

# THE UNIVERSITY OF TEXAS SYSTEM

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE

### YEARS ENDED AUGUST 31, 2024 AND 2023

### AND INDEPENDENT AUDITOR'S REPORT



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

# THE UNIVERSITY OF TEXAS SYSTEM

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**THE UNIVERSITY OF TEXAS SYSTEM**  
**BOARD OF REGENTS**  
**As of August 31, 2024**

**Officers**

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

**Members**

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*Terms scheduled to expire February 1, 2025\**

Christina Melton Crain	Dallas
Jodie Lee Jiles	Houston
Kelcy L. Warren	Dallas

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*Terms scheduled to expire February 1, 2027\**

Kevin P. Eltife	Tyler
Nolan Perez	Harlingen
Stuart W. Stedman	Houston

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*Term scheduled to expire February 1, 2029\**

Janiece Longoria	Houston
James C. “Rad” Weaver	San Antonio
Robert P. Gauntt	Austin

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*Term scheduled to expire May 31, 2025\**

Anthony John Dragun (Student Regent)	Dallas
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\* Each Regent’s term expires when a successor has been appointed, qualified, and taken the oath of office. The Student Regent serves a one-year term.

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

As of August 31, 2024

James B. Milliken, Chancellor

Jonathan C. Pruitt, Executive Vice Chancellor for Business Affairs

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

John M. Zerwas, Executive Vice Chancellor for Health Affairs

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

Julia Jeffrey Rathgeber, Vice Chancellor for Governmental Relations

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

Daniel H. Sharphorn, Vice Chancellor and General Counsel

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

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audits of the Consolidated Financial Statements**

#### ***Opinions***

We have audited the consolidated financial statements of the business-type activities and fiduciary activities of The University of Texas System (the System), as of and for the years ended August 31, 2024 and 2023, and the related notes to the consolidated financial statements, which collectively comprise the System's consolidated financial statements as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the business-type activities and fiduciary activities of the System as of August 31, 2024 and 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 1, the consolidated financial statements of the System are intended to present the financial position, the changes in net position, and, where applicable, cash flows of only that portion of the State of Texas that is attributable to the transactions of the System. They do not purport to, and do not, present fairly the financial position of the State of Texas as of August 31, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

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

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

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

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

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

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

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

### ***Required Supplementary Information***

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

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

### ***Supplementary Information***

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

**Deloitte & Touche LLP**

December 13, 2024

# THE UNIVERSITY OF TEXAS SYSTEM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2024

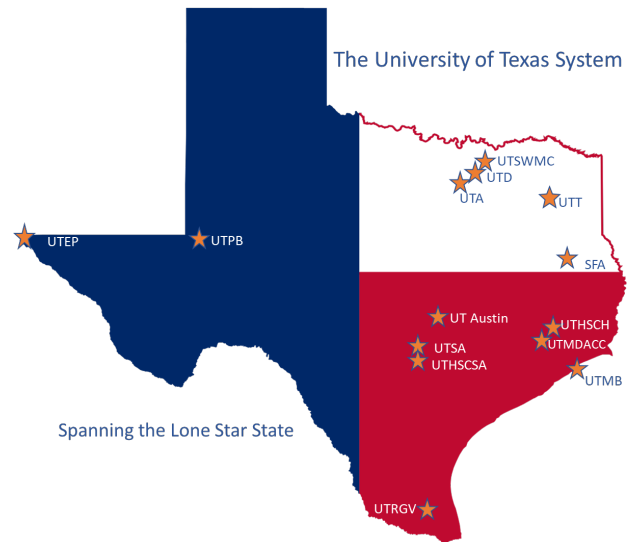
## INTRODUCTION

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

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

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

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

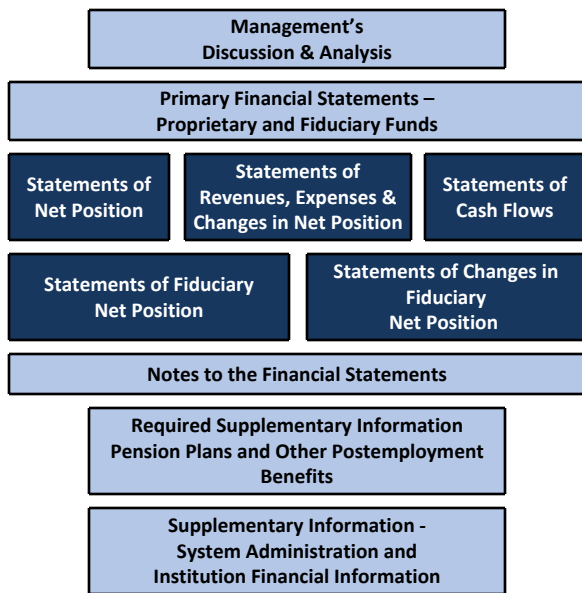


The System's fourteen institutions are, collectively, one of the nation's largest educational enterprises. They provide instruction and learning opportunities to approximately 257,000 undergraduate, graduate, and professional school students from a wide range of social, ethnic, cultural, and economic backgrounds. The System is governed by a nine-member Board of Regents appointed by the Governor of Texas and confirmed by the Texas Senate. In addition, the Governor appoints a Student Regent for a one-year term.

## OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The objective of Management's Discussion and Analysis (MD&A) is to provide an overview of the financial position and activities of the System for the year ended August 31, 2024, with selected comparative information for the years ended August 31, 2023 and 2022. The complete set of financial statements includes:





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

## FINANCIAL HIGHLIGHTS

The System continues to maintain and protect its strong financial condition, with net position of \$78.2 billion as of August 31, 2024. Revenues totaled \$37.7 billion and expenses totaled \$29.7 billion in 2024. Net patient care revenues, sponsored program revenues, and net investment income were the largest contributors to the revenues of the System in 2024. Net investment income and the change in fair value of investments often drive the year to year fluctuation in System revenues, as those values vary from year to year based on market conditions and other factors. Compensation and benefits, including the Teacher Retirement System of Texas pension and other postemployment benefits (OPEB) continue to be the largest expense of the System. The System is committed to recruiting and retaining outstanding faculty and staff, and the compensation package is one way to successfully compete with peer institutions and nonacademic employers.

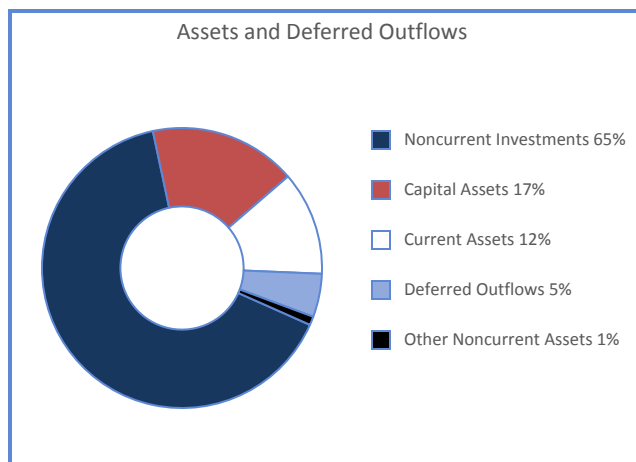
## The Statement of Net Position

The statement of net position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the System as of the end of the year. This is a point in time financial presentation of the financial status as of August 31, 2024, with comparative information for the previous years. Net position is the residual value of the System's assets and deferred outflows of resources, after liabilities and deferred inflows of resources are deducted. Changes in net position are one indicator of the improvement or decline of the System's financial strength. A summarized comparison of the System's statement of net position as of August 31, 2024, 2023 and 2022 follows:

Condensed Statements of Net Position			
(\$ in millions)			
	2024	2023	2022
<b>Assets and Deferred Outflows</b>			
Current assets	\$ 16,015.2	13,443.4	11,471.7
Noncurrent investments	83,058.6	78,468.0	74,289.5
Capital/intangible assets, net	21,250.2	19,541.1	19,063.6
Other noncurrent assets	1,871.3	1,546.5	1,858.0
<b>Total assets</b>	<b>122,195.3</b>	<b>112,999.0</b>	<b>106,682.8</b>
Total deferred outflows	6,213.5	6,088.9	5,546.1
<b>Total assets and deferred outflows</b>	<b>\$ 128,408.8</b>	<b>119,087.9</b>	<b>112,228.9</b>
<b>Liabilities and Deferred Inflows</b>			
Current liabilities	\$ 12,681.2	13,149.2	11,153.4
Noncurrent liabilities	29,468.9	26,001.1	29,572.3
<b>Total liabilities</b>	<b>42,150.1</b>	<b>39,150.3</b>	<b>40,725.7</b>
Total deferred inflows	8,084.9	9,273.7	4,814.1
<b>Total liabilities and deferred inflows</b>	<b>\$ 50,235.0</b>	<b>48,424.0</b>	<b>45,539.8</b>
<b>Net Position</b>			
Net investment in capital assets	\$ 7,439.1	6,963.7	6,571.0
Restricted	63,721.0	59,514.7	57,175.1
Unrestricted	7,013.7	4,185.5	2,943.2
<b>Total net position</b>	<b>\$ 78,173.8</b>	<b>70,663.9</b>	<b>66,689.3</b>

### Assets and Deferred Outflows

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



Assets and deferred outflows increased \$9.3 billion, or 7.8%, to \$128.4 billion in 2024 primarily due to increases in noncurrent investments and current assets.

### Current Assets

Current assets are comprised of assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities including cash, temporary investments and receivables. These assets increased \$2,571.8 million in 2024 largely due to increases in cash and equivalents, receivables for investment trades and patient and healthcare, and securities lending collateral.

Cash and cash equivalents increased due to increased collections on patient charges along with higher liquidity levels being maintained due to the fluctuating market. Investment trades receivable increased due to more securities sales settled after the end of 2024 compared to 2023. Securities lending collateral increased due to more securities on loan at the end of 2024 compared to 2023. The balance in securities lending collateral, which is exactly offset by the balance in securities lending obligations in current liabilities, fluctuates from year to year as the System manages security lending transactions to maximize earnings.

### Noncurrent Investments

Noncurrent investments are comprised of permanent endowments, funds functioning as endowments, annuity and life income funds, and other investments including investment derivative instruments. These assets increased \$4,590.6 million in 2024 largely due to investment and mineral income earned and increases in the fair value of Permanent University Fund (PUF) investments. These increases were partially offset by net decrease in the fair value of lands.

The Permanent University Fund (PUF), which includes the fair value of the PUF investment fund and the fair value of PUF lands, increased \$2.8 billion in 2024 primarily due to significant investment income partially offset by decrease in fair value of PUF lands. The increases in the PUF can be broken down as follows: (1) \$1.9 billion PUF lands mineral income earned that was added to the endowment in accordance with requirements of the Texas Constitution offset by \$1.9 billion in transfers to the Available University Fund and Texas A&M University System (TAMUS); (2) \$2.0 billion investment income earned in the PUF investment fund; (3) \$1.5 billion increase in the fair value of the PUF investments. These increases were partially offset by a \$720 million decrease in the fair value of the PUF lands due to decrease in the forecasted price of oil and gas.

### Capital and Intangible Assets

A critical factor in sustaining the quality of the System’s academic and research programs and residential life is the development and maintenance of its capital assets. Capital additions totaled \$3.7 billion in 2024, of which \$2.1 billion consisted of new projects under construction. Capital additions were comprised of replacement, renovation, and new construction of academic, research and healthcare facilities, as well as significant investments in equipment and software. The table below depicts the System’s capital improvement program for the next six years.

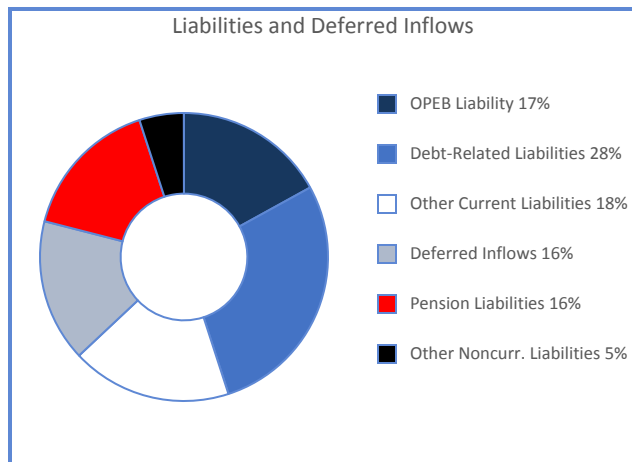
Capital Improvement Program	
2025 - 2030	
Institution:	(\$ in billions)
UT Arlington	\$ 0.3
UT Austin	1.7
UT Dallas	0.6
UT El Paso	0.2
UT Permian Basin	0.1
UT Rio Grande Valley	0.4
UT San Antonio	0.3
UT Tyler	0.2
Stephen F. Austin State University	0.1
UT Southwestern Medical Center	0.5
UTMB Galveston	0.3
UTHSC Houston	0.3
UTHSC San Antonio	0.7
UT HSC-Tyler	0.3
UT MD Anderson Cancer Center	4.6
<b>Total</b>	<b>10.6</b>

### Deferred Outflows

Total deferred outflows increased \$124.6 million in 2024 primarily due to the net changes in pension and OPEB related balances, specifically in the net difference between projected and actual investment return and changes of assumptions.

### Liabilities and Deferred Inflows

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



Liabilities and deferred inflows increased \$1.8 billion, or 3.7%, to \$50.2 billion in 2024 primarily due to increases in the pension, OPEB and debt-related liabilities and partially offset by decreases in the deferred inflows of resources.

### Debt-Related Liabilities

Debt-related liabilities consist of both the current and noncurrent portions of short-term debt, or commercial paper, as well as leases, notes, loans, and bonds payable. The \$518.1 million increase in debt-related liabilities in 2024 was primarily driven by an increase in bonds payable and leases, notes and loans partially offset by a decrease in commercial paper. Bonds payable relate to the financing of the System’s capital needs. Commercial paper notes are issued periodically to provide interim financing for capital improvements and to finance the acquisition of capital equipment. The System typically refunds a portion of these outstanding notes through the issuance of long-term debt to provide permanent financing for projects. The table below depicts the change in the System’s debt-related liabilities over the past three years:

Current & Noncurrent Debt			
	2024	2023	2022
	<i>(\$ in millions)</i>		
Bonds Payable	\$ 10,324.5	9,836.4	9,408.6
Commercial Paper	2,131.5	2,341.1	1,788.8
Leases, Notes & Loans	1,411.7	1,172.1	1,525.6
<b>Total Debt-Related Liabilities</b>	<b>\$ 13,867.7</b>	<b>13,349.6</b>	<b>12,723.0</b>

### OPEB Liabilities

The State provides certain health and life insurance benefits for retired employees which are guaranteed in accordance with State statutes. Other postemployment benefits are provided to the System’s retirees under the U. T. System Employee Group Insurance Program. The Employee Group Insurance Program is a single-employer defined benefit OPEB plan; however, because State statute requires funding for the plan from State appropriations, the State’s governmental fund reports a proportionate share of the OPEB liability. The System reported a total OPEB liability of \$8.8 billion in 2024 compared to \$8.1 billion in 2023. The change is driven by updates to demographics and economic actuarial assumptions and the inclusion of Stephen F. Austin State University in the OPEB Plan.

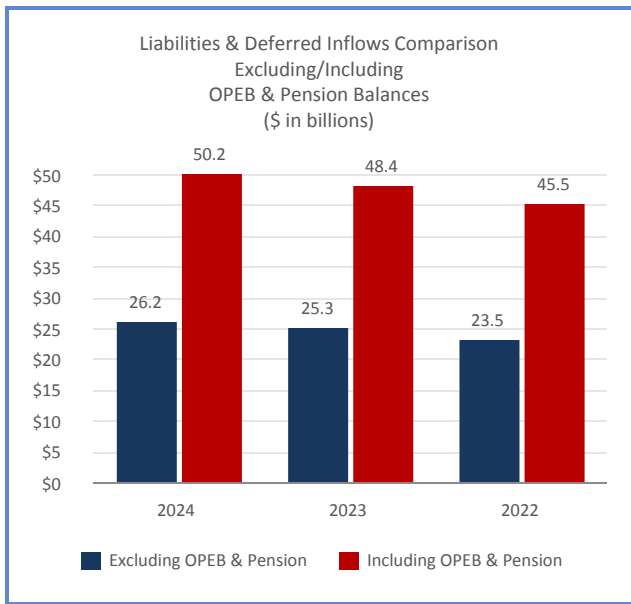
### Pension Liabilities

The System participates in a cost-sharing multiple-employer defined benefit pension plan with a special funding arrangement administered by the Teacher Retirement System of Texas (TRS). The System receives a proportional share of the net pension liability, pension-related deferred outflows and pension-related deferred inflows, and pension expense from the Texas Comptroller of Public Accounts. The System’s proportion of the State’s collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers to the plan. The System reported a net pension liability of \$7.0 billion in 2024 compared to \$5.6 billion in 2023. The Increase is driven by lower than expected investment earnings. The University of Texas M. D. Anderson Cancer Center has established, primarily for the physicians of its Physicians Referral Service, the Physicians Referral Service SRP/RBP Plans. The System reported a total pension liability of \$0.9 billion in 2024 compared to \$0.9 billion in 2023 related to the SRP/RBP Plans.

### Deferred Inflows

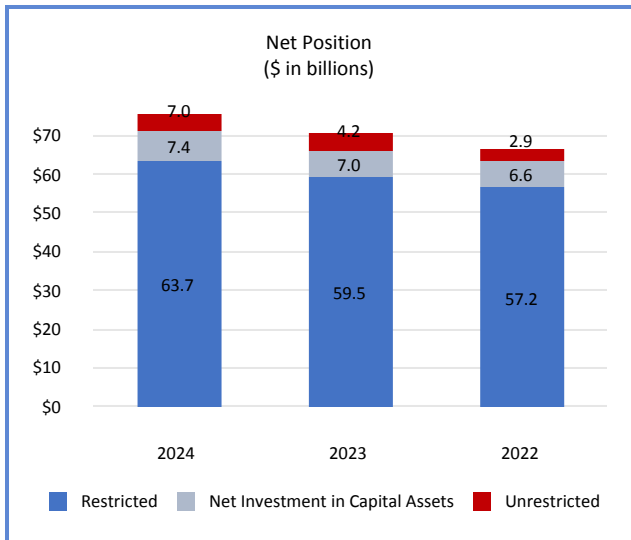
Total deferred inflows decreased \$1.2 billion in 2024 primarily driven by changes to OPEB deferred inflows. OPEB deferred inflows decreased \$1 billion in 2024 due to amortization of the effect of certain changes of assumptions related to 2023.

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



### Net Position

Net position increased \$7.5 billion in 2024 compared to a \$4.0 billion increase in 2023. The increase in net position was primarily due to net investment income of \$8.8 billion. The three-year trend of the classifications of net position is depicted here:



### Net Investment in Capital Assets

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

### Restricted Net Position

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

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

Restricted net position also includes current purpose gifts and grants. System’s restricted net position was \$63.7 billion in 2024 compared to \$59.5 billion in 2023.

### Unrestricted Net Position

System’s unrestricted net position was \$7.0 billion in 2024 as compared to \$4.2 billion in 2023. The increase in unrestricted net position between 2023 and 2024 was primarily due to long term funds, investments, general designated and practice plan funds, and improvement in income/loss before other revenue, expenses, gains(losses), and transfers.

### 2023 Highlights – Statement of Net Position

The System’s assets and deferred outflows increased \$6.9 billion to \$119.1 billion in 2023 primarily due to increases in noncurrent investments, current assets and deferred outflows. Liabilities and deferred inflows increased \$2.9 billion to \$48.4 billion in 2023 primarily due to increases in the pension liabilities and deferred inflows of resources and partially offset by decreases in the OPEB liability.

## Restatements

Pursuant to enacted legislation, Stephen F. Austin State University (SFASU) joined the System effective September 1, 2023 as detailed in Note 1. Additionally, The 2033 Higher Education Development Foundation (HEDF) became a blended component unit of UT Austin effective September 1, 2023 as detailed in Note 1. Beginning net position and cash and cash equivalents for the fiscal year ended August 31, 2024 have been restated to reflect these changes to the financial reporting entity as detailed in Note 4.

## The Statement of Revenues, Expenses and Changes in Net Position

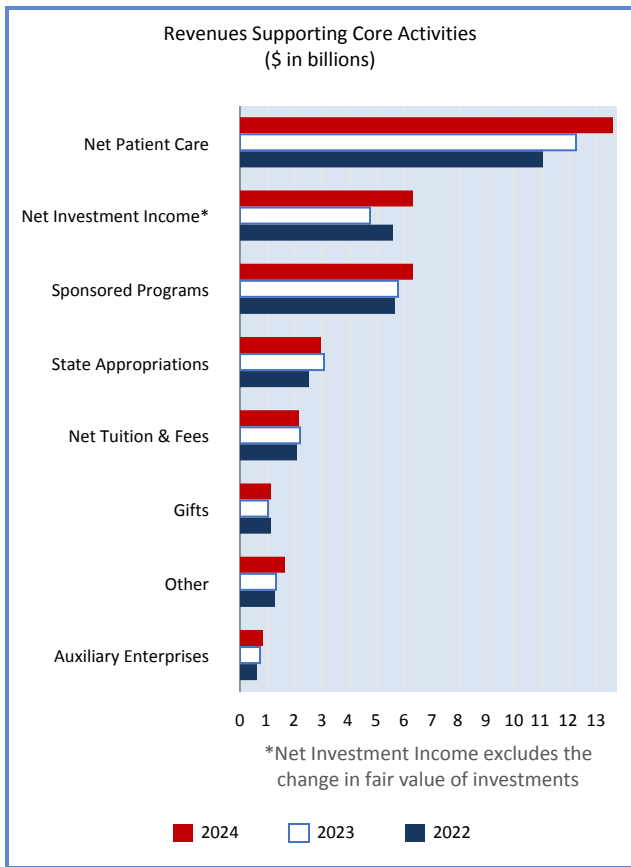
The statement of revenues, expenses and changes in net position details the changes in total net position. The following table summarizes the System's revenues, expenses and changes in net position for the years ended August 31, 2024, 2023 and 2022:

<b>Condensed Statements of Revenues, Expenses and Changes in Net Position</b>			
<i>(\$ in millions)</i>			
	2024	2023	2022
<b>Operating revenues:</b>			
Net student tuition and fees	\$ 2,164.3	2,162.3	2,124.3
Sponsored programs	5,712.2	5,114.9	4,711.9
Net sales and services of hospitals	10,855.9	9,638.1	8,737.1
Net professional fees	2,758.9	2,577.5	2,354.7
Net auxiliary enterprises	845.5	723.2	646.0
Other	1,658.0	1,275.8	1,279.9
<b>Total operating revenues</b>	<b>23,994.8</b>	<b>21,491.8</b>	<b>19,853.9</b>
<b>Total operating expenses</b>	<b>(29,252.4)</b>	<b>(26,720.6)</b>	<b>(24,577.4)</b>
<b>Operating income (loss)</b>	<b>(5,257.6)</b>	<b>(5,228.8)</b>	<b>(4,723.5)</b>
<b>Nonoperating revenues (expenses):</b>			
State appropriations	2,965.9	3,052.8	2,529.9
Nonexchange sponsored programs	653.7	621.7	958.5
Gift contributions for operations	605.3	684.0	634.2
Net investment income excluding the change in fair value of investments	6,250.4	4,682.3	5,619.3
Net increase (decrease) upon hedge termination	102.0	61.9	—
Net increase (decrease) in fair value of investments	2,571.5	479.2	(5,017.2)
Interest expense on capital asset financings	(438.6)	(379.4)	(338.2)
Net other nonoperating revenues (expenses)	6.1	139.5	36.9
<b>Income (loss) before other changes in net position</b>	<b>7,458.6</b>	<b>4,113.2</b>	<b>(300.1)</b>
Capital gifts and grants and additions to endowments	586.6	347.4	563.1
Net transfers to other State agencies	(552.6)	(485.9)	(446.3)
<b>Change in net position</b>	<b>7,492.7</b>	<b>3,974.7</b>	<b>(183.3)</b>
Net position, beginning of the year	70,663.8	66,689.1	66,872.4
Restatement	17.4	—	—
Net position, beginning of the year (as restated)	70,681.2	66,689.1	66,872.4
<b>Net position, end of the year</b>	<b>\$ 78,173.9</b>	<b>70,663.8</b>	<b>66,689.1</b>

### Revenues Supporting Core Activities

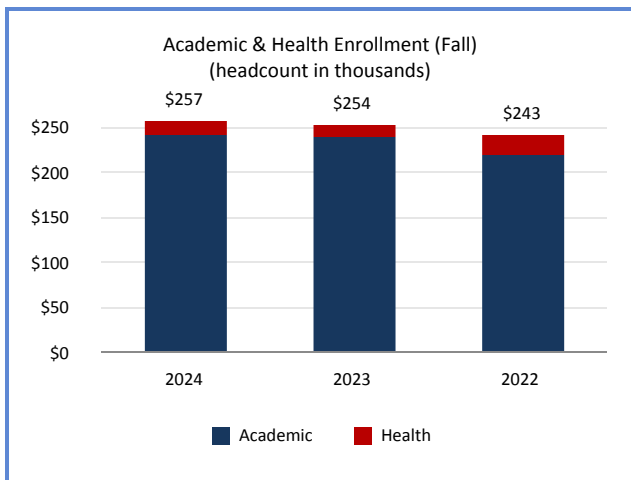
Revenues to support the System's core activities, including those classified as nonoperating revenues, were \$35.2 billion, \$30.9 billion, and \$30.2 billion in 2024, 2023, and 2022, respectively. These diverse sources of revenues increased by \$4.2 billion in 2024 primarily due to increases in net investment income.

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



**Net Student Tuition and Fees**

Student tuition and fees, net of scholarship allowances, are a primary source of funding for the System’s academic programs. Scholarship allowances, or financial aid, are the differences between the stated charge for tuition and fees and the amount that is paid by the student and third parties on behalf of the student. Tuition and fees are generated from students enrolled primarily in the System’s academic institutions as illustrated in the chart below:



The System’s academic institutions enroll 35.8% of the State’s public college students, and the System’s health-related institutions enroll 53.7% of the students attending the State’s public health institutions.

**Sponsored Programs**

Sponsored program revenues are primarily generated from governmental and private sources related to research programs that typically provide for the recovery of direct and indirect costs. Sponsored programs include student financial aid and contracts with affiliated hospitals for clinical activities. Sponsored programs revenues were \$6.4 billion, \$5.7 billion, and \$5.7 billion in 2024, 2023, and 2022, respectively.

**Net Patient Care Revenues**

Net patient care revenues, which consist of net sales and services of hospitals and net professional fees, are principally generated within the System’s hospitals and physicians’ practice plans under contractual arrangements with governmental payors and private insurers. These revenues are reported net of contractual allowances, bad debt expense, and unreimbursed charges for financially or medically indigent patients. Net patient care revenues were \$13.6 billion, \$12.2 billion, and \$11.1 billion in 2024, 2023, and 2022, respectively. Net patient care revenues increased \$1.4 billion, or 11.5%, in 2024, primarily because of increased patient volumes.

**Net Auxiliary Enterprises**

Net auxiliary enterprise revenues were earned from a host of activities such as athletics, housing and food services, bookstores, parking, student health, and other activities. Net auxiliary enterprises were \$845.5 million, \$723.2 million, and \$646.0 million in 2024, 2023, and 2022, respectively. Net auxiliary enterprise revenues increased \$122.3 million or 16.9% in 2024.

**State Appropriations**

State appropriations, in conjunction with student tuition and fees, are core components that support the instructional mission of the System. State appropriations were \$3.0 billion, \$3.1 billion, and \$2.5 billion in 2024, 2023, and 2022, respectively.

**Net Investment Income Excluding the Change in Fair Value of Investments**

The System carefully navigates the investment environment and works diligently to manage its financial resources. Net investment income, excluding the change in fair value of investments, was \$6.4 billion, \$4.7 billion, and \$5.6 billion in 2024, 2023, and 2022, respectively. Net investment income includes realized gains of \$3.3 billion in 2024 and \$1.9 billion in 2023. Net investment income, excluding the change in the fair value of investments, increased \$1.6 billion from 2023 to 2024, primarily due to increases in net realized gains and investment income in the PUF.

**Net Increase (Decrease) in Fair Value of Investments**

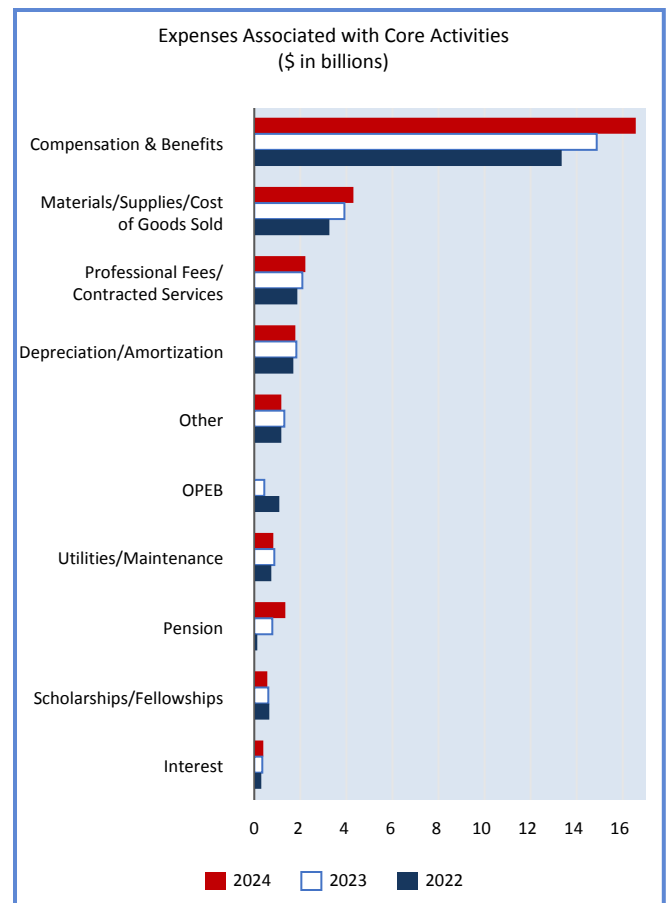
Net increase (decrease) in fair value of investments reported an increase of \$2.6 billion in 2024, an increase of \$0.5 billion in 2023, and a decrease of \$5.0 billion in 2022. In 2024, there was an increase from 2023 of \$2.1 billion primarily due to favorable market conditions.

**Gifts**

The System receives gift contributions for operations as well as nonoperating gifts and grants of capital and gifts that are held in perpetuity which are added to the System’s endowment holdings. In 2024, gifts for operations totaled \$605.3 million, a decrease of \$78.7 million or 11.5% over 2023. Capital gifts and grants and additions to permanent endowments totaled \$586.6 million for 2024, an increase of \$239.2 million over 2023 due to increased gifts for capital acquisitions and permanent endowments in 2024. The System continues its fundraising efforts to address facilities expansion and renovation, and the establishment of endowments for instruction, research, and patient care activities.

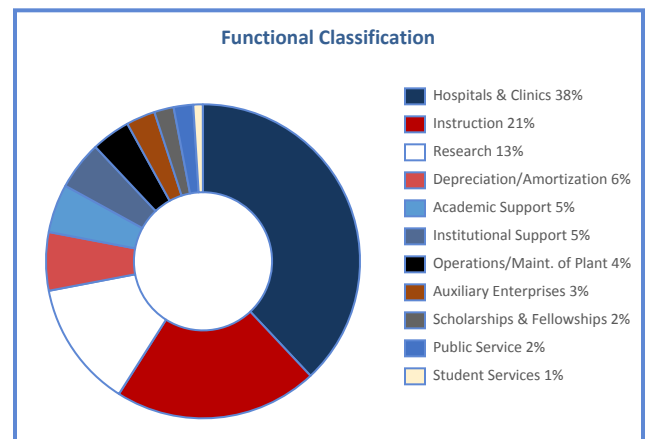
**Expenses Supporting Core Activities**

Expenses associated with the System’s core activities, including interest expense classified as nonoperating, were \$29.7 billion, \$27.1 billion, and \$24.9 billion in 2024, 2023, and 2022, respectively. The changes, by category, for the three years are depicted below:



Operating expenses increased by \$2.5 billion in 2024 and increased by \$2.1 billion in 2023 primarily due to the growing cost of providing support for the institution’s primary missions of instruction, research, public service, patient care, and student support activities. Additionally, operating expenses in 2024 include \$13.5 million of OPEB expense and \$1.4 billion of pension expense. Nonoperating expenses include interest expense which increased to \$438.6 million in 2024.

The following charts illustrate the makeup of operating expenses by functional classification for the year ended August 31, 2024:





### Income (Loss) Before Other Changes in Net Position

Income (Loss) before other changes in net position is the sum of the operating loss plus nonoperating revenues (expenses). It is an indication of recurring revenues and expenses for the System and does not take into account capital and endowment-related additions, discussed above, or transfers. The income (loss) before other changes in net position totaled \$7.5 billion in 2024, an increase of \$3.3 billion over 2023. This increase was largely a result of the increases in net investment income and fair value of investments discussed above.

### Net Transfers to Other State Agencies

Net transfers to other State agencies totaled \$552.6 million in 2024, an increase of \$66.7 million over 2023. These transfers primarily include \$665.0 million and \$450.2 million for 2024 and 2023, respectively, for the AUF distribution to TAMUS for its one-third share of distributions from the PUF endowment and PUF land surface income, in accordance with the *Texas Constitution*. In addition to the transfers of the current year earnings, the net change in PUF debt outstanding at TAMUS is reflected as a transfer to other State agencies. In 2023, the PUF debt at TAMUS increased \$86.4 million, whereas in 2024 the debt decreased \$5.1 million contributing to the increase in net transfers to other State agencies in 2024.

### 2023 Highlights – Statement of Revenues, Expenses and Changes in Net Position

System's change in net position was an increase of \$4.0 billion in 2023 compared to a decrease of \$0.2 billion in 2022. The significant increase in change in net position in 2023 was due to the fluctuating value of the fair value of investments. In 2023 there was an increase in fair value of investments of \$0.5 billion compared to a decrease of \$5.0 billion in 2022, a year over year increase of \$5.5 billion. The PUF accounted for \$0.1 billion of this increase in 2023.

### The Statement of Cash Flows

The Statement of Cash Flows provides information about the System's financial results by reporting the major sources and uses of cash and cash equivalents during the fiscal year. Ending cash and cash equivalents were \$7.7 billion, \$6.5 billion, and \$5.5 billion in 2024, 2023, and 2022, respectively. A summarized three-year comparison of the System's changes in cash and cash equivalents follows:

Condensed Statements of Cash Flows			
(\$ in millions)			
	2024	2023	2022
<b>Net cash provided by (used for):</b>			
Operating activities	\$ (3,490.6)	(2,392.4)	(2,357.8)
Noncapital financing activities	3,492.3	3,637.6	3,750.6
Capital and related financing activities	(2,635.7)	(1,619.4)	(2,160.5)
Investing activities	3,657.4	1,390.0	1,355.5
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,023.4</b>	<b>1,015.8</b>	<b>587.8</b>
Beginning cash and cash equivalents	6,524.6	5,508.8	4,921.0
Restatement	102.8	—	—
<b>Ending cash and cash equivalents</b>	<b>\$ 7,650.8</b>	<b>6,524.6</b>	<b>5,508.8</b>

In 2024, cash and cash equivalents increased \$1.1 billion.

Cash increases during 2024 were primarily due to (1) \$3.5 billion provided by noncapital financing activities, which includes cash inflows related to state appropriations and nonexchange sponsored programs, offset by transfers to other agencies and (2) \$3.7 billion of cash provided by investing activities, which includes cash inflows for interest and investment income.

Cash decreases during 2024 were primarily due to (1) \$3.5 billion used by operating activities, which includes cash payments to employees and suppliers, partially offset by collection of cash related to tuition and fees, patient charges, and sponsored program activities and (2) \$2.6 billion used by capital and related financing activities primarily for the purchase of capital assets and the net activity associated with issuing and retiring capital related debt.



## ECONOMIC OUTLOOK

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

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

The System is one of the largest and most comprehensive institutions of higher education in the country, as well as one of the largest employers in Texas. The System's operating budget provides a wide range of services for Texans. Budgeted revenues of the System include both operating and nonoperating revenues. Budgeted revenues for 2025 increased 9.6% to \$31.9 billion. The largest area of growth is net sales and services of hospitals and clinics. Budgeted expenses for 2025 increased 93% to \$30.8 billion. The most significant area of growth is personnel costs which includes the cost of the benefits provided to its employees and retirees. The State provides certain health and life insurance benefits for retired employees in accordance with State statutes. In addition to OPEB, the System also receives a proportional share of the State's net pension liability, which is also guaranteed in State statute. These significant costs will continue to be a challenge to both the System and the state of Texas as a whole. The System continues to sustain the highest credit ratings of Fitch Ratings (AAA), Moody's Investors Service (Aaa) and Standard & Poor's Global Ratings (AAA). The System's ongoing efforts toward revenue diversification and cost containment will enable the System to achieve its goals and realize its mission.

Public support for this mission, and the resulting economic health of the System, is vital to our continued success. The System greatly appreciates the support of the Texas Legislature, which made historic investments in funding for public institutions and affordability during the 88th Session, resulting in more than \$1 billion in new funding for System institutions in the 2024-2025 biennium. Legislative support for an affordability plan developed by the state's public university systems prior to the session resulted in \$700 million included in the appropriations act that enabled System institutions to keep tuition generally flat. With the 89th Texas Legislature set to convene on January 14, 2025, the System looks forward to working with legislators to uplift Texas through continued positive investments in the future of our state through education, innovation and health care.

***CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
AUGUST 31, 2024 AND 2023***

**THE UNIVERSITY OF TEXAS SYSTEM  
CONSOLIDATED STATEMENTS OF NET POSITION — BUSINESS-TYPE ACTIVITIES  
AUGUST 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,568,388,135	5,473,784,479
Restricted cash and cash equivalents	1,046,527,957	973,964,277
Balance in State appropriations	726,525,203	664,215,443
Accounts receivable, net:		
Federal (net of allowances of \$3,697,188 and \$3,957,160, respectively)	786,515,273	665,841,688
Other intergovernmental (net of allowances of \$4,222,818 and \$4,100,301, respectively)	332,062,027	298,835,897
Student (net of allowances of \$67,664,204 and \$55,300,637, respectively)	432,763,059	379,514,971
Patient and healthcare (net of allowances of \$872,415,933 and \$695,773,699, respectively)	1,733,583,800	1,486,945,600
Interest and dividends	113,349,395	101,155,887
Contributions (net of allowances of \$5,048,945 and \$4,097,475, respectively)	165,167,606	181,084,910
Investment trades	1,113,156,644	703,501,548
Other (net of allowances of \$11,677,803 and \$15,168,682, respectively)	1,022,851,889	883,400,303
Lease receivable	11,305,763	13,959,036
P3 receivable	5,880,784	3,237,578
Due from other agencies	87,509,526	112,433,174
Inventories	258,252,497	238,891,148
Restricted loans and contracts (net of allowances of \$23,087,761 and \$23,081,990, respectively)	40,183,064	41,343,207
Securities lending collateral	953,630,199	704,550,572
Other current assets	617,506,149	516,703,972
Total current assets	<u>16,015,158,970</u>	<u>13,443,363,690</u>
<b>NONCURRENT ASSETS</b>		
Cash and cash equivalents (noncurrent restricted)	35,901,786	76,865,502
Restricted investments	64,573,558,202	61,363,454,138
Deposit with brokers for derivative contracts	490,408,514	292,613,399
Restricted loans and contracts (net of allowances of \$8,851,061 and \$13,004,090, respectively)	27,503,751	29,510,591
Contributions receivable (net of allowances of \$2,832,216 and \$3,014,444, respectively)	427,842,989	377,070,059
Unrestricted investments	18,485,042,966	17,104,572,735
Hedging derivative asset	58,870,039	130,779,738
Lease receivable	214,425,963	215,032,962
P3 receivable	46,260,237	36,421,649
Other noncurrent assets	570,086,715	388,191,302
Gross capital/intangible assets	44,847,626,509	41,388,735,830
Less accumulated depreciation/amortization	(23,597,410,833)	(21,847,634,137)
Net capital assets	<u>21,250,215,676</u>	<u>19,541,101,693</u>
Total noncurrent assets	<u>106,180,116,838</u>	<u>99,555,613,768</u>
<b>TOTAL ASSETS</b>	<u>122,195,275,808</u>	<u>112,998,977,458</u>
Deferred outflows of resources	6,213,486,904	6,088,895,030
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 128,408,762,712</u>	<u>119,087,872,488</u>

See accompanying notes to consolidated financial statements

(Continued)

**THE UNIVERSITY OF TEXAS SYSTEM  
CONSOLIDATED STATEMENTS OF NET POSITION — BUSINESS-TYPE ACTIVITIES (Continued)  
AUGUST 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 2,072,585,181	1,714,244,380
Salaries payable	999,665,451	937,064,048
Investment trades payable	1,524,899,716	1,645,273,366
Incurred but not reported self-insurance claims	189,052,286	199,965,066
Total other postemployment benefits liability	184,459,372	208,395,911
Pension liabilities	78,798,695	72,533,114
Securities lending obligations	953,630,199	704,550,572
Due to other State agencies	143,979,563	258,790,763
Statewide interfund payable	67,149,789	65,215,901
Unearned revenue	2,243,209,549	2,202,202,631
Employees' compensable leave	591,395,613	523,251,766
Short-term debt	2,131,500,000	2,341,061,000
Notes, loans, and leases payable	184,529,586	384,724,163
Bonds payable	1,107,282,950	1,671,517,223
Other current liabilities	209,032,989	220,436,207
Total current liabilities	<u>12,681,170,939</u>	<u>13,149,226,111</u>
<b>NONCURRENT LIABILITIES</b>		
Incurred but not reported self-insurance claims	41,029,279	37,936,609
Employees' compensable leave	385,648,074	393,281,192
Assets held for others	165,073,161	145,578,487
Liability to beneficiaries	14,315,621	13,491,033
Total other postemployment benefits liability	8,601,248,649	7,881,338,444
Pension liabilities	7,809,116,835	6,485,446,939
Notes, loans and leases payable	1,227,165,063	787,359,337
Bonds payable	9,217,173,011	8,164,839,316
Statewide interfund payable	1,495,590,100	1,502,731,182
Hedging derivative liability	22,619,314	39,388,655
Payable to brokers for collateral held	106,628,021	204,889,560
Investment derivatives - liability positions	207,716,648	144,154,033
Asset retirement obligation	18,987,780	20,268,251
Other noncurrent liabilities	156,539,423	180,421,005
Total noncurrent liabilities	<u>29,468,850,979</u>	<u>26,001,124,043</u>
<b>TOTAL LIABILITIES</b>	<u>42,150,021,918</u>	<u>39,150,350,154</u>
Deferred inflows of resources	8,084,855,566	9,273,707,418
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>\$ 50,234,877,484</u>	<u>48,424,057,572</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 7,439,147,923	6,963,671,907
Restricted:		
Nonexpendable	39,721,621,730	38,161,618,752
Expendable	23,999,374,842	21,353,034,539
Total restricted	<u>63,720,996,572</u>	<u>59,514,653,291</u>
Unrestricted	7,013,740,733	4,185,489,718
<b>TOTAL NET POSITION</b>	<u>\$ 78,173,885,228</u>	<u>70,663,814,916</u>

See accompanying notes to consolidated financial statements

(Concluded)

**THE UNIVERSITY OF TEXAS SYSTEM  
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION — BUSINESS-TYPE ACTIVITIES  
YEARS ENDED AUGUST 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Net student tuition and fees (net of discounts and allowances of \$1,074,785,918 and \$920,673,147, respectively)	\$ 2,164,275,396	2,162,269,633
Sponsored programs	5,712,199,285	5,114,905,185
Net sales and services of educational activities (net of discounts and allowances of \$19,880 and \$363,083, respectively)	726,177,652	668,820,587
Net sales and services of hospitals (net of discounts and allowances of \$16,867,676,289 and \$14,613,104,666, respectively)	10,855,945,547	9,638,135,140
Net professional fees (net of discounts and allowances of \$7,530,588,692 and \$7,174,634,375, respectively)	2,758,851,714	2,577,503,943
Net auxiliary enterprises (net of discounts and allowances of \$24,509,845 and \$21,638,531, respectively)	845,496,755	723,247,145
Other	931,774,708	606,940,322
Total operating revenues	<u>23,994,721,057</u>	<u>21,491,821,955</u>
<b>OPERATING EXPENSES</b>		
Instruction	6,005,580,291	5,638,164,384
Research	3,937,488,011	3,640,738,442
Public service	568,276,200	511,503,631
Hospitals and clinics	10,959,982,226	9,676,906,898
Academic support	1,514,028,609	1,414,239,637
Student services	336,451,866	306,673,392
Institutional support	1,397,950,599	1,279,734,313
Operations and maintenance of plant	1,165,680,933	1,070,710,379
Scholarships and fellowships	551,143,757	535,517,010
Auxiliary enterprises	942,471,728	818,920,278
Depreciation and amortization	1,873,383,717	1,827,434,267
Total operating expenses	<u>29,252,437,937</u>	<u>26,720,542,631</u>
Operating loss	<u>(5,257,716,880)</u>	<u>(5,228,720,676)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	2,965,947,593	3,052,789,252
Nonexchange sponsored programs	653,661,614	621,739,519
Gift contributions for operations	605,276,837	684,013,267
Net investment income	8,821,959,252	5,161,443,475
Net increase upon hedge termination	101,989,500	61,930,000
Interest expense on capital asset financings	(438,603,425)	(379,417,070)
Gain (loss) on sale of capital assets	(44,167,824)	11,829,051
Other	50,262,093	127,629,171
Net nonoperating revenues	<u>12,716,325,640</u>	<u>9,341,956,665</u>
Income before other changes in net position	7,458,608,760	4,113,235,989
<b>OTHER CHANGES IN NET POSITION</b>		
Capital gifts and grants	267,767,432	91,953,165
Additions to permanent endowments	318,847,673	255,404,287
Net transfers to other State agencies	(549,532,295)	(491,344,254)
Legislative appropriations lapsed	(3,018,472)	5,474,096
Change in net position	<u>7,492,673,098</u>	<u>3,974,723,283</u>
<b>NET POSITION</b>		
Net position, beginning of year	70,663,814,916	66,689,091,633
Restatement (see Note 4)	17,397,214	—
Net position, beginning of year (as restated)	<u>70,681,212,130</u>	<u>66,689,091,633</u>
Net position, end of year	<u>\$ 78,173,885,228</u>	<u>70,663,814,916</u>

See accompanying notes to consolidated financial statements

**THE UNIVERSITY OF TEXAS SYSTEM  
CONSOLIDATED STATEMENTS OF CASH FLOWS — BUSINESS-TYPE ACTIVITIES  
YEARS ENDED AUGUST 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from tuition and fees	\$ 2,145,512,721	2,186,521,845
Proceeds from patients and customers	13,412,191,127	12,166,305,616
Proceeds from sponsored programs	5,497,183,600	5,135,503,295
Proceeds from auxiliaries	841,092,313	1,086,757,122
Proceeds from other revenues	1,286,098,264	1,214,105,473
Payments to suppliers	(9,510,864,487)	(8,867,196,287)
Payments to employees	(17,161,432,747)	(15,323,924,275)
Payments for loans provided	(70,523,466)	(74,703,244)
Proceeds from loan programs	78,133,116	84,196,551
Payments for Other Expenses	(7,942,780)	—
Net cash used for operating activities	<u>(3,490,552,339)</u>	<u>(2,392,433,904)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from State appropriations	2,886,017,778	2,535,857,628
Proceeds from operating gifts	559,519,433	723,224,391
Proceeds from private gifts for endowment purposes	288,848,478	234,256,142
Proceeds from other noncapital financing activities	1,038,352,216	279,803,519
Receipts for transfers from other agencies	1,134,881,843	864,245,229
Payments for transfers to other agencies	(1,965,660,874)	(1,243,892,349)
Payments for other uses	(1,084,463,875)	(513,081,650)
Proceeds from nonexchange sponsored programs	634,841,039	757,207,336
Net cash provided by noncapital financing activities	<u>3,492,336,038</u>	<u>3,637,620,246</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from issuance of capital debt	3,716,489,476	2,490,240,538
Payments of other costs on debt issuance	(7,848,543)	(5,928,851)
Proceeds from capital appropriations, grants and gifts	180,524,741	64,318,637
Proceeds from sale of capital assets	7,454,207	53,986,387
Payments for additions to capital assets	(2,913,510,695)	(1,685,940,404)
Payments of principal on capital related debt and other long-term obligations	(3,124,358,990)	(2,066,421,131)
Payments of interest on capital related debt and other long-term obligations	(494,478,036)	(469,704,889)
Net cash used for capital and related financing activities	<u>(2,635,727,840)</u>	<u>(1,619,449,713)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	61,738,776,785	51,076,535,789
Proceeds from interest and investment income	3,053,245,706	2,820,206,156
Payments to acquire investments	(61,134,717,121)	(52,506,639,510)
Net cash provided by investing activities	<u>3,657,305,370</u>	<u>1,390,102,435</u>
<b>Net increase in cash and cash equivalents</b>	<b>1,023,361,229</b>	<b>1,015,839,064</b>
Cash and cash equivalents, beginning of year	6,524,614,258	5,508,775,194
Restatements to beginning Cash and cash equivalents (see Note 4)	\$ 102,842,391	—
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 7,650,817,878</u></b>	<b><u>6,524,614,258</u></b>

**THE UNIVERSITY OF TEXAS SYSTEM**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS — BUSINESS-TYPE ACTIVITIES (Continued)**  
**YEARS ENDED AUGUST 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
See accompanying notes to consolidated financial statements		(Continued)
<b>Reconciliation of operating loss to net cash provided by (used for) operating activities:</b>		
Operating loss	\$ (5,257,716,880)	(5,228,720,676)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation and amortization expense	1,873,383,717	1,827,434,267
Bad debt expense	634,212,680	519,888,573
Other postemployment benefits obligation expense	13,522,164	462,609,141
Pension expense	1,363,962,192	795,557,940
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(1,179,741,938)	(973,734,899)
Lessor-related balances	(2,252,920)	(1,602,714)
P3 Related Balances	18,845,787	344,561,998
Inventories	(18,350,723)	(9,300,627)
Loans and contracts	7,615,625	9,499,354
Other current and noncurrent assets	(274,918,885)	(17,874,611)
Deferred outflows-other postemployment benefits	231,229,466	387,358,832
Deferred outflows-pension related	(375,933,837)	(983,743,005)
Accounts payable	165,603,824	355,733,608
Unearned revenue	(19,945,327)	213,149,901
Employees' compensable leave	55,791,484	61,108,247
Other postemployment benefits obligation	493,535,944	(7,068,469,092)
Pension related obligations	(34,026,715)	2,415,658,273
Asset retirement obligations	(1,141,873)	328,392
Deferred inflows-other postemployment benefits	(945,407,755)	6,485,154,252
Deferred inflows-pension related	(198,620,485)	(2,000,162,951)
Other current and noncurrent liabilities	(40,197,884)	13,131,894
Total adjustments	<u>1,767,164,541</u>	<u>2,836,286,773</u>
Net cash used for operating activities	<u>\$ (3,490,552,339)</u>	<u>(2,392,433,903)</u>
<b>Noncash transactions:</b>		
Net increase in fair value of investments	\$ 2,571,530,132	479,219,230
Donated capital assets	106,758,929	41,182,030
Capital assets acquired/adjusted under lease purchases or direct borrowings	275,322,169	308,284,799
Miscellaneous noncash transactions	(7,777,245)	32,851,542
Capital Assets received from P3 arrangement	—	347,652,000
See accompanying notes to consolidated financial statements		(Concluded)

**THE UNIVERSITY OF TEXAS SYSTEM  
CONSOLIDATED STATEMENTS OF FIDUCIARY NET POSITION  
AUGUST 31, 2024 AND 2023**

	2024			2023		
	Custodial Funds		Total Fiduciary Activities	Custodial Funds		Total Fiduciary Activities
	External Investment Pool Fund	Custodial Funds, Other		External Investment Pool Fund	Custodial Funds, Other	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 880	1,923,665	1,924,545	—	1,928,948	1,928,948
Accounts receivable, net:						
Interest and dividends	277,102	—	277,102	220,472	—	220,472
Investment trades	4,884,078	—	4,884,078	2,964,301	—	2,964,301
Other	36,802	4,735	41,537	528,881	4,735	533,616
Total accounts receivable, net	5,197,982	4,735	5,202,717	3,713,654	4,735	3,718,389
Investments at fair value:						
Investment derivatives - asset positions	1,094,287	—	1,094,287	496,874	—	496,874
Other investments	324,623,027	—	324,623,027	293,885,919	—	293,885,919
Total investments	325,717,314	—	325,717,314	294,382,793	—	294,382,793
Securities lending collateral	4,317,787	—	4,317,787	3,234,769	—	3,234,769
Deposit with brokers for derivative contracts	2,244,043	—	2,244,043	1,156,668	—	1,156,668
Other assets	3,205	—	3,205	121,334	—	121,334
Total assets	337,481,211	1,928,400	339,409,611	302,609,218	1,933,683	304,542,901
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	300,005	47,619	347,624	295,079	46,705	341,784
Investment trades payables	6,632,340	—	6,632,340	6,859,987	—	6,859,987
Securities lending obligations	4,317,787	—	4,317,787	3,234,769	—	3,234,769
Investment derivatives - liability positions	929,173	—	929,173	576,154	—	576,154
Payable to brokers for collateral held	239,258	—	239,258	129,286	—	129,286
Total liabilities	12,418,563	47,619	12,466,182	11,095,275	46,705	11,141,980
<b>NET POSITION</b>						
Restricted for:						
Pool participants	325,062,648	—	325,062,648	291,513,943	—	291,513,943
Individuals, organizations, and other governments	—	1,880,781	1,880,781	—	1,886,978	1,886,978
<b>TOTAL NET POSITION</b>	<b>\$ 325,062,648</b>	<b>1,880,781</b>	<b>326,943,429</b>	<b>291,513,943</b>	<b>1,886,978</b>	<b>293,400,921</b>

See accompanying notes to consolidated financial statements



**THE UNIVERSITY OF TEXAS SYSTEM  
CONSOLIDATED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
YEARS ENDED AUGUST 31, 2024 AND 2023**

	2024			2023		
	Custodial Funds		Total Fiduciary Activities	Custodial Funds		Total Fiduciary Activities
	External Investment Pool Fund	Custodial Funds, Other		External Investment Pool Fund	Custodial Funds, Other	
<b>ADDITIONS</b>						
Contributions:						
Contributions from student organizations	\$ —	325,666	325,666	—	302,097	302,097
Contributions from foundations or associations	13,626,698	627,733	14,254,431	5,480,078	681,873	6,161,951
Contributions faculty/staff organizations	—	1,588	1,588	—	—	—
Contributions from participants	—	—	—	—	—	—
Other contributions	—	11,550	11,550	—	85,651	85,651
Total contributions	<u>13,626,698</u>	<u>966,537</u>	<u>14,593,235</u>	<u>5,480,078</u>	<u>1,069,621</u>	<u>6,549,699</u>
Investment earnings:						
Interest, dividends, and other	5,124,524	—	5,124,524	6,209,747	—	6,209,747
Realized gain (loss) on sale of investments	48,681	—	48,681	400,316	—	400,316
Net increase (decrease) in fair value of investments	<u>15,525,531</u>	<u>—</u>	<u>15,525,531</u>	<u>(1,409,739)</u>	<u>—</u>	<u>(1,409,739)</u>
Total investment earnings	20,698,736	—	20,698,736	5,200,324	—	5,200,324
Miscellaneous	—	148,080	148,080	—	131,995	131,995
Total additions	<u>34,325,434</u>	<u>1,114,617</u>	<u>35,440,051</u>	<u>10,680,402</u>	<u>1,201,616</u>	<u>11,882,018</u>
<b>DEDUCTIONS</b>						
Payments to student organizations	—	200,984	200,984	—	248,345	248,345
Payments to foundations or associations	776,728	129,900	906,628	5,426,043	62,795	5,488,838
Payments to faculty/staff organizations	—	1,144	1,144	—	1,432	1,432
Payments to participants	—	2,079	2,079	—	2,008	2,008
Other expenses	—	1,042,058	1,042,058	—	870,253	870,253
Total deductions	<u>776,728</u>	<u>1,376,165</u>	<u>2,152,893</u>	<u>5,426,043</u>	<u>1,184,833</u>	<u>6,610,876</u>
Net increase (decrease) in fiduciary net position	33,548,706	(261,548)	33,287,158	5,254,359	16,783	5,271,142
Beginning net position	291,513,943	1,886,979	293,400,921	286,259,584	1,870,196	288,129,779
Restatements (see Note 4)	—	255,350	255,350	—	—	—
Ending net position	<u>\$ 325,062,648</u>	<u>1,880,781</u>	<u>326,943,429</u>	<u>291,513,943</u>	<u>1,886,979</u>	<u>293,400,921</u>

See accompanying notes to consolidated financial statements

**THE UNIVERSITY OF TEXAS SYSTEM  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2024 AND 2023**

**1. The Financial Reporting Entity**

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

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

On May 10, 2023, the Governor of the State of Texas signed into law Senate Bill 1055, 88th Legislature, Regular Session, which provided that Stephen F. Austin State University, formerly an independent public institution and business-type activity within the State of Texas, be authorized to join the System. Effective September 1, 2023, Stephen F. Austin State University became an institution of higher education within the System.

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

**BLENDED COMPONENT UNITS**

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

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

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

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

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

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

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

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

University Physicians Group is governed by a five-member board. The Dean of the School of Medicine is the Chairman of the Board, and four board members are members of and elected by the physician practice plan board. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U. T. Health Science Center - San Antonio is the sole corporate member. The corporation's fiscal year end is August 31. Separate financial statements may be obtained by contacting University Physicians Group, 8431 Fredericksburg Road, Suite 500, San Antonio, Texas 78229.

