond equal to the difference between the redemption or sale price (exclusive of any amount paid for accrued interest) and the owner's tax basis in the Series 2025B Bonds. Generally, a U.S. Holder's tax basis in the Series 2025B Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Series 2025B Bonds has been held for more than one year.

Defeasance of the Series 2025B Bonds. Defeasance of any Series 2025B Bonds may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences. Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the Series 2025B Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes. Certain individuals, estates or trusts may be subject to a 3.8% surtax on all or a portion of the taxable interest that is paid on the Series 2025B Bonds. PROSPECTIVE PURCHASERS OF THE SERIES 2025B BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS.

Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a Series 2025B Bond, will not be subject to U.S. federal income or withholding tax in respect of such Series 2025B Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a Series 2025B Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

LEGAL INVESTMENTS IN TEXAS

The Bonds are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries and trustees, and for the sinking funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State. The Bonds are eligible to secure deposits of public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value, when accompanied by any unmatured interest coupons appurtenant thereto. The Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) provides that a city, county, or school district may invest in the Bonds provided that the Bonds have received a rating of not less than “A” or its equivalent from a nationally recognized investment rating firm.

No investigation has been made of other laws, regulations, or investment criteria which might limit the ability of such institutions or entities to invest in the Bonds, or which might limit the suitability of the Bonds to secure the funds of such entities. No review by the Board has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2), and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The Board assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind regarding the availability of any exemption from securities registration provisions.

It is the obligation of the Underwriters to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires. The Board has agreed to cooperate, at the Underwriters’ written request and sole expense, in registering or qualifying the Bonds or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the Board shall not be required to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction.

RATINGS

Moody’s Investors Service, Inc. (“Moody’s”), Fitch Ratings, Inc. (“Fitch”), and Kroll Bond Rating Agency, LLC (“KBRA”) have assigned ratings of “Aa1”, “AA+”, and “AA+” respectively, to the Bonds. The Board has certain outstanding obligations rated by S&P Global Ratings (“S&P”) but determined not to obtain a rating from S&P in connection with the sale and issuance of the Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. An explanation of the significance of each such rating may be obtained from the company furnishing the rating. The ratings reflect only the views of such organizations at the time such ratings are given, and the Board makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if circumstances so warrant. Any such downward revision or withdrawal of any or all ratings may have an adverse effect on the market price of the Bonds.

Periodically, rating agencies will evaluate and, on occasion as a result of these evaluations revise, their rating methodologies and criteria for municipal issuers such as the Board. A revision in a rating agency’s rating methodology could result in a positive or negative change in a rating assigned by that agency, even if the rated entity has experienced no material change in financial condition or operation. Any of the rating agencies at any time while the Bonds remain outstanding could undertake such an evaluation process.

FINANCIAL ADVISOR

Hilltop Securities Inc. has acted as “Financial Advisor” to the Board in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Public Finance, LLC, certified public accountants, as Verification Agent, will deliver to the Board, on or before the initial delivery date of the Bonds, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Federal Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the Board and its representatives. The Verification Agent has restricted its procedures to recalculating the computations provided by the Board and its representatives and has not evaluated or examined the assumptions or information used in the computations.

UNDERWRITING

Siebert Williams Shank & Co., LLC (“Siebert”), as representative of the Underwriters of the Bonds (the “Underwriters”), has agreed, subject to certain customary conditions to delivery, to purchase the Series 2025A Bonds from the Board at a price equal to \$323,991,199.89, which is equal to the principal amount of the Series 2025A Bonds, plus a net reoffering premium of \$20,875,194.30, and less an Underwriters’ discount of \$1,218,994.41. The Underwriters will be obligated to purchase all the Series 2025A Bonds if any Series 2025A Bonds are purchased. The Series 2025A Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

Siebert, as representative of the Underwriters, has agreed, subject to certain customary conditions to delivery, to purchase the Series 2025B Bonds from the Board at a price equal to \$37,017,581.74, which is equal to the principal amount of the Series 2025B Bonds and less an Underwriters’ discount of \$142,418.26. The Underwriters will be obligated to purchase all the Series 2025B Bonds if any Series 2025B Bonds are purchased. The Series 2025B Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

Jefferies LLC (“Jefferies”) and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, Jefferies and its affiliates may have certain creditor and/or other rights against the University System and its affiliates in connection with such activities. In the course of their various business activities, Jefferies and its affiliates, officers, directors, and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the University System (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the University System. Jefferies and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to the clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Effective August 2, 2024, Texas State Bankshares, Inc., the registered bank holding company for Texas Regional Bank (collectively, “TRB”), completed its acquisition of Dallas-based investment banking group Estrada Hinojosa & Company, Inc. (“Estrada Hinojosa”). Estrada Hinojosa operates under TRB Capital Markets, LLC, a wholly-owned subsidiary of TRB, using the assumed name of “Estrada Hinojosa”.

Truist Securities is the trade name for the corporate and investment banking services of Truist Financial Corporation and its subsidiaries (“Truist”). Securities and strategic advisory services are provided by Truist Securities, Inc., member FINRA and SIPC. Lending, financial risk management, and treasury management and payment services are offered by Truist Bank. Deposit products are offered by Truist Bank, Member FDIC. In its normal course of business Truist Bank may currently, or in the future, provide credit, treasury management, or other commercial banking services to the University System. Truist Securities has entered into an agreement (the “Truist Distribution Agreement”) with Truist Investment Services, Inc. (“TIS”) for the retail distribution of certain municipal securities offerings, including the Bonds. Pursuant to the Truist Distribution Agreement, Truist Securities will share a portion of its underwriting compensation, as applicable, with respect to the Bonds with TIS. TIS is a subsidiary of Truist Financial Corporation.

Certain of Truist’s subsidiaries, including Truist Bank and Truist Commercial Equity, Inc., receive customary fees and expenses in connection with certain services they provide under the Taxable Loan Agreement and Tax-Exempt Loan Agreement, respectively, entered into with the Foundation related to the Athletic Project described herein. See “PLAN OF FINANCE – Athletic Project Acquisition”.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the University System for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the University System.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the Board, that are not purely historical, are forward-looking statements, including statements regarding the Board’s expectations, hopes, intentions, or strategies regarding the future.

Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately, and therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

The financial data and other information contained herein have been obtained from the Board's records, annual financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All the summaries of the statutes, documents, and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Resolution authorizing the issuance of the Bonds approved the form and content of this Official Statement and any addenda, supplement, or amendment thereto, and authorized its further use in the reoffering of the Bonds by the respective Underwriters.

/s/ James Mauldin
Vice Chancellor and Chief Financial Officer
Texas Tech University System

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Schedule I

SCHEDULE OF REFUNDED OBLIGATIONS

Board of Regents of Texas Tech University System Revenue Financing System
Refunding and Improvement Bonds, Sixteenth Series (2015A)

<u>Original Dated Date</u>	<u>Original Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal Amount</u>	<u>Principal Amount Refunded</u>
4/9/2015	2/15/2026	5.000%	\$2,245,000	\$2,245,000
	2/15/2027	2.900%	\$4,825,000	\$4,825,000
	2/15/2028	3.100%	\$4,990,000	\$4,990,000
	2/15/2029	3.250%	\$5,885,000	\$5,885,000
	2/15/2030	3.350%	\$6,335,000	\$6,335,000
	2/15/2031	3.250%	\$5,930,000	\$5,930,000
	2/15/2032	5.000%	\$5,600,000	\$5,600,000
	2/15/2033	5.000%	\$5,885,000	\$5,885,000
	2/15/2034	5.000%	\$6,190,000	\$6,190,000
	2/15/2035	5.000%	\$910,000	\$910,000
	***	***	***	***
	2/15/2040	3.625%	\$4,005,000	\$4,005,000
			<u>\$52,800,000</u>	<u>\$52,800,000</u>

Redemption Date: June 10, 2025, at a price of par plus accrued interest to the redemption date.

Texas Public Finance Authority
Midwestern State University Revenue Financing System
Revenue and Refunding Bonds, Series 2015A

<u>Original Dated Date</u>	<u>Original Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal Amount</u>	<u>Principal Amount Refunded</u>
6/30/2015	12/1/2025	5.000%	\$2,020,000	\$2,020,000
	12/1/2026	5.000%	\$2,165,000	\$2,165,000
	12/1/2027	5.000%	\$2,320,000	\$2,320,000
	12/1/2028	5.000%	\$1,705,000	\$1,705,000
	12/1/2029	5.000%	\$1,835,000	\$1,835,000
	12/1/2030	5.000%	\$1,975,000	\$1,975,000
	12/1/2031	4.000%	\$2,105,000	\$2,105,000
	12/1/2032	5.000%	\$1,815,000	\$1,815,000
	***	***	***	***
	12/1/2034	4.000%	\$3,165,000	\$3,165,000

12/1/2035	4.000%	\$1,755,000	\$1,755,000
***	***	***	***
12/1/2040	4.000%	\$10,690,000	\$10,690,000
***	***	***	***
12/1/2044	4.125%	\$11,285,000	\$11,285,000
		<u>\$42,835,000</u>	<u>\$42,835,000</u>

Redemption Date: June 10, 2025, at a price of par plus accrued interest to the redemption date.

**Board of Regents of Texas Tech University System Revenue Financing System
Commercial Paper Notes, Series A**

<u>Maturity Date</u>	<u>Principal Amount Outstanding as of 3/13/2025</u>	<u>Principal Amount Being Refunded</u>
3/14/2025	\$93,967,000	\$77,162,000

Appendix A

TEXAS TECH UNIVERSITY SYSTEM

GENERAL DESCRIPTION

Background. The establishment of the Texas Tech University System (the “University System”) in 1999 by the 76th Texas Legislature formally brought two then-existing state institutions, the Texas Tech University (the “University”) and the Texas Tech University Health Sciences Center (the “Health Sciences Center”), under the governance, control, jurisdiction and management of the newly formed Board of Regents of Texas Tech University System (the “Board”) and the Texas Tech University System Administration (“System Administration”). From time to time, such other institutions and entities may be assigned by specific legislation to the governance, control, jurisdiction and management of the University System. Accordingly, in the 2007 80th Legislature, Regular Session, H.B. 3564 transferred Angelo State University (“Angelo State”) from the Texas State University System to the University System, in the 2013 83rd Legislature, Regular Session, S.B. 120 created the Texas Tech University Health Sciences Center at El Paso (the “Health Sciences Center at El Paso”) as a stand-alone fourth member institution and in the 2021 87th Legislature, Regular Session, H.B. 1522 transferred Midwestern State University (“Midwestern State”) to the University System. The Health Sciences Center at El Paso had been previously structured as an existing Health Sciences Center regional campus. Currently, the University, the Health Sciences Center, the Health Sciences Center at El Paso, Angelo State, and Midwestern State are the only member institutions of the University System, and the only participants under the Revenue Financing System (the “Participants”). After receiving legislative funding and approval in the 2019 86th Texas Legislature, the University System established a new Texas Tech University veterinary school in Amarillo, and a new dental school at Texas Tech University Health Sciences Center El Paso. The addition of these two schools makes the University System one of only nine in the nation to offer programs for undergraduate, medical, law, nursing, pharmacy, dental, and veterinary education, among other academic areas.

Governance. The Board consists of nine members, each of whom is appointed by the Governor of the State of Texas (the “State”) subject to confirmation by the State Senate. Each regent serves a six-year term, with three new appointments made to the Board every two years. The Board also has one student regent that serves a one-year term. A regent may be reappointed to serve on the Board. The members of the Board elect one of the regents to serve as Chair of the Board and may elect any other officers they deem necessary. The regents serve without pay except for reimbursement for actual expenses incurred in the performance of their duties, subject to the approval of the Chair of the Board. The Board is legally responsible for the establishment and control of policy for the University System.

System Administration. The Texas Education Code requires the Board to establish a central administration office of the University System to provide oversight and coordination of the activities of all parts of the University System. The Board is required to appoint a chief executive officer (the “Chancellor”) who directs the operations of the System Administration and is responsible for carrying out policies determined by the Board. The Chancellor is assisted by the Vice Chancellor and Chief Financial Officer, Vice Chancellor and General Counsel, Vice Chancellor for Institutional Advancement, Vice Chancellor for Governmental Relations, Vice Chancellor for State Relations, Vice Chancellor for Facilities Planning and Construction, Vice Chancellor for Leader and Culture Development, Vice Chancellor for Innovation and Collaboration the President of the University, the President of the Health Sciences Center, the President of the Health Sciences Center at El Paso, the President of Angelo State, and the President of Midwestern State. The University System management includes a Chief Audit Executive who reports directly to the Board.

Institution Administration. The President of the University directs the operations of the University and is assisted by the Senior Vice President and Provost, Senior Vice President for Administration & Finance and Chief Financial Officer, Vice President for Research & Innovation, Director of Intercollegiate Athletics, and Vice President for Advancement. The leadership team also includes a Vice President for Administration, Vice President for Marketing & Communications, Vice President for Enrollment Management, Vice President for Campus Access & Engagement and Vice President for Information Technology.

The President of the Health Sciences Center directs the operations of the Health Sciences Center and is assisted by the Executive Vice President of Finance and Operations and Chief Financial Officer/Chief Operations Officer, Senior Vice President for Research and Innovation, Provost and Chief Academic Officer, Executive Vice President of Rural

and Community Health, Dean of the School of Medicine, Dean of the Graduate School of Biomedical Sciences, Dean of the Jerry H. Hodge School of Pharmacy, Dean of the School of Health Professions, Dean of the School of Nursing, Dean of the Julia Jones Matthews School of Population and Public Health, Vice President and Chief Experience Officer, Vice President for Facilities and Safety Services, Vice President for IT and Chief Information Officer, Chief of Staff, Vice President for External Relations, Vice President for Governmental Relations and Strategic Initiatives, Vice President for Human Resources and Chief Human Resources Officer, Vice President for Institutional Compliance, and Chief Health Officer.

The President of the Health Sciences Center at El Paso directs the operations of the Health Sciences Center at El Paso and is assisted by Vice President for Finance and Administration, Vice President for Research, Vice President for Academic Affairs, Dean of the Paul L. Foster School of Medicine who is currently President for Texas Tech University Health Sciences Center at El Paso, Dean of the Gayle Greve Hunt School of Nursing, Dean of the L. Frederick Francis Graduate School of Biomedical Sciences, Dean of the Hunt School of Dental Medicine, Vice President for Institutional Advancement, Vice President for Clinical Administration, Vice President for Faculty Success, Vice President for Outreach and Community Engagement, Associate Vice President for Information Technology, Vice President for Institutional Compliance, Assistant Vice President for Student Services, and Vice President for Human Resources.

The President of Angelo State directs the operations of Angelo State and is assisted by a Provost and Vice President for Academic Affairs, Vice President for Finance and Administration, Vice President for External Affairs, and Vice President for Student Affairs, and Director of Athletics and Chief of Staff.

The President of Midwestern State directs the operations of Midwestern State and is assisted by a Provost and Vice President for Academic Affairs, a Vice President for Administration and Finance, a Vice President for Enrollment Management and Student Affairs, a Vice President for University Advancement and a Director of Athletics.

A list of the current members of the Board, the principal officers of the System Administration, and the presidents of each institution comprising the University System appears on page v of this Official Statement. Set forth below is biographical information for those officers and presidents:

Dr. Tedd L. Mitchell became Chancellor of the University System on October 25, 2018. Before becoming Chancellor, Mitchell served as president of the Texas Tech University Health Sciences Center (“TTUHSC”) since 2010. Prior to his appointment in 2010, Mitchell served as President and CEO of the Cooper Clinic in Dallas, an internationally recognized center of excellence in preventive medicine. Dr. Mitchell is an Ashbel Smith Distinguished Alumnus of the University of Texas Medical Branch, where he received his medical degree in 1987. He specialized in internal medicine and remained to serve as the Chief Medical Resident for the University of Texas Medical Branch. Dr. Mitchell is certified by the American Board of Internal Medicine and received sub-specialty certification in Sports Medicine. He holds fellowship status with both the American College of Physicians as well as the American College of Sports Medicine. In addition to clinical work, Dr. Mitchell has authored or co-authored dozens of scientific papers, abstracts and book chapters evaluating the effects of physical fitness and lifestyle on health and illness. He has also co-authored three books on the effects of fitness. He continues to serve as the Chairman of the Board of Trustees for the Cooper Institute research center in Dallas. President Mitchell was the health editor and weekly columnist for USA Weekend from 1998 until 2010, during which time he published more than 600 articles. For his writing he received national recognition, including the 2006 Clarion Award as well as the 2008 Walter C. Alvarez Award for Excellence in Medical Communication from the American Medical Writers Association. Dr. Mitchell has been involved in developing public policy regarding health and fitness. He served on the President’s Council for Physical Fitness and Sports from 2002-2009 (appointed by President George W. Bush) and served as a member of the Board of Trustees for the American College of Sports Medicine. President Mitchell served as a Captain in the 4005th U.S Army Hospital, U.S. Army Reserves (Medical Corps) from 1988-1996.

James Mauldin was named the Vice Chancellor and Chief Financial Officer for the University System on November 10, 2022. Prior to joining the University System, Mauldin served as Vice President of Treasury Management for the Dallas Fort Worth International Airport where he was responsible for the defined benefit and defined contribution pension, debt portfolio, grants, banking and investments operations. His team led eight bond issues totaling more than \$5 billion during the COVID-19 pandemic and implemented a commercial paper program for the airport, which ranked as the No. 2 busiest airport in the world in 2021 with more than 62 million passengers.

He served in a critical leadership role during his four-year tenure at the University of North Texas System as Associate Vice Chancellor for Treasury and later in the interim CFO position. His notable contributions include centralizing key functions for the university system, generating incremental investment returns and implementing a strategic capital planning model. From 2008 to 2015, Mauldin served a pair of municipalities as the Director of Finance/CFO at the City of Cedar Hill – a suburb in Dallas County – and as Treasurer and Assistant Director of Finance for the City of Fort Worth, which is the county seat in Tarrant County.

Mauldin taught in higher education from 2009-2022 as an adjunct finance professor at Dallas Baptist University, his alma mater, where he earned bachelor's and master's degrees in finance. He has made significant contributions to volunteer boards and military organizations as a member of the TexSTAR advisory board, Texas CLASS advisory board, Cedar Hill Economic Development Corporation board and six years of service with the U.S. Navy Reserves (logistics). Mauldin is a certified public accountant (CPA) by the Texas Board of Public Accountancy and is a certified treasury professional by the Association for Financial Professionals.

Dr. Lawrence Schovanec was named President of the University in 2016, where he has overseen unprecedented enrollment growth, record investments in research and fundraising, opened a new branch campus on San Jose, Costa Rica and the University's designation as both a Carnegie Very High Research Activity Institution and Hispanic Serving Institution. President Schovanec joined the faculty at the University in 1982 as an assistant professor of mathematics. He has also served as Chair of the Department of Mathematics & Statistics, Dean of the College of Arts & Sciences, and Provost. Under Dr. Schovanec's leadership, the University has received more than \$1 billion in philanthropic gifts and has completed the construction of new facilities that represent an investment of more than \$900 million. Dr. Schovanec is a member of the board of Directors of NAFSA and the U.S. Regional Vice President for the Inter-American Organization of Higher education, and has served as Chair of the Texas International Education Consortium. He received a doctorate from Indiana University, a master's degree from Texas A&M University, and a Bachelor of Science from Phillips University.

Dr. Lori Rice-Spearman is the ninth President of the Health Sciences Center and the first female president in the University System. She joined TTUHSC in 1987 and has held multiple leadership positions during her tenure with the university. Most recently, Dr. Rice-Spearman served as Provost and Chief Academic Officer, appointed in October 2019; the following month, she agreed to serve concurrently as interim President. From 2016 to 2019, Dr. Rice-Spearman was Dean of the School of Health Professions and served concurrently as the university's Associate Provost, beginning in 2018. Dr. Rice-Spearman also served the school as Associate Dean for Learning Outcomes and Assessments and Chair of the Department of Laboratory Sciences and Primary Care. Dr. Rice-Spearman has numerous publications in peer-reviewed journals and is recognized nationally as an innovator in health professions education. She has served as an accreditation reviewer and site visitor for the National Accrediting Agency for Clinical Laboratory Sciences and the Commission on Accreditation for Physical Therapy Education. She is an alumna of the School of Health Professions' first class in the Clinical Laboratory Sciences program and earned her master's and Ph.D. from Texas Tech University.

Dr. Richard A. Lange became the first President of the Health Sciences Center at El Paso in 2014. Dr. Lange obtained his B.S. in biochemistry from the University of North Texas in 1978, and his M.D. from The University of Texas Southwestern Medical School in Dallas ("UT Southwestern") in 1982. After completing his internship and residency training at Johns Hopkins Hospital in 1985, he returned to UT Southwestern for fellowship training in cardiology. He subsequently joined their faculty, where he became director of the Cardiac Catheterization Laboratory. At UT Southwestern, he served for many years as the Fellowship Program director, held the Johnson-Rogers Chair in Cardiology and was Director of the Bernard and Audre Rapoport Center for Cardiovascular Research. In January 2004, he returned to the Johns Hopkins Hospital to serve as Chief of Clinical Cardiology and the E. Cowles Andrus Professor and obtained his M.B.A. in 2008. Dr. Lange then served as Vice Chairman of Medicine and Director of Educational Programs at the University of Texas Health Sciences Center (UTHSC) at San Antonio until joining the Health Sciences Center at El Paso. Lange is a practicing general cardiologist who currently serves as Dean of the Paul L. Foster School of Medicine and president of the Texas Tech University Health Sciences Center El Paso. Additionally, he has served as Chair of the FDA panel of Circulatory Device Panel, on the Editorial Board and/or as associate editor of numerous medical journals, weekly medical podcast journalist and co-author of more than 400 scientific articles, book chapters, web-based chapters and books (the latest published in 2023 and 2024).

Lt. Gen. Ronnie D. Hawkins Jr. was appointed President of Angelo State on August 17, 2020. He is the sixth president of Angelo State University and the 11th president of the institution since it began as San Angelo Junior College in 1928. He is also the second Angelo State University alumnus to serve as President, and the first Black President in the history of the institution. A retired Air Force Lieutenant General, Hawkins is an internationally respected subject-matter expert in leadership, strategic planning, cybersecurity, military matters and Christian discipleship development. He has over four decades of business, military, academic and spiritual development experience. During his 37-year Air Force career, Hawkins served as the Director of Coalition Forces for the Multi-National Forces in Iraq, as well as Director of Coalition Forces for Operation Southern Watch in Saudi Arabia. He commanded at all levels of military command, including Cadet Squadron 24 at the U.S. Air Force Academy and as Commander of the Air Force ROTC Corps, Junior ROTC Corps and Officer Training School, which at the time had a combined enrollment of over 20,000 students and officer candidates. His many professional and military honors include the Secretary of the Air Force Leadership Award, Defense Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit and Bronze Star. Following his Air Force retirement, Hawkins returned to San Angelo and immediately became involved in the community. A 1977 Angelo State University distinguished graduate, Hawkins earned a Bachelor of Business Administration degree in computer science. He later graduated cum laude from Liberty Theological Seminary with a Master of Divinity degree and earned a Master of Science in management and human relations from Abilene Christian University, and a Master of Science in national resource strategy from the National Defense University. He attended Harvard University's John F. Kennedy School Program for Senior Managers in Government and has attended senior executive programs at the Air University at Maxwell AFB. Hawkins was recently appointed to the Armed Forces Communications & Electronics Association's Executive Committee. He is the director of Ezra Ministries, which conducts short-term mission trips to Haiti, and serves as pastor of San Angelo's Christian Fellowship Baptist Church. He also started the Hawkins Group, a digital, information technology and cybersecurity firm, and teaches leadership courses at Angelo State. Hawkins was recently recognized with the 21st Distinguished Citizen Award by the Texas Southwest Council of the Boy Scouts of America, and he is the first Concho Valley recipient of the National Outstanding Eagle Scout Award. He and his wife, Maria, were named 2018 Citizens of the Year by the San Angelo Chamber of Commerce.

Dr. Stacia L. Haynie was appointed the 13th President of Midwestern State on June 20, 2023. Haynie earned a pair of degrees from Midwestern State with a bachelor's degree in theater –graduating summa cum laude – in 1981 and a master's degree in political science in 1986. She received her doctorate in political science in 1990 from the University of North Texas (UNT). She was named Outstanding Education Student at Midwestern State in 1981, and she was named a Distinguished Alumna by the Midwestern State Department of Political Science in 1999 and earned the same recognition from the Midwestern State Fain College of Fine Arts in 2011. Haynie currently serves on the Sheppard Military Affairs Committee and the Wichita Falls Chamber of Commerce Executive Board. Haynie studies judicial politics with an emphasis on comparative appellate court decisions-making of the high courts of Australia, Canada, Great Britain, India, the Philippines and South Africa from 1970-2000 analyzing who wins and why. Throughout her career, Haynie has been devoted to providing students with the best possible educational opportunities and supporting them throughout their education to graduation. She credits MSU Texas for providing the academic foundation she needed to pursue her goals. A highly respected and collaborative leader in higher education for the past four decades, Haynie returned home to her alma mater following a 33-year tenure at LSU, where she was instrumental in countless academic endeavors and achievements that led to national recognition and excellence in research, graduate education, cross-campus collaborations, community engagement and university accreditation, to name a few. Haynie's extensive background and leadership service includes recently serving as Executive Vice President and Provost and Chief Academic Officer; Dean of the College of Humanities and Social Sciences; Vice Provost for Academics and Planning; Associate and Interim Dean of the Graduate School and Department Chair, all while serving as a professor teaching judicial politics, constitutional law, comparative judicial behavior and American politics as the J.W. Annison Jr. Family Alumni Professor. Dr. Haynie has two published books on judicial politics, with her most recent title "Does Privilege Prevail: Litigation in Higher Courts Across the Globe" released in April 2024.

Member Institutions. Set forth below is a summary description of the University System's member institutions, comprised of three general academic institutions and two health related institutions.

Texas Tech University is a comprehensive public university created by the State Legislature in 1923 and is now home to more than 41,000 students. From its beginning as a regional technological and liberal arts college, the University has grown into the colleges of: Huckabee College of Architecture, College of Arts & Sciences, Davis College of Agricultural Sciences & Natural Resources, College of Education, College of Health and Human Sciences, College

of Media and Communication, Rawls College of Business, Talkington College of Visual & Performing Arts, School of Law and Whitacre College of Engineering, as well as the Honors College and the Graduate School. The new Texas Tech University School of Veterinary Medicine, the first new school of veterinary medicine in the State in more than 100 years, is in Amarillo, Texas.

The University's 1,800-acre main campus in Lubbock showcases Spanish Renaissance architecture and is home to one of the country's largest public art collections. The University's 13 colleges and schools offer over 150 undergraduate, 100 graduate, and 50 doctoral degree programs. University students are involved in over 550 student organizations and clubs, participate in robust study abroad and international programs and are deeply engaged in service to our communities. Athletics also plays a central role at Texas Tech, with 17 varsity teams competing in the Big XII Conference.

The University is accredited by its regional accrediting body, the Southern Association of Colleges and Schools Commission on Colleges ("SACSCOC"), and colleges and departments of the University are accredited by their respective professional associations. Texas Tech University is one of only 21 schools in the country classified as a Carnegie "Very High Research Activity" institution and a Hispanic Serving Institution. The University is home to the Center for Advancing Sustainable and Distributed Fertilizer Production ("CASFER"), a \$51 million U.S. National Science Foundation Engineering Research Center award. CASFER aims to enable resilient and sustainable food production by developing next-generation, modular, distributed, and efficient technology for capturing, recycling and producing nitrogen-based fertilizers.

The University's main library was completed in 1962 and contains over three million bibliographic items. It is one of the two Regional Depositories for U.S. Government Documents in the State. It includes the Southwest Collection/Special Collections Library and the Architecture Library. Other notable facilities include the Museum of Texas Tech University, including the planetarium, the National Ranching Heritage Center; the International Cultural Center, the Fiber and Biopolymer Research Institutes; and the National Wind Institute and its Scaled Wind Farm Technology Institute. The wind research facilities include three active wind turbines provided by Sandia National Laboratories and Vestas, allowing investigation of turbine-to-turbine interactions and innovative rotor technologies, as well as aero-acoustics and structural health of turbines.

The Gordon W. Davis College of Agricultural Sciences and Natural Resources prepares students for a wide range of careers in the fields of Agricultural Sciences, Plant and Soil Sciences and Animal and Food Sciences as well as preparing students for national, individual, and team competitions, internship programs and professional degrees.

The College of Arts and Sciences is dedicated to building innovators, regardless of their chosen field of study. From anthropology to zoology, students in the University's largest college are challenged by world-class faculty across 90 undergraduate majors to expand their knowledge, think critically and impact the world around them.

The Jerry S. Rawls College of Business Administration provides a well-rounded, general business education as well as a program of specialized technologically oriented study. Interdisciplinary degree programs include M.D./M.B.A., B.B.A./Master of Architecture with a joint program in Agribusiness.

The Huckabee College of Architecture has several degrees in its pre-professional and professional programs. The college offers a four-year Bachelor of Science in Architecture (B.S) degree and a two-year Master of Architecture (M.Arch) degree, which the National Architectural Accrediting Board accredits. The college also offers an undergraduate dual degree in General Business and Civil Engineering and a dual Master of Architecture (M.Arch.)/Master of Business Administration (M.B.A.) degree. Post-professional research degrees include a Master of Science in Architecture (M.S.) and a Doctor of Philosophy (Ph.D) degree in Land Use, Management, Planning, and Design.

The College of Education is committed to the preparation and certification of qualified future counselors, administrators, and teachers. Programs expose students to new technologies through extensive laboratory and field experiences including a full year of student teaching, courses taught in local elementary and secondary schools, and contact with faculty, all of whom are experienced classroom teachers.

The Edward E. Whitacre Jr. College of Engineering trains students to enter professional life across seven departments and multiple disciplines while offering world-class research opportunities, including a National Science Foundation Engineering Research Center and dual degree programs to stay in line with the modern workforce.

The Honors College provides exceptionally motivated and academically gifted students a place where they can expect to be challenged through an integrated curriculum uniquely designed to complement almost every chosen academic major and career path.

The College of Human Sciences offers diverse programs that focus on addressing economic, technical, social and environmental issues. The college is home to the nationally recognized Center for the Study of Addiction and Recovery and its ground-breaking work in obesity research.

The College of Media and Communications provides students with a broad education and experience that integrates today's media convergence and the future's media development in seven areas of mass communications. Students may study advertising, communication studies, creative media industries, digital media and professional communication, journalism, media strategies or public relations, and strategic communication management.

The J.T. & Margaret Talkington College of Visual and Performing Arts offers diverse programs in art, music, theatre, and dance. The college seeks to prepare students who will be leaders in the professions by employing the highest standards in performance, teaching, research, and artistic and creative vision.

The Graduate School offers various options for students to expand their educational credentials with more than 100 master's programs and 55 doctoral programs and scholarships and fellowships specifically to support graduate students' dreams.

The School of Law offers courses of study in law and is nationally recognized as the preeminent school for legal competition in the U.S. The Law School also distinguishes itself by offering free or low-cost legal aid services to citizens of Lubbock and surrounding areas through the school's eight clinical programs.

The School of Veterinary Medicine supports the veterinary educational and service needs of rural and regional areas by providing affordable, world-class education delivered through an integrated core-elective curriculum on campus and through community-based partners.

Texas Tech University Health Sciences Center. In 1969, the 61st Texas Legislature authorized the creation of the Texas Tech University School of Medicine as a separate educational multi-campus institution. In 1979, the State Legislature expanded the charter to become the Texas Tech University Health Sciences Center. The institution has grown into a comprehensive multi-campus institution with Lubbock as the administrative center and campuses in Abilene, Amarillo, Dallas, Midland and Odessa. The Health Sciences Center is composed of a total of six schools: health professions, pharmacy, biomedical sciences, nursing, medicine and population/public health with total enrollment exceeding 5,100 students. These schools are committed to regionalized, multi-campus educational experiences, and to the related biomedical research, graduate studies, patient care and community service required of a health sciences center. A primary effort is made to recruit a balanced group of students, including those who are underserved, diverse in age and with heterogeneous backgrounds in educational and life experiences.

From its inception, the Health Sciences Center has been charged with addressing the health care needs of West Texas, with a special emphasis on rural health care delivery. This geographic service area is predominantly rural with urban population centers interspersed and comprises just over half of the landmass of the State and 35% of the population.

The Health Sciences Center facilities in Lubbock and Amarillo include academic, clinical, and research facilities. Permian Basin facilities are academic and clinical both in Odessa and Midland; Abilene facilities include academic and research facilities; and the institution also has an academic facility in Dallas.

The Libraries of the Health Sciences Center use a state-of-the art network to link the main campus Preston Smith Library in Lubbock with all regional campuses, providing access at all sites to the resources anywhere in the library system. Students, faculty, and researchers have access to nearly 43,000 bound volumes, 328,000 electronic books, 541 electronic databases, and more than 35,000 electronic journals.

The School of Medicine was the first school at the Health Sciences Center. It has a traditional four-year medical school curriculum and an innovative three-year Family Medicine Accelerated Track program for individuals committing to go into a family medicine residency program. As of December 2024, 53% of graduates elected primary care specialties. Both programs culminate in the medical doctor degree and are fully accredited. All medical students complete their first two years of medical school in Lubbock. Students are assigned to one of the four campuses to complete their clerkship training (years three and four) either in Amarillo, the new Covenant Branch Campus (started in 2016 in Lubbock), the Lubbock main campus, or the Permian Basin. The School of Medicine has many joint degree program offerings including the M.D./M.B.A., J.D./M.D., M.D./Ph.D., M.D./M.S., and the M.D./M.P.H. A total of 46 accredited graduate medical education residency and fellowship programs are offered in Lubbock and the regional campuses, with 542 residency slots. On the three campuses, under the banner of Texas Tech Physicians, the School of Medicine operates 27 clinical departments providing medical services to people throughout the West Texas, Panhandle, High Plains, and Permian Basin regions. Texas Tech Physicians provided 590,000 clinical visits and served over 210,000 patients last year. The school also served 42,000 inpatients at the affiliated hospitals and provided \$30 million in uncompensated care.

The School of Nursing offers courses leading to a Bachelor's in Nursing in three different tracks. Traditional BSN with campus sites in Lubbock, Abilene, and Odessa. In 1999, the School of Nursing initiated a web-based RN to BSN option for registered nurses pursuing a baccalaureate degree while working full-time. The program is offered nationally. Another option for individuals with a degree in another discipline or veteran military experience in the health field who wish to pursue nursing careers is the web-enhanced, accelerated BSN program. This is offered in Amarillo, Abilene, Lubbock, Dallas, Odessa, Austin, Mansfield and San Antonio. The School of Nursing also offers Master of Science degrees in the areas of Leadership (Administration, Education and Nursing Informatics Tracks) and Advanced Practice (Family Nurse Practitioner, Adult Gerontology Acute Care Nurse Practitioner, Pediatric Nurse Practitioner, Acute Care Pediatric Nurse Practitioner, Nurse Midwifery and Psychiatric Mental Health Nurse Practitioner). The school launched the Doctorate in Nursing Practice program in 2008.

The School of Health Professions has grown steadily since its first class of eighteen students in 1983. With campuses in Amarillo, Lubbock, Midland and Odessa, the School of Health Professions has 21 different graduate and undergraduate programs. To increase educational access to health professionals who are serving communities throughout rural West Texas and the State, some programs rely extensively on non-traditional formats or distance education technologies. Academic degree programs are focused in five areas: Laboratory Science and Primary Care; Rehabilitation Sciences; Speech, Language and Hearing Sciences; Healthcare Management and Leadership; and Clinical Counseling and Mental Health.

The Jerry H. Hodge School of Pharmacy provides training leading to the Doctor of Pharmacy (Pharm.D.) degree as well as advanced postgraduate residency education. Programs are offered across four campuses in the State, including Amarillo, Abilene, Dallas, and Lubbock. The Pharm.D. curriculum consists of a series of didactic classroom, clinical correlations, laboratory, and experiential courses which are completed over four years. In the last two years of the program, students complete a series of 12 experiential rotations at community and clinical pharmacy sites in and around their campus. Students also receive didactic and clinical training in immunization leading to certification in that area.

The Graduate School of Biomedical Sciences awarded its first M.S. degree in 1975 and its first doctoral degree in 1978 when the initial program was part of the School of Medicine. With approval for an independent school in 1994, the Graduate School of Biomedical Sciences has grown to include four graduate programs: Biomedical Sciences (M.S., Ph.D.); Pharmaceutical Sciences (M.S., Ph.D.); Biotechnology (M.S.); and Graduate Medical Education Sciences (M.S.). Degree options such as M.S., Ph.D., and several dual degrees (such as the M.D./Ph.D.) are available with research opportunities in Lubbock, Amarillo, and Abilene.

The Julia Jones Matthews School of Population and Public Health (SPPH) is training the next generation of public health professionals to approach complex issues from a population perspective, using evidence-based solutions to improve health outcomes for communities and individuals. Masters level degrees are offered with over 25 different courses and provides general training in five core disciplines in public health: biostatistics, environmental health, epidemiology, health policy management and social and behavioral sciences. In addition, SPPH have partnered with other programs to provide joint degree opportunities including M.D./MPH, MPA/MPH and Pharm.D./MPH. The main campus resides in Abilene, Texas with classes held in Lubbock, Texas and online.

The Health Sciences Center is home to 6 institutes that support the mission of the university and provide additional learning and research opportunities.

Kenneth H. Cooper Institute at Texas Tech Health Sciences Center
F. Marie Hall Institute for Rural and Community Health
Laura W. Bush Institute for Women's Health
The Institute of Telehealth and Digital Innovation
Garrison Institute on Aging
Clinical Research Institute
Institute on Anatomical Sciences

The Texas Tech University Health Sciences Center at El Paso (“TTUHSC El Paso”) was established as the fourth member institution of the University System pursuant to legislation signed by Governor Rick Perry on May 18, 2013. From its establishment in 1973 until its designation as a separate member institution in 2013, TTUHSC El Paso operated as a regional campus under the Health Sciences Center. Since 1973, the TTUHSC El Paso campus has grown significantly to serve the El Paso community through education, research, and patient care. Programs include the Paul L. Foster School of Medicine, Gayle Greve Hunt School of Nursing, and L. Frederick Francis Graduate School of Biomedical Sciences where students receive a comprehensive, practical education preparing them for the health care field. In April 2018, the addition of the Woody L. Hunt School of Dental Medicine to the Health Sciences Center at El Paso was acknowledged by the Texas Higher Education Coordinating Board. El Paso, the sixth most populous city in the State and twenty-second in the U.S., is a medical hub of West Texas and Southern New Mexico. The region has been federally designated as a medically underserved area. TTUHSC El Paso is the only health-related educational institution on the U.S.-Mexico border.

The TTUHSC El Paso Libraries (the “Libraries”) support the schools of medicine, dental medicine, nursing, as well as the Francis Graduate School of Biomedical Sciences. The Libraries exist to meet the curricular, research and patient care information needs of the students, residents, faculty and staff of the Health Sciences Center at El Paso, as well as the information needs of the larger biomedical and health care community greater El Paso service area and the citizenry of the State.

The Paul L. Foster School of Medicine (the “PLFSOM”) is a leader in educational innovation. Starting in years one and two, the school’s curriculum is highly focused on clinical studies. This structure provides the clinical context and motivation for learning, as well as a natural framework for highly coordinated and synergistic instruction in medical skills, the various domains of public health, introductory diagnostic reasoning, and ethics and professionalism. In addition, as part of its curriculum, the PLFSOM requires all students to learn medical Spanish language skills; the PLFSOM is the only medical school in the U.S. with this requirement.

In year three, students participate in required clinical clerkships paired in three blocks: internal medicine and psychiatry; obstetrics, gynecology, and pediatrics; and surgery and family medicine. This organization facilitates integrated and transdisciplinary learning experiences. The fourth and final year of the medical school curriculum includes five required month-long experiences: a sub-internship, critical care medicine, emergency medicine, neurology, and a “boot camp” designed to optimize students’ transition into residency. Furthermore, fourth year students complete at least 16 weeks of electives, selecting from a large and diverse array of two and four-week offerings.

In addition to the formal curricular elements described above, all PLFSOM students must design, implement, and publicly present the outcomes of a faculty-mentored independent scholarly project. This graduation requirement is supported by the school’s Scholarly Activity and Research Program.

The Gayle Greve Hunt School of Nursing (the “GGHSON”) offers unique opportunities for students to receive the latest state-of-the-art nursing education. The Accelerated Bachelor of Science in Nursing can be completed in four consecutive semesters/16 months or 65 semester credit hours. Courses are taught in a classroom setting and online. Another option is the R.N. to B.S.N. program, a convenient, 30-hour program conducted entirely through web-based instruction that is designed to accommodate the working registered nurse’s schedule.

Since 2018, the GGHSO has offered a Master of Science in Nursing (M.S.N.) degree in order to advance the expertise of health care leaders in the region. This advanced degree program provides unique opportunities for working nurses to develop their clinical leadership skills for roles such as health care advisor, charge nurse, manager, administrator, and chief nursing officer. The M.S.N. program graduated its inaugural class in May 2020.

The L. Frederick Francis Graduate School of Biomedical Sciences provides opportunities for students to develop their interests, gain experience, and build a knowledge base to pursue successful careers in biomedical research and education. In January 2016, the Texas Higher Education Coordinating Board approved the addition of the Master of Science (M.S.) in Biomedical Sciences to the Health Sciences Center at El Paso's degree program inventory.

Woody L. Hunt School of Dental Medicine (the "WLHSDM") offers a unique education for students through culturally competent, hands-on training and an introduction to early clinical experiences among a diverse population.

The Doctor of Dental Medicine (D.M.D.) degree program is the initial degree program at the school of dental medicine and is designed to prepare students at the doctoral level to practice general dentistry. The D.M.D. program is consistent with requirements set forth by the Texas Education Code, Texas Administrative Code, SACSCOC and the Commission on Dental Accreditation. The WLHSDM welcomed its inaugural class in the summer of 2021.

Angelo State University ("Angelo State") is a public, coeducational university located in San Angelo, Texas. Angelo State was created as Angelo State College in 1965 by an act of the 58th Session of the Texas Legislature in 1963. In May of 1967, the first baccalaureate degrees were awarded. The name of the institution was changed to Angelo State University in May of 1969. Angelo State was designated as a member of the Texas State University System in 1975, along with Sam Houston State University, Southwest Texas State University, and Sul Ross State University, when the 64th Legislature changed the name of the governing board to the Board of Regents, Texas State University System.

In March of 2007, H. B. 3564 was introduced in the Legislature to align Angelo State with the University System. The bill was approved by the full House on April 24, 2007, and by the Senate in a unanimous vote on May 15, 2007. On May 23, 2007, Governor Rick Perry signed the bill. A technical correction to the Texas Constitution to provide for the continuation of Angelo State appropriations upon a change of governance went before voters on November 6, 2007. It was approved, and the Texas Constitution was amended. Effective September 1, 2007, the governance, control, management, and property of Angelo State were transferred from the Board of Regents of the Texas State University System to the Board of Regents of the University System.

Angelo State offers 50 bachelor's, 28 master's, and 4 doctoral degrees. The campus houses six academic colleges: Arts and Humanities; Business; Education; Health and Human Services; Science and Engineering; Graduate Studies including Research. Angelo State has been recognized by Princeton Review for the 14th consecutive year and is one of the top six public universities in the State and among the best 388 nationally for 2023. The 268-acre residential campus accommodates an enrollment of 10,599 and is one of the safest and most technologically sophisticated in Texas. The university offers nationally recognized programs in agriculture, educator preparation, nursing, computer science, field biology and physics. In addition to strong academic programs, Angelo State is known for its Academic Scholarship Program, which is funded by an approximate \$152 million Carr Foundation endowment, one of the largest such scholarship endowments at a regional university in the nation. Scholarships funded by the Carr Foundation benefit one of every two current Angelo State University students. Since the Carr program was first initiated in 1981, Angelo State has awarded more than \$149 million in scholarships to students. For the seventh straight year, Angelo State has been named a national "College of Distinction" by the Colleges of Distinction print and online college guide that recognizes colleges and universities implementing best practices in higher education.

Midwestern State University ("Midwestern State") is a public co-educational institution. It was established in 1922 as Wichita Falls Junior College, the first municipal junior college in Texas. In 1937, in honor of a gift to the institution by Mr. and Mrs. John G. Hardin, Wichita Falls Junior College was renamed Hardin Junior College. When the senior college division was established in 1946, the name of the institution became Hardin College. In January 1950, the name was changed to Midwestern University. On September 1, 1961, Midwestern University became a part of the Texas colleges and universities system and the junior college division was dissolved. The institution became Midwestern State University in 1975.

Over its first century, Midwestern State has grown into a comprehensive regional university with 5,800 students at its main Wichita Falls, Texas campus and a distance learning support center in Flower Mound, Texas. Midwestern State became the fifth member of the University System in September 2021, a testament to the growth and exceptional reputation of the university throughout the State. The campus houses six academic colleges and a graduate school: Dillard College of Business Administration, Lamar D. Fain College of Fine Arts, Robert D. & Carol Gunn College of Health Sciences & Human Services, McCoy College of Mathematics, Science & Engineering, Prothro-Yeager College of Humanities & Social Sciences, Gordon T. & Ellen West College of Education, and Dr. Billie Doris McAda Graduate School. Each of the six colleges house programs that are independently accredited by both national and regional accrediting bodies.

Midwestern State offers 49 undergraduate and 27 graduate programs, including its first doctoral program in education in 2021. With a student-to-faculty ratio of 16:1, smaller class sizes allow faculty to provide students individual attention and make meaningful connections to promote high quality education and student success. Midwestern State students represent 44 states and 55 foreign countries. The university provides extensive learning resources and a dedicated teaching faculty of active scholars and experienced professional teachers.

Midwestern State is the only university in Texas to become a member of the Council of Public Liberal Arts Colleges and, in 2009, was designated in State statute by the Texas Legislature as a public liberal arts university. The university boasts small class sizes and a thriving undergraduate research program and offers study abroad programs in Spain, England, France, Germany, and Grenada West Indies.

In addition to the quality education students receive at Midwestern State, they also have opportunities to engage in the campus and local communities through 100 student organizations and 13 NCAA Division II sports offered to enrich the university experience. In 2022, Midwestern State commemorated 100 years since its inception. With the theme “Spirit Always Bold,” the centennial year honored the university’s rich history, celebrated its vibrant present, and envisioned an exciting future for Midwestern State.

Accreditation. The institutions, agencies, and services comprising the University System are members of the following professional associations and accredited by those which apply accreditation standards: Commission on Colleges of the Southern Association of Colleges and Schools; National Commission on Accrediting; Association of Texas Colleges and Universities; American Council on Education; Association of American Colleges; American Association of State Colleges and Universities, Council on Higher Education; Association of Urban Universities; National Association of State Universities and Land-Grant Colleges; and Liaison Committee on Medical Education.

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Enrollment. Set forth below is the fall semester headcount and full-time equivalent at the University System for each of the last five fall semesters:

Headcount Enrollment Information

	Fall 2024	Fall 2023	Fall 2022	Fall 2021	Fall 2020
<u>Undergraduate:</u>					
Texas Tech University	32,580	32,635	32,729	33,256	33,269
Health Sciences Center	1,482	1,374	1,448	1,468	1,393
Health Sciences Center at El Paso	242	235	258	267	288
Angelo State University	9,779	9,623	9,144	9,213	9,190
Midwestern State University	4,303	4,508	4,818	5,041	N/A
Undergraduate Total	48,386	48,375	48,397	49,245	44,140
<u>Graduate & Professional:</u>					
Texas Tech University	8,177	8,138	7,799	7,410	7,053
Health Sciences Center	3,632	3,516	3,688	3,910	3,892
Health Sciences Center at El Paso	755	687	597	518	487
Angelo State University	1,763	1,627	1,456	1,613	1,585
Midwestern State University	1,021	1,065	966	756	N/A
Graduate Total	15,348	15,033	14,506	14,207	13,017
Total	63,734	63,408	62,903	63,452	57,157

Full-Time Equivalent Enrollment Information

	Fall 2024	Fall 2023	Fall 2022	Fall 2021	Fall 2020
<u>Undergraduate:</u>					
Texas Tech University	31,410	30,811	30,645	30,754	30,729
Health Sciences Center	1,415	1,319	1,330	1,393	1,327
Health Sciences Center at El Paso	234	223	243	243	263
Angelo State University	7,255	6,943	6,679	6,862	6,990
Midwestern State University	3,679	3,619	3,827	4,093	N/A
Undergraduate Total	43,993	42,915	42,724	43,345	39,309
<u>Graduate & Professional:</u>					
Texas Tech University	6,773	6,340	6,013	5,550	5,259
Health Sciences Center	3,173	3,029	3,161	3,330	3,364
Health Sciences Center at El Paso	750	682	595	516	486
Angelo State University	1,360	1,321	1,160	1,313	1,283
Midwestern State University	685	701	612	452	N/A
Graduate Total	12,741	12,073	11,541	11,161	10,392
Total	56,734	54,987	54,265	54,506	49,701

Note: Enrollment numbers for Midwestern State are reflected after its membership into the University System on September 1, 2021.

Admissions and Matriculation

Set forth below is the information relating to admissions and matriculation for the University System in total for each of the last five fall semesters. Admission and matriculation numbers for Midwestern State are only included in the 2024, 2023, 2022, and 2021 columns since Midwestern State did not become a member of the University System until September 1, 2021.

Admissions and Matriculation Information

	2024	%	2023	%	2022	%	2021	%	2020	%
<u>Freshman:</u>										
Applications Submitted	60,915	--	56,451	--	55,574	--	57,174	--	47,717	--
Applications Accepted	39,442	65%	34,708	61%	33,931	61%	31,113	54%	25,548	54%
Matriculation	10,975	28%	11,297	33%	10,616	31%	10,611	34%	9,774	38%
Matriculation from outside state	872	8%	762	7%	872	8%	795	7%	539	6%
<u>Transfers:</u>										
Applications Submitted	6,912	--	6,395	--	6,587	--	7,129	--	6,448	--
Applications Accepted	5,535	80%	4,982	78%	4,981	76%	5,606	79%	5,139	80%
Matriculation	3,379	61%	3,201	64%	3,234	65%	3,530	63%	3,301	64%
Matriculation from outside state	411	12%	376	12%	359	11%	391	11%	259	8%
<u>Graduates:</u>										
Applications Submitted	18,993	--	19,911	--	17,546	--	16,790	--	12,814	--
Applications Accepted	8,207	43%	8,324	42%	7,585	43%	6,254	37%	5,447	43%
Matriculation	3,601	44%	3,668	44%	3,517	46%	3,111	50%	2,899	53%
Matriculation from outside state	1,045	29%	1,296	35%	1,198	34%	1,026	33%	721	25%

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FINANCIAL MANAGEMENT

Financial management of the University System is the responsibility of the Vice Chancellor and Chief Financial Officer, who reports to the Chancellor. The Vice Chancellor and Chief Financial Officer is responsible for financial management and operational activities of debt, cash, risk, and investment management of the University System's operating and endowment funds. The Vice President of Fiscal Affairs or equivalent for each respective institution is responsible for budgets, accounting, and financial statements.

Financial Statements. Not later than November 20 of each year, the unaudited primary financial statements of the University System dated as of August 31, prepared from the books of the University System, must be delivered to the Governor, the Comptroller of Public Accounts of the State of Texas (the "Comptroller"), the Legislative Reference Library, the Texas State Library, the Texas Higher Education Coordinating Board, the State Auditor and the Legislative Budget Board. Each year, the State Auditor must certify the financial statements of the State as a whole, inclusive of the University System. *No outside audit in support of this detailed review is currently required or obtained by the Board.*

As an agency of the State, the University System's financial records reflect compliance with applicable State statutes and regulations. The significant accounting policies followed by the University System in maintaining accounts and in the preparation of the primary financial statements are in accordance with the Comptroller's Annual Financial Reporting Requirements. Historically, these requirements followed, as nearly as practicable, the American Institute of Certified Public Accountants ("AICPA") Industry Audit Guide, Audits of Colleges and Universities, 1996 Edition, as amended by AICPA Statement of Position (SOP) 74-8, Financial Accounting and Reporting by Colleges and Universities, and as modified by applicable Financial Accounting Standards Board pronouncements issued through November 30, 1989, and as modified by all applicable Governmental Accounting Standards Board ("GASB") pronouncements cited in Codification Section Co5, "Colleges and Universities." The requirements were also in substantial conformity with the *Financial Accounting and Reporting Manual for Higher Education* published by the National Association of College and University Business Officers ("NACUBO").

The University System's primary financial report covers all financial operations of the University System Administration and all member institutions of the University System. Amounts due between member institutions, amounts held for member institutions by the University System Administration and other duplications in reporting are eliminated in combining the individual financial reports.

