(See "Continuing Disclosure of Information" herein)

OFFICIAL STATEMENT DATED APRIL 29, 2025

NEW ISSUE - BOOK-ENTRY-ONLY

Moody's: "Aa2"
Fitch: "AA"
KBRA: "AA"
See "Ratings"

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

$213,850,000
BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM
REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2025A

Dated: Date of Delivery (defined below) **Due:** April 15, as shown herein

The Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Series 2025A (the "Series 2025A Bonds") are special obligations of the Board of Regents (the "Board") of the University of North Texas System (the "University System"). The Series 2025A Bonds shall be issued pursuant to an Amended and Restated Master Resolution adopted by the Board on February 12, 1999 (the "Master Resolution") and a Thirty-Second Supplemental Resolution to the Master Resolution adopted by the Board on August 15, 2024 (the "Thirty-Second Supplement"). The Series 2025A Bonds are payable from and secured solely by the Pledged Revenues (as defined herein) of the University of North Texas Revenue Financing System (the "Revenue Financing System"), subject to the lien on the Pledged Revenues securing the Prior Encumbered Obligations (as defined herein). Currently, there are no Prior Encumbered Obligations outstanding. The Series 2025A Bonds are Parity Obligations (as defined herein). THE SERIES 2025A BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE UNIVERSITY SYSTEM OR ANY COMPONENT THEREOF, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2025A BONDS. See "SECURITY FOR THE BONDS."

The proceeds from the sale of the Series 2025A Bonds will be used for the purposes of: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure throughout the University System; (ii) refunding a portion of the Board's outstanding bonds listed on Schedule I hereto to achieve debt service savings; (iii) refunding all or a portion of the Board's outstanding Series A Commercial Paper Notes and Series B Commercial Paper Notes (as defined herein); and (iv) paying certain costs of issuing the Series 2025A Bonds. See "PLAN OF FINANCING."

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

MATURITY SCHEDULE
See schedule on page ii
CUSIP Prefix: 914729

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

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

Concurrently with the issuance of the Series 2025A Bonds, the Board is issuing its Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2025B (the "Series 2025B Bonds") pursuant to the Master Resolution and the Thirty-Second Supplement. A separate cover page for the Series 2025B Bonds follows this cover page. The Series 2025A Bonds and the Series 2025B Bonds are referred to in this Official Statement collectively as the "Bonds."

The Series 2025A Bonds are offered when, as, and if issued and received by the underwriters named below (collectively, the "Series 2025A Underwriters"), subject to approval of legality by the Attorney General of the State of Texas and the approving opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. Certain legal matters will be passed upon for the Series 2025A Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas. The Series 2025A Bonds are expected to be available for delivery through DTC on or about May 14, 2025 (the "Date of Delivery").

Wells Fargo Securities **Frost Bank**

Cabrera Capital Markets LLC **Mesirow Financial, Inc.** **Stifel**

MATURITY SCHEDULE **CUSIP PREFIX: 914729**[(1)]

$213,850,000
Revenue Financing System Refunding and Improvement Bonds,
Series 2025A

$207,035,000 Serial Bonds

Maturity Date 4/15	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix[(1)]
2026	$13,035,000	5.00%	3.17%	XB9
2027	12,680,000	5.00%	3.20%	XC7
2028	13,090,000	5.00%	3.22%	XD5
2029	13,525,000	5.00%	3.27%	XE3
2030	13,955,000	5.00%	3.32%	XF0
2031	14,420,000	5.00%	3.37%	XG8
2032	17,855,000	5.00%	3.43%	XH6
2033	19,530,000	5.00%	3.50%	XJ2
2034	20,290,000	5.00%	3.59%	XK9
2035	21,085,000	5.00%	3.67%	XL7
2036	12,400,000	5.00%	3.81%[(2)]	XM5
2037	10,550,000	5.00%	3.89%[(2)]	XN3
2038	3,700,000	5.00%	3.97%[(2)]	XP8
2039	2,710,000	5.00%	4.04%[(2)]	XQ6
2040	2,845,000	5.00%	4.10%[(2)]	XR4
2041	2,985,000	5.00%	4.21%[(2)]	XS2
2042	3,135,000	5.00%	4.31%[(2)]	XT0
2043	2,930,000	5.00%	4.38%[(2)]	XU7
2044	3,080,000	5.00%	4.44%[(2)]	XV5
2045	3,235,000	5.00%	4.50%[(2)]	XW3

$6,815,000 5.00% Term Bonds due April 15, 2050 Priced to Yield 4.68%[(2)]; CUSIP No. 914729XX1[(1)]

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the services provided by CGS. CUSIP numbers are included solely for the convenience of the purchasers of the Series 2025A Bonds. The Board, the Financial Advisor and the Series 2025A Underwriters are not responsible for the selection or the correctness of the CUSIP numbers shown herein.
(2) Yield shown to first optional redemption date of April 15, 2035.

REDEMPTION. . . The Series 2025A Bonds are subject to optional and mandatory sinking fund redemption prior to stated maturity. See "DESCRIPTION OF THE BONDS – Redemption."

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

HTS Continuing Disclosure Services
A Division of Hilltop Securities

(See "Continuing Disclosure
of Information" herein)

OFFICIAL STATEMENT DATED APRIL 29, 2025

NEW ISSUE - BOOK-ENTRY-ONLY

Moody's: "Aa2"
Fitch: "AA"
KBRA: "AA"
See "Ratings"

The Series 2025B Bonds are not obligations described in section 103(a) of the Internal Revenue Code of 1986. See "TAX MATTERS – Series 2025B Bonds."

$108,595,000
BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM
REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, TAXABLE SERIES 2025B

Dated: Date of Delivery (defined below) **Due:** April 15, as shown herein

The Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2025B (the "Series 2025B Bonds") are special obligations of the Board of Regents (the "Board") of the University of North Texas System (the "University System"). The Series 2025B Bonds shall be issued pursuant to an Amended and Restated Master Resolution adopted by the Board on February 12, 1999 (the "Master Resolution") and a Thirty-Second Supplemental Resolution to the Master Resolution adopted by the Board on August 15, 2024 (the "Thirty-Second Supplement"). The Series 2025B Bonds are payable from and secured solely by the Pledged Revenues (as defined herein) of the University of North Texas Revenue Financing System (the "Revenue Financing System"), subject to the lien on the Pledged Revenues securing the Prior Encumbered Obligations (as defined herein). Currently, there are no Prior Encumbered Obligations outstanding. The Series 2025B Bonds are Parity Obligations (as defined herein). THE SERIES 2025B BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE UNIVERSITY SYSTEM OR ANY COMPONENT THEREOF, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2025B BONDS. See "SECURITY FOR THE BONDS."

The proceeds from the sale of the Series 2025B Bonds will be used for the purposes of: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure throughout the University System; (ii) refunding all or a portion of the Board's outstanding Series B Commercial Paper Notes (as defined herein); and (iii) paying certain costs of issuing the Series 2025B Bonds. See "PLAN OF FINANCING."

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

MATURITY SCHEDULE
See schedule on page iv
CUSIP Prefix: 914729

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

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

Concurrently with the issuance of the Series 2025B Bonds, the Board is issuing its Revenue Financing System Refunding and Improvement Bonds, Series 2025A (the "Series 2025A Bonds") pursuant to the Master Resolution and the Thirty-Second Supplement. A separate cover page for the Series 2025A Bonds precedes this cover page. The Series 2025A Bonds and the Series 2025B Bonds are referred to in this Official Statement collectively as the "Bonds."

The Series 2025B Bonds are offered when, as, and if issued and received by the underwriters named below (collectively, the "Series 2025B Underwriters", and together with the Series 2025A Underwriters, the "Underwriters"), subject to approval of legality by the Attorney General of the State of Texas and the approving opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. Certain legal matters will be passed upon for the Series 2025B Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas. The Series 2025B Bonds are expected to be available for delivery through DTC on or about May 14, 2025 (the "Date of Delivery").

Raymond James

Ramirez & Co., Inc. **Stephens Inc.**

MATURITY SCHEDULE **CUSIP PREFIX: 914729[1]**

$108,595,000
Revenue Financing System Refunding and Improvement Bonds,
Taxable Series 2025B

$104,465,000 Serial Bonds

Maturity Date 4/15	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix[1]
2026	9,430,000	4.186%	4.186%	WK0
2027	9,325,000	4.056%	4.056%	WL8
2028	9,700,000	4.098%	4.098%	WM6
2029	10,095,000	4.323%	4.323%	WN4
2030	10,530,000	4.353%	4.353%	WP9
2031	10,995,000	4.569%	4.569%	WQ7
2032	8,560,000	4.669%	4.669%	WR5
2033	7,935,000	4.825%	4.825%	WS3
2034	8,320,000	4.905%	4.905%	WT1
2035	8,725,000	4.955%	4.955%	WU8
2036	8,545,000	5.055%	5.055%	WV6
2037	575,000	5.175%	5.175%	WW4
2038	605,000	5.275%	5.275%	WX2
2039	635,000	5.305%	5.305%	WY0
2040	670,000	5.325%	5.325%	WZ7

$3,950,000 5.622% Term Bonds due April 15, 2045 Priced to Yield 5.622%; CUSIP No. 914729XA1[1]

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[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the services provided by CGS. CUSIP numbers are included solely for the convenience of the purchasers of the Series 2025B Bonds. The Board, the Financial Advisor and the Series 2025B Underwriters are not responsible for the selection or the correctness of the CUSIP numbers shown herein.

REDEMPTION. . . The Series 2025B Bonds are subject to optional and mandatory sinking fund redemption prior to stated maturity. See "DESCRIPTION OF THE BONDS – Redemption."

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

Board of Regents of the University of North Texas System

Name	Residence	Term Expiration[1]
Laura Wright (Chair)	Dallas	May 22, 2027
Cathy Bryce, Ed.D	Argyle	May 22, 2029
A.K. Mago	Dallas	May 22, 2027
Lindy Rydman	Dallas	May 22, 2027
Carlos Munguia	University Park	May 22, 2029
Melisa Denis	Southlake	May 22, 2025
Daniel Feehan	Fort Worth	May 22, 2025
Ethan Gills[2]	Denton	May 31, 2025
Terri West	Dallas	May 22, 2029
John Scott, Jr.	Keller	May 22, 2025

(1) The expiration date of the term is the earlier of (i) the date a successor is appointed and qualified and (ii) last day of the first regular session of the State Legislature that begins after the expiration of the term.
(2) Student Regent. Current state law does not allow a Student Regent to vote on any matter before the Board.

Principal Administrators

Name	Title	Years of Service within University System
Dr. Michael R. Williams	Chancellor (University System)	12
Alan Stucky	Vice Chancellor and General Counsel (University System)	21
Dr. Donna Asher	Interim Deputy Chancellor for Finance and Operations	34
Maleia Torres	Associate Vice Chancellor and Treasurer (University System)	2
Dr. Harrison Keller	President of the University of North Texas (UNT)	<1
Dr. Kirk Calhoun	Interim President of UNT Health Science Center	<1
Dr. Warren von Eschenbach	Interim President (UNT-Dallas)	<1

Consultants

Financial Advisor
Hilltop Securities Inc.
Dallas, Texas

Bond Counsel
McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

For additional information regarding the University System, please contact:

Maleia Torres
Associate Vice Chancellor and Treasurer
University of North Texas System
1901 Main Street
Dallas, Texas 75201
(214) 243-1768

Mary M. Williams
Hilltop Securities Inc.
717 N. Harwood St, Suite 3400
Dallas, Texas, 75201
(214) 953-4021

Ester Flores
Hilltop Securities Inc.
717 N. Harwood St, Suite 3400
Dallas, Texas 75201
(214) 953-8863

SALE AND DISTRIBUTION OF THE BONDS

Use of Official Statement

No dealer, broker, salesman or other person has been authorized by the Board or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Board or the Underwriters. The price and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy the Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or other matters described herein since the date hereof.

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

CUSIP numbers have been assigned to this issue by CUSIP Global Services for the convenience of the owners of the Bonds. Neither the Board nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers shown on pages ii and iv of this Official Statement.

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

THE BOARD MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (“DTC”) OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION WAS FURNISHED BY DTC.

Marketability

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

Securities Laws

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

This Official Statement contains “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements. See “FORWARD-LOOKING STATEMENTS.”

TABLE OF CONTENTS

All pages between the cover page and this page, inclusive, the schedule, and appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

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OFFICIAL STATEMENT

relating to

BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM

\$213,850,000	**\$108,595,000**
REVENUE FINANCING SYSTEM	**REVENUE FINANCING SYSTEM**
REFUNDING AND IMPROVEMENT BONDS,	**REFUNDING AND IMPROVEMENT BONDS,**
SERIES 2025A	**TAXABLE SERIES 2025B**

INTRODUCTION

General. This Official Statement, which includes the cover pages, schedule, and Appendices hereto, provides certain information regarding the issuance by the Board of Regents (the "Board") of the University of North Texas System (the "University System"), acting separately and independently for and on behalf of the University of North Texas (the "University"), the University of North Texas at Dallas ("UNT-Dallas"), and the University of North Texas Health Science Center at Fort Worth (the "Health Science Center"), of its bonds, entitled "Revenue Financing System Refunding and Improvement Bonds, Series 2025A" (the "Series 2025A Bonds") and "Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2025B" (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Bonds"). Except as otherwise permitted herein, capitalized terms used in this Official Statement and not otherwise defined have the same meanings assigned to such terms in "Appendix C, SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION."

References to website addresses presented in this Official Statement are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless otherwise specified, references to websites and the information or links contained therein are not incorporated into, and are not a part of, this Official Statement.

This Official Statement contains summaries and descriptions of the plan of financing, the Master Resolution (as defined herein), the Bonds, the Board, the University, the Health Science Center, UNT-Dallas and other related matters. All references to and descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Michael R. Williams, Chancellor, University of North Texas System, 1901 Main Street, Dallas, Texas 75201.

The University System. The University and the Health Science Center were established pursuant to the provisions of the Constitution and the laws of the State of Texas (the "State") as institutions of higher education. At its July 23, 1999 meeting, the Texas Higher Education Coordinating Board approved the administration of the University and the Health Science Center as a "University System." On April 30, 2009, the Texas Higher Education Coordinating Board certified that the UNT-Dallas reached full-time equivalent enrollment of 1,000. In 2009, legislation was enacted adding the UNT-Dallas College of Law as a component of the University System. The legislation provided that until UNT-Dallas had been administered as a general academic teaching institution for five years, the Board shall administer the UNT-Dallas College of Law as a professional school of the University System. UNT-Dallas has operated as a general academic teaching institution since Fall 2010. On September 1, 2015, the UNT-Dallas College of Law became a professional school of UNT-Dallas. For the 2024 Fall semester, the University System enrolled over 52,000 students. For a description of the University, UNT-Dallas, and the Health Science Center, see "Appendix A, DESCRIPTION OF THE PARTICIPANTS."

Pursuant to an Amended and Restated Master Resolution adopted by the Board on February 12, 1999 (the "Master Resolution"), the Board created the University of North Texas Revenue Financing System (the "Revenue Financing System") for the purpose of providing a financing structure for revenue-supported indebtedness to reduce costs, increase borrowing capacity, provide additional security to the credit markets and provide the Board with greater financial flexibility. See "Appendix C, SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION." Initially, the University and the Health Science Center were the only Participants in the Revenue Financing System. UNT-Dallas was added as a Participant in 2004 pursuant to the terms of the Tenth Supplemental Resolution to the Master Resolution, adopted by the Board on May 20, 2004, as amended and restated by the Board on May 8, 2008 and December 5, 2013 (the "Tenth Supplement"). Pursuant to the Master Resolution, the Board has, with certain exceptions, combined all of the revenues, funds and balances attributable to any Participant in the Revenue Financing System that may lawfully be pledged to secure the payment of revenue-supported debt obligations and has pledged those sources as Pledged Revenues to secure the payment of revenue-supported debt obligations of the Board incurred as Parity Obligations under the Master Resolution subject to the lien on the Pledged Revenues securing Prior Encumbered Obligations. See "SECURITY FOR THE BONDS - The Revenue Financing System" and "Appendix C, SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION." Currently, there are no Prior Encumbered Obligations outstanding.

PLAN OF FINANCING

Purpose. The proceeds from the sale of the Series 2025A Bonds will be used for the purposes of: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure throughout the University System; (ii) refunding a portion of the Board's outstanding bonds listed on Schedule I hereto (the "Refunded Bonds") to achieve debt service savings; (iii) refunding all or a portion of the Board's outstanding Series A Commercial Paper Notes and Series B Commercial Paper Notes (as defined herein); and (iv) paying certain costs of issuing the Series 2025A Bonds. The proceeds from the sale of the Series 2025B Bonds will be used for the purposes of: (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure throughout the University System; (ii) refunding all or a portion of the Board's outstanding Series B Commercial Paper Notes (as defined herein); and (iii) paying certain costs of issuing the Series 2025B Bonds. See "- Refunded Bonds," "- Refunded Commercial Paper Notes," and "SOURCES AND USES OF FUNDS."

Refunded Bonds. A portion of the proceeds from the issuance and sale of the Series 2025A Bonds, together with other available funds of the Board, will be applied to refund the Refunded Bonds. The refunding will result in the defeasance of the Refunded Bonds in accordance with the terms thereof and the laws of the State.

The principal and interest due on the Refunded Bonds are to be paid on the scheduled interest payment dates and the redemption date of such Refunded Bonds from funds to be deposited pursuant to an escrow agreement (the "Escrow Agreement") between the Board and BOKF, NA, Dallas, Texas, as escrow agent (the "Escrow Agent"). The Board will deposit, from proceeds of the Series 2025A Bonds, with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Escrow Agent in a special escrow account established under the Escrow Agreement (the "Escrow Fund") and used to purchase direct obligations of the United States of America (the "Federal Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the respective Refunded Bonds.

Causey Public Finance, LLC, a nationally recognized accounting firm, will verify at the time of delivery of the Bonds to the Underwriters the mathematical accuracy of the schedules that demonstrate the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Such maturing principal of and interest on the Federal Securities will not be available to pay the Bonds of either series. See "VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS".

By the deposit of the Federal Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the Board will have effected the defeasance of all of the Refunded Bonds in accordance with law. As a result of such defeasance, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Federal Securities and any cash held for such purpose by the Escrow Agent and such Refunded Bonds will not be deemed to be outstanding obligations of the Board payable from the Pledged Revenues.

Refunded Commercial Paper Notes. Currently, $28,201,000 in principal amount of the Series A Commercial Paper Notes is outstanding. A portion of the proceeds of the Series 2025A Bonds will be used to refund and retire $28,201,000 of outstanding Series A Commercial Paper Notes issued by the Board under authority of the Tenth Supplement. The Series A Commercial Paper Notes were issued to provide interim financing for projects under the Revenue Financing System and will be retired concurrently with or shortly after the issuance of the Series 2025A Bonds. Moneys will be deposited with U.S. Bank Trust Company, National Association, New York, New York, the "Issuing and Paying Agent" for the Series A Commercial Paper Notes and will be held in the "Note Payment Fund" established by the Tenth Supplement for the sole purpose of retiring the refunded Series A Commercial Paper Notes.

Currently, $75,000,000 in principal amount of the Series B Commercial Paper Notes is outstanding. A portion of the proceeds of the Bonds will be used to refund and retire $72,864,000 of outstanding Series B Commercial Paper Notes issued by the Board under authority of the Twenty-Fourth Supplement (as defined herein). The Series B Commercial Paper Notes were issued to provide interim financing for projects under the Revenue Financing System and will be retired concurrently with or within 90 days of the issuance of the Bonds. Moneys will be deposited with U.S. Bank Trust Company, National Association, New York, New York, the "Issuing and Paying Agent" for the Series B Commercial Paper Notes and will be held in the "Note Payment Fund" established by the Twenty-Fourth Supplement for the sole purpose of retiring the refunded Series B Commercial Paper Notes. See "SOURCES AND USES OF FUNDS."

Authority for Issuance of the Bonds. The Bonds are being issued in accordance with the general laws of the State, including particularly Chapter 55, Texas Education Code, and Chapters 1207 and 1371, Texas Government Code, as amended. The Bonds are being issued pursuant to the Master Resolution and a Thirty-Second Supplemental Resolution to the Master Resolution adopted by the Board on August 15, 2024 (the "Thirty-Second Supplement"). The Master Resolution and the Thirty-Second Supplement are referred to herein collectively as the "Resolution." Following the issuance of the Bonds, there will be $879,731,000 in aggregate principal amount of outstanding Parity Obligations payable from the Pledged Revenues (including $2,136,000 of Series B Commercial Paper Notes), issued both as taxable and tax-exempt obligations. See "Appendix A, DESCRIPTION OF THE PARTICIPANTS - Outstanding Indebtedness" and "Appendix B, THE ANNUAL COMPREHENSIVE FINANCIAL REPORT & INDEPENDENT AUDITOR'S REPORT OF THE UNIVERSITY OF NORTH TEXAS SYSTEM FOR THE YEAR ENDED AUGUST 31, 2024 – Note 6: Bonded Indebtedness."

The Thirty-Second Supplement authorized the issuance of bonds, in one or more series, in an aggregate principal amount not to exceed $450,000,000. The Bonds constitute the first and second installments of bonds issued under authority of the Thirty-Second Supplement. The authority to execute a bond purchase agreement and sell bonds under the provisions of the Thirty-Second Supplement expires August 15, 2025.

The Master Resolution permits additional Parity Obligations to be issued in the future. See "SECURITY FOR THE BONDS - Additional Obligations," "SECURITY FOR THE BONDS - The Revenue Financing System" and "Appendix A, DESCRIPTION OF THE PARTICIPANTS - Outstanding Indebtedness."

Authority for Issuance of Commercial Paper Notes. The Board has the ability to issue, as Parity Obligations, commercial paper notes. The University System has established two commercial paper programs pursuant to which commercial paper notes may be issued. On May 8, 2008, the Board approved the Tenth Supplemental Resolution to the Master Resolution, giving it the ability to issue, as Parity Obligations, commercial paper notes (the "Series A Commercial Paper Notes"). On December 6, 2013, the Board approved the Second Amended and Restated Tenth Supplemental Resolution to the Master Resolution, governing the issuance of Series A Commercial Paper Notes (referred to herein as the "Tenth Supplement"). Series A Commercial Paper Notes may be issued as either tax-exempt or taxable obligations. Pursuant to the Tenth Supplement, the Board established (i) the authority to issue from time to time and at any one time Series A Commercial Paper Notes in an amount not to exceed $100,000,000 (subject to the requirements of the Twenty-Fourth Supplement discussed below), and (ii) that the payment of the Series A Commercial Paper Notes may be, but is not required to be, supported by either a credit facility or a liquidity facility issued pursuant to the terms of a "Credit Agreement" (as defined in the Master Resolution). See "Table 2 - DEBT SERVICE REQUIREMENTS." Under the terms of the Tenth Supplement, the Board covenanted to maintain available funds plus any available bank loan commitment issued under the terms of a Credit Agreement in an amount equal to the total principal amount of outstanding Series A Commercial Paper Notes plus interest to accrue thereon for the following 90 days. Acting upon the authority originally granted by the Tenth Supplement, the Board provides its own liquidity in support of the Series A Commercial Paper Notes then and thereafter outstanding. No credit facility or liquidity facility has been executed to provide credit or liquidity support for the Series A Commercial Paper Notes.

On November 18, 2016, the Board approved the Twenty-Fourth Supplemental Resolution to the Master Resolution (the "Twenty-Fourth Supplement"), giving it the ability to issue, as Parity Obligations, extendible commercial paper notes (the "Series B Commercial Paper Notes" and, together with the Series A Commercial Paper Notes, the "Commercial Paper Notes") under the terms of the Master Resolution and the Twenty-Fourth Supplement. Series B Commercial Paper Notes may be issued as either tax-exempt or taxable obligations. Pursuant to the Twenty-Fourth Supplement, the Board established (i) the authority to issue from time to time and at any one time Series B Commercial Paper Notes in an amount not to exceed $75,000,000 and (ii) that the payment of the Series B Commercial Paper Notes may be, but is not required to be, supported by either a credit facility or a liquidity facility issued pursuant to the terms of a Credit Agreement. See "Table 2 - DEBT SERVICE REQUIREMENTS." Under the terms of the Twenty- Fourth Supplement, the interest rate on the Series B Commercial Paper Notes can be reset to a formula rate, not to exceed a maximum rate of the lesser of (i) 9.00% per annum and (ii) the maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the Board in the exercise of its borrowing powers, which currently is 15%, if Series B Commercial Paper Notes mature and are not successfully remarketed by the dealer for the Series B Commercial Paper Note program. The holder of the matured Series B Commercial Paper Note agrees to hold the Series B Commercial Paper Note with a new maturity, which would be for a period equal to the difference between 270 days and the maturity of the Series B Commercial Paper Notes that matured and were not remarketed (e.g., if the maturity of the Series B Commercial Paper Notes that matured and were not remarketed was 30 days, the Series B Commercial Paper Notes would bear interest at the formula rate for 240 days), and will be paid interest on the retained Series B Commercial Paper Notes at the formula rate until maturity or redemption prior to maturity. The Board has covenanted to provide funds, or in good faith endeavor to sell a sufficient principal amount of Parity Obligations or other obligations of the Board in order to have funds available, together with other available funds of the University System, to pay the Series B Commercial Paper Notes and the interest thereon, upon maturity or prior redemption, including, without limitation, to pay the increased interest rate to be borne by the Series B Commercial Paper Notes. The Twenty-Fourth Supplement also restricts the Board's ability to issue Series A Commercial Paper Notes to $75,000,000 in principal amount at any one time and from time to time outstanding.

Under the terms of the Tenth Supplement and the Twenty-Fourth Supplement (together, the "Commercial Paper Supplements"), to the extent that the "Dealer" (as defined in each of the Commercial Paper Supplements) for the Board's commercial paper program cannot sell Commercial Paper Notes to renew or refund outstanding Commercial Paper Notes on their maturity, the Board covenanted to use lawfully available funds to purchase Commercial Paper Notes issued to renew and refund maturing Commercial Paper Notes. Under the terms of the Commercial Paper Supplements, such payment, issuance and purchase is not intended to constitute an extinguishment of the obligation represented by any Commercial Paper Notes held by the Board, and the Commercial Paper Supplements provide that the Board may issue Commercial Paper Notes to renew and refund the Commercial Paper Notes held by it when the Dealer is again able to sell Commercial Paper Notes. The refunding of the Refunded Commercial Paper Notes will restore the capacity to sell Series A Commercial Paper Notes in a principal amount from time to time and at any one time outstanding not to exceed $75,000,000, and the capacity to sell Series B Commercial Paper Notes in a principal amount from time to time and at any one time outstanding not to exceed $75,000,000. The commercial paper program established under the terms of the Tenth Supplement expires on December 31, 2038, and the commercial paper program established under the terms of the Twenty-Fourth Supplement expires on December 31, 2047.

In connection with providing self-liquidity in support of the Series A Commercial Paper Notes, the Board has established a failed remarketing policy, where the Dealer for the Series A Commercial Paper Notes will provide notice to the Board of its inability to remarket maturing Series A Commercial Paper Notes and the Board will then take steps to provide funds either from available cash or through the liquidation of Short/Intermediate Term Investment Fund assets in a manner sufficient to provide for the timely payment due to holders of maturing Series A Commercial Paper Notes. See "Appendix A, DESCRIPTION OF THE PARTICIPANTS - Investment Policies and Procedures."

Issuance of Additional Bonds. The Board may issue additional Parity Obligations to provide funds for new construction, renovation of existing facilities, and acquisition of equipment and to refund outstanding Debt. See "SECURITY FOR THE BONDS - Additional Obligations."

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SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds will be applied as follows:

Sources of Funds	Series 2025A Bonds	Series 2025B Bonds	Total
Par Amount of Bonds	$ 213,850,000.00	$108,595,000.00	$322,445,000.00
Premium	16,478,789.80	0.00	16,478,789.80
Total Sources of Funds	$230,328,789.80	$108,595,000.00	$338,923,789.80
Applications of Funds			
Deposit to Project Fund	$53,314,929.46	$91,504,864.29	$144,819,793.75
Deposit to Escrow Fund	90,954,983.92	0.00	90,954,983.92
Refunding of Series A Commercial Paper Notes[1]	28,201,000.00	0.00	28,201,000.00
Refunding of Series B Commercial Paper Notes[1]	56,466,888.19	16,397,111.81	72,864,000.00
Costs of Issuance[2]	1,390,988.23	693,023.90	2,084,012.13
Total Uses of Funds	$230,328,789.80	$108,595,000.00	$338,923,789.80

(1) Includes interest.

(2) Includes Underwriters' discount (see "UNDERWRITING" below), other costs of issuance and rounding amounts.

DESCRIPTION OF THE BONDS

General. The Bonds of each series will be issued only as fully registered bonds, without coupons, in any integral multiple of $5,000 principal amount within a stated maturity and series, will be dated, will accrue interest from their date of delivery, and will bear interest at the per annum rates shown on pages ii and iv of this Official Statement. Interest on the Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Bonds is payable on October 15, 2025, and each April 15 and October 15 thereafter until maturity or prior redemption. The Bonds of each series mature on the respective dates and in the principal amounts set forth on pages ii and iv of this Official Statement.

In the event that any date for payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law or executive order to close in the city where the Designated Trust Office (as hereinafter defined) of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), is located, then the date for such payment will be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close (a "Business Day"). Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

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

Limitation on Transfer of Bonds Called for Redemption. Neither the Board nor the Paying Agent/Registrar shall be required to make any transfer or exchange (i) during a period beginning with the close of business on any Record Date (as defined herein) and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

Redemption.

Optional Redemption at Par

The Bonds of either series scheduled to mature on and after April 15, 2036 are subject to redemption prior to maturity at the option of the Board on April 15, 2035 (the "Par Call Date") or on any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof (and, if in part, the particular Bonds or portion thereof to be redeemed shall be selected by the Board) at a price of par plus accrued interest to the redemption date.

Optional Make-Whole Redemption

Prior to the Par Call Date, the Series 2025B Bonds will be subject to optional redemption prior to maturity, at the direction of the Board, in whole or in part (and, if in part, in Authorized Denominations and on a pro rata basis, subject to the provisions described below under "Selection of Bonds to be Redeemed"), on any Business Day, in such order of maturity as directed by the Board, at the Make-Whole Redemption Price. The Board shall retain an independent accounting firm or an independent financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Paying Agent/Registrar and the Board may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and its determination of, the Make-Whole Redemption Price, and neither the Paying Agent/Registrar nor the Board will have any liability for their reliance. The determination of the Make-Whole Redemption Price by such accounting firm or financial advisor shall be conclusive and binding on the Paying Agent/Registrar, the Board and the Holders of the Series 2025B Bonds.

"Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of a Series 2025B Bond to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest (treating any principal scheduled to be paid after the first call date as if it were scheduled to mature on the Par Call Date) of the Series 2025B Bond to be redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2025B Bond is to be redeemed), discounted to the date on which such Bond is to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the adjusted Treasury Rate plus (i) with respect to the Series 2025B Bonds maturing in 2026 through 2029, 5 basis points, (ii) with respect to the Series 2025B Bonds maturing in 2030 through 2035, 10 basis points, (iii) with respect to the Series 2025B Bonds maturing in 2036 and 2037, 15 basis points, (iv) with respect to the Series 2025B Bonds maturing in 2038 through 2040, 20 basis points and (v) with respect to the Series 2025B Bonds maturing in 2045, 15 basis points and plus, in each case, accrued and unpaid interest on such Series 2025B Bond to, but excluding, the redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by a Designated Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Series 2025B Bonds to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Series 2025B Bonds.

"Comparable Treasury Price" means, with respect to any redemption date, the average of the Primary Treasury Dealer Quotations for such redemption date or, if the Designated Investment Banker obtains only one Primary Treasury Dealer Quotation, such Primary Treasury Dealer Quotation.

"Designated Investment Banker" means a Primary Treasury Dealer appointed by the Board.

"Primary Treasury Dealer" means one or more entities appointed by the Board, which, in each case, is a primary U.S. Government securities dealer in The City of New York, New York, and its successors.

"Primary Treasury Dealer Quotations" means, with respect to each Primary Treasury Dealer and any redemption date, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Primary Treasury Dealer at 3:30 p.m. New York time on the third Business Day preceding such redemption date.

"Business Day" means any day other than (A) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city or cities in which the Principal Office for Payment of the Paying Agent/Registrar is located are authorized by law or executive order to close or (B) a day on which the New York Stock Exchange is closed.

Mandatory Redemption

Series 2025A Bonds. The Series 2025A Bonds maturing April 15, 2050 are subject to mandatory sinking fund redemption prior to their scheduled maturity and shall be redeemed by the Board, in part, prior to their scheduled maturity, with the particular Series 2025A Bonds or portions thereof to be redeemed to be selected and designated by the Board (provided that a portion of a Series 2025A Bond may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the par or principal amount thereof plus accrued interest to the date of redemption, on the dates, and in the principal amounts set forth below:

Redemption Date (April 15)	Principal Amount
2046	$1,430,000
2047	1,505,000
2048	1,230,000
2049	1,295,000
2050*	1,355,000

* Scheduled Maturity.

Subject to the optional redemption of Term Bonds on a pro rata pass-through distribution of principal basis in accordance with DTC procedures summarized under "– Selection of Bonds to be Redeemed" below, the principal amount of the Series 2025A Bonds required to be redeemed on each such redemption date pursuant to the foregoing operation of the mandatory sinking fund shall be reduced, at the option of the Board, by the principal amount of any Series 2025A Bonds, which, at least 45 days prior to the mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Board, in either case at a price not exceeding the par or principal amount of such Series 2025A Bonds, or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against mandatory sinking fund redemption.

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

Redemption Date (April 15)	Principal Amount
2041	$705,000
2042	745,000
2043	790,000
2044	830,000
2045*	880,000

* Scheduled Maturity.

Subject to the optional redemption of Term Bonds on a pro rata pass-through distribution of principal basis in accordance with DTC procedures summarized under "– Selection of Bonds to be Redeemed" below, the principal amount of the Series 2025B Bonds required to be redeemed on each such redemption date pursuant to the foregoing operation of the mandatory sinking fund shall be reduced, at the option of the Board, by the principal amount of any Series 2025B Bonds, which, at least 45 days prior to the mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Board, in either case at a price not exceeding the par or principal amount of such Series 2025B Bonds, or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against mandatory sinking fund redemption.

Selection of Bonds to be Redeemed

If less than all of the Bonds of either series are to be redeemed, the particular maturities of Bonds to be redeemed at the option of the Board will be determined by the Board in its sole discretion.

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

If the Series 2025B Bonds are registered in book-entry-only form and so long as a securities depository is the sole registered owner of such Series 2025B Bonds, if less than all of the Series 2025B Bonds of a maturity are called for prior redemption, the particular Series 2025B Bonds or portions thereof to be redeemed shall be allocated on a *pro rata pass-through distribution of principal* basis pursuant to the procedures and operational arrangements of the securities depository or (2) if the securities depository's procedures or operational arrangement at such time do not allow for redemption on a pro-rata pass-through distribution of principal basis, by such method as may be acceptable to the Paying Agent/Registrar and to the securities depository in accordance with its operating procedures in effect at such time. See "DESCRIPTION OF THE BONDS — Book-Entry-Only System."

The Board intends that redemption allocations of Series 2025B Bonds made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither the Board nor the Underwriters can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of Series 2025B Bonds on such basis.

In connection with any repayment of principal, including payments of scheduled mandatory sinking fund payments, the Paying Agent/Registrar will direct DTC to make a pass-through distribution of principal to the holders of the Series 2025B Bonds. For purposes of calculation of the "pro rata pass-through distribution of principal," "pro rata" means, for any amount of principal to be paid, the application of a fraction to each denomination of the respective Series 2025B Bonds of a maturity where (a) the numerator is equal to the amount due to the respective bondholders on a payment date and (b) the denominator is equal to the total original par amount of the respective Series 2025B Bonds of such maturity.

If the Series 2025B Bonds are no longer registered in book-entry-only form, each owner will receive an amount of Series 2025B Bonds equal to the original face amount then beneficially held by that owner, registered in such investor's name. Thereafter, any redemption of less than all of the Series 2025B Bonds of any maturity will continue to be paid to the registered owners of such Series 2025B Bonds on a pro-rata basis, based on the portion of the original face amount of any such Series 2025B Bonds to be redeemed.

Notice of Redemption.

Not less than 30 days prior to a redemption date, a notice of redemption of any Bond prior to its maturity will be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to each registered owner of a Bond to be redeemed in whole or in part at the address of each such owner appearing on the registration books of the Paying Agent/Registrar on the 45th day prior to such redemption date, to each registered securities depository, and to any national information service that disseminates redemption notices. Any notice sent to the registered securities depositories or national information services shall be sent so that they are received at least two days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to any registered owner who has not submitted Bonds for redemption 60 days after the redemption date.

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

With respect to any optional redemption of the Bonds of either series, unless certain prerequisites to such optional redemption required by the Thirty-Second Supplement have been met and money sufficient to pay the principal of, premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to giving such notice, such notice may state that the optional redemption will, at the option of the Board, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied, such notice will be of no force and effect, the Board will not redeem such Bonds and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds will not be redeemed.

Paying Agent/Registrar. In the Thirty-Second Supplement, the Board reserves the right to replace the Paying Agent/Registrar. The Board covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are outstanding, and any successor Paying Agent/Registrar shall be a competent and legally qualified bank, trust company, financial institution, or other qualified agency. In the event that the entity at any time acting as Paying Agent/Registrar should resign or otherwise cease to act as such, the Board covenants to promptly appoint a competent and legally qualified bank, trust company, financial institution or other qualified agency to act as Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the Board agrees to promptly cause a written notice thereof to be sent to each registered owner of Bonds by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Defeasance. The Master Resolution provides for the procedure to effect the defeasance of the Bonds. See "Appendix C, SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION-Defeasance."

Book-Entry-Only System.

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in the name of Cede & Co., its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Board and the Underwriters believe the source of such information to be reliable but take no responsibility for the accuracy or completeness thereof.

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

Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC Book-Entry-Only System. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an

Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Paying Agent/Registrar, on such payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participants and not of DTC nor its nominee, the Paying Agent/Registrar, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board and the Underwriters take no responsibility for the accuracy thereof.

In the event that the book-entry-only system is discontinued by DTC or the Board, the following provisions will be applicable to the Bonds: Bonds may be exchanged for an equal aggregate principal amount of Bonds in authorized denominations and of the same maturity upon surrender thereof at the Principal Office for Payment of the Paying Agent/Registrar. The transfer of any Bond may be registered on the books maintained by the Paying Agent/Registrar for such purpose only upon the surrender of such Bond to the Paying Agent/Registrar with a duly executed assignment in form satisfactory to the Paying Agent/Registrar. For every exchange or transfer of registration of Bonds, the Paying Agent/Registrar and the Board may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Board shall pay the fee, if any, charged by the Paying Agent/Registrar for the transfer or exchange. The Paying Agent/Registrar will not be required to transfer or exchange any Bond after its selection for redemption. The Board and the Paying Agent/Registrar may treat the person in whose name a Bond is registered as the absolute owner thereof for all purposes, whether such Bond is overdue or not, including for the purpose of receiving payment of, or on account of, the principal of, and interest on, such Bond.

SECURITY FOR THE BONDS

The Revenue Financing System. The Master Resolution created the Revenue Financing System to provide a financing structure for revenue-supported indebtedness of the University and the Health Science Center and other entities which may be included in the future, by Board action, as Participants in the Revenue Financing System. The Board designated UNT-Dallas as an additional Participant in the Tenth Supplement and designated the UNT-Dallas College of Law as an additional Participant in the Fifteenth Supplement. Subsequently, UNT-Dallas was given administrative control over UNT-Dallas College of Law, and UNT-Dallas College of Law is no longer a Participant. The Revenue Financing System is intended to facilitate the assembling of all of the Participants' revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to Participants and to maximize the financing options available to the Board. The Master Resolution provides that once a university or agency becomes a Participant, the lawfully available revenues, income, receipts, rentals, rates, charges, fees, including interest or other income, and balances attributable to that entity and pledged by the Board become part of the Pledged Revenues; provided, however, that, if at the time an entity becomes a Participant it has outstanding obligations secured by such sources, such obligations will constitute Prior Encumbered Obligations under the Master Resolution and the pledge of such sources as Pledged Revenues will be subject and subordinate to such outstanding Prior Encumbered Obligations. Thereafter, the Board may issue bonds, notes, commercial paper, contracts, or other evidences of indebtedness, including credit agreements, on behalf of such institution, on a parity, as to payment and security, with the Outstanding Parity Obligations, subject only to the outstanding Prior Encumbered Obligations, if any, with respect to such Participant. Upon becoming a Participant, an entity may no longer issue obligations having a lien on Pledged Revenues prior to the lien on the Outstanding Parity Obligations. Generally, Prior Encumbered Obligations are those bonds or other obligations issued on behalf of a Participant which were outstanding on the date such entity became a Participant in the Revenue Financing System. The Board has reserved the right in the Master Resolution to refund Prior Encumbered Obligations with Parity Obligations and to issue obligations to refund any Prior Encumbered Obligations and to secure the refunding obligations with the same source or sources securing the Prior Encumbered Obligations being refunded. Currently, no Prior Encumbered Obligations are outstanding. Following the issuance of the Bonds, there will be $879,731,000 in aggregate principal amount of outstanding Parity Obligations payable from the Pledged Revenues (including $2,136,000 of Series B Commercial Paper Notes). See "PLAN OF FINANCING – Refunded Bonds," "PLAN OF FINANCING – Refunded Commercial Paper Notes," "Table 2 - DEBT SERVICE REQUIREMENTS" and Appendix A, "DESCRIPTION OF THE PARTICIPANTS - Outstanding Indebtedness." The Board does not currently anticipate adding Participants to the Revenue Financing System which would result in the assumption of Prior Encumbered Obligations.

Pledge Under Master Resolution. Under the Master Resolution, the Board has, with certain exceptions, combined all of the revenues, funds, and balances attributable to Participants of the Revenue Financing System and lawfully available to secure revenue-supported indebtedness into a system-wide pledge to secure the payment of Parity Obligations from time to time issued and outstanding under the Master Resolution (referred to herein collectively as "Parity Obligations"). The Parity Obligations are special obligations of the Board equally and ratably secured solely by and payable solely from a pledge of and lien on the Pledged Revenues, as described below.

