



Annual Financial Report

2024 - 2025



Horned
Frogs



Texas Christian University Annual Financial Report For the Year Ended May 31, 2025

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DANIEL W. PULLIN
Chancellor

We are proud to present Texas Christian University's 2024–2025 fiscal year highlights in this annual report. For 152 years, TCU has remained steadfast in its mission to educate individuals to think and act as ethical leaders and responsible citizens in the global community. Today, TCU stands as a world-class institution recognized as a values-driven university, committed to academic excellence and innovation, and dedicated to cultivating transformative student experiences.

TCU offers a distinctive blend of nationally ranked academic programs, vibrant campus life and exceptional student support, all within the dynamic and opportunity-rich city of Fort Worth. Only here, students thrive in a welcoming, perfectly sized environment that combines top-tier academic programs with the excitement of big-time athletics.



Guided by the leadership of our Board of Trustees, we continue to steward resources responsibly while advancing the goals of our LEAD ON: Values in Action strategic plan. Our focus remains on achieving the goals and aspirations set forth in the areas of student-centered growth, research, scholarship and creative activities, athletics and community engagement.

We look ahead to TCU's future with optimism and confidence, celebrating the strength of our values-centered community, our achievements and the remarkable milestones yet to come.

A handwritten signature in purple ink that reads "Daniel W. Pullin".

Daniel W. Pullin



FISCAL YEAR 2024-2025 HIGHLIGHTS:

LEAD ON: Values in Action™ Strategic Plan Launch

Following the successful completion of TCU's Sesquicentennial in 2023, the Board of Trustees met in January 2024 for a Day of Dialogue to share ideas and perspectives for the future. As a result, Chair Kit T. Moncrief charged then-President Daniel W. Pullin to initiate an inclusive process for developing a new strategic plan to guide TCU toward a sustainable future. Strategic planning efforts included input from more than 10,000 community members through surveys, town hall meetings, workshops and other focused stakeholder engagement sessions. More than 200 TCU faculty and staff members, including members of the Cabinet, Steering Committee and Core Strategy Team, were directly involved in designing the initiatives and authoring the plan. After 10 months of envisioning the future together, TCU's next strategic plan, LEAD ON: Values in Action, was unanimously approved by the Board during the Fall 2024 Board of Trustees Retreat/Meeting.

Guided by TCU's core values of integrity, engagement, community and excellence, LEAD ON: Values in Action launched in January 2025, and aims to lead TCU to its future as "The University of Fort Worth," a top private university with a national reputation for best-in-class student experience, scholarly impact and the most competitive athletics. The four pillars of the strategic plan, 1) student-centered growth, 2) research, scholarship and creative activities, 3) athletics and 4) community engagement, are shaped by an interdependent system of 45 initiatives and goals across all pillars to ensure TCU continues an upward trajectory as a world-class university.

LEAD ON

VALUES IN ACTION™



STUDENT-CENTERED GROWTH



RESEARCH, SCHOLARSHIP & CREATIVE ACTIVITIES



ATHLETICS



COMMUNITY ENGAGEMENT



Supporting a Strong Academic and Student Experience

The demand for a TCU education remained healthy and strong for fall 2024, with strategic increases in undergraduate and graduate enrollment and the retention rate for first-year students remaining high. Total enrollment for fall 2024 was 12,938, with undergraduate enrollment at 11,049, graduate enrollment at 1,889 and the retention rate at 92.9%.



In fall 2024, TCU continued to rank among the top universities and colleges in the nation. *U.S. News & World Report* ranked TCU No. 105 among Best National Universities; in the top 100 for programs in undergraduate business, entrepreneurship, engineering, nursing and teaching; a Best Value School; and a Best College for Veterans. The *Princeton Review* ranked TCU as No. 2 for Happiest Students; No. 8 for Most Active Student Government; No. 9 for Best College Dorms; and No. 10 for Best Quality of

Life. Other *Princeton Review* top 25 national rankings include Most Beautiful Campus, Best Athletic Facilities, Best Career Services, Best Student Support and Counseling Services, Best Health Services and Lots of Greek Life. Additionally, TCU earned an A+ rating for financial health from *Forbes Magazine* in 2024.

Leadership Transition

In spring 2025, the Board of Trustees ratified their decision on two resolutions: effective June 1, 2025, Dr. Victor J. Boschini, Jr., became a working Chancellor Emeritus and Daniel W. Pullin, J.D., was named TCU's 11th Chancellor. This smooth and thoughtful transition of leadership ensures the continuity of TCU's mission and the pursuit of its strategic goals.

In honor of the 22 years of the transformational impact of Chancellor and Mrs. Victor J. Boschini, Jr. and their family, the TCU community held a special celebration in May 2025. During the celebration, the Board of Trustees announced that the TCU Music Center would be named the Megan and Victor Boschini Music Center, in honor of Chancellor and Mrs. Boschini's longtime commitment to establishing TCU as a world-class, values-centered university.



