OFFICIAL STATEMENT
Dated: May 21, 2024

NEW ISSUE– BOOK ENTRY ONLY

Ratings:
Moody's: "Aa2"
Fitch: "AA"
(See "RATINGS" herein)

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, assuming compliance with certain covenants and based on certain representations, interest on the Bonds (defined herein) is excludable from gross income for federal income tax purposes under statutes, regulations, court decisions, and published rulings existing on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.

$609,425,000
BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2024

Dated: June 11, 2024 **Due: March 15, as shown on page ii**
Interest accrues from the Date of Delivery

The Texas State University System Revenue Financing System Revenue and Refunding Bonds, Series 2024 (the "Bonds") are special obligations of the Board of Regents (the "Board"), Texas State University System (the "University System"), payable from and secured solely by the "Pledged Revenues" (as defined herein) of the University System's Revenue Financing System issued pursuant to a Master Resolution adopted by the Board on August 13, 1998, as amended by the Resolution Amending the Master Resolution Establishing the Texas State University System Revenue Financing System adopted by the Board on June 19, 2008 (collectively, the "Master Resolution"), a Twenty-Ninth Supplemental Resolution to the Master Resolution adopted by the Board on February 22, 2024 (the "Twenty-Ninth Supplemental Resolution"), and a certificate awarding the sale of the Bonds as authorized by the Twenty-Ninth Supplemental Resolution (the "Award Certificate"). The Award Certificate was executed by an authorized University System official on May 21, 2024. The Bonds constitute Parity Debt (as defined herein) under the Master Resolution. **THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE UNIVERSITY SYSTEM, THE STATE OF TEXAS (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS FROM ANY SOURCE OTHER THAN PLEDGED REVENUES.** See "SECURITY FOR THE BONDS."

The proceeds from the sale of the Bonds will be used for the purposes as further described herein. See "PLAN OF FINANCING – Purpose".

Interest on the Bonds will accrue from the Date of Delivery and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Bonds is payable on each March 15 and September 15, commencing September 15, 2024, until maturity or prior redemption. The Bonds are issuable only as fully-registered bonds and, when issued, will be initially registered in the name of 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 Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the purchasers thereof. Interest on and principal of the 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 Bonds. See "THE BONDS – Book-Entry-Only System." The Bonds are subject to redemption and as provided herein. See "THE BONDS – Redemption."

CUSIP PREFIX: 88278P
MATURITY SCHEDULE
See Page ii

The Bonds are offered when, as, and if issued and received by the initial purchasers named below (collectively, the "Underwriters") and subject to approval of legality by the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Norton Rose Fulbright US LLP, Austin and Dallas, Texas and Cantu Harden Montoya LLP, Austin and San Antonio, Texas. The Bonds are expected to be available for delivery through DTC on or about June 11, 2024 (the "Date of Delivery").

WELLS FARGO SECURITIES

ACADEMY SECURITIES **CABRERA CAPITAL MARKETS, LLC**

FROST BANK **MORGAN STANLEY**

$609,425,000

BOARD OF REGENTS, TEXAS STATE UNIVERSITY
REVENUE FINANCING SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2024

MATURITY SCHEDULE

$463,685,000 Serial Bonds

CUSIP[(1)] Prefix: 88278P

Due March 15	Principal Amount $	Interest Rate %	Initial Yield %	CUSIP[(1)] Suffix	Due March 15	Principal Amount $	Interest Rate %	Initial Yield %	CUSIP[(1)] Suffix
2025	29,030,000	5.000	3.430	G40	2035	13,345,000	5.000	3.250[(2)]	H64
2026	24,405,000	5.000	3.370	G57	2036	14,000,000	5.000	3.270[(2)]	H72
2027	24,890,000	5.000	3.250	G65	2037	14,700,000	5.000	3.350[(2)]	H80
2028	29,170,000	5.000	3.190	G73	2038	15,435,000	5.000	3.420[(2)]	H98
2029	31,325,000	5.000	3.140	G81	2039	16,205,000	5.000	3.530[(2)]	J21
2030	32,985,000	5.000	3.190	G99	2040	15,140,000	5.000	3.590[(2)]	J39
2031	34,605,000	5.000	3.230	H23	2041	15,895,000	5.000	3.680[(2)]	J47
2032	37,555,000	5.000	3.230	H31	2042	16,685,000	5.000	3.750[(2)]	J54
2033	46,390,000	5.000	3.240	H49	2043	17,525,000	5.000	3.800[(2)]	J62
2034	16,000,000	5.000	3.250	H56	2044	18,400,000	5.000	3.850[(2)]	J70

$145,740,000 Term Bonds

$64,850,000 4.000% Term Bonds due March 15, 2049, Priced to Yield 4.330% CUSIP[(1)] Suffix: J88
$80,890,000 5.250% Term Bonds due March 15, 2054, Priced to Yield 4.110%[(2)] CUSIP[(1)] Suffix: J96

(Interest accrues from the Date of Delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, 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 CUSIP Services. CUSIP numbers are included herein solely for the convenience of the owners of the Bonds. The CUSIP number for a specific maturity is subject to being changed after the initial issuance of obligations due to various subsequent actions including, but not limited to, a refunding in whole or in part, procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of obligations. None of the Board, the Financial Advisor or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers shown herein.

(2) Yield calculated based on the assumption that the Bonds denoted and sold at a premium will be redeemed on March 15, 2034, the first optional redemption date pertaining to the Bonds.

Redemption . . . The University System reserves the right, at its option, to redeem Bonds having maturities on or after March 15, 2035, in whole or in part in principal amounts of $5,000, or any integral multiple thereof, on March 15, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. Additionally, the Bonds maturing March 15 in the years 2049 and 2054 are subject to mandatory sinking fund redemption. (See “THE BONDS – Redemption”).

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BOARD OF REGENTS OF THE TEXAS STATE UNIVERSITY SYSTEM

Name	Residence	Term Expiration
Alan L. Tinsley, Chairman	Madisonville	February 1, 2027
Dionicio Flores, Vice Chairman	El Paso	February 1, 2025
Sheila Faske	Rose City	February 1, 2027
Russell Gordy	Houston	February 1, 2029
William F. Scott	Nederland	February 1, 2025
Charlie Amato	San Antonio	February 1, 2025
Duke Austin	Houston	February 1, 2029
Stephen Lee	Beaumont	February 1, 2027
Tom Long	Frisco	February 1, 2029
Kelvin Elgar(1)	Beaumont	May 31, 2024

(1) Student Regent. State law does not allow a student regent to vote on matters before the Board. Governor Greg Abbott appointed Olivia J. Discon (Sam Houston State University) as the Student Regent for the Board of Regents of the University System effective June 1, 2024, and a term expiration of May 31, 2025.

PRINCIPAL ADMINISTRATORS

Name	Title	Length of Service
Brian McCall, Ph.D.	Chancellor, Secretary of the Board	14 years
Daniel Harper, MBA	Vice Chancellor and Chief Financial Officer	11 years
John Hayek, Ph.D.	Vice Chancellor for Academic & Health Affairs	8 years
Nelly R. Herrera, J.D.	Vice Chancellor and General Counsel	12 years
Sean Cunningham, J.D.	Vice Chancellor for Governmental Relations	14 years
Mike Wintemute, Ph.D.	Vice Chancellor for Marketing & Communications	14 years
Carole Fox, CPA	Chief Audit Executive	17 years

CONSULTANTS

Financial Advisor

Hilltop Securities Inc.
Dallas, Texas

Bond Counsel

McCall, Parkhurst & Horton L.L.P.
Austin, Texas

For additional information regarding the University System, please contact:

Daniel Harper
Vice Chancellor and Chief Financial Officer
The Texas State University System
601 Colorado Street
Austin, Texas 78701-2904
512/463-1808

Mary Williams
Managing Director
Hilltop Securities Inc.
717 Harwood St., Suite 3400
Dallas, Texas 75201
214/953-4021

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the Board 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. This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy 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.

Any information and expressions of opinion herein contained 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 University System or other matters described herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT 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.

CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. None of the Board, the Financial Advisor, or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers shown on pages ii and iii.

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.

NONE OF THE BOARD, THE FINANCIAL ADVISOR OR THE UNDERWRITERS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM.

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 SECURITIES AND EXCHANGE COMMISSION 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 United States Securities and Exchange Commission 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 qualifications provisions.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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

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

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The cover page hereof, this page, the schedule, and the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

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OFFICIAL STATEMENT
RELATING TO

$609,425,000
BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2024

INTRODUCTION

This Official Statement, which includes the cover page, Schedule I, and the appendices hereto, provides certain information regarding the issuance by the Board of Regents (the "Board"), Texas State University System (the "University System"), of its $609,425,000 Revenue Financing System Revenue and Refunding Bonds, Series 2024 (the "Bonds"). Capitalized terms used in this Official Statement and not otherwise defined have the same meanings assigned to such terms in "APPENDIX C – EXCERPTS FROM THE MASTER RESOLUTION."

The following state supported institutions are under the governance and control of the University System: Lamar University; Lamar Institute of Technology; Lamar State College - Orange; Lamar State College - Port Arthur; Sam Houston State University; Texas State University; and Sul Ross State University, including Sul Ross State University Rio Grande College. For the 2023 Fall Semester, the University System, had a total enrollment of 91,334 students. See "APPENDIX A – Table A-1 "Headcount Enrollment Information". For a full description of the University System and its member institutions, see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM."

Pursuant to the Master Resolution, the Board created the Texas State University System Revenue Financing System (the "Revenue Financing System") for the purpose of providing a system-wide financing structure for revenue supported indebtedness to reduce costs, increase borrowing capacity, provide additional security to the credit markets and provide the Board with increased financial flexibility. Currently, all of the seven member institutions of the University System identified above are Members in the Revenue Financing System. Pursuant to the Master Resolution, the Board has, with certain exceptions, combined all of the revenues, funds and balances attributable to any Member 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 Debt under the Master Resolution. The Board has covenanted that it will not incur any additional debt secured by Pledged Revenues unless such debt constitutes Parity Debt or is junior and subordinate to Parity Debt. See "SECURITY FOR THE BONDS—The Revenue Financing System" and "APPENDIX C – EXCERPTS FROM THE MASTER RESOLUTION."

This Official Statement contains summaries and descriptions of the plan of financing, the Master Resolution, the Bonds, the Board, the University System 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 Daniel Harper, Vice Chancellor and Chief Financial Officer, The Texas State University System, 601 Colorado Street, Austin, Texas 78701-2904.

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PLAN OF FINANCING

Purpose. The Bonds are being issued for the purpose of (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for certain members of the Revenue Financing System, (ii) refunding a portion of the Board's outstanding Commercial Paper Notes (defined herein) (the "Refunded Notes"), (iii) refunding a portion of the Board's outstanding obligations (as described in Schedule I hereto, the "Refunded Bonds") for debt service savings, and (iv) paying certain costs of issuing the Bonds. The Refunded Notes and Refunded Bonds are referred to herein, together, as the "Refunded Obligations".

As of the date hereof, the Board has long-term Parity Debt (excluding the outstanding Commercial Paper Notes) outstanding in the aggregate principal amount of $825,735,000, of which $30,405,000 will be refunded with proceeds of the Bonds. See "PLAN OF FINANCING – Refunded Obligations" below. In addition, the Board has previously authorized a commercial paper program (the "Commercial Paper Program") pursuant to which short-term Parity Obligations in the form of commercial paper notes are authorized to be outstanding in the maximum principal amount of $350,000,000 (the "Commercial Paper Notes"). As of the date hereof, Commercial Paper Notes were outstanding in the principal amount of $186,898,000, of which $137,466,000 will be refunded with proceeds of the Bonds. See "SECURITY FOR THE BONDS – The Revenue Financing System," "SECURITY FOR THE BONDS—Additional Obligations", "SECURITY FOR THE BONDS – Parity Debt," "TABLE 2 – Debt Service Requirements" and "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM—Outstanding Indebtedness."

Refunded Obligations. *Refunded Notes*. The Board will make any necessary contribution sufficient, together with a portion of the proceeds of the Bonds, to provide for the refunding and defeasance of the Refunded Notes in accordance with the terms thereof.

The Twenty-Ninth Supplemental Resolution provides that from the proceeds of the sale of the Bonds and other available funds, if any, the Board will deposit with U.S. Bank National Association, New York, New York, in its capacity as issuing and paying agent for the Refunded Notes (the "Refunded Notes Paying Agent"), the amount necessary to accomplish the discharge, defeasance and final payment of the Refunded Notes. Thereafter, the Refunded Notes, together with interest due thereon, will be paid on the scheduled maturity dates therefor, from the amounts deposited with the Refunded Notes Paying Agent. The amounts so deposited with the Refunded Notes Paying Agent will be in the form of cash and will be sufficient to provide for payment of the principal of and interest on the Refunded Notes when due, as evidenced by a certificate of sufficiency executed by the Refunded Notes Paying Agent. Such funds will not be available to pay debt service on the Bonds.

By such deposit with the Refunded Notes Paying Agent, the Board will have effected the defeasance of the Refunded Notes in accordance with State law and pursuant to the terms of the resolution authorizing their issuance. As a result of such defeasance, the Refunded Notes will be outstanding only for the purpose of receiving payment from such deposit and will no longer be outstanding obligations of the Board payable from Pledged Revenues (defined herein) nor for the purpose of applying any limitation on the issuance of debt, but will be payable solely from the cash held for such purpose by the Refunded Notes Paying Agent and the Refunded Notes will not be considered to be indebtedness of the Board for any other purpose. The Board and the University System will have no further responsibility with respect to amounts available from such deposit for the payment of the Refunded Notes from time to time.

Refunded Bonds. The payments due on the Refunded Bonds are to be paid on the redemption date of the Refunded Bonds from funds to be deposited from proceeds of the Bonds pursuant to a certain escrow agreement (the "Escrow Agreement") between the University System and BOKF, NA, Dallas, Texas (acting under the Escrow Agreement, the "Escrow Agent"). The Twenty-Ninth Supplemental Resolution provides that from the proceeds of the sale of the Bonds received from the Underwriters, the University System will deposit 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 (the "Escrow Fund") and used to purchase (i) direct non-callable obligations of the United States, including obligations that are unconditionally guaranteed by the United States, and/or (ii) non-callable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent (collectively, the "Defeasance Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds and amounts therein will not be available to pay the Bonds.

Causey Demgen & Moore P.C., 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 that the Defeasance 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 on their redemption date. Such maturing principal of and interest on the Defeasance Securities will not be available to pay the Bonds. Such verification report will be based on information and assumptions supplied by the Board's Financial Advisor and the Underwriters, and such verifications, information and assumptions will be relied upon by Bond Counsel in rendering its opinions described herein. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

By such deposit 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 State law and pursuant to the terms of the resolution authorizing their issuance. As a result of such defeasance the Refunded Bonds will be outstanding only for the purpose of receiving payment from the Escrow Fund and will no longer be outstanding obligations of the Board payable from Pledged Revenues nor for the purpose of applying any limitation on the issuance of debt, but will be payable solely from the Escrow Fund and the Refunded Bonds will not be considered to be indebtedness of the Board for any other purpose. The Board and the University System will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Bonds from time to time, including any insufficiency therein caused by the failure to receive payment when due on the Defeasance Securities.

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THE BONDS

Authority for Issuance of the Bonds. The Bonds are being issued in accordance with the general laws of the State of Texas, including particularly Chapters 54 and 55 of the Texas Education Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended, and other applicable law, and pursuant to the Master Resolution, the Twenty-Ninth Supplemental Resolution, and the Award Certificate executed in accordance with the Twenty-Ninth Supplemental Resolution. The Master Resolution permits additional Parity Debt to be issued in the future. Each issue of long-term Parity Debt was issued pursuant to supplements to the Master Resolution.

Sources and Uses of Proceeds. The proceeds from the sale of the Bonds will be applied as follows:

	The Bonds
Sources of Funds	
Par Amount of Bonds	$609,425,000.00
Net Reoffering Premium	48,983,492.45
Total Sources of Funds	$658,408,492.45
Uses of Funds	
Deposit to the Project Fund	$487,367,757.00
Deposit to the Escrow Fund	30,705,812.54
Deposit with Refunded Notes Paying Agent	137,466,000.00
Costs of Issuance (including Underwriters' Discount)	2,868,405.93
Additional Proceeds	516.98
Total Uses of Funds	$658,408,492.45

General. The Bonds will be initially issued in book-entry-only form, as discussed below under "THE BONDS—Book-Entry-Only System," but may subsequently be issued in certificated form, in either case only as fully registered bonds, without coupons, in any integral multiple of $5,000 principal amount within a stated maturity. The Bonds will be dated June 11, 2024, will accrue interest from the delivery date, and will bear interest at the per annum rates, mature on the dates and in the principal amounts shown on page ii of this Official Statement. Interest on the Bonds is payable on each March 15 and September 15, commencing September 15, 2024, until maturity or prior redemption. Interest is payable to the person in whose name such Bond is registered on the last business day of the month next preceding such interest payment date.

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 of New York, New York or where the Designated Trust Office (as hereinafter defined) of BOKF, NA (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.

Redemption.

Optional Redemption. The Bonds having maturities on or after March 15, 2035 are subject to redemption prior to maturity at the option of the Board on March 15, 2034 or on any date thereafter, in whole or from time to time 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 100% of the principal amount plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds scheduled to mature on March 15 in the years 2049 and 2054 (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption prior to their scheduled maturity and shall be redeemed by the Board, in part, prior to their scheduled maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption on the dates, and in the principal amounts, respectively, set forth in the following schedules:

Term Bonds Stated to Mature on March 15, 2049		Term Bonds Stated to Mature on March 15, 2054	
Redemption Date	Principal Amount	Redemption Date	Principal Amount
2045	$11,975,000	2050	$14,565,000
2046	12,450,000	2051	15,330,000
2047	12,950,000	2052	16,140,000
2048	13,470,000	2053	16,980,000
2049 (maturity)	14,005,000	2054 (maturity)	17,875,000

The principal amount of the Term Bonds required to be redeemed on each such redemption date shall be reduced, at the option of the Board, by the principal amount of any Term Bond of the same maturity, 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 such Paying Agent/Registrar at the direction of the Board, or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory sinking fund redemption. During any period in which ownership of the Term Bonds to be redeemed is determined by a book entry at a securities depository for such Term Bonds, if fewer than all of such Term Bonds of the same maturity are to be redeemed, the particular Term Bonds of such maturity shall be selected as described below under "– Selection of Bonds for Partial Redemption".

Selection of Bonds for Partial Redemption. During any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds of such maturity shall be selected in accordance with the arrangements between the Board and the securities depository.

Notice of Redemption. At least thirty (30) days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the registered owners of each Bond or a portion thereof to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar on the forty-fifth (45th) day prior to such redemption date; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

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

Legality. The Bonds are offered when, as and if issued, subject to the approval of legality by the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel. See "LEGAL MATTERS."

Paying Agent/Registrar. The Board covenants in the Twenty-Ninth Supplemental Resolution to maintain and provide a paying agent/registrar at all times until the Bonds are paid. The initial Paying Agent/Registrar for the Bonds is BOKF, NA, Dallas, Texas.

Successor Paying Agent/Registrar. In the Twenty-Ninth Supplemental Resolution, 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 with respect to the Bonds, the Board agrees to promptly cause a written notice thereof to be sent to each registered owner of the affected Bonds by United States mail, first-class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Twenty-Ninth Supplemental Resolution. The issuance, sale and delivery of the Bonds is authorized by the Twenty-Ninth Supplemental Resolution and the Award Certificate authorized in the Twenty-Ninth Supplemental Resolution. The Twenty-Ninth Supplemental Resolution also contains the written determination by the Board, as required by the Master Resolution as a condition to the issuance of Parity Debt, that it will have sufficient funds to meet the financial obligations of the University 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 that the Members on whose behalf the Bonds are issued possess the financial capacity to satisfy their Direct Obligations after taking the Bonds into account.

The Twenty-Ninth Supplemental Resolution permits amendment, without the consent of the Bondholders, for the same purposes for which amendment may be made to the Master Resolution without the consent of the owners of outstanding Parity Debt. See "APPENDIX C – EXCERPTS FROM THE MASTER RESOLUTION." In addition to permitting amendment, without consent of the Bondholders, to supplement the security for the Bonds, the Twenty-Ninth Supplemental Resolution also permits amendment, without the consent of the Bondholders, to replace or provide additional credit facilities, or change the form of the Bond or make such other changes in the provisions of the Twenty-Ninth Supplemental Resolution 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 the Outstanding Bonds. The Twenty-Ninth Supplemental Resolution also permits amendment, with the consent of the owners of 51% in aggregate principal amount of the Outstanding Bonds, other than amendments which shall permit or be construed to permit, without approval of the owners of all of the Outstanding Bonds, any change in the maturity of the Outstanding Bonds, reduce the rate of interest borne by the Outstanding Bonds, reduce the amount of principal payable on the Outstanding Bonds, modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment, affect the rights of the owners of less than all Bonds then Outstanding, or change the minimum percentage of outstanding principal amount of Bonds necessary for consent to an amendment.

Additional Defeasance Provisions. In addition to the defeasance provisions set forth in the Master Resolution as described in "APPENDIX C", the Twenty-Ninth Supplemental Resolution provides that, to the extent that the Bonds are treated as Defeased Debt for purposes of the Master Resolution, any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in the Master Resolution shall not be irrevocable, provided that the Board: (i) in the proceedings providing for such defeasance, expressly reserves the right to call the Defeased Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the defeasance; (iii) directs that notice of the reservation be included in any defeasance notices that it authorizes; and (iv) at or prior to the time of the redemption, satisfies the conditions of the Master Resolution with respect to such Defeased Bonds as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Bonds.

The Twenty-Ninth Supplemental Resolution also provides that, with respect to the defeasance of the Bonds, the term "Government Obligations" shall mean (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law in existence at the time of such defeasance that may be used to defease obligations such as the Bonds. An authorized University System official may restrict such Government Obligations upon the sale of the Bonds.

Upon the deposit of cash and/or Government Obligations in accordance with the Twenty-Ninth Supplemental Resolution and thereafter the University System will have no further responsibility with respect to amounts available to the paying agent (or other financial institution permitted by applicable law) for the payment of such defeased bonds, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Government Obligations.

Because the Twenty-Ninth Supplemental Resolution provides that securities or obligations that may be authorized under future State law may also be used to defease Bonds, registered owners are deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law.

There is no assurance that the ratings for U.S. Treasury securities or any other Government Obligations that may be used to defease Bonds as described in this section will be maintained at any particular rating category.

Book Entry-Only System. This section describes how ownership of the Bonds is to be transferred and how principal of, premium, if any, and interest on the Bonds, are to be paid to and credited by The Depository Trust Company, New York, New York ("DTC") while the Bonds are registered in its nominee's name. The following information has been furnished by DTC for use in disclosure documents such as this Official Statement. None of the Board, the Financial Advisor or the Underwriters make any representation or warranty regarding the information furnished by DTC.

The Board, the Financial Advisor and the Underwriters do 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 other will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to 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 United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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, 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 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 an S&P Global Ratings rating of: “AA+”. The DTC Rules applicable to its Participants are on file with the SEC. 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, 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 a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant 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 MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest 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 Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC 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 principal and interest 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-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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 takes no responsibility for the accuracy thereof.

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

THE PAYING AGENT/REGISTRAR AND THE BOARD, SO LONG AS THE DTC BOOK-ENTRY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION, NOTICE OF PROPOSED AMENDMENT TO THE MASTER RESOLUTION, THE TWENTY-NINTH SUPPLEMENTAL RESOLUTION, OR OTHER NOTICES WITH RESPECT TO THE BONDS ONLY TO DTC. ANY FAILURE BY DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO NOTIFY THE BENEFICIAL OWNERS, OF ANY NOTICES AND THEIR CONTENTS OR EFFECT WILL NOT AFFECT THE VALIDITY OF THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON ANY SUCH NOTICE. REDEMPTION OF PORTIONS OF BONDS BY THE BOARD WILL REDUCE THE OUTSTANDING PRINCIPAL AMOUNT OF SUCH BONDS HELD BY DTC. IN SUCH EVENT, DTC MAY IMPLEMENT, THROUGH ITS BOOK-ENTRY SYSTEM, A REDEMPTION OF SUCH BONDS HELD FOR THE ACCOUNT OF DTC PARTICIPANTS IN ACCORDANCE WITH ITS OWN RULES OR OTHER AGREEMENTS WITH DTC PARTICIPANTS AND THEN DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS MAY IMPLEMENT A REDEMPTION OF SUCH BONDS FROM THE BENEFICIAL OWNERS. ANY SUCH SELECTION OF THE BONDS TO BE REDEEMED WILL NOT BE GOVERNED BY THE TWENTY-NINTH SUPPLEMENTAL RESOLUTION AND WILL NOT BE CONDUCTED BY THE BOARD OR THE PAYING AGENT/REGISTRAR. NEITHER THE BOARD NOR THE PAYING AGENT/REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM DTC PARTICIPANTS ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS ON THE AFFECTED BONDS OR THE PROVIDING OF NOTICE TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS OF THE SELECTION OF PORTIONS OF THE BONDS FOR REDEMPTION. IF LESS THAN ALL OF THE BONDS ARE TO BE REDEEMED, THE CURRENT DTC PRACTICE IS TO DETERMINE BY LOT THE AMOUNT OF INTEREST OF EACH DTC PARTICIPANT TO BE REDEEMED.

Transfer, Exchange, and Registration. In the event the book-entry system is discontinued, the affected Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar at its designated trust office, initially its office in Dallas, Texas (the "Designated Trust Office"), and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond 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. 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 series and aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer.

Limitations on Transfer of Bonds. Neither the Board nor the Paying Agent/Registrar shall be required to make any transfer or exchange during a period beginning with the close of business on any Record Date and ending with the opening of business on the next following interest payment date or, with respect to any Bond or portion thereof called for redemption, 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 last business day of the month next preceding such interest payment date.

Special Record Date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the University System. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Bondholder appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Damaged, Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall be damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar may register and deliver a replacement Bond of like series, form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for, or in lieu of such damaged, mutilated, lost, stolen or destroyed Bond, only upon the approval of the University System and after (i) the filing by the registered owner thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the University System and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the registered owner of the Bond damaged, mutilated, lost, stolen or destroyed.

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

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

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

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

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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 member institutions of the University System and other entities which may be included in the future, by Board action, as Members in the Revenue Financing System. The Revenue Financing System is intended to facilitate the assembling of all of the Members' revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to Members and to maximize the financing options available to the Board. The Master Resolution provides that once a university or agency becomes a Member, 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 Member 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 Debt, subject only to the outstanding Prior Encumbered Obligations, if any, with respect to such Member. Upon becoming a Member, an entity may no longer issue obligations having a lien on Pledged Revenues prior to the lien on the Outstanding Parity Debt. Generally, Prior Encumbered Obligations are those bonds or other obligations issued on behalf of a Member which were outstanding on the date such entity became a Member in the Revenue Financing System. As of the date hereof, there are no Prior Encumbered Obligations outstanding. The Board does not currently anticipate adding Members to the Revenue Financing System which would result in the assumption of additional Prior Encumbered Obligations; however, no assurance can be given that the State Legislature will not add or remove additional member institutions to the University System in the future. See "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM - Outstanding Indebtedness."

In connection with each issuance of Parity Debt, the Board will make an accounting allocation to each Member of the University System of its proportionate share, if any, of such Parity Debt (hereinafter referred to as a Member's "Direct Obligation"). The Master Resolution provides that the Board, in establishing the annual budget for each Member of the Revenue Financing System shall provide for the satisfaction by each Member of its Direct Obligation. A Member's Direct Obligation is the financial responsibility of such Member with respect to Outstanding Parity Debt.

Further, the Master Resolution provides that if, in the judgment of the Board, any Member of the Revenue Financing System has been or will be unable to meet its Annual Obligation (which includes its Direct Obligation), the Board shall fix, levy, charge, and collect rentals, rates, fees and charges for goods and services furnished by such Member and the Pledged General Tuition, effective at the next succeeding regular semester(s) or summer term(s), in amounts sufficient, without limit (after taking into account the anticipated effect of the proposed adjustments would have on enrollment and the receipt of Pledged Revenues), together with other legally available funds, including Pledged Revenues attributable to such Member, to enable it to pay its Annual Obligations.

Pledge Under Master Resolution. All Parity Debt constitutes a special obligation 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, if any, 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 Member of the Revenue Financing System which are lawfully available to the Board for payments on Parity Debt; 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 on behalf of any Member under Article VII, Section 17 of the State Constitution, including the income therefrom and any fund balances relating thereto (see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM – Higher Education Fund Appropriations"); and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas. 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 Members, including specifically the Pledged General Tuition; provided, that Revenue Funds does not include, with respect to each series or issue of Parity Debt, 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 Debt 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 Section 20, Article VII, Texas Constitution are not included in Pledged Revenues. All legally available funds of the Members, including unrestricted fund and reserve balances, are pledged to the payment of the Parity Debt. For a more detailed description of the Pledged General Tuition, see "APPENDIX C – EXCERPTS FROM THE MASTER RESOLUTION." For a more detailed description of the types of revenues and expenditures of the University System, see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM."

Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues, and such pledge is therefore, valid, effective and perfected. Should Texas 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, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the Board agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

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The following table sets forth a historical compilation for fiscal years 2019 through 2023, inclusive, of the available revenues available during such years that would constitute Pledged Revenues under the Revenue Financing System based on current law:

TABLE 1

Pledged Revenues and Balances Available for Debt Service ($000)

	2019	2020	2021	2022	2023
Available Pledged Revenues Not Including Net Position(1)	$768,238	$763,587	$807,949	$796,868	$840,566
Unrestricted Net Position(2)					
Unrestricted Net Position per Annual Financial Report	91,831	34,621	59,799	75,965	4,426
Portion attributable to Revenue Streams Unavailable for Debt Service(3)	(136,567)	(152,792)	(156,692)	(190,463)	(221,418)
As Adjusted for Revenue Streams Unavailable for Debt Service(4)	(44,736)	(118,171)	(96,892)	(114,498)	(216,992)
Pension Entry(5)	158,965	193,732	204,316	185,786	188,767
OPEB Entry(5)	273,541	390,336	495,014	595,833	683,271
Unrestricted Net Position After Adjustments (6)	387,771	465,897	602,437	667,121	655,046
Total Pledged Revenues and Unrestricted Net Position(4)	**$1,156,008**	**$1,229,484**	**$1,410,386**	**$1,463,989**	**$1,495,612**

Additional Sources of Payment (not included in Pledged Revenues): CCAP and HEF ($000)

	2019	2020	2021	2022	2023
Available HEF Appropriations(7)	$107,620	$122,785	$134,216	$144,193	$142,393
CCAP Appropriations(8)	34,555	34,533	33,680	34,287	27,707
Total Additional Sources of Payment	**$1,298,183**	**$1,386,802**	**$1,578,282**	**$1,642,468**	**$1,668,712**

(1) The Available Pledged Revenues shown above consist of tuition, designated tuition, student fees, and recovery of indirect costs for federal grants and contracts, federal pass-through grants from other agencies and State grants and contracts. The prior encumbered revenues of the University System are excluded. Also excludes State appropriations for reimbursement of debt service on Parity Debt issued for Capital Construction Assistance Projects ("CCAP", formerly known as "Tuition Revenue Bonds" or "TRBs"). See "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM – Funding for the University System and its Member Institutions – Capital Construction Assistance Projects."

(2) The Texas State University System Combined Annual Financial Report. 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's debt service.

(3) Certain revenue streams are unavailable for debt service. The portion of the University System's unrestricted net position resulting from those revenue streams has been excluded.

(4) Amounts reported as "As Adjusted for Revenue Streams Unavailable for Debt Service" were formerly reported as "Available Pledged Revenues Fund Balances." This amount is the unappropriated or reserved net position remaining at year-end that is available for payment of the subsequent year's debt service. Amounts formerly reported as "Total Pledged Revenues and Pledged Revenues Fund Balances" are reported as "Total Pledged Revenues and Unrestricted Net Position."