The Pledged Revenues consist of, subject to the provisions of the Prior Encumbered Obligations (of which currently there are none), the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Revenue Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a Supplement to the Master Resolution: (a) amounts received by the University, the Health Science Center, or UNT-Dallas under Article VII, Section 17 of the State Constitution (generally, a provision of the State Constitution currently providing for an annual Higher Education Fund ("HEF") appropriation to be allocated among eligible agencies and institutions of higher education for the purpose of providing funds for acquisition of capital assets and the construction of capital improvements), including the income therefrom and any fund balances relating thereto; and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the State Legislature. The "Revenue Funds" are defined in the Master Resolution to include the "revenue funds" of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of the Participants; provided that Revenue Funds do not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of adoption of the Supplement relating to such Parity Obligations, is exempt by law from paying such tuition, rentals, rates, fees, or other charges. The general revenues appropriated to the Board from the Texas University Fund established by Article VII, Section 20, of the State Constitution are not included in Pledged Revenues. All legally available funds of the Participants, including unrestricted fund and reserve balances, are pledged to the payment of the Parity Obligations. For a more detailed description of the types of revenues and expenditures of the University, UNT-Dallas, and the Health Science Center, see "Appendix A, DESCRIPTION OF THE PARTICIPANTS."

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

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The following table sets forth the Pledged Revenues under the Revenue Financing System for each of the five most recent fiscal years:

TABLE 1
PLEDGED REVENUES (in thousands)
Fiscal Years Ended August 31

	2020	2021	2022	2023	2024
Pledged Revenues Not Including Fund Balances (1) (2)	$ 723,944	$ 755,802	$ 825,275	$ 906,999	$ 893,915
Pledgeable Unappropriated Funds Fund and Reserve Balances (2)	293,233	290,395	419,530	$ 408,459	$ 523,968
Total Pledged Revenues (2)	$1,017,178	$1,046,197	$1,244,804	$1,315,458	$1,417,883

(1) Pledged Revenues include the revenues of the Revenue Financing System, the student union fee, pledged general tuition (which includes general use fees), and investment income or monies held for the payment of debt service.

(2) Pledged Revenues do not include: (a) State appropriations for the reimbursement of debt service on Capital Construction Assistance Projects (as defined herein) of the University System (equal to $52,876,432 for Fiscal Year 2025); (b) amounts appropriated to any Participant from the HEF under Article VII, Section 17 of the State Constitution (equal to $57,510,785 in Fiscal Year 2025); and (c) except to the extent so appropriated, other State general revenue funds appropriated to the University System.

Pledged Revenues do not include: (a) State appropriations for the reimbursement of debt service on Capital Construction Assistance Projects (as defined herein) of the University System (equal to $52,876,432 for Fiscal Year 2025); (b) amounts appropriated to any Participant from the HEF under Article VII, Section 17 of the State Constitution (equal to $57,510,785 in Fiscal Year 2025); and (c) except to the extent so appropriated, other State general revenue funds appropriated to the University System. See “Appendix A, DESCRIPTION OF THE PARTICIPANTS - Funding for the Participants – State Appropriations” and “- Capital Construction Assistance Projects (CCAPs) and Appropriations.”

Pledged Revenues not utilized to pay debt service on Parity Obligations are available to pay other costs of operating the University System. Continued operation of the University System at current levels is dependent upon general revenue appropriations from the State. See “APPENDIX A – DESCRIPTION OF THE PARTICIPANTS – Funding for the Participants – State Appropriations.”

The Board has covenanted in the Master Resolution that in each Fiscal Year it will use its reasonable efforts to collect revenues sufficient to meet all financial obligations of the Board relating to the Revenue Financing System, including all deposits or payments due on or with respect to outstanding Parity Obligations for such Fiscal Year. The Board has also covenanted in the Master Resolution that it will not incur any debt secured by Pledged Revenues unless such debt constitutes a Parity Obligation or is junior and subordinate to the Parity Obligations. The Board intends to issue most of its revenue-supported debt obligations which benefit members of the University System as Parity Obligations under the Master Resolution.

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE BOARD, THE UNIVERSITY SYSTEM OR ANY COMPONENT THEREOF, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS NO TAXING POWER, AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE, IS PLEDGED AS SECURITY FOR THE BONDS. THE BREACH OF ANY COVENANT, AGREEMENT, OR OBLIGATION CONTAINED IN THE RESOLUTION WILL NOT IMPOSE OR RESULT IN GENERAL LIABILITY ON OR A CHARGE AGAINST THE GENERAL CREDIT OF THE BOARD, THE UNIVERSITY, THE HEALTH SCIENCE CENTER OR UNT-DALLAS.

Additional Obligations. The Bonds of each series constitute Parity Obligations under the Master Resolution. The Board may issue additional Parity Obligations to provide funds for new construction, renovation of existing facilities, and acquisition of equipment and to refund outstanding Debt. See “PLAN OF FINANCING - Authority for Issuance of Commercial Paper Notes” and “CAPITAL IMPROVEMENT PLANS.”

Parity Obligations. As of the date of this Official Statement, the Board will have outstanding Commercial Paper Notes and Revenue Financing System Bonds that were issued as Parity Obligations (see Appendix A, "DESCRIPTION OF THE PARTICIPANTS - Outstanding Indebtedness").

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

Nonrecourse Debt and Subordinated Debt. The Master Resolution provides that Non-Recourse Debt and Subordinated Debt may be incurred by the Board without limitation. No such Non-Recourse Debt or Subordinated Debt has been issued by the Board on behalf of any Participant, and there are no plans to do so.

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TABLE 2
DEBT SERVICE REQUIREMENTS

The following table is a summary of the debt service requirements of all Parity Obligations outstanding following the issuance of the Bonds. See “Appendix A, DESCRIPTION OF THE PARTICIPANTS – Outstanding Indebtedness.”

Fiscal Year			Series 2025A Bonds			Series 2025B Bonds			
8/31	Total Current Debt Service [1]	Less: Refunded Bonds Debt Service[2]	Principal	Interest	Total	Principal	Interest	Total	Total Annual Debt Service[3]
2026	$ 73,768,394	$ 10,577,500	$ 13,035,000	$ 9,831,160	$ 22,866,160	$ 9,430,000	$ 4,574,797	$ 14,004,797	$ 100,061,850
2027	72,543,643	10,345,000	12,680,000	10,040,750	22,720,750	9,325,000	4,580,870	13,905,870	98,825,263
2028	70,406,039	10,114,000	13,090,000	9,406,750	22,496,750	9,700,000	4,202,648	13,902,648	96,691,437
2029	69,999,602	9,889,250	13,525,000	8,752,250	22,277,250	10,095,000	3,805,142	13,900,142	96,287,744
2030	64,750,947	9,655,250	13,955,000	8,076,000	22,031,000	10,530,000	3,368,735	13,898,735	91,025,432
2031	64,515,053	9,427,250	14,420,000	7,378,250	21,798,250	10,995,000	2,910,364	13,905,364	90,791,417
2032	61,282,780	9,194,750	17,855,000	6,657,250	24,512,250	8,560,000	2,408,003	10,968,003	87,568,283
2033	46,894,351	8,962,750	19,530,000	5,764,500	25,294,500	7,935,000	2,008,337	9,943,337	73,169,438
2034	35,285,302	8,736,000	20,290,000	4,788,000	25,078,000	8,320,000	1,625,473	9,945,473	61,572,775
2035	34,696,147	8,504,000	21,085,000	3,773,500	24,858,500	8,725,000	1,217,377	9,942,377	60,993,024
2036	33,548,095	7,386,750	12,400,000	2,719,250	15,119,250	8,545,000	785,053	9,330,053	50,610,648
2037	33,323,396	6,368,250	10,550,000	2,099,250	12,649,250	575,000	353,103	928,103	40,532,499
2038	33,133,798	3,590,500	3,700,000	1,571,750	5,271,750	605,000	323,347	928,347	35,743,395
2039	31,903,759	2,088,250	2,710,000	1,386,750	4,096,750	635,000	291,433	926,433	34,838,692
2040	28,706,474	2,084,000	2,845,000	1,251,250	4,096,250	670,000	257,747	927,747	31,646,471
2041	20,818,273	2,086,250	2,985,000	1,109,000	4,094,000	705,000	222,069	927,069	23,753,092
2042	20,637,532	2,084,500	3,135,000	959,750	4,094,750	745,000	182,434	927,434	23,575,216
2043	20,451,090	2,083,750	2,930,000	803,000	3,733,000	790,000	140,550	930,550	23,030,890
2044	20,277,947	2,083,750	3,080,000	656,500	3,736,500	830,000	96,136	926,136	22,856,833
2045	20,096,205	2,084,250	3,235,000	502,500	3,737,500	880,000	49,474	929,474	22,678,929
2046	14,121,062	-	1,430,000	340,750	1,770,750	-	-	-	15,891,812
2047	14,123,100	-	1,505,000	269,250	1,774,250	-	-	-	15,897,350
2048	14,112,388	-	1,230,000	194,000	1,424,000	-	-	-	15,536,388
2049	13,743,326	-	1,295,000	132,500	1,427,500	-	-	-	15,170,826
2050	9,434,663	-	1,355,000	67,750	1,422,750	-	-	-	10,857,413
2051	5,418,800	-	-	-	-	-	-	-	5,418,800
2052	5,418,400	-	-	-	-	-	-	-	5,418,400
Total	$ 933,410,566	$ 127,346,000	$ 213,850,000	$ 88,531,660	$ 302,381,660	$ 108,595,000	$ 33,403,092	$ 141,998,092	$1,250,444,318

(1) Does not include debt service on outstanding Series A Commercial Paper Notes and Series B Commercial Paper Notes, which the Board has authorized to be issued as Parity Obligations in the maximum outstanding aggregate amount of $150,000,000 for both series. Following the issuance of the Bonds, Series B Commercial Paper Notes will be outstanding in the amount of $2,136,000. See “PLAN OF FINANCING – Refunded Commercial Paper Notes.”

(2) See “Schedule I – Schedule of Refunded Bonds.”

(3) All or a portion of these bonds constitute Capital Construction Assistance Projects "CCAP" Bonds. CCAP Bonds qualify the University System to be reimbursed from State appropriations for debt service payments made from Revenue Financing System revenues on all of the outstanding CCAP Bonds (in aggregate amount of $52,876,432 during Fiscal Year 2025). Future reimbursement by the State Legislature in each subsequent State biennium is subject to appropriation of funds by the State for such purpose. See "APPENDIX A, DESCRIPTION OF THE PARTICIPANTS - Funding for the Participants - State Appropriations," "- Capital Construction Assistance Projects (CCAPs and Appropriations)" and "- Outstanding Indebtedness."

CAPITAL IMPROVEMENT PLANS

The University System anticipates issuing additional new money bonds in the next two fiscal years. Based on current plans, the University System estimates issuing approximately $600 million of additional bonds in the next three to five fiscal years.

ABSENCE OF LITIGATION

Except as summarized below and referenced in "APPENDIX B, THE ANNUAL COMPREHENSIVE FINANCIAL REPORT & INDEPENDENT AUDITOR'S REPORT OF THE UNIVERSITY OF NORTH TEXAS SYSTEM FOR THE YEAR ENDED AUGUST 31, 2024 – Note 11: Contingencies and Commitments," neither the Board nor any Participant is a party to any litigation or other proceeding pending or, to the knowledge of such parties, threatened, in any court, agency, or other administrative body (either state or federal) which, if decided adversely to such parties, would have a material adverse effect on the Pledged Revenues, and no litigation of any nature has been filed or, to their knowledge, threatened that would affect the provisions made for the use of the Pledged Revenues to secure or pay the principal of or interest on the Bonds, or in any manner questioning the validity of the Bonds.

On March 14, 2025, the U.S. Department of Education's Office for Civil Rights (OCR) announced its investigations into 45 universities (including the University) under Title VI of the Civil Rights Act (1964) relating to alleged unlawful use of racial preferences and stereotypes in violation of Title VI. The University is cooperating with the investigation. The University does not expect the investigation to materially impact its operations or financial condition; however, the University is unable to provide any assurance or prediction regarding the outcome of the investigation.

CONTINUING DISCLOSURE OF INFORMATION

In the Thirty-Second Supplement, the Board has made the following agreement for the benefit of the holders and beneficial owners of each series of the Bonds. The Board is required to observe its agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Board will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB").

Annual Reports. The information to be updated includes all quantitative financial information and operating data with respect to the University System of the general type included in this Official Statement under Tables 1 and 2, in Tables A-1 through A-8, in Appendix A, and in Appendix B. The Board will update and provide this information within six months after the end of each fiscal year ending in or after 2025. The Board will provide the updated information to the MSRB.

The Board may provide updated information in full text or may incorporate by specific reference to any document available to the public on the MSRB's Internet web site or filed with the United States Securities and Exchange Commission (the "SEC"), in accordance with the provisions of Rule 15c2-12, promulgated by the SEC ("SEC Rule 15c2-12"). The updated information will include audited financial statements, if the Board commissions an audit and it is completed by the time required. If the Board commissions an audit and the audit is not completed within twelve months after the end of each fiscal year ending in or after 2022, the Board will provide unaudited financial statements by the end of the twelve-month period and audited financial statements for the applicable fiscal year to the MSRB, when and if they become available. Any such financial statements are to be prepared in accordance with generally accepted accounting principles or such other accounting principles as the Board may be required to employ from time to time pursuant to state law or regulation.

The State's current fiscal year end is August 31. Accordingly, the Board must provide updated information within six months following August 31 of each year, unless the State changes its fiscal year. If the State changes its fiscal year, the Board will notify the MSRB of the change. Annually, not later than November 20, an unaudited financial report dated as of August 31, prepared from the books of the Participants, must be delivered to the Governor and the State Comptroller.

Disclosure Event Notices. The Board will also provide timely notices of certain events to the MSRB, not in excess of ten Business Days after the occurrence of the event. The Board will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the Board; (13) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the University System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) the appointment of a successor or additional Paying Agent/Registrar or the change of name of the Paying Agent/Registrar, if material; (15) incurrence of a Financial Obligation (as defined herein) of the Obligated Person (as defined herein), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Obligated Person, and which reflect financial difficulties. In addition, the Board will provide timely notice of any failure by the Board to provide information, data, or financial statements in accordance with its agreement described above under "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports." The Resolution makes no provision for debt service reserves or credit or liquidity facilities for the Bonds.

For the purposes of the event numbered 12 in the preceding paragraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

For the purposes of the events numbered 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii), however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time; and the term "Obligated Person" means the University System.

Availability of Information from MSRB. The Board has agreed to provide the foregoing information only to the MSRB pursuant to its Electronic Municipal Market Access ("EMMA") system. The information provided to the MSRB will be available to the public without charge and investors will be able to access continuing disclosure information with the MSRB at www.emma.msrb.org.

Limitations and Amendment. The Board has agreed to update information and to provide notices of certain events only as described above. The Board has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Board makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell bonds at any future date. The Board disclaims any contractual or tort liability of damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the Board to comply with its agreement.

The Board may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with SEC Rule 15c2-12, taking into account any amendments or interpretations of SEC Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Board (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the

Bonds. The Board may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of SEC Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of said rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds. If the Board so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Agreements. During the past five years, the Board has complied in all material respects with its continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

The University System's unaudited annual comprehensive financial reports for the fiscal years ending August 31, 2022 and August 31, 2023 were submitted to EMMA in a timely manner. However, due to an inadvertent administrative oversight, submission of the auditors' report for those years occurred on April 14, 2025 when the omission was discovered.

In connection with the issuance of currently outstanding Parity Obligations, the Board entered into agreements (the "Legacy Undertakings") to provide updated financial information and operating data annually in tables contained in the official statements for those Parity Obligations (the "Legacy Tables"). In this Official Statement, information contained in: Legacy Tables A-1 and A-2 is contained in Table A-1, Legacy Table A-3 is now contained in Table A-2, Legacy Table A-14 is now contained in Table A-5, Legacy Table A-18 is now contained in Table A-7, and Legacy Table A-19 is now contained in Table A-8. In addition, portions of the information contained in Legacy Tables A-4 through A-13 and Legacy Tables A-15 through A-17 are now contained in Tables A-3, A-4 and A-6. However, to more closely align the financial information and operating data provided by the University System with information and data provided by peer institutions in the State, certain information contained in Legacy Tables A-4 through A-13 and Legacy Table A-15 through A-17 (the "Legacy Information") has been deemed immaterial and omitted from this Official Statement. The System intends to continue to update such Legacy Information to the extent necessary to comply in all material respects with the Legacy Undertakings.

LEGAL MATTERS

Legal matters relating to the Bonds of each series are subject to approval of legality by the Attorney General of the State, and of certain legal matters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the Board, whose opinions will be delivered at the closing of the sale of the Bonds in substantially the forms attached hereto as Appendix D. Bond Counsel was not requested to participate in, and did not take part in, the preparation of this Official Statement except as hereinafter noted, and such firm has not assumed any responsibility with respect thereto or undertaken to verify any of the information contained herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information relating to the Bonds, the Resolution and the Revenue Financing System contained in this Official Statement under the captions "PLAN OF FINANCING," "DESCRIPTION OF THE BONDS" (other than information under the subcaption "Book-Entry-Only System"), "SECURITY FOR THE BONDS," "CONTINUING DISCLOSURE OF INFORMATION" (other than information under the subcaption "Compliance with Prior Agreements"), "TAX MATTERS," "LEGAL INVESTMENTS IN TEXAS" and "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE" and in Appendix C and Appendix D and such firm is of the opinion that the information contained under such captions and in such Appendices is a fair and accurate summary of the information purported to be shown therein and is correct as to matters of law. The payment of legal fees to Bond Counsel is contingent upon the sale and delivery of the Bonds. In connection with the transactions described in this Official Statement, Bond Counsel represents only the Board. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas.

TAX MATTERS

Certain Federal Income Tax Considerations

General. The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Bonds and is based on the Internal Revenue Code of 1986 (the "Code"), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service ("IRS") and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the "U.S. dollar". This summary is further limited to investors who will hold the Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

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

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

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

Information Reporting and Backup Withholding

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

Series 2025A Bonds

Opinion.

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

In rendering its opinion, Bond Counsel will rely upon (a) certain information and representations of the Board, including information and representations contained in the Board's federal tax certificate related to the Series 2025A Bonds, and (b) covenants of the Board contained in the 2025A Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Series 2025A Bonds and the property financed or refinanced therewith. Failure by the Board to observe the aforementioned representations or covenants could cause the interest on the Series 2025A Bonds to become taxable retroactively to the date of issuance.

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

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount.

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

Under Existing Law, any U.S. Holder who has purchased a Series 2025A Bond as an Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below. In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such U.S. Holder in excess of the basis of such Original Issue Discount Bond in the hands of such U.S. Holder (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

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

All U.S. Holders of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences.

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

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

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

Future and Proposed Legislation.

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

Series 2025B Bonds

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

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

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

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

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

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

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

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

INVESTMENT CONSIDERATIONS

State Appropriations

The operations of the University System and the Participants of the Revenue Financing System are heavily dependent on State appropriations. the Board and the Participants have no assurance that State appropriations to the University System and the Participants will continue at the same level as in previous years. See "Appendix A, DESCRIPTION OF THE PARTICIPANTS – Funding for the Participants – State Appropriations."

Federal Funding Legislation and Federal Policy

Federal policies on the debt ceiling, taxes, foreign trade and tariffs, immigration, climate change, clean energy and other topics can shift significantly from one administration to another. From time to time, such changes can result in shifts in the level of federal funding for various policy priorities, leading to unpredictability in such funding. Federal funding, including research funding, is subject to legislative action, including through the federal budget process and sequestration. Budgetary acts, including sequestration, could continue to affect the availability of federal funds. Executive actions, including actions seeking to freeze or reallocate federal grant, loan and other financial assistance, also could affect the availability of these funds. A shift from federal to non-federal research funding could reduce the relative amount of funding for indirect costs.

Potential federal legislative and executive actions and initiatives could adversely impact the University System. Such possible actions include, but are not limited to, regulatory changes to programs administered by federal agencies including the National Institutes of Health, the Department of Education and others, elimination of existing tax credits, cuts to federal spending on research, healthcare and other programs, curtailment of tax-exempt bond financing, increases to the endowment tax, reduced funding for financial aid programs, and immigration policies that impact international student enrollment. It is uncertain what impact, if any, federal legislative and executive actions such as those described above, as well as any other actions, will or could have on federal funding for institutions of higher education like the University System, if implemented.

Factors Generally Affecting Institutions of Higher Education

The following factors, which are not all-inclusive, may adversely affect the operations of educational institutions in the future, including the operations of the University System, to an extent that cannot be determined at this time.

1. The reduced demand for college education or other services arising from a change in demographics, and, to a lesser degree, a decline in the economic conditions of the areas from which the University System draws a significant portion of its enrollment.

2. Cost increases without corresponding increases in revenue could result from, among other factors, increases in the salaries, wages and fringe benefits of employees and inflation.

3. Future legislation and regulations affecting colleges, their tax-exempt status and financial aid, and educational institutions in general, could adversely affect the operations of the University System.

4. Competition from colleges located throughout the United States and from alternative or substitute educational programs, may decrease enrollment at the University System and may constrain the ability of the University System to increase tuition and other fees, thereby constraining revenue growth.

5. The Internal Revenue Code of 1986, as amended, places certain limitations on the ability of educational institutions to finance certain projects, invest bond proceeds and advance refund prior tax-exempt bond issues. These limitations may increase the interest costs for any future borrowings by the University System.

6. The occurrence of natural disasters, such as floods or hurricanes, acts of terrorism (including cyber terrorism), acts of war, imposition of governmental embargoes, riots, pandemics or any other similar events, could damage the facilities of the University System, interrupt services, or otherwise impair the operations and ability of the University System to produce revenues.

Cybersecurity

Computer networks and data transmission and collection are vital to the operations of the Board. Information technology and infrastructure of the Board may be subject to attacks by outside or internal hackers and may be subject to breach by employee error, negligence or malfeasance. An attack or breach could compromise systems and the information stored thereon, result in the loss of confidential or proprietary data and disrupt the operations of the Board. To mitigate these risks, the Board continuously endeavors to improve the range of control for digital information operations, enhancements to the authentication process, and additional measures toward improving system protection/security posture.

LEGAL INVESTMENTS IN TEXAS

The Bonds are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries and trustees, and for the sinking funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State. The Bonds are eligible to secure deposits of public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. The Texas Public Funds Investment Act (Chapter 2256, Texas Government Code) provides that a city, county, or school district may invest in the Bonds provided that Bonds have received a rating of not less than “A” from a nationally recognized investment rating firm. No investigation has been made of other laws, regulations, or investment criteria which might limit the ability of such institutions or entities to invest in the Bonds, or which might limit the suitability of the Bonds to secure the funds of such entities. No review by the Board has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

RATINGS

The Bonds are rated "Aa2" by Moody's Investors Service, Inc. ("Moody's"), "AA" by Fitch Ratings, Inc. ("Fitch"), and "AA" by Kroll Bond Rating Agency ("KBRA").

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

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by Hilltop Securities, Inc. ("Hilltop"), on behalf of the Board relating to (a) computation of forecasted receipts of principal and interest on the Federal Securities and the forecasted payments of principal and interest to redeem the Refunded Bonds and (b) computation of the yields of the Series 2025A Bonds and the restricted Federal Securities were verified by Causey Public Finance, LLC, certified public accountants. Such computations were based solely on assumptions and information supplied by Hilltop on behalf of the Board. Causey Public Finance, LLC has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

FINANCIAL ADVISOR

Hilltop Securities Inc. ("Hilltop") is engaged as Financial Advisor (the "Financial Advisor") to the Board in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds of either series is contingent upon the issuance and delivery of such series of Bonds. Hilltop, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the Board for the investment of Bond proceeds or other funds of the Board upon the request of the Board.

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

UNDERWRITING

Wells Fargo Bank, National Association, as representative of the Series 2025A Underwriters, has agreed, subject to certain customary conditions to delivery, to purchase the Series 2025A Bonds from the Board at a price equal to the initial offering prices to the public as shown on page ii herein, less an underwriting discount of $814,250.18. The Series 2025A Underwriters will be obligated to purchase all of the Series 2025A Bonds if any Series 2025A Bonds are purchased. The Series 2025A Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Series 2025A Underwriters.

Raymond James & Associates, Inc., as representative of the Series 2025B Underwriters, has agreed, subject to certain customary conditions to delivery, to purchase the Series 2025B Bonds from the Board at a price equal to the initial offering prices to the public as shown on page iv herein, less an underwriting discount of $395,252.12. The Series 2025B Underwriters will be obligated to purchase all of the Series 2025B Bonds if any Series 2025B Bonds are purchased. The Series 2025B Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Series 2025B Underwriters.

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

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

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

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), the senior underwriter of the Series 2025A Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2025A Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2025A Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2025A Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

FORWARD-LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the Board, that are not purely historical, are forward-looking statements, including statements regarding the Board's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements. It is important to note that the Board's actual results could differ materially from those in such forward-looking statements.

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

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

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

The Thirty-Second Supplement authorizes the approval of the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorizes its further use in the reoffering of the Bonds by the Underwriters.

/s/ Dr. Michael R. Williams
Chancellor
The University of North Texas System

SCHEDULE I – SCHEDULE OF REFUNDED BONDS

Board of Regents of The University of North Texas System
Revenue Financing System Refunding and Improvement Bonds, Series 2015A

Original Dated Date	Original Maturity Date	Current Interest Rate	Principal Amount Being Refunded	Date of Redemption	Redemption Price
10/01/2015	04/15/2026	5.00%	$6,050,000	06/13/2025	100%
10/01/2015	04/15/2027	5.00%	6,120,000	06/13/2025	100%
10/01/2015	04/15/2028	5.00%	6,195,000	06/13/2025	100%
10/01/2015	04/15/2029	5.00%	6,280,000	06/13/2025	100%
10/01/2015	04/15/2030	5.00%	6,360,000	06/13/2025	100%
10/01/2015	04/15/2031	5.00%	6,450,000	06/13/2025	100%
10/01/2015	04/15/2032	5.00%	6,540,000	06/13/2025	100%
10/01/2015	04/15/2033	5.00%	6,635,000	06/13/2025	100%
10/01/2015	04/15/2034	5.00%	6,740,000	06/13/2025	100%
10/01/2015	04/15/2035	5.00%	6,845,000	06/13/2025	100%
10/01/2015	04/15/2036	5.00%	6,070,000	06/13/2025	100%
10/01/2015	04/15/2037	5.00%	5,355,000	06/13/2025	100%
10/01/2015	04/15/2040	5.00%	5,885,000	06/13/2025	100%
10/01/2015	04/15/2045	5.00%	9,025,000	06/13/2025	100%
			$90,550,000		

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APPENDIX A

DESCRIPTION OF THE PARTICIPANTS

<u>General</u>.

University of North Texas System.

The University of North Texas System (the "University System") is a united team of individuals who are committed to excellence, curiosity and innovation. Through education, the University System is transforming lives and creating economic opportunity. It's people-first values-based culture rooted in care for each other and those we serve. The institutions of the University System, which is the largest public university system located in and primarily serving the North Texas region, employ more than 14,000 employees and serve over 52,000 students, of which the majority of headcount enrollment comes from Denton, Dallas, Collin and Tarrant counties. Over the past five years, System-wide headcount enrollment has increased at a faster rate in areas outside of this four-county region; thus enrollment is becoming more geographically diverse. The component institutions include the flagship campus, the University of North Texas; the University of North Texas Health Science Center at Fort Worth; and the University of North Texas at Dallas, which includes under its control the University of North Texas at Dallas College of Law.

University of North Texas.

The University of North Texas ("UNT" or the "University"), established in 1890 as Texas Normal College and Teacher Training Institute, has evolved into a leading public research university. Recognized as a Tier One research institution by the Carnegie Classification, UNT is the most comprehensive university in the Dallas-Fort Worth area, serving over 46,000 students across 14 colleges and schools. It offers 113 bachelor's, 94 master's, and 37 doctoral degree programs, with nationally recognized strengths in business, social sciences, music, the arts, and growing excellence in science and engineering.

Located in Denton, Texas, UNT spans nearly 900 acres, including Discovery Park, a 300-acre research hub, and the expanding UNT at Frisco campus, designed to foster business and technology talent. UNT's commitment to academic excellence and affordability has earned it recognition as one of America's 100 Best College Buys® for over two decades. With a diverse student body representing all 50 states and 129 countries, UNT continues to drive innovation, research, and workforce development in one of the fastest-growing metropolitan areas in the nation.

University of North Texas at Dallas.

The University of North Texas at Dallas ("UNT-Dallas") is the only public university fully based in the City of Dallas, offering affordable, high-quality education to a diverse student body. Established in 1999 as a UNT System extension, it achieved independent status in 2009 and has since grown into a key institution for higher learning in North Texas. The 257-acre campus, located in southern Dallas, provides a scenic setting with a clear view of the downtown skyline.

UNT-Dallas has experienced significant growth, beginning with temporary facilities in 2000 before securing a permanent campus through a land donation from the City of Dallas and additional UNT System acquisitions. Legislative approval in 2001 laid the groundwork for its expansion, culminating in the enrollment milestone of 1,000 students in 2009, which granted it full university status. The university welcomed its first freshman class in 2010, achieved independent accreditation from the Southern Association of Colleges and Schools Commission on Colleges (SACSOC) in 2013, and awarded its first degrees the same year.

Academic offerings at UNT-Dallas include 21 undergraduate and 8 graduate programs in high-demand fields such as business, criminal justice, teacher education, psychology, and counseling. The UNT-Dallas College of Law, founded in 2009, became the first public law school in North Texas and is now provisionally accredited by the ABA, allowing graduates to sit for most state bar exams, including Texas. To support its growing student population, the university continues to expand its facilities, including a new STEM building, a residence hall, student learning and success center, amphitheater, and intramural sports program. The recent addition of a DART station has further connected the campus to downtown Dallas and the broader metro area.

Recognized as one of the most diverse universities in the nation, UNT-Dallas is deeply committed to community engagement and service learning, preparing students to become thoughtful leaders and contributors to their communities. As a metropolitan university, UNT-Dallas continues to strengthen its impact through academic expansion, career-focused programs, and strategic partnerships across Dallas.

University of North Texas Health Science Center at Fort Worth.

The University of North Texas Health Science Center ("Health Science Center" or "HSC") in Fort Worth is a leading graduate-level institution dedicated to medical education, research, and healthcare innovation. Established in 1970, HSC offers programs in osteopathic medicine, pharmacy, public health, biomedical sciences, and health professions, serving over 2,000 students. As a key contributor to healthcare advancements, HSC conducts groundbreaking research in aging, genetics, and neuroscience while fostering community health initiatives. Located in the heart of Fort Worth's medical district, HSC continues to shape the future of healthcare through education, research, and patient care.

Faculty members of the Health Science Center's medical, health professions, and pharmacy school constitute the UNTHSC Clinical Practice Group, a multi-specialty medical group practice. Over 80 physicians, pharmacists, and advanced practice providers practice in 9 medical and surgical specialties and subspecialties, including allergy/immunology, cardiology, gastroenterology, geriatrics, pediatrics, and dermatology. Approximately 120,000 encounters are logged each year by patients seeking everything from pre-natal to geriatric care.

The Health Science Center specializes in patient safety, aging and Alzheimer's Disease, and forensic genetics. The Institute for Patient Safety and Preventable Harm focuses on patient safety problems and preventable medical errors through professional and community education, research and quality improvement projects. Meanwhile, the institution is a statewide leader in both aging and Alzheimer's Disease research, making significant advances in prevention, treatment and care. The Health Science Center is also home to the Texas Missing Persons DNA Database, a database for solving crimes, identifying missing persons, and combatting human trafficking; the DNA ProKids program, an international program that utilizes genetic testing to fight human trafficking; and the National Missing and Unidentified Persons System for the Department of Justice (NamUs), a national clearinghouse for missing person cases, unidentified remains, unidentified living individuals, and unclaimed bodies.

Governance and Administration.

The Participants are governed, managed, and controlled by the nine-member University of North Texas System Board of Regents. Each Regent is appointed by the Governor of the State subject to confirmation by the State Senate. Each Regent serves a six-year term, with three new appointments made to the Board every two years. A Regent may be reappointed to serve on the Board and may continue to serve upon the expiration of the Regent's term until the earlier of (i) the date a successor is appointed and qualified or (ii) the last day of the first regular session of the State Legislature that begins after the expiration of the term. The members of the Board elect one of the Regents to serve as Chair of the Board and may elect any other officers they deem necessary. The Regents serve without pay except for reimbursement for actual expenses incurred in the performance of their duties, subject to the approval of the Chair of the Board.

The Board is legally responsible for the establishment and control of policy for the University, the Health Science Center and UNT-Dallas. The Board appoints a Chancellor who directs the operations of the University, the Health Science Center, UNT-Dallas and the University System, and is responsible for carrying out policies determined by the Board. Also, the Office of the Chief Audit Executive, UNTS Internal Audit reports to the Board.

The Chancellor directs the operations of the University System and is assisted by the Deputy Chancellor for Finance and Operations; the Vice Chancellor & General Counsel; the Vice Chancellor of People & Culture; the Chief Marketing & Communications Officer; the Vice Chancellor for Strategic Infrastructure and Facilities Construction; the Chief Strategy Officer and Governmental Relations; Vice Chancellor and Chief Information Officer; and the Chief Transformation Officer.

The President of the University directs the operations of the University and is assisted by the Provost and Vice President for Academic Affairs; the Vice President for Finance and Administration; the Vice President for Research and Economic Development; the Vice President for Enrollment; the Vice President for Student Affairs; the Vice President for Advancement; the Vice President for University Relations and Planning; the Vice President for Institutional Equity and Diversity; and the Director of Athletics.

The President of the Health Science Center directs the operations of the Health Science Center and is assisted by the Interim Provost; the Executive Vice President for Finance and Operations; the Vice President for Institutional Advancement; the Vice President for Governmental Affairs; Senior Vice President for Innovation and Brand; Vice President for Research; Executive Vice President for Health System Partnerships & Clinical Affairs; Chief of Staff Office of the President; Executive Vice President Strategy and Performance; and Chief Compliance and Integrity Officer.

The President of the University of North Texas at Dallas directs the operations of UNT-Dallas and is assisted by the Provost and Senior Vice President for Academic Affairs, the Chief Financial Officer, the Chief Operations Officer, Chief Compliance Officer, Vice President for Enrollment Management and Student Affairs, and the Vice President for University Advancement.

A list of the current members of the Board and certain principal administrative officers of the University System, the University, the Health Science Center and UNT-Dallas appears on page (v) of this Official Statement. Set forth below is biographical information for the principal administrative officers of the University System, the University, the Health Science Center and UNT-Dallas appearing on page (v) of this Official Statement.

Michael R. Williams was named Chancellor of the University System effective January 1, 2022. Prior to this, Dr. Williams was named as President of the Health Science Center. He previously practiced anesthesiology and critical care medicine in Texas for more than twenty years. He then served as CEO at Hill Country Memorial Hospital from 2008 - 2013, during which time the hospital won numerous state and national awards and became a Truven Top 100 U.S. Hospital in 2012, 2013. Under his leadership the hospital was also awarded the 2013 Malcolm Baldrige Best Practice for Leadership Award and 2014 Malcolm Baldrige National Presidential Quality Award. Dr. Williams completed his anesthesiology and critical care training at the University of Texas Southwestern Medical School in Dallas and the Texas Heart Institute in Houston. Dr. Williams holds board certifications in both anesthesiology and critical care medicine by the American Board of Anesthesiology. He holds an MBA from Duke University, and a Master's in Health Care Management from Harvard University. He has been named a Fellow of the American College of Health Care Executives and a Fellow of the American College of Chest Physicians.

Alan R. Stucky serves as the Vice Chancellor and General Counsel for the University System. In this role, he leads the Office of General Counsel, overseeing all legal matters for the UNT System, its Board of Regents, and its associated universities. Stucky joined the UNT System in 2004 as Senior Associate General Counsel and was appointed to his current position in January 2020. Prior to his tenure at UNT, Stucky served as in-house counsel and risk manager for Hillcrest Health System in Waco. He also practiced privately with Dunnam & Dunnam, LLP, in Waco, and Brown & Fortunato, P.C., in Amarillo, focusing on real estate, business, corporate, construction, and health care law. He earned his Juris Doctor from Baylor University Law School and his Bachelor of Science from Bethel College.

Dr. Donna Asher is a strategic executive with over 30 years of progressive leadership in higher education, spanning human resources, finance, and academic administration. She currently serves as Vice Chancellor for People and Culture at the University System, and is temporarily assuming the responsibilities of the Deputy Chancellor for Finance and Operations. In these roles, she leads enterprise-wide initiatives in human capital strategy, organizational culture, and financial operations. Her past roles include Associate Vice Chancellor for Business Services, where she led the University System's first shared services unit, and Deputy Chief Human Capital Officer, where she expanded HR services and operational efficiency. As Vice Provost for Academic Resources, she managed a $200M budget and led faculty support and space planning initiatives. Dr. Asher holds a Ph.D. in Information Science, an MBA in Human Resources Management, and a BS in Accounting, as well as SPHR and SHRM-SCP – both senior level HR certifications. Her career includes leading large-scale organizational transformations, implementing enterprise systems, and developing award-winning talent programs. She has held senior roles across HR, finance, and academic affairs, and is known for cultivating high-performing, people-centered cultures while aligning operations with institutional goals and ensuring financial stewardship.

Maleia Torres serves as the Associate Vice Chancellor and Treasurer at the University System. In this capacity, she oversees all treasury functions, including banking, cash and investment management, and long-term debt planning and forecasting for the UNT System. Before joining UNT System in 2022, Torres dedicated over 14 years to the Texas Tech University System, culminating in her role as Senior Director & Treasurer. Her earlier experience includes banking operations and accounting. She earned a Bachelor of Arts in Finance and Accounting from Walsh University in North Canton, Ohio and has held the Certified Treasury Professional (CTP) credential since 2014.

Dr. Harrison Keller began his term as President of the University in August 2024. Before joining the University, Dr. Keller served as the commissioner and chief executive officer of the Texas Higher Education Coordinating Board for almost five years. Prior to serving as Commissioner, Dr. Keller held multiple leadership roles at the University of Texas at Austin, serving as Deputy to the President for Strategy and Policy, Vice Provost for Higher Education Policy and Research, and Executive Director of the Center for Teaching and Learning. At UT Austin, he developed multiple large-scale initiatives to support students' transitions from high school to college, including OnRamps, which provides college-level courses to tens of thousands of students across the state each year. Earlier in his career, Dr. Keller was a legislative aide in the Texas Senate and Texas House of Representatives, Director of Research for the Texas House and Senior Education Advisor for the Speaker of the Texas House. He has taught at UT Austin, Georgetown University, and St. Edward's University. A sixth-generation Texan, Dr. Keller earned a bachelor's degree from the University of Notre Dame and a master's and Ph.D. in philosophy from Georgetown University.

Dr. Kirk Calhoun serves as interim President of the University of North Texas Health Science Center. Before serving as interim President, he was selected as the President of the newly consolidated UT Tyler, which merged the general academic and health science center campuses in Tyler under his leadership in 2020. Prior to this position, Calhoun was chosen President of The University of Texas Health Science Center at Tyler in 2002. The campus grew significantly and became a SACSCOC accredited academic health institution. Calhoun was named Board Chair for the UT Health East Texas Health System (UTHET), created after a large health system acquisition in March 2018. UTHET owns and operates 10 hospitals, an academic multi-specialty physician group practice, over 50 clinics, emergency transport services, a home health agency, and health enterprises across rural East Texas. Dr. Calhoun earned a bachelor's degree in Biology from the University of Illinois at Chicago and an M.D. degree from the University of Kansas School of Medicine.

Dr. Warren von Eschenbach serves as interim President of the University of North Texas at Dallas. Prior to coming to the University of North Texas System, Dr. von Eschenbach spent nearly 14 years at the University of Notre Dame in South Bend, Indiana, as a faculty member and administrator. He served in various leadership roles within the Provost's Office at Notre Dame, including as the Associate Vice President and Assistant Provost responsible for overseeing Notre Dame's 11 international locations and 48 study abroad programs, Academic Director of the London Global Gateway where he was the chief executive at Notre Dame's largest campus outside South Bend, Senior Advisor to the Provost, and most recently was instrumental in launching the Notre Dame Technology Ethics Center as the Inaugural Managing Director. Dr. von Eschenbach earned his PhD in philosophy from The University of Texas at Austin, specializing in ethics and 19th and 20th-century European philosophy; a master's degree in philosophy from Marquette University in Milwaukee, Wisconsin; and a bachelor's degree in philosophy from Trinity University in San Antonio, Texas.

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Enrollment.

Set forth below is the Fall semester headcount undergraduate and graduate enrollment at the University, UNT-Dallas, and the Health Science Center for each of the last five years.

Table A-1
Headcount Enrollment Information (Fall Semester)

	Fall 2020	% of Total	Fall 2021	% of Total	Fall 2022	% of Total	Fall 2023	% of Total	Fall 2024	% of Total
Undergraduate:										
University of North Texas	32,694		32,450		32,839		33,513		34,170	
UNT-Dallas	3,404		3,433		3,005		3,007		2,940	
Health Science Center	-		-		5		17		41	
Undergraduate Total	**36,098**	**76.6%**	**35,883**	**73.5%**	**35,849**	**71.2%**	**36,537**	**69.1%**	**37,151**	**71.1%**
Graduate & Professional:										
University of North Texas	7,959		9,718		11,504		13,217		12,010	
UNT-Dallas	760		753		696		791		834	
Health Science Center	2,329		2,456		2,289		2,327		2,291	
Graduate Total	**11,048**	**23.4%**	**12,927**	**26.5%**	**14,489**	**28.8%**	**16,335**	**30.9%**	**15,135**	**28.9%**
Total:										
University of North Texas	40,653	86.2%	42,168	86.4%	44,343	88.1%	46,730	88.4%	46,180	88.3%
UNT-Dallas	4,164	8.8%	4,186	8.6%	3,701	7.4%	3,798	7.2%	3,774	7.2%
Health Science Center	2,329	4.9%	2,456	5.0%	2,294	4.6%	2,344	4.4%	2,332	4.5%
Total	**47,146**	**100.0%**	**48,810**	**100.0%**	**50,338**	**100.0%**	**52,872**	**100.0%**	**52,286**	**100.0%**

The following table sets forth, by percentage, a breakdown of the System's total enrollment by residency classification for the Fall semesters from 2022 to 2024. Totals may not sum due to rounding:

	2022	2023	2024
Resident Students	83%	81%	83%
Non-Resident Students	17%	19%	17%
Total	100%	100%	100%

Set forth below is the Fall semester full time equivalent undergraduate and graduate enrollment at the University, UNT-Dallas and the Health Science Center for each of the last five years.