Attached to this Official Statement in "Appendix B — TEXAS TECH UNIVERSITY SYSTEM ANNUAL COMBINED FINANCIAL REPORT" are the most recent unaudited primary financial statements of the University System for the University System's Fiscal Year ended August 31, 2024. The University System's unaudited primary financial statements consist of the Combined Statement of Net Position August 31, 2024 and 2023; the Combined Statement of Revenues, Expenses and Changes in Net Position for the Years Ended August 31, 2024 and 2023; and the Combined Statement of Cash Flows for the Years Ended August 31, 2024 and August 31, 2023. See "Appendix B — TEXAS TECH UNIVERSITY SYSTEM ANNUAL COMBINED FINANCIAL REPORT".

The following table reflects the condensed statement of net assets of the University System as of August 31, 2020 through August 31, 2024.

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Condensed Statement of Net Position (unaudited)
as of August 31, 2024
(In Thousands)

Assets and Deferred Outflows:	Restated 2020	Restated 2021	Restated 2022	Restated 2023	2024⁽²⁾
Current Assets	740,275	821,928	929,024	992,299	1,110,291
Capital Assets, Net	1,842,111	1,953,276	2,137,814	2,152,863	2,355,656
Other Assets	2,608,658	3,065,375	3,207,056	3,768,721	4,148,970
Total Assets	\$5,191,043	\$5,840,579	\$6,273,893	\$6,913,883	\$7,614,917
Total Deferred Outflows	\$710,618	\$534,081	\$406,266	\$292,510	\$202,953
Total Assets and Deferred Outflows	\$5,901,661	\$6,374,660	\$6,680,159	\$7,206,393	\$7,817,870
Liabilities and Deferred Inflows:					
Current Liabilities	554,015	619,824	690,551	722,345	966,969
Non-Current Liabilities	2,062,500	2,021,971	2,071,371	2,294,936	2,213,665
Total Liabilities	\$2,616,515	\$2,641,795	\$2,761,922	\$3,017,281	\$3,180,634
Total Deferred Inflows	\$331,763	\$334,248	\$391,309	\$403,633	\$359,586
Total Liabilities and Deferred Inflows	\$2,948,278	\$2,976,043	\$3,153,231	\$3,420,914	\$3,540,220
Net Position:					
Net Investment in Capital Assets	1,129,812	1,149,262	1,195,007	1,299,940	1,363,694
Restricted, Expendable	502,413	715,989	769,217	842,731	980,220
Restricted, Non-Expendable	786,164	828,326	895,202	927,485	1,002,712
Unrestricted	534,994	705,040	667,502	715,323	931,025
Total Net Position	\$2,953,383	\$3,398,617⁽¹⁾	\$3,526,928⁽¹⁾	\$3,785,479	\$4,277,651

Note: Totals may not add due to rounding.

Net position for 2020-2021 does not include Midwestern State.

(1) Fiscal Year 2021 and Fiscal Year 2022 included restatements related to implementation of GASB 87, which resulted in restatements to capital assets and right to use assets. Fiscal Year 2022 restatement also included adjustments to add Midwestern State University beginning balances related to pension and OPEB into the University System consolidated financial records.

(2) The University System's financial statements for fiscal year 2024 do not reflect Texas Tech University's share of the market value of the TUF as of August 31st as a true endowment for reporting purposes. Based on the TUF's market value as of August 31, 2024 of \$4,216,437,242.31, Texas Tech's University's share was \$1,054,109,311. See "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM – Funding for the University System and its Member Institutions - Funding from the Texas University Fund for Texas Tech University".

For more detailed information, see "Appendix B —TEXAS TECH UNIVERSITY SYSTEM ANNUAL COMBINED FINANCIAL REPORT - Combined Statement of Net Position August 31, 2024 and 2023".

The table below presents the Condensed Statement of Revenues, Expenses and Changes in Net Position of the University System for Fiscal Year 2020 through 2024.

**Condensed Statement of Revenues, Expenses, and Changes in Net Position (unaudited)
as of August 31, 2024
(In Thousands)**

	Restated 2020	Restated 2021	Restated 2022	Restated 2023	2024
Operating Revenues	1,332,739	1,348,554	1,585,654	1,652,941	1,710,735
Operating Expenses	<u>2,190,441</u>	<u>2,160,236</u>	<u>2,472,512</u>	<u>2,617,273</u>	<u>2,739,302</u>
Operating Income (Loss)	\$(857,702)	\$(811,682)	\$(886,858)	\$(964,333)	\$(1,028,567)
Non-Operating Revenues (Expenses)	676,123	1,116,084	695,898	1,006,406	1,190,725
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	(181,579)	304,402	(190,960)	42,073	162,158
Other Revenues, Expenses, Gains, Losses and Transfers	<u>143,119</u>	<u>165,391</u>	<u>371,909</u>	<u>200,306</u>	<u>258,725</u>
Changes in Net Position	<u>\$(38,460)</u>	<u>\$469,793</u>	<u>\$180,949</u>	<u>\$242,379</u>	<u>\$420,883</u>
Beginning Net Position (September 1)	2,991,843	2,953,383	3,398,617	3,526,928	3,765,328
Restatement	-	(24,559)	(52,638)	16,171	91,440
Restated Beginning Net Position (September 1)	<u>2,991,843</u>	<u>2,928,824⁽¹⁾</u>	<u>3,345,979⁽¹⁾</u>	<u>3,543,100⁽¹⁾</u>	<u>3,856,768⁽¹⁾</u>
Ending Net Position (August 31)	<u>\$2,953,383</u>	<u>\$3,398,617</u>	<u>\$3,526,928</u>	<u>\$3,785,479</u>	<u>\$4,277,651</u>

Note: Changes in net position for 2020-2021 do not include Midwestern State.

⁽¹⁾ Fiscal Year 2021 and Fiscal Year 2022 included restatements related to implementation of GASB 87, which resulted in restatements to capital assets and right to use assets. Fiscal Year 2022 restatement also included adjustments to add Midwestern State University beginning balances related to Pension and OPEB into the University System consolidated financial records. Fiscal Year 2023 restatements included restatements related to implementation of GASB 94 and GASB 96, which resulted in restatements to right to use lease assets. Fiscal Year 2024 beginning net position was restated to include Midwestern State University Foundation's beginning net position as a new component unit of the University System consolidated financials.

For more detailed information, see "Appendix B — TEXAS TECH UNIVERSITY SYSTEM ANNUAL COMBINED FINANCIAL REPORT - Combined Statement of Revenues, Expenses and Changes in Net Position for the Years Ended August 31, 2024 and 2023".

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SELECTED FINANCIAL INFORMATION

Funding for the University System and its Member Institutions. Funding for the University System is derived from operating and non-operating revenues. The amounts and the sources of such funding vary from year to year and there is no guarantee that the source or amounts of such funding will remain the same in future years. Following are brief discussions of certain major funding sources.

State General Revenue Appropriations. The operations of the member institutions are heavily dependent upon the continued support of the State pursuant to the biennial appropriations process initiated by the Texas Legislature. State appropriations for public higher education institutions are primarily allocated through funding formulas. TTUS member institutions are eligible to receive additional distributions such as the Higher Education Fund for certain capital expenditures and Capital Construction Assistance Projects for certain debt service. Further information on those are detailed below. The most recent legislative session (the 88th) ended on May 29, 2023 during which the State Legislature adopted a budget for the 2024-25 biennium beginning September 1, 2023. The University System can provide no assurances with respect to any future appropriations by the State Legislature, including the upcoming legislative session (the 89th). Future levels of State appropriations are dependent upon the ability and willingness of the State Legislature to make appropriations to the University System taking into consideration the availability of financial resources and other potential uses of such resources.

The University System can provide no assurance with respect to any future appropriations by the State Legislature. Future levels of State appropriations are dependent upon the ability and willingness of the State Legislature to make appropriations to the University System taking into consideration the availability of financial resources and other potential uses of such resources.

Numbers below indicate State Formula Funding (less Board Authorized Tuition) for the University System in the following amounts for Fiscal Years 2021 through 2025:

<u>State Formula Funding (\$000)</u>					
	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Texas Tech University System	\$344,521	\$351,696	\$351,696	\$418,566	\$418,566

Higher Education Fund Appropriations. The Participants each receive a portion of an annual appropriation of funds made by the State Legislature to the Higher Education Fund (“HEF”) pursuant to the provisions of Article VII, Section 17 of the State Constitution. The annual allocation to the University System for Fiscal Years 2021 through 2025 is set forth below:

<u>Higher Education Fund Appropriations (\$000)</u>					
	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Texas Tech University System	\$88,811	\$88,811	\$91,490	\$91,490	\$91,490

Capital Construction Assistance Projects. Historically, the State Legislature has appropriated from general revenues of the State an amount sufficient, during the next biennium, to reimburse institutions of higher education for an amount equal to all or a portion of the debt service on revenue bonds issued to fund certain approved capital construction projects issued pursuant to specific statutory authorizations for individual institutions and projects identified in Chapter 55 of the Texas Education Code. Prior to the enactment of Senate Bill No. 52 (“SB 52”) during the third special session of the 87th Legislature in 2021, revenue bonds issued to fund such authorized capital construction projects were historically known as Tuition Revenue Bonds (“TRBs”).

The reimbursement of the University System for the payment of debt service of bonds issued to finance CCAPs does not constitute a debt of the State, and the State is not obligated to continue making any such appropriations in the future. Furthermore, the State Legislature is prohibited by the State Constitution from making any appropriations for a term longer than two years. Accordingly, the State Legislature’s appropriations for debt service of bonds issued to finance CCAPs may be reduced or discontinued at any time after the current biennium, and the State Legislature is under no legal obligation to continue such appropriations in any future biennium. The University System bears the

risk of the State not appropriating funds to reimburse the University System for its monies used to pay debt service on such revenue bonds, including the Bonds.

Revenue bonds, including the Bonds, issued by the University System for CCAP projects carry no additional pledge or security and constitute Parity Obligations of the University System, which are equally and ratably secured by and payable from a pledge of a lien on Pledged Revenues on parity with all other Parity Obligations of the University System.

The State Legislature has appropriated funds to reimburse the University System in prior years in an amount equal to all or a portion of the debt service on the University System's revenue bonds issued to finance CCAPs. The Board has no assurance that the State Legislature will continue to appropriate to the University System the general revenue funds of the State at the same levels as in previous fiscal years. Future levels of State support are dependent upon the ability and willingness of the State Legislature to make appropriations to the University System taking into consideration the availability of financial resources and other potential uses of such resources.

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Set forth below are the CCAP appropriations for the University System for Fiscal Years 2022 through 2025, as noted in the biennium of the State of Texas Budget:

2022-2025 Capital Construction Assistance Projects and Appropriations

(In Thousands)

	FY 2022	FY 2023	FY 2024	FY 2025
Texas Tech University System	\$39,722	\$34,039	\$60,032	\$60,054

Note: The table above reflects State appropriations for the reimbursement of debt service on revenue bonds issued to fund CCAPs authorized under Chapter 55 of the Texas Education Code, including those revenue bonds historically known as “Tuition Revenue Bonds” or “TRBs.”

Texas University Fund. In the 2023 88th Legislature, Regular Session, the State Legislature passed House Joint Resolution 3 (“HJR 3”), as enabled by H.B. 1595 (“HB 1595”), which proposed an amendment to the Texas Constitution to rename the National Research University Fund (“NRUF”) as the Texas University Fund (“TUF”) and modify its structure to add funding sources to the TUF and offer certain institutions performance-based funding driven by research expenditures. Enactment of this constitutional amendment was approved at an election held on November 7, 2023. Effective January 1, 2024, the TUF is funded with an initial appropriation of \$3 billion from the State’s general revenue fund, plus the current NRUF balance of over \$900 million, along with annual appropriations of up to \$100 million from the Economic Stabilization Fund (subject to increases in future years based on the consumer price index).

Eligible institutions will receive a base funding amount dependent on the institution’s research expenditures, as well as supplemental funding tied to the amount federal and private research expenditures made and number of research doctoral degrees awarded. Initially, the University, Texas State University, the University of Houston and the University of North Texas are eligible to receive distributions from the TUF. Of the distributions to be made from the TUF, (i) 75% will be allocated to the Permanent Endowment for Education, and (ii) 25% will be allocated on the basis of federal and private grant money and the number of research doctorates awarded.

The University’s share of the fiscal year 2024 and 2025 annual distribution of TUF funding was approximately \$44.4 million and \$60.08 million, respectively. The University System’s financial statements for fiscal year 2024 do not reflect the University’s share of the market value of the TUF as of August 31st as a true endowment for reporting purposes. Based on the TUF’s market value as of August 31, 2024 of \$4,216,437,242.31, the University’s share was \$1,054,109,311. Eligible institutions may use distributions from the TUF only for the support and maintenance of educational and general activities that promote increased research capacity at the institution, in a manner that aligns with the goals of the State’s master plan for higher education developed under Section 61.051, Texas Education Code, as amended. Distributions from the TUF do not constitute Pledged Revenues and are not available to pay debt service on the Bonds.

Tuition and Fees. Each component institution that grants degrees charges tuition and fees as set by the State Legislature and the Board under Chapters 54 and 55 of the Texas Education Code. Tuition charges are comprised of “State Mandated Tuition” and “Board Designated Tuition.” Mandatory fees comprise charges of certain activities and services utilized by all students. Each component institution charges various types of fees and in various amounts.

Fixed Rate Tuition. Sections 54.016 and 54.017 of the Texas Education Code authorize the State’s general academic teaching institutions and junior colleges to provide an option for fixed price tuition. The University, Angelo State, and Midwestern State have chosen to offer fixed price tuition plans. This option “freezes” only the designated tuition portion of a student’s cost of attendance for a period of twelve continuous semesters equating to four academic years. Incoming undergraduates, either via transfer from another institution or no prior college attendance, are eligible to choose the fixed rate tuition plan. Dual high school credit is not considered prior college attendance. Students who have previously enrolled at the University, Angelo State, or Midwestern State and are returning from another institution and students classified either as graduate or non-resident distance education are not eligible for the plan. The opt-in period starts at registration for classes and ends on the day before the first day of class. Students can opt-out one-time at any time but will be reverted to original designated tuition rate in the succeeding semester. Students

who elected to not participate will not be able to opt-in at a later date. The fixed tuition rate will be set each academic year for the incoming undergraduate classes.

Any changes in tuition or fees will originate and be recommended by the President of the Participant, reviewed by the Chancellor and approved by the Board. Any changes in tuition will be implemented only after thorough consultation and review. On November 13, 2024, the Texas Governor’s office released a letter stating that the Governor would not support a tuition increase for Fiscal Years 2026 and 2027.

Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, and mandatory fees for resident students by the University, Angelo State and Midwestern State (excludes the Health Sciences Center and the Health Sciences Center at El Paso), for the 2024-25 academic year.

Resident Tuition and Fees
Academic Year 2024-2025

	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition & Fees
Texas Tech University	\$750.00	\$3,195.00	\$750.00	\$1,458.50	\$6,153.50
Angelo State University	\$750.00	\$2,059.50	\$0.00	\$1,912.00	\$4,721.50
Midwestern State University	\$750.00	\$2,188.50	\$0.00	\$2,306.45	\$5,244.95

Note: Excludes the Health Sciences Center and the Health Sciences Center at El Paso. Total tuition and fees include amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% nor more than 20% of each resident student’s tuition charge; from Board Designated Tuition no less than 20% charged to resident undergraduate students in excess of \$46 per semester hour (Section 56.011, Texas Education Code).

The Board may set rates for graduate tuition at different levels for different institutions. State Mandated Tuition for a resident student enrolled in a program leading to an M.D. degree is \$6,550 per academic year. State Mandated Tuition for a nonresident student enrolled in a program leading to an M.D. degree is an amount per year equal to three times the rate that a resident student enrolled in a program leading to an M.D. degree would pay during the corresponding academic year. In addition, various other programs have specific annual rates for resident students and maximum rates that may be charged to nonresident students. For more detailed information regarding tuition and fees charged by the University System member institutions, reference is made to the respective member institutions’ websites.

Investment Programs and Policies. The Board is responsible for investment of University System funds held outside the State Treasury. To facilitate the investment of the University System funds, the Board has created three separate investment pools designated as the Comprehensive Cash & Investment Pool (the “CCIP”), the Mission-Driven Investment Fund (the “MDIF”), and the Long-Term Investment Fund (the “LTIF”), which are governed overall by Regents’ Rules Chapter 09 “Investments and Endowments”, and individually by the Investment Policy Statement of each pool, codified as Board Policy Statements. The CCIP is collaboratively managed between the University System Office of Treasury and the University System Office of Investments under the direction of both the System Treasurer and the Chief Investment Officer with oversight from the Pool Advisory Committee, made up of each institution’s Chief Financial Officer and the University System’s Chief Financial Officer and Treasurer. The LTIF is centrally managed within the University System Office of Investments under the direction of the Chief Investment Officer with oversight from the Investment Resource Council, made up of the University System Chief Financial Officer and Chief Investment Officer, Finance and Investments Committee of the Board and each institution’s Chief Financial Officer.

Set forth below is the market value for each of the funds managed by the Board as of the end of the most recent five Fiscal Years.

Market Value of Investment Funds
(In Thousands)

August 31	Comprehensive Cash & Investment Pool (CCIP)	Long Term Investment Fund (LTIF)	Mission Driven Investment Fund (MDIF)⁽¹⁾	Unspent Debt Proceeds	Total Market Value
2020	\$1,405,397	\$1,175,295	N/A	\$163,544	\$2,744,236
2021	\$1,522,849	\$1,540,826	N/A	\$81,419	\$3,145,094
2022	\$1,675,144	\$1,564,200	N/A	\$61,929	\$3,301,273
2023	\$1,978,056	\$1,605,347	N/A	\$319,073	\$3,902,476
2024	\$2,198,521	\$1,740,995	\$142	\$301,140	\$4,240,798

⁽¹⁾ In Fiscal Year 2024, the MDIF that was formerly part of the CCIP funds were removed and managed as a separate fund.

The Comprehensive Cash & Investment Pool (“CCIP”). The CCIP is a pooled fund for the collective investment of the operating funds, non-operating funds and other funds of the University System and component institutions. The CCIP is established to optimize system-wide liquidity and earnings, protect and preserve balances, and control costs of administering the pool and managing the University System’s assets.

The Long-Term Investment Fund (“LTIF”). The University System is benefited by certain eligible endowments and Board-approved institutional funds treated as endowments (“quasi-endowments”) collectively invested in the LTIF. The LTIF is a unitized pooled investment fund consisting of marketable securities and investments, land, and other real estate holdings and mineral rights managed by unaffiliated investment managers selected by the Chief Investment Officer. To qualify for investment in the LTIF, endowment funds must be under the sole control of the Board and must not have donor-imposed restrictions that prevent investment in equity securities or corporate debt or prevent the expenditure of net realized appreciation. Endowment funds not meeting these requirements are invested in the CCIP or, if instructed by the donor, managed and safeguarded in their original form. The LTIF in its entirety is not classified as pledged revenues or fund balance to the payment of debt obligations. However, quasi-endowments and earning distributions are able to be pledged.

The Mission Driven Investment Fund (“MDIF”). The MDIF is a pooled fund for the collective investment of any donor gifted and institutional funds. Quasi-endowments will be established by the respective component institution. The MDIF Advisory committee comprised of the Chancellor, TTUS Vice Chancellor and Chief Executive Officer, respective component CFO(s), TTUS Chief Investment Officer, and TTUS Director of Investment Operations must approve all proposed investments. The MDIF consists of investments that are focused on advancing the overall mission of the institution as the primary objective with returns being a secondary consideration.

Asset Allocation. The investment policy set by the University System Board is presented below.

<u>CCIP</u>	Target Allocation	Target Range	
Cash Segment	10%	5% - 15%	
Contingency Segment	30%	20% -40%	
Non-Current Segment	60%	50% -70%	
<u>LTIF</u>	Target Allocation	Strategic Range	Tactical Range
Growth	60%	+/- 20%	+/- 10%
Stable Value	40%	+/- 20%	+/- 10%

For a discussion of investments for Fiscal Year 2024, see “APPENDIX B – TEXAS TECH UNIVERSITY SYSTEM ANNUAL COMBINED FINANCIAL REPORT – Note 3: Deposits, Investments, and Repurchase Agreements”.

Set forth below is the market value for the University System total endowment funds, which includes endowments managed by third parties as of the end of the most recent five Fiscal Years.

Market Value of Total Endowments (in Thousands)				
2020	2021	2022	2023	2024
\$1,300,405	\$1,692,458	\$1,735,616	\$1,784,748	\$3,058,956 ⁽¹⁾⁽²⁾

Note: Endowment reporting for Fiscal Years 2020-2021 does not include Midwestern State.

⁽¹⁾ As of August 31, 2024, Texas Tech University’s share of the Texas University Fund is approximately \$1.05 billion.

⁽²⁾ MSU Foundation (MSUF) endowment assets were included into the University System’s endowment market value totals beginning in Fiscal Year 2024 following updates to MSUF organizational documents that established MSUF as a new component unit of the University System.

Public Private Partnerships.

The University is exploring the potential development of portions of the University campus through a public private partnership.

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Appendix B

**TEXAS TECH UNIVERSITY SYSTEM
ANNUAL COMBINED FINANCIAL REPORT**

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**TEXAS TECH UNIVERSITY
SYSTEM**



**ANNUAL
COMBINED FINANCIAL REPORT
FISCAL YEAR 2024**

ANNUAL FINANCIAL REPORT

OF

TEXAS TECH UNIVERSITY SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2024

Texas Tech University (TTU)
Texas Tech University Health Sciences Center (TTUHSC)
Texas Tech University Health Sciences Center at El Paso (TTUHSC at El Paso)
Angelo State University (ASU)
Midwestern State University (MSU)
Texas Tech University System Administration (TTUSA)

Texas Tech University System

Table of Contents

Letters of Transmittal	1
Organizational Data	3

Management's Discussion and Analysis

Management's Discussion and Analysis	5
--------------------------------------	---

Financial Statements

Combined Statement of Net Position	21
Combined Statement of Revenues, Expenses and Changes in Net Position	23
Combined Statement of Cash Flows	25

Policies and Notes

Notes to the Combined Financial Statements	28
--	----

Schedules

Combined Schedule 1A Schedule of Expenditures of Federal Awards	88
Combined Schedule 1B Schedule of State Grant Pass-Throughs from/to State Agencies	89
Combined Schedule 2A Miscellaneous Bond Information	90
Combined Schedule 2B Changes in Bonded Indebtedness	91
Combined Schedule 2C Debt Service Requirements	92
Combined Schedule 2D Analysis of Funds Available for Debt Service	95
Combined Schedule 2E Defeased Bonds Outstanding	96
Combined Schedule 2F Early Extinguishment and Refunding	97
Combined Schedule 3 Reconciliation of Cash in State Treasury	98
Combined Schedule 4A TTU System's Proportionate Share of Net Pension Liability	99
Combined Schedule 4B TTU System's TRS Employer Contributions	100
Combined Schedule 5A TTU System's Proportionate Share of Net OPEB Liability	101
Combined Schedule 5B TTU System's ERS Employer Contributions	102
Combined Matrix of Operating Expenses Reported by Function	103

Fiduciary Financial Statements

Combined Statement of Fiduciary Net Position	106
Combined Statement of Changes in Fiduciary Net Position	107

Texas Tech University System

Table of Contents

Discretely Presented Component Units

Combined Statement of Net Position	109
Combined Statement of Revenues, Expenses and Changes in Net Position	110

Component Institution Annual Financial Statements

Texas Tech University	112
Texas Tech University Health Sciences Center	122
Texas Tech University Health Sciences Center at El Paso	132
Angelo State University	142
Midwestern State University	152
Texas Tech University System Administration	162



TEXAS TECH UNIVERSITY SYSTEM

Tedd Mitchell, *Chancellor*

November 15, 2024

Honorable Greg Abbott
Governor of Texas

Honorable Glenn Hegar
Texas Comptroller

Jerry McGinty
Director, Legislative Budget Board

Lisa R. Collier, CPA
State Auditor

To Agency Heads Addressed:

The Annual Financial Report of Texas Tech University System (TTUS), with which this letter is bound, is transmitted for inclusion in the State of Texas Annual Comprehensive Financial Report for the fiscal year ended August 31, 2024. Neither the State Auditor nor TTUS Office of Audit Services has audited the accompanying annual financial report and, therefore, neither has expressed an opinion on the financial statements and related information contained in this report. This report is intended to present a complete picture of the fiscal affairs of the System for the year ended August 31, 2024.

As indicated by the following letter of transmittal, this report has been prepared by the fiscal office of the System to provide a summary of the System's financial records.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tedd Mitchell", written over a light blue circular stamp.

Tedd L. Mitchell, M.D.
Chancellor



TEXAS TECH UNIVERSITY SYSTEM

Vice Chancellor and Chief Financial Officer

November 15, 2024

Tedd L. Mitchell, M.D.
Texas Tech University System
Lubbock, Texas 79409

Dear Chancellor Mitchell:

Submitted herein is the Annual Consolidated Financial Report of Texas Tech University System for the fiscal year ended August 31, 2024, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact me at 742-9000.

Sincerely,

A handwritten signature in blue ink that reads "Chelle Hillis".

Chelle Hillis, CPA
Texas Tech University System
Associate Vice Chancellor and Deputy Chief Financial Officer

Approved:

A handwritten signature in blue ink that reads "James Mauldin".

James Mauldin, CPA
Texas Tech University System
Vice Chancellor & Chief Financial Officer

**Texas Tech University System
Board of Regents**

Officers of the Board

Mark Griffin, Chair
Ginger Kerrick Davis, Vice Chair

Members

Term Expires January 31, 2025

Mark Griffin	Lubbock, TX
Ginger Kerrick Davis	Webster, TX
Dusty Womble	Lubbock, TX

Term Expires January 31, 2027

Arcilia Acosta	Dallas, TX
Cody Campbell	Fort Worth, TX
Pat Gordon	El Paso, TX

Term Expires January 31, 2029

Clay Cash	Lubbock, TX
Tim Culp	Midland, TX
Shelley Sweatt	Wichita Falls, TX

Term Expires May 31, 2025

Jad Zeitouni (Student Regent)	Lubbock, Texas
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System Fiscal Officers

Tedd Mitchell, M.D.	Chancellor
James Mauldin	Vice Chancellor and Chief Financial Officer
Lawrence Schovanec, Ph.D.	TTU President
Lori Rice-Spearman, Ph.D.	TTUHSC President
Richard Lange, M.D.	TTUHSC at El Paso President
Ronnie D. Hawkins Jr.	ASU President
Stacia Haynie, Ph.D.	MSU President
Noel Sloan	TTU CFO and Senior VP for Administration & Finance
Penny Harkey	TTUHSC Executive VP for Finance & Operations
Jessica Fisher	TTUHSC at El Paso VP for Finance & Administration
Angelina Wright	ASU VP for Finance & Administration
Stacia Haynie, Ph.D.	MSU Interim VP for Finance & Administration

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TEXAS TECH UNIVERSITY SYSTEM (793)

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

UNAUDITED

TEXAS TECH UNIVERSITY SYSTEM (793)

**Management's Discussion and Analysis
For the Year Ended August 31, 2024**

Introduction

Formally established by the Texas Legislature in 1999, the Texas Tech University System (the System) is composed of a central administrative unit, the Texas Tech University System Administration (TTUSA), three general academic institutions - Texas Tech University (TTU), Midwestern State University (MSU), and Angelo State University (ASU), and two health-related institutions - Texas Tech University Health Sciences Center (TTUHSC) and Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso). The System is governed by a nine-member Board of Regents appointed by the Governor of Texas. Members of the board serve six-year, staggered terms with the exception of a non-voting student Regent who is appointed by the Governor to serve a one-year term. The Chancellor is the chief executive officer of the System and is appointed by and reports directly to the Board of Regents. The Chancellor and his staff are supported by the administrative agency, TTUSA.

The System has emerged as a nationally acclaimed higher education system with one of the largest contiguous campuses in the United States. Headquartered in Lubbock, Texas, the System operates on more than 22 campuses and academic sites throughout the State of Texas and internationally. The System has locations statewide in Abilene, Amarillo, Brownwood, Cleburne, Dallas, El Paso, Flower Mound, Forney, Fredericksburg, Highland Lakes, Jefferson, Junction, Lubbock, McKinney, Midland, Odessa, Rockwall, San Angelo, Waco and Wichita Falls. Internationally, the System has a location in Seville, Spain and San Jose, Costa Rica.

The total student enrollment across all components is more than 63,000 students, and the System employs more than 21,000 faculty and staff. The annual combined budget of the System totals approximately \$3.1 billion; approximately \$733.7 million of these funds are appropriated by the Texas Legislature.

The System is committed to providing the highest quality and most efficient resources and services to its components. Throughout all institutions and centers, the System strives to enhance student success, strengthen academic quality, expand research, and promote community outreach.

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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

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, 2024, with selected comparative information for the years ended August 31, 2024 and 2023.

The System's combined financial report includes three primary financial statements: the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows. The 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 Governmental Accounting Standards Board (GASB) and the financial reporting requirements of the Texas Comptroller of Public Accounts.

The System's primary financial activity is reported to the Texas Comptroller of Public Accounts as business-type activity. In addition to business-type activity, the System's fiduciary fund activity is reported separately in the State of Texas' Annual Comprehensive Financial Report and in the TTUS Annual Combined Financial Report. The System also reports financial activity for two discretely presented component units, Carr Foundation and Texas Tech Research Park, separately to the Texas Comptroller of Public Accounts and within the TTUS Annual Combined Financial Report.

For the purpose of the MD&A, the discussion will focus on the financial statements reported as business-type activity to the Texas Comptroller of Public Accounts. The emphasis of discussion about these financial statements will focus on the current year data. The MD&A was prepared by management and should be read in conjunction with the accompanying financial statements and notes.

Financial Highlights

The System diligently maintains and protects its strong financial condition. As of August 31, 2024, the System's net position totaled \$4.3 billion, which continues a trend of compound growth of 4.76% over the last ten years. In 2024, revenues totaled \$3.2 billion and expenses totaled \$2.8 billion.

Legislative appropriations, tuition and fees, grants and contracts, and net patient care remain the largest contributors to revenues for the System. Net investment income and the change in fair value of investments are major drivers of year-over-year fluctuations in revenues due to fluctuating market conditions and other factors. The System's largest expense, compensation and benefits, reflects its commitment to recruiting top-quality faculty and staff in order to achieve its mission of offering excellent education and patient care.

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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Statement of Net Position

The statement of net position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the System as of the end of the fiscal year. This is a point-in-time financial presentation of the financial status as of August 31, 2024, with comparative information for the previous years. The statement of net position presents information in current and non-current format for both assets and liabilities. The net position section presents assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Over time, increases or decreases in net position are one indicator of the improvement or decline of the System's financial health when considered with nonfinancial factors such as enrollment, patient levels, and the condition of facilities. A summarized comparison of the System's statement of net position at August 31, 2024 and 2023 follows:

**Condensed Statement of Net Position
(\$ in Millions)**

	2024	2023
Assets		
Current Assets	\$ 1,110.3	\$ 992.3
Non-Current Investments	3,662.3	3,225.7
Capital Assets, Net	2,355.7	2,152.9
Right to Use Assets, Net	62.0	67.5
Other Non-Current Assets	424.6	475.5
Total Assets	7,614.9	6,913.9
Deferred Outflows of Resources	203.0	292.5
Total Assets and Deferred Outflows of Resources	\$ 7,817.9	\$ 7,206.4
Liabilities		
Current Liabilities	\$ 967.0	\$ 722.3
Non-Current Liabilities	2,213.7	2,294.9
Total Liabilities	3,180.7	3,017.2
Deferred Inflows of Resources	359.6	403.6
Total Liabilities and Deferred Inflows of Resources	\$ 3,540.3	\$ 3,420.8
Net Position		
Net Invested in Capital Assets	\$ 1,363.7	\$ 1,299.9
Restricted - Nonexpendable	1,002.7	927.5
Restricted - Expendable	980.2	842.7
Unrestricted	931.0	715.3
Total Net Position	\$ 4,277.6	\$ 3,785.4

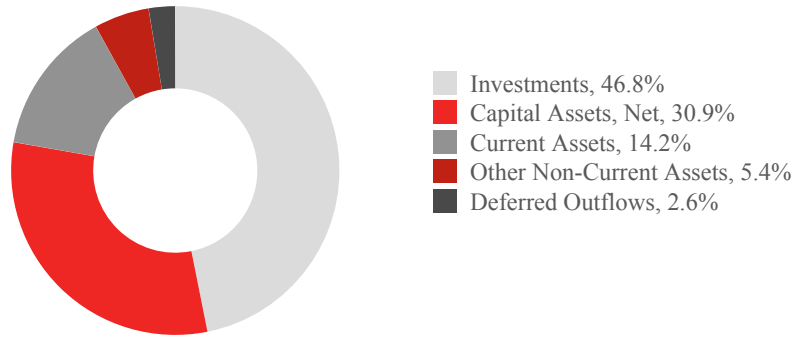
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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Assets and Deferred Outflows of Resources

The chart below depicts the makeup of the System's assets and deferred outflows of resources as of August 31, 2024.

Assets and Deferred Outflows



The System's total assets increased by \$701.0 million, or 10.1%, to \$7.6 billion in 2024. Cash and cash equivalents decreased by \$(19.7) million, or (3.1)%, and non-current investments increased by \$436.7 million, or 13.5%, largely due to favorable market conditions. Net capital assets increased \$197.3 million, or 8.9%, due to an increase in construction in progress for various Capital Construction Assistance Projects (CCAP) and the TTU Football Training Facility and South End Zone projects. Deferred outflows decreased by \$(89.6) million, or (30.6)%, primarily due to discount rate changes by Employees Retirement System of Texas (ERS), for other post-employment benefits (OPEB).

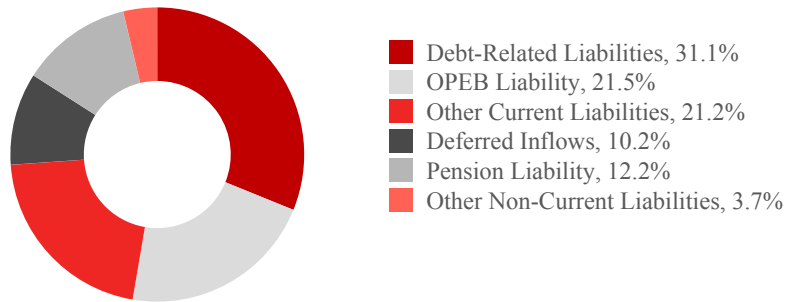
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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Liabilities and Deferred Inflows of Resources

The chart below depicts the makeup of the System's liabilities and deferred inflows of resources as of August 31, 2024.

Liabilities and Deferred Inflows



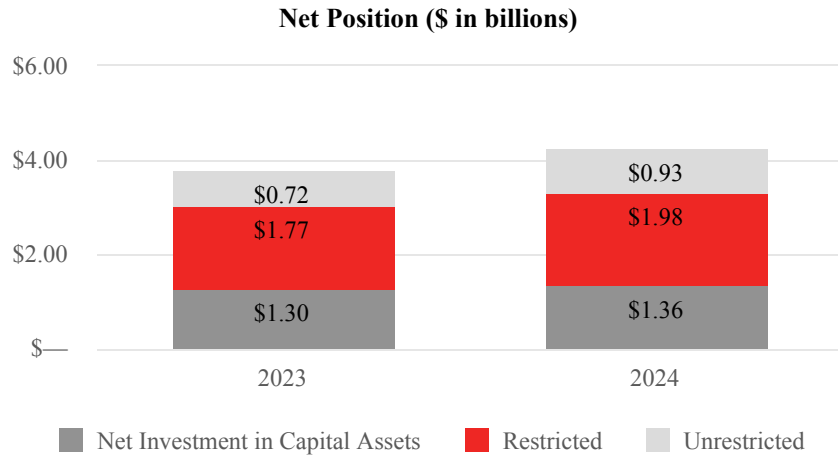
The System's total liabilities increased by \$163.4 million, or 5.4%, to \$3.2 billion in 2024. Debt-related liabilities decreased by \$(64.5) million, or (5.5%). Total OPEB liability decreased by \$(36.9) million, or (4.6%), due to discount rate changes to the overall ERS OPEB Plan. Pension liability increased by \$69.5 million, or 19.1%, due to larger than expected salary increases for active TRS members and decreased investment earnings for the TRS Pension Plan. Deferred inflows decreased by \$(44.0) million, or (10.9%), primarily due to the pension and OPEB changes discussed above in addition to the termination of two substantial leases.

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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

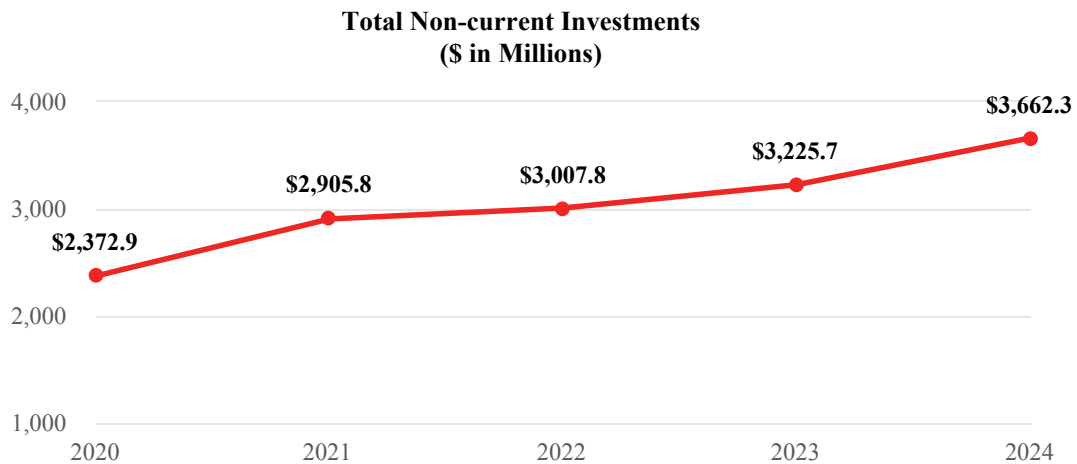
Net Position

Net position increased by \$492.2 million, or 13.0%, to \$4.3 billion in 2024. The chart below depicts the makeup of the System's net position.



Investments

As of August 31, 2024, the System had \$3,662.3 million in total non-current investments. In 2024, total non-current investments included \$1,954.3 million classified as unrestricted investments and \$1,708.1 million classified as restricted investments. The chart below depicts the System's total non-current investments over a five-year trend, reflecting a Compounded Annual Growth Rate (CAGR) of 9.1%.



Additional information about the System's investments is presented in Note 3 to the financial statements.

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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

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 statement presents both operating and nonoperating revenues and expenses for the System. The following table summarizes the System's revenues, expenses and changes in net position for the years ended August 31, 2024 and 2023:

**Condensed Statement of Revenues, Expenses and Changes in Net Position
(\$ in Millions)**

	2024	2023
Operating Revenues	\$ 1,710.7	\$ 1,652.9
Operating Expenses	2,739.3	2,617.3
Operating Income (Loss)	(1,028.6)	(964.4)
Nonoperating Revenues (Expenses)	1,190.7	1,006.4
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	162.2	42.1
Other Revenues, Expenses, Gains, Losses and Transfers	258.7	200.3
Total Change in Net Position	420.9	242.4
Beginning Net Position (September 1)	3,765.3	3,526.9
Restatements	91.4	16.2
Restated Beginning Net Position (September 1)	3,856.7	3,543.1
Ending Net Position (August 31)	\$ 4,277.6	\$ 3,785.5

Revenues

For the fiscal year ended August 31, 2024, revenues to support the System's core activities, including those classified as nonoperating, totaled \$3.2 billion, an increase of \$323.3 million, or 10.0%, from the prior year.

Operating Revenues

Of that total, operating revenues comprised \$1,710.7 million, an increase of \$57.8 million, or 3.5%, from the prior year. The System's primary sources of operating revenues come from net tuition and fees, grants and contracts, net patient care revenues, and net auxiliary enterprises.

Net Tuition and Fees

Net tuition and fees are reflected net of associated discounts and allowances. In 2024, net tuition and fees totaled \$558.9 million, an increase of \$2.4 million, or 0.4%, primarily as a result of an overall combined System enrollment increase in 2024 of 0.5%.

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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Grants and Contracts

Grants and contracts revenues are related to research programs that normally provide for the recovery of direct and indirect costs. Governmental sponsored programs include grants from the federal government such as the U.S. Department of Health and Human Services. Grants and contracts revenues include student financial aid and contracts with affiliated hospitals for clinical activities. In 2024, these revenues totaled \$485.0 million, an increase of \$27.6 million, or 6.0%, from the prior year.

Net Patient Care Revenues

Net patient care revenues, which consist of net sales and services of hospitals and net professional fees, are principally generated from the health science centers agreements with teaching hospitals and the 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 totaled \$350.1 million, an increase of \$16.3 million, or 4.9%, in 2024, as a result of increases in patient volumes and rates.

Net Auxiliary Enterprises

Net auxiliary enterprise revenues were earned from a host of activities such as athletics, housing and food service, bookstores, parking, student health and other activities. These revenues totaled \$208.9 million, an increase of \$7.0 million, or 3.4%, in 2024 due to increased enrollment and rates.

Nonoperating Revenues

Certain significant recurring revenues are considered nonoperating. The System's primary sources of nonoperating revenues come from legislative revenue, nonoperating grants and contract revenues, private gifts, investment income, and net increase in fair value of investments.

Legislative Revenue

Legislative revenue, comprised of General Revenue state appropriations and state paid benefits for group health insurance, OASI, retirement contributions (TRS) and the optional retirement program, and capital appropriations (HEF), totaled \$733.7 million, an increase of \$27.4 million, or 3.9%, in 2024.

Nonoperating Federal and State Grants and Contracts

Nonoperating Federal and State Grant and Contract revenue, comprised largely of Federal Pell grants and COVID-19 relief funds, totaled \$103.6 million, a decrease of \$(22.8) million, or (18.0)%, in 2024.

Gifts and Capital Contributions

Private gifts, capital contributions, and contributions to endowments, totaled \$125.9 million in 2024, a decrease of \$(60.1) million, or (32.3)%, as compared to 2023. The decrease primarily consisted of capital construction assistant projects (CCAP) funds and a one-time naming gift for TTUHSC El Paso's Fox Cancer Center that were received in 2023.

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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Investment Income Excluding the Change in Fair Value of Investments

Investment income excluding the change in the fair value of investments totaled \$134.0 million, an increase of \$43.2 million, or 47.5%, in 2024 primarily due to an increase in realized gains compared to 2023.

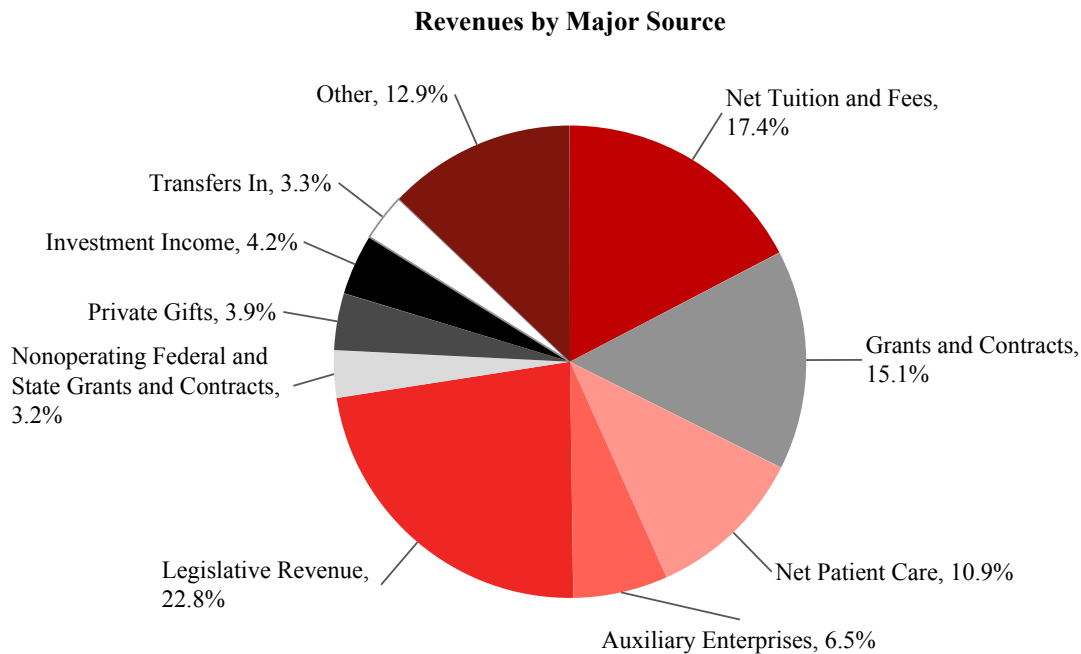
Net Increase in Fair Value of Investments

The net increase in the fair value of the System's investments totaled \$282.7 million, an increase of \$179.4 million, or 173.7% in 2024. This primarily resulted from more favorable market conditions in 2024.

Transfers In from Other State Agencies

Transfers in from other state agencies, including legislative transfers, totaled \$104.9 million, an increase of \$89.8 million, or 594.1%, in 2024 primarily due to new TUF funding and an increase in Hazelwood and Texas Child Mental Health Care Consortium funding.

The following is a graphic illustration of revenues by major source for the year ended August 31, 2024.



Operating Expenses

For the fiscal year ended August 31, 2024, operating expenses totaled \$2.7 billion. The operating expenses reflect the System's commitment to promoting instruction, research, patient care, public service and student support.

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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Salaries, Wages, and Benefits

Salaries, wages, and benefits, excluding pension and OPEB, totaled \$1,647.0 million, an increase of \$103.8 million, or 6.7%, in 2024. This increase reflects the System's mission to hire excellent faculty and staff to support our students and the public.

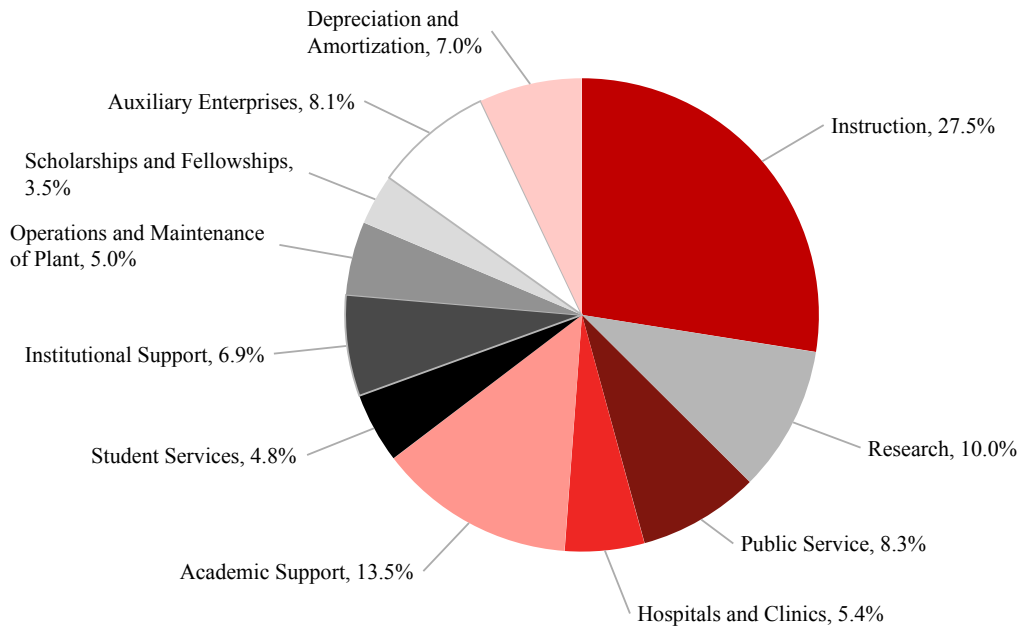
Professional Fees and Services

Professional fees and services totaled \$141.6 million, an increase of \$12.1 million, or 9.3%, in 2024. This increase resulted primarily from an increase in medical professional services and professional services related to the new ASU aviation program.

Total operating expenses increased \$122.0 million, or 4.7%, in 2024 in response to the growing cost of providing support for the institution's primary missions of instruction, research, public service and patient care activities.

The following is a graphic illustration of operating expenses by National Association of College and University Business Officers (NACUBO) functional classification for the year ended August 31, 2024.

NACUBO Functional Classification of Operating Expenses

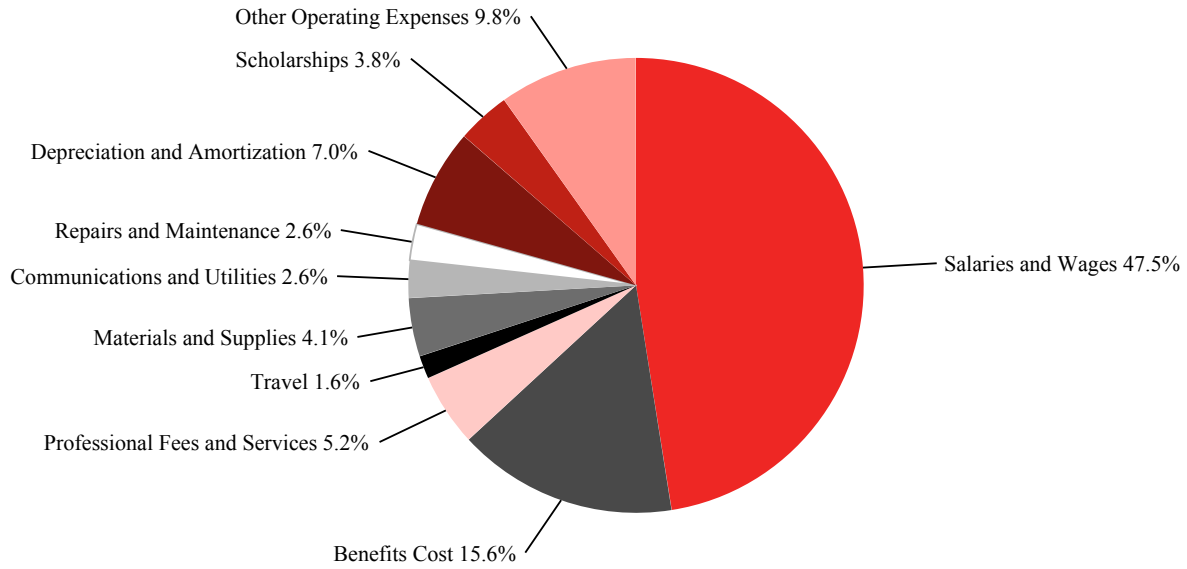


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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

In addition to functional classification of operating expenses, the following graph also illustrates the System's operating expenses by natural classification for the year ended August 31, 2024.

Natural Classification of Operating Expenses



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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Statement of Cash Flows

The statement of cash flows provides additional information about financial results by reporting the major sources and uses of cash. The statement provides an assessment of the System's financial flexibility and liquidity to meet obligations as they come due and the need for external financing. The following table summarizes the System's statement of cash flows for the years ended August 31, 2024 and 2023:

**Condensed Statement of Cash Flows
(\$ in Millions)**

	2024	2023
Cash Provided/(Used) By:		
Operating Activities	\$ (760.4)	\$ (675.5)
Noncapital Financing Activities	890.6	830.8
Capital and Related Financing Activities	(194.2)	88.7
Investing Activities	41.0	(27.2)
 Total Net Cash Flows	 \$ (23.0)	 \$ 216.8
 Beginning Cash and Cash Equivalents - September 1	 \$ 631.9	 \$ 415.1
Restatements	3.3	0.0
Restated Beginning Cash and Cash Equivalents - September 1	635.2	415.1
 Ending Cash and Cash Equivalents - August 31	 \$ 612.2	 \$ 631.9

For the fiscal year ended August 31, 2024, ending cash and cash equivalents totaled \$612.2 million, a decrease of \$(19.7) million, or (3.1)%, from the prior year.

Net cash used by operating activities should be viewed in conjunction with net cash provided by noncapital financing activities. State appropriations and gift contributions for operations are significant sources of recurring revenues in support of operating expenses, but are required to be classified as noncapital financing activities per GASB statements 34 and 35.

Net cash used by capital and related financing activities reflects a continuing commitment to expand and renovate facilities and to invest in equipment.

Net cash provided by investing activities shows receipts from sales and maturities of investments and proceeds from interest and investment income exceeded purchases of investments. The unrealized gains (losses) from the increase (decrease) in the fair value of investments is a noncash transaction for valuation purposes only and does not affect cash flows from investing activities.

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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Capital Assets and Debt Administration

The System continues to be committed to the quality of its academic, research, and service programs as well as its residence life experience. The development and renewal of capital assets and infrastructure is an essential factor of this commitment.