TCU's 11th Chancellor



Daniel W. Pullin began his tenure as the 11th Chancellor of TCU on June 1, 2025, signaling a bold new chapter in the university's 152-year history — one defined by strategic growth, academic distinction, competitive excellence and a commitment to shaping the future of higher education. Previously, Pullin served as the John V. Roach Dean of the Neeley School of Business for three years and led the university as president for the past two years. Guided by TCU's student-centered strategies, Chancellor Pullin is leading the charge to expand investments in research and interdisciplinary scholarship, enhance graduate education and reaffirm the personalized learning environment that defines the TCU experience. Chancellor Pullin's commitment to the future fosters a culture of innovation and entrepreneurial thinking, ensuring TCU remains a destination for transformational learning and serves future generations of Horned Frogs.

New to TCU's Leadership Team

New administrators who began their roles during the 2024-2025 fiscal year include:

Ms. Merianne K. Roth began her role as Vice Chancellor for Marketing & Communication in June 2024. Ms. Roth's career and experience span corporate and community executive leadership roles; previously, she served as TCU's Associate Vice Chancellor for Communication for five years.

Dr. Floyd L. Wormley Jr. was named Provost and Vice Chancellor for Academic Affairs in December 2024. Provost Wormley previously served as Vice Provost for Research and Dean of Graduate Studies from 2019 to December 2024 and Interim Provost from January 2024 through December 2024.

Mr. Mike Buddie was named Director of Intercollegiate Athletics in January 2025. Mr. Buddie joined TCU from the United States Military Academy at West Point, where he had served as director of athletics since 2019.

Mr. Tom Wavering became TCU's inaugural Chief University Strategy & Innovation Officer in July 2024. Mr. Wavering previously served as executive director of the Tom Love Innovation Hub and as an entrepreneurship faculty member at the University of Oklahoma.

A Trustee since 2005, **Kit T. Moncrief** continues her second consecutive term as our Board Chair. **Edward A. "Eddie" Clark**, a Trustee since 2014, continues to serve as Vice Chair.



Campus Master Plan and Major Capital Projects

In spring 2025, the Board approved the Private Partnership Development (PPD) initiative and agreement in support of a more vibrant East Campus and Berry Street area, as envisioned in the Campus Master Plan. The PPD initiative aims to enhance the overall campus experience and advance strategic plan goals by creating additional on-campus housing, apartments, retail and office space and parking. The residence life expansions of over 3,200 beds of on-campus and market-based campus-



adjacent housing and retail support the Student-Centered Growth pillar of the strategic plan. These projects, now underway, have resulted in significant outside investment by nationally recognized industry-leading partners American Campus Communities and Endeavor Real Estate Group.

Additional major capital projects approved by Trustees and announced in spring 2025 include the Ed Landreth Hall and Auditorium Project and the Market Square Renovation at

Brown-Lupton University Union Project. The Ed Landreth Hall and Auditorium Project scope includes the addition of classroom and academic space, modernizing the existing building systems, correcting current accessibility and circulation constraints, as well as an overall design refresh to support the Department of Theatre and other evolving university needs. The Market Square Renovation at Brown-Lupton University Union Project scope includes modernizing the existing kitchen equipment and food delivery services, identifying efficiencies for patron seating and pedestrian flow and repurposing underutilized spaces to achieve increased throughput and an enhanced customer food service experience.

Construction on the donor-funded Athletics Human Performance Center Renovation & Expansion Projects continued throughout the 2024-2025 fiscal year, with completion in July 2025. The projects play an essential role in recruiting and retaining student-athletes and focus on human performance, nutrition, restoration and wellness for all 22 varsity sports programs at TCU. The renovation and expansion include: the Mike & Brenda Harrison Football Performance Center, the John Justin Football Complex, the Bob Lilly Performance Center and the Simpson Family Restoration Center.

In spring 2025, the East Campus Residence Halls and Dining Project opened to campus, providing two new residence halls, Hill Hall and Walsh Hall, with 292 new residential beds for first-year students, a 550-seat dining facility, Gutierrez Hall, and communal outdoor spaces.

Celebrating Arnold Hall

The 2024-2025 fiscal year for the Anne Burnett Marion School of Medicine at TCU began with welcoming its sixth class of students in July 2024. Securing a seat in the class remains competitive, with 6,590 applications for 60 slots.

The university honored the generosity of Trustee Greg Arnold and his wife, Ashley, for whom the medical school's new state-of-the-art medical education building is named. Located in Fort Worth's Medical Innovation District in

the Near Southside neighborhood, Arnold Hall opened in the summer of 2024 and was dedicated in September 2024. The stunning 96,000-square-foot education facility further establishes TCU as a vital partner in elevating the national profile of TCU and Fort Worth as a hub for innovation, health care and education.