Table A-2
Full-Time Equivalent Enrollment Information

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
The University	32,392	32,643	36,654	38,840	38,297
UNT-Dallas	3,073	2,980	2,684	3,158	3,150
Health Science Center	2,629	2,774	2,569	2,382	2,362
Total	38,094	38,397	41,907	44,380	43,809

Admissions and Matriculation.

Set forth below is Fall semester information relating to undergraduate and graduate admissions, matriculation and transfers for the University System for each of the last five years.

Table A-3

Admissions and Matriculation Information

	Fall 2020	%	Fall 2021	%	Fall 2022	%	Fall 2023	%	Fall 2024	%
Freshmen										
Applications Submitted	23,562	--	27,276	--	34,334	--	41,119	--	52,156	--
Applications Accepted	20,108	85%	22,451	82%	27,375	80%	30,470	74%	37,966	73%
Matriculation	5,563	28%	5,960	27%	7,051	26%	7,486	25%	10,935	29%
Transfers										
New Undergraduate Transfers	4,361	--	4,375	--	3,885	--	3,907	--	3,673	--
Graduates										
Applications Submitted	18,545	--	24,697	--	31,173	--	34,761	--	26,365	--
Applications Accepted	6,407	45%	9,333	48%	10,092	37%	12,751	40%	9,607	36%
Matriculation	2,896	47%	4,415	48%	4,557	45%	5,369	42%	4,068	42%

Increases in enrollment and admissions and matriculation reflected in Tables A-1, A-2 and A-3 for the Fall 2023 information presented were impacted by recruiting efforts targeting a highly concentrated extraterritorial geography region, and the information for the Fall 2024 information presented reflect a subsequent decrease in enrollment and admissions and matriculation as impacted by a strategic decision to adjust recruiting efforts to avoid concentration in any specific geographic region.

Degrees Awarded.

Set forth below is a listing of the degrees awarded by the University System during each of the last five years.

Table A-4
Degrees Awarded

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Baccalaureate	8,701	8,828	8,739	8,509	8,298
Masters	2,482	2,860	3,429	4,831	5,508
Doctoral	775	747	810	748	765
Total	11,958	12,435	12,978	14,088	14,571

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Faculty and Employees.

Set forth below are the numbers of full-time equivalent faculty and employees employed by the University System as of Fall 2024.

Table A-5
Faculty and Employees (Fall 2024)

	University	UNT-Dallas	Health Science Center	System Administration	Total
Faculty	1,130	126	248	-	1,504
Employees	2,809	279	1,022	361	4,471
Total	3,939	405	1,270	361	5,975

Accreditation.

The institutions, agencies, and services comprising the Participants are members of the following professional associations and fully accredited by those which apply accreditation standards: Commission on Colleges of the Southern Association of Colleges and Schools. In addition, the University, the Health Science Center and UNT-Dallas offer programs approved by the following organizations:

AACSB International – The Association to Advance Collegiate Schools of Business; Accreditation Board for Engineering and Technology; Accreditation Commission for Programs in Hospitality Administration; Accreditation Council for Continuing Medical Education; Accreditation Council for Pharmacy Education (ACPE); Accreditation Review Commission on the Education of the Physician Assistant (ARC-PA); Accrediting Council on Education in Journalism and Mass Communications; American Academy of Forensic Sciences; American Chemical Society; American Library Association; American Psychological Association Commission on Accreditation; American Speech-Language-Hearing Association; ANSI-ASQ National Accreditation Board; Association for Assessment and Accreditation of Laboratory Animal Care International; Association for Behavior Analysis International; Commission on Accreditation in Physical Therapy Education; Commission on Accreditation of Healthcare Management Education; Commission on English Language Program Accreditation; Commission on Osteopathic College Accreditation (COCA) – for Texas College of Osteopathic Medicine at UNT Health Science Center; Computing Accreditation Commission of the Accreditation Board for Engineering and Technology; Council for Accreditation of Counseling and Related Educational Programs (CACREP) – for UNT Dallas School of Behavioral Health and Human Services; Council for the Accreditation of Educator Programs; Council for Interior Design Accreditation; Council on Education for Public Health (CEPH) – for UNT Health Science Center School of Public Health; Council on Osteopathic Postdoctoral Training Institution; Council on Rehabilitation Education; Council on Social Work Education; Joint Commission on Accreditation of Healthcare Organizations; National Association of Schools of Art and Design; National Association of Schools of Music; National Association of Schools of Public Affairs and Administration; National Commission for Health Education Credentialing; National Council for Accreditation of Teacher Education; SACSOC – institutional accreditation for UNT, UNT Dallas, and UNT Health Science Center; State Board for Educator Certification; Technology Accreditation Commission of the Accreditation Board for Engineering and Technology; Texas Department of Public Safety – DPS (Center for Human Identification); Texas Education Agency (TEA) – accreditation for UNT educator preparation programs; American Physical Therapy Association (APTA) – accreditation for UNT Health Science Center's physical therapy program.

Financial Statements.

Not later than December 15 of each year, the audited Consolidated Financial Statements of the University System dated as of August 31 must be delivered to the Governor, the Comptroller of Public Accounts of the State (the "State Comptroller"), the Legislative Reference Library, the State Auditor and the Legislative Budget Board if the Board obtains an audit. If the Board does not obtain an audit, not later than November 20, an unaudited financial report dated as of August 31, prepared from the books of the Participants, must be delivered to the Governor and the State

Comptroller. Each year, the State Auditor must certify the financial statements of the State as a whole, inclusive of the Participants, and in so doing examines the financial records of the Participants.

The Board commissioned Forvis Mazars LLP ("external auditors") to audit the Consolidated Financial Statements of the business type-activities of the University System as of and for the fiscal years ended August 31, 2024 and 2023, and the related notes to the consolidated financial statements, which collectively comprise the University's System's financial statements. The board has not requested the external auditors be engaged to review, comment on, or approve, and is not associated with, this Official Statement. No assurances can be given as to whether the Board will commission an audit for any subsequent fiscal year. The Board is not legally required or contractually required to commission such an independent external audit in any fiscal year.

The State issues audited financial statements, prepared in accordance with generally accepted accounting principles for the State government as a whole. The statements are prepared by the Comptroller of Public Accounts and are audited by the State Auditor's Office. The State Auditor expresses an opinion on the financial statements of the State but does not express an opinion on the financial statements of individual component units including those of the Participants. The scope of the State Auditor's audit includes tests for compliance with the covenants of general obligation and revenue bond issues of the State and its component agencies and institutions. Supplementary schedules are included in the State financial statements providing, for each bond issue, information related to the pledged revenues and expenditures, coverage of debt service requirements, restricted account balances, and/or other relevant information that may be feasibly incorporated. The State Auditor does not express an opinion on such schedules in relation to the basic financial statements taken as a whole. Any material compliance exceptions related to bond covenants are addressed in the overall management letter for the State audit. The final report of the State Auditor is normally available in April of the year following the prior fiscal year.

The Participants' combined primary financial reports cover all financial operations of the Participants. Amounts due between Participants and other duplications in reporting are eliminated in combining the individual financial reports.

Attached to this Official Statement as "APPENDIX B, THE ANNUAL COMPREHENSIVE FINANCIAL REPORT & INDEPENDENT AUDITOR'S REPORT OF THE UNIVERSITY OF NORTH TEXAS SYSTEM FOR THE YEAR ENDED AUGUST 31, 2024," are the most recent primary statements of the annual comprehensive financial reports of the Participants (with Management's Discussion and Analysis and the Notes to the audited consolidated annual financial reports), for the Participants' Fiscal Year ended August 31, 2024, from the 2024 Combined Annual Financial Report of the University of North Texas System. The Participants' consolidated primary financial statements consist of the Statement of Net Assets as of August 31, 2024, the Combined Statement of Revenues, Expenses and Changes in Net Assets for the Year Ended August 31, 2024, and the Combined Statement of Cash Flows for the Year Ended August 31, 2024. In compliance with GASB 39 – Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14, financial statements and notes of the University of North Texas Foundation are reported as a discrete component. See "APPENDIX B, THE ANNUAL COMPREHENSIVE FINANCIAL REPORT & INDEPENDENT AUDITOR'S REPORT OF THE UNIVERSITY OF NORTH TEXAS SYSTEM FOR THE YEAR ENDED AUGUST 31, 2024."

Funding for the Participants.

State Appropriations. The operations of the Participants are heavily dependent upon the continued support of the State through appropriations of general revenue pursuant to the biennial appropriations process initiated by the Texas Legislature. State appropriations for public higher education are primarily allocated through funding formulas. Future levels of State support are dependent upon the ability and willingness of the State Legislature to make appropriations to the Participants taking into consideration the availability of financial resources and other potential uses of such resources. The University System can provide no assurances with respect to any future appropriations by the State Legislature, including the current 89th session. Future levels of State appropriations are dependent upon the ability and willingness of the State Legislature to make appropriations to the University System taking into consideration the availability of financial resources and other potential uses of such resources.

The participants are eligible to receive additional distributions such as the Higher Education Fund for certain capital expenditures and Capital Construction Assistance Projects for certain debt service. In addition, the University

System may issue bonds against such Higher Education Funds and pledge up to 50% of the appropriation to secure the debt service payments due on such bonds.

Capital Construction Assistance Projects (CCAPs) and Appropriations. Pursuant to Chapter 55, Texas Education Code, revenue bonds issued by a revenue financing system may be equally secured by and payable from a pledge of all or a portion of certain revenue funds of that system, and all of the Parity Obligations of the Revenue Financing System, including the Bonds, are secured solely by and payable solely from a pledge of and levy on Pledged Revenues (see "SECURITY FOR THE BONDS"). Historically, the State Legislature has appropriated general revenue funds in the State's budget each biennium to reimburse institutions of higher education for an amount equal to all or a portion of revenue funds of that system used to pay debt service on certain revenue bonds issued pursuant to specific statutory authorizations for individual institutions and projects identified in Chapter 55 of the Texas Education Code. Prior to the enactment of Senate Bill No. 50 ("SB 52") during the third special session of the 87th Legislature in 2021, revenue bonds issued to fund such authorized capital construction assistance projects ("CCAP") were historically known as Tuition Revenue Bonds ("TRBs").

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

A portion of the Parity Obligations of the Revenue Financing System constitute CCAPs. CCAPs issued by the Revenue Financing System carry no additional pledge or security and constitute Parity Obligations of the Revenue Financing System which are equally and ratably secured by and payable from a pledge of and lien on Pledged Revenues on a parity with all other Parity Obligations of the Revenue Financing System. The University System is obligated to pay debt service on outstanding CCAPs regardless of whether the State Legislature appropriates funds for the reimbursement of revenue funds of the University System used to pay debt service.

The State Legislature has appropriated funds to reimburse the debt service of Revenue Financing System bonds in an amount equal to all or a portion of the debt service on the Revenue Financing System's which funded authorized CCAP projects, including $52,876,432 for the fiscal year ending August 31, 2025, and $53,115,896 for the fiscal year ending August 31, 2024. The State Legislature approved $273.3 million of new Capital Construction Assistance Projects during the 87th legislative session for the University System. A portion of the proceeds of the Bonds will be used to construct CCAP authorized projects. The University System can provide no assurances with respect to any future appropriations by the State Legislature. Future levels of State appropriations are dependent upon the ability and willingness of the State Legislature to make appropriations to the Revenue Financing System taking into consideration the availability of financial resources and other potential uses of such resources.

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

Eligible institutions will receive a base funding amount depending on the institution's research expenditures, as well as supplemental funding tied to the amount federal and private research expenditures made and number of research doctoral degrees awarded. Initially, the University, Texas Tech University, Texas State University, and the University of Houston are eligible to receive distribution from the TUF. Of the TUF's annual distribution to the University, 100% will be allocated to enhance research initiatives.

TUF's annual distribution was approximately $21 million and $29 million, for fiscal years 2024 and 2025, respectively. The University System's financial statements for fiscal year 2024 do not reflect the University's share of the TUF's market value as a true endowment for reporting purposes. Based on the TUF's market value as of August 31, 2024, of $4,216,437,242, the University's share of 75% reduction of 1/6th was $527,054,655 as per the Texas Administrative Code, Title 19, Part 1, Chapter 15, Section 15.28. Eligible institutions may use distributions form the TUF only for the support and maintenance of educational and general activities that promote increased research capacity at the institution, in a manner that aligns with the goals of the State's master plan for higher education developed under Section 61.051, Texas Education Code, as amended. Distributions from the TUF do not constitute Pledged Revenues and are not available to pay debt service on the Bonds.

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

State Mandated Tuition. Section 54.0512, Texas Education Code, currently permits (i) undergraduate tuition applicable to state residents to be charged up to $50 per semester credit hour; and (ii) tuition of a nonresident student at a general academic teaching institution or medical and dental unit to be increased to an amount equal to the average of the nonresident undergraduate tuition charged to a resident of the State at a public state university in each of the five most populous states other than the State (the amount of which would be computed by the Coordinating Board for each academic year). For the 2012-2013 academic year, the Coordinating Board has computed $401 per semester credit hour for nonresident undergraduate tuition. The tuition rates described above are referred to in this Official Statement as "State Mandated tuition." Section 56.033 of the Texas Education Code requires that not less than 15% of each resident student's tuition charge and 3% of each non-resident student's tuition charge be set aside for Texas Public Education Grants. Section 56.095 of the Texas Education Code authorizes each institution to set aside $2 for each semester hour for which a doctoral student is enrolled pursuant to the Doctoral Loan Incentive Program. State Mandated tuition for a resident student enrolled in a program leading to an M.D. or D.O. degree is $6,550 per academic year. State Mandated tuition for a nonresident student enrolled in a program leading to an M.D. or D.O. degree is an amount per year equal to three times the rate that a resident student enrolled in a program leading to an M.D. or D.O. degree would pay during the corresponding academic year.

Board Designated Tuition. During the regular session of the 78th Texas Legislature that ended June 2, 2003, the Texas Legislature approved and the Governor signed into law House Bill 3015, which provided for the deregulation of a portion of tuition that a governing board of an institution of higher education, such as the Board, has the authority to charge under Section 54.0513 of the Texas Education Code. Prior to the amendment to Section 54.0513, Texas Education Code, the amount of tuition that a board of regents could independently charge students was capped at the levels described above with respect to State Mandated tuition. Effective with the tuition that was charged for the Fall 2003 semester, a governing board may charge any student an amount (referred to herein as "Board Designated Tuition") that it considers necessary for the effective operation of the institution. This legislation also granted authority to the governing board to set a different tuition rate for each program and course level offered by the institution. This authority offers more opportunity for the Participants to develop a tuition schedule that assists in meeting their strategic objectives in terms of access, affordability, effective use of campus resources, and improvement of graduation rates. The Board will authorize any changes in Board Designated tuition only after they have been thoroughly evaluated by the Chancellor of the University System and the administration of each Participant. The Board has authorized the Board Designated tuition rate, beginning with the 2012 Fall semester, at $166.24 per semester credit hour for undergraduate students and $191.24 for graduate students enrolled at the University and $185.00 per semester credit hour for all UNT-Dallas students. For Board Designated tuition applicable to Health Science Center students, see Table A-16. No less than 20% of the Board Designated tuition charged to resident undergraduate students in excess of $46 per semester hour will be set aside to provide financial assistance to resident undergraduate students, consistent with the provisions of Texas Education Code, Section 56.011. No less than 15% of the Board Designated tuition charged to resident graduate students in excess of $46 per semester credit hour will be set aside to provide financial assistance to resident graduate and UNT-Dallas students, consistent with the provisions of Texas Education Code Section 56.012.

Board Authorized Tuition. Section 54.008 of the Texas Education Code permits the governing board of each institution to set tuition for graduate programs for that institution at a rate that is at least equal to that of the State Mandated tuition, but that is not more than twice that rate. Between the maximum and minimum rates, the Board may set the differential tuition among programs offered by an institution of higher education. The Board has set graduate tuition at an additional $50 per semester credit hour for both resident and nonresident graduate University and UNT-Dallas students. For Board Authorized tuition applicable to Health Science Center students, see Table A-6.

Beginning in the 2014-15 academic year, the Board adopted guaranteed tuition and fee rates at its academic institutions allowing students to pay the same rate of tuition for up to four years with certain variances for fees approved at individual campuses and tuition requirements for certain programs. In 2014, the Board adopted its guaranteed tuition and fee rates for students entering in the 2015-16 academic year with amounts varying by campus. For Fall 2024, of the freshman cohort offered the guaranteed tuition plan 515 students accepted the plan with a total of 2,471 participants in all enrolled cohorts.

Set forth below is a table showing the per semester State Mandated tuition rates, Board Designated tuition rates, mandatory fees, and the amount set aside for financial assistance to resident students enrolled at the University, UNT-Dallas and Health Science Center for the 2024-2025 academic year based on 15 semester credit hours per semester for Undergraduate students at the University and UNT-Dallas, 9 semester credit hours per semester for Masters and Doctoral the University, and the semester rate for Doctor of Osteopathic Medicine students at the Health Science Center.

Table A-6
Tuition and Fees for Academic Year 2024-2025

Resident Tuition and Fees per Semester
for Academic Year 2024-2025(1)

	State Mandated Tuition	Board Designated Tuition(2)	Board Authorized Tuition	Mandatory Fees	Total Tuition and Fees	Financial Assistance Set-Aside(3)
Undergraduate:						
University of North Texas	$ 750.00	$ 3,451.65	$ -	$1,471.03	$ 5,672.68	$ 526.75
UNT-Dallas	750.00	3,169.65	-	877.50	4,797.15	484.45
Graduate & Doctoral Programs						
Masters University of North Texas	$ 450.00	$2,275.11	$ 450.00	$ 951.07	$ 4,126.18	$ 346.67
Doctoral University of North Texas	4,140.00	2,275.11	450.00	951.07	7,798.18	346.67
TCOM D.O. Health Science Center	6,550.00	6,529.00	-	6,672.34	19,751.34	1,161.52

(1) Board designated tuition rate for resident undergraduates is for the Traditional Tuition plan. Board designated tuition for resident masters and doctoral students includes the board designated graduate tuition rate.

(2) Total tuition and fees includes amounts required to be set aside for financial assistance in accordance with applicable provisions of the Texas Education Code. The set-aside amounts are calculated as follows: from State mandated tuition (Section 54.051) not less than 15% nor more than 20% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); from Board Designated tuition no less than 15% charged to resident undergraduate students in excess of $46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of $46 per semester hour is set aside for financial assistance (Section 56.012).

Gifts, Grants, and Contracts. The Participants receive federal, state, and local grants and contracts for research which incorporate an overhead component for use in defraying operating expenses. This overhead component is treated as unrestricted current funds revenues while the balance of the grant or contract is treated as restricted current funds revenues. Indirect cost recovery rates used in calculating the overhead component are negotiated periodically with the United States Department of Health and Human Services.

Operating Revenues. Collection of non-pledged fees and sales of goods and services were collected for the first time in 2004. These revenues are included as Pledged Revenues on Table 1 in the Official Statement.

Sales and Services. Other educational activities and auxiliary enterprises generate revenue from sales and services which is unrestricted.

Other Interest Income. Each Participant generates interest from the investment of cash pursuant to investment policies adopted by the Board in accordance with State law. See "-Investment Policies and Procedures" below.

Other Sources. All miscellaneous revenues including rents, fees, fines, sales, and other receipts not categorized above have been grouped together as "other sources."

Investment Policies and Procedures.

Management of Funds Held in the State Treasury. The Texas Education Code requires that the University System deposit into the State Treasury collected state tuition and certain fees but not those derived from board designated tuition and fees, auxiliary enterprises and noninstructional services, agency funds, restricted funds, endowment and other gift funds, and student loan funds. All such funds held in the State Treasury are administered by the Comptroller of Public Accounts of the State (the "Comptroller"). The Comptroller invests money in the State Treasury in authorized investments consistent with applicable law and the Texas State Treasury Investment Policy. The Comptroller pools funds within the State Treasury for investment purposes and allocates investment earnings on pooled funds proportionately among the various State agencies whose funds are so pooled.

Management of University Enterprise Investments. The Board is responsible for investment of University System operating, nonoperating, and endowment funds held outside the State Treasury. Investments are managed under the Prudent Person Standard within the Investment Policy Statement guidelines and restrictions defined inside each investment pool. The Investment Policy Statement provides structure of each pool's objectives, asset guidelines, time horizon and liquidity mandates. The Investment Policy Statement is reviewed and adopted by the Board at least bi-annually.

Short Term Pool. Funds needed to meet daily or short term operating requirements managed within the investment policy by the University System's Office of Treasury. The foremost objective of the Short Term Pool is safety of principal followed by liquidity and income. The Short Term Pool includes cash and investments such as collateralized bank balances, money market mutual funds, and a separately managed account of highly liquid securities externally managed by Payden & Rygel. The Short Term Pool provides liquidity for the University System's commercial paper programs as authorized by the Board and outlined in the University System's Failed Remarketing Plan.

Long Term Pool. Funds determined not needed for daily or short term liquidity requirements may be held in the Long Term Pool. Goldman Sachs & Co. LLC manages the Long Term Pool under an outsourced chief investment officer model and invests the Long Term Pool in accordance with the University System Investment Policy Statement.

Endowment Funds. Each institution of the University System adopts an endowment investment policy that must be reviewed and approved by the Board. Each institution's endowments are held and managed in either the Long Term Pool or with the affiliated foundations; UNT Foundation and HSC Foundation at Fort Worth. Endowments and market values as described above in "APPENDIX A, Table A-8 Endowments."

Investment of Bond Proceeds. In compliance with the Investment Regulation, bond proceeds and reserves may be invested in a manner consistent with requirements and restrictions stated in the Master Resolution or the applicable supplement thereto.

Other Internally Managed Funds. For investments managed by the Student Management Investment Group or as approved for other purposes outside of the investment policy defined pools.

Set forth below is a description and fair value of investments by the internally managed pools or by the affiliated foundations, for the University System as of February 28, 2025.

Table A-7
Investments
(as of February 28, 2025)

Description	Percentage Allocation	Fair Value [1]
Short Term Pool with Bank Deposits	32.7%	$ 279,973,859
Long Term Pool	36.0%	462,988,951
Debt Proceeds	2.6%	33,320,999
Other Internally Managed Funds	0.3%	4,479,767
Endowments Managed by UNT Foundation	27.1%	349,534,404
HSC Endowments Managed by HSC Foundation	10.9%	140,158,473
HSC Malpractice Fund Managed by HSC Foundation	1.3%	17,139,386
Total	100.0%	$1,287,595,839

(1) 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.

Endowments.

Set forth below is the fair value of permanent endowments controlled by or benefiting the Board as of the end of fiscal years 2020 through 2024:

Table A-8
Permanent Endowments (Fair Value)[1]

	2020	2021	2022	2023	2024
Endowments at Fair Value	$270,077,018	$334,021,413	$296,657,332	$324,915,526	$376,630,256

(1) Includes the permanent endowments from UNT Foundation and HSC Foundation.

Debt Management.

Financial debt management of the Participants is delegated to the Deputy Chancellor for Finance and Operations and the Associate Vice Chancellor and Treasurer. Debt is issued pursuant to debt capacity analyses and annual funding requirements in accordance with the Capital Improvement Plan. Issuance of debt requires approval of the Board. As a general rule, the Participants issue debt on a project-by-project basis pursuant to the institution's master plan for facilities. Prior to the issuance of debt, a Participant must furnish the Board, for its review and approval, information describing the proposed project, and the need therefore, estimated costs of construction, financial analysis, and feasibility, if expected to generate sources of revenue for operation and maintenance, and status of student-approved fee increases if required to pay debt service or operation and maintenance expenses.

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Outstanding Indebtedness.

Following the delivery of the Bonds, the Board will have the following described indebtedness:

Parity Obligations - Revenue Financing System	
Revenue Financing System Refunding Bonds, Taxable Series 2015B	$ 32,825,000
Revenue Financing System Refunding and Improvement Bonds, Series 2017A	$ 119,690,000[(1)]
Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2017B	$ 89,850,000[(1)]
Revenue Financing System Refunding Bonds, Forward Delivery Series 2018	$ 4,630,000[(1)]
Revenue Financing System Refunding and Improvement Bonds, Series 2018A	$ 143,020,000
Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2018B	$ 2,580,000
Revenue Financing System Refunding Bonds, Series 2020A	$ 21,460,000[(1)]
Revenue Financing System Refunding Bonds, Taxable Series 2020B	$ 43,315,000
Revenue Financing System Refunding Bonds, Series 2022	$ 97,780,000
Revenue Financing System Refunding and Improvement Bonds, Series 2025A	$ 213,850,000[(1)]
Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2025B	$ 108,595,000[(1)]
Sub-total Fixed Rate Parity Obligations	$ 877,595,000
Series A Commercial Paper Notes	$ --[(2)]
Series B Commercial Paper Notes	$ 2,136,000[(3)]
Sub-total Commercial Paper Notes	$ 2,136,000
Grand Total of Parity Obligations	$ 879,731,000

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(1) All or a portion of these constitute Capital Construction Assistance Projects "CCAP" Bonds. The Fiscal Year 2025 appropriation to reimburse Revenue Financing System debt service is $52,876,432. Future reimbursement by the State Legislature in each subsequent State biennium is subject to appropriation of funds by the State for such purpose. See "Appendix A, DESCRIPTION OF THE PARTICIPANTS - Funding for the Participants - Capital Construction Assistance Projects (CCAPs and Appropriations)".

(2) The Board has authorization to issue Series A Commercial Paper Notes, as Parity Obligations, currently in the maximum amount of $75 million.

(3) The Board has authorization to issue Series B Commercial Paper Notes, as Parity Obligations, currently in the maximum amount of $75 million.

APPENDIX B

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT & INDEPENDENT AUDITOR'S REPORT OF THE UNIVERSITY OF NORTH TEXAS SYSTEM FOR THE YEAR ENDED AUGUST 31, 2024 INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS

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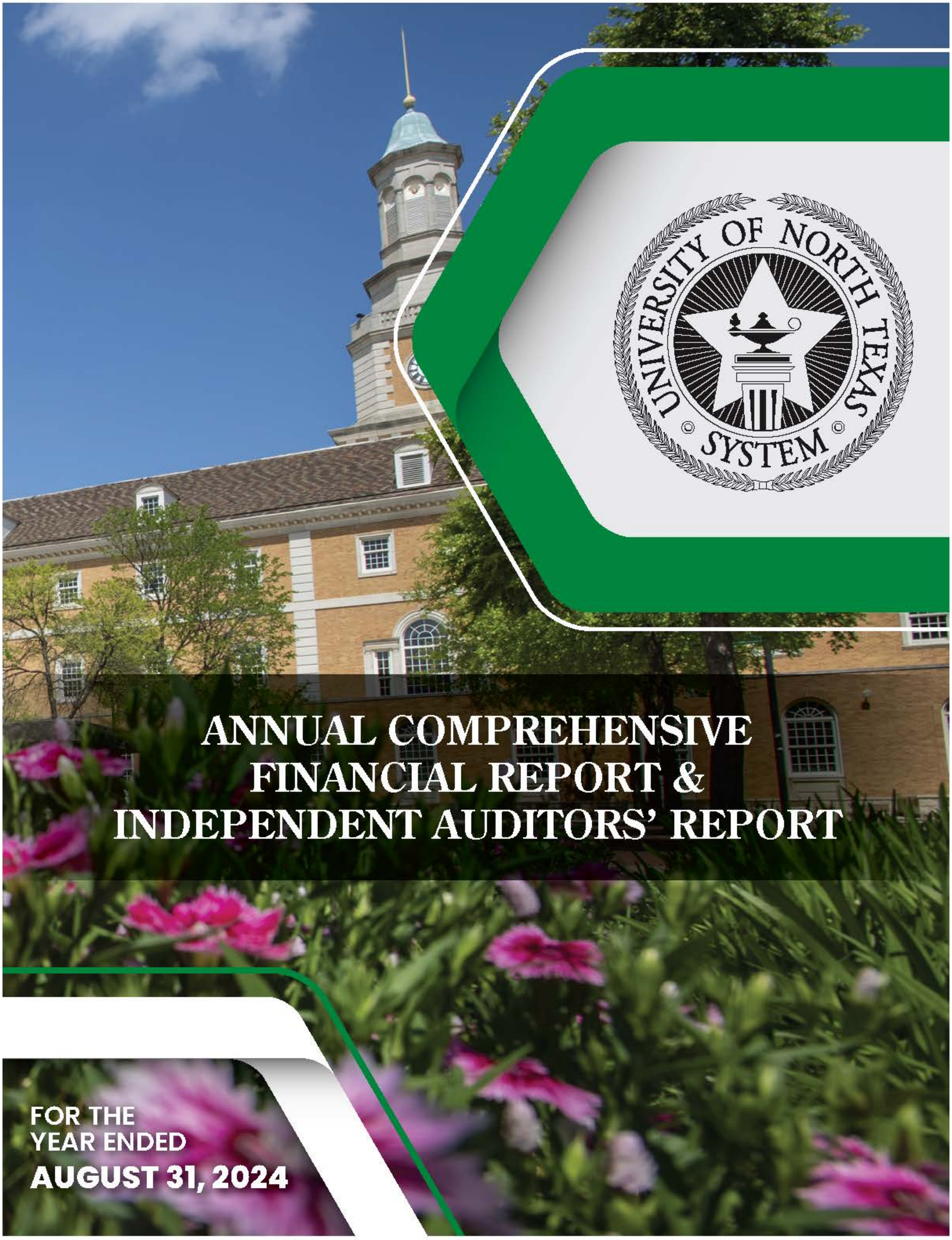

ANNUAL COMPREHENSIVE FINANCIAL REPORT & INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
AUGUST 31, 2024

UNIVERSITY OF NORTH TEXAS SYSTEM

ANNUAL COMPREHENSIVE FINANCIAL REPORT AND INDEPENDENT AUDITORS' REPORT

For the Fiscal Year Ended August 31, 2024

DALLAS, TEXAS

Dr. Michael R. Williams, Chancellor

UNT SYSTEM™

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UNIVERSITY OF NORTH TEXAS SYSTEM

ORGANIZATIONAL DATA

August 31, 2024

BOARD OF REGENTS

Melisa Denis	*(Term expires May 2025)*	Southlake
Daniel Feehan	*(Term expires May 2025)*	Fort Worth
John Scott, Jr., D.O.	*(Term expires May 2025)*	Keller
Ashok (A.K.) Mago	*(Term expires May 2027)*	Dallas
Lindy Rydman	*(Term expires May 2027)*	Houston
Laura Wright	*(Term expires May 2027)*	Dallas
Cathy Bryce	*(Term expires May 2029)*	Argyle
Carlos Munguia	*(Term expires May 2029)*	University Park
Terry West	*(Term expires May 2029)*	Lucas

STUDENT REGENT

Ethan Gillis	*(Term expires May 2025)*	Denton

OFFICERS OF THE BOARD

Laura Wright	Chair
Carlos Munguia	Vice Chair

ADMINISTRATIVE OFFICERS

Michael R. Williams	Chancellor
Susan Alanis	Deputy Chancellor

December 12, 2024

Laura Wright, Chair, UNT System Board of Regents
Dan Feehan, Finance Committee Chair, UNT System Board of Regents
Melisa Denis, Audit Committee Chair, UNT System Board of Regents
Board of Regent Members

University of North Texas System
1901 Main Street
Dallas, Texas 75201

Dear Chair Wright, Chair Feehan, Chair Denis, and Board of Regents,

We are pleased to submit the audited Annual Comprehensive Financial Report (ACFR) of the University of North Texas System (UNTS) for the fiscal year ended August 31, 2024. This report is in compliance with TEX. GOV'T CODE ANN 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts and Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

Responsibility for the accuracy of the data presented as well as the completeness and fairness of the presentation rests with the management and those charged with governance of each UNT System member institution. To the best of our knowledge, the information presented is accurate in all material respects, and all disclosures necessary for a reasonable understanding of the System's financial activities are included. The management's discussion and analysis in the financial section provides an overview of the System's financial activities reported in the comprehensive financial statements.

At the University of North Texas System, we embrace the future. Energized by possibilities not yet explored, we collaborate across institutions, disciplines, and industries – creatively implementing innovative solutions that elevate the North Texas region and entire state of Texas.

Positioned as the primary hub for higher education in the Dallas-Fort Worth region, the UNT System is elevating benchmarks for North Texas and beyond. Our focus is on generating opportunities and addressing workforce requirements through degree programs tailored to industry needs, innovative educational approaches, and pioneering research and discoveries.

The UNT System includes the University of North Texas in Denton, the University of North Texas Health Science Center at Fort Worth, and the University of North Texas at Dallas. Across the System, we have grown 11% over the last five years to serve over 52,000 students, and our flagship institution is now the largest and most comprehensive university in North Texas and the third largest in our state.

Under the leadership of Chancellor Michael R. Williams, momentum across the UNT System is stronger than ever and our institutions are synergized around a unified vision to deliver solutions for Texas – particularly through leveraging emerging technology, public-private partnerships, engaging community leaders and stakeholders, and above all, service to our students, faculty, and staff. Dedicated to innovative research that helps transform the world around us, UNT is an Emerging Research University and the highest-ranked Carnegie-classified Tier One research institution in the North Texas region.

With campuses in Dallas, Denton, Fort Worth, and Frisco, we are committed to our business community through trusted partnerships with the many globally recognized companies based in North Texas. As entrepreneurial-minded innovators, scholars, and solution-oriented problem-solvers, the UNT System is ready to help build the workforce Texas needs to meet the demands of our new economy.

Now more than ever, Texas needs institutions of higher education to develop and train its high-skilled workforce for a prosperous future, and the UNT System is committed to growing this educated workforce and creating economic opportunity for Texans and their families.

The preparation of the System's externally audited ACFR is overseen by the System Controller team but requires the collective efforts of financial personnel throughout each institution. Without all financial personnel and the hundreds of hours that were spent, this report would not be possible. We are committed to being good stewards of the resources entrusted to us by the State of Texas and by students and their families, and we hold ourselves accountable for the wise and appropriate use of those resources. This financial report serves as a testament to the work we have done to ensure that our stewardship, accountability, and financial viability are just as strong and as important to us as our academic services themselves.

Respectfully,

Susan Alanis

Susan Alanis
Deputy Chancellor, UNT System

cc: Dr. Michael R. Williams, Chancellor
Dr. Harrison Keller, President, UNT
Dr. Sylvia Trent-Adams, President, UNT Health Science Center
Dr. Warren von Eschenbach, Interim President, UNT Dallas
Clayton Gibson, Vice President for Finance and Administration & CFO, UNT
Kemptor Louis, CFO, UNT Health Science Center
April Barnes, CFO, UNT Dallas
Ninette Caruso, Chief Audit Executive, UNT System
Alan Stucky, Vice Chancellor and General Counsel, UNT System

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Independent Auditor's Report

Board of Regents
University of North Texas System
Denton, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, and the aggregate discretely presented component units of the University of North Texas System (System), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the System, as of August 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of University of North Texas Foundation, Inc. or University of North Texas Health Science Center Foundation (Foundations), which represent 100% of the assets and revenues of the aggregate discretely presented component units of the System as of August 31, 2024, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundations, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit 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 Audit of the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundations, the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matters

As discussed in Note 1, the financial statements of the System, an institution of higher education of the State of Texas, are intended to present the financial position, the changes in financial position and, where applicable, cash flows of the business-type activities and aggregate discretely presented component units of only 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 the changes in its financial position and where applicable its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As discussed in Note 11 to the financial statements, the beginning net position has been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

Report on Comparative Footnote Information

Other auditors have previously audited the 2023 financial statements of University of North Texas Foundation, Inc. and University of North Texas Health Science Center Foundation, Inc., and expressed unmodified audit opinions on those audited financial statements in their reports dated November 21, 2023 and December 6, 2023, respectively. In our opinion, based on our audit and the reports of other auditors, the comparative footnotes presented herein as of and for the year ended August 31, 2023, are consistent, in all material respects, with the audited financial statements from which they have been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards

Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the organizational data and letter of transmittal but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 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 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 System's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Fort Worth, Texas
December 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

of the

UNIVERSITY OF NORTH TEXAS SYSTEM

DALLAS, TEXAS

For the Fiscal Year Ended August 31, 2024

Introduction

The University of North Texas System (the "System") was established by the 76th Legislature with legislative funding provided for the fiscal year beginning September 1, 1999. The System is an agency of the State of Texas and is currently comprised of the University of North Texas System Administration ("System Administration"), established 1999, and three academic institutions funded by the Legislature: the University of North Texas ("UNT"), established 1890; the University of North Texas Health Science Center at Fort Worth ("HSC"), established 1970; and the University of North Texas at Dallas ("UNTD"), established 2010.

The System has a $1.5 billion annual consolidated budget and employs roughly 20,000 people at its various locations within the robust North Texas Region. In Fall 2023, over 52,000 students enrolled in undergraduate, graduate, and professional programs at System institutions. The System is governed by a nine-member Board of Regents appointed by the Governor of Texas and confirmed by the Texas State Senate. Three members are appointed every odd-numbered year for six-year terms. In addition, the Governor annually appoints a non-voting Student Regent for a one-year term.

Financial Highlights and Overview of Financial Statements

The objective of Management's Discussion and Analysis (the "MD&A") is to provide an overview of the financial position and activities of the System as of and for the year ended August 31, 2024, with selected comparative information as of and for the year ended August 31, 2023. The MD&A is prepared by management and should be read in conjunction with the accompanying financial statements and notes. The emphasis of discussion about these financial statements will focus on current year data. Unless otherwise indicated, years in the MD&A refer to the fiscal years ended August 31.

The System Annual Comprehensive Financial Report ("ACFR") includes three primary financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The financial statements of the System have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

In addition, the System ACFR contains the Statement of Financial Position and the Statement of Activities for the following discretely presented component units: the University of North Texas Foundation, Inc. ("UNT Foundation"); and the University of North Texas Health Science Center Foundation ("UNTHSC Foundation"). Each foundation is a separate nonprofit organization. The foundations are essential components of the UNT and HSC programs for university advancement and development of private sources of funding for capital acquisition, operations, endowments, and other purposes relating to the mission of each university. The financial statements of the foundations have been prepared in accordance with GAAP as prescribed by the Financial Accounting Standards Board ("FASB").

Financial Highlights

- Total assets and deferred outflows of resources of the System exceeded its total liabilities and deferred inflows of resources in 2024, resulting in a net position of $923.0 million. Unrestricted net position, which may be used to meet the System's future obligations, was $33.5 million, or 3.6% of total net position as of August 31, 2024.
- The System concluded the 2024 fiscal year with an increase in net position of $141.9 million, compared to an increase of $54.0 million in 2023. In 2024, there was a restatement of $12.9 million related to prior year adjustments for payroll transactions, capital assets, and an endowment. Per the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*, the restatement has been retroactively applied to 2023 within the MD&A. Operating revenues increased $14.3 million, or 1.6%, due primarily to an increase in research related grants and contracts of $10.1 million. Funds received for Pell grants increased $16.1 million. Investment income and gains in the fair market value of investments increased $55.1 million. UNT received its first $21.3 million distribution from the Texas University Fund ("TUF") to provide sustainable funding to support research, faculty, and students. In addition, $32.6 million of land was donated for the UNT Frisco campus.
- The System continues to make significant investments in capital additions, $179.5 million in 2024, consisting of numerous capital projects across all institutions to strategically benefit students, faculty, and staff. The System has committed $344.9 million to fund, with assistance from State supported debt financing and Higher Education Fund ("HEF") capital appropriations, future capital asset additions and improvements over the next several years. These

projects are currently in various stages of completion. The "Capital Asset and Debt Administration" section of the MD&A provides more details pertaining to these strategic investments.

Overview of Financial Statements

These statements are prepared applying the following principles and standards:

- Reporting is on the full accrual basis of accounting. All current year revenues and expenses are recognized when earned or incurred, regardless of when the cash is received or disbursed.
- Depreciation and amortization expense on capital assets is reported as an operating expense on the Statement of Revenues, Expenses, and Changes in Net Position. The historical cost of capital assets, net of accumulated depreciation and amortization, is reported on the Statement of Net Position.
- Revenues and expenses are categorized as operating or nonoperating. Revenues from state appropriations, gifts, and investment income are reported as nonoperating revenue in accordance with GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended.

Statement of Net Position

The Statement of Net Position presents the financial position of the System as of the end of the fiscal year. From the data presented, readers of this statement can determine the assets available to continue the operations of the System, and what the System owes to vendors, investors, and lending institutions. The Statement of Net Position provides a point-in-time view of the net position and availability of resources to cover the expenses of the System. The change in net position is one indicator of whether the financial condition has improved or worsened during the fiscal year when considered with other nonfinancial indicators, such as the enrollment levels and the condition of the facilities.

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the System as of the end of the fiscal year. The net position section of the statement is reported by three major categories:

- *Net Investment in Capital Assets* represents the System's equity in property, plant, equipment, leases, and subscription assets, net of accumulated depreciation and amortization, capital asset related bonds and other debt items.
- *Restricted Net Position* represents the amounts subject to constraints that are either externally imposed or imposed by law, with amounts that are permanently held for investment divided into two categories: Nonexpendable and Expendable.
- *Unrestricted Net Position* represents the amounts available for any other lawful purpose of the System.