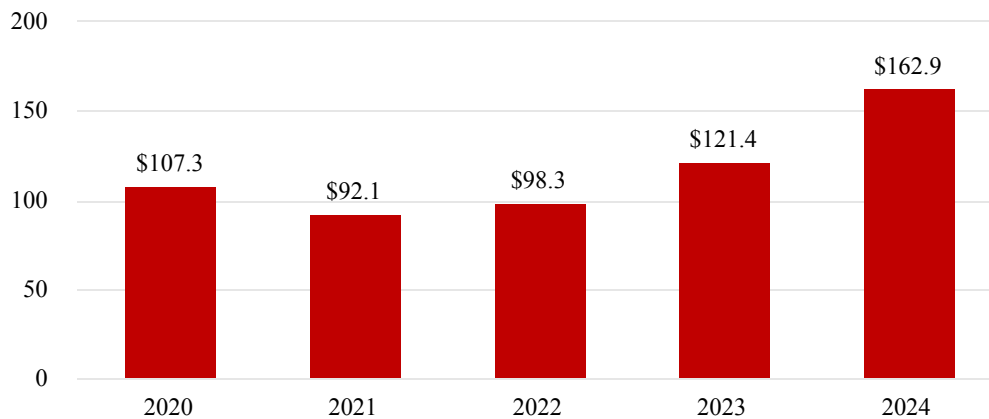
In 2024, construction in progress totaled \$136.2 million, an decrease of \$(32.7) million from the prior year. This decrease resulted primarily from construction completion of multiple projects including TTU's South End Zone and Baseball Clubhouse, ASU's Soccer Clubhouse, and the TTU Academic Sciences Building.

As of August 31, 2024, the System had \$5,176.3 million in capital assets less \$2,758.6 million in associated depreciation and amortization for net capital assets of \$2,417.7 million.

**Capital Assets, Net at August 31
(\$ in Millions)**

	2024	2023
Land and Land Improvements	\$ 75.5	\$ 65.3
Construction in Progress	136.2	168.9
Buildings and Building Improvements	1,673.0	1,468.4
Infrastructure	24.6	22.7
Facilities and Other Improvements	104.5	105.5
Furniture and Equipment	136.8	120.9
Vehicles, Boats, and Aircraft	5.1	3.8
Computer Software	3.7	3.8
Other Capital Assets	196.3	193.5
Right to Use Assets	62.0	67.5
Capital Assets, Net	<u>\$ 2,417.7</u>	<u>\$ 2,220.4</u>

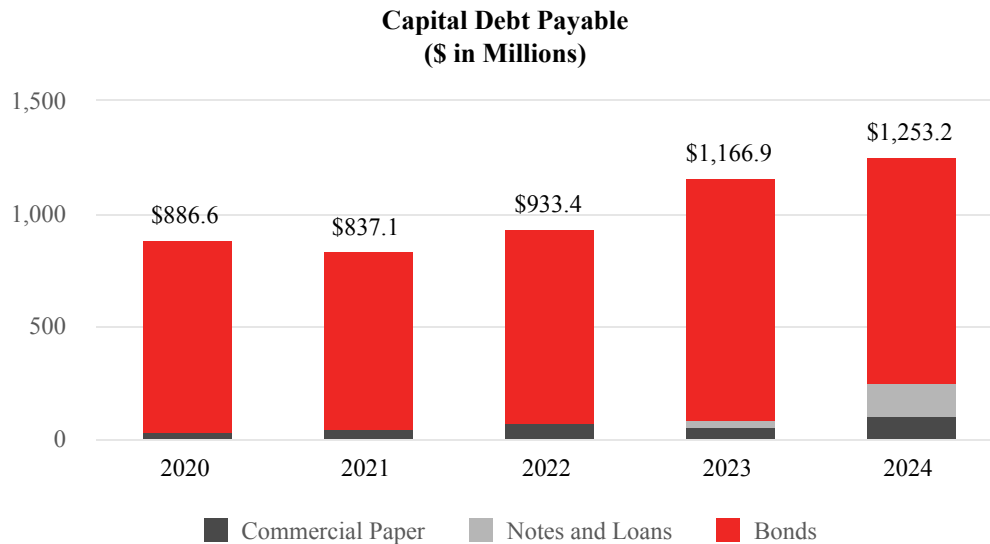
**Capital Asset Additions
(\$ in Millions)**



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Texas Tech University System (793) – Management's Discussion and Analysis (continued)

Three major forms of debt financing support the System's development and renewal of capital assets and infrastructure: commercial paper, notes and loans, and bonds. Commercial paper notes are issued periodically to provide interim financing for capital projects and acquisitions and the System typically refunds a portion of these outstanding notes through the issuance of long-term debt.



Economic Outlook

The System is committed to providing teaching, research, scholarship, and patient care to Texas, the nation, and the world.

Dedication to this goal is fostered through both public and private sector support of higher education. The System's ability to attract top-quality students, staff, and faculty and develop future leaders creates both investment and return, generating shared success for all of Texas.

The Texas Legislature's support of higher education is vital to the continued mission of the System. The Texas Legislature meets every two years to pass new laws and the state's biennial budget. The 88th Texas legislature made historic investments in funding for higher education public institutions. The System received a \$192.3 million increase in funding for the 2024-2025 biennium, an 18.0% increase over the 2022-2023 biennium. Part of the funding increase supports an affordability plan that has allowed the System general academic institutions to keep tuition rates flat for two years. Funding debt service for previously authorized Capital Construction Assistance Projects also contributed to the increase.

Additionally, on November 7, 2023, Proposition 5 passed by the voters of Texas.

Proposition 5 established a new permanent endowment, the Texas University Fund (TUF), to support academic teaching institutions in Texas in achieving national prominence as major research universities. As of August 31, 2024, the TUF corpus was valued at \$4.2 billion. Texas Tech University's share of distributions from the TUF, totaled \$44.4 million for fiscal year 2024 and \$60.08 million for fiscal year 2025.

UNAUDITED

Texas Tech University System (793) – Management's Discussion and Analysis (continued)

For 2025, the System's budgeted operating revenues increased to \$3.1 billion, up from \$2.9 billion, a 2.8% growth from the prior year. This change is largely attributable to higher revenues from patient care and hospital partnerships for health sciences centers, increased research awards for all member institutions, and a combination of enrollment growth, new academic programs, and enhanced auxiliary services for general academic institutions. In addition, the System continues to sustain stellar financial ratings, receiving a reaffirmation of Aa1 rating with stable outlook from Moody's Investor Service, and an AA+ rating with stable outlook from Fitch Ratings and Kroll Bond Rating Agency in February 2025. These designations place the TTU System among a select group of higher education institutions in the U.S.

Management considers the System to be well positioned to continue to provide quality service to students, patients, and the research community at large. Future successes are largely dependent upon the ability to continue to recruit and retain the highest quality students, faculty, and staff, cost containment, and ongoing financial and political support from state government. Private gift contributions are a significant factor in the growth of academic, research, and patient care units and are an important supplement to the fundamental support provided by the state and through collections from students and patients. The System will continue to monitor resources to maintain its ability to respond to internal and external issues.

UNAUDITED
TEXAS TECH UNIVERSITY SYSTEM (793)

**COMBINED
FINANCIAL STATEMENTS**

UNAUDITED

Texas Tech University System (793)
Combined Statement of Net Position
August 31, 2024 and 2023

	2024	Restated 2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 268,149,710.63	\$ 267,027,710.61
Restricted Cash and Cash Equivalents	36,749,943.15	27,964,500.79
Unrestricted Short Term Investments (Note 3)	21,258,507.95	16,211,925.29
Restricted Short Term Investments (Note 3)	3,664,466.42	576,649.70
Legislative Appropriations	395,781,193.08	327,185,348.72
Receivables:		
Federal	26,211,638.82	25,969,663.75
Patient	27,251,541.44	22,886,975.39
Student	44,137,178.45	39,797,148.74
Contracts	49,992,685.09	40,802,860.72
Accounts	10,940,273.92	8,782,312.85
Interest and Dividends	4,088,857.57	2,770,348.88
Gifts	47,913,337.52	40,735,463.41
Leases (Note 8)	952,798.93	1,158,201.18
Public-Private and Public-Public Partnership Installments (Note 27)	329,316.98	1,319,370.04
Other	7,934,530.94	4,830,157.85
Due From Other State Agencies	15,732,527.20	23,496,965.10
Inventories	5,035,127.03	5,632,788.02
Prepaid Items	142,076,452.61	133,073,045.30
Loans and Contracts	811,870.61	820,141.72
Other Current Assets	1,278,746.25	1,257,242.24
Total Current Assets	1,110,290,704.59	992,298,820.30
Non-Current Assets:		
Restricted Cash and Cash Equivalents	307,300,582.80	336,862,830.96
Restricted Investments (Note 3)	1,708,082,061.68	1,488,243,801.98
Gifts Receivable	103,993,483.75	118,202,962.15
Public-Private and Public-Public Partnership Assets Receivable (Note 27)	457,984.12	457,984.12
Public-Private and Public-Public Partnership Installments Receivable (Note 27)	1,125,918.35	1,455,235.52
Leases Receivable (Note 8)	10,876,924.27	17,546,189.28
Loans and Notes Receivable	711,863.57	876,452.30
Investments (Note 3)	1,954,265,787.59	1,737,438,434.24
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable	330,515,684.36	351,608,290.95
Depreciable or Amortizable	4,736,930,432.08	4,377,898,553.85
Accumulated Depreciation and Amortization	(2,711,790,323.86)	(2,576,643,469.37)
Right to Use Assets (Note 2)		
Amortizable	108,882,558.81	102,603,307.29
Accumulated Amortization	(46,846,445.96)	(35,086,064.44)
Other Non-Current Assets	119,623.98	119,623.98
Total Non-Current Assets	6,504,626,135.54	5,921,584,132.81
Total Assets	\$ 7,614,916,840.13	\$ 6,913,882,953.11
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources (Note 28)	202,953,215.82	292,509,533.40
Total Deferred Outflows of Resources	\$ 202,953,215.82	\$ 292,509,533.40

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

Texas Tech University System (793)
Combined Statement of Net Position
August 31, 2024 and 2023

	2024	Restated 2023
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 85,962,741.58	\$ 70,139,131.55
Payroll Payable	119,367,311.62	115,940,499.47
Unearned Revenue	341,854,448.27	321,818,292.59
Due to Other State Agencies	4,463,877.50	3,748,958.87
Short-Term Debt Commercial Paper Notes (Note 4)	104,814,000.00	55,355,000.00
Claims and Judgments (Note 5)	1,039,894.01	1,088,118.60
Employees' Compensable Leave (Note 5)	9,069,232.39	9,703,509.89
Right to Use Lease Obligations (Note 8)	6,935,799.83	6,881,571.12
Right to Use Subscription Obligations (Note 8)	7,521,134.10	8,833,227.71
Notes and Loans Payable - Direct Borrowings (Note 5)	150,816,399.00	0.00
Revenue Bonds Payable (Note 5)	79,417,398.34	77,098,519.04
Funds Held for Others	15,325,647.78	12,950,317.64
Net OPEB Liability (Note 11)	32,140,618.00	30,550,915.00
Other Current Liabilities	8,240,357.79	8,236,823.91
Total Current Liabilities	966,968,860.21	722,344,885.39
Non-Current Liabilities:		
Claims and Judgments (Note 5)	10,970,852.32	4,765,548.40
Employees' Compensable Leave (Note 5)	72,680,432.07	65,648,028.50
Right to Use Lease Obligations (Note 8)	37,587,303.77	39,194,033.42
Right to Use Subscription Obligations (Note 8)	8,832,474.28	9,463,163.84
Notes and Loans Payable - Direct Borrowings (Note 5)	0.00	36,869,354.00
Revenue Bonds Payable (Note 5)	918,125,037.58	997,542,435.92
Pollution Remediation Obligation (Note 5)	1,529,525.50	1,529,525.50
Net OPEB Liability (Note 11)	730,680,377.00	769,135,247.00
Net Pension Liability (Note 9)	433,068,648.00	363,554,074.00
Other Non-Current Liabilities	190,264.82	7,234,674.25
Total Non-Current Liabilities	2,213,664,915.34	2,294,936,084.83
Total Liabilities	\$ 3,180,633,775.55	\$ 3,017,280,970.22
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources (Note 28)	359,585,566.78	403,632,467.63
Total Deferred Inflows of Resources	\$ 359,585,566.78	\$ 403,632,467.63
NET POSITION		
Net Investment in Capital Assets	\$ 1,363,693,520.57	\$ 1,299,940,494.85
Restricted:		
Nonexpendable:		
Endowments	1,002,711,909.61	927,484,536.16
Expendable:		
Capital Projects	111,303,869.58	114,424,221.25
Other	868,916,702.30	728,306,914.80
Unrestricted	931,024,711.56	715,322,881.60
Total Net Position	\$ 4,277,650,713.62	\$ 3,785,479,048.66

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

Texas Tech University System (793)
Combined Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Operating Revenues		
Tuition and Fees	\$ 14,065,314.47	\$ 13,702,394.95
Tuition and Fees - Pledged	757,510,479.29	737,049,934.77
Less Discounts and Allowances	(212,652,414.35)	(194,192,610.24)
Professional Fees	336,502,286.37	318,186,720.33
Professional Fees - Pledged	354,593.78	636,602.52
Sales and Services of Auxiliary Enterprises - Pledged	208,871,925.34	201,906,640.15
Other Sales and Services	14,911,221.04	15,732,131.38
Other Sales and Services - Pledged	17,661,130.56	17,483,341.54
Federal Grants and Contracts	105,340,824.24	96,558,065.88
Federal Grants and Contracts - Pledged	5,093.31	26,081.29
Federal Grant Pass-Throughs from Other State Agencies	6,700,124.08	6,774,196.71
State Grants and Contracts	2,488,795.83	1,958,874.32
State Grants and Contracts - Pledged	3,898.77	81,656.52
State Grant Pass-Throughs from Other State Agencies	66,750,356.39	58,321,413.91
Local Governmental Grants and Contracts	183,524,394.83	183,778,076.02
Local Governmental Grants and Contracts - Pledged	1,567,926.34	671,457.48
Nongovernmental Grants and Contracts	116,494,676.37	107,208,943.04
Nongovernmental Grants and Contracts - Pledged	2,109,351.23	2,049,618.23
Other Operating Revenues	88,524,632.40	85,007,071.22
Total Operating Revenues	1,710,734,610.29	1,652,940,610.02
Operating Expenses		
Cost of Goods Sold	16,228,290.26	14,897,596.69
Salaries and Wages	1,301,507,856.38	1,219,097,012.54
Payroll Related Costs	428,422,852.68	429,344,713.32
Professional Fees and Services	141,590,809.17	129,501,916.09
Travel	45,043,184.46	42,084,834.89
Materials and Supplies	113,575,257.36	107,818,250.41
Communications and Utilities	72,462,927.69	66,755,912.31
Repairs and Maintenance	71,291,557.72	70,986,021.53
Rentals and Leases	24,727,069.87	20,020,721.21
Printing and Reproduction	5,415,762.83	5,222,406.27
Federal Grant Pass-Through Expense	1,009,821.39	997,120.20
State Grant Pass-Through Expense	91,539.87	61,582.89
Depreciation and Amortization (Note 2)	192,411,130.49	187,492,859.16
Bad Debt Expense	1,141,698.13	1,441,549.47
Interest	66,133.60	41,765.08
Scholarships	103,630,558.46	97,601,935.28
Claims and Judgments	715,791.00	1,243,523.15
Other Operating Expenses	219,969,282.94	222,663,655.89
Total Operating Expenses	2,739,301,524.30	2,617,273,376.38
Operating Income (Loss)	\$ (1,028,566,914.01)	\$ (964,332,766.36)

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

Texas Tech University System (793)
Combined Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 642,170,805.34	\$ 617,474,750.62
Federal Grants and Contracts	92,652,791.04	93,553,714.55
Federal Grant Pass-Throughs from Other State Agencies	10,903,519.39	32,813,382.51
State Grant Pass-Throughs from Other State Agencies	93,305.00	83,612.00
Private Gifts	60,918,247.92	89,252,046.11
Private Gifts - Pledged	1,409,400.93	1,262,760.13
Investment Income (Expense)	73,284,838.87	39,759,630.71
Investment Income (Expense) - Pledged	60,759,752.75	51,127,281.30
Interest Expense on Capital Asset Financing	(39,616,652.45)	(28,051,865.10)
Gain (Loss) on Sale and Disposal of Capital Assets	(3,674,496.23)	(2,212,704.56)
Net Increase (Decrease) in Fair Value of Investments	282,714,377.42	103,282,555.05
Interest Expense	(1,240,776.93)	(753,548.20)
Other Nonoperating Revenues (Expenses)	5,676,801.54	1,996,792.75
Other Nonoperating Revenues (Expenses) - Pledged	4,673,198.70	6,817,553.55
Total Nonoperating Revenues (Expenses)	1,190,725,113.29	1,006,405,961.42
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	162,158,199.28	42,073,195.06
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	91,490,322.50	88,810,909.00
Capital Contributions, Grants and Contracts	39,402,974.61	70,233,897.96
Lapsed Appropriations	(61.08)	(0.25)
Contributions to Permanent and Term Endowments	24,185,177.00	25,304,026.68
Legislative Transfers In	82,273,385.51	6,392,901.16
Legislative Transfers Out	0.00	2,287,903.18
Transfers In from Other State Agencies	22,653,875.69	8,723,134.68
Transfers Out to Other State Agencies	(1,280,864.55)	(1,446,872.02)
Net Other Revenues, Expenses, Gains, Losses, and Transfers	258,724,809.68	200,305,900.39
Total Change in Net Position	420,883,008.96	242,379,095.45
Beginning Net Position (September 1)	3,765,328,138.53	3,526,928,484.57
Restatement of Beginning Net Position (Note 14)	91,439,566.13	16,171,468.64
Beginning Net Position (September 1) as Restated	3,856,767,704.66	3,543,099,953.21
Ending Net Position (August 31)	\$ 4,277,650,713.62	\$ 3,785,479,048.66

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

Texas Tech University System (793)
Combined Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Cash Flows from Operating Activities		
Proceeds from Customers	\$ 453,267,637.10	\$ 440,807,763.73
Proceeds from Tuition and Fees	559,351,899.63	554,118,287.51
Proceeds from Grants and Contracts	485,567,182.92	446,465,623.95
Proceeds from Sales and Services of Auxiliary Enterprises	210,056,039.95	205,685,770.50
Proceeds from Loan Programs	243,950,097.02	249,284,697.44
Proceeds from Fiduciary Activities (Held 3 Months or Less)	229,869,782.92	217,714,928.71
Payments to Suppliers for Goods and Services	(351,406,152.71)	(336,247,872.24)
Payments to Employees for Salaries	(1,295,706,447.35)	(1,213,287,835.26)
Payments to Employees for Benefits	(343,977,299.66)	(321,299,860.87)
Payments for Loans Issued to Students	(243,343,744.21)	(249,568,122.21)
Payments for Fiduciary Activities (Held 3 Months or Less)	(228,815,642.36)	(217,449,865.01)
Payments for Other Expenses	(479,187,686.21)	(451,721,333.54)
Net Cash Provided/(Used) by Operating Activities	(760,374,332.96)	(675,497,817.29)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	580,777,923.46	563,405,342.43
Proceeds from Gifts	94,401,459.38	93,670,457.30
Proceeds from Nonoperating Grants and Contracts	106,686,505.00	144,948,229.70
Proceeds from Other Financing Activities	16,983,654.21	24,846,881.81
Proceeds from Transfers In from Other State Agencies	104,539,992.99	17,062,264.30
Payments for Transfers to Other State Agencies	(1,280,864.55)	(1,446,872.02)
Payments for Other Uses	(11,527,808.67)	(11,709,189.95)
Net Cash Provided/(Used) by Noncapital Financing Activities	890,580,861.82	830,777,113.57
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	597,573.25	229,898.50
Proceeds from Capital Debt Issuances	173,917,045.00	362,222,260.55
Proceeds from Capital Gifts, Grants and Contracts	33,139,086.23	64,336,008.00
Proceeds from Capital Appropriations	84,287,299.44	83,787,911.10
Proceeds from Other Capital and Related Financing Activities	735,556.67	27,281.40
Payments for Additions to Capital Assets	(338,523,821.49)	(241,784,694.31)
Payments for Principal Paid on Capital Debt	(83,432,038.64)	(127,529,038.64)
Payments for Interest Paid on Capital Debt	(43,877,693.86)	(28,715,697.82)
Payments for Leases/SBITAs	(20,861,982.11)	(20,505,225.45)
Payments for Other Costs on Debt Issuance	(180,478.83)	(3,400,231.57)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(194,199,454.34)	88,668,471.76
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	281,092,696.36	56,463,336.49
Proceeds from Interest and Investment Income	179,190,332.84	141,325,120.72
Payments to Acquire Investments	(419,309,799.50)	(224,961,742.23)
Net Cash Provided/(Used) by Investing Activities	40,973,229.70	(27,173,285.02)
TOTAL NET CASH FLOWS	\$ (23,019,695.78)	\$ 216,774,483.02

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

Texas Tech University System (793)
Combined Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Beginning Cash & Cash Equivalents (September 1)	\$ 631,855,042.36	\$ 415,080,559.34
Restatement to Beginning Cash & Cash Equivalents (Note 14)	3,364,890.00	0.00
Beginning Cash & Cash Equivalents - September 1 (Restated)	635,219,932.36	415,080,559.34
Ending Cash & Cash Equivalents (August 31)	\$ 612,200,236.58	\$ 631,855,042.36
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$(1,028,566,914.01)	\$ (964,332,766.36)
Adjustments:		
Depreciation and Amortization Expense	192,411,130.49	187,492,859.16
Bad Debt Expense	903,105.67	922,060.46
Pension Expense	74,857,978.00	42,920,029.00
OPEB Expense	52,799,845.00	104,348,269.40
(Increase) Decrease in Accounts Receivables	(28,442,807.25)	(8,591,026.33)
(Increase) Decrease in Loans and Notes Receivable	938,665.84	702,575.44
(Increase) Decrease in Inventories	597,660.99	974,202.61
(Increase) Decrease in Other Assets	112,278.86	(56,571.46)
(Increase) Decrease in Due From Other State Agencies	5,783,659.35	(5,452,055.71)
(Increase) Decrease in Prepaid Items	(11,028,197.67)	(9,360,766.47)
(Increase) Decrease in Deferred Outflows of Resources	(72,007,054.00)	62,172,995.00
Increase (Decrease) in Accounts Payable	(1,082,286.23)	2,148,150.64
Increase (Decrease) in Payroll Payable	2,708,426.13	3,535,848.93
Increase (Decrease) in Unearned Revenue	9,385,729.32	9,247,985.87
Increase (Decrease) in Employees' Compensable Leave	6,398,126.07	2,942,364.78
Increase (Decrease) in Claims and Judgments	6,157,079.33	93,363.00
Increase (Decrease) in Due To Other State Agencies	812,838.31	(1,332,712.53)
Increase (Decrease) in Benefits Payable	617,527.56	1,206,184.02
Increase (Decrease) in Fiduciary Funds (Held 3 Months or Less)	1,054,140.56	265,063.70
Increase (Decrease) in Net OPEB Liability	(92,737,564.00)	(288,076,938.00)
Increase (Decrease) in Deferred Inflows of Resources	118,434,533.67	182,405,191.76
Increase (Decrease) in Other Liabilities	(482,234.95)	327,875.80
Net Cash Used for Operating Activities	(760,374,332.96)	(675,497,817.29)
Noncash Transactions		
Donations of Capital Assets	15,851,155.60	5,718,387.90
Net Increase (Decrease) in Fair Value of Investments	282,714,377.42	103,282,555.05
Other	(7,261,413.54)	1,794,862.74
Total Noncash Transactions	\$ 291,304,119.48	\$ 110,795,805.69

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED
TEXAS TECH UNIVERSITY SYSTEM (793)

**NOTES to the COMBINED
FINANCIAL STATEMENTS**

UNAUDITED

TEXAS TECH UNIVERSITY SYSTEM (793)

Notes to the Combined Financial Statements

Note 1: Summary of Significant Accounting Policies

General Introduction

The Texas Tech University System (the System) is an agency of the State of Texas and its financial records comply with State statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements for State Agencies and Universities.

Component institutions which comprise the System include Texas Tech University (TTU), Texas Tech University Health Sciences Center (TTUHSC), Texas Tech University Health Sciences Center at El Paso (TTUHSC at El Paso), Angelo State University (ASU), Midwestern State University (MSU) and Texas Tech University System Administration (TTUSA). The System serves the state of Texas by providing undergraduate and post-graduate education and research in fields such as Law, Business, Medicine, Engineering and Nursing. Each component institution's financial statements are presented at the end of the combined report.

The System also includes within this report all component units as determined by an analysis of their relationship to the System. Blended component units are described in more detail in Note 19. The System has two discrete component units, the Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation (Carr Foundation) and Texas Tech Research Park, Inc. (TTRP). Financial statements for these discrete component unit are presented separately at the end of this combined report, and more detailed information can be found in Note 19.

Effective August 31, 2020, the System had a change in accounting policy due to the implementation of GASB Statement No. 84 *Fiduciary Activities* (GASB 84). This statement establishes criteria for identifying fiduciary activities and requires that fiduciary activities be reported in a separate statement of fiduciary net position and a separate statement of changes in fiduciary net position (Fiduciary Statements) which are presented at the end of this combined report. The System allows an external entity to deposit funds in the System's Long Term Investment Fund as an investment vehicle. These funds are reported as External Investment Pool Non-Trusted Funds in the Fiduciary Statements. The System also holds funds for external entities and individuals that are not derived from the System's revenues, the System has no administrative or direct financial involvement with the funds, and the funds are for the benefit of the external entities and individuals. These funds are reported as Custodial Funds in the Fiduciary Statements.

GASB 84 allows business-type activities to report activities that would otherwise be considered custodial funds in the System's Combined Statement of Net Position and Combined Statement of Cash Flows as an operating activity if upon receipt, the funds are normally expected to be held for three months or less. These fiduciary activities are reported in the operating activities portion of the Combined Statement of Cash Flows at August 31, 2024 and 2023, respectively.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to be in compliance with all the requirements in this statement. The financial report is considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Basis of Accounting

For financial reporting purposes, institutions of higher education are considered proprietary funds, which are used to account for business-type activities. Business-type activities are defined as those that are financed in whole or in part by fees charged to external parties for goods and services. The accompanying financial statements are prepared with transactions recorded on a fund basis. GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities – an Amendment of GASB Statement No. 34*, established accounting and financial reporting standards for universities within the financial reporting guidelines of GASB 34 as mentioned above. Under GASB 35, universities must follow proprietary fund accounting, and are required to report all funds in a single column instead of by individual fund.

The basis of accounting determines when revenues and expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds use the flow of economic resources measurement focus (whether or not the entity is economically better off as a result of the events and transactions that occurred during the fiscal period reported) and the full accrual basis of accounting, meaning revenues are recognized when earned and expenses are recorded when an obligation has occurred.

Proprietary funds distinguish between operating and nonoperating items. Operating revenues and expenses result from providing services, or producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets.

Budgetary Information

The System component institutions prepare annual budgets which are approved by the Board of Regents. The budgets for appropriated funds are prepared biennially and represent appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act).

Cash and Cash Equivalents

For reporting purposes, cash includes cash on hand, cash in transit, cash in local banks, cash in the state treasury, and cash equivalents. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near maturity they present insignificant risk of a decrease in value due to changes in interest rates. Investments with an original maturity of three months or less and used for cash management rather than investing activities are considered cash equivalents.

The System records and reports its deposits in the general deposit account at cost. It records and reports its special deposit accounts at fair value.

Investments

The System accounts for its investments at fair value on the Combined Statement of Net Position. All investment income, including changes in the fair value of investments, is reported in the Combined Statement of Revenues, Expenses, and Changes in Net Position. Investments are addressed in more detail in Note 3.

Legislative Appropriations

This item represents the balance of General Revenue Funds and Higher Education Funds (HEF) at August 31 as calculated in the Texas State Comptroller’s General Revenue Reconciliation.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of revenue bonds and revenues set aside for statutory or contractual requirements.

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost generally utilizing the first-in, first out method. Changes in inventories are recorded using the consumption method, with the inventories being reported as assets when they are purchased, and the expense recognized in the period in which the inventories are used or consumed. The consumption method of accounting is used to account for inventories and prepaid items benefiting more than one accounting period. The cost of these items is expensed when the items are used or consumed. Prepaid items include payments for scholarships and capital assets that have not been received by the end of the fiscal year.

Receivables

Receivable balances are grouped into several receivable categories. Accounts receivable are recorded net of estimated uncollectible amounts based upon a review of outstanding receivables and historical collection information.

Student receivables consist of tuition and fees charged to students, patient receivables are for medical fees charged for services, and accounts receivable are fees for auxiliary enterprise services provided to students, faculty, and staff, as well as state and local grant billings.

Contracts receivable are primarily related to agreements between the System health sciences center component institutions and teaching hospitals for the provision of medical services.

Federal receivable includes amounts due from the federal government in connection with reimbursement of allowable expenditures disbursed by the System's grants and contracts departments.

Gift receivables consist of long-term pledges. Pledges vary from one to ten years and are used to support specifically identified System programs and initiatives.

Interest and dividend receivable consists of amounts due from investment holdings, cash management pools, and cash invested in various short-term investment items.

Leases receivable were calculated for leases with a term greater than 12 months. Lease receivables are calculated as the present value of the lease receipts expected during the lease term.

Other receivables include items such as travel advances, returned checks, and various other accrued items not included in any other receivable category.

Public-Private and Public-Public Partnership Receivables

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements*, defines PPPs as arrangements in which the System contracts with an operator (a non-governmental or governmental entity) to provide a public service by conveying control of the right to operate or use a nonfinancial asset of the System for a period of time in an exchange or exchange-like transaction.

The System recognizes receivables for installment payments from the operator as well as assets receivables for improvements to underlying assets or construction or purchases of new assets by the operator.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Loans and Notes Receivable

These receivables are student loans receivable that consist of amounts due from loans administered by the System.

Capital Assets

Capital assets, defined as assets held for use in operations with a value equal to or greater than the capitalization threshold established for that asset type and an initial useful life of more than one year, are recorded at cost at the date of acquisition. Gifts of donated assets are recorded at acquisition value (the price that would be paid to acquire the asset with equivalent service potential in an orderly market transaction) at the date of donation. This is a change in definition established by GASB 72. Capital assets may or may not be capitalized for financial reporting purposes. Livestock held for educational purposes is recorded at estimated fair value.

The capitalization threshold for personal property, such as furniture and equipment is \$5,000. For buildings, building improvements, and facilities and other improvements, the capitalization threshold is \$100,000. Infrastructure has a capitalization threshold of \$500,000. Land, works of art and historical treasures are capitalized regardless of cost or value.

Intangible assets, defined as assets lacking physical substance and of a nonfinancial nature, include computer software, land use rights and patents and trademarks. Purchased computer software is capitalized if the aggregate cost of the purchase meets or exceeds \$100,000. Internally generated computer software has a capitalization threshold of \$1,000,000, and other intangible capital assets must be capitalized if the cost meets or exceeds \$100,000.

The System is required to depreciate and amortize capitalized assets. Depreciation for capital assets is computed using the straight-line method over the estimated useful lives of the assets. Amortization of intangible assets is based on the estimated useful life of the asset using the straight-line method. Land, works of art and historical treasures are not depreciated.

Capital asset activity for the current fiscal year is shown in Note 2.

Right to Use Assets

GASB Statement No. 87, *Leases*, defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset for period of time in an exchange or exchange-like transaction. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, establishes SBITAs as right to use subscription assets.

For leases and SBITAs with a term greater than 12 months, the System recognizes a receivable and deferred inflow when acting as a lessor and a liability and right-to-use asset when acting as a lessee. The receivable is calculated as the present value of the receipts expected during the term.

Short-term leases with a maximum possible term of 12 months or less at commencement are recognized as a revenue and expense based on the provisions of the lease contract.

Leases and SBITAs are covered in more detail in Note 8. Right to use assets are detailed in Note 2.

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)**Deferred Outflows of Resources**

Deferred outflows of resources refers to the net asset consumption of assets that is applicable to a future fiscal year. The System reports certain changes in the net pension liability, changes in net other postemployment benefits liability, and unamortized losses on refunding of debt as deferred outflows. Pension-related deferred outflows are discussed in more detail in Note 9, and other postemployment benefit-related deferred outflows in Note 11.

Payables

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending. Payroll payable includes accrued salary, wages and benefits.

Claims and Judgments

Claims and judgments include estimates for legal judgments, both known medical malpractice claims and those that have not yet been made against the insured participants, and rebatable arbitrage. These liabilities are reported separately as either current or non-current in the Combined Statement of Net Position. Claims and judgments activity is shown in Note 5, with a detailed explanation of the medical self-insurance plan and activity in Note 17.

Unearned Revenues

Unearned revenues include amounts for tuition and fees, certain auxiliary activities, and amounts from grant and contract sponsors received prior to the end of the fiscal year but related to the subsequent accounting period. This category also includes unearned revenues associated with a location incentives agreement with Amarillo Economic Development Corporation.

Employees' Compensable Leave

Employees' compensable leave represents the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid. These liabilities are reported separately as either current or non-current in the Combined Statement of Net Position, and are explained in more detail in Note 5.

Right to Use Obligations

For leases or SBITAs with a term greater than 12 months, the System recognizes a liability and right-to-use asset when acting as a lessee. Liabilities are initially measured at the present value of payments and remeasured whenever there is a change in payments or a contract modification.

Short-term leases with a maximum possible term of 12 months or less at commencement are recognized as a revenue and expense based on the provisions of the lease contract.

Short-term Debt Commercial Paper Notes

Short-term debt commercial paper notes are amounts owed for commercial paper that was issued during the current accounting period for long-term construction projects for the System's component institutions. Short-term debt commercial paper notes are further explained in Note 4.

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)**Revenue Bonds Payable**

The System has a number of bond issues outstanding, most of which are supported either directly or indirectly by tuition revenue. Revenue bonds payable are addressed in more detail in Note 6, with changes in activity shown in Note 5. The bonds are reported at par, net of unamortized premiums. Issuance costs are expensed in the period incurred.

Pollution Remediation Obligation

A pollution remediation obligation addresses the current or potential detrimental effects of existing pollution and contamination by participating in pollution remediation activities such as spills of hazardous substances or asbestos abatement. These obligations will generally require the recognition and reporting of remediation liabilities. The System initially accrued and recorded a pollution remediation obligation for Texas Tech University in fiscal year 2016. This obligation is discussed in detail in Note 5.

Funds Held for Others

Current balances in funds held for others result from the System acting as an agent or fiduciary for other organizations and the funds upon receipt are normally expected to be held for three months or less. This is a change in accounting policy effective fiscal year 2020 due to the implementation of GASB 84 which is described in more detail above in the general introduction section of Note 1.

Net Pension Liability

The System is required to recognize its proportionate share of net pension liability and operating statement activity related to changes in the net pension liability for participation in the Teacher Retirement System (TRS) pension plan. The net pension liability is the System's proportionate share of the total TRS pension plan liability less the Plan's net assets as reported by the TRS pension plan for fiscal year 2023. The System's proportionate share is based on its contributions to the pension plan relative to the contributions of other employers participating in the plan. The net pension liability and pension-related deferred outflows and inflows are provided by the Texas Comptroller of Public Accounts. These amounts are included in this annual financial report and represent the total net pension liability for all System component institutions. Pensions are discussed in greater detail in Note 9.

Net Other Postemployment Benefits (OPEB) Liability

The System is required to recognize its proportionate share of the collective net OPEB liability and operating statement activity related to changes in the net OPEB liability for participation in the State Retiree Health Plan administered by the Employees Retirement System of Texas (ERS). The net OPEB liability is the System's proportionate share of the total OPEB Plan liability less the Plan's net assets as reported by the ERS OPEB plan for fiscal year 2023. The System's proportionate share is based on its contributions to the OPEB plan relative to the contributions of all employers and non-employer contributing entity participating in the plan. The net OPEB liability and OPEB-related deferred outflows and inflows are provided by the Texas Comptroller of Public Accounts. These amounts are included in this annual financial report and represent the total net OPEB liability for all System component institutions. OPEB is discussed in greater detail in Note 11.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Deferred Inflows of Resources

Deferred inflows of resources are defined as the net asset acquisition of assets that is applicable to a future fiscal year. The System reports certain changes in the net pension liability and certain changes to the net other postemployment benefits liability as deferred inflows of resources. Pension-related deferred inflows are discussed further in Note 9, and other postemployment benefit-related deferred inflows in Note 11. There are also deferred inflows associated with irrevocable split-interest agreements, as discussed below; PPPs, as discussed above and further detailed in Note 27; and leases, as discussed above and further detailed in Note 8.

Irrevocable Split-Interest Agreements

Irrevocable split-interest agreements are a specific type of giving arrangement used by donors to provide resources to two or more beneficiaries. GASB 81, *Irrevocable Split-Interest Agreements* requires that agencies that receive resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement, and revenue when the resources become applicable to the reporting period. The System reports the transactions for unconditional lead and remainder interests in irrevocable split-interest agreements held by System component institutions in their financial records.

Other Liabilities

The major component of other liabilities consists of advance deposits received from students for residence hall occupancy in the next fiscal year. This category also includes licensing agreements for broadcasting rights with Public Broadcasting Service and National Public Radio.

Liabilities in the above categories are reported separately as either current (due within one year) or non-current (amounts due thereafter) in the Combined Statement of Net Position.

Net Position

Net Position reflects the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources. Net position is presented in three separate classes: Net Investment in Capital Assets; Restricted Net Position; and Unrestricted Net Position.

Net Investment in Capital Assets

This category represents the System's capital assets, net of the System's accumulated depreciation, amortization and outstanding principal balances of the System's debt attributable to the acquisition, construction or improvement of those capital assets for the System.

Restricted Net Position

Nonexpendable – assets subject to externally imposed stipulations that they be maintained permanently by the System. Such assets include the principal of the System's permanent endowment funds.

Expendable – assets 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 by the passage of time.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Unrestricted Net Position

Unrestricted net position includes assets whose use by the System is not subject to externally imposed stipulations. They may be designated for specific purposes by action of management or the Board of Regents, or may otherwise be limited by contractual agreements with outside parties.

Interfund Activity and Transactions

The System is regularly involved in both interfund activity and interfund transactions. Interfund activity refers to financial interaction between funds (including blended component units) and is related to internal events. Interfund transactions refer to interactions with outside parties (discretely presented component units, other governments, other legally separate entities and individuals) and are restricted to external events. Interfund activity and interfund transactions are both clearly identifiable and are eliminated where appropriate.

Reporting Consideration for COVID-19 Response

In response to the COVID-19 pandemic, Congress passed legislation to provide stimulus funding under the Higher Education Emergency Relief Fund (HEERF), Provider Relief Fund (PRF), and other COVID-19 Supplemental Appropriation Acts that provide economic support to offset additional expenses and forgone revenue. During fiscal year 2024, the System received a total of \$18,746,566.66 from these relief programs. During fiscal year 2023, the System received a total of \$61,120,681.12 from these relief programs.

As of August 31, 2024, the remaining funds available from these relief programs totaled \$8,170,441.97.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 2: Capital Assets and Intangible Right to Use Assets

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

	Balance 9/1/2023	Adjustments	Reclassifications Completed CIP	Reclassifications Inc-Int'agy Trans	Reclassifications Dec-Int'agy Trans	Additions	Deletions	Balance 8/31/2024
BUSINESS-TYPE ACTIVITIES								
Non-depreciable or Non-amortizable Assets								
Land and Land Improvements	\$ 65,283,579.85	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 10,158,496.80	\$ 0.00	\$ 75,442,076.65
Construction in Progress	168,894,910.12	0.00	(264,732,534.31)	0.00	0.00	233,600,242.33	(1,524,738.81)	136,237,879.33
Other Capital Assets	117,429,800.98	0.00	101,300.00	0.00	0.00	1,307,627.40	(3,000.00)	118,835,728.38
Total Non-depreciable or Non-amortizable Assets	351,608,290.95	0.00	(264,631,234.31)	0.00	0.00	245,066,366.53	(1,527,738.81)	330,515,684.36
Depreciable Assets								
Buildings and Building Improvements	3,249,454,447.04	0.00	260,935,306.17	0.00	0.00	59,761,783.31	(5,893,028.90)	3,564,258,507.62
Infrastructure	63,652,378.97	0.00	570,017.44	0.00	0.00	2,887,341.09	0.00	67,109,737.50
Facilities and Other Improvements	263,048,137.96	0.00	433,614.83	0.00	0.00	7,230,469.35	0.00	270,712,222.14
Furniture and Equipment	477,921,063.67	6,251.34	2,692,295.87	0.00	0.00	47,751,926.93	(29,197,528.02)	499,174,009.79
Vehicle, Boats and Aircraft	24,746,828.67	0.00	0.00	0.00	0.00	2,605,833.17	(1,524,289.95)	25,828,371.89
Other Capital Assets	251,339,486.94	0.00	0.00	0.00	0.00	11,498,552.24	(1,078,560.96)	261,759,478.22
Total Depreciable Assets at Historical Cost	4,330,162,343.25	6,251.34	264,631,234.31	0.00	0.00	131,735,906.09	(37,693,407.83)	4,688,842,327.16
Less Accumulated Depreciation for:								
Buildings and Building Improvements	(1,781,088,578.98)	0.00	0.00	0.00	0.00	(115,593,635.55)	5,394,265.75	(1,891,287,948.78)
Infrastructure	(40,969,928.95)	0.00	0.00	0.00	0.00	(1,519,417.61)	0.00	(42,489,346.56)
Facilities and Other Improvements	(157,526,769.20)	0.00	0.00	0.00	0.00	(8,665,151.89)	0.00	(166,191,921.09)
Furniture and Equipment	(356,978,669.52)	(5,358.24)	0.00	0.00	0.00	(33,290,089.79)	27,926,434.85	(362,347,682.70)
Vehicles, Boats and Aircraft	(20,933,613.46)	0.00	0.00	0.00	0.00	(1,292,997.08)	1,512,784.79	(20,713,825.75)
Other Capital Assets	(175,223,857.42)	0.00	0.00	0.00	0.00	(9,582,464.87)	490,429.56	(184,315,892.73)
Total Accumulated Depreciation	(2,532,721,417.53)	(5,358.24)	0.00	0.00	0.00	(169,943,756.79)	35,323,914.95	(2,667,346,617.61)
Depreciable Assets, Net	1,797,440,925.72	893.10	264,631,234.31	0.00	0.00	(38,207,850.70)	(2,369,492.88)	2,021,495,709.55
Intangible Capital Assets - Amortizable								
Computer Software - Intangible	47,729,959.26	0.00	0.00	0.00	0.00	1,441,881.03	(1,083,735.37)	48,088,104.92
Total Intangible Assets at Historical Cost	47,729,959.26	0.00	0.00	0.00	0.00	1,441,881.03	(1,083,735.37)	48,088,104.92
Less Accumulated Amortization for:								
Computer Software - Intangible	(43,916,693.60)	0.00	0.00	0.00	0.00	(1,610,748.02)	1,083,735.37	(44,443,706.25)
Total Accumulated Amortization	(43,916,693.60)	0.00	0.00	0.00	0.00	(1,610,748.02)	1,083,735.37	(44,443,706.25)
Amortizable Assets - Intangible, Net	3,813,265.66	0.00	0.00	0.00	0.00	(168,866.99)	0.00	3,644,398.67
Business-Type Activities Capital Assets, Net	\$2,152,862,482.33	\$ 893.10	\$ 0.00	\$ 0.00	\$ 0.00	\$206,689,648.84	\$(3,897,231.69)	\$ 2,355,655,792.58

A summary of changes in intangible right to use assets for the year ended August 31, 2024 is presented below:

	Balance 9/1/2023	Adjustments	Additions	Deletions	Balance 8/31/2024
BUSINESS-TYPE ACTIVITIES					
Right to Use Assets - Amortizable					
Land	\$ 566,158.16	\$ (73,363.56)	\$ 0.00	\$ (58,404.61)	\$ 434,389.99
Buildings and Building Improvements	62,815,248.69	0.00	5,954,130.30	(3,663,232.22)	65,106,146.77
Furniture and Equipment	150,091.22	0.00	0.00	0.00	150,091.22
Subscription Assets	39,145,172.78	0.00	12,272,568.50	(8,225,810.45)	43,191,930.83
Total Right to Use Amortizable Assets	102,676,670.85	(73,363.56)	18,226,698.80	(11,947,447.28)	108,882,558.81
Less Accumulated Amortization for:					
Land	(66,954.42)	192.27	(27,987.49)	0.00	(94,749.64)
Buildings and Building Improvements	(19,696,182.10)	0.00	(7,598,166.71)	3,147,857.74	(24,146,491.07)
Furniture and Equipment	(114,963.48)	0.00	(35,127.74)	0.00	(150,091.22)
Subscriptions Assets	(15,208,156.71)	0.00	(13,195,343.74)	5,948,386.42	(22,455,114.03)
Total Accumulated Amortization	(35,086,256.71)	192.27	(20,856,625.68)	9,096,244.16	(46,846,445.96)
Business-Type Activities Right to Use Assets, Net	\$ 67,590,414.14	\$ (73,171.29)	(2,629,926.88)	(2,851,203.12)	\$ 62,036,112.85

Additional information on the liabilities relating to the right-to-use assets is detailed further in Note 8.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 3: Deposits, Investments, and Repurchase Agreements

The System’s investment portfolio is invested pursuant to the parameters of applicable Texas law and the governing board’s Investment Policies. Under Texas law, the System investments may be “any kind of investment that persons of ordinary prudence, discretion, and intelligence, exercising the judgment and care under the circumstances then prevailing, acquire or retain for their own account in the management of their affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.” Under Texas law, the System is required to invest its institutional funds according to written investment policies adopted by the Board of Regents. No person may invest the System funds without express written authority from the governing board.

The governing investment policy is Regents’ Rules Chapter 09, “Investments and Endowments.” The majority of the System assets are invested in three investment funds; the Long Term Investment Fund (LTIF), the Mission Driven Investment Fund (MDIF), and the Comprehensive Cash and Investment Pool (CCIP), each having their own stand-alone investment policies. The objective of the CCIP is to retain appropriate liquidity to meet daily operating demands while seeking higher yield on cash reserves through appropriately diversified longer-termed investment strategies. Funds invested in the MDIF focus on advancing the overall mission of the System primarily, with returns being a secondary consideration. Endowment funds and certain eligible long-term institutional funds are invested in the LTIF, which invests in equity and fixed income securities, as well as alternative investments such as hedge funds and private equity, and is operated using a total return philosophy. Institutional funds not in the LTIF or MDIF are invested in the CCIP. Other assets outside the three funds include securities gifted to the System with donor instructions to maintain in their original form, an endowment managed by American National Bank and Trust for MSU, the endowment of MSU Foundation (MSUF), and debt proceeds. The published Regent's Rules Chapter 09, "Investments and Endowment," the LTIF Investment Policy Statement, MDIF Investment Policy Statement, and the CCIP Investment Policy Statement can be obtained at <https://www.texastech.edu/board-of-regents/regents-rules.php>.

Deposits of Cash in Bank

The carrying amount of deposits as of August 31, 2024 and August 31, 2023 was \$90,768,968.08 and \$120,557,007.87, respectively, as presented below:

Business-Type Activities

	<u>FY24</u>	<u>FY23</u>
CASH IN BANK – CARRYING AMOUNT	\$ 90,768,968.08	\$ 120,557,007.87
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent		
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral		
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral		
Cash in Bank per AFR	<u>\$ 90,768,968.08</u>	<u>\$ 120,557,007.87</u>
Proprietary Funds Current Assets Cash in Bank	\$ 63,423,328.52	\$ 87,574,165.20
Proprietary Funds Current Assets Restricted Cash in Bank	21,253,233.61	15,287,501.89
Proprietary Funds Non-Current Assets Restricted Cash in Bank	6,092,405.95	17,695,340.78
Cash in Bank per AFR	<u>\$ 90,768,968.08</u>	<u>\$ 120,557,007.87</u>

These amounts consist of all cash in local banks and are included on the Combined Statement of Net Position as part of current unrestricted, current restricted, and non-current restricted “Cash and Cash Equivalents.”

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

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 limited banking institutions by depository agreements 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 (FDIC), shall at all times be collateralized with government securities.

All the System's deposits in excess of FDIC limits are fully collateralized. The collateral is held in the System's name by the pledging institution's agent. The System also has no foreign currency risk on deposits.

As of August 31, 2024, the total **bank balance** for Business-Type Activities was \$115,154,176.61. As of August 31, 2023, the restated balance was \$122,681,465.19.

The carrying amount of deposits for the System's Fiduciary Activities as of August 31, 2024 and August 31, 2023 was \$5,803,962.58 and \$4,841,066.99, respectively, as presented below:

Fiduciary Activities

	FY24	FY23
CASH IN BANK – CARRYING AMOUNT	\$ 5,803,962.58	\$ 4,841,066.99
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent		
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral		
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral		
Cash in Bank per AFR	\$ 5,803,962.58	\$ 4,841,066.99
Fiduciary Funds Current Assets Cash in Bank	\$ 5,803,962.58	\$ 4,841,066.99
Cash in Bank per AFR	\$ 5,803,962.58	\$ 4,841,066.99

All the System's Fiduciary Activities deposits in excess of FDIC limits are fully collateralized. The collateral is held in the System's name by the pledging institution's agent. The System's Fiduciary Activities also have no foreign currency risk on deposits.

As of August 31, 2024, the total **bank balance** for the System's Fiduciary Activities was \$5,803,962.58. As of August 31, 2023, this balance was \$4,841,066.99.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The carrying amount of deposits for Carr Foundation as of August 31, 2024 and August 31, 2023 was \$142,754.95 and \$134,521.31, respectively, as presented below:

Discrete Component Unit - Carr Foundation

	<u>FY24</u>	<u>FY23</u>
CASH IN BANK – CARRYING AMOUNT	\$ 142,754.95	\$ 134,521.31
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent		
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral		
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral		
Cash in Bank per AFR	<u>\$ 142,754.95</u>	<u>\$ 134,521.31</u>
Discrete Component Unit Current Assets Restricted Cash in Bank	\$ 136,563.51	\$ 128,553.66
Discrete Component Unit Non-Current Assets Restricted Cash in Bank	6,191.44	5,967.65
Cash in Bank per AFR	<u>\$ 142,754.95</u>	<u>\$ 134,521.31</u>

All of the Carr Foundation’s deposits in excess of FDIC limits are fully collateralized. The collateral is held in the Foundation’s name by the pledging institution’s agent. The Foundation also has no foreign currency risk on deposits.

As of August 31, 2024, the total **bank balance** for Discrete Component Unit Activities for the Carr Foundation was \$548,192.46. As of August 31, 2023, this balance was \$612,789.06.

The carrying amount of deposits for TTRP as of August 31, 2024 and August 31, 2023 was \$5,063.48 and \$13,719.00, respectively, as presented below:

Discrete Component Unit - TTRP

	<u>FY24</u>	<u>FY23</u>
CASH IN BANK – CARRYING AMOUNT	\$ 5,063.48	\$ 13,719.00
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent		
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral		
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral		
Cash in Bank per AFR	<u>\$ 5,063.48</u>	<u>\$ 13,719.00</u>
Discrete Component Unit Current Assets Cash in Bank	\$ 5,063.48	\$ 13,719.00
Discrete Component Unit Current Assets Restricted Cash in Bank		
Discrete Component Unit Non-Current Assets Restricted Cash in Bank		
Cash in Bank per AFR	<u>\$ 5,063.48</u>	<u>\$ 13,719.00</u>

All of the TTRP’s deposits in excess of FDIC limits are fully collateralized. The collateral is held in TTRP's name by the pledging institution’s agent. TTRP also has no foreign currency risk on deposits.

As of August 31, 2024, the total **bank balance** for Discrete Component Unit Activities for TTRP was \$5,063.48. As of August 31, 2023, this balance was \$13,719.00.

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)**Fair Value Measurements**

The System values its investments at fair value. GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is an exit price at the measurement date from the perspective of the market participant that holds the asset. This is a market-based measurement.

GASB 72 identifies the following three acceptable valuation approaches to determine fair value:

- Market approach - uses prices and other relevant information generated by market transactions involving identical or similar items.
- Cost approach – measures fair value based on the current cost to replace the present service capacity of an asset.
- Income approach – discounts future amounts (such as cash flows or revenues and expenses) into a single current amount.

GASB 72 also establishes a fair value hierarchy that classifies inputs to valuation techniques into three levels:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 – Inputs (other than quoted prices included within Level 1) that are observable for an asset or liability – either directly (quoted market prices for similar assets or liabilities) or indirectly (corroborated from observable market information).
- Level 3 – Unobservable inputs for an asset or liability.