U. T. Health San Antonio Regional Physician Network is governed by a seven-member board. The Dean of the School of Medicine is the Chair of the Board of Directors. The corporation owns, operates, and manages an Accountable Care Organization in accordance with the requirements of the Medicare Shared Savings Program, as set forth in section 1899 of the Social Security Act and related regulations. The corporation is blended rather than discretely presented because it is organized as a not-for-profit corporation and U. T. Health Science Center - San Antonio is the sole corporate member. The corporation's fiscal year end is August 31. Separate financial statements may be obtained by contacting U. T. Health San Antonio Regional Physician Network, 8431 Fredericksburg Road, Suite 503, San Antonio, Texas 78229.

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

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

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

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

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

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

The 2033 Higher Education Development Foundation (HEDF) is a legally separate entity that provides services exclusively for the benefit of U. T. Austin in matters pertaining to the acquisition, management, development, and administration of real property. HEDF is governed by a five-member board appointed by U. T. Austin. HEDF is blended rather than discretely presented because U. T. Austin can remove board members at will and the foundation provides services exclusively to U. T. Austin. HEDF's fiscal year is December 31. Separate financial statements may be obtained by contacting The 2033 Higher Education Development Foundation, 2500 Bee Cave Road, Building Two, Suite 150, Austin, Texas 78746.

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

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

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

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

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

(Continued)

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

(Continued)

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



(Concluded)

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

Condensed financial statement information related to the System's blended component units for the year ended August 31, 2023 is as follows:

<b>As of August 31, 2023</b>	<b>UT Southwestern Health Systems</b>	<b>UT Southwestern Moncrief Cancer Center</b>	<b>Moncrief Cancer Foundation</b>	<b>UTMB HealthCare Systems, Inc.</b>	<b>The University Medical Branch Student Book Store, Inc.</b>
<b>Condensed Statement of Net Position</b>					
Current Assets	\$ 2,357,970	5,407,990	828,935	22,752,805	740,195
Noncurrent Assets	7,442,775	31,620,298	91,552,701	21,644,699	1,641,209
<b>Total Assets</b>	<b>9,800,745</b>	<b>37,028,288</b>	<b>92,381,636</b>	<b>44,397,504</b>	<b>2,381,404</b>
Current Liabilities	—	9,064,197	1,462,473	4,683,999	70,981
Noncurrent Liabilities	—	—	—	255,322	—
<b>Total Liabilities</b>	<b>—</b>	<b>9,064,197</b>	<b>1,462,473</b>	<b>4,939,321</b>	<b>70,981</b>
Net Investment in Capital Assets	—	24,793,977	—	1,338,896	—
Restricted Nonexpendable	—	1,704,801	—	—	—
Restricted Expendable	—	—	90,919,163	—	—
Unrestricted	9,800,745	1,465,313	—	38,119,287	2,310,423
<b>Total Net Position</b>	<b>\$ 9,800,745</b>	<b>27,964,091</b>	<b>90,919,163</b>	<b>39,458,183</b>	<b>2,310,423</b>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>					
Operating Revenues	\$ 45,661	8,778,368	25	99,546,414	972,066
Operating Expenses	(24,004)	(13,182,645)	(509,680)	(92,152,575)	(906,564)
<b>Operating Income (Loss)</b>	<b>21,657</b>	<b>(4,404,277)</b>	<b>(509,655)</b>	<b>7,393,839</b>	<b>65,502</b>
Nonoperating Revenues (Expenses)	2,406,197	3,556,408	6,145,765	1,234,555	71,502
<b>Income (Loss) Before Other Changes in Net Position</b>	<b>2,427,854</b>	<b>(847,869)</b>	<b>5,636,110</b>	<b>8,628,394</b>	<b>137,004</b>
Other Changes in Net Position	(2,743,000)	1,115,690	(3,384,310)	—	—
<b>Change in Net Position</b>	<b>(315,146)</b>	<b>267,821</b>	<b>2,251,800</b>	<b>8,628,394</b>	<b>137,004</b>
Net Position - August 31, 2022	—	—	88,667,363	30,829,789	2,173,419
<b>Net Position - August 31, 2023</b>	<b>\$ (315,146)</b>	<b>267,821</b>	<b>90,919,163</b>	<b>39,458,183</b>	<b>2,310,423</b>
<b>Condensed Statement of Cash Flows</b>					
Net Cash provided by (used for):					
Operating Activities	\$ (167,404)	1,311,183	3,492,178	2,161,864	53,097
Noncapital Financing Activities	—	—	(19,000,000)	—	—
Capital and Related Financing	—	—	—	—	—
Investing Activities	45,661	(324,326)	11,827,561	(583,369)	5,945
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(121,743)</b>	<b>986,857</b>	<b>(3,680,261)</b>	<b>1,578,495</b>	<b>59,042</b>
Cash and Cash Equivalents - August 31, 2022	—	—	4,410,506	9,946,116	270,649
<b>Cash and Cash Equivalents - August 31, 2023</b>	<b>\$ (121,743)</b>	<b>986,857</b>	<b>730,245</b>	<b>11,524,611</b>	<b>329,691</b>

(Continued)

<b>As of August 31, 2023</b>	<b>Medical Branch Innovations, Inc.</b>	<b>U. T. Physicians</b>	<b>University Physicians Group</b>	<b>U. T. Health San Antonio Regional Physician Network</b>	<b>M. D. Anderson Physician's Network</b>
<b>Condensed Statement of Net Position</b>					
Current Assets	\$ 1,363,303	117,093,675	—	—	89,554,248
Noncurrent Assets	4,587,569	249,895,512	1,935,622	—	219,554,928
<b>Total Assets</b>	<b>5,950,872</b>	<b>366,989,187</b>	<b>1,935,622</b>	<b>—</b>	<b>309,109,176</b>
Current Liabilities	532,068	85,811,908	—	—	8,500,361
Noncurrent Liabilities	7,409,137	200,009,007	—	—	—
<b>Total Liabilities</b>	<b>7,941,205</b>	<b>285,820,915</b>	<b>—</b>	<b>—</b>	<b>8,500,361</b>
Net Investment in Capital Assets	—	39,741,361	—	—	704,035
Restricted Nonexpendable	—	—	—	—	—
Restricted Expendable	—	—	—	—	—
Unrestricted	(1,990,333)	41,426,912	1,935,622	—	299,904,780
<b>Total Net Position</b>	<b>\$ (1,990,333)</b>	<b>81,168,273</b>	<b>1,935,622</b>	<b>—</b>	<b>300,608,815</b>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>					
Operating Revenues	\$ 560,952	119,303,470	—	—	45,852,423
Operating Expenses	(1,026,670)	(122,643,132)	—	(1,537,778)	(17,905,689)
<b>Operating Income (Loss)</b>	<b>(465,718)</b>	<b>(3,339,662)</b>	<b>—</b>	<b>(1,537,778)</b>	<b>27,946,734</b>
Nonoperating Revenues (Expenses)	221,418	5,255,345	—	—	11,995,439
<b>Income (Loss) Before Other Changes in Net Position</b>	<b>(244,300)</b>	<b>1,915,683</b>	<b>—</b>	<b>(1,537,778)</b>	<b>39,942,173</b>
Other Changes in Net Position	—	—	—	1,537,778	—
<b>Change in Net Position</b>	<b>(244,300)</b>	<b>1,915,683</b>	<b>—</b>	<b>—</b>	<b>39,942,173</b>
Net Position - August 31, 2022	(1,746,033)	79,252,590	1,935,622	—	260,666,642
<b>Net Position - August 31, 2023</b>	<b>\$ (1,990,333)</b>	<b>81,168,273</b>	<b>1,935,622</b>	<b>—</b>	<b>300,608,815</b>
<b>Condensed Statement of Cash Flows</b>					
Net Cash provided by (used for):					
Operating Activities	\$ (251,504)	7,069,906	—	—	26,419,670
Noncapital Financing Activities	—	—	—	—	—
Capital and Related Financing	—	(16,821,357)	—	—	(208,191)
Investing Activities	40,572	28,451,833	—	—	(4,315,529)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(210,932)</b>	<b>18,700,382</b>	<b>—</b>	<b>—</b>	<b>21,895,950</b>
Cash and Cash Equivalents - August 31, 2022	1,382,440	88,035,192	—	—	62,450,374
<b>Cash and Cash Equivalents - August 31, 2023</b>	<b>\$ 1,171,508</b>	<b>106,735,574</b>	<b>—</b>	<b>—</b>	<b>84,346,324</b>

(Continued)

<b>As of August 31, 2023</b>	<b>M. D. Anderson Services Corporation</b>	<b>East Texas Quality Care Network, Inc.</b>	<b>UTIMCO</b>	<b>The University of Texas Communication Foundation</b>
<b>Condensed Statement of Net Position</b>				
Current Assets	\$ 84,750,530	197,289	43,750,144	2,042
Noncurrent Assets	809,177,475	—	4,720,620	177,911
<b>Total Assets</b>	<b>893,928,005</b>	<b>197,289</b>	<b>48,470,764</b>	<b>179,953</b>
Current Liabilities	107,457,087	(230,090)	22,148,608	121,528
Noncurrent Liabilities	56,453,369	—	4,244,466	39,052
<b>Total Liabilities</b>	<b>163,910,456</b>	<b>(230,090)</b>	<b>26,393,074</b>	<b>160,580</b>
Net Investment in Capital Assets	24,679	—	224,226	—
Restricted Nonexpendable	50,000,000	—	—	—
Restricted Expendable	638,085,173	—	—	—
Unrestricted	41,907,697	427,379	21,853,464	19,373
<b>Total Net Position</b>	<b>\$ 730,017,549</b>	<b>427,379</b>	<b>22,077,690</b>	<b>19,373</b>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>				
Operating Revenues	\$ 1,722,666	19,437	67,943,364	—
Operating Expenses	(1,465,614)	(26,068)	(60,906,770)	—
<b>Operating Income (Loss)</b>	<b>257,052</b>	<b>(6,631)</b>	<b>7,036,594</b>	<b>—</b>
Nonoperating Revenues (Expenses)	37,117,793	—	1,750,535	—
<b>Income (Loss) Before Other Changes in Net Position</b>	<b>37,374,845</b>	<b>(6,631)</b>	<b>8,787,129</b>	<b>—</b>
Other Changes in Net Position	—	—	—	—
<b>Change in Net Position</b>	<b>37,374,845</b>	<b>(6,631)</b>	<b>8,787,129</b>	<b>—</b>
Net Position - August 31, 2022	—	434,010	13,290,561	19,373
<b>Net Position - August 31, 2023</b>	<b>\$ 37,374,845</b>	<b>427,379</b>	<b>22,077,690</b>	<b>19,373</b>
<b>Condensed Statement of Cash Flows</b>				
Net Cash provided by (used for):				
Operating Activities	\$ 924,919	(200,973)	6,847,008	—
Noncapital Financing Activities	(28,051,423)	—	—	—
Capital and Related Financing	(4,633)	—	(1,357,280)	—
Investing Activities	30,926,795	—	2,141,957	—
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,795,658</b>	<b>(200,973)</b>	<b>7,631,685</b>	<b>—</b>
Cash and Cash Equivalents - August 31, 2022	—	472,913	34,166,841	2,042
<b>Cash and Cash Equivalents - August 31, 2023</b>	<b>\$ 3,795,658</b>	<b>271,940</b>	<b>41,798,526</b>	<b>2,042</b>

(Concluded)

<b>As of August 31, 2023</b>	<b>The University of Texas at Austin - Mexico Institute A.C.</b>	<b>The Crow Museum of Asian Art - Foundation</b>	<b>Combined Blended Component Unit Total</b>
<b>Condensed Statement of Net Position</b>			
Current Assets	20,070	45,872	368,865,068
Noncurrent Assets	—	—	1,443,951,319
<b>Total Assets</b>	<b>20,070</b>	<b>45,872</b>	<b>1,812,816,387</b>
Current Liabilities	—	—	239,623,120
Noncurrent Liabilities	—	—	268,410,353
<b>Total Liabilities</b>	<b>—</b>	<b>—</b>	<b>508,033,473</b>
Net Investment in Capital Assets	—	—	66,827,174
Restricted Nonexpendable	—	—	51,704,801
Restricted Expendable	—	—	729,004,336
Unrestricted	20,070	45,872	457,246,604
<b>Total Net Position</b>	<b>20,070</b>	<b>45,872</b>	<b>1,304,782,915</b>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>			
Operating Revenues	150,468	—	344,895,314
Operating Expenses	(177,599)	(1,453)	(312,466,241)
<b>Operating Income (Loss)</b>	<b>(27,131)</b>	<b>(1,453)</b>	<b>32,429,073</b>
Nonoperating Revenues (Expenses)	—	—	69,754,957
<b>Income (Loss) Before Other Changes in Net Position</b>	<b>(27,131)</b>	<b>(1,453)</b>	<b>102,184,030</b>
Other Changes in Net Position	—	—	(3,473,842)
<b>Change in Net Position</b>	<b>(27,131)</b>	<b>(1,453)</b>	<b>98,710,188</b>
Net Position - August 31, 2022	47,201	47,325	475,617,862
<b>Net Position - August 31, 2023</b>	<b>20,070</b>	<b>45,872</b>	<b>574,328,050</b>
<b>Condensed Statement of Cash Flows</b>			
Net Cash provided by (used for):			
Operating Activities	35,812	(1,453)	47,694,303
Noncapital Financing Activities	—	—	(47,051,423)
Capital and Related Financing	—	—	(18,391,461)
Investing Activities	—	—	68,217,100
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>35,812</b>	<b>(1,453)</b>	<b>50,468,519</b>
Cash and Cash Equivalents - August 31, 2022	47,201	47,325	201,231,599
<b>Cash and Cash Equivalents - August 31, 2023</b>	<b>83,013</b>	<b>45,872</b>	<b>251,700,118</b>

## ASSETS HELD BY AFFILIATED ORGANIZATIONS

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

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

The System has defined significance as 5% of System's net position. As of August 31, 2024, none of the System's potential component units individually meet the 5% of System's net position criteria for inclusion in the System's financial statements. Based upon the most recent available information, the combined net position of these potential component units reported by the organizations total \$3,677,737,411 at August 31, 2024 and \$3,967,673,833 at August 31, 2023.

## **2. Related Parties**

Through the normal course of operations, the System both receives funds from and provides funds to other State agencies in support of sponsored research programs. Funds received and provided during the year ended August 31, 2024, related to pass-through grants were \$595,304,627 and \$25,356,646, respectively. Funds received and provided during the year ended August 31, 2023, related to pass-through grants were \$609,197,382 and \$14,032,008, respectively.

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

## **3. Joint Ventures**

The University of Texas Southwestern Medical Center (UTSW) and Texas Health Resources (THR) are participating members of Southwestern Health Resources (SWHR) entities, including SWHR, SWHR Clinically Integrated Network (CIN), and SWHR Joint Operating Company (JOC). This integrated regional health network offers key advantages for patients in North Texas including a broad, integrated continuum of physician-driven care utilizing UTSW's network of faculty and community-based physicians, THR's employed physicians, and independent physicians affiliated with both organizations; and an integrated hospital network consisting of UTSW's two university hospitals and THR's wholly-controlled and joint-ventured community hospitals. UTSW's equity interest in SWHR, SWHR CIN, and SWHR JOC at August 31, 2024 and 2023 was \$54,598,646 and \$861,990, respectively, or approximately 50%.

UTSW is a participating member of Texas Health Hospital Frisco (THHF). THHF is a joint venture entered into by UTSW and THR on August 27, 2018 whose purpose is to provide superior medical care to the residents of Collin County and other surrounding areas. UTSW's equity interest in THHF at August 31, 2024 and 2023 was \$131,852,367 and \$126,720,765, respectively, or 50%.

UTSW is a participating member of Pediatric Health Management Services (PHMS). PHMS is a non-profit corporate entity that was formed by UTSW and Children's Health System of Texas (CHST) on October 1, 2019, for the purpose of developing a joint pediatric enterprise. UTSW's equity interest in Pediatric Health Management Services at August 31, 2024 and 2023 was \$114,199,128 and \$27,281,015, respectively. Under the terms of the Amended and Restated Development Agreement dated June 12, 2024, PHMS will record philanthropic funds raised by either UTSW or CHST for the joint venture as contributions and a corresponding increase in Members' equity of 50% for each.

U. T. Southwestern Health Systems (UTSHS), a blended component unit of UTSW, is a participating member of U. T. Southwestern DVA Healthcare, LLP (DVA). DVA is a joint venture between UTSHS and DaVita Inc. to provide care for dialysis patients in the Dallas-Fort Worth area. UTSHS's equity interest in DVA at August 31, 2024 and 2023 was \$5,608,961 and \$6,234,205, respectively, or 49%. Separate financial statements for DaVita may be obtained at DaVita Inc., 601 Hawaii Street, El Segundo, California 90245.

UTSHS is a participating member of Crowder Dialysis, LLC (Crowder). Crowder is a joint venture between UTSHS, Crowder, and Renal Treatment Centers-Southeast, LP, formed for the purpose of developing, establishing, owning or leasing, and operating one or more licensed outpatient dialysis and renal care service centers and for the purpose of doing such other things as are necessary, convenient, desirable or incidental to the foregoing, and for such other purposes as may be agreed upon from time to time. UTSHS's equity interest in Crowder at August 31, 2024 and 2023 was \$1,163,506 and \$1,208,570, respectively or 49%. Separate financial statements for Crowder may be obtained at c/o DaVita Inc., 2000 16th Street, Denver, Colorado, 80202.

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

U. T. Health Science Center - Houston's blended component unit, U. T. Physicians, is a participating member of Physician's Dialysis of Houston. Physician's Dialysis of Houston is a joint venture entered into by U. T. Physicians and DaVita, Inc. U. T. Physicians' equity interest in Physician's Dialysis of Houston at August 31, 2024 and 2023 was \$579,757 and \$562,976, respectively, or 35.6%. Separate financial statements for Physician's Dialysis of Houston may be obtained at Physician's Dialysis of Houston, Attention: D. Gieser, JV Accounting, 32275 32nd Ave South, Federal Way, Washington 98001.

U. T. Health Science Center - Houston's blended component unit, U. T. Physicians, has been a participating member of TMC Holding Company, L.L.C. (TMC Holding) until December 2023, at which time UTP sold its shares. TMC Holding was a Limited Liability Corporation entered into by U. T. Physicians, Baylor College of Medicine and Memorial Hermann/USP Surgery Centers III, L.L.P. U. T. Physicians' equity interest in TMC Holding at August 31, 2024 and 2023 was \$0 and \$181,656, respectively, or 0% and 18.1%, respectively. Separate financial statements for TMC Holding may be obtained by contacting S. Rossmann, 750 Town and Country Boulevard, Suite 920, Houston, Texas 77024.

U. T. Health Science Center - Houston's blended component unit, U. T. Physicians, is a participating member of Bluesky MOB, L.L.P. Bluesky MOB, L.L.P. is a Limited Liability Partnership of which U. T. Physicians purchased an 18.7% interest in for \$380,755 on August 1, 2012. U. T. Physicians' equity interest in Bluesky MOB, LLP at August 31, 2024 and 2023 was \$380,755, or 18.7%. Separate financial statements for Bluesky MOB, L.L.P. may be obtained at Moore, Reichl, & Baker, P.C., c/o C. Presley, CPA, 11200 Westheimer Suite 410, Houston, Texas, 77042.

U. T. Health Science Center - Houston and M. D. Anderson are participating members of the Texas Medical Center Central Heating and Cooling Services Cooperative Association (TECO). TECO was incorporated on October 2, 1975, for the purpose of operating a central heating and cooling services facility on a cooperative basis solely for the benefit of eligible institutions. On June 1, 2003, TECO transferred substantially all of its assets and operation to TECO Corporation, and TECO Corporation assumed the liabilities and obligations of TECO. TECO still renders services to member and non-member patrons at cost. Savings or margins are refunded to the member and non-member patrons on a patronage basis in the form of cash or equity by TECO. In fiscal year 2016, U. T. Health Science Center – Houston purchased the Jessie Jones Library and obtained additional patronage equity in TECO in the amount of \$301,800 via the Houston Academy of Medicine's shares of TECO equity. In fiscal year 2022, U. T. Health Science Center – Houston obtained additional patronage equity in TECO in the amount of \$153,252 related to the School of Biomedical Informatics addition via the Houston Academy of Medicine's shares of TECO equity. U. T. Health Science Center - Houston's equity interest in TECO at August 31, 2024 and 2023 was \$22,248,539 and \$20,790,009, respectively, or 9.9% and 10.1%, respectively. M. D. Anderson's equity interest in TECO at August 31, 2024 and 2023 was \$73,507,747 and \$68,223,067, respectively, or 33% and 33.5%, respectively. Separate financial statements for TECO may be obtained at Thermal Energy Corporation, 1615 Braeswood Boulevard, Houston, Texas 77030.

M. D. Anderson is a participating member of the Texas Medical Center Hospital Laundry Cooperative Association (the Association). The Association was established on April 30, 1971, for the purpose of acquiring, owning, and operating a laundry system on a cooperative basis solely for the benefit of members of the Association. Net earnings of the Association may be refunded to the members on a patronage basis or retained by the Association as equity allocated to the members. M. D. Anderson's equity interest in the Association at August 31, 2024 and 2023 was \$7,005,344 and \$6,433,549, respectively, or 40%. Separate financial statements for the Association may be obtained at 9424 Fannin Street, Building C, Houston, Texas 77045.

M. D. Anderson is a participating member of P.E.T. Net Houston, LLC (PETNet). PETNet is a joint venture entered into by M. D. Anderson and P.E.T. Pharmaceuticals, Inc. to lease and operate a facility located on M. D. Anderson's campus to produce positron radiopharmaceuticals and isotopes. Construction of the facility commenced in 2003. M. D. Anderson's equity interest in PETNet at August 31, 2024 and 2023 was \$5,842,877 and \$5,202,367, respectively, or 49%. Separate financial statements for PETNet may be obtained at Siemens Medical Solutions USA, Inc., 51 Valley Stream Parkway, Malvern, Pennsylvania 19355.

M. D. Anderson, National Resilience, Inc. a Delaware corporation (Resilience), and Resilience Texas, LLC, a Delaware limited liability company entered into a new joint venture on October 21, 2021 to form Cell Therapy Manufacturing Center (CTMC). The entity was formed for the purpose of engaging in a strategic manufacturing relationship for gene and cell therapy cGMP manufacturing at the Resilience Texas, LLC facility for all phases of clinical development and for commercial supply. M. D. Anderson's participation in such strategic manufacturing relationship for gene and cell therapy cGMP manufacturing will support and advance its mission by facilitating and funding the development and commercialization of new products and technologies for the diagnosis, teaching, study, prevention, and treatment of cancer. The Board of Regents of the University of Texas System, on behalf of M. D. Anderson's engagement in the joint venture, support the public mission of and serve public purposes appropriate to the function of M. D. Anderson. As of August 31, 2024 and 2023, M. D. Anderson's equity interest in CTMC was \$25,419,943 and \$20,516,472, respectively, or 50%. Separate financial statements for Resilience Texas, LLC dba CTMC may be obtained at 2130 W Holcombe Blvd. Houston TX, 77030.

On March 1, 2018, U. T. Health Science Center – Tyler (UTHSC – Tyler) entered into a joint venture with AHS East Texas Health System, LLC, to form East Texas Health System, LLC, a Texas Limited Liability Company. The resulting health system, known as U. T. Health East Texas, is designed to expand medical education, research and community health in Northeast Texas. U. T. Health Science Center – Tyler's hospital and physician clinic operations are participants in the ten-hospital system, designed to advance the achievement of UTHSC – Tyler's mission through financial and clinical alignment and integration and to improve the delivery of cost effective, quality health care services in the Northeast Texas region. UTHSC – Tyler's equity interest in U. T. Health East Texas at August 31, 2024 and 2023 was \$35,660,700 and \$24,681,700, respectively, or approximately 30%.

In March 2016, U. T. Austin entered into a joint venture with Ascension Seton and Central Health to form Capital City Innovation (CCI), a nonprofit organization. CCI was created to provide a vision, focused strategic direction, advocacy for, and synergistic coordination of expertise, culture, uses and development to support the creation, growth and sustainability of an Innovation Zone in Austin, Texas. U. T. Austin's equity interest in CCI at August 31, 2024 and 2023 was \$350,000, or 23.7%.

#### **4. Summary of Significant Accounting Policies**

##### BASIS OF ACCOUNTING

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

##### GASB STATEMENTS IMPLEMENTED IN FISCAL YEAR 2023

GASB Statement No. 91, *Conduit Debt Obligations*, effective 2023, provides a single method of reporting conduit debt obligations. The application of the statement had no effect on the System's net position or changes in net position.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements*, effective 2023, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for availability payment arrangements. The effects of the implementation of this Statement were recognized in the financial statements for the year ended August 31, 2023.



GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, was effective 2023. This Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The effects of the implementation of this Statement were recognized in the financial statements for the year ended August 31, 2023.

Other than the portion of this statement implemented in 2022, the remainder of GASB Statement No. 99, *Omnibus 2022*, is effective in 2023 and 2024. The requirements related to leases, PPPs, and SBITAs were effective 2023. The application of this portion of the statement had no effect on the System’s net position or changes in net position.

**GASB STATEMENTS IMPLEMENTED IN FISCAL YEAR 2024**

Other than the portion of this statement implemented in 2022 and 2023, the remainder of GASB Statement No. 99, *Omnibus 2022*, is effective in 2024. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective 2024. As a result of implementing GASB 99, reclasses of \$101,989,500 and \$61,930,000 for FY24 and FY23 respectively, were made from net investment income to net increase (decrease) upon hedge termination in the Statement of Revenues, Expenses, and Changes in Net Position.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, effective 2024, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The System adopted this standard to account for the change in reporting entity for fiscal year 2024 as described below.

**RESTATEMENTS**

Pursuant to enacted legislation, Stephen F. Austin State University (SFASU) joined the System effective September 1, 2023. The 2033 Higher Education Development Foundation (HEDF) became a blended component unit of UT Austin effective September 1, 2023 as detailed in Note 1. Beginning net position and cash and cash equivalents for the fiscal year ended August 31, 2024 have been restated to reflect these changes to the financial reporting entity.

	<b>Balance September 1, 2023</b>	<b>Addition of SFASU</b>	<b>Addition of UT Austin - HEDF</b>	<b>Restated Balance September 1, 2023</b>
Beginning Net Position	\$ 70,663,814,916	16,364,534	1,032,680	70,681,212,130
Beginning Cash and Cash Equivalents	\$ 6,524,614,258	102,842,391	—	6,627,456,649
Custodial Funds, Other	\$ 1,886,979	255,350	—	2,142,329

### CASH AND CASH EQUIVALENTS

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

### BALANCE IN STATE APPROPRIATIONS

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

### DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

### INVESTMENTS

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

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

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

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

#### CONTRIBUTIONS RECEIVABLE

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

#### INVENTORIES

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

#### RESTRICTED ASSETS

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

#### LOANS AND CONTRACTS

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

#### SECURITIES LENDING COLLATERAL AND OBLIGATIONS

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

#### LEASE RECEIVABLES

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

#### P3 RECEIVABLE

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

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

## CAPITAL AND INTANGIBLE ASSETS

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

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

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

## OTHER ASSETS

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

## DEFERRED OUTFLOWS

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

## UNEARNED REVENUE

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

## ASSETS HELD FOR OTHERS

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

## LIABILITY TO BENEFICIARIES

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

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

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

## TOTAL OPEB LIABILITY

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

## PENSION LIABILITIES

### *Net Pension Liability*

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

### *Other Pension Liability*

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

## NOTES, LOANS, AND LEASES PAYABLE

### *Lease Liability*

Lease liabilities, included as part of notes, loans, and leases payable on the statement of net position, represent the System's obligation to make lease payments arising from leases other than short term leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Short term leases, those with a maximum period of 12 months, are expensed as incurred.

### *Subscription Liability*

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

### ASSET RETIREMENT OBLIGATION

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

### DEFERRED INFLOWS

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

### NET POSITION – Enterprise Funds

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

#### *Net Investment in Capital Assets*

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

#### *Restricted:*

##### *Nonexpendable*

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

##### *Expendable*

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

##### *Unrestricted*

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

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

#### NET POSITION – Fiduciary Funds

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

##### *Restricted for Pool Participants*

Net position related to custodial funds-external investment pool

##### *Restricted for Individuals, Organizations, and Other Governments*

Net position related to custodial funds-other

#### REVENUES AND EXPENSES

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

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

#### SCHOLARSHIP ALLOWANCES AND STUDENT AID

Financial aid to students is reported in the financial statements as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (student loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expense or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on an entity-wide basis by allocating cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

#### STATEWIDE INTERFUND TRANSFERS AND INTERFUND PAYABLES

In accordance with the provisions set forth in Article 7, Section 18 of the *Texas Constitution*, the System transfers one-third of the annual earnings of the PUF investments and lands to the Texas A&M University System (TAMUS). In addition to the transfer of the current year earnings in 2024 and 2023 of \$665,017,078 and \$450,227,364, respectively, the System recorded a liability of \$1,562,418,583 and \$1,567,537,241 at August 31, 2024 and 2023, respectively, for future amounts due to TAMUS from the PUF to cover principal on outstanding PUF bonds and notes issued by TAMUS. This liability is reported as current and noncurrent statewide interfund payable on the statement of net position. Additional details related to the operations of the PUF can be found in Note 8. Also included in statewide interfund payables as of August 31, 2024 and 2023 is \$321,306 and \$409,842, respectively, related to the revolving loan programs administered by the Texas State Comptroller's Office.

#### UNCOMPENSATED CARE AND CHARITY CARE

The System's health-related institutions and medical schools provide uncompensated care to patients who meet certain criteria. Uncompensated care includes the unreimbursed costs for the uninsured and the underinsured as well as the unreimbursed costs from government-sponsored health programs. To calculate uncompensated care, charges are converted to costs which are offset by appropriate patient specific and lump sum funding. Hospital charges are converted to cost by the application of the Medicare cost to charge ratio, as calculated in the most recent Medicare cost report. Since a standard cost report does not exist for physician charges, a proxy cost to charge ratio was developed through a process involving all Texas public academic medical centers and the State Auditor's Office. Uncompensated care costs amounted to \$1,484,190,687 and \$1,428,236,852 for 2024 and 2023, respectively.

GASB requires health-related institutions to report the cost of providing “charity care.” The American Institute of Certified Public Accountants (AICPA) defines charity care as care for which hospitals never expected to be reimbursed. Charity care occurs when a patient applies to the hospital for financial assistance and the hospital waives all or part of its charges in accordance with the hospital’s established financial assistance policy. The cost of charity care is calculated using the uncompensated care calculation methodology discussed above. Charity care costs amounted to \$194,771,864 and \$169,371,268 for 2024 and 2023, respectively.

#### NET PATIENT SERVICE REVENUE

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

##### *Medicare*

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

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

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

##### *Medicaid*

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

The System’s health-related institutions have also entered into payment agreements with certain commercial, Medicaid and Medicare payors which offer benefit plans for health maintenance organizations, and preferred provider organizations. The basis for payment to the System’s health-related institutions under these agreements includes prospectively determined rates for inpatient and outpatient services. The System’s health-related institutions recognized bad debt expense of \$638,526,911 and \$520,966,225 in 2024 and 2023, respectively.

#### USE OF ESTIMATES

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



## 5. Disaggregation of Other Receivable Balances

Net other receivables at August 31, 2024 and 2023 for the System are detailed by type as follows:

	<u>2024</u>	<u>2023</u>
Receivables Related to Investments	\$ 322,163,242	317,279,526
Receivables Related to Gifts, Grants and Sponsored Programs	208,808,802	193,971,324
Receivables Related to External Parties/Other Companies	359,302,951	264,284,754
Receivables Related to Auxiliary Enterprises	58,723,210	38,842,943
Receivables Related to Payroll	3,263,101	3,551,258
Receivables Related to Patents	1,396,204	235,000
Receivables Related to Travel	1,383,717	1,260,967
Receivables Related to Loan Funds and Financial Aid	4,920,053	7,182,358
Receivables Related to Other Various Activities	62,890,609	56,792,173
Total	<u>\$ 1,022,851,889</u>	<u>883,400,303</u>

In addition, net other receivables at August 31, 2024 and 2023 for the System's fiduciary funds were \$41,537 and \$533,616, respectively.

**6. Deposits, Investments and Repurchase Agreements**

DEPOSITS OF CASH IN BANK

As of August 31, 2024 and 2023, the carrying amount of the System’s deposits was \$106,640,523 and \$66,237,194, respectively, as presented below:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents per Statement of Cash Flows and Statement of Net Position	\$ 7,650,817,878	6,524,614,258
Less: Cash in State Treasury	1,786,619,997	1,381,704,404
Repurchase Agreement – Texas Treasury Safekeeping Trust Co.	3,067,404	10,321,917
Other Cash Equivalent Investments	5,727,159,460	5,040,478,597
Other	27,330,494	25,872,146
Deposits of Cash in Bank	<u>\$ 106,640,523</u>	<u>66,237,194</u>

In addition, cash and cash equivalents at August 31, 2024 and 2023 for the System’s fiduciary funds were \$1,924,545 and \$1,928,948, respectively.

As of August 31, 2024 and 2023, the total bank balances held by System were \$154,113,287 and \$112,139,814, respectively.

## DEPOSIT RISKS

### *Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The System maintains depository relationships with various banking institutions. The System's policy is that all deposits are governed by a bank depository agreement between the System and the respective banking institution. State law requires that the System's deposits, to the extent such deposits exceed the maximum insured limit under deposit insurance provided by the Federal Deposit Insurance Corporation, shall at all times be collateralized with government securities.

As of August 31, 2024, U. T. Health Science Center at Tyler's blended component unit, East Texas Quality Care Network (ETQCN), held deposits that were exposed to custodial credit risk. ETQCN has no policies regarding these deposits. As of August 31, 2024, the bank balances exposed to custodial risk as uninsured and uncollateralized deposits were \$503. As of August 31, 2023, the bank balances exposed to custodial risk as uninsured and uncollateralized deposits were \$112,723.

## INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The following tables reflect fair value measurements of investments as of August 31, 2024 and 2023, respectively, as categorized by level of the fair value hierarchy, and include both the System's enterprise and fiduciary funds:

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

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

Type of Security	Fair Value as of August 31, 2023	Fair Value Measurement Using		
		Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level:</b>				
Debt Securities:				
U.S. Government Treasury Securities	\$ 2,436,951,905	2,436,951,905	—	—
U.S. Government Treasury TIPS	1,504,143,392	1,504,143,392	—	—
U.S. Government Agency Obligations	360,446,554	—	360,446,554	—
Corporate Obligations	84,962,471	—	84,773,003	189,468
Corporate Asset and Mortgage-Backed Securities	179,073,878	—	179,073,878	—
International Obligations (Government and Corporate)	994,413,357	—	994,413,357	—
Fixed Income Money Market and Bond Mutual Funds	3,333,716,533	2,859,416,533	474,300,000	—
Mutual Funds	493,569,031	489,270,259	4,298,772	—
Equity Securities:				
Equity	3,231,574,441	3,231,064,436	—	510,005
International Equity	3,527,663,911	3,527,659,191	4,720	—
Other Commingled Funds:				
Fixed Income	144,858,334	144,858,334	—	—
U.S. Equity	11,268,172	11,268,172	—	—
International Other Commingled Funds:				
Non-U.S. Developed Equity	312,346,898	312,346,898	—	—
Emerging Markets	36,732,048	36,732,048	—	—
Real Estate and Other:				
PUF Lands	11,111,083,413	—	—	11,111,083,413
Other Real Estate	679,958,750	—	—	679,958,750
Investment Derivative Instruments – Asset Positions	168,650,144	6,272,064	162,378,080	—
Alternative Investments:				
Private Investments	522,841,473	—	—	522,841,473
Miscellaneous	2,812,649	1,704,801	1,107,823	25
<b>Total Investments by Fair Value Level</b>	<b>29,137,067,354</b>	<b>14,561,688,033</b>	<b>2,260,796,187</b>	<b>12,314,583,134</b>

Type of Security	Fair Value as of August 31, 2023	Fair Value Measurement Using		
		Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investment Funds Fair Valued Using Net Asset Value:</b>				
Real Estate	35,386,543			
Hedge Funds	15,352,264,565			
International Other Commingled Funds	10,261,298,622			
Other Investment Funds	39,536,000			
Private Investments	23,787,531,978			
<b>Total Investment Funds Fair Valued Using Net Asset Value</b>	<b>49,476,017,708</b>			
Investments Held in Cash (Not at Fair Value)	148,866,412			
Other Investments (Not at Fair Value)	458,192			
<b>Total Investments</b>	<b>\$ 78,762,409,666</b>			
Securities Lending Collateral Investment Pool (See Securities Lending Section)	\$ 707,785,341	–	707,785,341	–
<b>Investments Classified as Cash Equivalents:</b>				
Repurchase Agreement – Texas Treasury Safekeeping Trust Co. (Not at Fair Value)	\$ 10,321,917			
Fixed Income Money Market Funds	5,040,371,989	5,040,371,989	–	–
Time Deposits (Not at Fair Value)	106,608			
<b>Total Investments Classified as Cash Equivalents</b>	<b>\$ 5,050,800,514</b>			
<b>Deposit with Brokers for Derivative Contracts, Net (Related to Investments):</b>				
U.S. Government Direct Obligations Held in Cash (Not at Fair Value)	\$ 97,445,283	97,445,283	–	–
<b>Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)</b>	<b>\$ 249,791,221</b>			



The following tables display the breakout of total investments, securities lending collateral, total investments classified as cash equivalents, and total deposit with brokers for derivative contracts, net between enterprise and fiduciary funds as of August 31, 2024 and 2023:

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

	<b>August 31, 2023</b>		
	<b>Enterprise Funds</b>	<b>Fiduciary Funds</b>	<b>Total</b>
Total Investments	\$ 78,468,026,873	294,382,793	78,762,409,666
Securities Lending Collateral	704,550,572	3,234,769	707,785,341
Total Investments Classified as Cash Equivalents	5,050,800,514	—	5,050,800,514
Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)	248,763,839	1,027,382	249,791,221

Investment funds fair valued at net asset value per share or based on the System's ownership interest in partner's capital include externally managed funds, limited partnerships, and corporate structures which are generally unrated and may be unregulated. The composition of investment funds that are fair valued using Net Asset Value (NAV) at August 31, 2024 and 2023 is summarized in the tables below as they are included within the asset mix of the System. Tables and disclosures that follow include both the System's enterprise and fiduciary funds.

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

	Fair Value as of August 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>Investment Funds Fair Valued Using Net Asset Value</b>				
<b>Real Estate:</b>				
Redeemable Within One Year	\$ 35,386,543	—	Quarterly	60 days
<b>Hedge Funds:</b>				
Redeemable Within One Year	7,601,346,011		Annually Monthly to	5 - 100 Days
Redeemable Beyond One Year	5,502,664,331		Annually	5 - 100 Days
Nonredeemable	2,248,254,223		Not Applicable	Not Applicable
<b>Total Hedge Funds</b>	<b>15,352,264,565</b>	<b>1,104,178,390</b>		
<b>International Other Commingled Funds:</b>				
<b>Global Developed Equity</b>				
Redeemable Within One Year	7,558,868,335		Daily to Annually	5 - 105 Days
Redeemable Beyond One Year	344,488,423		Monthly to Annually	45 - 105 Days
Nonredeemable	1,419,197		Not Applicable	Not Applicable
<b>Total Global Developed Equity</b>	<b>7,904,775,955</b>	<b>28,565,144</b>		
<b>Emerging Markets</b>				
Redeemable Within One Year	2,132,504,776		Daily to Semi- Annually	1 - 120 Days
Redeemable Beyond One Year	221,242,975		Annually	60 Days
Nonredeemable	2,774,916		Not Applicable	Not Applicable
<b>Total Emerging Markets</b>	<b>2,356,522,667</b>	<b>24,300,992</b>		
<b>Total International Other Commingled Funds</b>	<b>10,261,298,622</b>	<b>52,866,136</b>		
<b>Other:</b>				
Redeemable Within One Year	9,884,000		Quarterly	90 Days
Redeemable Beyond One Year	29,652,000		Quarterly	90 Days
<b>Total Other</b>	<b>39,536,000</b>	—		
<b>Limited Partnerships (Private Investments):</b>				
Redeemable Within One Year	36,286,284		Quarterly	90 days
Nonredeemable	23,751,245,694		Not Applicable	Not Applicable
<b>Total Limited Partnerships (Private Investments)</b>	<b>23,787,531,978</b>	<b>13,696,032,465</b>		
<b>Total Investment Funds Fair Valued Using NAV</b>	<b>\$ 49,476,017,708</b>	<b>14,853,076,991</b>		

The System invests in hedge fund pools which are invested in private funds with external investment managers who invest in equity and fixed income securities of both domestic and international issuers. These investment managers may invest in both long and short securities and may utilize leverage in their portfolios. The funds invested may be subject to a lock-up restriction of typically one to three years before the investment may be withdrawn from the manager without significant penalty. The amounts shown as nonredeemable are considered illiquid in that they typically become liquid over multi-year periods when and if the fund managers distribute proceeds realized from the underlying fund investments and the timing cannot be estimated. There are certain risks associated with these private funds, some of which include investment manager risk, market risk and liquidity risk, as well as the risk of utilizing leverage in the portfolios. The hedge fund pools have committed \$2,410,582,206 and \$1,104,178,390 of future funding to various hedge fund investments as of August 31, 2024 and 2023, respectively. Hedge funds are fair valued by management based on net asset value information provided by the investment manager, as well as other relevant factors.

Public market funds are invested in exchange traded funds, index funds and private placements with external investment managers who invest in equity and fixed income securities of both domestic and international issuers. These funds are characterized as public market funds based on individual risk/return characteristics and their relationship to the overall asset mix of the funds. Some of these investment managers may invest in both long and short securities and may utilize modest leverage in their portfolios. The amounts shown as nonredeemable are considered illiquid in that they typically become liquid over multi-year periods when and if the fund managers distribute proceeds realized from the underlying fund investments and the timing cannot be estimated. Certain of these investments are held through limited liability companies of which UTIMCO is the sole managing member. There are certain risks associated with these investments, some of which are investment manager risk, market risk and liquidity risk, as well as the risk of utilizing leverage in the portfolios. As of August 31, 2024 and 2023, future fundings in the amount of \$15,217,415 and \$52,866,136, respectively, have been committed to certain public market funds. The fair value of private investment funds, are estimated using the investment's capital account balance at the closest available reporting date, as communicated by the investment manager, adjusted for contributions and withdrawals subsequent to the latest available reporting date as well as consideration of any other information, which has been provided by the investment manager or other sources.

The System invests in private investments through private investment pools which are invested in limited partnerships with external investment managers or general partners who invest primarily in private equity securities. These investments, domestic and international, are illiquid and typically become liquid over multi-year periods when and if the fund managers distribute proceeds realized from underlying fund investments. It is estimated that the underlying assets of the private investments will be liquidated over seven to ten years. There are certain risks associated with these investments, some of which are liquidity risk, market risk, event risk and investment manager risk. Certain of these investments are held through LLCs, of which UTIMCO is the sole managing member. The System had committed \$16,378,764,107 and \$13,696,032,465 of future funding to various private investments as of August 31, 2024 and 2023, respectively.

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

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

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

The fair values of these various investment funds, excluding the publicly traded funds, as of August 31, 2024 and 2023 were \$55,747,034,796 and \$49,476,017,708, respectively.

#### INVESTMENT RISKS

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

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). The System's investment policy does not provide specific requirements and limitations regarding investment ratings. Per GASB authoritative guidance, unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The following tables present each applicable investment type, in both the System's enterprise and fiduciary funds, grouped by rating as of August 31, 2024 and 2023:

Investment Type	August 31, 2024					
	MOODY'S		STANDARD & POOR'S		FITCH	
	Fair Value	Rating	Fair Value	Rating	Fair Value	Rating
<b>Investments and Investments Classified as Cash Equivalents:</b>						
U.S. Government Direct Obligations	\$ 3,363,468,672	Aaa	3,363,468,672	AA	3,363,468,672	AA
U.S. Government Agency Obligations	462,558,643	Aaa	462,558,643	AA	462,558,643	AA
Corporate Obligations	369,687	Aaa	4,645,022	AAA	19,557,271	AAA
	25,949,238	Aa	9,801,887	AA	35,214,680	AA
	71,243,266	A	74,793,272	A	32,208,295	A
	21,472,593	Baa	35,112,812	BBB	16,024,834	BBB
	3,339,766	Ba	2,314,745	BB	24,874,541	NR
	5,505,071	NR	1,211,883	NR	—	
Corporate Asset and Mortgage-Backed Securities	50,482,790	Aaa	27,591,299	AAA	40,261,055	AAA
	2,230,959	A	2,376,786	AA	2,759,783	AA
	636,750	Baa	1,901,348	A	2,139,846	A
	94,824	Ba	1,929,751	BBB	7,201	BBB
	1,798,423	B	1,472,772	BB	253,830	CC
	1,226,351	Caa	1,971,949	B	62,018,575	NR
	1,389,664	Ca	2,287,433	CCC	—	
	49,580,529	NR	153,735	CC	—	
	—		67,755,217	NR	—	

August 31, 2024

Investment Type	MOODY'S		STANDARD & POOR'S		FITCH	
	Fair Value	Rating	Fair Value	Rating	Fair Value	Rating
International Obligations (Government and Corporate)	118,871,308	Aaa	69,375,430	AAA	75,161,996	AAA
	69,343,921	Aa	43,128,384	AA	115,883,817	AA
	130,494,193	A	91,285,471	A	127,923,410	A
	247,899,790	Baa	267,586,683	BBB	131,810,467	BBB
	35,919,037	Ba	35,919,036	BB	146,979,512	BB
	12,723,450	B	543,372,667	NR	12,723,450	B
	435,415,972	NR	—		440,185,019	NR
Investment Funds, Other	52,800,403	NR	52,800,403	NR	52,800,403	NR
Fixed Income Money Market and Mutual Funds	7,415,731,824	Aaa	7,438,108,596	AAA	1,602,478,796	AAA
	1,069,152,517	NR	1,046,775,745	NR	6,882,405,545	NR
Repurchase Agreement – Texas Treasury Safekeeping Trust Co.	3,067,404	NR	3,067,404	AA	3,067,404	NR
Reverse Repurchase Agreements	—		—		—	
Miscellaneous	749,242	Aaa	406,194	A	506,194	A
	406,195	A	163,004,044	NR	162,904,044	NR
	162,254,801	NR	—		—	
<b>Total Investments and Investments Classified as Cash Equivalents</b>	<b>\$ 13,816,177,283</b>		<b>13,816,177,283</b>		<b>13,816,177,283</b>	
<b>Deposit with Brokers for Derivative Contracts, Net (Related to Investments):</b>						
U.S. Government Direct Obligations	\$ 156,057,413	Aaa	156,057,413	AA	156,057,413	AA
Cash	284,488,365	NR	284,488,365	NR	284,488,365	NR
<b>Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)</b>	<b>\$ 440,545,778</b>		<b>440,545,778</b>		<b>440,545,778</b>	

August 31, 2023

Investment Type	MOODY'S		STANDARD & POOR'S		FITCH	
	Fair Value	Rating	Fair Value	Rating	Fair Value	Rating
<b>Investments and Investments Classified as Cash Equivalents:</b>						
U.S. Government Direct Obligations	\$ 3,941,095,297	Aaa	3,941,095,297	AA	20,786,394	AAA
	—		—		3,920,308,903	AA
U.S. Government Agency Obligations	121,797,653	Aaa	121,797,653	AA	116,101,127	AAA
	238,648,901	NR	238,648,901	NR	5,696,526	AA
	—		—		238,648,901	NR
Corporate Obligations	3,822,491	Aaa	6,251,301	AAA	1,830,531	AAA
	11,906,833	Aa	9,465,159	AA	13,267,312	AA
	49,468,351	A	45,437,203	A	20,132,141	A
	15,155,718	Baa	21,725,444	BBB	17,387,076	BBB
	1,033,433	Ba	186,188	BB	32,345,411	NR
	3,575,645	NR	1,897,176	NR	—	
Corporate Asset and Mortgage-Backed Securities	64,423,502	Aaa	45,359,687	AAA	44,451,829	AAA
	9,223,914	Aa	8,057,321	AA	6,807,854	AA
	6,059,886	A	6,184,987	A	3,274,080	A
	690,890	Baa	1,879,090	BBB	45,052	BBB
	98,424	Ba	2,503,173	BB	969,195	BB
	2,010,443	B	2,185,446	B	246,615	CC
	3,111,453	Caa	3,475,641	CCC	122,432,014	NR
	1,451,477	Ca	2,101,425	CC	847,239	C
	1,018,128	C	107,327,108	NR	—	
	90,985,761	NR	—		—	
International Obligations (Government and Corporate)	91,691,591	Aaa	79,888,872	AAA	72,092,502	AAA
	32,341,625	Aa	13,320,303	AA	65,498,986	AA
	88,577,589	A	51,470,304	A	99,672,322	A
	271,869,678	Baa	284,720,072	BBB	170,782,439	BBB
	66,308,365	Ba	75,372,756	BB	172,839,594	BB
	10,290,216	B	489,641,050	NR	10,290,217	B
	433,334,293	NR	—		42,800	C
					403,194,497	NR
Investment Funds, Other	39,536,000	NR	39,536,000	NR	39,536,000	NR
Fixed Income Money Market and Mutual Funds	7,524,768,779	Aaa	7,524,768,779	AAA	510,740,517	AAA
	998,186,155	NR	998,186,155	NR	8,012,214,417	NR
Repurchase Agreement – Texas Treasury Safekeeping Trust Co.	10,321,917	NR	10,321,917	AA	10,321,917	NR
Miscellaneous	709,272	Aaa	398,551	A	398,551	A
	398,551	A	145,674,214	NR	145,674,214	NR
	144,964,942	NR	—		—	

Investment Type	August 31, 2023					
	MOODY'S		STANDARD & POOR'S		FITCH	
	Fair Value	Rating	Fair Value	Rating	Fair Value	Rating
<b>Total Investments and Investments Classified as Cash Equivalents</b>	<u>\$ 14,278,877,173</u>		<u>14,278,877,173</u>		<u>14,278,877,173</u>	
<b>Deposit with Brokers for Derivative Contracts, Net (Related to Investments):</b>						
U.S. Government Direct Obligations	\$ 97,445,283	Aaa	97,445,283	AA	97,445,283	AA
Cash	<u>152,345,938</u>	NR	<u>152,345,938</u>	NR	<u>152,345,938</u>	NR
<b>Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)</b>	<u>\$ 249,791,221</u>		<u>249,791,221</u>		<u>249,791,221</u>	

(B) *Concentrations of Credit Risk* – The System’s investment policy statements for funds managed by UTIMCO contain the limitation that no more than 5% of the fair value of fixed income securities may be invested in corporate or municipal bonds of a single issuer. As of August 31, 2024 and 2023, these funds did not hold any direct investments in any one issuer of corporate or municipal bonds that were 5% or more of the fair value of the fund’s fixed income investments.

(C) *Custodial Credit Risk* – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Texas State Statutes and the System’s investment policy statements do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. All System investments are held by the System’s custodian bank in the name of the U.T. System Board of Regents. Uninvested cash is invested in overnight money market funds that are also held in the name of the U.T. System Board of Regents. Required collateral is posted unilaterally by System and each counterparty to segregated accounts established at the System’s custodian bank. As all investments and collateral deposits are held in the name of the U.T. System Board of Regents or in segregated accounts in the name of the U.T. System Board of Regents as of August 31, 2024 and 2023, the System has minimal exposure to custodial credit risk.



(D) *Interest Rate Risk* – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Interest rate risk inherent in the System’s investments is measured by monitoring the modified duration of the overall investment portfolio. Modified duration estimates the sensitivity of the System’s investments to changes in interest rates. The System has no specific policy statement limitations with respect to its overall modified duration. The following table summarizes the System’s modified duration in years by investment type, in both the System’s enterprise and fiduciary funds, as of August 31, 2024 and 2023:

Investment Type	August 31, 2024		August 31, 2023	
	Fair Value	Modified Duration	Fair Value	Modified Duration
<b>Investments:</b>				
U.S. Government Guaranteed:				
U.S. Treasury Bills	\$ 4,613,894	0.10	23,567,463	0.10
U.S. Treasury Bonds and Notes	2,906,318,938	12.17	2,413,384,442	13.57
U.S. Treasury Inflation Protected	452,535,840	6.20	1,504,143,392	6.62
U.S. Agency Asset Backed	98,218,784	3.16	9,248,776	5.54
Total U.S. Government Guaranteed	<u>3,461,687,456</u>	11.12	<u>3,950,344,073</u>	10.82
U.S. Government Non-Guaranteed:				
U.S. Agency	6,141,052	9.60	5,696,526	10.27
U.S. Agency Asset Backed	358,198,807	4.32	345,501,252	6.36
Total U.S. Government Non-Guaranteed	<u>364,339,859</u>	4.41	<u>351,197,778</u>	6.42
Total U.S. Government	<u>3,826,027,315</u>	10.48	<u>4,301,541,851</u>	10.47
Corporate Obligations:				
Domestic	235,319,911	3.80	264,036,349	3.17
Foreign	222,779,290	3.59	188,058,260	2.85
Total Corporate Obligations	<u>458,099,201</u>	3.70	<u>452,094,609</u>	3.04
Foreign Government and Provincial Obligations	827,888,381	5.72	806,355,097	13.14
Other Debt Securities	1,255,437	11.94	1,107,823	1.52
Total Debt Securities	<u>5,113,270,334</u>	9.10	<u>5,561,099,380</u>	9.15
Other Investment Funds - Debt	162,045,600	4.33	144,858,334	1.52
Fixed Income Money Market and Mutual Funds & Cash	2,757,834,081	0.81	3,482,582,945	0.43
Investment Funds, Other	52,800,403	—	39,536,000	—
<b>Total Investments</b>	<u>\$ 8,085,950,418</u>	6.12	<u>9,228,076,659</u>	5.69
<b>Investments Classified as Cash Equivalents:</b>				
Repurchase Agreement - Texas Treasury Safekeeping Trust Co.	\$ 3,067,404	0.01	10,321,917	—
Fixed Income Money Market Funds	5,727,050,260	0.08	5,040,371,989	0.08
Time Deposits	109,200	—	106,608	—
<b>Total Investments Classified as Cash Equivalents</b>	<u>\$ 5,730,226,864</u>	0.08	<u>5,050,800,514</u>	0.08
<b>Deposit with Brokers for Derivative Contracts, Net (Related to Investments):</b>				
U.S. Government Guaranteed:				
U.S. Government Direct Obligations	\$ 156,057,413	0.12	97,445,283	0.14
Total U.S. Government Guaranteed	<u>156,057,413</u>	0.12	<u>97,445,283</u>	0.14
Cash	284,488,365	—	152,345,938	—
<b>Total Deposit with Brokers for Derivative Contracts, Net (Related to Investments)</b>	<u>\$ 440,545,778</u>	—	<u>249,791,221</u>	—

(E) *Investments with Fair Values That Are Highly Sensitive to Interest Rate Changes* – The System may invest in various mortgage-backed securities, such as collateralized mortgage-backed obligations. The System also may invest in investments that have floating rates with periodic coupon changes in market rates, zero coupon bonds and stripped treasury and agency securities created from coupon securities. No percentage of holdings limitations are specified in the investment policy statements regarding these types of securities. As of August 31, 2024 and 2023, the System’s investments included the following investments that are highly sensitive to interest rate changes:

- Collateralized mortgage obligations which are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows will affect the fair value of these securities. As of August 31, 2024 and 2023, these securities amounted to \$83,461,635 and \$127,461,330, respectively.
- Mortgage-backed securities which are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows will affect the fair value of these securities. As of August 31, 2024 and 2023, these securities amounted to \$454,887,509 and \$354,133,590, respectively.
- Asset backed securities which are backed by home equity loans, auto loans, equipment loans and credit card receivables. Prepayments by the obligees of the underlying assets in periods of decreasing interest rates could reduce or eliminate the stream of income that would have been received. As of August 31, 2024 and 2023, these securities amounted to \$39,372,973 and \$98,922,914, respectively.

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

Classification between domestic common stock and foreign common stock is based on the country of domicile of the issuer, not the currency in which the security is traded. The following tables summarize the System’s exposure to non-U.S. dollar investments by asset type as of August 31, 2024 and 2023.