TCU Gives Day Success

Thanks to the generosity of TCU supporters, the university surpassed its 2024 TCU Gives Day goal in October 2024, with 3,066 donors generously giving more than \$1.86 million in support of TCU's people and programs. The fall 2024 TCU Gives Day raised its second-highest amount in its 11-year history.



TCU continues to advance fundraising momentum and seek significant philanthropic investment to support TCU's financial accessibility for students and families, help increase TCU's academic profile and reputation and grow the university's endowment in support of the LEAD ON: Values in Action strategic plan initiatives.



TCU Athletic Programs Thrive

Competing at the highest levels of collegiate athletics is a vital part of the TCU experience, elevating our national profile and energizing our campus community. Thanks to the passionate support of our students, alumni and growing fan base, TCU is uniquely positioned for continued growth, success and leadership in intercollegiate athletics.



TCU's tradition of athletic excellence continued in the 2024-2025 season as a proud member of the Big 12 Conference. Highlights in fall 2024 included the Women's Soccer team under Head Coach Eric Bell winning its third Big 12 regular-season championship in five seasons, and TCU Football finishing with at least nine wins and a bowl victory for the second time in the last three seasons under Head Coach Sonny Dykes. In spring 2025, the TCU Women's Basketball

team led by Head Coach Mark Campbell achieved the university's first Elite Eight appearance and a Big 12 title. TCU Beach Volleyball Head Coach Hector Gutierrez and team won TCU's first-ever national championship as well as a conference crown. TCU Men's Tennis led by Head Coach David Roditi won the Big 12 regular-season championship, their ninth conference title in the last decade, and finished national runner-up in both indoor and outdoor.

As the landscape of college athletics evolves, TCU continues to compete and win at the highest levels and our commitment to our student-athletes is unwavering. Representing TCU in nine men's and 13 women's sports across NCAA Division I, our student-athletes have collectively garnered 25 team and 55 individual Big 12 Conference Championships since TCU joined the league in 2012.





OVERVIEW

Texas Christian University (TCU) achieved another year of strong financial performance in Fiscal Year 2025 (FY25), driven by sustained enrollment growth, generous donor contributions, and robust investment returns. These results were realized despite a challenging economic environment characterized by elevated inflation and broader market uncertainty.

Building on its foundation of prudent fiscal management, enhanced business operations, and a commitment to delivering high-impact academic and student experiences, TCU continues to advance its mission of excellence. The University remains steadfast in its dedication to providing meaningful financial aid and comprehensive student support to promote access, affordability, and academic success.

Through disciplined financial stewardship and strategic resource management, TCU is well positioned to ensure long-term financial stability and continued institutional strength.

SUMMARY OF FINANCIAL RESULTS

Results from financial operations in Fiscal Year 2025 reflected a net surplus of \$98.9 million due to favorable enrollment trends and increased donor support. Fiscal Year 2025 operating revenues were \$825.8 million, reflecting an increase of \$68.3 million from Fiscal Year 2024 (FY24). Total expenses increased \$37.2 million, or 5.4%, to \$727.0 million in FY25. The University ended FY25 with a \$98.9 million increase in net assets from operating activities compared to a \$67.7 million increase in net assets from operating activities in FY24. Total University assets increased \$214.2 million in FY25 with \$4.9 billion in total assets. At year-end, the University's cash balance was \$45.2 million and the cash and short-term investments of the working capital outside of the Endowment totaled \$470.1 million.

UNIVERSITY HIGHLIGHTS

Enrollment trends. One trend that has been consistent is the demand for an education from TCU. The Fall 2024 enrollment for entering first time college students was 2,453. This resulted in an undergraduate enrollment of 11,049 students for FY2025 which continues to grow each year.

In addition to solid undergraduate demand for a TCU education, graduate enrollment remained consistent at 1,889 students for the Fall semester 2024 compared to 1,870 students in Fall 2023.

STATEMENT OF FINANCIAL POSITION

The *Statement of Financial Position* presents the assets, liabilities, and net assets of the University on May 31, the close of the Fiscal Year. The net assets are classified as without donor restrictions or with donor restrictions depending upon whether any restrictions were placed upon the funds at the time they were received by the University. While the Board of Trustees may designate funds for specific purposes, only donors or other external third parties may impose the restrictions as they are defined in the financial statements. Gifted Funds to the University with perpetual donor restrictions



are typically held in the Endowment. The unspent earnings or market appreciation arising from such restricted gifts is combined with other expendable funds and classified as donor restricted with time or purpose in accordance with the donor instructions. Funds classified as donor restricted with time or purpose may be spent only upon the occurrence of a specified event or after a defined period of time, or may be spent only for those purposes specified by the donor. Funds without donor restrictions are available for the general support of the University in accordance with policies established by the Board of Trustees.