Beyond these three levels, Net Asset Value and Amortized Cost may be used to categorize investments without a readily determinable fair value.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The fair value of investments at each level is presented below for August 31, 2024:

Business-Type Activities

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
U. S. Government						
U.S. Treasury Securities	\$ 56,117,402.61					\$ 56,117,402.61
U.S. Government Agency Obligations	307,798,863.79	\$ 478,031.05				308,276,894.84
Corporate Obligations		17,246,789.32				17,246,789.32
Equity	591,692,884.22				\$ 292,617,412.96	884,310,297.18
Fixed Income Money Market and Bond Mutual Fund	1,158,457,825.20					1,158,457,825.20
Mutual Funds - Domestic	137,032,117.45					137,032,117.45
Other Commingled Funds	6,634,431.45	49,455,787.23	\$ 910,071.95		11,100,732.81	68,101,023.44
Other Commingled Funds (TexPool)				\$ 25,604,503.98		25,604,503.98
Real Estate			3,092,455.95		15,882,786.40	18,975,242.35
Domestic Derivatives		34,845,975.97				34,845,975.97
Externally Managed Investments:						
Domestic	4,834,988.02	701,852,319.68	91,352,062.57		543,945,465.15	1,341,984,835.42
International		451,202.92			42,041,073.88	42,492,276.80
Miscellaneous	21,376.60	587,062.54	43,555,379.89			44,163,819.03
Total Investments	\$ 2,262,589,889.34	\$ 804,917,168.71	\$ 138,909,970.36	\$ 25,604,503.98	\$ 905,587,471.20	\$ 4,137,609,003.59
Current Unrestricted Short-Term Investments	\$ 6,634,431.45			\$ 4,328,017.11	\$ 10,296,059.39	\$ 21,258,507.95
Current Restricted Short-Term Investments	2,695,597.54	164,195.46			804,673.42	3,664,466.42
Non-Current Investments	1,824,198,167.27	\$ 804,752,973.25	\$ 138,909,970.36		894,486,738.39	3,662,347,849.27
Items in Cash and Cash Equivalents:						
Money Market Funds	429,061,693.08					429,061,693.08
TexPool Investments				21,276,486.87		21,276,486.87
Total Investments	\$ 2,262,589,889.34	\$ 804,917,168.71	\$ 138,909,970.36	\$ 25,604,503.98	\$ 905,587,471.20	\$ 4,137,609,003.59

Fiduciary Activities

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
Equity	\$ 616,954.65	\$			\$ 2,508,872.40	\$ 3,125,827.05
Fixed Income Money Market and Bond Mutual Fund	1,229,229.42	955,615.05				2,184,844.47
Other Commingled Funds		323,692.24	\$ 4,364.02			328,056.26
Real Estate					136,177.42	136,177.42
Domestic Derivatives		298,765.91				298,765.91
Externally Managed Investments:						
Domestic	482.19	4,169,187.46	410,169.00		2,400,194.58	6,980,033.23
International		2,163.63			360,455.96	362,619.59
Total Investments	\$ 1,846,666.26	\$ 5,749,424.29	\$ 414,533.02	\$ 0.00	\$ 5,405,700.36	\$ 13,416,323.93
Non-Current Investments	\$ 1,846,666.26	\$ 5,749,424.29	\$ 414,533.02		\$ 5,405,700.36	\$ 13,416,323.93
Total Investments	\$ 1,846,666.26	\$ 5,749,424.29	\$ 414,533.02	\$ 0.00	\$ 5,405,700.36	\$ 13,416,323.93

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Discrete Component Unit - Carr Foundation

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
Equity	\$ 7,486,055.25	\$			\$ 30,442,362.96	\$ 37,928,418.21
Fixed Income Money Market and Bond Mutual Fund	14,915,325.43	11,595,320.72				26,510,646.15
Other Commingled Funds		3,927,643.64	\$ 52,952.51			3,980,596.15
Real Estate			17,497,669.80		1,652,360.82	19,150,030.62
Domestic Derivatives		3,625,190.44				3,625,190.44
Externally Managed Investments:						
Domestic	5,850.78	50,588,430.84	4,976,942.43		29,123,679.07	84,694,903.12
International		26,253.22			4,373,730.25	4,399,983.47
Total Investments	\$22,407,231.46	\$69,762,838.86	\$22,527,564.74	\$ 0.00	\$ 65,592,133.10	\$ 180,289,768.16
Non-Current Investments	\$22,407,231.46	\$69,762,838.86	\$22,527,564.74		\$ 65,592,133.10	\$ 180,289,768.16
Total Investments	\$22,407,231.46	\$69,762,838.86	\$22,527,564.74	\$ 0.00	\$ 65,592,133.10	\$ 180,289,768.16

The fair value of investments at each level is presented below for August 31, 2023:

Business-Type Activities

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
U. S. Government						
U.S. Treasury Securities	\$ 64,713,472.70					\$ 64,713,472.70
U.S. Government Agency Obligations	282,993,661.05	\$ 481,295.36				283,474,956.41
Corporate Obligations		2,600,822.69				2,600,822.69
Equity	571,741,913.56	6,246,816.40			\$ 288,894,362.20	866,883,092.16
Fixed Income Money Market and Bond Mutual Fund	1,160,596,159.50					1,160,596,159.50
Mutual Funds - Domestic	97,649,495.85					97,649,495.85
Other Commingled Funds	6,254,745.20	197,069,040.50	\$ 1,041,526.06		7,403,648.69	211,768,960.45
Other Commingled Funds (TexPool)				\$ 11,629,668.51		11,629,668.51
Real Estate			2,875,612.28		13,202,059.49	16,077,671.77
Domestic Derivatives		27,325,225.64				27,325,225.64
Externally Managed Investments:						
Domestic	8,610,683.60	390,784,783.78	98,745,501.63		398,626,269.40	896,767,238.41
International		10,652,716.86				10,652,716.86
Miscellaneous		474,490.17	39,548,757.23			40,023,247.40
Total Investments	\$2,192,560,131.46	\$ 635,635,191.40	\$ 142,211,397.20	\$ 11,629,668.51	\$ 708,126,339.78	\$3,690,162,728.35
Current Unrestricted Short-Term Investments	\$ 6,254,745.20			\$ 3,130,181.10	\$ 6,826,998.99	\$ 16,211,925.29
Current Restricted Short-Term Investments					576,649.70	576,649.70
Non-Current Investments	1,747,112,956.53	\$ 635,635,191.40	\$ 142,211,397.20		700,722,691.09	3,225,682,236.22
Items in Cash and Cash Equivalents:						
Money Market Funds	439,192,429.73					439,192,429.73
TexPool Investments				8,499,487.41		8,499,487.41
Total Investments	\$2,192,560,131.46	\$ 635,635,191.40	\$ 142,211,397.20	\$ 11,629,668.51	\$ 708,126,339.78	\$3,690,162,728.35

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Fiduciary Activities

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
Equity	\$ 212,511.37	\$ 55,151.79			\$ 2,552,494.52	\$ 2,820,157.68
Fixed Income Money Market and Bond Mutual Fund	1,284,090.10	1,297,543.83				2,581,633.93
Mutual Funds - Domestic	821,719.89					821,719.89
Other Commingled Funds		350,704.48	\$ 5,073.27			355,777.75
Real Estate					113,324.98	113,324.98
Domestic Derivatives		241,248.50				241,248.50
Externally Managed Investments:						
Domestic	60,607.51	3,194,622.40	453,109.94		2,009,643.41	5,717,983.26
International					57,153.15	57,153.15
Total Investments	\$ 2,378,928.87	\$ 5,139,271.00	\$ 458,183.21	\$ 0.00	\$ 4,732,616.06	\$ 12,708,999.14
Non-Current Investments	\$ 2,378,928.87	\$ 5,139,271.00	\$ 458,183.21		\$ 4,732,616.06	\$ 12,708,999.14
Total Investments	\$ 2,378,928.87	\$ 5,139,271.00	\$ 458,183.21	\$ 0.00	\$ 4,732,616.06	\$ 12,708,999.14

Discrete Component Unit - Carr Foundation

Type of Security	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
Equity	\$ 2,560,730.44	\$ 664,570.87			\$ 30,757,180.64	\$ 33,982,481.95
Fixed Income Money Market and Bond Mutual Fund	15,473,095.31	15,635,210.81				31,108,306.12
Mutual Funds - Domestic	9,901,602.82					9,901,602.82
Other Commingled Funds		4,225,936.87	\$ 61,132.14			4,287,069.01
Real Estate			18,767,596.08		1,365,549.18	20,133,145.26
Domestic Derivatives		2,907,008.59				2,907,008.59
Externally Managed Investments:						
Domestic	730,311.54	38,494,726.26	5,459,907.57		23,814,114.37	68,499,059.74
International					1,090,477.75	1,090,477.75
Total Investments	\$ 28,665,740.11	\$61,927,453.40	\$ 24,288,635.79	\$ 0.00	\$ 57,027,321.94	\$ 171,909,151.24
Non-Current Investments	\$ 28,665,740.11	\$61,927,453.40	\$ 24,288,635.79		\$ 57,027,321.94	\$ 171,909,151.24
Total Investments	\$ 28,665,740.11	\$61,927,453.40	\$ 24,288,635.79	\$ 0.00	\$ 57,027,321.94	\$ 171,909,151.24

Discrete Component Unit - TTRP, had no investment activity as of August 31, 2024 or August 31, 2023.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Investments Reported at NAV

Per GASB 72, the System uses the net asset value (NAV) per share as a method for determining fair value for its investments in the tables below.

As of August 31, 2024:

Business-Type Activities

Investment Strategy	Fair Value	Frequency Range Low	Frequency Range High	Notice Period Range Low	Notice Period Range High	Unfunded Commitment
Alternative	\$ 585,986,539.03	Monthly	Annually	30 days	90 days	\$ 128,150,275.07
Commingled Funds	11,100,732.81	Monthly	Annually	3 days	10 days	0.00
Private Equity	292,617,412.96	4 years	5 years	1 year	1 year	91,403,233.11
Real Estate	15,882,786.40	4 years	5 years	1 year	1 year	7,442,117.82
Total	\$ 905,587,471.20					\$ 226,995,626.00

Fiduciary Activities

Investment Strategy	Fair Value	Frequency Range Low	Frequency Range High	Notice Period Range Low	Notice Period Range High	Unfunded Commitment
Alternative	\$ 2,760,650.54	Monthly	Annually	30 days	90 days	\$ 914,353.83
Private Equity	2,508,872.40	4 years	5 years	1 year	1 year	783,682.17
Real Estate	136,177.42	4 years	5 years	1 year	1 year	63,807.97
Total	\$ 5,405,700.36					\$ 1,761,843.97

Discrete Component Unit - Carr Foundation

Investment Strategy	Fair Value	Frequency Range Low	Frequency Range High	Notice Period Range Low	Notice Period Range High	Unfunded Commitment
Alternative	\$ 33,497,409.32	Monthly	Annually	30 days	90 days	\$ 11,094,661.94
Private Equity	30,442,362.96	4 Years	5 Years	1 year	1 year	9,509,107.37
Real Estate	1,652,360.82	4 Years	5 Years	1 year	1 year	774,238.45
Total	\$ 65,592,133.10					\$ 21,378,007.76

As of August 31, 2023:

Business-Type Activities

Investment Strategy	Fair Value	Frequency Range Low	Frequency Range High	Notice Period Range Low	Notice Period Range High	Unfunded Commitment
Alternative	\$ 398,626,269.40	Monthly	Annually	30 days	90 days	\$133,585,799.18
Commingled Funds	7,403,648.69	Monthly	Annually	3 days	10 days	0.00
Private Equity	288,894,362.20	4 years	5 years	1 year	1 year	97,364,406.26
Real Estate	13,202,059.49	4 years	5 years	1 year	1 year	9,688,228.91
Total	\$ 708,126,339.78					\$240,638,434.35

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Fiduciary Activities

Investment Strategy	Fair Value	Frequency Range Low	Frequency Range High	Notice Period Range Low	Notice Period Range High	Unfunded Commitment
Alternative	\$ 2,066,796.56	Monthly	Annually	30 days	90 days	\$ 876,417.26
Private Equity	2,549,261.38	4 years	5 years	1 year	1 year	1,080,042.47
Real Estate	116,558.12	4 years	5 years	1 year	1 year	47,997.79
Total	\$ 4,732,616.06					\$ 2,004,457.52

Discrete Component Unit - Carr Foundation

Investment Strategy	Fair Value	Frequency Range Low	Frequency Range High	Notice Period Range Low	Notice Period Range High	Unfunded Commitment
Alternative	\$ 24,904,592.13	Monthly	Annually	30 days	90 days	\$ 10,547,786.64
Private Equity	30,718,221.73	4 Years	5 Years	1 year	1 year	13,027,263.00
Real Estate	1,404,508.08	4 Years	5 Years	1 year	1 year	578,366.23
Total	\$ 57,027,321.94					\$ 24,153,415.87

These investments calculate the NAV consistent with the Financial Accounting Standard Board’s measurement principles for investment companies. These investments are exempt from classification within the fair value hierarchy when the System does not intend to sell all or a portion of the investment for an amount that is different from the NAV.

Investment Risks

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. State statutes and the System's investment regulation does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. The System’s investment policy is to require third party custody for the three investment funds, the LTIF, the MDIF, and the CCIP. The balances listed below relate to the securities held outside of those pools as of August 31, 2024 and August 31, 2023.

Business-Type Activities

Fiscal Year	Fund Type	Type	Uninsured and unregistered with securities held by the counterparty
2024	05	Equity	\$ 13,085,427.29
2023	05	Equity	\$ 11,446,336.88

Fiduciary Funds had no custodial credit risk for investments as of August 31, 2024 or August 31, 2023.

The Carr Foundation and TTRP had no custodial credit risk for investments as of August 31, 2024 or August 31, 2023.

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. As of August 31, 2024, the System investments subject to interest rate risk - comingled funds such as local government investment pools, and fixed income money market funds - have an average maturity of less than one year. The System's investments in U.S. Government Agency and Municipal

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Obligations have an average maturity of less than three years and the investments in bond mutual funds have an average maturity of less than three years.

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. The LTIF, MDIF, and CCIP do not have policy limits specific to international equity or debt. All exposures are through funds managed by external investment managers. The exposure to foreign currency risk as of August 31, 2024, is presented below.

Business-Type Activities

<u>FY24</u>		
Fund		International
Type	Foreign Currency	Externally Managed
		Investments
05	British pound	\$ 7,264,634.26
05	Euro	35,227,642.54
	Total	<u><u>\$ 42,492,276.80</u></u>

As of August 31, 2023, the exposure to foreign currency risk was: International Externally Managed Investments - \$10,652,716.86.

Fiduciary Activities

<u>FY24</u>		
Fund		International
Type	Foreign Currency	Externally Managed
		Investments
22	British pound	\$ 62,286.25
22	Euro	300,333.34
	Total	<u><u>\$ 362,619.59</u></u>

As of August 31, 2023, the exposure to foreign currency risk was: International Externally Managed Investments - \$57,153.15.

Discrete Component Unit - Carr Foundation

<u>FY24</u>		
Fund		International
Type	Foreign Currency	Externally Managed
		Investments
15	British pound	\$ 755,774.00
15	Euro	3,644,209.47
	Total	<u><u>\$ 4,399,983.47</u></u>

As of August 31, 2023, the exposure to foreign currency risk for the Carr Foundation was: International Externally Managed Investments - \$1,090,477.75.

Discrete Component Unit - TTRP had no foreign currency risk as of August 31, 2024 or August 31, 2023.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). The System’s CCIP investment policy limits fixed income securities to those issued by the U.S. or its agencies and instrumentalities. According to the authoritative literature from the GASB, 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. However in 2011 and 2023, some of the U.S. government direct obligations were downgraded and thus U.S. government direct obligations are included in the credit risk disclosure.

As of August 31, 2024, the System’s credit quality distribution for securities with credit risk exposure was as follows:

Business-Type Activities

Standard & Poor’s

Fund Type	Investment Type	AAA	AA	A	BBB	BB	Unrated
05	U.S. Government Agency Obligations	\$ 306,922,560.32	1,354,334.52				
05	Corporate Obligations	\$ 263,009.22	1,349,569.82	7,568,713.44	8,034,029.24	31,467.60	
05	Miscellaneous	\$ 587,049.54					13.00
		AAAf	AAAm	Aaf	Af		Unrated
05	Fixed Income Money Market and Bond Mutual Fund	\$ 429,061,693.08	110,732.00	257,134,215.32			472,151,184.80

Fiduciary Activities

Standard & Poor’s

Fund Type	Investment Type	AAAf	Aaf	Af	Unrated
22	Fixed Income Money Market and Bond Mutual Fund				\$ 2,184,844.47

Discrete Component Unit - Carr Foundation

Standard & Poor’s

Fund Type	Investment Type	AAAf	Aaf	Af	Unrated
15	Fixed Income Money Market and Bond Mutual Fund				\$ 26,510,646.15

Discrete Component Unit - TTRP had no credit risk exposure as of August 31, 2024 or August 31, 2023.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The System’s credit quality distribution for securities with credit risk exposure as of August 31, 2023 was as presented below:

Business-Type Activities

Standard & Poor’s

Fund Type	Investment Type	AAA	AA	A	BBB	Unrated
05	U.S. Government Agency Obligations	\$ 283,042,167.95	432,788.46			
05	Corporate Obligations		118,404.00	409,809.60	2,072,609.09	
05	Miscellaneous	474,490.17				
		AAAf	Aaf	Af		Unrated
05	Fixed Income Money Market and Bond Mutual Fund	\$ 439,192,429.73	200,076,159.46			\$521,327,570.31

Fiduciary Activities

Standard & Poor’s

Fund Type	Investment Type	AAAf	Aaf	Af	Unrated
22	Fixed Income Money Market and Bond Mutual Fund				\$ 2,581,633.93

Discrete Component Unit - Carr Foundation

Standard & Poor’s

Fund Type	Investment Type	AAA	AA	A	BBB	BB	Unrated
15	Fixed Income Money Market and Bond Mutual Fund						\$ 31,108,306.12

Investment Derivative Instruments

The System’s Investment Policy Statement for the LTIF allows investment in certain derivative securities. A derivative security is a financial instrument which derives its value from another security, currency, commodity or index. The System held options and total return swaps as investment derivatives during fiscal year 2024.

Derivative investments are also reported at fair value, using the same approach and hierarchy required by GASB 72 discussed in the Investments section above. The System’s derivative investment instruments are reported using Level 2 inputs. Derivatives are discussed more in Note 7.

The System entered into these type derivatives as efficient substitutes for traditional securities to reduce portfolio risks created by other securities, or in fully hedged positions to take advantage of market anomalies. The derivative contracts entered into during fiscal year 2024 used market indices as underlying securities in order to gain and reduce market exposure in an efficient manner. All investment derivatives are reported as Investments on the Combined Statement of Net Position, and changes in fair value of certain derivatives are reported as investment revenue in the Combined Statement of Revenues, Expenses and Changes in Net Position.

These derivative instruments involve market and/or credit risk in excess of the amount recognized in the Combined Statement of Net Position. Risks arise from the possibility that counterparties will be unable to meet the terms of their contracts and from movement in index values. Counterparty risk for swaps is

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

mitigated by master netting agreements between the System and its counterparties, and by the posting of collateral on a daily basis.

As of August 31, 2024 and August 31, 2023, the System had no exposure to investment **foreign currency risk in derivative investments**.

As of August 31, 2024 and August 31, 2023, Fiduciary Activities had no exposure to **foreign currency risk in derivative investments**.

As of August 31, 2024 and August 31, 2023, Discrete Component Units - Carr Foundation and TTRP had no exposure to **foreign currency risk in derivative investments**.

Texas University Fund

On November 7, 2023, Proposition 5 passed, establishing a new permanent endowment, the Texas University Fund (TUF), to support academic teaching institutions in Texas in achieving national prominence as major research universities. The TUF is administered by Texas Safekeeping Trust Company and the endowment is not reflected in the financial statements of the System.

Total net position of the TUF as of August 31, 2024 was \$4,216,437,242.31. By acts of Legislature and provisions of the State Constitution, the net income of the TUF is divided amongst four Texas research institutions. TTU's share of distributions was \$44.4 million for the fiscal year ended August 31, 2024.

Additionally, eligible institutions, including TTU, are entitled to include their portion of the TUF corpus when reporting institutional endowment funds to certain external agencies. As of August 31, 2024, based on statute, TTU's portion would equal approximately one-third of 75% of the year-end total.

Note 4: Short-Term Debt

The System had the following short-term debt outstanding as of August 31, 2024.

Business-Type Activities	Balance 9/1/2023	Increases	Decreases	Balance 8/31/2024
Short-Term Debt CP Notes	\$ 55,355,000.00	\$ 59,970,000.00	\$ 10,511,000.00	\$ 104,814,000.00

Short-Term Debt Commercial Paper Notes

Commercial paper, both taxable and non-taxable, was issued during the fiscal year to serve as an interim financing source for various long-term construction projects in advance of the issuance of authorized bonds. All commercial paper outstanding at August 31, 2024 will mature in fiscal year 2025. Commercial paper has short maturities up to 270 days with interest rates ranging from 3.22% to 3.78% for tax-exempt, and 5.30% to 5.50% for taxable paper.

The System has no credit facilities and no lines or letters of credit. The System commercial paper (CP) program, classified as notes for reporting purposes, has a total aggregate principal authorization of \$150 million. With \$104,814,000.00 outstanding as of August 31, 2024, the remaining principal authorization is \$45,186,000.00. The CP program is supported by the System's own self-liquidity to be used in the event there are tendered securities of the System's RFS Commercial Paper notes not remarketed. No assets are pledged as collateral. No terms specified relating to default and termination events are in the CP program indentures. The CP program notes are not subject to redemption prior to their respective maturities or to acceleration of maturities.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 5: Long-Term Liabilities

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

Business-Type Activities	Balance 9/1/2023	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2024	Amounts due within one year	Amounts due Thereafter
Claims and Judgments	\$ 5,853,667.00	\$ 7,017,428.33	\$ 860,349.00	\$ 0.00	\$ 12,010,746.33	\$ 1,039,894.01	\$ 10,970,852.32
Right to Use Lease Obligations	46,148,490.01	5,954,128.24	7,428,502.46	(151,012.19)	44,523,103.60	6,935,799.83	37,587,303.77
Right to Use Subscription Obligations	18,296,391.55	11,625,263.72	13,099,824.50	(468,222.39)	16,353,608.38	7,521,134.10	8,832,474.28
Employees' Compensable Leave	71,451,508.98	6,611,042.44	212,916.37	3,900,029.41	81,749,664.46	9,069,232.39	72,680,432.07
Revenue Bonds Payable	1,074,640,954.96	0.00	72,240,000.00	(4,858,519.04)	997,542,435.92	79,417,398.34	918,125,037.58
Notes and Loans Payable - Direct Borrowings	36,869,354.00	113,947,045.00	0.00	0.00	150,816,399.00	150,816,399.00	0.00
Pollution Remediation Obligation	1,529,525.50	0.00	0.00	0.00	1,529,525.50	0.00	1,529,525.50
Total Business-Type Activities	\$1,254,789,892.00	\$ 145,154,907.73	\$ 93,841,592.33	\$ (1,577,724.21)	\$1,304,525,483.19	\$ 254,799,857.67	\$1,049,725,625.52

Discrete Component Unit - Carr Foundation

Discrete Component Unit Activities	Balance 9/1/2023	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2024	Amounts due within one year	Amounts due Thereafter
Employees' Compensable Leave	\$ 22,420.82	\$ 0.00	\$ 3,950.02	\$ 0.00	\$ 18,470.80	\$ 0.00	\$ 18,470.80

Discrete Component Unit - TTRP did not have any long term liabilities as of August 31, 2024.

Claims and Judgments

TTUHSC and TTUHSC at El Paso have self-insured arrangements for medical malpractice coverage through a medical malpractice self-insurance plan. Claims and judgments include estimates for both known medical malpractice claims and those that have not yet been made against the insured participants. The liability is actuarially estimated to reflect the anticipated future claims for past medical services, and is adjusted annually based on an actuarially estimated incurred but not reported (IBNR) liability. Some of these claims are in process, while others are expected to be filed in the future. The liability estimate does not consider the probability of payment on a claim-by-claim basis and instead considers overall probability of payment for medical malpractice claims. Funding for future claim payments will be from a self-insurance reserve managed by the office of the General Counsel. The System also includes rebatable arbitrage in claims and judgments. More information is presented in Note 17.

Right to Use Lease Obligations

The System is a lessee for various noncancellable leases of buildings, land and equipment. For leases with a maximum possible term of 12 months or more the System recognizes a lease liability and an intangible right-to-use lease asset. At the commencement of a lease, the System initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Additional information on the System's right to use lease obligations is provided in Note 8.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Right to Use Subscription Obligations

The System is a lessee for various noncancellable subscription-based information technology arrangements (SBITAs). For SBITAs with a maximum possible term of 12 months or more the System recognizes a subscription liability and an intangible right-to-use subscription asset. At the commencement of a subscription term, the System initially measures the subscription liability at the present value of payments expected to be made during the term. Subsequently, the subscription liability is reduced by the principal portion of payments made. Additional information on the System's right to use subscription obligations is provided in Note 8.

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Under state law, the hours accumulated are limited based on the employees' length of service. Expenditures for accumulated annual leave balances are recognized in the period paid or taken. The liability for unpaid benefits is recorded in the Combined Statement of Net Position. This obligation is paid from a central vacation pool account which collects the funding from the same funding source(s) from which the employee's salary or wage compensation was paid. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Revenue Bonds Payable

See Note 6 and accompanying Combined Bond Schedules for detailed information on bond liability balances and transactions.

Pledged Future Revenues

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, makes a basic distinction between sales of receivables and future revenues, and the pledging of receivables or future revenues to repay a borrowing (collateralized borrowing). The following table provides the pledged future revenue information for the System's revenue bonds for which a revenue pledge exists:

Pledged Future Revenues	Business-Type Activities	
	FY24	FY23
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	\$ 1,232,710,380.24	\$ 1,079,019,025.84
Term of Commitment for Year Ending 8/31	2050	2050
Percentage of Revenue Pledged	100%	100%
Current Year Pledged Revenue	\$ 1,052,915,744.30	\$ 795,950,872.98
Current Year Principal and Interest Paid	\$ 109,366,637.36	\$ 91,701,617.94

Pledged revenue sources include operating income from tuition and fees, sales and services from auxiliary and non-auxiliary activities, investment income, unrestricted contract and grant revenues, and state appropriations for tuition revenue bonds.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Notes and Loans Payable - Direct Borrowings

As of August 31, 2024, Red Raider Facilities Foundation (RRFF), a blended component unit of the System, entered into long-term financing contracts for the purchase of capital assets. These contracts are classified as notes and loans payable - direct borrowings. Included in these direct borrowing loans are a tax-exempt construction loan with \$62,914,942.00 and a taxable construction loan with \$11,268,659.00 undrawn balance remaining. RRFF has pledged all rights, title, and interest in its project gift and money market bank accounts as collateral for the taxable loan.

As of August 31, 2024, debt service issued for the two loans is presented below:

Year	Principal	Interest	Total
2025	\$ 150,816,399.00	\$ 6,189,082.00	\$ 157,005,481.00
2026	0.00	0.00	0.00
2027	0.00	0.00	0.00
2028	0.00	0.00	0.00
2029	0.00	0.00	0.00
Total	\$ 150,816,399.00	\$ 6,189,082.00	\$ 157,005,481.00

Additionally, an unused non-revolving line of credit of \$28,400,000 is available for capital improvements, interest, and unused line fees.

These financing arrangements for capital improvements contain provisions that in the event of default the lender has the right to take one or any of the following actions:

- shall not be required to make advances;
- may declare loans immediately due and payable; and
- shall be entitled to recover reasonable expenses incurred to enforce any of its rights or remedies.

Pollution Remediation Obligation

TTU owns a 5,855-acre parcel of land in Carson County, Texas. The land was purchased from the United States of America, acting by and through the General Services Administrator, in 1949 to operate an experimental research farm on a portion of the land. TTU is a responsible party for pollution remediation activities on this land for which expenses have been previously accrued in the amount of \$1,529,525.50. The estimated liability is based on an analysis from ARS Aleut Remediation, LLC and factored down by 50% for cost reduction measures that would result in cost savings. This amount is subject to cost volatility until such time remediation activities are complete. The land will be considered for remediation if the land is sold, transferred or otherwise utilized in a manner necessitating pollution remediation.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 6: Bonded Indebtedness

Revenue Bonds Payable

Detailed supplemental bond information is disclosed in the Combined:

Schedule 2A	Miscellaneous Bond Information
Schedule 2B	Changes in Bonded Indebtedness
Schedule 2C	Debt Service Requirements
Schedule 2D	Analysis of Funds Available for Debt Service
Schedule 2E	Defeased Bonds Outstanding
Schedule 2F	Early Extinguishment and Refunding

The System's bond issues outstanding as of August 31, 2024 are summarized in the paragraphs that follow.

Revenue Financing System Refunding and Improvement Bonds, Series 2012B

Purpose:	To finance advance refunding of \$4,945,000 of MSU Building Revenue and Refunding Bonds, Series 2003, which were used to pay for improving, enlarging, and/or equipping MSU residence halls, including fire safety improvements and other general modernization improvements.
Issue Date:	September 15, 2012
Original Issue Amount:	\$5,415,000, all authorized bonds have been issued
Source of revenue for debt service:	MSU has pledged revenues, consisting of unappropriated fund balances and unrestricted current funds revenues available, but not including remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts, student service fees, and private gifts.

Revenue Financing System Building Revenue & Refunding Bonds, Series 2015A

Purpose:	To finance the construction of a new 500-bed student dormitory and an addition to the Fain Fine Arts building to expand the Mass Communications program; the refunding of \$605,000 of the MSU Building Revenue and Refunding Bonds, Series 2003, which were used to pay for improving, enlarging, and/or equipping MSU residence halls, including fire safety and other general modernization improvements; the refunding of \$6,025,000 of the Series 2007 TRB portion; and the refunding of \$7,195,000 of the Series 2007 Non-TRB portion.
Issue Date:	June 2, 2015
Original Issue Amount:	\$53,335,000, all authorized bonds have been issued
Source of revenue for debt service:	MSU has pledged revenues, consisting of revenues, incomes, receipts, rentals, rates, charges, fees, and tuition levied or collected from any public or private source, including interest or other income from those funds and unrestricted fund and reserve balances available, but not including remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts, student service fees, and private gifts.

Revenue Financing System Revenue & Refunding Bonds, Series 2016A

Purpose:	\$58,400,000 of the proceeds from the sale of the Series 2016A Bonds will be used for the construction of the new 84,000 gross square foot Gunn Health Sciences and Human Services building with the consolidation of the previously separately housed Simulation Center; along with substantial renovations to Moffett Library; minor renovations and code improvements to Bridwell Hall, Bolin Hall, the Fain Fine Arts Center, and the Hardin Administration Building; the relocation of Information Technology to a more secure building on campus; and other essential electrical, infrastructural, HVAC, and ADA upgrades and improvements.
Issue Date:	September 15, 2016
Original Issue Amount:	\$70,135,000; Of the \$58,400,000 authorized, \$50,975,000 have been issued.
Source of revenue for debt service:	The additional debt service for these projects will be funded with tuition revenue bond retirement appropriations authorized by the 84th Texas Legislature.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Revenue Financing System Revenue & Refunding Bonds, Series 2016B

Purpose: The entire proceeds of \$11,790,000 from the sale of Series 2016B revenue and refunding bonds were used to advance refund the remaining 2008 series revenue bonds on a taxable basis.

Issue Date: September 15, 2016

Original Issue Amount: \$11,790,000, all authorized bonds have been issued

Source of revenue for debt service: MSU has pledged revenues, consisting of revenues, incomes, receipts, rentals, rates, charges, fees, and tuition levied or collected from any public or private source, including interest or other income from those funds and unrestricted fund and reserve balances available, but not including remissions, governmental appropriations and gifts, Higher Education Assistance Funds, grants and contracts, student service fees, and private gifts.

Revenue Financing System Refunding and Improvement Bonds, 16th Series 2015A

Purpose: For refunding of \$62,790,000 of Revenue Financing System Commercial Paper Notes Series A, a current refunding of \$245,000 of Revenue Financing System Bonds Series 2003. To provide new funding for the new TTU College of Business Administration Building Wing Addition, TTU West Village Residence Hall and Dining Facility and the HSC at El Paso School of Nursing.

Issue Date: April 9, 2015

Original Issue Amount: \$73,255,000, all authorized bonds have been issued

Source of revenue for debt service: All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

Revenue Financing System Refunding and Improvement Bonds, 17th Series 2015B (Taxable)

Purpose: For refunding of \$39,025,000 of Revenue Financing System Commercial Paper Notes Series A, an advance refunding of \$157,035,000 of Revenue Financing System Bonds Series 2006, a current refunding of \$4,185,000 of Texas State University System Revenue Financing System Bonds Series 2005 and an advance refunding of \$13,365,000 of Texas State University System Revenue Financing System Bonds Series 2006 representing ASU's portion. To provide new funding for the new TTU Research Park Building, the United Supermarkets Arena renovations, Jones Stadium facility upgrades, and Bayer CropScience Research Building Renovation and the new Bayer CropScience Trait Development Center.

Issue Date: April 9, 2015

Original Issue Amount: \$245,315,000, all authorized bonds have been issued

Source of revenue for debt service: All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

Revenue Financing System Refunding and Improvement Bonds, 2017A Series

Purpose: For refunding of \$33,007,000 of Revenue Financing System Commercial Paper Notes Series A and to provide funding of new construction of ASU Archer College of Human & Health Services Building, TTU Honors Residence Hall, HSC Amarillo Simulation Center, HSC Permian Basin Academic Center and Texas Tech University System Administration Building.

Issue Date: January 31, 2017

Original Issue Amount: \$79,035,000, all bonds authorized have been issued

Source of revenue for debt service: All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Revenue Financing System Refunding and Improvement Bonds, 2017B Series (Taxable)

Purpose: For refunding of \$17,327,000 of Revenue Financing System Commercial Paper Notes Series A, an advance refunding of \$75,430,000 of Revenue Financing System Bonds Series 2009, and an advance refunding of \$3,147,667.15 of Government Capital Corp Lease for Angelo State University. To provide funding for new construction of TTU Experimental Sciences Building II, TTU Sports Performance Complex, HSC Lubbock Campus Expansion, HSC at El Paso Medical Sciences Building II.

Issue Date: January 31, 2017

Original Issue Amount: \$295,700,000, all bonds authorized have been issued

Source of revenue for debt service: All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

Revenue Financing System Refunding and Improvement Bonds, 2020 Series (Taxable)

Purpose: For refunding of \$52,009,000 of Revenue Financing System Commercial Paper Notes Series A, an advance refunding of \$80,665,000 of Revenue Financing System Bonds 14th Series 2012A, and an advance refunding of \$17,440,000 of Revenue Financing System Bonds Taxable 15th Series 2012B. To provide funding for new construction of TTU School of Veterinary Medicine, HSC at El Paso School of Dental Learning and Oral Health Clinic, TTU Womble Basketball Practice Center, ASU Centennial Village Phase II, ASU Food Service Center Renovation, TTU Cash Family Athletics Nutrition Center, and other various minor capital improvement projects.

Issue Date: July 29, 2020

Original Issue Amount: \$314,745,000, all authorized bonds have been issued

Source of revenue for debt service: All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

Revenue Financing System Refunding and Improvement Bonds, 2023A Series

Purpose: To finance construction projects for various improvements, renovations, and additions including the following: ASU Central Physical Plant upgrades; HSC research lab renovations and facility upgrades and additions to the Midland Physicians Assistant Program building; HSC El Paso medical clinic construction; MSU Bolin Science building renovation and Central Physical Plant upgrades and additions; TTU renovations, including life and safety upgrades to Biology building and greenhouse, Experimental Sciences building, Chemistry building, Holden Hall, Psychology building, Mechanical Engineering buildings, and Science building; Reese Center roof and building renovations; TTU Junction campus research facility renovations and upgrades; and TTU Central Physical Plant tunnel and sewer upgrades and repairs. \$7,205,000 of issued funds was a partial current refunding of Revenue Financing System Commercial Paper Notes Series A for the TTU Veterinary School of Medicine Mariposa.

Issue Date: August 8, 2023

Original Issue Amount: \$193,625,000, all authorized bonds have been issued

Source of revenue for debt service: All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Revenue Financing System Refunding and Improvement Bonds, 2023B Series (Taxable)

Purpose:	To finance construction projects for various improvements, renovations, and additions including the following: ASU Central Physical Plant upgrades; HSC research lab renovations and facility upgrades and additions to the Midland Physicians Assistant Program building; HSC El Paso medical clinic construction; MSU Bolin Science building renovation and Central Physical Plant upgrades and additions; TTU renovations, including life and safety upgrades to Biology building and greenhouse, Experimental Sciences building, Chemistry building, Holden Hall, Psychology building, Mechanical Engineering buildings, and Science building; Reese Center roof and building renovations; TTU Junction campus research facility renovations and upgrades; and TTU Central Physical Plant tunnel and sewer upgrades and repairs.
Issue Date:	August 8, 2023
Original Issue Amount:	\$56,400,000, all authorized bonds have been issued
Source of revenue for debt service:	All pledged revenues of the participants of the Texas Tech University System Revenue Financing System

Sources of Debt-Service Revenue

On October 21, 1993, the governing board of the System established a Revenue Financing System (RFS) for the purpose of providing a financing structure for all revenue supported indebtedness of System component institutions. The source of revenues for debt service issued under the RFS includes pledged general tuition, pledged tuition fee, pledged general fee and any other revenues, income, receipts, rentals, rates, charges, fees, including interest or other income, and balances lawfully available to System component institutions. Excluded from the revenues described above are amounts received under Article 7, Section 17 of the Constitution of the State of Texas, general revenue funds appropriated by the Legislature except to the extent so specifically appropriated, encumbered housing revenues, and practice plan funds.

Note 7: Derivatives

The System Investment Policy Statement for the LTIF allows investment in certain derivative securities. Derivatives are financial instruments whose values are derived in whole or in part from the value of any one or more underlying assets or index of asset values. Investment derivatives are entered into with the intention of managing transaction risk, reducing interest cost, or reducing currency exchange risk in purchasing, selling or holding investments.

The following disclosures summarize the System’s derivative activity as reported in the financial statements as of August 31, 2024:

Business-Type Activities

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2024		
	Classification	Amount	Classification	Amount	Notional
Options	Investment Revenue	\$ (1,526,948.25)	Investments	\$ 0.00	\$ 0.00
Total Return Swaps	Investment Revenue	8,983,703.17	Investments	34,845,975.97	589,967,666.63

Fiduciary Activities

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2024		
	Classification	Amount	Classification	Amount	Notional
Options	Investment Revenue	\$ (13,091.90)	Investments	\$ 0.00	\$ 0.00
Total Return Swaps	Investment Revenue	77,025.37	Investments	298,765.91	5,287,580.92

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Discrete Component Unit - Carr Foundation

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2024		
	Classification	Amount	Classification	Amount	Notional
Options	Investment Revenue	\$ (158,855.59)	Investments	\$ 0.00	\$ 0.00
Total Return Swaps	Investment Revenue	934,616.81	Investments	3,625,190.44	64,158,885.67

Discrete Component Unit - TTRP did not have any derivative activity as of August 31, 2024.

The System classified its investment derivative instruments using Level 2 inputs in the fair value hierarchy, meaning the instruments are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Note 3 contains more detailed information about derivatives held for investment purposes and the fair value measurement hierarchy established by GASB 72.

Business-Type Activities

Investment Derivative Instruments	August 31, 2024	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ 34,845,975.97	\$ 0.00	\$ 34,845,975.97	\$ 0.00

Fiduciary Activities

Investment Derivative Instruments	August 31, 2024	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ 298,765.91	\$ 0.00	\$ 298,765.91	\$ 0.00

Discrete Component Unit - Carr Foundation

Investment Derivative Instruments	August 31, 2024	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ 3,625,190.44	\$ 0.00	\$ 3,625,190.44	\$ 0.00

The following disclosures summarize the System’s derivative activity as reported in the financial statements as of August 31, 2023.

Business-Type Activities

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2023		
	Classification	Amount	Classification	Amount	Notional
Options	Investment Revenue	1,523,380.51	Investments	1,523,380.51	89,670,672.26
Total Return Swaps	Investment Revenue	\$ 48,431,238.75	Investments	\$ 25,801,845.13	\$ 566,978,362.29

Fiduciary Activities

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2023		
	Classification	Amount	Classification	Amount	Notional
Options	Investment Revenue	13,449.60	Investments	13,449.60	791,682.93
Total Return Swaps	Investment Revenue	\$ 427,588.91	Investments	\$ 227,798.90	\$ 5,005,729.07

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Discrete Component Unit - Carr Foundation

Investment Derivatives	Changes in Fair Value		Fair Value at August 31, 2023		
	Classification	Amount	Classification	Amount	Notional
Options	Investment Revenue	162,065.64	Investments	162,065.64	9,539,661.91
Total Return Swaps	Investment Revenue	\$ 5,152,382.96	Investments	\$ 2,744,942.95	\$ 60,318,293.02

The System classified its investment derivative instruments using Level 2 inputs in the fair value hierarchy for fiscal year 2023, as presented below:

Business-Type Activities

Investment Derivative Instruments	August 31, 2023	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ 27,325,225.64	\$ 0.00	\$ 27,325,225.64	\$ 0.00

Fiduciary Activities

Investment Derivative Instruments	August 31, 2023	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ 241,248.50	0.00	\$ 241,248.50	\$ 0.00

Discrete Component Unit - Carr Foundation

Investment Derivative Instruments	August 31, 2023	(Level 1)	(Level 2)	(Level 3)
Interest Rate Swaps	\$ 2,907,008.59	0.00	\$ 2,907,008.59	\$ 0.00

Fair Value

Derivative instruments are recorded at fair value. Futures contracts are marked-to-market daily and valued at closing market prices on the valuation date. A daily variation margin between the daily value of the contracts and the value on the previous day is recorded and settled in cash with the broker the following morning. Options and total return swaps are valued using broker quotes, proprietary pricing agents or appropriate pricing models with primarily externally verifiable model inputs.

Investment Derivatives

Investment derivatives expose the System to certain investment related risks. The System discloses more detail about investment derivatives and risk in Note 3.

Note 8: Leases/SBITAs

GASB Statement No. 87, *Leases*, effective FY 2022, established a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this model, parties involved in lease contracts are required to recognize a lease liability and an intangible right-to-use asset (lessee) and a lease receivable and a deferred inflow of resources (lessor).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, effective FY 2023, defines a SBITA, establishes it as a right-to-use subscription asset and a corresponding subscription liability, and provides capitalization criteria for related outlays.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

For fiscal year 2024, the System's lease contracts and subscription-based information technology arrangements have been examined according to GASB 87 and GASB 96 standards and the details for these are presented below.

Lease Liabilities

The System is a lessee for various noncancellable leases of buildings, land and equipment. A summary of the System's right to use lease asset activity during the year is disclosed separately in Note 2. Included in the expenditures reported in the financial statements is the following amount of rent paid or due under lease liability as of August 31, 2024 and August 31, 2023:

Fund Type	Business-Type Activities	
	FY24	FY23
Proprietary Fund	\$4,402,149.23	\$ 4,355,548.57

Future minimum lease payments at August 31, 2024 are as follows:

Fiscal Year Ended August 31	Business-Type Activities			Total Future Minimum Lease Payments
	Principal	Interest		
2025	\$ 6,935,799.83	\$ 727,383.17	\$	7,663,183.00
2026	5,330,808.05	470,621.04		5,801,429.09
2027	4,328,435.24	393,617.58		4,722,052.82
2028	4,109,639.66	342,218.85		4,451,858.51
2029	3,261,229.37	292,327.27		3,553,556.64
2030-2034	15,401,867.51	795,519.22		16,197,386.73
2035-2039	5,072,062.49	63,251.63		5,135,314.12
2040-2044	83,261.45	6,391.31		89,652.76
Total	\$ 44,523,103.60	\$ 3,091,330.07	\$	47,614,433.67

Variable Disclosures

Variable payments based on the use of the underlying asset are not included in the lease liability because they are not fixed in substance — therefore, these payments are not included in the lease liabilities. In fiscal year 2024, the System had one partially variable payment and one variable only lease not included in the liabilities presented above. These variable payments included costs for a user-based lease and fluctuations to the measurements of another contract.

Variable Payments	Business-Type Activities	
	FY24	FY23
(Not included in lease liability)	\$ 350,006.49	\$ 0.00

Future Leases

The System has two noncancellable lease commitments for which the term had not yet commenced as of August 31, 2024. Both leases commence in September 2024. The terms range is 2024-2028 with a future commitment of \$254,400.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The Carr Foundation and TTRP had no right-to-use lease obligations for the years ending August 31, 2024 or 2023.

Lease Income

The System is a lessor for various noncancellable leases of buildings, land, office space and equipment to outside parties. Included in the revenues reported in the financial statements is the following amount of rental income received as of August 31, 2024 and August 31, 2023:

Fund Type	Business-Type Activities	
	FY24	FY23
Proprietary Fund	\$ 1,199,114.28	\$ 805,720.83

Future minimum lease rental income at August 31, 2024 are as follows:

Fiscal Year Ended August 31	Business-Type Activities		Total Future Minimum Lease Income
	Principal	Interest	
2025	\$ 952,798.93	\$ 219,817.16	\$ 1,172,616.09
2026	797,194.12	201,467.22	998,661.34
2027	771,891.11	183,001.75	954,892.86
2028	709,075.28	164,598.89	873,674.17
2029	608,492.68	146,483.70	754,976.38
2030-2034	667,596.82	653,009.04	1,320,605.86
2035-2039	742,426.67	589,344.96	1,331,771.63
2040-2044	971,335.57	511,312.86	1,482,648.43
2045-2049	839,697.01	418,474.23	1,258,171.24
2050-2054	858,998.63	346,718.10	1,205,716.73
2055 and beyond	3,910,216.38	491,219.41	4,401,435.79
Total	\$ 11,829,723.20	\$ 3,925,447.32	\$ 15,755,170.52

As of August 31, 2024, the System also had lease income agreements for cell phone towers and antennas affixed to System property.

The Carr Foundation and TTRP had no lease income for the years ended August 31, 2024 or 2023.

The System had no regulated lease arrangements for the years ended August 31, 2024 or 2023.

Subscription Liabilities

The System is a lessee for various noncancellable subscription-based information technology arrangements. A summary of the System's right-to-use subscription asset activity during the year is disclosed separately in Note 2. Included in the expenses reported in the financial statements is the following amount of subscription fees paid under subscription liability as of August 31, 2024 and August 31, 2023:

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Fund Type	Business-Type Activities	
	FY24	FY23
Proprietary Fund	\$ 9,796,905.48	\$ 8,175,792.96

Future minimum subscription payments at August 31, 2024 are as follows:

Fiscal Year Ended August 31	Business-Type Activities		Total Future Minimum Subscription Payments
	Principal	Interest	
2025	\$ 7,521,134.10	\$ 430,806.79	\$ 7,951,940.89
2026	4,734,593.13	230,353.23	4,964,946.36
2027	2,805,737.65	63,199.37	2,868,937.02
2028	951,814.26	15,582.51	967,396.77
2029	213,969.40	2,598.54	216,567.94
2030-2034	126,359.84	4.04	126,363.88
Total	\$ 16,353,608.38	\$ 742,544.48	\$ 17,096,152.86

Variable Disclosures

Of these leases, seven arrangements required payments that were partially variable and not included in the liabilities presented above. These variable payments included costs for additional users and add-ons beyond the base contract, which may fluctuate from year to year. Variable payments also included implementation costs incurred when SBITA assets were placed into use.

Variable Payments	Business-Type Activities	
	FY24	FY23
(Not included in subscription liability)	\$ 1,829,333.40	\$ 1,910,534.46

Future Subscription Agreements

The System has five IT subscription or software as a service commitments for which the terms had not yet commenced as of August 31, 2024. Three of these commitments will commence on September 1, 2024 with two other commitments projected to commence in April 2025. These agreements range in terms up to year 2028 with a total future commitment of \$11,520,654.89.

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 9: Defined Benefit Pension Plan and Defined Contribution Pension Plan

Defined Benefit Pension Plan

The System component institutions participate in one of the three retirement systems in the State of Texas’ financial reporting entity – the Teacher Retirement System (TRS). The accounting and reporting for the System’s proportionate share of the TRS net pension liability is included in the System’s financial records and represents the net liability for all the System component institutions.

The Teacher Retirement System of Texas is the administrator of the TRS Plan, a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation.

The employers of the TRS Plan include the state of Texas, TRS, the state’s public schools, education service centers, charter schools, and community and junior colleges. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and not exempted from membership under *Texas Government Code, Title 8, Section 822.002* are covered by the TRS Plan. Employees of TRS and state of Texas colleges, universities and medical schools are members of the TRS Plan.

Detailed information about the TRS Plan’s fiduciary net position is available in a separately issued ACFR that includes financial statements and required supplementary information, located at www.trs.texas.gov and then searching for financial and actuarial highlights.

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

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution, which requires the Legislature to establish a member contribution rate of not less than 6.00% of the member’s annual compensation and a state contribution rate of not less than 6.00% and not more than 10.00% of the aggregate annual compensation paid to members of the System during the year. TGC Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

During the measurement period of 2023 for fiscal year 2024 reporting, and the measurement period of 2022 for fiscal year 2023 reporting, the amount of the System’s contributions excluding the State match to TRS recognized by the Plan was \$32,407,407.00 for 2024, and \$28,575,447.00 for 2023. The contribution rates are based on a percentage of the monthly gross compensation for each member. The contribution requirements for the state and the members in the measurement period are presented in the table below:

Required Contribution Rates for the Measurement Period

Contribution Rates - TRS Plan	FY24	FY23
Employer	8.00 %	7.75%
Employees	8.00 %	8.00%

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The total pension liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used by TRS to measure the total pension liability for the TRS Plan as of the August 31, 2023 and 2022 measurement dates.

Actuarial Methods and Assumptions*

Actuarial Methods and Assumptions - TRS Plan	FY24	FY23
Actuarial Valuation Date	August 31, 2022 rolled forward to August 31, 2023	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating	Floating
Asset Valuation Method	Fair Value	Fair Value
Actuarial Assumptions:		
Discount Rate	7.00%	7.00%
Long-term Expected Rate of Return	7.00%	7.00%
Municipal Bond Rate as of August 2023	4.13%*	3.91%
Inflation	2.30%	2.30%
Salary Increase	2.95% to 8.95% including inflation	2.95% to 8.95% including inflation
Mortality:		
Active	PUB(2010) Mortality Tables for Teachers, below median, with full generational mortality.	PUB(2010) Mortality Tables for Teachers, below median, with full generational mortality.
Post-Retirement	2021 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP.	2021 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP.
Ad Hoc Post-Employment Benefit Changes	None	None

Notes:

*Source for the rate is 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 valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total pension liability to August 31, 2023.

The actuarial assumptions used in the valuation were primarily based on the result of an actuarial experience study for the four-year period ending August 31, 2021 and adopted in July 2022.

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

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

The discount rate of 7.00% was applied to measure the total pension liability for the TRS Plan. The discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projected cash flows

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

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

The long-term expected rate of return on TRS 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 TRS Plan’s investment portfolio are presented below for fiscal years 2023 and 2022 measurement dates:

Asset Class	FY24		FY23	
	Target Allocation**	Long-Term Expected Geometric Real Rate of Return***	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Global Equity				
U.S.	18.00%	4.00%	18.00%	4.60%
Non-U.S. Developed	13.00%	4.50%	13.00%	4.90%
Emerging Markets	9.00%	4.80%	9.00%	5.40%
Private Equity	14.00%	7.00%	14.00%	7.70%
Stable Value				
Government Bonds	16.00%	2.50%	16.00%	(0.20)%
Absolute Return*	0.00%	3.60%	0.00%	3.70%
Stable Value Hedge Funds	5.00%	4.10%	5.00%	3.40%
Real Return				
Real Assets	15.00%	4.90%	15.00%	4.10%
Energy, Natural Resources and Infrastructure	6.00%	4.80%	6.00%	5.10%
Commodities	0.00%	4.40%	0.00%	3.60%
Risk Parity				
Risk Parity	8.00%	4.50%	8.00%	4.60%
Asset Allocation Leverage				
Asset Allocation Leverage Cash	2.00%	3.70%	2.00%	3.00%
Asset Allocation Leverage	(6.00)%	4.40%	(6.00)%	3.60%
Total	100.00%		104.00%	

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 by TRS on the impact of changes in the discount rate on the proportionate share of the System’s net pension liability. The result of the analysis is presented in the table below:

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Fiscal Year	Sensitivity of TTU System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
FY24	\$ 647,461,611.00	\$ 433,068,648.00	\$ 254,800,783.00
FY23	\$ 565,552,293.00	\$ 363,554,074.00	\$ 199,825,034.00

The TRS pension plan's fiduciary net position is determined using the 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 TRS 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 TRS Plan's investment policy, assets, and fiduciary net position, may be obtained from TRS' fiscal year 2023 Annual Comprehensive Financial Report.

The System reported a liability of \$433,068,648.00 for its proportionate share of the TRS collective net pension liability for the year ended August 31, 2024 and \$363,554,074.00 for the year ended August 31, 2023. The collective net pension liability was measured as of August 31, 2023 for fiscal year 2024 reporting, and as of August 31, 2022 for fiscal year 2023 reporting, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the measurement date for each year. The System's proportion of the net pension liability at the August 31, 2023 measurement date was .6304650 percent, and was .6123797 percent at the August 31, 2022 measurement date. 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 the non-employer contributing entity to the Plan for the period September 1, 2022 through August 31, 2023 for fiscal year 2024 reporting, and for the period September 1, 2021 through August 31, 2022 for fiscal year 2023 reporting.