Investment Type	August 31	
	2024	2023
<b>Domestic Common Stock:</b>		
Euro	\$ 2,565,373	\$ —
UK Pound	1,778,174	—
Total Domestic Common Stock	4,343,547	—
<b>Foreign Common Stock:</b>		
Australian Dollar	\$ 10,640,485	22,399,245
Brazilian Real	99,244,404	176,988,105
Canadian Dollar	17,291,164	25,560,870
Chilean Peso	171,783	203,998
Chinese Yuan Renminbi	30,076,016	165,100,251
Czech Koruna	245,675	555,918
Danish Krone	81,085,708	57,083,420
Egyptian Pound	65,909	1,325,151
Euro	416,918,761	431,191,573
Hong Kong Dollar	157,716,086	176,325,268
Hungarian Forint	1,672,652	1,036,377
Indian Rupee	182,637,862	97,974,096
Indonesian Rupiah	30,593,493	36,021,046
Japanese Yen	93,563,144	449,415,790
Malaysian Ringgit	11,007,177	12,735,993
Mexican Peso	13,057,753	13,264,746
New Zealand Dollar	457,570	2,064,088
Norwegian Krone	7,345,467	24,686,023
Peruvian Sol	42,863	—
Philippine Peso	1,998,375	2,026,883
Polish Zloty	5,926,599	6,580,784
Qatari Riyal	4,204,140	1,972,469
Singapore Dollar	5,750,243	10,039,655
South African Rand	18,191,763	17,359,855
Russian Ruble	166	153
Saudi Arabian Riyal	15,168,546	775,852
South Korean Won	234,806,947	214,674,700
Swedish Krona	20,758,572	27,210,452
Swiss Franc	140,145,629	113,792,044
Taiwan Dollar	478,354,541	375,832,170
Thai Baht	8,859,645	17,442,624
Turkish Lira	10,138,648	7,356,306
UK Pound	296,021,948	266,806,251
United Arab Emirates Dirham	14,129,459	6,887,062
Total Foreign Common Stock	2,408,289,193	2,762,689,218
<b>Other - Equity Securities:</b>		
Brazilian Real	—	11,084
South Korean Won	2,154	—
Swiss Franc	—	72,543
Taiwan Dollar	—	32
Total Other - Equity Securities	2,154	83,659

Investment Type	August 31	
	2024	2023
<b>Foreign Preferred Stocks:</b>		
Brazilian Real	19,425,823	37,988,325
Euro	206,720	922,045
South Korean Won	55,196,292	46,857,220
Total Foreign Preferred Stock	74,828,835	85,767,590
<b>Foreign Government and Provincial Obligations:</b>		
Australian Dollar	5,922,641	10,440,330
Brazilian Real	35,942,043	56,284,769
Canadian Dollar	42,420,108	12,854,952
Chinese Yuan Renminbi	—	956,176
Colombian Peso	75,118,434	66,459,824
Euro	124,038,290	38,035,704
Indian Rupee	2,010,840	—
Indonesian Rupiah	6,829,348	4,950,494
Israeli Shekel	472,540	2,041,384
Japanese Yen	244,888,455	257,953,828
Malaysian Ringgit	12,070,780	32,829,644
Mexican Peso	95,121,062	147,447,577
New Zealand Dollar	23,298,721	18,133,414
Norwegian Krone	8,744,609	8,014,771
Polish Zloty	—	1,902,946
Russian Ruble	2,366,244	4,396,565
Singapore Dollar	13,125,324	10,377,427
South African Rand	33,874,919	47,623,809
South Korean Won	35,284,262	25,398,675
UK Pound	15,101,116	28,524,998
Total Foreign Government and Provincial Obligations	776,629,736	774,627,287
<b>Corporate Obligations:</b>		
Australian Dollar	6,001,630	2,067,378
Brazilian Real	378,483	455,792
Danish Krone	2,158	15,563,303
Euro	23,753,671	24,623,207
Indian Rupee	113	—
UK Pound	21,035,705	36,166,002
Total Corporate Obligations	51,171,760	78,875,682
<b>Purchased Options:</b>		
Brazilian Real	34	284,124
Euro	442,084	433,477
Total Purchased Options	442,118	717,601
<b>Investment Funds-Emerging Markets:</b>		
Brazilian Real	1,069,474	1,172,760
Thai Baht	217,251	—
Total Investment Funds-Emerging Markets	1,286,725	1,172,760

Investment Type	August 31	
	2024	2023
<b>Private Investments:</b>		
Australian Dollar	69,969,719	51,277,328
Canadian Dollar	183,491,829	171,723,226
Euro	1,124,642,423	1,056,615,290
Japanese Yen	36,087,480	41,780,446
Swedish Krona	17,004,097	56,802,563
UK Pound	351,977,398	246,318,795
Total Private Investments	1,783,172,946	1,624,517,648
<b>Cash and Cash Equivalents:</b>		
Australian Dollar	(1,756,965)	1,115,317
Brazilian Real	12,634,187	14,302,680
Canadian Dollar	(3,449,961)	(29,542)
Chilean Peso	9,387	263
Chinese Yuan Renminbi	242,433	4,532,387
Colombian Peso	60,700	—
Czech Koruna	29,981	20,405
Danish Krone	3,274	80,543
Egyptian Pound	5,124	226,138
Euro	5,893,469	29,490,167
Hong Kong Dollar	(782,056)	(526,957)
Hungarian Forint	250	—
Indian Rupee	120,721	109,194
Indonesian Rupiah	343,272	77,682
Israeli Shekel	21,745	2,700
Japanese Yen	(5,266,739)	(4,443,921)
Malaysian Ringgit	77,705	106,569
Mexican Peso	68,662	9,094
New Zealand Dollar	427,762	136,465
Norwegian Krone	47,222	641
Philippine Peso	16,606	—
Polish Zloty	26,830	3,528
Qatari Riyal	7,167	—
Romanian Leu	79	72
Saudi Arabian Riyal	37,724	—
Singapore Dollar	435,542	181,559
South African Rand	58,852	2,625,981
South Korean Won	7,056,236	4,720,787
Swedish Krona	15,114	115,920
Swiss Franc	305,328	71,720
Taiwan Dollar	2,322,053	1,380,985
Thai Baht	4,045	919
Turkish Lira	2,032	31,209
UK Pound	5,987,914	(5,607,501)
United Arab Emirates Dirham	3,532	—
Total Cash and Cash Equivalents	25,010,797	48,735,004
<b>Written Options:</b>		
Brazilian Real	—	(331,526)
Euro	(409,267)	(413,319)
UK Pound	(13)	(2,820)
Total Written Options	(409,280)	(747,665)

Investment Type	August 31	
	2024	2023
<b>Swaps:</b>		
Australian Dollar	536,971	62,927
Canadian Dollar	(1,224,644)	(4,144,298)
Chinese Yuan Renminbi	(931,324)	(1,554,193)
Czech Koruna	(17,732)	(35,489)
Euro	(2,411,102)	(1,702,327)
Indian Rupee	36,650	22,477
Japanese Yen	(100,323,351)	110,068
Malaysian Ringgit	(141,174)	66,700
Mexican Peso	(55,405)	(123,892)
New Zealand Dollar	195,834	(1,004,302)
Singapore Dollar	(1,252,459)	(6,140)
South Korean Won	(604,836)	(484,362)
Swedish Krona	(50,751)	(103,476)
Swiss Franc	(95,393)	(340,939)
Thai Baht	(1,384,728)	(6,446)
UK Pound	1,266,055	(6,661,297)
Total Swaps	(106,457,389)	(15,904,989)
<b>Futures:</b>		
Australian Dollar	(147,541)	(165,027)
Brazilian Real	—	196,688
Canadian Dollar	71,544	(39,972)
Euro	(134,772)	(4,876,376)
Japanese Yen	3,098,233	87,550
UK Pound	(53,159)	533,183
Total Futures	2,834,305	(4,263,954)
Total	\$ 5,021,145,447	5,356,269,841

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

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

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

The System had gross counterparty exposure as of August 31, 2023 for options, swaps, and foreign currency exchange contracts as shown in the following table:

	Notional		Fair Value		Counterparty Rating
	Assets	Liabilities	Assets	Liabilities	
Options	\$ 563,624,974	504,689,870	11,650,756	10,409,175	AA
Options	949,997,520	750,898,225	31,680,509	9,145,897	A
Swaps	648,523,660	935,113,558	13,612,907	28,374,404	AA
Swaps	12,625,099	230,833,970	2,977,376	13,259,353	A
Foreign Currency Exchange Contracts	894,864,740	634,768,783	14,231,057	9,769,338	AA
Foreign Currency Exchange Contracts	918,907,713	894,830,705	16,187,024	32,882,146	A
	<u>\$ 3,988,543,706</u>	<u>3,951,135,111</u>	<u>90,339,629</u>	<u>103,840,313</u>	

As of August 31, 2024 and 2023, the System also had investments in futures contracts, options on futures contracts and exchange-cleared swaps. Futures contracts, options on futures contracts and exchange-cleared swaps expose the System to minimal counterparty credit risk since they are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default, and therefore, they are not presented in the previous tables.

Counterparty risk for swaps, options and foreign currency exchange contracts which are traded over-the-counter is mitigated by having master netting arrangements between the System and its counterparties, and by the posting of collateral on a daily basis by the counterparty to the System to cover the System's exposure to a counterparty above the limits set in place in each master netting agreement. Collateral posted by counterparties is held by the System in one of its accounts at the System's custodian bank. As of August 31, 2024 and 2023, the System held \$52,106,779 and \$43,978,845, respectively, as collateral related to derivative instruments other than futures, and had on deposit with brokers \$404,250,811 and \$239,341,773, respectively, as collateral related to derivative instruments other than futures.

## SECURITIES LENDING

In accordance with the prudent investor investment standards, the System participates in a securities lending program. The System began the program, under a contract with the System's lending agent, on September 1, 1995. The lending agent is authorized to lend any securities held by the System's custodian except those securities, which the policy guidelines prohibit lending. At August 31, 2024 and 2023, there were a total of \$1,107,434,098 and \$1,046,773,903, respectively, of securities out on loan to brokers/dealers. A combination of cash and qualified non-cash securities are held as collateral against the outstanding securities on loan. The value of cash collateral held for these securities consisted of \$957,947,986 at August 31, 2024 and \$707,785,341 at August 31, 2023. These amounts are recorded as assets, with an offsetting liability to return the collateral on the consolidated statement of net position. The qualified non-cash securities received as collateral for securities lending activities are not recorded as assets because these securities remain under the control of the transferor, except in the event of default.

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

Cash received as collateral for securities lending activities is invested and reinvested in a non-commingled pool exclusively for the benefit of the System. The pool is managed in accordance with investment guidelines established in the securities lending contract between the System and its securities lending agent. The maturities of the investments in the pool do not necessarily match the term of the loans, rather the pool is managed to maintain a maximum dollar weighted average maturity of 60 days and an overnight liquidity of 20%. The System was collateralized 102% on August 31, 2024 and 106% on August 31, 2023 for securities on loan collateralized by cash. The System's collateral pool investments, rating by NRSRO and weighted average maturity in days as of August 31, 2024 and 2023, are shown in the following table and include both the System's enterprise and fiduciary funds:

Description	August 31, 2024			August 31, 2023		
	Fair Value	Rating	Weighted Average	Fair Value	Rating	Weighted Average
Repurchase Agreements	\$ 427,886,898	Not Rated	3	\$ 440,394,170	Not Rated	1
Commercial Paper	42,052,430	AA		145,864,142	A	
Commercial Paper	340,875,632	A		—		
Total Commercial Paper	<u>382,928,062</u>		7	<u>145,864,142</u>		19
Corporate Obligations	—			11,099,158	AA	
Total Corporate Obligations	<u>—</u>			<u>11,099,158</u>		1
Certificate of Deposit	26,199,527	AA		33,053,827	AA	
Certificate of Deposit	121,699,543	A		79,726,982	A	
Total Certificate of Deposit	<u>147,899,070</u>		3	<u>112,780,809</u>		—
Other Receivables/Payables	(766,044)	Not Rated	—	(2,352,938)	Not Rated	—
Total Collateral Pool Investment	<u>\$ 957,947,986</u>		12	<u>\$ 707,785,341</u>		5

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

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



Loans that are collateralized with securities generate income when the borrower pays a loan premium or fee for the securities loan. This income is split with the same ratio as the earnings for cash collateral. The collateral pledged to the System by the borrower is custodied by the lending agent or through a third-party arrangement. These securities held as collateral are not available to the System for selling or pledging unless the borrower is in default of the loan. The System held collateral equal to 102% and 103% of the securities on loan that were collateralized by non-cash securities as of August 31, 2024 and August 31, 2023, respectively.

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

For non-U.S. issuers, except those foreign securities that are denominated and payable in U.S. Dollars, the collateral should remain at 105% of the fair value of the loaned securities at the close of any business day. If it falls below 105%, the borrower must deliver additional collateral by the close of the following business day. The System was collateralized 106% for international loans on August 31, 2024 and 121% for international loans on August 31, 2023.

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

At August 31, 2024 and 2023, the System had no credit risk exposure to borrowers because the amounts the System owed to borrowers exceeded the amounts the borrowers owed the System.

There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses and no recoveries of prior period losses during the years ended August 31, 2024 and 2023.

#### DERIVATIVE FINANCIAL INSTRUMENTS

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

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

The changes in fair value of open futures contracts were increases of \$89,838,620 and \$66,634,619 for the years ending August 31, 2024 and 2023, respectively, which are included in investment income on the consolidated statements of revenues, expenses and changes in net position. The System had \$88,401,745 and \$54,428,293 on deposit with brokers for collateral as margin for the futures contracts as of August 31, 2024 and 2023, respectively. Short futures may be used by internal managers and a limited number of external managers of the System to hedge the System's interest rate or currency risk associated with security positions. The System executes such contracts either on major exchanges or with major international financial institutions and minimizes market and credit risk associated with these contracts through the managers' various trading and credit monitoring techniques.

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

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

The following discloses the type, notional value, and fair value of futures contracts at August 31, 2023:

	Notional Value at August 31, 2023		Fair Value at August 31, 2023	
	Long	Short	Assets	Liabilities
Domestic Fixed Income	\$ 1,960,018,260	669,942,895	10,470,648	1,377,350
International Fixed Income	389,465,242	2,107,176,210	1,402,561	5,435,135
Domestic Equity	785,925,143	59,049,980	411,442	5,834,373
International Equity	101,386,918	6,831,265	14,605	245,985
Totals	<u>\$ 3,236,795,563</u>	<u>2,843,000,350</u>	<u>12,299,256</u>	<u>12,892,843</u>

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

The following tables summarize, by currency, the contractual amounts of the System's foreign exchange contracts at August 31, 2024 and 2023. Foreign currency amounts are translated at exchange rates as of August 31, 2024 and 2023. The "Net Buy" amounts represent the U.S. dollar equivalent of net commitments to purchase foreign currencies and the "Net Sell" amounts represent the U.S. dollar equivalent of net commitments to sell foreign currencies.

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

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

August 31, 2023

Currency			Unrealized Gains	Unrealized Losses
	Net Buy	Net Sell	on Foreign Exchange Contracts	on Foreign Exchange Contracts
Australian Dollar	\$ 37,929,306	—	782,898	1,106,428
Brazilian Real	—	8,820,026	1,180,049	866,327
Canadian Dollar	31,485,963	16,558,590	1,055,626	944,165
Chilean Peso	29,086	2,095,333	294,083	48,458
Chinese Yuan Renminbi	—	58,784,892	1,362,505	761,551
Colombian Peso	—	49,042,260	668,664	261,639
Czech Koruna	10,339,975	2,700,973	30,140	128,613
Danish Krone	—	14,287,333	272,339	15,426
Egyptian Pound	—	25,566	—	71
Euro	—	133,896,097	2,896,084	409,425
Hong Kong Dollar	20,985	294,860	2,080	—
Hungarian Forint	1,810,773	411,639	26,189	9,501
Indian Rupee	36,224,956	—	76,038	157,652
Indonesian Rupiah	2,326,485	4,726,823	84,205	68,236
Israeli Shekel	8,394	4,084,785	639,516	163,418
Japanese Yen	—	84,865,281	13,246,925	30,459,621
Malaysian Ringgit	—	963,395	19,162	18
Mexican Peso	—	113,541,296	650,594	952,722
New Zealand Dollar	—	23,167,835	1,058,835	647,859
Norwegian Krone	42,533,045	—	524,119	1,206,178
Peruvian Sol	—	1,292,628	39,793	40,126
Philippines Peso	—	2,102,527	39,716	65,401
Polish Zloty	—	10,205,150	39,274	61,393
Romanian Leu	—	2,085,209	6,803	12,628
Singapore Dollar	—	19,287,238	727,792	475,355
South African Rand	—	28,429,615	66,127	181,848
South Korean Won	—	13,859,902	1,043,199	1,383,073
Swedish Krona	30,187,864	—	97,550	266,773
Swiss Franc	—	7,733,804	234,899	144,208
Taiwan Dollar	—	10,411,267	495,798	15,104
Thailand Baht	4,585,546	2,268,510	834,073	552,978
Turkish Lira	50,526	—	46,133	46,141
UK Pound	—	106,401,148	1,876,873	1,199,148
TOTAL	\$ 197,532,904	722,343,982	30,418,081	42,651,484

The change in fair value of open foreign currency exchange contracts for the year ending August 31, 2023 was a decrease in the amount of \$12,233,403, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position

(C) *Written Options* – Written options are used to alter the market (systematic) exposure without trading the underlying cash market securities, and to hedge and control risks, so that the actual risk/return profile is more closely aligned with the target risk/return profile. The fair value is included on the consolidated statement of net position in investment derivatives-liability positions. The following discloses the fair values of the outstanding written call options contracts as of August 31, 2024 and 2023:

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

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

<b>Type</b>	<b>Fair Value at August 31, 2023</b>	
	<b>Assets</b>	<b>Liabilities</b>
Equity	\$ —	8,846,918
Interest Rate Swap	33,335	65,458
Other	—	15,963
	<u>\$ 33,335</u>	<u>8,928,339</u>

The change in fair value of open call options for the year ending August 31, 2023, was an increase in the amount of \$417,783, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

The following discloses the fair values of the outstanding written put options contracts as of August 31, 2024 and 2023:

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

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

<b>Type</b>	<b>Fair Value at August 31, 2023</b>	
	<b>Assets</b>	<b>Liabilities</b>
Equity	\$ —	10,623,079
Interest Rate Swap	—	1,454,366
Other	—	53,012
	<u>\$ —</u>	<u>12,130,457</u>

The change in fair value of open put options for the year ending August 31, 2023, was a decrease in the amount of \$2,022,266, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

(D) *Swaps* – Swaps are used to adjust interest rate and yield curve exposures. The fair value of the asset positions is included in investments, and the fair value of the liability positions is included in investment derivatives-liability positions on the consolidated statement of net position. The following discloses the notional amount (presented in US dollar equivalents) and the fair values of the outstanding swap contracts as of August 31, 2024:

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

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

The following discloses the notional amount (presented in US dollar equivalents) and the fair values of the outstanding swap contracts as of August 31, 2023:

Type	USD Notional Value	Fair Value at August 31, 2023	
		Assets	Liabilities
Interest Rate (Pay-Fixed Receive-Variable)	\$ 2,119,495,052	16,929,671	40,606,022
Interest Rate (Pay-Variable Receive-Fixed)	263,864,073	12,222,985	23,075
Commodity	197,576,514	—	2,664,416
Credit Default	344,614,079	4,895,863	476,602
Currency	12,895,400	1,284,453	1,242,567
Equity	1,426,259,205	14,395,971	35,881,009
Fixed Income	135,806,676	760,969	147,284
Volatility	20,989,665	575,694	12,261
Total	<u>\$ 4,521,500,664</u>	<u>51,065,606</u>	<u>81,053,236</u>

The change in fair value of open swap positions for the year ending August 31, 2023, was a decrease in the amount of \$25,303,709, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

## 7. Derivative Instruments

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

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

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



	Change in Fair Value (FV)		Fair Value at August 31, 2023		Notional Amount
	August 31, 2022 to August 31, 2023		August 31, 2023		
	Classification	Amount	Classification	Amount	
<b>Interest Rate Swaps</b>					
Fair Value Hedging Derivative					
Instrument Assets Receive-Fixed Pay-Variable	Def Inflows	\$ 540,818	Hedging Derivative Instrument Asset	\$ 540,818	128,180,000
Cash Flow Hedging Derivative					
Instrument Assets Pay-Fixed Receive-Variable	Def Inflows	5,231,458	Hedging Derivative Instrument Asset	130,238,920	500,000,000
Cash Flow Hedging Derivative					
Instrument Liabilities Pay-Fixed Receive-Variable	Def Outflows	48,122,156	Hedging Derivative Instrument Liab	(39,388,655)	976,475,000
Investment Derivative Instrument Assets Basis Swaps	Net Incr. (Decr.) in FV of Invest	13,606,748	Investments	41,277,103	804,760,000
Investment Derivative Instrument Liabilities Basis Swaps	Net Incr. (Decr.) in FV of Invest	974,081	Invest Deriv Instrument – Liab Positions	—	—
<b>Investment Derivative Instruments</b>					
<u>Investment Derivative Instrument Assets:</u>					
Swaps:					
Pay-Fixed Receive-Variable		16,388,033		16,929,671	722,909,240
Pay-Variable Receive-Fixed		8,774,567		12,222,985	256,456,211
Commodity		—		—	—
Credit Default		4,673,046		4,895,863	317,514,079
Currency		(52,319)		1,284,453	6,217,440
Equity		14,395,971		14,395,971	526,687,054
Fixed Income		760,969		760,969	91,850,000
Inflation		—		—	—
Volatility		550,160		575,694	14,142,557
Total Swaps	Net Incr. (Decr.) in FV of Invest	45,490,427	Investments	51,065,606	1,935,776,581
Futures	Net Incr. (Decr.) in FV of Invest	12,299,256	Other Accounts Receivable	12,299,256	3,236,795,563
Unrealized Gains on Foreign Forwards	Net Incr. (Decr.) in FV of Invest	30,418,081	Investments	30,418,081	1,813,772,453
Purchased Options	Net Incr. (Decr.) in FV of Invest	(13,932,374)	Investments	45,889,354	1,606,156,470
<u>Investment Derivative Instrument Liabilities:</u>					
Swaps:					
Pay-Fixed Receive-Variable		(31,819,186)		(40,606,022)	1,396,585,812
Pay-Variable Receive-Fixed		(23,075)		(23,075)	7,407,862
Commodity		(2,664,416)		(2,664,416)	197,576,514
Credit Default		(476,602)		(476,602)	27,100,000
Currency		229,697		(1,242,567)	6,677,960
Equity		(35,881,009)		(35,881,009)	899,572,151
Fixed Income		(147,284)		(147,284)	43,956,676
Inflation		—		—	—
Volatility		(12,261)		(12,261)	6,847,108
Total Swaps	Net Incr. (Decr.) in FV of Invest	(70,794,136)	Invest Deriv – Liab Positions	(81,053,236)	2,585,724,083
Futures	Net Incr. (Decr.) in FV of Invest	(12,892,843)	Current Accounts Payable	(12,892,843)	2,843,000,350
Unrealized Losses on Foreign Forwards	Net Incr. (Decr.) in FV of Invest	(42,651,484)	Invest Deriv – Liab Positions	(42,651,484)	1,529,599,488
Options Written	Net Incr. (Decr.) in FV of Invest	2,440,049	Invest Deriv – Liab Positions	(21,025,461)	1,451,390,932

Fiduciary fund investment derivative instrument assets of \$1,094,287 and \$496,874 as of August 31, 2024 and 2023, respectively, are included in the numbers in the tables above. Fiduciary fund investment derivative instrument liabilities of \$929,173 and \$576,154 as of August 31, 2024 and 2023, respectively, are included in the numbers in the tables above.

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

## 8. Endowments

Investments include \$63,420,180,721 and \$59,937,190,064 of endowment funds as of August 31, 2024 and 2023, respectively. The net position classifications on the statement of net position related to endowment funds as of August 31, 2024 and 2023 are as follows:

<u>Net Position Classification of Endowments</u>	<u>2024</u>	<u>2023</u>
Restricted, Nonexpendable	\$ 39,721,621,731	38,161,618,752
Restricted, Expendable:		
Net Appreciation on True Endowments	19,731,602,494	17,487,270,676
Funds Functioning as Endowments	1,135,580,640	1,031,549,265
Book Value of Term Endowments	44,300,693	42,599,504
Net Appreciation on Term Endowments	60,530,557	55,979,709
Unrestricted:		
Funds Functioning as Endowments	1,414,681,836	1,342,467,476
Total	<u>\$ 62,108,317,951</u>	<u>58,121,485,382</u>

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

### ENDOWMENTS AND SIMILAR FUNDS – STATE

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

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

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

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

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

#### ENDOWMENT AND SIMILAR FUNDS - OTHER THAN STATE

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

#### AVAILABLE UNIVERSITY FUND

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

## 9. Capital Assets

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

	Balance September 1, 2023 Excluding SFASU	Addition of SFASU (Note 4)	Restated Balance September 1, 2023 Including SFASU	Reclassifications Completed CIP
<u>Nondepreciable Assets:</u>				
Land and Land Improvements	\$ 1,142,534,963	8,404,478	\$ 1,150,939,441	762,842
Construction in Progress (CIP)	1,534,176,903	6,965,736	1,541,142,639	(1,001,560,120)
Nondepreciable Collections	849,749,145	831,858	850,581,003	160,266
Nonamortizable Intangible Assets	24,596,943	—	24,596,943	—
Total Nondepreciable/Nonamortizable Assets	<u>3,551,057,954</u>	<u>16,202,072</u>	<u>3,567,260,026</u>	<u>(1,000,637,012)</u>
<u>Depreciable Assets:</u>				
Buildings and Building Improvements	25,755,590,864	521,679,193	26,277,270,057	782,147,533
Infrastructure	830,060,517	17,469,304	847,529,821	13,075,975
Facilities and Other Improvements	1,350,109,252	37,381,456	1,387,490,708	54,991,864
Furniture and Equipment	5,705,136,597	25,457,054	5,730,593,651	85,865,407
Vehicles, Boats and Aircraft	108,727,645	7,389,831	116,117,476	—
Other Depreciable Assets (including Library Books)	1,170,238,346	13,781,431	1,184,019,777	10,458,267
Total Depreciable Assets at Historical Cost	<u>34,919,863,221</u>	<u>623,158,269</u>	<u>35,543,021,490</u>	<u>946,539,046</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(14,046,945,555)	(317,444,460)	(14,364,390,015)	—
Infrastructure	(377,155,834)	(14,129,310)	(391,285,144)	—
Facilities and Other Improvements	(752,046,350)	(25,789,005)	(777,835,355)	—
Furniture and Equipment	(4,205,927,265)	(18,680,935)	(4,224,608,200)	—
Vehicles, Boats and Aircraft	(82,015,975)	(5,488,585)	(87,504,560)	—
Other Depreciable Assets (including Library Books)	(737,250,252)	(13,450,853)	(750,701,105)	—
Total Accumulated Depreciation	<u>(20,201,341,231)</u>	<u>(394,983,148)</u>	<u>(20,596,324,379)</u>	<u>—</u>
Depreciable Assets, Net	<u>14,718,521,990</u>	<u>228,175,121</u>	<u>14,946,697,111</u>	<u>946,539,046</u>
<u>Amortizable Intangible Assets:</u>				
Computer Software	1,368,342,276	4,475,810	1,372,818,086	54,097,966
Other Intangibles	700,000	—	700,000	—
Right-of-Use Land	86,525,573	—	86,525,573	—
Right-of-Use Building	1,090,501,794	—	1,090,501,794	—
Right-of-Use Equipment	101,035,652	115,786	101,151,438	—
Right-of-Use Vehicle	265,361	—	265,361	—
Right-of-Use Infrastructure	2,124,030	—	2,124,030	—
Right-of-Use SBITA	268,319,969	4,106,162	272,426,131	—
Total Amortizable Intangible Assets	<u>2,917,814,655</u>	<u>8,697,758</u>	<u>2,926,512,413</u>	<u>54,097,966</u>
Less Accumulated Amortization for:				
Computer Software	(1,254,470,398)	(4,475,810)	(1,258,946,208)	—
Other Intangibles	(560,000)	—	(560,000)	—
Right-of-Use Land	(4,503,440)	—	(4,503,440)	—
Right-of-Use Building	(241,487,699)	—	(241,487,699)	—
Right-of-Use Equipment	(45,639,544)	(78,046)	(45,717,590)	—
Right-of-Use Vehicle	(26,240)	—	(26,240)	—
Right-of-Use Infrastructure	(651,609)	—	(651,609)	—
Right-of-Use SBITA	(98,953,976)	(1,600,685)	(100,554,661)	—
Total Accumulated Amortization	<u>(1,646,292,906)</u>	<u>(6,154,541)</u>	<u>(1,652,447,447)</u>	<u>—</u>
Intangible Capital Assets, Net	<u>1,271,521,749</u>	<u>2,543,217</u>	<u>1,274,064,966</u>	<u>54,097,966</u>
Capital Assets, Net	<u>\$ 19,541,101,693</u>	<u>246,920,410</u>	<u>\$ 19,788,022,103</u>	<u>—</u>

	Reclassifications Interagency Transfers - In	Reclassifications Interagency Transfers - Out	Additions	Deletions	Balance August 31, 2024
<b>Nondepreciable Assets:</b>					
Land and Land Improvements	—	\$ —	79,457,063	(148,520)	1,231,010,826
Construction in Progress (CIP)	—	—	2,055,998,816	(734,355)	2,594,846,980
Nondepreciable Collections	—	—	87,295,138	(1,657,625)	936,378,782
Nonamortizable Intangible Assets	—	—	—	—	24,596,943
Total Nondepreciable/Nonamortizable Assets	—	—	2,222,751,017	(2,540,500)	4,786,833,531
<b>Depreciable Assets:</b>					
Buildings and Building Improvements	1,967,861	(3,000)	461,733,785	(104,078,584)	27,419,037,652
Infrastructure	—	—	26,025	(1,749,874)	858,881,947
Facilities and Other Improvements	—	—	39,004,613	(25,651,591)	1,455,835,594
Furniture and Equipment	592,740	(845,505)	596,605,503	(324,937,332)	6,087,874,464
Vehicles, Boats and Aircraft	—	(54,379)	26,827,857	(6,195,241)	136,695,713
Other Depreciable Assets (including Library Books)	—	—	21,149,881	(7,772,321)	1,207,855,604
Total Depreciable Assets at Historical Cost	2,560,601	(902,884)	1,145,347,664	(470,384,943)	37,166,180,974
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(1,869,468)	—	(999,571,245)	95,635,904	(15,270,194,824)
Infrastructure	—	—	(33,584,915)	1,117,701	(423,752,358)
Facilities and Other Improvements	—	—	(62,006,395)	9,875,101	(829,966,649)
Furniture and Equipment	(584,249)	596,051	(427,924,058)	290,681,908	(4,361,838,548)
Vehicles, Boats and Aircraft	—	54,379	(10,756,624)	5,823,100	(92,383,705)
Other Depreciable Assets (including Library Books)	—	—	(60,801,604)	7,760,460	(803,742,249)
Total Accumulated Depreciation	(2,453,717)	650,430	(1,594,644,841)	410,894,174	(21,781,878,333)
Depreciable Assets, Net	106,884	(252,454)	(449,297,177)	(59,490,769)	15,384,302,641
<b>Amortizable Intangible Assets:</b>					
Computer Software	—	—	31,227,804	(17,735,224)	1,440,408,632
Other Intangibles	—	—	—	—	700,000
Right-of-Use Land	—	—	—	(477,733)	86,047,840
Right-of-Use Building	—	—	95,332,975	(332,286,676)	853,548,093
Right-of-Use Equipment	—	—	35,659,209	(21,550,289)	115,260,358
Right-of-Use Vehicle	—	—	120,684	—	386,045
Right-of-Use Infrastructure	—	—	—	—	2,124,030
Right-of-Use SBITA	—	—	144,764,690	(21,053,815)	396,137,006
Total Amortizable Intangible Assets	—	—	307,105,362	(393,103,737)	2,894,612,004
Less Accumulated Amortization for:					
Computer Software	—	—	(59,315,285)	17,009,556	(1,301,251,937)
Other Intangibles	—	—	(140,000)	—	(700,000)
Right-of-Use Land	—	—	(1,578,806)	—	(6,082,246)
Right-of-Use Building	—	—	(93,176,089)	57,162,492	(277,501,296)
Right-of-Use Equipment	—	—	(30,635,396)	21,303,429	(55,049,557)
Right-of-Use Vehicle	—	—	(95,757)	—	(121,997)
Right-of-Use Infrastructure	—	—	(256,381)	—	(907,990)
Right-of-Use SBITA	—	—	(93,174,621)	19,811,805	(173,917,477)
Total Accumulated Amortization	—	—	(278,372,335)	115,287,282	(1,815,532,500)
Intangible Capital Assets, Net	—	—	28,733,027	(277,816,455)	1,079,079,504
Capital Assets, Net	106,884	\$ (252,454)	1,802,186,867	(339,847,724)	21,250,215,676

A summary of changes in the capital assets for the year ended August 31, 2023, is presented below.

	Balance September 1, 2022	Reclassifications Completed CIP	Reclassifications Interagency Transfers - In
<u>Nondepreciable Assets:</u>			
Land and Land Improvements	\$ 1,129,134,066	8,657,278	—
Construction in Progress (CIP)	1,232,888,101	(776,807,967)	—
Nondepreciable Collections	802,829,247	28,503	—
Nonamortizable Intangible Assets	24,596,943	—	1,030,343
Total Nondepreciable/Nonamortizable Assets	<u>3,189,448,357</u>	<u>(768,122,186)</u>	<u>1,030,343</u>
<u>Depreciable Assets:</u>			
Buildings and Building Improvements	24,988,624,631	566,492,061	—
Infrastructure	807,835,306	24,832,556	—
Facilities and Other Improvements	1,310,148,423	33,059,512	(1,030,343)
Furniture and Equipment	5,429,492,054	28,635,968	207,790
Vehicles, Boats and Aircraft	103,080,654	447,354	—
Other Depreciable Assets (including Library Books)	1,059,610,677	95,159,830	—
Total Depreciable Assets at Historical Cost	<u>33,698,791,745</u>	<u>748,627,281</u>	<u>(822,553)</u>
Less Accumulated Depreciation for:			
Buildings and Building Improvements	(13,264,799,249)	—	—
Infrastructure	(347,520,031)	—	—
Facilities and Other Improvements	(693,130,290)	—	—
Furniture and Equipment	(3,955,699,950)	—	(112,471)
Vehicles, Boats and Aircraft	(78,308,318)	—	—
Other Depreciable Assets (including Library Books)	(692,919,278)	—	—
Total Accumulated Depreciation	<u>(19,032,377,116)</u>	<u>—</u>	<u>(112,471)</u>
Depreciable Assets, Net	<u>14,666,414,629</u>	<u>748,627,281</u>	<u>(935,024)</u>
<u>Amortizable Intangible Assets:</u>			
Computer Software	1,339,031,443	19,494,905	—
Other Intangibles	700,000	—	—
Right-of-Use Land	85,536,270	—	—
Right-of-Use Building	975,543,614	—	—
Right-of-Use Equipment	74,871,279	—	—
Right-of-Use Vehicle	—	—	—
Right-of-Use Infrastructure	1,715,358	—	—
Right-of-Use SBITA	154,514,277	—	—
Total Amortizable Intangible Assets	<u>2,631,912,241</u>	<u>19,494,905</u>	<u>—</u>
Less Accumulated Amortization for:			
Computer Software	(1,176,856,529)	—	—
Other Intangibles	(420,000)	—	—
Right-of-Use Land	(3,049,899)	—	—
Right-of-Use Building	(166,471,128)	—	—
Right-of-Use Equipment	(36,754,637)	—	—
Right-of-Use Vehicle	—	—	—
Right-of-Use Facilities/Improvements	—	—	—
Right-of-Use Infrastructure	(393,608)	—	—
Right-of-Use SBITA	(40,271,235)	—	—
Total Accumulated Amortization	<u>(1,424,217,036)</u>	<u>—</u>	<u>—</u>
Intangible Capital Assets, Net	<u>1,207,695,205</u>	<u>19,494,905</u>	<u>—</u>
Capital Assets, Net	<u>\$ 19,063,558,191</u>	<u>—</u>	<u>95,319</u>

	Reclassifications Interagency Transfers - Out	Additions	Deletions	Balance August 31, 2023
<u>Nondepreciable Assets:</u>				
Land and Land Improvements	\$ —	10,109,040	(5,365,421)	1,142,534,963
Construction in Progress (CIP)	—	1,079,194,432	(1,097,663)	1,534,176,903
Nondepreciable Collections	—	47,470,869	(579,474)	849,749,145
Nonamortizable Intangible Assets	(1,030,343)	—	—	24,596,943
Total Nondepreciable/Nonamortizable Assets	(1,030,343)	1,136,774,341	(7,042,558)	3,551,057,954
<u>Depreciable Assets:</u>				
Buildings and Building Improvements	—	384,870,166	(184,395,994)	25,755,590,864
Infrastructure	—	1,172	(2,608,517)	830,060,517
Facilities and Other Improvements	1,030,343	8,864,820	(1,963,503)	1,350,109,252
Furniture and Equipment	(163,355)	449,610,443	(202,646,303)	5,705,136,597
Vehicles, Boats and Aircraft	—	8,953,211	(3,753,574)	108,727,645
Other Depreciable Assets (including Library Books)	—	30,154,007	(14,686,168)	1,170,238,346
Total Depreciable Assets at Historical Cost	866,988	882,453,819	(410,054,059)	34,919,863,221
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(162,545)	(952,359,783)	170,376,022	(14,046,945,555)
Infrastructure	—	(32,244,320)	2,608,517	(377,155,834)
Facilities and Other Improvements	—	(60,879,563)	1,963,503	(752,046,350)
Furniture and Equipment	113,355	(428,415,222)	178,187,023	(4,205,927,265)
Vehicles, Boats and Aircraft	—	(7,312,033)	3,604,376	(82,015,975)
Other Depreciable Assets (including Library Books)	—	(58,684,464)	14,353,490	(737,250,252)
Total Accumulated Depreciation	(49,190)	(1,539,895,385)	371,092,931	(20,201,341,231)
Depreciable Assets, Net	817,798	(657,441,566)	(38,961,128)	14,718,521,990
<u>Amortizable Intangible Assets:</u>				
Computer Software	—	17,982,519	(8,166,591)	1,368,342,276
Other Intangibles	—	—	—	700,000
Right-of-Use Land	—	1,146,933	(157,630)	86,525,573
Right-of-Use Building	—	141,133,694	(26,175,514)	1,090,501,794
Right-of-Use Equipment	—	48,999,194	(22,834,821)	101,035,652
Right-of-Use Vehicle	—	265,361	—	265,361
Right-of-Use Infrastructure	—	408,672	—	2,124,030
Right-of-Use SBITA	—	130,070,877	(16,265,185)	268,319,969
Total Amortizable Intangible Assets	—	340,007,250	(73,599,741)	2,917,814,655
Less Accumulated Amortization for:				
Computer Software	—	(85,768,332)	8,154,463	(1,254,470,398)
Other Intangibles	—	(140,000)	—	(560,000)
Right-of-Use Land	—	(1,592,963)	139,422	(4,503,440)
Right-of-Use Building	—	(95,071,633)	20,055,062	(241,487,699)
Right-of-Use Equipment	—	(31,375,580)	22,490,673	(45,639,544)
Right-of-Use Vehicle	—	(26,240)	—	(26,240)
Right-of-Use Infrastructure	—	(258,001)	—	(651,609)
Right-of-Use SBITA	—	(72,939,580)	14,256,839	(98,953,976)
Total Accumulated Amortization	—	(287,172,329)	65,096,459	(1,646,292,906)
Intangible Capital Assets, Net	—	52,834,921	(8,503,282)	1,271,521,749
Capital Assets, Net	\$ (212,545)	532,167,696	(54,506,968)	19,541,101,693

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

The System reported no impairment of capital assets for the years ended August 31, 2024 and 2023. In February 2021, U. T. System institutions experienced significant property damage and business income losses as a result of *Winter Storm Uri*, which resulted in insurance recoveries totaling \$26.0 million for the year ended August 31, 2024 and \$24.4 million for the year ended August 31, 2023.

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

The Asset Retirement Obligation as of August 31, 2024 is presented below (remaining life of the corresponding Deferred Outflows in months):

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

The Asset Retirement Obligation as of August 31, 2023 is presented below:

<b>Asset Retirement Obligation</b>	<b>Amount</b>	<b>Life</b>
Broadscope	\$ 9,285,751	0 - 41 months
Cyclotron	2,060,663	0 months
Gamma Knife	2,981,819	0 - 31 months
Proton Therapy	1,289,963	0 months
Gamma Pod	334,753	12 months
Irradiator	51,097	0 months
Nuclear Engineering Teaching Lab	4,264,205	27 months
Total	<u>\$ 20,268,251</u>	



## 10. Short-Term Debt

The System had RFS Commercial Paper Notes and PUF Commercial Paper Notes outstanding at August 31, 2024 and 2023. The notes are issued to provide interim financing for capital improvements and to finance equipment purchases. While the interest is payable on these notes in periodic installments not to exceed 270 days, they are generally intended to be refinanced with long-term debt. Short-term debt activity for the year ended August 31, 2024, is summarized below:

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

Reductions of short-term debt include \$467,500,000 of RFS commercial paper notes reclassified to long-term notes and loans payable on the statement of net position as a result of refunding commercial paper notes subsequent to August 31, 2024 through the issuance of long-term bonds. See note 24 for details on the subsequent events.

Short-term debt activity for the year ended August 31, 2023, is summarized below:

	<b>Balance</b> <b>September 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b> <b>August 31, 2023</b>
<b>Commercial Paper Notes:</b>				
Permanent University Fund CP Notes	\$ 832,300,000	350,000,000	176,000,000	1,006,300,000
Revenue Financing System CP Notes	956,450,000	913,151,000	534,840,000	1,334,761,000
<b>Total Commercial Paper Notes</b>	<b>\$ 1,788,750,000</b>	<b>1,263,151,000</b>	<b>710,840,000</b>	<b>2,341,061,000</b>

General information related to the commercial paper notes at August 31, 2024, is summarized as follows:

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

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

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

Source of revenue for debt service: Available University Fund

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

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

Authorized Amount: Aggregate principal amount not to exceed \$2.25 billion

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

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

## 11. Leases and SBITAs

### LEASES WHERE THE SYSTEM IS THE LESSEE

The System entered into various leases for land, building, equipment, vehicle, and infrastructure. Of these leases, some agreements call for payments that are partially or completely variable and therefore were not included in ROU assets or lease liabilities. These variable lease payments are derived from a percentage of sales, use of the leased asset, or changes in indexes or rates. The System recognized a total of \$9,461,490 and \$7,828,402 as expenses from these variable payments for the years ended August 31, 2024 and 2023, respectively.

See Note 9 for a summary of changes in the ROU assets, displayed by the nature of underlying assets, for the years ended August 31, 2024 and 2023. See Note 12 for the lease liability activity for the years ended August 31, 2024 and 2023.

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

Fiscal Year	Principal	Interest	Total
2025	\$ 108,453,968	15,152,799	123,606,767
2026	96,006,562	13,152,629	109,159,191
2027	84,607,183	11,269,705	95,876,888
2028	69,868,300	9,668,056	79,536,356
2029	50,776,042	8,395,976	59,172,019
2030-2034	166,735,691	29,988,068	196,723,759
2035-2039	80,842,499	17,742,310	98,584,809
2040-2044	21,073,917	12,578,344	33,652,261
2045-2049	8,633,101	10,614,204	19,247,305
2050-2054	9,143,440	9,324,683	18,468,123
2055-2059	5,932,836	8,038,011	13,970,846
2060-2064	3,003,962	7,013,004	10,016,966
2065-2069	1,529,107	6,754,898	8,284,005
2070-2074	2,677,315	6,468,896	9,146,211
2075-2079	3,014,797	6,014,399	9,029,196
2080-2084	2,647,611	5,636,394	8,284,005
2085-2089	3,969,065	5,177,147	9,146,211
2090-2094	4,506,627	4,522,569	9,029,196
2095-2099	4,370,513	3,913,492	8,284,005
2100-2104	5,958,829	3,187,382	9,146,211
2105-2109	6,804,589	2,224,607	9,029,196
2110-2114	7,024,408	1,259,597	8,284,005
2115-2119	4,156,892	230,398	4,387,290
Total Requirements	\$ 751,737,254	198,327,566	950,064,821

### FUTURE LEASES

The System entered into additional leases that have not yet commenced as of August 31, 2024, including leases for building, with both fixed and variable payments required. Terms range from 2025 to 2035 with a total future commitment of \$32,257,138.

### SUBLEASES

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

#### LEASES WHERE THE SYSTEM IS THE LESSOR

For the years ended August 31, 2024 and 2023, the System earned a total of \$16,526,556 and \$20,013,844 in lease revenue and \$5,753,160 and \$5,684,402 in lease interest revenue, respectively, from arrangements meeting the definition of a lease.

The System entered into some leases which call for payments that are partially or completely variable and therefore were not included in lease receivables or deferred inflows of resources. These variable lease payments are derived from a percentage of sales, use of the leased asset, or changes in indexes or rates. The System recognized a total of \$3,484,776 and \$3,387,753 as revenue from these variable payments for the years ended August 31, 2024 and 2023, respectively.

#### SBITAs

The System entered into various SBITAs that convey the System control of the right to use vendor-provided software, alone or in combination with an underlying tangible IT capital asset. Of these SBITAs, some agreements call for payments that are partially or completely variable and therefore were not included in ROU subscription assets or subscription liabilities. These variable payments are derived from a number of licenses that change from time to time, use of the IT asset, or changes in index rates. The System recognized a total of \$2,258,368 and \$992,551 as expenses from these variable payments for the years ended August 31, 2024, and 2023, respectively.

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

<b>SBITA Maturity Schedule</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 74,273,739	4,025,776	78,299,515
2026	53,757,438	2,558,207	56,315,645
2027	30,889,880	1,230,099	32,119,979
2028	17,702,728	543,412	18,246,139
2029	7,727,322	157,573	7,884,895
2030-2034	219,536	8,962	228,498
Total Requirements	<u>\$ 184,570,643</u>	<u>8,524,028</u>	<u>193,094,672</u>

#### FUTURE SBITAs

The System has entered into additional SBITAs that have not yet commenced as of August 31, 2024, with both fixed and variable payments required. Terms range from 2025 to 2030 with a total future commitment of \$12,852,516.

## 12. Summary of Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2024, is summarized as follows:

	September 1, 2023 Excluding SFASU	Addition of SFASU (Note 4)	September 1, 2023 Including SFASU
<u>Bonds Payable:</u>			
Permanent University Fund	\$ 2,614,470,000	—	2,614,470,000
Revenue Financing System	6,559,535,000	—	6,559,535,000
Revenue Financing System - Stephen F. Austin	—	179,060,000	179,060,000
Subtotal Bonds Payable – Par	9,174,005,000	179,060,000	9,353,065,000
Unamortized Net Premiums	662,351,539	10,467,312	672,818,851
Total Bonds Payable	9,836,356,539	189,527,312	10,025,883,851
<u>Notes, Loans and Leases Payable:</u>			
Notes and Loans Payable	—	—	—
Notes from Direct Borrowings	16,352,954	6,433,520	22,786,474
Lease Obligations	1,017,242,474	29,458	1,017,271,932
SBITA Liability	138,488,073	2,223,409	140,711,481
Total Notes, Loans and Leases Payable	1,172,083,500	8,686,387	1,180,769,887
Total OPEB Liability	8,089,734,355	128,164,576	8,217,898,931
Net Pension Liability	5,639,140,669	42,493,464	5,681,634,133
Other Pension Liability	918,839,384	—	918,839,384
Hedging Derivative Liability	39,388,655	—	39,388,655
Employee Compensable Leave	916,532,958	4,738,000	921,270,958
Incurred But Not Reported Self-Insurance Claims	237,901,675	—	237,901,675
Asset Retirement Obligation	20,268,251	—	20,268,251
Total	\$ 26,870,245,986	373,609,738	27,243,855,724

1 Additions of Notes and Loans Payable include \$467,500,000 of commercial paper notes reclassified from short-term debt to long-term notes and loans payable on the statement of net position as a result of refunding commercial paper notes subsequent to August 31, 2024 through the issuance of long-term bonds. See note 10 related to short-term debt and note 25 for details on the subsequent events.

	Additions	Reductions	Balance August 31, 2024	Amounts due within one year
<b>Bonds Payable:</b>				
Permanent University Fund	825,800,000	527,715,000	2,912,555,000	87,445,000
Revenue Financing System	801,735,000	885,795,000	6,475,475,000	899,290,000
Revenue Financing System - Stephen F. Austin	—	14,210,000	164,850,000	14,765,000
Subtotal Bonds Payable – Par	1,627,535,000	1,427,720,000	9,552,880,000	1,001,500,000
Unamortized Net Premiums	207,503,426	108,746,316	771,575,961	105,782,950
Total Bonds Payable	1,835,038,426	1,536,466,316	10,324,455,961	1,107,282,950
<b>Notes, Loans and Leases Payable:</b>				
Notes and Loans Payable	467,500,000 <sup>1</sup>	—	467,500,000	—
Notes from Direct Borrowings	962,292	15,862,014	7,886,752	1,801,879
Lease Obligations	131,112,868	396,647,546	751,737,254	108,453,968
SBITA Liability	144,764,690	100,905,528	184,570,643	74,273,739
Total Notes, Loans and Leases Payable	744,339,850	513,415,088	1,411,694,649	184,529,586
Total OPEB Liability	931,088,707	363,279,617	8,785,708,021	184,459,372
Net Pension Liability	1,279,785,487	—	6,961,419,620	—
Other Pension Liability	65,921,373	58,264,847	926,495,910	78,798,695
Hedging Derivative Liability	—	16,769,341	22,619,314	—
Employee Compensable Leave	609,706,746	553,934,017	977,043,687	591,395,613
Incurred But Not Reported Self-Insurance Claims	2,258,148,226	2,265,968,336	230,081,565	189,052,286
Asset Retirement Obligation	348,892	1,629,363	18,987,780	—
Total	7,724,377,707	5,309,726,925	29,658,506,507	2,335,518,502

<sup>1</sup> Additions of Notes and Loans Payable include \$467,500,000 of commercial paper notes reclassified from short-term debt to long-term notes and loans payable on the statement of net position as a result of refunding commercial paper notes subsequent to August 31, 2024 through the issuance of long-term bonds. See note 10 related to short-term debt and note 25 for details on the subsequent events.

Long-term liability activity for the year ended August 31, 2023, as restated for GASB Statement No. 96 is summarized as follows:

	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023	Amounts due within one year
<u>Bonds Payable:</u>					
Permanent University Fund	\$ 2,248,090,000	748,185,000	381,805,000	2,614,470,000	399,390,000
Revenue Financing System	6,544,540,000	337,915,000	322,920,000	6,559,535,000	1,176,745,000
Subtotal Bonds Payable – Par	8,792,630,000	1,086,100,000	704,725,000	9,174,005,000	1,576,135,000
Unamortized Net Premiums	616,009,663	144,429,189	98,087,313	662,351,539	95,382,223
Total Bonds Payable	9,408,639,663	1,230,529,189	802,812,313	9,836,356,539	1,671,517,223
<u>Notes, Loans and Leases Payable:</u>					
Notes and Loans Payable	436,700,000	—	436,700,000	—	—
Notes from Direct Borrowings	31,720,463	(13,473,267)	1,894,242	16,352,954	1,261,125
Lease Obligations	963,057,878	191,953,855	137,769,259	1,017,242,474	329,093,142
SBITA Liability	94,154,858	130,070,877	85,737,662	138,488,073	54,369,896
Total Notes, Loans and Leases Payable	1,525,633,198	308,551,465	662,101,163	1,172,083,500	384,724,163
Total OPEB Liability	14,695,594,306	1,357,523,674	7,963,383,625	8,089,734,355	208,395,911
Net Pension Liability	2,300,711,499	3,338,429,170	—	5,639,140,669	—
Other Pension Liability	1,046,052,341	63,233,057	190,446,014	918,839,384	72,533,114
Hedging Derivative Liability	87,510,811	—	48,122,156	39,388,655	—
Employee Compensable Leave	855,424,712	544,226,620	483,118,374	916,532,958	523,251,766
Incurred But Not Reported Self-Insurance Claims	221,719,241	1,857,021,751	1,840,839,317	237,901,675	199,965,066
Asset Retirement Obligation	19,508,940	759,311	—	20,268,251	—
Total	\$ 30,160,794,711	8,700,274,237	11,990,822,962	26,870,245,986	3,060,387,243

#### PROJECTED BOND DEBT SERVICE REQUIREMENTS

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

Fiscal Year	Principal	Interest	Total
2025	\$ 1,001,500,000	403,117,048	1,404,617,048
2026	430,415,000	381,334,349	811,749,349
2027	335,280,000	360,311,042	695,591,042
2028	322,980,000	343,775,652	666,755,652
2029	293,660,000	328,153,687	621,813,687
2030 – 2034	1,984,134,000	1,377,529,323	3,361,663,323
2035 – 2039	1,608,246,000	916,028,937	2,524,274,937
2040 – 2044	1,047,685,000	598,157,182	1,645,842,182
2045 – 2049	2,049,950,000	312,487,890	2,362,437,890
2050 – 2054	479,030,000	35,073,750	514,103,750
Total Requirements	\$ 9,552,880,000	5,055,968,860	14,608,848,860

The System’s variable rate demand bonds mature at various dates through August 1, 2045. Outstanding principal balances on variable rate demand bonds may be classified as non-current liabilities if the issuer has entered into a “take-out agreement” to convert bonds “put” but not resold into some other form of long-term obligation. In the absence of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities. Although it is the System’s intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the System does not have “take-out” agreements in place. Accordingly, the System has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. The obligations totaled \$596,045,000 and \$1,226,475,000 at August 31, 2024 and 2023, respectively.

**PLEDGED FUTURE REVENUES**

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

	<b>2024</b>	<b>2023</b>
Pledged Revenue Required for Future Principal and Interest on Existing Bonds	\$ 14,608,848,860	13,800,202,736
Term of Commitment Year Ending 8/31	2054	2052
Percentage of Specific Revenues Pledged	100%	100%
Current Year Pledged Revenue	\$ 19,170,301,347	16,843,156,924
Current Year Principal and Interest Paid	\$ 791,672,164	767,185,761

The following table provides the pledged future revenue information for SFASU’s bonds. See footnote 13 for specific details on all SFASU bonds outstanding:

	<b>2024</b>
Pledged Revenue Required for Future Principal and Interest on Existing Bonds	\$ 241,395,304
Term of Commitment Year Ending 8/31	2048
Percentage of Specific Revenues Pledged	100%
Current Year Pledged Revenue	\$ 166,040,612
Current Year Principal and Interest Paid	\$ 21,636,581

## DIRECT BORROWINGS

Certain direct borrowings to finance the purchase of property are capitalized at the present value of future minimum direct borrowing payments. The original capitalized cost of all such property financed with direct borrowings as of August 31, 2024 and 2023 is as follows:

<u>Assets - Direct Borrowings</u>	<u>2024</u>	<u>2023</u>
Furniture and Equipment	\$ 2,530,520	4,837,000
Less: Accumulated Depreciation	(1,022,555)	(3,176,762)
Buildings	16,856,906	13,581,387
Less: Accumulated Depreciation	(12,780,295)	(1,439,819)
Nondepreciable Collections	2,132,500	1,420,997
Total	<u>\$ 7,717,076</u>	<u>15,222,803</u>

Direct borrowing obligations are due in annual installments through 2046. The following is a schedule of the future minimum payments for direct borrowings at August 31, 2024.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,801,879	221,959	2,023,838
2026	1,612,403	164,233	1,776,636
2027	1,472,406	114,428	1,586,834
2028	1,284,862	81,339	1,366,201
2029	1,094,994	46,139	1,141,133
2030 – 2034	620,208	16,684	636,892
Total Minimum Payments	<u>\$ 7,886,752</u>	<u>644,782</u>	<u>8,531,534</u>

## POLLUTION REMEDIATION OBLIGATION

The University of Texas System Administration purchased contaminated land with plans to remediate. The estimated outlays for the pollution remediation are \$3,500,000 using the expected cash flow technique. These pollution remediation outlays qualify for capitalization and \$3,178,725 and \$3,161,511 were capitalized through August 31, 2024 and 2023 respectively. The purchase price of \$213,584,352 and total expected outlays did not exceed the fair market value of the uncontaminated property of \$232,290,000, and as such, no pollution remediation liability was established.

## EMPLOYEES' COMPENSABLE LEAVE

Employees' compensable leave is the System's liability for accrued compensable absences. This obligation is usually paid from the same funding source(s) as the employee's salary or wage compensation.

### **13. Bonded Indebtedness**

At August 31, 2024 and 2023, the System had outstanding bonds payable of \$9,552,880,000 and \$9,174,005,000, respectively. Permanent University Fund bonds are secured by and payable from the System's interest in the Available University Fund, which consists of distributions from the investment income of the Permanent University Fund. Revenue Financing System debt is secured by and payable from Pledged Revenues as defined in the Master Resolution establishing the Revenue Financing System. Pledged Revenues consist of all lawfully available revenues, funds and balances, with certain exceptions, pledged to secure revenue-supported indebtedness issued under the Master Resolution.

<u>Bonded Indebtedness</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Outstanding Principal</u>
Permanent University Fund	2.000% - 5.262%	2025-2053	\$ 2,912,555,000
Revenue Financing System	2.000% - 5.320%	2025-2054	6,475,475,000
Revenue Financing System - Stephen F. Austin	2.010% - 5.000%	2025-2049	164,850,000



As of August 31, 2024, the following amounts were authorized, but unissued: Permanent University Fund bonds up to a maximum aggregate amount of \$975 million, authorized to be issued on or before August 21, 2025, and Revenue Financing System bonds up to a maximum aggregate amount of \$975 million, authorized to be issued on or before August 22, 2025. All bonds issued by the System are defined as revenue bonds. Segment information as reported in footnote 27 is only applicable for SFASU as bonds associated with this entity are pledged exclusively by SFASU revenue. Segment information is not applicable for other bonds, due to the bond indentures' lack of specifically identifiable activities and external party imposed separate accounting requirements. General information related to bonds outstanding as of August 31, 2024, is summarized in the following table.