The *Statement of Financial Position* reflects an increase in the University's total net assets for FY25. Total University assets increased \$224.5 million in FY25, primarily due to increases in the market value of investments increasing the University's balance sheet to the end of the year, totaling \$4.9 billion in total assets. Total University liabilities remained constant at \$1.2 billion.

Cash

The University closely forecasts and monitors cash flows and liquidity in order to meet operating and contractual commitments. A majority of the University's operating and working capital is held in short-duration mutual funds. Other working capital investments include Treasury backed money market funds. Funds are rated Aa3 by Moody's Investors Service. At year-end, the University's cash balance was \$45.2 million. The University's cash and short-term investments of its working capital outside of the Endowment totaled \$470.0 million at year-end, of which a portion was encumbered to make final payments on completed major capital projects. During FY25, the University used cash to purchase and construct capitalized assets, totaling \$118.2 million.

Contributions Receivable

Gross contributions receivable resulting from binding donor pledges relating to the renovation construction of various projects on the University's campus represent \$18.1 million as of May 31, 2025. The net value of those contribution receivables was \$17.7 million as of May 31, 2025, as determined by discounting future cash flows.

Investments

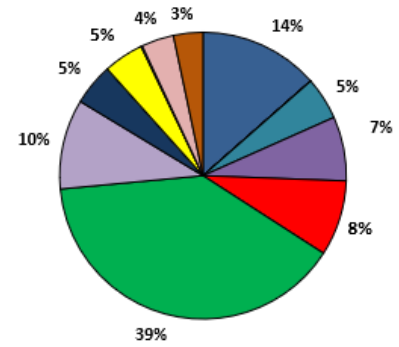
The investments line on the Statement of Financial Position primarily consists of Endowment funds, as well as short-term investments of working capital. Investments increased by a net \$148.3 million after making the annual Endowment payout. In the same period, annual payout from the Endowment increased to \$108.2 million, as discussed further in the *Statement of Activities* section under Investment Returns Distributed for Operations.

Investments include short-term investments, equities, fixed income, real estate, and mineral interests as well as alternative investments. The alternative investments, including equity, debt, real estate partnerships, and hedge funds, represent 59% of total investments at year-end.

Asset Allocation

(in thousands)	May 31,	
	2025	2024
Short-term investments	\$ 424,833	\$ 460,610
Derivatives	\$ 659	\$ 361
Domestic Securities	\$ 151,213	\$ 166,947
International equity securities	\$ 228,004	\$ 292,377
Corporate bonds and asset-backed securities	\$ 267,959	\$ 157,513
Equity partnerships	\$ 1,239,245	\$ 1,092,913
Debt partnerships	\$ 319,003	\$ 334,717
Real estate partnerships	\$ 147,777	\$ 138,205
Hedge funds	\$ 142,391	\$ 144,337
Real estate	\$ 4,616	\$ 4,616
Mineral interests	\$ 114,900	\$ 104,650
Investments held in trust by others	\$ 104,322	\$ 99,343
Total Investments	\$ 3,144,922	\$ 2,996,589

Fiscal Year 2025



Endowment

The University's Endowment funds provide enduring support for the mission of the University by infusing a substantial and reliable flow of funds into the operating budget. At May 31, 2025, the Endowment totaled \$2.8 billion for the total investments balance and represented approximately 75% of the University's net assets. Contributions, total investment return, and other transfers increased the Endowment by \$245.4 million, and Endowment payouts reduced the Endowment by \$108.2 million for a net increase of \$137.2 million, or 5.2% from the prior year. Payout to operations from the Endowment continues to be a substantial source of operating revenue for the University, covering 14.9% and 13.9% of expenses in FY25 and FY24, respectively.