For the years ending August 31, 2024 and 2023, the System recognized pension expense of \$74,857,978.00 and \$42,920,029.00, respectively. At August 31, 2024 and 2023, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FY24		FY23	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 15,430,383.00	\$ 5,243,987.00	\$ 5,271,504.00	\$ 7,926,168.00
Changes of assumptions	40,959,811.00	10,023,800.00	67,741,956.00	16,883,188.00
Net difference between projected and actual investment return	63,022,002.00	0.00	35,917,979.00	0.00
Change in proportion and contribution difference	8,951,852.00	7,366,474.00	4,342,035.00	9,798,334.00
Contributions subsequent to the measurement date	35,085,535.00	0.00	32,395,616.00	0.00
Total	\$ 163,449,583.00	\$ 22,634,261.00	\$ 145,669,090.00	\$ 34,607,690.00

The \$35,085,535.00 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the System's net pension liability for the year ending August 31, 2025.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

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

Year ended August 31:		
2025	\$	22,340,019.00
2026		12,329,296.00
2027		52,081,053.00
2028		16,401,250.00
2029		2,578,169.00
Thereafter		0.00
Total	\$	105,729,787.00

Defined Contribution Pension Plan

The State has also established an Optional Retirement Program (ORP), which is an optional defined contribution retirement program for institutions of higher education and is authorized by Texas Government Code, Chapter 830. Full-time faculty, librarians, and certain professionals and administrators employed in public higher education are eligible to elect ORP in lieu of participation in the TRS Plan before the 91st day after becoming eligible. It is a one-time irrevocable choice between two distinct plans. ORP is an individualized defined contribution plan in which each participant selects from a variety of investments offered by several insurance and investment companies through annuity contracts or mutual fund investments. ORP is administered by each employer. Participants vest in ORP after one year of participation. The Texas Higher Education Coordinating Board develops policies, practices and procedures to provide greater uniformity in the administration of ORP. Since contributions are invested in individual annuity contracts, neither the State nor the System have any additional or unfunded liability for this program. The contributory percentage of participant salaries by the members (employees) was 6.65% for both fiscal years 2024 and 2023. The contributory percentage of participant salaries by the employer (System components) was 6.8% in both fiscal years 2024 and 2023. For those employees who were participating in the ORP on or before August 31, 1995, the employer contribution rate was 8.5% for both fiscal years 2024 and 2023 and will remain so subject to legislative change. The contributions made by plan members and the employer for the fiscal years ended August 31, 2024 and 2023 are:

	FY24	FY23
Member Contributions	\$ 23,504,898.69	\$ 23,071,329.34
Employer Contributions	24,578,244.95	24,182,084.29
Total	\$ 48,083,143.64	\$ 47,253,413.63

Note 10: Deferred Compensation (administering agencies only)

Not applicable.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 11: Postemployment Benefits Other Than Pensions

Employees Retirement System of Texas Plan

Employees Retirement System (ERS) of Texas is the administrator of the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan with a special funding situation. ERS' Board of Trustees administers SRHP.

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

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

The audited Annual Comprehensive Financial Report (ACFR) for the Employees Retirement System may be obtained from their website at www.ers.texas.gov and searching for reports and studies.

During the measurement period of 2023 for fiscal year 2024 reporting and the measurement period of 2022 for fiscal year 2023 reporting, the amount of the System's contributions recognized by the plan were \$24,076,452.00 for 2024 and \$20,682,053.00 for 2023. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution.

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

Employer Contribution Rates

Retiree Health and Basic Life Premium	FY24 ERS Plan	FY23 ERS Plan
Retiree Only	\$ 624.82	\$ 624.82
Retiree and Spouse	\$ 1,340.82	\$ 1,339.90
Retiree and Children	\$ 1,104.22	\$ 1,103.58
Retiree and Family	\$ 1,820.22	\$ 1,818.66

The total OPEB liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total OPEB liability as of the August 31, 2023 and August 31, 2022 measurement dates.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Actuarial Methods and Assumptions	FY24 SRHP	FY23 SRHP
Actuarial Valuation Date	August 31, 2023	August 31, 2022
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percent of Payroll, Open	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years	30 Years
Actuarial Assumptions:		
Discount Rate *	3.81%	3.59%
Inflation	2.30%	2.30%
Salary Increase	2.30% to 8.95%, including inflation	2.30% to 8.95%, including inflation
Healthcare Cost and Trend Rate		
HealthSelect	5.60% for FY 2025, 5.30% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years	5.60% for FY 2024, 5.30% for FY 2025, 5.00% for FY 2026, 4.75% for FY 2027, 4.60% for FY 2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2031 and later years
HealthSelect Medicare Advantage	16.40% for FY 2025, 8.40% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years	66.67% for FY 2024, 24.00% for FY 2025, 5.00% for FY 2026, 4.75% for FY 2027, 4.60% for FY 2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2031 and later years
Pharmacy	10.00% for FY 2025 and FY 2026, decreasing 100 basis points per year to 5.00% for FY 2031, and 4.30% for FY 2032 and later years	10.00% for FY 2024 and FY 2025, decreasing 100 basis points per year to 5.00% for FY 2030, and 4.30% for FY 2031 and later years
Aggregate Payroll Growth	2.70%	2.70%
Retirement Age	Experience-based tables of rates that are specific to the class of employee	Experience-based tables of rates that are specific to the class of employee
Mortality:		
State Agency Members:		
Service Retirees, Survivors and Other Inactive Members	2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020	2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020
Disabled Retirees	2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively	2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively
Active Members	Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP-2019 Projection Scale from the year 2010	Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP-2019 Projection Scale from the year 2010
Higher Education Members:		
Service Retirees, Survivors and Other Inactive Members	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021
Disabled Retirees	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active Members	Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from year 2010	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 year 2010
Ad Hoc Post-Employment Benefit Changes	None	None

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

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

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

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

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

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

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

Sensitivity of TTU System's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate			
Fiscal Year	1% Decrease	Current Discount Rate	1% Increase
FY24	\$ 885,144,169.00	\$ 762,820,995.00	\$ 664,433,325.00
FY23	\$ 932,675,707.00	\$ 799,686,162.00	\$ 693,326,491.00

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

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Sensitivity of TTU System’s Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate				
Fiscal Year	1% Decrease	Current Healthcare Cost Trend Rates		1% Increase
FY24	\$ 656,132,079.00	\$	762,820,995.00	\$ 898,316,456.00
FY23	\$ 684,821,298.00	\$	799,686,162.00	\$ 946,337,585.00

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

The System reported a liability of \$762,820,995.00 for its proportionate share of the ERS collective net OPEB liability for the year ended August 31, 2024 and \$799,686,162.00 for the year ended August 31, 2023. The collective net OPEB liability was measured as of August 31, 2023 for fiscal year 2024 reporting, and as of August 31, 2022 for fiscal year 2023 reporting. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of the measurement date for each year. The System’s proportion of the net OPEB liability at the August 31, 2023 measurement date was 2.8551330 percent, and was 2.8072002 percent at the August 31, 2022 measurement date. The System’s proportion of the collective net OPEB liability was based on its contributions to the OPEB plan relative to the contributions of all the employers and non-employer contributing entity to the Plan for the period September 1, 2022 through August 31, 2023 for fiscal year 2024, and for the period September 1, 2021 through August 31, 2022 for fiscal year 2023 reporting.

For the years ending August 31, 2024 and 2023, the System recognized OPEB expense of \$52,799,845.00 and \$104,348,269.40, respectively. At August 31, 2024 and 2023, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	FY24		FY23	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0.00	\$ 20,177,023.00	\$ 0.00	\$ 25,231,061.00
Changes of assumptions	25,446,880.00	238,239,160.00	46,984,750.00	247,190,561.00
Net difference between projected and actual investment return	61,627.00	0.00	137,932.00	0.00
Change in proportion and contribution difference	2,389,730.00	29,643,253.00	88,247,917.00	42,813,438.00
Contributions subsequent to the measurement date	9,655,450.00	0.00	9,324,904.00	0.00
Total	\$ 37,553,687.00	\$ 288,059,436.00	\$ 144,695,503.00	\$ 315,235,060.00

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The \$9,655,450.00 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability for the year ending August 31, 2025.

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

Year ended August 31:	
2025	\$ (75,512,516.00)
2026	(71,594,351.00)
2027	(64,535,814.00)
2028	(41,953,894.00)
2029	(6,564,624.00)
Thereafter	0.00
Total	\$ (260,161,199.00)

Note 12: Interfund Activity and Transactions

As explained in Note 1 on interfund activities and transactions, there are numerous transactions between funds and agencies. Interfund activity refers to financial interactions between funds and/or blended component institutions and units and is restricted to internal events. Interfund transactions refer to financial interactions with legally separate entities, i.e., discrete component units and other governments, and are restricted to external events. Interfund activity between System components is eliminated where appropriate for reporting purposes.

At year-end, amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due from Other State Agencies or Due to Other State Agencies
- Transfers In or Transfers Out
- Interagency Capital Asset Transfers
- Legislative Transfers In or Legislative Transfers Out

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances occurs within one year from the date of the financial statement.

System component institutions and units had no interfund receivable or interfund payables as of August 31, 2024. Tables included in previous years detailing the other types of interfund activity and transactions above are an optional presentation and are not included in this note.

Note 13: Continuance Subject to Review

The System is not subject to the Texas Sunset Act.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 14: Adjustments to Beginning Net Position, Fund Balances or Fund Net Position

GASB Statement No. 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*, effective FY 2024, defines the following categories and prescribed accounting treatment for all of the following: change in accounting principle, change in accounting estimate, change to or within the reporting agency, and correction of error(s) in previously issued financial statements. During fiscal year 2024, the System had the following adjustments to beginning net position, fund balances, or fund net position.

Changes to or within the Financial Reporting Agency

During fiscal year 2024, a new memorandum of understanding was created between the System, MSU, and MSUF. Congruently, the bylaws for MSUF were updated, modifying the reporting status of MSUF to a blended component unit. The interrelated services and benefits between MSU and MSUF, including gift contributions to university and administrative services to the foundation now meet the requirements for MSUF's inclusion as a blended component unit for fiscal year 2024. The effect of that change to or within the financial reporting entity is shown in column A of the table below.

Correction of Errors in Previously Issued Financial Statements

During fiscal year 2024, TTU determined that aligning federal student aid with the fiscal year of tuition and fee revenue to which it should be applied was more accurate than expensing in the year of disbursement. As a result of this error, fiscal year 2023 prepaid items were understated by \$24,050,440.02 of federal student aid disbursed for fall 2024, tuition and fee discounts and allowances was overstated by \$3,272,089.19, scholarship expense was overstated by \$706,852.78, and beginning net position was understated by \$20,071,498.05.

Due to reporting logic errors, TTU, HSC, and HSC El Paso discovered accrued compensable leave balances did not reflect the total population of employees. As a result, fiscal year 2023 current employees' compensable leave was understated by \$357,682.35, non-current employees' compensable leave was understated by \$3,542,347.06, and net position was overstated by \$3,786,392.16.

Additionally, a land lease was reported in fiscal year 2023 using an incorrect interest rate. As a result, fiscal year 2023 land right to use assets net of amortization was overstated \$73,171.29. Correspondingly, current right to use lease obligations and other current liabilities were overstated \$5,497.78, non-current right to use lease obligations were overstated \$67,279.93, and net position was overstated by \$393.58.

Last, a utility vehicle stolen in fiscal year 2021 was recovered by authorities. The recovery resulted in a restatement of fiscal year 2023 equipment by \$6,251.34 with corresponding depreciation of \$5,358.24. This resulted in an understatement to net position of \$893.10.

The effect of correcting these errors is show in column B of the following table.

Business-Type Activities

09/01/2023 as Previously Reported	Changes to or within the Financial Reporting Agency (A)*	Error Correction (B)	09/01/2023 as Restated
\$ 3,765,328,138.53	\$ 71,288,656.00	\$ 20,150,910.13	\$ 3,856,767,704.66

*Per GASB 100, a change to or within the reporting unit results in the net position of the new component unit being added directly to the beginning net position of the financial reporting entity in the year added. In Fiscal Year 2024, MSUF's beginning net position of \$71,288,656.00 was added to TTUS' beginning net position. Additionally, MSUF's beginning cash and cash equivalents of \$3,364,890.00 was added to TTUS' beginning cash and cash equivalents.

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)**Note 15: Contingencies and Commitments****Contingencies*****Unpaid Claims and Lawsuits***

At August 31, 2024, other lawsuits involving the System were pending. While the ultimate liability with respect to litigation and other claims asserted against the System cannot be precisely estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is in legal counsel's opinion, not likely to have a material effect on the System.

Federal Assistance

The System component institutions receive federal grants for specific purposes that are subject to review or audit by federal grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, would be immaterial.

Arbitrage

Rebatable arbitrage is defined by Internal Revenue Code, Section, 148 as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government. For fiscal year 2024, the System recorded rebatable arbitrage of \$6,301,637.33.

Commitments***Investment Funds***

The System entered into capital commitments with investment managers for future funding of investment funds. Investment funds include hedge fund pools, private investment pools, public market funds and other alternative investments managed by external investment managers.

As of August 31, 2024 and August 31, 2023, the remaining commitment - domestic for the System was \$228,615,689.65 and \$256,915,452.92, respectively.

As of August 31, 2024 and August 31, 2023, the remaining commitment - domestic for the System's Fiduciary Activities was \$1,770,578.62 and \$2,004,457.52, respectively.

As of August 31, 2024 and August 31, 2023, the remaining commitment – domestic for the Carr Foundation was \$21,483,992.96 and \$24,153,415.87, respectively.

As of August 31, 2024, TTRP did not have any remaining domestic commitments.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 16: Subsequent Events

On October 1, 2024, The Cooper Institute joined the System as The Kenneth H. Cooper Institute at Texas Tech University Health Sciences Center. This partnership marks a significant milestone for the System and creates incredible opportunities to enhance research and impact public health.

The Institute focuses on research and education to promote preventative medicine across all stages of life and will bring key health and fitness projects to TTUHSC, including the renowned Cooper Center Longitudinal Study, which links cardiorespiratory fitness to a number of factors, including heart disease, dementia, and health costs, etc. Additionally, the Institute strongly emphasizes creating health leaders for tomorrow through its youth initiatives such as the NFL Play 60 FitnessGram Project and Fitness Gram.

The Kenneth H. Cooper Institute will provide upwards of \$22 million in philanthropic funding—through existing and new gifts—to the Texas Tech Foundation, Inc. for the direct benefit and continued operation of the Institute and its activities.

The System issued the following Revenue Financing System Commercial Paper Notes after August 31, 2024:

Issuance	Series	Amount	Date of Issuance	Purpose
Revenue Financing System Commercial Paper Notes, Taxable	88280Q6U7	\$ 1,640,000	9/19/2024	Acquire new proceeds for TTU Academic Sciences Building
Revenue Financing System Commercial Paper Notes, Taxable	88280P6B1	\$ 3,653,000	10/11/2024	Acquire new proceeds for TTU Academic Sciences Building
Revenue Financing System Commercial Paper Notes, Taxable	88280P6C9	\$ 23,108,000	11/20/2024	Roll current outstanding taxable commercial paper notes issued for Capital Building Projects at TTU and ASU
Revenue Financing System Commercial Paper Notes, Tax-Exempt	88280Q6V5	\$ 68,083,000	11/20/2024	Roll current outstanding taxable commercial paper notes issued for Capital Building Projects at TTU and ASU
Revenue Financing System Commercial Paper Notes, Taxable	88280P6D7	\$ 6,909,000	12/12/2024	Acquire new proceeds for TTU Academic Sciences Building
Revenue Financing System Commercial Paper Notes, Tax-Exempt	88280Q6W3	\$ 528,000	1/14/2025	Acquire new proceeds for TTU Academic Sciences Building

Note 17: Risk Management

The System, by State law, is required to be a participant in the Workers Compensation Program and Pool managed by the State Office of Risk Management (SORM). The System component institutions are assessed fees by SORM based upon claims experience, claim incidences, payroll size and full-time equivalent (FTE). SORM also determines the methodology for allocation to the major fund groups. SORM pays all workers' compensation insurance claims. The Worker's Compensation plan for the fiscal year was funded by a .25 percent charge on non-educational and general gross payroll for paying its proportionate share of the SORM assessment.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The System has self-insured arrangements for Unemployment Compensation Fund coverage. The State of Texas pays 50% of claims for employees paid from state funds. The System pays the remainder for employees paid from state funds and 100% of the claims paid from non-state funds. The claims for employees paid from non-state funds are funded by interest earnings on the Unemployment Compensation Fund balance and utilization of fund balance.

Two component institutions of the System, TTUHSC and TTUHSC at El Paso, have self-insured arrangements for medical malpractice coverage through a medical malpractice self-insurance plan. The plan is managed by the Office of General Counsel, and the associated liability is adjusted annually based on actuarially estimated incurred but not reported (IBNR) liability to reflect the anticipated future claims related to past medical services.

TTUS also includes rebatable arbitrage in claims and judgments. The information below includes current year accruals and associated payments in addition to the liabilities accrued in Note 5.

Changes in the balances of the agency’s claims liabilities during fiscal years 2024 and 2023 are presented in the table below.

Claims and Judgments	Beginning Balance	Increases	Decreases	Ending Balance
FY 2024	\$ 5,853,667.00	\$ 7,733,219.33	\$ (1,576,140.00)	\$ 12,010,746.33
FY 2023	\$ 5,760,304.00	\$ 1,243,523.15	\$ (1,150,160.15)	\$ 5,853,667.00

The increase in fiscal year 2024 includes miscellaneous claims and judgments, the required actuarial adjustment for the medical malpractice self-insurance fund liability, and the addition of \$6,301,637.33 in rebatable arbitrage. The increase in fiscal year 2023 includes miscellaneous claims and judgments and the required actuarial adjustment for the medical malpractice self-insurance fund liability. The decrease for fiscal year 2024 includes payments for prior year miscellaneous claims and judgments. The decrease for fiscal year 2023 includes a payment for miscellaneous claims and judgments. The liability is actuarially estimated to reflect the anticipated future claims for past medical services and rebatable arbitrage, and is adjusted annually based on an actuarially estimated incurred but not reported (IBNR) liability.

Note 18: Management’s Discussion and Analysis

The System is governed, controlled, and directed by a ten-member Board of Regents, who are appointed by the Governor of Texas and confirmed by the legislature. All members of the board serve six-year staggered terms with the exception of one (non-voting) student regent who serves a one-year term. Actions of the Board of Regents are guided by the Regents’ Rules and Regulations. A list of the current members of the Board of Regents is included in the organizational data.

Chancellor Tedd L. Mitchell serves as the chief executive officer of the System, a position that is appointed by the Board of Regents. As chief executive officer, Chancellor Mitchell leads System policy and has direct oversight of all operations at the five universities (component institutions). An Executive Leadership team guides the System in areas including finance, legal affairs, advancement services, and governmental relations, along with other strategic functions. Each of the five institutions has a president who is appointed by the chancellor. The president is the chief executive officer of that university and is responsible for its operation.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Formally established by the Texas Legislature in 1999, the System is composed of a central administration, three general academic institutions and two health-related institutions. The component institutions of the System are Texas Tech University (TTU), Texas Tech University Health Sciences Center (TTUHSC), Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso), Angelo State University (ASU), Midwestern State University (MSU) and Texas Tech University System Administration (TTUSA). In its young history, the System has emerged as a nationally acclaimed higher education system and is one of only nine in the nation (and the only non-land grant institution) to offer programs for undergraduate, medical, law, nursing, pharmacy, dental and veterinary. Headquartered in Lubbock, Texas, the System operates 22 academic locations throughout the State of Texas and internationally and its health care service area covers 108 counties, serving more than 3 million people. The System has locations statewide in Abilene, Amarillo, Dallas, El Paso, Flower Mound, Forney, Fredericksburg, Highland Lakes, Junction, Lubbock, Mansfield, Midland, Odessa, San Angelo, Waco and Wichita Falls. Internationally, the System has locations in Seville, Spain and San Jose, Costa Rica. The total enrollment across all component institutions is more than 63,000 students as of Fall 2024. With over 400,000 alumni, graduates from System institutions make their homes in communities across the globe, including all 50 states and in more than 120 countries around the world.

In fiscal year 2024, the System maintained stellar financial ratings, receiving an Aa1 rating from Moody's Investor Service, an AA+ rating from Fitch Ratings and an AA+ rating by Kroll Bond Rating Agency. This marks the tenth straight year Fitch Ratings has issued the TTU System an AA+ rating and the ninth consecutive year Moody's has reaffirmed an AA+ rating for the TTU System. These ratings solidify the TTU System's place among the nation's elite institutions for financial strength and practices.

The System employs more than 21,000 faculty and staff and has consistently been recognized as Great Colleges to Work For by The Chronicle of Higher Education, a designation determined primarily from employee feedback. The annual combined operating budget of the System is \$3.1 billion consisting of revenues from the following sources: 43% designated funding, 31% appropriated funds by the Texas Legislature, 18% restricted funds, and 8% from auxiliaries.

The System is committed to providing the highest quality and most efficient resources and services to its components. Throughout all institutions and centers, the System strives to advance higher education and health care, enhance student success, strengthen academic quality, expand research, and promote community outreach, taking a leading role in meeting the global challenges of today and the future.

Note 19: The Financial Reporting Entity

The combined financial statements of the System include all component institutions comprising the System – Texas Tech University (TTU), Texas Tech University Health Sciences Center (TTUHSC), Texas Tech University Health Sciences Center at El Paso (TTUHSC at El Paso), Angelo State University (ASU), Midwestern State University (MSU) and Texas Tech University System Administration (TTUSA). Amounts due between and among component institutions and other duplications in reporting are eliminated in combining the financial statements. Also included in these combined financial statements are the component units listed below.

Individual Component Unit Disclosures

Blended Component Units

The financial transactions and records of the following component units are blended with the financial transactions and records of the System component institutions due to the significance of their operational or financial relationship with the System.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

The Texas Tech Foundation, Inc. (TTFI) is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code, as amended, and exempt from income taxes. TTFI was founded to financially support and serve the fundraising needs of all colleges, schools, programs, and campuses of the System and the component institutions of the System. TTFI was formed to seek and obtain gifts for all the System component institutions; to receive, hold, invest and administer property of any type given to the component institutions; and to make expenditures to or for the benefit of the System component institutions. The TTU System Chancellor, component institution Presidents, TTU System Vice Chancellors of General Counsel, Institutional Advancement, and Chief Financial Officer are non-voting ex-officio members of the Foundation Board of Directors. Financial transactions of TTFI have been blended into the financial statements of the System rather than discretely presented because TTFI operates exclusively for the benefit of the System and component institutions and there is a fiscal dependency and financial benefit relationship between TTFI and the System. The Foundation's fiscal year end is August 31, and the Foundation's financial statements may be obtained from the TTUS Office of Institutional Advancement, located at 1508 Knoxville Avenue, Suite 315, Lubbock, TX 79409.

Texas Tech Physician Associates (TTPA), whose principal office and financial records are located at Provider Payor Relations, 3601 4th St. Lubbock, TX 79430, is a certified non-profit health corporation authorized under the Medical Practice Act Section 5.01(a), article 4495b of the State of Texas. TTPA was organized and is operated exclusively for the benefit of, to perform the function of, or to carry out the purposes of TTUHSC and TTUHSC at El Paso, and its financial records are blended with those of TTUHSC and TTUHSC at El Paso. TTPA is exempt from tax under Internal Revenue Service code section 501(c)(3). The TTUHSCs have the sole and exclusive right to appoint the nine member Board of Directors. The TTUHSCs control all financial and operational transactions of TTPA including developing and approving the annual and capital budgets of TTPA, appointing and removing directors and officers of the Board, entering into contracts, sales or leases, giving or seeking grants, and approving financial expenditures; therefore, the financial transactions of TTPA have been blended into the financial statements of TTUHSC and TTUHSC at El Paso. TTPA's fiscal year end is August 31.

The Angelo State University Foundation, Inc. (ASUF) was formed exclusively for the benefit of ASU, and is a public, non-profit organization established to provide financial assistance to ASU, primarily from gifts and earnings on endowed funds. ASUF oversees management, investment and distribution of all funds for the furtherance of educational purposes at ASU. ASU provides the foundation with office space, telephone service, utilities and the use of other equipment and facilities. ASU also authorizes its officers and employees, as a part of their regular duties, to perform administrative tasks for, and solicit funds on behalf of, the foundation. The financial transactions of ASUF have been blended into the financial statements of Angelo State University. The financial records of ASUF may be obtained from Angelo State University, 2601 W. Ave N., San Angelo, TX 76909. ASUF's fiscal year end is August 31.

Red Raider Facilities Foundation, Inc. (RRFF), is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code (IRC) and exempt from income taxes. RRFF shall be operated exclusively for charitable and educational purposes within the meaning of the IRC. It was formed to support and promote, and otherwise hold, invest, construct and administer property, and make expenditures for the benefit of athletic activities and endeavors of TTU. The RRFF Board of Directors are appointed one each by the TTU President, the TTU System Chancellor, and the Texas Tech Board of Regents Chairman. Although RRFF is legally separate from TTU, financial transactions have been blended into the financial statements of TTU rather than discretely presented because RRFF operates exclusively for the benefit of TTU. RRFF's fiscal year end is August 31. Audited financial statements may be obtained by mail request to 801 Cherry Street, Suite 500, Fort Worth, TX 76102.

The Midwestern State University Foundation, Inc. (MSUF) is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code (IRC) and exempt from income taxes. MSUF was founded for the purpose of receiving contributions by means of donations, gifts, and bequests and to expend such

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

funds for the advancement of the literary, scientific, and other educational endeavors of Midwestern State University, a member of the System. The MSUF Board of Directors are elected by current members. Although MSUF is legally separate from MSU, financial transactions have been blended into the financial statements of MSU rather than discretely presented because MSUF operates exclusively for the benefit of MSU. Audited financial statements may be obtained from Midwestern State University, 3410 Taft Blvd, Wichita Falls, TX 76308. MSUF's fiscal year end is August 31.

The condensed financial statements for the System blended component units as of August 31, 2024 are presented below.

	Blended Component Units				
	TTFI	TTPA	ASUF	RRFF	MSUF
Condensed Statement of Net Position					
Total Assets	\$938,095,082.29	\$ 1,207,938.75	\$ 48,763,722.10	\$282,360,704.00	\$ 79,935,440.00
Total Liabilities and Deferred Inflows of Resources	5,106,534.85	0.00	2,752.15	180,050,283.00	0.00
Net Position:					
Net Investment in Capital Assets	4,269,670.80	0.00	0.00	35,174,385.00	0.00
Restricted:					
Nonexpendable:					
Endowments	680,136,527.79	0.00	42,126,523.88	0.00	41,463,297.00
Expendable:					
Capital Projects	0.00	0.00	0.00	67,136,036.00	0.00
Other	241,704,291.98	0.00	6,634,446.07	0.00	38,472,143.00
Unrestricted	6,878,056.87	1,207,938.75	0.00	0.00	0.00
Total Net Position	\$932,988,547.44	\$ 1,207,938.75	\$ 48,760,969.95	\$102,310,421.00	\$ 79,935,440.00

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

	Blended Component Units				
	TTFI	TTPA	ASUF	RRFF	MSUF
Condensed Statement of Revenues, Expenses and Changes in Net Position					
Operating Revenues					
Other Sales and Services	\$ 93,127.52	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Professional Fees	0.00	1,257,555.22	0.00	0.00	0.00
Federal Grants and Contracts	0.00	196,353.25	0.00	0.00	0.00
Nongovernmental Grants and Contracts	3,252,203.01	0.00	0.00	0.00	0.00
Total Operating Revenues	3,345,330.53	1,453,908.47	0.00	0.00	0.00
Operating Expenses					
Professional Fees and Services	314,016.25	307,176.20	13,300.00	215,744.00	114,000.00
Travel	61,472.19	0.00	121,263.17	0.00	0.00
Materials and Supplies	36,698.38	0.00	390,399.63	0.00	0.00
Communications and Utilities	25,812.23	0.00	2,385.78	0.00	0.00
Repairs and Maintenance	106,206.00	0.00	1,361.78	0.00	0.00
Rentals and Leases	446,295.60	0.00	65,811.06	0.00	0.00
Printing and Reproduction	44,220.00	0.00	8,570.43	0.00	0.00
Depreciation	102,659.03	0.00	0.00	469,130.00	
Interest	40.96	0.00	0.00	0.00	
Claims and Judgments	3,500.00	0.00	0.00	0.00	0
Other Operating Expenses	1,741,233.60	42,630.01	1,224,774.89	150,725.00	3,138,183.00
Distributions to Component Institutions	120,303,635.71	0.00	0.00	0.00	0.00
Total Operating Expenses	123,185,789.95	349,806.21	1,827,866.74	835,599.00	3,252,183.00
Operating Income (Loss)	(119,840,459.42)	1,104,102.26	(1,827,866.74)	(835,599.00)	(3,252,183.00)
Nonoperating Revenues (Expenses)					
Private Gifts	36,143,587.94	0.00	11,264,302.00	0.00	79,689.00
Investment Income (Expense)	87,932,366.59	32,408.53	2,674,752.50	241,355.00	10,979,653.00
Interest Expense on Capital Asset Financing	0.00	0.00	0.00	(3,713,460.00)	0.00
Other Nonoperating Revenues (Expenses)	507,294.86	0.00	1,844,088.25	1,633.00	0.00
Total Nonoperating Revenues and Expenses	124,583,249.39	32,408.53	15,783,142.75	(3,470,472.00)	11,059,342.00
Other Revenues, Expenses, Gains, Losses and Transfers					
Capital Contributions	20,544,253.77	0.00	0.00	13,117,795.00	0.00
Contributions to Permanent and Term Endowments	22,056,736.09	0.00	0.00	0.00	839,625.00
Transfers to Components/Other Funds	0.00	(1,037,456.32)	(6,685,725.25)	0.00	0.00
Total Other Revenues, Expenses, Gains, Losses and Transfers	42,600,989.86	(1,037,456.32)	(6,685,725.25)	13,117,795.00	839,625.00
Total Change in Net Position	47,343,779.83	99,054.47	7,269,550.76	8,811,724.00	8,646,784.00
Beginning Net Position (September 1)	885,644,767.61	1,108,884.28	41,491,419.19	93,498,697.00	71,288,656.00
Ending Net Position (August 31)	\$932,988,547.44	\$ 1,207,938.75	\$ 48,760,969.95	\$102,310,421.00	\$ 79,935,440.00

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

	Blended Component Units				
	TTFI	TTPA	ASUF	RRFF	MSUF
Condensed Statement of Cash Flows					
Net Cash Provided (Used) by Operating Activities	\$(108,062,898.87)	\$ 1,104,932.81	\$ (1,887,482.70)	\$ (253,821.00)	\$ (3,311,731.00)
Net Cash Provided (Used) by Noncapital Financing Activities	65,098,236.60	(1,037,456.32)	6,422,665.00	0.00	1,722,605.00
Net Cash Provided (Used) by Capital and Related Financing Activities	7,564,037.05	0.00	0.00	(11,816,076.00)	0.00
Net Cash Provided (Used) by Investing Activities	34,076,160.94	32,408.53	(4,488,454.52)	298,044.00	117,518.00
Total Net Cash Flows	(1,324,464.28)	99,885.02	46,727.78	(11,771,853.00)	(1,471,608.00)
Beginning Cash and Cash Equivalents (September 1)	\$ 2,261,571.30	\$ 1,046,637.41	\$ 1,425,808.88	\$ 16,706,664.00	\$ 3,364,890.00
Ending Cash and Cash Equivalents (August 31)	<u>\$ 937,107.02</u>	<u>\$ 1,146,522.43</u>	<u>\$ 1,472,536.66</u>	<u>\$ 4,934,811.00</u>	<u>\$ 1,893,282.00</u>

Discretely Presented Component Units

The Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation financial statements are included at the end of this report as a discretely presented component unit of the System. The Foundation is a legally separate testamentary trust organization described in Internal Revenue Code Section 509(a)(3) as being exempt from income taxes under IRC Section 501(c)(3), and was established solely for the benefit of providing academic scholarships to the students of Angelo State University. The nine member Foundation Board of Trustees is comprised of all members of the TTU System Board of Regents, who have the ability to appoint, hire, reassign or dismiss those persons responsible for the operation of the Foundation. The Foundation has a fiscal year end of August 31, and the financial records of the Foundation are audited annually by an independent accounting firm. The Foundation's complete audited financial statements can be obtained from the Carr Foundation at Box 11007C, ASU Station, San Angelo, TX 76909.

Texas Tech Research Park, Inc. (TTRP) is a Texas nonprofit corporation qualified under section 501(c)(3) of the Internal Revenue Code (IRC) and exempt from income taxes. TTRP shall be operated exclusively for charitable, educational, and scientific purposes within the meaning of the IRC. TTRP was formed to provide support for and promote, sponsor, assist and carry out the educational, scientific, and related activities and objectives of the TTUS and will support and enhance scientific research and collaborative innovation opportunities for TTUS and the surrounding region. The nine-member Board of Directors are appointed two each by the TTU President and TTUHSC President, one appointment by the TTU System Chancellor and the remaining four director roles are elected by existing TTRP Board of Directors. No board members may be employees of the TTUS and appointing persons have the right to revoke and remove the director role he/she appoints at any time. The TTRP financial statements are included at the end of this report as a discretely presented component unit of the TTUS. TTRP's fiscal year end is August 31 and financial statements may be obtained by mail request to 3911 4th Street, Box 43005, Lubbock, TX 79415.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Note 20: Stewardship, Compliance and Accountability

In Fiscal Year 2024, Texas Tech Research Park, Inc. reported a deficit balance for fund 4172. The deficit is a result of liabilities exceeding cash at the end of the fiscal year.

Note 21: N/A

Note 22: Donor-Restricted Endowments

Expenditure of endowed funds, in accordance with Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA), is not allowed without the express consent of the donor. Most of the System’s endowments are held in perpetuity. In many cases, endowment earnings are expendable for student financial assistance or other purposes as designated by the donor. In other cases, endowment earnings are reinvested.

The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by the System. The System’s spending policy for endowments reflects an objective to distribute as much of total return as is consistent with overall investment objectives while protecting the real value of the endowment corpus.

The target distribution is set by policy to be between 4 and 6 percent of the moving average market value for endowments over the preceding 12 quarters.

Donor-Restricted Endowments	Amount of Net Appreciation *		Reported in Combined Statement of Net Position
	FY24	FY23**	
True Endowments	\$ 277,693,988.74	\$ 202,114,679.44	Restricted Expendable
Term Endowments	1,737,601.67	0.00	Restricted Expendable
Total	<u>\$ 279,431,590.41</u>	<u>\$ 202,114,679.44</u>	

*There was a positive fair value adjustment totaling \$68,053,613.38 for fiscal year 2024, and a negative fair value adjustment of \$(2,919,224.77) for fiscal year 2023.

**FY23 balances do not include MSUF, but fair value adjustment accounts for MSUF year over year change.

Term endowments reported \$0.00 for net appreciation due to the endowments being underwater in fiscal year 2023.

Variances from prior year ending balances for the System are shown in the table below:

Endowment Funds	Changes from Prior Year Balances	
	Increase/(Decrease)	Reason for Change
Expendable Balances		
True Endowments	\$ 67,341,463.45	The increase in the assets under management was propelled by the run up in risk assets over the last year. This was driven by mid year better-than-expected economic data and moderating inflation. This data provided better than expected gains in the equity markets which bolstered moderate gains in credit.
Term Endowments	712,149.93	
Total	<u>\$ 68,053,613.38</u>	

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Midwestern State University Donor-Restricted Endowments

In Fiscal Year 2024, MSU held endowments outside of the System's funds. These endowments are managed by American National Bank and Trust and reflected above with the System's funds. MSU's spending policy for endowments reflects an objective to distribute as much of total return as is consistent with overall investment objectives while protecting the real value of the endowment corpus.

Discrete Component Unit - Carr Foundation

Donor-Restricted Endowments	Amount of Net Appreciation *		Reported in Combined Statement of Net Position
	FY24	FY23	
True Endowments	\$ 0.00	\$ 0.00	Restricted Expendable

*There was a positive fair value adjustment totaling \$4,738,755.88 for fiscal year 2024, and a negative fair value adjustment of \$(4,394,696.41) for fiscal year 2023.

True endowments reported \$0.00 for net appreciation due to the endowments being underwater in both fiscal years 2024 and 2023.

Variances from prior year ending balances for the Carr Foundation are shown in the table below:

Endowment Funds	Changes from Prior Year Balances	
	Increase/(Decrease)	Reason for Change
Expendable Balances		
True Endowments	\$ 4,738,755.88	The increase in the assets under management was propelled by the run up in risk assets over the last year. This was driven by mid year better-than-expected economic data and moderating inflation. This data provided better than expected gains in the equity markets which bolstered moderate gains in credit.

Discrete Component Unit - TTRP had no reportable donor-restricted endowments for the years ended August 31, 2024 or 2023.

Note 23: Extraordinary and Special Items

The System had no special or extraordinary items to report for the years ended August 31, 2024 and August 31, 2023.

Note 24: Disaggregation of Receivable and Payable Balances

Net other receivables current as reported in the State of Texas Comptroller's accounting system as of August 31, 2024 and August 31, 2023 are detailed by type as shown in the table below. The System had no other reportable disaggregation of receivable and payable balances as of August 31, 2024 nor as of August 31, 2023.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Net Other Receivables Current	FY24	FY23
Patient Receivables	\$ 27,251,541.44	\$ 22,886,975.39
Contract Receivables	49,992,685.09	40,802,860.72
Accounts Receivables	10,940,273.92	8,782,312.85
Current Other Receivables	7,934,530.94	4,830,157.85
Total A/R - Other Revenue and Current Other Receivables	<u>\$ 96,119,031.39</u>	<u>\$ 77,302,306.81</u>

Note 25: Termination Benefits

The System has voluntary and involuntary terminations in the ordinary course of business. Payments for related termination benefits, when offered, were immaterial. Thus, the System has no reportable benefits as of August 31, 2024 or as of August 31, 2023.

Note 26: Segment Information

The System has no reportable segments as of August 31, 2024 or as of August 31, 2023.

Note 27: Public-Private and Public-Public Partnerships and Availability Payment Arrangements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective FY 2023, establishes a Public-Private and Public-Public Partnership (PPP) as an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction.

For fiscal year 2024, the System has five arrangements that fit the criteria of a public-private and public-public partnerships (PPPs).

A general description of each PPP, including status, term and duration, is presented below for August 31, 2024:

Public-Private and Public-Public Partnerships

Public-Private and Public-Public Partnerships					
Partnership Name	Construction Status	Term of Concession	Meets Definition of SCA*	Contract Begin	Contract End
TTU Athletics Facilities Concessions and Catering	N/A	19 years	Yes	2010	2029
TTU Campus Bookstore	Complete	4 years	Yes	2021	2025
Texas Tech Club	Complete	5 years	No	2022	2027
ASU Campus Bookstore	Existing Asset	15 years	No	2013	2028
ASU Food Service Agreement	Existing Asset	15 years	No	2015	2030

*Service Concession Arrangement

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

For all five of the System's PPPs, the underlying PPP asset was an existing asset of the System. Improvements were made to the underlying assets of the TTU Campus Bookstore and the Texas Tech Club. In addition, new assets were purchased for the Texas Tech Club and are reflected as PPP assets receivable. Present value of PPP installment payments are discounted based on a borrowing rate determined by the System of 0.69%.

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 PPP agreements and setting prices and hours of operations. Rights granted to operators in these arrangements may include the ability to make improvements to the space with written permission from the System.

Public-Private and Public-Public Partnership amounts reported as of August 31, 2024 are presented below:

Business-Type Activities

Arrangement Name	Receivable for Installment Payments	Receivable for PPP Assets*	Deferred Inflows of Resources	Variable and Other Payments**
TTU Athletics Facilities Concessions and Catering				\$ 2,548,717.06
TTU Campus Bookstore and Cafe			\$ 142,898.06	787,636.11
Texas Tech Club		\$ 457,984.12	1,857,277.23	453,864.47
ASU Campus Bookstore	\$ 658,784.74		652,040.17	
ASU Food Service Agreement	796,450.59		1,306,934.12	
Total	<u>\$ 1,455,235.33</u>	<u>\$ 457,984.12</u>	<u>\$ 3,959,149.58</u>	<u>\$ 3,790,217.64</u>

*PPP asset receivable is recorded at the operator's estimated carrying value of the asset when ownership is transferred.

**Payments not included in the measurement of the receivable for installment payments.

Public-Private and Public-Public Partnership amounts reported as of August 31, 2023 was as presented below:

Business-Type Activities

Arrangement Name	Receivable for Installment Payments	Receivable for PPP Assets*	Deferred Inflows of Resources	Variable and Other Payments**
TTU Athletics Facilities Concessions and Catering				\$ 2,253,151.16
TTU Campus Bookstore and Cafe			\$ 448,749.12	773,834.47
Texas Tech Club		\$ 457,984.12	2,625,805.59	465,750.05
ASU Campus Bookstore	\$ 832,208.95		825,917.53	
ASU Food Service Agreement	1,942,396.61		1,534,227.20	
Total	<u>\$ 2,774,605.56</u>	<u>\$ 457,984.12</u>	<u>\$ 5,434,699.44</u>	<u>\$ 3,492,735.68</u>

*PPP asset receivable is recorded at the operator's estimated carrying value of the asset when ownership is transferred.

**Payments not included in the measurement of the receivable for installment payments.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

PPP Income

Included in the revenues reported in the financial statements is the following amount of PPP income received as of August 31, 2024 and August 31, 2023:

Fund Type	Business-Type Activities	
	FY24	FY23
Proprietary Fund	\$ 1,319,370.23	\$ 316,201.23

As of August 31, 2024, future minimum PPP income is presented below:

Future Minimum PPP Income

Fiscal Year Ended August 31	Business-Type Activities		Total Future Minimum Lease Income
	Principal	Interest	
2025	329,316.98	7,951.41	337,268.39
2026	332,393.62	5,926.75	338,320.37
2027	335,513.97	3,882.10	339,396.07
2028	294,284.30	1,883.52	296,167.82
2029	163,726.46	569.66	164,296.12
Total	\$ 1,455,235.33	\$ 20,213.44	\$ 1,475,448.77

Availability Payment Arrangements

The System had no availability payment arrangements as of August 31, 2024 or as of August 31, 2023.

Note 28: Deferred Outflows of Resources and Deferred Inflows of Resources

In fiscal year 2024 and fiscal year 2023, the System reported deferred outflows and deferred inflows of resources in connection with its defined benefit pension plan, postemployment benefits other than pensions, debt refunding, split-interest agreements, public-private and public-public partnerships (PPPs), and leases as presented below.

UNAUDITED

Texas Tech University System (793) – Notes to the Combined Financial Statements (continued)

Fiscal Year	Business-Type Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
FY24	Defined Benefit Pension Plans (Note 9)	\$ 163,449,583.00	\$ 22,634,261.00
	Postemployment Benefits Other Than Pensions (Note 11)	37,553,687.00	288,059,436.00
	Public-Private and Public-Public Partnerships (Note 27)	0.00	3,959,149.58
	Bond/Debt Refunding	1,949,945.82	0.00
	Split-interest Agreements	0.00	33,678,540.96
	Leases	0.00	11,254,179.24
	Total	<u>\$ 202,953,215.82</u>	<u>\$ 359,585,566.78</u>
Restated			
FY23	Defined Benefit Pension Plans (Note 9)	\$ 145,669,090.00	\$ 34,607,690.00
	Postemployment Benefits Other Than Pensions (Note 11)	144,695,503.00	315,235,060.00
	Public-Private and Public-Public Partnerships (Note 27)	0.00	5,434,699.44
	Bond/Debt Refunding	2,144,940.40	0.00
	Split-interest Agreements	0.00	30,082,003.04
	Leases	0.00	18,273,015.15
	Total	<u>\$ 292,509,533.40</u>	<u>\$ 403,632,467.63</u>

Note 29: Troubled Debt Restructuring

The System had no outstanding receivables whose terms were modified pursuant to troubled debt restructuring for the year ended August 31, 2024, or for the year ended August 31, 2023.

Note 30: Financial Guarantees

The System had no non-exchange, exchange, or exchange-like financial guarantees to report for the year ended August 31, 2024, or for the year ended August 31, 2023.

Note 31: Tax Abatements

The System had no tax abatement arrangements for the years ended August 31, 2024 or August 31, 2023.

Note 32: Governmental Fund Balances

Not applicable.

UNAUDITED
TEXAS TECH UNIVERSITY SYSTEM (793)

**COMBINED
SUPPORTING SCHEDULES**

UNAUDITED

Texas Tech University System (793)
Combined Schedule 1A - Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2024

The information contained in this schedule is submitted through the State Comptroller Schedule of Expenditures of Federal Awards web application. This schedule is no longer required to be presented.

UNAUDITED

Texas Tech University System (793)
Combined Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2024

The information contained in this schedule is submitted through the State Comptroller State Pass-Through Reporting web application.
This schedule is no longer required to be presented.

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Texas Tech University System (793)
Combined Schedule 2A - Miscellaneous Bond Information
For the Year Ended August 31, 2024

Description of Issue	Bonds Issued to Date	Range of Interest Rates		Scheduled Maturities		First Call Date
				First Year	Final Maturity Date	
Revenue Bonds						
Rev Fin Sys Rev Ref & Imp Bds Ser '12B	\$ 5,415,000.00	0.5000%	3.2500%	2013	12/1/2024	12/1/2022
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A	53,335,000.00	2.0000%	5.0000%	2016	12/1/2044	6/1/2025
Rev Fin Sys Rev & Ref Bds Ser '16A	72,250,000.00	2.0000%	5.0000%	2016	12/1/2035	12/1/2026
Rev Fin Sys Rev & Ref Bds Ser '16B	11,790,000.00	1.4260%	2.6660%	2019	12/1/2034	12/1/2026
Rev Fin Sys Ref & Imp Bds 16th Ser '15A	73,255,000.00	2.0000%	5.0000%	2016	2/15/2040	2/15/2025
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B	245,315,000.00	0.2950%	4.1720%	2015	2/15/2045	2/15/2025
Rev Fin Sys Ref & Imp Bds Ser '17A	79,035,000.00	4.0000%	5.0000%	2017	2/15/2036	2/15/2027
Rev Fin Sys Ref & Imp Bds Tax Ser '17B	295,700,000.00	0.9000%	4.0000%	2017	2/15/2038	2/15/2027
Rev Fin Sys Ref & Imp Bds Tax Ser '20	314,745,000.00	0.4050%	2.8780%	2020	2/15/2050	2/15/2029
Rev Fin Sys Ref & Imp Bds Ser '23A	193,625,000.00	5.0000%	5.0000%	2025	2/15/2040	2/15/2034
Rev Fin Sys Imp Bds Ser Tax '23B	56,400,000.00	4.6420%	5.2800%	2024	2/15/2029	N/A
Total	<u>\$ 1,400,865,000.00</u>					

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**Texas Tech University System (793)
Combined Schedule 2B - Changes in Bonded Indebtedness
For the Year Ended August 31, 2024**

Description of Issue	Bonds Outstanding 9/1/23	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Par Value Adjustments	Bonds Outstanding 8/31/24
Revenue Bonds						
Rev Fin Sys Rev Ref & Imp Bds Ser '12B	\$ 1,240,000.00		\$ 610,000.00			\$ 630,000.00
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A	46,465,000.00		1,750,000.00			44,715,000.00
Rev Fin Sys Rev & Ref Bds Ser '16A	55,175,000.00		3,375,000.00			51,800,000.00
Rev Fin Sys Rev & Ref Bds Ser '16B	9,085,000.00		715,000.00			8,370,000.00
Rev Fin Sys Ref & Imp Bds 16th Ser '15A	56,970,000.00		2,035,000.00			54,935,000.00
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B	94,490,000.00		16,570,000.00			77,920,000.00
Rev Fin Sys Ref & Imp Bds Ser '17A	57,705,000.00		4,210,000.00			53,495,000.00
Rev Fin Sys Ref & Imp Bds Tax Ser '17B	173,635,000.00		21,665,000.00			151,970,000.00
Rev Fin Sys Ref & Imp Bds Tax Ser '20	283,715,000.00		10,150,000.00			273,565,000.00
Rev Fin Sys Ref & Imp Bds Ser '23A	193,625,000.00		0.00			193,625,000.00
Rev Fin Sys Imp Bds Ser Tax '23B	56,400,000.00		11,160,000.00			45,240,000.00
Total	<u>\$1,028,505,000.00</u>	<u>\$ 0.00</u>	<u>\$ 72,240,000.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 956,265,000.00</u>

Description of Issue	Unamortized Premium	Unamortized Discount	Other Adjustments	Net Bonds Outstanding 8/31/24	Amounts Due Within One Year
Revenue Bonds					
Rev Fin Sys Rev Ref & Imp Bds Ser '12B				\$ 630,000.00	\$ 630,000.00
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A	\$ 1,903,036.06			46,618,036.06	1,975,151.81
Rev Fin Sys Rev & Ref Bds Ser '16A	7,030,641.96			58,830,641.96	4,130,886.83
Rev Fin Sys Rev & Ref Bds Ser '16B				8,370,000.00	735,000.00
Rev Fin Sys Ref & Imp Bds 16th Ser '15A	1,723,280.80			56,658,280.80	2,376,982.05
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B				77,920,000.00	17,050,000.00
Rev Fin Sys Ref & Imp Bds Ser '17A	3,655,484.15			57,150,484.15	4,812,032.30
Rev Fin Sys Ref & Imp Bds Tax Ser '17B				151,970,000.00	22,315,000.00
Rev Fin Sys Ref & Imp Bds Tax Ser '20				273,565,000.00	10,250,000.00
Rev Fin Sys Ref & Imp Bds Ser '23A	26,964,992.95			220,589,992.95	4,132,345.35
Rev Fin Sys Imp Bds Ser Tax '23B				45,240,000.00	11,010,000.00
Total	<u>\$ 41,277,435.92</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 997,542,435.92</u>	<u>\$ 79,417,398.34</u>

Note: The '15A Series amount due within one year includes bond premium amortization of \$95,151.81. The '16A Series amount due within one year includes bond premium amortization of \$585,886.83. The 16th Series '15A amount due within one year includes bond premium amortization of \$241,982.05. The 2017A Series amount due within one year includes bond premium amortization of \$737,032.30. The 2023A Series amount due within one year includes bond premium amortization of \$3,087,345.35.