The following table reflects the Condensed Comparative Statement of Net Position for the System as of August 31, 2024 and 2023:

Statement of Net Position
Table MDA 1
August 31, 2024 and 2023 (Amounts in Thousands)

	2024	2023 (As Restated)
Assets and Deferred Outflows of Resources		
Current Assets	$ 740,778	$ 731,477
Capital Assets, Net	1,493,591	1,436,114
Other Noncurrent Assets	718,887	618,946
Total Assets	$ 2,953,256	$ 2,786,537
Deferred Outflows of Resources	161,396	223,549
Total Assets and Deferred Outflows of Resources	**$ 3,114,652**	**$ 3,010,086**
Liabilities and Deferred Inflows of Resources		
Current Liabilities	$ 621,564	$ 608,008
Noncurrent Liabilities	1,378,957	1,404,753
Total Liabilities	$ 2,000,521	$ 2,012,761
Deferred Inflows of Resources	191,167	216,231
Total Liabilities and Deferred Inflows of Resources	**$ 2,191,688**	**$ 2,228,992**
Net Position		
Net Investment in Capital Assets	$ 674,631	$ 588,697
Restricted for:		
Funds Held as Permanent Investments:		
Nonexpendable	65,957	67,504
Expendable	56,759	44,147
Other Restricted	92,125	82,146
Total Restricted	$ 214,841	$ 193,797
Unrestricted	33,492	(1,400)
Total Net Position	**$ 922,964**	**$ 781,094**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 3,114,652**	**$ 3,010,086**

Total Assets and Deferred Outflows of Revenues

Current Assets

Current assets increased $9.3 million, or 1.3%, in 2024. The increase in current assets is primarily attributable to an increase in cash in state treasury and cash in transit/reimburse from treasury of $14.5 million due to TUF funds, increased statutory tuition revenue, and timing of reimbursements. There was also an increase in legislative appropriations of $5.2 million as a result of increased accruals on state funds for August payroll, offset by a decrease in accounts receivable of $9.6 million as a result of a change in the timing of fall 2024 tuition recorded in fiscal year 2025.

Noncurrent Assets

Noncurrent assets consist primarily of investments and capital assets, net of accumulated depreciation and amortization. In total, noncurrent assets increased $157.4 million, or 7.7%. The increase in noncurrent assets is primarily attributable to investment gains and capital assets. Investments increased $102.9 million, comprised of increase of $88.4 million in unrestricted investments and $14.4 million in restricted investments. For the fiscal year, the U.S. economy faced persistent inflation pressures and a cautious Federal Reserve, which held the federal funds rate between 5.25% and 5.5% to curb inflation despite slowing growth. This high-rate environment created volatility across asset classes, with equity markets adjusting valuations and bond yields remaining elevated, particularly for short-term treasuries. Economic growth slowed, impacted by restrained consumer spending and lower business investment, while the labor market maintained moderate job gains. Investors navigated these conditions carefully, balancing the risks of sustained high rates with signs of an eventual economic cooldown.

Capital assets increased $57.5 million due to an increase in non-depreciable capital and intangible assets of $84.4 million, offset by a decrease of $26.9 million in depreciable or amortizable assets net of accumulated depreciation. Major capital improvements included $22.0 million for the Dallas Science, Technology, Engineering, and Math ("STEM") Building, $5.1 million for the UNT Science and Research Building, $4.8 million for the UNT Integrated Student Services Center renovation, and $2.5 million for the HSC Everett Building second floor renovation. Other capital expenses include $27.9 million in equipment, vehicle, and library purchases. In addition, $51.5 million of non-depreciable construction in progress was placed into service in depreciable asset categories.

Deferred Outflows of Resources
Deferred outflows of resources decreased $62.2 million, or 27.8%, primarily attributable to a $74.2 million reduction related to other postemployment benefits ("OPEB"), offset by a $12.5 million increase related to pensions.

Total Liabilities and Deferred Inflows of Resources
Current Liabilities
Current liabilities increased $13.6 million, or 2.2%. The increase in current liabilities is primarily attributable to a $24.0 million increase in notes and loans payable as a result of issuing additional commercial paper in 2024. Payroll payable increased $7.3 million reflecting increased staffing required to meet rising enrollment. These increases were offset by a $12.0 million decrease in unearned revenue due to a change in tuition billing and a $4.6 million decrease in accounts payable due to decreased construction accruals.

Noncurrent Liabilities
Noncurrent liabilities consist primarily of the noncurrent portion of revenue bonds payable, net pension and OPEB liabilities, and employees' compensable leave liability. In total, noncurrent liabilities decreased $25.8 million, or 1.8%. The decrease in noncurrent liabilities is primarily attributable to $51.5 million reduction in Bonds Payable from scheduled 2024 debt service payments and premium amortization. Noncurrent OPEB liability decreased $18.9 million due to changes in actuarial assumptions. These decreases were offset by a $42.7 million increase in net pension liability due to negative performance of actuarial investment returns as compared to the expected rate of return for the measurement period ending August 31, 2023.

Deferred Inflows of Resources
Deferred inflows of resources decreased $25.1 million, or 11.6%. The decrease in deferred inflows of resources is primarily attributable to a $3.6 million decrease for lessor leases and a $21.6 million decrease related to the pension and OPEB plans, due to changes in proportionate share and contributions and changes in actuarial assumptions.

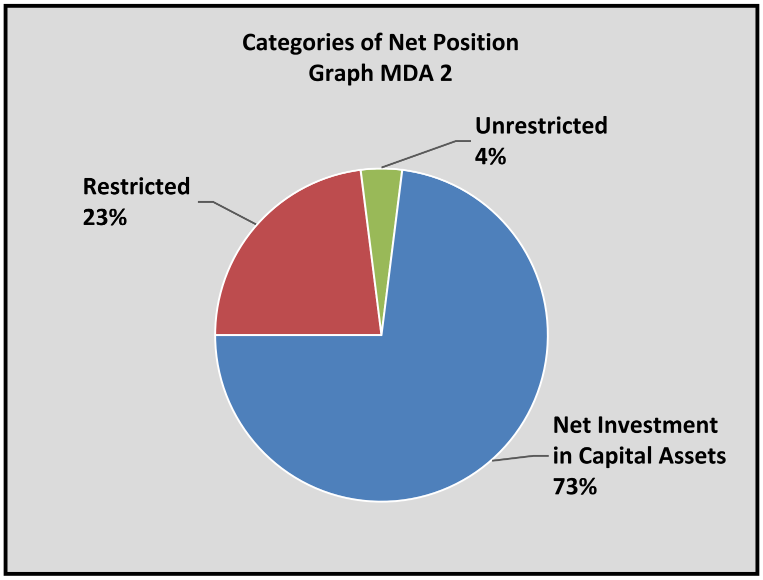
Total Net Position
Net Investment in Capital Assets
Net investment in capital assets increased $85.9 million, or 14.6%. The increase in net investment in capital assets is primarily attributable to the $51.5 million reduction in notes and bonds payable coupled with a $32.6 million increase from land donated for the UNT Frisco campus. Net investment in capital assets consists of the System's capital assets, right to use leases, and subscription leases, net of accumulated depreciation or amortization, and unspent bond proceeds reduced by outstanding balances for bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position
Restricted net position increased by $21.0 million, or 10.9%. The increase in restricted net position is primarily attributable to endowment activities. Restricted net position primarily consists of the System's permanent investments subject to restrictions externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position
Unrestricted net position increased by $34.9 million, or 2491.3%. The increase in unrestricted net position is primarily attributable to activities not reported in net investment in capital assets or restricted net position.

Total net position represents the residual interest in the System's total assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Total net position increased $141.9 million, or 18.2% (excluding restatement) in 2024.

The following chart reflects the total net position by major categories as of August 31, 2024:



Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the System's revenues earned and the expenses incurred during 2024, regardless of when cash is received or paid, and provides a period-of-time view of the activities that are reported as either operating or nonoperating. Generally, operating revenues are earned in exchange for providing goods and services. Operating expenses are incurred in the normal operations of the System, including a provision for depreciation and amortization on capital assets. Certain revenue sources the System relies on for operations include state appropriations, gifts, grants, and investment income which are required by GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended, to be classified as nonoperating revenues. Revenues are reported by major source, and expenses are reported on the face of the statement by functional (programmatic) categories as defined by the National Association of College and University Business Officers ("NACUBO").

The following table reflects the Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended August 31, 2024 and 2023:

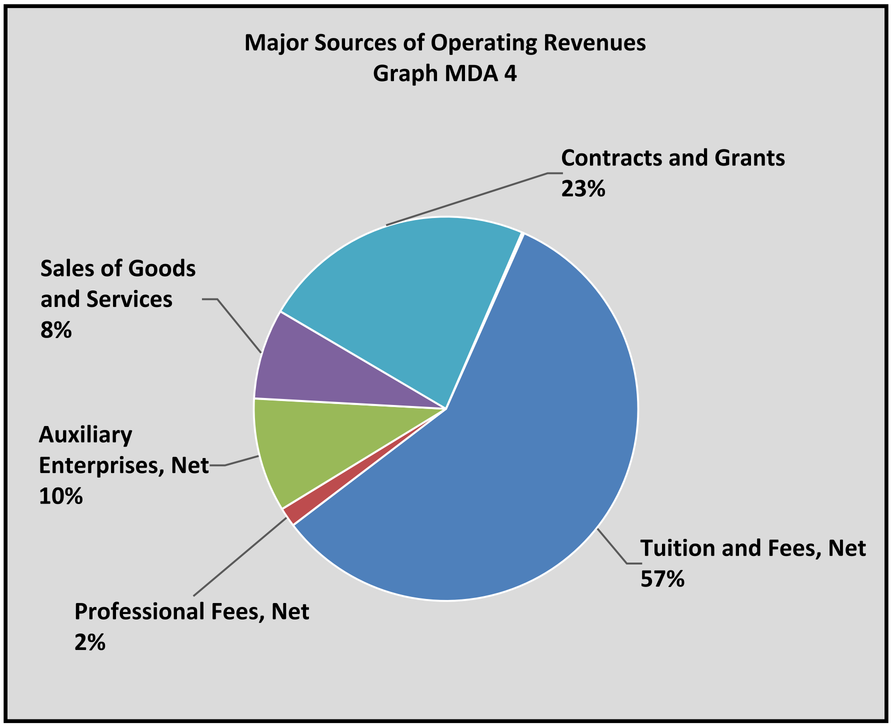
Statement of Revenues, Expenses and Changes in Net Position
Table MDA 3
For the Fiscal Years Ended August 31, 2024 and 2023 (Amounts in Thousands)

	2024	2023 (As Restated)
Operating Revenues		
Tuition and Fees, Net	$ 511,865	$ 509,757
Contracts and Grants	203,206	193,115
Other Operating Revenues	176,646	174,560
Total Operating Revenues	**$ 891,717**	**$ 877,432**
Operating Expenses	**$ 1,454,994**	**$ 1,374,160**
Operating Loss	**$ (563,277)**	**$ (496,728)**
Nonoperating Revenues (Expenses)		
Investment Income	$ 113,931	$ 58,875
Interest on Capital Asset Related Debt	(29,121)	(29,017)
Noncapital Grants and Contracts	101,005	87,251
Other Nonoperating Revenues and Expenses, net	387,411	357,196
Total Nonoperating Revenues (Expenses)	**$ 573,226**	**$ 474,305**
Capital Contributions, Endowments and Transfers		
Capital Contributions	$ 36,002	$ 11,317
Capital Appropriations	57,511	55,827
Contributions to Permanent and Term Endowments	2,153	3,129
Transfers	36,255	6,337
Other	-	(142)
Total Capital Contributions, Endowments and Transfers	**$ 131,921**	**$ 76,468**
Change in Net Position	**$ 141,870**	**$ 54,045**
Net Position, Beginning Balance	$ 781,094	$ 737,436
Restatements	-	(10,387)
Net Position, Beginning Balance, as Restated	$ 781,094	$ 727,049
Net Position, Ending Balance	**$ 922,964**	**$ 781,094**

Operating Revenues

Operating revenues totaled $891.7 million in 2024, an increase of $14.3 million, or 1.6%, over 2023. The System's primary sources of operating revenues are tuition and fees, and federal, state, local, and private grants. Net tuition and fees, representing 57.4% of operating revenues, are reflected in the financial statements with associated discounts and allowances shown separately. Net tuition and fees increased $2.1 million as a result of increased enrollment throughout the System. Federal, state, local, and private grants and contract revenues, represents 22.8% of operating revenues, and are primarily from governmental and private sources and are related to research programs that normally provide for the recovery of direct and indirect costs. Grant and contract related revenues increased by $10.1 million primarily as a result of increased research activities on all campuses. Auxiliary enterprise revenue increased $2.1 million from an increase in campus operations including housing, meal plans, and parking, spurred by enrollment growth.

The following chart reflects the operating revenues by major source for the fiscal year ended August 31, 2024:



Operating Expenses

Operating expenses totaled $1.5 billion in 2024, an increase of $80.8 million, or 5.9%, over 2023. The increase in operating expenses is primarily attributable to increased salaries and wages of $46.2 million and payroll related costs increased $5.3 million due to record enrollment and expanded campus operations. Professional fees and services increased $22.3 million primarily due to increased research services and foreign student recruitment. Scholarships increased $6.0 million as a result of increased federal Pell Grant awards in 2024. Repairs and maintenance decreased $8.1 million as a result of fewer maintenance projects in 2024.

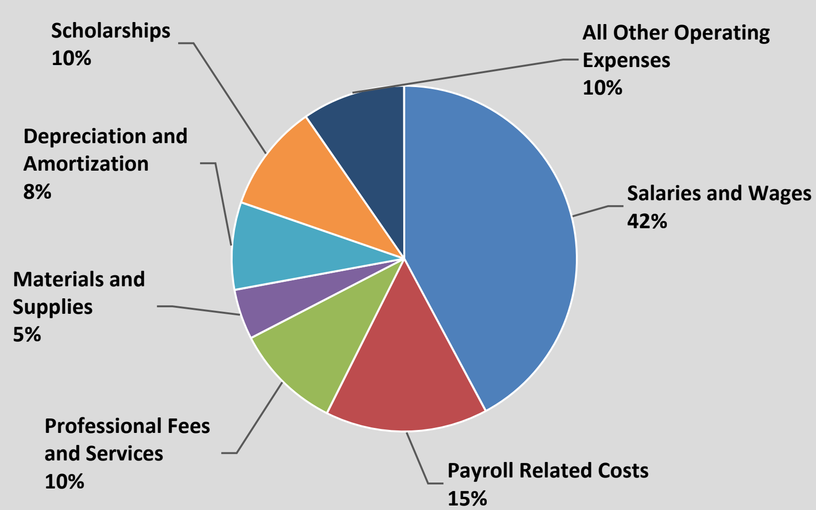
The following table reflects the operating expenses based on natural classification for the fiscal years ended August 31, 2024 and 2023:

Operating Expenses by Natural Classification
Table MDA 5
For the Fiscal Years Ended August 31, 2024 and 2023 (Amounts in Thousands)

	2024	2023 (As Restated)
Operating Expenses		
Cost of Goods Sold	$ 12,787	$ 12,220
Salaries and Wages	613,571	567,359
Payroll Related Costs	221,585	216,307
Professional Fees and Services	145,770	123,479
Federal Pass-Through Expenses	6,311	2,822
State Pass-Through Expenses	31	27
Travel	17,758	16,404
Materials and Supplies	68,360	70,460
Communications and Utilities	25,361	24,000
Repairs and Maintenance	28,666	36,750
Rentals and Leases	11,572	10,762
Printing and Reproduction	4,054	5,669
Depreciation and Amortization	118,960	111,141
Scholarships	146,371	140,404
Asset Retirement Obligation	128	124
Claims and Losses	545	597
Other Operating Expenses	33,164	35,635
Total Operating Expenses	**$ 1,454,994**	**$ 1,374,160**

The following chart reflects the percentage of operating expenses based on natural classification for the fiscal year ended August 31, 2024:

Operating Expenses by Natural Classification
Graph MDA 6



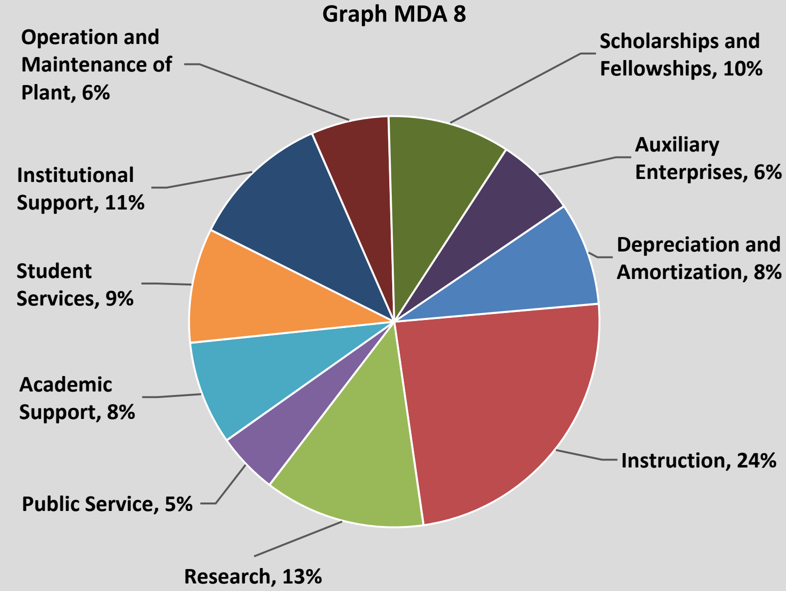
The following table reflects the operating expenses based on NACUBO functional (programmatic) classification for the fiscal years ended August 31, 2024 and 2023:

Operating Expenses by NACUBO Function
Table MDA 7
For the Fiscal Years Ended August 31, 2024 and 2023 (Amounts in Thousands)

	2024	2023 (As Restated)
Operating Expenses		
Instruction	$ 354,339	$ 346,616
Research	186,505	162,952
Public Service	70,642	66,409
Academic Support	119,759	109,924
Student Services	132,356	128,355
Institutional Support	162,401	156,487
Operation and Maintenance of Plant	90,102	77,950
Scholarships and Fellowships	141,648	136,004
Auxiliary Enterprises	78,282	78,322
Depreciation and Amortization	118,960	111,141
Total Operating Expenses	**$ 1,454,994**	**$ 1,374,160**

The following chart reflects the percentage of total operating expenses based on NACUBO functional (programmatic) classification for the fiscal year ended August 31, 2024:

Operating Expenses by NACUBO Function
Graph MDA 8



Nonoperating Revenues and Expenses

Certain significant recurring revenues and expenses are considered nonoperating. The System's primary nonoperating revenues come from state appropriations, federal Pell Grant revenue, gifts, and net increase in fair market value of investments. The System's primary nonoperating expenses are interest expense and fiscal charges, and other nonoperating expenses. Total nonoperating revenues and expenses increased $98.9 million, or 20.9%, over the prior year. The increase in nonoperating revenue and expenses is primarily attributable to a $55.1 million increase in investment income and change in fair value of investments due to market performance. Appropriations increased $62.0 million due to Capital Construction Assistance Project ("CCAP") funds appropriated for capital construction projects on all campuses, healthcare workforce readiness and optometry and nursing programs. Federal Pell Grant funding increased $16.1 million as a result of increased enrollment. These increases were offset by a decrease in other nonoperating revenue of $34.3 million primarily because CCAP funding was reported as appropriations in 2024 rather than nonoperating revenue in 2023.

Capital Contributions, Endowments and Transfers

Capital contributions, endowments and transfers, comprised of capital and endowment related additions and transfers, increased $55.5 million, or 72.5%, in 2024. The increase is due to a $24.7 million increase in capital contributions comprised primarily of $32.6 million in land deeded to UNT for phase two of the UNT Frisco campus. Legislative transfers increased $29.9 million as a result of the initial distribution of $21.3 million from the TUF and the remaining increase primarily comprised of additional Hazelwood funding.

Statement of Cash Flows

The Statement of Cash Flows presents the System's financial results by reporting the major sources and uses of cash and cash equivalents during 2024. The statement assists in evaluating the System's ability to generate net cash flows to meet its financial obligations as they come due and to determine its need for external financing.

The Statement of Cash Flows consists of the following four major activities:

- Cash flows from operating activities show the net cash used by the operating activities of the System.
- Cash flows from noncapital financing activities include proceeds from state appropriations, gifts, endowments, and those activities not covered in other sections.
- Cash flows from capital and related financing activities include capital assets and related debt activities.
- Cash flows from investing activities include purchasing investments, selling investments, and earning income on those investments.

In 2024, cash and cash equivalents increased $14.3 million. The increase in cash and cash equivalents is primarily attributable to an increase of $483.8 million provided by noncapital financing activities, which included cash inflows related to state appropriations and grant receipts offset by payments for legislative transfers and other uses. The System also had a $15.1 million increase in investing activities, which included cash inflows related to proceeds from the sale of investments offset by payments to acquire investments. The increase was offset by a $343.6 million decrease in operating activities, which included cash inflows from proceeds from tuition and fees and research grants and contracts, offset by payments to suppliers for goods and services, employees, and other expenses. In addition, there was a $141.0 million decrease in capital and related financing activities, which included cash inflows from state appropriations and debt issuance, offset by payments for additions to capital assets and principal on debt issuance.

The following table reflects the Condensed Statement of Cash Flows for the fiscal years ended August 31, 2024 and 2023:

Statement of Cash Flows
Table MDA 9
For the Fiscal Years Ended August 31, 2024 and 2023 (Amounts in Thousands)

	2024	2023 (As Restated)
Cash Flows from:		
Operating Activities	$ (343,621)	$ (266,787)
Noncapital Financing Activities	483,807	418,484
Capital and Related Financing Activities	(141,002)	(93,321)
Investing Activities	15,137	(45,636)
Net Increase in Cash and Cash Equivalents	**$ 14,321**	**$ 12,740**
Cash and Cash Equivalents, Beginning of Year	$ 323,587	$ 315,468
Restatements	-	(4,621)
Cash and Cash Equivalents, Beginning of Year, as Restated	$ 323,587	$ 310,847
Cash and Cash Equivalents, End of Year	**$ 337,908**	**$ 323,587**

Capital Asset and Debt Administration

Capital Asset

Investments in capital asset additions were $179.5 million in 2024. Major capital project activity included:

- Building Improvements (System Administration) – Dallas STEM Building
- Building Improvements (System Administration) – UNT Science and Research Building
- Building Improvements (HSC) – Everett Building Second Floor Renovation
- Building Improvements (UNT) – Integrated Student Service Center Renovation

The System has committed $344.9 million to capital asset additions and improvements that are currently in various stages of completion. These additions and improvements primarily consist of new buildings or renovations to existing buildings, including the UNT Science and Research building, the STEM building at UNT Dallas, campus space optimization at HSC, and the Integrated Student Service Center renovation at UNT. More detailed information regarding the System's capital additions and commitments is provided in Note 2, *Capital Assets*, and Note 12, *Contingencies and Commitments*, in the Notes to the Comprehensive Financial Statements.

Debt Administration

Revenue bonds payable represents the largest portion of the System's liabilities. Current and noncurrent revenue bonds payable decreased $53.7 million to a balance of $740.9 million in 2024. All bonds related to financing of current and prior years' construction needs reflect "Aa2" and "AA" credit ratings from two major bond rating agencies, Moody's and Fitch, respectively. More detailed information regarding the System's bonded indebtedness is provided in Note 5, *Long-Term Liabilities*, and Note 6, *Bonded Indebtedness*, in the accompanying Notes to the Comprehensive Financial Statements.

Economic Outlook

The System's primary sources of revenue are tuition and fees, legislative appropriations, and grants and contracts. Enrollment growth and program expansion contributed to a positive outlook for the System in 2024.

For fiscal year 2025, net tuition and fees revenues are budgeted at an increase of $3.4 million, or 0.7%, compared to 2024. This revenue increase represents the continued enrollment growth. Between Fall 2020 and Fall 2024, enrollment increased 11.2% system-wide.

UNT System institutions recently completed submissions of the Legislative Appropriations Requests in advance of the 89th Texas legislative session. The 88th Texas legislative session passed a budget that included a 21.5% increase for UNT System institutions compared to the previous biennium. This is in large part due to the creation of the TUF. TUF is a $3.9 billion endowment established by the Texas Legislature intended to support research activities at Texas universities. The increase also includes continued funding for specialized initiatives and unique programs recognized as deserving state support. These areas of excellence include the following non-formula support items; HSC Healthcare and Workforce Readiness Initiative ($10.0 million), HSC College of Nursing and Optometry ($12.5 million), and the UNTD Classroom to Career Initiative ($6.0 million). These programs have been supported with State funds to continue growth, educational excellence, and research capacity at System institutions. The System continues to maintain a 'stable' outlook from Moody's and Fitch for debt financing.

UNT is the third-largest university in Texas and the most comprehensive institution in the north Texas region. UNT enrolled 46,309 students in Fall 2024, an increase of 13.9% from Fall 2020. UNT is an Emerging Research University and the highest-ranked Carnegie-classified Tier One research institution in the north Texas region. Construction is underway on the Science and Technology Research building. It will meet critical space needs and allow UNT to meaningfully grow the research and teaching capabilities in areas including applied biosciences, biomedical engineering, physics, and chemistry. The Center for Agile and Adaptive Additive Manufacturing is helping UNT become a state and national leader in advanced manufacturing research, and is attracting important federal and industry funding. Capitalizing on this success, UNT recently launched a new interdisciplinary research initiative around autonomous mobility systems and logistics, which will play an important role in advancing and improving the future of our State's supply chain.

HSC had enrollment in Fall 2024 of 2,334, a 2.7% increase from 2023. HSC has continuously endeavored to strengthen and grow its prominent academic reputation. HSC continues to expand its most recent initiatives, including the new College of Nursing and Optometry, and Healthcare and Workforce Readiness Initiative. The College of Nursing was established in 2023 to help address the statewide nursing shortage across the nation. HSC is expanding pipelines of critical frontline health professions, deploying alternative micro-credentials to strengthen the existing health workforce and partner to innovative entrepreneurial care models through the Healthcare and Workforce Readiness Initiative.

UNTD had enrollment in Fall 2024 of 3,774 students. UNTD is the only public four-year university in Dallas, with a mission to empower students, transform lives, and strengthen communities. The Classroom to Career Initiative is allowing UNTD to address learning loss and creating college ready students through an academic bridge program and increase competitive credential programs that prepare students to enter the workforce into successful careers. The STEM building construction is underway, expected to open in Spring 2026. This facility will train students and help meet the region's healthcare workforce requirements.

COMPREHENSIVE

FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS SYSTEM

DALLAS, TEXAS

For the Fiscal Year Ended August 31, 2024

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Net Position

August 31, 2024

		August 31, 2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash on Hand	$	122,640.09
Cash in Bank		12,476,993.06
Cash in Transit/Reimburse from Treasury		4,970,781.43
Cash in State Treasury		45,551,994.44
Cash Equivalents		236,678,791.72
Restricted Cash and Cash Equivalents:		
Cash in Bank		380,249.96
Cash Equivalents		37,726,637.10
Legislative Appropriations		154,742,311.70
Receivables From:		
Accounts		107,599,712.71
Federal		36,703,361.60
Other Intergovernmental		2,011,643.46
Clinical Practice		3,627,172.98
Gifts, Pledges and Donations		1,065,795.13
Interest and Dividends		4,563,655.11
Leases		2,837,621.44
Public-Private Partnerships		299,367.82
Other		3,595,879.12
Due from Other Agencies		2,963,324.73
Consumable Inventories		1,037,673.14
Merchandise Inventories		1,989,673.06
Prepaid Items		74,635,907.36
Loans and Contracts		5,113,941.37
Other Current Assets		83,310.69
Total Current Assets	**$**	**740,778,439.22**
Noncurrent Assets:		
Restricted Investments	$	115,122,534.48
Loans and Contracts		1,432,400.46
Investments		586,969,729.32
Gifts, Pledges and Donations		4,113,140.32
Leases Receivable		11,249,254.91
Capital Assets:		
Non-Depreciable or Non-Amortizable		296,588,777.45
Depreciable or Amortizable, Net		1,197,002,063.10
Total Noncurrent Assets	**$**	**2,212,477,900.04**
Total Assets	**$**	**2,953,256,339.26**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	$	161,395,217.32
Total Deferred Outflows of Resources	**$**	**161,395,217.32**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$**	**3,114,651,556.58**

Concluded on the following page

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Net Position (concluded)

August 31, 2024

		August 31, 2024
LIABILITIES		
Current Liabilities:		
Payables From:		
Accounts	$	54,135,293.57
Payroll		61,359,733.46
Other		4,994,890.10
Interest		12,075,954.68
Due to Other Agencies		2,411,976.18
Unearned Revenue		314,843,337.23
Notes and Loans Payable		83,968,000.00
Revenue Bonds Payable		51,522,104.95
Claims and Judgments		390,751.00
Employees' Compensable Leave		4,734,396.84
Lease Obligations		1,784,913.40
Subscription Obligations		6,892,287.87
Net OPEB Liability		17,988,138.00
Funds Held for Others		4,462,681.60
Total Current Liabilities	**$**	**621,564,458.88**
Noncurrent Liabilities:		
Revenue Bonds Payable	$	689,397,218.77
Claims and Judgments		1,312,616.00
Employees' Compensable Leave		26,203,523.97
Lease Obligations		3,534,478.57
Subscription Obligations		8,562,439.74
Asset Retirement Obligation		3,009,375.00
Net Pension Liability		236,226,885.00
Net OPEB Liability		408,939,851.00
Other Noncurrent Liabilities		1,770,456.71
Total Noncurrent Liabilities	**$**	**1,378,956,844.76**
Total Liabilities	**$**	**2,000,521,303.64**
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	$	191,166,700.44
Total Deferred Inflows of Resources	**$**	**191,166,700.44**
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$**	**2,191,688,004.08**
NET POSITION		
Net Investment in Capital Assets	$	674,631,386.63
Restricted For:		
Funds Held as Permanent Investments:		
Nonexpendable		65,957,271.32
Expendable		56,758,515.71
Other Restricted		92,124,537.48
Unrestricted		33,491,841.36
Total Net Position	**$**	**922,963,552.50**

See Accompanying Notes to the Annual Comprehensive Financial Statements.

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

Statement of Financial Position

As of August 31, 2024

		August 31, 2024
ASSETS		
Cash and Cash Equivalents	$	21,095,297
Investments		336,089,241
Contributions and Other Receivables, Net		6,365,008
Real Property		12,860
Other Assets		698
Cash Value of Life Insurance Policies		898,002
Assets Held Under Split-Interest Agreements		5,672,600
Total ASSETS	**$**	**370,133,706**
LIABILITIES		
Accounts Payable and Accrued Expenses	$	153,611
Agency Funds		406,976
Liabilities Under Split-Interest Agreements		2,956,359
Assets Held for Others		90,772,260
Total LIABILITIES	**$**	**94,289,206**
NET ASSETS		
Without Donor Restrictions:		
Undesignated	$	2,396,196
Board Designated Endowments		1,234,001
Board Designated for Reserves		6,559,995
Total Without Donor Restrictions	**$**	**10,190,192**
With Donor Restrictions:		
Purpose Restrictions	$	6,660,289
Perpetual in Nature		258,994,019
Total With Donor Restrictions	**$**	**265,654,308**
Total NET ASSETS	**$**	**275,844,500**
Total LIABILITIES & NET ASSETS	**$**	**370,133,706**

See Accompanying Notes to the Financial Statements.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER FOUNDATION

Statement of Financial Position

August 31, 2024

		August 31, 2024
ASSETS		
Cash	$	1,092,005
Investments, including $122,802,056 held on behalf of others		156,488,311
Pledges Receivable, Net		275,248
Other Receivables		138,724
Prepaid Expenses		196,919
Total ASSETS	**$**	**158,191,207**
LIABILITIES		
Accrued Expenses	$	168,236
Due to Related Party		122,802,056
Deferred Revenue		15,000
Total LIABILITIES	**$**	**122,985,292**
NET ASSETS		
Net Assets without Donor Restrictions	$	2,376,818
Net Assets with Donor Restrictions		32,829,097
Total NET ASSETS	**$**	**35,205,915**
Total LIABILITIES & NET ASSETS	**$**	**158,191,207**

See Accompanying Notes to the Financial Statements.

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended August 31, 2024

		August 31, 2024
OPERATING REVENUES		
Tuition and Fees	$	670,202,695.34
Discounts and Allowances		(158,337,750.97)
Professional Fees		29,073,197.15
Discounts and Allowances		(14,739,662.59)
Auxiliary Enterprises		93,796,429.81
Discounts and Allowances		(124,765.39)
Sales of Goods and Services		67,120,067.15
Federal Grant Revenue		143,365,342.68
Federal Pass-Through Revenue		7,481,436.85
State Grant Revenue		3,315,837.15
State Grant Pass-Through Revenue		37,878,145.27
Other Contracts and Grants		11,165,092.87
Other Operating Revenues		1,520,993.99
Total Operating Revenues	**$**	**891,717,059.31**
OPERATING EXPENSES [(1)]		
Instruction	$	354,339,071.55
Research		186,505,034.54
Public Service		70,641,668.78
Academic Support		119,759,176.72
Student Services		132,355,927.85
Institutional Support		162,400,736.46
Operation and Maintenance of Plant		90,101,559.82
Scholarships and Fellowships		141,647,853.82
Auxiliary Enterprises		78,282,496.09
Depreciation and Amortization		118,960,131.98
Total Operating Expenses	**$**	**1,454,993,657.61**
Operating Loss	**$**	**(563,276,598.30)**
NONOPERATING REVENUES (EXPENSES)		
Legislative Appropriations (GR)	$	305,304,822.00
Additional Appropriations (GR)		60,188,304.77
Federal Revenue		101,005,221.52
Gifts		21,422,169.71
Investment Income		25,807,769.57
Interest Expense and Fiscal Charges		(29,120,933.24)
Gain on Sale of Capital Assets		1,140,213.54
Gain on Other Financial Activity		16,803.75
Net Increase in Fair Value of Investments		88,122,849.61
Other Nonoperating Revenues		1,690,040.72
Other Nonoperating Expenses		(2,351,751.81)
Total Nonoperating Revenues (Expenses)	**$**	**573,225,510.14**
Gain Before Capital Contributions, Endowments and Transfers	**$**	**9,948,911.84**

Concluded on the following page

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Revenues, Expenses and Changes in Net Position (concluded)

For the Fiscal Year Ended August 31, 2024

		August 31, 2024
CAPITAL CONTRIBUTIONS, ENDOWMENTS AND TRANSFERS		
Capital Contributions	$	36,001,848.73
Capital Appropriations (HEF)		57,510,785.00
Contributions To Permanent and Term Endowments		2,153,327.11
Interagency Transfers of Capital Assets (Decrease)		(8,490.47)
Transfers From Other State Agencies		707,440.81
Transfers To Other State Agencies		(644.54)
Legislative Transfers In		35,556,639.15
Total Capital Contributions, Endowments and Transfers	**$**	**131,920,905.79**
CHANGE IN NET POSITION	**$**	**141,869,817.63**
Net Position, September 1, 2023	$	794,036,464.42
Restatements		(12,942,729.55)
Net Position, September 1, 2023, as Restated	**$**	**781,093,734.87**
NET POSITION, AUGUST 31, 2024	**$**	**922,963,552.50**

[1] See Matrix of Operating Expenses Reported by Function.

See Accompanying Notes to the Annual Comprehensive Financial Statements.

UNIVERSITY OF NORTH TEXAS SYSTEM
Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2024

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	$ 555.77	$ -	$ 22,573.00	$ 15,191.70	$ 186,199.30
Salaries and Wages	228,212,390.86	83,846,812.29	21,799,625.29	64,683,545.49	72,975,442.45
Payroll Related Costs	95,081,942.22	18,587,614.26	7,792,792.95	20,745,595.17	23,213,706.49
Professional Fees and Services	9,420,700.27	50,918,244.20	32,798,697.00	8,220,827.89	10,020,141.61
Federal Pass-Through Expenses	10,555.76	6,139,817.71	160,148.89	-	-
State Pass-Through Expenses	-	30,829.04	-	-	-
Travel	3,138,125.77	2,879,196.27	701,389.98	3,307,167.01	6,605,522.31
Materials and Supplies	8,788,335.88	13,532,089.18	4,373,803.39	14,856,978.64	5,659,110.65
Communications and Utilities	1,293,844.06	22,581.55	3,246.23	192,836.35	833,534.11
Repairs and Maintenance	760,003.07	1,500,654.83	630,029.02	1,309,269.31	2,139,834.73
Rentals and Leases	781,662.94	380,287.78	424,497.09	2,502,846.79	2,442,908.09
Printing and Reproduction	508,768.29	371,842.20	106,351.90	742,715.67	1,598,649.77
Depreciation and Amortization	-	-	-	-	-
Scholarships	856,953.67	3,877,773.27	397,846.38	-	-
Asset Retirement Obligation	-	-	-	-	-
Claims and Losses	501,592.00	-	-	-	-
Other Operating Expenses	4,983,640.99	4,417,291.96	1,430,667.66	3,182,202.70	6,680,878.34
Total Operating Expenses	**$ 354,339,071.55**	**$ 186,505,034.54**	**$ 70,641,668.78**	**$ 119,759,176.72**	**$ 132,355,927.85**

Concluded on the following page

UNIVERSITY OF NORTH TEXAS SYSTEM

Matrix of Operating Expenses Reported by Function (concluded)

For the Fiscal Year Ended August 31, 2024

Operating Expenses	Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenditures
Cost of Goods Sold	$ 1,679,834.19	$ 30,094.87	$ -	$ 10,852,548.83	$ -	$ 12,786,997.66
Salaries and Wages	82,689,440.03	27,541,463.03	402,598.27	31,420,095.40	-	613,571,413.11
Payroll Related Costs	33,484,599.75	10,754,885.90	5,053.67	11,918,288.22	-	221,584,478.63
Professional Fees and Services	22,509,783.21	9,062,865.38	1,750.00	2,817,444.02	-	145,770,453.58
Federal Pass-Through Expenses	-	-	-	-	-	6,310,522.36
State Pass-Through Expenses	-	-	-	-	-	30,829.04
Travel	671,578.30	92,614.18	-	362,600.06	-	17,758,193.88
Materials and Supplies	3,226,694.93	11,741,438.37	-	6,181,074.07	-	68,359,525.11
Communications and Utilities	2,101,429.32	17,345,084.21	-	3,567,951.37	-	25,360,507.20
Repairs and Maintenance	4,961,077.92	11,756,891.90	-	5,608,658.60	-	28,666,419.38
Rentals and Leases	3,757,842.14	338,068.47	-	943,967.08	-	11,572,080.38
Printing and Reproduction	336,626.80	62,961.26	-	326,212.09	-	4,054,127.98
Depreciation and Amortization	-	-	-	-	118,960,131.98	118,960,131.98
Scholarships	-	-	141,238,451.88	-	-	146,371,025.20
Asset Retirement Obligation	-	127,699.62	-	-	-	127,699.62
Claims and Losses	30,230.00	13,333.34	-	-	-	545,155.34
Other Operating Expenses	6,951,599.87	1,234,159.29	-	4,283,656.35	-	33,164,097.16
Total Operating Expenses	**$ 162,400,736.46**	**$ 90,101,559.82**	**$ 141,647,853.82**	**$ 78,282,496.09**	**$ 118,960,131.98**	**$1,454,993,657.61**

UNIVERSITY OF NORTH TEXAS FOUNDATION, INC.

Statement Of Activities

For the Fiscal Year Ended August 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Gifts	$ 55,922	$ 12,366,781	$ 12,422,703
Grant Revenue	-	1,526,528	1,526,528
Net Investment Return	492,117	32,445,494	32,937,611
Other Income	-	1,308	1,308
Change in Value of Split-Interest Agreements	-	589,700	589,700
Gains/Income From Life Insurance Policies	-	21,039	21,039
Asset Management Fee Income	2,998,670	-	2,998,670
Release of Donor Restrictions	12,590,161	(12,590,161)	-
Transfers/Changes in Donor Restrictions	(21,100)	21,100	-
Total REVENUES, GAINS AND OTHER SUPPORT	**$ 16,115,770**	**$ 34,381,789**	**$ 50,497,559**
EXPENSES:			
PROGRAM SERVICES:			
Support of UNT:			
Distributions to UNT	$ 3,919,983	$ -	$ 3,919,983
Scholarships and Awards	3,665,977	-	3,665,977
Grant Support to UNT	1,526,528	-	1,526,528
Board Designated Grants to University	208,982	-	208,982
Services/Expenses for Programs	1,310,001	-	1,310,001
Internal Management Fees	2,182,890	-	2,182,890
Other Support Provided	10,430	-	10,430
Distributions to Other Institutions	16,000	-	16,000
Total PROGRAM SERVICES	**$ 12,840,791**	**$ -**	**$ 12,840,791**
MANAGEMENT AND GENERAL EXPENSES:			
Salaries and Benefits	$ 1,249,701	$ -	$ 1,249,701
Administrative Expenses	32,185	-	32,185
Professional Development and Travel	48,679	-	48,679
Consulting Services	28,715	-	28,715
Professional Fees	34,350	-	34,350
Office, Computer Equipment and Software	26,078	-	26,078
Bank Charges and Credit Card Discount	23,506	-	23,506
Insurance	29,517	-	29,517
Strategic Planning	22,500	-	22,500
Total MANAGEMENT AND GENERAL EXPENSES	**$ 1,495,231**	**$ -**	**$ 1,495,231**
Total EXPENSES	**$ 14,336,022**	**$ -**	**$ 14,336,022**
CHANGE IN NET ASSETS	**$ 1,779,748**	**$ 34,381,789**	**$ 36,161,537**
Net Assets, Beginning of Year	$ 8,410,444	$ 231,272,519	$ 239,682,963
NET ASSETS, END OF YEAR	**$ 10,190,192**	**$ 265,654,308**	**$ 275,844,500**

See Accompanying Notes to the Financial Statements.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER FOUNDATION

Statement of Activities

For the Fiscal Year Ended August 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ -	$ 1,293,306	$ 1,293,306
Contributions of Nonfinancial Assets	-	12,160	12,160
Special Events	-	112,980	112,980
Management Fees	248,481	-	248,481
Realized Gain on Investments	-	462,065	462,065
Unrealized Gain on Investments	-	3,829,068	3,829,068
Investment Income (Loss), Net of Direct Expenses	(74,944)	667,689	592,745
Other Income	12,161	-	12,161
Releases from Restriction	1,676,963	(1,676,963)	-
Total SUPPORT AND REVENUE	**$ 1,862,661**	**$ 4,700,305**	**$ 6,562,966**
EXPENSES			
Program Expenses			
Gifts and Scholarships	$ 1,609,296	$ -	$ 1,609,296
Supporting Services			
Management and General			
Professional Fees	573,598	-	573,598
Meals and Entertainment	23,353	-	23,353
Other Expenses	3,590	-	3,590
Bad Debt Expenses	10,720	-	10,720
Fundraising Expenses	114,680	-	114,680
Total EXPENSES	**$ 2,335,237**	**$ -**	**$ 2,335,237**
CHANGE IN NET ASSETS	**$ (472,576)**	**$ 4,700,305**	**$ 4,227,729**
Net Assets, Beginning of Year	$ 2,849,394	$ 28,128,792	$ 30,978,186
NET ASSETS, END OF YEAR	**$ 2,376,818**	**$ 32,829,097**	**$ 35,205,915**

See Accompanying Notes to the Financial Statements.