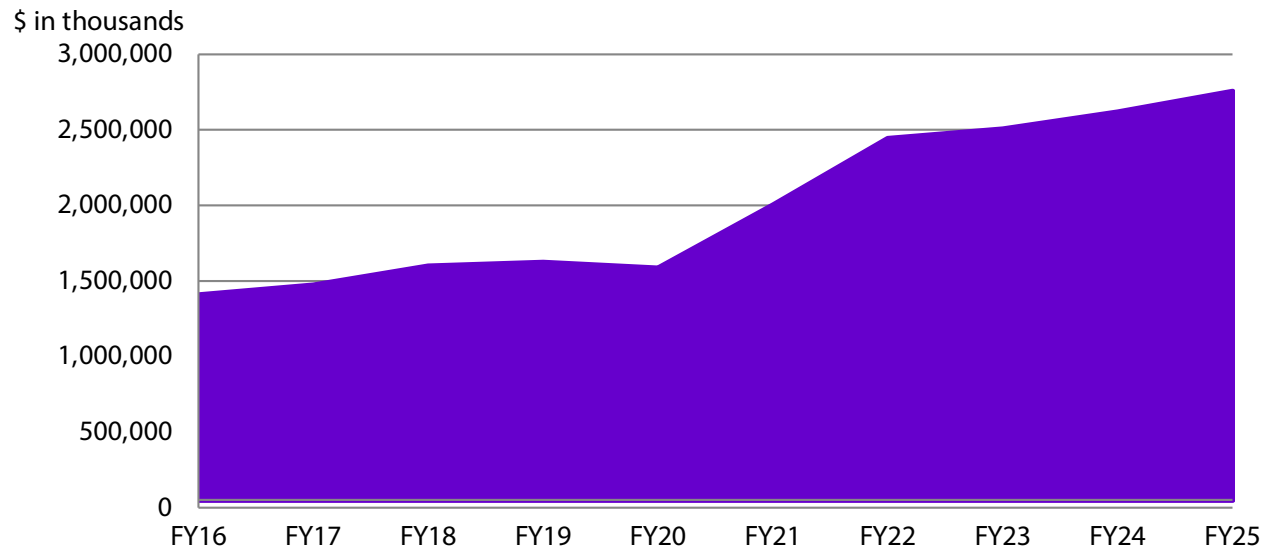
The Endowment is a commingled investment pool composed of hundreds of individual funds embodying a variety of designated and undesignated purposes. These funds fulfill donor wishes by financing designated programs until either a time or purpose restriction is satisfied or in perpetuity. Endowment funds with donor restrictions for time or purpose comprise 24.8% of the University's Endowment net assets, and an additional 24.6% of those net assets are for funds with perpetual donor restrictions. The remainder of the Endowment is primarily comprised of gifts and capital gains without donor restrictions, acting as Quasi-Endowment, which combine to provide a margin of excellence over and above that which tuition supports.

The financial goal for the Endowment is to preserve the inflation-adjusted purchasing power over the long term and provide a reliable, growing stream of income to support the University's mission fulfilled by its people and programs. Therefore, the University must invest the Endowment in such a way to achieve a total return which is the actual income plus appreciation that is at least equal to inflation plus actual Endowment payout over the long term.



The Endowment supports an annual payout rate of approximately 5.0% of the average market value over a twelve-quarter period ending December 31 of the preceding year. Using the Board of Trustees' approved spending limit, the Endowment spending rate was maintained at 5.0% for the fiscal year ended May 31, 2025.

University Endowment by Year



Property and Equipment

During FY25, the University invested \$118.0 million in capital projects, bringing the total property and equipment before accumulated depreciation to \$2.6 billion.

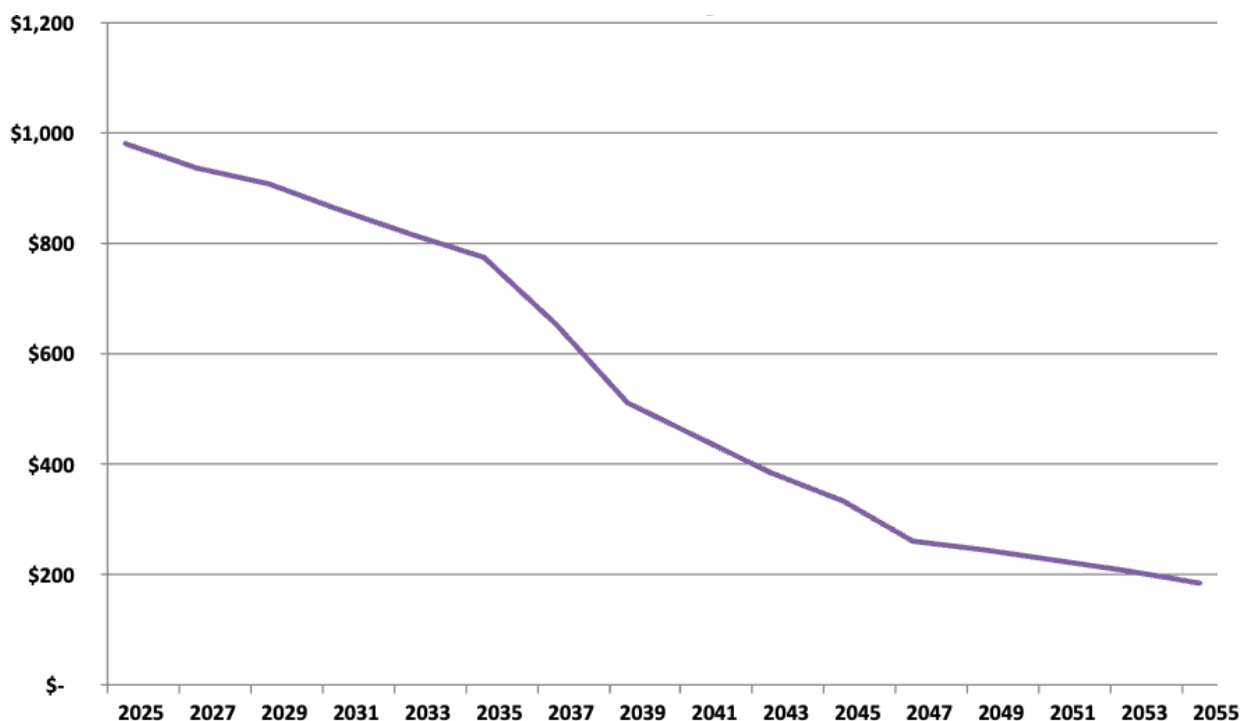
During FY25, the construction of a new building for the Anne Burnett Marion School of Medicine on University-owned property in the Fort Worth medical district was completed and fully occupied. In addition, several projects associated with the University's strategic plan that support people and programmatic initiatives, as well as enhancements to the University's infrastructure and deferred maintenance needs were completed. These projects include construction of a new dining hall and residential housing on the east side of campus, major renovation of the west end of the Mary Coats Burnett Library, and renovations for the Harris College Research Annex. Several projects currently under construction and planned for completion in future fiscal years include the construction of a new Athletics Human Performance Center, renovation of TCU's dining hall "Market Square", construction of a parking garage located on the east side of campus, and the renovation of Ed Landreth Hall and Auditorium, a signature building in the historic precinct of campus used for the Department of Theater, classrooms, and other academic programming needs.