Bond Series	Purpose	Issue Date	Amount Issued
Permanent University Fund:			
Refunding Bonds, Series 2006B	To refund \$85,545,000 principal amount of Permanent University Fund Bonds, Series 2002B, maturing on July 1 in the years 2020 through 2022, both inclusive; to refund \$172,985,000 principal amount of Permanent University Fund Bonds, Series 2004B, maturing on July 1 in the years 2023, 2026 and 2028 through 2030, both inclusive; to refund \$51,905,000 principal amount of Permanent University Fund Bonds, Series 2005B, maturing on July 1 in the year 2035, and pay the cost of issuance	January 24, 2007	\$ 284,065,000
Taxable Bonds, Series 2009A	To refund \$250,000,000 principal amount of Permanent University Fund Taxable Commercial Paper Notes, Series B and pay the cost of issuance	September 17, 2009	250,000,000
Bonds, Series 2014B	To refund \$17,240,000 principal amount of Permanent University Fund Bonds, Series 2004A, maturing on July 1 in the years 2015 and 2016; and to refund \$223,535,000 principal amount of Permanent University Fund Bonds, Series 2004B, maturing on July 1 in the years 2024, 2025, 2027 and 2033, and pay the cost of issuance	April 2, 2014	221,580,000
Refunding Bonds, Series 2015A	To refund \$50,390,000 principal amount of Permanent University Fund Refunding Bonds, Series 2005A, maturing on July 1 in the years 2016 through 2019, both inclusive; to refund \$72,720,000 principal amount of Permanent University Fund Bonds, Series 2005B, maturing on July 1 in the years 2018, 2019, 2034 and 2035; and to refund \$87,485,000 principal amount of Permanent University Fund Bonds, Series 2006C, maturing on July 1 in the years 2017 through 2035, both inclusive, and pay the cost of issuance	April 2, 2015	197,970,000
Bonds, Series 2015B	To refund \$252,500,000 principal amount of Permanent University Fund Taxable Commercial Paper Notes, Series B and pay the cost of issuance	August 25, 2015	220,565,000
Bonds, Taxable Series 2015C	To refund \$125,500,000 principal amount of Permanent University Fund Taxable Commercial Paper Notes, Series B and pay the cost of issuance	December 9, 2015	126,020,000
Bonds, Series 2016A	To refund \$137,000,000 principal amount of Permanent University Fund Taxable Commercial Paper Notes, Series B and pay the cost of issuance	January 5, 2016	117,270,000
Bonds, Series 2016B	To refund \$319,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A and pay the cost of issuance	September 1, 2016	272,350,000
Bonds, Taxable Series 2017A	To refund \$81,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A, and to refund \$220,000,000 principal amount of Permanent University Fund Taxable Commercial Paper Notes, Series B and pay the cost of issuance	November 14, 2017	302,640,000

Bond Series	Purpose	Issue Date	Amount Issued
Bonds, Series 2022A	To refund \$417,700,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A and pay the cost of issuance	October 13, 2022	372,915,000
Bonds, Series 2023A	To refund \$240,340,000 of Permanent University Fund Bonds, Series 2014A, to refund \$176,000,000 of Permanent University Fund Commercial Paper Notes, Series A, and pay the cost of issuance	April 4, 2023	375,270,000
Bonds, Series 2024A	To refund \$62,660,000 principal amount of Permanent University Fund Bonds, Series 2014B, to refund \$65,665,000 principal amount of Permanent University Fund Bonds, Series 2015A, to refund \$336,300,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A, and pay the cost of issuance	April 2, 2024	412,570,000
Bonds, Series 2024B	To refund \$150,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A, to refund \$324,905,000 principal amount of Permanent University Fund Bonds, Series 2008A, and pay the cost of issuance	June 5, 2024	413,230,000
Revenue Financing System:			
Taxable Bonds, Series 2010C	To provide new money of \$600,741,596 and pay the cost of issuance	September 23, 2010	604,310,000
Taxable Bonds, Series 2010D	To refund \$349,415,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, provide new money of \$163,441,000 and pay the cost of issuance	June 30, 2010	516,245,000
Bonds, Series 2014A	To refund \$179,411,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, provide new money of \$103,148,328 and pay the cost of issuance	May 1, 2014	259,135,000
Refunding Bonds, Series 2014B	To refund \$261,840,000 principal amount of portions of Revenue Financing System Bonds, 2006B, 2006D and 2006F, and pay the cost of issuance	November 24, 2014	250,700,000
Bonds, Taxable Series 2016A	To refund \$48,494,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, to refund \$107,630,000 principal amount of Revenue Financing System Taxable Commercial Paper Notes, Series B, provide new money of \$98,745,350 and pay the cost of issuance	January 14, 2016	255,825,000
Bonds, Series 2016B	To refund \$105,478,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, provide new money of \$118,490,125 and pay the cost of issuance	January 22, 2016	206,040,000
Refunding Bonds, Series 2016C	To refund \$87,145,000 principal amount of Revenue Financing System Bonds, Series 2008A, provide new money of \$64,800,000 and pay the cost of issuance	May 10, 2016	133,240,000
Bonds, Series 2016D	To provide new money of \$260,000,000 and pay the cost of issuance	July 1, 2016	213,180,000
Bonds, Series 2016E	To provide new money of \$245,000,000 and pay the cost of issuance	August 22, 2016	196,215,000
Bonds, Series 2016F	To refund \$465,019,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the cost of issuance	September 1, 2016	376,030,000

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

Bond Series	Purpose	Issue Date	Amount Issued
Bonds, Series 2024A	To refund \$283,520,000 principal amount of Revenue Financing System Bonds, Series 2007B, to refund \$198,135,000 principal amount of Revenue Financing System Bonds, Series 2014A, to refund \$106,960,000 principal amount of Revenue Financing System Bonds, Series 2014B, to refund \$294,653,000 principal amount of Revenue Financing System Commercial Paper Notes, Series A, and pay the cost of issuance	May 21, 2024	801,735,000
Revenue Financing System - Stephen F. Austin:			
SFA Revenue Refunding Bonds, Series 2013	To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2002 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2004, and pay the cost of issuance  Source of revenue for debt service: Pledged Student Tuition; Pledged Student Center Fees; and Other Pledged Revenues.  Changes in Debt: Principal paid during fiscal year \$1,690,000; Outstanding at year end \$1,765,000.	October 10, 2013	22,255,000
SFA Revenue Refunding Bonds, Series 2015 (Direct Placement)	To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2005 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2005A  Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.  Changes in Debt: Principal paid during fiscal year \$5,015,000; Outstanding at year end \$10,340,000.	May 1, 2015	48,410,000
SFA Revenue Refunding and Improvement Bonds, Series 2016	To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2008 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds, Series 2009, and provide funds to construct a new STEM building to house the University's Science, Technology, Engineering and Mathematics departments, and pay the cost of issuance  Source of revenue for debt service: Pledged Student Tuition; Pledged Student Center Fees; and Other Pledged Revenues.  Changes in Debt: Principal paid during fiscal year \$3,480,000; Outstanding at year end \$38,205,000.	September 29, 2016	61,205,000

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

## DEMAND BONDS

Revenue Financing System Bonds, Series 2008B and Revenue Financing System Bonds, Taxable Series 2016G are variable rate demand bonds with an option to tender on seven days' notice. The System has entered into corresponding interest rate swap agreements to convert the System's interest rate exposure to a fixed rate. The Revenue Financing System Bonds, Series 2008B and the corresponding swap agreements extend to August 1, 2039. The Revenue Financing System Bonds, Taxable Series 2016G and the corresponding swap agreements extend to August 1, 2045. The Board of Regents is obligated to pay the purchase price of demand bonds tendered for purchase and not remarketed by using lawfully available funds. The Revenue Financing System Refunding Bonds, Series 2007B and the corresponding swap agreements and the Permanent University Fund Bonds, Series 2008A and the corresponding swap agreements were terminated in 2024. General information related to demand bonds outstanding as of August 31, 2024 is summarized in the following table:

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

## BUILD AMERICA BONDS

The American Recovery and Reinvestment Act of 2009 authorized the issuance of Build America Bonds (BABs), whereby certain issuers are authorized to issue taxable bonds and receive from the federal government a subsidy equal to 35% of the interest payments on Direct Payment BABs reduced by the applicable federal sequestration reduction rate. The System did not issue any BABs during 2024 or 2023. The System had \$1,092,780,000 and \$1,125,360,000 of BABs outstanding at August 31, 2024 and 2023, respectively.

## EARLY EXTINGUISHMENTS IN FISCAL YEAR 2024

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

- Net proceeds related to the issuance were \$466,742,949, which represents the principal amount of the 2024A Bonds of \$412,570,000, plus an original issue premium of \$55,326,617, less an underwriting discount of \$1,153,668. The net proceeds were used to pay costs of issuance of \$314,620, to purchase \$466,428,327 of eligible defeasance securities and to deposit \$2 with the escrow agent for the refunded bonds and notes.
- The refunded bonds and notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting loss of \$1,270,765 resulted from the transaction as the reacquisition price of \$466,428,329 exceeded the net carrying amount of \$464,625,000 par value and \$532,564 unamortized original issue premium on refunded debt.
- As a result of this refunding, the System reduced its future debt service payments by \$21,269,253 from closing through July 1, 2033, and an economic gain from the transaction resulted in a net present value savings of \$11,236,277 between the old and new debt service payments.

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

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

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

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

#### EARLY EXTINGUISHMENTS IN FISCAL YEAR 2023

On September 20, 2022, \$79,675,000 principal amount of Permanent University Fund Bonds, Series 2014B, were legally defeased using available funds.

- The defeasance involved using available funds to purchase \$81,967,061 of eligible defeasance securities.
- The defeased bonds are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting loss of \$973,238 resulted from the transaction as the reacquisition price of \$81,967,061 exceeded the net carrying amount of \$79,675,000 par value and \$ 1,318,823 unamortized original issue premium.
- As a result of this defeasance, the System reduced its future debt service payments by \$106,229,750 from closing through July 1, 2032.

Permanent University Fund Bonds, Series 2022A were issued on October 13, 2022, to current refund \$417,700,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A and to pay the costs of issuance related thereof.

- Net proceeds related to the issuance were \$418,184,091, which represents the principal amount of the 2023A Bonds of \$372,915,000, plus an original issue premium of \$46,291,287, less an underwriting discount of \$1,022,196. The net proceeds were used to pay costs of issuance of \$316,140, to purchase \$417,867,442 of eligible defeasance securities and to deposit \$510 with the escrow agent for the refunded notes.
- The refunded notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting loss of \$167,442 resulted from the transaction as the reacquisition price of \$417,867,442 exceeded the net carrying amount of \$417,700,000 par value.

Permanent University Fund Bonds, Series 2023A were issued on April 4, 2023, to current refund \$176,000,000 principal amount of Permanent University Fund Commercial Paper Notes, Series A, to current refund \$240,340,000 principal of Permanent University Fund Bonds, Series 2014A, and to pay the costs of issuance related thereof.

- Net proceeds related to the issuance were \$420,077,523, which represents the principal amount of the 2023A Bonds of \$375,270,000, plus an original issue premium of \$45,958,372, less an underwriting discount of \$1,150,849. The net proceeds were used to pay costs of issuance of \$297,242, to purchase \$419,779,650 of eligible defeasance securities and to deposit \$631 with the escrow agent for the refunded bonds and notes.
- The refunded bonds and notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting loss of \$3,066,122 resulted from the transaction as the reacquisition price of \$419,779,650 exceeded the net carrying amount of \$416,340,000 par value and \$373,528 unamortized original issue premium.
- As a result of this refunding, the System reduced its future debt service payments by \$42,115,329 from closing through July 1, 2041, and an economic gain from the transaction resulted in a net present value savings of \$28,306,665 between the old and new debt service payments.

Revenue Financing System Bonds, Series 2023A were issued on June 21, 2023, to current refund \$389,340,000 amount of Revenue Financing System Commercial Paper Notes, Series A and to pay the costs of issuance related thereof.

- Net proceeds related to the issuance were \$389,159,546, which represents the principal amount of the 2023A Bonds of \$337,915,000, plus an original issue premium of \$52,179,529, less an underwriting discount of \$934,984. The net proceeds were used to pay costs of issuance of \$365,988, to purchase \$388,793,557 of eligible defeasance securities.
- The refunded notes are considered fully defeased and the liability for these obligations has been removed from the consolidated statement of net position.
- An accounting gain of \$546,443 resulted from the transaction as the reacquisition price of \$388,793,557 was below the net carrying amount of \$389,340,000 par value.



**DERIVATIVE INSTRUMENTS – HEDGING DERIVATIVE INSTRUMENT INTEREST RATE SWAPS**

All interest rate swaps are valued using the fair value hierarchy of level 2. The System has calculated the fair value of the interest rate swaps using a forecast of expected discounted future net cash flows and considered the nonperformance risk of the parties. The following table outlines the terms of the System’s hedging derivative instrument interest rate swap agreements in effect at August 31, 2024:

Interest Rate Swaps- by Type	Hedgeable Item	Current Notional	Effective Date	Maturity Date	Terms*	Embedded Options?	Cash Paid or Received	Counterparty Credit Rating (Moody's/ S&P)	Weighted Average Maturity As of 08/31/24
<b>Pay Fixed; Receive Variable</b>									
	RFS Bonds 2008B	\$ 90,240,000	3/18/2008	8/1/2036	Pay 3.900%; receive SIFMA	No	No	Aa2/A+	7.9 yrs
	RFS Bonds 2008B	90,240,000	3/18/2008	8/1/2036	Pay 3.900%; receive SIFMA	No	No	A1/A-	7.9 yrs
	RFS Bonds 2008B	165,565,000	3/18/2008	8/1/2039	Pay 3.614%; receive SIFMA	No	No	Aa2/A+	7.8 yrs
	RFS Bonds 2016G	250,000,000	12/1/2016	8/1/2045	Pay 2.000%; receive 100% of SOFR + 0.1145%	No	No	Aa3/A+	20.9 yrs
<b>Receive Fixed; Pay Variable</b>									
	PUF Bonds 2023A	128,180,000	9/1/2023	7/1/2033	Pay SIFMA; receive 3.250%	No	No	Aa2/A+	8.3 yrs
<b>TOTAL</b>		<b>\$ 724,225,000</b>							

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

The following table outlines the terms of the System's hedging derivative instrument interest rate swap agreements in effect at August 31, 2023:

Interest Rate Swaps-by Type	Hedgeable Item	Current Notional	Effective Date	Maturity Date	Terms*	Embedded Options?	Cash Paid or Received	Counterparty Credit Rating (Moody's/S&P)	Weighted Average Maturity As of 08/31/2023
<b>Pay Fixed; Receive Variable</b>									
	PUF Bonds 2008A	\$ 162,452,500	11/3/2008	7/1/2038	Pay 3.696%; receive SIFMA	No	No	Aa2/A+	11.5 yrs
	PUF Bonds 2008A	162,452,500	11/3/2008	7/1/2038	Pay 3.6575%; receive SIFMA	No	No	Aa3/A+	11.5 yrs
	RFS Bonds 2007B	141,760,000	12/20/2007	8/1/2034	Pay 3.805%; receive SIFMA	No	No	Aa2/A+	6.0 yrs
	RFS Bonds 2007B	141,760,000	12/20/2007	8/1/2034	Pay 3.805%; receive SIFMA	No	No	Aa2/A+	6.0 yrs
	RFS Bonds 2008B	94,830,000	3/18/2008	8/1/2036	Pay 3.900%; receive SIFMA	No	No	Aa2/A+	8.5 yrs
	RFS Bonds 2008B	94,830,000	3/18/2008	8/1/2036	Pay 3.900%; receive SIFMA	No	No	A1/A-	8.5 yrs
	RFS Bonds 2008B	178,390,000	3/18/2008	8/1/2039	Pay 3.614%; receive SIFMA	No	No	Aa2/A+	8.2 yrs
	RFS Bonds 2016G	250,000,000	12/1/2016	8/1/2045	Pay 2.000%; receive 100% of SOFR + 0.1145%	No	No	Aa3/A+	21.9 yrs
	RFS Taxable Commercial Paper	250,000,000	11/1/2020	8/1/2049	Pay 1.576%; receive 100% of SOFR + 0.1145%	No	No	Aa3/A+	25.9 yrs
<b>Receive Fixed; Pay Variable</b>									
	PUF Bonds 2023A	128,180,000	9/1/2023	7/1/2033	Pay SIFMA; receive 3.250%	No	No	Aa2/A+	9.3 yrs
<b>TOTAL</b>		<b><u>\$1,604,655,000</u></b>							

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

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

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

The following is the fair value of the derivative instrument agreements related to debt in effect at August 31, 2023 based on the zero-coupon method and the classification of change in fair value from the previous fiscal year:

Derivative Instruments by Type	Hedgeable Item	Current Notional	Accrued Interest (through 08/31/2023)	Fair Value as of 08/31/2023	Fair Value as of 08/31/2022	Change in Fair Value 08/31/2022 - 08/31/2023	Change in Fair Value Recorded as
<b>Hedging Derivative Assets</b>							
	PUF Bonds 2014A	\$ —	—	—	44,006,224	(44,006,224)	Def Inflow
	PUF Bonds 2023A	128,180,000	—	540,818	—	540,818	Def Inflow
	RFS Bonds 2016G	250,000,000	(735,444)	57,075,740	32,631,844	24,443,896	Def Inflow
	RFS Taxable CP	250,000,000	(823,778)	73,163,180	48,369,394	24,793,786	Def Inflow
		<u>628,180,000</u>	<u>(1,559,222)</u>	<u>130,779,738</u>	<u>125,007,462</u>	<u>5,772,276</u>	
<b>Hedging Derivative Liabilities</b>							
	PUF Bonds 2008A	162,452,500	469,578	(7,713,532)	(17,120,521)	9,406,989	Def Outflow
	PUF Bonds 2008A	162,452,500	459,502	(7,169,550)	(16,511,329)	9,341,779	Def Outflow
	RFS Bonds 2007B	141,760,000	15,129	(4,905,722)	(10,823,257)	5,917,535	Def Outflow
	RFS Bonds 2007B	141,760,000	15,129	(4,545,722)	(10,823,257)	6,277,535	Def Outflow
	RFS Bonds 2008B	94,830,000	17,628	(4,820,866)	(9,461,705)	4,640,839	Def Outflow
	RFS Bonds 2008B	94,830,000	17,628	(4,820,866)	(9,461,705)	4,640,839	Def Outflow
	RFS Bonds 2008B	178,390,000	(9,355)	(5,412,397)	(13,309,037)	7,896,640	Def Outflow
		<u>976,475,000</u>	<u>985,239</u>	<u>(39,388,655)</u>	<u>(87,510,811)</u>	<u>48,122,156</u>	
<b>Investment Derivatives-Asset Positions</b>							
	PUF Bonds 2006B	180,350,000	(129,249)	1,199,420	—	1,199,420	Incr./Decr. in Fair Value of Inv
	PUF Bonds 2008A	162,452,500	(490,739)	8,123,820	4,697,372	3,426,448	Incr./Decr. in Fair Value of Inv
	PUF Bonds 2008A	162,452,500	(582,388)	11,138,314	8,215,211	2,923,103	Incr./Decr. in Fair Value of Inv
	RFS Bonds 2008B	90,270,000	(151,298)	7,977,272	5,528,660	2,448,612	Incr./Decr. in Fair Value of Inv
	RFS Bonds 2008B	92,045,000	(126,604)	3,846,609	2,716,535	1,130,074	Incr./Decr. in Fair Value of Inv
	RFS Bonds 2008B	117,190,000	(199,127)	8,991,668	6,512,577	2,479,091	Incr./Decr. in Fair Value of Inv
		<u>804,760,000</u>	<u>(1,679,405)</u>	<u>41,277,103</u>	<u>27,670,355</u>	<u>13,606,748</u>	
<b>Investment Derivatives-Liability Positions</b>							
	PUF Bonds 2006B	—	—	—	(974,081)	974,081	Incr./Decr. in Fair Value of Inv
		<u>—</u>	<u>—</u>	<u>—</u>	<u>(974,081)</u>	<u>974,081</u>	
<b>TOTAL</b>		<u>\$ 2,409,415,000</u>	<u>(2,253,388)</u>	<u>132,668,186</u>	<u>64,192,925</u>	<u>68,475,261</u>	

## Derivative Instrument Objectives

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

## Derivative Instrument Objectives

<b>Derivative Instruments by Type</b>	<b>Hedgeable Item</b>	<b>Current Notional</b>	<b>Objective</b>	<b>Effective at 08/31/2023</b>	<b>Evaluation for Effectiveness</b>
<b>Hedging Derivative Instruments</b>					
	PUF Bonds 2008A	\$ 162,452,500	Hedge changes in cash flows on Series 2008A bonds	Yes	Consistent Critical Terms
	PUF Bonds 2008A	162,452,500	Hedge changes in cash flows on Series 2008A bonds	Yes	Consistent Critical Terms
	PUF Bonds 2023A	128,180,000	Hedge changes in fair value of Series 2023A bonds	Yes	Consistent Critical Terms
	RFS Bonds 2007B	141,760,000	Hedge changes in cash flows on Series 2007B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2007B	141,760,000	Hedge changes in cash flows on Series 2007B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2008B	94,830,000	Hedge changes in cash flows on Series 2008B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2008B	94,830,000	Hedge changes in cash flows on Series 2008B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2008B	178,390,000	Hedge changes in cash flows on Series 2008B bonds	Yes	Consistent Critical Terms
	RFS Bonds 2016G	250,000,000	Hedge changes in cash flows on Series 2016G bonds	Yes	Consistent Critical Terms
	RFS Taxable CP	250,000,000	Hedge interest rate risk on RFS taxable commercial paper	Yes	Other Quantitative Method
<b>Investment Derivative Instruments</b>					
	PUF Bonds 2006B	180,350,000	Manage changes in cash flows on Series 2006B bonds	N/A	N/A
	PUF Bonds 2008A	162,452,500	Manage changes in cash flows on Series 2008A bonds	N/A	N/A
	PUF Bonds 2008A	162,452,500	Manage changes in cash flows on Series 2008A bonds	N/A	N/A
	RFS Bonds 2008B	90,270,000	Manage changes in cash flows on Series 2008B bonds	N/A	N/A
	RFS Bonds 2008B	92,045,000	Manage changes in cash flows on Series 2008B bonds	N/A	N/A
	RFS Bonds 2008B	117,190,000	Manage changes in cash flows on Series 2008B bonds	N/A	N/A
<b>TOTAL</b>		<b>\$ 2,409,415,000</b>			

The fair value of interest rate swaps reported as investment derivative instruments-asset positions of \$21,230,059 and \$41,277,103 as of August 31, 2024 and 2023, respectively, is included on the consolidated statement of net position as noncurrent unrestricted investments and in the summary of investments in Note 6. System had no interest rate swaps reported as investment derivative instruments liability positions as of August 31, 2024 and 2023. The change in fair value of interest rate swaps reported as investment derivative instruments are included in investment income on the consolidated statement of revenues, expenses and changes in net position. For the years ending August 31, 2024 and 2023, the change in fair value of interest rate swaps reported as investment derivative instruments was a decrease in the amount of \$20,047,044 and an increase in the amount of \$14,580,829, respectively.

### **Hedging Derivative Instrument and Investment Derivative Instrument Risks**

*Credit Risk:* The System is exposed to credit risk if the counterparty to an interest rate swap fails to meet the terms and obligations of its contracts. Contracts with a positive fair value expose the System to credit risk. The System faces a maximum possible loss equivalent to the amount of the swap contract's fair value, less any collateral held by the System provided by the counterparty. Contracts with a negative fair value do not expose the System to credit risk. All of the counterparties associated with swap contracts with the System are creditworthy financial institutions. Additionally, each of the System's swap counterparties has agreed to provide collateral to the System to the extent the positive value before considering nonperformance risk of the parties exceeds certain threshold amounts. Should a counterparty fail to meet its contractual agreements, or if the System's credit rating falls below investment grade (Baa2 by Moody's or BBB by S&P), the System could be required to pay or receive a substantial termination payment. As of August 31, 2024, the System's credit ratings were Aaa by Moody's and AAA by S&P. The System does not have to post collateral due to changes in fair value of its swap agreements unless the System does not have a credit rating or the System commits a specified event of default and the event of default is continuing. As of August 31, 2024, the maximum loss due to credit risk was \$25,339,598. It is the System's policy to require counterparty collateral posting provisions in its non-exchange-traded derivative instruments. These terms require collateralization of the aggregate value of derivative instruments in asset positions, net of the effect of applicable threshold amounts based on each counterparty's credit rating. Although collateral posted can be in the form of cash, U.S. Treasury or U.S. agency securities held directly by the System or by a third-party custodian approved by the System, collateral posted is currently only in the form of cash held directly by the System. The System has not entered into master netting arrangements.

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

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

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

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

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

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

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

**Market Access Risk:** Each swap associated with underlying variable rate debt that is subject to tender at the option of the bondholder is subject to market access risk. In the event the System is unable to remarket its variable rate bonds, the System may choose to refund the variable rate bonds with fixed-rate bonds and optionally terminate the related interest rate swap agreements. Should an early termination event occur, the System could be required to pay or to receive a substantial termination payment. As of August 31, 2024, the System had market access risk associated with \$596,045,000 aggregate notional amount of pay-fixed, receive-variable interest rate swaps used to hedge interest rate risk on variable rate bonds subject to tender. As of August 31, 2024, the System's variable rate bonds carried the highest short-term ratings from Moody's and S&P of VMIG1 and A-1+, respectively.

### **Hedging Derivative Instrument Swap Scheduled Payments**

The following tables reflect the scheduled payments on the hedging derivative instrument swap agreements which differ from the presentation in the projected bond debt service requirements table for the related demand bonds and commercial paper. The debt service requirements reflect the entire outstanding balance of the demand bonds in 2025 because the bonds are supported by internal liquidity.

<b>As of August 31, 2024</b>				
<b>Fiscal Year</b>	<b>Associated Variable Rate Bonds and Commercial Paper</b>		<b>Pay-Fixed Receive-Variable Interest Rate Swaps<sup>3</sup></b>	<b>Total</b>
	<b>Principal<sup>1</sup></b>	<b>Interest<sup>2</sup></b>		
2025	\$ 22,835,000	23,484,975	(5,668,475)	40,651,500
2026	23,705,000	22,799,925	(5,854,463)	40,650,462
2027	24,605,000	22,088,775	(6,047,833)	40,645,942
2028	25,535,000	21,350,625	(6,248,822)	40,636,803
2029	20,850,000	20,584,575	(6,456,637)	34,977,938
2030 - 2034	113,240,000	93,273,230	(35,038,753)	171,474,477
2035 - 2039	115,275,000	75,549,730	(40,415,959)	150,408,771
2040 - 2044	—	66,375,000	(42,931,000)	23,444,000
2045 - 2049	250,000,000	13,275,000	(8,586,200)	254,688,800

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

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

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

<b>As of August 31, 2024</b>				
<b>Fiscal Year</b>	<b>Associated Fixed Rate Bonds<sup>1</sup></b>		<b>Receive-Fixed Pay-Variable Interest Rate Swaps<sup>2</sup></b>	<b>Total</b>
	<b>Principal</b>	<b>Interest</b>		
2025	\$ —	6,409,000	(422,994)	5,986,006
2026	—	6,409,000	(422,994)	5,986,006
2027	—	6,409,000	(422,994)	5,986,006
2028	—	6,409,000	(422,994)	5,986,006
2029	—	6,409,000	(422,994)	5,986,006
2030 - 2034	128,180,000	22,509,750	(1,485,643)	149,204,107

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

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



**As of August 31, 2023**

Fiscal Year	Associated Variable Rate Bonds and Commercial Paper		Pay-Fixed Receive-Variable Interest Rate Swaps <sup>3</sup>	Total
	Principal <sup>1</sup>	Interest <sup>2</sup>		
2024	\$ 49,785,000	65,762,900	(21,249,650)	94,298,250
2025	57,325,000	63,808,391	(21,097,382)	100,036,009
2026	50,360,000	61,551,687	(20,925,219)	90,986,468
2027	59,605,000	59,578,166	(20,770,135)	98,413,031
2028	61,850,000	57,233,825	(20,590,758)	98,493,067
2029 - 2033	313,440,000	250,124,954	(100,289,349)	463,275,605
2034 - 2038	374,870,000	189,141,800	(95,829,430)	468,182,370
2039 - 2043	9,240,000	135,359,600	(90,953,210)	53,646,390
2044 - 2048	250,000,000	95,127,500	(65,228,400)	279,899,100
2049 - 2053	250,000,000	13,710,500	(9,621,200)	254,089,300

<sup>1</sup> Reflects scheduled principal and interest payments of Revenue Financing System Refunding Bonds, Series 2007B, Revenue Financing System Bonds, Series 2008B, Revenue Financing System Bonds, Taxable Series 2016G, and Permanent University Fund Bonds, Series 2008A to be optionally or mandatorily redeemed in the fiscal years reflected. Also includes \$250 million of projected principal in August 2049 of Revenue Financing System Commercial Paper.

<sup>2</sup> Annual debt service requirements are computed using the System's interest rates in effect on August 31, 2023, on its Series 2008A Bonds, Series 2007B Bonds, Series 2008B, Series 2016G Bonds, and taxable commercial paper.

<sup>3</sup> Reflects net payments on pay-fixed, receive-variable interest rate swaps based on static interest rate environment as of August 31, 2023, and applied on the respective notional amounts of the swaps through their respective termination dates.

**As of August 31, 2023**

Fiscal Year	Associated Fixed Rate Bonds <sup>1</sup>		Receive-Fixed Pay-Variable Interest Rate Swaps <sup>2</sup>	Total
	Principal	Interest		
2024	\$ —	6,409,000	850,996	7,259,996
2025	—	6,409,000	1,038,258	7,447,258
2026	—	6,409,000	1,038,258	7,447,258
2027	—	6,409,000	1,038,258	7,447,258
2028	—	6,409,000	1,038,258	7,447,258
2029 - 2033	128,180,000	28,918,750	4,684,838	161,783,588

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

<sup>2</sup> Reflects net payments on receive-fixed, pay-variable interest rate swaps based on static interest rate environment as of August 31, 2023, and applied on the respective notional amounts of the swaps through their respective termination dates.

**14. Stewardship, Compliance and Accountability**

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

**15. Risk Management and Related Insurance**

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

#### EMPLOYEE AND RETIREE INSURANCE BENEFITS

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

#### UNEMPLOYMENT COMPENSATION INSURANCE

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

#### WORKERS' COMPENSATION INSURANCE

The Workers' Compensation Insurance (WCI) program provides coverage to all employees of the System and its institutions. Under the oversight of the System's Office of Risk Management (ORM), the System self-insures and administers the systemwide program through the use of a third-party administrator. The coverage provides income and medical benefits to all employees who have sustained compensable job-related injuries or occupational diseases. The program's statutory authority is embodied in Chapter 503 of the *Texas Labor Code*.

#### PROFESSIONAL MEDICAL LIABILITY BENEFIT PLAN

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

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

#### COMPREHENSIVE PROPERTY PROTECTION PROGRAM

The Comprehensive Property Protection Plan (CPPP) uses a combination of interim financing and commercial insurance to provide Fire and All Other Perils (Fire and AOP) and Named Windstorm and Flood (Wind and Flood) coverage. All coverage is subject to the terms, exclusions, limits and conditions of the Insurance Policies. The Fire and AOP program provides a \$1.3 billion per occurrence limit for most perils, with sub-limits that do apply. The System participates in a quota share of the following layers of commercial insurance coverage: thirteen percent (13%) of the \$25 million layer excess of \$25 million, twelve percent (12%) of the \$25 million layer excess of \$50 million, nine percent (9%) of the \$25 million layer excess of \$75 million, and five percent (5%) of the \$50 million layer excess of \$100 million. Deductibles for Fire and AOP are \$10 million per occurrence with a \$20 million annual aggregate limit; institutions have a \$500,000 per occurrence deductible. The commercial insurance coverage for Named Windstorm and resulting perils provides a \$250 million per occurrence limit with the System participating in a quota share of the following layers of commercial insurance coverage: thirteen percent (13%) of the \$25 million layer excess of \$25 million, twelve percent (12%) of the \$25 million layer excess of \$50 million, nine percent (9%) of the \$25 million layer excess of \$75 million, and five percent (5%) of the \$50 million layer excess of \$100 million. M. D. Anderson purchases a dedicated \$100 million policy excess of the \$250 million per occurrence Named Windstorm CPPP limit. Deductibles for Wind and Flood are \$100 million per occurrence for U. T. Medical Branch - Galveston (locations in Galveston only), \$50 million per occurrence for U. T. Health Science Center - Houston (locations in Texas Medical Center only) and M. D. Anderson (locations in Texas Medical Center Only), 5% of affected values in other Tier 1 counties subject to a \$10 million minimum, and AOP deductibles for all other locations. Tier 1 counties include counties along the Texas coast plus Harris County.

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

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

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

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

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

#### ROLLING OWNER CONTROLLED INSURANCE PROGRAM

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

#### AUTOMOBILE, PROPERTY & LIABILITY PLAN

The Automobile, Property & Liability Plan provides automobile liability and physical damage coverage for owned, leased, hired, and non-owned (excess liability only) vehicles, along with general liability coverage for certain scheduled exposures. Auto liability coverages are subject to a self-insured retention of \$150,000, general liability coverages are subject to a self-insured retention of \$100,000, and physical damage claims are subject to a \$35,000 self-insured retention per occurrence. There is a \$1,000,000 annual aggregate stop loss for the fiscal year 2024 policy term. Institution deductibles are \$2,500 per occurrence for auto liability, \$1,000 per vehicle for physical damage, and \$5,000 per vehicle for physical damage for vehicles valued over \$100,000. Catastrophe physical damage claims are subject to a \$100,000 per occurrence self-insured retention.

### INCURRED BUT NOT REPORTED SELF-INSURANCE CLAIMS

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

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

Changes in the System's claims liabilities for the various self-insurance plans during fiscal years 2024 and 2023 were as follows:

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

<b>Fiscal Year 2023 Plan</b>	<b>IBNR Liability 09/01/2022</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>IBNR Liability 08/31/2023</b>
Employee Health and Dental	\$ 179,000,000	1,826,588,154	(1,816,488,154)	189,100,000
Workers' Compensation	4,145,000	4,551,855	(4,093,855)	4,603,000
Professional Medical Liability	20,450,642	4,897,466	(3,620,866)	21,727,242
Property Protection – Fire & AOP	7,596,212	15,837,827	(12,629,406)	10,804,633
Property Protection – Wind & Flood	—	—	—	—
Directors and Officers/EPL/Cyber	5,753,058	4,122,788	(2,118,471)	7,757,375
ROCIP	4,280,367	46,279	(1,091,215)	3,235,431
Automobile, Property & Liability	493,962	977,382	(797,350)	673,994
<b>TOTAL</b>	<b>\$ 221,719,241</b>	<b>1,857,021,751</b>	<b>(1,840,839,317)</b>	<b>237,901,675</b>

## 16. Postemployment Health Care and Life Insurance Benefits

### HEALTH AND LIFE INSURANCE BENEFITS FOR RETIRED EMPLOYEES

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

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

For the years ended August 31, 2024 and 2023, the employer and retiree monthly contribution rates for full-time retired employee are shown in the following table. The retiree contributes any premium charged over and above the employer contributions. Note contribution rates for fiscal year 2024 and 2023 are the same for UT Select and UT Care.

Level of Coverage	2024		2023	
	Employer	Retiree	Employer	Retiree
Retiree Only	\$ 725.80	—	675.16	—
Retiree/Spouse	1,106.24	312.50	1,029.06	290.70
Retiree/Children	969.22	326.84	901.60	304.04
Retiree/Family	1,351.94	615.40	1,257.62	572.46

Retiree contributions as of January 1, 2024 under UT Care Medicare Advantage are \$343.26 for the spouse, if retiree is deceased, \$343.26 for dependent children, and \$686.53 for spouse plus children, if retiree is deceased. Retiree contributions as of January 1, 2023 under UT Care Medicare Advantage are \$316.87 for the spouse, if retiree is deceased, \$316.87 for dependent children, and \$633.74 for spouse plus children, if retiree is deceased.

### PLAN DESCRIPTION AND FUNDING POLICY

OPEB are provided to the System's retirees under the UT System Employee Group Insurance Program (EGIP). The EGIP is a single-employer defined benefit OPEB plan; however, due to the State statute requiring appropriations for funding the plan, the State is reporting a proportionate share. Chapter 1551 of the *Texas Insurance Code*, Sections 310 and 311, require that the State contribute to the cost of each participant's insurance coverage. The funds are appropriated under the General Appropriations Act Higher Education Employees Group Insurance (HEGI) Contributions. The State's proportion was 15.51% and 17.18% of the collective OPEB-related liabilities, deferred outflows and inflows and expense based on HEGI contributions by the State to total contributions as of August 31, 2024 and 2023. The System's proportion as of August 31, 2024 and 2023 was 84.49% and 82.82%. At August 31, 2024 and 2023, the amount of the total OPEB liability related to the System reported by the State was \$1,612,475,073 and \$1,678,372,322, respectively. The amount reported by the State is related to the premium sharing contributions, which are recognized as State appropriation general revenue on the System's financial statements in the fiscal year that the State contributed the amounts for OPEB on the System's behalf.

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

**EMPLOYEES COVERED BY BENEFIT TERMS**

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

	<b>Measurement Date</b>	<b>Measurement Date</b>
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
a. Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	33,812	31,104
b. Inactive Employees Entitled to but not yet Receiving Benefit Payments	16,814	15,091
c. Active Employees	116,520	104,546
d. Total	167,146	150,741

**TOTAL OPEB LIABILITY**

The System has elected to use a measurement date that is eight months in advance of the fiscal year end. The System's proportionate share of the total OPEB liability of \$8,785,708,021, current portion of \$184,459,372 and a noncurrent portion of \$8,601,248,649, reported for the fiscal year ended August 31, 2024 was measured as of December 31, 2023 and was determined by an actuarial valuation as of the same date. The System's proportionate share of the prior year's total OPEB liability of \$8,089,734,355, current portion of \$208,395,911 and a noncurrent portion of \$7,881,338,444, reported for the fiscal year ended August 31, 2023 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2021 and rolled forward twelve months to December 31, 2022.

## ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability as of December 31, 2023 was determined by an actuarial valuation as of the same date using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<b>Summary of Actuarial Methods and Assumptions – OPEB</b>	
Inflation	2.30%
Salary Increases	2.95% to 8.95% (includes inflation)
Discount Rate	3.26% for December 31, 2023; 3.72% for December 31, 2022;
Healthcare cost Trend Rates:	
Medical	UT Select: 5.60% for CY25, 5.50% for CY26, 5.25% for CY27, 5.00% for CY28, 4.75% for CY29, 4.60% for CY30, 4.50% for CY31, 4.40% for CY32, and 4.30% for CY33 and later years UT Care: 20.00% for CY25, 5.50% for CY26, 5.25% for CY27, 5.00% for CY28, 4.75% for CY29, 4.60% for CY30, 4.50% for CY31, 4.40% for CY32, and 4.30% for CY33 and later years
Pharmacy	11.00% for CY25, 10.00% for CY26, 9.50% for CY27, 9.00% for CY28, 8.00% for CY29, 7.00% for CY30, 6.00% for CY31, 5.00% for CY32, and 4.30% for CY33 and later years
Retiree contributions and opt-out credit trend rates	<sup>1</sup> 7.50% for CY25, 6.75% for CY26, 6.40% for CY27, 6.10% for CY28, 5.65% for CY29, 5.25% for CY30, 4.90% for CY31, 4.55% for CY32, and 4.30% for CY33 and later years
Mortality:	
a. Service Retirees, Survivors and other Inactive Members:	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021.
b. Disability Retirees:	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
c. Active Members:	Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010.
Discount Rate:	
a. For fiscal year ended August 31, 2024:	The discount rate used to measure the total OPEB liability as of December 31, 2023 was 3.26%. The discount rate used to determine the total OPEB liability as of December 31, 2022 was 3.72%.
b. For fiscal year ended August 31, 2023:	The discount rate used to measure the total OPEB liability as of December 31, 2022 was 3.72%. The discount rate used to determine the total OPEB liability as of December 31, 2021 was 2.06%.
c. Municipal Bond Rate:	3.26% as of December 31, 2023 and 3.72% as of December 31, 2022; the source of the municipal bond rate is the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. In describing their index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

<sup>1</sup> Retiree contributions as of January 1, 2024 under UT Care Medicare Advantage are \$343.26 for the spouse, if retiree is deceased, \$343.26 for dependent children, and \$686.53 for spouse plus children, if retiree is deceased. Retiree contributions as of January 1, 2023 under UT Care Medicare Advantage are \$316.87 for the spouse, if retiree is deceased, \$316.87 for dependent children, and \$633.74 for spouse plus children, if retiree is deceased.

Last State Employer Assumption:

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

<u>Age at Termination</u>	<u>Participation Rate</u>
<20	15%
20-24	15%
25-34	15%
35-44	30%
45-54	30%
≥55	30%

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

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

i. **Demographic Assumptions**

- The mortality rates, termination rates, disability rates, retirement rates and salary increase assumptions have been updated to reflect assumptions adopted by the TRS Trustees subsequent to the valuation date of the last full valuation of the EGIP. These updated demographic assumptions reflect an experience study on the TRS retirement plan performed by the TRS retirement plan actuary.
- The proportion of female members assumed to be married and electing coverage for their spouse has been updated based on more recent experience.
- The proportion of future retirees covering dependent children has been updated based on more recent experience.
- The percentage of eligible terminated employees who are assumed to participate in the EGIP as a result of UT System being their last State employer has been updated to reflect expected trends.
- For current terminated members who have already attained their assumed commencement age, the probability of commencing benefits has been updated to reflect expected trends.

ii. **Economic Assumptions**

- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.
- The expenses directly related to the payment of EGIP health benefits have been updated since the previous valuation.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the Affordable Care Act (ACA) have been updated since the previous valuation.

iii. **Other Inputs**

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

The benefit terms used in this valuation have changed since the prior valuation due to the addition of SFASU.



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

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

	<b>1% Decrease</b>	<b>FY23 Discount Rate</b>	<b>1% Increase</b>
	<b>2.72%</b>	<b>3.72%</b>	<b>4.72%</b>
Total OPEB Liability	\$ 9,558,708,298	\$ 8,089,734,355	\$ 6,927,817,838

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

	<b>1% Decrease<sup>1</sup></b>	<b>FY24 Healthcare Cost Trend Rates<sup>1</sup></b>	<b>1% Increase<sup>1</sup></b>
Total OPEB Liability	\$ 7,350,567,894	\$ 8,785,708,021	\$ 10,675,789,855

	<b>1% Decrease<sup>2</sup></b>	<b>FY23 Healthcare Cost Trend Rates<sup>2</sup></b>	<b>1% Increase<sup>2</sup></b>
Total OPEB Liability	\$ 6,754,616,645	\$ 8,089,734,355	\$ 9,847,385,898

<sup>1</sup>Healthcare Cost Trend Rates used for fiscal year 2024 are shown below:

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

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

<sup>2</sup> Healthcare Cost Trend Rates used for fiscal year 2023 are shown below:

Calendar Year	Medical - UT Select			Medical - UT Care		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase	1% Decrease	Healthcare Cost Trend Rates	1% Increase
2024	4.50%	5.50%	6.50%	(1.00)%	—%	1.00%
2025	4.25%	5.25%	6.25%	2.00%	3.00%	4.00%
2026	4.00%	5.00%	6.00%	4.00%	5.00%	6.00%
2027	3.75%	4.75%	5.75%	3.75%	4.75%	5.75%
2028	3.60%	4.60%	5.60%	3.60%	4.60%	5.60%
2029	3.50%	4.50%	5.50%	3.50%	4.50%	5.50%
2030	3.40%	4.40%	5.40%	3.40%	4.40%	5.40%
2031 and beyond	3.30%	4.30%	5.30%	3.30%	4.30%	5.30%

Calendar Year	Pharmacy Healthcare Cost Trend Rates		
	1% Decrease	Trend Rates	1% Increase
2024	9.00%	10.00%	11.00%
2025	8.50%	9.50%	10.50%
2026	8.00%	9.00%	10.00%
2027	7.00%	8.00%	9.00%
2028	6.00%	7.00%	8.00%
2029	5.00%	6.00%	7.00%
2030	4.00%	5.00%	6.00%
2031 and beyond	3.30%	4.30%	5.30%

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

	Increase (Decrease) in Total OPEB Liability	
	For Measurement Year from 12/31/2022 - 12/31/2023	For Measurement Year from 12/31/2021 - 12/31/2022
Balance at Beginning of Measurement Year	\$ 8,089,734,355	14,695,594,306
Changes for the Year:		
Service Cost	378,902,203	877,350,009
Interest	317,630,978	321,938,242
Benefit Terms	150,459,040	(52,783,790)
Differences Between Expected and Actual Experience	(175,730,898)	—
Changes of Assumptions or Other Inputs	45,613,267	(7,704,380,357)
Benefit Payments (Employer)	(187,548,719)	(206,219,478)
Net Changes	529,325,871	(6,764,095,374)
Changes in Proportionate Share	166,647,795	158,235,423
Balance at End of Measurement Year	\$ 8,785,708,021	8,089,734,355

The System recognized OPEB expense of \$13,522,163 for the fiscal year ended August 31, 2024 and \$462,609,141 for the fiscal year ended August 31, 2023.

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

	<b>Increase (Decrease) in Total OPEB Liability</b>	
	<b>For Measurement Year from 12/31/2022 - 12/31/2023</b>	<b>For Measurement Year from 12/31/2021 - 12/31/2022</b>
Balance at Beginning of Measurement Year	\$ 9,768,106,677	17,935,544,850
Changes for the Year:		
Service Cost	448,443,594	1,059,373,288
Interest	375,927,023	388,730,575
Benefit Terms	181,674,686	(63,734,811)
Differences Between Expected and Actual Experience	(207,983,471)	—
Changes of Assumptions or Other Inputs	53,984,848	(9,302,803,516)
Benefit Payments (Employer)	(221,970,263)	(249,003,709)
Net Changes	630,076,417	(8,167,438,173)
Changes in Proportionate Share		—
Balance at End of Measurement Year	<u>\$ 10,398,183,094</u>	<u>9,768,106,677</u>

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

	<b>As of August 31, 2024</b>		<b>As of August 31, 2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 107,609,747	208,074,013	124,515,711	81,950,260
Changes of Assumptions or Other Inputs	2,150,551,215	6,641,886,930	2,485,262,865	7,706,119,307
Change in Proportion and Contribution Difference	658,771,683	5,620,332	529,653,958	12,919,463
Contributions Subsequent to the Measurement Date	118,758,332	—	127,487,908	—
Total	<u>\$ 3,035,690,977</u>	<u>6,855,581,275</u>	<u>3,266,920,442</u>	<u>7,800,989,030</u>

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

For the Fiscal Year ended August 31, 2024:

<b>Fiscal Year Ended</b>	<b>Amount</b>
<b>August 31</b>	
2025	\$ (640,340,089)
2026	(524,503,359)
2027	(479,535,984)
2028	(418,896,826)
2029	(480,191,106)
Thereafter	(1,395,181,266)
Total	<u>\$ (3,938,648,630)</u>

## 17. Pension Plans

### TEACHER RETIREMENT SYSTEM (TRS)

The State of Texas has joint contributory retirement plans for substantially all its employees. One of the primary plans in which the System participates is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the Teacher Retirement System of Texas. TRS is primarily funded through State and employee contributions. Depending upon the source of funding for a participant's salary, the System may be required to make contributions in lieu of the State.

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

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

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

TRS contribution rates for both employers and employees are not actuarially determined but are legally established by the State Legislature. Contributions by employees were 8.25% of gross earnings for 2024, and 8.0% of gross earnings for 2023. Depending upon the source of funding for the employee's compensation, the State or the System contributes a percentage of participant salaries totaling 8.25% of annual compensation for 2024, and 8.00% of annual compensation for 2023. The System's actual contributions excluding the State match to TRS for the years ended August 31, 2024, 2023 and 2022 were \$595,077,489, \$514,850,265, and \$439,933,274, respectively.

The total pension liability is determined by an annual actuarial valuation. The tables below present the actuarial methods and assumptions used to measure the total pension liability as of the August 31, 2023 and August 31, 2022 measurement dates.

**Summary of Actuarial Methods and Assumptions – TRS Plan**

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

**Summary of Actuarial Methods and Assumptions – TRS Plan**

Actuarial Valuation Date	Aug 31, 2021 rolled forward to Aug 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	7.00 %
Long-term Expected Rate of Return	7.00 %
Municipal Bond Rate as of August 2022*	3.91 %
Inflation	2.30 %
Salary Increase	2.95% to 8.95% including inflation
Payroll Growth Rate	2.90 %
Mortality:	
Active	Based on the PUB(2010), Amount-Weighted, Below-Median Income, Teacher, Male and Female tables, with a 2-year set forward for males. The rates are projected on a fully generational basis by the long-term rates of scale UMP 2021 to account for future mortality improvements.
Post-Retirement	The 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates are projected on a fully generational basis by Scale UMP 2021, but with immediate convergence, to account for future mortality improvements. For disabled retirees, a three-year set forward of these tables are used, with minimum mortality rates of 0.0200 for females and 0.0400 for males, respectively.
Ad Hoc Post-Employment Benefit Changes	None

**Notes:**

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

The actuarial assumptions used in the determination of the total pension liability as of August 31, 2023 and August 31, 2022 were primarily based on the result of an actuarial experience study for the period ended August 31, 2021 and adopted on July 15, 2022. There have been no changes to the benefit provisions of the plan since the prior measurement date.

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

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

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

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

**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).



The target allocation and best estimates of geometric real rates of return for each major asset class for the plan's investment portfolio as of the August 31, 2022 measurement date are presented below:

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return**
<b>Global Equity</b>		
U.S.	18.0 %	4.6 %
Non-U.S. Developed	13.0 %	4.9 %
Emerging Markets	9.0 %	5.4 %
Private Equity	14.0 %	7.7 %
<b>Stable Value</b>		
U.S. Treasury	16.0 %	1.0 %
Absolute Return	—	3.7 %
Stable Value Hedge Funds	5.0 %	3.4 %
<b>Real Return</b>		
Real Assets	15.0 %	4.1 %
Energy, Natural Resources, and Infrastructure	6.0 %	5.1 %
Commodities	—	3.6 %
<b>Risk Parity</b>		
Risk Parity	8.0 %	4.6 %
Asset Allocation Leverage Cash	2.0 %	3.0 %
Asset Allocation Leverage	(6.0)%	3.6 %
<b>Total</b>	100.0 %	

**Notes:**

\*Absolute Return includes Credit Sensitive Investments.

\*\*Target allocations are based on fiscal year 2022 policy model.

\*\*\*Capital Market assumptions come from Aon Hewitt (as of 08/31/2022).

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

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

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

**Sensitivity of System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate FY23**

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
\$8,772,364,757	\$5,639,140,669	\$3,099,515,475

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

As of August 31, 2024 and 2023, respectively, the System reported a liability of \$6,961,419,620 and \$5,639,140,669 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2022 and 2021, respectively, and rolled forward to the measurement date. The System's proportion as of the August 31, 2023 and 2022 measurements dates was 10.1344942% and 9.4987114%, respectively. The System's proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the periods September 1, 2022 through August 31, 2023 and September 1, 2021 through August 31, 2022. At August 31, 2024 and 2023, respectively, the amount of the net pension liability related to the System reported by the State was \$2,675,683,500 and \$2,209,241,002. The amount reported by the State is related to the on-behalf contributions, which are recognized as State appropriation general revenue on the System's financial statements in the fiscal year that the State contributed the amounts to TRS on the System's behalf.

For the years ending August 31, 2024 and 2023, the System recognized pension expense of \$1,306,009,024 and \$739,191,094, 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:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 248,037,738	84,295,176	81,767,085	122,943,946
Changes of Assumptions	658,413,938	161,128,900	1,050,755,436	261,877,598
Net Diff Between Projected and Actual Investment Return	1,013,055,535	—	557,129,061	—
Change in Proportion and Contribution Difference	528,763,484	128,466,806	450,681,969	178,847,679
Contributions Subsequent to the Measurement Date	595,077,489	—	514,850,265	—
Total	<u>\$ 3,043,348,184</u>	<u>373,890,882</u>	<u>2,655,183,816</u>	<u>563,669,223</u>

The \$595,077,489 and \$514,850,265 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the years ending August 31, 2025 and 2024, respectively.

Amounts reported as deferred outflows and inflows of resources related to pensions as of August 31, 2024 will be recognized in pension expense in the following years:

<u>Fiscal Year</u>	<u>Increase (Reduction) of Pension Expense</u>
2025	\$ 460,000,551
2026	306,642,921
2027	931,492,836
2028	320,044,205
2029	56,199,300
Total	<u>\$ 2,074,379,813</u>

#### OPTIONAL RETIREMENT PROGRAM (ORP)

The State has also established an optional defined contribution retirement program for institutions of higher education. Participation in the ORP is in lieu of participation in the TRS. ORP is available to certain eligible employees who hold faculty positions and other professional positions including but limited to director-level and above, librarians and coaches. The ORP provides for the purchase of annuity contracts and mutual funds. Participants are vested in the employer contributions after one year and one day of service. Depending upon the source of funding for the employee's compensation, the System may be required to make the employer contributions in lieu of the State. Since these are individual annuity contracts, the State and the System have no additional or unfunded liability for this program. The employee and employer contribution rates are established by the State Legislature each biennium. The State provides an option for a local supplement on top of the state base rate. Each institution within the System can decide to adopt and fund a local supplement each year to provide each ORP employee the maximum employer rate. The chancellor then approves the employer rates each fiscal year. The contributions made by participants (6.65% of annual compensation) and the System (6.6% State base rate plus any local supplement for a maximum of 8.5%) for the fiscal years ended August 31, 2024, 2023 and 2022, respectively, are provided in the following table.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Participant Contributions	\$ 233,423,972	206,452,660	194,384,449
System Contributions	274,779,583	264,003,722	248,522,747
Total	<u>\$ 508,203,555</u>	<u>470,456,382</u>	<u>442,907,196</u>

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

M. D. Anderson has established, primarily for the physicians of its Physicians Referral Service, the Physicians Referral Service SRP/RBP Plans (the SRP/RBP Plans). The SRP/RBP Plans are nonqualified plans described by Section 457(f) of the Internal Revenue Code of 1986 (IRC), as amended. The assets of the SRP/RBP Plans of approximately \$731 million and \$622 million at August 31, 2024 and 2023, respectively, are measured at fair value and presented as restricted investments in the System's statement of net position. SRP/RBP deferred compensation plan assets remain subject to the claims of the general creditors of M. D. Anderson.

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

### Employees Covered by Benefit Terms

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

	Measurement Date September 1, 2023	Measurement Date September 1, 2022
a. Inactive Employees or Beneficiaries Receiving Benefit Payments	510	511
b. Inactive Employees Entitled to but not yet Receiving Benefit Payments	277	278
c. Active Employees	1,790	1,590
d. Total	2,577	2,379

### SRP of the Anderson Hospital

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

### PRS RBP

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

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

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

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

### Total Pension Liability for SRP/RBP Plans

The total pension liability for the SRP/RBP Plans is determined by an annual actuarial valuation. The tables below present the actuarial methods and assumptions used to measure the total pension liability as of the September 1, 2023 and 2022 measurement dates.

### Summary of Actuarial Methods and Assumptions

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

#### Actuarial Assumptions:

Discount Rate*	3.81%
Rate of Compensation Increase	4.00%

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

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

### Summary of Actuarial Methods and Assumptions

Actuarial Valuation Date	September 1, 2022
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Average Remaining Service Life
Asset Valuation Method	N/A – Unfunded Plan

#### Actuarial Assumptions:

Discount Rate*	3.59%
Rate of Compensation Increase	4.00%

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

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

#### Notes:

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

The total pension liability for the fiscal year ending August 31, 2024 was measured as of September 1, 2023 based on an actuarial valuation as of that date. The total pension liability for the fiscal year ended August 31, 2022 was measured as of September 1, 2021 based on actuarial valuation as of that date.

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

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

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

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

<b>Sensitivity of Total Pension Liability to Changes in the Discount Rate FY23</b>		
<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
<b>2.59%</b>	<b>3.59%</b>	<b>4.59%</b>
\$1,001,974,232	\$918,839,384	\$846,111,334

At August 31, 2024 and 2023, M. D. Anderson reported a total pension liability of \$926,495,910 and \$918,839,384 respectively, for the SRP/RBP Plans.

	<b>Increase (Decrease) in Total Pension Liability</b>	
	<b>For Measurement Year from 09/01/2022 to 08/31/2023</b>	<b>For Measurement Year from 09/01/2021 to 08/31/2022</b>
Balance at Beginning of Measurement Year	\$ 918,839,384	1,046,052,341
Changes for the Year:		
Service Cost	32,648,294	40,513,997
Interest	33,273,079	22,719,060
Changes of Assumptions or Other Inputs	(8,942,928)	(140,590,003)
Benefit Payments (Employer)	(49,321,919)	(49,856,011)
Net Changes	7,656,526	(127,212,957)
Balance at End of Measurement Year	\$ 926,495,910	918,839,384

For the years ended August 31, 2024 and 2023, M. D. Anderson recognized pension expense of \$57,953,168 and \$56,366,846, respectively. At August 31, 2024 and 2023, M. D. Anderson reported deferred outflows of resources and deferred inflows of resources related to the PRS RBP and SRP from the following sources:

	<b>As of August 31, 2024</b>		<b>As of August 31, 2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ 41,660,095	114,971,009	50,706,142	123,813,153
Benefit Payments Subsequent to the Measurement Date	46,096,063		49,321,919	
Administrative Costs Subsequent to the Measurement Date	888,451		847,079	
Total	\$ 88,644,609	114,971,009	100,875,140	123,813,153

The \$46,096,063 and \$49,321,919 reported as deferred outflows and inflows of resources resulting from benefit payments subsequent to the measurement date will be recognized as a reduction in the total pension liability for the years ending August 31, 2025 and 2024, respectively. Other amounts reported as deferred outflows and inflows of resources related to the SRP/RBP Plans as of August 31, 2024 will be recognized in pension expense in the following years:

<u>Fiscal Year Ended August 31</u>	<u>Increase (Reduction) of Pension Expense</u>
2025	\$ (7,850,574)
2026	(8,739,025)
2027	(8,739,025)
2028	(8,739,025)
2029	(12,670,360)
Thereafter	(25,684,454)
Total	<u>\$ (72,422,463)</u>

#### EMPLOYEES RETIREMENT SYSTEM (ERS)

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

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

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

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

#### **18. Deferred Compensation**

##### DEFERRED COMPENSATION-457(b)

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

#### TAX-SHELTERED ANNUITY-403(b)

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

#### THE UNIVERSITY OF TEXAS SYSTEM GOVERNMENTAL RETIREMENT ARRANGEMENT (UTGRA)

The University of Texas System Governmental Retirement Arrangement (UTGRA) is an excess benefit plan established by the System, via Section 415(m) of the Internal Revenue Code, to provide certain participants in the ORP that portion of their benefits that would otherwise be payable under the ORP except for the \$69,000 limit on contributions imposed by Section 415 of the Internal Revenue Code (IRC) for calendar year 2024 (\$66,000 for calendar year 2023). As of August 31, 2024 and 2023, there were 530 and 557 plan members, respectively. Persons employed by the System prior to September 1, 1996, whose compensation exceeds the limit set by IRC Section 401(a)(17) and whose ORP contribution is limited by the \$69,000 cap under IRC Section 415(c) for calendar year 2024 (\$66,000 for calendar year 2023), defer 6.65% of their excess compensation while the System contributes between 6.58% and 8.50% depending upon the institution and the date of employment. The System contributed \$2,295,690 for the year ended August 31, 2024 and \$3,240,602 for the year ended August 31, 2023. The participants contributed \$2,343,687 for the year ended August 31, 2024 and \$2,535,294 for the year ended August 31, 2023. Plan provisions are established and may be amended at any time by the U. T. System Board of Regents.