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2024

		August 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from Customers	$	81,083,358.83
Proceeds from Tuition and Fees		513,069,585.10
Proceeds from Research Grants and Contracts		200,200,375.50
Proceeds from Loan Programs		525,590.26
Proceeds from Auxiliaries		93,671,664.42
Proceeds from Other Operating Revenues		868,514.21
Payments to Suppliers for Goods and Services		(329,273,432.05)
Payments to Employees		(721,836,612.15)
Payments for Loans Provided		(5,798.52)
Payments for Other Operating Expenses		(181,924,365.14)
Net Cash Used by Operating Activities	$	(343,621,119.54)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from State Appropriations	$	321,015,226.19
Proceeds from Gifts		21,922,398.58
Proceeds from Endowments		2,153,327.11
Proceeds from Transfers from Other Agencies		707,440.81
Proceeds from Legislative Transfers		35,556,639.15
Proceeds from Grant Receipts		101,005,221.52
Proceeds from Other Noncapital Financing Activities		1,665,267.72
Payments for Transfers to Other Agencies		(644.54)
Payments for Other Noncapital Financing Uses		(218,000.39)
Net Cash Provided by Noncapital Financing Activities	$	483,806,876.15
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Sale of Capital Assets	$	147,370.60
Proceeds from State Appropriations		57,510,785.00
Proceeds from Debt Issuance		49,886,000.00
Payments for Additions to Capital Assets		(128,303,098.85)
Payments for Right to Use Leases/SBITA		(11,568,203.97)
Payments of Principal on Debt Issuance		(73,588,000.00)
Payments of Other Costs on Debt Issuance		(13,277.57)
Payments of Interest on Debt Issuance		(35,073,605.13)
Net Cash Used by Capital and Related Financing Activities	$	(141,002,029.92)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	$	1,472,410,061.84
Proceeds from Interest and Investment Income		24,845,633.96
Payments to Acquire Investments		(1,482,118,575.43)
Net Cash Provided by Investing Activities	$	15,137,120.37
Net Increase in Cash and Cash Equivalents	$	14,320,847.06
Cash and Cash Equivalents, September 1, 2023	$	328,208,209.42
Restatements		(4,620,968.68)
Cash and Cash Equivalents, September 1, 2023, as Restated	$	323,587,240.74
Cash and Cash Equivalents, August 31, 2024	$	337,908,087.80
Cash and Cash Equivalents	$	299,801,200.74
Restricted Cash and Cash Equivalents		38,106,887.06
Cash and Cash Equivalents, August 31, 2024	$	337,908,087.80

Concluded on the following page

UNIVERSITY OF NORTH TEXAS SYSTEM

Statement of Cash Flows (concluded)

For the Fiscal Year Ended August 31, 2024

		August 31, 2024
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$	(563,276,598.30)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	$	118,960,131.98
Pension Expense		41,296,821.00
OPEB Expense		46,496,818.00
Asset Retirement Obligation Expense		127,699.62
Cash Flow Classification Differences from GASB Statement No. 87		306,915.93
Employee Benefits Paid by State		39,321,517.45
Changes in Assets and Liabilities:		
Decrease in Receivables		8,909,459.79
Increase in Inventories		(19,190.50)
Increase in Prepaid Expenses		(3,055,787.41)
Decrease in Loans and Contracts		519,791.74
Decrease in Other Assets		44,477.56
Increase in Deferred Outflows of Resources - Pension		(12,535,456.00)
Decrease in Deferred Outflows of Resources - OPEB		74,228,296.00
Increase in Payables		840,179.65
Decrease in Unearned Revenue		(12,039,936.97)
Increase in Employees' Compensable Leave		1,777,781.06
Increase in Liabilities to Employees for Defined Benefit Pensions		1,415,831.00
Decrease in Liabilities to Employees for Defined Benefit OPEB		(64,367,849.00)
Decrease in Other Liabilities		(931,982.14)
Decrease in Deferred Inflows of Resources - Pension		(7,026,459.00)
Decrease in Deferred Inflows of Resources - OPEB		(14,613,581.00)
Total Adjustments	$	219,655,478.76
Net Cash Used by Operating Activities	$	(343,621,119.54)
NONCASH TRANSACTIONS		
Net Change in Fair Value of Investments	$	88,122,849.61
Donation of Capital Assets		36,001,848.73
Borrowing Under Lease Purchase		11,802,744.50
Gain on Sale of Capital Assets		1,140,213.54
Amortization of Bond Premiums		6,043,600.70
Amortization of Deferred Inflows/Outflows from Refunding Bonds		(303,002.59)
Capital Assets Acquired with Payables		10,361,922.36
Interagency Transfer of Capital Assets		(8,490.47)
Deferred Inflows of Resources (ARO, Leases, SBITA, P3)		(3,267,099.47)

See Accompanying Notes to the Comprehensive Financial Statements

NOTES TO THE

COMPREHENSIVE FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS SYSTEM

DALLAS, TEXAS

For the Fiscal Year Ended August 31, 2024

Note 1: Summary of Significant Accounting Policies

Introduction

The University of North Texas System (the “System”) is an agency of the State of Texas (the “State”) and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts’ Reporting Requirements for Annual Financial Reports of State Agencies and Universities and with Generally Accepted Accounting Principles (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”).

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

The System is composed of the System Administration and three academic institutions as follows: The University of North Texas (“UNT”), the University of North Texas Health Science Center at Fort Worth (“HSC”), and the University of North Texas at Dallas (“UNTD”). The System is governed by a nine-member Board of Regents appointed by the Governor of Texas and confirmed by the Texas State Senate. Three members are appointed every odd-numbered year for six-year terms. In addition, the Governor appoints a nonvoting student Regent for a one-year term. The System has two discrete component units. Information on the component units can be found in Note 15, *Financial Reporting Entity*.

Basis of Accounting

The comprehensive financial statements of the System have been prepared using the economic resources measurement focus and the full accrual basis of accounting. The System reports as a business-type activity, as defined by the GASB. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Under the full accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* as amended. The Statement of Revenues, Expenses and Changes in Net Position is segregated into operating and nonoperating sections. Operating activities consist of transactions that are the direct result of providing goods and services to customers or directly related to the System’s principal ongoing operations.

The System follows the requirements and guidelines provided in GASB pronouncements. Standards newly effective for fiscal year 2024 are listed below:

GASB Statement No. 99, *Omnibus 2022* (partial implementation), provides updates to financial guarantees and derivative classification and reporting.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement addresses display of accounting changes and error corrections in the financial statements, disclosures in the notes to the financial statements, and presentation in required supplementary information and supplementary information.

GASB Statement No. 99 and GASB Statement No. 100 have minimal impact to the System Annual Comprehensive Financial Report (“ACFR”).

Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

Assets

Assets relate to cash and cash equivalents, legislative appropriations, accounts and other receivables, prepaid items, loans and contracts, investments and capital and intangible assets.

Cash and Cash Equivalents
Short-term highly liquid investments that are both readily convertible to known amounts of cash and having an original maturity of three months or less are considered 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 long-term investment pool 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 is considered cash and cash equivalents. Restricted cash and cash equivalents include 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 investment accounts to be disbursed to its institutions to support capital projects.

Legislative Appropriations
The appropriation of revenues by the Texas Legislature (the "Legislature") is in the form of general revenue held in the state treasury until spent. When the Legislature meets during the odd-numbered years, they approve a two-year (biennial) budget for all State agencies. The general revenue appropriation to the System supports the instruction, research and operation of the System. Appropriations also include payments made by the State on behalf of the System for benefits related to salaries funded by state appropriations. There is no assurance that the Legislature will continue its state appropriations to the System in future years; however, the System expects that the Legislature will continue to do so. Higher Education Funds ("HEF") are general revenue appropriations received from the State designated for the acquisition of certain capital assets and capital projects. The unexpended HEF balance was approximately $115.7 million at August 31, 2024.

Accounts and Other Receivables
Accounts receivable mainly consists of tuition and fee charges to students. Accounts receivable is shown net of an allowance for doubtful accounts. The allowance for doubtful accounts on student receivables was approximately $63.5 million at August 31, 2024. The allowance for doubtful accounts on other receivables was approximately $5.3 million at August 31, 2024. The System has a policy of reserving for account receivables based on collections history over the previous five years. Any amount outstanding after five years is reserved at 100% per state requirements.

Federal receivables include federal grants and education scholarships. The allowance for doubtful accounts on federal receivables was approximately $0.3 million at August 31, 2024.

Intergovernmental receivables include amounts due from state government or private sources in connection with reimbursement of allowable expenditures made pursuant to the System's grants and contracts.

Clinical Practice receivables are presented net of allowances for contractual discounts and bad debts. The contractual and bad debt allowances on clinical receivables were approximately $2.4 million and $0.2 million, respectively, as of August 31, 2024. Clinical account receivables are subject to concentrations of patient accounts receivable credit risk. The mix of receivables from patients and third parties as of August 31, 2024 was as follows:

Clinical Practice Receivables
Table 1A
August 31, 2024

	Net	**Gross**
Medicaid	12%	22%
Medicare	51%	44%
Commercial	27%	23%
Self-pay	7%	8%
County Hospital	2%	2%
Other	1%	1%
Total	**100%**	**100%**

Gift receivables include amounts pledged to the System by donors, net of allowances. The allowance for gift pledges was approximately $3.0 million at August 31, 2024. Multiyear gift pledges are 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 multiyear gift pledges that are received during the new fiscal year.

Lease receivable is calculated as the present value of the lease receipts expected during the lease term. The lessor records a lease receivable and a deferred inflow of resources on its financial statements.

Prepaid Items
Prepaid items include prepaid scholarship expenses that pertain to the fall term of the following fiscal year and other various prepaid expenses.

Loans and Contracts
Current and noncurrent loans and contracts receivables, related to student loans, are shown net of allowances. The net allowance on loans and contracts was approximately $5.3 million at August 31, 2024.

Investments
The System accounts for its investments at fair value in accordance with GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* No. 72, *Fair Value Measurement and Application*, and No. 79, *Certain External Investment Pools and Pool Participants,* as amended. Changes in realized gain or loss on the carrying value of investments are reported as a component of investment income. Restricted investments include investments restricted by legal or contractual requirements, including those related to donors and constitutional restrictions.

Capital and Intangible Assets
The System follows the State's capitalization policy, which requires capitalization of assets with an initial individual cost of more 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. These assets are capitalized at cost or, if not purchased, at fair value as of the date of acquisition. For leased assets, the System capitalizes in accordance with GASB Statement No. 87, *Leases*, all lease agreements with a net present value of future lease payment per unit exceeding $100,000. For SBITAs, the System capitalizes in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, all SBITA agreements with a net present value of future subscription payments per contract exceeding $200,000.

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. Interest expense related to construction is expensed in accordance with the requirements of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

Depreciation is reported on all exhaustible assets. Inexhaustible assets such as land, works of art and historical treasures are not depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally, 10 to 30 years for buildings and improvements, 10 to 45 years for infrastructure, 4 to 15 years for equipment, and 15 years for library books.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, as amended, requires all intangible assets not specifically excluded by scope provisions to be classified as capital assets. The System has computer software that meets the criteria. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets is applied to computer software, as applicable.

GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, established accounting and financial reporting standards for right to use assets. Right to use assets, and the related accumulated amortization, are disclosed separately from other capital assets.

Deferred Outflows of Resources
Deferred outflows of resources relate to unamortized losses on the refunding of debt, and certain amounts related to asset retirement obligations, pensions, and other postemployment benefits ("OPEB").

Deferred Outflows of Resources Related to Debt Refunding
For debt refunding, 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.

Deferred Outflows of Resources Related to Asset Retirement Obligations
When an asset retirement obligation ("ARO") is recognized, the System must also recognize a corresponding deferred outflow of resources. At initial measurement of an ARO, the deferred outflows associated with an ARO is recorded at the amount of the corresponding liability. For subsequent measurement and recognition, the reduction of deferred outflows is recognized and expensed over the useful life of the asset.

Deferred Outflows of Resources Related to Pensions
Certain changes in the collective net pension liability of the Teacher Retirement System of Texas ("TRS") Plan (the "TRS Plan") are reported as deferred outflows or as deferred inflows of resources related to pensions, depending on the type of change. The types of deferred outflows of resources related to pensions and their respective accounting treatments are discussed below.

- System contributions subsequent to the measurement date of the collective net pension liability are recognized as a reduction in the net pension liability in the following year.
- The effect on the System's proportionate share of the total pension liability of changes of economic and demographic assumptions or of other inputs that increase the total pension liability is amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- The effect on the System's proportionate share of the total pension liability of differences between expected and actual experience that increase the total pension liability is amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- Increases in the System's proportion of the collective net pension liability are amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- System contributions during the measurement period that are greater than its proportionate share of total contributions are amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- The effect on the System's proportionate share of the collective net pension liability of the difference between expected and actual earnings on investments is amortized as a component of pension expense using the straight-line method over a period of five years.

Deferred Outflows of Resources Related to OPEB
Certain changes in the net OPEB liability of the Employees Retirement System of Texas ("ERS") Plan (the "ERS Plan") are reported as deferred outflows or as deferred inflows of resources related to OPEB, depending on the type of change. The types of deferred outflows of resources related to OPEB and their respective accounting treatments are discussed below.

- System contributions for retirees subsequent to the measurement date of the net OPEB liability are recognized as a reduction in the OPEB liability in the following year.
- The effect on the System's proportionate share of the total OPEB liability of changes of economic and demographic assumptions or of other inputs that increase the total OPEB liability is amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- Increases in the System's proportion of the collective net OPEB liability are amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- System contributions during the measurement period that are greater than its proportionate share of total contributions are amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.

- The effect on the System's proportionate share of the net OPEB liability of the difference between expected and actual earnings on investments is amortized as a component of OPEB expense using the straight-line method over a period of five years.

Liabilities

Liabilities relate to accounts and other payables, unearned revenue, revenue bonds payable, claims and judgments, employees' compensable leave, lease obligations, subscription obligations, funds held for others, asset retirement obligation, net pension liability, and net OPEB liability.

Accounts and Other Payables

Accounts and other payables represent the liability for the value of assets or services received at the Statement of Net Position date for which payment is pending.

Unearned Revenue

Unearned revenue represents assets received in advance of an exchange taking place in an exchange transaction or assets received prior to eligibility requirements (other than time requirements) being met in a nonexchange transaction. Unearned revenue includes $296.5 million of tuition revenue related to the semesters that have not been completed as of August 31, 2024. Tuition revenue is recognized based on the number of class days as a percentage of total class days that fall within the fiscal year.

Revenue Bonds Payable

Revenue bonds payable are reported at par value. Bond discounts and premiums are amortized over the life of the bonds using the effective interest method. Revenue bonds payable is reported separately as either current or non-current in the Statement of Net Position.

Claims and Judgments

Claims and judgments are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that were incurred but not reported. See Note 12, *Contingencies and Commitments*, and Note 14, *Risk Management*, for information on risk management, claims and judgments.

Employees' Compensable Leave

Employees' compensable leave represents the liability that becomes due upon the occurrence of relevant events such as resignations, retirements and uses of leave balances by covered employees, in conformance with State policy and practice. Liabilities are reported separately as either current or non-current in the Statement of Net Position. These obligations generally are paid from the same funding source from which each employee's salary or wage compensation is paid.

Lease Obligations

Lease obligations represent the amount recognized by a lessee on its financial statements regarding its leases. It is initially measured at the present value of lease payments and is remeasured whenever there is a change in lease payments or lease modification. Lease liabilities are reported separately as either current or noncurrent.

Subscription Obligations

Subscription obligations represent the amount recognized by the System on its financial statements regarding its right to use another party's (a SBITA vendor's) information technology software as specified in a contract per a period of time in an exchange or exchange-like transaction. It is initially measured at the present value of subscription payments and is remeasured whenever there is a change in payments or a contract modification. Subscription obligations are reported separately as either current or noncurrent.

Funds Held for Others

Funds held for others represent funds held by the System as custodial or fiscal agent for students, faculty members, foundations and others.

Asset Retirement Obligation
An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. An ARO must be recognized when the liability is incurred and reasonably estimable. Incurrence of a liability is manifested by the occurrence of both an external obligating event and an internal obligating event resulting from normal operations.

Net Pension Liability
The fiduciary net position of the TRS Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the TRS Plan, and additions to/deductions from the TRS Plan's fiduciary net position have been determined on the same basis as they are reported by TRS. Benefit payments, including refunds of employee 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.

Net OPEB Liability
The fiduciary net position of the ERS Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments of the Other Employee Benefit Trust Fund are reported at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings.

Deferred Inflows of Resources
Deferred inflows of resources relate to unamortized gains on refunding of debt and certain amounts related to leases, pensions, OPEB and PPP.

Deferred Inflows of Resources Related to Debt Refunding
For debt refunding, 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.

Deferred Inflows of Resources Related to Leases
The System recognizes a deferred inflow of resources for lessor leases, equal to the lease receivable's initial measurement, plus lease payments received from the lessee at or before lease commencement that relate to future periods. The deferred inflow is systematically reduced over the lease term, corresponding with the recognition of lease revenue.

Deferred Inflows of Resources Related to Pensions
Certain changes in the collective net pension liability of the TRS Plan are reported as deferred outflows of resources related to pensions or as deferred inflows of resources related to pensions, depending on the type of change. The types of deferred inflows of resources related to pensions and their respective accounting treatments are discussed below.

- The effect on the System's proportionate share of the total pension liability of changes of economic and demographic assumptions or of other inputs that decrease the total pension liability is amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- The effect on the System's proportionate share of the total pension liability of differences between expected and actual experience that decrease the total pension liability is amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- Decreases in the System's proportion of the collective net pension liability are amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- System contributions during the measurement period that are less than its proportionate share of total contributions are amortized as a component of pension expense using the straight-line method over the expected average remaining service lives of active and inactive employees.

Deferred Inflows of Resources Related to OPEB

Certain changes in the net OPEB liability of the ERS Plan are reported as deferred outflows of resources related to OPEB or as deferred inflows of resources related to OPEB, depending on the type of change. The types of deferred inflows of resources related to OPEB and their respective accounting treatments are discussed below.

- The effect on the System's proportionate share of the total OPEB liability of changes of economic and demographic assumptions or of other inputs that decrease the total OPEB liability is amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- The effect on the System's proportionate share of the total OPEB liability of differences between expected and actual experience that decrease the total OPEB liability is amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- Decreases in the System's proportion of the total OPEB liability are amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.
- System contributions during the measurement period that are less than its proportionate share of total contributions are amortized as a component of OPEB expense using the straight-line method over the expected average remaining service lives of active and inactive employees.

Deferred Inflows of Resources Related to PPP

The System establishes a deferred inflow of resources related to PPP transactions as the sum of the amount of the initial measurement of the receivable for installment payments, plus PPP payments received from the operator at or before the commencement of the PPP term, plus the amounts for all of the initial measurements of the underlying PPP asset, improvements to the underlying PPP asset, and receivable for the underlying PPP asset.

Net Position

Net Position relates to net investment in capital assets, restricted net position, and unrestricted net position.

Net Investment in Capital Assets

Net investment in capital assets consists of capital, leased, and right to use assets, net of accumulated depreciation or amortization, and unspent bond proceeds reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

Restricted Net Position

Restricted net position primarily consists of permanent investments subject to restrictions externally imposed by creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

Restricted nonexpendable net position is 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.

Restricted expendable net position 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

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified. Because the System is an agency of the State, constraints on the use of resources imposed by the State are not considered external restrictions. 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 toward restricted resources and then toward unrestricted resources.

Revenues and Expenses

Revenues and expenses relate to operating revenues and expenses, professional fees revenue, scholarship allowances and student aid, and nonoperating revenues and expenses.

Operating Revenues and Expenses

Operating revenues include activities such as net student tuition and fees, net professional fees for hospital clinical services, net sales and services by auxiliary enterprises, and most federal, state and local grants and contracts. Operating expenses include cost of goods sold, salaries and wages, payroll related costs, professional fees and services, federal and state pass-through expense, travel, materials and supplies, communications and utilities, repairs and maintenance, rentals and leases, printing and reproduction, depreciation and amortization, scholarships and fellowships, and asset retirement obligation. Operating expenses also includes the expenses related to scholarships, exemptions, and expenses paid with the Higher Education Emergency Relief Fund (“HEERF”). In addition, all changes to incurred but not reported liabilities related to insurance programs are reflected as operating expenses.

Professional Fees Revenue

HSC has agreements with third parties that provide for reimbursement to HSC at amounts different from its established rates. Contractual adjustments under third party reimbursement programs represent the difference between HSC’s established rates for services and the amounts reimbursed by third parties. HSC’s more significant third parties are the Medicare and Medicaid programs. Medicare outpatient services are reimbursed on a prospective basis through ambulatory payment classifications, which are based on clinical resources used in performing the procedure. Medicaid outpatient services are paid based on a fee schedule or blended rates.

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 and reported as revenue as if the student made the payment). All other aid is reflected in the financial statements either as operating expense or as 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. The allowance is computed on an institution-wide basis by allocating cash payments to students, excluding payments for services, using the ratio of total aid to the aid not considered to be third party aid.

Nonoperating Revenues and Expenses

Nonoperating revenues include activities such as gifts and contributions, insurance recoveries received in years subsequent to the associated loss, state appropriations, investment income, federal HEERF and Pell grants, 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; however, 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.

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 comprehensive financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*, aligns recognition and measurement guidance for all types of compensated absences under a unified model and eliminates certain previously required disclosures. This statement will be implemented in fiscal year 2025.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a governmental entity to assess, report and disclose when an event associated with concentration or constraint causes vulnerability of risk with a substantial impact potentially resulting in revenue debt. The governmental entity is also required in its disclosures to state the actions taken to mitigate the risk prior to the issuance of the financial statements impacted. This statement will be implemented in fiscal year 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*, clarifies key components of the financial reporting model to enhance effectiveness and accountability of governmental entities. The Management's Discussion and Analysis ("MD&A") is limited to topics in five sections: overview of the financial statements, financial summary, detailed analyses, significant capital asset and long term financing activity, and currently known facts, decisions, or conditions. The statement also requires inflows and outflows related to unusual or infrequent items. In addition, the statement requires updated presentation of: (1) The Statement of Revenues, Expenses and Changes in Net Position to include a subtotal for *operating income (loss) and noncapital subsidies*, (2) each major component unit separately in the reporting entity's financial statements or as combining statements presented after the fund financial statements, and (3) budgetary comparison information using a single method of communication to present variances between original and final budget amounts and variances between final budget and actual amounts with an explanation of significant variances. This statement will be implemented in fiscal year 2026.

The System is in process of assessing the impact to the ACFR for GASB Statement No. 101. Additionally, the System anticipates minimal impact for GASB Statement No. 102, while GASB Statement No. 103 will have a moderate impact on financial statement presentation.

Note 2: Capital Assets

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

Capital Asset Activity
Table 2A
August 31, 2024

	Balance September 1, 2023	Adjustments	Reclassification of Completed Construction In Progress	Decrease Interagency Transfers	Additions	Deletions	Balance August 31, 2024
Non-Depreciable or Non-Amortizable Assets:							
Land and Land Improvements	$ 98,198,901.77	$ -	$ -	$ -	$ 34,296,846.45	$ -	$ 132,495,748.22
Construction in Progress	87,082,242.54	(3,381,738.14)	(51,484,099.95)	-	102,756,732.25	-	134,973,136.70
Other Tangible Capital Assets	28,915,279.93	-	3,110.00	-	201,502.60	-	29,119,892.53
Total Non-Depreciable or Non-Amortizable Assets:	**$ 214,196,424.24**	**$ (3,381,738.14)**	**$(51,480,989.95)**	**$ -**	**$ 137,255,081.30**	**$ -**	**$ 296,588,777.45**
Depreciable Assets:							
Buildings and Building Improvements	$ 1,838,918,621.84	$ -	$ 48,407,748.97	$ -	$ 218,912.81	$ (260,279.29)	$ 1,887,285,004.33
Infrastructure	72,679,185.81	-	-	-	-	-	72,679,185.81
Facilities and Other Improvements	153,086,738.53	-	2,208,757.76	-	1,305,894.00	-	156,601,390.29
Furniture and Equipment	209,105,739.25	-	863,977.39	(503,983.16)	21,086,353.08	(8,252,088.66)	222,299,997.90
Vehicles, Boats and Aircraft	11,832,529.48	-	-	-	1,257,448.35	(427,340.32)	12,662,637.51
Other Capital Assets	132,078,668.51	-	505.83	-	5,524,520.20	(63,216.89)	137,540,477.65
Total Depreciable Assets:	**$ 2,417,701,483.42**	**$ -**	**$ 51,480,989.95**	**$ (503,983.16)**	**$ 29,393,128.44**	**$ (9,002,925.16)**	**$ 2,489,068,693.49**
Less Accumulated Depreciation for:							
Buildings and Building Improvements	$ (875,688,634.08)	$ -	$ -	$ -	$ (78,342,793.79)	$ 232,279.54	$ (953,799,148.33)
Infrastructure	(36,072,221.89)	-	-	-	(2,635,966.34)	-	(38,708,188.23)
Facilities and Other Improvements	(57,206,956.07)	-	-	-	(5,106,646.81)	-	(62,313,602.88)
Furniture and Equipment	(147,650,817.08)	-	-	495,492.69	(16,297,417.04)	7,646,497.40	(155,806,244.03)
Vehicles, Boats and Aircraft	(9,771,259.27)	-	-	-	(620,832.11)	419,167.34	(9,972,924.04)
Other Capital Assets	(88,973,439.78)	-	-	-	(5,791,730.58)	42,857.16	(94,722,313.20)
Total Accumulated Depreciation	**$ (1,215,363,328.17)**	**$ -**	**$ -**	**$ 495,492.69**	**$ (108,795,386.67)**	**$ 8,340,801.44**	**$(1,315,322,420.71)**
Total Depreciable Assets, Net	**$ 1,202,338,155.25**	**$ -**	**$ 51,480,989.95**	**$ (8,490.47)**	**$ (79,402,258.23)**	**$ (662,123.72)**	**$ 1,173,746,272.78**
Amortizable Assets - Intangibles:							
Computer Software	$ 20,457,323.04	$ -	$ -	$ -	$ 474,232.00	$ (518,327.46)	$ 20,413,227.58
Total Amortizable Assets - Intangibles	**$ 20,457,323.04**	**$ -**	**$ -**	**$ -**	**$ 474,232.00**	**$ (518,327.46)**	**$ 20,413,227.58**
Less Accumulated Amortization for:							
Computer Software	$ (19,985,791.58)	$ -	$ -	$ -	$ (344,062.94)	$ 492,775.49	$ (19,837,079.03)
Total Accumulated Amortization	**$ (19,985,791.58)**	**$ -**	**$ -**	**$ -**	**$ (344,062.94)**	**$ 492,775.49**	**$ (19,837,079.03)**
Amortizable Assets - Intangibles, Net	**$ 471,531.46**	**$ -**	**$ -**	**$ -**	**$ 130,169.06**	**$ (25,551.97)**	**$ 576,148.55**
Total Capital Assets, Net	**$ 1,417,006,110.95**	**$ (3,381,738.14)**	**$ -**	**$ (8,490.47)**	**$ 57,982,992.13**	**$ (687,675.69)**	**$ 1,470,911,198.78**

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

Leased and Subscription Capital Asset Activity
Table 2B
August 31, 2024

	Balance September 1, 2023	Adjustments	Additions	Deletions	Balance August 31, 2024
Amortizable Assets - Intangible Right to Use:					
Building and Building Improvements	$ 7,067,375.86	$ -	$ 56,345.90	$ -	$ 7,123,721.76
Land and Other Improvements	2,996,581.86	-	-	-	2,996,581.86
Equipment	3,203,035.39	-	153,895.61	-	3,356,931.00
Subscriptions	20,352,783.74	235,887.27	12,189,077.40	(1,411,965.60)	31,365,782.81
Total Amortizable Assets - Intangible Right to Use	**$ 33,619,776.85**	**$ 235,887.27**	**$ 12,399,318.91**	**$ (1,411,965.60)**	**$ 44,843,017.43**
Less Accumulated Amortization for:					
Building and Building Improvements	$ (3,258,528.43)	$ -	$ (1,600,924.72)	$ -	$ (4,859,453.15)
Land and Other Improvements	(160,429.86)	-	(80,214.93)	-	(240,644.79)
Equipment	(3,074,497.18)	-	(165,025.17)	-	(3,239,522.35)
Subscriptions	(6,197,488.47)	(47,177.45)	(7,974,517.55)	395,428.10	(13,823,755.37)
Total Accumulated Amortization - Intangible Right to Use	**$ (12,690,943.94)**	**$ (47,177.45)**	**$ (9,820,682.37)**	**$ 395,428.10**	**$ (22,163,375.66)**
Total Amortizable Assets - Intangible Right to Use, Net	**$ 20,928,832.91**	**$ 188,709.82**	**$ 2,578,636.54**	**$ (1,016,537.50)**	**$ 22,679,641.77**

Note 3: Cash, Cash Equivalents and Investments

Deposits of Cash in Bank

As of August 31, 2024, the carrying amount of deposits was $12,857,243.02 as presented below:

Cash in Bank
Table 3A
August 31, 2024

Cash in Bank Carrying Value	$ 12,857,243.02
Cash in Bank per Statement of Net Position	**$ 12,857,243.02**
Proprietary Funds Current Assets Cash in Bank	$ 12,476,993.06
Proprietary Funds Current Assets Restricted Cash in Bank	380,249.96
Cash in Bank per Statement of Net Position	**$ 12,857,243.02**

The carrying amount consists of all cash in local banks and is included on the Statement of Net Position as a portion of cash and cash equivalents. The cash and cash equivalents balance also includes $274,405,428.82 that is invested in cash equivalents and $50,645,415.96, comprised of cash on hand, cash in transit or reimbursement from the Treasury, and cash in the State Treasury. As of August 31, 2024, the total bank balance was $1,821,063.11.

The carrying amount of deposits for the System’s discretely presented component unit, UNT Foundation, reported on the UNT Foundation Statement of Financial Position as of August 31, 2024 was $21,095,297.00. As of August 31, 2024, the total UNT Foundation bank balance was $517,368.84.

The carrying amount of deposits for the System’s discretely presented component unit, UNTHSC Foundation, reported on the UNTHSC Foundation Statement of Financial Position as of August 31, 2024 was $1,092,005.00. As of August 31, 2024, the total UNTHSC Foundation bank balance was $1,092,005.00.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency 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's policy is that all deposits are governed by a bank depository agreement between the System and the respective banking institution. This agreement provides 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 (the "FDIC"), shall at all times be collateralized with government securities. As of August 31, 2024, the System had no bank balances that were exposed to custodial credit risk.

Investments

The System's operating funds management objective is to retain appropriate liquidity to meet daily operating demands while seeking higher yield on cash reserves through an appropriately diversified long-term investment portfolio. The System investment funds under its control are held and managed by the System under Texas Education Code, Section 51.0031(c) which authorizes the System's 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 person standard described in the Texas Constitution, Article VII, Section 11b. This standard provides that the System's 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. All System funds subject to Board of Regents control, System endowment funds, and HSC medical professional liability self-insurance plan funds shall be invested pursuant to a prudent person standard. Each institution of the System adopts an endowment investment policy. The policy authorizes the following types of investments: U.S. Government obligations, U.S. Government Agency obligations, other government obligations, corporate obligations, corporate asset-backed and mortgage-backed securities, equity, international obligations, international equity, certificates of deposit, banker's acceptances, money market mutual funds, mutual funds, repurchase agreements, private equity, hedge funds, Real Estate Investment Trusts ("REITs"), derivatives, energy and real estate.

As of August 31, 2024, the System's investments are presented below. Included in this amount is $274,405,428.82 classified as cash equivalents.

Investments and Cash Equivalents
Table 3B
August 31, 2024

Investments and Cash Equivalents	**August 31, 2024**
U.S. Government U.S. Treasury Securities	$ 48,962,911.72
U.S. Government Agency Obligations	32,656,566.17
Corporate Obligations	64,257,269.17
Equity	70,003,403.68
International Equity	25,388,426.73
Repurchase Accounts	1,258,757.33
Hedge Funds	20,940,971.81
Domestic Mutual Funds	243,349,827.71
International Mutual Funds	69,003,626.24
Fixed Income Money Market and Mutual Funds	285,579,154.05
Other Commingled Funds	65,591,549.63
Alternative Investments	3,321,142.86
Miscellaneous	46,184,085.52
Total Investments and Cash Equivalents	**$ 976,497,692.62**

Credit Risk – Investments

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The System utilizes ratings assigned by Standard & Poor's for this purpose. The System's investment policy does not provide specific requirements and limitations regarding investment ratings. According to the authoritative literature from the GASB, 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.

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

Investments Exposed to Credit Risk
Table 3C
August 31, 2024

	Standard and Poor's					
Investment Type	**AAA**	**AA**	**A**	**BBB**	**Unrated**	**Total**
U.S. Government U.S. Treasury Securities	$ -	$ 48,962,911.72	$ -	$ -	$ -	$ 48,962,911.72
U.S. Government Agency Obligations	-	32,656,566.17	-	-	-	32,656,566.17
Corporate Obligations	721,542.34	250,156.80	33,622,487.08	28,821,816.59	841,266.36	64,257,269.17
Equity	-	-	-	-	70,003,403.68	70,003,403.68
International Equity	-	-	-	-	25,388,426.73	25,388,426.73
Repurchase Accounts	-	-	-	-	1,258,757.33	1,258,757.33
Hedge Funds	-	-	-	-	20,940,971.81	20,940,971.81
Domestic Mutual Funds	-	-	-	-	243,349,827.71	243,349,827.71
International Mutual Funds	-	-	-	-	69,003,626.24	69,003,626.24
Fixed Income Money Market and Bond Mutual Fund	235,590,562.25	-	-	-	49,988,591.80	285,579,154.05
Other Commingled Funds	58,873,245.33	-	-	-	6,718,304.30	65,591,549.63
Alternative Investments	-	-	-	-	3,321,142.86	3,321,142.86
Miscellaneous	-	-	-	-	46,184,085.52	46,184,085.52
Total	**$295,185,349.92**	**$ 81,869,634.69**	**$ 33,622,487.08**	**$ 28,821,816.59**	**$536,998,404.34**	**$976,497,692.62**

Concentration of Credit Risk

Concentration of credit risk is the risk that, in the event of the failure of one issuer, the System will not be able to recover the value of its investment. The System's investment regulation does not provide specific requirements and limitations regarding concentration of credit. As of August 31, 2024, the System did not hold any direct investments in any one issuer of corporate or municipal bonds that were five percent or more of the market value of the System's fixed income investments.

Custodial Credit Risk

Custodial credit risk 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. State statutes and the System's investment regulation do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. As of August 31, 2024, the System did not have investments that are exposed to custodial credit risk.

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. As of August 31, 2024, the System investments subject to interest rate risk – commingled funds, certificates of deposit, repurchase agreements and fixed income money market – have an average maturity of less than one year. The System's investments in U.S. Government Agency Obligations have an average maturity of approximately three years and corporate obligations have an average maturity of approximately four years. Fixed income investments held would be subject to credit risk, price risk, and interest rate risk; moreover, pools may invest in securities whose fair values would be sensitive to changes in interest rates.

Foreign Currency Risk

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. The System's investment policy does not provide specific requirements and limitations regarding investments in foreign currency. As of August 31, 2024, the System's investments were all denominated in U.S. dollars.

Internal Investment Pools

UNT Foundation Internal Investment Pool

The UNT Foundation holds and invests certain funds in trust on behalf of UNT and UNTD. For UNT, pursuant to an investment management agreement dated August 24, 2012, certain UNT endowment assets have been placed with the UNT Foundation and invested in the UNT Foundation's Consolidated Investment Pool ("UNT Foundation Pool"). The initial term of the agreement ended August 31, 2013, with a provision to automatically renew annually thereafter. On September 11, 2019, the agreement was re-written with an effective date of September 1, 2019 and the initial term ending date of August 31, 2027, with a provision to automatically renew and extend for additional five-year terms. Effective December 1, 2020, the UNT Foundation entered into an investment management agreement with the UNTD to manage certain of its endowment assets in the UNT Foundation Pool. The initial term of the agreement ends August 31, 2030, with a provision to automatically renew and extend for additional five-year terms. UNTD may terminate the agreement with 90 days' notice if it determines that its own foundation is operationally capable of performing the investment and management of the UNTD endowments prior to expiration of the agreement.

The UNT Foundation Pool is invested with external investment managers who invest in equity, fixed income, and alternative investment funds, both domestic and international. The UNT Foundation's investment policy allows for the asset allocation to be maintained within the following tactical ranges: 55-75% growth assets (U.S. and international equities), 15-35% risk reduction assets (U.S. and global fixed income funds and cash), and 5-15% inflation protection assets (real assets) prior to April 2024. In April 2024, the policy was recharacterized by combining categories: 65-85% growth assets (U.S. and international equities as well as inflation protection assets including real assets) and 15-35% income-oriented assets (U.S. and global fixed income funds and cash). The UNT Foundation's investment committee is responsible for monitoring and rebalancing to the strategic target allocation ranges, and within the tactical ranges, has discretionary authority for setting, monitoring, and making reallocations to the portfolio's specific underlying assets. Complete audited financial statements of the UNT Foundation can be obtained from https://endow.unt.edu/.

As of August 31, 2024, total investments held by the UNT Foundation, including the System portion of $90,772,260.26, consisted of the following investment types:

Investments and Cash Equivalents
Table 3D: UNT Foundation
August 31, 2024

Investment	**Fair Value**
Equity	$ 4,048,627.15
Domestic Mutual Funds	123,969,519.57
International Other Commingled Funds	45,505,603.35
International Mutual Funds	53,098,127.32
Fixed Income Money Market and Bond Mutual Funds	65,378,367.61
Alternative Investments:	
Hedge Funds	5,488,114.00
Private Debt/Equity	28,262,911.00
Miscellaneous	10,337,971.00
Total Investments	**$ 336,089,241.00**

The UNT Foundation Pool's investments are not rated by Standard & Poor's. As of August 31, 2024, the UNT Foundation Pool did not hold any direct investments in any one issuer of corporate or municipal bonds that were five percent or more of the market value of the UNT Foundation Pool's investments. The UNT Foundation Pool did not have investments exposed to custodial credit risk. The UNT Foundation Pool's investments subject to interest rate risk – fixed income money market and bond mutual funds – have a weighted average maturity of less than one year and approximately six years, respectively.

As of August 31, 2024, the System's investments in the UNT Foundation Pool consisted of the following investment types:

Equity
Equity consists of direct ownership of equity securities in publicly-held corporations. Equity securities are typically managed by an external investment advisor.

Domestic Mutual Funds
Domestic mutual funds are mutual funds that, by policy, invest primarily in U.S. equity or debt securities of publicly-held corporations.

International Other Commingled Funds
International other commingled funds include ownership of unit interests in commingled pools which invest primarily in international equity securities of publicly held corporations.

International Mutual Funds
International mutual funds are mutual funds that, by policy, invest primarily in international equity securities of publicly-held corporations.

Fixed Income Money Market & Bond Mutual Funds
Money market mutual funds ("MMF") are open-end mutual funds registered with the U.S Securities and Exchange Commission ("SEC") under SEC's "Rule 2a-7," which enforces specific restrictions to enhance liquidity and credit quality. MMFs may have either a stable net asset value ("NAV"), typically maintaining a $1.00 per share value or a floating NAV that fluctuates based on the market value of underlying assets. SEC's "Rule 2a-7" imposes limits on the maximum maturity of individual securities, as well as weighted-average maturity and life for the fund's portfolio. Bond mutual funds, also publicly traded and open-end, primarily invest in fixed income securities from U.S. Government entities, corporations and international issuers.

Alternative Investments
Alternative investments consist of hedge funds, real estate, private debt, and other pooled funds that employ various investment strategies that are typically less correlated to the publicly traded investment markets. Investments may be held through a combination of unit interests in limited partnerships, publicly-traded open-end mutual fund vehicles, or unit ownership in other commingled pooled funds.

UNTHSC Foundation Internal Investment Pool
Certain investments of the System are managed by the UNTHSC Foundation in its internal long-term investment pool ("UNTHSC Foundation Pool"). The UNTHSC Foundation Pool is invested with external investment managers who invest in equity, mutual funds, and alternative investment funds, both domestic and international. The primary investment objective of the UNTHSC Foundation is long-term growth of capital. It is recognized that short-term fluctuations in the capital markets may result in the loss of capital on occasion (i.e., negative rates of return). However, the total asset value of the UNTHSC Foundation Pool, exclusive of contributions or withdrawals, should grow in the long-run. It should earn, through a combination of investment income and capital appreciation, a rate of return in excess of a balanced market index while incurring less risk than such index. The Board and/or the Investment Committee of the UNTHSC Foundation intends to maximize the portfolio's total return comprising income and net realized and unrealized gains and losses. This objective is to be accomplished by assuming a prudent level of risk in the investment of the UNTHSC Foundation assets. Complete audited financial statements of the UNTHSC Foundation can be obtained by writing to UNTHSC Foundation at 3500 Camp Bowie Boulevard Suite 802, Fort Worth, Texas, 76107.

As of August 31, 2024, total investments held by the UNTHSC Foundation, including the System portion of $122,788,607.43, consisted of the following investment types:

Investments and Cash Equivalents
Table 3E: UNTHSC Foundation
August 31, 2024

Investment		**Fair Value**
Equity	$	83,684,949.00
International Equity		32,356,357.00
Domestic Mutual Funds		28,952,561.00
Alternative Investments:		
Miscellaneous		11,494,444.00
Total Investments	**$**	**156,488,311.00**

The UNTHSC Foundation Pool's investments are not rated by Standard & Poor's. As of August 31, 2024, the UNTHSC Foundation Pool did not hold any direct investments in any one issuer of corporate or municipal bonds that were five percent or more of the market value of the UNTHSC Foundation Pool's investments. The UNTHSC Foundation Pool did not have investments exposed to custodial credit risk. The UNTHSC Foundation Pool's investments subject to interest rate risk – fixed income money market and bond mutual funds – have a weighted average maturity of less than one year and approximately eight years, respectively.