Bonds and Notes Payable

Over time, TCU has funded building projects through a combination of gifts, working capital reserves, and debt in the form of tax-exempt bonds and taxable notes. In FY25, total debt increased slightly from \$983.0 million to \$985.5 million. Total debt levels remain appropriately balanced against assets of the University and donor pledges. The Total Debt Outstanding graph below includes the outstanding debt as of May 31, 2025.

Outstanding Debt 5-31-2025 **Total Debt Outstanding**



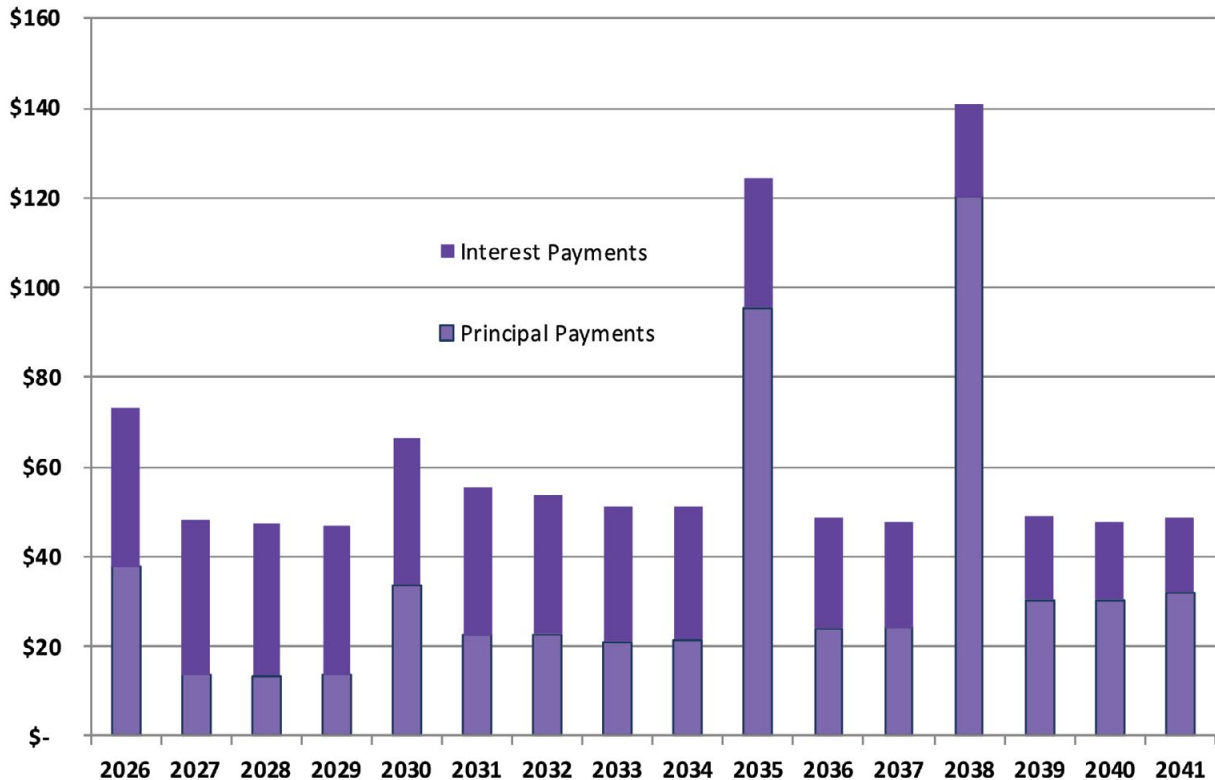
The maturity schedule calls for retirement of most of the existing debt over the next five to thirty years, with the exception of \$150.0 million that was issued in May 2020, which has been held in reserve to manage liquidity needs during the worldwide COVID-19 pandemic. The University has not used any of the proceeds from the \$150.0 million reserve funds. These reserve funds have been invested with the endowment to maximize the return. The principal and interest payments for the next fifteen are shown in the graph on next page.