(5) Details concerning the net pension and OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expenses may be found in the Notes to the Financial Statements of the TSUS Annual Financial Report. Further information may be found on the GASB Requirements webpage published by the Employees Retirement System of Texas, who administers the plan.

(6) The effect on unrestricted net position resulting from the liabilities related to unfunded pension and other post-employment benefits has been excluded to arrive at an unrestricted net position after adjustments. For further details related to the liabilities, see the Notes to the Financial Statements in the University System's Annual Financial Report for each year.

(7) Unexpended Higher Education Fund (HEF) funds carry forward to the next fiscal year. The year-end net positions attributable to HEF reflected are eligible to be applied to the payment of debt service on Parity Debt issued for qualifying projects as permitted in accordance with Article VII, Section 17(a) of the Texas Constitution; however, HEF funds are not Pledged Revenues. See "APPENDIX A – Funding for the University System and its Member Institutions – Higher Education Fund (HEF) Bonds."

(8) Historically, the State Legislature has appropriated general revenue funds in the State's budget each biennium to reimburse institutions of higher education for debt service on Parity Debt issued for Capital Construction Assistance Projects issued pursuant to specific statutory authorizations for individual institutions and projects identified in Chapter 55 of the Texas Education Code. The annual CCAP appropriations are not Pledged Revenues. A portion of the Parity Debt has been issued for CCAPs that qualify the University System to be reimbursed from State appropriations of $36.850 million for debt service payments during fiscal year 2024. Future reimbursement by the State for debt service payments is entirely subject to future appropriations by the State Legislature in each

subsequent State Biennium. The amount budgeted by the State Legislature for reimbursement to the University System of CCAP debt service for Fiscal Year 2024 and 2025 is $63,459,650 and $63,455,900, respectively. See "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM - Funding for the University System and its Member Institutions – Capital Construction Assistance Projects."

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Subject to the provisions of the Master Resolution authorizing the Prior Encumbered Obligations, the Board has covenanted in the Master Resolution that in each fiscal year it will establish, charge, and use its reasonable efforts to collect Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board relating to the Revenue Financing System including all deposits or payments due on or with respect to Outstanding Parity Debt 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 Parity Debt or is junior and subordinate to the Parity Debt. The Board intends to issue most of its revenue-supported debt obligations which benefit the Members as Parity Debt under the Master Resolution.

THE OPERATIONS OF THE UNIVERSITY SYSTEM AND ITS MEMBER INSTITUTIONS ARE HEAVILY DEPENDENT ON STATE APPROPRIATIONS. THE BOARD AND THE MEMBER INSTITUTIONS HAVE NO ASSURANCE THAT STATE APPROPRIATIONS TO THE MEMBER INSTITUTIONS WILL CONTINUE AT THE SAME LEVEL AS IN PREVIOUS YEARS. See "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM—Funding for the University System and its Member Institutions."

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

Additional Obligations. The Board may issue additional Parity Debt to provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping the property, buildings, structures, facilities, roads or related infrastructure for the Members of the Revenue Financing System and to pay costs of issuance related to such additional Parity Debt. See "FUTURE CAPITAL IMPROVEMENT PLANS." The Board may also issue additional Parity Debt to refund outstanding Prior Encumbered Obligations and Outstanding Parity Debt.

Parity Debt. The Board has previously issued other obligations that constitute Parity Debt. The Board has reserved the right to issue or incur additional Parity Debt 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 Debt if the Board has determined that it will have sufficient funds to meet the financial obligations of the Members, 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 Debt unless (i) the Board determines that the Member or Members for whom the Parity Debt is being issued or incurred possess the financial capacity to satisfy their respective Direct Obligations, after taking into account the then proposed additional Parity Debt, and (ii) a System Representative 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 Supplement 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 the Members.

Commercial Paper Program. The Board has previously authorized the Commercial Paper Program and authorized the issuance of up to $350,000,000 Commercial Paper Notes that can be issued as tax-exempt or taxable commercial paper notes that can be used to provide interim or short-term financing for various capital projects and other lawful purposes. The Commercial Paper Notes are special obligations of the Board, payable from and secured by a lien on Pledged Revenues on parity with the Board's outstanding Parity Debt, subject to the lien securing the Prior Encumbered Obligations, as defined in the Master Resolution. As of the date of this Official Statement, the Board had outstanding Commercial Paper Notes in the aggregate principal amount of $186,898,000, of which

$137,466,000 will be refunded with proceeds of the Bonds. See “PLAN OF FINANCING – Refunded Obligations – Refunded Notes”.

Other Financings. The University System engages in public/private partnerships that allow private partners to construct, maintain or improve facilities used to support the University System’s core mission. Any debt issued by private partners or third parties related to such projects is not an obligation of the Board, the University System or any of its components. See “APPENDIX B – UNAUDITED COMBINED FINANCIAL REPORT OF TEXAS STATE UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2023 – NOTE 27: Public-Private and Public-Public Partnerships.”

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The following table is a summary of the debt service requirements of all Parity Debt outstanding (excludes the Commercial Paper Notes) prior to the issuance of the Bonds.

TABLE 2
DEBT SERVICE REQUIREMENTS
Texas State University System – Revenue Financing System

Fiscal Year End August 31	Outstanding Parity Debt Service[(1)(2)(4)*]	Less: Debt Service for Refunded Bonds[(2)(3)]	The Bonds Principal	The Bonds Interest[(2)]	The Bonds Total[(2)]	Total Annual Debt Service[(1)(2)]
2025	$ 105,296,881	$ 4,448,525	$ 29,030,000	$ 22,852,342	$ 51,882,342	$ 152,730,698
2026	105,304,090	4,439,775	24,405,000	28,573,475	52,978,475	153,842,790
2027	101,199,915	3,734,025	24,890,000	27,353,225	52,243,225	149,709,115
2028	95,770,259	3,730,775	29,170,000	26,108,725	55,278,725	147,318,209
2029	86,995,023	3,731,275	31,325,000	24,650,225	55,975,225	139,238,973
2030	80,629,648	3,735,025	32,985,000	23,083,975	56,068,975	132,963,598
2031	78,188,577	3,731,525	34,605,000	21,434,725	56,039,725	130,496,777
2032	70,768,409	3,727,500	37,555,000	19,704,475	57,259,475	124,300,384
2033	49,944,701	3,726,500	46,390,000	17,826,725	64,216,725	110,434,926
2034	49,673,524	3,727,500	16,000,000	15,507,225	31,507,225	77,453,249
2035	46,002,453	-	13,345,000	14,707,225	28,052,225	74,054,678
2036	40,780,108	-	14,000,000	14,039,975	28,039,975	68,820,083
2037	27,357,225	-	14,700,000	13,339,975	28,039,975	55,397,200
2038	27,004,280	-	15,435,000	12,604,975	28,039,975	55,044,255
2039	24,016,467	-	16,205,000	11,833,225	28,038,225	52,054,692
2040	15,404,767	-	15,140,000	11,022,975	26,162,975	41,567,742
2041	10,762,267	-	15,895,000	10,265,975	26,160,975	36,923,242
2042	8,118,429	-	16,685,000	9,471,225	26,156,225	34,274,654
2043	7,035,835	-	17,525,000	8,636,975	26,161,975	33,197,810
2044	7,035,609	-	18,400,000	7,760,725	26,160,725	33,196,334
2045	7,038,319	-	11,975,000	6,840,725	18,815,725	25,854,044
2046	2,988,550	-	12,450,000	6,361,725	18,811,725	21,800,275
2047	2,989,700	-	12,950,000	5,863,725	18,813,725	21,803,425
2048	2,993,163	-	13,470,000	5,345,725	18,815,725	21,808,888
2049	2,990,163	-	14,005,000	4,806,925	18,811,925	21,802,088
2050	2,990,813	-	14,565,000	4,246,725	18,811,725	21,802,538
2051	-	-	15,330,000	3,482,063	18,812,063	18,812,063
2052	-	-	16,140,000	2,677,238	18,817,238	18,817,238
2053	-	-	16,980,000	1,829,888	18,809,888	18,809,888
2054	-	-	17,875,000	938,438	18,813,438	18,813,438
TOTAL	**$1,059,279,174**	**$38,732,425**	**$609,425,000**	**$383,171,542**	**$992,596,542**	**$2,013,143,291**

(1) As of the date hereof. Includes the Refunded Bonds. Does not include debt service on the currently outstanding Commercial Paper Notes, which the Board has authorized to be issued as Parity Debt in the maximum outstanding amount of $350,000,000. As of the date hereof, Commercial Paper Notes are outstanding in the aggregate principal amount of $186,898,000, of which $137,466,000 will be refunded with proceeds of the Bonds.
(2) Totals of these columns do not calculate exactly due to rounding of pennies for purposes of this table.
(3) See "PLAN OF FINANCING – Refunded Obligations – *Refunded Bonds*" and Schedule I hereto.
(4) See "APPENDIX A - DESCRIPTION OF THE UNIVERSITY SYSTEM - Outstanding Indebtedness."

* A portion of such Parity Debt has been issued for CCAPs that qualify the University System to be reimbursed from State appropriations of $63.460 million for debt service payments during fiscal year 2024 and $63.446 million in fiscal year 2025. Future reimbursement by the State for debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State Biennium. See "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM – Funding for the University System and its Member Institutions - Capital Construction Assistance Projects."

FUTURE CAPITAL IMPROVEMENT PLANS

The University System's member institutions plan for future capital improvements through individual Campus Master Plans that identify long term needs for capital improvements. In addition to the Bonds, the University System plans to issue approximately $580 million of additional Parity Debt in the next 2 years to fund such capital improvements, of which approximately $160 million (28%) is anticipated to be for CCAPs, $250 million (43%) is anticipated to be for self-funding auxiliary enterprises, and the balance is anticipated to be supported by traditional Pledged Revenues. The University System can make no assurances as to the amount of CCAPs, if any, that may be authorized for reimbursement in any future legislative session. See "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM—Funding for the University System and its Member Institutions - State Appropriations", "– Higher Education Fund Appropriations," and "- Capital Construction Assistance Projects."

Sources of funding for the needs identified in each member institution's Campus Master Plan include legislative appropriations, constitutional appropriations, operational earnings of the various institutional activities such as residence halls, bookstores and utility systems, balances reserved for this purpose, unallocated balances and proceeds from debt issuances. With respect to constitutional appropriations, if projects are identified to be funded from appropriations and the legislature fails to appropriate such funds, then the University System may elect to postpone those projects until funds are appropriated.

On February 20, 2015, the Board adopted a Supplemental Resolution to the Master Resolution which authorized a commercial paper program (the "Commercial Paper Program") pursuant to which Parity Debt in the form of either tax-exempt or taxable commercial paper notes may be issued, from time to time, with the combined aggregate principal amount of such notes that may be outstanding at any one time limited to $350 million (as increased from $240 million pursuant to a resolution of the Board on November 17, 2023, effective as of April 18, 2024). The Board anticipates using the Commercial Paper Program for short term construction financing of projects for Members of the Revenue Financing System. See "SECURITY FOR THE BONDS – Commercial Paper Program".

ABSENCE OF LITIGATION

Neither the Board nor any Member 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.

REGISTRATION AND QUALIFICATION OF THE BONDS FOR SALE

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of this Official Statement. 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 acts of any other jurisdiction. The University System assumes no responsibility for registration or 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 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.

CONTINUING DISCLOSURE OF INFORMATION

In the Twenty-Ninth Supplemental Resolution, the Board has made the following agreement for the benefit of the holders and beneficial owners 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 such 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"). Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Annual Reports. The Board will provide, in an electronic format prescribed by the MSRB, certain updated financial information and operating data to the MSRB annually. 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, 2, A-1, A-2, A-3, A-4, A-5, A-9 and A-10 and in Appendix B. The Board will update and provide this information within six months after the end of each fiscal year (i.e. by February 28th of each year based on the State's current fiscal year).

The Board may provide updated information in full text or such information may be included by specific reference to any document available to the public on the MSRB's internet web site or filed with the SEC, as permitted by 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 audited financial statements are not available by the required time, the Board will provide such financial statements on an unaudited basis within the required time. 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. Although the University System is audited as part of the State of Texas audit, separate audited financial statements are not available. It is not expected that the Board will commission an audit. Hence, unaudited financial statements, as shown in Appendix B, are expected to be provided.

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 (i.e. by February 28th of each year based on the State's current fiscal year), unless the State changes its fiscal year. If the State changes its fiscal year, the Board will notify the MSRB of the change.

Notice of Certain Events. The Board also will provide timely notices of certain events to the MSRB. The Board will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten (10) business days after the occurrence of the event): (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 or 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 Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such 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 change of name of the paying agent/registrar, if material; (15) incurrence of a Financial Obligation of the Board, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Board, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Board, any of which reflect financial difficulties. Neither the Bonds nor the Twenty-Ninth Supplemental Resolution make any provision for a trustee, debt service reserves, credit enhancement, or liquidity enhancement.

For these purposes, (a) any event described in clause (12) of the immediately preceding paragraph 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 United States Bankruptcy Code or in any other proceeding under the 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, and (b) the Board intends the words used in the immediately preceding clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34- 83885 dated August 20, 2018.

In addition, the Board will provide timely notice of any failure by the Board to provide annual financial information in accordance with their agreement described above under “Annual Reports”.

Limitations and Amendments. The Board has agreed to update information and to provide notices of material 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 for 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 primary 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. Except as described below, during the last five years, the Board has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

Due to an administrative oversight and technical error, the University System did not timely file its Combined Annual Financial Report for its fiscal year ended 2021 in accordance with its applicable continuing disclosure undertakings. The University System has implemented procedures to assist with the timeliness of such filings. The Combined Annual Financial Report was available on the University System’s website.

As part of the issuance of the University System’s “Revenue Financing System Refunding Bonds, Taxable Series 2019B” (the “2019B Bonds”), the University System was required to provide notice of the defeasance of the obligations that were defeased with the proceeds of the 2019B Bonds within ten (10) business days of the closing of the 2019B Bonds. Although the University System did file the required notice of defeasance, due to an administrative oversight, such notice was filed five (5) days after the required deadline. The University System does not believe this administrative oversight is a material event within the meaning of the Rule.

LEGAL MATTERS

General. Legal matters relating to the Bonds are subject to approval of legality by the Attorney General of the State of Texas and of certain legal matters by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel to the Board, whose opinion will be delivered at the closing of the sale of the Bonds in substantially the form set forth in APPENDIX D. Bond Counsel was not requested to participate, 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 Master Resolution, the Twenty-Ninth Supplemental Resolution and the Revenue Financing System contained in this Official Statement under the captions "INTRODUCTION", "PLAN OF FINANCING," "THE BONDS" (other than information under the subcaptions "Sources and Uses of Proceeds," "Book-Entry-Only System" and "Bondholder Remedies"), "SECURITY FOR THE BONDS," "REGISTRATION AND QUALIFICATION OF THE BONDS FOR SALE," "CONTINUING DISCLOSURE OF INFORMATION" (other than information under the subcaption "Compliance with Prior Agreements"), "TAX MATTERS," "LEGAL INVESTMENTS IN TEXAS", "LEGAL MATTERS" (except for the last sentence of the first paragraph thereof), and in APPENDIX C and APPENDIX D and such firm is of the opinion that the information contained under such captions and in such Appendices is a fair and accurate summary of the information purported to be shown therein and is correct as to matters of law. The payment of legal fees to Bond Counsel is contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Norton Rose Fulbright US LLP, Austin and Dallas, Texas, and Cantu Harden Montoya LLP, Austin and San Antonio, Texas.

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

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, and intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements. The Board's actual results could differ materially from those discussed in such forward-looking statements.

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

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The mathematical accuracy of certain computations included in the schedules provided by the Board relating to the computation of forecasted receipts of principal and interest on the Defeasance Securities held in the Escrow Fund for the Refunded Bonds and the forecasted payments of principal, premium, if any, and interest to pay the Refunded Bonds were verified by Causey Demgen & Moore P.C., certified public accountants. Such computations were based solely on assumptions and information supplied by the Board's Financial Advisor and the Underwriters. Causey Demgen & Moore P.C. has restricted its procedures to verifying the mathematical 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. Such verification will be relied upon by Bond Counsel in rendering its opinions with respect to the exclusion from gross income of interest on the Bonds for federal income tax purposes and with respect to defeasance of the Refunded Bonds. See "TAX MATTERS."

TAX MATTERS

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

In rendering its opinion, Bond Counsel will rely upon (a) the Board's federal tax certificate, (b) the verification report prepared by Causey Demgen & Moore P.C., (c) the sufficiency certificate delivered by the issuing and paying agent for the Refunded Notes and (d) covenants of the Board with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and the Refunded Obligations and certain other matters. Failure of the Board to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the 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 Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the Board with the covenants and requirements described in the preceding paragraph, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount. The initial public offering price to be paid for one or more maturities of the 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 owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see “Collateral Federal Income Tax Consequences” below.

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

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

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

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

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

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

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

Under section 6012 of the Code, owners of tax-exempt obligations, such as the 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 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 owner at a purchase price which is less than the stated redemption price at maturity or, in the case of an obligation issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the owner holds the obligation bears to the number of days between the acquisition date and the final maturity date.

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

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

Future and Proposed Legislation. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the 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 Bonds should consult their own tax advisors regarding the foregoing matters.

RATINGS

The Bonds have been assigned the ratings of "Aa2" by Moody's Investors Service, Inc. ("Moody's") and "AA" by Fitch Ratings ("Fitch"). 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. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if circumstances so warrant. Any such downward revision or withdrawal of either rating may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision at any time.

LEGAL INVESTMENTS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business & Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking fund of municipalities or other political subdivisions or public agencies of the State of Texas. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with at least $1 million of capital and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the state, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act, the Bonds may have to be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds.

The University System has not made any investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The University System has not made any review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

UNDERWRITING

Wells Fargo Bank, National Association, as the senior and book running manager of the syndicate of underwriters, has agreed, subject to certain customary conditions to delivery, to purchase the Bonds from the Board at the initial public offering price shown on page ii of this Official Statement, less an underwriting discount of $1,888,405.93, and no accrued interest.

The Underwriters will be obligated to purchase all of the Bonds of the same series if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. 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.

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"), senior Underwriter of the 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 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 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 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.

Academy Securities, Inc., one of the Underwriters of the Bonds, has entered into third-party distribution agreements with various dealers for the retail distribution of certain municipal securities at the original issue prices. Pursuant to these third-party distribution agreements, Academy Securities may share a portion of its underwriting compensation with the respective dealers.

Morgan Stanley & Co. LLC has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Underwriters may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Underwriters may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

FINANCIAL ADVISOR

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

COVID-19 DISCLOSURE

Since early 2020, the COVID-19 pandemic significantly impacted many aspects of public life, including travel, commerce and financial markets globally. The University System participated in a coordinated response to COVID-19 conditions with local public health agencies and the Texas Department of Health and offered classes online and through hybrid modalities with limited campus activities due to social distancing practices to varying degrees through the various phases of the pandemic. The World Health Organization in May 2023 declared an end to the global public health emergency, and the University System currently expects that the material impacts of COVID-19 are now in the past. The University System's financial and operating information for fiscal years 2020 through 2023 set forth in this Official Statement and on MSRB's internet website, www.emma.msrb.org, reflect the impact of COVID-19 on the University System.

A future resurgence of COVID-19 or the emergence of a new pandemic or similar disease outbreak in the future could adversely impact (1) the University System's financial condition and operations, including the ability of the University System to conduct its operations and/or the cost of its operations, (2) financial markets and consequently the returns on and value of the University System's investments, and (3) the secondary market for and value of the Bonds. While the University System intends to continue to monitor the status of COVID-19 as well as any other health emergencies that may rise in the future, the University System cannot provide any assurances as to the future impacts that may result from such events.

CYBERSECURITY

The University System utilizes technology in conducting its operations. As a user of technology, the University System potentially faces cybersecurity threats (e.g., hacking, phishing, viruses, malware and ransomware) on its technology systems. Accordingly, the University System may be the target of a cyber-attack on its technology systems that could result in advance consequences to the University System. The University System employs a multi-layered approach to combating cybersecurity threats. While the University System deploys layered technologies and requires employees to receive cybersecurity training, among other efforts, cybersecurity breaches could cause material disruptions to the University System's finances and operations. The costs of remedying such breaches or protecting against future cyber-attacks could be substantial and there is no assurance that these costs will be covered by insurance. Further, cybersecurity breaches could expose the University System to litigation and other legal risks, which could cause the University System to incur other costs related to such legal claims or proceedings. To date, the University System has not been the victim of any cyber-attack that has had a material adverse effect on its operations or financial condition.

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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 the original documents for further information.

The Award Certificate authorized in the Twenty-Ninth Supplemental Resolution approved the form and content of this Official Statement, and authorized the undersigned to approve any addenda, supplement, or amendment thereto, and authorized its further use by the Underwriters in the reoffering of the Bonds.

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Chancellor, Secretary of the Board of Regents
The Texas State University System

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SCHEDULE I
REFUNDED OBLIGATIONS

Refunded Notes

Maturity	Principal Amount Outstanding	Principal Amount Being Refunded
6/11/2024	$186,898,000	$137,466,000

Refunded Bonds

***The Board's obligations of the following series are being defeased and refunded with a portion of the proceeds of the Bonds*:**

Revenue Financing System Revenue and Refunding Bonds, Series 2014
CUSIP Prefix: 88278P*

Original Dated Date: June 1, 2014
Anticipated Call Date: September 5, 2024

Original Maturity	Principal Amount Outstanding	Principal Amount Being Refunded	Interest Rates	Redemption Price	CUSIP Suffix*
3/15/2025	$2,975,000	$2,975,000	5.000%	100.00	TL8
3/15/2026	3,115,000	3,115,000	5.000%	100.00	TM6
3/15/2027	2,565,000	2,565,000	5.000%	100.00	TN4
3/15/2028	2,690,000	2,690,000	5.000%	100.00	TP9
3/15/2029	2,825,000	2,825,000	5.000%	100.00	TQ7
3/15/2030	2,970,000	2,970,000	5.000%	100.00	TR5
3/15/2031	3,115,000	3,115,000	3.500%	100.00	TS3
3/15/2032	3,220,000	3,220,000	5.000%	100.00	TT1
3/15/2033	3,380,000	3,380,000	5.000%	100.00	TU8
3/15/2034	3,550,000	3,550,000	5.000%	100.00	TV6
	$30,405,000	$30,405,000			

*CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, 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 CUSIP Services. CUSIP numbers are included herein solely for convenience. None of the Board, the Financial Advisor or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers shown herein.

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APPENDIX A*

DESCRIPTION OF THE UNIVERSITY SYSTEM

BACKGROUND AND HISTORY

The University System, founded in 1911, is the first higher education system established in Texas. Created to consolidate the support and management of state teacher colleges, the University System has evolved into a network of higher education institutions stretching from the Texas–Louisiana border to the Big Bend region of west Texas.

Today, seven member institutions offer a broad range of academic and career opportunities. Throughout the University System, faculty and staff are preparing students to work in and contribute to our global society.

The following State-supported institutions are under the governance and control of the University System: Lamar University; Lamar Institute of Technology; Lamar State College - Orange; Lamar State College - Port Arthur; Sam Houston State University; Texas State University; Sul Ross State University; and Sul Ross State University Rio Grande College.

COORDINATING BOARD

The mission of the Texas Higher Education Coordinating Board (the "Coordinating Board") is to serve as a resource, partner, and advocate for Texas higher education, resulting in a globally competitive workforce that positions Texas as an international leader. The Coordinating Board promotes access to, and success in, quality higher education across the state with the conviction that access and success without quality is mediocrity, and that quality without access and success is unacceptable. The Coordinating Board is an agency of the State established to promote the efficient use of State resources by providing coordination and leadership for the State's higher education systems, institutions, and governing boards. The Coordinating Board reviews all degree and certificate programs offered by the State's institutions of higher education and annually reviews the academic courses offered by such institutions.

GOVERNANCE AND ADMINISTRATION

The University System is governed by a nine-member Board of Regents (collectively, the "Board") appointed by the Governor of Texas. In addition, a nonvoting student regent is appointed annually to the board. The administration, which is headed by a board-appointed chancellor, is based in Austin, Texas, where it provides support to the University System member institutions and state government.

The Board is legally responsible for the general control and management of the member institutions of the University System and has authority to promulgate and enforce such rules, regulations, and orders as it deems necessary for the operation, control and management of the University System. The Board appoints a Chancellor who directs the operations of the University System and is responsible for carrying out policies determined by the Board. The Chancellor is assisted by a Vice Chancellor and Chief Financial Officer, a Vice Chancellor for Academic & Health Affairs, a Vice Chancellor and General Counsel, a Vice Chancellor for Governmental Relations, and a Vice Chancellor for Marketing and Communications. The operations of each member institution of the University System are directed by a President, hired by the Chancellor. Each President holds office without a fixed term and at the pleasure of the Chancellor. The Board also appoints Chief Audit Executive, who supports the University System by overseeing the system-wide internal audit function.

A list of the current members of the Board and certain principal administrative officers of the University System appears on page iv of this Official Statement. Set forth below is biographical information for such principal administrative officers of the University System:

Dr. Brian McCall serves as the Chancellor for the University System. Prior to his appointment as Chancellor, Dr. McCall was president of the Dallas-based Westminster Capital Corporation since 2000 and a member of the Texas House of Representatives since 1991 where he has held several key posts, including chairman of the Calendars Committee, member of the Higher Education Committee, and a member of the Legislative Budget Board. Dr. McCall holds a B.A. from Baylor University, a Master of Liberal Arts degree from Southern Methodist University, and his Ph.D in Humanities, Aesthetics from the University of Texas-Dallas.

* Unless otherwise indicated, the information set forth in the tables in this Appendix A has been provided by the University System.

Mr. Daniel Harper, Vice Chancellor and Chief Financial Officer, is responsible for the University System's financial management, including budget, treasury, debt management, and risk management functions. He also assists the University System with budget and policy issues before the Texas Legislature. He received his B.A. in Economics from Austin College and his M.B.A. in Finance from the University of Texas at Arlington.

Dr. John Hayek serves as Vice Chancellor for Academic and Health Affairs. Prior to joining the University System, he served as the associate vice chancellor and chief of staff for academic affairs at the University of Texas System, managing initiatives related to academic and strategic planning, policy development, student success, information technology, and data analytics. Hayek previously held leadership positions with the Kentucky Council on Postsecondary Education and the Indiana University Center for Postsecondary Research. Early in his career, Hayek also worked outside the academia for IBM and the Northern Trust Company. Hayek holds a Ph.D. in Higher Education from Indiana University, as well as a master's degree in Sports Administration from St. Thomas University, and a bachelor's degree in Economics from the University of Chicago.

Ms. Nelly R. Herrera serves as the Vice Chancellor and General Counsel for the University System. Ms. Herrera has been with the Texas State University System Office of General Counsel since July 2011. She is a magna cum laude graduate of St. Mary's University in San Antonio and received her Juris Doctor degree from the University of Texas School of Law. Prior to joining the University System, Ms. Herrera worked with the Texas Attorney General's Office where she began her legal career as a law clerk. She first worked in the Consumer Protection Division but soon moved to the Tort Litigation Division. She was promoted to Division Chief of the Tort Litigation Division, serving for 16 years. She began her career with the University System as Associate General Counsel, assigned to the Texas State University campus, but has served as Deputy General Counsel since 2017, handling a variety of complex legal matters for the University System campuses and upper-level administration.

Mr. Sean Cunningham serves as Vice Chancellor for Governmental Relations for the University System, where he coordinates communications regarding legislative and policy matters to state and federal elected leadership. Prior to his appointment, Mr. Cunningham was Chief of Staff to a Texas House of Representatives member and Special Advisor to the House Committee on Calendars where he assisted the committee in recommending and prioritizing the daily legislative agenda for the Texas House. During his 19 years working in the Texas House for only one member of the legislature, additional duties including serving as clerk of various subcommittees and full committees within the House. Mr. Cunningham earned his bachelor's degree in Government and his Doctor of Jurisprudence from The University of Texas at Austin. While in law school, Mr. Cunningham completed a judicial internship with the Honorable Lawrence Meyers of the Texas Court of Criminal Appeals and studied international law during his semester abroad at the University of College London.

Mr. Mike Wintemute serves as Vice Chancellor for Marketing and Communications. As the University System's chief communications officer, Dr. Wintemute works to increase awareness and enhance the reputation of the University System and its member institutions. He also serves as Executive Director of the Texas State University System Foundation, Inc., a non-profit corporation that provides private financial support to the University System and institutions. Dr. Wintemute previously served as communications director for the Lieutenant Governor of Texas, deputy secretary of the California Resources Agency and Cal/EPA, and press secretary for the California Republican Party. Prior to this, he served as a communications consultant under four consecutive minority leaders in the California State Assembly. Wintemute began his career as a news reporter in Northern California. He earned a bachelor's degree in Telecommunications from California State University, Fresno, a master's degree in Communication Studies from California State University, Sacramento, and a Ph.D. in Media and Communication from Texas Tech University.

Ms. Carole M. Fox serves as the Chief Audit Executive, responsible for all aspects of the University System's internal audit function, which provides the Board of Regents and the chancellor with independent, objective evaluations regarding System and campus-operations. She reports directly to the Board of Regents. Ms. Fox received a bachelor of business administration from The University of Texas at Austin and is a licensed Certified Public Accountant. She began her career over 40 years ago as an assistant state auditor. She was later recruited to The University of Texas (UT) System Audit Office, with responsibility for audits of all UT academic components. She left higher education to serve as the director of internal audits at two state agencies - positions she held for more than 12 years. She returned to higher education in 2007 upon joining the Texas State University System.

MEMBER INSTITUTIONS

A summary description of the University System's seven member institutions, each of which is a Member in the Revenue Financing System, is set forth below:

Lamar University

Founded in 1923 as a junior college, Lamar University is now a nationally recognized institution that sits in the center of Southeast Texas and is among the fastest growing colleges and universities in Texas. Accredited by the Commission on Colleges of the Southern Association of Colleges and Schools, Lamer University contributes to the cultural, educational, and economic success of Southeast Texas, generating economic activity of more than $310 million each year.

With a beautiful 300-acre campus that's home to more than 15,000 students from 62 countries, Lamar University provides a vibrant campus community that fosters diversity: more than 53% of students are first-generation college attendees; 48% are students of color; and approximately 21% are Hispanic. Lamar University has been ranked among the most diverse universities in Texas by *U.S. News & World Report*.

With more than 130 degree programs across seven academic colleges, small class sizes, and a low student-to-faculty ratio, students can build one-on-one connections with faculty members while gaining the career readiness skills that employers covet. Innovative distance education programs have made Lamar University the largest provider of master's level education for teachers in the nation and a popular choice for others pursuing online learning, including military service members.

Lamar University's Texas Academy program offers a unique opportunity for academically excellent high school students to earn college credits while completing their high school curriculum. Along with academics, innovative research and service leadership, students in the program also can participate in intramural sports, clubs, student activities and events.

As a member of the Southland Conference, Lamar University athletics provides great opportunities for student-athletes pursuing excellence in academics, competitive venues and personal development. As a founding member of the league, the Cardinals have enjoyed five decades of success and witnessed 109 regular-season championships across the university's 17 varsity sports.

Lamar Institute of Technology

Lamar Institute of Technology offers educational programs and training that expands students' knowledge, encourages their continued development, and gives them marketable skills for today's workforce.

Ranked as the 24th fastest growing two-year college with enrollment over 4,000 by Community College Week, Lamar Institute of Technology is a two-year technical college offering associate of applied science degrees and certificates of completion in more than 50 educational programs in the fields of industry, business and allied health, and continuing education certificate programs in workforce training.