As of August 31, 2024, the System's investments in the UNTHSC Foundation Pool consisted of the following investment types:

Equity
Equity consists of direct ownership of equity securities in publicly-held corporations. Equity securities are typically managed by an external investment advisor.

International Equity
International equity consists of direct ownership of international equity securities in publicly-held corporations. Equity securities are typically managed by an external investment advisor.

Domestic Mutual Funds
Domestic mutual funds are mutual funds that, by policy, invest primarily in U.S. equity securities of publicly-held corporations.

Alternative Investments
Alternative investments consist of hedge funds, real estate, and other pooled funds that employ various investment strategies that are typically less correlated to the publicly traded investment markets. Investments may be held through a combination of unit interests in limited partnerships, publicly-traded open-end mutual fund vehicles, or unit ownership in other commingled pooled funds.

Fair Value Measurements

The System's investments are recorded at fair value as of August 31, 2024, and have been categorized based upon a fair value hierarchy in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The System categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure fair value of the assets. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following describes the hierarchy of inputs used to measure fair value on a recurring basis:

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

The System has the following recurring fair value measurements as of August 31, 2024:

Investments Fair Value
Table 3F
August 31, 2024

		Fair Value Measurements Using		
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by Fair Value Level				
U.S. Treasury Securities	$ 48,962,911.72	$ 48,962,911.72	$ -	$ -
U.S. Government Agency Obligations	32,656,566.17	32,656,566.17	-	-
Corporate Obligations	64,257,269.17	64,257,269.17	-	-
Equity	4,339,979.46	4,339,979.46	-	-
Domestic Mutual Funds	185,749,199.37	185,749,199.37	-	-
International Mutual Funds	48,870,507.71	48,870,507.71	-	-
Fixed Income Money Market and Bond Mutual Funds	258,895,125.88	258,895,125.88	-	-
Other Commingled Funds	21,317,136.09	-	21,317,136.09	-
Hedge Funds	20,940,971.81	-	20,940,971.81	-
Miscellaneous	28,479,947.84	-	-	28,479,947.84
Total Investments at Fair Value	**$ 714,469,615.22**	**$ 643,731,559.48**	**$ 42,258,107.90**	**$ 28,479,947.84**
Investments and Cash Equivalents Measured at NAV				
Externally Managed Investments - Foundation Managed Pools	$ 213,560,867.69			
Fixed Income Money Market and Bond Mutual Funds (Cash Deposits)	9,652,343.14			
Total Investments at NAV	**$ 223,213,210.83**			
Total Investments at Fair Value	**$ 937,682,826.05**			
Investments and Cash Equivalents not Measured at Fair Value				
Repurchase Accounts	$ 1,258,757.33			
Other Commingled Funds (TexasCLASS)	37,556,109.24			
Total Investments not Measured at Fair Value	**$ 38,814,866.57**			
Total Investments	**$ 976,497,692.62**			

Investments classified in Level 1 of the fair value hierarchy, totaling $643,731,559.48 for the fiscal year ended August 31, 2024, are valued using quoted prices in active markets. Fair values for hedge funds using level 2 inputs are based on daily valuations of assets and reported to investors on a monthly basis. Investments may include less liquid securities, direct loans or debt securities, and distressed debt combined with the use of derivatives and leverage. Valuations not directly observable may be determined by pricing and performance models. Fair values for private equity funds using level 3 inputs are often not directly observable. Fair valuations published by general partners for the use of limited partner investors are often determined by the best information available and audited by outside third-party auditors. Investments are typically valued on a quarterly basis.

The UNT Foundation Pool has the following recurring fair value measurements as of August 31, 2024, which includes $90,772,260.26 of the System's externally managed investments:

Investments Fair Value
Table 3G: UNT Foundation
August 31, 2024

		Fair Value Measurements Using		
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by Fair Value Level				
Equity	$ 4,048,627.15	$ 4,048,627.15	$ -	$ -
Domestic Mutual Funds	123,969,519.57	123,969,519.57	-	-
International Other Commingled Funds	20,834,662.35	20,834,662.35	-	-
International Mutual Funds	53,098,127.32	53,098,127.32	-	-
Fixed Income Money Market and Bond Mutual Funds	65,378,367.61	63,268,268.96	2,110,098.65	-
Total Investments at Fair Value	**$ 267,329,304.00**	**$ 265,219,205.35**	**$ 2,110,098.65**	**$ -**
Investments Measured at NAV				
International Other Commingled Funds	$ 24,670,941.00			
Hedge Funds	5,488,114.00			
Private Debt/Equity	28,262,911.00			
Miscellaneous	10,337,971.00			
Total Investments at NAV	**$ 68,759,937.00**			
Total Investments	**$ 336,089,241.00**			

The UNTHSC Foundation Pool has the following recurring fair value measurements as of August 31, 2024, which includes $122,788,607.43 of the System's externally managed investments:

Investments Fair Value
Table 3H: UNTHSC Foundation
August 31, 2024

		Fair Value Measurements Using		
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by Fair Value Level				
Equity - US Large Cap	$ 69,548,423.00	$ 69,548,423.00	$ -	$ -
Equity - US Mid/Small Cap	3,410,139.00	3,410,139.00	-	-
Equity - Global	13,754,192.00	13,754,192.00	-	-
Equity - Foreign	18,602,165.00	18,602,165.00	-	-
Emerging Markets	10,726,387.00	10,726,387.00	-	-
Mutual Funds - Bonds	28,952,561.00	28,952,561.00	-	-
Total Investments at Fair Value	**$ 144,993,867.00**	**$ 144,993,867.00**	**$ -**	**$ -**
Investments and Cash Equivalents Measured at NAV				
Cash Equivalents	$ 2,327,460.00			
Alternative Investments	9,166,984.00			
Total Investments at NAV	**$ 11,494,444.00**			
Total Investments	**$ 156,488,311.00**			

Within the pools, financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Fair values for mutual funds valued using Level 2 inputs are based on published daily valuations. Fair values for the Hedge Funds and REITs are determined by third-party valuations.

Other Commingled Funds consists of funds invested with TexasCLASS. These commingled funds were established in conformity with the Texas Government Code, Interlocal Cooperation Act, Chapter 791, and the Texas Government Code, Public Funds Investment Act, Chapter 2256. They are structured somewhat like money market mutual funds and allow shareholders the ability to deposit or withdraw funds on a daily basis. In addition, interest rates are also adjusted on a daily basis and the funds seek to maintain a constant net asset value of $1.00, although this cannot be fully guaranteed. The System reports its investment with TexasCLASS of $37,556,109.24 at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Please refer to the Investments Reported at Net Asset Value section below for further information regarding commingled funds reported at fair value. For commingled funds reported at amortized cost, there are no limitations or restrictions on withdrawals and maximum transaction amounts.

Investments Reported at Net Asset Value

Externally Managed Investments – UNT Foundation and UNTHSC Foundation managed endowments

The System records its unitized portion of investments held with the UNT Foundation and the UNTHSC Foundation using NAV. As of August 31, 2024, $213,560,867.69 of the System's externally managed investments are managed by the UNT Foundation and the UNTHSC Foundation, as follows:

Externally Managed Investments at Net Asset Value
Table 3I
August 31, 2024

Fair Value	Fair Value	Frequency Range - Low	Frequency Range - High	Notice Range - Low	Notice Range - High	Unfunded Commitment
Hedge Funds	$ 1,494,504.00	Quarterly	Annually	30 Days	90 Days	$ -
Equity Funds	91,051,850.95	Daily	N/A	1 Day	N/A	-
Mutual Funds	94,765,431.90	Daily	Daily	1 Day	1 Day	-
Commingled Funds	6,718,304.30	Daily	Quarterly	1 Day	30 Days	-
Private Debt	7,696,457.00	N/A	N/A	N/A	N/A	9,942,484.01
Miscellaneous	11,834,319.54	N/A	N/A	N/A	N/A	8,378,013.84
Total	**$ 213,560,867.69**					**$ 18,320,497.85**

Fixed Income Money Market and Bond Mutual Funds (Cash Deposits)

The System maintains excess working capital in Goldman Sachs as cash deposits to maintain sufficient liquidity and for reinvestment purposes. There are no unfunded commitments. No limitations or restrictions on redemptions exist. Redemptions can occur at any time.

Texas University Fund

The Texas University Fund ("TUF") was created by the 88th Texas Legislature, Regular Session, and became effective January 1, 2024, after voter approval of the constitutional amendments establishing the TUF and certain constitutionally dedicated appropriations from the state's Economic Stabilization Fund. The TUF was created to enable qualifying general academic teaching institutions, including UNT, to achieve national prominence as major research universities. The TUF is administered by the Texas Treasury Safekeeping Trust Company and is not reflected in the basic financial statements of the System. The net position of TUF as of August 31, 2024 was $4,216,437,242.31. For fiscal year 2024, the System's share of the TUF distribution was $21,328,931.00.

Note 4: Short-Term Debt

Commercial Paper

The University of North Texas Board of Regents approved resolutions limiting the principal amount of Series A Commercial Paper Notes that may be outstanding at any one time to $75,000,000.00. Similarly, the issuance of Series B Commercial Paper Notes may not exceed, in aggregate, the principal amount of $75,000,000.00 at any one time. Outstanding commercial paper proceeds may be used for the purpose of financing project costs of eligible projects and to refinance, renew, or refund commercial paper notes, prior encumbered obligations, and parity obligations, including interest. Commercial paper notes may not be issued to refinance or refund prior encumbered obligations or parity bonds without the approval of the System Board of Regents. Commercial paper activity for the System for the fiscal year ended August 31, 2024 is as follows:

Commercial Paper
Table 4A
August 31, 2024

	September 1, 2023	Additions	Reductions	August 31, 2024
Series A Commercial Paper	$ 50,000,000.00	$ -	$ 2,515,000.00	$ 47,485,000.00
Series B Commercial Paper	10,000,000.00	49,886,000.00	23,403,000.00	36,483,000.00
Total Commercial Paper	**$ 60,000,000.00**	**$ 49,886,000.00**	**$ 25,918,000.00**	**$ 83,968,000.00**

The outstanding balance of commercial paper at August 31, 2024 was $83,968,000.00 at an average interest rate of 3.69%. Average commercial paper maturity during the fiscal year ended August 31, 2024 was approximately 67 days. The System will provide liquidity support for $75,000,000.00 in Series A Commercial Paper Notes by utilizing available funds of the System in lieu of or in addition to bank liquidity support. The maximum maturity for commercial paper is 270 days. In practice, the System rolls, pays off, and/or issues new commercial paper at each maturity. Commercial paper will continue to be used as interim funding until long-term bonds are approved and issued or gifts or institutional funds are received to retire the commercial paper debt. The commercial paper programs do not have (1) unused lines of credits, (2) assets pledged as collateral, or (3) terms specified in debt agreements related to significant (i) events of default with finance-related consequences, (ii) termination events with finance-related consequences, and (iii) subjective acceleration clauses.

The System adheres to the requirements of the Federal Securities Act of 1933, which precludes proceeds from commercial paper issues to be used for financing fixed assets, such as plant and equipment, on a permanent basis. The System, working with bond counsel and its financial advisor, routinely determines alternative long-term funding to ensure that commercial paper is used as interim financing only and will be paid off after completion of construction or equipment acquisition.

Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

The following changes occurred in long-term liabilities during the fiscal year ended August 31, 2024:

Long-Term Liabilities Activity
Table 5A
August 31, 2024

	September 1, 2023	Restatement	Additions	Reductions	August 31, 2024	Amounts Due Within One Year	Amounts Due Thereafter
Bonds Payable:							
Revenue Bonds Payable	$ 729,340,000.00	$ -	$ -	$ 45,020,000.00	$ 684,320,000.00	$ 43,250,000.00	$ 641,070,000.00
Unamortized Net Premiums	55,302,924.42	-	-	6,043,600.70	49,259,323.72	5,562,104.95	43,697,218.77
Direct Placement Revenue Bonds Payable	9,990,000.00	-	-	2,650,000.00	7,340,000.00	2,710,000.00	4,630,000.00
Total Revenue Bonds Payable	$ 794,632,924.42	$ -	$ -	$ 53,713,600.70	$ 740,919,323.72	$ 51,522,104.95	$ 689,397,218.77
Claims and Judgments	$ 1,221,775.00	$ -	$ 581,592.00	$ 100,000.00	$ 1,703,367.00	$ 390,751.00	$ 1,312,616.00
Employees' Compensable Leave	29,160,139.75	-	5,010,266.29	3,232,485.23	30,937,920.81	4,734,396.84	26,203,523.97
Lease Obligations	6,915,750.90	-	210,241.52	1,806,600.45	5,319,391.97	1,784,913.40	3,534,478.57
Subscription Obligations	13,437,940.88	185,887.27	11,592,502.98	9,761,603.52	15,454,727.61	6,892,287.87	8,562,439.74
Asset Retirement Obligation	2,930,625.00	-	78,750.00	-	3,009,375.00	-	3,009,375.00
Net Pension Liability	193,514,233.00	-	60,389,990.00	17,677,338.00	236,226,885.00	-	236,226,885.00
Net OPEB Liability	444,823,293.00	-	41,649,186.00	59,544,490.00	426,927,989.00	17,988,138.00	408,939,851.00
Other Noncurrent Liabilities	3,335,748.58	-	-	1,565,291.87	1,770,456.71	-	1,770,456.71
Total Long-Term Liabilities	**$ 1,489,972,430.53**	**$ 185,887.27**	**$ 119,512,528.79**	**$ 147,401,409.77**	**$1,462,269,436.82**	**$ 83,312,592.06**	**$1,378,956,844.76**

Revenue Bonds Payable

Scheduled principal and interest payments for revenue bonds issued and outstanding as of August 31, 2024 are as follows:

Revenue Bonds Payable
Table 5B
August 31, 2024

Year	Principal	Interest	Total
2025	$ 43,250,000.00	$ 30,522,291.68	$ 73,772,291.68
2026	42,110,000.00	28,772,273.90	70,882,273.90
2027	43,600,000.00	27,044,123.08	70,644,123.08
2028	45,195,000.00	25,211,039.40	70,406,039.40
2029	46,730,000.00	23,269,601.96	69,999,601.96
2030-2034	185,665,000.00	87,063,433.40	272,728,433.40
2035-2039	112,430,000.00	54,175,195.16	166,605,195.16
2040-2044	81,755,000.00	29,136,316.30	110,891,316.30
2045-2049	64,680,000.00	11,516,080.40	76,196,080.40
2050-2052	18,905,000.00	1,366,863.10	20,271,863.10
Total	**$ 684,320,000.00**	**$ 318,077,218.38**	**$ 1,002,397,218.38**

Direct Placement Revenue Bonds Payable

Scheduled principal and interest payments for direct placement revenue bonds issued and outstanding as of August 31, 2024 are as follows:

Direct Placement Revenue Bonds Payable
Table 5C
August 31, 2024

Year	Principal	Interest	Total
2025	$ 2,710,000.00	$ 176,160.00	$ 2,886,160.00
2026	2,775,000.00	111,120.00	2,886,120.00
2027	1,855,000.00	44,520.00	1,899,520.00
Total	**$ 7,340,000.00**	**$ 331,800.00**	**$ 7,671,800.00**

At August 31, 2024, the System had outstanding revenue bonds payable from direct placements of $7,340,000.00. The direct placement revenue bonds do not have existing provisions related to early terminations or payment accelerations. As of August 31, 2024, the System has no unused lines of credit. The Series 2018 Bond includes the following provision: For so long as this bond is outstanding, if the issuer defaults in the timely payment of principal or interest on this bond when due, this bond shall bear interest at the rate of 8.00% per annum, until such time as the payment default is cured.

Total interest paid during 2024 for revenue bonds and direct placement revenue bonds amounted to $32,436,071.02. Total interest and fiscal charges incurred for the fiscal year ended August 31, 2024 was $34,861,531.35. In addition, the System recorded ($6,043,600.70) and $303,002.59 to interest expense relating to the amortization of premiums and deferred inflows and outflows of resources from bond refundings, respectively. The resulting amount of $29,120,933.24 was reported as interest expense and fiscal charges for the fiscal year ended August 31, 2024.

Funds Available for Debt Service

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues,* as amended, makes a basic distinction between the sales of receivables and future revenues, versus the pledging of receivables or future revenues to repay a borrowing (a collateralized borrowing).

Total pledged revenues consist of available pledged revenues, which include the gross revenues of the Revenue Financing System ("RFS"), the Student Union Fee, pledged general tuition (which includes general use fees), investment income, and funds held for payment of debt service. In addition to current year pledged revenues, any unappropriated or reserve fund balances remaining at year-end are available for payment of the subsequent year debt service. System HEF reserves cannot be included in total pledged revenues. The following table provides the pledged revenue information for the System's revenue bonds:

Pledged Future Revenue
Table 5D
August 31, 2024

	Revenue Bonds	Direct Placement Revenue Bonds
Pledged Revenue Required for Future Principal and Interest on Existing Debt	$ 1,002,397,218.38	$ 7,671,800.00
Term of Commitment Year Ending 8/31	2052	2027
Percentage of Pledged Revenue	100.0%	100.0%
Current Year Pledged Revenue	$ 1,417,882,593.79	$ 1,417,882,593.79
Current Year Principal and Interest Paid	$ 77,216,311.02	$ 2,889,760.00

Claims and Judgments

As of August 31, 2024, the Claims and Judgments liability accrual is comprised of incurred but not reported ("IBNR") activity associated with HSC and a legal settlement accrual. According to authoritative GASB guidance, liabilities should be recognized when the possibility of loss is probable and the amount of loss is reasonably estimable. See Note 12, *Contingencies and Commitments*, and Note 14, *Risk Management*, for more information on the claims and judgments against the System.

Employees' Compensable Leave

According to the Texas Human Resources Management Statutes Inventory provided by the State Auditor's Office, state agency employees who have accrued six months of continuous state employment are entitled to be paid for the accrued balance of the employee's vacation leave as of the date of separation, if the employee is not reemployed by a state agency or institution of higher education with no break in state service to a position which accrues vacation leave. Substantially all full-time System employees earn between eight and twenty-one hours of annual leave per month depending upon the respective employee's years of state employment. State law permits employees to carry accrued leave forward from one fiscal year to another, up to a maximum of 532 hours for those employees with 35 or more years of state service. Eligible part-time employees' annual leave accrual rate and maximum carryover are proportional to the number of hours appointed to work. Employees with at least six months of continuous state service who terminate their employment are entitled to payment for all accumulated vacation leave. Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid only when an employee is off due to personal or family illness or to the estate of an employee in the event of their death. The maximum sick leave that may be paid to an employee's estate is one-half of the employee's accumulated sick leave or 336 hours, whichever is less. Eligible part-time employees' sick leave accrual rate is proportional to the number of hours they are appointed to work. This obligation is generally paid from the same funding source as the employee's salary or wage compensation is paid. An expense and a liability are recorded as the benefits accrue to employees, and the liability is reduced as the accrued leave is taken. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Lease Obligations and Subscription Obligations

See Note 7, *Leases and SBITAs,* for more information on right to use obligations.

Asset Retirement Obligation

As of August 31, 2024, the System held two radioactive material licenses associated with facilities at UNT and HSC. The estimated remaining useful life of the associated tangible capital assets is 202 months and 118 months, respectively. Licensing of Radioactive Materials is regulated by the State of Texas via Texas Administrative Code Title 25 Health Services, Part 289 Radiation Control, Subpart 252 Licensing of Radioactive Materials. The System estimated the obligation amount using best-estimate current value based on settlement amount and recorded the initial measurement as a deferred outflow of resources and a noncurrent liability. The System will assess the ARO account balances annually for any significant changes in current value and make all necessary adjustments. ARO balances are reduced annually by the amount of actual expenditures to retire the asset. In accordance with Texas Administrative Code, Title 25, Part 1, Chapter 289, Subchapter D, Rule 289.201(c), the System is exempted from posting the financial instruments specifically based upon being a state funded academic facility actively working to reduce the amount of radioactive material authorized on its licenses.

Net Pension Liability

See Note 1, *Summary of Significant Accounting Policies*, and Note 8, *Defined Benefit Pension Plan and Defined Contribution Plan,* for more information on the Net Pension Liability.

Net OPEB Liability

See Note 1, *Summary of Significant Accounting Policies*, and Note 9, *Postemployment Benefits Other Than Pensions,* for more information on the Net OPEB Liability.

Other Noncurrent Liabilities

The System reported balances in Other Noncurrent Liabilities in fiscal year 2024 related to other liabilities, including the wind down of the Perkins Loan Program. Specifically, the federal share to be returned in proportion to the total excess liquid capital of the Perkins Loan Program was recorded as an other noncurrent liability in 2024.

Note 6: Bonded Indebtedness

At August 31, 2024, the System had revenue bonds principal outstanding of $691,660,000.00. RFS debt is secured by and payable from pledged revenues as defined in the Master Resolution establishing the RFS. 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 as set forth by the State. General information related to revenue bonds outstanding as of August 31, 2024 is summarized in the table below:

Bonded Indebtedness
Table 6A
August 31, 2024

Bond	Purpose	Issue Date	Interest Rates	Amount Issued	Total Principal Outstanding
Public Offerings					
RFS Refunding Bonds, Series 2015A	To provide funds for the purposes of refunding Revenue Financing System Bonds Series 2014 Private Placement Arrangement, for refunding a portion of the commercial paper notes and provide funding for constructing and equipping buildings, and paying certain costs of issuing the bonds	10/21/2015	2.0000% - 5.0000%	$ 105,130,000.00	$ 96,535,000.00
RFS Refunding Bonds, Series 2015B	To provide funds for the purposes of refunding Revenue Financing System Bonds Series 2014 Private Placement Arrangement, for refunding a portion of the commercial paper notes, provide funding for constructing and equipping buildings, and paying certain costs of issuing the bonds	10/21/2015	0.3000% - 4.8380%	73,035,000.00	32,825,000.00
RFS Refunding Bonds, Series 2017A	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2009A; a portion of the outstanding commercial paper notes; for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	1/31/2017	1.0000% - 5.0000%	196,165,000.00	131,135,000.00
RFS Refunding Bonds, Series 2017B	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2009A; a portion of the outstanding commercial paper notes; for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	1/31/2017	0.9000% - 4.1220%	164,305,000.00	100,580,000.00
RFS Refunding Bonds, Series 2018A	To provide funds for the purposes of constructing, improving, renovating, and equipping property; refunding a portion of the outstanding commercial paper notes; and paying certain costs of issuing the bonds	9/11/2018	3.0000% - 5.0000%	149,425,000.00	145,815,000.00
RFS Refunding Bonds, Series 2018B	To provide funds for the purposes of constructing, improving, renovating, and equipping property; refunding a portion of the outstanding commercial paper notes; and paying certain costs of issuing the bonds	9/11/2018	2.3000% - 3.5500%	22,685,000.00	4,515,000.00
RFS Refunding Bonds, Series 2020A	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2010, 2015, and 2015C for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	7/2/2020	2.0000% - 5.0000%	59,475,000.00	25,895,000.00
RFS Refunding Bonds, Series 2020B	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2012A and 2012B; a portion of the outstanding commercial paper notes; for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	7/2/2020	0.6450% - 3.0020%	55,240,000.00	47,785,000.00
RFS Refunding Bonds, Series 2022	To provide funds for the purposes of refunding a portion of the outstanding commercial paper notes; for constructing, improving, renovating, and equipping property; and paying certain costs of issuing the bonds	3/29/2022	4.0000% - 5.0000%	101,555,000.00	99,235,000.00
			Total Public Offerings	$ 927,015,000.00	$ 684,320,000.00
Direct Borrowings					
RFS Refunding Bonds, Series 2018	To provide funds for the purposes of refunding a portion of the Revenue Financing System Bonds Series 2009; and paying certain costs of issuing the bonds	3/14/2018	2.4000% - 2.4000%	$ 22,845,000.00	$ 7,340,000.00
			Total Direct Placements	$ 22,845,000.00	$ 7,340,000.00
			Total Bonded Indebtedness	$ 949,860,000.00	$ 691,660,000.00

Note 7: Leases and SBITAs

The System has entered into agreements to lease (as lessee) certain buildings and building improvements, land and other improvements, and equipment. The agreements to lease qualify as other than short-term leases under GASB Statement No. 87, Leases, and, therefore, have been recorded at the present value of the future minimum lease payment as of the date of their inception.

The agreements to lease terms will expire in various years through 2093. In 2024, the total lease payment was $1,926,171.02, comprised of $1,846,164.86 principal and $80,006.16 interest expense. The lease liability was measured based upon the incremental borrowing rate as of the contract start date. The incremental borrowing rate is calculated using the quarterly average of Treasury Constant Maturities as reported by the Federal Reserve. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance. For the fiscal year ended August 31, 2024, there were no variable payments. There were no residual value guarantees as part of the lease agreements. At August 31, 2024, as a result of the agreements to lease, the System recorded lease assets with a gross asset balance of $13.5 million and $8.3 million in accumulated amortization, ending in a net book value of $5.2 million. More detailed information regarding the System's lease assets is provided in Note 2, Capital Assets.

The future minimum lease payments under non-cancelable leases having an initial term in excess of one year as of August 31, 2024 are as follows:

Right to Use Lease Future Obligations
Table 7A
August 31, 2024

Fiscal Year	Principal	Interest	Total Future Min. Lease Payments
2025	$ 1,784,913.40	$ 72,055.73	$ 1,856,969.13
2026	849,653.14	61,528.97	911,182.11
2027	59,394.49	58,081.46	117,475.95
2028	60,618.46	56,857.50	117,475.96
2029	61,946.85	55,529.12	117,475.97
2030 - 2034	330,971.23	256,408.58	587,379.81
2035 – 2039	368,885.82	218,493.98	587,379.80
2040 - 2044	411,125.82	176,253.98	587,379.80
2045 - 2049	340,973.58	131,406.26	472,379.84
2050 - 2054	75,381.97	111,998.02	187,379.99
2055 - 2059	84,016.07	103,363.93	187,380.00
2060 - 2064	93,639.30	93,740.70	187,380.00
2065 - 2069	104,321.62	83,058.38	187,380.00
2070 - 2074	116,324.13	71,055.87	187,380.00
2075 - 2079	129,648.91	57,731.09	187,380.00
2080 - 2084	144,500.24	42,879.75	187,379.99
2085 - 2089	161,042.37	26,337.63	187,380.00
2090 - 2093	142,034.57	7,869.44	149,904.01
Total	**$ 5,319,391.97**	**$ 1,684,650.39**	**$ 7,004,042.36**

In addition, the System has entered into agreements to lease (as lessor) certain buildings and other capital assets to outside parties. The agreements to lease terms will expire in various years through 2039. In 2024, the total right to use lease income was $3,885,053.08, comprised of $3,638,145.99 principal and $246,907.09 interest income.

The payments to be received under non-cancelable leases having an initial term in excess of one year as of August 31, 2024 are as follows:

Right to Use Lease Future Income
Table 7B
August 31, 2024

Fiscal Year	Principal	Interest	Total Future Min. Lease Income
2025	$ 2,837,621.44	$ 208,787.88	$ 3,046,409.32
2026	2,110,244.89	173,791.96	2,284,036.85
2027	1,711,380.58	143,246.31	1,854,626.89
2028	1,441,694.95	117,296.36	1,558,991.31
2029	1,462,990.85	93,165.43	1,556,156.28
2030 - 2034	3,644,257.92	211,224.63	3,855,482.55
2035 – 2039	878,685.72	35,486.08	914,171.80
Total	**$ 14,086,876.35**	**$ 982,998.65**	**$ 15,069,875.00**

The System has entered into SBITAs for the right to use external party's information technology software, platform, and/or infrastructure. These agreements qualify as other than short-term subscriptions or agreements under GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and, therefore a right to use subscription asset and corresponding subscription liability have been recorded at the commencement of the subscription terms.

These agreements will expire in various years through 2030. In 2024, the total subscription payment was $8,520,401.90, comprised of $7,974,517.59 principal and $545,884.31 interest expense. The subscription liability was measured based upon the incremental borrowing rate as of the contract start date. The incremental borrowing rate is calculated using the quarterly average of Treasury Constant Maturities as reported by the Federal Reserve. Variable payments that are not fixed in substance are not included in the measurement of the subscription liability. For the fiscal year ended August 31, 2024, there were no variable payments. There were no changes in the manner or duration of use of the right-to-use SBITA assets for the fiscal year ended August 31, 2024 and thus no impairment loss to disclose.

At August 31, 2024, as a result of these agreements, the System recorded right-to-use subscription assets with a gross asset balance of $31.4 million and $13.8 million in accumulated amortization, ending in a net book value of $17.6 million. More detailed information regarding the System's right-to-use subscription assets is provided in Note 2, Capital Assets.

The future minimum lease payments remaining under non-cancelable lease terms with an initial term in excess of one year as of August 31, 2024 are as follows:

Right to Use Subscription Future Obligations
Table 7C
August 31, 2024

Fiscal Year	Principal	Interest	Total Future Min. Payments
2025	$ 6,892,287.87	$ 582,981.77	$ 7,475,269.64
2026	5,015,830.80	357,689.24	5,373,520.04
2027	1,813,486.28	138,567.28	1,952,053.56
2028	1,003,337.04	69,030.04	1,072,367.08
2029	348,072.71	30,727.29	378,800.00
2030	381,712.91	16,027.09	397,740.00
Total	**$ 15,454,727.61**	**$ 1,195,022.71**	**$ 16,649,750.32**

Note 8: Defined Benefit Pension Plan and Defined Contribution Plan

Teacher Retirement System

Plan Description

The State has joint contributory retirement plans for the majority of its employees. One of the primary plans in which the System participates is the TRS Plan. The TRS Plan is a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation administered by TRS. The TRS Plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The TRS Plan is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Legislature has the authority to establish and amend benefits and contribution rates within the guidelines of the Texas Constitution. The TRS Plan's Board of Trustees does not have the authority to establish or amend benefit terms.

The employers in the TRS Plan include the state of Texas, TRS, the state's public schools, education service centers, charter schools, and community and junior colleges. All employees of public, state-supported education institutions in Texas who are employed for one-half or more of the standard workload and not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the TRS Plan. Employees of TRS and state of Texas colleges, universities and medical schools are members of the TRS Plan.

Detailed information about the TRS Plan's fiduciary net position is available in a separately issued ACFR that includes financial statements and required supplementary information. That report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

The TRS Plan provides retirement, disability annuities and death and survivor benefits. 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 post-employment benefit changes, including automatic cost of living adjustments ("COLAs"). Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Legislature.

All System personnel working on a half time or greater basis that is projected to last for 4.5 months or more are eligible for membership in the TRS 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 participation in the TRS Plan on or after September 1, 2007 must be age 60 to retire and members who were not vested in the TRS Plan on August 31, 2014, must be age 62 to retire 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. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule.

Contributions

Contribution requirements are established or amended pursuant to the Texas Constitution, Article XVI, Section 67, which requires the Legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation paid to members of the System during the year. Texas Government Code Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

During the measurement period of 2023 for fiscal 2024 reporting, the amount of the System's contributions recognized by the plan was $17,677,338.00. The contribution rates are based on a percentage of the monthly gross compensation for each member. Contributions by employees were 8.0% of gross earnings during the measurement period of 2023. Depending upon the source of funding for the employee's compensation, the State or the System contributes a percentage of participant salaries totaling 8.0% of annual compensation for during the measurement period of 2023.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

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.

At August 31, 2024, the System reported a liability of $236,226,885.00 for its proportionate share of the collective net pension liability of the TRS Plan. The collective net pension liability was measured as of August 31, 2023 (the "measurement date"), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System's proportion of the collective net pension liability at the measurement date was 0.3439011167%, which was an increase of 0.0179408388% from the 0.3259602779% measured at the prior measurement date. The System's proportionate share was based on its contributions to the pension plan, excluding State on-behalf contributions, relative to the contributions of all employers and non-employer contributing entities to the TRS Plan for the period September 1, 2022 through August 31, 2023 (the "measurement period"). During the measurement period, the amount of the System's contributions reported by the State was $6,794,441.88. The State's proportionate share for those contributions was 0.1321814506%. The amount of net pension liability related to the System reported by the State was $90,795,902.29. The amount reported by the state is related to 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 fiscal year ended August 31, 2024, the System recognized pension expense of $41,296,821.00. At August 31, 2024, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/Inflows of Resources
Table 8A: TRS Plan
August 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 18,003,453.00	$ -
Changes of assumptions	22,342,435.00	5,467,703.00
Difference between expected and actual experience	8,416,844.00	2,860,449.00
Change in proportion and contribution difference	14,204,804.00	13,603,016.00
Net difference between projected and actual investment return	34,376,746.00	-
Total	**$ 97,344,282.00**	**$ 21,931,168.00**

The $18,003,453.00 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 fiscal year ending August 31, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amortization Impact of Deferred Outflows/ Inflows of Resources on Pension Expense
Table 8B: TRS Plan
August 31, 2024

Year		Expense
2025	$	12,036,803.00
2026		6,868,194.00
2027		28,061,053.00
2028		8,601,568.00
2029		1,842,043.00
Total	**$**	**57,409,661.00**

Actuarial Assumptions

The total pension liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total pension liability as of the August 31, 2023 measurement date:

Actuarial Methods and Assumptions
Table 8C: TRS Plan
For the Fiscal Year Ended August 31, 2024

Actuarial Methods and Assumptions	TRS Plan
Actuarial Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Discount Rate	7.00%
Investment Rate of Return	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
Mortality	
Active	PUB(2010) Mortality Tables for Teachers, below median, with full generational mortality
Post-Retirement	2021 TRS Healthy Pensioner Mortality Tables with full generational projection using Scale U-MP
Ad Hoc Post-Employment Benefit Changes	None

The 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 valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total pension liability to August 31, 2023. The actuarial assumptions used in the valuation were primarily based on the result of an actuarial experience study for the four year period ended August 31, 2021 and adopted in July 2022. The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the Net Pension Liability of TRS. In addition, the Legislature also provided for a COLA to retirees which was approved during the November 2023 election which was paid January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023. Otherwise, there have been no changes to the benefit provisions of the plan since the prior measurement date. The discount rate of 7.00% was applied to measure the total net 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 TRS Plan assumed that active members, employers, and the non-employer contributing entity make their contributions at the statutorily required rates. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 gradually increasing to 9.56% over the next several years. This includes a factor for all employer and state contributions for active and rehired retirees. Based on these assumptions, the TRS 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 TRS Plan's investment portfolio are presented below:

Target Allocations
Table 8D: TRS Plan
August 31, 2024

Asset Class	Target Allocation(2)	Long-Term Expected Geometric Real Rate of Return(3)
Global Equity		
USA	18.00%	4.00%
Non-U.S. Developed	13.00%	4.50%
Emerging Markets	9.00%	4.80%
Private Equity(1)	14.00%	7.00%
Stable Value		
Government Bonds	16.00%	2.50%
Absolute Return(1)	0.00%	3.60%
Stable Value Hedge Funds	5.00%	4.10%
Real Return		
Real Estate	15.00%	4.90%
Energy, Natural Resources & Infrastructure	6.00%	4.80%
Commodities	0.00%	4.40%
Risk Parity	8.00%	4.50%
Asset Allocation Leverage		
Cash	2.00%	3.70%
Asset Allocation Leverage	(6.00)%	4.40%
Total	100.00%	

(1) Absolute Return includes Credit Sensitive Investments.
(2) Target allocations are based on a fiscal year 2023 policy model.
(3) Capital Market assumptions come from Aon Hewitt (as of 6/30/2023).

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of the System's net pension liability. The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

Sensitivity of Net Pension Liability to Changes in Discount Rate
Table 8E: TRS Plan
August 31, 2024

1.0% Decrease 6.00%	Current Discount Rate 7.00%	1.0% Increase 8.00%
$ 353,172,274.00	$ 236,226,885.00	$ 138,986,730.00

Optional Retirement Program

The State has also established the Optional Retirement Program (the "ORP"), a defined contribution plan, for institutions of higher education. Participation in the ORP is in lieu of participation in the TRS Plan and is available to certain eligible employees who hold faculty positions and other professional positions including but not limited to director-level and above, librarians, and coaches. The ORP provides for the purchase of annuity contracts and mutual funds and is administered by a variety of investment firms. Employees are immediately vested in their own contributions and earnings on those contributions and become vested in the employer contributions after one year and one day of participation.

The employee and employer contribution rates are established by the Legislature each biennium. 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 State provides an option for a local supplement in addition to 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 employer (6.60% state base rate for 2024 plus any local supplement for a maximum 8.50% of annual compensation) for the fiscal year ended August 31, 2024, is provided in the following table:

Participant Contributions
Table 8F: ORP
For the Fiscal Year Ended August 31, 2024

	ORP Participation
Member Contributions	$ 9,250,493.94
Employer Contributions	9,601,677.34
Total	**$ 18,852,171.28**

Note 9: Postemployment Benefits Other Than Pensions

Employees Retirement System

Plan Description

The state of Texas currently participates in two types of defined benefit OPEB plans. The System participates in the ERS Plan. The ERS Plan is a cost-sharing, multiple-employer defined benefit OPEB plan with a special funding situation administered by ERS. The Legislature has the authority to establish and amend benefits and contribution rates within the guidelines of the Texas Constitution. The ERS Plan's Board of Trustees does not have the authority to establish or amend benefit terms. Benefits are provided to retirees through the Texas Employees Group Benefits Program as authorized by Texas Insurance Code, Chapter 1551. The employers in the ERS Plan include the state of Texas agencies and universities, community and junior colleges, and other entities specified by the Legislature. Employees of state of Texas agencies, colleges, universities and medical schools are members of the ERS Plan. Detailed information about the ERS Plan's fiduciary net position is available in a separately issued ACFR that includes financial statements and required supplementary information. That report may be obtained by writing to ERS at 200 E. 18th Street, Austin, TX, 78701-1400.

Benefits Provided

The ERS Plan provides postemployment health care, life, vision and dental insurance benefits to eligible retirees. The benefit and contribution provisions of the ERS Plan are authorized by state law and may be amended by the Legislature. All System employees that work at least 20 hours but less than 30 hours per week for an expected period of 4.5 months or more are eligible for partial health benefits under ERS. System employees that work 30 or more hours for an expected period of 4.5 months or more are eligible for full health benefits under ERS. Employees may retire at age 65 with 10 years of service with an employer who participated in the ERS Plan or any combination of age plus 10 years of service with an employer who participated in the ERS Plan that is equal to or greater than 80. The premium provisions are determined by the Texas Legislature and require monthly contributions by the State, System, and System employees. Surviving spouses and dependents of retirees are also covered by the plan. The plan does not provide automatic cost of living adjustments.

Contributions

During the measurement period of 2023 for fiscal 2024 reporting, the amount of the System's contributions recognized by the plan for retirees was $13,474,867.00. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. Contributions to ERS for the fiscal year ended August 31, 2024 for active and retired employees were as follows:

Participant Contributions
Table 9A: ERS Plan
For the Fiscal Year Ended August 31, 2024

ERS Participation		
Member Contributions	$	18,262,151.94
State On-Behalf Contributions		26,206,342.34
Employer Contributions		48,381,333.82
Total	**$**	**92,849,828.10**

The contribution requirements for the state and the members in the measurement period are presented below:

Required Contribution Rates
Table 9B: ERS Plan
For the Fiscal Year Ended August 31, 2024

Retiree Only	$	624.82
Retiree & Spouse	$	1,340.82
Retiree & Children	$	1,104.22
Retiree & Family	$	1,820.22

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The OPEB plan's fiduciary net position is determined using the economic resources measurement focus and the accrual basis of accounting, which is the same basis used by ERS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments of the Other Employee Benefit Trust Fund are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings. More detailed information on the plan's investment valuation, investment policy, assets, and fiduciary net position may be obtained from ERS' fiscal 2023 ACFR.

At August 31, 2024, the System reported a liability of $426,927,989.00 for its proportionate share of the collective net OPEB liability of the ERS Plan. The non-current portion of the liability was $408,939,851.00 and the current portion was $17,988,138.00. The collective net OPEB liability was measured as of August 31, 2023 (the "measurement date"), and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The System's proportion of the collective net OPEB liability at the measurement date was 1.59793213%, which was an increase of 0.03643450% from the 1.56149763% measured at the prior measurement date. The System's proportionate share was based on its contributions to the OPEB plan, excluding State on-behalf contributions, relative to the contributions of all employers and non-employer contributing entity to the ERS Plan for the period September 1, 2022 through August 31, 2023 (the "measurement period"). For the fiscal year ended August 31, 2024, the System recognized OPEB expense of $46,496,818.00. At August 31, 2024, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources and Deferred Inflows of Resources
Table 9C: ERS Plan
August 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 4,753,134.00	$ -
Changes of assumptions	14,241,854.00	133,335,299.00
Difference between expected and actual experience	-	11,292,474.00
Change in proportion and contribution difference	39,663,040.00	9,726,607.00
Net difference between projected and actual investment return	34,491.00	-
Total	**$ 58,692,519.00**	**$ 154,354,380.00**

The $4,753,134.00 reported as deferred outflows of resources from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability for the fiscal year ending August 31, 2025. Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization Impact of Deferred Outflows/ Inflows of Resources on OPEB Expense
Table 9D: ERS Plan
August 31, 2024

Year	Expense
2025	$ (23,933,536.00)
2026	(26,623,899.00)
2027	(27,775,926.00)
2028	(18,637,237.00)
2029	(3,444,397.00)
Total	**$ (100,414,995.00)**

Actuarial Assumptions

The total OPEB liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total OPEB liability as of the August 31, 2023 measurement date:

Actuarial Methods and Assumptions

Table 9E: ERS Plan

For the Fiscal Year Ended August 31, 2024

Actuarial Methods and Assumptions	**ERS Plan**
Actuarial Valuation Date	August 31, 2023
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount Rate	3.81%
Inflation	2.30%
Salary Increase	2.30% to 8.95% including inflation
Healthcare Cost and Trend Rate	
HealthSelect	5.60% for FY 2025, 5.30% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years
HealthSelect Medicare Advantage	16.40% for FY 2025, 8.40% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2032 and later years
Pharmacy	10.00% for FY 2025 and FY 2026, decreasing 100 basis points per year to 5.00% for FY 2031, and 4.30% for FY 2032 and later years
Aggregate Payroll Growth	2.70%
Retirement Age	Experience-based tables of rates that are specific to the class of employee
Mortality	
State Agency Members	
Service Retirees, Survivors and Other Inactive Members	2020 State Retirees of Texas Mortality table with a 1 year set forward for male Certified Peace Officers/Custodial Officers ("CPO/CO") members and Ultimate MP-2019 Projection Scale projected from the year 2020
Disabled Retirees	2020 State Retirees of Texas Mortality table with a 3 year set forward for males and females with minimum rates at all ages of 3.0% for males and 2.5% for females, respectively, and Ultimate MP-2019 Projection Scale projected from the year 2020
Active Members	Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP-2019 Projection Scale from the year 2010
Higher Education Members	
Service Retirees, Survivors and Other Inactive Members	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021
Disabled Retirees	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active Members	Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP Projection Scale from the year 2010
Ad Hoc Post-Employment Benefit Changes	None

The source of the municipal bond rate is the Bond Buyer Index of general obligations bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The actuarial assumptions used in the valuation were primarily based on the result of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2014 to August 31, 2019 for state agency members and for the period September 1, 2010 to August 31, 2017 for higher education members. The mortality rates were based on the tables identified in the above table titled Actuarial Methods and Assumptions.