UNAUDITED

**Texas Tech University System (793)
 Combined Schedule 2C - Debt Service Requirements
 For the Year Ended August 31, 2024**

Description of Issue	Fiscal Year	Principal	Interest	Total
Revenue Bonds				
Rev Fin Sys Rev Ref & Imp Bds Ser '12B				
	2025	\$ 630,000.00	\$ 10,209.15	\$ 640,209.15
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A				
	2025	1,880,000.00	1,912,856.26	3,792,856.26
	2026	2,020,000.00	1,815,356.26	3,835,356.26
	2027	2,165,000.00	1,710,731.26	3,875,731.26
	2028	2,320,000.00	1,598,606.26	3,918,606.26
	2029	1,705,000.00	1,497,981.26	3,202,981.26
	2030-2034	9,260,000.00	6,141,056.30	15,401,056.30
	2035-2039	9,395,000.00	4,253,831.30	13,648,831.30
	2040-2044	12,890,000.00	2,024,171.94	14,914,171.94
	2045	3,080,000.00	63,525.01	3,143,525.01
		44,715,000.00	21,018,115.85	65,733,115.85
Rev Fin Sys Rev & Ref Bds Ser '16A				
	2025	3,545,000.00	2,136,525.00	5,681,525.00
	2026	3,735,000.00	1,954,525.00	5,689,525.00
	2027	3,920,000.00	1,763,150.00	5,683,150.00
	2028	4,115,000.00	1,562,275.00	5,677,275.00
	2029	4,315,000.00	1,373,100.00	5,688,100.00
	2030-2034	23,825,000.00	4,127,500.00	27,952,500.00
	2035-2036	8,345,000.00	325,300.00	8,670,300.00
		51,800,000.00	13,242,375.00	65,042,375.00
Rev Fin Sys Rev & Ref Bds Ser '16B				
	2025	735,000.00	250,369.65	985,369.65
	2026	750,000.00	231,684.60	981,684.60
	2027	770,000.00	211,798.00	981,798.00
	2028	790,000.00	190,331.70	980,331.70
	2029	815,000.00	166,839.30	981,839.30
	2030-2034	4,180,000.00	436,488.65	4,616,488.65
	2035	330,000.00	6,131.40	336,131.40
		\$ 8,370,000.00	\$ 1,493,643.30	\$ 9,863,643.30

UNAUDITED

**Texas Tech University System (793)
Combined Schedule 2C - Debt Service Requirements
For the Year Ended August 31, 2024**

Description of Issue	Fiscal Year	Principal	Interest	Total
Rev Fin Sys Ref & Imp Bds 16th Ser '15A				
	2025	\$ 2,135,000.00	\$ 2,130,881.26	\$ 4,265,881.26
	2026	2,245,000.00	2,021,381.26	4,266,381.26
	2027	4,825,000.00	1,895,293.76	6,720,293.76
	2028	4,990,000.00	1,747,986.26	6,737,986.26
	2029	5,885,000.00	1,575,010.01	7,460,010.01
	2030-2034	29,940,000.00	4,471,230.05	34,411,230.05
	2035-2039	4,055,000.00	525,809.39	4,580,809.39
	2040	860,000.00	15,587.50	875,587.50
		54,935,000.00	14,383,179.49	69,318,179.49
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B				
	2025	17,050,000.00	2,505,474.36	19,555,474.36
	2026	10,965,000.00	2,079,143.16	13,044,143.16
	2027	7,780,000.00	1,775,542.02	9,555,542.02
	2028	6,310,000.00	1,534,589.30	7,844,589.30
	2029	5,630,000.00	1,320,243.74	6,950,243.74
	2030-2034	14,525,000.00	4,621,205.65	19,146,205.65
	2035-2039	7,010,000.00	2,444,787.40	9,454,787.40
	2040-2044	7,055,000.00	1,093,168.30	8,148,168.30
	2045	1,595,000.00	33,271.70	1,628,271.70
		77,920,000.00	17,407,425.63	95,327,425.63
Rev Fin Sys Ref & Imp Bds Ser '17A				
	2025	4,075,000.00	2,533,875.00	6,608,875.00
	2026	5,300,000.00	2,299,500.00	7,599,500.00
	2027	4,470,000.00	2,055,250.00	6,525,250.00
	2028	5,030,000.00	1,817,750.00	6,847,750.00
	2029	5,150,000.00	1,563,250.00	6,713,250.00
	2030-2034	20,170,000.00	4,254,500.00	24,424,500.00
	2035-2036	9,300,000.00	369,000.00	9,669,000.00
		53,495,000.00	14,893,125.00	68,388,125.00
Rev Fin Sys Ref & Imp Bds Tax Ser '17B				
	2025	22,315,000.00	5,009,352.00	27,324,352.00
	2026	22,440,000.00	4,293,234.50	26,733,234.50
	2027	17,290,000.00	3,636,990.50	20,926,990.50
	2028	17,545,000.00	3,038,603.75	20,583,603.75
	2029	17,295,000.00	2,418,514.25	19,713,514.25
	2030-2034	47,675,000.00	4,393,872.75	52,068,872.75
	2035-2038	7,410,000.00	567,400.00	7,977,400.00
		\$ 151,970,000.00	\$ 23,357,967.75	\$ 175,327,967.75

UNAUDITED

**Texas Tech University System (793)
Combined Schedule 2C - Debt Service Requirements
For the Year Ended August 31, 2024**

Description of Issue	Fiscal Year	Principal	Interest	Total
Rev Fin Sys Ref & Imp Bds Tax Ser '20				
	2025	\$ 10,250,000.00	\$ 6,395,025.00	\$ 16,645,025.00
	2026	7,325,000.00	6,303,515.00	13,628,515.00
	2027	7,505,000.00	6,209,945.00	13,714,945.00
	2028	8,165,000.00	6,096,410.00	14,261,410.00
	2029	8,610,000.00	5,961,847.00	14,571,847.00
	2030-2034	49,380,000.00	26,710,870.00	76,090,870.00
	2035-2039	38,660,000.00	21,938,117.00	60,598,117.00
	2040-2044	140,580,000.00	2,611,504.00	143,191,504.00
	2045-2049	2,535,000.00	266,144.00	2,801,144.00
	2050	555,000.00	7,986.00	562,986.00
		273,565,000.00	82,501,363.00	356,066,363.00
Rev Fin Sys Ref & Imp Bds Ser '23A				
	2025	1,045,000.00	9,655,125.00	10,700,125.00
	2026	4,240,000.00	9,523,000.00	13,763,000.00
	2027	4,450,000.00	9,305,750.00	13,755,750.00
	2028	5,725,000.00	9,051,375.00	14,776,375.00
	2029	13,330,000.00	8,575,000.00	21,905,000.00
	2030-2034	96,850,000.00	29,586,500.00	126,436,500.00
	2035-2039	56,820,000.00	7,565,000.00	64,385,000.00
	2040	11,165,000.00	279,125.00	11,444,125.00
		193,625,000.00	83,540,875.00	277,165,875.00
Rev Fin Sys Imp Bds Ser Tax '23B				
	2025	11,010,000.00	1,888,493.28	12,898,493.28
	2026	10,155,000.00	1,366,094.64	11,521,094.64
	2027	10,655,000.00	873,294.95	11,528,294.95
	2028	10,120,000.00	391,107.20	10,511,107.20
	2029	3,300,000.00	78,111.00	3,378,111.00
		45,240,000.00	4,597,101.07	49,837,101.07
Total Principal and Interest				
	2025	74,670,000.00	34,428,185.96	109,098,185.96
	2026	69,175,000.00	31,887,434.42	101,062,434.42
	2027	63,830,000.00	29,437,745.49	93,267,745.49
	2028	65,110,000.00	27,029,034.47	92,139,034.47
	2029	66,035,000.00	24,529,896.56	90,564,896.56
	2030-2034	295,805,000.00	84,743,223.40	380,548,223.40
	2035-2039	141,325,000.00	37,995,376.49	179,320,376.49
	2040-2044	172,550,000.00	6,023,556.74	178,573,556.74
	2045-2049	7,210,000.00	362,940.71	7,572,940.71
	2050	555,000.00	7,986.00	562,986.00
		\$ 956,265,000.00	\$ 276,445,380.24	\$ 1,232,710,380.24

UNAUDITED

**Texas Tech University System (793)
 Combined Schedule 2D - Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2024**

Pledged and Other Sources and Related Expenditures for FY 2024				
Description of Issue	Net Available for Debt Service			
	Operating		Debt Service	
	Total Pledged and Other Sources	Expenses/Expenditures and Capital Outlay	Principal	Interest
Revenue Bonds:				
Rev Fin Sys Rev Ref & Imp Bds Ser '12B			\$ 610,000.00	\$ 30,150.85
Rev Fin Sys Bldg Rev & Ref Bds Ser '15A			1,750,000.00	2,003,606.26
Rev Fin Sys Rev & Ref Bds Ser '16A			3,375,000.00	2,309,525.00
Rev Fin Sys Rev & Ref Bds Ser '16B			715,000.00	267,669.00
Rev Fin Sys Ref & Imp Bds 16th Ser '15A			2,035,000.00	2,235,131.26
Rev Fin Sys Ref & Imp Bds Tax 17th Ser '15B			16,570,000.00	2,995,323.48
Rev Fin Sys Ref & Imp Bds Ser '17A			4,210,000.00	2,741,000.00
Rev Fin Sys Ref & Imp Bds Tax Ser '17B			21,665,000.00	5,678,064.72
Rev Fin Sys Ref & Imp Bds Tax Ser '20			10,150,000.00	6,483,089.00
Rev Fin Sys Ref & Imp Bds Ser '23A			0.00	9,869,496.52
Rev Fin Sys Imp Bds Ser Tax '23B			11,160,000.00	2,513,581.27
Total	\$ 1,052,915,744.30	(B)	\$ 72,240,000.00	\$ 37,126,637.36

(A) Beginning balances as of 09/01/23 of \$1,358,884,996.72 are not included in "Total Pledged and Other Sources".

(B) Expenditures associated with pledged sources were approximately \$916,426,884.28.

UNAUDITED

Texas Tech University System (793)
Combined Schedule 2E - Defeased Bonds Outstanding
For the Year Ended August 31, 2024

Description of Issue	Year Defeased	Par Value Outstanding
Revenue Bonds		<u>\$ 0.00</u>

UNAUDITED

Texas Tech University System (793)
Combined Schedule 2F - Early Extinguishment and Refunding
For the Year Ended August 31, 2024

Description of Issue	Category	Amount Extinguished or Refunded	Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
Revenue Bonds					
Total		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

UNAUDITED

Texas Tech University System (793)
Combined Schedule 3 - Reconciliation of Cash in State Treasury
For the Year Ended August 31, 2024

Cash in State Treasury	Current Unrestricted	Current Restricted
Local Revenue (Fund 0227)	\$ 6,928,765.73	\$ 0.00
Local Revenue (Fund 0239)	21,937,990.72	0.00
Local Revenue (Fund 0255)	6,960,047.26	0.00
Local Revenue (Fund 0264)	7,442,786.08	0.00
Local Revenue (Fund 0294)	8,004,246.16	0.00
Local Revenue (Fund 0325)	0.00	0.00
Permanent Health Fund - El Paso Campus (Fund 0820)	4,496,615.27	0.00
Permanent Health Fund - Other Campuses (Fund 0821)	6,859,304.64	0.00
Total Cash in State Treasury	\$ 62,629,755.86	\$ 0.00

UNAUDITED

Texas Tech University System (793)
Combined Schedule 4A - TTU System's Proportionate Share of Net Pension Liability
For the Years Ended August 31

	2024	2023	2022	2021	2020
TTU System's proportion of the net pension liability	0.6304650 %	0.6123797 %	0.6147036 %	0.6024890 %	0.6116105 %
TTU System's proportionate share of net pension liability	\$433,068,648.00	\$363,554,074.00	\$156,543,241.00	\$322,680,807.00	\$317,934,234.00
TTU System's covered payroll	\$354,046,963.39	\$322,542,056.84	\$306,493,078.63	\$292,393,180.74	\$276,644,114.00
TTU System's proportionate share of net pension liability as a percentage of its covered payroll	122.32 %	112.72 %	51.08 %	110.36 %	114.93 %
Plan fiduciary net position as a percentage of the total pension liability	73.15 %	75.62 %	88.79 %	75.54 %	75.24 %
	2019	2018	2017	2016	2015
TTU System's proportion of the net pension liability	0.6081304 %	0.5766112 %	0.5788987 %	0.5280855 %	0.6064722 %
TTU System's proportionate share of net pension liability	\$334,729,720.00	\$184,369,216.00	\$218,757,231.00	\$186,671,195.00	\$162,030,163.65
TTU System's covered payroll	\$265,427,058.00	\$242,817,459.00	\$235,859,714.00	\$203,038,968.00	\$222,298,083.81
TTU System's proportionate share of net pension liability as a percentage of its covered payroll	126.11 %	75.93 %	92.75 %	91.94 %	72.89 %
Plan fiduciary net position as a percentage of the total pension liability	73.74 %	82.17 %	78.00 %	78.43 %	83.25 %

UNAUDITED

Texas Tech University System (793)
Combined Schedule 4B - TTU System's TRS Employer Contributions
For the Years Ended August 31

	2024	2023	2022	2021	2020
Statutorily required contributions	\$33,528,247.43	\$28,609,480.44	\$27,798,922.23	\$27,280,283.76	\$26,225,862.22
Contributions in relation to the statutorily required contributions	32,407,407.00	28,575,447.00	26,232,321.00	24,858,860.00	21,407,103.00
Contribution deficiency (excess)	1,120,840.43	34,033.44	1,566,601.23	2,421,423.76	4,818,759.22
TTU System's covered payroll	354,046,963.39	322,542,056.84	306,493,078.63	292,383,180.74	276,644,114.00
Contributions as a percentage of covered payroll	9.15 %	8.86 %	8.56 %	8.50 %	7.74 %
	2019	2018	2017	2016	2015
Statutorily required contributions	\$20,836,024.00	\$19,279,706.00	\$18,680,089.00	\$16,750,715.00	\$19,273,243.86
Contributions in relation to the statutorily required contributions	20,486,374.00	18,861,478.00	18,429,661.00	15,681,265.00	15,253,844.56
Contribution deficiency (excess)	349,650.00	418,228.00	250,428.00	1,069,450.00	4,019,399.30
TTU System's covered payroll	265,427,058.00	242,817,459.00	235,859,714.00	203,038,968.00	222,298,083.81
Contributions as a percentage of covered payroll	7.72 %	7.77 %	7.81 %	7.72 %	6.86 %

UNAUDITED

Texas Tech University System (793)
Combined Schedule 5A - TTU System's Proportionate Share of Net OPEB Liability
For the Years Ended August 31

	2024	2023	2022	2021	2020	2019	2018
TTU System's proportion of the net OPEB liability	2.8551330 %	2.8072002 %	2.8428150 %	2.6962363 %	2.6636141 %	2.7025980 %	0.8421099 %
TTU System's proportionate share of the net OPEB liability	\$ 762,820,995.00	\$ 799,686,162.00	\$1,019,874,320.00	\$ 890,961,356.00	\$ 920,616,292.00	\$ 800,989,039.00	\$286,932,208.00
TTU System's covered payroll	393,013,367.57	357,472,524.10	339,336,905.00	341,215,363.00	328,158,007.00	332,960,835.00	98,908,419.00
TTU System's proportionate share of the net OPEB liability as a percentage of its covered payroll	194.10 %	223.71 %	300.55 %	261.11 %	280.54 %	240.57 %	290.10 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.63 %	0.57 %	0.38 %	0.32 %	0.17 %	1.28 %	2.04 %

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

UNAUDITED

**Texas Tech University System (793)
 Combined Schedule 5B - TTU System's ERS Employer Contributions
 For the Years Ended August 31**

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	\$57,484,399.24	\$59,260,779.36	\$77,339,298.57	\$69,838,893.00	\$71,576,849.00	\$63,041,982.00	\$22,862,931.00
Contributions in relation to the statutorily required contributions	24,076,452.00	20,682,053.00	22,909,612.00	21,195,278.00	11,226,273.00	8,745,978.00	7,892,593.19
Contribution deficiency (excess)	33,407,947.24	38,578,726.36	54,429,686.57	48,643,615.00	60,350,576.00	54,296,004.00	14,970,337.81
TTU System's covered payroll	393,013,367.57	357,472,524.10	339,336,905.00	341,215,363.00	328,158,007.00	332,960,835.00	98,908,419.00
Contributions as a percentage of covered payroll	6.13 %	5.79 %	6.75 %	6.21 %	3.42 %	2.63 %	7.98 %

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

UNAUDITED

Texas Tech University System (793)
Combined Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	HOSPITALS & CLINICS	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Cost of Goods Sold	\$ 109,289.37	\$ 0.00	\$ 14,850.43	\$ 0.00	\$ 32,509.49	\$ 19,000.00	\$ 1,658,281.42
Salaries and Wages	539,407,551.80	154,033,836.79	98,289,120.66	89,911,273.43	165,148,677.59	57,486,247.32	89,269,436.65
Payroll Related Costs	147,527,769.95	50,625,603.62	33,123,236.76	36,846,974.26	57,307,283.25	22,026,852.91	43,078,433.72
Professional Fees and Services	21,025,569.77	5,459,621.70	52,002,433.87	4,843,058.85	18,673,067.53	6,641,732.80	26,049,777.60
Travel	7,160,614.54	7,180,377.82	2,504,533.16	65,967.41	7,936,543.30	3,695,427.38	2,352,013.04
Materials and Supplies	13,869,980.04	18,797,621.70	15,511,209.07	10,757,063.94	17,745,956.98	8,033,264.23	2,863,237.05
Communications and Utilities	2,497,311.85	3,132,318.30	1,097,173.50	699,821.16	12,420,977.53	3,066,589.15	2,181,819.16
Repairs and Maintenance	1,910,423.95	4,474,948.80	1,330,693.81	609,302.49	8,647,292.37	3,095,511.81	2,131,381.55
Rentals and Leases	2,425,823.95	1,072,593.75	1,264,905.64	1,820,317.81	7,196,959.64	4,773,865.75	2,775,218.09
Printing and Reproduction	407,895.12	610,958.94	403,173.83	165,800.48	973,809.18	1,095,299.87	1,079,220.01
Federal Grant Pass-Through Expense	109,903.07	411,562.47	488,355.85	0.00	0.00	0.00	0.00
State Grant Pass-Through Expense	0.00	77,484.46	14,055.41	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	474,732.71	272,161.97
Interest	5,897.53	14,381.93	657.22	1,460.95	11,136.88	4,667.23	6,153.40
Scholarships	2,271,212.07	4,629,096.16	260,274.30	0.00	1,618,108.24	168,617.87	10,450.00
Claims and Judgments	0.00	0.00	0.00	0.00	665,791.00	0.00	50,000.00
Other Operating Expenses	15,172,820.71	22,108,579.06	20,372,339.06	3,006,874.72	70,597,437.75	21,105,246.00	15,754,010.43
TOTAL OPERATING EXPENSES	\$ 753,902,063.72	\$272,628,985.50	\$226,677,012.57	\$ 148,727,915.50	\$ 368,975,550.73	\$ 131,687,055.03	\$ 189,531,594.09

UNAUDITED

Texas Tech University System (793)
Combined Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	Restated 2023
Cost of Goods Sold	\$ 0.00	\$ 0.00	\$ 14,394,359.55	\$ 0.00	\$ 16,228,290.26	\$ 14,897,596.69
Salaries and Wages	27,259,867.30	9,892.00	80,691,952.84	0.00	1,301,507,856.38	1,219,097,012.54
Payroll Related Costs	9,545,089.03	5,152.58	28,336,456.60	0.00	428,422,852.68	429,344,713.32
Professional Fees and Services	3,146,028.61	0.00	3,749,518.44	0.00	141,590,809.17	129,501,916.09
Travel	99,540.11	0.00	14,048,167.70	0.00	45,043,184.46	42,084,834.89
Materials and Supplies	6,290,588.83	0.00	19,706,335.52	0.00	113,575,257.36	107,818,250.41
Communications and Utilities	33,908,979.78	0.00	13,457,937.26	0.00	72,462,927.69	66,755,912.31
Repairs and Maintenance	35,579,236.35	0.00	13,512,766.59	0.00	71,291,557.72	70,986,021.53
Rentals and Leases	898,891.84	0.00	2,498,493.40	0.00	24,727,069.87	20,020,721.21
Printing and Reproduction	26,661.71	0.00	652,943.69	0.00	5,415,762.83	5,222,406.27
Federal Grant Pass-Through Expense	0.00	0.00	0.00	0.00	1,009,821.39	997,120.20
State Grant Pass-Through Expense	0.00	0.00	0.00	0.00	91,539.87	61,582.89
Depreciation and Amortization	0.00	0.00	0.00	192,411,130.49	192,411,130.49	187,492,859.16
Bad Debt Expense	0.00	60,000.00	334,803.45	0.00	1,141,698.13	1,441,549.47
Interest	20,999.21	0.00	779.25	0.00	66,133.60	41,765.08
Scholarships	0.00	94,423,108.90	249,690.92	0.00	103,630,558.46	97,601,935.28
Claims and Judgments	0.00	0.00	0.00	0.00	715,791.00	1,243,523.15
Other Operating Expenses	20,695,938.40	127,509.49	31,028,527.32	0.00	219,969,282.94	222,663,655.89
TOTAL OPERATING EXPENSES	\$ 137,471,821.17	\$ 94,625,662.97	\$ 222,662,732.53	\$ 192,411,130.49	\$2,739,301,524.30	\$2,617,273,376.38

UNAUDITED
TEXAS TECH UNIVERSITY SYSTEM (793)

**FIDUCIARY
FINANCIAL STATEMENTS**

Texas Tech University System (793)
Combined Statement of Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

	Custodial Funds	External Investment Pool Non-Trusted	Total 2024	2023
ASSETS				
Cash and Cash Equivalents	\$ 5,803,962.58	\$ 0.00	\$ 5,803,962.58	\$ 4,841,066.99
Investments (Note 3)	0.00	13,416,323.93	13,416,323.93	12,708,999.14
Other Assets	17,999.99	0.00	17,999.99	18,999.99
Total Assets	<u>5,821,962.57</u>	<u>13,416,323.93</u>	<u>19,238,286.50</u>	<u>17,569,066.12</u>
LIABILITIES				
Accounts Payable	0.00	0.00	0.00	1,450.23
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,450.23</u>
NET POSITION				
Restricted for Pool Participants	0.00	13,416,323.93	13,416,323.93	12,708,999.14
Fiduciary Net Position Other Purposes	5,821,962.57	0.00	5,821,962.57	4,858,616.75
Total Net Position	<u>\$ 5,821,962.57</u>	<u>\$ 13,416,323.93</u>	<u>\$ 19,238,286.50</u>	<u>\$ 17,567,615.89</u>

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

Texas Tech University System (793)
Combined Statement of Changes in Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

	Custodial Funds	External Investment Pool Non-Trusted	Total 2024	2023
Additions:				
Investment Income:				
From Investing Activities:				
Net Increase (Decrease) in Fair Value of Investments	\$ 0.00	\$ 1,215,317.34	\$ 1,215,317.34	\$ 428,839.76
Interest, Dividends and Other	161,547.17	163,383.34	324,930.51	285,161.95
Total Investing Income (Loss)	161,547.17	1,378,700.68	1,540,247.85	714,001.71
Less Investing Activities Expense	9,914.02	90,377.52	100,291.54	95,925.82
Net Income (Loss) from Investing Activities	151,633.15	1,288,323.16	1,439,956.31	618,075.89
Total Net Investment Income (Loss)	151,633.15	1,288,323.16	1,439,956.31	618,075.89
Other Additions:				
Other Revenue	2,642,188.88	0.00	2,642,188.88	1,767,214.71
Total Other Additions	2,642,188.88	0.00	2,642,188.88	1,767,214.71
Total Additions	2,793,822.03	1,288,323.16	4,082,145.19	2,385,290.60
Deductions:				
Other Expenses	1,830,476.21	580,998.37	2,411,474.58	2,413,230.87
Total Deductions	1,830,476.21	580,998.37	2,411,474.58	2,413,230.87
Increase (Decrease) in Net Position	\$ 963,345.82	\$ 707,324.79	\$ 1,670,670.61	\$ (27,940.27)
Net Position:				
Beginning Net Position (September 1)	4,858,616.75	12,708,999.14	17,567,615.89	17,595,556.16
Ending Net Position (August 31)	\$ 5,821,962.57	\$ 13,416,323.93	\$ 19,238,286.50	\$ 17,567,615.89

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED
TEXAS TECH UNIVERSITY SYSTEM (793)

**DISCRETELY PRESENTED
COMPONENT UNITS**
**The Angelo State University
Robert G. Carr and Nona K. Carr
Scholarship Foundation
and
Texas Tech Research Park, Inc.**

UNAUDITED

Texas Tech University System (793)
Statement of Net Position
Discretely Presented Component Units
The Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation
and Texas Tech Research Park, Inc.
August 31, 2024 and 2023

	Carr Scholarship Foundation	Texas Tech Research Park	2024	2023
ASSETS				
Current Assets:				
Unrestricted Cash and Cash Equivalents	\$ 0.00	\$ 5,063.48	\$ 5,063.48	\$ 13,719.00
Restricted Cash and Cash Equivalents	136,563.51	0.00	136,563.51	128,553.66
Accounts Receivable	420,396.28	0.00	420,396.28	499,850.79
Total Current Assets	<u>556,959.79</u>	<u>5,063.48</u>	<u>562,023.27</u>	<u>642,123.45</u>
Non-Current Assets:				
Restricted Cash and Cash Equivalents	6,191.44	0.00	6,191.44	5,967.65
Restricted Investments (Note 3)	180,289,768.16	0.00	180,289,768.16	171,909,151.24
Total Non-Current Assets	<u>180,295,959.60</u>	<u>0.00</u>	<u>180,295,959.60</u>	<u>171,915,118.89</u>
Total Assets	<u>\$180,852,919.39</u>	<u>\$ 5,063.48</u>	<u>\$180,857,982.87</u>	<u>\$ 172,557,242.34</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 8,794.00	\$ 151,999.00	\$ 160,793.00	\$ 156,341.50
Payroll Payable	13,803.40	0.00	13,803.40	13,765.95
Total Current Liabilities	<u>22,597.40</u>	<u>151,999.00</u>	<u>174,596.40</u>	<u>170,107.45</u>
Employees' Compensable Leave (Note 5)	18,470.80	0.00	18,470.80	22,420.82
Total Non-Current Liabilities	<u>18,470.80</u>	<u>0.00</u>	<u>18,470.80</u>	<u>22,420.82</u>
Total Liabilities	<u>\$ 41,068.20</u>	<u>\$ 151,999.00</u>	<u>\$ 193,067.20</u>	<u>\$ 192,528.27</u>
NET POSITION				
Restricted:				
Nonexpendable:				
Endowments	\$180,716,355.88	\$ 0.00	\$180,716,355.88	\$ 172,414,969.68
Expendable:				
Other	95,495.31	0.00	95,495.31	88,024.39
Unrestricted	0.00	(146,935.52)	(146,935.52)	(138,280.00)
Total Net Position	<u>\$180,811,851.19</u>	<u>\$ (146,935.52)</u>	<u>\$180,664,915.67</u>	<u>\$ 172,364,714.07</u>

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED

Texas Tech University System (793)
Statement of Revenues, Expenses and Changes in Net Position
Discretely Presented Component Units
The Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation
and Texas Tech Research Park, Inc.
For the Years Ended August 31, 2024 and 2023

	Carr Scholarship Foundation	Texas Tech Research Park	2024	2023
Operating Revenues				
Total Operating Revenues	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Operating Expenses				
Salaries and Wages	180,533.24	0.00	180,533.24	175,079.85
Payroll Related Costs	49,727.62	0.00	49,727.62	55,701.23
Professional Fees and Services	15,832.50	8,655.52	24,488.02	65,251.00
Travel	2,387.40	0.00	2,387.40	1,151.12
Materials and Supplies	80,005.38	0.00	80,005.38	52,988.81
Communications and Utilities	1,445.94	0.00	1,445.94	1,386.40
Printing and Reproduction	4,421.99	0.00	4,421.99	355.26
Other Operating Expenses	3,210.01	0.00	3,210.01	16,313.45
Total Operating Expenses	<u>337,564.08</u>	<u>8,655.52</u>	<u>346,219.60</u>	<u>368,227.12</u>
Operating Income (Loss)	\$ (337,564.08)	\$ (8,655.52)	\$ (346,219.60)	\$ (368,227.12)
Nonoperating Revenues (Expenses)				
Investment Income (Expense)	1,056,803.32	0.00	1,056,803.32	2,609,431.49
Net Increase (Decrease) in Fair Value of Investments	14,011,415.38	0.00	14,011,415.38	4,418,188.89
Other Nonoperating Revenues (Expenses) - Pledged	<u>(6,421,797.50)</u>	<u>0.00</u>	<u>(6,421,797.50)</u>	<u>(5,476,190.15)</u>
Total Nonoperating Revenues (Expenses)	<u>8,646,421.20</u>	<u>0.00</u>	<u>8,646,421.20</u>	<u>1,551,430.23</u>
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	\$ 8,308,857.12	\$ (8,655.52)	\$ 8,300,201.60	\$ 1,183,203.11
Other Revenues, Expenses, Gains, Losses, and Transfers				
Total Other Revenues, Expenses, Gains, Losses, and Transfers	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Change in Net Position	<u>\$ 8,308,857.12</u>	<u>\$ (8,655.52)</u>	<u>\$ 8,300,201.60</u>	<u>\$ 1,183,203.11</u>
Beginning Net Position (September 1)	172,502,994.07	(138,280.00)	172,364,714.07	171,181,510.96
Ending Net Position (August 31)	<u>\$180,811,851.19</u>	<u>\$ (146,935.52)</u>	<u>\$180,664,915.67</u>	<u>\$172,364,714.07</u>

The accompanying Notes to the Combined Financial Statements are an integral part of this statement.

UNAUDITED
TEXAS TECH UNIVERSITY SYSTEM (793)

**COMPONENT INSTITUTION
ANNUAL FINANCIAL STATEMENTS**

**Texas Tech University
Texas Tech University Health Sciences Center
Texas Tech University Health Sciences Center at El Paso
Angelo State University
Midwestern State University
Texas Tech University System Administration**

UNAUDITED

Texas Tech University (733)
Statement of Net Position
August 31, 2024 and 2023

	2024	Restated 2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 64,779,804.53	\$ 67,583,099.47
Restricted Cash and Cash Equivalents	4,163,836.46	7,924,558.63
Legislative Appropriations	237,255,487.32	177,066,256.58
Receivables:		
Federal	18,992,777.06	17,080,061.02
Student	8,578,257.69	8,297,188.74
Accounts	8,662,701.94	7,581,826.49
Interest and Dividends	2,113,451.02	1,466,420.60
Gifts	16,646,463.49	15,661,159.49
Leases	262,590.27	558,181.81
Other	1,000,046.98	989,017.89
Due From Other State Agencies	2,735,158.28	6,377,382.57
Inventories	2,517,933.33	2,668,169.90
Prepaid Items	93,215,306.68	86,449,715.60
Loans and Contracts	328,517.97	330,882.06
Other Current Assets	1,236,547.23	1,251,242.24
Total Current Assets	462,488,880.25	401,285,163.09
Non-Current Assets:		
Restricted Cash and Cash Equivalents	5,732,759.87	17,039,864.33
Restricted Investments	351,257,578.49	300,010,021.87
Gifts Receivable	51,344,933.02	57,490,667.51
Leases Receivable	1,972,554.59	6,547,816.62
PPP Assets Receivable	457,984.12	457,984.12
Investments	1,113,106,374.44	967,543,327.67
Capital Assets		
Non-Depreciable or Non-Amortizable	212,407,763.67	265,825,826.72
Depreciable or Amortizable	2,862,994,785.26	2,555,992,424.97
Accumulated Depreciation and Amortization	(1,604,227,003.22)	(1,520,264,918.74)
Right to Use Assets		
Amortizable	29,214,330.20	24,554,156.98
Accumulated Amortization	(14,256,618.59)	(8,920,502.28)
Other Non-current Assets	119,623.98	119,623.98
Total Non-Current Assets	3,010,125,065.83	2,666,396,293.75
Total Assets	\$ 3,472,613,946.08	\$ 3,067,681,456.84

UNAUDITED

**Texas Tech University (733)
Statement of Net Position
August 31, 2024 and 2023**

	2024	Restated 2023
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 57,290,740.41	\$ 37,050,037.18
Payroll Payable	50,006,374.33	48,069,651.12
Unearned Revenue	225,390,023.86	209,039,306.90
Due to Other State Agencies	4,420,312.82	3,610,251.40
Employees' Compensable Leave	3,250,736.69	3,068,653.78
Right to Use Lease Obligations	673,163.75	657,820.22
Right to Use Subscription Obligations	3,427,568.99	5,331,813.73
Notes and Loans Payable - Direct Borrowing (Note 5)	150,816,399.00	0.00
Funds Held for Others	10,796,668.19	9,075,644.60
Other Current Liabilities	4,629,556.61	4,892,685.90
Total Current Liabilities	510,701,544.65	320,795,864.83
Non-Current Liabilities:		
Employees' Compensable Leave	20,857,733.17	18,572,185.82
Right to Use Lease Obligations	4,834,311.18	949,256.01
Right to Use Subscription Obligations	2,816,477.95	4,043,679.39
Notes and Loans Payable - Direct Borrowings	0.00	36,869,354.00
Pollution Remediation Obligation	1,529,525.50	1,529,525.50
Other Non-Current Liabilities	0.00	7,000,000.00
Total Non-Current Liabilities	30,038,047.80	68,964,000.72
Total Liabilities	\$ 540,739,592.45	\$ 389,759,865.55
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	32,811,399.67	35,776,753.54
Total Deferred Inflows of Resources	\$ 32,811,399.67	\$ 35,776,753.54
NET POSITION		
Net Investment in Capital Assets	\$ 1,284,631,082.55	\$ 1,248,496,013.98
Restricted:		
Nonexpendable:		
Endowments	108,247,886.23	106,991,749.00
Expendable:		
Capital Projects	79,221,955.81	86,375,173.78
Other	262,046,157.67	225,342,871.95
Unrestricted	1,164,915,871.70	974,939,029.04
Total Net Position	\$ 2,899,062,953.96	\$ 2,642,144,837.75

UNAUDITED

Texas Tech University (733)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Operating Revenues		
Tuition and Fees	\$ 7,412,150.76	\$ 7,271,815.48
Tuition and Fees - Pledged	527,200,215.31	514,925,103.64
Less Discounts and Allowances	(139,420,701.45)	(128,359,321.98)
Sales and Services of Auxiliary Enterprises - Pledged	182,512,387.09	176,507,429.05
Other Sales and Services	8,521,302.46	8,701,686.26
Other Sales and Services - Pledged	13,364,276.86	12,438,389.53
Federal Grants and Contracts	61,253,751.07	55,964,547.04
Federal Grant Pass-Throughs from Other State Agencies	4,041,715.83	4,197,200.89
State Grants and Contracts	389,413.67	214,102.94
State Grant Pass-Throughs from Other State Agencies	36,066,187.54	21,922,906.01
Local Governmental Grants and Contracts	3,516,970.31	3,578,963.19
Nongovernmental Grants and Contracts	15,169,264.80	16,041,034.49
Total Operating Revenues	720,026,934.25	693,403,856.54
Operating Expenses		
Cost of Goods Sold	16,228,290.26	14,897,596.69
Salaries and Wages	528,436,697.61	490,451,486.14
Payroll Related Costs	148,973,890.41	138,394,738.94
Professional Fees and Services	30,879,372.30	29,010,329.67
Travel	32,888,008.74	30,995,959.90
Materials and Supplies	49,430,865.11	48,166,532.35
Communications and Utilities	39,821,828.38	35,951,241.31
Repairs and Maintenance	41,552,144.87	42,118,850.96
Rentals and Leases	17,215,278.95	14,780,443.66
Printing and Reproduction	3,110,535.02	2,981,719.18
Federal Grant Pass-Through Expense	1,145,684.85	1,027,858.62
State Grant Pass-Through Expense	0.00	(0.10)
Depreciation and Amortization	111,089,058.72	105,397,764.06
Interest	30,820.39	13,465.10
Scholarships	71,932,562.12	65,103,470.04
Claims and Judgments	0.00	190,000.00
Other Operating Expenses	91,496,563.58	94,710,406.86
Total Operating Expenses	1,184,231,601.31	1,114,191,863.38
Operating Income (Loss)	\$ (464,204,667.06)	\$ (420,788,006.84)

UNAUDITED

Texas Tech University (733)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 275,704,409.03	\$ 225,709,489.17
Federal Grants and Contracts	61,263,819.98	61,675,107.77
Federal Grant Pass-Throughs from Other State Agencies	10,895,733.57	32,380,685.02
Private Gifts	69,856,994.58	56,690,878.29
Private Gifts - Pledged	1,921,210.67	2,191,659.37
Investment Income (Expense)	6,689,991.90	5,682,012.87
Investment Income (Expense) - Pledged	35,202,636.39	29,465,486.10
Interest Expense on Capital Asset Financing	(3,713,460.00)	(425,380.00)
Gain (Loss) on Sale and Disposal of Capital Assets	(2,445,917.32)	(907,483.64)
Net Increase (Decrease) in Fair Value of Investments	103,864,383.35	41,711,622.33
Interest Expense	(417,742.04)	(147,629.02)
Other Nonoperating Revenues (Expenses)	1,008,637.00	(818,781.13)
Other Nonoperating Revenues (Expenses) - Pledged	2,686,718.83	4,417,527.18
Total Nonoperating Revenues (Expenses)	562,517,415.94	457,625,194.31
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	98,312,748.88	36,837,187.47
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	51,379,460.50	49,874,746.00
Capital Contributions, Grants and Contracts	34,750,843.55	47,448,482.60
Lapsed Appropriations	(60.58)	0.00
Contributions to Permanent and Term Endowments	1,075,752.79	1,812,958.44
Legislative Transfers In (Out)	31,396,753.00	(14,907,519.00)
Interagency Transfers of Capital Assets - Increase	4,154.85	4,215.81
Interagency Transfers of Capital Assets - Decrease	(2,348.45)	(780,532.44)
Net Transfers from (to) Texas Tech University System Components	18,270,328.87	(27,867,935.12)
Net Transfers from (to) Other State Agencies	21,730,482.80	7,834,694.42
Net Other Revenues, Expenses, Gains, Losses, and Transfers	158,605,367.33	63,419,110.71
Total Change in Net Position	256,918,116.21	100,256,298.18
Beginning Net Position (September 1)	2,619,706,415.34	2,523,429,059.13
Restatements	22,438,422.41	18,459,480.44
Ending Net Position (August 31)	\$ 2,899,062,953.96	\$ 2,642,144,837.75

UNAUDITED

Texas Tech University (733)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Cash Flows from Operating Activities		
Proceeds from Customers	\$ 20,545,964.05	\$ 20,781,815.21
Proceeds from Tuition and Fees	397,899,637.80	391,437,226.84
Proceeds from Grants and Contracts	121,591,874.36	99,088,601.19
Proceeds from Sales and Services of Auxiliary Enterprises	182,690,906.38	179,386,213.98
Proceeds from Loan Programs	152,952,031.49	155,318,172.90
Proceeds from Fiduciary Activities (Held 3 Months or Less)	54,375,766.83	53,097,341.15
Payments to Suppliers for Goods and Services	(94,046,404.43)	(92,377,466.96)
Payments to Employees for Salaries	(527,041,703.22)	(487,651,079.61)
Payments to Employees for Benefits	(148,432,161.59)	(136,257,890.66)
Payments for Loans Issued to Students	(152,183,861.40)	(155,162,663.77)
Payments for Fiduciary Activities (Held 3 Months or Less)	(53,958,380.85)	(53,565,723.86)
Payments for Other Expenses	(307,630,924.36)	(287,249,882.00)
Net Cash Provided/(Used) by Operating Activities	(353,237,254.94)	(313,155,335.59)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	222,718,140.77	225,037,875.73
Proceeds from Gifts	73,461,274.53	61,363,493.65
Proceeds from Nonoperating Grants and Contracts	75,196,443.12	112,553,313.43
Proceeds from Other Financing Activities	3,725,889.27	4,749,685.57
Proceeds from Transfers from Component Institutions	637,381.33	4,501,349.76
Proceeds from Transfers In from Other State Agencies	76,023,791.48	9,414,202.96
Payments for Transfers to Component Institutions	(8,235,840.72)	(7,802,371.14)
Payments for Transfers to Other State Agencies	(663,452.89)	(650,775.26)
Payments for Other Uses	(382,040.62)	(349,354.47)
Net Cash Provided/(Used) by Noncapital Financing Activities	442,481,586.27	408,817,420.23
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	221,344.57	125,016.85
Proceeds from Capital Debt Issuances	113,947,045.00	36,869,354.00
Proceeds from Capital Gifts, Grants and Contracts	41,452,396.67	39,839,172.79
Proceeds from Capital Appropriations	44,176,437.44	44,851,748.10
Proceeds from Transfers from Component Institutions	57,802,404.99	39,044,002.10
Payments for Transfers to Component Institutions	(54,553,987.73)	(79,788,842.84)
Payments for Additions to Capital Assets	(250,091,730.07)	(180,933,722.70)
Payments for Interest Paid on Capital Debt	(3,713,460.00)	(425,380.00)
Payments for Leases/SBITAs	(7,591,957.87)	(8,818,888.70)
Payments for Other Costs on Debt Issuance	(54,670.00)	(1,734,279.00)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(58,406,177.00)	(110,971,819.40)
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	126,684,394.80	13,092,782.06
Proceeds from Interest and Investment Income	52,836,256.61	45,772,452.98
Payments to Acquire Investments	(228,229,927.31)	(39,387,169.33)
Net Cash Provided/(Used) by Investing Activities	(48,709,275.90)	19,478,065.71
TOTAL NET CASH FLOWS	\$ (17,871,121.57)	\$ 4,168,330.95

UNAUDITED

Texas Tech University (733)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Beginning Cash & Cash Equivalents (September 1)	\$ 92,547,522.43	\$ 88,379,191.48
Ending Cash & Cash Equivalents (August 31)	\$ 74,676,400.86	\$ 92,547,522.43
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (464,204,667.06)	\$ (420,788,006.84)
Adjustments:		
Depreciation and Amortization Expense	111,089,058.72	105,397,764.06
(Increase) Decrease in Accounts Receivables	(4,433,010.56)	(2,402,300.74)
(Increase) Decrease in Loans and Notes Receivable	768,170.09	155,509.13
(Increase) Decrease in Inventories	150,236.57	1,284,861.53
(Increase) Decrease in Other Assets	18,536.06	(165,639.25)
(Increase) Decrease in Due From Other State Agencies	1,363,980.80	63,452.77
(Increase) Decrease in Prepaid Items	(9,310,631.39)	(7,680,994.47)
Increase (Decrease) in Accounts Payable	1,556,660.34	1,025,001.15
Increase (Decrease) in Payroll Payable	1,394,994.39	2,800,406.53
Increase (Decrease) in Unearned Revenue	5,700,290.60	4,584,532.47
Increase (Decrease) in Employees' Compensable Leave	2,467,630.26	2,267,303.38
Increase (Decrease) in Due To Other State Agencies	893,080.58	(692,615.46)
Increase (Decrease) in Benefits Payable	541,728.82	2,136,848.28
Increase (Decrease) in Fiduciary Funds Held 3 Months or Less	417,385.98	(468,382.71)
Increase (Decrease) in Deferred Inflows of Resources - PPP	(1,112,767.89)	(992,902.92)
Increase (Decrease) in Other Liabilities	(537,931.25)	319,827.50
Net Cash Used for Operating Activities	(353,237,254.94)	(313,155,335.59)
 Noncash Transactions		
Donations of Capital Assets	1,500,725.24	2,179,608.12
Net Increase (Decrease) in Fair Value of Investments	103,864,383.35	41,711,622.33
Other	(2,209,570.07)	2,165,972.68
Total Noncash Transactions	\$ 103,155,538.52	\$ 46,057,203.13

UNAUDITED

Texas Tech University (733)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Cost of Goods Sold	\$ 109,289.37	\$ 0.00	\$ 14,850.43	\$ 32,509.49	\$ 19,000.00	\$ 1,658,281.42
Salaries and Wages	177,851,639.70	120,112,686.37	10,020,715.39	74,705,409.60	32,647,457.73	29,913,210.36
Payroll Related Costs	53,816,731.59	34,568,964.69	3,392,153.64	20,635,439.12	9,095,730.53	8,656,875.02
Professional Fees and Services	1,291,279.44	4,325,720.90	932,160.11	2,562,674.60	1,499,755.49	17,588,207.07
Travel	4,321,575.20	6,345,857.81	980,537.86	5,060,489.18	2,146,802.94	874,534.26
Materials and Supplies	8,202,550.56	14,454,631.81	1,186,309.43	7,083,089.33	3,652,128.80	1,001,774.14
Communications and Utilities	1,396,005.16	2,963,439.68	259,754.73	2,018,574.68	1,894,474.64	621,613.69
Repairs and Maintenance	905,568.71	2,704,481.59	540,802.79	2,534,346.09	1,143,121.15	235,799.79
Rentals and Leases	1,809,709.59	987,880.29	800,790.11	4,235,675.05	4,423,139.89	2,208,218.22
Printing and Reproduction	182,626.05	368,454.91	143,887.20	517,093.65	727,614.67	564,640.06
Federal Grant Pass-Through Expense	109,903.07	543,385.57	492,396.21	0.00	0.00	0.00
State Grant Pass-Through Expense	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Interest	1,762.17	12,213.13	49.26	716.59	470.90	1,461.42
Scholarships	2,159,212.07	4,476,866.70	9,225.30	370,126.19	86,979.00	2,000.00
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	5,183,716.63	13,879,020.73	3,717,134.24	10,962,480.82	15,048,146.84	5,185,370.36
TOTAL OPERATING EXPENSES	\$ 257,341,569.31	\$ 205,743,604.18	\$ 22,490,766.70	\$ 130,718,624.39	\$ 72,384,822.58	\$ 68,511,985.81

UNAUDITED

Texas Tech University (733)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	OPERATIONS & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	Restated 2023
Cost of Goods Sold	\$ 0.00	\$ 0.00	\$ 14,394,359.55	\$ 0.00	\$ 16,228,290.26	\$ 14,897,596.69
Salaries and Wages	10,846,964.60	0.00	72,338,613.86	0.00	528,436,697.61	490,451,486.14
Payroll Related Costs	2,858,986.56	0.00	15,949,009.26	0.00	148,973,890.41	138,394,738.94
Professional Fees and Services	924,958.89	0.00	1,754,615.80	0.00	30,879,372.30	29,010,329.67
Travel	42,044.30	0.00	13,116,167.19	0.00	32,888,008.74	30,995,959.90
Materials and Supplies	4,495,201.71	0.00	9,355,179.33	0.00	49,430,865.11	48,166,532.35
Communications and Utilities	20,336,828.48	0.00	10,331,137.32	0.00	39,821,828.38	35,951,241.31
Repairs and Maintenance	22,433,620.39	0.00	11,054,404.36	0.00	41,552,144.87	42,118,850.96
Rentals and Leases	603,549.70	0.00	2,146,316.10	0.00	17,215,278.95	14,780,443.66
Printing and Reproduction	5,593.55	0.00	600,624.93	0.00	3,110,535.02	2,981,719.18
Federal Grant Pass-Through Expense	0.00	0.00	0.00	0.00	1,145,684.85	1,027,858.62
State Grant Pass-Through Expense	0.00	0.00	0.00	0.00	0.00	(0.10)
Depreciation and Amortization	0.00	0.00	0.00	111,089,058.72	111,089,058.72	105,397,764.06
Interest	13,861.34	0.00	285.58	0.00	30,820.39	13,465.10
Scholarships	0.00	64,578,461.94	249,690.92	0.00	71,932,562.12	65,103,470.04
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	190,000.00
Other Operating Expenses	8,572,809.39	0.00	28,947,884.57	0.00	91,496,563.58	94,710,406.86
TOTAL OPERATING EXPENSES	\$ 71,134,418.91	\$ 64,578,461.94	\$ 180,238,288.77	\$ 111,089,058.72	\$ 1,184,231,601.31	\$ 1,114,191,863.38

UNAUDITED

Texas Tech University (733)
Combined Statement of Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

	Custodial Funds	External Investment Pool Non-Trusted	Total 2024	2023
ASSETS				
Cash and Cash Equivalents	\$ 5,803,962.58	\$ 0.00	\$ 5,803,962.58	\$ 4,841,066.99
Investments	0.00	13,416,323.93	13,416,323.93	12,708,999.14
Other Assets	17,999.99	0.00	17,999.99	18,999.99
Total Assets	<u>5,821,962.57</u>	<u>13,416,323.93</u>	<u>19,238,286.50</u>	<u>17,569,066.12</u>
LIABILITIES				
Accounts Payable	0.00	0.00	0.00	1,450.23
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,450.23</u>
NET POSITION				
Restricted for Pool Participants	0.00	13,416,323.93	13,416,323.93	12,708,999.14
Fiduciary Net Position Other Purposes	5,821,962.57	0.00	5,821,962.57	4,858,616.75
Total Net Position	<u>\$ 5,821,962.57</u>	<u>\$ 13,416,323.93</u>	<u>\$ 19,238,286.50</u>	<u>\$ 17,567,615.89</u>

UNAUDITED

Texas Tech University (733)
Combined Statement of Changes in Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

	Custodial Funds	External Investment Pool Non-Trusted	Total 2024	2023
Additions:				
Investment Income:				
From Investing Activities:				
Net Increase (Decrease) in Fair Value of Investments	\$ 0.00	\$ 1,215,317.34	\$ 1,215,317.34	\$ 428,839.76
Interest, Dividends and Other	161,547.17	163,383.34	324,930.51	285,161.95
Total Investing Income (Loss)	161,547.17	1,378,700.68	1,540,247.85	714,001.71
Less Investing Activities Expense	9,914.02	90,377.52	100,291.54	95,925.82
Net Income (Loss) from Investing Activities	151,633.15	1,288,323.16	1,439,956.31	618,075.89
Total Net Investment Income (Loss)	151,633.15	1,288,323.16	1,439,956.31	618,075.89
Other Additions:				
Other Revenue	2,642,188.88	0.00	2,642,188.88	1,767,214.71
Total Other Additions	2,642,188.88	0.00	2,642,188.88	1,767,214.71
Total Additions	2,793,822.03	1,288,323.16	4,082,145.19	2,385,290.60
Deductions:				
Other Expenses	1,830,476.21	580,998.37	2,411,474.58	2,413,230.87
Total Deductions	1,830,476.21	580,998.37	2,411,474.58	2,413,230.87
Increase (Decrease) in Net Position	\$ 963,345.82	\$ 707,324.79	\$ 1,670,670.61	\$ (27,940.27)
Net Position:				
Beginning Net Position (September 1)	4,858,616.75	12,708,999.14	17,567,615.89	17,595,556.16
Ending Net Position (August 31)	\$ 5,821,962.57	\$ 13,416,323.93	\$ 19,238,286.50	\$ 17,567,615.89

UNAUDITED

Texas Tech University Health Sciences Center (739)
Statement of Net Position
August 31, 2024 and 2023

	2024	Restated 2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 99,574,780.01	\$ 91,762,018.61
Restricted Cash and Cash Equivalents	14,998,281.33	12,443,718.43
Legislative Appropriations	53,161,853.11	45,714,554.77
Receivables:		
Federal	3,086,345.60	7,395,331.01
Patient	15,985,355.46	14,627,285.64
Student	724,791.10	717,174.90
Contracts	32,382,880.31	23,141,475.02
Interest and Dividends	1,038,448.76	751,292.43
Leases	158,303.71	103,666.32
Other	540,871.40	502,601.88
Due From Other State Agencies	8,237,359.45	13,610,503.02
Inventories	1,592,638.79	1,930,052.06
Prepaid Items	18,832,361.40	18,505,005.55
Loans and Contracts	406,867.39	384,993.92
Total Current Assets	250,721,137.82	231,589,673.56
Non-Current Assets:		
Restricted Cash and Cash Equivalents	1,850.37	27,570.22
Restricted Investments	158,699,035.27	146,769,097.51
Leases Receivable	7,091,426.90	7,596,725.10
Loans and Notes Receivable	491,942.29	564,838.95
Investments	431,867,459.68	410,129,744.31
Capital Assets		
Non-Depreciable or Non-Amortizable	30,012,283.30	24,411,521.14
Depreciable or Amortizable	727,549,672.82	710,420,056.47
Accumulated Depreciation and Amortization	(425,803,940.66)	(407,183,887.60)
Right to Use Assets		
Amortizable	18,998,739.24	17,602,021.89
Accumulated Amortization	(9,661,702.63)	(8,585,093.92)
Total Non-Current Assets	939,246,766.58	901,752,594.07
Total Assets	\$ 1,189,967,904.40	\$ 1,133,342,267.63

UNAUDITED

Texas Tech University Health Sciences Center (739)
Statement of Net Position
August 31, 2024 and 2023

	2024	Restated 2023
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 16,122,511.12	\$ 13,066,816.52
Payroll Payable	41,830,995.53	41,730,137.07
Unearned Revenue	16,929,683.62	21,710,048.68
Due to Other State Agencies	164,879.27	240,255.10
Employees' Compensable Leave	3,959,994.52	4,560,465.75
Right to Use Lease Obligations	2,430,357.66	2,507,138.95
Right to Use Subscription Obligations	1,333,713.61	721,503.63
Funds Held for Others	623,971.97	588,835.59
Other Current Liabilities	132,850.54	64,372.75
Total Current Liabilities	83,528,957.84	85,189,574.04
Non-Current Liabilities:		
Employees' Compensable Leave	34,135,765.59	30,093,529.29
Right to Use Lease Obligations	2,634,183.15	4,692,456.88
Right to Use Subscription Obligations	2,700,851.37	486,205.08
Other Non-Current Liabilities	66,506.49	98,739.91
Total Non-Current Liabilities	39,537,306.60	35,370,931.16
Total Liabilities	\$ 123,066,264.44	\$ 120,560,505.20
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	6,823,427.44	7,383,601.60
Total Deferred Inflows of Resources	\$ 6,823,427.44	\$ 7,383,601.60
NET POSITION		
Net Investment in Capital Assets	\$ 331,920,344.50	\$ 328,226,057.76
Restricted:		
Nonexpendable:		
Endowments	73,953,284.36	71,741,710.66
Expendable:		
Capital Projects	(3,093,376.05)	(239,580.47)
Other	105,989,359.06	97,569,501.67
Unrestricted	551,308,600.65	508,100,471.21
Total Net Position	\$ 1,060,078,212.52	\$ 1,005,398,160.83