Over the past three years, Lamar Institute of Technology has ranked as one of the top three producers of science technology graduates in the nation. Lamar Institute of Technology offers degree and certificate programs in technology, operational supervision, allied health, and workforce training. It is one of the largest producers of process operators and instrumentation technicians in the world, with more than 500 students continuously enrolled in these programs. With the completion of its $8 million multi-purpose center in 1998, allied health programs are housed in a modern 57,000 square foot facility with state-of-the-art equipment, featuring the only dental hygiene program between New Orleans and Houston.

As a result of the terrorist attacks on September 11, 2001, Lamar Institute of Technology was the first institution of higher education in Texas to be authorized by the Texas Higher Education Coordinating Board to offer degree and certificate programs in homeland security. It now offers degrees in crime scene investigation as well as security threat groups.

Lamar State College - Orange

Situated on the banks of the Sabine River in downtown Orange, Texas, Lamar State College Orange ("LSCO") has served as a bridge to a bright, Orange future to citizens of Southeast Texas for more than 50 years. From humble beginnings in an abandoned elementary school building, LSCO has developed into a dynamic institution that serves more than 2,300 students.

Adjacent to the riverfront, the campus occupies 14 landscaped acres and features eight academic buildings. The Ron E. Lewis Building, completed in 2001, is the campus focal point. It houses both the library collection and the college's administrative offices. A new Gatemouth Outdoor Plaza, a study area for students and a community gathering place, was added in 2021, and a new Workforce Education Building is currently under construction. A new Academic Building is also under construction after the Texas Legislature approved $37.4 million for its creation.

LSCO is a two-year institution that offers both academic transfer and career-oriented programs of instruction. The academic transfer curriculum is designed for students who ultimately want to earn a bachelor's degree. Students can earn an associate's degree while taking freshman- and sophomore-level courses that transfer to any public four-year institution in Texas.

Students who want immediate entry into the job market can choose from a variety of technical programs that are geared to the needs of the local workforce. LSCO offers nearly 30 different career-oriented degree and certificate programs, including outstanding and recognized programs in Nursing, Dental Assisting, Industrial Technology, and Information Technology.

LSCO also provides an array of non-credit learning opportunities that range from hobby and personal enrichment courses to customized workforce training. The workforce offerings address specific needs identified by local industry partners and can be delivered on campus or at the workplace.

LSCO aims to create hope and opportunity for each of its students in whatever career or academic field that they choose.

Lamar State College - Port Arthur

For more than 100 years, Lamar State College Port Arthur has provided educational excellence in a hometown setting to thousands of students of all ages, whether they want to complete the first two years of a bachelor's degree program, earn a two-year degree, or complete a one-year technical certification to enter the workforce.

The college currently offers academic and technical programs that include a diverse array of options leading to 31 associate degrees and 24 technical certificates. Lamar State College Port Arthur students also can participate in a variety of student organizations and extracurricular activities, including NJCAA Division I intercollegiate men's basketball and women's softball.

Enrollment in the college's cutting-edge commercial music program is increasing as students train in all aspects of the music business, including songwriting, music arranging, performance, and recording technology. Drama and art majors also are enjoying the state-of-the-art facilities provided in the LSCPA Performing Arts Center. The Allied Health Department's programs continue to receive commendations for its graduates' outstanding performance on the state licensing examinations. The Cosmetology Program continues to grow and establish connections with area high school vocational programs.

Sam Houston State University

Named for Sam Houston, Texas's greatest hero, Sam Houston State University ("SHSU") continually strives to honor its historical roots through academic excellence. For more than 140 years, SHSU has been preparing students for meaningful lives of achievement. Its motto, "The measure of a Life is its Service," resonates among its 22,000 students and echoes across eight colleges and beyond its Huntsville roots.

With more than 90 bachelor's degree programs, more than 60 master's degree programs, and 11 doctoral programs—including the nation's first Ph.D. in forensic science—SHSU offers an exceptional college experience and continually strives to meet the needs of contemporary students. Students can earn degrees at three locations: Huntsville; The Woodlands Center; and the College of Osteopathic Medicine as well as through SHSU Online.

The SHSU College of Osteopathic Medicine is the university's eighth college and only the third college of osteopathic medicine in Texas. Its mission is to develop osteopathic physicians, grounded in osteopathic principles, who will serve the healthcare needs of rural and underserved Texans.

Small class sizes, a student/faculty ratio of 24:1, and classes taught by full-time, tenured, and tenure-track faculty create an engaging learning experience for students. Competitive tuition rates combined with personal attention, exceptional faculty, and outstanding academic programs make Sam Houston State University a great name in Texas education and one of the best educational values in Texas.

Texas State University

With an enrollment of more than 38,000 students, Texas State University is the fourth-largest public university in Texas. Texas State is a comprehensive institution with 97 bachelor's, 88 master's, and 12 doctoral degree programs and a growing portfolio of research activity. The university also has a talented, diverse student body. In fall 2014, the university enrolled students from 227 of the 254 counties in Texas, 50 states, two U.S. territories and 61 countries. The university's retention and graduation rates rank fifth among all public universities in the state.

In fall 2021, Hispanic students represented more than 40 percent of the undergraduate student body while accounting for 28 percent of the graduate student population. African-American students in fall 2021 accounted for 11 percent of the overall student population.

Founded as a teacher preparatory school in 1899, Texas State has become one of the state's premier comprehensive institutions with more than 1,200 full-time faculty, as well as a set of world-class research programs in areas including biochemistry, nanotechnology, freshwater conservation and counterterrorism. Highly respected programs in geography, biology, business, education, psychology, creative writing, mass communication, physical therapy, music and more keep Texas State students at the top of employers' recruiting lists.

Texas State's University Honors Program offers unique, interdisciplinary courses and opportunities. Classes are limited to 20 students and taught by innovative, master teacher-scholars. Along with thought-provoking, discussion-oriented classes, students in the program can pursue an independent study project or conduct cutting-edge research with a faculty mentor.

While research activities are on the rise, Texas State remains committed to undergraduate instruction. Superior teaching and devotion to their profession have earned 23 Texas State faculty the designation of Piper Professor, one of the highest honors a faculty member can receive in Texas.

Sul Ross State University

Since its inception in 1917, Sul Ross State University in Alpine has served as the cultural and educational center for the Big Bend region. As the primary institution of higher education in a region that includes two-thirds of the Texas-Mexico border, Sul Ross State University is the only public university between San Antonio and El Paso.

The SRSU Rio Grande College includes three campuses in Del Rio, Eagle Pass and Uvalde which offer bachelor's and master's degrees through a unique partnership with Southwest Texas Junior College.

The university's name honors Lawrence Sullivan "Sul" Ross, the son of a pioneer family, a renowned Texas Ranger, Civil War general, governor of Texas and, later, president of Texas A&M University. Founded as a teachers college, Sul Ross State University continues to offer Education as one of its most popular programs. Additional high demand programs are Criminal Justice, Agricultural and Natural Resource sciences, Geology and Business.

The birthplace of intercollegiate rodeo, Sul Ross State University has won nine National Intercollegiate Rodeo Association men's and women's championships and 24 individual titles over decades of competition.

The university's commitment to diversity has gained national recognition for a high number of Latino graduates in science and engineering, and since 1995, has merited an annual "Publisher's Pick" status by *Hispanic Outlook on Education* magazine. Sul Ross State is ranked as one of the top 100 institutions in the country for Hispanic students.

With one of the lowest total costs of any Texas public institution of higher education and with just over 2,000 students, a 15:1 student-to-faculty ratio results in small class sizes and personalized engagement.

For over 20 years, Sul Ross State University has been a leader in online learning opportunities and offers 15 fully remote graduate degrees.

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ENROLLMENT

Set forth below is the fall semester headcount undergraduate and graduate enrollment at the member institutions of the University System for each of the last five years:

TABLE A-1
Total Headcount by Institution(1)

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Lamar University	14,811	15,799	15,687	16,218	16,919
Lamar Institute of Technology	4,011	4,402	4,470	4,788	5,261
Lamar State College – Orange	2,395	2,382	2,353	2,629	3,154
Lamar State College - Port Arthur	2,710	2,566	2,524	2,698	3,941
Sam Houston State University	21,363	21,725	21,404	21,326	21,245
Texas State University	38,187	37,812	37,864	38,171	38,723
Sul Ross State University	2,465	2,473	2,325	2,071	2,091
Total	**85,942**	**87,159**	**86,627**	**87,901**	**91,334**

(1) Does not include students enrolled in non-credit formula-funded courses.
Source: Texas Higher Education Coordinating Board Accountability System and University System enrollment reports.

Set forth below is the fall semester graduate enrollment at the member institutions of the University System for each of the last five years:

TABLE A-2
Graduate Headcount by Institution(1)

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Lamar University	6,201	7,326	7,363	8,063	9,000
Sam Houston State University	2,580	2,935	3,145	3,117	3,100
Texas State University	4,270	4,619	4,689	4,337	4,175
Sul Ross State University	571	570	506	459	516
Total	**13,622**	**15,450**	**15,703**	**15,976**	**16,791**

(1) Lamar State College-Orange, Lamar State College-Port Arthur and Lamar Institute of Technology are lower level (freshman and sophomore) institutions which do not offer graduate programs.
Source: Texas Higher Education Coordinating Board Accountability System and University System enrollment reports.

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Set forth below is the fall semester full-time equivalent enrollment at the member institutions of the University System for each of the last five years:

TABLE A-3
Total Full-Time Student Equivalent by Institution(1)

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Lamar University	9,230	9,455	9,201	11,214	12,393
Lamar Institute of Technology	2,453	2,592	2,566	2,681	2,823
Lamar State College – Orange	1,432	1,389	1,364	1,488	1,672
Lamar State College - Port Arthur	1,645	1,532	1,418	1,478	1,842
Sam Houston State University	17,493	17,606	17,024	17,136	17,246
Sul Ross State University	1,643	1,601	1,414	1,313	1,272
Texas State University	31,540	30,832	30,729	31,491	32,688
Total	**65,436**	**65,006**	**63,716**	**66,800**	**69,936**

(1) Full-time equivalent enrollment is 15 semester credit hours for undergraduate students, 12 semester hours for master's/doctoral-professional, and 9 hours per semester for doctoral research students. Does not include non-credit formula-funded courses.
Source: Texas Higher Education Coordinating Board Accountability System and University System enrollment reports.

The following table sets forth a breakdown of the University System's headcount enrollment by residency classification for the previous five Fall Semesters:

TABLE A-4
Systemwide Headcount by Residency(1)

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Texas Residents	82,749	84,205	83,348	83,906	86,771
Non-Texas US Residents	2,126	2,039	2,086	2,063	2,037
Non-US Residents	1,067	915	1,193	1,931	2,526
Total	**85,942**	**87,159**	**86,627**	**87,901**	**91,334**

(1) Does not include students enrolled in non-credit formula-funded courses.
Source: Texas Higher Education Coordinating Board PREP database and University System Member Institutions.
Note: Table A-4 does not include students enrolled in non-credit formula funded courses.

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ADMISSIONS AND MATRICULATION

Set forth below is information relating to undergraduate admissions and matriculation of the member institutions of the University System which offer four-year undergraduate degrees:

TABLE A-5

System-wide Admissions and Matriculation Information (1)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Applications Submitted	44,784	48,038	44,151	51,650	58,851
Applications Accepted	34,841	39,405	38,762	41,974	51,754
Matriculation	10,875	10,396	11,238	12,381	13,329
Percentage Accepted	78%	82%	88%	81%	88%
Percentage Matriculated	31%	26%	29%	29%	26%

(1) This table reflects admissions and matriculation of undergraduates for Lamar University, Sam Houston State University, Texas State University, and Sul Ross State University. This information is inclusive of summer and fall applicant data.
Source: Texas Higher Education Report 'First-time Undergraduate Applicant, Acceptance, and Enrollment Information for Summer/Fall.

DEGREES

Set forth below is a listing of the aggregate degrees awarded by the member institutions of the University System during each of the last five years:

TABLE A-6
Systemwide Degrees Awarded

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Certificate(1)	1,711	1,816	1,824	1,797	1,924
Associate	941	1,072	1,137	1,156	1,212
Baccalaureate	13,574	13,750	14,019	13,131	13,021
Master's	4,662	4,516	5,232	5,691	5,780
Doctoral	228	224	229	237	222
Total	**21,116**	**21,378**	**22,441**	**22,012**	**22,159**

(1) Includes advanced technology, undergraduate, and graduate certificates.
Source: Texas Higher Education Coordinating Board Accountability System.

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FACULTY AND EMPLOYEES

The numbers of faculty and employees employed by the University System and its member institutions as of Fall 2023 are set forth in the following table:

TABLE A-7
Faculty and Staff Headcount by Institution

	Faculty	Staff[1]	Total
University System Administration	0	43	43
Lamar University	578	870	1,448
Sam Houston State University	1,042	1,537	2,579
Sul Ross State University	133	292	425
Texas State University	2,045	2,431	4,476
Lamar Institute of Technology	294	120	414
Lamar State College – Orange	122	102	224
Lamar State College - Port Arthur	123	191	314
Total	4,337	5,586	9,923

(1) Includes part-time and full-time employees. Excludes student workers and teaching/graduate assistants.

ACCREDITATION

Each of the member institutions of the University System is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. In addition, the various member institutions of the University System are accredited by other accrediting agencies, some of which include the National Council for Accreditation of Teacher Education, the Engineering Accreditation Commission of the Accreditation Board of Engineering and Technology, the Commission on Accreditation of Physical Therapy Education and the U.S. Department of Education and Veteran's Administration.

FINANCIAL STATEMENTS

Annually, not later than November 20, an unaudited financial report dated as of August 31, prepared from the books of the University System, must be delivered to the Governor, State Comptroller of Public Accounts (the "State Comptroller"), State Auditor's Office, Legislative Budget Board, Legislative Reference Library, Texas State Library, and Texas Higher Education Coordinating Board. Each year, the State Auditor must certify the financial statements of the State as a whole, inclusive of the University System, and in so doing examines the financial records of the University System. No outside audit in support of this detailed review is required or obtained by the University System.

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 State Comptroller 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 University System. 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.

Appendix B to this Official Statement contains excerpts from the unaudited Combined Annual Financial Report for the University System for the fiscal year ended August 31, 2023. The final report of the State Auditor is normally available in April of the year following the prior fiscal year.

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

Attached to this Official Statement as "APPENDIX B –COMBINED FINANCIAL REPORT OF TEXAS STATE UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2023," are the most recent primary statements of the unaudited combined annual financial reports of the University System for Fiscal Year ended August 31, 2023. The University System's unaudited combined primary financial statements consist of the Statement of Net Position as of August 31, 2023, the Combined Statement of Revenues, Expenses and Changes in Net Position for the Year Ended August 31, 2023, and the Combined Statement of Cash Flows for the Year Ended August 31, 2023. See "APPENDIX B - UNAUDITED COMBINED FINANCIAL REPORT OF TEXAS STATE UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2023."

The following table reflects the Condensed Combined Statement of Net Position of the University System for the fiscal years ended August 31, 2019 through 2023.

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TABLE A-8
Condensed Combined Statement of Net Position
(In $ Millions)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Assets:					
Current Assets	857.1	1,001.4	1,032.9	1,155.9	1,193.2
Noncurrent Assets	2,686.6	2,697.6	2,863.0	2,868.3	3,070.1
Deferred Outflows of Resources	796.0	677.2	499.0	355.0	235.3
Total Assets	**4,339.7**	**4,376.2**	**4,394.9**	**4,379.2**	**4,498.6**
Liabilities:					
Current Liabilities	765.3	764.2	738.3	812.8	943.0
Non-Current Liabilities	1,973.6	2,018.3	1,958.8	1,814.3	1,727.0
Deferred Inflows of Resources	270.7	291.9	302.7	318.7	302.9
Total Liabilities	**3,009.6**	**3,074.4**	**2,999.8**	**2,945.8**	**2,972.9**
Net Position:					
Invested in Capital Assets, Net of Related Debt	904.3	929.2	959.0	1,017.2	1,080.5
Restricted[1]	333.9	336.9	376.3	340.1	440.9
Unrestricted	91.8	35.8	59.8	76.0	4.4
Total Net Position	**1,330.0**	**1,301.9**	**1,395.1**	**1,433.3**	**1,525.8**
Total Liabilities and Net Position	**4,339.7**	**4,376.2**	**4,394.9**	**4,379.2**	**4,498.6**

For more detailed information, see "APPENDIX B - UNAUDITED COMBINED FINANCIAL REPORT OF TEXAS STATE UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2023 - Combined Statement of Net Position as of August 31, 2023."

[1] The University System's financial statements for fiscal year 2024 will show Texas State University's share of the market value of the TUF as of August 31st as a true endowment for reporting purposes. Based on the TUF's market value as of August 31, 2023 of $3.95 billion, Texas State University's share was $658,333,333. See "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM – Funding for the University System and its Member Institutions - Funding from the Texas University Fund for Texas State University."

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The table below presents the Condensed Combined Statement of Revenues, Expenses and Changes in Net Position of the University System for the fiscal years ended August 31, 2019 through 2023.

TABLE A-8A
Condensed Combined Statement of Revenues, Expenses, and Changes in Net Position
(In $ Millions)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Operating Revenues	878.8	881.7	914.5	971.2	982.3
Operating Expenses	1,499.4	1,581.3	1,569.5	1,681.0	1,694.4
Operating Income (Loss)	(620.6)	(699.6)	(655.0)	(709.8)	(712.1)
Nonoperating Revenues (Expenses)	467.1	582.5	666.9	640.2	713.9
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	(153.5)	(117.1)	11.9	(69.6)	1.8
Other Revenues, Expenses, Gains, Losses And Transfers	91.8	86.9	90.4	107.1	90.1
Change in Net Position	(61.7)	(30.2)	102.3	37.5	91.9
Net Position, Beginning of Year	1,457.6	1,330.1	1,301.9	1,395.2	1,433.2
Restatements	(65.9)	2.0	(9.1)	0.6	0.6
Net Position, Beginning of Year as Restated	1,391.7	1,332.1	1,292.8	1,395.8	1,433.8
Net Position, End of Year	1,330.0	1,301.9	1,395.1	1,433.3	1,525.7

For more detailed information, see "APPENDIX B - UNAUDITED COMBINED FINANCIAL REPORT OF TEXAS STATE UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2023 - Combined Statement of Revenues, Expenses and Changes in Net Position for the Year Ended August 31, 2023."

The table below presents the Condensed Combined Statement of Cash Flows of the University System for the fiscal years ended August 31, 2019 through 2023.

TABLE A-8B
Condensed Combined Statement of Cash Flows
(In $ Millions)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Cash Provided (Used) by:					
Operating Activities	(317.6)	(358.8)	(335.1)	(443.2)	(393.2)
Noncapital Financing Activities	533.8	608.6	623.7	786.1	684.5
Capital and Related Financing Activities	(304.0)	(194.9)	(215.1)	(240.9)	(247.9)
Investing Activities	(74.4)	70.3	(85.5)	(34.4)	(55.3)
Net Change in Cash	(162.2)	125.2	(12.0)	67.6	(11.9)
Cash, Beginning of Year	639.9	477.7	600.8	588.7	656.3
Restatements to Beginning Cash	-	(2.1)	-	-	-
Cash, End of Year	477.7	600.8	588.8	656.3	644.4

For more detailed information, see "APPENDIX B - UNAUDITED COMBINED FINANCIAL REPORT OF TEXAS STATE UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2023 – Combined Statement of Cash Flows for the Year Ended August 31, 2023."

FUNDING FOR THE UNIVERSITY SYSTEM AND ITS MEMBER INSTITUTIONS

Funding for the University System is derived from operating and non-operating revenues. For a discussion of the funding sources for the fiscal year ended August 31, 2023, see "APPENDIX B - UNAUDITED COMBINED FINANCIAL REPORT OF TEXAS STATE UNIVERSITY SYSTEM FOR THE YEAR ENDED AUGUST 31, 2023 - Combined Statement of Revenues, Expenses, and Changes in Net Position for the Fiscal Year ended August 31, 2023."

State Appropriations. The operations of the University System and its member institutions are heavily dependent upon the continued support of the State through biennial appropriations of general revenues, and levels of continued State support of the member institutions are dependent on the results of biennial legislative sessions. The State's appropriation bill for the 2024-2025 biennium, H.B.1, was passed by the 88th Texas Legislature in its regular session and contains specific appropriations for the University System and its member institutions. General Revenue bill pattern appropriations to the University System for the 2024-2025 biennium increased by approximately 24% from the preceding biennium.

Results for the member institutions indicate General Revenue bill pattern appropriations for each member institution in the following amounts for Fiscal Years 2022 through 2025:

	FY 2022	FY 2023	FY 2024	FY 2025
System Administration	$ 1,299,600	$ 1,299,600	$ 2,279,600	$ 2,279,600
Lamar University	65,317,537	63,948,912	82,840,531	82,457,971
Lamar Institute of Technology	19,135,768	18,806,738	26,359,763	26,357,884
Lamar State College – Orange	13,019,394	12,892,638	17,851,410	17,852,617
Lamar State College – Port Arthur	14,841,369	13,361,375	19,402,388	19,403,129
Sam Houston State University	60,879,323	59,748,337	76,523,006	76,488,965
Texas State University	122,882,938	120,683,302	138,128,731	138,068,767
Sul Ross State University	10,824,397	9,875,113	12,092,056	12,089,576
Sul Ross State University – RGC	4,857,913	4,857,900	7,901,349	7,901,332
Total	**$313,058,239**	**$305,473,915**	**$383,378,834**	**$382,899,841**

The Board and the member institutions have no assurance that the State Legislature will continue to appropriate to the member institutions the general revenue funds of the State at the same levels as in previous fiscal years. Future levels of State support are dependent upon the ability and willingness of the State Legislature to make appropriations to the member institutions taking into consideration the availability of financial resources and other potential uses of such resources.

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Higher Education Fund Appropriations. The University System receives a portion of an annual appropriation of funds made by the State Legislature pursuant to the provisions of Article VII, Section 17 of the State Constitution (see "APPENDIX A – Higher Education Fund (HEF) Bonds"). The annual allocation to the University System for fiscal years 2022 through 2025 is set forth below and the Board has allocated this amount to the member institutions of the University System as follows:

Higher Education Fund Appropriations

	FY 2022	FY 2023	FY 2024	FY 2025
Lamar University	$ 13,141,181	$ 13,141,818	$ 13,537,649	$ 13,537,649
Lamar Institute of Technology	2,553,130	2,553,130	2,630,158	2,630,158
Lamar State College – Orange	1,488,396	1,488,396	1,533,301	1,533,301
Lamar State College – Port Arthur	2,217,102	2,217,102	2,283,992	2,283,992
Sam Houston State University	18,236,811	18,236,811	18,787,013	18,787,013
Texas State University	37,606,478	37,606,478	38,741,061	38,741,061
Sul Ross State University	2,151,723	2,151,723	2,216,640	2,216,640
Sul Ross State Univiversity - RGC	472,890	472,890	487,157	487,157
Total	**$77,867,711**	**$77,868,348**	**$80,216,971**	**$80,216,971**

The member institutions of the University System may use the appropriation for capital improvements and renovations to campus facilities, other than auxiliary enterprises. In addition, the member institutions of the University System may issue bonds against such appropriation and pledge up to 50% of the appropriation to secure the debt service payments due on such bonds. See "—Higher Education Fund (HEF) Bonds" below.

Tuition and Fees. Each member institution of the University System 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. Tuition charges are comprised of "Statutory Tuition", "Board Designated Tuition", and "Board Authorized Tuition" as further described below.

Statutory Tuition. Section 54.051, Texas Education Code, currently requires (i) undergraduate tuition applicable to state residents to be charged at $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 an amount per semester hour 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 Texas Higher Education Coordinating Board for each academic year). For the 2023-2024 academic year, the Texas Higher Coordinating Board has computed $470.00 per semester credit hour for nonresident undergraduate tuition. The tuition rates described above are referred to in this Official Statement as "Statutory Tuition."

Board Designated Tuition. Pursuant to Section 54.0513, as amended, Texas Education Code, a governing board of an institution of higher education may charge any student an amount (referred to herein as "Board Designated Tuition") that it considers necessary for the effective operation of the institution. The legislation also granted authority to a governing board of an institution of higher education to set a different tuition rate for each program and course level offered by the institution. This authority offers more opportunity for the Board to develop a tuition schedule that assists in meeting its strategic objectives in terms of access, affordability, effective use of campus resources, and improvement of graduation rates. The Board has authorized the Board Designated Tuition rate at the various member institutions as shown in the following chart. In connection with the authorization of Board Designated Tuition, building use fees, historically included in Pledged General Fees under the Master Resolution, were rededicated as Board Designated Tuition. This rededication does not impact the pledge of Revenue Funds for the payment and security of Parity Debt. Both the Statutory Tuition and the Board Designated Tuition are included in Revenue Funds and are pledged for the benefit of Parity Debt.

The University System has no assurance that the State Legislature will not place future limits on the Board's ability to charge Board Designated Tuition in an amount that it considers necessary for the effective operation of its institutions. However, Section 55.16 of the Texas Education Code specifically allows the Board to levy and collect any necessary fees, tuition, rentals, rates, or other charges necessary to provide funds sufficient for the payment of outstanding Parity Debt.

No less than 15% of the Board Designated Tuition charged in excess of $46 per semester hour shall be set aside to provide financial assistance to resident undergraduate students, consistent with the provisions of Subchapter B, Chapter 56, Texas Education Code.

Board Authorized Tuition. Section 54.008 of the Texas Education Code permits the governing board of each institution of higher education to set tuition for graduate programs for that institution at a rate that is at least equal to that of Statutory Tuition, but there 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 is authorized by chapter 55 of the Texas Education Code to set the Pledged General Tuition and any other necessary fees, rentals, rates, or other revenue funds of the Board at the level necessary, without limit, to enable the Board to meet its obligations with respect to the payment of debt service on the Parity Obligations.

Mandatory Fees. Mandatory fees comprise charges for certain activities and services utilized by all students and include, but are not limited to, Student Union Fees, Medical Services Fees and Information Technology Fees. Each member institution charges various types of fees and in various amounts. Fee amounts are computed either on a per semester credit hour basis or on a per semester basis. In addition, certain departments are permitted to charge additional fees for students participating in certain areas of study.

Any changes in tuition or fees will originate and be recommended by the President of the member institution, reviewed by the Chancellor and approved by the Board. Any changes in tuition or fees will be implemented only after thorough consultation and review.

Higher Education Fund (HEF) Bonds. Pursuant to Article VII, Section 17 of the State Constitution, the member institutions of the University System are eligible to receive an annual allocation from amounts constitutionally appropriated to institutions of higher education for capital improvements (except those for auxiliary enterprises) (See "Funding for the University System and its Member Institutions—State Appropriations" above). Under this constitutional provision commonly referred to as the "HEF Fund", the Board is authorized to issue bonds and notes to finance permanent improvements at the respective institutions and to pledge up to 50% of its allocation to secure the payment of principal and interest on the bonds and notes. The Board currently has no outstanding Higher Education Fund bonds for the members of the University System. The HEF appropriation for FY 2024 was $80,216,971 and for FY 2025 is $80,216,971.

Capital Construction Assistance Projects. Pursuant to Chapter 55, Texas Education Code, revenue bonds issued by a university system, such as the University System, may be equally secured by and payable from a pledge of all or a portion of certain revenue funds of the university system, and all of the Parity Debt of the University System, including the Bonds, are secured solely by and payable solely from a pledge of and lien on the 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 the debt service on certain revenue bonds (previously known as "Tuition Revenue Bonds" or "TRBs") issued pursuant to specific statutory authorizations for individual institutions and projects identified in Chapter 55 of the Texas Education Code. Senate Bill 52 ("SB 52"), enacted during the third special session of the 87th State Legislature in 2021, amended Chapter 55 to authorize the issuance of additional revenue bonds for projects designated by SB 52 as "Capital Construction Assistance Projects".

The reimbursement of the payment of debt service on revenue bonds issued for such Capital Construction Assistance Projects ("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 debt service on revenue bonds issued for CCAPs may be reduced or discontinued at any time, and the State Legislature is under no legal obligation to continue such appropriations in any future biennium.

A portion of the Parity Debt of the University System has been issued for CCAPs. See "Outstanding Indebtedness" below. Obligations issued by the University System for CCAPs carry no additional pledge or security and constitute Parity Debt of the University System which are equally and ratably secured by and payable from a pledge of and lien on Pledged Revenues on parity with all other Parity Debt of the University System.

The State Legislature has appropriated funds to reimburse the University System in prior years in an amount equal to all of the debt service on the University System's Parity Debt issued for CCAPs (including TRBs prior to SB 52's resignation of such term) since House Bill 2058 was passed by the 73rd Legislature in 1993.

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 University System taking into consideration the availability of financial resources and other potential uses of such resources.

Statutory Tuition, Board Designated Tuition Mandatory Fees and Financial Assistance Set-Aside per Semester. Set forth below is a table showing the Statutory Tuition, Board Designated Tuition (which includes the optional "Guaranteed Price Plan" fixed tuition rate plan for undergraduate students for four years) established by the Board, Mandatory Fees and the amount set aside for financial assistance to resident undergraduate students from tuition and fees paid by a full-time student enrolled in 15 undergraduate or 9 graduate semester credit hours for the Fall 2023 semester.

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Fall 2023 Statutory Tuition, Board Designated Tuition
Mandatory Fees and Financial Assistance Set-Aside per Semester
(Based on 15 Undergraduate or 9 Graduate Credit Hours per Semester)

	Statutory Tuition	Board Authorized Tuition	Board Designated Tuition	Mandatory Fees	Total Tuition and Fees
Lamar University					
Resident Undergraduate	$750		$3,142	$1,555	$5,447
Guaranteed Price Plan	$750		$4,267	$1,555	$6,572
Non-Resident Undergraduate	$7,050		$3,142	$1,555	$11,747
Resident Masters	$450	$900	$1,885	$1,086	$4,321
Non-Resident Masters	$4,230	$900	$1,885	$1,086	$8,101
Resident Doctoral	$450	$900	$1,885	$1,086	$4,321
Non-Resident Doctoral	$4,230	$900	$1,885	$1,086	$8,101
Sam Houston State University					
Resident Undergraduate	$750		$2,910	$2,025	$5,685
Guaranteed Price Plan	$750		$4,009	$2,025	$6,784
Non-Resident Undergraduate	$7,050		$2,910	$2,025	$11,985
Resident Masters	$450	$450	$1,982	$1,591	$4,474
Non-Resident Masters	$4,230	$450	$1,982	$1,591	$8,254
Resident Doctoral	$450	$450	$1,982	$1,591	$4,474
Non-Resident Doctoral	$4,230	$450	$1,982	$1,591	$8,254
College of Medicine	$3,275		$0	$9,975	$13,250
Non-Resident College of Medicine	$9,825		$0	$10,975	$20,800
Sul Ross State University					
Resident Undergraduate	$750		$2,637	$1,253	$4,640
Guaranteed Price Plan	$750		$3,703	$1,253	$5,706
Non-Resident Undergraduate	$7,050		$2,637	$1,253	$10,940
Resident Masters	$450	$126	$1,332	$935	$2,843
Non-Resident Masters	$4,230	$126	$1,332	$935	$6,623
Sul Ross State University - Rio Grande College					
Resident Undergraduate	$750		$1,669	$663	$3,082
Guaranteed Price Plan	$750		$2,619	$663	$4,032
Non-Resident Undergraduate	$7,050		$1,669	$663	$9,382
Resident Masters	$450	$126	$1,332	$496	$2,404
Non-Resident Masters	$4,230	$126	$1,332	$496	$6,184
Texas State University					
Resident Undergraduate	$750		$3,860	$1,493	$6,103
Guaranteed Price Plan	$750		$4,324	$1,493	$6,567
Non-Resident Undergraduate	$7,050		$3,860	$1,493	$12,403
Resident Masters	$450	$450	$2,316	$1,283	$4,499
Non-Resident Masters	$4,230	$450	$2,316	$1,283	$8,279
Resident Doctoral	$450	$450	$2,316	$1,283	$4,499
Non-Resident Doctoral	$4,230	$450	$2,316	$1,283	$8,279
Lamar Institute of Technology					
Resident Undergraduate	$750		$450	$570	$1,770
Non-Resident Undergraduate	$7,050		$675	$570	$8,295
Lamar State College – Orange					
Resident Undergraduate	$750		$450	$570	$1,770
Non-Resident Undergraduate	$6,885		$675	$570	$8,295
Lamar State College – Port Arthur					
Resident Undergraduate	$750		$450	$570	$1,770
Non-Resident Undergraduate	$7,050		$675	$570	$8,295

Gifts, Grants, and Contracts. The member institutions of the University System receive federal, state, local and private 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 appropriate governmental agency for each member institution.