The following assumptions have been changed since the previous OPEB valuation:

a. The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence;
b. The proportion of future retirees assumed to cover dependent children;
c. The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement;
d. Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.
e. The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect the most recent plan experience and expected trends; and,
f. The discount rate was changed from 3.59% as of Aug. 31, 2022 to 3.81% as of Aug. 31, 2023 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit revisions have been adopted since the prior valuation. These changes are not expected to have a significant impact on plan costs for fiscal year 2024 and are provided for in the 2024 Assumed Per Capita Health Benefit Costs.

The discount rate used to measure the total net OPEB liability is the municipal bond rate of 3.81%, an increase of 0.22% from the 3.59% used in the prior year. Projected cash flows into the plan are equal to projected benefit payments out of the plan. As the plan operates on a pay-as-you-go basis and is not intended to accumulate funds in advance of retirement, there is no long-term expected rate of return. ERS' board of trustees amended the investment policy statement in August 2022 to require that all funds in this plan be invested in cash and equivalent securities. The investment rate of return used to calculate the projected earnings on OPEB plan investments was 3.59%.

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of the System's net OPEB liability. The following presents the System's proportionate share of the net OPEB liability calculated using the discount rate of 3.81%, as well as what the System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.81%) or one percentage point higher (4.81%) than the current rate:

Sensitivity of Net OPEB Liability to Changes in Discount Rate
Table 9F: ERS Plan
August 31, 2024

1.0% Decrease 2.81%	Current Discount Rate 3.81%	1.0% Increase 4.81%
$ 495,388,594.00	$ 426,927,989.00	$ 371,863,366.00

Sensitivity analysis was performed on the impact of changes in the healthcare cost trend rates on the proportionate share of the System's net OPEB liability. The following presents the System's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, as well as what the System's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates one percentage point lower or one percentage point higher than the current rates:

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rates
Table 9G: ERS Plan
August 31, 2024

1.0% Decrease HS/HSMA/Pharmacy 4.60/15.40/9.00% decreasing to 3.30%	Current Healthcare Cost Trend Rates HS/HSMA/Pharmacy 5.60/16.40/10.00% decreasing to 4.30%	1.0% Increase HS/HSMA/Pharmacy 6.60/17.40/11.00% decreasing to 5.30%
$ 367,217,409.00	$ 426,927,989.00	$ 502,760,727.00

Note 10: Interagency Activity and Transactions

The System experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interagency balances will occur within one year from the date of the financial statements. There were no balances in interfund receivables and payables at August 31, 2024.

Note 11: Adjustments to Beginning Net Position

During fiscal year 2024, error corrections resulted in adjustments to and restatements of beginning net position as follows:

Adjustments to Beginning Net Position
Table 11A
August 31, 2024

	August 31, 2023 Net Position as Previously Reported	Error Corrections	August 31, 2023 Net Position as Restated
Business-Type Activities	$ 794,036,464.42	(12,942,729.55)	$ 781,093,734.87

The following table presents detail of the types of Adjustments to Beginning Net Position:

Detail of Adjustments to Beginning Net Position
Table 11B
August 31, 2024

	Total
August 31, 2023 Net Position as Previously Reported	**$ 794,036,464.42**
Correction of Error: Payroll Liabilities and Related Cash Accounts	(7,123,498.50)
Correction of Error: UNTHSC Foundation Endowments	(3,669,781.55)
Correction of Error: Capital Asset CIP and RTU	(2,012,881.03)
Correction of Error: Accounts Payable	(136,568.47)
Total Adjustments and Restatements	**$ (12,942,729.55)**
August 31, 2023 Net Position as Restated	**$ 781,093,734.87**

Note 12: Contingencies and Commitments

The System is involved in several pending and threatened legal actions. Unless otherwise disclosed in this note, the range of potential loss from all such claims and actions, as estimated by the System's legal counsel and management, should not materially affect the System's financial position.

Amounts received or receivable from grantor agencies are subject to audit and adjustments by such agencies, principally the U.S. government. Any disallowed claims may constitute a liability of the System. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the System expects any such amounts to be immaterial.

Contingencies

Timothy Jackson v. UNT System, et al. Case No. 4:21-cv-00033, US District Court, Eastern District of Texas. First Amendment, retaliation, and defamation claims. Plaintiff seeks injunctive relief on the federal claims and damages for the state law claims against 18 individual defendants, which are limited to $100,000 per defendant. The likelihood of an unfavorable outcome is reasonably possible. A range of loss cannot be determined at this time.

Eminent Domain Matters. Probate Court, Denton County, Texas. In February 2019, the Board of Regents authorized eminent domain action for four parcels of land generally described as the UNT Gateway properties. As the last step prior to initiating eminent domain litigation, final offer letters were sent to the owners in late June 2019 offering the following amounts: (1) 1000 Avenue C, $500,000; (2) 906 Avenue C, $700,000; (3) 902 Avenue C, $800,000; and (4) 903 Kendolph Street, $500,000. The purchase of 906 Avenue C was concluded for a negotiated purchase price of $1,400,000 in April 2020. The purchase of 902 Avenue C was concluded for a negotiated purchase price of $1,600,000 in December 2023. Negotiations with the two remaining property owners have not been successful.

Commitments

The System continues to implement capital improvements to upgrade facilities. Approximately $344.9 million in capital commitments have been entered into for the construction and renovation of various facilities across all of its campuses. These projects are in various stages of completion. The estimated breakdown of funding sources available for this commitment is as follows: 77% Capital Construction Assistance Project bonds, 11% HEF, 5% auxiliary reserves, 3% Revenue Financing System bonds, 3% student fees, and 1% from the annual operating budget. Approximately $83.5 million of the commitment, or roughly 24.2%, is expected to be spent in 2025.

Private investments are invested in limited partnerships with external investment managers or general partners who invest primarily in private equity transactions. These investments, both domestic and international, are illiquid and may not be realized for a period of several years after the investments are made. There are certain risks associated with these investments, some of which are liquidity risk, market risk, event risk and investment manager risk. As of August 31, 2024, the System has committed $88,938,000.00 to various private investments, including $24,128,000.00 committed to hedge funds. Of this total commitment, $43,254,280.94 is unfunded.

Note 13: Subsequent Events

Custodian Bank and Investment Manager

Effective September 2024, UNT System selects US Bank as short-term investment pool custodian bank and Payden and Rygel as an active investment manager.

Note 14: Risk Management

The System is exposed to a variety of civil claims resulting from the performance of its duties. It is System policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The System assumes substantially all risks associated with torts, theft, damage or destruction of assets, business interruption, errors or omissions, and job-related illness or injuries to employees arising out of the performance of the System's mission. Financial risks are transferred through contracts, or financed through commercial insurance or self-insurance plans. Financial exposure from lawsuits for damages and injunctive relief arising from torts and contracts is mitigated by the function of sovereign, Eleventh Amendment and individual immunities and statutory limits on the amount of recovery. In addition, state law limits financial exposure for state law claims made against individual employees and officials. Currently the System does not carry System-wide commercial general liability insurance for any of the institutions; commercial general liability policies are purchased on an as needed basis to address unique exposures. The System is not involved in any risk pools with other government entities. Liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The System has various insurance and self-insurance arrangements to manage risks of loss that are within the scope of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended. There are no claims pending or significant non-accrued liabilities, except as stated in Note 12, *Contingencies and Commitments*. The System did not have any losses or settlements that exceeded insurance policy limits within the last three years.

Self-Insurance Arrangements

Health Care Professional Malpractice Self-Insurance Plan

HSC manages a health care malpractice self-insurance plan for its licensed or certified health care professionals. As of August 31, 2024, HSC had sufficient self-insurance reserves for known claims against its health care professionals. The policy limits for this plan are $500,000/$1,500,000. Health care professional liability coverage is purchased for health care students with entity coverage, which provides a maximum per incident of $1,000,000 and an aggregate limit of $3,000,000 with no deductible for legal expenses but a $5,000 deductible per claim for professional liability coverage damages only.

The following claims, judgments, and Incurred But Not Reported ("IBNR") activity was determined for the fiscal year ended August 31, 2024 and August 31, 2023, respectively:

Changes in Claims and Judgments and IBNR Liability Balances
Table 14A
August 31, 2024 and August 31, 2023

	September 1, 2023	Additions	Reductions	August 31, 2024
Incurred But Not Reported Self-Insurance Claims (HSC) [1]	$ 1,121,775.00	$ 501,592.00	$ -	$ 1,623,367.00
Claims and Judgments	$ 100,000.00	$ 143,563.34	$ 163,563.34	$ 80,000.00

	September 1, 2022	Additions	Reductions	August 31, 2023
Incurred But Not Reported Self-Insurance Claims (HSC) [1]	$ 1,135,481.00	$ -	$ 13,706.00	$ 1,121,775.00
Claims and Judgments	$ 506,000.00	$ 711,081.39	$ 1,117,081.39	$ 100,000.00

[1] The estimated claims payable for medical malpractice IBNR includes estimates of allocated loss adjustment expenses.

Student-Athlete Accident Medical Self-Insurance Plan

The National Collegiate Athletic Association (the "NCAA") requires its member institutions to certify coverage for medical expenses resulting from injuries sustained by student-athletes and certain prospective student-athletes while participating in qualifying NCAA-sanctioned activities. UNT finances this plan to an actuarially determined attachment point and purchases commercial insurance for claims in excess of the attachment point. The attachment point for 2024 was $650,000. For the fiscal year ended August 31, 2024, claims paid out were not material.

Incurred But Not Reported Self-Insurance Claims
The System self-insures some physical injury and property damage claims that are not financed through commercial insurance, or are below the retention amounts for claims covered by commercial insurance. The System, as an agency of the State, is protected from risk of loss arising from these tort claims by sovereign immunity, except as such claims are permitted under the Texas Tort Claims Act. In addition to limiting the type of personal injury and damage claims that can be brought against the System, the Texas Tort Claims Act limits the loss that can result from claims that can be made to $250,000 for each person, $500,000 for each single occurrence of bodily injury or death, and $100,000 for each single occurrence of damage or destruction of property. For the fiscal year ended August 31, 2024, claims against the System were below the liability limits established by the Texas Tort Claims Act, and thus immaterial.

Commercial Insurance Arrangements

Educators Legal Liability
Educators Legal Liability coverage insures all institutions in the System as well as all officers, employees and volunteers. The policy provides for a maximum limit of $10,000,000 with a zero deductible per insured individual and $500,000 deductible per insured entity.

Automobile
The Texas Motor Vehicle Safety Responsibility Act requires that vehicles operated on a state highway be insured for minimum limits of liability in the amount of $250,000/$500,000 for bodily injury and $100,000 for property damage. The System carries liability insurance on its licensed vehicles in the amount of $1,000,000 combined single limit for bodily injury and property damage.

Medical Professional Liability
UNT has medical professional liability insurance coverage for professionals at the Student Health and Wellness Center, the Kristin Farmer Autism Center, and the Audiology & Speech-Language Pathology department. Under the coverage, professionals are defined as physicians, nurses, nurse practitioners, physician assistants, pharmacists, and athletic trainers. This coverage also extends to HSC medical students, UNT Dallas students in the counseling program; and UNT students enrolled in various programs, such as social work, counseling, rehabilitation assistants/rehabilitation counseling, health education, audiology, and speech language pathology. There is a maximum per incident limit of $1,000,000 and an aggregate of $3,000,000 with a $5,000 deductible.

Property
The System carries property insurance to finance losses arising from damage to or destruction of capital assets. The insurance also covers business interruption, which protects against losses resulting from disruption to revenue streams. At the close of the fiscal year, all premium payments had been made and an insurance policy was in effect that carried a $500,000,000 shared limit through the State's state-wide property insurance program.

Workers' Compensation
The System is required by state law to participate in the State's workers' compensation insurance program administered through the State Office of Risk Management. This program covers risks of loss resulting from job- related illness or injuries to employees while in the course and scope of their work responsibilities. Following a work-related illness or injury, employees enter into a return-to-work program, if necessary, thus reducing indemnity payments for lost compensation. Separate workers' compensation policies are purchased to cover out-of-state employees as required by the laws of the state in which an employee works. As of August 31, 2024, the System does maintain policies for out-of-state employees who reside in other states outside of Texas.

Unemployment Compensation
The State provides coverage for unemployment benefits from appropriations made to other state agencies for System employees. The current General Appropriations Act provides that the System must reimburse the General Revenue Fund one-half of the unemployment benefits for former and current employees from System appropriations. The Texas Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. The System has only one appropriated fund type. The System must reimburse the General Revenue Fund 100% of the cost

for unemployment compensation for any employees paid from funds held in local bank accounts and local funds held in the State Treasury.

Unemployment compensation is on a pay-as-you-go basis through the State, with the exception of locally funded enterprises that have fund expenses and set-aside amounts based on a percentage of payroll amounts. No material outstanding claims were pending at August 31, 2024. The System maintains reserves for unemployment compensation payments made for all claims and settlements not eligible for state funding. Health benefits are provided through the various state contracts administered by ERS.

Miscellaneous
Other lines of insurance purchased include: camp accident/medical, commercial crime, fine arts, inland marine, foreign liability, global travel accident, crisis response, and professional liability for North Texas Regional Institutional Review Board.

Note 15: Financial Reporting Entity

The System is composed of the University of North Texas System Administration and three academic institutions as follows: the University of North Texas, the University of North Texas Health Science Center at Fort Worth, and the University of North Texas at Dallas. The System is governed by a nine-member Board of Regents appointed by the Governor of Texas and confirmed by the Texas State Senate. Three members are appointed every odd-numbered year for six-year terms. In addition, the Governor appoints a nonvoting student Regent for a one-year term.

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 primary government, 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 3% of its net position. As of August 31, 2024, the University of North Texas Foundation and the University of North Texas Health Sciences Center Foundation met the criteria for inclusion in the System's financial statements.

Discretely Presented Component Units

University of North Texas Foundation
The UNT Foundation is reported as a discrete component unit. The UNT Foundation's fiscal year end is August 31, consistent with the System. The UNT Foundation is a separate nonprofit organization that is organized for various purposes, including transferring or using all or any part of the corpus or income from endowments for the benefit of UNT. Such uses are made in accordance with the general or specific purposes stipulated by the donors, grantors or testators, or in the absence of such stipulations, for such uses as may be determined by the Board of Directors of the UNT Foundation; furthermore, the UNT Foundation promptly distributes all net income in excess of operating requirements to promote the educational advancement of UNT. The governing board is self-perpetuating, comprised of elected members separate from the System's Board of Regents. The direction and management of the affairs of the UNT Foundation and the control and disposition of its assets are vested in the Board of Directors of the UNT Foundation. The System has no liability with regard to the UNT Foundation, its operations or liabilities. The majority of endowments supporting university scholarships and other System programs are owned by the UNT Foundation; therefore, including the UNT Foundation's financial reports is important to obtain a full understanding of the System's financial position and resources.

The UNT Foundation is an essential component of UNT's program for university advancement and for the development of private sources of funding for capital acquisitions, operations, endowments, and other purposes relating to the mission of UNT.

In August 2003, UNT entered into an agreement with the UNT Foundation to better define the relationship between the two entities and to comply with the statutory requirements of the Texas Government Code, Chapters 2255 and 2260. The 2003 agreement provided that the development leadership for UNT would be provided by the UNT Foundation's Chief Executive Officer. An amended agreement was approved by the UNT Foundation's Board of Directors in their June 2009 meeting, and subsequently approved by the System Board of Regents in August 2009. Under the amended agreement, UNT's Vice President for Advancement serves as the UNT Foundation's Director of Development and oversees, coordinates and exercises decision-making authority over the fundraising activities of both UNT and the UNT Foundation. In this dual position, the Vice President for Advancement/Foundation's Director of Development (the "VPA/FDD") shall have no decision-making authority in regard to governance of the UNT Foundation or expenditure of funds by the UNT Foundation. The VPA/FDD is an employee of UNT, and compensation for the position is the sole obligation of UNT. In consideration of this amended agreement, UNT has consistently reported the UNT Foundation as a discrete component unit in the System's financial statements.

University of North Texas Health Science Center Foundation
The UNTHSC Foundation is reported as a discrete component unit. The UNTHSC Foundation's fiscal year end is August 31, consistent with the System. The UNTHSC Foundation is a separate nonprofit organization that is organized for various purposes, including transferring or using all or any part of the corpus or income from endowments for the benefit of HSC. Such uses are made in accordance with the general or specific purposes stipulated by the donors, grantors or testators, or in the absence of such stipulations, for such uses as may be determined by the Board of Directors of the UNTHSC Foundation. The governing board is self-perpetuating, comprised of elected members separate from the System's Board of Regents. The direction and management of the affairs of the UNTHSC Foundation and the control and disposition of its assets are vested in the Board of Directors of the UNTHSC Foundation. The System has no liability with regard to the UNTHSC Foundation, its operations or liabilities. A portion of the endowments supporting scholarships or programs/ operations of HSC is owned by the UNTHSC Foundation, while another portion of the endowments is owned by HSC and placed with the UNTHSC Foundation for investment under terms of Management Agreements. Therefore, including the UNTHSC Foundation's financial reports is important to obtain a full understanding of the System's financial position and resources.

The UNTHSC Foundation is an essential component of HSC's program for institutional advancement and for the development of private sources of funding for capital acquisitions, operations, endowments, and other purposes relating to the mission of HSC.

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 fiscal year ended August 31, 2024 related to state pass-through grants were $37,878,145.27 and $30,829.04 respectively.

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

Note 16: Donor Restricted Endowments

The System's spending policy for unitized endowments reflects an objective to distribute as much total return as is consistent with overall investment objectives while protecting the real value of the endowment principal. An endowment is excluded from target distribution until the endowment has been established for one complete quarter.

The target distribution of spendable income to each unit of the endowment fund will be between 3% and 6% of the moving average market value of a unit of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the Finance Committee of the Board of Regents, the target annual distribution rate shall be 3.75% of the average unit market value. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May and August. This distribution amount shall be recalculated each quarter based on a 12-quarter rolling average. If, at any point of distribution, the fair market value of the endowment is below the corpus of the endowment, the real value of the endowment principal will be protected.

The distribution is made in accordance with the Texas Uniform Prudent Management of Institutional Funds Act. The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by the System.

Donor Restricted Endowments
Table 16A
August 31, 2024

Endowment Type	Amount of Cumulative Net Appreciation [1]	Reported in Net Position
True Endowments	$ 29,942,500.56	Restricted Expendable

[1] There was a positive fair value adjustment totaling $10,430,079.75 for fiscal year 2024 related to true endowments. As of August 31, 2024, the System did not have any term endowments to report.

Discretely Presented Component Units

University of North Texas Foundation

The UNT Foundation's spending policy for unitized endowments reflects an objective to distribute as much total return as is consistent with overall investment objectives and intergenerational equity, while protecting the real value of the endowment principal. An endowment is excluded from target distribution until the endowment has been established for one quarter.

The target distribution of spendable income to each unit of the endowment fund will be between 3% and 5% of the moving average market value of a unit of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the UNT Foundation's Board of Directors, the target annual distribution rate shall be 4% of the average unit market value: for fiscal year 2024 the distribution rate was 3.75%. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May and August. This distribution amount shall be recalculated each quarter based on a 12-quarter rolling average. If, at any point of distribution, the fair market value of the endowment is below the corpus of the endowment, the distributions shall be determined on a sliding scale basis.

The distribution is made in accordance with the Texas Uniform Prudent Management of Institutional Funds Act. The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by the UNT Foundation, a discrete component unit of the System.

Donor Restricted Endowments
Table 16B: UNT Foundation
August 31, 2024

Endowment Type	Amount of Cumulative Net Appreciation [1]	Reported in Net Assets
True Endowments	$ 46,666,246.78	Net Assets with Donor Restrictions

[1] There was a positive fair value adjustment totaling $23,138,359.68 for fiscal year 2024 related to true endowments. As of August 31, 2024, the UNT Foundation did not have any term endowments to report.

University of North Texas Health Science Center Foundation
The UNTHSC Foundation's spending policy for endowments reflects an objective to distribute as much total return as is consistent with overall investment objectives and intergenerational equity, while protecting the real value of the endowment principal. An endowment is excluded from target distribution until the endowment has been established for one year.

The target distribution of spendable income to each unit of the endowment fund will be 4% of the moving average market value of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the UNTHSC Foundation's Board of Directors, the target annual distribution rate shall be 4% of the average unit market value. For fiscal year 2024, the distribution rate was 4%. Distribution shall be made annually. This distribution amount shall be recalculated each year based on a 12-quarter rolling average. If, at any point of distribution, the fair market value of the endowment is below the corpus of the endowment, the distributions shall be determined on a sliding scale basis.

The distribution is made in accordance with the Texas Uniform Prudent Management of Institutional Funds Act. The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by the UNTHSC Foundation, a discrete component unit of the System.

Donor Restricted Endowments
Table 16C: UNTHSC Foundation
August 31, 2024

Endowment Type	Amount of Cumulative Net Appreciation [1]	Reported in Net Assets
True Endowments	$ 7,334,567.00	Net Assets with Donor Restrictions

[1] There was a positive fair value adjustment totaling $4,930,507.00 for fiscal year 2024 related to true endowments. As of August 31, 2024, the UNTHSC Foundation did not have any term endowments to report.

Note 17: Termination Benefits

Health Care Related Termination Benefits
If a benefits eligible employee is enrolled in the ERS health plan, he or she is eligible for Consolidated Omnibus Budget Reconciliation Act ("COBRA") upon termination of employment. The System does not administer the COBRA plan as it is managed through ERS.

Note 18: Public-Private Partnership

The System has entered into a bookstore services agreement with Barnes & Noble College Booksellers, LLC ("B&N") in 2013. This agreement is valid until June 30, 2028. B&N operates a full-service bookstore on the UNT campus located in Denton. In this agreement, the System is the transferor, granting B&N the right to operate in the UNT Student Union, and the agreement is classified as a Service Concession Arrangement per GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The nature and extent of the rights retained by the System as a transferor under this arrangement include, but are not limited to, maintaining residual interest in the utility of the assets, setting prices and hours of operations and purchasing inventory on hand at termination. Rights granted to operators in this agreement may include the ability to make improvements to the space with written permission from the System.

The contract payment terms require B&N to pay the System a percentage of gross sales of 12.5% up to the first $8,000,000 in sales and then 14.5% thereafter annually or an annual guaranteed minimum of $1,100,000. This is considered a variable payment per GASB Statement No. 94. During the fiscal year, the contract was extended from June 30, 2025 to June 30, 2028 triggering a remeasurement. In this remeasurement, the deferred inflows of resources increased and an installment receivable was created to collect variable amounts earned based on the proportion of sales described above with a discount rate of 4.64%. As of August 31, 2024, the balance of installment receivable and deferred inflows of resources from the agreement totaled $299,367.82 and $597,308.98, respectively. At the conclusion of this agreement, the System will retain the rights to the UNT Student Union space.

In 2024, the total Public-Private Partnership ("PPP") installment payments received totaled $61,154.24, comprised of $59,883.37 principal and $1,270.87 interest. The future PPP installment payments as of August 31, 2024 are as follows:

Public-Private Partnership Agreement Future Income
Table 18A
August 31, 2024

Fiscal Year	Principal	Interest	Total Future PPP Income
2025	$ 299,367.82	$ 1,157.56	$ 300,525.38
Total	**$ 299,367.82**	**$ 1,157.56**	**$ 300,525.38**

Note 19: Deferred Outflows of Resources and Deferred Inflows of Resources

A summary of the System's deferred outflows of resources and deferred inflows of resources as of August 31, 2024 is presented below:

Deferred Outflows of Resources and Deferred Inflows of Resources
Table 19A
August 31, 2024

	Total
Deferred Outflows of Resources	
Unamortized Losses on Refunding of Debt	$ 3,335,010.99
Unamortized Losses on Refunding of Direct Placement Debt	181,510.60
Deferred Outflows of Resources Related to Asset Retirement Obligation	1,841,894.73
Deferred Outflows of Resources Related to Pensions	97,344,282.00
Deferred Outflows of Resources Related to OPEB	58,692,519.00
Total Deferred Outflows of Resources	**$ 161,395,217.32**
Deferred Inflows of Resources	
Unamortized Gains on Refunding of Debt	$ 727,740.35
Deferred Inflows of Resources Related to Leases	13,556,103.11
Deferred Inflows of Resources Related to Pensions	21,931,168.00
Deferred Inflows of Resources Related to OPEB	154,354,380.00
Deferred Inflows of Resources Related to PPP	597,308.98
Total Deferred Inflows of Resources	**$ 191,166,700.44**

See Note 1, *Summary of Significant Accounting Policies*, Note 5, *Long-Term Liabilities*, Note 7, *Leases and SBITAs*, Note 8, *Defined Benefit Pension Plan and Defined Contribution Plan*, Note 9, *Postemployment Benefits Other Than Pensions*, and Note 18, *Public-Private Partnership*, for more information regarding deferred outflows of resources and deferred inflows of resources related to debt refunding, asset retirement obligations, lease obligations, pensions, OPEB, and PPP.

NOTES TO THE

FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS
FOUNDATION, INC.

DENTON, TEXAS

For the Fiscal Year Ended August 31, 2024

Note 1: Principal Activity and Significant Accounting Policies

Organization

The University of North Texas Foundation, Inc. ("UNT Foundation") is a nonprofit organization established to provide financial support to the University of North Texas. This purpose is accomplished by the UNT Foundation receiving and managing donations (cash and non-cash) from individuals and organizations.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting.

Contributions

Contributions are generally restricted by the donor to support specific programs within the University of North Texas. Unconditional promises to give are recorded as received. Contributions receivable due in the next year are recorded at their estimated net realizable value. Contributions receivable due in subsequent years are recorded at the present value of their estimated net realizable value, using interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises to give has been provided based on management's evaluation of contributions receivable at year end.

Contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Endowment contributions are permanently restricted by the donor. Investment income available for distribution is recorded as donor restricted net assets because of program restrictions. The portion of the fair value of endowment funds which is below the endowment fund's historical cost is recorded as a reduction in net assets with donor restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating reserves and board-designated endowments.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Allocation of Expenses

The costs of program and supporting services activities have been reported on a functional basis in the statements of activities in order to present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity at the time of purchase of three months or less. At August 31, 2024 and 2023, there was $10,934,081 and $10,332,380, respectively, of cash and cash equivalents in the UNT Foundation's investment accounts awaiting investment.

Investments
Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Real Property
Real property consists of property that has been donated to the UNT Foundation. The property is stated at estimated fair value.

Other Assets
Other assets consists of photographs donated to the UNT Foundation and held for sale. The photographs are recorded at their fair value as of the date of the donation.

Agency Funds
Agency funds consist of resources held by the UNT Foundation as an agent for resource providers and will be transferred to third-party recipients specified by the resource provider.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Subsequent Events
Subsequent events were evaluated through November 14, 2024, the date the financial statements were available to be issued.

Assets Held and Liabilities Under Split-Interest Agreements
Charitable Trusts
The UNT Foundation acts as trustee for various irrevocable trusts. These trusts are governed by the respective trust agreements, which generally provide for either an income stream or a future distribution of cash or other assets to us, in whole or in part, for a specified period or upon the occurrence of a specific event, respectively. If a trust is revocable, or if the maker of the trust reserves the right to replace us as the beneficiary of the trust, we record the assets placed in trust at fair value, with an equal and offsetting liability until such time that we receive distributions from the trust in accordance with its terms. If the trust is irrevocable, the trust assets are recorded at fair value, and a related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques. The excess of contributed assets over the trust liability is recorded as a contribution with donor restrictions until such amount is received via trust distribution or is expended in satisfaction of the donor-restricted purpose stipulated by the trust agreement, or both, if any. At that time, net assets with donor-imposed time or purpose restrictions are released to net assets without restrictions, and net assets with donor restrictions that are perpetual in nature are transferred to the endowment. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the trust, the remaining liability is removed and recognized as income.

Charitable Gift Annuities
Under charitable gift annuity contracts, we receive immediate title to contributed assets and agree to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques. The excess of contributed assets over the annuity liability is recorded as a contribution with donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

Note 2: Liquidity and Availability

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Liquidity and Availability
Table UNTF 2A
August 31, 2024

		August 31, 2024
Cash and cash equivalents	$	21,095,297
Less cash and cash equivalents included in the investment pool		(10,934,081)
Operating investments		2,110,099
Cash and cash equivalents included in donor restricted funds		(5,092,814)
Board designated reserves		(6,559,995)
	$	618,506

UNT Foundation endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

Our board-designated endowments of $1,234,001 provide for annual distributions to the University of North Texas. Although we do not intend to spend from these board-designated endowments for general expenditures, these amounts could be made available if necessary.

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments and money market funds.

Note 3: Fair Value Measurements and Disclosures

UNT Foundation reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access 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. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
Level 3	Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of our investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. We invest in CDs traded in the financial markets. Those CDs are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

The fair value of the private company stock is based on the fair value determined by the company based on a specific valuation methodology and formula. This is considered to be a Level 3 measurement.

We use net asset value ("NAV") per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity/debt funds and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents investments measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at August 31, 2024.

Investments Fair Value
Table UNTF 3A
August 31, 2024

		Fair Value Measurements Using			
Investments	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Investments Measured at NAV**
U.S. and International Equities					
Mutual Funds and ETFs	$181,116,274	$ 181,116,274	$ -	$ -	$ -
Commingled funds	24,670,941	-	-	-	24,670,941
	$205,787,215	$ 181,116,274	$ -	$ -	$ 24,670,941
U.S. and International Fixed Income					
Mutual Funds	$ 63,268,269	$ 63,268,269	$ -	$ -	$ -
Certificates of deposit	2,110,099	-	2,110,099	-	-
	$ 65,378,368	$ 63,268,269	$ 2,110,099	$ -	$ -
Global Real Assets and Infrastructure Mutual Funds	$ 20,834,662	$ 20,834,662	$ -	$ -	$ -
Private Real Assets	$ 10,337,971	$ -	$ -	$ -	$ 10,337,971
Hedge Funds	$ 5,488,114	$ -	$ -	$ -	$ 5,488,114
Private Equity/Debt Funds	$ 28,262,911	$ -	$ -	$ -	$ 28,262,911
Total Investments	**$336,089,241**	**$ 265,219,205**	**$ 2,110,099**	**$ -**	**$ 68,759,937**

The following table presents investments measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at August 31, 2023.

Investments Fair Value
Table UNTF 3B
August 31, 2023

Investments	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
U.S. and International Equities					
Mutual Funds and ETFs	$163,709,937	$ 163,709,937	$ -	$ -	$ -
Commingled funds	18,379,742	-	-	-	18,379,742
	$182,089,679	$ 163,709,937	$ -	$ -	$ 18,379,742
U.S. and International Fixed Income					
Mutual Funds	$ 41,598,693	$ 41,598,693	$ -	$ -	$ -
Certificates of deposit	1,697,970	-	1,697,970	-	-
	$ 43,296,663	$ 41,598,693	$ 1,697,970	$ -	$ -
Global Real Assets and Infrastructure Mutual Funds	$ 17,656,848	$ 17,656,848	$ -	$ -	$ -
Private Real Assets	$ 7,559,322	$ -	$ -	$ -	$ 7,559,322
Hedge Funds	$ 18,202,535	$ -	$ -	$ -	$ 18,202,535
Private Equity/Debt Funds	$ 24,349,912	$ -	$ -	$ -	$ 24,349,912
Total Investments	**$293,154,959**	**$ 222,965,478**	**$ 1,697,970**	**$ -**	**$ 68,491,511**

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended August 31, 2023.

Investments Fair Value
Table UNTF 3C
August 31, 2023

Year Ended August 31, 2023	Fair Value Measurements at Report Date Using Significant Unobservable Inputs (Level 3) — Investments — U.S. Private Company Common Stock
Balance at August 31, 2022	$ 7,132,297
Sales	(7,132,297)
Balance at August 31, 2023	**$ -**

In addition, the UNT Foundation has entered into investment agreements with several private equity, private debt, and private real estate funds that provide for capital calls in the future. The total amount of future capital committed to these investments by the UNT Foundation is $36.5 million and $22.8 million as of August 31, 2024 and August 31, 2023, respectively.

Note 4: Fair Value of Financial Instruments

Generally accepted accounting principles requires disclosure of an estimate of fair value of certain financial instruments. The UNT Foundation's significant financial instruments other than investments are cash and cash equivalents, contributions receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Note 5: Contributions Receivables

Contributions and other receivables as of August 31, 2024 and August 31, 2023 are as follows:

Contributions and Other Receivables
Table UNTF 5A
August 31, 2024

	August 31, 2024	August 31, 2023
Contributions receivable in less than one year	$ 2,872,734	$ 2,142,543
Contributions receivable in one to five years	4,462,707	5,687,139
Contributions receivable in six to ten years	707,500	373,000
Total Contributions Receivable	$ 8,042,941	$ 8,202,682
Less allowance for uncollectible pledges	$ (707,056)	(707,760)
Less discounts to net present value	(972,377)	(1,125,083)
Net Contributions Receivable	$ 6,363,508	$ 6,369,839
Other accounts receivable	$ 1,500	$ 1,500
Total Contributions and Other Receivable, Net	**$ 6,365,008**	**$ 6,371,339**

Contributions receivable in more than one year have been discounted to net present value using an interest rate of eight percent.

Note 6: Net Assets without Donor Restrictions

The UNT Foundation’s Board of Directors has designated $1,234,001 and $974,300 of net assets without donor restrictions as of August 31, 2024 and 2023 respectively, to fund 19 board-designated endowment funds. The funds will be used for scholarships in the degree-granting institutions within the University of North Texas and other purposes within the University.

Although the Board retains the right to re-designate these funds for another purpose, the intent is to offer multigenerational scholarship support to UNT students. Pursuant to FASB requirements, these endowments are included in Net Assets Without Donor Restrictions, however, these funds are not available for operating expenses.

Net assets without donor restrictions at August 31, 2024 and 2023 also include $6,559,995 and $6,023,667 respectively, which has been designated by the UNT Foundation's Board of Directors as a reserve for future operations.

Note 7: Net Assets with Donor Restrictions

Net assets were restricted for the following:

Net Assets with Donor Restrictions
Table UNTF 7A
August 31, 2024

	August 31, 2024	August 31, 2023
UNT department gift & fundraising accounts	$ 6,672,745	$ 6,819,459
True endowments according to donor agreement		
Endowments under board distribution policy	230,570,241	199,375,517
Endowments with donor defined distribution	3,369,001	3,063,294
Quasi endowments according to donor agreement	21,830,247	19,394,645
Split-interest agreements net of liabilities	2,716,241	2,119,758
Cash value of live insurance policies, net of agency funds liability	495,833	499,846
Total Net Assets with Donor Restrictions	**$ 265,654,308**	**$ 231,272,519**

Note 8: Underwater Endowments

Of the 1,160 total endowments at August 31, 2024, 26 have a market value that has fallen below historical cost. The amount that the market value is below historical cost of these 26 endowments is $57,958 collectively. This compares to 122 endowments below historical cost by an amount of $963,167 collectively at August 31, 2023.

Note 9: Life Insurance Policies

Several endowments have been established which are to be funded or partially funded by life insurance policies for which the UNT Foundation has been named owner and beneficiary. Premium payments made by the UNT Foundation are reimbursed by the donors of the policies. As of August 31, 2024 and 2023, there were a total of 21 and 19 such policies, respectively, with death benefits totaling $2,464,437 and $1,579,579 respectively, and cash values totaling $898,002 and $499,846 respectively.

Note 10: Income Taxes

The UNT Foundation is organized as a Texas nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The UNT Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. We have determined that the UNT Foundation is not subject to unrelated business income tax and has not filed an Exempt Organization Business Tax Return (Form 990-T) with the IRS.

Note 11: Retirement Plan

The UNT Foundation sponsors a defined contribution 403(b) retirement plan covering all full time employees of the UNT Foundation. Under the terms of the plan, the UNT Foundation contributes a full matching contribution of up to 6.0% of compensation for employees who make an elective contribution. An additional discretionary non-elective contribution may be allocated on the basis of compensation, as budgeted and approved by the Board in advance of the fiscal year. Employees may make voluntary contributions up to the limits prescribed by the Internal Revenue Code. The UNT Foundation contributions to the plan were $106,279 and $127,162 for the years ended August 31, 2024 and 2023, respectively.

Note 12: Assets Held For Others

The UNT Foundation holds and invests certain funds in trust on behalf of the University of North Texas ("UNT"). Pursuant to an investment management agreement dated August 24, 2012, certain UNT endowment assets have been placed with the UNT Foundation and invested in the UNT Foundation's Consolidated Investment Pool or the UNT Foundation's DFA Short-Term Government fund. The UNT endowment funds residing in the UNT Foundation's Consolidated Investment Pool are subject to the same investment management and distribution policies as the UNT Foundation's investments. The initial term of the agreement ended August 31, 2013, with a provision to automatically renew annually thereafter. On September 11, 2019 the agreement was re-written with an effective date of September 1, 2019, with the initial term ending on August 31, 2027 and a provision to automatically renew and extend for additional five-year terms.

Effective December 1, 2020, the UNT Foundation entered into a substantially similar investment management agreement with the University of North Texas at Dallas ("UNTD") to manage certain of its endowment assets in the UNT Foundation's Consolidated Investment Pool. The UNTD endowment funds are subject to the same investment management and distribution policies as the UNT Foundation's investments. The initial term of the agreement ends August 31, 2030, with a provision to automatically renew and extend for additional five-year terms. Additionally, if at some point, UNTD determines that its own foundation is operationally capable of performing the investment and management of the UNTD endowments prior to expiration of the agreement, it may terminate the agreement with 90 days' notice to the UNT Foundation.

UNT and UNTD are independent of the UNT Foundation in all respects. Neither is a subsidiary or affiliate of the UNT Foundation and are not directly or indirectly controlled by the UNT Foundation. The UNT System Board of Regents makes all decisions regarding the business and affairs of UNT and UNTD, respectively. Since the UNT Foundation does not have ownership of any of the UNT or UNTD assets, neither the principal or income generated by these assets, except for management fees paid from these assets, are included in the amount of net assets of the UNT Foundation.

Assets held under these arrangements are included in the Statement of Financial Position at fair value, and the UNT Foundation realized net management fee income of $804,104 and $757,862, respectively, during the years ended August 31, 2024 and 2023 for its services.

A summary of the assets held for others is as follows:

Assets Held for Others
Table UNTF 12A
August 31, 2024

	August 31, 2024	August 31, 2023
UNT endowment assets managed by UNT Foundation	$ 77,334,776	$ 69,254,575
UNT Dallas endowment assets managed by UNT Foundation	13,437,484	12,181,540
Total Assets Held for Others	**$ 90,772,260**	**$ 81,436,115**

Note 13: Finance Instruments and Credit Risk

The UNT Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

NOTES TO THE

FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS
HEALTH SCIENCE CENTER FOUNDATION

FORT WORTH, TEXAS

For the Fiscal Year Ended August 31, 2024

Note 1: Summary of Significant Accounting Policies

The University of North Texas Health Science Center Foundation ("UNTHSC Foundation") was organized for charitable, educational, and scientific purposes, and to advance the mission and vision of the University of North Texas Health Science Center ("UNTHSC") through financial support of its education, discovery and health care priorities. All income received by the UNTHSC Foundation is to be used for the future benefit of the UNT Health Science Center at the discretion of the Board of Directors.

Nature of Activities

The management of the UNTHSC Foundation is vested in the Board of Directors ("the Board") who have discretionary authority to determine the amount, manner and times for payment of any distributions from the UNTHSC Foundation. The UNTHSC Foundation is subject to a pay-out policy which dictates scholarships and other payments made in current year. During the year ended August 31, 2024, the UNTHSC Foundation paid $1,609,296 in scholarships, grants and other expenses to UNTHSC and other not-for-profit organizations.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, which recognizes support and revenue when earned, and expenses when incurred.

Financial Statement Presentation

The financial statements of the UNTHSC Foundation are presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations. Financial position and activities are reported according to two classes of net assets: (i) net assets without donor restrictions, and (ii) net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include, but are not limited to, the fair value of investments and the discounts applied to unconditional promises to give. It is at least reasonably possible that these estimates will change in the near term.

Cash

For the purpose of the statement of cash flows, the UNTHSC Foundation considers cash available in the demand deposit accounts and all highly liquid short-term investments with original maturities of three months or less to be cash equivalents.

The UNTHSC Foundation maintains its cash in bank deposit accounts which, at times may exceed federally insured limits. The UNTHSC Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash.

Investments

Investments are carried at fair value or net asset value. Appreciation or depreciation in fair value is reported in support and revenue.

Contributions

Conditional promises to give received by the UNTHSC Foundation, which stipulate the occurrence of some specified event before payment will be made, are recognized when the specified future event takes place and the promise to give becomes unconditional. As of August 31, 2024, the UNTHSC Foundation had received conditional promises to give of $264,376, all of which were due within one year. The pledges have not met the criteria for recognition in the financial statements as established by GAAP.