UNAUDITED

Texas Tech University Health Sciences Center (739)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Operating Revenues		
Tuition and Fees	\$ 1,556,444.05	\$ 1,586,121.96
Tuition and Fees - Pledged	75,907,414.43	77,446,610.32
Less Discounts and Allowances	(11,695,963.13)	(11,485,456.71)
Professional Fees	270,571,564.73	254,773,529.62
Professional Fees - Pledged	354,593.78	636,602.52
Sales and Services of Auxiliary Enterprises - Pledged	1,054,617.02	1,021,267.27
Other Sales and Services	5,151,252.91	6,172,156.25
Other Sales and Services - Pledged	7,571,158.60	8,393,926.00
Federal Grants and Contracts	32,644,066.58	34,053,833.54
Federal Grants and Contracts - Pledged	5,093.31	26,081.29
Federal Grant Pass-Throughs from Other State Agencies	1,582,997.35	1,614,481.02
State Grants and Contracts	408,557.32	107,733.16
State Grants and Contracts - Pledged	0.00	52,026.50
State Grant Pass-Throughs from Other State Agencies	12,475,019.43	15,568,766.96
Local Governmental Grants and Contracts	99,732,925.61	98,356,136.14
Local Governmental Grants and Contracts - Pledged	1,567,926.34	671,457.48
Nongovernmental Grants and Contracts	73,298,181.15	61,432,623.88
Nongovernmental Grants and Contracts - Pledged	2,064,714.69	1,970,837.14
Other Operating Revenues	47,695,638.12	62,635,018.66
Total Operating Revenues	621,946,202.29	615,033,753.00
Operating Expenses		
Salaries and Wages	478,828,630.65	445,331,312.07
Payroll Related Costs	118,740,060.92	110,780,615.30
Professional Fees and Services	79,477,493.48	74,717,946.99
Travel	5,426,352.75	4,798,485.96
Materials and Supplies	35,772,238.93	34,659,528.01
Communications and Utilities	19,589,371.48	18,320,979.69
Repairs and Maintenance	16,379,961.47	16,091,369.95
Rentals and Leases	3,486,100.38	1,444,630.01
Printing and Reproduction	1,412,981.39	1,496,473.37
Federal Grant Pass-Through Expense	550,463.81	529,119.52
State Grant Pass-Through Expense	26,059.03	24,392.58
Depreciation and Amortization	30,026,785.99	30,035,937.87
Bad Debt Expense	180,412.50	415,577.35
Interest	16,272.29	8,237.35
Scholarships	3,760,892.10	3,926,545.37
Claims and Judgments	0.00	500.00
Other Operating Expenses	82,737,974.01	80,510,011.15
Total Operating Expenses	876,412,051.18	823,091,662.54
Operating Income (Loss)	\$ (254,465,848.89)	\$ (208,057,909.54)

UNAUDITED

Texas Tech University Health Sciences Center (739)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 194,709,085.85	\$ 181,491,120.38
Federal Grants and Contracts	2,841,410.57	2,286,971.00
State Grant Pass-Throughs from Other State Agencies	29,879.00	62,000.00
Private Gifts	7,495,210.27	11,416,409.42
Private Gifts - Pledged	3,400.00	0.00
Investment Income (Expense)	8,105,703.07	6,466,747.31
Investment Income (Expense) - Pledged	12,755,673.21	10,258,053.37
Gain (Loss) on Sale and Disposal of Capital Assets	(728,652.16)	(1,270,910.02)
Net Increase (Decrease) in Fair Value of Investments	50,504,407.89	17,423,225.72
Interest Expenses	(432,842.46)	(221,824.76)
Other Nonoperating Revenues (Expenses)	3,466,169.13	2,095,379.41
Other Nonoperating Revenues (Expenses) - Pledged	313,281.15	115,947.65
Total Nonoperating Revenues (Expenses)	279,062,725.52	230,123,119.48
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	24,596,876.63	22,065,209.94
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	22,305,642.00	21,652,392.00
Capital Contributions	1,021,985.22	9,107,752.52
Contributions to Permanent and Term Endowments	116,854.65	196,782.27
Legislative Transfers In (Out)	4,563,347.00	(5,599,087.16)
Interagency Transfers of Capital Assets - Increase	38,104.31	0.00
Interagency Transfers of Capital Assets - Decrease	(35,016.92)	(282,576.13)
Net Transfers from (to) Texas Tech University System Components	2,018,219.80	(5,710,816.60)
Net Transfers from (to) Other State Agencies	54,039.00	45,164.00
Net Other Revenues, Expenses, Gains, Losses, and Transfers	30,083,175.06	19,409,610.90
Total Change in Net Position	54,680,051.69	41,474,820.84
Beginning Net Position (September 1)	1,006,929,403.15	965,454,582.31
Restatements	(1,531,242.32)	(1,531,242.32)
Ending Net Position (August 31)	\$ 1,060,078,212.52	\$ 1,005,398,160.83

UNAUDITED

Texas Tech University Health Sciences Center (739)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Proceeds from Customers	\$ 329,859,484.16	\$ 331,353,081.98
Proceeds from Tuition and Fees	60,618,030.00	67,526,974.44
Proceeds from Grants and Contracts	224,410,117.72	204,778,031.63
Proceeds from Sales and Services of Auxiliary Enterprises	1,054,617.02	1,021,267.27
Proceeds from Loan Programs	63,027,268.71	71,180,663.62
Proceeds from Fiduciary Activities (Held 3 Months or Less)	1,069,705.18	1,399,541.64
Payments to Suppliers for Goods and Services	(160,590,269.30)	(160,611,785.86)
Payments to Employees for Salaries	(475,366,714.68)	(441,494,497.34)
Payments to Employees for Benefits	(118,583,672.38)	(109,461,158.66)
Payments for Loans Issued to Students	(62,880,476.81)	(71,629,134.29)
Payments for Fiduciary Activities (Held 3 Months or Less)	(1,034,358.47)	(1,263,200.14)
Payments for Other Expenses	(85,240,358.81)	(83,108,929.80)
Net Cash Provided/(Used) by Operating Activities	(223,656,627.66)	(190,309,145.51)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	187,261,787.51	185,850,888.15
Proceeds from Gifts	7,615,464.92	11,613,191.69
Proceeds from Nonoperating Grants and Contracts	2,871,289.57	2,348,971.00
Proceeds from Other Financing Activities	3,669,726.60	2,117,077.61
Proceeds from Transfers from Component Institutions	348,695.29	4,993,917.08
Proceeds from Transfers In from Other State Agencies	21,485,144.00	4,355,280.34
Payments for Transfers to Component Institutions	(6,781,431.79)	(5,609,214.74)
Payments for Other Uses	0.00	(17,745.21)
Net Cash Provided/(Used) by Noncapital Financing Activities	216,470,676.10	205,652,365.92
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	329,457.71	75,018.89
Proceeds from Capital Gifts, Grants and Contracts	0.00	7,637,993.00
Proceeds from Capital Appropriations	22,305,642.00	21,652,392.00
Proceeds from Transfers from Component Institutions	7,018,947.30	1,285,104.06
Payments for Transfers to Component Institutions	(15,435,749.00)	(16,289,826.50)
Payments for Additions to Capital Assets	(29,938,489.28)	(19,964,798.19)
Payments for Leases/SBITAs	(4,248,463.16)	(4,517,115.66)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(19,968,654.43)	(10,121,232.40)
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	71,248,360.77	0.00
Proceeds from Interest and Investment Income	25,543,274.97	21,308,654.78
Payments to Acquire Investments	(59,295,425.30)	(76,562,263.35)
Net Cash Provided/(Used) by Investing Activities	37,496,210.44	(55,253,608.57)
TOTAL NET CASH FLOWS	\$ 10,341,604.45	\$ (50,031,620.56)

UNAUDITED

Texas Tech University Health Sciences Center (739)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Beginning Cash & Cash Equivalents (September 1)	\$ 104,233,307.26	\$ 154,264,927.82
Ending Cash & Cash Equivalents (August 31)	<u>\$ 114,574,911.71</u>	<u>\$ 104,233,307.26</u>
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (254,465,848.89)	\$ (208,057,909.54)
Adjustments:		
Depreciation and Amortization Expense	30,026,785.99	30,035,937.87
Bad Debt Expense		
(Increase) Decrease in Accounts Receivables	(6,336,375.43)	(5,035,085.93)
(Increase) Decrease in Loans and Notes Receivable	51,023.19	336,051.40
(Increase) Decrease in Inventories	337,413.27	(235,314.25)
(Increase) Decrease in Due From Other State Agencies	5,287,907.84	(5,338,962.29)
(Increase) Decrease in Prepaid Items	(327,355.85)	(192,755.70)
Increase (Decrease) in Accounts Payable	3,156,553.06	(3,100,061.24)
Increase (Decrease) in Unearned Revenue	(4,780,365.06)	53,393.26
Increase (Decrease) in Employees' Compensable Leave	3,441,765.07	1,585,256.60
Increase (Decrease) in Due To Other State Agencies	(75,375.83)	(506,190.47)
Increase (Decrease) in Fiduciary Activities Held 3 Months or Less	35,346.71	136,341.50
Increase (Decrease) in Other Liabilities	(8,101.73)	10,153.28
Net Cash Used for Operating Activities	<u>(223,656,627.66)</u>	<u>(190,309,145.51)</u>
Noncash Transactions		
Donations of Capital Assets	1,021,985.22	1,469,759.52
Net Increase (Decrease) in Fair Value of Investments	50,504,407.89	17,423,225.72
Other	(1,058,109.87)	0.00
Total Noncash Transactions	<u>\$ 50,468,283.24</u>	<u>\$ 18,892,985.24</u>

UNAUDITED

**Texas Tech University Health Sciences Center (739)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023**

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	HOSPITALS AND CLINICS	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Salaries and Wages	\$ 207,152,556.58	\$ 26,023,584.64	\$ 82,403,505.75	\$ 69,360,062.04	\$ 54,950,355.37	\$ 9,636,417.61	\$ 22,304,481.22
Payroll Related Costs	40,146,432.65	6,019,449.77	23,592,851.18	19,554,247.98	15,894,770.12	2,819,830.49	8,073,220.64
Professional Fees and Services	1,715,566.86	738,134.32	50,632,038.67	4,784,350.76	13,165,191.78	3,121,902.32	3,514,873.20
Travel	440,670.07	491,328.46	1,334,679.17	50,912.66	2,014,826.54	426,297.18	627,801.44
Materials and Supplies	343,128.31	3,420,946.33	13,620,434.95	9,925,003.56	6,126,357.94	1,853,224.55	211,140.50
Communications and Utilities	254,440.59	109,999.02	797,968.62	662,313.62	7,965,291.84	703,120.54	1,054,035.64
Repairs and Maintenance	124,989.02	1,012,366.94	710,150.55	311,976.17	2,819,481.28	1,329,129.55	725,013.20
Rentals and Leases	25,120.90	74,933.79	423,591.64	1,229,489.10	1,587,440.85	130,175.68	(21,512.29)
Printing and Reproduction	54,833.12	213,271.02	242,982.19	163,332.18	333,669.57	183,097.92	199,329.26
Federal Grant Pass-Through Expense	0.00	138,498.24	411,965.57	0.00	0.00	0.00	0.00
State Grant Pass-Through Expense	0.00	12,003.62	14,055.41	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	180,412.50	0.00
Interest	91.27	1,616.32	384.53	1,371.35	5,963.88	146.57	3,173.52
Scholarships	50,000.00	152,229.46	251,049.00	0.00	497,754.94	81,638.87	8,450.00
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	2,851,260.48	6,403,900.40	12,719,874.53	2,185,823.83	39,682,025.42	6,745,966.35	3,478,855.42
TOTAL OPERATING EXPENSES	\$ 253,159,089.85	\$ 44,812,262.33	\$ 187,155,531.76	\$ 108,228,883.25	\$ 145,043,129.53	\$ 27,211,360.13	\$ 40,178,861.75

UNAUDITED

**Texas Tech University Health Sciences Center (739)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023**

OPERATING EXPENSES	OPERATIONS & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	2023
Salaries and Wages	\$ 6,639,027.44	\$ 8,750.00	\$ 349,890.00	\$ 0.00	\$ 478,828,630.65	\$ 445,331,312.07
Payroll Related Costs	2,521,801.71	603.86	116,852.52	0.00	118,740,060.92	110,780,615.30
Professional Fees and Services	1,804,003.27	0.00	1,432.30	0.00	79,477,493.48	74,717,946.99
Travel	37,492.48	0.00	2,344.75	0.00	5,426,352.75	4,798,485.96
Materials and Supplies	248,558.70	0.00	23,444.09	0.00	35,772,238.93	34,659,528.01
Communications and Utilities	8,037,650.20	0.00	4,551.41	0.00	19,589,371.48	18,320,979.69
Repairs and Maintenance	9,328,161.01	0.00	18,693.75	0.00	16,379,961.47	16,091,369.95
Rentals and Leases	35,436.06	0.00	1,424.65	0.00	3,486,100.38	1,444,630.01
Printing and Reproduction	13,755.34	0.00	8,710.79	0.00	1,412,981.39	1,496,473.37
Federal Grant Pass-Through Expense	0.00	0.00	0.00	0.00	550,463.81	529,119.52
State Grant Pass-Through Expense	0.00	0.00	0.00	0.00	26,059.03	24,392.58
Depreciation and Amortization	0.00	0.00	0.00	30,026,785.99	30,026,785.99	30,035,937.87
Bad Debt Expense	0.00	0.00	0.00	0.00	180,412.50	415,577.35
Interest	3,508.28	0.00	16.57	0.00	16,272.29	8,237.35
Scholarships	0.00	2,719,769.83	0.00	0.00	3,760,892.10	3,926,545.37
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	500.00
Other Operating Expenses	8,491,332.52	16,712.39	162,222.67	0.00	82,737,974.01	80,510,011.15
TOTAL OPERATING EXPENSES	\$ 37,160,727.01	\$ 2,745,836.08	\$ 689,583.50	\$ 30,026,785.99	\$ 876,412,051.18	\$ 823,091,662.54

UNAUDITED

Texas Tech University Health Sciences Center (739)
Combined Statement of Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

There is no fiduciary activity to report for Texas Tech University Health Sciences Center for the years ended August 31, 2024 and 2023.

UNAUDITED

**Texas Tech University Health Science Center (739)
Combined Statement of Changes in Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Texas Tech University Health Sciences Center for the years ended August 31, 2024 and 2023.

UNAUDITED

Texas Tech University Health Sciences Center at El Paso (774)
Statement of Net Position
August 31, 2024 and 2023

	2024	Restated 2023
	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 53,400,218.20	\$ 43,815,575.63
Restricted Cash and Cash Equivalents	5,816,056.71	3,554,757.60
Legislative Appropriations	87,650,745.15	85,594,406.51
Receivables:		
Federal	1,611,317.45	402,578.98
Patient	11,266,185.98	8,259,689.75
Student	20,649.22	22,286.76
Contracts	17,609,304.78	17,661,385.70
Interest and Dividends	541,999.37	334,120.63
Gifts	605,880.00	605,880.00
Leases	489,366.46	440,354.43
Other	4,714,057.01	472,915.17
Due From Other State Agencies	4,699,115.84	3,337,326.50
Inventories	529,950.15	589,196.95
Prepaid Items	3,559,122.73	3,651,257.43
Loans and Contracts	23,681.71	44,090.46
Total Current Assets	<u>192,537,650.76</u>	<u>168,785,822.50</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	2.50	(31.54)
Restricted Investments	78,969,312.66	68,317,814.74
Gifts Receivable	3,029,400.00	3,635,280.00
Leases Receivable	1,662,612.23	2,104,465.29
Loans and Notes Receivable	219,921.28	311,613.35
Investments	227,884,366.88	192,923,605.94
Capital Assets		
Non-Depreciable or Non-Amortizable	32,857,907.07	34,360,168.68
Depreciable or Amortizable	353,381,518.32	338,830,848.18
Accumulated Depreciation and Amortization	(176,971,374.84)	(165,102,250.74)
Right to Use Assets		
Amortizable	51,410,603.42	51,361,030.96
Accumulated Amortization	(18,356,993.15)	(13,177,085.36)
Total Non-Current Assets	<u>554,087,276.37</u>	<u>513,565,459.50</u>
Total Assets	<u>\$ 746,624,927.13</u>	<u>\$ 682,351,282.00</u>

UNAUDITED

Texas Tech University Health Sciences Center at El Paso (774)
Statement of Net Position
August 31, 2024 and 2023

	2024	Restated 2023
	<u>2024</u>	<u>2023</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 4,752,680.62	\$ 7,262,830.91
Payroll Payable	15,840,689.32	14,807,248.25
Unearned Revenue	7,888,060.62	7,165,009.33
Due to Other State Agencies	31,837.79	18,776.22
Employees' Compensable Leave	1,243,512.94	1,444,528.46
Right to Use Lease Obligations	3,204,867.94	3,036,273.67
Right to Use Subscription Obligations	2,001,056.25	1,949,886.18
Funds Held for Others	173,466.06	155,703.76
Other Current Liabilities	72,437.25	73,780.69
Total Current Liabilities	<u>35,208,608.79</u>	<u>35,914,037.47</u>
Non-Current Liabilities:		
Employees' Compensable Leave	10,628,275.50	9,995,904.52
Right to Use Lease Obligations	28,173,017.93	31,011,384.30
Right to Use Subscription Obligations	2,050,629.63	4,156,964.96
Other Non-Current Liabilities	24,935.08	36,679.92
Total Non-Current Liabilities	<u>40,876,858.14</u>	<u>45,200,933.70</u>
Total Liabilities	<u>\$ 76,085,466.93</u>	<u>\$ 81,114,971.17</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	2,109,861.65	2,544,261.89
Total Deferred Inflows of Resources	<u>\$ 2,109,861.65</u>	<u>\$ 2,544,261.89</u>
NET POSITION		
Net Investment in Capital Assets	\$ 205,902,955.41	\$ 201,728,342.67
Restricted:		
Nonexpendable:		
Endowments	36,898,113.15	36,881,333.59
Expendable:		
Capital Projects	4,668,490.46	5,238,118.07
Other	52,726,320.74	39,573,664.45
Unrestricted	<u>368,233,718.79</u>	<u>315,270,590.16</u>
Total Net Position	<u>\$ 668,429,598.55</u>	<u>\$ 598,692,048.94</u>

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023**

	2024	Restated 2023
Operating Revenues		
Tuition and Fees	\$ 409,536.52	\$ 399,991.71
Tuition and Fees - Pledged	22,775,704.70	19,039,935.19
Less Discounts and Allowances	(3,437,437.74)	(3,300,987.60)
Professional Fees	65,930,721.64	63,413,190.71
Sales and Services of Auxiliary Enterprises - Pledged	406,250.54	349,949.96
Other Sales and Services	64,152.58	54,627.23
Other Sales and Services - Pledged	469,541.20	335,306.22
Federal Grants and Contracts	6,578,493.10	2,827,941.11
Federal Grant Pass-Throughs from Other State Agencies	995,325.22	767,952.17
State Grants and Contracts	1,690,824.84	1,637,038.22
State Grants and Contracts - Pledged	3,898.77	29,630.02
State Grant Pass-Throughs from Other State Agencies	4,795,908.18	7,579,405.29
Local Governmental Grants and Contracts	80,274,498.91	81,842,976.69
Nongovernmental Grants and Contracts	22,490,692.75	24,513,193.66
Nongovernmental Grants and Contracts - Pledged	44,636.54	78,781.09
Other Operating Revenues	38,984,701.31	20,666,869.43
Total Operating Revenues	242,477,449.06	220,235,801.10
Operating Expenses		
Salaries and Wages	174,031,034.21	165,057,809.20
Payroll Related Costs	40,382,808.21	38,065,131.02
Professional Fees and Services	17,550,148.79	14,422,674.47
Travel	1,750,967.46	1,691,479.66
Materials and Supplies	6,350,339.11	4,981,790.01
Communications and Utilities	5,945,478.72	5,558,970.42
Repairs and Maintenance	7,271,815.89	5,642,997.19
Rentals and Leases	1,932,478.48	1,637,980.79
Printing and Reproduction	242,041.37	235,448.65
Federal Grant Pass-Through Expense	0.00	17,679.49
State Grant Pass-Through Expense	125,469.94	73,225.17
Depreciation and Amortization	20,684,733.14	20,123,477.01
Bad Debt Expense	58,179.96	103,911.66
Interest	12,536.08	15,857.28
Scholarships	2,586,237.77	2,117,740.88
Other Operating Expenses	32,530,613.69	31,138,450.01
Total Operating Expenses	311,454,882.82	290,884,622.91
Operating Income (Loss)	\$ (68,977,433.76)	\$ (70,648,821.81)

UNAUDITED

Texas Tech University Health Sciences Center at El Paso (774)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 91,309,678.44	\$ 144,354,150.02
Federal Grants and Contracts	1,101,686.00	1,004,560.10
Federal Grant Pass-Throughs from Other State Agencies	0.00	311,935.95
State Grant Pass-Throughs from Other State Agencies	44,126.00	16,112.00
Private Gifts	13,805,545.07	8,425,186.50
Investment Income (Expense)	4,274,452.99	2,607,873.54
Investment Income (Expense) - Pledged	5,910,284.59	4,964,613.58
Gain (Loss) on Sale and Disposal of Capital Assets	(1,024.82)	(32,537.34)
Net Increase (Decrease) in Fair Value of Investments	24,377,080.47	7,589,637.82
Interest Expense	(324,540.87)	(382,431.44)
Other Nonoperating Revenues (Expenses)	651,326.96	252,464.46
Other Nonoperating Revenues (Expenses) - Pledged	587,123.09	143,081.92
Total Nonoperating Revenues (Expenses)	141,735,737.92	169,254,647.11
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	72,758,304.16	98,605,825.30
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	5,725,243.00	5,557,572.00
Capital Contributions, Grants and Contracts	1,292,530.14	7,831,782.06
Contributions to Permanent and Term Endowments	71,467.32	71,928.57
Legislative Transfers In (Out)	(11,879,720.99)	(8,611,032.50)
Interagency Transfers of Capital Assets - Decrease	0.00	(215,673.98)
Net Transfers from (to) Texas Tech University System Components	1,776,185.37	5,095,644.30
Net Transfers from (to) Other State Agencies	(6,459.39)	(5,971.61)
Net Other Revenues, Expenses, Gains, Losses, and Transfers	(3,020,754.55)	9,724,248.84
Total Change in Net Position	69,737,549.61	108,330,074.14
Beginning Net Position (September 1)	599,448,818.42	491,118,744.28
Restatements	(756,769.48)	(756,769.48)
Ending Net Position (August 31)	\$ 668,429,598.55	\$ 598,692,048.94

UNAUDITED

Texas Tech University Health Sciences Center at El Paso (774)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Proceeds from Customers	\$ 98,440,530.16	\$ 84,478,430.46
Proceeds from Tuition and Fees	20,505,289.44	16,853,142.48
Proceeds from Grants and Contracts	115,263,928.98	118,618,354.40
Proceeds from Sales and Services of Auxiliary Enterprises	434,250.87	371,529.22
Proceeds from Loan Programs	27,933,703.75	22,679,720.83
Payments to Suppliers for Goods and Services	(44,316,792.96)	(34,590,748.65)
Payments to Employees for Salaries	(173,325,909.86)	(165,884,048.66)
Payments to Employees for Benefits	(39,623,136.03)	(37,718,530.79)
Payments for Loans Issued to Students	(28,249,008.02)	(22,730,459.50)
Payments for Other Expenses	(34,725,525.14)	(33,132,465.65)
Net Cash Provided/(Used) by Operating Activities	(57,662,668.81)	(51,055,075.86)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	89,253,339.80	90,195,599.44
Proceeds from Gifts	13,870,892.39	8,490,995.07
Proceeds from Nonoperating Grants and Contracts	1,145,812.00	1,332,608.05
Proceeds from Other Financing Activities	1,214,653.14	398,525.16
Proceeds from Transfers from Component Institutions	753,419.61	1,156,336.36
Proceeds from Transfers In from Other State Agencies	4,787,417.51	2,840,402.00
Payments for Transfers to Component Institutions	(2,470,676.10)	(2,304,923.06)
Payments for Transfers to Other State Agencies	(15,842.39)	(13,065.61)
Net Cash Provided/(Used) by Noncapital Financing Activities	108,539,015.96	102,096,477.41
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	46,770.97	29,862.76
Proceeds from Capital Gifts, Grants and Contracts	612,000.00	6,431,423.00
Proceeds from Capital Appropriations	5,725,243.00	5,557,572.00
Proceeds from Transfers from Component Institutions	9,183,863.57	17,800,202.83
Payments for Transfers to Component Institutions	(22,348,177.21)	(23,000,312.33)
Payments for Additions to Capital Assets	(15,092,478.76)	(24,875,053.08)
Payments for Leases/SBITAs	(5,455,351.89)	(5,308,784.87)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(27,328,130.32)	(23,365,089.69)
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	0.00	0.00
Proceeds from Interest and Investment Income	12,082,730.81	9,912,945.45
Payments to Acquire Investments	(23,784,971.92)	(52,428,591.84)
Net Cash Provided/(Used) by Investing Activities	(11,702,241.11)	(42,515,646.39)
TOTAL NET CASH FLOWS	\$ 11,845,975.72	\$ (14,839,334.53)

UNAUDITED

Texas Tech University Health Sciences Center at El Paso (774)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	2023
Beginning Cash & Cash Equivalents (September 1)	\$ 47,370,301.69	\$ 62,209,636.22
Ending Cash & Cash Equivalents (August 31)	\$ 59,216,277.41	\$ 47,370,301.69
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (68,977,433.76)	\$ (70,648,821.81)
Adjustments:		
Depreciation and Amortization Expense	20,684,733.14	20,123,477.01
(Increase) Decrease in Accounts Receivables	(8,402,658.08)	234,164.42
(Increase) Decrease in Loans and Notes Receivable	112,100.82	136,047.89
(Increase) Decrease in Inventories	59,246.80	(72,119.69)
(Increase) Decrease in Due From Other State Agencies	(917,867.78)	(91,927.70)
(Increase) Decrease in Prepaid Items	92,134.70	(475,003.28)
Increase (Decrease) in Accounts Payable	(2,510,150.29)	(438,694.76)
Increase (Decrease) in Payroll Payable	1,033,441.07	588,520.22
Increase (Decrease) in Unearned Revenue	723,051.29	795,998.51
Increase (Decrease) in Employees' Compensable Leave	431,355.46	(1,068,159.45)
Increase (Decrease) in Due To Other State Agencies	13,061.57	(151,079.77)
Increase (Decrease) in Other Liabilities	(3,683.75)	12,522.55
Net Cash Used for Operating Activities	(57,662,668.81)	(51,055,075.86)
 Noncash Transactions		
Donations of Capital Assets	1,292,530.14	2,012,359.06
Net Increase (Decrease) in Fair Value of Investments	24,377,080.47	7,589,637.82
Other	(50,177.66)	(62,400.10)
Total Noncash Transactions	\$ 25,619,432.95	\$ 9,539,596.78

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023**

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	HOSPITALS AND CLINICS	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Salaries and Wages	\$ 98,721,539.43	\$ 6,837,749.93	\$ 3,160,852.24	\$ 20,551,211.39	\$ 26,559,287.61	\$ 2,269,598.67	\$ 11,220,639.69
Payroll Related Costs	17,943,451.33	1,894,652.23	786,432.61	6,593,215.58	7,075,943.09	513,413.69	3,923,113.28
Professional Fees and Services	13,925,442.29	329,774.36	81,662.41	58,708.09	1,532,650.65	74,964.88	1,431,051.74
Travel	666,713.53	166,750.73	84,004.69	15,054.75	498,132.66	140,754.18	162,429.75
Materials and Supplies	1,549,253.16	674,547.35	85,634.91	832,060.38	2,333,163.61	294,854.64	93,979.63
Communications and Utilities	690,751.96	54,544.75	23,232.96	37,507.54	2,350,057.86	172,538.42	222,836.64
Repairs and Maintenance	366,289.16	757,998.14	6,905.32	297,326.32	2,810,781.50	38,619.45	349,251.67
Rentals and Leases	182,092.65	5,758.02	9,004.70	590,828.71	867,328.27	41,704.58	52,842.94
Printing and Reproduction	100,029.81	24,733.65	4,092.87	2,468.30	35,682.23	22,440.35	48,182.51
Federal Grant Pass-Through Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Grant Pass-Through Expense	0.00	125,469.94	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	(1,820.04)	0.00
Interest	2,684.10	519.81	75.50	89.60	4,112.12	1,525.10	663.22
Scholarships	62,000.00	0.00	0.00	0.00	750,227.11	0.00	0.00
Other Operating Expenses	3,583,511.93	1,723,921.29	215,784.91	821,050.89	16,469,140.27	2,489,266.02	4,153,931.58
TOTAL OPERATING EXPENSES	\$ 137,793,759.35	\$ 12,596,420.20	\$ 4,457,683.12	\$ 29,799,521.55	\$ 61,286,506.98	\$ 6,057,859.94	\$ 21,658,922.65

UNAUDITED

**Texas Tech University Health Sciences Center at El Paso (774)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023**

OPERATING EXPENSES	OPERATIONS & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	2023
Salaries and Wages	\$ 4,587,577.15	\$ 1,142.00	\$ 121,436.10	\$ 0.00	\$ 174,031,034.21	\$ 165,057,809.20
Payroll Related Costs	1,596,093.60	80.98	56,411.82	0.00	40,382,808.21	38,065,131.02
Professional Fees and Services	112,844.37	0.00	3,050.00	0.00	17,550,148.79	14,422,674.47
Travel	17,127.17	0.00	0.00	0.00	1,750,967.46	1,691,479.66
Materials and Supplies	481,279.22	0.00	5,566.21	0.00	6,350,339.11	4,981,790.01
Communications and Utilities	2,389,520.21	0.00	4,488.38	0.00	5,945,478.72	5,558,970.42
Repairs and Maintenance	2,613,943.80	0.00	30,700.53	0.00	7,271,815.89	5,642,997.19
Rentals and Leases	178,332.84	0.00	4,585.77	0.00	1,932,478.48	1,637,980.79
Printing and Reproduction	4,338.35	0.00	73.30	0.00	242,041.37	235,448.65
Federal Grant Pass-Through Expense	0.00	0.00	0.00	0.00	0.00	17,679.49
State Grant Pass-Through Expense	0.00	0.00	0.00	0.00	125,469.94	73,225.17
Depreciation and Amortization	0.00	0.00	0.00	20,684,733.14	20,684,733.14	20,123,477.01
Bad Debt Expense	0.00	60,000.00	0.00	0.00	58,179.96	103,911.66
Interest	2,866.63	0.00	0.00	0.00	12,536.08	15,857.28
Scholarships	0.00	1,774,010.66	0.00	0.00	2,586,237.77	2,117,740.88
Other Operating Expenses	3,016,679.97	0.00	57,326.83	0.00	32,530,613.69	31,138,450.01
TOTAL OPERATING EXPENSES	\$ 15,000,603.31	\$ 1,835,233.64	\$ 283,638.94	\$ 20,684,733.14	\$ 311,454,882.82	\$ 290,884,622.91

UNAUDITED

Texas Tech University Health Sciences Center at El Paso (774)
Combined Statement of Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

There is no fiduciary activity to report for Texas Tech University Health Sciences Center at El Paso for the years ended August 31, 2024 and 2023.

UNAUDITED

Texas Tech University Health Science Center at El Paso (774)
Combined Statement of Changes in Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

There is no fiduciary activity to report for Texas Tech University Health Sciences Center at El Paso for the years ended August 31, 2024 and 2023.

UNAUDITED

**Angelo State University (737)
Statement of Net Position
August 31, 2024 and 2023**

	2024	Restated 2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 32,714,541.15	\$ 46,604,321.08
Restricted Cash and Cash Equivalents	9,263,372.18	3,824,367.48
Legislative Appropriations	14,873,650.36	15,660,290.27
Receivables:		
Federal	921,035.56	983,988.52
Student	23,637,819.31	19,920,353.81
Accounts	2,277,571.98	1,505,132.42
Interest and Dividends	122,121.02	117,552.25
Gifts	8,489,765.45	3,682,970.59
Leases	42,538.49	55,998.62
Public-Private and Public-Public Partnership Installments	329,316.98	1,319,370.04
Due From Other State Agencies	179,274.06	228,912.55
Inventories	226,127.05	245,412.74
Prepaid Items	12,887,691.73	12,270,911.48
Loans and Contracts	52,803.54	60,175.28
Total Current Assets	<u>106,017,628.86</u>	<u>106,479,757.13</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	5,943.58	61.78
Restricted Investments	70,998,241.05	60,428,611.37
Gifts Receivable	3,776,505.14	2,625,480.00
Leases Receivable	150,330.55	1,297,182.27
Public-Private and Public-Public Partnership Installments Receivable	1,125,918.35	1,455,235.52
Investments	59,924,402.43	53,038,902.92
Capital Assets		
Non-Depreciable or Non-Amortizable	19,512,823.02	12,806,450.97
Depreciable or Amortizable	350,132,948.84	332,474,265.48
Accumulated Depreciation and Amortization	(210,162,892.86)	(203,219,450.28)
Right to Use Assets		
Amortizable	1,219,960.77	1,033,949.02
Accumulated Amortization	(243,949.65)	(760,181.86)
Total Non-Current Assets	<u>296,440,231.22</u>	<u>261,180,507.19</u>
Total Assets	<u>\$ 402,457,860.08</u>	<u>\$ 367,660,264.32</u>

UNAUDITED

**Angelo State University (737)
Statement of Net Position
August 31, 2024 and 2023**

	<u>2024</u>	<u>Restated 2023</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 3,698,000.98	\$ 10,082,240.32
Payroll Payable	4,733,076.27	4,419,823.33
Unearned Revenue	55,493,639.50	50,193,516.27
Due to Other State Agencies	0.00	17,928.01
Right to Use Leases Obligations	6,875.54	6,266.38
Right to Use Subscription Obligations	223,416.74	0.00
Funds Held for Others	3,731,541.56	3,130,133.69
Other Current Liabilities	26,361.47	269.20
Total Current Liabilities	<u>67,912,912.06</u>	<u>67,850,177.20</u>
Non-Current Liabilities:		
Employees' Compensable Leave	3,220,499.56	3,170,211.82
Right to Use Lease Obligations	259,474.86	266,350.41
Right to Use Subscription Obligations	472,451.49	0.00
Other Non-Current Liabilities	2,071.18	2,071.18
Total Non-Current Liabilities	<u>3,954,497.09</u>	<u>3,438,633.41</u>
Total Liabilities	<u>71,867,409.15</u>	<u>71,288,810.61</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	<u>2,141,521.66</u>	<u>3,685,894.89</u>
Total Deferred Inflows of Resources	<u>2,141,521.66</u>	<u>3,685,894.89</u>
NET POSITION		
Net Investment in Capital Assets	160,458,890.12	142,335,033.33
Restricted:		
Nonexpendable:		
Endowments	55,580,373.21	50,696,111.09
Expendable:		
Other	55,959,610.42	36,352,502.25
Unrestricted	<u>56,450,055.52</u>	<u>63,301,912.15</u>
Total Net Position	<u>\$ 328,448,929.27</u>	<u>\$ 292,685,558.82</u>

UNAUDITED

Angelo State University (737)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Operating Revenues		
Tuition and Fees	\$ 4,687,183.14	\$ 4,444,465.80
Tuition and Fees - Pledged	81,211,630.14	74,173,133.18
Less Discounts and Allowances	(38,800,402.70)	(33,478,950.00)
Sales and Services of Auxiliary Enterprises - Pledged	12,403,748.89	12,315,246.38
Other Sales and Services - Pledged	1,111,850.48	1,115,949.03
Federal Grants and Contracts	2,965,970.07	2,015,228.23
Federal Grant Pass-Throughs from Other State Agencies	474,310.02	489,543.53
State Grant Pass-Throughs from Other State Agencies	8,396,548.13	8,560,868.38
Nongovernmental Grants and Contracts	323,072.31	601,990.22
Total Operating Revenues	72,773,910.48	70,237,474.75
Operating Expenses		
Salaries and Wages	64,319,367.44	60,257,527.84
Payroll Related Costs	19,960,369.90	19,159,019.31
Professional Fees and Services	4,649,821.04	3,024,823.01
Travel	2,453,871.11	2,147,583.00
Materials and Supplies	11,481,234.13	10,961,896.66
Communications and Utilities	3,965,623.99	3,709,981.09
Repairs and Maintenance	3,410,556.86	3,386,458.89
Rentals and Leases	953,359.30	846,491.59
Printing and Reproduction	365,170.24	340,920.42
Depreciation and Amortization	12,297,692.59	12,677,358.92
Bad Debt Expense	606,965.42	521,095.66
Interest	1,013.30	1,539.52
Scholarships	12,122,747.52	12,599,873.57
Other Operating Expenses	17,017,683.78	20,223,916.93
Total Operating Expenses	153,605,476.62	149,858,486.41
Operating Income (Loss)	\$ (80,831,566.14)	\$ (79,621,011.66)

UNAUDITED

Angelo State University (737)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 44,783,182.00	\$ 37,895,602.80
Federal Grants and Contracts	15,576,493.12	17,133,426.65
Federal Grant Pass-Throughs from Other State Agencies	5,367.82	119,482.74
Private Gifts	18,273,045.50	19,713,036.95
Investment Income (Expense)	15,898,955.12	11,732,316.78
Net Increase (Decrease) in Fair Value of Investments	8,504,107.64	1,878,604.89
Interest Expense	(36,424.95)	(584.42)
Other Nonoperating Revenues (Expenses) - Pledged	7,527,321.37	3,817,884.37
Total Nonoperating Revenues (Expenses)	110,532,047.62	92,289,770.76
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	29,700,481.48	12,668,759.10
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	6,997,943.00	6,792,999.00
Capital Contributions, Grants and Contracts	59,900.00	3,554,313.20
Lapsed Appropriations	(0.50)	(0.25)
Legislative Transfers In (Out)	(4,621,495.63)	(3,016,789.35)
Net Transfers from (to) Texas Tech University System Components	3,489,265.75	(9,771,624.21)
Net Transfers from (to) Other State Agencies	137,276.35	119,624.83
Net Other Revenues, Expenses, Gains, Losses, and Transfers	6,062,888.97	(2,321,476.78)
Total Change in Net Position	35,763,370.45	10,347,282.32
Beginning Net Position (September 1)	292,685,059.30	282,338,276.50
Restatements	499.52	0.00
Ending Net Position (August 31)	\$ 328,448,929.27	\$ 292,685,558.82

UNAUDITED

Angelo State University (737)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Cash Flows from Operating Activities		
Proceeds from Customers	\$ 1,111,750.36	\$ 1,115,838.84
Proceeds from Tuition and Fees	47,566,924.30	45,984,769.47
Proceeds from Grants and Contracts	12,269,175.97	13,301,411.82
Proceeds from Sales and Services of Auxiliary Enterprises	12,492,836.54	12,585,173.68
Proceeds from Loan Programs	37,093.07	106,140.09
Proceeds from Fiduciary Activities (Held 3 Months or Less)	32,722,932.22	30,751,748.36
Payments to Suppliers for Goods and Services	(27,666,993.12)	(24,254,934.57)
Payments to Employees for Salaries	(63,985,758.09)	(60,026,110.53)
Payments to Employees for Benefits	(19,930,438.57)	(20,163,850.36)
Payments for Loans Issued to Students	(30,397.98)	(45,864.65)
Payments for Fiduciary Activities (Held 3 Months or Less)	(32,121,524.35)	(30,154,643.45)
Payments for Other Expenses	(37,650,225.94)	(28,963,809.50)
Net Cash Provided/(Used) by Operating Activities	(75,184,625.59)	(59,764,130.80)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	45,569,821.91	34,161,342.13
Proceeds from Gifts	18,273,045.50	19,713,036.95
Proceeds from Nonoperating Grants and Contracts	15,581,860.94	17,252,909.39
Proceeds from Other Financing Activities	7,915,503.75	17,206,778.46
Proceeds from Transfers In from Other State Agencies	1,585,261.00	295,755.00
Payments for Transfers to Component Institutions	(692,087.00)	(578,892.00)
Payments for Transfers to Other State Agencies	(1,574.65)	(1,590.17)
Payments for Other Uses	(4,841,637.00)	(11,342,090.27)
Net Cash Provided/(Used) by Noncapital Financing Activities	83,390,194.45	76,707,249.49
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Gifts, Grants and Contracts	0.00	3,497,652.00
Proceeds from Other Capital and Related Financing Activities	721,985.08	0.00
Proceeds from Capital Appropriations	6,997,943.00	6,792,999.00
Proceeds from Transfers from Component Institutions	12,298,986.38	1,751,167.15
Payments for Transfers to Component Institutions	(14,185,539.26)	(14,135,228.71)
Payments for Additions to Capital Assets	(29,389,075.14)	(13,279,483.17)
Payments for Leases	(42,695.92)	(96,905.72)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(23,598,395.86)	(15,469,799.45)
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	0.00	7,158,536.99
Proceeds from Interest and Investment Income	15,898,955.12	11,732,316.78
Payments to Acquire Investments	(8,951,021.55)	0.00
Net Cash Provided/(Used) by Investing Activities	6,947,933.57	18,890,853.77
TOTAL NET CASH FLOWS	\$ (8,444,893.43)	\$ 20,364,173.01

UNAUDITED

Angelo State University (737)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	Restated 2023
Beginning Cash & Cash Equivalents (September 1)	\$ 50,428,750.34	\$ 30,064,577.33
Ending Cash & Cash Equivalents (August 31)	\$ 41,983,856.91	\$ 50,428,750.34
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (80,831,566.14)	\$ (79,621,011.66)
Adjustments:		
Depreciation and Amortization Expense	12,297,692.59	12,677,358.92
Bad Debt Expense	606,965.42	521,095.66
(Increase) Decrease in Accounts Receivables	(8,503,534.59)	(576,891.19)
(Increase) Decrease in Loans and Notes Receivable	7,371.74	74,967.02
(Increase) Decrease in Inventories	19,285.69	(10,709.91)
(Increase) Decrease in Due From Other State Agencies	49,638.49	(84,618.49)
(Increase) Decrease in Prepaid Items	(106,461.30)	(919,570.50)
Increase (Decrease) in Accounts Payable	(4,569,970.82)	4,056,679.80
Increase (Decrease) in Payroll Payable	333,609.35	231,417.31
Increase (Decrease) in Unearned Revenue	5,300,123.23	4,688,920.66
Increase (Decrease) in Employees' Compensable Leave	50,287.74	8,991.16
Increase (Decrease) in Due To Other State Agencies	(17,928.01)	17,173.17
Increase (Decrease) in Benefits Payable	(20,356.41)	(1,013,822.21)
Increase (Decrease) in Fiduciary Funds Held 3 Months or Less	601,407.87	597,104.91
Increase (Decrease) in Deferred Inflows of Resources - PPP	(401,170.44)	(401,170.32)
Increase (Decrease) in Other Liabilities	(20.00)	(10,045.13)
Net Cash Used for Operating Activities	(75,184,625.59)	(59,764,130.80)
 Noncash Transactions		
Donations of Capital Assets	59,900.00	56,661.20
Net Increase (Decrease) in Fair Value of Investments	8,504,107.64	1,878,604.89
Other	(3,943,555.94)	(308,709.84)
Total Noncash Transactions	\$ 4,620,451.70	\$ 1,626,556.25

UNAUDITED

Angelo State University (737)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Salaries and Wages	\$ 32,635,640.76	\$ 564,329.13	\$ 1,857,696.93	\$ 4,356,533.39	\$ 6,700,569.58	\$ 9,447,601.63
Payroll Related Costs	9,628,087.30	102,066.40	595,290.52	1,244,946.59	1,779,043.46	3,977,649.64
Professional Fees and Services	3,645,547.49	4,405.60	228,245.15	28,141.30	95,847.41	241,467.87
Travel	889,199.72	69,181.85	79,838.46	57,006.77	118,096.19	314,924.50
Materials and Supplies	2,425,221.09	121,234.69	303,215.79	334,847.41	498,221.99	843,073.25
Communications and Utilities	136,588.44	1,979.81	9,114.79	26,348.35	26,941.01	103,285.30
Repairs and Maintenance	349,475.40	102.13	29,146.35	75,605.84	138,967.57	441,331.30
Rentals and Leases	309,665.20	187.27	24,390.79	17,585.93	67,795.95	169,072.09
Printing and Reproduction	53,279.36	3,211.38	9,275.58	8,186.20	43,684.10	218,213.16
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	272,161.97
Interest	260.85	32.67	69.75	8.34	0.71	605.81
Scholarships	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	3,554,331.67	101,736.64	3,711,689.60	1,832,999.46	1,453,259.29	3,801,692.41
TOTAL OPERATING EXPENSES	\$ 53,627,297.28	\$ 968,467.57	\$ 6,847,973.71	\$ 7,982,209.58	\$ 10,922,427.26	\$ 19,831,078.93

UNAUDITED

Angelo State University (737)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	OPERATIONS & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	Restated 2023
Salaries and Wages	\$ 2,226,656.33	\$ 0.00	\$ 6,530,339.69	\$ 0.00	\$ 64,319,367.44	\$ 60,257,527.84
Payroll Related Costs	860,322.65	0.00	1,772,963.34	0.00	19,960,369.90	19,159,019.31
Professional Fees and Services	89,683.50	0.00	316,482.72	0.00	4,649,821.04	3,024,823.01
Travel	2,507.90	0.00	923,115.72	0.00	2,453,871.11	2,147,583.00
Materials and Supplies	261,531.83	0.00	6,693,888.08	0.00	11,481,234.13	10,961,896.66
Communications and Utilities	1,964,136.82	0.00	1,697,229.47	0.00	3,965,623.99	3,709,981.09
Repairs and Maintenance	1,288,941.90	0.00	1,086,986.37	0.00	3,410,556.86	3,386,458.89
Rentals and Leases	33,629.87	0.00	331,032.20	0.00	953,359.30	846,491.59
Printing and Reproduction	2,198.47	0.00	27,121.99	0.00	365,170.24	340,920.42
Depreciation and Amortization	0.00	0.00	0.00	12,297,692.59	12,297,692.59	12,677,358.92
Bad Debt Expense	0.00	0.00	334,803.45	0.00	606,965.42	521,095.66
Interest	35.17	0.00	0.00	0.00	1,013.30	1,539.52
Scholarships	0.00	12,122,747.52	0.00	0.00	12,122,747.52	12,599,873.57
Other Operating Expenses	590,084.36	110,797.10	1,861,093.25	0.00	17,017,683.78	20,223,916.93
TOTAL OPERATING EXPENSES	\$ 7,319,728.80	\$ 12,233,544.62	\$ 21,575,056.28	\$ 12,297,692.59	\$ 153,605,476.62	\$ 149,858,486.41

UNAUDITED

Angelo State University (737)
Combined Statement of Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

There is no fiduciary activity to report for Angelo State University for the years ended August 31, 2024 and 2023.

UNAUDITED

Angelo State University (737)
Combined Statement of Changes in Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

There is no fiduciary activity to report for Angelo State University for the years ended August 31, 2024 and 2023.