Investment and Endowment Income. Investment and endowment income is received on both a restricted and unrestricted basis.

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

Other Interest Income. Each member institution of the University System generates interest from the investment of cash pursuant to investment policies adopted by the Board in accordance with State law. See "INVESTMENT POLICY 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."

Current Funds Expenditures. Current funds expenditures represent the cost incurred for goods and services used in the conduct of the operations of the member institutions of the University System. They also include the acquisition cost of capital assets, such as equipment and library books to the extent current funds are budgeted for and used by operating departments for such purposes. Current fund expenditures are categorized by function generally described as follows:

Educational and General. Expenditures in this category include expenditures for all activities that are part of instructional programs and expenditures for credit and non-credit courses, for academic, vocational, and technical instruction, for remedial and tutorial instruction, and for regular, special, and extension sessions. Also, all expenditures for activities specifically organized to produce research which may be either internally or externally sponsored are included. Funds expended primarily to provide support services for instruction, research, and public service, including supporting the operation of libraries, museums, and galleries, as well as those for academic administration, technical support, and curriculum development are included. Also, expenditures for student service by institution support, and operation and maintenance of physical plant, net of amounts charged to auxiliary enterprises and independent operations are included.

Auxiliary Enterprises. Auxiliary enterprises are all expenditures relating to the operation of auxiliary enterprises, including expenditures for operation and maintenance of plant and institutional support for auxiliary enterprises.

Funding from the Texas University Fund for Texas State University. On November 7, 2023, voters in the State approved an amendment to the Texas Constitution which renamed the National Research University Fund ("NRUF") as the Texas University Fund ("TUF") and together with enabling legislation adopted by the State Legislature, effective January 1, 2024, modified its structure to add funding sources to the TUF in order to offer performance-based funding driven by research expenditures to certain universities. Initially, Texas State University, Texas Tech University, the University of Houston and the University of North Texas are eligible to receive distributions from the TUF. The TUF was funded with an initial appropriation of $3 billion from the State's general revenue fund which was added to the NRUF balance of over $900 million and has an additional annual constitutional appropriation of up to $100 million from the Economic Stabilization Fund (subject to increases in future years based on the consumer price index).

Eligible institutions receive a base funding amount dependent on the institution's research expenditures, as well as supplemental funding tied to the amount of federal and private research expenditures made and number of research doctoral degrees awarded. Of the distributions from the TUF, (i) 75% is allocated to the Permanent Endowment for Education and (ii) 25% is allocated on the basis of federal and private grant money and the number of research doctorates awarded.

Texas State University's share of the fiscal year 2024 annual distribution of TUF funding is approximately $22 million. The University System's financial statements for fiscal year 2024 will show Texas State University's share of the market value of the TUF as of August 31st as a true endowment for reporting purposes. Based on the TUF's market value as of August 31, 2023 of $3.95 billion, Texas State University's share was $658,333,333. Eligible institutions may use distributions from the TUF only for the support and maintenance of educational and general activities that promote increased research capacity at the institution, in a manner that aligns with the goals of the State's master plan for higher education developed under Section 61.051, Texas Education Code. Distributions from the TUF do not constitute Pledged Revenues and are not available to pay debt service on the Bonds.

INVESTMENT POLICY AND PROCEDURES

Management of Investments. The Board has approved a written Investment Policy for Operating Funds and Endowment Funds ("Investment Policy") regarding the investment of all Current Funds (Unrestricted and Restricted), Loan Funds, Bond Funds, Board-Designated Reserves, Endowment Funds, Agency Funds and Plant Funds held on behalf of or by each member institution of the University System (together the "Funds"). Pursuant to the Investment Policy, and subject to its terms, the Board has delegated the responsibility for investment of the pooled Funds to the Investment Advisory Committee (IAC). The IAC is comprised of the University System's Vice Chancellor and Chief Financial Officer and each members' CFO or his/her designee as investment officers (the "Investment Officers").

The IAC is responsible for investment management decisions and activities. The IAC and each CFO is required to develop and maintain written administrative procedures and guidelines, consistent with the Investment Policy, including procedures and guidelines for safekeeping, master purchase agreements, wire transfer agreements, collateral/depository agreements, banking service contracts, and other related activities.

Additionally, the IAC is required to submit quarterly and annual reports to the Board of Regents in the format prescribed by State statutes, the State General Appropriations Act and other oversight agencies.

The Board has a standing finance committee (the "Finance and Audit Committee") which has the primary responsibility for submitting recommendations to the Board concerning financial matters for both the System Administrative Office and for each member institution. The Finance & Audit Committee may examine the procedures and documents for bond sales, depository contracts and all other financial matters. The Finance & Audit Committee also oversees the internal audit effort in the University System, including reviewing and approving annual audit plans and reviewing audit reports. The Finance & Audit Committee consists of four Board members appointed by the Chairman of the Board.

Controls. Each member institution is required to establish, and incorporate into the written administrative procedures for the member institution, a system of internal controls specifically designed to prevent loss of public funds due to fraud, employee error, misrepresentations by third parties, unanticipated market changes, or imprudent actions by employees of the member institution.

Authorized Financial Dealers and Institutions.

The IAC maintains a "qualified list" of financial institutions and broker/dealers authorized to do business with the University System

Copies of the Investment Policy and any applicable investment procedures are required to be presented to any person seeking to engage in an investment transaction, including investment pools, with the University System. The registered principal of the business organization offering to engage in an investment transaction must execute a written instrument substantially to the effect that the registered principal has (i) received and reviewed the Investment Policy and any investment procedures and (ii) acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the University System and the organization that are not authorized by the policies. An Investment Officer is not permitted to acquire or otherwise obtain any authorized investment from a person who has not delivered such an instrument to the Board.

Authorized Investments. University System funds are invested in accordance with State law, the Investment Policy and written procedures. State law provides that the funds may be invested subject only to the requirement that investments be made with the judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

The Board has further provided in its Investment Policy guidelines for the investment of operating and endowment funds, including Liquidity, Credit Quality, Maturity, Diversification and Prohibitions.

Diversification of Investments. The Investment Policy requires investment funds to be diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities.

Safekeeping and Collateralization. All security transactions, including collateral for repurchase agreements, certificates of deposit, commingled vehicles, registered Exchange Traded Funds, and mutual funds but excluding, shall be settled on a delivery versus payment basis. All securities shall be held by University System's or the member's depository bank, as applicable, or an independent, third party custodian, as applicable, approved by University System.

Collateralization shall be required on certificates of deposit and repurchase agreements as well as deposits addressed in the University System's Depository Funds Policy. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level will be at least 102% of market value of principal and interest.

Amendment of Investment Policies and Procedures. The Board has the right to amend its policies and procedures relating to the management of investments, including the Investment Policy, at its discretion and at any time, subject to applicable State law.

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Set forth below is a description of the combined investments by general category, for all of the member institutions of the University System as of August 31, 2023:

TABLE A-9
Current Investments
(as of August 31, 2023)

Type of Security	Reported Value
U.S. Treasury Securities	$992,291
Corporate Obligations	1,437,781
Corporate Asset and Mortgage Backed Securities	1,346,445
Equity	90,106,063
International Obligations (Government and Corporate)	192,419
International Equity	73,630,698
Domestic Mutual Funds	93,784,461
International Mutual Funds	86,767,867
Fixed Income Money Market and Bond Mutual Fund	211,450,379
Other Commingled Funds	133,234,343
Other Commingled Funds (TexPool)	514,712,145
Externally Managed Investments - Domestic	98,887,889
Externally Managed Investments - International	26,149,063
Total	**$1,332,691,844**
Consisting of the Following:	
Current Unrestricted Assets - Cash Equivalents	$432,174,442
Current Restricted Assets - Cash Equivalents	75,301,002
Current Restricted Assets - Short Term Investments	12,528,281
Non-Current Restricted Assets - Cash Equivalents	15,879,901
Non-Current Restricted Assets - Investments	250,068,670
Non-Current Assets - Investments	546,739,548
Total as Above	**$1,332,691,844**

Gifted Securities. Gifted securities are managed and safeguarded in their original form in accordance with the donor's written instructions. However, upon the partial or total disposition of the original investment, the proceeds are invested in accordance with the policies described above.

Management of Funds Held in the State Treasury. The Texas Education Code requires that the University System deposit into the State Treasury all funds except those derived from auxiliary enterprises and noninstructional services, agency funds, designated and restricted funds, endowment and other gift funds, and student loan funds. All such funds held in the State Treasury are administered by the State Comptroller. The State Comptroller invests money in the State Treasury in authorized investments consistent with applicable law and the Texas State Treasury Investment Policy, dated August 1993. The State 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. Currently, most pooled funds are invested in the following instruments: repurchase agreements; reverse repurchase agreements; obligations of the United States and its agencies and instrumentalities; commercial paper having the highest credit rating; and fully-collateralized deposits in authorized State depositories. All State Treasury investments are marked to market daily using an external financial service. The State Comptroller, acting primarily through a special purpose trust company, also holds approximately 20 separate accounts outside the State Treasury. The largest such account is a local government investment pool, known as TexPool, which was established in 1989 as an investment alternative for local governments in the State. TexPool operates on a $1 net asset value basis and allows same day or next day redemptions and deposits. Interest is allocated daily based on portfolio earnings and account balance.

Investment of Bond Proceeds. Guaranteed investment contracts and investment funds managed by the State Comptroller are used as investment vehicles for bond proceeds.

ENDOWMENTS

Although not pledged to the payment of debt obligations, the University System on behalf of the member institutions control certain endowments consisting of securities and investments, land, and other real estate holdings and mineral rights. Such land, real estate, and mineral rights are valued at their book value as of the date of acquisition of such property. Each endowment is subject to various restrictions as to application and use.

Set forth below is the value of endowments controlled by the University System:

TABLE A-10
Texas State University System
Endowment Funds Summary
(as of fiscal year ending August 31)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Lamar University	$20,765,829	$21,241,258	$21,631,713	$21,886,900	$22,056,590
Lamar State College-Orange	5,524	5,524	5,524	-	-
Lamar State College-Port Arthur	1,182,968	1,187,707	-	-	-
Lamar Institute of Technology	-	-	-	-	-
Sam Houston State University	88,684,759	92,191,456	94,367,165	100,650,284	102,810,435
Sul Ross State University	15,576,019	21,275,174	21,553,196	21,904,235	17,715,329
Sul Ross State University-RGC	-	-	-	-	-
Texas State University	20,954,429	15,961,762	16,158,068	16,377,450	22,199,645
University System Administration	5,628,380	5,646,185	5,791,626	5,718,704	5,771,410
Total	**$152,797,908**	**$157,509,066**	**$159,507,292**	**$166,537,573**	**$170,553,409**

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Capital Improvements Planning and Authorization

The Board has developed a Policies and Procedures Manual for Planning and Construction, which is applicable to all large capital improvement projects. All construction, repairs, or renovations projects by member institutions with a Total Project Cost in excess of the amounts reflected in the chart below require oversight of System Administration.

	Total Project Cost
Lamar University	$ 4,000,000
Lamar Institute of Technology	1,000,000
Lamar State College – Orange	1,000,000
Lamar State College - Port Arthur	1,000,000
Sam Houston State University	4,000,000
Texas State University	6,000,000
Sul Ross State University	1,000,000

The President of each member institution is responsible for the planning and day-to-day management of any construction projects. The Vice Chancellor & CFO advises the Board on such projects and assists the President of each member institution by (i) acting in an advisory capacity for each member institution during the project creation and preliminary plan development, (ii) assisting in the development of detailed design plans, (iii) coordinating the project with appropriate State agencies, (iv) preparing the required contract documents for architects and contractors and (v) acting in an advisory role to the member institution administration in the contract administration stage. Construction contracts for approved projects are awarded by the Board based on "Best Value".

Unless otherwise approved by the Board, all requests by a member institution for the construction of new facilities, major repair and rehabilitation projects, or the purchase of real estate, shall be in accordance with the Capital Improvement Plan approved by the Board. See "FUTURE CAPITAL IMPROVEMENT PLANS."

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OUTSTANDING INDEBTEDNESS

As of the Date of Delivery, the Board will have the following outstanding indebtedness:

University System Parity Debt Obligations	Outstanding
Series 2014(2)	$ -
Series 2015A(1)	104,550,000
Series 2015B	76,555,000
Series 2017A(1)	238,390,000
Series 2017B	21,605,000
Series 2019A(1)	128,910,000
Series 2019B(1)	117,335,000
Series 2021A	77,870,000
Series 2021B	30,115,000
The Bonds(1)	609,425,000
Sub-Total Long-Term Parity Debt Obligations	$1,404,755,000
Commercial Paper Notes(3)	49,432,000
Total Indebtedness(4)	$1,454,187,000

---

(1) All or a portion of such issue funded CCAPs that qualify the University System to be reimbursed from State appropriations of $36.850 million for debt service payments during fiscal year 2024. Future reimbursement by the State for debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State Biennium. The amount budgeted by the State Legislature for reimbursement to the University System of CCAP debt service for Fiscal Year 2024 and 2025 is $63,459,650 and $63,455,900, respectively. See "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM – Funding for the University System and its Member Institutions - Capital Construction Assistance Projects."

(2) Excludes the Refunded Bonds. See "PLAN OF FINANCING" and Schedule I.

(3) Excludes the Refunded Notes. See "PLAN OF FINANCING" and Schedule I.

(4) The Board has also authorized System Representatives from time to time to purchase long-term Parity Debt in the secondary market acting only as a market participant through a broker from the holders thereof in the open market at then applicable market prices with no premium over such market prices if such purchase is economically advantageous to the Board. Any long-term Parity Debt purchased will be automatically cancelled and extinguished as obligations of the Board.

INSURANCE

The purchase of Insurance Coverage, including but not limited to Property Insurance, Automobile, Director & Officers Liability Insurance, Employment Practices Liability Insurance, International Travel and certain liability coverages is coordinated by the University System.

Employees of the University System are provided Worker's Compensation coverage under a self-insuring, self-managed program as authorized by State law. The program providing the coverage is operated and administered by the State with the University System acting as a participant.

RETIREMENT PLANS

The State has joint contributory retirement plans for substantially all of its benefits eligible employees. One of the primary plans in which the University System participates is administered by the Teacher Retirement System (TRS) of Texas. Currently, the member contribution rate established by the Texas Legislature is 8.25%, and the state contribution rate is 8.25% of annual compensation.

The TRS of Texas does not separately account for each of its component governmental agencies, since the TRS itself bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. According to an independent actuarial evaluation as of August 31, 2022, the present value of TRS actual and projected liabilities, including projected benefits payable to its retirees and active members and their beneficiaries, was more than the assets of the Retirement System. Further information about the TRS of Texas is available at http://www.trs.state.tx.us/, and information regarding actuarial assumptions and conclusions, together with audited financial statements is included in the 2023 TRS comprehensive annual financial report available at https://www.trs.texas.gov/TRS%20Documents/2023%20ACFR%20Final%2011-20-2023.pdf.

The State has also established an optional retirement program (ORP) for institutions of higher education. Participation in the ORP is in lieu of participation in the TRS and is a one-time irrevocable choice between the two distinct plans. For the period September 1, 2023 through August 31, 2024, the ORP employee contribution rate is 6.65% and the state contribution is 6.6%. Institutions are authorized to provide local supplements at a rate up to 1.9% in addition to the 6.6% ORP state rate. Contributions are not subject to federal income tax until withdrawn or paid as benefits. ORP is an individualized defined contribution plan in which each participant selects from a variety of investments offered by several companies (authorized by the employing institution) through annuity contracts or mutual fund investments. Because participants manage their own personal investment accounts, ORP entails more individual risk and responsibility than that associated with TRS membership. Benefits are a direct result of the amounts contributed and any net return on the investments selected by each participant. Upon termination from Texas public higher education, ORP participants with more than one year of participation retain control over all investments (both employee and state contributions). Participants who terminate with one year or less of initial participation forfeit state contributions made during that period of employment. Post-termination distributions are determined by individual contract provisions, federal income tax law, and personal preference. Contracts may provide for complete or periodic withdrawals, or annuity income for a specified number of years or for life. ORP has on provisions for death and disability benefits similar to those provide by TRS. Administrative costs are paid by the participant through varying fees, “loads” and/or amount of interest paid. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program.

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APPENDIX B

UNAUDITED COMBINED FINANCIAL REPORT OF
TEXAS STATE UNIVERSITY SYSTEM
FOR FISCAL YEAR ENDED AUGUST 31, 2023

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THE TEXAS STATE UNIVERSITY SYSTEM

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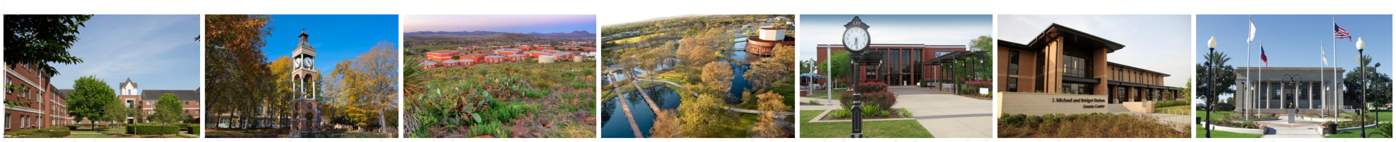

COMBINED ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2023

THE TEXAS STATE UNIVERSITY SYSTEM

November 16, 2023

Honorable Greg Abbott
Governor of Texas

Honorable Glenn Hegar
Texas Comptroller of Public Accounts

Mr. Jerry McGinty
Director, Legislative Budget Board

Ms. Lisa Collier
State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of The Texas State University System for the year ended August 31, 2023, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

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

Should you have any questions, please contact Daniel Harper, Vice Chancellor and Chief Financial Officer at (512) 463-1808.

Sincerely,

Brian McCall
Chancellor

UNAUDITED

The Texas State University System
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For the Year Ended August 31, 2023

UNAUDITED

The Texas State University System
Organizational Data
For the Year Ended August 31, 2023

Board of Regents

Name	City (Texas)	Term Expires
Duke Austin, Chairman	Houston	February 1, 2029
Alan L. Tinsley, Vice Chairman	Madisonville	February 1, 2027
Charlie Amato	San Antonio	February 1, 2025
Sheila Faske	Rose City	February 1, 2027
Dionicio (Don) Flores	El Paso	February 1, 2025
Russell Gordy	Houston	February 1, 2029
Stephen Lee	Beaumont	February 1, 2027
Tom Long	Frisco	February 1, 2029
William F. Scott	Nederland	February 1, 2025
Kelvin Elgar, Student Regent	Beaumont	May 31, 2024

System Administration

Name	Title
Dr. Brian McCall	Chancellor
Dr. John Hayek	Vice Chancellor for Academic and Health Affairs
Nelly Herrera	Vice Chancellor and General Counsel
Sean Cunningham	Vice Chancellor for Governmental Relations
Daniel Harper	Vice Chancellor and Chief Financial Officer
Dr. Mike Wintemute	Vice Chancellor for Marketing and Communications
Carole Fox	Chief Audit Executive

Component Presidents

Name	Component
Dr. Jaime Taylor	Lamar University
Dr. Alisa White	Sam Houston State University
Dr. Carlos Hernandez	Sul Ross State University
Dr. Kelly Damphousse	Texas State University
Dr. Sidney Valentine	Lamar Institute of Technology
Dr. Thomas Johnson	Lamar State College - Orange
Dr. Betty Reynard	Lamar State College - Port Arthur

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Combined Financial Statements

UNAUDITED

The Texas State University System
Combined Statement of Net Position
For the Year Ended August 31, 2023

	2023	2022
Assets		
Current Assets:		
Cash and Cash Equivalents:		
Cash on Hand (Including Petty Cash)	$ 121,214.78	$ 77,276.77
Cash in Bank (Note 3)	31,629,086.08	28,417,745.03
Cash in Transit/Reimb Due From Treasury	2,187,144.37	2,518,300.21
Cash in State Treasury (Schedule 3)	82,304,382.56	64,981,419.13
Cash Equivalents (Note 3)	432,174,442.24	529,502,849.92
Restricted:		
Cash and Cash Equivalents:		
Cash on Hand	160.00	160.00
Cash in Bank (Note 3)	1,450,461.85	7,172,571.95
Cash in State Treasury (Schedule 3)	999,539.22	3,442,502.22
Cash Equivalents	75,301,001.66	9,980,039.10
Short Term Investments (Note 3)	12,528,281.62	12,264,754.53
Legislative Appropriations	202,707,678.02	187,365,458.85
Receivables:		
Federal	45,576,005.00	33,742,463.60
Other Intergovernmental	1,481,660.76	2,784,678.69
Interest	1,988,643.59	31,533.90
Accounts – Tuition	173,889,958.45	158,339,173.73
Allowance Accounts	(28,882,125.52)	(33,081,280.00)
Accounts – Other Revenue	8,091,887.60	10,105,358.10
Gifts/Pledges	2,095,275.99	1,014,253.93
Leases Receivable	207,574.49	91,863.83
Other	10,384,621.31	14,545,134.33
Due From Other Agencies (Note 12)	6,546,257.89	5,466,745.36
Due From Component Units	1,131,310.05	-
Consumable Inventories	1,445,030.30	1,571,716.92
Merchandise Inventories	462,979.24	607,938.07
Prepaid Items	79,260,712.23	69,254,392.11
Loans and Contracts	33,102,005.54	32,568,311.89
Allowance-Loans & Contracts	(6,535,759.53)	(8,493,582.42)
Other Current Assets	21,597,653.43	21,639,765.38
Total Current Assets	$ 1,193,247,083.22	$ 1,155,911,545.13

UNAUDITED

The Texas State University System
Combined Statement of Net Position
For the Year Ended August 31, 2023

	2023	2022
Noncurrent Assets		
Restricted:		
Cash and Cash Equivalents:		
Cash in Bank (Note 3)	$ 2,425,597.28	$ 3,443,504.69
Cash Equivalents (Note 3)	15,879,901.43	6,761,994.81
Investments (Note 3)	250,068,670.17	223,752,792.17
Receivables	391,943.38	193,703.89
Leases Receivable	2,606,553.47	2,162,201.57
Loans and Contracts	90,345.61	112,701.59
Investments (Note 3)	546,739,548.41	440,440,580.70
Receivables:		
Gifts/Pledges	9,043,869.99	5,041,349.81
Capital Assets: (Note 2)		
Non-Depreciable or Non-Amortizable		
Land and Land Improvements	135,700,075.09	129,649,291.81
Construction in Progress	271,760,277.49	270,561,953.68
Other Capital Assets	18,349,493.00	17,708,407.41
Depreciable or Amortizable		
Building and Building Improvements	2,960,551,247.34	2,805,164,450.44
Less Accumulated Depreciation	(1,467,482,515.84)	(1,363,521,335.69)
Infrastructure	156,097,131.29	152,108,740.72
Less Accumulated Depreciation	(83,026,742.48)	(78,363,172.19)
Facilities and Other Improvements	279,129,099.89	273,373,344.09
Less Accumulated Depreciation	(152,162,956.14)	(140,904,334.62)
Furniture and Equipment	214,508,245.78	202,624,322.01
Less Accumulated Depreciation	(163,874,257.99)	(156,529,419.97)
Vehicles, Boats, and Aircraft	26,646,229.97	24,311,682.37
Less Accumulated Depreciation	(18,756,849.02)	(17,406,921.28)
Computer Software – Intangible	36,755,667.33	36,434,899.33
Less Accumulated Amortization	(35,462,127.93)	(34,912,916.50)
Other Capital Assets	149,432,135.19	151,730,712.29
Less Accumulated Depreciation	(93,889,648.04)	(92,007,832.49)
Right to Use Assets: (Note 2)		
Amortizable:		
Land	148,210.47	134,472.77
Less Accumulated Amortization	(26,068.32)	(13,792.08)
Building and Building Improvements	8,897,444.99	8,602,604.93
Less Accumulated Amortization	(4,975,702.05)	(2,380,992.67)
Subscription Software	4,605,767.28	-
Less Accumulated Amortization	(1,426,690.47)	-
Public-Private/Public-Public Partnerships (Note 27)	1,398,670.00	-
Total Noncurrent Assets	$ 3,070,142,566.57	$ 2,868,272,993.59
Total Assets	$ 4,263,389,649.79	$ 4,024,184,538.72

UNAUDITED

The Texas State University System
Combined Statement of Net Position
For the Year Ended August 31, 2023

	2023	2022
Deferred Outflows of Resources		
Unamortized Loss on Refunding Debt (Note 28)	$ 2,456,260.11	$ 2,865,636.79
Deferred Outflow of Resources - Pension (Note 28)	119,718,522.00	98,515,960.00
Deferred Outflow of Resources - OPEB (Note 28)	113,115,844.00	253,582,979.00
Total Deferred Outflows of Resources	$ 235,290,626.11	$ 354,964,575.79
Liabilities		
Current Liabilities:		
Payables from:		
Accounts Payable	$ 98,022,970.02	$ 87,308,577.72
Payroll Payable	45,825,998.96	42,234,616.45
Federal	10,053,864.00	-
Interest Payable	14,628,990.03	15,406,811.38
Due to Other Agencies (Note 12)	1,839,128.91	2,526,467.01
Unearned Revenues	489,232,346.93	456,473,580.58
Short Term Debt (Note 4)	159,358,000.00	90,289,000.00
Net OPEB Liability (Note 5, 11)	21,776,284.00	19,140,555.00
Employees' Compensable Leave (Note 5)	15,722,593.62	14,933,272.82
Right to Use Lease Obligations (Note 5, 8)	956,996.03	2,337,236.01
Right to Use Subscription Obligations (Note 5, 8)	1,434,809.40	-
Revenue Bonds Payable (Note 5, 6)	68,650,000.00	67,580,000.00
Unamortized Premiums on Rev Bonds (Note 5, 6)	6,223,335.55	6,619,561.91
Funds Held for Others	5,712,378.36	5,347,458.78
Other Current Liabilities	3,552,924.02	2,617,834.30
Total Current Liabilities	$ 942,990,619.83	$ 812,814,971.96
Noncurrent Liabilities		
Right to Use Lease Obligations (Note 5, 8)	$ 3,495,362.43	$ 4,197,212.06
Right to Use Subscription Obligations (Note 5, 8)	1,640,372.08	-
Employees' Compensable Leave (Note 5)	15,651,983.45	14,985,767.09
Revenue Bonds Payable (Note 5, 6)	825,735,000.00	894,385,000.00
Unamortized Premiums on Rev Bonds (Note 5, 6)	91,725,900.17	97,949,235.72
Net OPEB Liability (Note 5, 11)	548,229,324.00	692,088,931.00
Net Pension Liability (Note 5, 9)	240,249,000.00	110,461,783.00
Other Non-Current Liabilities	262,825.38	277,697.78
Total Non-Current Liabilities	$ 1,726,989,767.51	$ 1,814,345,626.65
Total Liabilities	$ 2,669,980,387.34	$ 2,627,160,598.61

UNAUDITED

The Texas State University System
Combined Statement of Net Position
For the Year Ended August 31, 2023

	2023	2022
Deferred Inflows of Resources		
Public-Private/Public-Public Partnerships (Note 28)	$ 1,339,152.13	$ -
Unamortized Gain on Refunding Debt (Note 28)	4,185,464.57	4,460,673.69
Deferred Inflows of Resources - Leases (Note 28)	2,798,310.60	2,248,295.59
Deferred Inflow of Resources - OPEB (Note 28)	226,381,009.00	138,186,736.00
Deferred Inflow of Resources - Pension (Note 28)	68,236,581.00	173,839,766.00
Total Deferred Inflows of Resources	$ 302,940,517.30	$ 318,735,471.28
Net Position		
Net Investment in Capital Assets	$ 1,080,548,486.71	$ 1,017,217,166.27
Restricted for:		
Debt Retirement	42,082,882.84	-
Capital Projects	49,893,590.72	17,098,378.85
Other	83,799,326.29	75,484,672.71
Funds Held as Permanent Investments:		
Nonexpendable:		
Endowment Funds	170,553,409.18	166,537,572.51
Expendable:		
Endowment Funds	94,455,717.69	80,950,630.71
Unrestricted	$ 4,425,957.83	$ 75,964,623.57
Total Net Position	$ 1,525,759,371.26	$ 1,433,253,044.62

UNAUDITED

The Texas State University System
Combined Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023

	2023	2022
Operating Revenues:		
Tuition and Fees – Pledged	$ 861,647,828.07	$ 846,391,990.76
Tuition and Fees – Discounts/Allowances	(253,765,234.36)	(235,631,088.73)
Auxiliary Enterprise – Pledged	183,559,372.07	169,379,582.29
Auxiliary Enterprise – Discounts/Allowances	(12,410,606.79)	(8,623,568.48)
Other Sales of Goods and Svcs – Pledged	21,092,162.37	22,878,112.10
Federal Revenue	72,672,634.09	63,158,662.31
Federal Pass Through Revenue	14,377,596.87	16,640,758.69
State Grant Revenue	8,403,088.30	6,975,775.26
State Grant Pass Through Revenue	64,477,484.32	70,354,363.81
Other Contract and Grants – Non-Pledged	10,987,463.92	10,868,711.24
Other Operating Revenues – Pledged	11,289,547.09	8,796,714.01
Total Operating Revenues	$ 982,331,335.95	$ 971,190,013.26
Operating Expenses:		
Instruction	$ 455,519,829.66	$ 444,397,378.55
Research	159,615,171.32	122,417,495.86
Public Service	32,177,054.10	32,056,955.60
Hospitals and Clinics	1,163,934.83	980,657.58
Academic Support	179,844,777.63	167,645,230.91
Student Services	95,562,556.99	90,856,974.62
Institutional Support	141,851,402.30	134,782,236.01
Operation and Maintenance of Plant	111,416,045.22	114,311,733.69
Scholarships and Fellowships	169,363,861.14	261,599,726.19
Auxiliary	198,908,616.27	171,761,960.70
Depreciation & Amortization	149,046,028.18	140,191,610.57
Total Operating Expenses	$ 1,694,469,277.64	$ 1,681,001,960.28
Operating Income (Loss)	$ (712,137,941.69)	$ (709,811,947.02)
Nonoperating Revenues (Expenses):		
Legislative Revenue (GR)	$ 331,037,189.00	$ 313,058,241.00
Additional Appropriations (GR)	77,100,487.26	74,928,564.81
Federal Revenue	171,402,755.84	337,576,201.13
Federal Pass Through Revenue	765,180.31	-
State Pass Through Revenue	2,800,000.00	-
Gifts – Pledged	2,499,412.09	708,758.71
Gifts – Non-Pledged	49,258,092.81	33,682,023.96
Investment Income – Non-Pledged	11,716,904.64	12,052,124.51
Investment Income – Pledged	14,737,398.74	19,321,386.00

UNAUDITED

The Texas State University System
Combined Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2023