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

### **19. Commitments and Contingent Liabilities**

On August 31, 2024, various lawsuits and claims involving the System were pending. After conferring with legal counsel concerning pending litigation and claims, the System's management believes that the outcome of pending litigation should not have a material adverse effect on the financial statements of the System.

The System continues to implement its \$10.6 billion capital improvement program, planned for fiscal years 2025 through 2030, to upgrade facilities. Contracts have been entered into for the construction and renovation of various facilities. These projects are in various stages of completion.

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

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

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



## 20. Matrix of Operating Expenses Reported by Function

For the year ended August 31, 2024, the following table represents operating expenses for both natural and functional classifications for the System:

Operating Expenses	Instruction	Research	Public Service	Hospitals and Clinics
Cost of Goods Sold	\$ 713,821	101,736	3,296,288	88,422,750
Salaries and Wages	4,306,491,659	1,934,056,975	235,502,834	4,746,293,784
Payroll Related Costs	837,801,527	454,094,414	56,270,005	1,120,614,568
Membership Dues	13,805,213	3,852,672	510,091	11,338,673
Registration Fees/Meetings/Conferences	21,942,018	16,545,349	7,360,913	6,464,743
Professional Fees and Services	62,648,987	178,148,916	60,004,587	320,600,165
Other Contracted Services	57,393,218	430,549,440	74,524,435	405,541,011
Fees and Other Charges	13,226,199	24,452,007	2,397,074	22,228,313
Travel	35,630,245	59,603,674	5,995,880	20,298,756
Materials and Supplies	109,854,624	335,159,295	58,604,196	3,356,487,177
Utilities	1,220,436	4,961,762	239,031	14,693,899
Communications	6,293,535	3,659,045	2,955,425	23,420,039
Repairs and Maintenance	19,334,266	31,681,496	5,971,465	189,916,107
Rentals and Leases	9,937,462	8,441,999	2,940,297	48,073,394
Printing and Reproduction	5,294,791	7,115,776	2,907,981	4,686,227
Royalty Payments	27,084	3,389,913	27	871,120
Bad Debt Expense	—	—	—	—
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	—	(1,173,682)
Insurance Costs/Premiums	6,707,345	332,523	250,245	39,758,857
Claims and Losses	—	—	—	—
OPEB Expense	4,420,869	1,959,643	223,824	4,615,523
Pension Expense	426,980,079	189,267,876	21,617,578	503,733,535
Scholarships and Fellowships	15,834,243	66,021,611	2,166,435	62,517
Depreciation and Amortization	—	—	—	—
Federal Sponsored Pass-through to State Agencies	1,353,109	3,184,646	7,808,580	—
State Sponsored Pass-through to State Agencies	(295,490)	2,388,613	280,619	—
Other Operating Expenses	48,965,051	178,518,630	16,448,390	33,034,750
<b>Total Operating Expenses</b>	<b>\$ 6,005,580,291</b>	<b>3,937,488,011</b>	<b>568,276,200</b>	<b>10,959,982,226</b>

<b>Operating Expenses</b>	<b>Academic Support</b>	<b>Student Services</b>	<b>Institutional Support</b>	<b>Operations and Maintenance of Plant</b>
Cost of Goods Sold	\$ 660,891	61,298	1,029,127	73,354
Salaries and Wages	818,585,703	158,787,190	667,359,798	341,532,579
Payroll Related Costs	217,763,166	42,557,798	198,464,051	97,755,279
Membership Dues	5,766,525	1,194,586	5,877,680	742,678
Registration Fees/Meetings/Conferences	15,149,473	2,267,263	5,207,842	898,055
Professional Fees and Services	44,743,536	14,119,317	97,849,022	44,591,862
Other Contracted Services	92,310,626	41,361,382	76,733,460	85,139,069
Fees and Other Charges	11,946,513	2,780,839	1,608,289	1,634,219
Travel	19,912,937	5,539,158	8,362,415	1,059,290
Materials and Supplies	115,943,657	22,259,845	63,343,396	92,533,468
Utilities	433,424	40,648	11,520,838	249,398,732
Communications	5,743,060	1,526,342	14,578,238	3,262,377
Repairs and Maintenance	18,253,970	3,521,095	55,827,086	185,061,010
Rentals and Leases	7,945,661	3,201,515	13,552,599	14,055,630
Printing and Reproduction	4,714,845	3,143,525	4,166,311	210,863
Royalty Payments	14,711,133	259	12,147	397
Bad Debt Expense	—	(4,330,190)	15,959	—
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	(425,817)	457,626
Insurance Costs/Premiums	185,043	160,869	(12,293,411)	6,678,514
Claims and Losses	—	—	87,417,125	—
OPEB Expense	814,871	154,277	678,605	333,528
Pension Expense	78,702,578	14,900,475	65,541,683	32,213,089
Scholarships and Fellowships	6,645,301	6,571,199	2,246,013	213
Depreciation and Amortization	—	—	—	—
Federal Sponsored Pass-through to State Agencies	(50,114)	—	—	—
State Sponsored Pass-through to State Agencies	8,769,094	—	1,179,221	—
Other Operating Expenses	24,376,716	16,633,176	28,098,922	8,049,101
<b>Total Operating Expenses</b>	<b>\$ 1,514,028,609</b>	<b>336,451,866</b>	<b>1,397,950,599</b>	<b>1,165,680,933</b>

<b>Operating Expenses</b>	<b>Scholarships and Fellowships</b>	<b>Auxiliary Enterprises</b>	<b>Depreciation and Amortization</b>	<b>Total Expenses</b>
Cost of Goods Sold	\$ (607)	48,069,181	—	142,427,839
Salaries and Wages	22,846,269	322,703,203	—	13,554,159,994
Payroll Related Costs	2,363,744	72,987,196	—	3,100,671,748
Membership Dues	46,196	3,215,483	—	46,349,797
Registration Fees/Meetings/Conferences	380,506	8,156,405	—	84,372,567
Professional Fees and Services	823,127	22,999,719	—	846,529,238
Other Contracted Services	663,593	149,890,919	—	1,414,107,153
Fees and Other Charges	2,397,903	5,944,641	—	88,615,997
Travel	1,131,719	41,353,853	—	198,887,927
Materials and Supplies	1,106,700	58,511,220	—	4,213,803,578
Utilities	27	45,854,974	—	328,363,771
Communications	4,447	9,046,420	—	70,488,928
Repairs and Maintenance	206,789	41,850,148	—	551,623,432
Rentals and Leases	540,040	18,182,513	—	126,871,110
Printing and Reproduction	97,836	3,552,862	—	35,891,017
Royalty Payments	3	98,768	—	19,110,851
Bad Debt Expense	—	—	—	(4,314,231)
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	—	(1,141,873)
Insurance Costs/Premiums	1,222,102	3,471,688	—	46,473,775
Claims and Losses	—	—	—	87,417,125
OPEB Expense	21,943	299,080	—	13,522,163
Pension Expense	2,119,300	28,885,999	—	1,363,962,192
Scholarships and Fellowships	511,338,398	23,378,083	—	634,264,013
Depreciation and Amortization	—	—	1,873,383,717	1,873,383,717
Federal Sponsored Pass-through to State Agencies	—	—	—	12,296,221
State Sponsored Pass-through to State Agencies	738,366	—	—	13,060,423
Other Operating Expenses	3,095,356	34,019,373	—	391,239,465
<b>Total Operating Expenses</b>	<b>\$ 551,143,757</b>	<b>942,471,728</b>	<b>1,873,383,717</b>	<b>29,252,437,937</b>

For the year ended August 31, 2023, the following table represents operating expenses for both natural and functional classifications for the System:

Operating Expenses	Instruction	Research	Public Service	Hospitals and Clinics
Cost of Goods Sold	\$ 141,719	85,108	3,285,723	75,873,856
Salaries and Wages	4,016,295,153	1,780,307,068	203,341,038	4,193,135,966
Payroll Related Costs	793,121,825	403,219,268	48,653,417	1,000,751,038
Membership Dues	13,038,011	3,156,394	454,341	10,068,866
Registration Fees/Meetings/Conferences	21,080,514	14,267,151	5,579,445	6,218,179
Professional Fees and Services	59,116,049	145,227,619	52,624,859	334,040,910
Other Contracted Services	56,394,388	360,859,280	68,879,355	378,733,465
Fees and Other Charges	11,872,694	60,441,800	3,991,238	20,799,736
Travel	33,133,679	49,556,214	5,191,360	19,411,495
Materials and Supplies	114,615,766	404,899,340	64,053,717	2,875,337,502
Utilities	864,529	1,167,607	297,178	17,011,686
Communications	6,444,719	3,817,216	2,606,282	25,673,470
Repairs and Maintenance	26,573,302	27,630,113	6,009,387	187,785,007
Rentals and Leases	12,593,387	7,518,172	2,694,305	36,414,124
Printing and Reproduction	5,319,453	6,460,395	3,430,379	4,925,616
Royalty Payments	62,672	5,294,223	112	1,821,530
Bad Debt Expense	—	—	—	—
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	—	—
Insurance Costs/Premiums	7,230,723	874,879	261,230	37,123,138
Claims and Losses	—	—	—	—
OPEB Expense	153,206,338	67,023,617	7,117,672	154,982,096
Pension Expense	244,804,416	107,095,292	11,373,143	304,008,699
Scholarships and Fellowships	15,389,008	56,209,636	2,952,078	74,025
Depreciation and Amortization	—	—	—	—
Federal Sponsored Pass-through to State Agencies	1,836,499	6,134,030	3,096,702	—
State Sponsored Pass-through to State Agencies	—	1,001,374	71,355	—
Other Operating Expenses	45,029,540	128,492,646	15,539,315	(7,283,506)
<b>Total Operating Expenses</b>	<b>\$ 5,638,164,384</b>	<b>3,640,738,442</b>	<b>511,503,631</b>	<b>9,676,906,898</b>

<b>Operating Expenses</b>	<b>Academic Support</b>	<b>Student Services</b>	<b>Institutional Support</b>	<b>Operations and Maintenance of Plant</b>
Cost of Goods Sold	\$ 523,933	14,684	1,863,854	525
Salaries and Wages	740,298,664	140,158,074	616,503,573	303,005,404
Payroll Related Costs	191,781,437	35,602,472	(5,431,355)	83,987,956
Membership Dues	4,508,021	601,023	5,217,361	652,759
Registration Fees/Meetings/Conferences	13,168,057	2,347,165	4,806,693	826,867
Professional Fees and Services	42,711,633	10,212,986	95,779,280	31,823,174
Other Contracted Services	80,721,060	42,800,543	79,162,615	71,036,454
Fees and Other Charges	3,974,810	2,624,322	1,620,703	(117,908)
Travel	17,236,429	6,237,426	7,243,502	1,201,166
Materials and Supplies	119,350,861	21,587,549	56,363,895	96,066,246
Utilities	256,558	29,476	13,764,167	244,198,909
Communications	5,162,804	1,452,798	15,271,994	3,096,239
Repairs and Maintenance	22,946,511	3,704,998	52,711,467	172,063,654
Rentals and Leases	6,756,907	3,336,625	9,674,250	13,332,047
Printing and Reproduction	4,033,722	2,929,524	4,418,578	170,364
Royalty Payments	58,361,886	784	141,534	1,688
Bad Debt Expense	—	(1,077,652)	—	—
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	—	328,392
Insurance Costs/Premiums	128,529	340,673	14,621,276	6,238,142
Claims and Losses	—	—	218,137,957	—
OPEB Expense	28,452,395	5,470,210	24,110,626	11,355,923
Pension Expense	45,463,341	8,740,706	38,525,741	18,145,334
Scholarships and Fellowships	5,542,340	5,608,915	1,373,712	75
Depreciation and Amortization	—	—	—	—
Federal Sponsored Pass-through to State Agencies	—	16,304	25,933	—
State Sponsored Pass-through to State Agencies	—	—	2,326,065	—
Other Operating Expenses	22,859,739	13,933,787	21,500,892	13,296,969
<b>Total Operating Expenses</b>	<b>\$ 1,414,239,637</b>	<b>306,673,392</b>	<b>1,279,734,313</b>	<b>1,070,710,379</b>

<b>Operating Expenses</b>	<b>Scholarships and Fellowships</b>	<b>Auxiliary Enterprises</b>	<b>Depreciation and Amortization</b>	<b>Total Expenses</b>
Cost of Goods Sold	\$ (110,899)	44,949,789	—	126,628,292
Salaries and Wages	19,934,736	271,709,859	—	12,284,689,535
Payroll Related Costs	2,122,696	60,555,625	—	2,614,364,379
Membership Dues	42,451	3,713,554	—	41,452,781
Registration Fees/Meetings/Conferences	501,514	4,979,464	—	73,775,049
Professional Fees and Services	846,944	25,311,408	—	797,694,862
Other Contracted Services	614,956	120,534,354	—	1,259,736,470
Fees and Other Charges	1,161,383	7,649,105	—	114,017,883
Travel	969,970	40,619,556	—	180,800,797
Materials and Supplies	1,291,701	52,265,403	—	3,805,831,980
Utilities	(17,960)	39,188,647	—	316,760,797
Communications	11,792	8,190,426	—	71,727,740
Repairs and Maintenance	80,816	44,724,822	—	544,230,077
Rentals and Leases	333,735	11,099,063	—	103,752,615
Printing and Reproduction	74,378	2,919,783	—	34,682,192
Royalty Payments	—	87,750	—	65,772,179
Bad Debt Expense	—	—	—	(1,077,652)
Impairment of Capital Assets	—	—	—	—
Asset Retirement Expense	—	—	—	328,392
Insurance Costs/Premiums	13,858	3,133,428	—	69,965,876
Claims and Losses	—	—	—	218,137,957
OPEB Expense	792,632	10,097,632	—	462,609,141
Pension Expense	1,266,526	16,134,743	—	795,557,941
Scholarships and Fellowships	502,714,531	19,468,900	—	609,333,220
Depreciation and Amortization	—	—	1,827,434,267	1,827,434,267
Federal Sponsored Pass-through to State Agencies	(22,465)	—	—	11,087,003
State Sponsored Pass-through to State Agencies	(453,788)	—	—	2,945,006
Other Operating Expenses	3,347,503	31,586,967	—	288,303,852
<b>Total Operating Expenses</b>	<b>\$ 535,517,010</b>	<b>818,920,278</b>	<b>1,827,434,267</b>	<b>26,720,542,631</b>

## 21. Net Position

The System's net position at August 31, 2024 and 2023 was comprised of the following:

	<u>2024</u>	<u>2023</u>
Net Investment in Capital Assets	\$ 7,439,147,923	6,963,671,907
Restricted:		
Nonexpendable	39,721,621,730	38,161,618,752
Expendable	23,999,374,842	21,353,034,539
Total Restricted	<u>63,720,996,572</u>	<u>59,514,653,291</u>
Unrestricted Net Position:		
Unrestricted:		
Reserved:		
Encumbrances	2,476,794,811	1,813,523,746
Accounts Receivable (Less Unearned Revenue Portion)	2,578,019,482	2,105,381,601
Inventories	258,252,497	238,891,148
Self-insurance Plans	670,344,978	329,128,558
Other Specific Purposes:		
Notes Receivable	244	244
Deposits	564,534	486,519
Prepaid Expenses	219,737,689	186,603,530
Deferred Charges	158,849	102,650
Imprest Funds	875,243	822,207
Travel Advances	11,044,154	11,574,819
Unreserved:		
Allocated:		
Funds Functioning as Endowment-unrestricted	1,414,681,836	1,342,467,476
Provision for Operating Budgets	95,667,015	78,536,877
Capital Projects	6,405,208,280	5,419,127,496
Debt Service	248,889,228	207,339,660
Start-up/Matching	163,949,659	171,806,915
Utilities Reserve	10,152,839	9,866,192
Research Enhancement and Support	829,774,913	733,147,013
Market Adjustments	238,402,526	115,009,663
Student Fees	340,769,962	247,591,086
Texas Tomorrow Fund Shortfall	1,884,843	2,079,144
Instructional Program Support	2,907,439,228	1,938,485,335
Dean, Chair and Faculty Recruitment Packages	4,956,162	3,621,921
Self-supporting Enterprises	313,216,447	339,040,388
Patient Care Support	3,624,265,871	3,071,423,581
Practice Plan Minimum Operating Reserve of 90 Days	318,639,070	372,233,253
Unallocated	<u>(16,119,949,627)</u>	<u>(14,552,801,304)</u>
Total Unrestricted	<u>7,013,740,733</u>	<u>4,185,489,718</u>
<b>Total Net Position</b>	<u><u>\$ 78,173,885,228</u></u>	<u><u>70,663,814,916</u></u>

As of August 31, 2024 and 2023, restricted nonexpendable net position includes \$31,738,755,218 and \$30,601,703,562, respectively, of the Permanent University Fund corpus, and \$820,000,000 for both years of the Permanent Health Fund corpus. As of August 31, 2024 and 2023, restricted expendable net position includes \$13,870,563,621 and \$12,257,112,433, respectively, of the Permanent University Fund appreciation, and \$728,154,290 and \$639,231,070, respectively, of the Permanent Health Fund appreciation.

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

The System’s fiduciary fund net position at August 31, 2024 and 2023 was comprised of the following:

	<u>2024</u>	<u>2023</u>
Restricted for:		
Pooled Participants	\$ 325,062,648	291,513,943
Individuals, Organizations, and Other Governments	1,880,781	1,886,978
Total Fiduciary Fund Net Position	<u>\$ 326,943,429</u>	<u>293,400,921</u>

## 22. Termination Benefits

U. T. System Administration contracted with NextJob to provide outplacement services to employees of the System who implemented a reduction in force. U. T. System Administration incurred expenses of \$231,845 for 497 terminated employees of the System as of August 31, 2024, and \$94,365 for 272 terminated employees of the System as of August 31, 2023. While U. T. System Administration contracted with NextJob, the U. T. institutions may incur travel expenses for NextJob if they request NextJob to come to their campus or if the institution requests services that fall outside of the standard service in the contract.

In 2024, UT San Antonio had two employees who were paid out of the remainder of their faculty contracts for the academic year, one for \$66,009 and the other for \$30,917.

In 2024, U.T. Austin Intercollegiate Athletics terminated one employee entitled to a buyout clause. As of August 31, 2024, the total buyout payments of \$1,818,261 span from July 1, 2024 to August 31, 2026. As of August 31, 2024, \$149,037 in buyout payments have been made. Additionally, in 2021, U. T. Austin Intercollegiate Athletics terminated 10 employees entitled to buyout clauses. As of August 31, 2024, the total buyout payments of \$20,759,265 spanning from January 1, 2021 to December 31, 2023 have been paid.

Healthcare continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA) is provided for both voluntary and involuntary terminations. COBRA participants are eligible to continue group benefits for 18 to 36 months, depending upon the circumstances leading to loss of coverage. COBRA benefits for the self-insured plans offered by the System for the years ended August 31, 2024 and 2023 are provided below:

	<u>2024</u>	<u>2023</u>
Total Number of Participants <sup>1</sup>	1,680	2,062
Premium Revenue <sup>2</sup>	\$ 5,059,468	5,634,482
2% Administrative Fee Revenue <sup>3</sup>	(101,845)	(113,475)
Net COBRA Premium	4,957,623	5,521,007
Less Claims Paid	(10,897,742)	(13,524,041)
Cost to System	<u>\$ (5,940,119)</u>	<u>(8,003,034)</u>

<sup>1</sup> The participants above are for the self-insured program.

<sup>2</sup> The premium revenue in FY 2024 and FY 2023 include \$0 and \$97,967, respectively, of Federal COBRA subsidy funding recognized by the System under ARP for the medical, dental and vision insurance plans offered.

<sup>3</sup> The 2% administrative fee is retained by U. T. COBRA in OEB for administering the COBRA benefit and is paid by the participant.



### 23. Deferred Outflows of Resources and Deferred Inflows of Resources

As of August 31, 2024 and 2023, the System reported deferred outflows of resources and deferred inflows of resources in connection with its hedging derivative instruments, unamortized (losses)/gains on refunding debt, the OPEB plan, the TRS and SRP/RBP pension plans, unamortized interest rate lock termination payments, asset retirement obligations, beneficial interests in irrevocable split-interest agreements, acquisitions, lease revenues, and P3 related balances as presented in the table below:

	2024		2023	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Hedging Derivative Instruments	\$ 22,619,314	58,870,039	39,388,655	130,779,738
Unamortized Loss/Gain on Refunding Debt	2,022,397	1,419,788	4,543,043	2,363,765
OPEB-Related	3,035,690,977	6,855,581,275	3,266,920,443	7,800,989,030
Pension Related	3,131,992,792	488,861,891	2,756,058,955	687,482,376
Unamortized Interest Rate Lock Termination	7,135,013	—	7,452,384	—
Asset Retirement Obligation	1,472,416	—	1,611,014	—
Split-Interest Agreements	—	37,494,515	—	35,379,352
Acquisition Related	12,553,995	—	12,920,536	—
Lease Revenue Related	—	217,483,060	—	222,930,065
P3 Related Balances	—	425,144,998	—	393,783,092
Total	\$ 6,213,486,904	8,084,855,566	6,088,895,030	9,273,707,418

Deferred outflows of resources of \$22,619,314 and \$39,388,655 as of August 31, 2024 and 2023, respectively, were related to hedging derivative instruments in a liability position. Deferred inflows of resources of \$58,870,039 and \$130,779,738 as of August 31, 2024 and 2023, respectively, were related to hedging derivative instruments in an asset position. The hedging derivative instrument asset and liability are disclosed in Note 7.

Deferred outflows of resources of \$2,022,397 and \$4,543,043 as of August 31, 2024 and 2023, respectively, were related to the unamortized losses on refunding debt. Deferred inflows of resources of \$1,419,788 and \$2,363,765 as of August 31, 2024 and 2023, respectively, were related to the unamortized gains on refunding debt. For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows or deferred inflows.

Deferred outflows of resources of \$3,035,690,977 and \$3,266,920,443 and deferred inflows of resources of \$6,855,581,275 and \$7,800,989,030 as of August 31, 2024 and 2023, respectively, were related to the OPEB plan.

Deferred outflows of resources of \$3,043,348,184 and \$2,655,183,815 and deferred inflows of resources of \$373,890,882 and \$563,669,223 as of August 31, 2024 and 2023, respectively, were related to the TRS pension plan. Deferred outflows of resources of \$88,644,608 and \$100,875,140 and deferred inflows of resources of \$114,971,009 and \$123,813,153 as of August 31, 2024 and 2023, respectively, were related to the SRP/RBP pension plans.

Deferred outflows of resources of \$7,135,013 and \$7,452,384 as of August 31, 2024 and 2023, respectively, were related to unamortized interest rate lock termination payments.

Deferred outflows of resources of \$1,472,416 and \$1,611,014 as of August 31, 2024 and 2023, respectively, were related to asset retirement obligations.

Deferred outflows of resources of \$12,553,995 and \$12,920,536 as of August 31, 2024 and 2023, respectively, were related to unamortized excess consideration paid as a result of an asset purchase agreement with PTC- Houston Management, LP in fiscal year 2019.

Deferred inflows of resources of \$37,494,515 and \$35,379,352 as of August 31, 2024 and 2023, respectively, were related to the System's unconditional beneficial interests in irrevocable split-interest agreements.

Deferred inflows of resources of \$217,483,060 and \$222,930,065 as of August 31, 2024 and 2023, respectively, were related to future period revenues from leases in which the System is the lessor other than short term leases, regulated leases, and leases of assets classified as investments.

Deferred inflows of resources of \$425,144,998 and \$393,783,092 as of August 31, 2024 and 2023, respectively, were related to P3 Related Balances in which the System is the transferor.

#### **24. Public-Private and Public-Public Partnerships**

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

Totals of \$46,181,674 and \$33,699,879 were recognized as the Receivable for PPP Installment Payments for the years ended August 31, 2024 and 2023, respectively. Of the total receivable, \$5,880,784 and \$3,237,578 were recognized as the current portion of the receivable for PPP installment payments for the years ended August 31, 2024 and 2023, respectively. Present value of PPP installment payments are discounted based on a borrowing rate determined by the System and ranged from 0.11% to 3.81%.

Variable payments are a result of the underlying PPP measured not in a fixed rate, but rather variable due to underlying payments derived from a revenue and/or profit-sharing arrangements, usage of the underlying PPP asset, or changes in an index or rate. A total of \$2,034,924 and \$7,895,137 was recognized as revenue from these variable payments for the years ended August 31, 2024, and 2023, respectively.

For capital assets under P3 agreements, a total of \$384,216,244 and \$365,461,001 were recognized for the years ended August 31, 2024, and 2023 respectively.

Receivables for the Underlying PPP Assets purchased or constructed and placed into service by the operator were \$5,959,348 and \$5,959,348 for the years ended August 31, 2024, and 2023, respectively. Ownership of the underlying asset of the PPP has not yet been transferred to the System for assets carried by the System as PPP asset receivables.

Deferred Inflow of Resources corresponding to the P3 Receivables, P3 Assets to be Transferred, and P3 capital assets were \$425,144,998 and \$393,783,092 for the years ended August 31, 2024 and 2023, respectively.

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

Institution	Partner	Description	Construction Status	Term of Concession	Contract Begin	Contract End
UT Arlington	Centennial Apartments	Apartments	Completed	36	1/14/1994	8/31/2029
UT Arlington	Chartwells	Dining Services	Completed	16	5/14/2016	5/13/2031
UT Arlington	Follett Higher Education Group	Bookstore	Completed	26	2/11/1999	1/31/2024
UT Austin	ArenaCo	Arena	Completed	35	2/2/2023	2/2/2058
UT Dallas	Compass Group USA, Inc., DBA Chartwells	Dining Services	Completed	17	1/1/2019	12/31/2035
UT Rio Grande Valley	Boyer Harlingen, L.C.	Building for Federal Government VA Services	Completed	21	3/9/2009	9/30/2023
UT Rio Grande Valley	Chartwells (Annual Financial Considerations)	Dining Services	Completed	10	7/16/2023	7/15/2033
UT Rio Grande Valley	Chartwells (Monthly Royalties)	Dining Services	Completed	10	7/16/2023	7/15/2033
UT Rio Grande Valley	Edinburg CISD	High School Facility for Dual Credit Educational Programs	Completed	35	6/27/2024	6/26/2059
UT Rio Grande Valley	Harlingen CISD	High School Facility for Dual Credit Educational Programs	Completed	35	10/7/2021	10/6/2056
UT Rio Grande Valley	McAllen CISD	High School Facility for Dual Credit Educational Programs	Completed	35	5/17/2024	5/16/2039
UT San Antonio	Aramark Educational Service	Food Services	Completed	14	9/1/2021	7/30/2035
UT San Antonio	Follett Higher Education Group	Campus Bookstore	Completed	15	3/1/2323	5/31/2038
Stephen F. Austin	Chartwells	Dining Services	Not Complete	7	9/1/2021	6/30/2028

## 25. Subsequent Events

On August 22, 2024, the U. T. System Board of Regents authorized a combined, single administrative structure for U. T. San Antonio and U. T. Health Science Center - San Antonio to significantly increase their capacity to respond to the educational and health needs of a dynamic and growing region of Texas. U. T. System will seek authorization from the Texas Higher Education Coordinating Board and appropriate accrediting and licensing agencies to finalize the new structure. The timing of implementing the new administrative structure is unknown at this time.

On September 12, 2024, the U. T. System Board of Regents issued \$300,000,000 in PUF Tax-Exempt Commercial Paper Notes, Series A to finance a variety of capital projects and equipment purchases at various U. T. System institutions. Subsequent to this issuance, the System had \$1,009,000,000 of PUF Tax-Exempt Commercial Paper Notes, Series A outstanding.

On October 17, 2024, the U. T. System Board of Regents issued \$535,535,000 in Revenue Financing System Bonds, Series 2024B to (i) refund a portion of the Board's Revenue Financing System Commercial Paper Notes, Series A in an aggregate principal amount of \$467,500,000; (ii) to provide \$125,000,000 to finance the costs of campus improvements of certain Members of the Revenue Financing System, and (iii) paying the costs of issuance of the Bonds. Subsequent to this issuance and refunding, the System had \$1,171,500,000 of RFS Tax-Exempt Commercial Paper Notes, Series A outstanding.

On October 21, 2024, the U. T. System Board of Regents issued \$467,500,000 in RFS Tax-Exempt Commercial Paper Notes, Series A to finance a variety of capital projects and equipment purchases at various U. T. System institutions. Subsequent to this issuance, the System had \$1,639,000,000 of RFS Tax-Exempt Commercial Paper Notes, Series A outstanding.

On October 28, 2024, the U. T. System Board of Regents defeased \$50,000,000 of outstanding PUF Taxable Commercial Paper Notes, Series B. Subsequent to this defeasance, the System had \$90,000,000 of PUF Taxable Commercial Paper Notes, Series B outstanding.

On November 14, 2024, the U. T. System Board of Regents retired \$25,000,000 of outstanding RFS Taxable Commercial Paper Notes, Series B. Subsequent to this retirement, the System had \$86,000,000 of RFS Taxable Commercial Paper Notes, Series B outstanding.

On November 20, 2024, the U. T. System Board of Regents issued \$25,000,000 of RFS Commercial Paper Notes, Series A to finance a variety of capital projects and equipment purchases at various U. T. System institutions. Subsequent to this issuance, the System had \$1,664,000,000 of RFS Commercial Paper Notes, Series A outstanding.

## 26. Upcoming Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*, effective 2025, updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The System is evaluating the effect that Statement 101 will have on its financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, effective 2025, provides users of financial statements information about risks related to vulnerabilities due to certain concentrations or constraints limiting ability to acquire resources or control spending. The System is evaluating the effect that Statement 102 will have on its financial statements.

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

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

## 27. Segment Information

SFASU Revenue Bonds identified in footnote 13 pledged by SFASU revenues represent identifiable activities within the System for which segment information as of August 31, 2024 is presented below:

	<u>2024</u>
<b>Condensed Statement of Net Position</b>	
Current Assets	167,839,712
Noncurrent Assets	
Capital Assets (Net)	255,688,149
Amounts Receivable from Other Component Units	10,147,669
Other Noncurrent Assets	157,235,880
Total Noncurrent Assets	<u>423,071,698</u>
<b>Total Assets</b>	<u>590,911,410</u>
Deferred Outflows of Resources	—
<b>Total Assets and Deferred Outflows</b>	<u>590,911,410</u>
Current Liabilities	
Amounts Payable to Other Component Units	2,375,119
Other Current Liabilities	103,265,240
Total Current Liabilities	<u>105,640,359</u>
Noncurrent Liabilities	8,601,780
Total Liabilities	<u>114,242,139</u>
Deferred Inflows of Resources	5,384,642
<b>Total Liabilities and Deferred Inflows</b>	<u>119,626,781</u>

	<b>2024</b>
<b>Net Position</b>	
Net Investment in Capital Assets	248,417,644
Restricted Nonexpendable	80,337,927
Restricted Expendable	68,872,387
Unrestricted	73,656,671
<b>Total Net Position</b>	<b>471,284,629</b>

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

Operating Revenues	
Student Tuition and Fees (Net)	50,994,006
Sponsored Programs	20,231,952
Sales and Services of Educational Activities (Net)	6,900,240
Auxiliary Enterprises (net)	43,455,095
Other Operating Revenues	358,322
<b>Total Operating Revenues</b>	<b>121,939,615</b>
Operating Expenses	
Operating Expenses Excluding Depreciation and Amortization	216,407,293
Depreciation and Amortization	22,947,932
<b>Total Operating Expenses</b>	<b>239,355,225</b>
<b>Operating Loss</b>	<b>(117,415,610)</b>
Nonoperating Revenues (Expenses)	
State Appropriations	78,466,724
Federal Nonexchange Sponsored Programs	23,929,550
Gift Contributions for Operations	9,336,378
Net Investment Income	11,542,336
Other	(1,568,310)
<b>Net Nonoperating Revenues</b>	<b>121,706,678</b>
<b>Income Before Other Changes in Net Position</b>	<b>4,291,068</b>
Other Changes In Net Position	
Capital Gifts and Grants	3,995
Additions To Permanent Endowments	69,740,014
Net Internal Transfers and Reclaim	189,218,794
Net Transfers from Other State Agencies	2,769,054
Legislative Appropriations Lapsed	(18,388)
<b>Change in Net Position</b>	<b>266,004,537</b>
Net Position	
Net Position, Beginning of Year	16,364,534
Restatement	188,915,558
Net Position, Beginning of Year (as Restated)	205,280,092
<b>Net Position, End of Year</b>	<b>471,284,629</b>

#### **Condensed Statement of Cash Flows**

Net Cash Provided (Used) By:	
Operating Activities	(96,370,829)
Noncapital Financing Activities	157,214,533
Capital And Related Financing Activities	(33,509,654)
Investing Activities	(38,615,388)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(11,281,338)</b>
Beginning Cash and Cash Equivalent Balances	63,428,199
Restatements To Beginning Cash and Cash Equivalents	39,414,193
<b>Ending Cash and Cash Equivalent Balances</b>	<b>91,561,054</b>

***REQUIRED SUPPLEMENTARY INFORMATION***

**THE UNIVERSITY OF TEXAS SYSTEM**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE SYSTEM'S PROPORTIONATE SHARE OF CHANGES**  
**IN THE EMPLOYER TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**December 31, 2023**

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

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

Notes to Schedule:

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

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

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

Changes in benefit terms:

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

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

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

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

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

Changes in assumptions or other inputs:

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

-The mortality rates, termination rates, disability rates, retirement rates and salary increase assumptions have been updated to reflect assumptions adopted by the TRS Trustees based on an experience study on the TRS retirement

plan performed by the TRS retirement plan actuary. In addition, the proportion of female members assumed to be married and electing coverage for their spouse and the proportion of future retirees covering dependent children have been updated based on more recent experience. These demographic assumption changes decreased the Total OPEB Liability by approximately \$192 million.

-The percentage of eligible terminated employees who are assumed to participate in the EGIP as a result of UT System being their last State employer has been updated to reflect expected trends. This decreased the Total OPEB Liability by approximately \$406 million.

-For current terminated members who have already attained their assumed commencement age, the probability of commencing benefits has been updated to reflect expected trends. This decreased the Total OPEB Liability by approximately \$302 million.

-Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations. This increased the Total OPEB Liability by approximately \$1 billion.

-The expenses directly related to the payment of EGIP health benefits have been updated since the previous valuation. In addition, the PCORI fees payable under the ACA have been updated since the previous valuation. These economic assumption changes decreased the Total OPEB Liability by approximately \$875 million.

-Changes in the discount rate (see table below). This increased the Total OPEB Liability by approximately \$798 million.

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

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

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

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

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

The following are the discount rates used in each period:

2023	3.26%
2022	3.72%
2021	2.06%
2020	2.12%
2019	2.74%
2018	4.10%
2017	3.44%



**THE UNIVERSITY OF TEXAS SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
August 31, 2024**

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

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

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

**THE UNIVERSITY OF TEXAS SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
TEACHER RETIREMENT SYSTEM PENSION PLAN  
August 31, 2024**

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

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
System's Proportion of the Net Pension Liability	10.1344942 %	9.4987114 %	9.0342804 %	8.9723873 %	8.6902629 %	8.9377185 %	8.2879633 %	8.2932305 %	7.7646311 %	8.6199871 %
System's Proportionate Share of the Net Pension Liability	\$ 6,961,419,620	5,639,140,669	2,300,711,499	4,805,427,562	4,517,470,315	4,919,537,167	2,650,044,162	3,133,888,495	2,744,693,745	2,302,987,541
State's Proportionate Share of the Net Pension Liability Related to System	2,675,683,500	2,209,241,002	729,928,272	1,587,993,294	1,898,921,776	1,355,571,593	894,941,498	893,178,321	786,436,009	892,687,939
Total Net Pension Liability Related to System	\$ 9,637,103,120	7,848,381,671	3,030,639,771	6,393,420,856	6,416,392,091	6,275,108,760	3,544,985,660	4,027,066,816	3,531,129,754	3,195,675,480
System's Covered Payroll	\$ 7,592,051,434	6,783,241,812	6,196,286,308	5,942,147,682	5,435,527,295	5,106,576,133	4,891,473,913	4,635,793,582	4,472,632,860	4,018,776,650
System's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	91.69 %	83.13 %	37.13 %	80.87 %	83.11 %	96.34 %	54.18 %	67.60 %	61.37 %	57.31 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.15 %	75.62 %	88.79 %	75.54 %	75.24 %	73.74 %	82.17 %	78.00 %	78.43 %	83.25 %

**Schedule of the System's Contributions as of August 31**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Statutorily Required Contributions	\$ 705,410,624	601,660,709	525,701,240	464,721,473	445,661,076	369,615,856	347,247,177	332,620,226	315,233,963	304,139,034
Contributions in Relation to the Statutorily Required Contributions	\$ 595,077,489	514,850,265	439,933,274	381,611,428	366,510,043	302,294,698	282,808,370	262,734,718	262,370,366	244,723,301
Contribution Deficiency (Excess)	\$ 110,333,135	86,810,444	85,767,966	83,110,045	79,151,033	67,321,158	64,438,807	69,885,508	52,863,597	59,415,733
System's Covered Payroll	\$ 8,550,431,806	7,592,051,434	6,783,241,812	6,196,286,308	5,942,147,682	5,435,527,295	5,106,576,133	4,891,473,913	4,635,793,582	4,472,632,860
Contributions as a Percentage of Covered Payroll	6.96 %	6.78 %	6.49 %	6.16 %	6.17 %	5.56 %	5.54 %	5.37 %	5.66 %	5.47 %

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

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

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

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

## ***SUPPLEMENTARY INFORMATION***

### ***System Administration and Institution Financial Information\****

\*The following schedules present financial information for each of the institutions of the System. The effects of eliminations performed during the consolidation process are not reflected in these schedules. Further, certain balances are only reported at the consolidated level.

The University of Texas System Administration  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current Assets:		
Cash & Cash Equivalents	\$ 2,061,511,360.22	1,386,325,673.58
Restricted Cash & Cash Equivalents	86,415,820.46	128,193,541.91
Balance in State Appropriations	8,627,305.86	1,036,277.36
Securities Lending Collateral	953,630,199.13	704,550,572.43
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	13,826,873.78	10,217,801.63
Interest and dividends	75,641,283.76	64,668,612.34
Contributions (allow. \$50.40 in 2024 & \$33.97 in 2023)	993.17	1,031.12
Investment trades	1,113,156,644.14	703,501,548.13
Other (allow. \$0.00 in 2024 & \$0.00 in 2023)	438,520,269.39	409,559,550.11
Lease Receivable (Current)	763,028.20	3,195,372.54
Due From Other Funds	545,403,429.35	159,799,108.97
Due From Other Institutions	195,041,071.25	455,732,360.73
Due From Other Agencies	148,306.69	104,456.52
Other Current Assets	62,006,734.56	53,471,291.29
Total Current Assets	<u>5,554,693,319.96</u>	<u>4,080,357,198.66</u>
Noncurrent Assets:		
Cash and Cash Equivalents (Noncurrent Restricted)	2,368,171.97	32,302,714.99
Restricted Investments	73,308,924,350.76	68,730,721,841.82
Deposit with Brokers for Derivative Contracts	490,408,514.56	292,613,398.60
Contributions Rec. (allow. \$49.60 in 2024 & \$66.03 in 2023)	977.30	2,004.44
Unrestricted Investments	8,880,395,942.74	8,974,527,602.46
Funds Held by System Administration (Unrestricted)	(9,475,029,951.01)	(8,165,383,280.05)
Hedging Derivative Asset (Noncurrent)	58,870,039.00	130,779,738.00
Lease Receivable (Noncurrent)	55,492,442.60	56,255,470.80
Other Noncurrent Assets	34,387,729.02	31,625,066.76
Gross Capital/Intangible Assets	13,527,821,757.42	12,776,221,326.67
Accumulated Depreciation/Amortization	(245,038,406.63)	(229,187,799.29)
Total Noncurrent Assets	<u>86,638,601,567.73</u>	<u>82,630,478,085.20</u>
Total Assets	<u>92,193,294,887.69</u>	<u>86,710,835,283.86</u>
Total Deferred Outflows of Resources	<u>6,110,815,884.40</u>	<u>5,973,488,340.56</u>
Total Assets and Deferred Outflows	<u>98,304,110,772.09</u>	<u>92,684,323,624.42</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	251,670,388.24	283,098,052.29
Salaries Payable	5,370,502.46	5,079,792.53
Investment Trades Payables	1,524,899,715.63	1,645,273,365.87
Incurred But Not Reported Self Insurance Claims (Current)	189,052,285.59	199,965,065.67
Total Other Postemployment Benefits Liability (Current)	184,459,372.00	208,395,911.00
Securities Lending Obligations	953,630,199.13	704,550,572.43
Due To Other Funds	545,403,429.35	159,799,108.97
Due To Other Institutions	1,287,710,275.40	1,529,442,877.86
Due To Other State Agencies	15,669,143.97	16,911,034.29
Statewide Interfund Payable (Current)	67,028,256.87	65,118,657.82
Unearned Revenue	183,282.96	206,862.05
Employees' Compensable Leave (Current)	2,983,865.00	2,562,929.10
Short-term Debt - Commercial Paper Notes	2,131,500,000.00	2,341,061,000.00
Notes, Loans, and Leases Payable (Current)	10,242,032.37	7,954,810.66
Revenue Bonds Payable (Current)	1,107,282,950.04	1,671,517,223.35
Other Current Liabilities	396,778.13	408,352.90
Total Current Liabilities	<u>8,277,482,477.14</u>	<u>8,841,345,616.79</u>
Noncurrent Liabilities:		
Incurred But Not Reported Self Insurance Claims (Noncurrent)	41,029,279.41	37,936,609.33
Employees' Compensable Leave (Noncurrent)	4,053,891.46	3,764,827.94
Assets Held for Others (Noncurrent)	165,073,161.10	145,578,487.29
Liability to Beneficiaries	14,315,620.93	13,491,032.85
Total Other Postemployment Benefits Liability (Noncurrent)	8,601,248,649.00	7,881,338,444.00
Pension Liabilities (Noncurrent)	6,961,419,620.00	5,639,140,669.00
Notes, Loans, and Leases Payable (Noncurrent)	492,665,827.24	27,387,213.39
Revenue Bonds Payable (Noncurrent)	9,217,173,010.80	8,164,839,314.93
Statewide Interfund Payable (Noncurrent)	1,495,390,326.30	1,502,418,583.17
Hedging Derivative Liability (Noncurrent)	22,619,314.00	39,388,655.00
Payable to Brokers for Collateral Held	106,628,020.81	204,889,559.56
Investment Derivatives - Liability Positions	207,716,647.83	144,154,031.54
Other Noncurrent Liabilities	4,990,071.00	4,260,423.22
Total Noncurrent Liabilities	<u>27,334,323,439.88</u>	<u>23,808,587,851.22</u>
Total Liabilities	<u>35,611,805,917.02</u>	<u>32,649,933,468.01</u>
Total Deferred Inflows of Resources	<u>7,382,228,193.96</u>	<u>8,591,765,920.35</u>
Total Liabilities and Deferred Inflows	<u>42,994,034,110.98</u>	<u>41,241,699,388.36</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	339,808,869.18	348,691,605.29
Restricted for:		
Nonexpendable		
Permanent University Fund Endowment	31,738,755,217.98	30,601,703,561.92
Permanent Health and True Endowments Held for Institutions	7,001,438,447.63	6,584,331,835.14
Permanent Health and True Endowments	400,176,913.57	400,669,309.76
Expendable		
Capital Projects	1,695,560.68	9,966,334.86
Debt Service	52,156,938.14	94,624,056.36
Funds Functioning as Endowment (Restricted)	10,403,041.01	9,840,332.18
Funds Functioning as Endowments (Restricted Held for Institutions)	1,125,177,599.04	1,021,708,932.58
Other Expendable	19,612,273,509.01	17,399,346,095.59
Unrestricted	(4,971,809,435.13)	(5,028,257,827.62)
Total Net Position	<u>\$ 55,310,076,661.11</u>	<u>51,442,624,236.06</u>

The University of Texas System Administration  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Federal Sponsored Programs	43,370,940.38	31,586,274.70
State Sponsored Programs Pass-Through from State Agencies	12,062,014.00	
Private Sponsored Programs	956,072.85	1,472,900.00
Sales and Services of Educational Activities	66,272,912.30	35,804,085.95
Other Operating Revenues	208,092,286.72	528,519,638.41
Total Operating Revenues	<u>330,754,226.25</u>	<u>597,382,899.06</u>
Operating Expenses:		
Instruction		
Research		
Public Service	4,836,909.93	5,117,746.83
Academic Support	15,871,926.45	15,406,217.22
Student Services		
Institutional Support	966,226,072.65	1,066,640,691.66
Operations and Maintenance of Plant	3,504,818.44	431,306.32
Scholarships and Fellowships	1,900,677.00	1,705,600.00
Auxiliary Enterprises		
Depreciation and Amortization	23,872,364.67	26,517,080.46
Total Operating Expenses	<u>1,016,212,769.14</u>	<u>1,115,818,642.49</u>
Operating Income (Loss)	<u>(685,458,542.89)</u>	<u>(518,435,743.43)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	31,027,379.66	10,019,017.30
Federal Nonexchange Sponsored Programs	18,555,624.99	18,885,100.04
Federal Nonexchange Pass-Through	115,741.99	211,920.41
State Nonexchange Pass-Through		
Gift Contributions for Operations	282,058.42	413,224.59
Investment Income	4,764,526,166.87	3,269,454,783.42
Net Increase (Decrease) in Fair Value of Investments	2,082,838,441.92	588,578,036.67
Interest Expense on Capital Asset Financings	(416,905,839.90)	(361,883,981.58)
Gain (Loss) on Sale of Capital Assets	43,417.62	(301.17)
Other Nonoperating Revenues	25,633,171.20	81,262,958.89
Other Nonoperating (Expenses)	(10,144,876.07)	(9,807,855.59)
Net Nonoperating Revenues (Expenses)	<u>6,495,971,286.70</u>	<u>3,597,132,902.98</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	5,810,512,743.81	3,078,697,159.55
Additions to Permanent Endowments	314,131,391.83	250,691,731.40
Reclass from/(to) Other Institutions	1,254,176,676.87	1,383,456,044.78
Change in Proceeds of Bonds Payable	744,583,283.14	564,480,021.50
Transfers Between Institutions & System, Debt Service - Mandatory	904,930,157.15	834,820,249.58
Transfers Between Institutions & System Admin. - Non mandatory	(4,320,205,703.24)	(3,251,421,754.22)
Transfers From Other State Agencies	13,256,511.82	1,808,230.73
Transfers to Other State Agencies	(665,017,078.33)	(536,609,089.42)
Legislative Appropriations Lapsed		
Change in Net Position	<u>4,056,367,983.05</u>	<u>2,325,922,593.90</u>
Beginning Net Position	51,442,624,236.06	49,116,701,642.16
Restatements	(188,915,558.00)	
Beginning Net Position (As Restated)	<u>51,253,708,678.06</u>	<u>49,116,701,642.16</u>
Ending Net Position	<u>\$ 55,310,076,661.11</u>	<u>51,442,624,236.06</u>

The University of Texas System Administration  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Sponsored Programs	\$ 52,712,538.30	\$ 38,020,898.92
Proceeds from Other Revenues	248,983,154.51	548,569,133.92
Payments to Suppliers	(236,054,926.07)	(825,570,241.85)
Payments to Employees	(32,030,580.74)	(61,623,721.22)
Net Cash Provided (Used) by Operating Activities	<u>33,610,186.00</u>	<u>(300,603,930.23)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	23,436,351.16	10,795,933.81
Proceeds from Operating Gifts	287,123.51	419,291.16
Proceeds from Private Gifts for Endowment Purposes	284,132,196.83	229,543,586.02
Proceeds from Other Noncapital Financing Activities	(80,646,328.80)	128,502,958.89
Receipts for Transfers from System or Other Agencies	56,073,931.27	4,213,562.75
Payments for Transfers to System or Other Agencies	(2,315,001,786.99)	(1,196,629,432.74)
Payments for Other Uses	(2,296,333.14)	(3,874,219.24)
Proceeds from Nonexchange Sponsored Programs	18,692,294.83	19,116,986.32
Net Cash Provided by Noncapital Financing Activities	<u>(2,015,322,551.33)</u>	<u>(807,911,333.03)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from Issuance of Capital Debt	3,716,489,475.69	2,490,240,537.87
Nonmandatory Capital Related Transfers	(1,921,963,289.03)	(574,567,980.63)
Payments of Other Costs on Debt Issuance	(7,848,542.93)	(5,928,850.85)
Proceeds from Sale of Capital Assets	63,131.00	-
Payments for Additions to Capital Assets	(1,591,309.44)	(2,652,699.56)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(2,906,341,499.50)	(1,847,558,360.53)
Mandatory Transfers to System for Capital Related Debt	904,930,157.15	834,820,249.58
Payments of Interest on Capital Related Debt and Other L-T Obligations	(472,842,072.56)	(452,171,800.23)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(689,103,949.62)</u>	<u>442,181,095.65</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments	61,669,313,811.83	50,999,132,895.75
Proceeds from Interest and Investment Income	2,578,660,476.36	2,368,094,171.03
Payments to Acquire Investments	(60,973,684,550.50)	(52,441,292,669.48)
Net Cash Provided (Used) by Investing Activities	<u>3,274,289,737.69</u>	<u>925,934,397.30</u>
Net Increase (Decrease) in Cash	603,473,422.74	259,600,229.69
Cash and Cash Equivalents (Beginning of the Year)	<u>1,546,821,930.48</u>	<u>1,287,221,700.79</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 2,150,295,353.22</u>	<u>\$ 1,546,821,930.48</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(685,458,542.89)	(518,435,743.43)
<b>Adjustments to Reconcile Operating Results to Net Cash:</b>		
Depreciation and Amortization Expense	23,872,364.67	26,517,080.46
OPEB Expense	13,522,163.54	462,609,141.00
Pension Expense	1,306,009,024.00	739,191,094.00
<b>Changes in Assets and Liabilities:</b>		
Accounts Receivable	(28,415,959.82)	(10,672,715.24)
Lessor-Related Balances	(417,745.60)	(409,463.60)
Other Current and Noncurrent Assets	(19,956,942.73)	(10,066,034.11)
Deferred Outflows-Other Postemployment Benefits	231,229,465.95	387,358,832.00
Deferred Outflows-Pension Related	(388,164,368.06)	(993,416,915.84)
Accounts Payable	(55,320,831.18)	38,852,030.53
Due to System	260,691,289.48	(315,528,830.31)
Unearned Revenue	(27,579.09)	848.25
Employees' Compensable Leave	709,999.42	499,649.50
Other Postemployment Benefits Obligation	493,535,944.46	(7,068,469,092.00)
Pension Related Obligations	16,269,927.00	2,599,238,076.00
Deferred Inflows-Other Postemployment Benefits	(945,407,755.16)	6,485,154,252.00
Deferred Inflows-Pension Related	(189,778,341.00)	(2,123,976,104.00)
Other Current and Noncurrent Liabilities	718,073.01	949,964.56
Total Adjustments	<u>719,068,728.89</u>	<u>217,831,813.20</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 33,610,186.00</u>	<u>\$ (300,603,930.23)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	2,082,838,441.92	588,578,036.67
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	12,986,876.29	23,606,679.29
Miscellaneous Noncash Transactions	43,417.62	553,144.06



The University of Texas at Arlington  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 193,588,135.72	183,339,292.27
Restricted Cash & Cash Equivalents	17,382,586.45	8,156,531.88
Balance in State Appropriations	26,646,577.32	21,356,612.13
Accounts Receivable, Net:		
Federal (allow. \$125,654.87 in 2024 & \$173,366.01 in 2023)	63,210,025.26	63,334,426.92
Other Intergov. (allow. \$1,103,015.25 in 2024 & \$922,273.61 in 2023)	2,022,579.79	1,864,399.27
Student (allow. \$12,415,357.44 in 2024 & \$12,281,422.91 in 2023)	98,909,104.08	92,002,862.72
Interest and dividends	528.47	11.72
Contributions (allow. \$125,524.13 in 2024 & \$52,875.67 in 2023)	6,152,374.58	2,665,248.67
Other (allow. \$40,444.68 in 2024 & \$40,444.68 in 2023)	10,582,443.82	10,961,201.46
Lease Receivable (Current)	1,023,600.16	957,385.32
P3 Receivable (Current)	2,124,233.39	1,924,415.07
Due From Other Funds	75,107,406.91	57,409,812.59
Due From System Administration	38,871,913.68	2,147,105.47
Due From Other Institutions	594,815.98	511,697.10
Due From Other Agencies	4,315,616.10	4,633,140.51
Inventories	255,081.84	267,547.85
Loans & Contracts (allow. \$4,078,585.18 in 2024 & \$4,201,868.13 in 2023)	1,894,249.81	2,067,170.82
Other Current Assets	<u>6,344,403.52</u>	<u>7,240,914.81</u>
Total Current Assets	<u>549,025,676.88</u>	<u>460,839,776.58</u>
<b>Noncurrent Assets:</b>		
Loans & Contracts (allow. \$0.00 in 2024 & \$10,651.59 in 2023)	1,037,167.33	891,799.25
Funds Held by System Administration (Restricted)	194,099,347.75	178,945,057.93
Contributions Rec. (allow. \$148,917.54 in 2024 & \$51,122.42 in 2023)	7,344,014.47	2,649,848.93
Unrestricted Investments	776,727,408.79	680,436,255.33
Funds Held by System Administration (Unrestricted)	176,854,537.72	167,032,736.17
Lease Receivable (Noncurrent)	3,822,753.17	4,070,673.89
P3 Receivable (Noncurrent)	13,038,889.40	14,896,651.19
Gross Capital/Intangible Assets	1,623,031,696.05	1,547,546,348.45
Accumulated Depreciation/Amortization	<u>(888,220,825.83)</u>	<u>(837,461,443.56)</u>
Total Noncurrent Assets	<u>1,907,734,988.85</u>	<u>1,759,007,927.58</u>
Total Assets	<u>2,456,760,665.73</u>	<u>2,219,847,704.16</u>
Total Deferred Outflows of Resources	<u>90,981.75</u>	<u>90,981.75</u>
Total Assets and Deferred Outflows	<u><u>2,456,851,647.48</u></u>	<u><u>2,219,938,685.91</u></u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	36,005,006.20	33,328,498.63
Salaries Payable	28,478,729.66	26,635,365.04
Due To Other Funds	75,107,406.91	57,409,812.59
Due To System Administration	5,832,085.00	5,351,215.17
Due To Other Institutions	271,885.60	118,117.11
Due To Other State Agencies	966,975.62	427,034.98
Statewide Interfund Payable (Current)	121,531.65	97,243.32
Unearned Revenue	189,136,167.01	181,763,844.83
Employees' Compensable Leave (Current)	5,821,144.52	5,482,715.22
Notes, Loans, and Leases Payable (Current)	1,751,719.51	1,192,037.74
Other Current Liabilities	<u>1,572,014.13</u>	<u>1,528,706.71</u>
Total Current Liabilities	<u>345,064,665.81</u>	<u>313,334,591.34</u>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	8,872,217.52	17,184,061.34
Liability to Beneficiaries	22,372.22	22,708.36
Notes, Loans, and Leases Payable (Noncurrent)	1,793,930.82	254,720.72
Statewide Interfund Payable (Noncurrent)	199,773.87	312,598.57
Asset Retirement Obligation (Noncurrent)	193,980.00	193,980.00
Other Noncurrent Liabilities	<u>714,582.82</u>	<u>711,534.33</u>
Total Noncurrent Liabilities	<u>11,796,857.25</u>	<u>18,679,603.32</u>
Total Liabilities	<u>356,861,523.06</u>	<u>332,014,194.66</u>
Total Deferred Inflows of Resources	<u>22,664,795.31</u>	<u>26,103,082.58</u>
Total Liabilities and Deferred Inflows	<u><u>379,526,318.37</u></u>	<u><u>358,117,277.24</u></u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	731,265,219.89	708,638,146.43
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	121,183,770.74	114,836,058.75
Expendable		
Capital Projects	72,751,690.34	56,625,615.37
Funds Functioning as Endowment (Restricted)	5,882,971.63	5,533,401.46
Other Expendable	125,217,340.03	111,520,567.84
Unrestricted	<u>1,021,024,336.48</u>	<u>864,667,618.82</u>
Total Net Position	<u><u>\$ 2,077,325,329.11</u></u>	<u><u>1,861,821,408.67</u></u>