UNAUDITED

**Midwestern State University (735)
Statement of Net Position
August 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 14,900,714.97	\$ 14,209,986.88
Unrestricted Short-Term Investments	21,258,507.95	16,211,925.29
Restricted Cash and Cash Equivalents	2,332,652.60	(1,272,650.07)
Restricted Short-Term Investments	3,664,466.42	576,649.70
Legislative Appropriations	2,289,884.31	2,602,901.68
Receivables:		
Federal	1,600,163.15	294,325.43
Student	11,175,661.13	10,840,144.53
Interest and Dividends	171,633.75	32,470.21
Gifts	130,841.88	190,349.11
Other	1,661,858.22	2,842,155.78
Due From Other State Agencies	41,042.60	82,577.98
Inventories	168,477.71	199,956.37
Prepaid Items	13,549,431.86	12,167,283.65
Total Current Assets	<u>72,945,336.55</u>	<u>58,978,076.54</u>
Non-Current Assets:		
Restricted Investments	81,124,326.60	8,236,777.87
Gifts Receivable	98,039.21	98,039.21
Investments	43,344,147.80	41,379,939.32
Capital Assets		
Non-Depreciable or Non-Amortizable	24,062,187.97	13,113,620.19
Depreciable or Amortizable	396,138,319.66	395,046,268.33
Accumulated Depreciation and Amortization	(270,308,220.76)	(256,239,005.40)
Right to Use Assets		
Amortizable	6,405,362.37	6,405,362.37
Accumulated Amortization	(3,493,127.16)	(2,533,244.74)
Total Non-Current Assets	<u>277,371,035.69</u>	<u>205,507,757.15</u>
Total Assets	<u>\$ 350,316,372.24</u>	<u>\$ 264,485,833.69</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	1,949,945.82	2,144,940.40
Total Deferred Outflows of Resources	<u>\$ 1,949,945.82</u>	<u>\$ 2,144,940.40</u>

UNAUDITED

**Midwestern State University (735)
Statement of Net Position
August 31, 2024 and 2023**

	2024	2023
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 3,669,808.49	\$ 2,591,807.99
Payroll Payable	4,425,273.19	4,550,814.57
Unearned Revenue	36,153,040.67	33,710,411.41
Due to Other State Agencies	6,270.65	1,485.66
Employees' Compensable Leave	310,673.41	312,442.82
Right to Use Lease Obligations	584,357.17	593,038.98
Right to Use Subscription Obligations	186,713.03	393,933.78
Revenue Bonds Payable	7,471,038.64	7,131,038.64
Other Current Liabilities	1,922,076.88	1,580,563.36
Total Current Liabilities	54,729,252.13	50,865,537.21
Non-Current Liabilities:		
Employees' Compensable Leave	1,684,912.14	1,723,759.08
Right to Use Lease Obligations	1,686,316.65	2,270,673.85
Right to Use Subscription Obligations	574,653.92	761,366.95
Revenue Bonds Payable	106,977,639.38	114,448,678.02
Other Non-Current Liabilities	96,752.07	97,183.24
Total Non-Current Liabilities	111,020,274.16	119,301,661.14
Total Liabilities	\$ 165,749,526.29	\$ 170,167,198.35
NET POSITION		
Net Investment in Capital Assets	\$ 37,263,819.29	\$ 32,326,406.92
Restricted:		
Nonexpendable:		
Endowments	47,056,848.06	5,519,541.13
Expendable:		
Capital Projects	336,053.14	398,183.21
Other	53,660,186.30	15,982,002.41
Unrestricted	48,199,884.98	42,237,442.07
Total Net Position	\$ 186,516,791.77	\$ 96,463,575.74

UNAUDITED

Midwestern State University (735)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	2023
Operating Revenues		
Tuition and Fees - Pledged	\$ 50,479,707.21	\$ 51,504,977.44
Less Discounts and Allowances	(19,297,909.33)	(17,567,893.95)
Sales and Services of Auxiliary Enterprises - Pledged	12,766,360.80	11,728,407.78
Other Sales and Services	1,372,487.88	1,224,461.33
Federal Grants and Contracts	1,898,543.42	1,696,515.96
Federal Grant Pass-Throughs from Other State Agencies	292,102.93	282,556.53
State Grant Pass-Throughs from Other State Agencies	5,076,682.21	4,725,502.03
Nongovernmental Grants and Contracts	1,961,262.35	2,812,156.79
Other Operating Revenues	1,844,292.97	1,705,183.13
Total Operating Revenues	56,393,530.44	58,111,867.04
Operating Expenses		
Salaries and Wages	42,133,289.95	44,077,530.89
Payroll Related Costs	14,128,964.24	14,653,577.84
Professional Fees and Services	7,388,732.73	6,550,428.78
Travel	2,137,359.48	2,077,478.02
Materials and Supplies	9,553,497.43	8,652,538.05
Communications and Utilities	2,893,466.65	3,001,257.17
Repairs and Maintenance	2,305,322.71	3,075,539.27
Rentals and Leases	356,019.82	404,219.33
Printing and Reproduction	217,927.69	135,212.95
Depreciation and Amortization	15,266,838.94	16,843,278.59
Bad Debt Expense	296,140.25	400,964.80
Interest	5,450.58	2,575.30
Scholarships	13,227,118.95	13,854,305.42
Other Operating Expenses	4,285.00	0.00
Total Operating Expenses	109,914,414.42	113,728,906.41
Operating Income (Loss)	\$ (53,520,883.98)	\$ (55,617,039.37)

UNAUDITED

Midwestern State University (735)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	2023
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 32,669,586.29	\$ 25,147,599.65
Federal Grants and Contracts	11,869,381.37	11,453,649.03
Federal Grant Pass-Throughs from Other State Agencies	2,418.00	1,278.80
State Grant Pass-Throughs from Other State Agencies	19,300.00	5,500.00
Private Gifts	1,825,385.50	4,648,444.61
Investment Income (Expense)	14,421,980.38	2,666,485.34
Interest Expense on Capital Asset Financing	(4,075,556.69)	(4,369,885.98)
Net Increase (Decrease) in Fair Value of Investments	3,226,553.18	1,971,466.05
Total Nonoperating Revenues (Expenses)	59,959,048.03	41,524,537.50
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	6,438,164.05	(14,092,501.87)
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Appropriations (HEF)	5,082,034.00	4,933,200.00
Capital Contributions, Grants and Contracts	1,189,961.60	4,364,567.00
Contributions to Permanent and Term Endowments	910,300.39	190,552.41
Legislative Transfers In (Out)	(3,276,601.00)	92,432.00
Net Transfers from (to) Texas Tech University System Components	8,963,028.61	(3,615,558.14)
Net Transfers from (to) Other State Agencies	(542,327.62)	(717,248.98)
Net Other Revenues, Expenses, Gains, Losses, and Transfers	12,326,395.98	5,247,944.29
Total Change in Net Position	18,764,560.03	(8,844,557.58)
Beginning Net Position (September 1)	96,463,575.74	105,308,133.32
Restatements	71,288,656.00	0.00
Ending Net Position (August 31)	\$ 186,516,791.77	\$ 96,463,575.74

UNAUDITED

**Midwestern State University (735)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023**

	2024	2023
Cash Flows from Operating Activities		
Proceeds from Customers	\$ 3,216,780.85	\$ 2,929,644.46
Proceeds from Tuition and Fees	32,762,018.09	32,316,174.28
Proceeds from Grants and Contracts	8,780,382.88	8,871,280.91
Proceeds from Sales and Services of Auxiliary Enterprises	13,366,101.24	12,313,571.74
Payments to Suppliers for Goods and Services	(23,363,247.21)	(23,294,393.08)
Payments to Employees for Salaries	(42,299,447.68)	(44,453,318.09)
Payments to Employees for Benefits	(14,128,964.24)	(14,653,577.84)
Payments for Other Expenses	(14,534,762.13)	(13,956,701.18)
Net Cash Provided/(Used) by Operating Activities	(36,201,138.20)	(39,927,318.80)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	32,982,603.66	25,228,463.37
Proceeds from Gifts	3,539,709.08	4,822,313.77
Proceeds from Nonoperating Grants and Contracts	11,891,099.37	11,460,427.83
Proceeds from Transfers In from Other State Agencies	658,379.00	156,624.00
Payments for Transfers to Component Institutions	(2,517,539.00)	(317,130.42)
Payments for Transfers to Other State Agencies	(599,994.62)	(781,440.98)
Net Cash Provided/(Used) by Noncapital Financing Activities	45,954,257.49	40,569,257.57
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Gifts, Grants and Contracts	1,189,961.60	4,364,567.00
Proceeds from Other Capital and Related Financing Activities	13,571.59	27,281.40
Proceeds from Capital Appropriations	5,082,034.00	4,933,200.00
Proceeds from Transfers from Component Institutions	9,397,497.61	1,066,139.28
Payments for Transfers to Component Institutions	(1,794,243.00)	(4,364,567.00)
Payments for Additions to Capital Assets	(12,278,360.27)	(2,564,879.29)
Payments for Principal Paid on Capital Debt	(7,131,038.64)	(6,816,038.64)
Payments for Interest Paid on Capital Debt	(3,956,483.47)	(4,246,159.28)
Payments for Capital Leases	(986,972.79)	(929,435.67)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(10,464,033.37)	(8,529,892.20)
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	59,785,720.53	24,700,565.98
Proceeds from Interest and Investment Income	6,150,637.57	2,579,295.76
Payments to Acquire Investments	(64,294,303.26)	(18,188,052.69)
Net Cash Provided/(Used) by Investing Activities	1,642,054.84	9,091,809.05
TOTAL NET CASH FLOWS	\$ 931,140.76	\$ 1,203,855.62

UNAUDITED

Midwestern State University (735)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	2023
Beginning Cash & Cash Equivalents (September 1)	\$ 12,937,336.81	\$ 11,733,481.19
Restatement to Beginning Cash & Cash Equivalents	3,364,890.00	0.00
Beginning Cash & Cash Equivalents (September 1) as Restated	16,302,226.81	11,733,481.19
Ending Cash & Cash Equivalents (August 31)	\$ 17,233,367.57	\$ 12,937,336.81
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (53,520,883.98)	\$ (55,617,039.37)
Adjustments:		
Depreciation and Amortization Expense	15,266,838.94	16,843,278.59
Bad Debt Expense	296,140.25	400,964.80
(Increase) Decrease in Accounts Receivables	(773,086.63)	(804,731.82)
(Increase) Decrease in Inventories	31,478.66	7,484.93
(Increase) Decrease in Other Assets	93,831.04	109,067.79
(Increase) Decrease in Prepaid Items	(1,371,717.21)	(93,284.28)
Increase (Decrease) in Accounts Payable	1,432,287.42	482,169.19
Increase (Decrease) in Payroll Payable	(125,541.38)	(227,060.50)
Increase (Decrease) in Unearned Revenue	2,442,629.26	(874,859.03)
Increase (Decrease) in Employees' Compensable Leave	(40,616.35)	(148,726.70)
Increase (Decrease) in Other Liabilities	67,501.78	(4,582.40)
Net Cash Used for Operating Activities	(36,201,138.20)	(39,927,318.80)
Noncash Transactions		
Net Increase (Decrease) in Fair Value of Investments	3,226,553.18	1,971,466.05
Total Noncash Transactions	\$ 3,226,553.18	\$ 1,971,466.05

UNAUDITED

Midwestern State University (735)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES	INSTITUTIONAL SUPPORT
Salaries and Wages	\$ 23,046,175.33	\$ 495,486.72	\$ 846,350.35	\$ 3,552,988.78	\$ 6,232,203.73	\$ 3,648,770.07
Payroll Related Costs	7,714,887.12	88,957.92	239,671.60	1,224,399.00	1,949,613.97	1,229,894.57
Professional Fees and Services	447,733.69	61,586.52	329,052.32	988,706.27	1,849,262.70	1,823,915.03
Travel	842,456.02	107,258.97	25,472.98	216,591.74	863,476.89	75,194.58
Materials and Supplies	1,349,826.92	126,261.52	312,768.11	1,036,882.14	1,734,834.25	573,988.22
Communications and Utilities	19,525.70	2,355.04	7,102.40	3,110.15	269,514.54	(8,015.93)
Repairs and Maintenance	164,101.66	0.00	43,688.80	186,827.23	445,674.09	258,731.10
Rentals and Leases	99,235.61	3,834.38	7,128.40	38,132.32	111,049.65	33,561.41
Printing and Reproduction	17,126.78	1,287.98	2,935.99	29,249.42	118,462.83	31,676.01
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	296,140.25	0.00
Interest	1,099.14	0.00	78.18	294.99	2,523.95	249.43
Scholarships	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	0.00	0.00	0.00	0.00	0.00	4,285.00
TOTAL OPERATING EXPENSES	\$ 33,702,167.97	\$ 887,029.05	\$ 1,814,249.13	\$ 7,277,182.04	\$ 13,872,756.85	\$ 7,672,249.49

UNAUDITED

Midwestern State University (735)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	OPERATIONS & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY ENTERPRISES	DEPRECIATION & AMORTIZATION	GRAND TOTAL	2023
Salaries and Wages	\$ 2,959,641.78	\$ 0.00	\$ 1,351,673.19	\$ 0.00	\$ 42,133,289.95	\$ 44,077,530.89
Payroll Related Costs	1,348,736.20	0.00	332,803.86	0.00	14,128,964.24	14,653,577.84
Professional Fees and Services	214,538.58	0.00	1,673,937.62	0.00	7,388,732.73	6,550,428.78
Travel	368.26	0.00	6,540.04	0.00	2,137,359.48	2,077,478.02
Materials and Supplies	790,678.46	0.00	3,628,257.81	0.00	9,553,497.43	8,652,538.05
Communications and Utilities	1,179,344.07	0.00	1,420,530.68	0.00	2,893,466.65	3,001,257.17
Repairs and Maintenance	(115,681.75)	0.00	1,321,981.58	0.00	2,305,322.71	3,075,539.27
Rentals and Leases	47,943.37	0.00	15,134.68	0.00	356,019.82	404,219.33
Printing and Reproduction	776.00	0.00	16,412.68	0.00	217,927.69	135,212.95
Depreciation and Amortization	0.00	0.00	0.00	15,266,838.94	15,266,838.94	16,843,278.59
Bad Debt Expense	0.00	0.00	0.00	0.00	296,140.25	400,964.80
Interest	727.79	0.00	477.10	0.00	5,450.58	2,575.30
Scholarships	0.00	13,227,118.95	0.00	0.00	13,227,118.95	13,854,305.42
Other Operating Expenses	0.00	0.00	0.00	0.00	4,285.00	0.00
TOTAL OPERATING EXPENSES	\$ 6,427,072.76	\$ 13,227,118.95	\$ 9,767,749.24	\$ 15,266,838.94	\$ 109,914,414.42	\$ 113,728,906.41

UNAUDITED

**Midwestern State University (735)
Combined Statement of Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Midwestern State University for the years ended August 31, 2024 and 2023.

UNAUDITED

Midwestern State University (735)
Combined Statement of Changes in Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

There is no fiduciary activity to report for Midwestern State University for the years ended August 31, 2024 and 2023.

UNAUDITED

Texas Tech University System Administration (768)
Statement of Net Position
August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,404,120.74	\$ 2,786,686.83
Restricted Cash and Cash Equivalents	23,617.55	169,185.98
Legislative Appropriations	549,572.83	546,938.91
Receivables:		
Interest and Dividends	85,407.69	26,949.69
Other	17,605.72	22,933.40
Prepaid Items	32,538.21	28,371.59
Other Current Assets	36,199.02	0.00
Total Current Assets	<u>3,149,061.76</u>	<u>3,581,066.40</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	301,150,576.81	319,120,379.72
Restricted Investments	108,419,492.62	99,690,815.62
Investments	71,672,187.53	66,621,059.67
Capital Assets		
Non-Depreciable or Non-Amortizable	9,648,846.25	672,419.24
Depreciable or Amortizable	44,308,220.24	42,891,324.99
Accumulated Depreciation and Amortization	(24,147,722.30)	(24,567,446.42)
Right to Use Assets		
Amortizable	1,633,562.81	1,646,786.07
Accumulated Amortization	(834,054.78)	(1,109,956.28)
Total Non-Current Assets	<u>511,851,109.18</u>	<u>504,965,382.61</u>
Total Assets	<u>\$ 515,000,170.94</u>	<u>\$ 508,546,449.01</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflow of Resources		
Deferred Outflows of Resources	201,003,270.00	290,364,593.00
Total Deferred Outflows of Resources	<u>\$ 201,003,270.00</u>	<u>\$ 290,364,593.00</u>

UNAUDITED

Texas Tech University System Administration (768)
Statement of Net Position
August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 328,124.47	\$ 174,234.81
Payroll Payable	2,530,902.98	2,362,825.13
Short-Term Debt Commercial Paper Notes	104,814,000.00	55,355,000.00
Claims and Judgments	1,039,894.01	1,088,118.60
Right to Use Lease Obligations	36,177.77	81,032.92
Right to Use Subscription Obligations	348,665.48	436,090.39
Employees' Compensable Leave	304,314.83	317,419.08
Revenue Bonds Payable	71,946,359.70	69,967,480.40
Net OPEB Liability	32,140,618.00	30,550,915.00
Other Current Liabilities	1,457,075.04	1,625,152.01
Total Current Liabilities	<u>214,946,132.28</u>	<u>161,958,268.34</u>
Non-Current Liabilities:		
Claims and Judgments	10,970,852.32	4,765,548.40
Employees' Compensable Leave	2,153,246.11	2,092,437.97
Right to Use Lease Obligations	0.00	3,911.97
Right to Use Subscription Obligations	217,409.92	14,947.46
Revenue Bonds Payable	811,147,398.20	883,093,757.90
Net OPEB Liability	730,680,377.00	769,135,247.00
Net Pension Liability	433,068,648.00	363,554,074.00
Total Non-Current Liabilities	<u>1,988,237,931.55</u>	<u>2,022,659,924.70</u>
Total Liabilities	<u>\$ 2,203,184,063.83</u>	<u>\$ 2,184,618,193.04</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	310,693,697.00	349,842,750.00
Total Deferred Inflows of Resources	<u>\$ 310,693,697.00</u>	<u>\$ 349,842,750.00</u>
NET POSITION		
Net Investment in Capital Assets	\$ (660,753,242.10)	\$ (655,766,499.06)
Restricted:		
Nonexpendable:		
Endowments	838,876.81	767,608.81
Expendable:		
Capital Projects	30,170,746.22	22,652,326.66
Other	96,830,776.13	91,395,261.76
Unrestricted	<u>(1,264,961,476.95)</u>	<u>(1,194,598,599.20)</u>
Total Net Position	<u>\$ (1,797,874,319.89)</u>	<u>\$ (1,735,549,901.03)</u>

UNAUDITED

Texas Tech University System Administration (768)
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	2024	2023
Operating Revenues		
Other Sales and Services - Pledged	\$ 17,327.90	\$ 8,014.61
Total Operating Revenues	17,327.90	8,014.61
Operating Expenses		
Salaries and Wages	13,758,836.52	13,921,346.40
Payroll Related Costs	86,236,759.00	108,291,630.91
Professional Fees and Services	1,531,949.37	1,497,147.75
Travel	325,152.73	325,693.49
Materials and Supplies	950,384.27	335,839.05
Communications and Utilities	221,346.24	192,011.50
Repairs and Maintenance	265,549.92	567,289.27
Rentals and Leases	337,537.34	342,345.70
Printing and Reproduction	22,887.12	14,643.51
Depreciation and Amortization	2,943,362.08	2,348,532.52
Claims and Judgments	712,291.00	1,053,023.15
Other Operating Expenses	(259,037.22)	(791,153.91)
Total Operating Expenses	107,047,018.37	128,098,349.34
Operating Income (Loss)	(107,029,690.47)	(128,090,334.73)
Nonoperating Revenues (Expenses)		
Legislative Revenue	2,994,863.73	2,876,788.60
Private Gifts	751,188.12	252,077.75
Private Gifts - Pledged	1,016,000.00	4,603,000.00
Investment Income (Expense)	18,232,684.80	4,477,183.85
Investment Income (Expense) - Pledged	2,020,427.62	1,850,407.47
Interest Expense on Capital Asset Financing	(31,827,635.76)	(23,256,599.12)
Gain (Loss) on Sale and Disposal of Capital Assets	(498,901.93)	(1,773.56)
Net Increase (Decrease) in Fair Value of Investments	14,837,279.85	5,568,573.98
Interest Expense	(29,226.61)	(1,078.56)
Other Nonoperating Revenues (Expenses)	43,382.73	44,565.00
Other Nonoperating Revenues (Expenses) - Pledged	(6,441,254.88)	(1,677,567.57)
Total Nonoperating Revenues (Expenses)	1,098,807.67	(5,264,422.16)
Income (Loss) before Other Revenues, Expenses, Gains, Losses, and Transfers	(105,930,882.80)	(133,354,756.89)
Other Revenues, Expenses, Gains, Losses, and Transfers		
Capital Contributions	11,976,015.00	0.00
Contributions to Permanent and Term Endowments	61,268.00	22,210.00
Legislative Transfers In (Out)	66,091,103.13	40,722,800.35
Interagency Transfers of Capital Assets - Increase	30,862.07	1,274,566.74
Interagency Transfers of Capital Assets - Decrease	(35,755.86)	0.00
Net Transfers from (to) Texas Tech University System Components	(34,517,028.40)	41,870,289.77
Net Other Revenues, Expenses, Gains, Losses, and Transfers	43,606,463.94	83,889,866.86
Total Change in Net Position	(62,324,418.86)	(49,464,890.03)
Beginning Net Position (September 1)	(1,735,549,901.03)	(1,686,085,011.00)
Ending Net Position (August 31)	\$ (1,797,874,319.89)	\$ (1,735,549,901.03)

UNAUDITED

Texas Tech University System Administration (768)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Proceeds from Sales and Services of Auxiliary Enterprises	\$ 17,327.90	\$ 8,014.61
Proceeds from Fiduciary Activities (Held 3 Months or Less)	141,701,378.69	132,466,297.56
Payments to Suppliers for Goods and Services	(1,238,821.31)	(917,771.83)
Payments to Employees for Salaries	(13,686,913.82)	(13,778,781.03)
Payments to Employees for Benefits	(3,278,926.85)	(3,044,852.56)
Payments for Fiduciary Activities (Held 3 Months or Less)	(141,701,378.69)	(132,466,297.56)
Payments for Other Expenses	3,490,594.48	(2,317,341.61)
Net Cash Provided/(Used) by Operating Activities	(14,696,739.60)	(20,050,732.42)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	2,992,229.81	2,931,173.61
Proceeds from Gifts	1,828,456.12	4,877,287.75
Proceeds from Other Financing Activities	43,382.73	0.00
Proceeds from Transfers from Component Institutions	19,402,484.71	15,975,341.74
Payments for Transfers to Component Institutions	(444,406.33)	(10,014,413.58)
Payments for Other Uses	(6,304,131.05)	0.00
Net Cash Provided/(Used) by Noncapital Financing Activities	17,518,015.99	13,769,389.52
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt Issuances	59,970,000.00	325,352,906.55
Proceeds from Transfers from Component Institutions	108,317,696.20	137,578,777.38
Payments for Transfers to Component Institutions	(95,701,699.85)	(60,946,615.42)
Payments for Additions to Capital Assets	(1,550,509.25)	(39,990.53)
Payments for Principal Paid on Capital Debt	(76,301,000.00)	(120,713,000.00)
Payments for Interest Paid on Capital Debt	(36,207,750.39)	(24,044,158.54)
Payments for Leases	(942,528.62)	(834,094.83)
Payments for Other Costs on Debt Issuance	(125,808.83)	(1,665,952.57)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(42,541,600.74)	254,687,872.04
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	3,050,770.53	4,319,374.16
Proceeds from Interest and Investment Income	25,179,309.17	10,878,581.54
Payments to Acquire Investments	(7,007,692.78)	(7,008,100.21)
Net Cash Provided/(Used) by Investing Activities	21,222,386.92	8,189,855.49
TOTAL NET CASH FLOWS	\$ (18,497,937.43)	\$ 256,596,384.63

UNAUDITED

Texas Tech University System Administration (768)
Statement of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	2023
Beginning Cash & Cash Equivalents (September 1)	\$ 322,076,252.53	\$ 65,479,867.90
Ending Cash & Cash Equivalents (August 31)	\$ 303,578,315.10	\$ 322,076,252.53
 Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating Loss	\$ (107,029,690.47)	\$ (128,090,334.73)
Adjustments:		
Depreciation and Amortization Expense	2,943,362.08	2,348,532.52
Pension Expense	74,857,978.00	42,920,029.00
OPEB Expense	52,799,845.00	104,348,269.40
(Increase) Decrease in Accounts Receivables	5,327.68	(7,229.50)
(Increase) Decrease in Prepaid Items	(4,166.62)	1,341.76
(Increase) Decrease in Deferred Outflows of Resources	(72,007,054.00)	62,172,995.00
Increase (Decrease) in Accounts Payable	153,889.66	(83,448.98)
Increase (Decrease) in Payroll Payable	71,922.70	142,565.37
Increase (Decrease) in Employees' Compensable Leave	47,703.89	297,699.79
Increase (Decrease) in Claims and Judgments	6,157,079.33	93,363.00
Increase (Decrease) in Benefits Payable	96,155.15	83,157.95
Increase (Decrease) Net OPEB Liability	(92,737,564.00)	(288,076,938.00)
Increase (Decrease) in Deferred Inflows	119,948,472.00	183,799,265.00
Net Cash Used for Operating Activities	(14,696,739.60)	(20,050,732.42)
 Noncash Transactions		
Donations of Capital Assets	11,976,015.00	0.00
Net Increase (Decrease) in Fair Value of Investments	14,837,279.85	5,568,573.98
Total Noncash Transactions	\$ 26,813,294.85	\$ 5,568,573.98

UNAUDITED

Texas Tech University System Administration (768)
Matrix of Operating Expenses Reported by Function
For the Years Ended August 31, 2024 and 2023

OPERATING EXPENSES	PUBLIC SERVICE	ACADEMIC SUPPORT	INSTITUTIONAL SUPPORT	OPERATIONS & MAINTENANCE OF PLANT	DEPRECIATION & AMORTIZATION	GRAND TOTAL	2023
Salaries and Wages	\$ 0.00	\$ 1,024,102.84	\$ 12,734,733.68	\$ 0.00	\$ 0.00	\$ 13,758,836.52	\$ 13,921,346.40
Payroll Related Costs	0.00	277,039.44	85,959,719.56	0.00	0.00	86,236,759.00	108,291,630.91
Professional Fees and Services	0.00	81,686.68	1,450,262.69	0.00	0.00	1,531,949.37	1,497,147.75
Travel	0.00	28,024.22	297,128.51	0.00	0.00	325,152.73	325,693.49
Materials and Supplies	2,845.88	794,918.17	139,281.31	13,338.91	0.00	950,384.27	335,839.05
Communications and Utilities	0.00	31,782.42	188,063.82	1,500.00	0.00	221,346.24	192,011.50
Repairs and Maintenance	0.00	114,044.43	121,254.49	30,251.00	0.00	265,549.92	567,289.27
Rentals and Leases	0.00	4,501.62	333,035.72	0.00	0.00	337,537.34	342,345.70
Printing and Reproduction	0.00	5,708.11	17,179.01	0.00	0.00	22,887.12	14,643.51
Depreciation and Amortization	0.00	0.00	0.00	0.00	2,943,362.08	2,943,362.08	2,348,532.52
Claims and Judgments	0.00	662,291.00	50,000.00	0.00	0.00	712,291.00	1,053,023.15
Other Operating Expenses	7,855.78	24,771.18	(316,696.34)	25,032.16	0.00	(259,037.22)	(791,153.91)
TOTAL OPERATING EXPENSES	\$ 10,701.66	\$ 3,048,870.11	\$ 100,973,962.45	\$ 70,122.07	\$ 2,943,362.08	\$ 107,047,018.37	\$ 128,098,349.34

UNAUDITED

**Texas Tech University System Administration (768)
Combined Statement of Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023**

There is no fiduciary activity to report for Texas Tech University System Administration for the years ended August 31, 2024 and 2023.

UNAUDITED

Texas Tech University System Administration (768)
Combined Statement of Changes in Fiduciary Net Position
For the Years Ended August 31, 2024 and 2023

There is no fiduciary activity to report for Texas Tech University System Administration for the years ended August 31, 2024 and 2023.

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Appendix C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The information contained in this section is a summary of certain provisions of the Resolution and is in addition to other information in such document which is summarized elsewhere in this Official Statement under the captions "PLAN OF FINANCE", "DESCRIPTION OF THE BONDS", and "SECURITY FOR THE BONDS". This information is intended as a summary only and is qualified in its entirety by reference to the complete Resolution, copies of which may be obtained from the office of the Vice Chancellor and Chief Financial Officer of the University System.

Definitions. As used in the Resolution the following terms and expressions have the meanings set forth below, unless the text of the Resolution specifically indicates otherwise:

The term "*Annual Debt Service Requirements*" means, for any Fiscal Year, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Board on such Debt, or be payable in respect of any required purchase of such Debt by the Board) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Board:

(1) **Committed Take Out.** If the Board has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Debt is subject to required purchase, all under arrangements whereby the Board's obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) **Balloon Debt.** If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Board) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(3) **Consent Sinking Fund.** In the case of Balloon Debt (as defined in clause (2) above), if a Designated Financial Officer shall deliver to the Board an Officer's Certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such Officer's Certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Board has elected to apply the rule set forth in clause (2) above;

(4) **Prepaid Debt.** Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations

(including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt;

(5) Variable Rate. As to any Parity Obligation that bears interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Board, either (1) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (2) an interest rate equal to the 30-year Tax-Exempt Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of tax-exempt revenue bonds with maturities of at least 20 years which is published in a newspaper or journal with national circulation may be used for this purpose. If two series of Parity Obligations which bear interest at variable interest rates, or one or more maturities within a series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations;

(6) Guarantee. In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted if the Board does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the Board is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of annual debt service requirements with respect to such guarantee shall be made assuming that the Board will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Board no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7) Commercial Paper. With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) Credit Agreement Payments. If the Board has entered into a Credit Agreement in connection with an issue of Debt, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Board or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Board or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

The term “Annual Direct Obligation” means the amount budgeted each Fiscal Year by the Board with respect to each participant in the Financing System to satisfy said participant’s proportion of debt service (calculated based on said participant’s Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Obligations.

The term “Annual Obligation” means, with respect to each participant in the Financing System and for each Fiscal Year, said participant’s Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow said participant to retire its obligation for advances made to it by the Board in the management of the Financing System to satisfy part or all of a previous Annual Direct Obligation payment.

The term “ASU” shall mean Angelo State University, a component institution of TTUS.

The term “Bond Purchase Contract” shall mean any bond purchase agreement, between the Board and the Underwriters pertaining to the purchase of any series of Bonds by the Underwriters.

The term “Bonds” shall mean each series of Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to the Twenty-First Supplement; and the term “Bond” means any of the Bonds.

The term “Board” shall mean the Board of Regents of Texas Tech University System.

The term “*Chief Financial Officer*” shall mean the Chief Financial Officer of TTUS so appointed by the Board or by the Chancellor of TTUS.

The term “*Commercial Paper Notes*” shall mean the Board of Regents of Texas Tech University System Revenue Financing System Commercial Paper Notes, Series A, issued pursuant to the provisions of the Master Resolution and the Fifth Supplement.

The term “*Credit Agreement*” means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts of agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

The term “*Credit Provider*” means any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

The term “*Debt*” means all:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the “Debt” of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

The term “*Designated Financial Officer*” shall mean the Vice President for Fiscal Affairs of TTU, the Vice President for Fiscal Affairs of the Health Sciences Center, or such other financial or accounting official of TTU or the Health Sciences Center designated by the Board.

The term “*Designated Trust Office*” shall have the meaning ascribed to said term in Section 5(b) of the Twenty-First Supplement.

The term “*Direct Obligation*” means the proportionate share of Outstanding Parity Obligations attributable to and the responsibility of each respective participant in the Revenue Financing System.

The term “*DTC*” shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term “*Escrow Agent*” shall mean one or more banking institutions named in each Escrow Agreement and chosen in a manner consistent with the legal requirements set forth in Chapter 1207.

The term “Escrow Agreement” shall mean one or more escrow agreements between the Board and the Escrow Agent, dated as of date of the Bond Purchase Contract, and executed for the benefit of the owners and holders of the Refunded Obligations.

The term “Fifth Supplement” shall mean the amended and restated fifth supplemental resolution adopted by the Board on August 8, 2008, authorizing the Commercial Paper Notes.

The term “Fiscal Year” means the fiscal year of the Board which currently ends on August 31 of each year.

The term “Funded Debt” means all Parity Obligations that mature by their terms (in the absence of the exercise of any earlier right of demand) or are renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the Board.

The term “Health Sciences Center” means the Texas Tech University Health Sciences Center, together with every other agency or health related institution or branch now or hereafter operated by or under the jurisdiction of the Board acting for and on behalf of the Health Sciences Center pursuant to law.

The term “Health Sciences Center at El Paso” means the Texas Tech University Health Sciences Center at El Paso.

The terms “Holder” or “Bondholder” or “Owner” means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer.

The term “Maturity” when used with respect to any Debt means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

The term “MSU” shall mean Midwestern State University, located in Wichita Falls, Texas, a component institution of TTUS.

The term “Non-Recourse Debt” means any Debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Revenue Financing System; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a participant.

The term “Officer’s Certificate” means a certificate executed by a Designated Financial Officer.

The term “Official Statement” shall mean the official statement prepared with respect to the offer and sale of any series of Bonds as authorized by the Twenty-First Supplement.

The term “Opinion of Counsel” means a written opinion of counsel, which counsel shall be acceptable to the Board.

The term “Outstanding” when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under the Master Resolution and any Supplement, except:

- (1) Parity Obligations theretofore cancelled and delivered to the Board or delivered to the Paying Agent or the Registrar for cancellation;
- (2) Parity Obligations deemed paid pursuant to the provisions of the Master Resolution or of any Supplement;
- (3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to the Master Resolution and any Supplement; and
- (4) Parity Obligations under which the obligations of the Board have been released, discharged, or extinguished in accordance with the terms thereof;

provided, however, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the Board shall be deemed to be Outstanding as though it was owned by any other owner.

The term “Outstanding Principal Amount” means, with respect to all Parity Obligations or to a series of Parity Obligations, the outstanding and unpaid principal amount of such Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Obligations paying accrued,

accrued, or compounded interest only at maturity as of any Record Date established by a Registrar in connection with a proposed amendment of the Master Resolution or any Supplement.

The term “*Parity Obligations*” means all Debt of the Board which may be issued or assumed in accordance with the terms of the Master Resolution and a Supplement, secured by a pledge of the Pledged Revenues subject only to the liens securing Prior Encumbered Obligations.

The terms “*Participant in the Financing System*” and “*Participant*” means each of the agencies, institutions and branches of TTU and the Health Sciences Center and such agencies, institutions and branches designated by the Board to be a participant in the Revenue Financing System.

The terms “*Paving Agent/Registrar*” and “*Paving Agent*” shall mean each entity designated in a Supplement as the place of payment of a series or issue of Parity Obligations.

The term “*Pledged General Fee*” means the gross collections of a student use fee to be fixed, charged, and collected pursuant to Section 55.16, Texas Education Code as it existed prior to the effective date of S.B. 1907, from the students (excepting, with respect to each series or issue of Parity Obligations issued prior to such date, any student in a category which, at the time of the adoption of the Supplement relating to such Parity Obligations, was exempt by law from paying fees) regularly enrolled at the institutions and branches thereof now or hereafter constituting a Participant of the Revenue Financing System, respectively, for the general use and availability of the such institutions or branches thereof, respectively, in the manner and amounts, at the times, and to the extent provided in the Master Resolution, and including, subject to the provisions of the Prior Encumbered Obligations, the Prior Encumbered General Fee.

The term “*Pledged General Tuition*” means all of the aggregate amount of student tuition charges now or hereafter required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school, now or hereafter constituting a Participant of the Revenue Financing System, but specifically excluding and excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of the adoption of the Supplement relating to such Parity Obligations (1) was exempt by law from paying such tuition, (2) the amount of tuition scholarships provided for by law at the time of the adoption of each Supplement, and (3) the Prior Encumbered Tuition Fee; and it is provided by law and hereby represented and covenanted that the aggregate amount of student tuition charges which are now required or authorized by law to be imposed, and which are pledged to the payment of the Parity Obligations, shall never be reduced or abrogated while such obligations are outstanding; it being further covenanted that the aggregate amount of student tuition charges now required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school operated by or under the jurisdiction of the Board are set forth in the Texas Education Code, as amended, to which reference is hereby made for all purposes.

The term “*Pledged Practice Plan Funds*” means that portion of the Practice Plan Funds of the Health Sciences Center described in a Supplement which may be pledged to the payment of Parity Obligations; provided, however, that any such pledge may be limited in amount and in any manner, extent or duration as provided in such Supplement.

The term “*Pledged Revenues*” means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Revenue Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a Supplement: (a) amounts received by TTU under Article 7, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; (b) amounts received on behalf of the Health Sciences Center under Article 7, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; (c) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas; and (d) Practice Plan Funds of the Health Sciences Center, including the income therefrom and any fund balances relating thereto, to the extent said moneys are included in Pledged Practice Plan Funds.

The term “*Pledged Tuition Fee*” means, as authorized by Section 55.17, Texas Education Code as it existed prior to the effective date of S.B. 1907, the following specified amounts out of the tuition charges now or hereafter required or permitted by law to be imposed on each tuition paying student enrolled at each and every institution or branch thereof now or hereafter constituting a Participant, and including, subject to the provisions of the Prior Encumbered Obligations, the Prior Encumbered Tuition Fee, respectively:

\$5.00 from each enrolled student for each regular semester, and

\$2.50 from each enrolled student for each summer term of each summer session.

The term “Practice Plan” means any agreement entered into by and between the Health Sciences Center and faculty appointees of the Health Sciences Center that: (a) assigns to the Health Sciences Center patient fees collected for professional services rendered by the appointee and (b) regulates the collection and expenditure of such patient fees. Practice Plan also includes such agreements existing between an institution which becomes a part of the Health Sciences Center after the date of the adoption of the Master Resolution and such institution’s faculty.

The term “Practice Plan Funds” means the Practice Plan receipts, income and fund balances of the Health Sciences Center.

The term “Pricing Certificate” shall mean one or more certificates executed by the Pricing Officer in accordance with the Twenty-First Supplement.

The term “Pricing Officer” shall mean each of the Chancellor and the Chief Financial Officer of TTUS, acting in such capacity severally and not jointly.

The term “Prior Encumbered General Fee” means the Pledged General Fee securing Prior Encumbered Obligations and that portion of the student use fee charged and collected at an institution which becomes a participant after the date of adoption of the Master Resolution and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a participant.

The term “Prior Encumbered General Tuition” means the Pledged General Tuition securing Prior Encumbered Obligations and the aggregate amount of student tuition charges now required or authorized by law in the definition of Pledged General Tuition charged and collected at an institution which becomes a participant of the Revenue Financing System after the date of adoption of the Master Resolution and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a participant of the Revenue Financing System.

The term “Prior Encumbered Obligations” means those bonds or other obligations of an institution which becomes a participant of the Revenue Financing System after the date of adoption of the Master Resolution, which are secured by a lien on and pledge of the Prior Encumbered General Fee, the Prior Encumbered General Tuition, the Prior Encumbered Revenues and/or the Prior Encumbered Tuition Fee charged and collected at such institution or agency, and any other bonds or other obligations secured by revenues which are hereafter designated by the Board as a Pledged Revenue.

The term “Prior Encumbered Revenues” means the revenues pledged to the payment of Prior Encumbered Obligations and the revenues of any revenue producing system or facility of an institution or agency which becomes a participant of the Revenue Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a participant of the Revenue Financing System.

The term “Prior Encumbered Tuition Fee” means the Pledged Tuition Fee securing Prior Encumbered Obligations and that portion of the tuition charges in the maximum amount permitted in the definition of Pledged Tuition Fee charged and collected at an institution which becomes a participant after the date of adoption of the Master Resolution and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a participant.

The term “Record Date” shall mean, with respect to the Bonds, the last business day of each month preceding an interest payment date.

The term “Refundable Obligations” shall mean those obligations identified in Schedule I to the Twenty-First Supplement.

The term “Refunded Obligations” shall mean those Refundable Obligations identified in a Pricing Certificate to be refunded with proceeds from the sale of one or more series of the Bonds.

The term “Registrar” shall mean the entity designated in a Supplement as the Registrar of a series or issue of Parity Obligations.

The terms “Resolution” or “Master Resolution” means the Master Resolution establishing the Financing System.

The terms “Revenue Financing System” or “Financing System” means the “Texas Tech University Revenue Financing System” composed of TTU and the Health Sciences Center, and such other institutions and agencies now or hereafter under the control or governance of the Board and made a participant of the Revenue Financing System by specific action of the Board.

The term “Revenue Funds” means the “revenue funds” of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants, including specifically the Pledged General Tuition and, to the extent and subject to the provisions of the Resolution, the Pledged General Fee and the Pledged Tuition Fee. Revenue Funds does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption of the Supplement relating to such Parity Obligations, is exempt by law from paying such tuition, rentals, rates, fees, or other charges.

The term “S.B. 1907” means Senate Bill 1907 passed by the State Legislature in the Seventy-Fifth Regular Legislative Session.

The term “SEC” shall mean the United States Securities and Exchange Commission.

The term “Stated Maturity” when used with respect to any Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

The term “Subordinated Debt” means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Obligations then Outstanding or subsequently issued.

The term “Supplement” or “Supplemental Resolution” means a resolution supplemental to, and authorized and executed pursuant to the terms of, the Master Resolution.

The term “Term of Issue” means with respect to any Balloon Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

The term “Thirteenth Supplement” shall mean the Thirteenth Supplemental Resolution adopted by the Board on September 12, 2008, authorizing the sale of the Thirteenth Series Note.

The term “Thirteenth Series Note” shall mean the note, in one or more designated series, as authorized by the Thirteenth Supplement.

The term “TTU” means Texas Tech University, together with every other agency or general academic institution or branch thereof now or hereafter operated by or under the jurisdiction of the Board acting for and on behalf of TTU pursuant to law.

The term “TTUS” shall mean the Texas Tech University System, under the governance of the Board.

The term “Twenty-First Supplement” shall mean the Twenty-First Supplemental Resolution adopted by the Board on August 8, 2024, authorizing the sale of the Bonds.

The term “Underwriters” shall mean collectively the initial purchasers of any series of Bonds issued under the Twenty-First Supplement as named in a Pricing Certificate, including any underwriters named therein in a negotiated sale.

Establishment of Revenue Financing System. Pursuant to the Master Resolution, the Board has established the Revenue Financing System to provide a consolidated financing structure for revenue-supported debt obligations of the Board, including the Bonds, which are to be issued for the benefit of Participants which are or will be included as part of the Revenue Financing System. The current Participants include TTU, the Health Sciences Center, the Health

Sciences Center at El Paso, ASU and MSU, and the Revenue Financing System may include other entities that are hereafter included under the control of the Board, but only upon affirmative official action of the Board.

Security and Pledge. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations, Parity Obligations are payable from and secured by a lien on all Pledged Revenues. The Board has assigned and pledged the Pledged Revenues to the payment of the principal of, premium, if any, and interest on Parity Obligations and to the establishment and maintenance of any funds that may be created under the Master Resolution or a supplemental resolution to secure the repayment of Parity Obligations. The Board may additionally secure Parity Obligations with one or more Credit Agreements.

Annual and Direct Obligation of Participants. The Master Resolution provides that each Participant of the Revenue Financing System is responsible for its Direct Obligation. The Board covenants in the Master Resolution that in establishing the annual budget for each Participant of the Revenue Financing System it will provide for the satisfaction by each Participant to its Annual Obligation.

Pledged Revenues. In the Master Resolution, subject to the provisions of the resolutions authorizing Prior Encumbered Obligations and to other provisions of the Master Resolution and any Supplement, the Board has covenanted and agreed at all times to maintain and collect at each institution which has students the Pledged General Fee and the other Pledged Revenues in such amounts, without limitation, as will be at least sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to Outstanding Parity Obligations when and as required. The Board has agreed that the Pledged General Fee and the other Pledged Revenues will be adjusted to provide Pledged Revenues sufficient to make when due all payments and deposits in connection with Outstanding Parity Obligations. The Board may fix and collect the Pledged Revenues in any manner it may determine within its discretion and in different amounts from students enrolled in different Participants. In addition, if and for any period during which total Pledged Revenues, together with other legally available funds, are sufficient to meet all of the Board's financial obligations of the Revenue Financing System, the Board may suspend the collection of any item included in the Pledged Revenues from the students enrolled in any Participant.

The Board further covenants in the Master Resolution that if it determines that Pledged Revenues and other legally available funds are not anticipated to be sufficient to meet all of its financial obligations relating to the Revenue Financing System, including all deposits and payments coming due on Outstanding Parity Obligations, or that any Participant will be unable to pay its Annual Direct Obligation in full, the Pledged General Tuition, and, if necessary, the Pledged General Fee at each Participant with enrolled students will be adjusted, effective at the next succeeding regular semester or semesters or summer term or terms, to an amount, without any limitations (other than as provided in the next paragraph), at least sufficient to provide, together with other Pledged Revenues and legally available funds, the money for paying when due all financial obligations of the Board relating to the Revenue Financing System, including all payments and deposits with respect to Outstanding Parity Obligations.

Any adjustment in the rate or manner of charging for any rentals, rates, fees, tuition, or other charges included in Pledged Revenues, including the Pledged General Tuition and the Pledged General Fee of any of the Participants will be based upon the certificate and recommendation of a Designated Financial Officer delivered to the Board, as to the rates and anticipated collection of the Pledged Revenues at the various Participants (after taking into account the anticipated effect the proposed adjustment would have on enrollment and the receipt of Pledged Revenues and other funds of such Participant) which will be anticipated to result in (i) Pledged Revenues attributable to each participant being sufficient (to the extent possible) to satisfy the Annual Obligation of such Participant and (ii) Pledged Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Revenue Financing System, including all deposits and payments due on or in connection with Outstanding Parity Obligations when and as required.

Payment and Funds. The Board has covenanted in the Resolution to make available to the Paying Agent/Registrar for Parity Obligations, on or before each payment date, money sufficient to pay any and all amounts due on such Parity Obligations on such payment date.

The Resolution allows the Board to supplement the security for Parity Obligations. This could take the form of establishing one or more reserve funds or accounts to further secure any Parity Obligations. Currently, the Board has not established a reserve fund to secure the payment of the Parity Obligations. Additionally, the Board may secure Parity Obligations with one or more Credit Agreements that are secured by Pledged Revenues.

Additional Parity Obligations. In the Master Resolution, the Board reserves the right to issue or incur additional Parity Obligations for any purpose authorized by law. The Board may incur, assume, guarantee, or otherwise become liable in respect of additional Parity Obligations if the Board determines that it will have sufficient funds to meet the financial obligations of each Participant in the Revenue Financing System, including sufficient Pledged Revenue to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System. In addition, the Board covenants not to issue or incur Parity Obligations unless (i) it determines that the Participant or Participants for whom Parity Obligations are being issued or incurred possesses the financial capacity to satisfy their respective Direct Obligations, after taking into account the then proposed additional Parity Obligations, and (ii) a Designated Financial Officer delivers to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in the Master Resolution and any supplemental resolution authorizing Outstanding Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions and conditions thereof.

Non-Recourse and Subordinated Obligations. The Board has reserved the right to incur Non-Recourse and Subordinated Debt without limitation.

Participants. Release of Participants. Subject to the conditions set forth below, any Participant or portion thereof may be closed and abandoned by law or may be removed from the Revenue Financing System (thus deleting the revenues, income, funds, and balances attributable to said Participant or portion thereof from the Pledged Revenues) without violating the terms of the Resolution provided:

(1) the Board specifically finds that (based upon a certificate of a Designated Financial Official to such effect) after the release of the Participant or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Obligations shall thereafter be Outstanding to meet the financial obligations of the Revenue Financing System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System; and

(2) the Board shall have received an opinion of counsel which shall state that such release will not affect the status for federal income tax purposes of interest on any Outstanding Parity Obligations and that all conditions precedent provided in the Resolution or any supplement relating to such release have been complied with; and

(3) (A) if the Participant or portion thereof to be released from the Revenue Financing System is to remain under the governance and control of the Board, the Board must either (i) provide, from lawfully available funds, including Pledged Revenues attributable to said withdrawing Participant, for the payment or discharge of said Participant's Direct Obligations; or (ii) pledge to the payment of Parity Obligations, additional resources not then pledged in an amount sufficient to satisfy such withdrawing Participant's Direct Obligations as they come due; or

(B) if the Participant or portion thereof to be released from the Revenue Financing System is to no longer be under the governance and control of the Board and remains in operation independent of the Board, the Board must enter into a binding obligation with the new governing body of the withdrawing institution or the portion thereof being withdrawn, obligating said governing body to make payments to the Board at the times and in the amounts equal to said Participant's Annual Obligations or to pay or discharge said Participant's Direct Obligation, or, in the case of a portion of a Participant being withdrawn, the proportion of the Participant's Annual Obligation or Direct Obligation, as the case may be, attributable to the withdrawing portion of the Participant.

Admission of Participants. If, after the date of the adoption of the Resolution, the Board desires for an institution or agency governed by the Board to become a Participant of the Revenue Financing System or if the Board is required by law to assume the governance of an institution or agency, it may include said institution or agency in the Revenue Financing System with the effect set forth in the Resolution by the adoption of a Supplement to the Master Resolution.

Certain Covenants. Rate Covenant. The Resolution requires the Board, in each Fiscal Year, to establish, charge, and use its reasonable efforts to collect at each Participant the Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board relating to the Revenue Financing System, including all deposits or payments due on or with respect to Outstanding Parity Obligations. The Board has covenanted in the Resolution, subject to the provisions of resolutions authorizing Prior Encumbered Obligations, to fix, levy, charge, and collect at each Participant which has students the Pledged General Fee and the Pledged General Tuition from each student (unless exempted therefrom by law) enrolled at each Participant, at each regular fall and spring semester and at each

term of each summer session, in such amounts, without legal limitation, as will be at least sufficient at all times, together with other legally available funds, including other Pledged Revenues, to make payments with respect to Outstanding Parity Obligations when due.

Other Covenants. The Board has additionally covenanted in the Resolution (i) to faithfully perform all covenants and provisions contained in the Resolution, any supplement thereto, and in each Parity Obligation; (ii) to call for redemption all Parity Obligations, in accordance with their terms, which are subject to mandatory redemption; (iii) that it lawfully owns, has title to, or is lawfully possessed of the land, buildings, and facilities which comprise the Revenue Financing System and to defend such title for the benefit of the owners of the Parity Obligations; (iv) that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Parity Obligations; (v) to maintain and preserve the property of the Revenue Financing System; (vi) not to incur any Debt secured by the Pledged Revenues except as permitted in the Resolution; (vii) to invest and secure money held in funds and accounts established under the Resolution in accordance with law and written policies of the Board; (viii) to keep proper books and records and accounts for the Revenue Financing System and to cause to be prepared annual financial reports of the Revenue Financing System and to furnish such reports, to appropriate municipal bond rating agencies and, upon request, owners of Parity Obligations; (ix) to permit any owner or owners of 25% or more of Outstanding Principal Amount of Parity Obligations at all reasonable times to inspect all records, accounts, and data of the Board relating to the Revenue Financing System; and (x) in establishing the annual budget for each Participant in the Revenue Financing System, to provide for the satisfaction by each Participant in the Financing System of its annual Direct Obligation.

Special Obligations; Absolute Obligation to Pay Parity Obligations. The Master Resolution provides that all Parity Obligations and the premium, if any, and the interest thereon constitute special obligations of the Board payable from the Pledged Revenues, and the owners thereof never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than specified in the Master Resolution or any supplemental resolution. The obligation of the Board to pay or cause to be paid the amounts payable under the Master Resolution and each supplemental resolution out of the Pledged Revenues is absolute, irrevocable, complete, and unconditional, and the amount, manner and time of payment of such amounts may not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever, regardless of any right of setoff, recoupment, or counterclaim that the Board might otherwise have against any owner or any other party and regardless of any contingency, *force majeure*, event, or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during, or after the issuance of Parity Obligations while any Parity Obligations are Outstanding.

Remedies. Any owner of Parity Obligations in the event of default in connection with any covenant contained in the Master Resolution or in any Supplement, or default in the payment of any Parity Obligation, or of any interest due thereon, or other costs and expenses related thereto, may require the Board, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Master Resolution or in any Supplement, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, its officials and employees, or any appropriate official of the State. The principal of the Bonds cannot be accelerated in the event of default, and the Board has not granted a lien on any physical property which may be levied or foreclosed against.

Amendment of Resolution. Amendment Without Consent. The Master Resolution and any Supplement and the rights and obligations of the Board and of the owners of the Outstanding Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Outstanding Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in the Resolution, other covenants and agreement thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in the Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Resolution, upon receipt by the Board of an opinion of bond counsel, that the same is needed for such purpose, and will more clearly express the intent of the Resolution;

(iii) To supplement the security for the Parity Obligations, including, but not by way of limitation, to provide for the addition of new institutions and agencies to the Financing System or to clarify the provisions regarding TTU and the Health Sciences Center as participants in the Financing System; provided, however, if the definition of

Pledged Revenues is amended in any manner which results in the pledge of additional resources, the terms of such amendment may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Parity Obligations;

(v) To make such changes, modifications, or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations;

(vi) To make such other changes in the provisions thereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations; or

(vii) To make amendments to the Board's continuing disclosure undertaking as authorized by any Supplemental Resolution.

Amendments With Consent. Subject to the other provisions of the Resolution, the owners of Outstanding Parity Obligations aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in the foregoing paragraph, to the Master Resolution, or with respect to an amendment affecting a particular Supplemental resolution only, a majority in aggregate Outstanding Principal Amounts of the Parity Obligations issued under such supplemental resolution, which may be deemed necessary or desirable by the Board; provided, however, that no provision shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Parity Obligations, the amendment of the terms and conditions in the Resolution so as to:

(1) Grant to the owners of any Outstanding Parity Obligations a priority over the owners of any other Outstanding Parity Obligations;

(2) Materially adversely affect the rights of the owners of less than all Parity Obligations then Outstanding; or

(3) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment.

In addition to the foregoing limitations, the Supplemental Resolution provides that no provisions shall be construed to permit, without the approval of the owners of all of the Bonds Outstanding, the amendment of the Resolution or the Bonds so as to:

(1) Make any change in the maturity of the Outstanding Bonds;

(2) Reduce the rate of interest borne by the Outstanding Bonds;

(3) Reduce the amount of principal payable on the Outstanding Bonds;

(4) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;

(5) Affect the rights of the owners of less than all Bonds then Outstanding; or

(6) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

Paying Agent/Registrar. In the Twenty-First Supplement, the Board has reserved the right to change the Paying Agent/Registrar, upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board has also covenanted that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under the Twenty-

First Supplement. Upon any change in the Paying Agent/Registrar, the Board promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

Defeasance. Any Parity Obligations and the interest thereon shall be deemed to be paid, retired, and no longer Outstanding (a “Defeased Debt”) within the meaning of the Resolution, except to the extent required for payment thereof, when the payment of all principal and interest payable with respect to such Parity Obligations to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or provision for the giving of same having been made) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such Parity Obligations for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) noncallable Government Obligations which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the Board with each such Paying Agent for the payment of its services until after all Defeased Debt shall have become due and payable. At such time as Parity Obligations shall be deemed to be Defeased Debt under the terms of the Resolution, such Parity Obligations and the interest thereof shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues, and such principal and interest shall be payable solely from such money or Government Obligations, and shall not be regarded as Outstanding for any purposes other than payment, transfer, and exchange.

In accordance with the provisions of Section 1207.033, Texas Government Code, the Board may call for redemption, at a date earlier than their scheduled maturities, those Bonds which have been defeased to their maturity date. Notwithstanding any other provision of the Twenty-First Supplement to the contrary, it has been provided that any determination not to redeem Bonds defeased under the terms of the Twenty-First Supplement that is made in conjunction with the payment arrangements specified in the Master Resolution shall not be irrevocable, provided that, in the proceedings providing for such payment arrangements, the Board (1) expressly reserves the right to call Bonds so defeased for redemption; (2) gives notice of the reservation of that right to the owners of the Bonds so defeased immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

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Appendix D

FORMS OF BOND COUNSEL OPINIONS

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March 13, 2025

BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS
SERIES 2025A, \$304,335,000

WE HAVE EXAMINED into the validity of the referenced issue of bonds (the “Bonds”), being issued by the Board of Regents (the “Board”) of the Texas Tech University System (the “Issuer”), which bear interest from the date and mature on the dates specified on the face of the Bonds, all in accordance with the resolutions of the Board authorizing the issuance of the Bonds (collectively, the “Bond Resolution”). Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Board relating to the authorization, issuance, sale, and delivery of the Bonds, including the Bond Resolution, certificates and opinions of officials of the Board, and other pertinent instruments relating to the issuance of the Bonds. We have also examined one of the executed Bonds which we found to be in due form and properly executed. We express no opinion with respect to any statement of insurance that may appear on the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, issued, and delivered in accordance with law; that, except as may be limited by laws applicable to the Board relating to bankruptcy, reorganization, and other similar matters affecting creditors’ rights, the covenants and provisions in the Bond Resolution constitute valid and legally binding special obligations of the Board; and that the Bonds constitute valid and legally binding special obligations of the Board secured by and payable from, a lien on and pledge of the Pledged Revenues, such lien on and pledge of the Pledged Revenues being subordinate only to the lien on and pledge of the Pledged Revenues securing the Prior Encumbered Obligations.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation.

THE BOARD has reserved the right, subject to the restrictions stated in the resolution authorizing the Bonds, to issue additional parity revenue bonds which also may be secured by and made payable from a lien on and pledge of the Pledged Revenues.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not “specified private activity bonds” and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed or refinanced therewith. We call your attention to the fact

that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not investigated or verified, any records, data or other material relating to the financial condition or capabilities of the Board or the Issuer, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds, and we have relied solely on representations by officials of the Board or the Issuer as to the availability and sufficiency of the Pledged Revenues. Our role in connection with the Board's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Respectfully,

March 13, 2025

BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS,
TAXABLE SERIES 2025B, \$37,160,000

WE HAVE EXAMINED into the validity of the referenced issue of bonds (the “Bonds”), being issued by the Board of Regents (the “Board”) of the Texas Tech University System (the “Issuer”), which bear interest from the date and mature on the dates specified on the face of the Bonds, all in accordance with the resolutions of the Board authorizing the issuance of the Bonds (collectively, the “Bond Resolution”). Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Board relating to the authorization, issuance, sale, and delivery of the Bonds, including the Bond Resolution, certificates and opinions of officials of the Board, and other pertinent instruments relating to the issuance of the Bonds. We have also examined one of the executed Bonds which we found to be in due form and properly executed. We express no opinion with respect to any statement of insurance that may appear on the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, issued, and delivered in accordance with law; that, except as may be limited by laws applicable to the Board relating to bankruptcy, reorganization, and other similar matters affecting creditors’ rights, the covenants and provisions in the Bond Resolution constitute valid and legally binding special obligations of the Board; and that the Bonds constitute valid and legally binding special obligations of the Board secured by and payable from, a lien on and pledge of the Pledged Revenues, such lien on and pledge of the Pledged Revenues being subordinate only to the lien on and pledge of the Pledged Revenues securing the Prior Encumbered Obligations.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation.

THE BOARD has reserved the right, subject to the restrictions stated in the resolution authorizing the Bonds, to issue additional parity revenue bonds which also may be secured by and made payable from a lien on and pledge of the Pledged Revenues.

THE BONDS ARE NOT OBLIGATIONS DESCRIBED IN SECTION 103(a) OF THE INTERNAL REVENUE CODE OF 1986. We express no opinion as to any federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an

opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not investigated or verified, any records, data or other material relating to the financial condition or capabilities of the Board or the Issuer, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds, and we have relied solely on representations by officials of the Board or the Issuer as to the availability and sufficiency of the Pledged Revenues. Our role in connection with the Board's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective.

Respectfully,



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