	2023	2022
Interest Income - Leases Receivable	56,659.09	-
Investing Activities Expenses	(31,292.08)	(44,424.12)
Gain/Loss Sale Capital Assets	(3,350,993.97)	(592,413.99)
Net Increase (Decrease) Fair Value – Pledged	8,140,482.54	(30,181,309.34)
Net Increase (Decrease) Fair Value – Non-Pledged	39,797,650.66	(86,748,412.39)
Judgments and Settlements	378,171.40	853,028.31
Interest Expenses and Fiscal Charges	(36,140,378.17)	(35,286,359.20)
Other Nonoperating Revenues – Non-Pledged	42,670,671.84	812,002.29
Other Nonoperating Revenues – Pledged	3,775,738.50	3,827,064.76
Other Nonoperating Expenses	(2,674,651.73)	(3,781,176.55)
Total Nonoperating Revenues (Expenses)	$ 713,939,478.77	$ 640,185,299.89
Income (Loss) before Capital Contributions, Endowments and Transfers	$ 1,801,537.08	$ (69,626,647.13)
Capital Contributions, Endowments and Transfers		
Capital Appropriations (HEF)	$ 77,867,711.00	$ 77,867,711.00
Additions to Permanent and Term Endowments	7,949,926.80	5,432,151.22
Interagency Transfer Cap Assets – Increase (Note 12)	9,999.00	-
Transfers-In (Note 12)	4,297,663.70	7,518,653.47
Transfers-Out (Note 12)	(270,914.32)	(58,456.43)
Legislative Transfer-In (Note 12)	2,131,461.00	16,391,359.00
Legislative Appropriations Lapsed	(1,901,966.37)	(33,929.38)
Total Capital Contributions, Endowments and Transfers	$ 90,083,880.81	$ 107,117,488.88
Change in Net Position	$ 91,885,417.89	$ 37,490,841.75
Total Net Position, September 1	$ 1,433,253,044.62	$ 1,395,196,723.50
Restatements	620,908.75	565,479.37
Total Net Position, September 1 as Restated	$ 1,433,873,953.37	$ 1,395,762,202.87
Total Net Position, August 31	$ 1,525,759,371.26	$ 1,433,253,044.62

UNAUDITED

The Texas State University System
Combined Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2023

For the Year Ended August 31, 2023

Operating Expenses	Instruction	Research	Public Service	Hospitals and Clinics	Academic Support
Cost of Goods Sold	$ 21.08	$ -	$ 12,492.33	$ -	$ 8,199.18
Salaries and Wages	292,049,965.09	86,622,702.94	14,899,615.34	349,845.10	77,856,012.39
Payroll Related Costs	98,317,967.00	13,901,147.76	4,605,159.19	117,449.44	21,384,405.44
Professional Fees and Services	8,526,402.71	25,892,945.41	1,572,183.15	83,831.61	27,708,530.29
Federal Pass-Through Expense	-	1,148,497.23	-	-	-
State Pass-Through Expense	-	252,489.61	-	-	-
Travel	6,459,122.41	4,313,470.39	475,508.93	-	1,852,498.59
Materials and Supplies	14,781,988.26	11,810,492.77	2,493,529.85	215,148.63	28,293,356.86
Communications and Utilities	988,222.01	716,482.19	267,878.08	108,233.42	3,062,414.57
Repairs and Maintenance	1,213,124.11	383,392.47	297,524.92	-	3,511,255.66
Rentals and Leases	598,455.17	584,633.49	1,148,711.70	22,195.86	467,350.50
Printing and Reproduction	667,173.24	830,434.38	74,771.41	32.00	314,226.79
Depreciation and Amortization	-	-	-	-	-
Bad Debt Expense	602,140.22	-	41,510.17	38,650.03	7,139.47
Interest	12,140.40	6,648.31	108.49	1,088.97	78,595.86
Scholarships	-	-	-	-	-
Claims and Judgments	-	-	-	-	-
Net OPEB Expense	25,781,932.79	9,034,047.15	1,821,186.68	65,877.46	10,179,021.13
Net Pension Expense	878,801.08	307,933.87	62,076.84	2,245.49	346,961.37
Other Operating Expenses	4,642,374.09	3,809,853.35	4,404,797.02	159,336.82	4,774,809.53
Total Operating Expenses	$ 455,519,829.66	$ 159,615,171.32	$ 32,177,054.10	$ 1,163,934.83	$ 179,844,777.63

UNAUDITED

The Texas State University System
Combined Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2023

Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenses
$ 69,243.76	$ -	$ (74.83)	$ -	$ 218,526.44	$ -	$ 308,407.96
48,925,786.06	73,251,584.33	31,944,449.73	1,619,751.52	47,686,045.70	-	675,205,758.20
15,566,097.69	22,149,185.89	11,775,118.12	28,231.34	14,017,130.75	-	201,861,892.62
7,292,920.64	7,488,695.85	8,201,083.52	853,002.80	15,060,860.86	-	102,680,456.84
-	-	-	-	-	-	1,148,497.23
-	-	-	-	-	-	252,489.61
1,720,771.00	1,267,512.75	70,019.83	-	9,858,028.04	-	26,016,931.94
8,883,258.99	12,715,679.11	10,515,825.34	58,919.59	63,930,405.86	-	153,698,605.26
1,351,965.80	2,357,800.12	24,941,586.67	8,912.00	16,800,542.87	-	50,604,037.73
251,918.46	1,643,307.69	9,851,553.52	296,413.08	6,777,181.05	-	24,225,670.96
510,543.79	633,904.92	262,468.19	-	1,887,530.31	-	6,115,793.93
893,083.35	986,319.27	100,106.46	-	602,931.84	-	4,469,078.74
-	-	-	-	-	149,046,028.18	149,046,028.18
208,618.45	226,989.77	127.27	55,482.52	1,027,508.25	-	2,208,166.15
14.74	52,022.15	8,879.18	-	23.79	-	159,521.89
-	-	-	156,462,691.29	-	-	156,462,691.29
-	221,365.37	-	-	911,327.92	-	1,132,693.29
5,408,738.02	8,028,636.92	6,306,028.42	9,585,812.52	11,258,013.91	-	87,469,295.00
184,361.85	273,663.53	214,946.82	326,741.31	383,739.84	-	2,981,472.00
4,295,234.39	10,554,734.63	7,223,926.98	67,903.17	8,488,818.84	-	48,421,788.82
$ 95,562,556.99	$ 141,851,402.30	$ 111,416,045.22	$ 169,363,861.14	$ 198,908,616.27	$ 149,046,028.18	$ 1,694,469,277.64

UNAUDITED

The Texas State University System
Combined Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2023

For the Year Ended August 31, 2022

Operating Expenses	Instruction	Research	Public Service	Hospitals and Clinics	Academic Support
Cost of Goods Sold	$ 3.44	$ -	$ 42,105.37	$ -	$ 33,920.20
Salaries and Wages	285,097,412.02	74,620,054.83	12,868,283.34	309,472.72	68,553,894.08
Payroll Related Costs	100,029,854.37	12,021,431.22	4,492,209.34	112,751.11	20,417,717.21
Professional Fees and Services	9,941,961.67	12,868,537.86	2,294,041.72	120,120.99	27,352,588.55
Federal Pass-Through Expense	-	993,349.08	-	-	-
State Pass-Through Expense	-	39,969.57	-	-	-
Travel	3,888,601.21	2,563,083.48	355,760.81	-	1,163,582.28
Materials and Supplies	13,399,987.26	7,981,655.00	3,263,505.60	217,746.00	26,442,647.95
Communications and Utilities	1,019,675.97	327,646.93	232,652.63	93,298.77	3,731,312.46
Repairs and Maintenance	879,805.42	470,229.60	501,139.46	113.00	2,456,893.30
Rentals and Leases	487,006.20	541,412.55	959,434.33	129.17	575,936.85
Printing and Reproduction	690,380.10	948,747.20	59,482.20	63.00	297,813.10
Depreciation and Amortization	-	-	-	-	-
Bad Debt Expense	676,630.06	-	55,486.82	8,548.70	330,438.89
Interest	2,693.98	1,455.53	13.42	1,602.51	576.81
Scholarships	-	-	-	-	-
Claims and Judgments	-	-	-	-	-
Net OPEB Expense	29,087,218.68	8,012,613.58	2,098,229.47	64,187.15	10,972,912.37
Net Pension Expense	(5,344,475.95)	(1,472,234.97)	(385,527.99)	(11,793.73)	(2,016,159.29)
Other Operating Expenses	4,540,624.12	2,499,544.40	5,220,139.08	64,418.19	7,331,156.15
Total Operating Expenses	$ 444,397,378.55	$ 122,417,495.86	$ 32,056,955.60	$ 980,657.58	$ 167,645,230.91

UNAUDITED

The Texas State University System
Combined Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2023

Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenses
$ 59,458.12	$ 8,216.79	$ -	$ -	$ 218,824.49	$ -	$ 362,528.41
47,257,197.04	69,517,880.44	30,295,034.40	1,327,672.86	43,929,034.17	-	633,775,935.90
16,023,492.65	22,564,673.78	12,072,375.22	38,902.18	13,742,604.27	-	201,516,011.35
6,075,492.01	6,369,518.48	7,996,585.79	827,803.70	12,702,378.55	-	86,549,029.32
-	-	-	-	-	-	993,349.08
-	-	-	-	-	-	39,969.57
1,214,500.20	841,912.66	37,534.35	5,969.20	8,204,020.92	-	18,274,965.11
7,743,460.78	8,576,704.88	18,898,809.56	276,722.44	53,174,963.22	-	139,976,202.69
1,203,390.31	2,361,979.19	25,621,246.80	421,420.18	16,601,178.50	-	51,613,801.74
785,621.68	2,241,167.02	8,713,947.27	176,268.59	4,348,097.54	-	20,573,282.88
435,862.63	413,555.50	279,875.60	-	1,309,291.29	-	5,002,504.12
646,845.62	671,466.81	66,505.08	780.13	552,946.32	-	3,935,029.56
-	-	-	-	-	140,191,610.57	140,191,610.57
497,028.70	159,654.81	296.32	43,110.75	2,155,423.26	-	3,926,618.31
2,830.37	27,567.94	4,949.26	-	143.56	-	41,833.38
-	-	-	244,358,250.50	-	-	244,358,250.50
-	181,167.97	-	-	32,255.13	-	213,423.10
5,946,877.31	8,821,925.07	7,482,065.73	17,122,532.24	11,242,365.40	-	100,850,927.00
(1,092,677.27)	(1,620,937.60)	(1,374,752.28)	(3,146,088.42)	(2,065,668.50)	-	(18,530,316.00)
4,057,594.47	13,645,782.27	4,217,260.59	146,381.84	5,614,102.58	-	47,337,003.69
$ 90,856,974.62	$ 134,782,236.01	$ 114,311,733.69	$ 261,599,726.19	$ 171,761,960.70	$ 140,191,610.57	$ 1,681,001,960.28

UNAUDITED

The Texas State University System
Combined Statement of Cash Flows
For the Year Ended August 31, 2023

	2023	2022
Cash Flows from Operating Activities		
Receipts from Customers	$ 12,230,363.90	$ 13,701,875.63
Proceeds from Tuition and Fees	588,963,165.03	524,298,876.30
Proceeds from Research Grants and Contracts	157,017,075.92	164,804,177.47
Proceeds from Loan Programs	2,154,131.78	2,604,005.70
Proceeds from Auxiliaries	173,630,859.68	164,289,129.92
Proceeds from Other Operating Revenues	20,206,152.09	23,410,462.97
Payments to Suppliers for Goods and Services	(368,129,241.44)	(341,457,757.86)
Payments to Employees for Salaries	(668,995,990.76)	(629,846,180.96)
Payments to Employees for Benefits	(147,826,200.22)	(145,775,732.37)
Payments for Loans Provided	(3,128,151.83)	(4,500,061.92)
Payments for Other Operating Expenses	(159,354,367.26)	(214,685,452.51)
Net Cash Provided by Operating Activities	$ (393,232,203.11)	$ (443,156,657.63)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	$ 417,041,229.81	$ 403,847,145.03
Proceeds from Gifts	47,849,223.11	31,758,870.45
Proceeds from Endowments	6,326,569.35	4,937,197.37
Proceeds of Transfers from Other Funds	8,839,127.23	6,488,718.67
Proceeds from Grant Receipts	165,233,963.16	338,527,021.91
Proceeds from Other Noncapital Financing Activities	46,694,474.46	6,392,482.07
Payments for Transfers to Other Funds	(5,339,994.00)	(493,984.76)
Payments for Other Noncapital Financing Uses	(2,131,144.84)	(5,406,464.84)
Net Cash Provided by Noncapital Financing Activities	$ 684,513,448.28	$ 786,050,985.90
Cash Flows from Capital and Related Financing Activities		
Proceeds from the Sale of Capital Assets	$ 116,553.41	$ 99,646.27
Proceeds from Debt Issuance	736,291,000.00	378,411,000.00
Proceeds from Other Capital and Related Financing Activities	1,418,083.06	1,984,633.74
Payments for Additions to Capital Assets	(205,309,313.11)	(189,083,296.92)
Payments of Principal on Debt	(734,802,000.00)	(388,500,000.00)
Payments for Leases	(2,123,034.65)	(118,841.87)
Payments of Interest on Debt Issuance	(43,442,713.36)	(43,720,363.88)
Net Cash Provided by Capital and Related Financing Activities	$ (247,851,424.65)	$ (240,927,222.66)

UNAUDITED

The Texas State University System
Combined Statement of Cash Flows
For the Year Ended August 31, 2023

	2023	2022
Cash Flow from Investing Activities		
Proceeds from Sales of Investments	$ 92,684,932.06	$ 152,434,475.34
Proceeds from Interest Income	38,573,765.22	491,826.56
Proceeds from Investment Income	5,453,349.50	3,323,861.12
Payments to Acquire Investments	(191,967,299.66)	(190,631,575.48)
Net Cash Provided by Investing Activities	$ (55,255,252.88)	$ (34,381,412.46)
Net Increase (Decrease) in Cash and Cash Equivalents	$ (11,825,432.36)	$ 67,585,693.15
Cash and Cash Equivalents, September 1	$ 656,298,363.83	$ 588,712,670.68
Restatements to Beginning Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, September 1 - Restated	$ 656,298,363.83	$ 588,712,670.68
Cash and Cash Equivalents, August 31	$ 644,472,931.47	$ 656,298,363.83
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	$ (712,137,941.69)	$ (709,811,947.02)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Amortization and Depreciation	149,046,028.18	140,191,610.57
Bad Debt Expense	2,208,166.15	3,926,618.31
Pension and OPEB Expense	115,766,397.00	106,363,680.00
On-Behalf Benefit Payments	53,851,432.91	51,501,601.60
Operating Income (Loss) and Cash Flow Categories:		
Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(22,765,799.03)	(17,531,456.15)
(Increase) Decrease in Due from Other Funds	(180,500.65)	(1,129,071.22)
(Increase) Decrease in Inventories	271,645.45	(90,345.53)
(Increase) Decrease in Prepaid Expenses	(9,397,858.65)	(6,943,261.96)
(Increase) Decrease in Notes Receivable	(2,461,192.34)	(2,696,094.58)
(Increase) Decrease in Loans & Contracts	(264,506.51)	(673,489.62)
(Increase) Decrease in Other Assets	42,366.48	(3,210,844.50)

UNAUDITED

The Texas State University System
Combined Statement of Cash Flows
For the Year Ended August 31, 2023

	2023	2022
(Increase) Decrease in Deferred Outflows of Resources - Pensions	(21,202,562.00)	27,937,965.00
(Increase) Decrease in Deferred Outflows of Resources - OPEB	140,467,135.00	115,644,538.00
Increase (Decrease) in Payables	22,393,537.65	6,885,899.68
Increase (Decrease) in Deposits	(79,697.47)	(5,717.07)
Increase (Decrease) in Due to Other Funds	(812,353.24)	(1,002,074.99)
Increase (Decrease) in Unearned Revenue	32,733,766.35	13,182,732.53
Increase (Decrease) in Compensated Absence Liability	1,619,955.22	366,448.91
Increase (Decrease) in Benefits Payable	1,832,766.13	1,136,620.07
Increase (Decrease) in Liabilities to Employees for Defined Benefit Pensions	105,549,701.00	(128,652,161.00)
Increase (Decrease) in Liabilities to Employees for Defined Benefit OPEB	(232,720,992.00)	(53,254,540.00)
Increase (Decrease) in Deferred Inflows of Resources - Pensions	(105,603,185.00)	80,187,005.00
Increase (Decrease) in Deferred Inflows of Resources - OPEB	88,194,273.00	(65,905,876.00)
Increase (Decrease) in Other Liabilities	417,214.95	425,502.34
Total Adjustments	$ 318,905,738.58	$ 266,655,289.39
Net Cash Provided by Operating Activities	$ (393,232,203.11)	$ (443,156,657.63)
Non Cash Transactions		
Donation of Capital Assets	$ 460,172.00	$ 722,287.30
Net Change in Fair Value of Investments	$ 47,938,133.20	$ (116,929,721.73)
Borrowing Under Lease Purchase	$ 294,840.06	$ 8,737,077.70
Gain on Sale of Capital Assets	$ -	$ -
Loss on Sale of Capital Assets	$ (3,457,700.60)	$ (692,060.26)
Interagency Transfer In	$ -	$ -
Interagency Transfer Out	$ 25.70	$ 3.80
In Kind Gifts	$ 4,004,602.57	$ 527,694.25

Notes to the Combined Financial Statements

NOTE 1: Summary of Significant Accounting Policies

Reporting Entity
The Texas State University System (TSUS), founded in 1911, is the first higher education system established in Texas. Beginning as an administrative means to consolidate the support and management of state teacher colleges, the System has evolved into a network of higher education institutions stretching from the Texas–Louisiana border to the Big Bend region of west Texas.

Today, seven member institutions offer a broad range of academic and career opportunities. Those institutions are located throughout the state and include Lamar University, Sam Houston State University, Sul Ross State University, Texas State University, Lamar Institute of Technology, Lamar State College Orange, and Lamar State College Port Arthur. Throughout the System, faculty and staff are preparing students to work in and contribute to our global society.

The Texas State University System is governed by a nine-member Board of Regents appointed by the Governor. In addition, a nonvoting student regent is appointed annually to the board. The Texas State University System Administration (System Administration), which is headed by a board-appointed chancellor, is based in Austin, where it provides support to the System member institutions and state government.

The financial records of TSUS comply with state statutes and regulations, including compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for State Institutions of Higher Education*. However, due to the statewide requirements embedded in Governmental Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements of the statement. TSUS's annual financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Fund Structure
The accompanying financial statements are presented on the basis of funds. A fund is considered a separate accounting entity. The fund designation for institutions of higher education is a Business Type Activity within the Proprietary Fund Type.

Business Type Activity funds account for activities financed through the charging of fees and sales for goods or services to the ultimate user. Institutions of higher education report their financial activities as business type because the institution's funding comes primarily through charges to students, sales of goods and services, and grant revenues.

TSUS holds funds for external entities for which TSUS has no direct administrative or financial involvement and where the funds exclusively benefit the external entities. In accordance with GASB Statement No. 84, *Fiduciary Activities*, (GASB 84) these fiduciary activities are reported in a separate statement of fiduciary net position and a separate statement of changes in fiduciary net position (Fiduciary Statements). The Fiduciary Statements are reported as Custodial Funds and are presented at the end of the TSUS combined report.

Component Units

TSUS reports both blended and discretely presented component units identified by analysis of the component units' significance to the financial statements of the System. The financial transactions of discretely presented component units are included as separately presented financial statements at the end of the combined report. Additional information about component units may be found in Note 19.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Both Business Type Activity funds and Custodial funds are accounted for using the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the accounting period when they are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Budget and Budgetary Accounting

The operating budget is prepared annually and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act) and other revenues generated by System members. Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Legislative Appropriations

The Texas Legislature meets during odd-numbered years, approving a two-year (biennial) budget for state agencies. The appropriation of revenues by the Legislature results in general revenue held in the State Treasury until spent. Legislative Appropriations reported in the Statement of Net Position represent those general revenues held in the State Treasury at year-end, where the

System is authorized to spend the funds in the subsequent period(s) in accordance with the appropriation.

General revenue appropriations to the System support the instruction, research and operation of the System. Appropriations include payments made by the State on behalf of the System for benefits related to salaries funded by state appropriations.

Securities Lending Collateral
Investments are stated at fair value in all funds except pension trust funds in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For pension trust funds, investments are required to be reported at fair value using the accrual basis of accounting in accordance with GASB Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

Securities lent are reported as assets on the balance sheet. The costs of securities lending transactions are reported as expenditures or expenses in the Operating Statement. These costs are reported at gross.

Restricted Assets
Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

Inventories and Prepaid Items
Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the proprietary fund types. The cost of these items is expensed when the items are consumed.

Capital Assets and Related Debt
Purchases of assets with an estimated useful life in excess of one year which exceed TSUS's capitalization thresholds are recorded as capital assets at their acquisition cost on the date of acquisition. Donated assets with an estimated useful life in excess of one year which exceed the capitalization thresholds are recorded as capital assets at their fair market value on the date of acquisition. Intangible capital assets are defined as assets that lack physical substance, are nonfinancial in nature and have an initial useful life extending beyond a single reporting period. Routine repairs and maintenance that do not increase the value of buildings are charged to operating expense in the year in which the expense was 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*.

TSUS's capitalization thresholds are:

Asset Category	**Threshold**
Land, land improvements, and land use rights	All acquisitions
Books and materials for academic and research libraries	All acquisitions
Works of art and historical treasures not held for financial gain	All acquisitions
Furniture, equipment, and vehicles	$5,000
Buildings and building, facilities, and other improvements	$100,000
Leased Assets – Right to Use	$100,000
Purchased computer software and land use rights (A)	$100,000
Infrastructure	$500,000
Internally generated computer software	$1,000,000

(A) Applies only to land use rights considered to have a limited useful life (TERM.)

Assets are depreciated or amortized over the estimated useful life of the asset using the straight-line method as follows:

Asset Category	**Useful Life**
Furniture and Equipment	4-15 years
Purchased and Internally Developed Software	5 years
Vehicles	5-10 years
Other Tangible Assets	10 years
TERM Land Use Rights	10 years
Buildings, Infrastructure and Facilities	10-30 years
Other Assets	15 years
Leases Assets – Right to Use	Term of Lease

All land, land improvements, land use rights, and works of art and historical treasures not held for financial gain are considered to have an indefinite useful life. Because these assets are inexhaustible, they are not depreciated.

Bonded indebtedness is issued by the Texas State University System Revenue Financing System, which is comprised of System Administration and each member institution within the system. Debt service requirements are disclosed in Note 6, Bonded Indebtedness.

Current Receivables - Other

Other receivables include year-end revenue accruals not included in any other receivable category.

Deferred Outflows of Resources
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.

Certain changes in the collective net pension liability of the Teacher Retirement System of Texas (TRS) Plan are reported as deferred outflows of resources related to pensions or as deferred inflows of resources related to pensions. See Note 9, *Defined Benefit Pension Plan and Defined Contribution Plan*, for a description of the TRS Plan.

The effect on TSUS'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.

Decreases in TSUS'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.

TSUS's contributions during the measurement period that are less than its proportionate share of total of 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 TSUS's proportionate share of the collective net pension liability of more actual earnings on pension plan investments than projected is amortized as a component of pension expense using the straight-line method over a period of five years.

Accounts Payable
Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Current Payables – Other
Other payables are the accrual at year end of expenditure transactions not included in any of the other payable descriptions.

Bonds Payable - General Obligation Bonds and Revenue Bonds
General obligation and revenue bonds are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Payables are reported separately as either current or non-current in the Statement of Net Position. Bond proceeds and principal payments are reported in the Statement of Cash Flows.

Employees' Compensable Leave Balances
Employees' compensable leave balances represent the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the Statement of Net Position.

Right to Use Lease Obligations and Right to Use Subscription Obligations
Current and non-current Right to Use Lease Obligations in accordance with GASB 87 *Leases* and GASB 96 *Subscription-Based Information Technology Arrangements (SBITA)* are recorded for any liability within one fiscal year and over one year, respectively. The liability starts on the lease or subscription contract commencement date. The present value of total contractual principal payments is amortized during the contract period.

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. The measurement of 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 has been determined on the same basis as reported by TRS. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The framework for measuring fair value is based on a hierarchy that gives the highest priority to the use of observable inputs in an active market and lowest priority to the use of unobservable inputs.

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
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. See the section of this note titled *Deferred Outflows of Resources* for an explanation of the accounting treatment.

Net Position
The difference between assets and liabilities is Net Position.

Invested in Capital Assets, Net of Related Debt
Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position
Restricted Net Position results when constraints placed on net asset use are either 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 consist of net assets which do not meet the definition of the two *preceding* categories. Unrestricted Net Position often has constraints on resources, which are imposed by management, but can be removed or modified.

Interfund Activities and Balances
TSUS has the following types of transactions among funds:

Transfers
Legally required transfers that are reported when incurred as “Transfers In” by the recipient fund and as “Transfers Out” by the disbursing fund.

Reimbursements
Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

Interfund Receivables and Payables
Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as “Current”, repayment for two (or more) years is classified as “Noncurrent.”

Interfund Sales and Purchases
Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

The Texas State University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2023

CARES Act

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act authorized more than $2 trillion in relief to individuals, businesses, and nonprofit and government organizations impacted by COVID-19.

Governor's Emergency Education Relief Fund (GEERF) funding, awarded to the State of Texas Governor's Office and passed through the Texas Higher Education Coordinating Board to TSUS member institutions, provides direct financial assistance to support students' efforts to continue or restart their progress toward earning a post-secondary credential or degree. Initial GEERF awards are to maintain need-based financial aid programs and keep more students enrolled at colleges and universities. The initial awards are followed by emergency student support to allow students whose families have been severely financially impacted by COVID-19 to stay enrolled in higher education.

Higher Education Emergency Relief Fund (HEERF) funding, awarded directly to TSUS member institutions, provides support to prevent, prepare for, and respond to COVID-19. Under the terms of the grant agreements, at least 50% of the funds are used to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to COVID-19. The remainder of the award may be used to cover costs associated with significant changes to the delivery of instruction due to COVID-19, subject to certain restriction outlined in the grant agreements.

In addition to the programs above, certain TSUS member institutions received other federal stimulus funding through programs such as the Minority Serving Institutions Program, Strengthening Institutions Program, Promoting Postbaccalaureate Opportunities for Hispanic Americans Program, and the Corporation for Public Broadcasting. Various additional funding was received under GEER funding.

The revenues from these programs are earned by fulfilling the terms and conditions of the agreements with the funding agencies and are therefore recognized when qualifying expenditures are incurred and eligibility requirements are met.

A summary of CARES Act funding awarded, expensed as of August 31, 2023, and the balance of the unearned amounts are presented below:

Program	Awarded	Expensed	Unearned
GEERF – Student Financial Aid	$ 4,766,872	$ 4,766,872	$ -
GEERF – Emergency Student Financial Aid	2,566,411	2,566,411	-
HEERF – Student Allocation	176,577,363	176,577,363	-
HEERF – Institutional Allocation	177,726,459	176,592,580	1,133,879
Others	24,371,132	23,040,841	1,330,291
Total	$386,008,237	$383,544,067	$ 2,464,170

New Accounting Pronouncements

GASB Statement No. 91, *Conduit Debt Obligations*, clarifies the existing definition of conduit debt obligation ("CDO"), establishes that a CDO is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with CDOs, and improves note disclosures related to CDOs.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, is effective for fiscal years beginning after June 15, 2022, and defines and establishes criteria for public-private and public-public partnerships (PPPs), availability payment arrangements (APA), and certain criteria where service concession arrangements are considered PPPs.

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (SBITA)*, is effective for fiscal years beginning after June 15, 2022, and establishes uniform accounting and financial reporting requirements for SBITAs. GASB 96 requires recording an intangible, right-to-use subscription asset and the corresponding subscription liability and provides the capitalization criteria for outlays other than subscription payments, including implementation costs associated with SBITAs. The Texas Comptroller of Public Accounts established a capitalization threshold of $500,000 for SBITA agreements.

GASB Statement No. 99, *Omnibus 2022* was partially implemented in the current year. Provisions related to leases, PPPs, and SBITAs are implanted for fiscal year 2023. Provisions related to financial guarantees and derivative classification and reporting will be effective in fiscal year 2024. Minimal impact is expected.

Upcoming Accounting Pronouncements

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* and will be implanted in fiscal year 2024. 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. 101, *Compensated Absences*, will be implemented in fiscal year 2025. The standard aligns recognition and measurement guidance for all types of compensated absences under a unified model and eliminates certain previously required disclosures.

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The Texas State University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2023

NOTE 2: Capital Assets

A summary of changes in Capital Assets at fiscal year-end is presented as follows:

	Balance 09/01/2022	Adjustments	Completed CIP
Non-depreciable Assets			
Land and Land Improvements	$ 129,649,291.81	$ 68,994.34	$ 0.00
Construction in Progress	270,561,953.68	279,141.91	(149,831,914.20)
Other Intangible Capital Assets	17,708,407.41	0.00	50,000.00
Total Non-depreciable Assets	$ 417,919,652.90	$ 348,136.25	$(149,781,914.20)
Depreciable Assets			
Building and Building Improvements	$ 2,805,164,450.44	$ 276,720.16	$ 139,919,357.66
Infrastructure	152,108,740.72	0.00	3,988,433.25
Facilities and Other Improvements	273,373,344.09	0.00	5,258,051.80
Furniture and Equipment	202,624,322.01	0.00	616,071.49
Vehicles, Boats, and Aircraft	24,311,682.37	0.00	0.00
Other Capital Assets	151,730712.29	0.00	0.00
Total Depreciable Assets	$ 3,609,313,251.92	$ 276,720.16	$ 149,781,914.20
Accumulated Depreciation			
Building and Building Improvements	$(1,363,521,335.69)	$ (5,240.91)	$ 0.00
Infrastructure	(78,363,172.19)	0.00	0.00
Facilities and Other Improvements	(140,904,334.62)	0.00	0.00
Furniture and Equipment	(156,529,419.97)	0.00	0.00
Vehicles, Boats, and Aircraft	(17,406,921.28)	0.00	0.00
Other Capital Assets	(92,007,832.49)	0.00	0.00
Total Accumulated Depreciation	$(1,848,733,016.24)	$ (5,240.91)	$ 0.00
Amortizable Assets – Intangible			
Computer Software	$ 36,434,899.33	$ 0.00	$ 0.00
Total Amortizable Assets – Intangible	$ 36,434,899.33	$ 0.00	$ 0.00
Accumulated Amortization			
Computer Software	$ (34,912,916.50)	$ 0.00	$ 0.00
Total Accumulated Amortizable	$ (34,912,916.50)	$ 0.00	$ 0.00
Capital Assets, Net	$ 2,180,021,871.41	$ 619,615.50	$ 0.00
Amortizable Assets–Intangible Right to Use			
Building and Building Improvements	$ 8,602,604.93	$ 0.00	$ 0.00
Land and Land Improvements	134,472.77	13,737.70	0.00
Subscriptions	0.00	0.00	0.00
Total Amortizable Assets–Intangible Right to Use	$ 8,737,077.70	$ 13,737.70	$ 0.00
Accumulated Amortization–Intangible Right to Use			
Building and Building Improvements	$ (2,380,992.67)	$ 0.00	$ 0.00
Land and Land Improvements	(13,792.08)	757.92	0.00
Subscriptions	0.00	0.00	0.00
Total Accumulated Amortization–Intangible Right to Use	$ (2,394,784.75)	$ 757.92	$ 0.00
Intangible Right to Use Assets, Net	$ 6,342,292.95	$ 14,495.62	$ 0.00

Interagency Transfer-in	Interagency Transfer-out	Additions	Deletions	Balance 08/31/2023
$ 0.00	$ 0.00	$ 6,292,732.94	$ (310,944.00)	$ 135,700,075.09
0.00	0.00	151,393,694.36	(642,598.26)	271,760,277.49
0.00	0.00	591,085.59	0.00	18,349,493.00
$ 0.00	$ 0.00	$ 158,277,512.89	$ (953,542.26)	$ 425,809,845.58
$ 0.00	$ 0.00	$ 15,808,897.97	$ (618,178.89)	$ 2,960,551,247.34
0.00	0.00	0.00	(42.68)	156,097,131.29
0.00	0.00	497,704.00	0.00	279,129,099.89
26,733.25	0.00	18,655,923.58	(7,414,804.55)	214,508,245.78
0.00	0.00	2,829,236.60	(494,689.00)	26,646,229.97
0.00	0.00	5,704,097.53	(8,002,674.63)	149,432,135.19
$ 26,733.25	$ 0.00	$ 43,495,859.68	$ (16,530,389.75)	$ 3,786,364,089.46
$ 0.00	$ 0.00	$(104,543,116.94)	$ 587,177.70	$(1,467,482,515.84)
0.00	0.00	(4,663,612.97)	42.68	(83,026,742.48)
0.00	0.00	(11,258,621.52)	0.00	(152,162,956.14)
(16,734.25)	0.00	(14,599,773.20)	7,271,669.43	(163,874,257.99)
0.00	0.00	(1,832,654.33)	482,726.59	(18,756,849.02)
0.00	0.00	(7,556,583.78)	5,674,768.23	(93,889,648.04)
$ (16,734.25)	$ 0.00	$(144,454,362.74)	$ 14,016,384.63	$(1,979,192,969.51)
$ 0.00	$ 0.00	$ 328,788.00	$ (8,020.00)	$ 36,755,667.33
$ 0.00	$ 0.00	$ 328,788.00	$ (8,020.00)	$ 36,755,667.33
$ 0.00	$ 0.00	$ (557,231.43)	$ 8,020.00	$ (35,462,127.93)
$ 0.00	$ 0.00	$ (557,231.43)	$ 8,020.00	$ (35,462,127.93)
$ 9,999.00	$ 0.00	$ 57,090,566.40	$ (3,467,547.38)	$ 2,234,274,504.93
$ 0.00	$ 0.00	$ 294,840.06	$ 0.00	$ 8,897,444.99
0.00	0.00	0.00	0.00	148,210.47
0.00	0.00	4,605,767.28	0.00	4,605,767.28
$ 0.00	$ 0.00	$ 4,900,607.34	$ 0.00	$ 13,651,422.74
$ 0.00	$ 0.00	$ (2,594,709.38)	$ 0.00	$ (4,975,702.05)
0.00	0.00	(13,034.16)	0.00	(26,068.32)
0.00	0.00	(1,426,690.47)	0.00	(1,426,690.47)
$ 0.00	$ 0.00	$ (4,034,434.01)	$ 0.00	$ (6,428,460.84)
$ 0.00	$ 0.00	$ 866,173.33	$ 0.00	$ 7,222,961.90

NOTE 3: Deposits, Investments, & Repurchase Agreements

Deposits of Cash in Banks

As of August 31, 2023, actual bank balances totaled $55,751,569.09. The carrying value is presented below.