The University of Texas at Arlington  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 529,600,127.33	515,966,386.78
Discounts and Allowances	(172,363,892.13)	(137,290,267.75)
Federal Sponsored Programs	73,135,662.24	62,128,989.78
Federal Sponsored Programs Pass-Through from State Agencies	11,793,994.25	11,446,649.06
State Sponsored Programs	1,112,972.23	
State Sponsored Programs Pass-Through from State Agencies	26,308,619.55	21,106,460.49
Local Sponsored Programs	872,057.00	1,866,180.39
Private Sponsored Programs	12,644,441.47	7,027,090.39
Sales and Services of Educational Activities	30,196,994.17	36,065,746.22
Auxiliary Enterprises	52,989,289.46	47,821,181.88
Other Operating Revenues	5,245,923.66	5,698,978.99
Total Operating Revenues	<u>571,536,189.23</u>	<u>571,837,396.23</u>
Operating Expenses:		
Instruction	241,968,411.74	216,898,566.18
Research	117,733,482.54	112,969,710.68
Public Service	25,094,181.90	21,261,296.28
Academic Support	59,138,828.75	68,733,917.92
Student Services	87,002,680.04	82,482,551.07
Institutional Support	61,564,859.12	58,953,782.81
Operations and Maintenance of Plant	46,181,621.17	47,814,579.18
Scholarships and Fellowships	65,591,171.94	53,654,236.94
Auxiliary Enterprises	66,675,731.90	62,574,678.74
Depreciation and Amortization	57,527,921.85	54,081,914.95
Total Operating Expenses	<u>828,478,890.95</u>	<u>779,425,234.75</u>
Operating Income (Loss)	<u>(256,942,701.72)</u>	<u>(207,587,838.52)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	187,560,730.29	162,368,178.60
Federal Nonexchange Sponsored Programs	87,788,338.22	98,565,811.07
Federal Nonexchange Pass-Through	(75,834.68)	969,071.66
State Nonexchange Pass-Through	143,000.00	902,500.00
Gift Contributions for Operations	15,785,088.43	12,197,307.92
Investment Income	52,626,168.43	39,430,715.05
Net Increase (Decrease) in Fair Value of Investments	72,863,874.84	(24,544,946.67)
Interest Expense on Capital Asset Financings	(78,540.76)	(20,879.80)
Gain (Loss) on Sale of Capital Assets	(26,635.58)	(4,348,357.17)
Other Nonoperating Revenues	3,894,384.51	1,956,793.26
Other Nonoperating (Expenses)	(74,820.41)	109,389.30
Net Nonoperating Revenues (Expenses)	<u>420,405,753.29</u>	<u>287,585,583.22</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	163,463,051.57	79,997,744.70
Gifts and Sponsored Programs for Capital Acquisitions	817,743.69	703,605.92
Additions to Permanent Endowments	3,457,703.21	2,484,362.62
Reclass from/(to) Other Institutions	(170,958,581.33)	11,608,553.51
Transfers Between Institutions & System, Debt Service - Mandatory	(37,539,830.41)	(33,133,611.56)
Transfers Between Institutions & System Admin. - Non mandatory	250,155,417.01	8,780,949.05
Transfers From Other State Agencies	11,117,450.46	21,068,007.88
Transfers to Other State Agencies	(5,009,033.76)	(15,461,692.61)
Legislative Appropriations Lapsed		
Change in Net Position	<u>215,503,920.44</u>	<u>76,047,919.51</u>
Beginning Net Position	<u>1,861,821,408.67</u>	<u>1,785,773,489.16</u>
Ending Net Position	<u>\$ 2,077,325,329.11</u>	<u>1,861,821,408.67</u>

The University of Texas at Arlington  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 348,735,566.53	\$ 359,262,426.82
Proceeds from Sponsored Programs	130,706,370.35	116,619,372.65
Proceeds from Auxiliaries	51,780,801.97	47,389,896.35
Proceeds from Other Revenues	35,170,058.05	40,279,834.42
Payments to Suppliers	(286,190,218.52)	(268,747,295.86)
Payments to Employees	(489,595,766.07)	(449,798,010.11)
Payments for Loans Provided	(1,696,396.53)	(3,193,818.44)
Proceeds from Loan Programs	1,834,631.91	7,932,935.78
Net Cash Provided (Used) by Operating Activities	<u>(209,254,952.31)</u>	<u>(150,254,658.39)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	182,270,765.10	146,209,727.68
Proceeds from Operating Gifts	8,252,330.24	11,458,111.39
Proceeds from Private Gifts for Endowment Purposes	3,457,703.21	2,484,362.62
Proceeds from Other Noncapital Financing Activities	151,202,115.02	143,865,118.74
Receipts for Transfers from System or Other Agencies	23,517,041.19	29,731,356.67
Payments for Transfers to System or Other Agencies	(5,098,063.13)	(15,498,510.17)
Payments for Other Uses	(143,616,502.38)	(139,081,308.47)
Proceeds from Nonexchange Sponsored Programs	87,870,277.35	100,422,608.92
Net Cash Provided by Noncapital Financing Activities	<u>307,855,666.60</u>	<u>279,591,467.38</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	30,074,333.18	12,085,864.27
Proceeds from Capital Appropriations, Grants, and Gifts	61,500.00	900,460.00
Payments for Additions to Capital Assets	(73,014,860.63)	(44,917,521.95)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(2,858,025.20)	(1,875,802.30)
Mandatory Transfers to System for Capital Related Debt	(37,539,830.41)	(33,133,611.56)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(78,540.76)	(20,879.80)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(83,355,423.82)</u>	<u>(66,961,491.34)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	5,539,340.57	4,839,631.36
Proceeds from Interest and Investment Income Invested by System	47,087,974.67	34,589,306.29
Payments to Acquire Investments Invested by System	(48,397,707.69)	(79,218,552.90)
Net Cash Provided (Used) by Investing Activities	<u>4,229,607.55</u>	<u>(39,789,615.25)</u>
Net Increase (Decrease) in Cash	19,474,898.02	22,585,702.40
Cash and Cash Equivalents (Beginning of the Year)	191,495,824.15	168,910,121.75
Cash and Cash Equivalents (End of the Year)	<u>\$ 210,970,722.17</u>	<u>\$ 191,495,824.15</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(256,942,701.72)	(207,587,838.52)
<b>Adjustments to Reconcile Operating Results to Net Cash:</b>		
Depreciation and Amortization Expense	57,527,921.85	54,081,914.95
Bad Debt Expense	(110,682.45)	500,539.97
<b>Changes in Assets and Liabilities:</b>		
Accounts Receivable	(11,618,266.85)	(8,257,559.67)
Lessor-Related Balances	(18,112.86)	(22,361.69)
P3 Related Balances	(1,586,523.50)	(1,440,413.52)
Inventories	12,466.01	(27,116.64)
Loans and Contracts	138,235.38	4,739,117.34
Other Current and Noncurrent Assets	896,511.29	(1,672,674.77)
Accounts Payable	2,520,067.14	1,287,264.30
Due to System	480,869.83	484,987.20
Unearned Revenue	7,372,322.18	2,623,587.62
Employees' Compensable Leave	(7,973,414.52)	5,785,279.36
Other Current and Noncurrent Liabilities	46,355.91	(749,384.32)
Total Adjustments	<u>47,687,749.41</u>	<u>57,333,180.13</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (209,254,952.31)</u>	<u>\$ (150,254,658.39)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	72,863,874.84	(24,544,946.67)
Donated Capital Assets	107,710.43	115,377.00
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	4,956,917.07	171,327.19
Miscellaneous Noncash Transactions	1,684,344.48	(4,861,616.90)

The University of Texas at Austin  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current Assets:		
Cash & Cash Equivalents	\$ 601,385,526.49	599,112,243.72
Restricted Cash & Cash Equivalents	134,733,269.95	129,084,417.78
Balance in State Appropriations	455,277,147.62	476,905,988.42
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	157,354,185.77	164,002,809.77
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	31,986,346.83	12,962,040.39
Student (allow. \$1,392,654.76 in 2024 & \$1,415,942.42 in 2023)	66,923,307.45	60,128,860.64
Interest and dividends	7,139,516.41	7,898,178.23
Contributions (allow. \$919,806.79 in 2024 & \$500,057.86 in 2023)	128,345,758.82	111,604,357.55
Other (allow. \$273,120.12 in 2024 & \$301,758.95 in 2023)	82,195,229.78	61,121,879.57
Lease Receivable (Current)	5,081,455.50	5,538,121.08
P3 Receivable (Current)	807,917.41	1,040,946.87
Due From Other Funds	104,202,554.33	178,496,488.70
Due From System Administration	821,322,054.68	829,216,540.29
Due From Other Institutions	1,729,025.83	1,736,968.45
Due From Other Agencies	14,775,595.47	16,714,977.69
Inventories	11,655,628.52	8,169,715.37
Loans & Contracts (allow. \$0.00 in 2024 & \$0.00 in 2023)	5,449,909.10	4,787,417.47
Other Current Assets	103,938,051.23	85,478,793.23
Total Current Assets	<u>2,734,302,481.19</u>	<u>2,754,000,745.22</u>
Noncurrent Assets:		
Cash and Cash Equivalents (Noncurrent Restricted)	10,173.55	
Restricted Investments	251,155,030.09	221,101,402.46
Loans & Contracts (allow. \$5,592,164.91 in 2024 & \$9,610,069.87 in 2023)	7,980,146.43	10,235,477.53
Funds Held by System Administration (Restricted)	6,261,653,823.63	5,790,941,755.75
Contributions Rec. (allow. \$45,920.18 in 2024 & \$35,098.13 in 2023)	288,197,262.26	265,759,019.73
Unrestricted Investments	896,195,412.63	825,141,710.12
Funds Held by System Administration (Unrestricted)	1,394,641,599.97	1,348,343,622.98
Lease Receivable (Noncurrent)	97,085,224.81	102,095,308.52
Other Noncurrent Assets	9,087,668.00	9,866,103.00
P3 Receivable (Noncurrent)	8,254,207.78	9,321,178.32
Gross Capital/Intangible Assets	10,571,453,063.50	10,031,030,676.28
Accumulated Depreciation/Amortization	<u>(5,388,757,118.53)</u>	<u>(5,159,792,782.73)</u>
Total Noncurrent Assets	<u>14,396,956,494.12</u>	<u>13,454,043,471.96</u>
Total Assets	<u>17,131,258,975.31</u>	<u>16,208,044,217.18</u>
Total Deferred Outflows of Resources	805,158.21	719,633.98
Total Assets and Deferred Outflows	<u>17,132,064,133.52</u>	<u>16,208,763,851.16</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	232,481,469.23	163,450,050.57
Salaries Payable	155,289,344.03	148,348,442.09
Due To Other Funds	104,202,554.33	178,496,488.70
Due To System Administration	25,213,702.75	22,951,976.33
Due To Other Institutions	715,538.47	386,450.57
Due To Other State Agencies	14,518,345.95	34,508,315.30
Unearned Revenue	703,156,439.57	707,576,257.10
Employees' Compensable Leave (Current)	43,629,394.89	38,629,717.89
Notes, Loans, and Leases Payable (Current)	9,769,749.06	4,420,732.75
Other Current Liabilities	4,573,028.50	4,132,542.75
Total Current Liabilities	<u>1,293,549,566.78</u>	<u>1,302,900,974.05</u>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	42,896,064.29	44,764,115.08
Liability to Beneficiaries	9,929,949.32	9,209,182.88
Notes, Loans, and Leases Payable (Noncurrent)	72,987,092.06	64,088,549.18
Asset Retirement Obligation (Noncurrent)	6,157,128.13	6,033,593.13
Other Noncurrent Liabilities	3,035,405.81	6,400,909.80
Total Noncurrent Liabilities	<u>135,005,639.61</u>	<u>130,496,350.07</u>
Total Liabilities	<u>1,428,555,206.39</u>	<u>1,433,397,324.12</u>
Total Deferred Inflows of Resources	449,842,567.21	466,357,189.12
Total Liabilities and Deferred Inflows	<u>1,878,397,773.60</u>	<u>1,899,754,513.24</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,775,219,810.81	4,802,728,611.62
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	2,786,633,433.96	2,620,602,992.82
Expendable		
Capital Projects	(96,669,503.83)	(33,975,336.12)
Funds Functioning as Endowment (Restricted)	427,692,869.99	395,972,633.07
Other Expendable	3,757,950,390.74	3,393,463,814.93
Unrestricted	<u>3,602,839,358.25</u>	<u>3,130,216,621.60</u>
Total Net Position	<u>\$ 15,253,666,359.92</u>	<u>14,309,009,337.92</u>

The University of Texas at Austin  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 764,991,390.82	768,803,026.55
Discounts and Allowances	(211,882,051.50)	(205,168,983.64)
Federal Sponsored Programs	733,390,282.81	645,610,994.09
Federal Sponsored Programs Pass-Through from State Agencies	36,550,545.44	29,687,480.95
State Sponsored Programs Pass-Through from State Agencies	70,149,481.81	79,740,545.67
Local Sponsored Programs	6,076,973.40	8,444,295.85
Private Sponsored Programs	272,008,572.16	227,171,706.80
Sales and Services of Educational Activities	362,144,196.26	366,848,959.47
Discounts and Allowances Sales and Services of Educational Activities	263,687.69	(47,867.45)
Sales and Services of Hospitals	9,972,377.88	5,743,458.44
Discounts and Allowances Sales and Services of Hospitals	(4,231,883.16)	(2,654,038.59)
Professional Fees (Patient Charges)	32,678,057.73	26,533,985.61
Discounts and Allowances Professional Fees (Patient Charges)	(16,122,317.85)	(12,655,356.33)
Auxiliary Enterprises	427,785,855.50	381,811,416.48
Discounts and Allowances Auxiliary Enterprises	(22,740,560.08)	(20,178,399.36)
Other Operating Revenues	51,554,027.83	3,518,463.98
Total Operating Revenues	<u>2,512,588,636.74</u>	<u>2,303,209,688.52</u>
Operating Expenses:		
Instruction	779,022,059.58	775,028,778.88
Research	849,265,202.65	850,641,173.76
Public Service	200,014,888.60	147,751,222.86
Hospitals / Clinics	182,855,918.95	150,047,021.85
Academic Support	545,790,652.38	539,567,028.75
Student Services	50,699,689.94	41,721,112.55
Institutional Support	255,301,603.81	254,615,382.25
Operations and Maintenance of Plant	274,651,926.77	254,350,622.48
Scholarships and Fellowships	190,790,530.07	202,293,294.34
Auxiliary Enterprises	431,683,154.75	382,641,493.25
Depreciation and Amortization	375,062,863.14	388,722,814.93
Total Operating Expenses	<u>4,135,138,490.64</u>	<u>3,987,379,945.90</u>
Operating Income (Loss)	<u>(1,622,549,853.90)</u>	<u>(1,684,170,257.38)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	420,755,427.18	826,504,723.62
Federal Nonexchange Sponsored Programs	75,391,962.26	64,247,611.05
Federal Nonexchange Pass-Through		609,652.38
State Nonexchange Pass-Through		
Local Nonexchange Sponsored Programs	35,000,000.00	35,000,000.00
Gift Contributions for Operations	268,194,874.98	317,024,047.28
Investment Income	368,480,739.37	434,085,557.28
Net Increase (Decrease) in Fair Value of Investments	442,695,737.33	(18,305,439.07)
Interest Expense on Capital Asset Financings	(1,891,744.51)	(1,795,905.31)
Gain (Loss) on Sale of Capital Assets	(33,033,884.85)	(9,598,502.43)
Other Nonoperating Revenues	48,420,057.77	26,235,531.65
Other Nonoperating (Expenses)	(8,698,652.47)	(6,781,631.98)
Net Nonoperating Revenues (Expenses)	<u>1,615,314,517.06</u>	<u>1,667,225,644.47</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	(7,235,336.84)	(16,944,612.91)
Gifts and Sponsored Programs for Capital Acquisitions	208,398,880.66	(15,318,163.19)
Additions to Permanent Endowments	128,184,508.69	96,036,224.78
Reclass from/(to) Other Institutions	(227,304,308.79)	(22,979,607.73)
Transfers Between Institutions & System, Debt Service - Mandatory	(153,577,301.11)	(158,621,714.59)
Transfers Between Institutions & System Admin. - Non mandatory	970,953,155.45	740,398,513.14
Transfers From Other State Agencies	24,549,852.66	7,469,348.32
Transfers to Other State Agencies	(345,109.22)	(162,545.20)
Legislative Appropriations Lapsed		
Change in Net Position	<u>943,624,341.50</u>	<u>629,877,442.62</u>
Beginning Net Position	14,309,009,337.92	13,679,131,895.30
Restatements	1,032,680.50	
Beginning Net Position (As Restated)	<u>14,310,042,018.42</u>	<u>13,679,131,895.30</u>
Ending Net Position	<u>\$ 15,253,666,359.92</u>	<u>14,309,009,337.92</u>

The University of Texas at Austin  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 559,048,981.29	\$ 581,974,149.55
Proceeds from Patients and Customers	22,296,234.60	16,968,049.13
Proceeds from Sponsored Programs	1,078,618,722.74	845,360,949.78
Proceeds from Auxiliaries	407,184,158.07	714,827,664.70
Proceeds from Other Revenues	376,263,158.52	381,594,711.46
Payments to Suppliers	(1,334,859,448.95)	(1,371,253,993.51)
Payments to Employees	(2,377,005,719.91)	(2,176,917,468.08)
Payments for Loans Provided	(10,025,270.81)	(11,679,727.26)
Proceeds from Loan Programs	<u>15,549,933.56</u>	<u>19,705,789.53</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,262,929,250.89)</u>	<u>(999,419,874.70)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	442,384,267.98	371,028,508.39
Proceeds from Operating Gifts	229,015,231.18	344,513,037.69
Proceeds from Private Gifts for Endowment Purposes	128,184,508.69	96,036,224.78
Proceeds from Other Noncapital Financing Activities	278,150,170.58	(608,412,866.67)
Receipts for Transfers from System or Other Agencies	562,480,923.14	478,437,326.35
Payments for Transfers to System or Other Agencies	(210,378.30)	(40,586.95)
Payments for Other Uses	(267,692,467.77)	260,743,063.63
Proceeds from Nonexchange Sponsored Programs	<u>99,247,611.05</u>	<u>217,682,103.37</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,471,559,866.55</u>	<u>1,159,986,810.59</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	214,871,546.47	77,410,801.64
Proceeds from Capital Appropriations, Grants, and Gifts	103,137,254.99	(47,061,630.44)
Proceeds from Sale of Capital Assets	1,362,519.83	521,970.11
Payments for Additions to Capital Assets	(549,159,142.14)	(167,182,939.88)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(10,552,875.09)	(10,968,946.95)
Mandatory Transfers to System for Capital Related Debt	(153,577,301.11)	(158,621,714.59)
Payments of Interest on Capital Related Debt and Other L-T Obligations	<u>(1,891,744.51)</u>	<u>(1,795,905.31)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(395,809,741.56)</u>	<u>(307,698,365.42)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	291,188,726.81	359,581,274.98
Proceeds from Interest and Investment Income Invested by System	77,746,311.11	76,737,952.79
Payments to Acquire Investments Invested by System	<u>(173,823,603.53)</u>	<u>(252,700,937.62)</u>
Net Cash Provided (Used) by Investing Activities	<u>195,111,434.39</u>	<u>183,618,290.15</u>
Net Increase (Decrease) in Cash	7,932,308.49	36,486,860.62
Cash and Cash Equivalents (Beginning of the Year)	<u>728,196,661.50</u>	<u>691,709,800.88</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 736,128,969.99</u>	<u>\$ 728,196,661.50</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(1,622,549,853.90)	(1,684,170,257.38)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	375,062,863.14	388,722,814.93
Bad Debt Expense	(3,931,823.28)	(6,062,369.16)
Changes in Assets and Liabilities:		
Accounts Receivable	(32,460,975.46)	(166,310,903.27)
Lessor-Related Balances	(1,112,846.15)	(706,773.93)
P3 Related Balances	(8,733,859.18)	339,057,441.77
Inventories	(3,485,913.15)	(360,914.12)
Loans and Contracts	5,524,662.75	8,026,062.27
Other Current and Noncurrent Assets	(18,459,258.00)	13,505,632.19
Accounts Payable	49,131,224.71	(42,231,638.59)
Due to System	2,261,726.42	1,975,750.58
Unearned Revenue	(4,419,817.53)	159,085,108.41
Employees' Compensable Leave	3,131,626.21	3,506,584.82
Asset Retirement Obligations	38,010.77	38,010.77
Other Current and Noncurrent Liabilities	<u>(2,925,018.24)</u>	<u>(13,494,423.99)</u>
Total Adjustments	<u>359,620,603.01</u>	<u>684,750,382.68</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,262,929,250.89)</u>	<u>\$ (999,419,874.70)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	442,695,737.33	(18,305,439.07)
Donated Capital Assets	105,261,625.67	31,743,467.25
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	24,800,434.28	3,811,052.15
Miscellaneous Noncash Transactions	1,397,071.09	357,992,552.26

The University of Texas at Dallas  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 113,319,387.95	180,515,351.19
Restricted Cash & Cash Equivalents	8,214,704.60	17,914,738.40
Balance in State Appropriations	2,357,689.69	1,441,182.76
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	50,925,398.09	17,238,011.33
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	2,017,085.46	396,993.54
Student (allow. \$6,171,548.92 in 2024 & \$6,279,339.52 in 2023)	51,949,793.12	52,028,686.61
Interest and dividends	771,119.30	1,271,148.69
Contributions (allow. \$2,261,471.34 in 2024 & \$2,156,999.29 in 2023)	3,357,947.06	31,947,143.76
Other (allow. \$510,680.46 in 2024 & \$1,852,367.55 in 2023)	17,868,427.15	17,643,129.65
Lease Receivable (Current)	53,577.77	55,124.94
Due From System Administration	42,536,974.60	7,566,348.51
Due From Other Institutions	555,084.49	411,908.99
Due From Other Agencies	2,010,089.87	756,235.36
Inventories	333,537.32	355,832.13
Loans & Contracts (allow. \$819,022.45 in 2024 & \$774,314.64 in 2023)	6,436,989.89	6,908,997.90
Other Current Assets	6,183,294.30	8,769,623.78
<b>Total Current Assets</b>	<b>308,891,100.66</b>	<b>345,220,457.54</b>
<b>Noncurrent Assets:</b>		
Restricted Investments	35,293,017.35	50,355,496.83
Loans & Contracts (allow. \$398,835.72 in 2024 & \$398,835.72 in 2023)	3,300,758.57	2,459,756.29
Funds Held by System Administration (Restricted)	734,063,458.94	686,306,617.01
Contributions Rec. (allow. \$866,776.23 in 2024 & \$844,789.94 in 2023)	16,193,599.36	16,006,657.32
Unrestricted Investments	209,248,285.72	327,392,274.58
Funds Held by System Administration (Unrestricted)	685,756,747.28	339,186,764.75
Lease Receivable (Noncurrent)	335,550.51	389,128.28
Other Noncurrent Assets	2.00	2.00
Gross Capital/Intangible Assets	2,241,840,416.91	2,133,872,773.21
Accumulated Depreciation/Amortization	(1,154,126,718.43)	(1,064,448,612.74)
<b>Total Noncurrent Assets</b>	<b>2,771,905,118.21</b>	<b>2,491,520,857.53</b>
<b>Total Assets</b>	<b>3,080,796,218.87</b>	<b>2,836,741,315.07</b>
<b>Total Assets and Deferred Outflows</b>	<b>3,080,796,218.87</b>	<b>2,836,741,315.07</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	37,512,219.49	25,707,194.06
Salaries Payable	37,668,442.26	34,445,283.07
Due To System Administration	5,300,818.36	4,775,897.21
Due To Other Institutions	1,456,436.21	4,992,209.92
Due To Other State Agencies	72,935.56	47,717.50
Unearned Revenue	200,162,127.97	223,600,607.50
Employees' Compensable Leave (Current)	8,496,272.10	7,371,476.21
Notes, Loans, and Leases Payable (Current)	6,200,756.64	5,978,461.49
Other Current Liabilities	454,073.19	475,958.30
<b>Total Current Liabilities</b>	<b>297,324,081.78</b>	<b>307,394,805.26</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	8,454,587.70	8,201,252.29
Notes, Loans, and Leases Payable (Noncurrent)	33,796,070.47	38,172,895.82
Asset Retirement Obligation (Noncurrent)	41,092.50	41,092.50
Other Noncurrent Liabilities	60,375.11	138,559.71
<b>Total Noncurrent Liabilities</b>	<b>42,352,125.78</b>	<b>46,553,800.32</b>
<b>Total Liabilities</b>	<b>339,676,207.56</b>	<b>353,948,605.58</b>
<b>Total Deferred Inflows of Resources</b>	<b>1,739,611.68</b>	<b>1,914,947.36</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>341,415,819.24</b>	<b>355,863,552.94</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,047,716,871.37	1,025,272,803.16
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	350,547,483.24	343,322,140.57
Expendable		
Capital Projects	53,878,227.81	24,197,471.54
Funds Functioning as Endowment (Restricted)	113,967,964.40	101,206,675.80
Other Expendable	392,916,407.67	388,424,941.67
Unrestricted	780,353,445.14	598,453,729.39
<b>Total Net Position</b>	<b>\$ 2,739,380,399.63</b>	<b>2,480,877,762.13</b>

The University of Texas at Dallas  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 548,442,682.72	567,539,164.25
Discounts and Allowances	(155,790,583.00)	(147,182,184.00)
Federal Sponsored Programs	83,312,433.94	66,931,092.94
Federal Sponsored Programs Pass-Through from State Agencies	2,159,445.25	1,599,242.50
State Sponsored Programs Pass-Through from State Agencies	19,516,476.97	18,141,246.23
Local Sponsored Programs	71,559.91	108,603.11
Private Sponsored Programs	14,523,264.42	15,368,763.94
Sales and Services of Educational Activities	43,683,602.94	40,902,432.27
Auxiliary Enterprises	59,814,113.75	52,120,136.46
Other Operating Revenues	11,673,112.74	10,945,394.85
Total Operating Revenues	<u>627,406,109.64</u>	<u>626,473,892.55</u>
Operating Expenses:		
Instruction	243,024,569.87	220,306,312.14
Research	138,572,237.85	114,572,375.22
Public Service	15,243,003.26	13,302,583.91
Academic Support	96,570,711.94	85,544,804.75
Student Services	27,527,552.30	23,109,819.15
Institutional Support	52,175,568.26	48,320,753.81
Operations and Maintenance of Plant	62,487,325.77	58,497,186.52
Scholarships and Fellowships	40,547,315.57	41,180,717.37
Auxiliary Enterprises	54,685,227.78	52,902,891.19
Depreciation and Amortization	99,267,561.84	98,596,648.35
Total Operating Expenses	<u>830,101,074.44</u>	<u>756,334,092.41</u>
Operating Income (Loss)	<u>(202,694,964.80)</u>	<u>(129,860,199.86)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	188,862,747.82	138,282,303.56
Federal Nonexchange Sponsored Programs	39,856,669.00	39,396,913.08
Federal Nonexchange Pass-Through		772,891.42
State Nonexchange Pass-Through	3,563,113.64	11,324,825.34
Gift Contributions for Operations	10,699,086.41	16,406,714.81
Investment Income	68,913,881.70	49,701,229.79
Net Increase (Decrease) in Fair Value of Investments	86,502,171.29	(345,756.30)
Interest Expense on Capital Asset Financings	(610,942.15)	(556,646.93)
Gain (Loss) on Sale of Capital Assets	(1,636,942.80)	(119,454.97)
Other Nonoperating Revenues	1,048,155.32	4,263,112.09
Net Nonoperating Revenues (Expenses)	<u>397,197,940.23</u>	<u>259,126,131.89</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	194,502,975.43	129,265,932.03
Gifts and Sponsored Programs for Capital Acquisitions	5,876,442.78	22,081,354.17
Additions to Permanent Endowments	5,320,681.58	27,447,570.85
Reclass from/(to) Other Institutions	(360,561,366.28)	2,604,389.48
Transfers Between Institutions & System, Debt Service - Mandatory	(54,516,530.99)	(52,133,748.01)
Transfers Between Institutions & System Admin. - Non mandatory	455,906,784.64	45,270,157.55
Transfers From Other State Agencies	12,092,730.74	54,261,665.06
Transfers to Other State Agencies	(119,080.40)	(2,842,979.82)
Legislative Appropriations Lapsed		
Change in Net Position	<u>258,502,637.50</u>	<u>225,954,341.31</u>
Beginning Net Position	<u>2,480,877,762.13</u>	<u>2,254,923,420.82</u>
Ending Net Position	<u>\$ 2,739,380,399.63</u>	<u>2,480,877,762.13</u>



The University of Texas at Dallas  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 365,311,083.18	\$ 430,080,998.86
Proceeds from Sponsored Programs	120,917,896.20	101,267,104.27
Proceeds from Auxiliaries	55,646,884.67	57,833,201.81
Proceeds from Other Revenues	54,950,384.72	51,947,383.18
Payments to Suppliers	(204,349,975.61)	(204,772,674.59)
Payments to Employees	(515,381,912.21)	(459,494,435.96)
Payments for Loans Provided	(17,822,015.76)	(18,612,805.02)
Proceeds from Loan Programs	17,445,808.64	17,292,206.93
Net Cash Provided (Used) by Operating Activities	<u>(123,281,846.17)</u>	<u>(24,459,020.52)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	187,946,240.89	138,732,916.20
Proceeds from Operating Gifts	27,456,321.48	3,091,747.98
Proceeds from Private Gifts for Endowment Purposes	5,320,681.58	27,447,570.85
Proceeds from Other Noncapital Financing Activities	54,267,051.56	70,460,505.43
Receipts for Transfers from System or Other Agencies	27,099,573.38	23,280,653.28
Payments for Transfers to System or Other Agencies	(6,801.23)	(2,847,534.47)
Payments for Other Uses	(64,180,542.00)	(69,091,396.10)
Proceeds from Nonexchange Sponsored Programs	24,050,873.64	51,134,027.54
Net Cash Provided by Noncapital Financing Activities	<u>261,953,399.30</u>	<u>242,208,490.71</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	33,662,656.19	33,040,674.37
Proceeds from Capital Appropriations, Grants, and Gifts	17,521,462.37	19,311,202.82
Proceeds from Sale of Capital Assets	142,839.00	15,512.50
Payments for Additions to Capital Assets	(99,876,942.34)	(66,809,172.71)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(6,632,837.59)	(7,141,521.21)
Mandatory Transfers to System for Capital Related Debt	(54,516,530.99)	(52,133,748.01)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(610,942.15)	(556,646.93)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(110,310,295.51)</u>	<u>(74,273,699.17)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	2,892,473.43	6,758,076.74
Proceeds from Interest and Investment Income Invested by System	66,468,456.74	42,924,959.01
Payments to Acquire Investments Invested by System	(174,618,184.83)	(221,063,903.85)
Net Cash Provided (Used) by Investing Activities	<u>(105,257,254.66)</u>	<u>(171,380,868.10)</u>
Net Increase (Decrease) in Cash	(76,895,997.04)	(27,905,097.08)
Cash and Cash Equivalents (Beginning of the Year)	198,430,089.59	226,335,186.67
Cash and Cash Equivalents (End of the Year)	<u>\$ 121,534,092.55</u>	<u>\$ 198,430,089.59</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(202,694,964.80)	(129,860,199.86)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	99,267,561.84	98,596,648.35
Bad Debt Expense	7,212.85	474,735.51
Changes in Assets and Liabilities:		
Accounts Receivable	(6,991,897.70)	11,397,903.78
Lessor-Related Balances	(918.70)	1,537.89
P3 Related Balances	(119,292.04)	1,471,268.48
Inventories	22,294.81	(28,905.64)
Loans and Contracts	(376,207.12)	(1,320,598.09)
Other Current and Noncurrent Assets	2,586,329.48	(3,445,445.97)
Accounts Payable	6,653,532.00	(5,107,536.61)
Due to System	524,921.15	459,123.64
Unearned Revenue	(23,438,479.53)	1,938,226.44
Employees' Compensable Leave	1,378,131.30	992,141.71
Other Current and Noncurrent Liabilities	(100,069.71)	(27,920.15)
Total Adjustments	<u>79,413,118.63</u>	<u>105,401,179.34</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (123,281,846.17)</u>	<u>\$ (24,459,020.52)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	86,502,171.29	(345,756.30)
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	2,478,307.39	5,772,908.89
Miscellaneous Noncash Transactions	6,446,209.69	47,257,324.91

The University of Texas at El Paso  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 93,107,612.78	69,195,762.85
Restricted Cash & Cash Equivalents	8,570,465.68	12,603,952.29
Balance in State Appropriations	2,034,584.30	1,070,252.12
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	45,869,757.04	26,969,639.58
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	5,959,910.36	5,661,645.23
Student (allow. \$3,213,988.43 in 2024 & \$2,452,792.40 in 2023)	30,944,464.37	31,587,449.16
Interest and dividends	1,367,912.03	1,246,749.22
Contributions (allow. \$643,527.57 in 2024 & \$153,326.02 in 2023)	3,852,298.25	868,847.44
Other (allow. \$3,983,225.58 in 2024 & \$3,196,007.89 in 2023)	22,608,760.51	21,407,381.51
Lease Receivable (Current)	403,761.41	442,893.25
Due From System Administration	37,905,899.10	65,882,710.99
Due From Other Institutions	277,640.22	92,266.44
Due From Other Agencies	247,048.83	328,937.22
Inventories	211,662.37	306,303.06
Loans & Contracts (allow. \$318,908.49 in 2024 & \$378,705.11 in 2023)	582,728.98	520,353.49
Other Current Assets	27,822,239.01	23,980,622.10
<b>Total Current Assets</b>	<b>281,766,745.24</b>	<b>262,165,765.95</b>
<b>Noncurrent Assets:</b>		
Restricted Investments	12,432,240.03	23,702,778.11
Loans & Contracts (allow. \$212,605.66 in 2024 & \$252,470.07 in 2023)	378,994.35	339,129.94
Funds Held by System Administration (Restricted)	373,026,796.24	349,665,157.29
Contributions Rec. (allow. \$711,869.80 in 2024 & \$556,050.93 in 2023)	5,080,349.98	4,567,278.86
Unrestricted Investments	192,836,517.05	179,685,182.14
Funds Held by System Administration (Unrestricted)	16,383,011.06	15,664,888.15
Lease Receivable (Noncurrent)	26,352,303.19	27,383,401.65
Other Noncurrent Assets	1,321,092.00	1,416,189.00
Gross Capital/Intangible Assets	1,143,756,681.79	1,057,435,714.81
Accumulated Depreciation/Amortization	(578,569,986.93)	(550,806,939.09)
<b>Total Noncurrent Assets</b>	<b>1,192,997,998.76</b>	<b>1,109,052,780.86</b>
<b>Total Assets</b>	<b>1,474,764,744.00</b>	<b>1,371,218,546.81</b>
<b>Total Assets and Deferred Outflows</b>	<b>1,474,764,744.00</b>	<b>1,371,218,546.81</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	22,699,267.27	25,243,538.85
Salaries Payable	14,603,952.07	12,463,004.77
Due To System Administration	3,829,932.87	3,643,670.59
Due To Other Institutions	487,480.94	372,603.16
Due To Other State Agencies	26,749.79	45,141.21
Unearned Revenue	104,637,708.27	102,410,749.41
Employees' Compensable Leave (Current)	4,834,609.94	4,421,861.65
Notes, Loans, and Leases Payable (Current)	248,658.52	168,157.62
Other Current Liabilities	22,611,714.80	25,155,524.94
<b>Total Current Liabilities</b>	<b>173,980,074.47</b>	<b>173,924,252.20</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	5,175,220.64	4,692,144.98
Liability to Beneficiaries	2,264,876.08	2,203,637.80
Notes, Loans, and Leases Payable (Noncurrent)	219,406.69	827,048.17
Other Noncurrent Liabilities	2,641,818.65	2,692,722.65
<b>Total Noncurrent Liabilities</b>	<b>10,301,322.06</b>	<b>10,415,553.60</b>
<b>Total Liabilities</b>	<b>184,281,396.53</b>	<b>184,339,805.80</b>
<b>Total Deferred Inflows of Resources</b>	<b>26,818,851.31</b>	<b>28,310,261.46</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>211,100,247.84</b>	<b>212,650,067.26</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	564,718,629.65	505,633,569.93
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	172,269,949.73	165,707,000.14
Expendable		
Capital Projects	22,510,112.21	55,836,666.19
Funds Functioning as Endowment (Restricted)	31,780,288.63	30,241,239.94
Other Expendable	238,142,178.12	216,615,514.81
Unrestricted	234,243,337.82	184,534,488.54
<b>Total Net Position</b>	<b>\$ 1,263,664,496.16</b>	<b>1,158,568,479.55</b>

The University of Texas at El Paso  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 215,463,311.03	201,797,346.01
Discounts and Allowances	(79,907,581.00)	(68,797,107.00)
Federal Sponsored Programs	84,900,595.85	79,825,105.02
Federal Sponsored Programs Pass-Through from State Agencies	1,530,077.34	1,541,948.51
State Sponsored Programs Pass-Through from State Agencies	35,065,847.76	27,680,354.80
Local Sponsored Programs	1,669,418.20	1,161,150.63
Private Sponsored Programs	4,647,243.40	4,710,774.54
Sales and Services of Educational Activities	9,544,921.48	11,231,332.08
Auxiliary Enterprises	57,766,113.18	54,670,722.84
Other Operating Revenues	160,112.27	58,813.29
Total Operating Revenues	<u>330,840,059.51</u>	<u>313,880,440.72</u>
Operating Expenses:		
Instruction	124,482,153.39	117,734,257.61
Research	122,078,759.62	116,964,966.19
Public Service	7,783,578.76	7,326,640.51
Hospitals / Clinics		
Academic Support	27,881,175.62	27,341,957.47
Student Services	25,175,180.72	24,299,366.61
Institutional Support	43,196,058.27	36,540,124.73
Operations and Maintenance of Plant	36,798,955.05	36,898,357.54
Scholarships and Fellowships	66,573,199.98	58,252,825.43
Auxiliary Enterprises	75,647,471.98	70,555,780.06
Depreciation and Amortization	35,840,648.68	35,770,142.11
Total Operating Expenses	<u>565,457,182.07</u>	<u>531,684,418.26</u>
Operating Income (Loss)	<u>(234,617,122.56)</u>	<u>(217,803,977.54)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	141,836,487.67	119,911,491.29
Federal Nonexchange Sponsored Programs	93,192,024.33	90,646,728.79
Federal Nonexchange Pass-Through		288,535.90
State Nonexchange Pass-Through	240,000.00	50,000.00
Gift Contributions for Operations	13,332,863.31	11,452,921.42
Investment Income	26,818,602.62	22,688,060.43
Net Increase (Decrease) in Fair Value of Investments	33,886,226.57	2,483,237.51
Interest Expense on Capital Asset Financings	(7,071.63)	(9,529.15)
Gain (Loss) on Sale of Capital Assets	(208,230.30)	(163,889.96)
Other Nonoperating Revenues	334,296.44	73,145.47
Other Nonoperating (Expenses)	(40,973.61)	(75,735.00)
Net Nonoperating Revenues (Expenses)	<u>309,384,225.40</u>	<u>247,344,966.70</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	74,767,102.84	29,540,989.16
Gifts and Sponsored Programs for Capital Acquisitions	60,440.64	250,300.37
Additions to Permanent Endowments	5,541,600.73	7,244,933.41
Reclass from/(to) Other Institutions	37,627,218.51	(44,382,703.83)
Transfers Between Institutions & System, Debt Service - Mandatory	(31,150,113.64)	(27,353,397.72)
Transfers Between Institutions & System Admin. - Non mandatory	16,150,485.80	124,606,131.58
Transfers From Other State Agencies	2,121,923.00	441,192.15
Transfers to Other State Agencies	(22,641.27)	(87,198.00)
Legislative Appropriations Lapsed		
Change in Net Position	<u>105,096,016.61</u>	<u>90,260,247.12</u>
Beginning Net Position	<u>1,158,568,479.55</u>	<u>1,068,308,232.43</u>
Ending Net Position	<u>\$ 1,263,664,496.16</u>	<u>1,158,568,479.55</u>

The University of Texas at El Paso  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 139,055,334.82	\$ 138,962,714.85
Proceeds from Sponsored Programs	119,409,115.37	103,977,033.40
Proceeds from Auxiliaries	56,969,801.07	51,841,239.46
Proceeds from Other Revenues	7,906,597.75	16,523,423.07
Payments to Suppliers	(227,722,226.52)	(198,373,154.68)
Payments to Employees	(311,375,709.48)	(294,235,004.49)
Payments for Loans Provided	(1,932,860.65)	(1,825,688.71)
Proceeds from Loan Programs	1,886,370.09	1,885,488.81
Net Cash Provided (Used) by Operating Activities	<u>(215,803,577.55)</u>	<u>(181,243,948.29)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	140,872,155.49	126,525,197.27
Proceeds from Operating Gifts	9,466,438.92	12,971,364.25
Proceeds from Private Gifts for Endowment Purposes	5,541,600.73	7,244,933.41
Proceeds from Other Noncapital Financing Activities	58,851,990.88	67,501,421.89
Receipts for Transfers from System or Other Agencies	13,674,766.32	9,776,887.12
Payments for Transfers to System or Other Agencies	(22,641.27)	(231,833.00)
Payments for Other Uses	(69,024,821.00)	(70,577,367.32)
Proceeds from Nonexchange Sponsored Programs	91,600,240.71	94,895,202.95
Net Cash Provided by Noncapital Financing Activities	<u>250,959,730.78</u>	<u>248,105,806.57</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	70,779,932.92	22,788,089.60
Proceeds from Capital Appropriations, Grants, and Gifts	405,641.99	549,999.99
Payments for Additions to Capital Assets	(88,946,625.65)	(34,400,703.73)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(495,526.50)	(360,613.22)
Mandatory Transfers to System for Capital Related Debt	(31,150,113.64)	(27,353,397.72)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(7,071.63)	(9,529.15)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(49,413,762.51)</u>	<u>(38,786,154.23)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	8,016,792.83	-
Proceeds from Interest and Investment Income	8,726,678.28	7,377,093.17
Proceeds from Interest and Investment Income Invested by System	17,392,501.49	14,709,793.93
Payments to Acquire Investments Invested by System	-	(54,343,999.07)
Net Cash Provided (Used) by Investing Activities	<u>34,135,972.60</u>	<u>(32,257,111.97)</u>
Net Increase (Decrease) in Cash	19,878,363.32	(4,181,407.92)
Cash and Cash Equivalents (Beginning of the Year)	<u>81,799,715.14</u>	<u>85,981,123.06</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 101,678,078.46</u>	<u>\$ 81,799,715.14</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(234,617,122.56)	(217,803,977.54)
<b>Adjustments to Reconcile Operating Results to Net Cash:</b>		
Depreciation and Amortization Expense	35,840,648.68	35,770,142.11
Bad Debt Expense	(55,749.34)	(90,011.46)
<b>Changes in Assets and Liabilities:</b>		
Accounts Receivable	(7,526,852.01)	(11,978,551.71)
Lessor-Related Balances	(355,969.52)	(415,397.64)
Inventories	94,640.69	(16,293.38)
Loans and Contracts	(46,490.56)	59,800.10
Other Current and Noncurrent Assets	(3,841,616.91)	(4,479,612.89)
Accounts Payable	(6,009,396.97)	8,204,660.47
Due to System	186,262.28	321,792.64
Unearned Revenue	2,226,958.86	4,062,442.85
Employees' Compensable Leave	895,823.95	(440,100.02)
Other Current and Noncurrent Liabilities	(2,594,714.14)	5,561,158.18
Total Adjustments	<u>18,813,545.01</u>	<u>36,560,029.25</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (215,803,577.55)</u>	<u>\$ (181,243,948.29)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	33,886,226.57	2,483,237.51
Donated Capital Assets	24,701.11	81,187.38
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	(137,835.45)	-
Miscellaneous Noncash Transactions	(243,703.91)	(163,889.96)

The University of Texas Permian Basin  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 14,814,564.42	3,962,396.06
Restricted Cash & Cash Equivalents	5,338,733.22	2,690,502.01
Balance in State Appropriations	1,463,177.75	844,873.31
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	(265,905.07)	876,381.30
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	1,789,346.29	2,352,697.41
Student (allow. \$5,546,158.28 in 2024 & \$14,940,054.69 in 2023)	8,189,565.81	12,978,383.01
Contributions (allow. \$16,825.26 in 2024 & \$49,165.53 in 2023)	1,665,700.39	4,867,387.21
Other (allow. \$0.00 in 2024 & \$0.00 in 2023)	4,336,342.87	3,311,532.70
Due From System Administration	26,558,244.46	1,928,476.70
Due From Other Institutions	65,283.83	29,548.84
Due From Other Agencies	506,160.82	482,314.09
Inventories	463,318.63	433,090.74
Loans & Contracts (allow. \$0.00 in 2024 & \$0.00 in 2023)	136,711.03	136,711.03
Other Current Assets	12,630,543.85	9,835,204.13
<b>Total Current Assets</b>	<b>77,691,788.30</b>	<b>44,729,498.54</b>
<b>Noncurrent Assets:</b>		
Funds Held by System Administration (Restricted)	68,482,036.11	64,586,046.36
Contributions Rec. (allow. \$161,276.40 in 2024 & \$175,274.33 in 2023)	15,966,363.33	17,352,158.37
Unrestricted Investments		824,465.50
Funds Held by System Administration (Unrestricted)	13,918.96	13,270.20
Gross Capital/Intangible Assets	481,913,858.46	469,633,592.42
Accumulated Depreciation/Amortization	(270,197,069.38)	(250,144,166.32)
<b>Total Noncurrent Assets</b>	<b>296,179,107.48</b>	<b>302,265,366.53</b>
<b>Total Assets</b>	<b>373,870,895.78</b>	<b>346,994,865.07</b>
<b>Total Assets and Deferred Outflows</b>	<b>373,870,895.78</b>	<b>346,994,865.07</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	9,388,380.54	6,802,107.95
Salaries Payable	1,582,208.03	1,788,280.49
Other Intergovernmental Payables		
Due To System Administration	747,246.84	706,103.00
Unearned Revenue	23,127,730.28	24,318,083.61
Employees' Compensable Leave (Current)	1,243,363.92	1,186,457.12
Notes, Loans, and Leases Payable (Current)	57,398.81	88,013.84
Assets Held for Others (Current)		
Other Current Liabilities	3,409,615.72	2,798,392.18
<b>Total Current Liabilities</b>	<b>39,555,944.14</b>	<b>37,687,438.19</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	942,827.03	544,638.19
Notes, Loans, and Leases Payable (Noncurrent)		57,398.81
<b>Total Noncurrent Liabilities</b>	<b>942,827.03</b>	<b>602,037.00</b>
<b>Total Liabilities</b>	<b>40,498,771.17</b>	<b>38,289,475.19</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>40,498,771.17</b>	<b>38,289,475.19</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	211,659,390.27	219,344,013.45
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	38,464,021.54	37,921,329.51
Expendable		
Capital Projects	24,852,959.21	2,648,420.23
Funds Functioning as Endowment (Restricted)	5,323,907.14	5,048,941.04
Other Expendable	55,841,089.18	51,364,647.00
Unrestricted	(2,769,242.73)	(7,621,961.35)
<b>Total Net Position</b>	<b>\$ 333,372,124.61</b>	<b>308,705,389.88</b>

The University of Texas Permian Basin  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 45,673,511.37	45,148,777.58
Discounts and Allowances	(17,124,612.11)	(11,913,096.75)
Federal Sponsored Programs	2,827,179.56	2,400,111.68
Federal Sponsored Programs Pass-Through from State Agencies	2,283,365.12	2,441,641.93
State Sponsored Programs Pass-Through from State Agencies	3,408,472.26	4,979,950.42
Local Sponsored Programs	868,632.73	1,298,545.77
Private Sponsored Programs	279,161.35	1,231,178.83
Sales and Services of Educational Activities	1,573,567.25	1,707,914.44
Auxiliary Enterprises	7,657,854.66	8,060,906.35
Discounts and Allowances Auxiliary Enterprises	(1,074,804.70)	(1,202,646.01)
Other Operating Revenues	2,150,247.21	2,651,777.75
Total Operating Revenues	<u>48,522,574.70</u>	<u>56,805,061.99</u>
Operating Expenses:		
Instruction	31,063,258.17	32,347,888.43
Research	3,783,193.72	3,339,374.80
Public Service	3,987,785.96	2,291,335.15
Academic Support	10,628,823.50	8,447,554.74
Student Services	4,206,654.62	4,011,422.88
Institutional Support	11,900,426.55	13,798,159.20
Operations and Maintenance of Plant	11,582,747.71	11,340,481.35
Scholarships and Fellowships	11,702,372.40	11,667,804.83
Auxiliary Enterprises	12,821,115.18	14,192,138.18
Depreciation and Amortization	21,356,511.62	21,278,380.84
Total Operating Expenses	<u>123,032,889.43</u>	<u>122,714,540.40</u>
Operating Income (Loss)	<u>(74,510,314.73)</u>	<u>(65,909,478.41)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	45,275,696.38	37,420,802.03
Federal Nonexchange Sponsored Programs	13,102,762.12	9,639,357.38
Federal Nonexchange Pass-Through	(30,077.86)	345,490.12
State Nonexchange Pass-Through		
Gift Contributions for Operations	4,956,251.76	9,742,892.83
Investment Income	2,931,942.14	2,534,398.50
Net Increase (Decrease) in Fair Value of Investments	3,330,372.73	234,528.25
Interest Expense on Capital Asset Financings	(357.78)	(690.53)
Gain (Loss) on Sale of Capital Assets		(5,961.97)
Other Nonoperating Revenues		8,800.00
Net Nonoperating Revenues (Expenses)	<u>69,566,589.49</u>	<u>59,919,616.61</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	(4,943,725.24)	(5,989,861.80)
Gifts and Sponsored Programs for Capital Acquisitions	18,106.95	
Additions to Permanent Endowments	514,977.30	756,165.29
Reclass from/(to) Other Institutions	(41,902,274.93)	(3,924,914.57)
Transfers Between Institutions & System, Debt Service - Mandatory	(21,185,988.03)	(20,246,046.31)
Transfers Between Institutions & System Admin. - Non mandatory	91,767,940.38	12,663,351.91
Transfers From Other State Agencies	397,698.30	96,330.00
Legislative Appropriations Lapsed		418,867.15
Change in Net Position	<u>24,666,734.73</u>	<u>(16,226,108.33)</u>
Beginning Net Position	<u>308,705,389.88</u>	<u>324,931,498.21</u>
Ending Net Position	<u>\$ 333,372,124.61</u>	<u>308,705,389.88</u>

The University of Texas Permian Basin  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 32,221,146.51	\$ 26,307,938.12
Proceeds from Sponsored Programs	9,982,096.36	11,837,076.17
Proceeds from Auxiliaries	6,508,782.86	7,530,297.46
Proceeds from Other Revenues	3,909,840.89	4,320,946.81
Payments to Suppliers	(44,566,005.69)	(40,961,779.20)
Payments to Employees	<u>(58,390,226.76)</u>	<u>(56,884,060.10)</u>
Net Cash Provided (Used) by Operating Activities	<u>(50,334,365.83)</u>	<u>(47,849,580.74)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	44,657,391.94	38,089,849.35
Proceeds from Operating Gifts	9,543,733.62	7,841,748.03
Proceeds from Private Gifts for Endowment Purposes	514,977.30	756,165.29
Proceeds from Other Noncapital Financing Activities	20,191,721.00	18,940,414.00
Receipts for Transfers from System or Other Agencies	11,076,693.53	2,832,210.35
Payments for Other Uses	(19,454,592.00)	(19,506,728.31)
Proceeds from Nonexchange Sponsored Programs	<u>13,072,684.26</u>	<u>9,984,847.50</u>
Net Cash Provided by Noncapital Financing Activities	<u>79,602,609.65</u>	<u>58,938,506.21</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	14,556,902.46	5,059,967.86
Payments for Additions to Capital Assets	(12,240,528.92)	(10,810,912.85)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(88,013.84)	(155,346.58)
Mandatory Transfers to System for Capital Related Debt	(21,185,988.03)	(20,246,046.31)
Payments of Interest on Capital Related Debt and Other L-T Obligations	<u>(357.78)</u>	<u>(690.53)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(18,957,986.11)</u>	<u>(26,153,028.41)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	258,199.72	4,026,128.36
Proceeds from Interest and Investment Income	31,687.25	124,787.45
Proceeds from Interest and Investment Income Invested by System	2,900,254.90	2,409,611.05
Payments to Acquire Investments Invested by System	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>3,190,141.87</u>	<u>6,560,526.86</u>
Net Increase (Decrease) in Cash	13,500,399.58	(8,503,576.08)
Cash and Cash Equivalents (Beginning of the Year)	<u>6,652,898.07</u>	<u>15,156,474.15</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 20,153,297.65</u>	<u>\$ 6,652,898.07</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(74,510,314.73)	(65,909,478.41)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	21,356,511.62	21,278,380.84
Changes in Assets and Liabilities:		
Accounts Receivable	4,667,445.81	(6,009,424.23)
Inventories	(30,227.89)	(24,734.77)
Other Current and Noncurrent Assets	(2,795,339.72)	1,624,480.82
Accounts Payable	1,060,449.39	1,219,261.71
Due to System	41,143.84	14,991.92
Unearned Revenue	(1,190,353.33)	(623,138.56)
Employees' Compensable Leave	455,095.64	(52,664.91)
Other Current and Noncurrent Liabilities	<u>611,223.54</u>	<u>632,744.85</u>
Total Adjustments	<u>24,175,948.90</u>	<u>18,059,897.67</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (50,334,365.83)</u>	<u>\$ (47,849,580.74)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	3,330,372.73	234,528.25
Donated Capital Assets	18,106.95	-
Miscellaneous Noncash Transactions	-	(5,961.97)

The University of Texas Rio Grande Valley  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current Assets:		
Cash & Cash Equivalents	\$ 145,617,893.38	114,374,250.17
Restricted Cash & Cash Equivalents	(32,858,846.77)	(16,094,029.96)
Balance in State Appropriations	19,842,371.12	11,028,145.77
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	40,300,783.71	32,139,174.75
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	6,062,395.11	6,470,069.15
Student (allow. \$11,613,542.87 in 2024 & \$9,623,558.43 in 2023)	23,383,621.77	13,245,148.54
Patient & Healthcare(allow. \$1,251,988.39 in 2024 & \$1,575,327.45 in 2023)	4,847,070.06	3,675,764.06
Interest and dividends	532,005.75	583,194.97
Contributions (allow. \$19,988.57 in 2024 & \$41,730.70 in 2023)	2,761,307.77	6,158,756.84
Other (allow. \$239,321.71 in 2024 & \$153,420.71 in 2023)	35,656,646.85	28,166,437.70
Lease Receivable (Current)	53,230.29	52,029.95
P3 Receivable (Current)	1,356,555.55	5,156.66
Due From System Administration	16,913,417.49	62,522,408.27
Due From Other Institutions	1,122,387.89	1,022,804.50
Due From Other Agencies	10,629,202.99	11,562,013.60
Inventories	201,390.09	180,173.48
Loans & Contracts (allow. \$15,574,916.38 in 2024 & \$15,068,974.69 in 2023)	11,622,489.98	10,479,437.67
Other Current Assets	2,813,479.25	592,240.83
<b>Total Current Assets</b>	<b>290,857,402.28</b>	<b>286,163,176.95</b>
Noncurrent Assets:		
Restricted Investments	6,259,460.90	6,259,460.90
Loans & Contracts (allow. \$207,914.80 in 2024 & \$279,757.27 in 2023)	51,205.01	69,165.62
Funds Held by System Administration (Restricted)	84,566,652.57	72,172,804.57
Contributions Rec. (allow. \$31,124.93 in 2024 & \$173,796.02 in 2023)	15,894,110.32	3,299,619.61
Unrestricted Investments	200,803,971.01	217,511,719.91
Funds Held by System Administration (Unrestricted)	65,244,125.25	62,088,265.26
Lease Receivable (Noncurrent)	110,172.97	163,403.26
Other Noncurrent Assets	4,464,078.60	775,868.76
P3 Receivable (Noncurrent)	15,391,516.69	7,230,594.19
Gross Capital/Intangible Assets	1,643,711,299.26	1,435,091,685.72
Accumulated Depreciation/Amortization	(778,957,675.03)	(722,171,744.00)
<b>Total Noncurrent Assets</b>	<b>1,257,538,917.55</b>	<b>1,082,490,843.80</b>
<b>Total Assets</b>	<b>1,548,396,319.83</b>	<b>1,368,654,020.75</b>
<b>Total Assets and Deferred Outflows</b>	<b>1,548,396,319.83</b>	<b>1,368,654,020.75</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	40,050,898.54	32,605,505.72
Salaries Payable	26,480,754.31	25,865,909.33
Federal Payables		
Other Intergovernmental Payables	816,559.32	487,579.32
Due To System Administration	5,528,086.13	5,087,879.73
Due To Other Institutions	220,892.89	147,709.39
Due To Other State Agencies	655,435.59	650,277.38
Unearned Revenue	119,162,869.12	116,938,897.12
Employees' Compensable Leave (Current)	7,678,108.58	6,655,430.36
Notes, Loans, and Leases Payable (Current)	8,329,067.35	7,575,249.49
Other Current Liabilities	3,442,221.51	3,297,187.12
<b>Total Current Liabilities</b>	<b>212,364,893.34</b>	<b>199,311,624.96</b>
Noncurrent Liabilities:		
Employees' Compensable Leave (Noncurrent)	8,728,842.45	8,376,969.55
Liability to Beneficiaries	127,256.50	122,015.57
Notes, Loans, and Leases Payable (Noncurrent)	22,289,216.48	24,974,748.48
Other Noncurrent Liabilities	211,960.80	223,722.88
<b>Total Noncurrent Liabilities</b>	<b>31,357,276.23</b>	<b>33,697,456.48</b>
<b>Total Liabilities</b>	<b>243,722,169.57</b>	<b>233,009,081.44</b>
<b>Total Deferred Inflows of Resources</b>	<b>57,878,824.34</b>	<b>14,539,372.72</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>301,600,993.91</b>	<b>247,548,454.16</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	834,135,340.40	680,369,943.75
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	59,746,959.20	50,722,515.78
Expendable		
Capital Projects	(9,071,831.73)	46,807,642.06
Funds Functioning as Endowment (Restricted)	2,206,302.76	2,103,467.50
Other Expendable	46,879,810.24	46,752,704.79
Unrestricted	312,898,745.05	294,349,292.71
<b>Total Net Position</b>	<b>\$ 1,246,795,325.92</b>	<b>1,121,105,566.59</b>