Debt Principal Payments

Next Fifteen Years

\$ in millions



The management of the debt portfolio is ongoing and, in conjunction with the University's reporting requirements to Moody's Investors Service and other rating agencies, remains in compliance. As of May 31, 2025, the University's credit rating remained unchanged with Moody's Investors Service rating TCU's long-term bonds "Aa3", and Fitch Ratings rating the bonds "AA-", which represent strong ratings by both firms.

Right of Use Liabilities

The University records leases in accordance with Accounting Standard Codification ASC 842, Leases. The University leases parking, retail/office space, equestrian facilities, Athletics equipment, and dedicated ethernet under operating leases expiring at various dates through 2030, which are primarily considered operating ROU assets under ASC 842. Additionally, two lease arrangements for student housing apartments for which the University collects fees from students for use and one lease arrangement for classroom and lab space for TCU School of Medicine are classified as a finance ROU asset under ASC 842 expiring at various dates through 2032. The Right of Use liability has decreased from \$16 million to \$13 million for FY24 and FY25 respectively.



Net Assets Without Donor Restrictions

University net assets without donor restrictions increased \$182.1 million to end the year at over \$2.2 billion. Net assets without donor restrictions from operating activities increased \$131.5 million, and net assets without donor restrictions from non-operating activities increased \$50.7 million. The net asset increases from non-operating activities included a \$1.2 million gain from actuarial changes in postretirement benefits. In addition, a \$50.8 million gain from investment returns, net of the operating distributions along with a \$1.4 million loss on elimination of the interest rate swaps, were posted.

Net Assets With Donor Restrictions

The net assets with donor restrictions related to time or purpose increased \$13.9 million to \$765.4 million at year-end, and the net assets with perpetual donor restrictions increased \$28.5 million to \$678.2 million as of May 31, 2025. Therefore, total net assets with donor restrictions have a year-end balance of \$1.4 billion.

Unlike the net assets with donor restrictions related to time or purpose, which can be reclassified to net assets without donor restrictions upon the restricting constraint being completed or resolved, the principal value of the assets designated as with perpetual donor restrictions must be invested in perpetuity to generate income to be used only for the purposes designated by the donors.

STATEMENT OF ACTIVITIES

The *Statement of Activities* shows the revenues earned and the expenses incurred during FY25 in support of the University's operations, as well as the results of non-operating activity primarily related to investment activity. The University ended FY25 with a \$98.9 million increase in net assets from operating activities and with depreciation expense of \$85.2 million. This compares to a \$67.7 million increase in net assets from operating activities in FY24.

The FY25 operating revenues increased 9.0% with an increase in expenses of 5.4% during the same period. The increase in revenue is primarily net tuition due to an increase in the tuition rate of 7.9%.

The investment returns distributed for operations shown within the operating revenues section of the statement reflect the annual Endowment payout, in addition to the interest on short-term investments and invested bond proceeds. There are no transactions on the Statement of Activities titled "net assets if released from restrictions", which represent reclassifications of assets from the "with donor restrictions" category to the "without donor restrictions" category because the requisite conditions were satisfied. These reclassifications have no impact on the total revenue.

The operating expenses are displayed by function in the *Statement of Activities*. All operating expenses are classified as without donor restrictions because the assets were released from donor-imposed restrictions, if any, when the expenses satisfying the restricted purpose were incurred. The depreciation expense of \$85.2 million, facility maintenance expense of \$115.3 million, and interest expense of \$26.2 million were allocated among the functional categories in proportion to the utilization of the underlying assets by each function.



The non-operating activities include gifts to the Endowment or other capital for non-operating purposes such as new buildings. Investment returns, net of the amount distributed for operations, as well as actuarial changes in retiree benefit plans, are also accounted for in this section. The increase in the University's non-operating net assets of \$125.7 million is discussed in more detail in the Statement of Financial Position section.