Proprietary Funds:	
Current Assets – Cash in Bank	$ 31,629,086.08
Current Restricted Assets – Cash in Bank	1,450,461.85
Noncurrent Restricted Assets – Cash in Bank	2,425,597.28
Cash in Bank per Combined Statement of Net Position	**$ 35,505,145.21**
Fiduciary Funds:	
Current Assets – Cash in Bank	$ 3,047,309.79
Cash in Bank per Statement of Fiduciary Net Position	**$ 3,047,309.79**
Discretely Presented Component Units:	
Current Assets – Cash in Bank:	
Texas State University Development Foundation	$ 1,718,317.07
Emmett and Miriam McCoy College of Business Development Foundation	383,371.11
Cash in Bank per Discretely Presented Component Units Statement of Net Position	**$ 2,101,688.18**

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, TSUS 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. TSUS's policy is that all deposits are governed by a bank depository agreement between TSUS and the respective banking institution. This agreement provides that TSUS'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, 2023, TSUS had no bank balances exposed to custodial credit risk.

Investments

The TSUS *Investment Policy for Operating and Endowment Funds*, adopted by the TSUS Board of Regents, governs TSUS investments. In accordance with the policy, TSUS invests its operating funds in a manner that provides security of invested principal, provides liquidity for operating requirements which may be reasonably anticipated, manages interest-rate and market risk, maximizes total return within established risk constraints, and provides for diversification of investment assets. Additionally, TSUS invests its endowment funds in a manner that provides security of invested principal, provides for appreciation of principal, provides a continuing and dependable cash payout within market constraints, provides for planned liquidity for anticipated cash flow purposes, manages market risks, maximizes overall total return within the established risk constraints. and provides for diversification of investment assets.

Pursuant to Texas Education Code §51.0031(d), the prudent person standard guides all investment functions in the context of both individual transactions and management of the overall portfolio. Furthermore, TSUS invests endowment funds in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Texas Property Code Chapter 163.

Investments are recorded at fair value as of year-end and are categorized in accordance with GASB Statement Number 72, *Fair Value Measurement and Application* (GASB 72). GASB 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 and establishes a fair value hierarchy. The fair value hierarchy is based upon 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 levels are used to measure fair value:

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.

Investments with readily available fair values are primarily valued based on market valuations provided by independent pricing services.

The Texas State University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2023

As of August 31, 2023, investments of Proprietary Funds, at fair market value, consisted of the following:

		Fair Value Measurements			
	Value at 08/31/2023	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV
U.S. Government:					
U.S. Treasury Securities	$ 992,291.48	$ 992,291.48	$ -	$ -	$ -
Corporate Obligations	1,437,781.33	1,437,781.33	-	-	-
Corporate Asset and Mortgage Backed Securities	1,346,445.07	1,346,445.07	-	-	-
Equity	90,106,063.48	90,106,063.48	-	-	-
International Obligations (Govt and Corp)	192,419.14	192419.14	-	-	-
International Equity	73,630,697.87	73,630,697.87	-	-	-
Domestic Mutual Funds	93,784,460.62	93,784,460.62	-	-	-
International Mutual Funds	86,767,867.00	86,767,867.00	-	-	-
Fixed Income Money Market and Bond Mutual Fund	211,450,379.04	211,427,659.50	-	-	22,719.54
Other Commingled Funds	133,234,342.89	124,591,142.69	-	-	8,643,200.20
Externally Managed Investments - Domestic	98,887,889.40	-	-	98,887,889.40	-
Externally Managed Investments – International	26,149,063.08	-	-	26,149,063.08	-
Total Investments	**$ 817,979,700.40**	**$684,276,828.18**	**$ -**	**$ 125,036,952.48**	**$ 8,665,919.74**

Total Cash Equivalents Reported at Net Asset Value	
Other Commingled Funds – TexPool	$514,712,145.13
Total Cash Equivalents	**$514,712,145.13**
Total Investments and Cash Equivalents	**$1,332,691,845.53**
Proprietary Funds:	
Current Unrestricted Assets - Cash Equivalents	$ 432,174,442.24
Current Restricted Assets - Cash Equivalents	75,301,001.66
Current Restricted Assets - Short Term Investments	12,528,281.62
Noncurrent Restricted Assets - Cash Equivalents	15,879,901.43
Noncurrent Restricted Assets - Investments	250,068,670.17
Noncurrent Assets – Investments	546,739,548.41
Total per Combined Statement of Net Position	**$1,332,691,845.53**

The Texas State University System
Notes to the Combined Financial Statements
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As of August 31, 2023, investments of Discretely Presented Components Units, at fair market value, consisted of the following:

		Fair Value Measurements			
	Value at 08/31/2023	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV
Equity	$ 1,033,864.76	$ 1,033,864.76	$ -	$ -	$ -
Domestic Mutual Funds	52,182,421.62	52,182,421.62	-	-	-
Fixed Income Money Market and Bond Mutual Fund	109,067,086.09	109,067,086.09	-	-	-
Other Commingled Funds	37,001.94	37,001.94	-	-	-
Externally Managed Investments – Domestic	4,168,210.28	-	-	-	4,168,210.28
Externally Managed Investments - International	12,098,297.34	12,098,297.34	-	-	-
Total Investments	**$ 178,586,882.03**	**$ 174,418,671.75**	**$ -**	**$ -**	**$ 4,168,210.28**

Discretely Presented Component Units:	
Current Unrestricted Assets - Cash Equivalents	$ 1,499,127.07
Noncurrent Restricted Assets - Investments	177,087,754.96
Total per Statement of Net Position	**$ 178,586,882.03**

Private Investments

TSUS invests in limited partnerships with external investment managers or general partners who invest primarily in private equity securities. These investments are illiquid and typically become liquid over multi-year periods when and if the fund managers distribute proceeds realized from underlying fund investments. Risks associated with these investments include liquidity risk, key personnel risk, limited transparency risk, and investment strategy risk. TSUS has committed $39,712,138 of future funding to various private investments as of August 31, 2023. The fair value of private investment funds, are estimated using the investment's capital account balance at the closest available reporting date, as communicated by the investment manager, adjusted for contributions and withdrawals subsequent to the latest available reporting date, as well as consideration of any other information which has been provided by the investment manager or other sources.

Amounts Reported at NAV

TSUS invests a portion of its excess working capital in TexPool and TexPool Prime (TexPool). TexPool investments consist exclusively of U. S. Government securities, repurchase agreements collateralized by U. S. Government securities, and AAA-rated no-load money market mutual funds. TexPool Prime invests in the above plus, commercial paper and certificates of deposits. TexPool and TexPool Prime are each rated AAAm by Standard & Poor's. No limitations or restrictions on redemptions exist and redemptions can occur at any time. There are no unfunded commitments.

TSUS invests a portion of its excess working capital in Texas CLASS. The fund only invests in investments legally permitted under Texas State Law (Public Funds Investment Act). The fund is rated AAAm by Standard & Poor's. No limitations or restrictions on redemptions exist and redemptions can occur at any time. There are no unfunded commitments.

Credit Risk for Investments
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using the rating assigned by Standard & Poor's. At year-end, the TSUS's credit quality ratings for securities with credit risk exposure were:

	Rating	Amount
Corporate Obligations	AA	$ 51,797.94
	A	586,440.85
	BBB	749,955.69
	BB	2,227.44
	B	1,189.52
	NR	46,169.89
Corporate Asset and Mortgage-Backed Securities	AAA	229,568.88
	AA	17,503.79
	A	16,291.99
	BBB	72,169.46
	BB	121,718.63
	B	123,872.95
	NR	765,319.37
International Obligations (Govt and Corp)	AA	7,225.17
	A	81,610.90
	BBB	103,583.07
Fixed Income Money Market and Bond Mutual Funds	AAA	150,084,526.01
	AA	4,707,064.30
	A	20,274,161.70
	BBB	25,067,699.46
	BB	890,912.41
	B	1,018,717.41
	NR	9,407,297.75
Externally Managed Investments	NR	125,036,952.48
Total		**$339,463,977.06**

The Texas State University System
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At year-end, the Discretely Presented Components Units credit quality ratings for securities with credit risk exposure were:

	Rating	Amount
Fixed Income Money Market and Bond Mutual Funds	AAA	$109,067,086.09
Externally Managed Investments	NR	16,266,507.62
Total		**$125,333,593.71**

Custodial Credit Risk for Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, TSUS will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of August 31, 2023, TSUS did not have any investments that are exposed to custodial credit risk.

NOTE 4: Short-Term Debt

On May 22, 2014 the Board of Regents, Texas State University System adopted the Eighteenth Supplemental Resolution to the Master Resolution Establishing the Texas State University System Revenue Financing System Commercial Paper Program, Series A. The Eighteenth Supplement authorizes the issuance of Commercial Paper Notes by the Texas State University System in an aggregate principal amount not to exceed $240,000,000 at any one time outstanding for the purpose of financing project costs of eligible projects and to refinance, renew, or refund commercial paper notes, prior encumbered obligations and parity debt, including interest thereon. Non-taxable commercial paper was issued during the fiscal year to finance various construction projects. All commercial paper outstanding at year end will mature within the next fiscal year or will be rolled into a long-term bond. Commercial paper has short maturities up to 270 days with interest rates ranging during the fiscal year from 0.09% to 1.40%.

The following changes occurred in short-term debt during the fiscal year:

	Balance 09/01/22	Increases	Decreases	Balance 08/31/23
Extendable Commercial Paper	$90,289,000.00	$736,291,000.00	$667,222,000.00	$159,358,000.00

NOTE 5: Summary of Long-Term Liabilities

During the current fiscal year, the following changes occurred in Proprietary Funds long-term liabilities:

	Balance 09/01/22	Additions	Reductions	Balance 08/31/23	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds	$961,965,000.00	$0.00	$67,580,000.00	$894,385,000.00	$68,650,000.00	$825,735,000.00
Unamortized Bond Premiums	104,568,797.63	0.00	6,619,561.91	97,949,235.72	6,223,335.55	91,725,900.17
Compensable Leave	29,919,039.91	5,689,610.05	4,234,072.89	31,374,577.07	15,722,593.62	15,651,983.45
Right to Use Lease Obligations	6,534,448.07	3,274,523.24	5,356,612.85	4,452,358.46	956,996.03	3,495,362.43
Right to Use Subscription Obligations	0.00	4,605,767.28	1,530,585.80	3,075,181.48	1,434,809.40	1,640,372.08
Net Pension Liability	110,461,783.00	148,670,852.00	18,883,635.00	240,249,000.00	0.00	240,249,000.00
Net OPEB Liability	711,229,486.00	94,347,177.00	235,571,055.00	570,005,608.00	21,776,284.00	548,229,324.00
Totals	**$1,924,678,554.61**	**$256,587,929.57**	**$339,775,523.45**	**$1,841,490,960.73**	**$114,764,018.60**	**$1,726,726,942.13**

During the current fiscal year, the following changes occurred in Discretely Presented Component Units long-term liabilities:

	Balance 09/01/22	Additions	Reductions	Balance 08/31/23	Amounts Due Within One Year	Amounts Due Thereafter
Annuities Payable	$204,105.14	$79,867.42	$0.00	$283,972.56	$30,346.34	$253,626.22

Revenue Bonds Payable

Scheduled principal and interest payments for revenue bonds issued and outstanding as of the fiscal year end are as follows:

Year(s)	Principal	Interest	Total Debt Service
2024	68,650,000.00	36,927,165.62	105,577,165.62
2025	71,325,000.00	33,971,880.80	105,296,880.80
2026	74,435,000.00	30,869,090.22	105,304,090.22
2027	73,600,000.00	27,599,915.26	101,199,915.26
2028	71,430,000.00	24,340,258.70	95,770,258.70
2029-2033	287,975,000.00	78,551,358.46	366,526,358.46
2034-2038	162,725,000.00	28,092,589.96	190,817,589.96
2039-2043	57,440,000.00	7,897,765.32	65,337,765.32
2044-2048	21,020,000.00	2,025,340.66	23,045,340.66
2049-2050	5,785,000.00	195,975.00	5,980,975.00
Total	**$ 894,385,000.00**	**$ 270,471,340.00**	**$ 1,164,856,340.00**

See Note 6, *Bonded Indebtedness*, for a further discussion of Revenue Bonds Payable.

Employees' Compensable Leave
Accrued compensable leave is TSUS's liability for unpaid overtime accrued by classified employees and unused vacation time for all employees. Any obligation to TSUS personnel is paid at the time an employee is dismissed, resigns, or separates from the university, provided the employee has had six months of continuous employment with the State of Texas in their lifetime. An expense and liability are recorded annually as the benefits accrue to employees. Accrued sick leave is only paid when an employee is off due to illness or to the estate of an employee in the event of his/her death. No liability is recorded for these non-vesting rights to sick pay benefits.

Claims and Judgments
See Note 15, *Contingencies and Commitments*, for more information.

Net Pension Liability
See Note 9, *Defined Benefit Pension Plans and Defined Contribution Plan*, for more information.

Net OPEB Liability
See Note 11, *Post Employment Health Care and Life Insurance Benefits* for more information.

Notes and Loans Payable
TSUS had no notes and loans payable for the fiscal year.

Right to Use Lease Obligations and Right to Use Subscription Obligations
See Note 8, *Leases and Subscription-Based Information Technology Arrangements* for more information on right to use obligations of TSUS.

NOTE 6: Bonded Indebtedness

The Board of Regents approved the order establishing the Master Resolution for the Texas State University System Revenue Financing System in August 1998. The Master Resolution provides a financing structure under which revenue supported indebtedness of the Revenue Financing System can be incurred. Each member institution and the System Administration of TSUS are members of the Revenue Financing System. The Board pledged all of the funds (revenues) and balances derived or attributable to any member of the Revenue Financing System that is lawfully available to the Board for payments on Parity Debt. Specifically exempted from pledged revenues are:

(a) Amounts received on behalf of any member under Article 7, Section 17 of the Constitution of the State of Texas, including the income there from and any balances relating thereto, and

(b) General Revenue Fund appropriations, except to the extent so specifically appropriated for debt service to the Board by the Legislature of the State of Texas.

Members may use the Revenue Financing System to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure. An institution's request for the use of the Revenue Financing System is evaluated for an adequate revenue stream and bonding capacity for the specific institution prior to Board approval of issuing additional parity debt.

Each member institution receives its portion of the bond proceeds and accounts for the earnings and disbursements of the bond proceeds. Assets created and/or acquired as a result of the Revenue Financing System bond proceeds expended and subsequently capitalized are reported on the member institutions' Financial Reports. The associated bond liability and debt service activities are reported in total by System Administration.

The following outstanding bonds have been issued utilizing the Revenue Financing System:

Bonds	Purpose	Revenue Source for Debt Service	Issue Date	Interest Rates	Amount Issued
Revenue and Refunding Bonds, Series 2013	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay any costs related to the issuance of the bonds.	RFS	02/12/2013	2.00% - 5.00%	$87,060,000
Revenue and Refunding Bonds, Series 2014	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay any costs related to the issuance of the bonds	RFS	07/02/2014	1.00% - 5.00%	$88,415,000
Revenue and Refunding Bonds, Series 2015A	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay any costs related to the issuance of the bonds.	RFS, GR (TRB)	03/18/2015	2.50% - 5.00%	$183,560,000
Revenue and Refunding Bonds, Series 2015B	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay any costs related to the issuance of the bonds.	RFS	03/18/2015	0.40% - 3.78%	$132,160,000
Revenue and Refunding Bonds, Series 2017A	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure; to refund a portion of outstanding obligations, and to pay certain costs related to the issuance of the bonds.	RFS, GR (TRB)	01/31/2017	4.00% - 5.00%	$425,545,000

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Bonds	Purpose	Revenue Source for Debt Service	Issue Date	Interest Rates	Amount Issued
Revenue Bonds, Series 2017B (Taxable)	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure and to pay certain costs related to the issuance of the bonds.	RFS	01/31/2017	0.89% - 3.91%	$30,980,000
Revenue and Refunding Bonds, Series 2019A	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads or related infrastructure for certain members of the Revenue Financing System, refund a portion of outstanding Commercial Paper Notes, refund a portion of outstanding obligations for debt service savings, and pay certain costs of issuing the bonds.	RFS, GR (TRB)	12/17/2019	3.00% - 5.00%	$176,055,000
Refunding Bonds, Series 2019B (Taxable)	To provide funds to refund a portion of outstanding obligations for debt service savings and pay certain costs of issuing the bonds.	RFS	11/21/2019	1.76% - 3.29%	$149,480,000
Revenue and Refunding Bonds, Series 2021A	To provide funds to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads or related infrastructure for certain members of the Revenue Financing System, refund a portion of outstanding Commercial Paper Notes, and pay certain costs of issuing the bonds.	RFS	02/02/2021	2.20% - 5.00%	$83,705,000
Refunding Bonds, Series 2021B (Taxable)	To provide funds to refund a portion of outstanding obligations for debt service savings and pay certain costs of issuing the bonds.	RFS	02/02/2021	0.35% - 2.77%	$32,200,000

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 sales of receivables and future revenues and the pledging of receivables or future revenues to repay a borrowing (a collateralized borrowing).

TSUS's pledged revenues consist of unrestricted gifts, investment income, and other nonoperating revenues. The following table provides the pledged revenue information for the System's revenue bonds:

Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	$ 1,164,856,340.00
Term of Commitment Year Ending 8/31	2050
Percentage of Pledged Revenue	100%
Current Year Pledged Revenue	$ 840,566,100.32
Current Year Principal and Interest Paid	$ 107,448,404.12

NOTE 7: Derivative Instruments

TSUS had no activity to report related to derivative instruments for the fiscal year.

NOTE 8: Leases and Subscription-Based Information Technology Arrangements

Governmental Accounting Standards Board Statement No. 87, *Leases* generally eliminates the recognition of operating leases, requiring that under most circumstances, leases finance an intangible right to use asset. Under GASB 87, lessees record the intangible right to use asset and a lease liability. The intangible right to use asset is amortized over its life and the lease liability is reduced by payments of principal and interest. Lessors recognize a lease receivable and deferred inflow of resources. Receipts from the lessees are recorded as a reduction of the receivable and interest revenue, while the deferred inflow of resources in amortized over the life of the lease. The underlying asset is also depreciated over its useful life.

The State of Texas has established a materiality threshold for lease payments at a net present value of $100,000 per unit leased.

TSUS has entered into various leases for buildings and land. The value of TSUS's right to use assets and their related accumulated amortization may be found in Note 2, Capital Assets.

Current year principal and interest payments related to the lease liability were $2,320,181.06 and $54,948.39 respectively for the year. Future minimum lease payments at fiscal year-end are:

Years	Principal	Interest	Total Payments
2024	$ 956,996.03	$ 51,824.15	$ 1,008,820.18
2025	859,927.37	40,529.78	900,457.15
2026	724,261.31	30,523.86	754,785.17
2027	471,670.16	22,677.92	494,348.08
2028	349,534.56	17,795.17	367,329.73
2029-2032	1,089,969.03	26,463.97	1,116,433.00
Total	**$ 4,452,358.46**	**$ 189,814.85**	**$ 4,642,173.31**

Current year principal and interest receipts related to the lease receivable were $140,093.09 and $18,078.99 respectively for the year. Future minimum lease receipts at fiscal year-end are:

Years	Principal	Interest	Total Payments
2024	$ 207,574.49	$ 59,959.47	$ 267,533.96
2025	164,446.10	53,709.06	218,155.16
2026	169,625.57	48,878.42	218,503.99
2027	157,883.54	44,052.39	201,935.93
2028	132,397.34	40,723.16	173,120.50
2029-2033	664,766.70	161,699.71	826,466.41
2034-2038	725,221.69	94,258.31	819,480.00
2039-2042	592,212.53	22,397.47	614,610.00
Total	**$ 2,814,127.96**	**$ 525,677.99**	**$ 3,339,805.95**

Current year amortization related to the deferred inflow of resources was $212,806.57. Future amortization at year end is:

Years	Annual Amortization	Balance
2024	$ 288,012.92	$ 2,510,297.68
2025	202,621.92	2,307,675.76
2026	202,621.92	2,105,053.84
2027	184,331.31	1,920,722.53
2028	147,749.76	1,772,972.77
2029-2033	659,973.77	1,112,999.00
2034-2038	635,999.40	476,999.60
2039-2042	476,999.60	-
Total	$ 2,798,310.60	

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Agreements (SBITAs)* defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under GASB 96, governments record an intangible right to use asset and a corresponding subscription liability. The intangible right to use asset is amortized over its life and the subscription liability is reduced by payments of principal and interest.

The State of Texas has established a materiality threshold for SBITAs at $100,000. The State of Texas has determined that all GASB 96 agreements should be treated as starting September 1, 2022.

Current year principal and interest payments related to the subscription liability were $1,530,585.80 and $73,236.96 respectively for the year. Future minimum lease payments at fiscal year-end are:

Years	Principal	Interest	Total Payments
2024	$ 1,434,809.40	$ 60,740.17	$ 1,495,549.57
2025	823,529.56	36,147.18	859,676.74
2026	147,872.19	30,297.27	178,169.46
2027	153,897.37	24,145.23	178,042.60
2028	160,109.48	17,807.47	177,916.95
2029-2030	354,963.48	14,660.23	369,623.71
Total	**$ 3,075,181.48**	**$ 183,797.55**	**$ 3,258,979.03**

NOTE 9: Defined Benefit Pension Plan and Defined Contribution Plan

Teacher Retirement System of Texas (TRS) Plan
TSUS participates in a cost-sharing, multi-employer, defined benefit pension plan with a special funding situation, administered by TRS. The employers of the TRS plan include the state of Texas, TRS, the state's public schools, education service centers, charter schools, and community and junior colleges. All employees of public, state-supported 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 system. Employees of TRS and state of Texas colleges, universities and medical schools are members of the TRS plan.
The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by state law and may be amended by the Legislature. The pension benefit formulas are based on members' average annual compensation and years of service credit. The standard annuity is 2.3 percent of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered members who were hired on or before August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic cost of living adjustments (COLAs).

Audited Annual Comprehensive Financial Report (ACFR) for Teacher Retirement System may be obtained from their website at *www.trs.texas.gov* and searching for financial reports.

During the measurement period of 2022 for fiscal 2023 reporting, the amount of TSUS's contributions recognized by the plan was $18,883,636. The contribution rates are based on a percentage of the monthly gross compensation for each member. The contribution requirements for the employer and the members in the measurement period are 7.75% and 8.00% respectively.

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, 2022 measurement date.

Actuarial Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Asset Valuation Method	Fair Market
Actuarial Assumptions:	
Discount Rate	7.00%
Long-term Expected Rate of Return	7.00%
Municipal Bond Rate as of August 2020	3.91% *
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 generation projection using Scale U-MP.
Ad Hoc Post-Employment Benefit Changes	None

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

The actuarial valuation was performed as of Aug. 31, 2021. Update procedures were used to roll forward the total pension liability to Aug. 31, 2022. The actuarial assumptions used in the determination of the total pension liability were primarily based on the result of an actuarial experience study for the four-year period ending Aug. 31, 2021 and adopted in July 2022. The primary assumption change was the lowering of the single discount rate from 7.25% to 7%.

There have been no changes to the benefit provisions of the plan since the prior measurement date.

The discount rate of 7% was applied to measure the total pension liability. The discount rate was based on the expected rate of return on pension plan investments of 7%. The projected cash flows into and out of the pension plan assumed that active members, employers, and non-employer contributing entity make their contributions at the statutorily required rates. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% 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 pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The target allocation and best estimates of geometric real rates of return for each major asset class for the plan's investment portfolio are presented below:

Asset Class*	Target Allocation**	Long-Term Expected Geometric Real Rate of Return***
Global Equity		
U.S.	18.00%	4.60%
Non-U.S. Developed	13.00%	4.90%
Emerging Markets	9.00%	5.40%
Private Equity	14.00%	7.70%
Stable Value		
U.S. Treasury	16.00%	1.00%
Absolute Return		3.70%
Stable Value Hedge Funds	5.00%	3.40%
Real Return		
Real Assets	15.00%	4.10%
Energy, Natural Resources and Infrastructure	6.00%	5.10%
Commodities		3.60%
Risk Parity		
Risk Parity	8.00%	4.60%
Asset Allocation Leverage Cash	2.00%	3.00%
Asset Allocation Leverage	(6.00)%	3.60%
Total	100.00%	

* Absolute return include credit sensitive investments.
** Target allocations are based on fiscal year 2022 policy model.
*** Capital Market assumptions come from Aon Hewitt (as of 08/31/2022)

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

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

1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
$ 373,736,352	$ 240,249,000	$132,051,236

The pension plan's fiduciary net position is determined using economic resources measurement focus and 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 2022 ACFR.

At August 31, 2023, TSUS reported a liability of $240,249,000 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. TSUS's proportion at August 31, 2023 was 0.4047% percent which was a decrease from the 0.4338% percent measured at the prior measurement date. TSUS's proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the period September 1, 2021 through August 31, 2022.

For the year ending August 31, 2023, TSUS recognized pension expense of $2,981,472. At August 31, 2023, TSUS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 3,483,591	$ 5,237,883
Changes of assumptions	44,766,207	11,156,989
Net difference between projected and actual investment return	23,735,833	-
Change in proportion and contribution difference	24,622,327	51,841,790
Contributions subsequent to the measurement date	23,110,564	-
Total	**$119,718,522**	**$68,236,581**

The $23,110,564 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 year ending August 31, 2024.

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

Year ended August 31,	Expense
2024	$ 12,362,428
2025	252,936
2026	(8,733,868)
2027	22,602,109
2028	1,887,772
Thereafter	-
Total	**$ 28,371,377**

Optional Retirement Program (ORP)

The State has also established the Optional Retirement Program (ORP) for institutions of higher education, which is available to certain eligible employees in lieu of participation in the TRS Plan. Employees eligible for participation in ORP are defined in Texas Administrative Code § 25.4.

ORP provides for the purchase of annuity contracts and mutual funds. Participants are vested in the employer contributions after one year and one day of service. Depending upon the source of funding for the employee's compensation, TSUS may be required to make the employer contributions in lieu of the State.

Employee and employer contribution rates are established by the State Legislature. Current year contributions were made by participants at a rate of 6.65 percent of annual compensation. The State provides an option for a local supplement on top of the state base rate. Each member institution of TSUS may elect to adopt and fund this local supplement at their discretion. Employer contributions are therefore comprised of the state base rate of 6.60 percent plus up to a 1.90 percent local supplement as elected by each member.

Contributions made by participants and TSUS for the fiscal year were as follows:

Participant contributions	$11,404,925
Employer contributions	$11,333,347
Total	**$22,738,272**

Since contributions are invested in individual annuity contracts, neither the State nor TSUS have any additional or unfunded liability for this program.

NOTE 10: Deferred Compensation

The state of Texas offers a deferred compensation plan to all state employees. This plan is in accordance with Internal Revenue Code Section 457 and permits employees to defer a portion of their salary until future years. The deferred compensation funds are not available to employees until distribution due to termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are held in trust by the Employees Retirement System (ERS) Board of Trustees for the exclusive benefit of participants and their beneficiaries and may not be used for, or diverted to, any other expense, except to defray the reasonable expenses of administering the plan.

The Board of Trustees is not liable to participating employees for the diminution in value or loss of all or part of the participating employees' deferred amounts or investment income because of market conditions or the failure, insolvency or bankruptcy of a qualified vendor.

The state also administers the Texa$aver 401(k) plan. The assets of this plan do not belong to the state and the state has no liability related to this plan.

As the administrating agency, the Employees Retirement System reports the plans, balances, and liabilities.

NOTE 11: Post Employment Health Care and Life Insurance Benefits

ERS plan
Employees Retirement System is the administrator of the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer defined benefit OPEB plan with a special funding situation.

The 61 employers of SRHP include state of Texas agencies and universities, community and junior colleges, and other entities specified by the Legislature. Benefits are provided to retirees through the Texas Employees Group Benefits Program as authorized by Texas Insurance Code, Chapter 1551.

The SRHP provides postemployment health care, life and dental insurance benefits to retirees. The benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Legislature. Retirees must meet certain age and service requirements and have at least 10 years of service at retirement to participate in the plan. Surviving spouses and dependents of retirees are also covered by the plan. The plan does not provide automatic cost of living adjustments.

ERS issues a stand-alone audited Annual Comprehensive Financial Report (ACFR). The ERS ACFR may be obtained from their website at *www.ers.texas.gov* by searching for reports and studies.

During the measurement period of 2022 for fiscal 2023 reporting, the amount of TSUS's contributions recognized by the plan was $58,999,100. TSUS does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. The contribution requirements for the state and the members in the measurement period are presented in the table below:

Employer Contribution Rates Retiree Health and Basic Life Premium	
Retiree Only	$ 624.82
Retiree & Spouse	$1,339.90
Retiree & Children	$1,103.58
Retiree & Family	$1,818.66

The total OPEB liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total OPEB liability as of the August 31, 2022 measurement date.