The University of Texas Rio Grande Valley  
 Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
 For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 309,857,421.36	288,829,632.33
Discounts and Allowances	(181,324,623.69)	(174,378,003.80)
Federal Sponsored Programs	63,183,896.53	54,144,865.79
Federal Sponsored Programs Pass-Through from State Agencies	8,272,429.36	10,446,151.30
State Sponsored Programs Pass-Through from State Agencies	59,968,288.21	59,077,759.35
Local Sponsored Programs	18,224,277.60	19,521,949.26
Private Sponsored Programs	8,315,328.35	23,137,515.88
Sales and Services of Educational Activities	10,572,692.41	12,896,908.76
Professional Fees (Patient Charges)	42,106,280.78	48,380,484.70
Discounts and Allowances Professional Fees (Patient Charges)	(26,775,285.57)	(30,940,513.20)
Auxiliary Enterprises	10,545,543.88	11,159,978.73
Discounts and Allowances Auxiliary Enterprises	(408,102.36)	(257,485.34)
Other Operating Revenues	18,708,370.97	17,198,727.89
Total Operating Revenues	<u>341,246,517.83</u>	<u>339,217,971.65</u>
Operating Expenses:		
Instruction	208,218,972.20	212,989,670.50
Research	72,842,701.51	60,167,164.68
Public Service	14,212,384.73	17,556,216.72
Hospitals / Clinics	36,414,877.26	35,677,093.06
Academic Support	83,752,441.14	78,352,787.05
Student Services	33,863,858.21	35,470,880.79
Institutional Support	41,025,669.97	40,116,780.02
Operations and Maintenance of Plant	44,517,425.13	43,038,808.11
Scholarships and Fellowships	52,660,470.82	59,025,099.96
Auxiliary Enterprises	39,796,669.40	36,263,593.32
Depreciation and Amortization	64,983,875.82	61,898,224.54
Total Operating Expenses	<u>692,289,346.19</u>	<u>680,556,318.75</u>
Operating Income (Loss)	<u>(351,042,828.36)</u>	<u>(341,338,347.10)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	201,819,022.54	174,626,186.67
Federal Nonexchange Sponsored Programs	117,223,866.76	104,590,049.97
Federal Nonexchange Pass-Through	41,306.94	6,255,624.06
State Nonexchange Pass-Through		
Gift Contributions for Operations	3,634,483.80	6,908,800.20
Investment Income	24,201,674.42	17,125,027.84
Net Increase (Decrease) in Fair Value of Investments	20,638,329.37	1,851,657.19
Interest Expense on Capital Asset Financings	(537,593.90)	(353,132.33)
Gain (Loss) on Sale of Capital Assets	289,048.65	(85,374.98)
Other Nonoperating Revenues	508,218.25	1,385,499.62
Other Nonoperating (Expenses)	(1,282,279.29)	(749,542.49)
Net Nonoperating Revenues (Expenses)	<u>366,536,077.54</u>	<u>311,554,795.75</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	15,493,249.18	(29,783,551.35)
Gifts and Sponsored Programs for Capital Acquisitions	15,604,183.29	1,079,461.86
Additions to Permanent Endowments	7,077,973.29	5,484,681.91
Reclass from/(to) Other Institutions	(82,259,107.54)	(52,679,543.56)
Transfers Between Institutions & System, Debt Service - Mandatory	(30,075,317.94)	(24,601,842.62)
Transfers Between Institutions & System Admin. - Non mandatory	195,158,210.80	160,174,934.28
Transfers From Other State Agencies	4,692,123.64	4,599,053.05
Transfers to Other State Agencies	(1,555.39)	(8,486.41)
Legislative Appropriations Lapsed		
Change in Net Position	<u>125,689,759.33</u>	<u>64,264,707.16</u>
Beginning Net Position	1,121,105,566.59	1,056,840,859.43
Ending Net Position	<u>\$ 1,246,795,325.92</u>	<u>1,121,105,566.59</u>

The University of Texas Rio Grande Valley  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 131,351,610.97	\$ 125,757,451.73
Proceeds from Patients and Customers	14,159,689.21	20,448,375.13
Proceeds from Sponsored Programs	141,960,364.07	158,075,550.88
Proceeds from Auxiliaries	13,171,546.06	9,947,809.22
Proceeds from Other Revenues	55,087,817.58	19,461,395.62
Payments to Suppliers	(173,946,694.72)	(184,399,712.41)
Payments to Employees	(451,203,633.28)	(439,387,827.29)
Payments for Loans Provided	(14,239,928.66)	(13,656,347.30)
Proceeds from Loan Programs	13,202,562.39	13,115,415.04
Net Cash Provided (Used) by Operating Activities	<u>(270,456,666.38)</u>	<u>(290,637,889.38)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	193,004,797.19	176,919,422.23
Proceeds from Operating Gifts	8,806,431.01	7,082,795.61
Proceeds from Private Gifts for Endowment Purposes	7,077,973.29	5,484,681.91
Proceeds from Other Noncapital Financing Activities	77,722,281.45	75,075,295.61
Receipts for Transfers from System or Other Agencies	11,859,689.28	15,090,287.49
Payments for Transfers to System or Other Agencies	(686,493.39)	(10,604.02)
Payments for Other Uses	(80,502,205.39)	(75,599,881.36)
Proceeds from Nonexchange Sponsored Programs	117,265,173.70	110,845,674.03
Net Cash Provided by Noncapital Financing Activities	<u>334,547,647.14</u>	<u>314,887,671.50</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	152,041,988.53	48,496,042.74
Proceeds from Capital Appropriations, Grants, and Gifts	1,000,000.00	1,001,207.58
Proceeds from Sale of Capital Assets	429,026.38	15,025.42
Payments for Additions to Capital Assets	(209,463,785.23)	(76,091,723.94)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(9,070,888.63)	(8,078,932.88)
Mandatory Transfers to System for Capital Related Debt	(30,075,317.94)	(24,601,842.62)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(537,593.90)	(353,132.33)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(95,676,570.79)</u>	<u>(59,613,356.03)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments Invested by System	21,828,074.92	11,185,576.98
Proceeds from Interest and Investment Income	3,329,584.58	3,641,473.94
Proceeds from Interest and Investment Income Invested by System	20,906,756.93	13,521,716.84
Payments to Acquire Investments Invested by System	-	-
Net Cash Provided (Used) by Investing Activities	<u>46,064,416.43</u>	<u>28,348,767.76</u>
Net Increase (Decrease) in Cash	14,478,826.40	(7,014,806.15)
Cash and Cash Equivalents (Beginning of the Year)	<u>98,280,220.21</u>	<u>105,295,026.36</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 112,759,046.61</u>	<u>\$ 98,280,220.21</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(351,042,828.36)	(341,338,347.10)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	64,983,875.82	61,898,224.54
Bad Debt Expense	(87,725.43)	(188,644.66)
Changes in Assets and Liabilities:		
Accounts Receivable	(24,191,021.28)	(4,735,677.32)
Lessor-Related Balances	(1,851.70)	88,341.31
P3 Related Balances	30,142,814.17	(913,342.71)
Inventories	(21,216.61)	14,312.93
Loans and Contracts	(1,037,366.27)	(540,932.26)
Other Current and Noncurrent Assets	(2,197,714.26)	(370,112.17)
Accounts Payable	8,824,365.71	(10,989,468.97)
Due to System	440,206.40	313,730.01
Unearned Revenue	2,223,972.00	4,235,159.89
Employees' Compensable Leave	1,374,551.12	567,890.00
Other Current and Noncurrent Liabilities	133,272.31	1,320,977.13
Total Adjustments	<u>80,586,161.98</u>	<u>50,700,457.72</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (270,456,666.38)</u>	<u>\$ (290,637,889.38)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	20,638,329.37	1,851,657.19
Donated Capital Assets	235,194.44	78,254.28
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	7,169,763.49	8,969,981.28
Miscellaneous Noncash Transactions	289,048.65	(93,133.37)

The University of Texas at San Antonio  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 155,807,257.23	91,651,962.27
Restricted Cash & Cash Equivalents	25,639,115.28	22,572,705.14
Balance in State Appropriations	13,855,061.15	8,279,024.36
Accounts Receivable, Net:		
Federal (allow. \$1,164,407.94 in 2024 & \$1,164,407.94 in 2023)	33,152,507.53	37,572,931.09
Other Intergov. (allow. \$2,939,838.98 in 2024 & \$2,939,838.98 in 2023)	5,447,023.11	5,682,913.63
Student (allow. \$5,353,946.08 in 2024 & \$2,907,576.60 in 2023)	60,650,421.41	55,627,594.86
Interest and dividends	1,447,848.50	1,137,636.25
Contributions (allow. \$23,588.08 in 2024 & \$48,628.48 in 2023)	4,694,025.98	9,627,358.96
Other (allow. \$0.00 in 2024 & \$0.00 in 2023)	7,372,985.02	6,668,248.37
Lease Receivable (Current)	137,885.40	216,265.44
P3 Receivable (Current)	277,295.63	267,058.95
Due From System Administration	32,335,271.46	72,670,803.82
Due From Other Institutions	802,120.98	442,467.72
Due From Other Agencies	1,432,733.20	316,005.31
Inventories	574,800.41	586,049.39
Loans & Contracts (allow. \$635,005.79 in 2024 & \$1,043,590.24 in 2023)	3,629,102.88	5,993,876.34
Other Current Assets	40,605,448.82	35,824,229.82
<b>Total Current Assets</b>	<b>387,860,903.99</b>	<b>355,137,131.72</b>
<b>Noncurrent Assets:</b>		
Restricted Investments	2,000,000.00	2,000,000.00
Loans & Contracts (allow. \$720,031.45 in 2024 & \$683,074.93 in 2023)	4,115,030.60	3,923,251.20
Funds Held by System Administration (Restricted)	236,796,250.17	216,037,920.41
Contributions Rec. (allow. \$17,338.22 in 2024 & \$37,540.67 in 2023)	3,450,307.36	7,470,594.38
Unrestricted Investments	456,543,348.09	438,862,354.07
Funds Held by System Administration (Unrestricted)	104,313,439.30	95,265,910.55
Lease Receivable (Noncurrent)	852,544.09	1,144,755.36
Other Noncurrent Assets	1.00	1.00
P3 Receivable (Noncurrent)	4,751,485.55	4,973,225.14
Gross Capital/Intangible Assets	1,879,191,939.93	1,780,520,547.19
Accumulated Depreciation/Amortization	(972,143,591.10)	(898,828,380.46)
<b>Total Noncurrent Assets</b>	<b>1,719,870,754.99</b>	<b>1,651,370,178.84</b>
<b>Total Assets</b>	<b>2,107,731,658.98</b>	<b>2,006,507,310.56</b>
<b>Total Assets and Deferred Outflows</b>	<b>2,107,731,658.98</b>	<b>2,006,507,310.56</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	39,285,924.94	32,569,331.34
Salaries Payable	25,224,236.33	25,373,082.75
Other Intergovernmental Payables	665,475.57	695,367.57
Due To System Administration	5,060,657.84	4,675,216.85
Due To Other Institutions	878,686.25	170,191.47
Due To Other State Agencies	1,095,843.48	566,308.29
Unearned Revenue	199,200,977.82	181,567,678.73
Employees' Compensable Leave (Current)	7,066,626.63	6,212,017.42
Notes, Loans, and Leases Payable (Current)	5,981,388.80	6,749,282.68
Other Current Liabilities	2,565,110.04	3,432,350.37
<b>Total Current Liabilities</b>	<b>287,024,927.70</b>	<b>262,010,827.47</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	9,669,387.48	8,963,632.96
Liability to Beneficiaries	246,641.43	247,661.87
Notes, Loans, and Leases Payable (Noncurrent)	10,465,298.06	27,781,241.33
Other Noncurrent Liabilities	(17,370.57)	41,232.94
<b>Total Noncurrent Liabilities</b>	<b>20,363,956.40</b>	<b>37,033,769.10</b>
<b>Total Liabilities</b>	<b>307,388,884.10</b>	<b>299,044,596.57</b>
<b>Total Deferred Inflows of Resources</b>	<b>12,894,325.47</b>	<b>13,258,660.92</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>320,283,209.57</b>	<b>312,303,257.49</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	890,601,661.97	847,161,642.72
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	150,104,365.69	145,465,797.64
Expendable		
Capital Projects	17,262,086.89	67,593,834.40
Funds Functioning as Endowment (Restricted)	22,785,103.82	13,044,549.22
Other Expendable	134,542,952.18	142,615,760.33
Unrestricted	572,152,278.86	478,322,468.76
<b>Total Net Position</b>	<b>\$ 1,787,448,449.41</b>	<b>1,694,204,053.07</b>

The University of Texas at San Antonio  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 383,409,316.07	379,996,923.82
Discounts and Allowances	(140,988,838.47)	(128,890,803.93)
Federal Sponsored Programs	74,210,099.01	71,629,789.42
Federal Sponsored Programs Pass-Through from State Agencies	3,574,483.61	2,215,558.85
State Sponsored Programs Pass-Through from State Agencies	33,726,487.19	32,360,690.19
Local Sponsored Programs	4,365,863.67	2,880,032.81
Private Sponsored Programs	7,990,868.62	7,429,932.28
Sales and Services of Educational Activities	14,355,839.96	16,047,118.88
Discounts and Allowances Sales and Services of Educational Activities	(283,567.69)	(315,215.43)
Auxiliary Enterprises	68,105,926.38	62,215,424.50
Other Operating Revenues	4,944,172.08	5,053,832.17
Total Operating Revenues	<u>453,410,650.43</u>	<u>450,623,283.56</u>
Operating Expenses:		
Instruction	137,831,889.36	135,702,755.67
Research	146,307,494.50	134,882,765.95
Public Service	13,652,315.38	15,630,899.58
Academic Support	98,194,518.59	84,811,207.99
Student Services	39,672,554.88	42,176,864.15
Institutional Support	50,780,806.02	47,526,689.37
Operations and Maintenance of Plant	57,535,247.56	63,207,274.75
Scholarships and Fellowships	55,252,569.17	53,820,627.52
Auxiliary Enterprises	74,152,092.86	71,772,760.45
Depreciation and Amortization	79,834,035.09	77,041,158.41
Total Operating Expenses	<u>753,213,523.41</u>	<u>726,573,003.84</u>
Operating Income (Loss)	<u>(299,802,872.98)</u>	<u>(275,949,720.28)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	187,120,681.43	164,839,228.08
Federal Nonexchange Sponsored Programs	86,317,481.62	92,438,418.98
Federal Nonexchange Pass-Through	181,587.66	605,161.62
State Nonexchange Pass-Through	350,000.00	634,217.40
Gift Contributions for Operations	13,961,403.01	12,428,435.37
Investment Income	36,878,050.25	29,559,960.56
Net Increase (Decrease) in Fair Value of Investments	49,642,314.00	6,258,762.59
Interest Expense on Capital Asset Financings	(1,060,133.04)	(991,148.83)
Gain (Loss) on Sale of Capital Assets	(354,359.98)	(486,104.88)
Other Nonoperating Revenues	1,303,409.32	154,096.35
Other Nonoperating (Expenses)	34,073.51	65,432.27
Net Nonoperating Revenues (Expenses)	<u>374,374,507.78</u>	<u>305,506,459.51</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	74,571,634.80	29,556,739.23
Gifts and Sponsored Programs for Capital Acquisitions	1,111,590.50	14,056,940.38
Additions to Permanent Endowments	3,016,197.32	4,469,668.01
Reclass from/(to) Other Institutions	4,393,702.29	(142,898,364.13)
Transfers Between Institutions & System, Debt Service - Mandatory	(46,369,902.00)	(40,740,807.20)
Transfers Between Institutions & System Admin. - Non mandatory	48,269,282.26	239,496,101.74
Transfers From Other State Agencies	8,517,768.51	1,747,627.00
Transfers to Other State Agencies	(265,877.34)	(9,582.38)
Legislative Appropriations Lapsed		
Change in Net Position	<u>93,244,396.34</u>	<u>105,678,322.65</u>
Beginning Net Position	<u>1,694,204,053.07</u>	<u>1,588,525,730.42</u>
Ending Net Position	<u>\$ 1,787,448,449.41</u>	<u>1,694,204,053.07</u>

The University of Texas at San Antonio  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 253,792,720.60	\$ 259,081,515.83
Proceeds from Sponsored Programs	116,766,707.98	125,017,817.81
Proceeds from Auxiliaries	69,250,990.07	70,457,740.04
Proceeds from Other Revenues	19,464,373.04	17,432,717.56
Payments to Suppliers	(237,464,011.54)	(240,646,411.68)
Payments to Employees	(436,114,994.21)	(406,745,945.83)
Payments for Loans Provided	(15,346,232.77)	(22,662,574.79)
Proceeds from Loan Programs	17,884,880.11	21,425,007.50
Net Cash Provided (Used) by Operating Activities	<u>(211,765,566.72)</u>	<u>(176,640,133.56)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	181,544,644.64	161,757,851.96
Proceeds from Operating Gifts	22,915,023.01	20,971,039.20
Proceeds from Private Gifts for Endowment Purposes	3,016,197.32	4,469,668.01
Proceeds from Other Noncapital Financing Activities	131,906,851.32	122,903,449.35
Receipts for Transfers from System or Other Agencies	20,190,424.35	10,204,147.32
Payments for Transfers to System or Other Agencies	(862,699.88)	(769,683.96)
Payments for Other Uses	(119,742,899.94)	(124,119,994.18)
Proceeds from Nonexchange Sponsored Programs	86,891,905.40	101,606,211.08
Net Cash Provided by Noncapital Financing Activities	<u>325,859,446.22</u>	<u>297,022,688.78</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	81,929,659.31	18,829,335.96
Proceeds from Capital Appropriations, Grants, and Gifts	-	5,000,000.00
Proceeds from Sale of Capital Assets	71,605.75	37,863.48
Payments for Additions to Capital Assets	(98,743,486.05)	(72,751,344.55)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(21,436,454.82)	(9,288,124.35)
Mandatory Transfers to System for Capital Related Debt	(46,369,902.00)	(40,740,807.20)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(1,060,133.04)	(991,148.83)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(85,608,710.85)</u>	<u>(99,904,225.49)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	2,178,936.66	-
Proceeds from Interest and Investment Income	4,199,869.35	1,431,298.37
Proceeds from Interest and Investment Income Invested by System	32,357,730.44	28,169,639.21
Payments to Acquire Investments Invested by System	-	(38,586,128.97)
Net Cash Provided (Used) by Investing Activities	<u>38,736,536.45</u>	<u>(8,985,191.39)</u>
Net Increase (Decrease) in Cash	67,221,705.10	11,493,138.34
Cash and Cash Equivalents (Beginning of the Year)	114,224,667.41	102,731,529.07
Cash and Cash Equivalents (End of the Year)	<u>\$ 181,446,372.51</u>	<u>\$ 114,224,667.41</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(299,802,872.98)	(275,949,720.28)
<b>Adjustments to Reconcile Operating Results to Net Cash:</b>		
Depreciation and Amortization Expense	79,834,035.09	77,041,158.41
Bad Debt Expense	(364,355.64)	4,130,383.63
<b>Changes in Assets and Liabilities:</b>		
Accounts Receivable	(13,379,674.68)	7,509,571.53
Lessor-Related Balances	(9,901.90)	(187.54)
P3 Related Balances	203,165.04	6,387,044.45
Inventories	11,248.98	33,613.33
Loans and Contracts	2,544,621.99	(1,231,521.49)
Other Current and Noncurrent Assets	(4,781,219.00)	(1,585,846.56)
Accounts Payable	5,326,126.41	(2,925,303.77)
Due to System	385,440.99	357,654.89
Unearned Revenue	17,633,299.09	7,503,574.83
Employees' Compensable Leave	1,560,363.73	1,040,509.09
Other Current and Noncurrent Liabilities	(925,843.84)	1,048,935.92
Total Adjustments	<u>88,037,306.26</u>	<u>99,309,586.72</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (211,765,566.72)</u>	<u>\$ (176,640,133.56)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	49,642,314.00	6,258,762.59
Donated Capital Assets	1,111,590.50	9,056,940.38
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	3,349,575.10	16,554,617.95
Miscellaneous Noncash Transactions	(351,097.47)	(495,687.26)

Stephen F. Austin  
Exhibit A Statement of Net Position  
As of August 31, 2024

	<u>Current Year Totals</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 57,425,424.40
Restricted Cash & Cash Equivalents	34,135,628.55
Balance in State Appropriations	21,291,464.36
Accounts Receivable, Net:	
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	1,045,275.02
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	4,278,474.85
Student (allow. \$15,481,350.94 in 2024 & \$0.00 in 2023)	18,303,287.06
Interest and dividends	220,685.64
Other (allow. \$0.00 in 2024 & \$0.00 in 2023)	3,001,624.63
Lease Receivable (Current)	66,701.58
P3 Receivable (Current)	1,314,782.00
Due From System Administration	10,147,668.54
Due From Other Agencies	292,370.03
Inventories	983,765.90
Other Current Assets	<u>15,332,559.20</u>
Total Current Assets	<u>167,839,711.76</u>
Noncurrent Assets:	
Funds Held by System Administration (Restricted)	83,761,726.65
Funds Held by System Administration (Unrestricted)	78,658,657.24
Lease Receivable (Noncurrent)	139,026.46
P3 Receivable (Noncurrent)	4,824,138.00
Gross Capital/Intangible Assets	676,558,746.83
Accumulated Depreciation/Amortization	<u>(420,870,597.35)</u>
Total Noncurrent Assets	<u>423,071,697.83</u>
Total Assets	<u>590,911,409.59</u>
Total Assets and Deferred Outflows	<u>590,911,409.59</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	21,109,192.06
Salaries Payable	10,032,331.10
Due To System Administration	2,375,118.95
Due To Other State Agencies	421,892.07
Unearned Revenue	67,654,095.54
Employees' Compensable Leave (Current)	2,429,826.05
Notes, Loans, and Leases Payable (Current)	<u>1,617,902.60</u>
Total Current Liabilities	<u>105,640,358.37</u>
Noncurrent Liabilities:	
Employees' Compensable Leave (Noncurrent)	2,949,177.27
Notes, Loans, and Leases Payable (Noncurrent)	<u>5,652,603.06</u>
Total Noncurrent Liabilities	<u>8,601,780.33</u>
Total Liabilities	<u>114,242,138.70</u>
Total Deferred Inflows of Resources	<u>5,384,641.79</u>
Total Liabilities and Deferred Inflows	<u>119,626,780.49</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	248,417,643.81
Restricted for:	
Nonexpendable	
Permanent Health and True Endowments	80,337,926.68
Expendable	
Capital Projects	43,143,474.25
Funds Functioning as Endowment (Restricted)	3,040,727.58
Other Expendable	22,688,185.46
Unrestricted	<u>73,656,671.32</u>
Total Net Position	<u>\$ 471,284,629.10</u>

Stephen F. Austin  
 Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
 For the Year Ended August 31, 2024

	Current Year Totals
Operating Revenues:	
Student Tuition and Fees	\$ 115,398,898.67
Discounts and Allowances	(64,404,893.45)
Federal Sponsored Programs	3,630,936.66
Federal Sponsored Programs Pass-Through from State Agencies	953,094.41
State Sponsored Programs Pass-Through from State Agencies	13,305,879.44
Local Sponsored Programs	1,691,308.15
Private Sponsored Programs	650,733.71
Sales and Services of Educational Activities	6,900,240.40
Auxiliary Enterprises	43,741,472.73
Discounts and Allowances Auxiliary Enterprises	(286,377.76)
Other Operating Revenues	358,321.95
Total Operating Revenues	121,939,614.91
Operating Expenses:	
Instruction	71,494,112.93
Research	4,182,933.61
Public Service	1,976,505.03
Hospitals / Clinics	
Academic Support	21,228,969.79
Student Services	12,176,041.89
Institutional Support	35,911,900.19
Operations and Maintenance of Plant	12,016,792.18
Scholarships and Fellowships	5,228,999.14
Auxiliary Enterprises	52,191,037.64
Depreciation and Amortization	22,947,931.58
Total Operating Expenses	239,355,223.98
Operating Income (Loss)	(117,415,609.07)
Nonoperating Revenues (Expenses):	
State Appropriations	78,466,723.65
Federal Nonexchange Sponsored Programs	23,929,550.00
Federal Nonexchange Pass-Through	
State Nonexchange Pass-Through	
Gift Contributions for Operations	9,336,377.63
Investment Income	7,659,051.36
Net Increase (Decrease) in Fair Value of Investments	3,883,285.11
Interest Expense on Capital Asset Financings	(234,683.46)
Gain (Loss) on Sale of Capital Assets	(321,013.25)
Other Nonoperating Revenues	987,386.96
Other Nonoperating (Expenses)	(2,000,000.00)
Net Nonoperating Revenues (Expenses)	121,706,678.00
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	4,291,068.93
Gifts and Sponsored Programs for Capital Acquisitions	3,995.00
Additions to Permanent Endowments	69,740,014.37
Reclass from/(to) Other Institutions	(31,288,158.08)
Transfers Between Institutions & System, Debt Service - Mandatory	(29,809,003.05)
Transfers Between Institutions & System Admin. - Non mandatory	250,315,955.18
Transfers From Other State Agencies	2,783,636.00
Transfers to Other State Agencies	(14,582.47)
Legislative Appropriations Lapsed	(18,388.45)
Change in Net Position	266,004,537.43
Beginning Net Position	16,364,533.67
Restatements	188,915,558.00
Beginning Net Position (As Restated)	205,280,091.67
Ending Net Position	\$ 471,284,629.10

Stephen F. Austin  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>
Cash Flows from Operating Activities:	
Proceeds from Tuition and Fees	\$ 53,396,333.22
Proceeds from Sponsored Programs	21,545,100.13
Proceeds from Auxiliaries	39,155,574.12
Proceeds from Other Revenues	17,626,874.13
Payments to Suppliers	(72,850,005.14)
Payments to Employees	(147,254,428.71)
Payments for Loans Provided	(6,505,440.89)
Proceeds from Loan Programs	6,457,943.83
Payments for Other Expenses	(7,942,779.79)
Net Cash Provided (Used) by Operating Activities	<u>(96,370,829.10)</u>
Cash Flows from Noncapital Financing Activities:	
Proceeds from State Appropriations	42,555,287.46
Proceeds from Operating Gifts	9,336,377.63
Proceeds from Private Gifts for Endowment Purposes	69,740,014.37
Proceeds from Other Noncapital Financing Activities	44,206,127.96
Receipts for Transfers from System or Other Agencies	9,984,111.33
Payments for Transfers to System or Other Agencies	(14,582.47)
Payments for Other Uses	(42,522,353.37)
Proceeds from Nonexchange Sponsored Programs	23,929,550.00
Net Cash Provided by Noncapital Financing Activities	<u>157,214,532.91</u>
Cash Flows from Capital and Related Financing Activities:	
Nonmandatory Capital Related Transfers	8,811,356.34
Proceeds from Capital Appropriations, Grants, and Gifts	19,961,579.87
Payments for Additions to Capital Assets	(31,451,608.29)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(848,917.25)
Mandatory Transfers to System for Capital Related Debt	(29,809,003.05)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(173,061.74)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(33,509,654.12)</u>
Cash Flows from Investing Activities	
Proceeds from Interest and Investment Income	31,124,626.40
Payments to Acquire Investments	(69,740,014.37)
Net Cash Provided (Used) by Investing Activities	<u>(38,615,387.97)</u>
Net Increase (Decrease) in Cash	(11,281,338.28)
Cash and Cash Equivalents (Beginning of the Year)	63,428,198.72
Restatements to Beginning Cash and Cash Equivalents	39,414,192.51
Cash and Cash Equivalents (End of the Year)	<u>\$ 91,561,052.95</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(117,415,609.07)
Adjustments to Reconcile Operating Results to Net Cash:	
Depreciation and Amortization Expense	22,947,931.58
Bad Debt Expense	73,148.62
Changes in Assets and Liabilities:	
Accounts Receivable	(3,537,886.76)
P3 Related Balances	(1,060,517.44)
Inventories	26,859.84
Loans and Contracts	(47,497.06)
Other Current and Noncurrent Assets	1,104,981.27
Accounts Payable	3,901,637.92
Due to System	2,375,118.95
Unearned Revenue	(485,674.55)
Employees' Compensable Leave	659,758.75
Other Current and Noncurrent Liabilities	(4,913,081.15)
Total Adjustments	<u>21,044,779.97</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (96,370,829.10)</u>
Non Cash Transactions:	
Net Increase (Decrease) in Fair Value of Investments	3,883,285.11
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	1,021,978.94



The University of Texas at Tyler  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 43,579,475.01	53,127,180.91
Restricted Cash & Cash Equivalents	7,785,336.02	(14,305,374.72)
Balance in State Appropriations	2,623,453.48	2,221,348.15
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	5,562,405.76	27,717,427.56
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	1,441,783.82	1,326,456.03
Student (allow. \$2,546,200.56 in 2024 & \$1,910,949.34 in 2023)	13,361,917.77	9,261,693.65
Interest and dividends		29,188.68
Contributions (allow. \$7,100.00 in 2024 & \$7,700.00 in 2023)	134,500.43	146,682.31
Other (allow. \$0.00 in 2024 & \$0.00 in 2023)	12,657,897.43	5,789,432.10
Due From System Administration	31,846,622.26	8,027,081.92
Due From Other Institutions	5,927,487.39	3,919,643.47
Due From Other Agencies	1,267.75	
Loans & Contracts (allow. \$1,352,739.32 in 2024 & \$1,352,739.32 in 2023)	3,771,460.85	4,088,192.01
Other Current Assets	15,140,143.65	9,111,128.91
<b>Total Current Assets</b>	<b>143,833,751.62</b>	<b>110,460,080.98</b>
<b>Noncurrent Assets:</b>		
Funds Held by System Administration (Restricted)	131,206,228.84	122,829,108.74
Contributions Rec. (allow. \$11,700.00 in 2024 & \$1,800.00 in 2023)	238,564.11	35,021.31
Unrestricted Investments		11,903,099.09
Funds Held by System Administration (Unrestricted)	216,962.46	206,849.89
Gross Capital/Intangible Assets	484,286,364.39	443,820,103.82
Accumulated Depreciation/Amortization	(270,882,383.47)	(254,173,564.81)
<b>Total Noncurrent Assets</b>	<b>345,065,736.33</b>	<b>324,620,618.04</b>
<b>Total Assets</b>	<b>488,899,487.95</b>	<b>435,080,699.02</b>
<b>Total Assets and Deferred Outflows</b>	<b>488,899,487.95</b>	<b>435,080,699.02</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	16,889,782.93	13,604,534.21
Salaries Payable	8,381,532.82	7,382,780.64
Due To System Administration	1,604,993.69	1,464,636.34
Due To Other Institutions	4,733,357.92	2,968,864.64
Due To Other State Agencies	12,478.65	18,766.71
Unearned Revenue	34,111,412.57	39,471,206.30
Employees' Compensable Leave (Current)	1,452,884.61	1,347,505.90
Notes, Loans, and Leases Payable (Current)	613,053.93	510,743.81
Other Current Liabilities	102,757.36	629,794.06
<b>Total Current Liabilities</b>	<b>67,902,254.48</b>	<b>67,398,832.61</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	1,846,327.42	1,376,339.44
Notes, Loans, and Leases Payable (Noncurrent)	1,696,586.48	1,166,826.95
<b>Total Noncurrent Liabilities</b>	<b>3,542,913.90</b>	<b>2,543,166.39</b>
<b>Total Liabilities</b>	<b>71,445,168.38</b>	<b>69,941,999.00</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>71,445,168.38</b>	<b>69,941,999.00</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	211,094,340.51	187,968,968.25
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	64,788,382.47	62,204,487.37
Expendable		
Capital Projects	26,137,310.71	5,647,110.35
Funds Functioning as Endowment (Restricted)	2,735,115.70	2,606,364.01
Other Expendable	86,218,853.47	77,513,119.54
Unrestricted	26,480,316.71	29,198,650.50
<b>Total Net Position</b>	<b>\$ 417,454,319.57</b>	<b>365,138,700.02</b>

The University of Texas at Tyler  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 94,135,820.77	88,309,242.44
Discounts and Allowances	(35,855,052.08)	(32,990,733.91)
Federal Sponsored Programs	3,478,106.00	3,506,011.33
Federal Sponsored Programs Pass-Through from State Agencies	767,170.72	2,699,261.21
State Sponsored Programs Pass-Through from State Agencies	16,494,025.89	12,967,498.48
Private Sponsored Programs	1,166,287.37	921,305.32
Sales and Services of Educational Activities	11,570,167.78	13,731,526.99
Auxiliary Enterprises	17,928,302.00	13,262,159.93
Other Operating Revenues	335,431.70	973,252.36
Total Operating Revenues	<u>110,020,260.15</u>	<u>103,379,524.15</u>
Operating Expenses:		
Instruction	72,436,537.67	71,145,740.24
Research	4,846,527.01	3,881,427.30
Public Service	997,580.86	1,567,090.78
Academic Support	17,797,803.42	16,743,948.23
Student Services	15,716,927.09	14,989,359.55
Institutional Support	16,880,478.03	14,188,879.22
Operations and Maintenance of Plant	15,626,906.19	13,309,063.71
Scholarships and Fellowships	14,028,550.61	14,051,189.74
Auxiliary Enterprises	18,953,988.73	16,124,081.69
Depreciation and Amortization	17,387,233.45	17,252,863.63
Total Operating Expenses	<u>194,672,533.06</u>	<u>183,253,644.09</u>
Operating Income (Loss)	<u>(84,652,272.91)</u>	<u>(79,874,119.94)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	58,054,749.64	44,825,820.83
Federal Nonexchange Sponsored Programs	18,002,505.00	14,534,844.00
Federal Nonexchange Pass-Through	(89,438.95)	795,617.12
State Nonexchange Pass-Through		
Gift Contributions for Operations	1,723,286.02	1,594,868.00
Investment Income	7,344,252.10	5,621,342.74
Net Increase (Decrease) in Fair Value of Investments	5,911,194.12	758,680.09
Interest Expense on Capital Asset Financings	(69,017.73)	(12,525.70)
Gain (Loss) on Sale of Capital Assets	(219,106.11)	(216,841.17)
Other Nonoperating Revenues	29,516.65	163,747.00
Other Nonoperating (Expenses)	(917.00)	(140,000.00)
Net Nonoperating Revenues (Expenses)	<u>90,687,023.74</u>	<u>67,925,552.91</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	6,034,750.83	(11,948,567.03)
Gifts and Sponsored Programs for Capital Acquisitions		81,201.87
Additions to Permanent Endowments	2,673,795.32	3,374,727.17
Reclass from/(to) Other Institutions	(56,495,968.27)	(35,287,838.53)
Transactions Between Funds	8,073.43	
Transfers Between Institutions & System, Debt Service - Mandatory	(20,176,234.96)	(15,955,528.03)
Transfers Between Institutions & System Admin. - Non mandatory	118,926,093.20	57,012,806.55
Transfers From Other State Agencies	1,345,110.00	228,155.00
Legislative Appropriations Lapsed		
Change in Net Position	<u>52,315,619.55</u>	<u>(2,495,043.00)</u>
Beginning Net Position	<u>365,138,700.02</u>	<u>367,633,743.02</u>
Ending Net Position	<u>\$ 417,454,319.57</u>	<u>365,138,700.02</u>

The University of Texas at Tyler  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 46,162,608.15	\$ 57,258,709.05
Proceeds from Sponsored Programs	9,639,390.49	27,275,184.97
Proceeds from Auxiliaries	18,534,630.59	13,261,798.98
Proceeds from Other Revenues	3,677,819.13	14,964,720.45
Payments to Suppliers	(63,359,873.46)	(58,220,076.52)
Payments to Employees	(116,954,574.43)	(108,189,848.92)
Payments for Loans Provided	(674,098.00)	(663,133.49)
Proceeds from Loan Programs	990,829.16	35,142.02
Net Cash Provided (Used) by Operating Activities	<u>(101,983,268.37)</u>	<u>(54,277,503.46)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	57,652,644.31	43,633,350.54
Proceeds from Operating Gifts	1,531,925.10	1,696,260.89
Proceeds from Private Gifts for Endowment Purposes	2,673,795.32	3,374,727.17
Proceeds from Other Noncapital Financing Activities	76,677,442.42	41,769,311.88
Receipts for Transfers from System or Other Agencies	3,871,887.28	3,278,733.55
Payments for Transfers to System or Other Agencies	-	(15,000.00)
Payments for Other Uses	(52,281,354.58)	(69,577,059.64)
Proceeds from Nonexchange Sponsored Programs	30,151,737.05	21,317,020.06
Net Cash Provided by Noncapital Financing Activities	<u>120,278,076.90</u>	<u>45,477,344.45</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	36,083,751.51	11,526,407.06
Proceeds from Capital Appropriations, Grants, and Gifts	-	146,250.00
Payments for Additions to Capital Assets	(37,513,527.29)	(19,193,615.03)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(877,332.34)	(579,317.66)
Mandatory Transfers to System for Capital Related Debt	(20,176,234.96)	(15,955,528.03)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(69,017.73)	(12,525.70)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(22,552,360.81)</u>	<u>(24,068,329.36)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	9,427,060.54	12,166,351.08
Proceeds from Interest and Investment Income	2,733,129.06	926,737.96
Proceeds from Interest and Investment Income Invested by System	4,640,367.52	4,724,326.15
Payments to Acquire Investments Invested by System	-	-
Net Cash Provided (Used) by Investing Activities	<u>16,800,557.12</u>	<u>17,817,415.19</u>
Net Increase (Decrease) in Cash	12,543,004.84	(15,051,073.18)
Cash and Cash Equivalents (Beginning of the Year)	38,821,806.19	53,872,879.37
Cash and Cash Equivalents (End of the Year)	<u>\$ 51,364,811.03</u>	<u>\$ 38,821,806.19</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(84,652,272.91)	(79,874,119.94)
<b>Adjustments to Reconcile Operating Results to Net Cash:</b>		
Depreciation and Amortization Expense	17,387,233.45	17,252,863.63
Bad Debt Expense	101,487.03	35,342.02
<b>Changes in Assets and Liabilities:</b>		
Accounts Receivable	(23,349,624.29)	8,231,765.81
Loans and Contracts	316,731.16	(627,991.47)
Other Current and Noncurrent Assets	(6,029,014.74)	(2,673,260.27)
Accounts Payable	2,216,755.83	1,633,830.22
Due to System	140,357.35	109,463.65
Unearned Revenue	(8,163,251.24)	1,012,997.48
Employees' Compensable Leave	575,366.69	100,714.96
Other Current and Noncurrent Liabilities	(527,036.70)	520,890.45
Total Adjustments	<u>(17,330,995.46)</u>	<u>25,596,616.48</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (101,983,268.37)</u>	<u>\$ (54,277,503.46)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	5,911,194.12	758,680.09
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	1,509,401.99	1,384,118.36
Miscellaneous Noncash Transactions	(219,106.11)	(216,841.17)

The University of Texas Southwestern Medical Center  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 128,926,169.23	172,360,812.41
Restricted Cash & Cash Equivalents	224,277,104.35	162,142,635.05
Balance in State Appropriations	82,401,060.85	46,952,106.41
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	22,848,258.97	18,725,097.79
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	80,756,450.73	105,463,885.96
Patient & Healthcare(allow. \$196,152,224.51 in 2024 & \$146,191,821.82 in 2023)	626,604,674.23	576,186,475.81
Interest and dividends	107,512.07	122,137.34
Contributions (allow. \$0.00 in 2024 & \$0.00 in 2023)	727,718.33	949,463.46
Other (allow. \$3,977,703.95 in 2024 & \$7,612,857.53 in 2023)	301,360,876.58	211,123,379.03
Lease Receivable (Current)	1,936,165.79	1,392,465.63
Due From System Administration	46,698,897.88	39,141,238.78
Due From Other Institutions	1,555,176.00	5,250,880.73
Due From Other Agencies	2,065,990.65	96,996.50
Inventories	71,952,261.38	66,214,333.36
Loans & Contracts (allow. \$16,568.21 in 2024 & \$26,932.01 in 2023)	20,640.31	16,740.43
Other Current Assets	33,595,912.96	23,887,161.10
<b>Total Current Assets</b>	<b>1,625,834,870.31</b>	<b>1,430,025,809.79</b>
<b>Noncurrent Assets:</b>		
Cash and Cash Equivalents (Noncurrent Restricted)	33,533,613.97	44,562,786.60
Restricted Investments	403,223,319.08	430,676,581.20
Loans & Contracts (allow. \$25,554.37 in 2024 & \$23,883.10 in 2023)	31,835.05	120,527.06
Funds Held by System Administration (Restricted)	2,285,593,145.69	2,125,519,743.47
Contributions Rec. (allow. \$0.00 in 2024 & \$0.00 in 2023)	42,786,758.80	21,675,806.64
Unrestricted Investments	176,947,362.67	294,314,725.85
Funds Held by System Administration (Unrestricted)	801,577,720.28	729,081,332.71
Lease Receivable (Noncurrent)	22,218,300.85	14,462,551.35
Other Noncurrent Assets	315,021,470.22	167,556,061.43
Gross Capital/Intangible Assets	5,844,112,997.02	5,655,249,339.65
Accumulated Depreciation/Amortization	<u>(2,681,690,733.41)</u>	<u>(2,490,340,321.14)</u>
<b>Total Noncurrent Assets</b>	<b>7,243,355,790.22</b>	<b>6,992,879,134.82</b>
<b>Total Assets</b>	<b>8,869,190,660.53</b>	<b>8,422,904,944.61</b>
<b>Total Deferred Outflows of Resources</b>	<b>529,380.97</b>	<b>800,397.83</b>
<b>Total Assets and Deferred Outflows</b>	<b>8,869,720,041.50</b>	<b>8,423,705,342.44</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	487,501,935.13	386,982,026.15
Salaries Payable	116,416,834.90	123,920,649.24
Due To System Administration	29,382,256.00	120,949,267.31
Due To Other Institutions	1,156,628.33	1,376,848.25
Due To Other State Agencies	90,925,543.40	134,504,133.26
Unearned Revenue	91,128,994.27	80,354,545.26
Employees' Compensable Leave (Current)	93,681,657.31	78,598,526.43
Notes, Loans, and Leases Payable (Current)	25,253,259.87	22,258,433.63
Assets Held for Others (Current)		
Other Current Liabilities	509,688.14	152,231.14
<b>Total Current Liabilities</b>	<b>935,956,797.35</b>	<b>949,096,660.67</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	101,693,135.48	107,792,550.21
Notes, Loans, and Leases Payable (Noncurrent)	113,817,744.59	130,385,371.18
Asset Retirement Obligation (Noncurrent)	2,636,686.07	2,488,087.90
Other Noncurrent Liabilities	2,919,759.78	2,630,137.63
<b>Total Noncurrent Liabilities</b>	<b>221,067,325.92</b>	<b>243,296,146.92</b>
<b>Total Liabilities</b>	<b>1,157,024,123.27</b>	<b>1,192,392,807.59</b>
<b>Total Deferred Inflows of Resources</b>	<b>25,045,602.70</b>	<b>17,063,356.80</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>1,182,069,725.97</b>	<b>1,209,456,164.39</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	3,023,351,259.15	3,012,265,213.70
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	1,264,854,955.98	1,220,136,797.92
Expendable		
Capital Projects	95,281,119.81	54,154,512.76
Funds Functioning as Endowment (Restricted)	255,385,352.80	234,384,713.48
Other Expendable	1,445,712,085.61	1,210,007,484.88
Unrestricted	1,603,065,542.18	1,483,300,455.31
<b>Total Net Position</b>	<b>\$ 7,687,650,315.53</b>	<b>7,214,249,178.05</b>

The University of Texas Southwestern Medical Center  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 33,134,959.26	31,037,239.28
Discounts and Allowances	(3,340,734.73)	(2,846,749.09)
Federal Sponsored Programs	363,228,274.18	337,696,374.98
Federal Sponsored Programs Pass-Through from State Agencies	4,833,880.91	3,159,584.68
State Sponsored Programs Pass-Through from State Agencies	42,085,498.26	44,080,747.01
Local Sponsored Programs	160,057,460.70	154,704,778.41
Private Sponsored Programs	428,803,447.55	348,707,296.01
Sales and Services of Educational Activities	26,940,074.61	18,102,212.34
Sales and Services of Hospitals	7,729,451,176.58	6,535,376,314.84
Discounts and Allowances Sales and Services of Hospitals	(5,134,909,975.70)	(4,268,141,765.01)
Professional Fees (Patient Charges)	3,461,089,637.29	3,172,681,078.65
Discounts and Allowances Professional Fees (Patient Charges)	(2,487,289,430.08)	(2,284,257,168.26)
Auxiliary Enterprises	35,876,957.92	32,468,332.12
Other Operating Revenues	346,708,735.19	194,228,720.81
Total Operating Revenues	<u>5,006,669,961.94</u>	<u>4,316,996,996.77</u>
Operating Expenses:		
Instruction	1,479,933,804.19	1,438,697,525.86
Research	590,376,280.12	544,068,172.81
Public Service	23,198,938.88	25,898,609.75
Hospitals / Clinics	2,517,502,968.78	2,235,052,573.90
Academic Support	103,859,386.12	109,561,240.47
Student Services	2,391,609.80	2,443,250.43
Institutional Support	124,919,638.40	113,324,711.61
Operations and Maintenance of Plant	112,914,451.36	120,917,984.21
Scholarships and Fellowships	7,556,484.41	5,042,511.05
Auxiliary Enterprises	40,636,747.53	42,756,417.05
Depreciation and Amortization	<u>280,476,280.08</u>	<u>279,635,185.50</u>
Total Operating Expenses	<u>5,283,766,589.67</u>	<u>4,917,398,182.64</u>
Operating Income (Loss)	<u>(277,096,627.73)</u>	<u>(600,401,185.87)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	234,334,566.54	229,247,931.70
Federal Nonexchange Sponsored Programs		96,228.50
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through		
Gift Contributions for Operations	77,206,997.07	105,265,987.99
Investment Income	219,413,512.65	175,703,901.49
Net Increase (Decrease) in Fair Value of Investments	196,952,611.75	(69,506,992.59)
Interest Expense on Capital Asset Financings	(4,383,565.05)	(3,549,947.51)
Gain (Loss) on Sale of Capital Assets	(3,430,146.33)	(818,592.83)
Other Nonoperating Revenues	1,867,782.20	6,112,445.56
Other Nonoperating (Expenses)	<u>(900,000.00)</u>	
Net Nonoperating Revenues (Expenses)	<u>721,061,758.83</u>	<u>442,550,962.31</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	443,965,131.10	(157,850,223.56)
Gifts and Sponsored Programs for Capital Acquisitions	5,168,933.76	4,037,945.46
Additions to Permanent Endowments	22,470,033.64	49,729,045.34
Reclass from/(to) Other Institutions	(977,206,939.91)	(54,146,375.33)
Transfers Between Institutions & System, Debt Service - Mandatory	(155,175,333.87)	(146,691,417.65)
Transfers Between Institutions & System Admin. - Non mandatory	1,128,411,546.02	186,540,988.11
Transfers From Other State Agencies	13,939,758.17	7,274,671.96
Transfers to Other State Agencies	(8,171,991.43)	(51,618,641.09)
Legislative Appropriations Lapsed		
Change in Net Position	<u>473,401,137.48</u>	<u>(162,724,006.76)</u>
Beginning Net Position	<u>7,214,249,178.05</u>	<u>7,376,973,184.81</u>
Ending Net Position	<u>\$ 7,687,650,315.53</u>	<u>7,214,249,178.05</u>

The University of Texas Southwestern Medical Center  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 29,952,317.58	\$ 28,195,234.56
Proceeds from Patients and Customers	3,550,880,794.01	3,192,224,769.57
Proceeds from Sponsored Programs	973,982,881.69	993,267,669.05
Proceeds from Auxiliaries	35,315,674.25	32,466,511.05
Proceeds from Other Revenues	140,965,580.66	105,138,870.49
Payments to Suppliers	(1,778,612,519.40)	(1,394,688,491.92)
Payments to Employees	(3,262,624,488.06)	(3,098,568,927.74)
Proceeds from Loan Programs	95,484.66	119,173.07
Net Cash Provided (Used) by Operating Activities	<u>(310,044,274.61)</u>	<u>(141,845,191.87)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	198,885,612.10	215,149,260.92
Proceeds from Operating Gifts	53,295,423.80	121,240,074.24
Proceeds from Private Gifts for Endowment Purposes	22,470,033.64	49,729,045.34
Proceeds from Other Noncapital Financing Activities	40,782,152.00	37,452,598.16
Receipts for Transfers from System or Other Agencies	42,861,837.32	35,060,108.62
Payments for Transfers to System or Other Agencies	(719,103.95)	(5,633,330.13)
Payments for Other Uses	(28,305,883.58)	(33,255,133.41)
Proceeds from Nonexchange Sponsored Programs	-	96,228.50
Net Cash Provided by Noncapital Financing Activities	<u>329,270,071.33</u>	<u>419,838,852.24</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	117,932,594.81	86,084,372.71
Proceeds from Capital Appropriations, Grants, and Gifts	8,191,300.00	21,252,553.89
Proceeds from Sale of Capital Assets	371,044.04	207,386.18
Payments for Additions to Capital Assets	(283,329,322.78)	(319,266,744.47)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(24,770,335.85)	(43,277,742.67)
Mandatory Transfers to System for Capital Related Debt	(155,175,333.87)	(146,691,417.65)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(4,383,565.05)	(3,549,947.51)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(341,163,618.70)</u>	<u>(405,241,539.52)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	2,212,713.80	8,983,602.31
Proceeds from Sales of Investments Invested by System	106,990,733.46	-
Proceeds from Interest and Investment Income	32,589,494.82	25,752,714.03
Proceeds from Interest and Investment Income Invested by System	187,815,533.39	148,342,099.28
Payments to Acquire Investments Invested by System	-	(198,650,172.87)
Net Cash Provided (Used) by Investing Activities	<u>329,608,475.47</u>	<u>(15,571,757.25)</u>
Net Increase (Decrease) in Cash	7,670,653.49	(142,819,636.40)
Cash and Cash Equivalents (Beginning of the Year)	<u>379,066,234.06</u>	<u>521,885,870.46</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 386,736,887.55</u>	<u>\$ 379,066,234.06</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(277,096,627.73)	(600,401,185.87)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	280,476,280.08	279,635,185.50
Bad Debt Expense	(10,692.53)	(11,168.94)
Changes in Assets and Liabilities:		
Accounts Receivable	(120,483,224.64)	(214,246,355.89)
Lessor-Related Balances	(383,623.76)	(63,237.45)
Inventories	(5,737,928.02)	(2,253,701.08)
Loans and Contracts	95,484.66	119,173.07
Other Current and Noncurrent Assets	(157,107,740.65)	25,242,192.24
Accounts Payable	40,945,949.95	240,896,270.72
Due to System	(91,567,011.31)	97,272,370.65
Unearned Revenue	10,774,449.01	20,422,933.69
Employees' Compensable Leave	8,983,716.15	11,493,686.58
Asset Retirement Obligations	419,615.03	290,381.41
Other Current and Noncurrent Liabilities	647,079.15	(241,736.50)
Total Adjustments	<u>(32,947,646.88)</u>	<u>458,555,994.00</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (310,044,274.61)</u>	<u>\$ (141,845,191.87)</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	196,952,611.75	(69,506,992.59)
Donated Capital Assets	-	106,800.00
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	12,232,690.80	50,908,783.26
Miscellaneous Noncash Transactions	(11,456,173.59)	(46,562,399.27)

The University of Texas Medical Branch at Galveston  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 28,615,964.02	80,999,701.88
Restricted Cash & Cash Equivalents	1,390,694.54	4,769,735.21
Balance in State Appropriations	11,922,918.59	18,209,361.60
<b>Accounts Receivable, Net:</b>		
Federal (allow. \$2,407,124.73 in 2024 & \$2,619,386.06 in 2023)	28,005,617.29	26,901,017.28
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	52,014,289.80	39,509,660.94
Student (allow. \$2,716,983.74 in 2024 & \$2,372,279.35 in 2023)	18,022,409.05	15,693,942.77
Patient & Healthcare(allow. \$126,020,097.34 in 2024 & \$99,431,988.99 in 2023)	230,093,865.68	184,169,211.76
Interest and dividends	1,746,174.12	2,034,159.39
Other (allow. \$1,276,929.63 in 2024 & \$0.00 in 2023)	31,693,719.83	25,242,296.97
Lease Receivable (Current)	98,923.39	334,181.40
Due From System Administration	32,227,796.96	14,153,848.16
Due From Other Institutions	609,662.30	935,042.31
Due From Other Agencies	7,430,253.30	5,329,524.35
Inventories	48,942,687.92	45,807,470.62
Loans & Contracts (allow. \$0.00 in 2024 & \$0.00 in 2023)	1,684,022.35	1,724,599.05
Other Current Assets	26,591,597.56	30,592,499.41
<b>Total Current Assets</b>	<b>521,090,596.70</b>	<b>496,406,253.10</b>
<b>Noncurrent Assets:</b>		
Restricted Investments	41,135,763.24	43,305,303.76
Loans & Contracts (allow. \$1,151,426.76 in 2024 & \$1,187,832.15 in 2023)	5,255,398.24	5,686,822.85
Funds Held by System Administration (Restricted)	791,645,635.73	741,663,042.05
Unrestricted Investments	619,005,500.81	621,244,121.40
Funds Held by System Administration (Unrestricted)	340,211,144.68	281,503,539.69
Lease Receivable (Noncurrent)	254,165.59	373,172.45
Other Noncurrent Assets	3,063,073.09	2,877,476.00
Gross Capital/Intangible Assets	4,680,066,943.37	4,460,896,377.48
Accumulated Depreciation/Amortization	(2,462,178,870.21)	(2,320,829,780.27)
<b>Total Noncurrent Assets</b>	<b>4,018,458,754.54</b>	<b>3,836,720,075.41</b>
<b>Total Assets</b>	<b>4,539,549,351.24</b>	<b>4,333,126,328.51</b>
<b>Total Assets and Deferred Outflows</b>	<b>4,539,549,351.24</b>	<b>4,333,126,328.51</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	285,836,994.91	231,196,946.05
Salaries Payable	60,038,296.76	57,226,994.87
Due To System Administration	42,646,699.77	84,563,641.61
Due To Other Institutions	568,892.62	325,714.62
Due To Other State Agencies	176,601.49	27,964.94
Unearned Revenue	59,347,676.61	78,010,547.35
Employees' Compensable Leave (Current)	98,205,546.31	90,371,602.03
Notes, Loans, and Leases Payable (Current)	23,127,948.54	250,793,234.03
Other Current Liabilities	525,000.00	1,575,000.00
<b>Total Current Liabilities</b>	<b>570,473,657.01</b>	<b>794,091,645.50</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	20,217,019.52	21,513,459.54
Notes, Loans, and Leases Payable (Noncurrent)	112,755,829.56	120,950,701.36
Asset Retirement Obligation (Noncurrent)	512,836.25	512,836.25
Other Noncurrent Liabilities	4,539,848.02	4,712,557.01
<b>Total Noncurrent Liabilities</b>	<b>138,025,533.35</b>	<b>147,689,554.16</b>
<b>Total Liabilities</b>	<b>708,499,190.36</b>	<b>941,781,199.66</b>
<b>Total Deferred Inflows of Resources</b>	<b>522,938.53</b>	<b>848,742.02</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>709,022,128.89</b>	<b>942,629,941.68</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,082,004,295.06	1,768,322,661.82
<b>Restricted for:</b>		
<b>Nonexpendable</b>		
Permanent Health and True Endowments	398,770,774.64	385,051,465.80
<b>Expendable</b>		
Capital Projects	24,903,756.37	9,159,009.61
Funds Functioning as Endowment (Restricted)	54,389,130.33	51,087,907.76
Other Expendable	407,727,568.12	381,191,253.92
<b>Unrestricted</b>	<b>862,731,697.83</b>	<b>795,684,087.92</b>
<b>Total Net Position</b>	<b>\$ 3,830,527,222.35</b>	<b>3,390,496,386.83</b>