Unconditional promises to give are recorded as contributions when received and classified as net assets without donor restrictions, or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Management Fee

Management fees are recognized as revenue when earned by the UNTHSC Foundation, and are charged to investments held on behalf of others based on a percentage of total investments as specified in the management agreement. The UNTHSC Foundation evaluates the adequacy of its allowances for credit losses by analyzing the aging of receivables, historical collections and the value of the underlying investements held. All management fee receivables are expected to be collectible, and will be collected in the first quarter of the year ended August 31, 2025. Thus, no allowance for credit losses was recorded as of August 31. 2024.

Fundraising

Fundraising revenues are recognized as revenue when all conditions are met, and the specified event has occurred.

Donor Restrictions

The UNTHSC Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The UNTHSC Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the UNTHSC Foundation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Uncertain Tax Positions

The UNTHSC Foundation recognizes in its financial statements the financial effect of a tax position, if that position is more likely than not to be sustained upon examination, including resolution of any appeals or litigation processes, based upon the technical merits of the position.

Tax positions taken related to the UNTHSC Foundation’s tax exempt status for federal tax purposes and state filing requirements have been reviewed, and management is of the opinion that material positions taken by the UNTHSC Foundation would more likely than not be sustained by examination. Accordingly, the UNTHSC Foundation has not recorded an income tax liability for uncertain tax benefits.

Functional Allocation of Expenses

The costs of providing the programs and supporting services of the UNTHSC Foundation have been summarized on a functional basis in the statements of activities. Functional expenses have been categorized as program expenses and supporting services based on the nature of the activity performed, and, as such, no costs have been allocated across the functional expense categories.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”), which replaced the current incurred loss impairment methodology for measurement of credit losses on financial instruments with a methodology (the “current expected credit losses model” or “CECL model”) that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the CECL model, the allowance for losses on financial assets, measured at amortized cost, reflects management’s estimate of credit losses over the remaining expected life of such assets. The UNTHSC Foundation adopted the standard effective September 1, 2023, which primarily resulted in enhanced disclosures.

Subsequent Events

The UNTHSC Foundation has evaluated subsequent events that occurred after August 31, 2024, through November 27, 2024, the date which the financial statements were available to be issued. During this period, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

Note 2: Fair Value Measurements

A fair value hierarchy that prioritizes the inputs to valuation techniques is used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value of hierarchy are described below:

Level 1 inputs:	Unadjusted, quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2 inputs:	Inputs (other than quoted market prices included within level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and fair value is determined through the use of models or other valuation techniques.
Level 3 inputs:	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Fair value for these investments are determined using valuation methodologies that consider a range of factors including but not limited to the nature of the investment, market conditions, current and projected operating performance and changes in operating characteristics of the investment.

Following is a description of the valuation methodologies used for assets measured at fair value. The valuation techniques used to determine fair value have been consistently applied during the year ended August 31, 2024.

Equity securities and mutual funds traded on active markets are carried at a value consistent with traded prices on the valuation date, representing level 1 inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the UNTHSC Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level, within the fair value hierarchy, the UNTHSC Foundation's investments at fair value as of August 31, 2024:

Investments Fair Values
Table UNTHSCF 2A
For the Fiscal Year Ended August 31, 2024

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity Securities				
US Large Cap	$ 69,548,424	$ -	$ -	$ 69,548,424
US Mid and Small Cap	3,410,139	-	-	3,410,139
Global Equity	13,754,191	-	-	13,754,191
Foreign Equity	18,602,165	-	-	18,602,165
Emerging Markets	10,726,387	-	-	10,726,387
Mutual Funds - bonds	28,952,563	-	-	28,952,563
Total Investments in the Fair Value Hierarchy	**$ 144,993,869**	**$ -**	**$ -**	**$ 144,993,869**

The UNTHSC Foundation also invests in investment companies that are reported at net asset value. Investments reported at net asset value are excluded from the fair value hierarchy. The following table reconciles investments reported in fair value hierarchy to investments reported on the statement of financial position as of August 31, 2024:

Investments Reported at Net Asset Value
Table UNTHSCF 2B
August 31, 2024

		Total
Total investments in the fair value hierarchy	$	144,993,869
Cash equivalents		2,327,458
Investment in investment companies		9,166,984
Total Investments at Fair Value	**$**	**156,488,311**

Investments in investment companies consisting of off-shore investments are subject to the following redemption frequency and capital commitment at August 31, 2024:

Offshore Investments Redemption Frequency and Capital Commitments
Table UNTHSCF 2C
August 31, 2024

Investment Strategy	Redemption Frequency		Remaining Capital Commitment
Off-shore investments	Monthly, quarterly, or semi-annually	$	142,817
Off-shore investments	Monthly, quarterly, or semi-annually	$	172,408
Off-shore investments	Monthly, quarterly, or semi-annually	$	189,891
Off-shore investments	Monthly, quarterly, or semi-annually	$	191,228
Off-shore investments	Monthly, quarterly, or semi-annually	$	564,485
Off-shore investments	Monthly, quarterly, or semi-annually	$	1,225,697
Off-shore investments	Monthly, quarterly, or semi-annually	$	2,800,820
Off-shore investments	Monthly, quarterly, or semi-annually	$	5,390,039

No redemption restrictions or redemption notice period noted.

Note 3: Net Assets with Donor Restrictions

Net assets with donor restrictions are made up of the following as of August 31, 2024:

Net Assets with Donor Restrictions
Table UNTHSCF 3A
August 31, 2024

		Total
Net assets with donor restrictions – time and purpose	$	9,861,542
Net assets with donor restrictions – held in perpetuity		22,967,555
Total Net Assets	**$**	**32,829,097**

Net assets with donor restrictions – time and purpose are restricted for the following as of August 31, 2024:

Net Assets with Donor Restrictions by Purpose
Table UNTHSCF 3B
August 31, 2024

		Total
Departmental programs	$	4,067,294
Research		730,447
Education		1,184,405
Scholarships		3,403,181
Time		274,688
Professorship		179,053
Other		22,474
Total	**$**	**9,861,542**

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes during the year ended August 31, 2024:

Net Assets with Donor Restriction Expenditures
Table UNTHSCF 3C
August 31, 2024

		Total
Distributions and scholarships	$	598,374
Gifts and other related expenses		1,078,589
Total	**$**	**1,676,963**

Note 4: Due to Related Party

At August 31, 2024, the UNTHSC Foundation held investments of $122,802,056, on behalf of UNTHSC. The investment account, in the name of the UNTHSC Foundation, was established prior to the formation of the UNTHSC Foundation. In order to maximize the benefits received from pooling investments and for simplicity, UNTHSC's portion is being held by the UNTHSC Foundation. These investments are included in investments and due to related party on the Statement of Financial Position.

Note 5: Promises to Give

Unconditional promises to give to be received by the UNTHSC Foundation for each of the years subsequent to August 31 is as follows:

Unconditional Promises
Table UNTHSCF 5A
August 31, 2024

		Total
Due in less than 1 year	$	90,719
Due within 1 to 5 years		200,000
Less discount		(15,471)
Total	**$**	**275,248**

Unconditional promises to give that are expected to be collected after one year are discounted and are reported net of the discount rate in pledges receivable on the statement of financial position. Amortization of the discount on long-term pledges receivable is included with contributions revenue in the statement of activities. Pledges receivable are also reported net of any anticipated losses due to uncollectible accounts. The UNTHSC Foundation's policy for determining when pledges receivable are past due or delinquent is when all efforts to collect a pledged amount have been exhausted. An allowance for doubtful accounts is estimated by management based on information received by pledged donors and pledge receivable aging schedules. No allowance was considered necessary as of August 31, 2024.

Note 6: Uniform Prudent Management of Institutional Funds Act

Net assets with donor restrictions held in perpetuity were $22,967,555 as of August 31, 2024. The UNTHSC Foundation's endowment funds consist of equity securities, cash and cash equivalents and investments in investment companies. These funds consist of contributions made to establish an endowment, the earnings from which are to be used to support different restricted purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

The investment policy is issued by the Board of the UNTHSC Foundation. It articulates the principles by which the UNTHSC Foundation governs the management of its investment assets. The Board is responsible for adopting investment objectives and policies, hiring and evaluating investment managers, establishing a controlled environment, and monitoring policy implementation and investment performance. The Board exercises its responsibility according to applicable fiduciary standards and in the exclusive interest of the UNTHSC Foundation.

A reconciliation of the endowment funds' beginning and ending balances for the year ended August 31, 2024 is as follows. There was no cumulative effect of any amounts by which net assets with donor restrictions – held in perpetuity have been reduced, or increased that were not specified by the donor, or in the absence of a donor stipulation, approved by the Board.

Reconciliation of Endowment Fund
Table UNTHSCF 6A
For the Fiscal Year Ended August 31, 2024

	Endowment Net Assets with Donor Restrictions Purpose	Endowment Net Assets with Donor Restrictions Held in Perpetuity	Total Endowment Net Assets
Endowment net assets, September 1, 2023	$ 3,304,053	$ 20,995,297	$ 24,299,350
Net appreciation (realized and unrealized)	4,930,507	1,474,693	6,405,200
	$ 8,234,560	$ 22,469,990	$ 30,704,550
Contributions	$ -	$ 497,565	$ 497,565
Appropriation of endowment assets for expenditure	(899,993)	-	(899,993)
Endowment net assets, August 31, 2024	**$ 7,334,567**	**$ 22,967,555**	**$ 30,302,122**

Endowment net asset composition by type of fund as of August 31, 2024 was as follows:

Endowment Net Asset Composition by Type
Table UNTHSCF 6B
August 31, 2024

	Endowment Net Assets with Donor Restrictions Purpose	Endowment Net Assets with Donor Restrictions Held in Perpetuity	Total Endowment Net Assets
Donor-restricted	$ 7,334,567	$ 22,967,555	$ 30,302,122
Total funds	**$ 7,334,567**	**$ 22,967,555**	**$ 30,302,122**

Investment Objectives

The UNTHSC Foundation assets are to be invested in a balanced portfolio composed of equity, fixed-income and cash equivalent securities. As such, it is intended to be more aggressive than fixed-income-oriented portfolios and less aggressive than equity-only-oriented portfolios. In this context, "aggressive" relates to such issues as expected long-term rates of return and return volatility, investment vehicles, diversification among economic and industry sectors and individual securities. Within this framework, the principal investment objectives are stated below. These objectives recognize the nature of the UNTHSC Foundation, its purpose and its beneficiaries. The basic investment objective is long-term growth of capital and preservation of capital. In pursuing the investment objective, the UNTHSC Foundation endeavors, over time, to outperform the investment return objectives. Returns must be sufficient to meet or exceed the minimum required investment rate of return for the UNTHSC Foundation as established in the spending policy plus fee of 1% of the invested accounts for services in direct connection to the UNTHSC Foundation. Returns must meet or exceed the inflation rate plus 2%, meet or exceed the rate of return of a balanced market index, and meet or exceed the Sharpe Ratio of the market index while limiting portfolio risk.

Investment Philosophy

The primary investment objective of the UNTHSC Foundation is long-term growth of capital. It is recognized that short-term fluctuations in the capital markets may result in the loss of capital on occasion (i.e., negative rates of return). However, the total asset value of the UNTHSC Foundation, exclusive of contributions or withdrawals, should grow in the long-run. It should earn, through a combination of investment income and capital appreciation, a rate of return in excess of a balanced market index while incurring less risk than such index. The long-term growth of capital should also be greater than the spending policy plus the fee for services in direct connection to the UNTHSC Foundation.

The Board and/or the Investment Committee intends to maximize the portfolio's total return comprising income and net realized and unrealized gains and losses. This objective is to be accomplished by assuming a prudent level of risk in the investment of the UNTHSC Foundation assets.

The UNTHSC Foundation will engage well-qualified investment managers registered under the Investment Advisors Act of 1940. The investment manager will perform duties with the care, skill, prudence and diligence under the prevailing circumstance that a prudent expert acting in a like capacity and familiar with such matter would use in the conduct of an enterprise of a like character and of like aims.

Underwater Endowments

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the UNTHSC Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in one endowment fund with donor restrictions, which together have an original gift value of $44,150, a current value of $43,386, and a deficiency of $764 as of August 31, 2024. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

The UNTHSC Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

Note 7: Liquidity

As a not-for-profit entity, UNTHSC Foundation receives significant funding in the form of contributions each year from donors, which are restricted to be used in a particular manner. UNTHSC Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of managing the financial assets, UNTHSC Foundation ensures these become available when obligations come due.

The following reflects UNTHSC Foundation's financial assets as of the balance sheet date, including amounts not available within one year of the balance sheet date. Amounts not available include donor-imposed restricted contributions.

Financial Assets by Liquidity
Table UNTHSCF 7A
August 31, 2024

		Total
Cash	$	1,092,005
Investments, excluding amounts held on behalf of others		33,686,255
Pledges receivable, net		275,248
Other receivables		138,724
Total financial assets	**$**	**35,192,232**
Less donor restrictions		
Net assets with donor restrictions – time and purpose	$	(9,861,542)
Net assets with donor restrictions – held in perpetuity		(22,967,555)
Total financial assets not available to be used within one year	**$**	**(32,829,097)**
Total financial assets available to meet general expenditures within one year	**$**	**2,363,135**

Note 8: Contributed Nonfinancial Assets

Contributed nonfinancial assets for the year ended August 31, 2024 consisted of the following:

Contributed Nonfinancial Assets
Table UNTHSCF 8A
For the Fiscal Year Ended August 31, 2024

		Revenue Recognized	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated goods	$	10,505	Special events and programs	Restricted for special events and programs	Estimated fair value based on sales of similar items in Fort Worth, Texas.
Donated food and beverage		1,655	Special events	Restricted for special events	Estimated fair value based on sales of similar food and beverage items in Fort Worth, Texas.
	$	**12,160**			

REQUIRED SUPPLEMENTARY INFORMATION & SCHEDULES FOR THE

COMPREHENSIVE FINANCIAL STATEMENTS

of the

UNIVERSITY OF NORTH TEXAS SYSTEM

DALLAS, TEXAS

For the Fiscal Year Ended August 31, 2024

Required Supplementary Information (RSI)

Schedule of the System's Proportionate Share of the Net Pension Liability

Schedule of Proportionate Share of Net Pension Liability

Table RSI 1: TRS Plan

For the Fiscal Year Ended August 31, 2024

	2024	2023	2022	2021	2020
System's proportion of the net pension liability	0.3439011167%	0.3259602779%	0.3475256756%	0.3532394693%	0.3471858160%
System's proportionate share of the net pension liability	$ 236,226,885.00	$ 193,514,233.00	$ 88,502,491.00	$ 189,187,853.00	$ 180,478,041.00
State's proportionate share of the net pension liability related to System	90,795,902.29	75,812,895.18	28,078,475.01	62,518,691.27	75,864,069.56
Total net pension liability related to System	$ 327,022,787.29	$ 269,327,128.18	$ 116,580,966.01	$ 251,706,544.27	$ 256,342,110.56
System's covered payroll (1)	$ 346,688,381.67	$ 316,426,267.11	$ 298,594,048.48	$ 297,401,404.17	$ 282,536,645.37
System's proportionate share of the net pension liability as a percentage of its covered payroll	68.14%	61.16%	29.64%	63.61%	63.88%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.24%	75.24%

Concluded Below

Schedule of Proportionate Share of Net Pension Liability

Table RSI 1: TRS Plan (Concluded)

For the Fiscal Year Ended August 31, 2024

	2019	2018	2017	2016	2015
System's proportion of the net pension liability	0.3482704688%	0.3350903754%	0.3167884475%	0.3348771000%	0.3870437000%
System's proportionate share of the net pension liability	$ 191,696,519.00	$ 107,143,850.00	$ 119,709,644.00	$ 118,374,598.00	$ 103,405,818.19
State's proportionate share of the net pension liability related to System	52,821,707.83	36,183,350.73	34,118,016.24	33,917,826.43	40,082,328.32
Total net pension liability related to System	$ 244,518,226.83	$ 143,327,200.73	$ 153,827,660.24	$ 152,292,424.43	$ 143,488,146.51
System's covered payroll (1)	$ 266,991,392.49	$ 252,852,119.73	$ 248,934,340.22	$ 235,537,989.10	$ 222,501,101.49
System's proportionate share of the net pension liability as a percentage of its covered payroll	71.80%	42.37%	48.09%	50.26%	46.47%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

(1) Covered-employee payroll is for the year prior, because the System's net pension liability as of August 31 current year is based on a measurement date of August 31 of the previous year.

Schedule of the System's Pension Contributions

Schedule of Employer Contributions

Table RSI 2: TRS Plan

For the Fiscal Year Ended August 31, 2024

	2024	2023	2022	2021	2020
Statutorily required contributions	$18,003,453.00	$17,534,707.00	$15,210,270.00	$14,830,572.00	$14,574,757.00
Contributions in relation to the statutorily required contributions	18,003,453.00	17,534,707.00	15,210,270.00	14,830,572.00	14,574,757.00
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
System's covered payroll	$382,060,454.90	$346,688,381.67	$316,426,267.11	$298,594,048.48	$297,401,404.17
Contributions as a percentage of covered payroll	4.71%	5.06%	4.81%	4.97%	4.90%

Concluded Below

Schedule of Employer Contributions

Table RSI 2: TRS Plan (Concluded)

For the Fiscal Year Ended August 31, 2024

	2019	2018	2017	2016	2015
Statutorily required contributions	$12,151,922.00	$11,732,351.00	$10,961,110.00	$10,085,190.00	$ 9,916,773.00
Contributions in relation to the statutorily required contributions	12,151,922.00	11,732,351.00	10,961,110.00	10,085,190.00	9,916,773.00
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
System's covered payroll	$282,536,645.37	$266,991,392.49	$252,852,119.73	$248,934,340.22	$235,537,989.10
Contributions as a percentage of covered payroll	4.30%	4.39%	4.33%	4.05%	4.21%

Schedule of the System's Proportionate Share of the Net OPEB Liability

Schedule of Proportionate Share of Net OPEB Liability

Table RSI 3: ERS Plan

For the Fiscal Year Ended August 31, 2024

	2024[9]	2023[8]	2022[7]	2021[6]	2020[5]
System's proportion of the net OPEB liability	1.59793213%	1.56149763%	1.46176037%	1.48049403%	1.30685578%
System's proportionate share of the net OPEB liability	$ 426,927,989.00	$ 444,823,293.00	$ 524,413,950.00	$ 489,223,801.00	$ 451,684,314.00
System's covered-employee payroll(1)	$ 219,957,771.29	$ 198,843,136.71	$ 183,982,862.98	$ 187,360,172.19	$ 161,005,000.16
System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	194.10%	223.71%	285.03%	261.11%	280.54%
Plan fiduciary net position as a percentage of the total OPEB liability	0.63%	0.57%	0.38%	0.32%	0.17%

Concluded Below

Schedule of Proportionate Share of Net OPEB Liability

Table RSI 3: ERS Plan (Concluded)

For the Fiscal Year Ended August 31, 2024

	2019[(2),(4)]	2018[3]
System's proportion of the net OPEB liability	1.36273369%	0.25354973%
System's proportionate share of the net OPEB liability	$ 403,883,502.00	$ 86,392,029.00
System's covered-employee payroll(1)	$ 164,170,798.74	$ 29,780,201.94
System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	246.01%	290.10%
Plan fiduciary net position as a percentage of the total OPEB liability	1.27%	2.04%

(1) Covered-employee payroll is for the year prior, because the System's net OPEB liability as of August 31 current year is based on a measurement date of August 31 of the previous year.

(2) For fiscal year 2019 reporting, ERS had a change in accounting methodology to include both active and retiree employee contributions in the calculation of proportionate share.

(3) Changes in assumptions for measurement year ended Aug. 31, 2017 include (a) assumed aggregate payroll increases and rate of general inflation, (b) discount rate increased from 2.84% to 3.51%, (c) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (d) proportion of future retirees covering dependent children, (e) percentage of members assumed to be married and electing coverage for their spouse, and (f) assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost Retiree Contribution, and Expense trends.

(4) Changes in assumptions for measurement year ended Aug. 31, 2018 include (a) demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members, (b) discount rate increased from 3.51% to 3.96%, (c) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (d) percentage of members assumed to be married and electing coverage for their spouse, and (e) assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost Retiree Contribution, and Expense trends.

(5) Changes in assumptions for measurement year ended Aug. 31, 2019 include (a) discount rate decreased from 3.96% to 2.97%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) percentage of male members assumed to be married and electing coverage for their spouse, (d) percentage of future retirees and future retiree spouses assumed to use tobacco, and (e) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

(6) Changes in assumptions for measurement year ended Aug. 31, 2020 include (a) assumed aggregate payroll increases and rate of general inflation, (b) discount rate decreased from 2.97% to 2.20%, (c) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (d) percentage of female members assumed to be married and electing coverage for their spouse, (e) proportion of future retirees assumed to cover dependent children, (f) assumed PCORI fees and (h) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

(7) Changes in assumptions for measurement year ended Aug. 31, 2021 include (a) discount rate decreased from 2.20% to 2.14%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) percentage of members assumed to be married and electing coverage for their spouse, (d) proportion of future retirees

assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement, (e) the percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date, (f) the annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and (g) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends. In addition, the assumption for expenses directly related to the payment of GBP HealthSelect medical benefits has been updated to reflect recent contract revisions.

(8) Changes in assumptions for measurement year ended Aug. 31, 2022 include (a) discount rate increased from 2.14% to 3.59%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement, (d) demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members, (e) proportion of future retirees assumed to cover dependent children, (f) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and (g) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

(9) Changes in assumptions and other inputs for measurement year ended August 31, 2023 include (a) discount rate increased from 3.59% to 3.81%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement, (d) proportion of future retirees assumed to cover dependent children , (e) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee and (f) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends. Changes in benefit terms for measurement year ended August 31, 2023 represent the elimination of liability attributable to members from Stephen F. Austin State University.

Schedule of the System's OPEB Contributions

Schedule of Employer Contributions

Table RSI 4: ERS Plan

For the Fiscal Year Ended August 31, 2024

	2024	2023	2022	2021	2020
Statutorily required contributions	$ 4,753,134.00	$ 4,491,771.00	$ 3,689,016.00	$ 3,617,598.00	$ 3,578,563.00
Contributions in relation to the statutorily required contributions	4,753,134.00	4,491,771.00	3,689,016.00	3,617,598.00	3,578,563.00
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
System's covered-employee payroll	$232,918,118.71	$219,957,771.29	$198,843,136.71	$183,982,862.98	$187,360,172.19
Contributions as a percentage of covered-employee payroll	2.04%	2.04%	1.86%	1.97%	1.91%

Concluded Below

Schedule of Employer Contributions

Table RSI 4: ERS Plan (Concluded)

For the Fiscal Year Ended August 31, 2024

	2019	2018
Statutorily required contributions	$ 1,315,809.00	$ 1,464,282.00
Contributions in relation to the statutorily required contributions	1,315,809.00	1,464,282.00
Contribution deficiency (excess)	$ -	$ -
System's covered-employee payroll	$161,005,000.16	$164,170,798.74
Contributions as a percentage of covered-employee payroll	0.82%	0.89%

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

Definitions. As used in the Master Resolution the following terms and expressions have the meanings set forth below, unless the text of the Master Resolution specifically indicates otherwise:

"Annual Debt Service Requirements" means, for any Fiscal Year, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Board on such Debt, or be payable in respect of any required purchase of such Debt by the Board) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Board:

(1) Committed Take Out. If the Board has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Debt is subject to required purchase, all under arrangements whereby the Board's obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) Balloon Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Board) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(3) Consent Sinking Fund. In the case of Balloon Debt (as defined in clause (2) above), if a Designated Financial Officer shall deliver to the Board an Officer's Certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such Officer's Certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Board has elected to apply the rule set forth in clause (2) above;

(4) Prepaid Debt. Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt;

(5) Variable Rate. As to any Parity Obligation that bears interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Board, either (1) an interest rate equal to the average rate borne by such Parity Obligations (or by

comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (2) an interest rate equal to the 30-year Tax-Exempt Revenue Bond Index (as most recently published in *The Bond Buyer),* shall be presumed to apply for all future dates, unless such index is no longer published in *The Bond Buyer,* in which case an index of tax-exempt revenue bonds with maturities of at least 20 years which is published in a newspaper or journal with national circulation may be used for this purpose. If two Series of Parity Obligations which bear interest at variable interest rates, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations;

(6) Guarantee. In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted if the Board does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the Board is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of annual debt service requirements with respect to such guarantee shall be made assuming that the Board will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Board no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7) Commercial Paper. With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) Credit Agreement Payments. If the Board has entered into a Credit Agreement in connection with an issue of Debt, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Board or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Board or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"Annual Direct Obligation" means the amount budgeted each Fiscal Year by the Board with respect to each participant in the Financing System to satisfy said Participant's proportion of debt service (calculated based on said Participant's Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Obligations.

"Annual Obligation" means, with respect to each Participant in the Financing System and for each Fiscal year, said Participant's Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow said Participant to retire its obligation for advances made to it by the Board in the management of the Financing System to satisfy part or all of a previous Annual Direct Obligation payment.

"Board" and *"Issuer"* mean the Board of Regents of the University of North Texas System, acting as the governing body of the University and the Health Science Center, or any successor thereto, and pursuant to authority granted in Section 55.02, Texas Education Code, to act as a board of a university system.

"Bond Counsel" means McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board.

"Credit Agreement" means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and

approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

"Credit Provider" means any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

"Debt" means all:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

"Designated Financial Officer" shall mean the Vice Chancellor for Finance (now designated as the Deputy Chancellor for Finance and Operations).

"Direct Obligation" means the proportionate share of Outstanding Parity Obligations attributable to and the responsibility of each Participant in the Financing System.

"Fiscal Year" means the fiscal year of the Board which currently ends on August 31 of each year.

"Funded Debt" means all Parity Obligations that mature by their terms (in the absence of the exercise of any earlier right to demand), or are renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the Board.

"Health Science Center" means the University of North Texas Health Science Center at Fort Worth, together with every other agency or health related institution or branch now or hereafter operated by or under the jurisdiction of the Board.

"Holder" or "Bondholder" or *"Owner"* means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer.

"Maturity" when used with respect to any Debt means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Non-Recourse Debt" means any Debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Financing System; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a participant.

"Officer's Certificate" means a certificate executed by a Designated Financial Officer.

"Opinion of Counsel" means a written opinion of counsel, which counsel shall be acceptable to the Board.

"Outstanding" when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any Supplement, except:

(1) Parity Obligations theretofore cancelled and delivered to the Board or delivered to the Paying Agent or the Registrar for cancellation;

(2) Parity Obligations deemed paid pursuant to the provisions of Section 12 of the Resolution or any comparable section of any Supplement;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to the Resolution and any Supplement; and

(4) Parity Obligations under which the obligations of the Board have been released, discharged, or extinguished in accordance with the terms thereof;

provided, however, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the Board shall be deemed to be Outstanding as though it was owned by any other owner.

"Outstanding Principal Amount" means, with respect to all Parity Obligations or to a series of Parity Obligations, the outstanding and unpaid principal amount of such Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Obligations paying accrued, accreted, or compounded interest only at maturity as of any Record Date established by a Registrar in connection with a proposed amendment of the Master Resolution or any Supplement.

"Outstanding Revenue Bonds" means those bonds which are secured by a lien on and pledge of the Prior Encumbered Revenues charged and collected at the University or the Health Science Center in support thereof. As of the date of issuance of the Bonds, there are no Outstanding Revenue Bonds.

"Parity Obligations" means all Debt of the Board which may be issued or assumed in accordance with the terms of the Master Resolution and a Supplement, secured by a pledge of the Pledged Revenues subject only to the liens securing Prior Encumbered Obligations.

"Participant in the Financing System" and *"Participant"* means each of the agencies, institutions and branches of the University and the Health Science Center and such agencies, institutions and branches designated by the Board to be a participant in the Financing System. Participants include UNT-Dallas.

"Paying Agent" shall mean each entity designated in a Supplement as the place of payment of a series or issue of Parity Obligations.

"Pledged Revenues" means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a Supplement: (a) amounts received by the University or the Health Science Center under Article 7, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas.

"Prior Encumbered Obligations" means (i) the Outstanding Revenue Bonds and (ii) those bonds or other obligations of an institution which becomes a Participant of the Financing System after the date of adoption of this Master Resolution, which are secured by a lien on and pledge of the Prior Encumbered Revenues charged and collected at such institution or agency, and any other bonds or other obligations secured by revenues which are hereafter designated by the Board as a Pledged Revenue.

"Prior Encumbered Revenues" means the revenues pledged to the payment of Prior Encumbered Obligations and the revenues of any revenue producing system or facility of an institution or agency which hereafter becomes a Participant of the Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a participant of the Financing System.

"Registrar" shall mean the entity designated in a Supplement as the Registrar of a series or issue of Parity Obligations.

"Resolution" or *"Master Resolution"* means the Master Resolution establishing the Financing System.

"Revenue Financing System" or *"Financing System"* means the "University of North Texas Revenue Financing System" for the benefit of the University and the Health Science Center, and such other institutions and agencies now or hereafter under the control or governance of the Board, and made a participant of the Revenue Financing System by specific action of the Board.

"Revenue Funds" means the "revenue funds" of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants. The term "Revenue Funds" does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption of the Supplement relating to such Parity Obligations, is exempt by law from paying such tuition, rentals, rates, fees, or other charges.

"Stated Maturity" when used with respect to any Debtor any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

"Subordinated Debt" means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Obligations then Outstanding or subsequently issued.

"Supplement" or "Supplemental Resolution" means a resolution supplemental to, and authorized and executed pursuant to the terms of, the Resolution.

"Term of Issue" means with respect to any Balloon Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

"University" means the University of North Texas, together with every other agency or general academic institution or branch thereof now or hereafter operated by or under the jurisdiction of the Board acting for and on behalf of the University of North Texas pursuant to law.

Establishment of Revenue Financing System. Pursuant to the Master Resolution, the Board has established the Revenue Financing System to provide a consolidated financing structure for revenue-supported debt obligations of the Board, including the Bonds, which are to be issued for the benefit of Participants which are or will be included as part of the Revenue Financing System. The current Participants include the University and the Health Science Center, and the Revenue Financing System may include other entities that are hereafter included under the control of the Board, but only upon affirmative official action of the Board.

Payment and Funds. The Board has covenanted in the Resolution to make available to the Paying Agent/Registrar for Parity Obligations, on or before each payment date, money sufficient to pay any and all amounts due on such Parity Obligations on such payment date.

The Master Resolution allows the Board to supplement the security for Parity Obligations. This could take the form of establishing one or more reserve funds or accounts to further secure any Parity Obligations. Currently, the Board has not established a reserve fund to secure the payment of the Parity Obligations.

Participants. *Release of Participants.* Subject to the conditions set forth below, any Participant or portion thereof may be closed and abandoned by law or may be removed from the Revenue Financing System (thus deleting the revenues, income, funds, and balances attributable to said Participant or portion thereof from the Pledged Revenues) without violating the terms of the Master Resolution provided:

(1) the Board specifically finds that (based upon a certificate of a Designated Financial Official to such effect) after the release of the Participant or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Obligations shall thereafter be outstanding to meet the financial obligations of the Revenue Financing System, including sufficient Pledged Revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System; and

(2) the Board shall have received an opinion of counsel which shall state that such release will not affect the status for federal income tax purposes of interest on any Parity Obligations and that all conditions precedent provided in the Master Resolution or any supplement relating to such release have been complied with; and

(3) (A) if the Participant or portion thereof to be released from the Revenue Financing System is to remain under the governance and control of the Board, the Board must either (i) provide, from lawfully available funds, including Pledged Revenues attributable to said withdrawing Participant, for the payment or discharge of said Participant's Direct Obligations or (ii) pledge to the payment of Parity Obligations, additional resources not then pledged in an amount sufficient to satisfy such withdrawing Participant's Direct Obligations as they come due; or

(B) if the Participant or portion thereof to be released from the Revenue Financing System is to no longer be under the governance and control of the Board and remaining in operation independent of the Board, the Board must receive a binding obligation of the new governing body of the withdrawing institution or the portion thereof being withdrawn, obligating said governing body to make payments to the Board at the times and in the amounts equal to said Participant's Annual Obligations or to pay or discharge said Participant's Direct Obligations, or, in the case of a portion of a Participant being withdrawn, the proportion of the Participant's Annual Obligation or Direct Obligation, as the case may be, attributable to the withdrawing portion of the Participant.

Admission of Participants. If, after the date of the adoption of the Resolution, the Board desires for an institution or agency governed by the Board to become a Participant of the Revenue Financing System, it may include said institution or agency in the Revenue Financing System with the effect set forth in the Resolution by the adoption of a Supplement to the Master Resolution.

Certain Covenants.

Rate Covenant. In each Fiscal Year, the Board shall establish, charge, and use its reasonable efforts to collect at each Participant the Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board relating to the Financing System including all deposits or payments due on or with respect to Outstanding Parity Obligations for such Fiscal Year. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations and to the other provisions of the Master Resolution and any Supplement, the Board covenants and agrees to fix, levy, charge and collect at each Participant student tuition charges required or authorized by law to be imposed on students enrolled at each Participant (excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of adoption of the Supplement relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition charges). Each student (excluding those exempt from payment as provided above), enrolled at each Participant, respectively, at each regular Fall and Spring semester and at each term of each summer session, shall pay tuition charges in such amounts, without any limitation whatsoever, as will be sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to Outstanding Parity Obligations when and as required. All changes in the tuition charged students at each Participant shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of the Master Resolution or any Supplement, but merely the carrying out of the provisions and requirements hereof. See "SECURITY FOR THE BONDS-Pledge Under Master Resolution."

Other Covenants. The Board has additionally covenanted in the Resolution (i) to faithfully perform all covenants and provisions contained in the Resolution, any Supplement thereto, and in each Parity Obligation; (ii) to call for redemption all Parity Obligations, in accordance with their terms, which are subject to mandatory redemption; (iii) that it lawfully owns, has title to, or is lawfully possessed of the land, buildings, and facilities now constituting the University and the Health Science Center and to defend such title for the benefit of the owners of the Parity Obligations; (iv) that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Parity Obligations; (v) to maintain and preserve the property of the Revenue Financing System; (vi) not to incur any debt secured by the Pledged Revenues except as permitted in the Resolution; (vii) to invest and secure money held in funds and accounts established under the Resolution in accordance with law and written policies of the Board; (viii) to keep proper books and records and accounts for the Revenue Financing System and to cause to be prepared annual financial reports of the Revenue Financing System and to furnish such reports, to appropriate municipal bond rating agencies and, upon request, owners of Parity Obligations; and (ix) to permit any owner or owners of 25% or more of outstanding principal amount of Parity Obligations at all reasonable times to inspect all records, accounts, and data of the Board relating to the Revenue Financing System. Notwithstanding the foregoing, and in addition to the right reserved by the Board to refund any Prior Encumbered Obligations with Parity Obligations, the Board reserves the right to issue obligations to refund any Prior Encumbered Obligations and to secure the refunding obligations with the same source or sources securing the Prior Encumbered Obligations being refunded. Upon the defeasance of the refunded Prior Encumbered Obligations, the refunding obligations will be Prior Encumbered Obligations (unless the refunding obligations are made Parity Obligations in accordance with the terms of this Resolution) under the Master Resolution and any Supplement for all purposes.

Remedies. Any owner of Parity Obligations in the event of default in connection with any covenant contained in the Master Resolution or in any Supplement, or default in the payment of any Parity Obligation, or of any interest due thereon, or other costs and expenses related thereto, may require the Board, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Master Resolution or in any Supplement, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, its officials and employees, or any appropriate official of the State. The principal of the Bonds cannot be accelerated in the event of default, and the Board has not granted a lien on any physical property which may be levied or foreclosed against.

Amendment of Resolution.

Amendment Without Consent. The Master Resolution and any Supplement and the rights and obligations of the Board and of the owners of the Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in the Resolution, other covenants and agreement thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in the Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Resolution, upon receipt by the Board of an opinion of bond counsel, that the same is needed for such purpose, and will more clearly express the intent of the Resolution;

(iii) To supplement the security for the Parity Obligations, including, but not by way of limitation, to provide for the addition of new institutions and agencies to the Financing System or to clarify the provisions regarding the University and the Health Science Center as a Participant in the Financing System; provided, however, if the definition of Pledged Revenues is amended in any manner which results in the pledge of additional resources, the terms of such amendment may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Parity Obligations;

(v) To make such changes, modifications, or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to outstanding Parity Obligations; or

(vi) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Parity Obligations.

Amendments With Consent. Subject to the other provisions of the Resolution, the owners of outstanding Parity Obligations aggregating a majority in Outstanding Principal Amounts shall have the right from time to time to approve any amendment, other than amendments described in the foregoing paragraph, to the Master Resolution, or with respect to an amendment affecting a particular supplemental resolution only, a majority in aggregate principal amount of the Parity Obligations issued under such supplemental resolution, which may be deemed necessary or desirable by the Board; provided, however, that no provision shall permit or be construed to permit, without the approval of the owners of all of the Parity Obligations, the amendment of the terms and conditions in the Resolution so as to:

(1) Grant to the owners of any Parity Obligations a priority over the owners of any other Parity Obligations;
(2) Materially adversely affect the rights of the owners of less than all Parity Obligations then outstanding; or
(3) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment.

In addition to the foregoing limitations, the Resolution provides that no provisions shall be construed to permit, without the approval of the owners of all of the Bonds outstanding, the amendment of the Resolution or the Bonds so as to:

(1) Make any change in the maturity of the Bonds;
(2) Reduce the rate of interest borne by the Bonds;
(3) Reduce the amount of principal payable on the Outstanding Bonds;
(4) Modify the terms of payment of principal of or interest on the Bonds, or impose any conditions with respect to such payment;
(5) Affect the rights of the owners of less than all Bonds then Outstanding; or
(6) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

Defeasance. Any Parity Obligations and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Debt") within the meaning of the Resolution, except to the extent required for payment thereof, when the payment of all principal and interest payable with respect to such Parity Obligations to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or provision for the giving of same having been made) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such Parity Obligations for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) noncallable Government Obligations which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the Board with each such

Paying Agent for the payment of its services until after all Defeased Debt shall have become due and payable. At such time as Parity Obligations shall be deemed to be Defeased Debt under the terms of the Resolution, such Parity Obligations and the interest thereof shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues, and such principal and interest shall be payable solely from such money or Government Obligations, and shall not be regarded as outstanding for any purposes other than payment, transfer, and exchange.

"Government Obligations" as used herein, shall mean direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which may be United States Treasury obligations such as its State and Local Government Series, which may be in book-entry form.

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APPENDIX D

FORMS OF OPINIONS OF BOND COUNSEL

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Series 2025A Bonds, assuming no material changes in facts or law.

BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM
REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS,
SERIES 2025A, $213,850,000

WE HAVE EXAMINED into the validity of the referenced issue of bonds (the "Bonds"), being issued by the Board of Regents (the "Board") of the University of North Texas System (the "Issuer"), which bear interest from the date and mature on the dates specified on the face of the Bonds, all in accordance with the resolutions of the Board authorizing the issuance of the Bonds (collectively, the "Bond Resolution"). Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Board relating to the authorization, issuance, sale, and delivery of the Bonds, including the Bond Resolution, certificates and opinions of officials of the Board, and other pertinent instruments relating to the issuance of the Bonds. We have also examined one of the executed Bonds which we found to be in due form and properly executed. We express no opinion with respect to any statement of insurance that may appear on the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, issued, and delivered in accordance with law; that, except as may be limited by laws applicable to the Board relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights, the covenants and provisions in the Bond Resolution constitute valid and legally binding special obligations of the Board; and that the Bonds constitute valid and legally binding special obligations of the Board secured by and payable from, a lien on and pledge of the Pledged Revenues, such lien on and pledge of the Pledged Revenues being subordinate only to the lien on and pledge of the Pledged Revenues securing the Outstanding Revenue Bonds.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation.

THE BOARD has reserved the right, subject to the restrictions stated in the resolution authorizing the Bonds, to issue additional parity revenue bonds which also may be secured by and made payable from a lien on and pledge of the Pledged Revenues.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed or refinanced therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not investigated or verified, any records, data or other material relating to the financial condition or capabilities of the Board or the Issuer and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds, and we have relied solely on representations by officials of the Board or the Issuer as to the availability and sufficiency of the Pledged Revenues. Our role in connection with the Board's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Respectfully,

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Series 2025B Bonds, assuming no material changes in facts or law.

BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM
REVENUE FINANCING SYSTEM REFUNDING BONDS,
TAXABLE SERIES 2025B, $108,595,000

WE HAVE EXAMINED into the validity of the referenced issue of bonds (the "Bonds"), being issued by the Board of Regents (the "Board") of the University of North Texas System (the "Issuer"), which bear interest from the date and mature on the dates specified on the face of the Bonds, all in accordance with the resolutions of the Board authorizing the issuance of the Bonds (collectively, the "Bond Resolution"). Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Board relating to the authorization, issuance, sale, and delivery of the Bonds, including the Bond Resolution, certificates and opinions of officials of the Board, and other pertinent instruments relating to the issuance of the Bonds. We have also examined one of the executed Bonds which we found to be in due form and properly executed. We express no opinion with respect to any statement of insurance that may appear on the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, issued, and delivered in accordance with law; that, except as may be limited by laws applicable to the Board relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights, the covenants and provisions in the Bond Resolution constitute valid and legally binding special obligations of the Board; and that the Bonds constitute valid and legally binding special obligations of the Board secured by and payable from, a lien on and pledge of the Pledged Revenues, such lien on and pledge of the Pledged Revenues being subordinate only to the lien on and pledge of the Pledged Revenues securing the Outstanding Revenue Bonds.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation.

THE BOARD has reserved the right, subject to the restrictions stated in the resolution authorizing the Bonds, to issue additional parity revenue bonds which also may be secured by and made payable from a lien on and pledge of the Pledged Revenues.

THE BONDS ARE NOT OBLIGATIONS DESCRIBED IN SECTION 103(a) OF THE INTERNAL REVENUE CODE OF 1986. We express no opinion as to any federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not investigated or verified, any records, data or other material relating to the financial condition or capabilities of the Board or the Issuer and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds, and we have relied solely on representations by officials of the Board or the Issuer as to the availability and sufficiency of the Pledged Revenues. Our role in connection with the Board's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective.

Respectfully,

BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM • REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2025A AND TAXABLE SERIES 2025B

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