Actuarial Methods and Assumptions	SRHP
Actuarial Valuation Date	August 31, 2022
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount Rate	3.59% *
Inflation	2.30%
Salary Increase	2.30% to 8.95%, including inflation
HealthSelect	5.60% for FY 2024, 5.30% for FY 2025, 5.00% for FY 2026, 4.75% for FY 2027, 4.60% for FY 2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2031 and later years
HealthSelect Medicare Advantage	66.67% for FY 2024, 24.00% for FY 2025, 5.00% for FY 2026, 4.75% for FY 2027, 4.60% for FY 2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2031 and later years
Pharmacy	10.00% for FY 2024 and FY 2025, decreasing 100 basis points per year to 5.00% for FY 2030, and 4.30% for FY 2031 and later years

Aggregate Payroll Growth	2.70%
Retirement Age	Experience-based tables of rates that are specific to the class of the employee
Mortality	
State Agency Members	
Service Retirees, Survivors and Other Inactive Members	2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020
Disabled Retirees	2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively
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 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 many actuarial assumptions used in the valuation were primarily based on the result of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2014 to August 31, 2019 for state agency members and for the period September 1, 2010 to August 31, 2017 for higher education members. The mortality rates were based on the tables identified in the table above titled *Actuarial Methods and Assumptions*.

The following assumptions have been changed since the previous Other Postemployment Benefits valuation:

a. The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence;

b. Proportion of future retirees assumed to cover dependent children;

c. The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement;

d. Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short term expectations. The patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent information; and

e. The discount rate was changed from 2.14% as of August 31, 2021 to 3.59% as of August 31, 2022 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

The discount rate that was used to measure the total OPEB liability is the municipal bond rate of 3.59% as of the end of the measurement year; as of the beginning of the measurement year, the discount rate was 2.14%. 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 expected rate of return on these investments is currently 4.1%. The investment rate of return used to calculate the projected earnings on OPEB plan investments was 2.14%.

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

Sensitivity of TSUS's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate ($ thousands)

1% Decrease (2.59%)	Current Discount Rate (3.59%)	1% Increase (4.59%)
$664,799	$570,006	$494,194

Sensitivity analysis was performed on the impact of changes in the healthcare cost trend rates on the proportionate share of TSUS's net OPEB liability. The result of the analysis is presented in the table below:

Sensitivity of TSUS's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate ($ thousands)

1% Decrease HS/HSMA/Pharmacy: 4.60/65.67/9.00 % decreasing to 3.30%	Current Healthcare Cost Trend Rates HS/HSMA/Pharmacy: 5.60/66.67/10.00 % decreasing to 4.30%	1% Increase HS/HSMA/Pharmacy: 6.60/67.67/11.00 % decreasing to 5.30%
$488,131	$570,006	$674,537

The OPEB plan's fiduciary net position is determined using economic resources measurement focus and accrual basis of accounting, which is the same basis used by ERS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments of the Other Employee Benefit Trust Fund are reported at fair value in accordance with GASB Statement No. 72. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings. More detailed information on the plan's investment valuation, investment policy, assets, and fiduciary net position may be obtained from ERS' fiscal 2022 ACFR.

At August 31, 2023, TSUS reported a liability of $570,005,608 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of August 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. TSUS's proportion at August 31, 2022 was 2.0009 percent. TSUS's proportion of the collective net OPEB liability was based on its contributions to the OPEB plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the period September 1, 2021 through August 31, 2022.

For the year ended August 31, 2023, TSUS recognized OPEB expense of $91,528,879. At August 31, 2023, TSUS reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-	$ 17,984,363
Changes of assumptions	$ 33,490,102	176,194,128
Net difference between projected and actual investment return	98,316	-
Effect of change in proportion and contribution difference	75,467,842	32,202,518
Contributions subsequent to the measurement date	4,059,584	-
Total	$113,115,844	$226,381,009

The $4,059,584 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability for the year ending August 31, 2024.

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense in the following years:

Year ended August 31:	
2024	$ 17,537,255
2025	(45,271,468)
2026	(39,111,401)
2027	(32,684,329)
2028	(17,794,804)
Thereafter	$ -

NOTE 12: Interfund Activity and Transactions

TSUS 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.

NOTE 13: Continuance Subject to Review

TSUS is not subject to the Texas Sunset Act.

NOTE 14: Adjustments to Fund Balances and Net Position

The restatement of beginning net position on the Statement of Revenues, Expenses and Changes in Net Position is as follows:

Net Position, September 1, 2022 as Previously Reported		$1,433,253,044.62
Adjustments related to capital and right to use asset balances	$634,111.12	
Adjustments related to right to use liabilities and interest payments	(13,202.37)	
Total Restatement		620,908.75
Net Position, September 1, 2022 as Restated		$1,433,873,953.37

NOTE 15: Contingencies and Commitments

At fiscal year end, various lawsuits and claims involving TSUS were pending. While the ultimate liability with respect to litigation and other claims asserted cannot be reasonably estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is unlikely to have a material effect on TSUS. Under Texas law, TSUS, as an agency of the State of Texas, enjoys immunity from most causes of action. Most claims are dismissed prior to trial.

TSUS has made capital commitments with investment managers for funding of private investments in limited partnerships with external investment managers or general partners who invest primarily in private equity transactions. As of August 31, 2023, the remaining commitment to these private investments totaled $39,712,138.

NOTE 16: Subsequent Events

On October 3, 2023, the TSUS Revenue Financing System (RFS) rolled the outstanding balance of Tax-Exempt Commercial Paper Notes totaling $159,358,000.00 and issued an additional $10,500,000.00 in Tax-Exempt Commercial Paper Notes to finance capital projects at TSUS member institutions. Subsequent to the issuance, $169,858,000.00 of Tax-Exempt Commercial Paper Notes were outstanding.

On November 6, 2023, the TSUS Revenue Financing System (RFS) redeemed $41,891,000.00 of Tax-Exempt Commercial Paper Notes. Subsequent to the issuance, $127,967,000.00 of Tax-Exempt Commercial Paper Notes remained outstanding.

NOTE 17: Risk Management

TSUS may be subject to a variety of civil claims or complaints arising from the performance of its duties; however, no claims or complaints are currently pending against TSUS for actions arising from performance of its duties. It is TSUS's policy periodically to assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. Currently purchase of commercial insurance is not planned, nor is TSUS involved in any risk pool with other government entities for these risks.

Changes in the claims liabilities during the current and prior fiscal years were:

Fiscal Year	Beginning Balance	Additions	Reductions	Ending Balance
2023	$0.00	$1,132,693.29	$1,132,693.29	$0.00
2022	$0.00	$213,423.10	$213,423.10	$0.00

NOTE 18: Management's Discussion and Analysis (MD&A)

Although MD&A is a required part of the basic financial statements, MD&A is omitted because TSUS is reported as a component of the State of Texas in the Annual Comprehensive Financial Report (ACFR) for the State of Texas. MD&A, as it relates to TSUS, can be found in the State of Texas ACFR.

NOTE 19: The Financial Reporting Entity

The combined Texas State University System has the following component units and related parties.

Component Units

Governmental Accounting Standards Board guidance establishes criteria for determining when certain organizations are reported as component units (CUs) based on the nature and significance of their relationship to TSUS. CUs are presented as either blended CUs or discretely presented CUs. The financial transactions of blended CUs are blended with the financial transactions and records of the TSUS in the financial statements. The financial transactions of discretely presented CUs are included as separately presented financial statements after the TSUS combined report and Fiduciary Financial Statements.

Texas State University has the following blended component units:

The **Texas State University Research Foundation** (Research Foundation) was formed as an independent 501(c)(3) organization on July 22, 2010. The Research Foundation was formed to support Texas State University's (Texas State) mission and objectives of promoting higher education, conducting research, providing public service, and assisting in economic development in Texas. The Research Foundation is exclusively associated with the university and its fiscal year end concludes on the final day of February.

The Research Foundation is included in the financial statements as a blended component unit in accordance with GASB Statement 14 as amended by GASB Statement 39. Texas State's key business officers comprise the entirety of the Research Foundation's officers and directors, thereby enabling Texas State to impose its will on the Research Foundation.

Separate financial statements may be obtained by contacting Texas State University, Director of Accounting, General Accounting Office, 601 University Drive, JCK 589, San Marcos, TX 78666-4684.

The **Harold M. Freeman Education Foundation** (Freeman Foundation) is a legally separate entity formed through a trust to make the use of Freeman Ranch available exclusively to Texas State University (Texas State). The Freeman Center is used and operated solely for farm, ranch and game management, education, and research purposes in connection with the educational activities of Texas State. There is no formal governing board for the Freeman Foundation. Texas State acts as an active co-trustee to operate the Center. Frost Bank operates as an inactive trustee to ensure the provisions of the trust are followed. Based on the Freeman Foundation's close relation to Texas State, it is included as a blended component unit. Separate financial statements are not issued by the Freeman Foundation. Information about the Freeman Foundation may obtained by contacting Texas State University, Director of Accounting, General Accounting Office, 601 University Drive, JCK 589, San Marcos, TX 78666-4684.

Texas State University has the following discretely presented component units:

The **Texas State University Development Foundation (Development Foundation)** is a 501(c)(3) formed in 1977 to support the educational, scientific, and research mission of Texas State University. The Development Foundation raises and manages endowment funds designated for scholarships and other support for the university. The forty-seven-member Board of Trustees is comprised of a cross-section of alumni and notable leaders who assist in the development and support of Texas State University. The fiscal year end is June 30 and audited financial statements can be obtained at the following URL: *https://www.ua.txstate.edu/about/development-foundation/Financials/Accountability.html*.

The **Emmett and Miriam McCoy College of Business Development Foundation (McCoy Foundation)** is a 501(c)(3), founded in 2004, dedicated exclusively to the support of the McCoy College of Business Administration at Texas State University. The McCoy Foundation's ten-member Board of Directors manages its investments and determines McCoy's annual funding to support chairs, professorships, undergraduate scholarships, and graduate fellowships, as well as the development of faculty, programs, and students. Board composition includes the University President, Dean of the McCoy College and two employees of the College of Business Administration. The fiscal year end is August 31 and audited financial statements may be obtained at the following URL: *https://www.mccoycollegefoundation.org/*.

Related Organization

The following foundation, while not a component unit, is disclosed due to its significant relationship with the System.

The Texas State University System Foundation, Inc. was established in 1977 by the Board of Regents to assist the System in gaining private financial support, and to help member institutions pursue additional education-related activities and outreach. It is a nonprofit corporation that exists solely for the benefit of the Texas State University System. It has an independent board of directors that governs Foundation activities and manages Foundation funds. For the fiscal year ended August 31, 2023, the Foundation had net assets of $6,648,612. The Foundation provided $120,170 in scholarships and faculty/staff awards, as well as assistance to constituent schools, the Chancellor and Board of Regents.

NOTE 20: Stewardship, Compliance and Accountability

TSUS is not aware of any non-compliance items or material violations of finance related legal and contract provisions.

NOTE 21: Not Applicable

NOTE 22: Donor Restricted Endowments

Net appreciation related to true and term endowments classified as restricted, expendable on the Statement of Net Position were as follows:

Donor Restricted Endowment	Net Appreciation
True Endowments – Expendable	$ 84,411,177.84
Term Endowments – Expendable	3,696,077.49
Total	$ 88,107,255.33

The amount reported as net appreciation represents net appreciation on investments of donor restricted endowments that are available for authorization for expenditure. Pursuant to the Uniform Prudent Management of Institutional Funds Act (Property Code Chapter 163.001), net appreciation, realized and unrealized, in the fair market value of the endowment assets in excess of historical dollar value of the gifts may be distributed to the extent prudent.

Each member institution determines a prudent amount to distribute that aligns spending needs, investment objectives, and protecting the value of the endowment corpus. Generally, the targeted distribution rate ranges from 3% to 5%.

The net appreciation included a fair value adjustment of $15,553,982.74 for the current fiscal year. Changes from prior year balances for expendable and non-expendable balance of true endowments for the current fiscal year were:

Net Position Category	Increase/(Decrease)	Reason for Change
True Endowments		
Restricted, expendable	$ (32,067,550.67)	Earnings, fair value changes, fees, and distributions
Restricted, non-expendable	$ 5,428,547.40	Additions to corpus
Term Endowments		
Restricted, expendable	$ (2,542,558.37)	Earnings, fair value changes, fees, and distributions
Restricted, non-expendable	$ 1,595,558.18	Additions to corpus

NOTE 23: Extraordinary and Special Items

For the current year, TSUS had no extraordinary items or special items.

NOTE 24: Disaggregation of Receivable and Payable Balances

Net Other Receivables reported on the Statement of Net Position at year end are comprised of:

Description	Amount
Current Assets:	
Receivables:	
Accounts – Other Revenue	$ 8,091,887.60
Other:	10,384,621.31
Total	$18,476,508.91
Composition:	
Receivables related to grants and sponsored programs	$ 5,800,065.05
Receivables related to insurance settlements	784,012.20
Receivables and advances due from employees	164,194.65
Receivables from affiliated organizations	7,132,459.91
Receivables related to sales and services	1,656,141.90
Receivables related to agreements with vendors	1,760,508.68
Receivables related to various activities	1,179,126.52
Total Other	$18,476,508.91

NOTE 25: Termination Benefits

TSUS provided no termination benefits during the current fiscal year.

NOTE 26: Segment Information

TSUS has no segments to report for the current fiscal year.

NOTE 27: Public-Private and Public-Public Partnerships

TSUS (the transferor) entered into a public-private partnership (PPP) arrangement in March 2016 with ITEX Development, LLC (ITEX) and Seahawk Landing, LLC (Seahawk) (the operator), in which ITEX agreed to design and build apartments (Seahawk Landing) and then operate the apartments for 30 years. The term of 30 years can be extended for two (2) successive five (5) year periods with 180 days prior notice to the expiration of the initial 30-year agreement. During the term of the arrangement, Seahawk is entitled to collect and retain rent generated by the apartment. TSUS does not receive any revenue from the arrangement. As part of the agreement, TSUS entered into a ground lease for the term of the arrangement to allow the use of TSUS's land by ITEX. The arrangement does not meet all the criteria to qualify as a service concession arrangement (SCA). The estimated historical cost of the apartments at August 31, 2023 is $1,398,670. In accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* implemented during fiscal year August 31, 2023, the balance is presented as an intangible asset. The balance will remain unchanged as the apartments must remain in their original condition throughout the PPP arrangement. ITEX and Seahawk are not components of TSUS.

Arrangement Name	Construction State	Term of Concession	Begin	End
Seahawk Landing	Complete	30 years	2016	2046

NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources

System Administration recorded deferred outflows and deferred inflows of resources related to unamortized losses and gains from bond refunding transactions, as well as deferred outflows and deferred inflows related to pension obligations. The deferred outflows and deferred inflows of resources at year end were:

Deferred Outflows	
Unamortized Losses on Refunding of Debt	$ 2,456,260.11
Related to Pension Obligations	119,718,522.00
Related to OPEB Obligations	113,115,844.00
Total Deferred Outflows	$ 235,290,626.11
Deferred Inflows	
Service Concession Arrangements	$ 1,339,152.13
Unamortized Gains on Refunding of Debt	4,185,464.57
Related to Leases	2,798,310.60
Related to Pension Obligations	68,236,581.00
Related to OPEB Obligations	226,381,009.00
Total Deferred Inflows	$ 302,940,517.30

See Note 1, *Summary of Significant Accounting Policies*, Note 6, *Bonded Indebtedness*, Note 8, *Leases*, Note 9, *Defined Benefit Pension Plan and Defined Contribution Plan*, and Note 11, *Post Employment Health Care and Life Insurance Benefits* for additional details.

NOTE 29: Troubled Debt Restructuring

TSUS had no troubled debt restructuring to report for the current fiscal year.

NOTE 30: Non-Exchange Financial Guarantees

TSUS had no non-exchange financial guarantees to report for the current fiscal year.

NOTE 31: Tax Abatements

TSUS had no tax abatements to report for the current fiscal year.

NOTE 32: Fund Balances

TSUS had no governmental funds for the current fiscal year.

Combined Supplemental Information

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The Texas State University System
Schedule 2A
Miscellaneous Bond Information
For the Year Ended August 31, 2023

Description	Bonds Issued to Date	Range of Interest Rates	Scheduled Maturities First Year	Scheduled Maturities Last Year	First Call Date
Revenue Financing System Bonds					
The Texas State University System					
Series 2013	87,060,000	2.00% - 5.00%	2013	2042	03/15/2023
Series 2014	88,415,000	1.00% - 5.00%	2015	2034	03/15/2024
Series 2015A	183,560,000	2.50% - 5.00%	2016	2045	03/15/2025
Series 2015B	132,160,000	0.40% - 3.78%	2016	2045	03/15/2025
Series 2017A	425,545,000	4.00% - 5.00%	2017	2036	03/15/2027
Series 2017B	30,980,000	0.89% - 3.91%	2017	2036	03/15/2027
Series 2019A	176,055,000	3.00% - 5.00%	2020	2039	03/15/2029
Series 2019B	149,480,000	1.76% - 3.29%	2020	2040	03/15/2029
Series 2021A	83,705,000	2.20% - 5.00%	2022	2050	03/15/2031
Series 2021B	32,200,000	0.35% - 2.77%	2021	2042	03/15/2031
TOTAL	$ 1,389,160,000				

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The Texas State University System
Schedule 2B
Changes in Bonded Indebtedness
For the Year Ended August 31, 2023

Description	Bonds Outstanding Sep 1, 2022	Bonds Issued	Bonds Matured
Revenue Financing System Bonds			
The Texas State University System			
Series 2013			
Par Value	3,360,000.00	-	3,360,000.00
Premium	396,226.36	-	396,226.36
Series 2014			
Par Value	35,940,000.00	-	2,700,000.00
Premium	3,096,879.35	-	258,073.28
Series 2015A			
Par Value	134,240,000.00	-	14,490,000.00
Premium	21,118,703.55	-	918,204.50
Series 2015B	90,815,000.00	-	7,030,000.00
Series 2017A			
Par Value	283,290,000.00	-	21,905,000.00
Premium	46,444,510.29	-	3,317,465.02
Series 2017B	23,900,000.00	-	1,115,000.00
Series 2019A			
Par Value	141,970,000.00	-	6,370,000.00
Premium	23,052,183.77	-	1,356,010.81
Series 2019B	135,215,000.00	-	8,035,000.00
Series 2021A			
Par Value	82,080,000.00	-	2,055,000.00
Premium	10,460,294.31	-	373,581.94
Series 2021B	31,155,000.00	-	520,000.00
Total	$ 1,066,533,797.63	$ -	$ 74,199,561.91

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The Texas State University System
Schedule 2B
Changes in Bonded Indebtedness
For the Year Ended August 31, 2023

Bonds Refunded or Extinguished	Bonds Outstanding Aug 31, 2023	Amounts Due Within One Year
-	-	-
-	-	-
-	33,240,000.00	2,835,000.00
-	2,838,806.07	258,073.28
-	119,750,000.00	15,200,000.00
-	20,200,499.05	918,204.50
-	83,785,000.00	7,230,000.00
-	261,385,000.00	22,995,000.00
-	43,127,045.27	3,317,465.02
-	22,785,000.00	1,180,000.00
-	135,600,000.00	6,690,000.00
-	21,696,172.96	1,356,010.81
-	127,180,000.00	9,845,000.00
-	80,025,000.00	2,155,000.00
-	10,086,712.37	373,581.94
-	30,635,000.00	520,000.00
$ -	$ 992,334,235.72	$ 74,873,335.55

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The Texas State University System
Schedule 2C
Debt Service Requirements
For the Year Ended August 31, 2023

Description	Year	Principal	Interest
Revenue Financing System Bonds			
The Texas State University System			
Series 2014	2024	$ 2,835,000.00	$ 1,615,275.00
	2025	2,975,000.00	1,473,525.00
	2026	3,115,000.00	1,324,775.00
	2027	2,565,000.00	1,169,025.00
	2028	2,690,000.00	1,040,775.00
	2029-2033	15,510,000.00	3,141,825.00
	2034	3,550,000.00	177,500.00
		$ 33,240,000.00	$ 9,942,700.00
Series 2015A	2024	$ 15,200,000.00	$ 5,510,612.52
	2025	15,980,000.00	4,750,612.52
	2026	16,760,000.00	3,951,612.52
	2027	14,880,000.00	3,113,612.52
	2028	10,195,000.00	2,369,612.52
	2029-2033	12,745,000.00	8,639,462.60
	2034-2038	13,215,000.00	5,729,312.52
	2039-2043	14,245,000.00	3,060,000.00
	2044-2045	6,530,000.00	394,400.00
		$ 119,750,000.00	$ 37,519,237.72
Series 2015B	2024	$ 7,230,000.00	$ 3,059,803.78
	2025	7,450,000.00	2,844,277.48
	2026	7,675,000.00	2,613,253.00
	2027	7,915,000.00	2,365,273.70
	2028	8,170,000.00	2,097,667.60
	2029-2033	34,725,000.00	5,867,628.16
	2034-2038	7,160,000.00	1,272,722.52
	2039-2043	2,365,000.00	545,875.78
	2044-2045	1,095,000.00	70,718.16
		$ 83,785,000.00	$ 20,737,220.18

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The Texas State University System
Schedule 2C
Debt Service Requirements
For the Year Ended August 31, 2023

Description	Year	Principal	Interest
Series 2017A	2024	$ 22,995,000.00	$ 13,069,250.00
	2025	23,795,000.00	11,919,500.00
	2026	24,985,000.00	10,729,750.00
	2027	26,240,000.00	9,480,500.00
	2028	27,545,000.00	8,168,500.00
	2029-2033	109,915,000.00	20,899,500.00
	2034-2036	25,910,000.00	2,633,000.00
		$ 261,385,000.00	$ 76,900,000.00
Series 2017B	2024	$ 1,180,000.00	$ 846,375.62
	2025	1,260,000.00	811,624.62
	2026	1,340,000.00	772,854.42
	2027	1,425,000.00	730,148.62
	2028	1,515,000.00	683,451.36
	2029-2033	9,115,000.00	2,521,764.00
	2034-2038	6,950,000.00	575,788.50
		$ 22,785,000.00	$ 6,942,007.14
Series 2019A	2024	$ 6,690,000.00	$ 6,014,150.00
	2025	7,015,000.00	5,679,650.00
	2026	7,375,000.00	5,328,900.00
	2027	7,745,000.00	4,960,150.00
	2028	8,125,000.00	4,572,900.00
	2029-2033	45,410,000.00	16,502,000.00
	2034-2038	45,235,000.00	5,590,500.00
	2039	8,005,000.00	240,150.00
		$ 135,600,000.00	$ 48,888,400.00
Series 2019B	2024	$ 9,845,000.00	$ 3,465,265.48
	2025	10,060,000.00	3,258,225.16
	2026	10,280,000.00	3,031,774.52
	2027	9,790,000.00	2,790,091.66
	2028	10,025,000.00	2,548,474.46
	2029-2033	42,510,000.00	8,894,583.40
	2034-2038	28,900,000.00	3,797,229.62
	2039-2040	5,770,000.00	280,387.26
		$ 127,180,000.00	$ 28,066,031.56

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The Texas State University System
Schedule 2C
Debt Service Requirements
For the Year Ended August 31, 2023

Description	Year	Principal	Interest
Series 2021A	2024	$ 2,155,000.00	$ 2,637,920.00
	2025	2,265,000.00	2,530,170.00
	2026	2,375,000.00	2,416,920.00
	2027	2,500,000.00	2,298,170.00
	2028	2,620,000.00	2,173,170.00
	2029-2033	15,170,000.00	8,796,700.00
	2034-2038	18,290,000.00	5,678,400.00
	2039-2043	15,470,000.00	3,089,330.00
	2044-2048	13,395,000.00	1,560,222.50
	2049-2050	5,785,000.00	195,975.00
		$ 80,025,000.00	$ 31,376,977.50
Series 2021B	2024	$ 520,000.00	$ 708,513.22
	2025	525,000.00	704,296.02
	2026	530,000.00	699,250.76
	2027	540,000.00	692,943.76
	2028	545,000.00	685,707.76
	2029-2033	2,875,000.00	3,287,895.30
	2034-2038	13,515,000.00	2,638,136.80
	2039-2042	11,585,000.00	682,022.28
		$ 30,635,000.00	$ 10,098,765.90

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The Texas State University System
Schedule 2D
Analysis of Funds Available for Debt Service
For the Year Ended August 31, 2023

	Pledged and Other Sources and Related Expenditures for the Year			
	Net Available for Debt Service			
	Total Pledged and Other Sources	Operating Expenses Expenditures and Capital Outlay	Debt Service	
Description of Issues			**Principal**	**Interest**
Revenue Financing System Bonds				
The Texas State University System				
Series 2013			3,360,000.00	168,000.00
Series 2014			2,700,000.00	1,750,275.00
Series 2015A			14,490,000.00	6,235,112.52
Series 2015B			7,030,000.00	3,258,823.06
Series 2017A			21,905,000.00	14,164,500.00
Series 2017B			1,115,000.00	877,205.36
Series 2019A			6,370,000.00	6,332,650.00
Series 2019B			8,035,000.00	3,629,420.56
Series 2021A			2,055,000.00	2,740,670.00
Series 2021B			520,000.00	711,747.62
Total	$ 840,566,100.22	$ 655,490,402.98	$ 67,580,000.00	$ 39,868,404.12

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The Texas State University System
Schedule 2E
Defeased Bonds Outstanding
For the Year Ended August 31, 2023

Description of Issues	Year Refunded	Par Value Outstanding
Revenue Financing System Revenue Bonds		
The Texas State University System		
Series 2014	2021	30,105,000.00
Total Defeased Bonds		$ 30,105,000.00

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The Texas State University System
Schedule 2F
Early Extinguishment and Refunding
For the Year Ended August 31, 2023

Description of	Category	Amount Extinguished or Refunded	Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
Revenue Financing System Revenue Bonds					
The Texas State University System					

No bonds were refunded in the fiscal year ended August 31, 2023.

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The Texas State University System
Schedule 3
Reconciliation of Cash in the State Treasury
For the Year Ended August 31, 2023

Fund No.	Fund Name	Unrestricted	Restricted	Total
0256	Local Revenue Fund; General Revenue - Dedicated	$ 15,594,221.29	$ -	$ 15,594,221.29
0259	Local Revenue Fund; General Revenue - Dedicated	13,189,641.95	-	13,189,641.95
0260	Local Revenue Fund; General Revenue - Dedicated	33,292,900.30	-	33,292,900.30
0262	Local Revenue Fund; General Revenue - Dedicated	2,064,324.66	-	2,064,324.66
0285	Local Revenue Fund; General Revenue - Dedicated	3,961,448.37	-	3,961,448.37
0286	Local Revenue Fund; General Revenue - Dedicated	5,083,928.73	-	5,083,928.73
0287	Local Revenue Fund; General Revenue - Dedicated	5,405,480.22	-	5,405,480.22
0325	Coronavirus Relief Fund	-	999,539.22	999,539.22
0581	Law Enforcement Management Institute	1,986,060.86	-	1,986,060.86
8070	Funds Held for Others	1,726,376.18	-	1,726,376.18
Total Cash in State Treasury		$ 82,304,382.56	$ 999,539.22	$ 83,303,921.78

Fiduciary Financial Statements

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The Texas State University System
Statement of Fiduciary Net Position
For the Year Ended August 31, 2023

	2023	2022
Assets		
Cash and Cash Equivalents:		
Cash in Bank (Note 3)	3,047,309.79	2,704,238.00
Accounts	90,325.26	120,976.55
Other	-	966.16
Prepaid Items	-	2,500.00
Total Assets	$ 3,137,635.05	$ 2,828,680.71
Liabilities		
Payables from:		
Accounts Payable	$ 215,780.68	$ 193,671.72
Unearned Revenues	701,124.00	544,653.00
Other Liabilities	1,158.10	51,428.78
Total Liabilities	$ 918,062.78	$ 789,753.50
Net Position		
Fiduciary Net Position	$ 2,219,572.27	$ 2,038,927.21
Total Net Position	$ 2,219,572.27	$ 2,038,927.21

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The Texas State University System
Statement of Changes in Fiduciary Net Position
For the Year Ended August 31, 2023

		2023		2022
Additions:				
Contributions:				
Other Contributions	$	32,244,785.67	$	29,564,113.91
Total Contributions	$	32,244,785.67	$	29,564,113.91
From Investing Activities:				
Interest, Dividend and Other	$	5,142.88	$	3,287.33
Total Net Investment Income	$	5,142.88	$	3,287.33
Other Additions:				
Other Revenue	$	32,863.68	$	56,657.67
Total Other Additions	$	32,863.68	$	56,657.67
Total Additions	$	32,282,792.23	$	29,624,058.91
Deductions:				
Adminstrative Expenses	$	398,102.23	$	376,482.64
Other Expenses		31,704,044.94		29,023,980.44
Total Deductions	$	32,102,147.17	$	29,400,463.08
Increase (Decrease) in Net Position	$	180,645.06	$	223,595.83
Net Position:				
Total Net Position, September 1	$	2,038,927.21	$	1,815,331.38
Restatements		-		-
Total Net Position, September 1 as Restated	$	2,038,927.21	$	1,815,331.38
Total Net Position, August 31	$	2,219,572.27	$	2,038,927.21

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Discretely Presented Component Unit Financial Statements

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The Texas State University System
Discretely Presented Component Units Statement of Net Position
For the Year Ended August 31, 2023

	Texas State University Development Foundation	Emmett and Miriam McCoy College of Business Development Foundation
Assets		
Cash and Cash Equivalents:		
Cash in Bank	$ 1,718,317.07	$ 383,371.11
Cash Equivalents	-	1,499,127.07
Total Current Assets	$ 1,718,317.07	$ 1,882,498.18
Noncurrent Assets		
Restricted:		
Investments	$ 113,235,296.37	$ 63,852,458.59
Gifts/Pledges	1,652,302.18	-
Total Noncurrent Assets	$ 114,887,598.55	$ 63,852,458.59
Total Assets	$ 116,605,915.62	$ 65,734,956.77
Liabilities		
Current Liabilities:		
Payables from:		
Accounts Payable	$ 1,453,385.21	$ -
Annuities	30,346.34	-
Other Intergovernmental	1,131,310.05	-
Total Current Liabilities	$ 2,615,041.60	$ -
Noncurrent Liabilities		
Annuities Payable	$ 253,626.22	$ -
Total Non-Current Liabilities	$ 253,626.22	$ -
Total Liabilities	$ 2,868,667.82	$ -
Net Position		
Restricted for:		
Funds Held as Permanent Investments:		
Nonexpendable:		
Endowment Funds	$ 77,065,063.00	$ 47,572,562.00
Expendable:		
Endowment Funds	35,379,224.41	$ 18,162,394.77
Unrestricted	1,292,960.39	-
Total Net Position	$ 113,737,247.80	$ 65,734,956.77

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The Texas State University System
Discretely Presented Component Units Statement of Changes in Revenues, Expenses and Changes in Net Position
For the Year Ended August 31, 2023

	Texas State University Development Foundation	Emmett and Miriam McCoy College of Business Development Foundation
Operating Expenses:		
Academic Programs	$ 1,959,685.57	$ -
Scholarships and Fellowships	2,675,465.50	1,511,014.18
Administrative Expenses:		
Salaries and Wages	-	185,029.85
Professional Fees	1,059,811.11	151,093.36
Travel	-	14,123.94
Materials and Supplies	15,676.64	2,300.85
Fundraising Activities	224,934.23	-
Other Operating Expenses	21,415.55	25,162.45
Total Operating Expenses	$ 5,956,988.60	$ 1,888,724.63
Operating Income (Loss)	$ (5,956,988.60)	$ (1,888,724.63)
Nonoperating Revenues (Expenses):		
Gifts, Pledges, and Donations	$ 1,386,580.91	$ -
Investment Income	11,992,192.24	5,190,738.10
Total Nonoperating Revenues (Expenses)	$ 13,378,773.15	$ 5,190,738.10
Income (Loss) before Other Revenues, **Expenses, Gains, Losses, and Transfers**	$ 7,421,784.55	$ 3,302,013.47
Other Revenues, Expenses, Gains, Losses, and Transfers		
Additions to Permanent and Term Endowments	$ 1,432,431.04	$ 1,187,692.54
Total Revenues, Expenses, Gains, Losses, and Transfers	$ 1,432,431.04	$ 1,187,692.54
Change in Net Position	$ 8,854,215.59	$ 4,489,706.01
Total Net Position, September 1	$ 104,883,032.21	$ 61,245,250.76
Restatements	-	-
Total Net Position, September 1 as Restated	$ 104,883,032.21	$ 61,245,250.76
Total Net Position, August 31	$ 113,737,247.80	$ 65,734,956.77

THE TEXAS STATE UNIVERSITY SYSTEM

601 Colorado Street
Austin, TX 78701

APPENDIX C

EXCERPTS FROM THE MASTER RESOLUTION

EXCERPTS FROM THE MASTER RESOLUTION

The following are excerpted provisions from the "*Master Resolution Establishing the Texas State University System Revenue Financing System*" adopted by the Board on August 13, 1998, as amended by a "*Resolution Amending the Master Resolution Establishing the Texas State University System Revenue Financing System*" adopted by the Board on June 19, 2008. Copies of such resolutions may be obtained from Daniel Harper, Vice Chancellor & CFO, The Texas State University System, 601 Colorado Street, Austin, Texas 78701.