The University of Texas Medical Branch at Galveston  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 55,006,859.00	57,222,284.78
Discounts and Allowances	(5,878,888.18)	(5,845,966.80)
Federal Sponsored Programs	178,285,535.70	168,932,389.52
Federal Sponsored Programs Pass-Through from State Agencies	13,735,700.71	13,235,884.62
State Sponsored Programs Pass-Through from State Agencies	15,316,403.11	15,561,952.05
Local Sponsored Programs	636,084.01	691,236.68
Private Sponsored Programs	75,694,377.99	75,024,065.62
Sales and Services of Educational Activities	14,078,296.85	12,866,627.05
Sales and Services of Hospitals	6,410,323,136.60	5,471,813,411.61
Discounts and Allowances Sales and Services of Hospitals	(4,472,403,795.48)	(3,790,602,383.30)
Professional Fees (Patient Charges)	845,087,817.40	782,703,409.18
Discounts and Allowances Professional Fees (Patient Charges)	(560,343,401.50)	(512,244,183.55)
Auxiliary Enterprises	14,977,428.67	14,182,628.98
Other Operating Revenues	155,460,317.90	150,661,500.45
Total Operating Revenues	<u>2,739,975,872.78</u>	<u>2,454,202,856.89</u>
Operating Expenses:		
Instruction	513,554,600.47	486,684,585.24
Research	161,549,516.41	148,305,353.37
Public Service	31,517,281.63	28,592,819.66
Hospitals / Clinics	2,037,136,036.16	1,835,807,687.98
Academic Support	61,418,927.41	46,998,597.14
Student Services	8,949,677.79	8,914,249.40
Institutional Support	92,861,486.04	113,302,338.62
Operations and Maintenance of Plant	69,702,109.47	67,393,283.35
Scholarships and Fellowships	10,397,467.06	9,599,090.04
Auxiliary Enterprises	10,470,061.98	11,226,094.79
Depreciation and Amortization	228,484,560.11	212,558,680.08
Total Operating Expenses	<u>3,226,041,724.53</u>	<u>2,969,382,779.67</u>
Operating Income (Loss)	<u>(486,065,851.75)</u>	<u>(515,179,922.78)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	410,657,737.80	394,305,108.62
Federal Nonexchange Sponsored Programs	1,215,633.00	1,495,260.81
Federal Nonexchange Pass-Through	(0.42)	(22,875.51)
State Nonexchange Pass-Through		
Local Nonexchange Sponsored Programs	16,000,000.00	8,000,000.00
Gift Contributions for Operations	8,901,803.87	9,202,362.02
Investment Income	83,745,169.37	70,675,064.73
Net Increase (Decrease) in Fair Value of Investments	106,810,872.86	8,456,145.42
Interest Expense on Capital Asset Financings	(3,410,866.98)	(4,190,409.97)
Gain (Loss) on Sale of Capital Assets	(7,237,942.96)	(3,344,757.33)
Other Nonoperating Revenues	12,565,958.67	7,176,694.42
Other Nonoperating (Expenses)	(389,270.66)	(1,498,695.09)
Net Nonoperating Revenues (Expenses)	<u>628,859,094.55</u>	<u>490,253,898.12</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	142,793,242.80	(24,926,024.66)
Gifts and Sponsored Programs for Capital Acquisitions	24,928,158.19	58,643,830.71
Additions to Permanent Endowments	4,548,497.06	4,313,628.63
Reclass from/(to) Other Institutions	9,870,622.10	4,417,406.26
Transfers Between Institutions & System, Debt Service - Mandatory	(137,631,880.37)	(113,554,793.13)
Transfers Between Institutions & System Admin. - Non mandatory	391,648,863.89	94,556,411.68
Transfers From Other State Agencies	54,331,096.51	74,512,608.31
Transfers to Other State Agencies	(50,457,764.66)	(67,344,765.31)
Legislative Appropriations Lapsed		
Change in Net Position	<u>440,030,835.52</u>	<u>30,618,302.49</u>
Beginning Net Position	3,390,496,386.83	3,359,878,084.34
Ending Net Position	<u>\$ 3,830,527,222.35</u>	<u>3,390,496,386.83</u>



The University of Texas Medical Branch at Galveston  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 48,602,050.30	\$ 51,428,021.70
Proceeds from Patients and Customers	2,187,813,586.70	1,929,282,254.72
Proceeds from Sponsored Programs	260,516,684.16	266,452,068.74
Proceeds from Auxiliaries	14,091,637.31	14,258,270.30
Proceeds from Other Revenues	153,685,927.66	159,748,160.44
Payments to Suppliers	(1,025,387,679.64)	(841,083,495.05)
Payments to Employees	(1,962,810,410.70)	(1,834,292,345.80)
Payments for Loans Provided	(368,939.09)	(713,014.43)
Proceeds from Loan Programs	<u>840,940.40</u>	<u>876,038.66</u>
Net Cash Provided (Used) by Operating Activities	<u>(323,016,202.90)</u>	<u>(254,044,040.72)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	416,944,180.81	380,456,966.39
Proceeds from Operating Gifts	8,382,027.66	9,208,133.02
Proceeds from Private Gifts for Endowment Purposes	4,548,497.06	4,313,628.63
Proceeds from Other Noncapital Financing Activities	55,714,960.67	48,957,801.42
Receipts for Transfers from System or Other Agencies	64,471,268.89	85,504,245.22
Payments for Transfers to System or Other Agencies	(50,409,309.78)	(67,865,358.31)
Payments for Other Uses	(42,672,620.76)	(44,363,788.95)
Proceeds from Nonexchange Sponsored Programs	<u>17,239,455.58</u>	<u>9,520,565.40</u>
Net Cash Provided by Noncapital Financing Activities	<u>474,218,460.13</u>	<u>425,732,192.82</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	117,658,359.37	79,624,158.74
Proceeds from Capital Appropriations, Grants, and Gifts	21,413,425.14	54,966,159.34
Proceeds from Sale of Capital Assets	507,608.48	788,727.95
Payments for Additions to Capital Assets	(256,430,846.20)	(167,472,057.63)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(35,657,723.97)	(38,933,147.66)
Mandatory Transfers to System for Capital Related Debt	(137,631,880.37)	(113,554,793.13)
Payments of Interest on Capital Related Debt and Other L-T Obligations	<u>(3,410,866.98)</u>	<u>(4,190,409.97)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(293,551,924.53)</u>	<u>(188,771,362.36)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	2,528,835.30	-
Proceeds from Interest and Investment Income	1,452,372.40	1,650,662.41
Proceeds from Interest and Investment Income Invested by System	82,605,681.07	69,217,479.82
Payments to Acquire Investments Invested by System	<u>-</u>	<u>(20,656,019.03)</u>
Net Cash Provided (Used) by Investing Activities	<u>86,586,888.77</u>	<u>50,212,123.20</u>
Net Increase (Decrease) in Cash	(55,762,778.53)	33,128,912.94
Cash and Cash Equivalents (Beginning of the Year)	<u>85,769,437.09</u>	<u>52,640,524.15</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 30,006,658.56</u>	<u>\$ 85,769,437.09</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(486,065,851.75)	(515,179,922.78)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	228,484,560.11	212,558,680.08
Changes in Assets and Liabilities:		
Accounts Receivable	(70,432,746.63)	(10,577,807.51)
Lessor-Related Balances	1,532.38	(9,913.46)
Inventories	(3,135,217.30)	(2,044,178.29)
Loans and Contracts	472,001.31	163,024.23
Other Current and Noncurrent Assets	3,842,233.76	(1,294,129.50)
Accounts Payable	56,399,935.76	(11,191,249.42)
Due to System	(41,916,941.84)	66,151,101.92
Unearned Revenue	(15,980,503.97)	(346,786.81)
Employees' Compensable Leave	6,537,504.26	10,146,721.25
Other Current and Noncurrent Liabilities	<u>(1,222,708.99)</u>	<u>(2,419,580.43)</u>
Total Adjustments	<u>163,049,648.85</u>	<u>261,135,882.06</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (323,016,202.90)</u>	<u>\$ (254,044,040.72)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	106,810,872.86	8,456,145.42
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	56,587,839.54	91,437,801.10
Miscellaneous Noncash Transactions	(7,414,056.60)	(3,344,757.33)

The University of Texas Health Science Center at Houston  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 379,520,873.00	368,415,183.65
Restricted Cash & Cash Equivalents	112,677,201.81	98,830,557.17
Balance in State Appropriations	20,106,276.94	24,660,847.85
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	32,945,254.18	33,038,751.03
Other Intergov. (allow. \$179,963.72 in 2024 & \$238,188.58 in 2023)	89,473,571.95	65,035,069.09
Student (allow. \$1,212,472.38 in 2024 & \$1,116,720.97 in 2023)	23,337,877.56	20,805,202.98
Patient & Healthcare(allow. \$346,163,772.10 in 2024 & \$231,371,201.06 in 2023)	80,998,788.30	64,700,737.50
Interest and dividends	2,278,440.89	1,996,132.55
Contributions (allow. \$57,525.70 in 2024 & \$77,114.77 in 2023)	2,346,575.92	3,145,648.63
Other (allow. \$293,298.86 in 2024 & \$333,447.03 in 2023)	6,930,356.37	27,241,925.36
Lease Receivable (Current)	1,068,649.99	540,303.17
Due From System Administration	24,256,558.20	93,877,631.57
Due From Other Institutions	1,737,986.42	1,087,735.55
Due From Other Agencies	3,447,835.65	8,477,930.12
Inventories	1,703,885.02	1,600,866.71
Loans & Contracts (allow. \$274,225.60 in 2024 & \$233,783.81 in 2023)	4,722,530.35	4,321,613.65
Other Current Assets	6,999,003.82	6,081,715.53
<b>Total Current Assets</b>	<b>794,551,666.37</b>	<b>823,857,852.11</b>
<b>Noncurrent Assets:</b>		
Restricted Investments	47,484,942.82	50,633,476.08
Loans & Contracts (allow. \$476,761.78 in 2024 & \$498,125.61 in 2023)	4,936,307.30	5,164,921.84
Funds Held by System Administration (Restricted)	708,038,285.47	637,855,136.70
Contributions Rec. (allow. \$80,458.68 in 2024 & \$121,936.11 in 2023)	3,282,052.76	4,973,991.14
Unrestricted Investments	154,267,895.24	200,875,069.44
Funds Held by System Administration (Unrestricted)	1,022,842,167.68	941,727,131.58
Lease Receivable (Noncurrent)	1,662,149.82	695,488.35
Other Noncurrent Assets	63,106,229.69	56,149,295.56
Gross Capital/Intangible Assets	1,972,535,149.62	1,781,821,798.81
Accumulated Depreciation/Amortization	(1,130,206,410.03)	(1,060,958,319.48)
<b>Total Noncurrent Assets</b>	<b>2,847,948,770.37</b>	<b>2,618,937,990.02</b>
<b>Total Assets</b>	<b>3,642,500,436.74</b>	<b>3,442,795,842.13</b>
<b>Total Assets and Deferred Outflows</b>	<b>3,642,500,436.74</b>	<b>3,442,795,842.13</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	132,700,860.71	100,715,530.18
Salaries Payable	90,912,708.66	89,309,664.42
Due To System Administration	16,798,578.76	56,796,459.95
Due To Other Institutions	2,160,885.82	4,353,918.53
Due To Other State Agencies	972,492.76	1,732,229.65
Unearned Revenue	107,185,066.57	147,942,019.02
Employees' Compensable Leave (Current)	54,984,254.56	44,830,401.09
Notes, Loans, and Leases Payable (Current)	25,616,514.00	26,603,154.21
Assets Held for Others (Current)		
Other Current Liabilities	22,402,321.17	21,490,574.09
<b>Total Current Liabilities</b>	<b>453,733,683.01</b>	<b>493,773,951.14</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	78,357,696.49	71,526,632.73
Liability to Beneficiaries	148,492.44	172,523.63
Notes, Loans, and Leases Payable (Noncurrent)	122,830,729.54	138,683,422.96
Asset Retirement Obligation (Noncurrent)	975,121.25	975,121.25
Other Noncurrent Liabilities	132,815,472.63	154,444,133.58
<b>Total Noncurrent Liabilities</b>	<b>335,127,512.35</b>	<b>365,801,834.15</b>
<b>Total Liabilities</b>	<b>788,861,195.36</b>	<b>859,575,785.29</b>
<b>Total Deferred Inflows of Resources</b>	<b>3,619,619.44</b>	<b>1,937,752.98</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>792,480,814.80</b>	<b>861,513,538.27</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	693,881,496.05	555,576,902.16
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	470,315,205.38	435,745,417.46
Expendable		
Capital Projects	15,994,394.56	94,304,955.67
Funds Functioning as Endowment (Restricted)	54,116,342.02	49,031,622.55
Other Expendable	371,403,448.74	334,466,505.20
Unrestricted	1,244,308,735.19	1,112,156,900.82
<b>Total Net Position</b>	<b>\$ 2,850,019,621.94</b>	<b>2,581,282,303.86</b>

The University of Texas Health Science Center at Houston  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 73,462,587.85	73,810,881.46
Discounts and Allowances	(2,303,050.76)	(1,853,550.53)
Federal Sponsored Programs	258,697,606.47	225,230,273.58
Federal Sponsored Programs Pass-Through from State Agencies	38,892,854.88	37,382,065.89
State Sponsored Programs Pass-Through from State Agencies	17,979,847.42	23,079,142.89
Local Sponsored Programs	833,834,636.83	728,048,553.74
Private Sponsored Programs	93,812,856.12	104,173,540.55
Sales and Services of Educational Activities	70,763,461.15	53,554,087.46
Sales and Services of Hospitals	352,202,142.87	249,925,568.29
Discounts and Allowances Sales and Services of Hospitals	(188,592,326.10)	(120,324,849.03)
Professional Fees (Patient Charges)	2,697,484,929.19	2,677,923,082.05
Discounts and Allowances Professional Fees (Patient Charges)	(2,132,093,570.69)	(2,147,599,695.38)
Auxiliary Enterprises	23,030,638.26	22,099,971.64
Other Operating Revenues	66,344,918.71	97,056,845.89
<b>Total Operating Revenues</b>	<b>2,203,517,532.20</b>	<b>2,022,505,918.50</b>
Operating Expenses:		
Instruction	1,072,835,723.36	1,024,706,336.08
Research	310,528,594.50	274,818,771.59
Public Service	87,734,116.44	73,129,592.14
Hospitals / Clinics	693,804,825.71	616,856,730.45
Academic Support	74,869,198.08	72,218,721.43
Student Services	14,383,770.34	13,035,723.04
Institutional Support	107,629,682.13	105,329,932.14
Operations and Maintenance of Plant	48,962,596.73	43,129,524.54
Scholarships and Fellowships	13,931,977.68	12,129,163.03
Auxiliary Enterprises	17,934,440.52	15,973,521.56
Depreciation and Amortization	107,604,133.85	109,926,602.67
<b>Total Operating Expenses</b>	<b>2,550,219,059.34</b>	<b>2,361,254,618.67</b>
<b>Operating Income (Loss)</b>	<b>(346,701,527.14)</b>	<b>(338,748,700.17)</b>
Nonoperating Revenues (Expenses):		
State Appropriations	271,513,880.01	261,062,256.35
Federal Nonexchange Sponsored Programs	4,007,264.59	6,175,801.11
Federal Nonexchange Pass-Through	8,246,310.31	7,225,497.80
State Nonexchange Pass-Through		
Gift Contributions for Operations	12,863,301.16	16,903,183.92
Investment Income	109,441,450.31	130,199,870.04
Net Increase (Decrease) in Fair Value of Investments	98,430,068.21	(3,838,632.00)
Interest Expense on Capital Asset Financings	(3,423,241.37)	(2,629,024.87)
Gain (Loss) on Sale of Capital Assets	3,875,374.48	(369,591.63)
Other Nonoperating Revenues	765,187.65	3,889,081.12
<b>Net Nonoperating Revenues (Expenses)</b>	<b>505,719,595.35</b>	<b>418,618,441.84</b>
<b>Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers</b>	<b>159,018,068.21</b>	<b>79,869,741.67</b>
Additions to Permanent Endowments	27,944,445.02	26,054,254.00
Reclass from/(to) Other Institutions	7,958,224.13	(213,722,750.47)
Transfers Between Institutions & System, Debt Service - Mandatory	(42,321,244.06)	(36,925,436.04)
Transfers Between Institutions & System Admin. - Non mandatory	107,935,709.24	330,090,614.57
Transfers From Other State Agencies	8,248,273.67	3,239,540.26
Transfers to Other State Agencies	(46,158.13)	(57,536.57)
Legislative Appropriations Lapsed		<u>5,055,228.92</u>
<b>Change in Net Position</b>	<b>268,737,318.08</b>	<b>193,603,656.34</b>
<b>Beginning Net Position</b>	<b>2,581,282,303.86</b>	<b>2,387,678,647.52</b>
<b>Ending Net Position</b>	<b>\$ 2,850,019,621.94</b>	<b>2,581,282,303.86</b>

The University of Texas Health Science Center at Houston  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 68,422,758.61	\$ 66,447,328.58
Proceeds from Patients and Customers	712,703,124.47	657,450,821.45
Proceeds from Sponsored Programs	1,224,810,585.67	1,102,059,301.48
Proceeds from Auxiliaries	23,716,755.41	21,967,145.26
Proceeds from Other Revenues	85,139,970.51	201,443,086.14
Payments to Suppliers	(469,826,437.88)	(374,715,853.75)
Payments to Employees	(1,973,052,718.74)	(1,816,697,284.31)
Payments for Loans Provided	(1,912,282.53)	(1,696,134.28)
Proceeds from Loan Programs	1,739,980.37	1,570,429.79
Net Cash Provided (Used) by Operating Activities	<u>(328,258,264.11)</u>	<u>(142,171,159.64)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	276,068,450.92	251,472,246.30
Proceeds from Operating Gifts	15,354,312.25	14,179,488.01
Proceeds from Private Gifts for Endowment Purposes	27,944,445.02	26,054,254.00
Proceeds from Other Noncapital Financing Activities	55,447,876.40	58,492,788.50
Receipts for Transfers from System or Other Agencies	106,272,592.26	23,022,751.03
Payments for Transfers to System or Other Agencies	(287,966.34)	(1,003,944.21)
Payments for Other Uses	(54,095,926.25)	(55,309,643.04)
Proceeds from Nonexchange Sponsored Programs	12,277,955.37	13,343,984.91
Net Cash Provided by Noncapital Financing Activities	<u>438,981,739.63</u>	<u>330,251,925.50</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	86,836,128.64	6,603,053.67
Proceeds from Sale of Capital Assets	685,862.90	194,459.76
Payments for Additions to Capital Assets	(203,748,377.51)	(80,296,453.48)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(29,730,086.72)	(33,163,608.10)
Mandatory Transfers to System for Capital Related Debt	(42,321,244.06)	(36,925,436.04)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(3,423,241.37)	(2,629,024.87)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(191,700,958.12)</u>	<u>(146,217,009.06)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	4,100,312.75	3,411,335.10
Proceeds from Interest and Investment Income Invested by System	104,924,854.44	126,071,423.64
Payments to Acquire Investments	(699.76)	(889.44)
Payments to Acquire Investments Invested by System	(3,094,650.84)	(42,608,900.71)
Net Cash Provided (Used) by Investing Activities	<u>105,929,816.59</u>	<u>86,872,968.59</u>
Net Increase (Decrease) in Cash	24,952,333.99	128,736,725.39
Cash and Cash Equivalents (Beginning of the Year)	467,245,740.82	338,509,015.43
Cash and Cash Equivalents (End of the Year)	<u>\$ 492,198,074.81</u>	<u>\$ 467,245,740.82</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(346,701,527.14)	(338,748,700.17)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	107,604,133.85	109,926,602.67
Changes in Assets and Liabilities:		
Accounts Receivable	(18,362,005.27)	(16,564,348.37)
Lessor-Related Balances	75,394.38	41,789.20
Inventories	(103,018.31)	(848,210.27)
Loans and Contracts	(172,302.16)	(125,704.49)
Other Current and Noncurrent Assets	(7,803,848.42)	(949,809.79)
Accounts Payable	21,691,739.24	3,870,192.32
Due to System	(39,997,881.19)	43,532,486.23
Unearned Revenue	(40,756,952.45)	46,543,661.36
Employees' Compensable Leave	16,984,917.23	12,920,697.11
Other Current and Noncurrent Liabilities	(20,716,913.87)	(1,769,815.44)
Total Adjustments	<u>18,443,263.03</u>	<u>196,577,540.53</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (328,258,264.11)</u>	<u>\$ (142,171,159.64)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	98,430,068.21	(3,838,632.00)
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	34,207,756.16	31,540,372.69
Miscellaneous Noncash Transactions	3,875,374.48	2,725,304.50

The University of Texas Health Science Center at San Antonio  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 7,954,048.87	35,927,871.53
Restricted Cash & Cash Equivalents	124,469,678.53	143,695,583.39
Balance in State Appropriations	44,019,735.61	28,570,771.37
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	17,355,729.61	16,293,077.72
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	43,100,712.07	49,782,787.14
Student (allow. \$0.00 in 2024 & \$0.00 in 2023)	17,058,006.54	15,611,852.12
Patient & Healthcare(allow. \$5,760,287.83 in 2024 & \$4,385,947.20 in 2023)	55,486,551.81	42,647,265.29
Interest and dividends	853,690.87	1,381,686.49
Contributions (allow. \$49,405.53 in 2024 & \$53,413.37 in 2023)	588,035.47	158,135.62
Other (allow. \$0.00 in 2024 & \$0.00 in 2023)	29,041,062.18	33,958,782.90
Lease Receivable (Current)	618,783.04	627,617.90
Due From System Administration	19,435,045.09	93,952,857.24
Due From Other Institutions	1,327,616.16	539,031.84
Due From Other Agencies	21,318,635.46	38,920,036.61
Inventories	5,872,679.94	5,594,735.47
Loans & Contracts (allow. \$17,789.86 in 2024 & \$1,081.85 in 2023)	232,228.75	298,096.94
Other Current Assets	45,654,362.37	14,911,506.45
<b>Total Current Assets</b>	<b>434,386,602.37</b>	<b>522,871,696.02</b>
<b>Noncurrent Assets:</b>		
Restricted Investments	34,590,530.11	57,354,297.93
Loans & Contracts (allow. \$65,765.60 in 2024 & \$59,389.39 in 2023)	416,907.76	619,739.47
Funds Held by System Administration (Restricted)	814,764,908.23	761,882,736.94
Contributions Rec. (allow. \$62,653.96 in 2024 & \$81,542.31 in 2023)	10,505,854.27	13,202,476.86
Unrestricted Investments	212,211,064.68	288,750,197.91
Funds Held by System Administration (Unrestricted)	254,855,819.60	177,925,034.05
Lease Receivable (Noncurrent)	6,101,329.41	6,720,112.45
Other Noncurrent Assets	3,831,533.80	2,282,469.48
Gross Capital/Intangible Assets	2,149,088,916.94	1,842,364,050.01
Accumulated Depreciation/Amortization	(967,166,117.15)	(898,343,418.95)
<b>Total Noncurrent Assets</b>	<b>2,519,200,747.65</b>	<b>2,252,757,696.15</b>
<b>Total Assets</b>	<b>2,953,587,350.02</b>	<b>2,775,629,392.17</b>
<b>Total Assets and Deferred Outflows</b>	<b>2,953,587,350.02</b>	<b>2,775,629,392.17</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	53,458,654.10	52,176,544.13
Salaries Payable	58,615,179.42	57,820,620.82
Due To System Administration	10,355,025.51	9,127,463.24
Due To Other Institutions	2,071,481.66	1,356,579.49
Due To Other State Agencies	17,880,341.29	69,140,581.58
Unearned Revenue	78,386,359.95	69,327,430.41
Employees' Compensable Leave (Current)	7,852,667.05	15,879,535.09
Notes, Loans, and Leases Payable (Current)	10,105,681.62	6,121,541.11
Other Current Liabilities	5,414,092.80	3,450,713.27
<b>Total Current Liabilities</b>	<b>244,139,483.40</b>	<b>284,401,009.14</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	41,302,228.87	36,258,365.93
Liability to Beneficiaries	103,709.91	112,638.20
Notes, Loans, and Leases Payable (Noncurrent)	43,142,066.81	26,424,980.27
Asset Retirement Obligation (Noncurrent)	1,215,785.00	1,215,785.00
Other Noncurrent Liabilities	2,456,510.62	2,505,277.46
<b>Total Noncurrent Liabilities</b>	<b>88,220,301.21</b>	<b>66,517,046.86</b>
<b>Total Liabilities</b>	<b>332,359,784.61</b>	<b>350,918,056.00</b>
<b>Total Deferred Inflows of Resources</b>	<b>8,600,696.87</b>	<b>8,389,413.65</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>340,960,481.48</b>	<b>359,307,469.65</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,128,675,051.36	911,474,109.68
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	468,195,782.11	458,067,323.77
Expendable		
Capital Projects	27,134,244.46	64,430,048.69
Funds Functioning as Endowment (Restricted)	38,140,336.52	34,841,203.98
Other Expendable	472,474,869.44	452,858,621.33
Unrestricted	478,006,584.65	494,650,615.07
<b>Total Net Position</b>	<b>\$ 2,612,626,868.54</b>	<b>2,416,321,922.52</b>

The University of Texas Health Science Center at San Antonio  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 67,383,518.25	61,782,630.00
Discounts and Allowances	(3,595,887.72)	(3,493,927.20)
Federal Sponsored Programs	179,475,131.17	160,435,041.67
Federal Sponsored Programs Pass-Through from State Agencies	43,478,539.07	73,248,406.01
State Sponsored Programs Pass-Through from State Agencies	23,547,882.87	22,220,795.84
Local Sponsored Programs	296,015,309.12	257,843,093.49
Private Sponsored Programs	30,890,102.09	34,983,158.10
Sales and Services of Educational Activities	45,159,359.85	38,617,642.87
Professional Fees (Patient Charges)	1,109,807,990.78	1,099,067,345.18
Discounts and Allowances Professional Fees (Patient Charges)	(716,851,328.68)	(725,517,574.40)
Auxiliary Enterprises	5,659,859.37	5,403,944.44
Other Operating Revenues	42,669,438.03	52,080,380.70
Total Operating Revenues	<u>1,123,639,914.20</u>	<u>1,076,670,936.70</u>
Operating Expenses:		
Instruction	558,842,539.01	519,311,287.12
Research	224,712,984.67	199,544,008.51
Public Service	100,754,713.77	125,798,990.22
Hospitals / Clinics	268,397,418.32	224,002,648.96
Academic Support	69,828,242.57	60,235,508.95
Student Services	2,996,065.74	3,096,696.79
Institutional Support	76,614,998.58	69,553,743.14
Operations and Maintenance of Plant	52,830,983.71	50,392,790.76
Scholarships and Fellowships	11,032,951.69	10,140,833.62
Auxiliary Enterprises	6,852,182.72	6,623,802.79
Depreciation and Amortization	78,171,478.49	70,992,142.13
Total Operating Expenses	<u>1,451,034,559.27</u>	<u>1,339,692,452.99</u>
Operating Income (Loss)	<u>(327,394,645.07)</u>	<u>(263,021,516.29)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	207,960,268.84	195,808,786.41
Federal Nonexchange Sponsored Programs	10,616,231.78	1,531,455.00
Federal Nonexchange Pass-Through	(23,649.05)	733,390.06
State Nonexchange Pass-Through		
Gift Contributions for Operations	9,066,583.25	10,713,182.83
Investment Income	77,808,015.82	60,890,802.71
Net Increase (Decrease) in Fair Value of Investments	58,747,993.35	(2,485,936.68)
Interest Expense on Capital Asset Financings	(1,651,720.96)	(476,734.99)
Gain (Loss) on Sale of Capital Assets	(124,480.74)	32,847,739.72
Other Nonoperating Revenues	394,775.83	2,542,866.71
Other Nonoperating (Expenses)	(35,650.61)	(14,499.72)
Net Nonoperating Revenues (Expenses)	<u>362,758,367.51</u>	<u>302,091,052.05</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	35,363,722.44	39,069,535.76
Gifts and Sponsored Programs for Capital Acquisitions	5,778,956.17	4,506,683.72
Additions to Permanent Endowments	10,090,434.53	8,621,006.98
Reclass from/(to) Other Institutions	30,731,540.46	140,621,237.25
Transfers Between Institutions & System, Debt Service - Mandatory	(47,282,561.52)	(33,003,234.61)
Transfers Between Institutions & System Admin. - Non mandatory	148,563,924.60	140,739,175.29
Transfers From Other State Agencies	19,058,977.49	5,526,770.03
Transfers to Other State Agencies	(6,000,048.15)	(647,400.51)
Legislative Appropriations Lapsed		
Change in Net Position	<u>196,304,946.02</u>	<u>305,433,773.91</u>
Beginning Net Position	<u>2,416,321,922.52</u>	<u>2,110,888,148.61</u>
Ending Net Position	<u>\$ 2,612,626,868.54</u>	<u>2,416,321,922.52</u>

The University of Texas Health Science Center at San Antonio  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 67,574,355.91	\$ 59,573,822.69
Proceeds from Patients and Customers	380,117,375.58	366,007,092.73
Proceeds from Sponsored Programs	554,016,645.87	618,854,965.32
Proceeds from Auxiliaries	5,572,738.43	5,310,006.71
Proceeds from Other Revenues	87,132,147.33	90,287,153.63
Payments to Suppliers	(443,547,184.06)	(433,636,094.56)
Payments to Employees	(957,031,226.89)	(856,065,635.22)
Proceeds from Loan Programs	203,750.73	238,924.37
Net Cash Provided (Used) by Operating Activities	<u>(305,961,397.10)</u>	<u>(149,429,764.33)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	192,511,304.60	185,363,574.22
Proceeds from Operating Gifts	8,279,685.78	10,912,723.42
Proceeds from Private Gifts for Endowment Purposes	10,090,434.53	8,621,006.98
Proceeds from Other Noncapital Financing Activities	67,192,516.84	65,288,251.70
Receipts for Transfers from System or Other Agencies	47,180,373.56	15,155,323.96
Payments for Transfers to System or Other Agencies	(5,931,887.90)	(1,447,658.91)
Payments for Other Uses	(66,148,533.39)	(63,461,329.71)
Proceeds from Nonexchange Sponsored Programs	11,751,639.24	2,447,455.40
Net Cash Provided by Noncapital Financing Activities	<u>264,925,533.26</u>	<u>222,879,347.06</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	226,273,492.22	204,575,338.89
Proceeds from Capital Appropriations, Grants, and Gifts	8,832,576.38	6,422,434.09
Proceeds from Sale of Capital Assets	42,261.76	48,314,481.11
Payments for Additions to Capital Assets	(290,371,140.19)	(272,787,948.78)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(7,792,306.30)	(8,534,846.85)
Mandatory Transfers to System for Capital Related Debt	(47,282,561.52)	(33,003,234.61)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(1,651,720.96)	(476,734.99)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(111,949,398.61)</u>	<u>(55,490,511.14)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	28,253,856.05	-
Proceeds from Interest and Investment Income	4,458,640.47	2,434,696.20
Proceeds from Interest and Investment Income Invested by System	73,073,038.41	58,146,779.74
Payments to Acquire Investments Invested by System	-	(93,800,868.23)
Net Cash Provided (Used) by Investing Activities	<u>105,785,534.93</u>	<u>(33,219,392.29)</u>
Net Increase (Decrease) in Cash	(47,199,727.52)	(15,260,320.70)
Cash and Cash Equivalents (Beginning of the Year)	179,623,454.92	194,883,775.62
Cash and Cash Equivalents (End of the Year)	<u>\$ 132,423,727.40</u>	<u>\$ 179,623,454.92</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(327,394,645.07)	(263,021,516.29)
<b>Adjustments to Reconcile Operating Results to Net Cash:</b>		
Depreciation and Amortization Expense	78,171,478.49	70,992,142.13
Bad Debt Expense	64,949.17	133,541.15
<b>Changes in Assets and Liabilities:</b>		
Accounts Receivable	11,224,609.28	(7,436,392.11)
Lessor-Related Balances	(105,117.66)	(110,922.86)
Inventories	(277,944.47)	629,437.39
Loans and Contracts	203,750.73	238,924.37
Other Current and Noncurrent Assets	(31,372,748.24)	(12,460,279.99)
Accounts Payable	(45,693,828.73)	61,666,554.19
Due to System	1,227,562.27	895,778.97
Unearned Revenue	9,058,929.54	4,105,145.16
Employees' Compensable Leave	(2,983,005.10)	(3,430,202.87)
Other Current and Noncurrent Liabilities	1,914,612.69	(1,631,973.57)
Total Adjustments	<u>21,433,247.97</u>	<u>113,591,751.96</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (305,961,397.10)</u>	<u>\$ (149,429,764.33)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	58,747,993.35	(2,485,936.68)
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	28,554,448.86	19,994,224.89
Miscellaneous Noncash Transactions	30,080.49	32,249,091.08

The University of Texas M. D. Anderson Cancer Center  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 2,537,175,740.81	2,111,822,708.80
Restricted Cash & Cash Equivalents	277,857,051.83	265,223,126.34
Balance in State Appropriations		8,212,583.00
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	268,495,360.31	186,465,803.48
Patient & Healthcare(allow. \$171,163,613.99 in 2024 & \$189,582,168.84 in 2023)	678,664,859.67	570,249,061.03
Interest and dividends	21,242,677.24	18,787,050.87
Contributions (allow. \$924,131.76 in 2024 & \$956,429.61 in 2023)	9,557,066.17	7,961,545.21
Other (allow. \$1,083,077.54 in 2024 & \$1,678,378.02 in 2023)	12,021,681.74	12,513,446.00
Lease Receivable (Current)		607,275.04
Due From System Administration	64,954,676.72	165,848,241.70
Due From Other Institutions	1,780,975.46	3,379,239.44
Due From Other Agencies	17,191,506.33	23,243,572.83
Inventories	111,513,541.02	105,931,766.83
Other Current Assets	209,790,508.91	205,386,263.45
<b>Total Current Assets</b>	<b>4,210,245,646.21</b>	<b>3,685,631,684.02</b>
<b>Noncurrent Assets:</b>		
Restricted Investments	1,554,531,878.55	1,400,537,652.67
Funds Held by System Administration (Restricted)	997,267,550.53	918,614,968.13
Contributions Rec. (allow. \$694,130.59 in 2024 & \$935,426.66 in 2023)	10,626,063.44	11,798,870.54
Unrestricted Investments	3,825,539,364.08	3,551,302,255.49
Funds Held by System Administration (Unrestricted)	4,480,786,000.74	3,972,035,332.51
Lease Receivable (Noncurrent)		1,279,495.90
Other Noncurrent Assets	121,990,084.37	112,003,210.44
Gross Capital/Intangible Assets	8,301,497,563.23	7,703,449,372.30
Accumulated Depreciation/Amortization	(5,121,041,437.72)	(4,859,956,117.53)
<b>Total Noncurrent Assets</b>	<b>14,171,197,067.22</b>	<b>12,811,065,040.45</b>
<b>Total Assets</b>	<b>18,381,442,713.43</b>	<b>16,496,696,724.47</b>
<b>Total Deferred Outflows of Resources</b>	<b>101,245,498.27</b>	<b>113,795,676.03</b>
<b>Total Assets and Deferred Outflows</b>	<b>18,482,688,211.70</b>	<b>16,610,492,400.50</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	316,321,364.52	268,590,475.40
Salaries Payable	349,386,535.81	311,559,776.35
Federal Payables	58,026,315.59	38,700,000.00
Other Intergovernmental Payables		
Pension Liabilities (Current)	78,798,695.00	72,533,114.00
Due To System Administration	37,662,446.39	133,224,317.86
Due To Other Institutions	2,201,993.89	2,179,187.59
Due To Other State Agencies	15,995.18	156,796.98
Unearned Revenue	259,816,096.43	241,987,533.63
Employees' Compensable Leave (Current)	246,470,327.49	215,128,948.61
Notes, Loans, and Leases Payable (Current)	54,464,973.46	43,155,759.28
Assets Held for Others (Current)		
Other Current Liabilities	141,092,516.40	151,946,822.44
<b>Total Current Liabilities</b>	<b>1,544,257,260.16</b>	<b>1,479,162,732.14</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	47,089,499.57	55,237,245.93
Liability to Beneficiaries	585,337.63	581,454.89
Pension Liabilities (Noncurrent)	847,697,215.00	846,306,270.00
Notes, Loans, and Leases Payable (Noncurrent)	189,718,660.28	181,834,513.92
Asset Retirement Obligation (Noncurrent)	7,030,151.25	8,582,755.00
Other Noncurrent Liabilities	2,170,988.65	1,233,917.04
<b>Total Noncurrent Liabilities</b>	<b>1,094,291,852.38</b>	<b>1,093,776,156.78</b>
<b>Total Liabilities</b>	<b>2,638,549,112.54</b>	<b>2,572,938,888.92</b>
<b>Total Deferred Inflows of Resources</b>	<b>119,054,137.66</b>	<b>133,613,458.82</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>2,757,603,250.20</b>	<b>2,706,552,347.74</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,936,272,491.77	2,618,502,981.57
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	1,108,222,261.07	1,076,064,169.68
Expendable		
Capital Projects	176,005,889.58	324,042,341.39
Funds Functioning as Endowment (Restricted)	105,190,773.57	94,184,208.64
Other Expendable	798,564,513.70	685,555,918.26
Unrestricted	10,600,829,031.81	9,105,590,433.22
<b>Total Net Position</b>	<b>\$ 15,725,084,961.50</b>	<b>13,903,940,052.76</b>



The University of Texas M. D. Anderson Cancer Center  
 Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
 For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 1,881,849.64	1,947,168.28
Discounts and Allowances	(25,229.55)	(21,772.57)
Federal Sponsored Programs	314,689,755.28	288,985,636.11
Federal Sponsored Programs Pass-Through from State Agencies	5,682,003.72	12,020,451.53
State Sponsored Programs Pass-Through from State Agencies	41,221,319.05	41,242,019.76
Private Sponsored Programs	329,912,469.86	250,168,807.49
Sales and Services of Educational Activities	2,070,126.03	1,966,370.41
Sales and Services of Hospitals	12,576,212,128.51	11,413,849,786.99
Discounts and Allowances Sales and Services of Hospitals	(6,601,912,334.54)	(6,031,195,565.78)
Professional Fees (Patient Charges)	2,033,134,840.72	1,875,467,808.20
Discounts and Allowances Professional Fees (Patient Charges)	(1,541,796,972.89)	(1,410,482,687.60)
Auxiliary Enterprises	44,056,983.64	39,503,306.01
Other Operating Revenues	91,960,028.01	100,333,476.04
Total Operating Revenues	<u>7,297,086,967.48</u>	<u>6,583,784,804.87</u>
Operating Expenses:		
Instruction	93,534,179.68	84,036,060.49
Research	1,096,320,375.03	1,007,618,779.73
Public Service	29,586,047.46	27,400,693.85
Hospitals / Clinics	4,839,242,454.01	4,399,916,086.90
Academic Support	187,131,586.50	174,816,051.06
Student Services	3,029,067.98	2,632,653.94
Institutional Support	186,833,499.86	193,983,086.29
Operations and Maintenance of Plant	291,301,364.82	237,669,693.20
Scholarships and Fellowships	2,980,265.98	3,200,118.68
Auxiliary Enterprises	25,149,095.11	24,241,516.71
Depreciation and Amortization	363,370,503.46	355,566,997.21
Total Operating Expenses	<u>7,118,478,439.89</u>	<u>6,511,081,738.06</u>
Operating Income (Loss)	<u>178,608,527.59</u>	<u>72,703,066.81</u>
Nonoperating Revenues (Expenses):		
State Appropriations	236,684,682.46	229,191,395.93
Federal Nonexchange Sponsored Programs	799,641.09	4,654,343.73
Federal Nonexchange Pass-Through		140,075.91
State Nonexchange Pass-Through		
Gift Contributions for Operations	147,891,259.23	147,999,525.30
Investment Income	616,710,517.03	452,403,025.03
Net Increase (Decrease) in Fair Value of Investments	655,402,460.88	33,987,142.26
Interest Expense on Capital Asset Financings	(4,244,050.84)	(2,867,266.31)
Gain (Loss) on Sale of Capital Assets	(1,782,921.39)	(1,483,380.91)
Other Nonoperating Revenues	7,893,155.22	11,353,019.20
Other Nonoperating (Expenses)	(33,112,189.10)	(79,698.87)
Net Nonoperating Revenues (Expenses)	<u>1,626,242,554.58</u>	<u>875,298,181.27</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	1,804,851,082.17	948,001,248.08
Gifts and Sponsored Programs for Capital Acquisitions		1,575,000.00
Additions to Permanent Endowments	23,255,733.57	14,528,209.49
Reclass from/(to) Other Institutions	(57,965,239.79)	(623,314,228.90)
Transfers Between Institutions & System, Debt Service - Mandatory	(82,627,489.00)	(121,435,802.27)
Transfers Between Institutions & System Admin. - Non mandatory	133,691,684.37	780,019,277.65
Transfers From Other State Agencies	57,186,554.98	65,045,570.94
Transfers to Other State Agencies	(57,247,417.56)	(68,115,423.82)
Legislative Appropriations Lapsed		
Change in Net Position	<u>1,821,144,908.74</u>	<u>996,303,851.17</u>
Beginning Net Position	<u>13,903,940,052.76</u>	<u>12,907,636,201.59</u>
Ending Net Position	<u>\$ 15,725,084,961.50</u>	<u>13,903,940,052.76</u>

The University of Texas M. D. Anderson Cancer Center  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
Cash Flows from Operating Activities:		
Proceeds from Tuition and Fees	\$ 1,852,782.18	\$ 1,844,093.30
Proceeds from Patients and Customers	6,357,221,863.16	5,799,953,963.21
Proceeds from Sponsored Programs	646,369,643.12	587,949,052.38
Proceeds from Auxiliaries	44,122,077.62	39,559,974.98
Proceeds from Other Revenues	68,088,299.80	126,683,848.73
Payments to Suppliers	(2,937,819,351.39)	(2,435,466,296.13)
Payments to Employees	(3,820,331,372.62)	(3,537,393,528.14)
Net Cash Provided (Used) by Operating Activities	<u>359,503,941.87</u>	<u>583,131,108.33</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from State Appropriations	244,897,265.46	220,978,812.93
Proceeds from Operating Gifts	140,156,428.79	149,720,429.87
Proceeds from Private Gifts for Endowment Purposes	23,255,733.57	14,528,209.49
Proceeds from Other Noncapital Financing Activities	7,170,025.22	10,656,687.20
Receipts for Transfers from System or Other Agencies	107,445,387.90	112,268,517.15
Payments for Transfers to System or Other Agencies	(61,743,554.83)	(169,582,394.00)
Payments for Other Uses	(32,415,857.10)	343,996.13
Proceeds from Nonexchange Sponsored Programs	799,641.09	4,794,419.64
Net Cash Provided by Noncapital Financing Activities	<u>429,565,070.10</u>	<u>343,708,678.41</u>
Cash Flows from Capital and Related Financing Activities:		
Nonmandatory Capital Related Transfers	133,549,602.77	60,194,750.41
Proceeds from Capital Appropriations, Grants, and Gifts	-	1,575,000.00
Proceeds from Sale of Capital Assets	3,778,307.86	3,861,230.22
Payments for Additions to Capital Assets	(586,961,777.21)	(326,973,698.05)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(66,048,139.12)	(55,249,454.92)
Mandatory Transfers to System for Capital Related Debt	(82,627,489.00)	(121,435,802.27)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(4,244,050.84)	(2,867,266.31)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(602,553,545.54)</u>	<u>(440,895,240.92)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	67,250,259.38	68,419,290.70
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	82,208,986.03	34,166,441.79
Proceeds from Interest and Investment Income Invested by System	444,184,319.45	368,977,024.05
Payments to Acquire Investments	(91,291,856.00)	(65,345,951.00)
Payments to Acquire Investments Invested by System	(250,880,217.79)	(157,313,256.20)
Net Cash Provided (Used) by Investing Activities	<u>251,471,491.07</u>	<u>248,903,549.34</u>
Net Increase (Decrease) in Cash	437,986,957.50	734,848,095.16
Cash and Cash Equivalents (Beginning of the Year)	<u>2,377,045,835.14</u>	<u>1,642,197,739.98</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 2,815,032,792.64</u>	<u>\$ 2,377,045,835.14</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	178,608,527.59	72,703,066.81
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	363,370,503.46	355,566,997.21
Pension Expense	57,953,168.00	56,366,846.00
Changes in Assets and Liabilities:		
Accounts Receivable	(182,276,462.73)	(13,384,573.94)
Lessor-Related Balances	76,240.61	3,875.87
Inventories	(5,581,774.19)	(4,198,299.55)
Other Current and Noncurrent Assets	(18,359,164.39)	(12,974,730.95)
Deferred Outflows-Pension Related	12,230,531.22	9,673,910.98
Accounts Payable	71,365,451.41	72,120,064.51
Due to System	(95,561,871.47)	103,414,114.34
Unearned Revenue	25,140,679.38	(37,201,799.14)
Employees' Compensable Leave	23,193,632.52	17,302,013.77
Pension Related Obligations	(50,296,642.00)	(183,579,803.00)
Asset Retirement Obligations	(1,599,499.11)	-
Deferred Inflows-Pension Related	(8,842,144.00)	123,813,153.00
Other Current and Noncurrent Liabilities	(9,917,234.43)	23,506,272.42
Total Adjustments	<u>180,895,414.28</u>	<u>510,428,041.52</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 359,503,941.87</u>	<u>\$ 583,131,108.33</u>
Non Cash Transactions:		
Net Increase (Decrease) in Fair Value of Investments	655,402,460.88	33,987,142.26
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	85,486,759.77	52,573,779.08
Miscellaneous Noncash Transactions	(1,858,653.97)	(4,552,010.36)

The University of Texas Health Science Center at Tyler  
Exhibit A Statement of Net Position  
As of August 31, 2024

	Current Year Totals	Prior Year Totals
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$ 6,038,701.92	22,654,087.33
Restricted Cash & Cash Equivalents	10,499,412.31	8,485,655.41
Balance in State Appropriations	14,056,378.48	13,426,068.21
Accounts Receivable, Net:		
Federal (allow. \$0.00 in 2024 & \$0.00 in 2023)	5,883,746.22	4,349,336.57
Other Intergov. (allow. \$0.00 in 2024 & \$0.00 in 2023)	5,712,057.18	2,327,279.23
Student (allow. \$0.00 in 2024 & \$0.00 in 2023)	1,729,283.35	543,294.07
Patient & Healthcare(allow. \$25,903,948.39 in 2024 & \$23,235,244.13 in 2023)	56,887,990.05	45,317,084.53
Contributions (allow. \$0.00 in 2024 & \$0.00 in 2023)	983,303.51	983,303.51
Other (allow. \$0.00 in 2024 & \$0.00 in 2023)	7,003,564.61	8,691,679.17
Due From Other Funds	(116,422.13)	(295,073.87)
Due From System Administration	41,699,234.28	72,507,584.44
Due From Other Institutions	5,050,247.47	3,454,179.28
Due From Other Agencies	1,696,913.00	1,467,033.75
Inventories	3,588,256.67	3,443,262.84
Other Current Assets	2,057,864.43	1,540,776.72
<b>Total Current Assets</b>	<b>162,770,531.35</b>	<b>188,895,551.19</b>
<b>Noncurrent Assets:</b>		
Funds Held by System Administration (Restricted)	81,824,642.35	72,676,912.44
Contributions Rec. (allow. \$0.00 in 2024 & \$0.00 in 2023)	8,276,711.02	8,276,711.02
Unrestricted Investments	1,289,257.20	1,509,136.00
Funds Held by System Administration (Unrestricted)	355,594.75	339,020.56
Other Noncurrent Assets	35,660,701.00	25,533,454.84
Gross Capital/Intangible Assets	534,342,295.35	432,782,020.85
Accumulated Depreciation/Amortization	(267,362,891.31)	(250,190,746.16)
<b>Total Noncurrent Assets</b>	<b>394,386,310.36</b>	<b>290,926,509.55</b>
<b>Total Assets</b>	<b>557,156,841.71</b>	<b>479,822,060.74</b>
<b>Total Assets and Deferred Outflows</b>	<b>557,156,841.71</b>	<b>479,822,060.74</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities	30,164,491.07	18,291,096.60
Salaries Payable	11,183,862.02	9,844,402.01
Due To Other Funds	(116,422.13)	(295,073.87)
Due To System Administration	2,703,422.39	2,414,615.54
Due To Other Institutions	6,211,349.82	4,065,019.92
Due To Other State Agencies	568,788.55	54,460.98
Unearned Revenue	6,812,544.06	6,726,369.14
Employees' Compensable Leave (Current)	4,565,064.52	4,572,641.72
Notes, Loans, and Leases Payable (Current)	1,149,481.29	1,154,550.37
<b>Total Current Liabilities</b>	<b>63,242,581.59</b>	<b>46,828,082.41</b>
<b>Noncurrent Liabilities:</b>		
Employees' Compensable Leave (Noncurrent)	3,399,950.37	3,084,956.36
Liability to Beneficiaries	886,985.40	819,209.65
Notes, Loans, and Leases Payable (Noncurrent)	3,334,001.18	4,369,704.56
Asset Retirement Obligation (Noncurrent)	225,000.00	225,000.00
Other Noncurrent Liabilities	425,876.92	425,876.92
<b>Total Noncurrent Liabilities</b>	<b>7,845,936.95</b>	<b>8,924,747.49</b>
<b>Total Liabilities</b>	<b>71,088,518.54</b>	<b>55,752,829.90</b>
<b>Total Deferred Inflows of Resources</b>	<b>234,991.85</b>	<b>201,189.94</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>71,323,510.39</b>	<b>55,954,019.84</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	262,495,921.57	177,067,019.76
Restricted for:		
Nonexpendable		
Permanent Health and True Endowments	48,254,326.53	43,398,383.22
Expendable		
Capital Projects	28,922,279.63	73,786,633.98
Funds Functioning as Endowment (Restricted)	2,540,412.15	2,422,004.13
Other Expendable	59,264,509.46	56,511,425.58
Unrestricted	84,355,881.98	70,682,574.23
<b>Total Net Position</b>	<b>\$ 485,833,331.32</b>	<b>423,868,040.90</b>

The University of Texas Health Science Center at Tyler  
Exhibit B Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended August 31, 2024

	Current Year Totals	Prior Year Totals
Operating Revenues:		
Student Tuition and Fees	\$ 1,219,060.04	752,076.03
Federal Sponsored Programs	9,205,837.53	11,079,512.46
Federal Sponsored Programs Pass-Through from State Agencies	2,914,415.90	4,128,840.16
State Sponsored Programs Pass-Through from State Agencies	10,513,578.55	8,795,583.18
Private Sponsored Programs	102,122,375.14	87,999,464.88
Sales and Services of Educational Activities	10,371,078.62	8,840,704.63
Sales and Services of Hospitals	645,460,873.38	574,531,265.86
Discounts and Allowances Sales and Services of Hospitals	(465,625,973.97)	(400,186,064.00)
Professional Fees (Patient Charges)	68,050,851.60	69,381,123.99
Discounts and Allowances Professional Fees (Patient Charges)	(49,316,384.72)	(50,937,196.04)
Auxiliary Enterprises	70,260.92	105,565.34
Other Operating Revenues	11,151,190.17	(498,797.63)
Total Operating Revenues	<u>346,137,163.16</u>	<u>313,992,078.86</u>
Operating Expenses:		
Instruction	128,094,240.01	101,679,338.37
Research	24,470,182.74	26,873,974.68
Public Service	229,434.62	139,864.07
Hospitals / Clinics	211,862,303.66	197,462,509.90
Academic Support	4,555,197.43	4,224,765.27
Student Services	1,744,533.96	1,632,082.30
Institutional Support	15,582,644.02	15,404,816.63
Operations and Maintenance of Plant	11,718,751.30	11,946,177.80
Scholarships and Fellowships	61,394.54	75,443.41
Auxiliary Enterprises	2,339.39	100,410.33
Depreciation and Amortization	17,195,813.68	17,595,431.17
Total Operating Expenses	<u>415,516,835.35</u>	<u>377,134,813.93</u>
Operating Income (Loss)	<u>(69,379,672.19)</u>	<u>(63,142,735.07)</u>
Nonoperating Revenues (Expenses):		
State Appropriations	64,016,811.57	64,376,021.39
Federal Nonexchange Sponsored Programs		
Federal Nonexchange Pass-Through		
State Nonexchange Pass-Through		
Gift Contributions for Operations	7,441,118.65	5,759,812.67
Investment Income	5,599,307.07	4,972,111.33
Net Increase (Decrease) in Fair Value of Investments	4,038,892.92	(588,333.69)
Interest Expense on Capital Asset Financings	(94,054.71)	(79,246.64)
Gain (Loss) on Sale of Capital Assets		22,422.99
Other Nonoperating Revenues	1,254,116.81	108,409.62
Other Nonoperating (Expenses)		(84,192.31)
Net Nonoperating Revenues (Expenses)	<u>82,256,192.31</u>	<u>74,487,005.36</u>
Income/(Loss) Before Other Revenue, Expenses, Gains/(Losses), and Transfers	12,876,520.12	11,344,270.29
Gifts and Sponsored Programs for Capital Acquisitions		255,004.00
Additions to Permanent Endowments	4,705,185.05	3,069,500.00
Reclass from/(to) Other Institutions	40,977,867.33	(233,884,950.74)
Transfers Between Institutions & System, Debt Service - Mandatory	(15,491,426.20)	(10,422,869.84)
Transfers Between Institutions & System Admin. - Non mandatory	12,350,650.40	331,072,341.12
Transfers From Other State Agencies	25,488,434.11	16,651,313.31
Transfers to Other State Agencies	(15,941,857.11)	(12,348,997.31)
Legislative Appropriations Lapsed	(3,000,083.28)	
Change in Net Position	<u>61,965,290.42</u>	<u>105,735,610.83</u>
Beginning Net Position	<u>423,868,040.90</u>	<u>318,132,430.07</u>
Ending Net Position	<u>\$ 485,833,331.32</u>	<u>423,868,040.90</u>

The University of Texas Health Science Center at Tyler  
Exhibit C - Statement of Cash Flows  
For the Year Ended August 31, 2024

	<u>Current Year Totals</u>	<u>Prior Year Totals</u>
<b>Cash Flows from Operating Activities:</b>		
Proceeds from Tuition and Fees	\$ 33,070.76	\$ 347,439.67
Proceeds from Patients and Customers	186,998,460.77	183,970,290.51
Proceeds from Sponsored Programs	117,211,310.99	111,982,775.56
Proceeds from Auxiliaries	70,260.92	105,565.34
Proceeds from Other Revenues	13,788,186.44	(2,749,229.73)
Payments to Suppliers	(119,924,993.13)	(122,268,014.70)
Payments to Employees	(275,229,113.63)	(239,164,727.91)
Net Cash Provided (Used) by Operating Activities	<u>(77,052,816.88)</u>	<u>(67,775,901.26)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Proceeds from State Appropriations	60,386,418.02	68,744,009.91
Proceeds from Operating Gifts	7,440,618.62	7,918,146.00
Proceeds from Private Gifts for Endowment Purposes	4,705,185.05	3,069,500.00
Proceeds from Other Noncapital Financing Activities	2,362,075.22	3,127,312.64
Receipts for Transfers from System or Other Agencies	26,821,341.53	16,390,118.50
Payments for Transfers to System or Other Agencies	(16,213,231.63)	(12,358,208.95)
Payments for Other Uses	489,017.68	(6,350,860.39)
Net Cash Provided by Noncapital Financing Activities	<u>85,991,424.49</u>	<u>80,540,017.71</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Nonmandatory Capital Related Transfers	83,070,505.98	25,947,334.20
Proceeds from Capital Appropriations, Grants, and Gifts	-	255,000.00
Proceeds from Sale of Capital Assets	-	29,730.00
Payments for Additions to Capital Assets	(90,667,415.45)	(24,332,867.51)
Payments of Principal on Capital Related Debt and Other L-T Obligations	(1,158,027.10)	(1,255,364.87)
Mandatory Transfers to System for Capital Related Debt	(15,491,426.20)	(10,422,869.84)
Payments of Interest on Capital Related Debt and Other L-T Obligations	(94,054.71)	(79,246.64)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(24,340,417.48)</u>	<u>(9,858,284.66)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales of Investments Invested by System	-	-
Proceeds from Interest and Investment Income	9,307.28	15,761.67
Proceeds from Interest and Investment Income Invested by System	5,594,828.80	9,893,364.94
Payments to Acquire Investments Invested by System	(4,803,954.72)	(3,222,685.69)
Net Cash Provided (Used) by Investing Activities	<u>800,181.36</u>	<u>6,686,440.92</u>
Net Increase (Decrease) in Cash	(14,601,628.51)	9,592,272.71
Cash and Cash Equivalents (Beginning of the Year)	<u>31,139,742.74</u>	<u>21,547,470.03</u>
Cash and Cash Equivalents (End of the Year)	<u>\$ 16,538,114.23</u>	<u>\$ 31,139,742.74</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	(69,379,672.19)	(63,142,735.07)
Adjustments to Reconcile Operating Results to Net Cash:		
Depreciation and Amortization Expense	17,195,813.68	17,595,431.17
Changes in Assets and Liabilities:		
Accounts Receivable	(17,813,915.28)	(14,218,637.87)
Inventories	(144,993.83)	(175,637.00)
Other Current and Noncurrent Assets	(10,644,333.87)	(6,274,978.86)
Accounts Payable	3,477,262.92	(2,173,878.11)
Due to System	288,806.85	225,483.67
Unearned Revenue	86,674.95	(212,060.00)
Employees' Compensable Leave	307,416.81	675,326.33
Other Current and Noncurrent Liabilities	(425,876.92)	(74,215.52)
Total Adjustments	<u>(7,673,144.69)</u>	<u>(4,633,166.19)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (77,052,816.88)</u>	<u>\$ (67,775,901.26)</u>
<b>Non Cash Transactions:</b>		
Net Increase (Decrease) in Fair Value of Investments	4,038,892.92	(588,333.69)
Donated Capital Assets	-	4.00
Capital Assets Acquired/Adjusted Under Lease Purchases or Direct Borrowings	117,254.64	1,559,152.85
Miscellaneous Noncash Transactions	-	22,422.99