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WHEREAS, pursuant to the provisions of Chapter 95 of the Code, the Board governs the affairs and administers the operations of the Texas State University System as a "University System", as said term is defined in Section 61.003 of the Code; and

WHEREAS, the University System is presently composed of those institutions of higher education set forth in the definition of University System in this Resolution; and

WHEREAS, the terms used in this Resolution and not otherwise defined shall have the meaning given in Exhibit A to this Resolution attached hereto and made a part hereof; and

WHEREAS, the Board heretofore authorized, issued, and delivered, or assumed, various series of outstanding bonds on behalf of the institutions in the University System; and

WHEREAS, in order to reduce costs, increase borrowing capacity, provide additional security to the credit markets, and provide the Board with greater financial flexibility, the Board deems it necessary and desirable to establish a revenue financing program, the Financing System, for revenue supported indebtedness to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads, or related infrastructure for the Members of the Financing System; and

WHEREAS, the Board determines to make all of the institutions presently a part of the University System Members of the Financing System.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM THAT:

Section 1. ESTABLISHMENT OF FINANCING SYSTEM AND ISSUANCE OF PARITY DEBT. There is hereby established the Texas State University System Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness of components of the Texas State University System included as Members of the Financing System. This Resolution is intended to establish a master plan under which revenue supported indebtedness of the Financing System can be incurred. Each Supplement shall provide for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of each issue or series of Parity Debt and any other matters related to Parity Debt not inconsistent with the Constitution and laws of the State of Texas or the provisions of this Resolution.

Section 2. SECURITY AND PLEDGE; (a) Pledge. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations, Parity Debt shall be secured by and payable from a lien on the Pledged Revenues, and the Board hereby assigns and pledges the Pledged Revenues to the payment of the principal of and interest on Parity Debt, and the Pledged Revenues are further pledged to the establishment and maintenance of any funds which may be provided to secure the repayment of Parity Debt in accordance with this Resolution and any Supplement. The Board may additionally secure Parity Debt with one or more Credit Agreements.

(b) Additional Members. As provided in Section 7 of this Resolution, institutions which are not now Members of the Financing System may hereafter become Members and such institutions may, at such time, have outstanding obligations secured by Prior Encumbered Revenues and that, therefore, the lien on and pledge of the Pledged Revenues established pursuant to this Resolution and effective when such institutions become Members of the Financing System will be subject and subordinate only to such institutions' outstanding Prior Encumbered Obligations.

(c) Restriction on Issuance of Additional Debt on a Parity with Prior Encumbered Obligations. Except as provided in Section 4(g) and while any Parity Debt is outstanding, no additional bonds or obligations may be issued or incurred by the Board on a parity with any Prior Encumbered Obligations.

Section 3. RATE COVENANT: PLEDGED REVENUES, (a) Rate Covenant. In each Fiscal Year, the Board shall establish, charge, and use its reasonable efforts to collect at each Member 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 Debt for such Fiscal Year.

(b) Pledged Revenues. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations and to the other provisions of this Resolution and any Supplement, the Board covenants and agrees at all times to fix, levy, charge, and collect at each Member the Pledged General Tuition and other Pledged Revenues from each student enrolled at each Member, respectively, at each regular fall and spring semester and at each term of each summer session, for the use and availability of such institution or branch thereof, respectively, in such amounts, without any limitation whatsoever, as will be at least sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to the Parity Debt then Outstanding when and as required. The Pledged General Tuition and the other rentals, rates, fees, and charges included in Pledged Revenues shall be adjusted, if and when permitted or required by this Resolution or any Supplement, to provide Pledged Revenues sufficient to make when due all payments and deposits in connection with the Parity Debt then Outstanding. The Board may fix, levy, charge, and collect the Pledged Revenues in any manner it may determine within its discretion, and in different amounts from students enrolled in different Members, respectively, and in addition it may totally suspend the collection of any item included in Pledged Revenues from the students enrolled in any Member, so long as total Pledged Revenues are sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Financing System including all payments and deposits in connection with the Parity Debt then Outstanding. All changes in the Pledged General Tuition shall be made by a resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution or any Supplement, but merely the carrying out of the provisions and requirements hereof.

(c) Annual Obligation. If, in the judgment of the Board, any Member has been or will be unable to satisfy its Annual Obligation, the Board shall fix, levy, charge, and collect rentals, rates, fees, and charges for goods and services furnished by such Member and the Pledged General Tuition, effective at the next succeeding regular semester or semesters or summer term or terms, in amounts sufficient, without limit (subject to the provisions of (e) below), together with other legally available funds, including other Pledged Revenues attributable to such Member, to enable it to make its Annual Obligation payments.

(d) Anticipated Deficit. If the Board determines, for any reason whatsoever, (i) that there are not anticipated to be sufficient legally available funds, including Pledged Revenues, to meet all financial obligations of the Board relating to the Financing System, including the deposits and payments due on or with respect to the Parity Debt Outstanding at that time as the same mature or come due, or (ii) that any Member will be unable to pay its Annual Direct Obligation in full, then the Board shall fix, levy, charge, and collect the Pledged General Tuition at each Member, effective at the next succeeding regular semester or semesters or summer term or terms, in such amounts, without any limitation whatsoever (other than as provided in (e) below), as will be at least sufficient to provide, together with other legally available funds, including other Pledged Revenues, the money for making when due all financial obligations of the Board relating to the Financing System including all payments and deposits due on or with respect to Outstanding Parity Debt when and as required by this Resolution or any Supplement.

(e) Economic Effect of Adjustments. Any adjustments in the rate or manner of charging for any rentals, rates, fees, tuition, or other charges included in Pledged Revenues, including the Pledged General Tuition, at any of the Members pursuant to (c) or (d) above will be based upon a certificate and recommendation of a System Representative, delivered to the Board, as to the rates and anticipated collection of the Pledged Revenues at the various Members (after taking into account the anticipated effect the proposed adjustments in such rentals, rates, fees, tuition, or other charges would have on enrollment and the receipt of Pledged Revenues and other funds at each Member) which will be anticipated to result in (i) Pledged Revenues attributable to each Member being sufficient (to the extent possible) to satisfy the Annual Obligation of such Member and (ii) Pledged Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Financing

System including all deposits and payments due on or in connection with Outstanding Parity Debt when and as required by this Resolution and any Supplement.

Section 4. GENERAL COVENANTS. The Board further represents, covenants and agrees that while Parity Debt or interest thereon is Outstanding:

(a) Payment of Parity Debt. On or before each payment date it shall make available to the Paying Agent for such Parity Debt or to such other party as required by a Supplement, money sufficient to pay the interest on, principal of, and premium, if any, on the Parity Debt as will accrue or otherwise come due or mature, or be subject to mandatory redemption prior to maturity, on such date and the fees and expenses related to the Parity Debt, including the fees and expenses of the Paying Agent and any registrar, trustee, remarketing agent, tender agent or credit provider.

(b) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in each Supplement, and in each and every Parity Debt or evidence thereof.

(c) Redemption. It will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Parity Debt which by its terms is mandatorily required to be redeemed prior to maturity, when and as so required.

(d) Lawful Title. It lawfully owns, has title to, or is lawfully possessed of the lands, buildings, and facilities now constituting the Texas State University System, and it will defend said title and title to any lands, buildings, and facilities which may hereafter become part of the Financing System, whether by the addition to the Financing System of a new institution or institutions, or otherwise, for the benefit of the owners of Parity Debt against the claims and demands of all persons whomsoever.

(e) Lawful Authority. It is lawfully qualified to pledge the Pledged Revenues herein pledged in the manner prescribed herein, and has lawfully exercised such right.

(f) Preservation of Lien. Subject to the conditions set forth in Sections 5, 6, and 7 of this Resolution, it will not do or suffer any act or thing whereby the Financing System might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Financing System and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep the facilities, buildings, structures, and equipment pertaining thereto in good condition, repair, and working order.

(g) No Additional Encumbrance. It shall not incur additional Debt secured by the Pledged Revenues in any manner, except as permitted by this Resolution in connection with Parity Debt, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution and any Supplement. Notwithstanding anything to the contrary contained herein, and in addition to the right hereunder to refund the Prior Encumbered Obligations with Parity Debt, the Board reserves the right to issue bonds to refund any Prior Encumbered Obligations and to secure the refunding bonds with the same source or sources securing the Prior Encumbered Obligations being refunded. Upon the defeasance of the refunded Prior Encumbered Obligations, the refunding bonds will be Prior Encumbered Obligations (unless the refunding bonds are made Parity Debt in accordance with the terms of this Resolution) under this Resolution and any Supplement for all purposes.

(h) Investments and Security. It will invest and secure money in all accounts and funds established pursuant to this Resolution and any Supplement in the manner prescribed by law for such funds and in accordance with written policies adopted by the Board.

(i) Records. It will keep proper books of record and account in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Texas State University System. Each year while Parity Debt is Outstanding, the Board will cause to be prepared from such books of record and account an annual financial report of the Texas State University System and shall furnish such report to the principal municipal bond rating agencies and any owner of Parity Debt who shall request same. In addition, the Board shall submit such financial report and other information required by law for examination in connection with financial compliance and other audits required to be conducted by the office of the Auditor of the State of Texas.

(j) Inspection of Books. It will permit any owner or owners of twenty-five per centum (25%) or more of the then Outstanding Principal Amount, at all reasonable times to inspect all records, accounts, and data of the Board relating to the Texas State University System, except such records as federal or state law may denominate as privileged and exempt from disclosure, including, but not by way of limitation, student educational records, personnel records the disclosure of which would constitute, in the opinion of the administration of the Texas State University System, a clearly unwarranted invasion of personal privacy, or trade secrets of third parties.

(k) Annual and Direct Obligations. In establishing the annual budget for each Member, it shall provide for the satisfaction by each Member of its Annual Obligation. The Direct Obligation shall represent the financial responsibility of each Member with respect to Outstanding Parity Debt. Each Member's Direct Obligation and Annual Obligation shall be evidenced by a financing agreement between the Board and each Member.

(l) Determination of Outstanding Parity Debt. For all purposes of this Resolution, the judgment of the Auditor of the Texas State University System shall be deemed final in the determination of which obligations of the Board constitute Parity Debt.

Section 5. ISSUANCE OF ADDITIONAL DEBT.

(a) Parity Debt. The Board reserves and shall have the right and power to issue or incur Parity Debt for any purpose authorized by law pursuant to the provisions of this Resolution and a Supplement to be hereafter authorized. The Board may incur, assume, guarantee, or otherwise become liable in respect of any Parity Debt if the Board shall have determined, that it will have sufficient funds to meet the financial obligations of the Texas State University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System.

In addition, the Board shall not issue or incur Parity Debt unless (i) the Board shall determine that the Member or Members for whom the Parity Debt is being issued or incurred possess the financial capacity to satisfy their respective Direct Obligations after taking into account the then proposed additional Parity Debt, and (ii) a System Representative shall deliver to the Board an Officer's Certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in this Resolution and any Supplement, and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

(b) Parity Debt Issued for Equipment and Minor New Construction and Repair and Rehabilitation Projects. Notwithstanding the provisions of (a) above, Parity Debt issued in the form of Commercial Paper for equipment, minor new construction, and minor repair and rehabilitation projects which are not required to be approved by the Texas Higher Education Coordinating Board may be issued if the System Representative, on behalf of the Board, delivers a certificate to the Secretary of the Board to the effect that, after the issuance of the Commercial Paper for such purpose, (i) the Board will have sufficient funds to meet the financial obligations of the University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System, (ii) the Member or Members for whom the Parity Debt is being issued or incurred possess the financial capacity to satisfy their respective Direct Obligations after taking into account the then proposed additional Parity Debt, and (iii) to the best of his or her knowledge, the Board is in compliance with all covenants contained in this Resolution and any Supplement, and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

(c) Non-Recourse Debt and Subordinated Debt. Non-Recourse Debt and Subordinated Debt may be incurred by the Board without limitation.

Section 6. DISPOSITION OF ASSETS ATTRIBUTABLE TO FINANCING SYSTEM MEMBERS.

The Board may convey, sell, or otherwise dispose of any properties of the Board attributable to a Member of the Financing System provided:

(a) Ordinary Course. Such conveyance, sale, or disposition shall be in the ordinary course of business of a Member of the Financing System which uses, operates, owns, or is otherwise responsible for such properties; or

(b) Disposition Upon Board Determination. The Board shall determine that after the conveyance, sale, or other disposition of such properties, the Board shall have sufficient funds during each Fiscal Year during which Parity Debt is to be Outstanding to meet the financial obligations of the Texas State University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System and the Board shall have received an Opinion of Counsel to the effect that the conveyance, sale, or other disposition of such properties will not adversely affect the status, for Federal Income Tax purposes, of the treatment of interest on then Outstanding Parity Debt issued to acquire, construct, or rehabilitate such properties.

Section 7. COMBINATION, DIVISION, RELEASE, AND ADMISSION OF FINANCING SYSTEM MEMBERS, (a) Combination and Division. Notwithstanding anything to the contrary contained herein, it is recognized that certain Members or institutions which may be made Members of the Financing System may be combined or divided and that so long as such combined or divided institutions continue to be governed by the Board such action shall not be in violation of the provisions of this Resolution or require any amendments of the provisions hereof.

(b) Release. Subject to the conditions set forth below, any Member or portion thereof may be closed and abandoned by law or may be removed from the Financing System (thus deleting the revenues, income, funds, and balances attributable to said Member or portion thereof from Pledged Revenues) without violating the terms of this Resolution provided:

(1) the Board specifically finds that (based upon an Officers' Certificate) that, after the release of the Member or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Debt shall thereafter be Outstanding to meet the financial obligations of the Texas State University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System; and

(2) the Board shall have received an Opinion of Counsel which shall state that such release will not affect the status for Federal Income Tax purposes of interest on any Outstanding Parity Debt and that all conditions precedent provided in this Resolution or any Supplement relating to such release have been complied with; and

(i) (A) if the Member or portion thereof to be released from the Financing System is to remain under the governance and control of the Board, the Board must either provide, from lawfully available funds, including Pledged Revenues attributable lo said withdrawing Member, for the payment or discharge of said Member's Direct Obligation or (ii) pledge to the payment of Parity Debt, additional resources not then pledged in an amount sufficient to satisfy such withdrawing Member's Direct Obligation; or (B) if the Member or portion thereof to be released from the Financing System is to no longer be under the governance and control of the Board, the Board must receive a binding obligation of the new governing body of the withdrawing Member 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 Member's Annual Obligation and to pay or discharge said Member's Direct Obligation, or, in the case of a portion of a Member being withdrawn, the proportion of the Member's Annual Obligation and Direct Obligation, as the case may be, attributable to the withdrawing portion of the Member.

(c) Admission of Members. If, after the date of the adoption of this Resolution, the Board desires for a component of the Texas State University System to become a Member of the Financing System, it may include said institution in the Financing System with the effect set forth in this Resolution by the adoption of a Supplement to this Resolution.

Section 8. WAIVER OF CERTAIN COVENANTS. The Board may omit in any particular instance to comply with any covenant or condition set forth in Sections 3 through 7 hereof if before or after the time for such compliance the Holders of the same percentage in principal amount of all Parity Debt then Outstanding, the consent of which would be required to amend the provisions hereof to permit such noncompliance, shall either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived and, until such waiver shall become effective, the obligations of the Board and the duties of the Board in respect of any such covenant or condition shall remain in full force and effect.

Section 9. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the Board contained in this Resolution and any Supplement shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing System and the Board to the full extent authorized or permitted by the Constitution and laws of the State of Texas. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board or agent or employee of the Board in his or her individual capacity and neither the members of the Board nor any officer or employee thereof shall be liable personally on Parity Debt when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 10. SPECIAL OBLIGATIONS; ABSOLUTE OBLIGATION TO PAY PARITY DEBT. All Parity Debt and the interest thereon shall constitute special obligations of the Board payable from the Pledged Revenues, and the owners thereof shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than specified in this Resolution or any Supplement. The obligation of the Board to pay or cause to be paid the amounts payable under this Resolution and each Supplement out of the Pledged Revenues shall be absolute, irrevocable, complete, and unconditional, and the amount, manner, and time of payment of such amounts shall not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever, regardless of any right of setoff, recoupment, or counterclaim that the Board might otherwise have against any owner or any other party and regardless of any contingency, force majeure, event, or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during, or after the issuance of Parity Debt while any Parity Debt is Outstanding.

Section 11. REMEDIES. Any owner of Parity Debt in the event of default in connection with any covenant contained herein or in any Supplement, or default in the payment of said obligations, 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 of Texas, to carry out, respect, or enforce the covenants and obligations of this Resolution or 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 of Texas.

Section 12. DEFEASANCE OF BONDS, (a) Deemed Paid. Any Parity Debt and the interest thereon shall be deemed to be Defeased Debt within the meaning of this Resolution, except to the extent provided in subsection (c) of this Section, when the payment of all principal and interest payable with respect to such Parity Debt 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 shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent for such Parity Debt 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 Debt shall be deemed to be Defeased Debt hereunder, as aforesaid, such Parity Debt and the interest thereon 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.

(b) Investments. Any money so deposited with or made available to a Paying Agent may at the written direction of the Board also be invested in Government Obligations maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent which is not required for the payment of the Parity Debt and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Board, or deposited as directed in writing by the Board.

(c) Continuing Duty of Paying Agent and Registrar. Until all Defeased Debt shall have become due and payable, the Paying Agent and Registrar for such Defeased Debt shall perform the services of Paying Agent and

Registrar for such Defeased Debt the same as if they had not been defeased, and the Board shall make proper arrangements to provide and pay for such services.

Section 13. AMENDMENT OF RESOLUTION, (a) Amendment Without Consent. This Resolution and the rights and obligations of the Board and of the owners of the Outstanding Parity Debt may be modified or amended at any time without notice to or the consent of any owner of the Outstanding Parity Debt, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in this Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Resolution, upon receipt by the Board of an approving Opinion of Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Resolution;

(iii) To supplement the security for the Outstanding Parity Debt;

(iv) 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 Outstanding Parity Debt; or

(v) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Debt, 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 Outstanding Parity Debt.

(b) Amendments With Consent. Subject to the other provisions of this Resolution, the owners of Outstanding Parity Debt aggregating 51 % in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Resolution which may be deemed necessary or desirable by the Board, provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Parity Debt, the amendment of the terms and conditions in this Resolution so as to:

(i) Grant to the owners of any Outstanding Parity Debt a priority over the owners of any other Outstanding Parity Debt;

(ii) Materially adversely affect the rights of the owners of less than all Parity Debt then Outstanding; or

(iii) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment.

(c) Notice. If at any time the Board shall desire to amend this Resolution pursuant to Subsection (b) of this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Registrar for the Parity Debt for inspection by all owners of Parity Debt. Such publication is not required, however, if the Board gives or causes to be given such notice in writing, by certified mail, to each owner of Parity Debt.

(d) Receipt of Consents. Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by all of the owners or the owners of at least 51% in Outstanding Principal Amount, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Board may adopt the amendatory resolution in substantially the same form.

(e) Effect of Amendments. Upon the adoption by the Board of any resolution to amend this Resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Parity Debt and all future Parity Debt shall thereafter be determined, exercised, and enforced under this Resolution, as amended.

(f) Consent Irrevocable. Any consent given by any owner of Parity Debt pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Parity Debt during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar for such Parity Debt and the Board, but such revocation shall not be effective if the owners of 51 % in Outstanding Principal Amount, prior to the attempted revocation, consented to and approved the amendment.

(g) Ownership. For the purpose of this Section, the ownership and other matters relating to all Parity Debt shall be determined as provided in each Supplement.

(h) Amendments of Supplements. Each Supplement shall contain provisions governing the ability of the Board to amend such Supplement; provided, however, that no amendment may be made to any Supplement for the purpose of granting to the owners of Outstanding Parity Debt under such Supplement a priority over the owners of any other Outstanding Parity Debt.

Section 14. REPEAL OF CONFLICTING RESOLUTIONS. This Resolution shall become effective immediately and all resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 15. FURTHER PROCEDURES. Each System Representative and the other officers, employees, and agents of the System, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Board all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the intent, the terms, and the provisions of this Resolution.

EXHIBIT “A”

DEFINITIONS

As used in this Resolution the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Annual Debt Service Requirements” means, for any Fiscal Year, the principal of and interest on all Parity Debt 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, from any bank, savings and loan association, insurance company, or similar institution 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 System Representative 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 Debt, 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 Debt 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 Debt (or by comparable debt in the event that such Parity Debt 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;

(6) Guarantees. 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 Debt 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; and

(7) Commercial Paper. With respect to any Parity Debt issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Debt 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.

"Annual Direct Obligation" means the amount budgeted each Fiscal Year by the Board with respect to each Financing System Member to satisfy the Member's proportion of debt service (calculated based on the Member's Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Debt.

"Annual Obligation" means, with respect to each Member and for each Fiscal Year, the Member's Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow the Member to retire its obligation for intra-System advances made to it to satisfy part or all of a previous Annual Direct Obligation payment.

"Board" and "Issuer" mean the Board of Regents of the Texas State University System or any successor thereto.

"Code" means the Texas Education Code, as amended.

"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 Debt, purchase or sale agreements, interest rate swap 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 Debt and on a parity therewith.

"Debt" of the Board payable from Pledged Revenues 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 of the Texas State University System in prior Fiscal Years.

"Defeased Debt" means any Parity Debt and the interest thereon deemed to be paid, retired and no longer Outstanding within the meaning of Section 12 of this Resolution.

"Direct Obligation" means the proportionate share of Outstanding Parity Debt attributable to and the responsibility of each respective Financing System Member.

"Financing System" see "Revenue Financing System".

"Financing System Member" or "Member" means each of the institutions currently constituting components of the Texas State University System and such institutions hereafter designated by the Board to be a Member of the Financing System.

"Fiscal Year" means the fiscal year of the Board which currently ends on August 31 of each year.

"Funded Debt" of the Financing System means all Parity Debt created, assumed, or guaranteed by the Board and payable from Pledged Revenues that matures by its terms (in the absence of the exercise of any earlier right of demand), or is 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.

"Government Obligations" means 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.

"Holder" or "Bondholder" or "owner" means the registered owner of any Parity Debt registered as to ownership and the holder of any Parity Debt 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 System, provided that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such incurrence, owned by the Board and being used in the operations of a Member.

"Officer's Certificate" means a certificate signed by a System Representative.

"Opinion of Counsel" means a written opinion of counsel which shall be acceptable to the Board.

"Outstanding" when used with respect to Parity Debt means, as of the date of determination, all Parity Debt theretofore delivered under this Resolution or any Supplement, except:

(1) Parity Debt theretofore cancelled and delivered to the Board or delivered to the Paying Agent or the Registrar for cancellation;

(2) Parity Debt deemed paid pursuant to the provisions of Section 12 of this Resolution or any comparable section of any Supplement;

(3) Parity Debt upon transfer of or in exchange for and in lieu of which other Parity Debt has been authenticated and delivered pursuant to this Resolution or any Supplement; and

(4) Parity Debt under which the obligations of the Board have been released, discharged or extinguished in accordance with the terms thereof;

provided, that, unless the same is acquired for purposes of cancellation, Parity Debt 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 Debt or to a series of Parity Debt, the outstanding and unpaid principal amount of such Parity Debt paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Debt 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 this Master Resolution or any Supplement.

"Parity Debt" means all Debt of the Board which may be issued or assumed in accordance with the terms of this Resolution and a Supplement, secured by a pledge of the Pledged Revenues subject only to the liens securing Prior Encumbered Obligations.

"Paying Agent" shall mean each entity designated in a Supplement as the place of payment of a series or issue of Parity Debt.

"Pledged General Tuition" means all of the aggregate amount of student tuition charges now or hereafter required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school, now or hereafter constituting a Member of the Financing System, but specifically excluding and excepting, with respect to each series or issue of Parity Debt, (1) student tuition charges for any student in a category which, at the time of the adoption of the Supplement relating to such Parity Debt, was exempt by law from paying such tuition, (2) the amount of tuition scholarships provided for by law at the time of the adoption of each Supplement, and (3) any tuition component of Prior Encumbered Revenues; and it is provided by law and hereby represented and covenanted that the aggregate amount of student tuition charges which are now required or authorized by law to be imposed, and which are pledged to the payment of the Parity Debt, shall never be reduced or abrogated while such obligations are outstanding; it being further covenanted that the aggregate amount of student tuition charges now required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school operated by or under the jurisdiction of the Board are set forth in the Code, to which Code reference is hereby made for all purposes.

"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 Member of the Financing System which are lawfully available to the Board for payments on Parity Debt; 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 on behalf of any Member under Article 7, Section 17 of the Constitution of the State of Texas, including the income there from 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 the following heretofore issued or assumed bond issues of the Board, to-wit:

Board of Regents, Texas State University System, Southwest Texas State University, University Housing System Revenue Bonds, Series 1986*;

Board of Regents, Texas State University System, Southwest Texas State University, University Housing System Revenue Refunding Bonds, Series 1989*;

Board of Regents, Texas State University System, Southwest Texas State University, University Housing System Revenue Refunding Bonds, Series 1993*;

Board of Regents, Texas State University System, Southwest Texas State University, Utility System Revenue Refunding Bonds, Series 1993*;

Board of Regents, Texas State University System, Southwest Texas State University, University Housing System Revenue Bonds, Series 1994*;

Board of Regents, Texas State University System, Southwest Texas State University, University Housing System Revenue Bonds, Series 1995*; and

Board of Regents, Texas State University System, Southwest Texas State University, Utility System Revenue Bonds, Series 1996*, and those bonds or other obligations of an institution outstanding on the date it becomes a Member of the Financing System and which are secured by a lien on and pledge of the Prior Encumbered Revenues

*No longer outstanding.

charged and collected at such institution and all existing obligations of the Board secured by a lien on a portion of the Pledged Revenues which is superior to the lien established by this Resolution on behalf of Parity Debt.

"Prior Encumbered Revenues" means all of the tuition, fees, charges and revenues of any nature pledged to the payment of Prior Encumbered Obligations and any such tuition, fees, charges and revenues of an institution which hereafter becomes a Member of the Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Member of the Financing System.

"Registrar" shall mean the entity designated in a Supplement as the Registrar of a series or issue of Parity Debt

"Resolution" or "Master Resolution" means this Master Resolution establishing the Financing System.

"Revenue Financing System" or "Financing System" or "Texas State University System Revenue Financing System" means the Texas State University System Revenue Financing System composed of the institutions and agencies currently constituting parts of the Texas State University System including the Texas State University System Administration, and such other institutions and agencies now or hereafter under the control or governance of the Board, and made a Member 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 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 Members, including specifically the Pledged General Tuition. Revenue Funds does not include, with respect to each series or issue of Parity Debt, 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 Debt, is exempt by law from paying such tuition, rentals, rates, fees, or other charges.

"S.B. 1907" means Senate Bill 1907 passed by the State Legislature in the Seventy-fifth Regular Legislative Session.

"Stated Maturity" when used with respect to any Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

*No longer outstanding.

"Subordinated Debt" means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Debt then outstanding or subsequently issued.

"Supplement" or "Supplemental Resolution" means a resolution supplemental to, and authorized and executed pursuant to the terms of, this Resolution.

"System Representative" means any one or more of the following officers or employees of the Texas State University System, to-wit: the Chancellor, the General Counsel, the Director of Finance, or such other officer or employee of the Texas State University System, authorized by the Board to act as a System Representative.

"Term of Issue" means with respect to any Balloon Debt 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.

"Texas State University System" or "University System" means and includes each of the following existing and operating institutions, respectively*:

Lamar University - Beaumont;

Lamar University Institute of Technology;

Lamar University - Orange; Lamar University - Port Arthur; Sam Houston State University;

Texas State University – San Marcos; Sul Ross State University; and

Sul Ross State University Rio Grande College,

together with every other institution or branch thereof now or hereafter operated by or under the jurisdiction of the Board pursuant to law.

*The names of some member institutions have changed since the date of the Master Resolution. Please see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY SYSTEM - Member Institutions".

APPENDIX D

FORM OF BOND COUNSEL'S OPINION

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[An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.]

**BOARD OF REGENTS,
TEXAS STATE UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM
REVENUE AND REFUNDING BONDS, SERIES 2024
IN THE PRINCIPAL AMOUNT OF $609,425,000**

AS BOND COUNSEL for the Board of Regents, Texas State University System (the "Board"), we have examined the legality and validity of the issue of bonds described above (the "Bonds"), which bear interest from the date and mature on the dates specified on the face of the Bonds, and being subject to redemption, all in accordance with the "Master Resolution Establishing the Texas State University System Revenue Financing System" adopted by the Board on August 13, 1998, as amended by a "Resolution Amending the Master Resolution Establishing the Texas State University System Revenue Financing System" adopted by the Board on June 19, 2008, the Twenty-Ninth Supplemental Resolution to the Master Resolution authorizing the issuance of such Bonds and an award certificate authorized thereunder (collectively, the "Resolution"). Terms used herein and not otherwise defined shall have the meaning given in the 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, and other pertinent instruments relating to the authorization, issuance, and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Board upon which certificates and documents we rely as to certain matters stated below. We have also examined one of the executed Bonds which we found to be in due form.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, issued, and delivered, all in accordance with law; and that, except as may be limited by laws applicable to the Board relating to bankruptcy, reorganization and other similar matters affecting creditors' rights, or by sovereign immunity or general principles of equity which permit the exercise of judicial discretion, the Bonds constitute valid and legally binding special obligations of the Board secured by and payable from, together with the Board's other outstanding Parity Debt, a lien on and pledge of the Pledged Revenues such lien being subject to the lien securing any Prior Encumbered Obligations.

THE BOARD has reserved the right, subject to the restrictions stated in the Resolution to amend the Resolution. The Board also has reserved the right, subject to the restrictions stated in the Resolution, to issue additional Parity Debt which also may be secured by and payable from a lien on and pledge of the Pledged Revenues on parity with the lien securing the Bonds.

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THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Resolution.

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 the verification report prepared by Causey Demgen & Moore P.C., the sufficiency certificate delivered by the issuing and paying agent for the Refunded Notes and 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 if the Board fails 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, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

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 or not 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 Board as the taxpayer. We observe that the Board 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.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

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 Board, and, in that capacity, we have been engaged by the Board 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. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Board, or the disclosure thereof in connection with the sale of the Bonds 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 have relied solely on certificates executed by officials of the Board as to the current outstanding indebtedness of the Board and the sufficiency of the Pledged Revenues of the Board. 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.

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.

Respectfully,

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BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM • REVENUE FINANCING SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2024

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