The changes in Net Assets are primarily due to capital gifts and to realized and unrealized market gains or losses that impact the carrying value of the Endowment, but do not directly impact the operating budget. TCU adopts a balanced operating budget each year. The operating budget is prepared using conservative revenue projections and a provision is made in support of certain strategic initiatives within the strategic plan. This conservative approach to budgeting allows for the University to generate an increase in net assets before the depreciation expense which are dedicated, in part, to providing an adequate contingent reserve. And, in concert with donor support, continues investment and fulfillment of the capital projects related to the strategic plan that otherwise would not be possible.

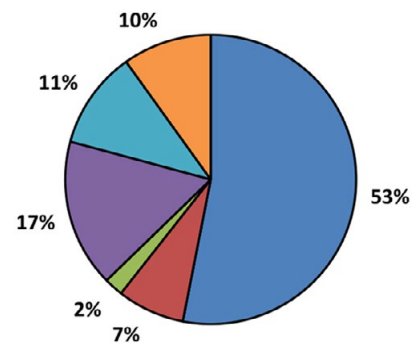
OPERATING REVENUES

The FY25 operating revenues were \$825.0 million, reflecting an increase of 9.0% over FY24. The components of the University's operating revenues are shown in the table and chart below.

Current Operating Revenues

(in thousands)	May 31,	
	2025	2024
Net tuition and fees	\$ 438,353	\$ 390,039
Private gifts and grants & contributions	\$ 61,912	\$ 54,619
Government grants and contracts	\$ 17,522	\$ 17,290
Investment returns distributed for operations	\$ 136,445	\$ 124,990
Auxiliary activities	\$ 90,064	\$ 86,615
Other income	\$ 81,528	\$ 83,930
Total Operating Revenues	\$ 825,824	\$ 757,483

Fiscal Year 2025



Net Tuition and Fees

The tuition and fees are shown net of financial aid and represent 53% of the University's operating revenues, which is a net increase of 12.4% to \$438.4 million in FY25 as compared to the prior year. The increase in Net Tuition and Fees is the result of increased undergraduate student enrollment and the undergraduate tuition rate.

TCU charges a single tuition rate for full-time students taking between 12 to 18 credit hours, rather than charging on a per-credit-hour-basis. The annual tuition at TCU was \$61,650 in FY25, an increase from the prior year rate of \$57,130. As noted above, TCU supported the strategic goal of increasing the undergraduate population and the undergraduate enrollment increased from 10,915 students for the Fall semester 2023 to 11,049 students as of the Fall semester 2024.



Private Gifts and Grants and Government Grants and Contracts

The FY25 private gifts and grants and contributions represent 7% of the total operating revenues and increased \$7.3 million to \$61.9 million during FY25. The increase is primarily due to the timing of the gift portion for season ticket sales for athletic events. Contributions of non-financial assets totaling \$20.0 million primarily represent the School of Medicine preceptors. Preceptors provide specialized clinical training services to our medical students. Government grants and contracts make up 2% of the University's operating revenues and remained constant at \$17.5 million.

Investment Returns Distributed for Operations

The investment returns distributed for operations represent 16.5% of operating revenues and increased from the prior year to \$136.4 million. The operating investment returns reflect the annual Endowment payout, or the amount budgeted to be spent in support of operations for the year, in addition to the interest on short-term investments. The University's investments for the Endowment are discussed further in the *Statement of Financial Position* section.

Auxiliary Activities

The auxiliary income represents 11% of operating revenues and increased \$3.5 million from the prior year, ending the year with \$90.1 million in revenue. These revenues are composed primarily of student residential housing and dining. The increase is due to the increase in occupancy rates in residential housing and dining plans purchased by students in FY25.

Other Income

The other income represents 9.9% of operating revenues and decreased \$2.4 million from the prior year, ending the year with \$81.5 million in revenue. These revenues include mostly athletics revenues.

Net Assets Released from Restrictions

The "*Net assets Released from Restrictions*" represent reclassifications of assets from those "with donor restriction" categories to those "without donor restriction" categories because requisite conditions were satisfied. These reclassifications have no impact on the total revenue.

OPERATING EXPENSES

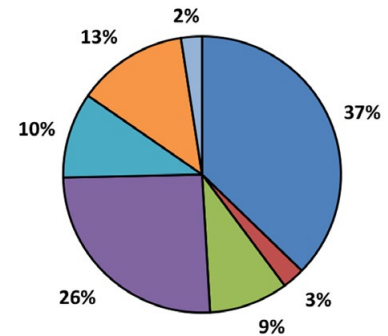
Total expenses increased \$37.2 million, or 5.4%, to \$727.0 million in FY25. The operating expenses are presented in the financial statements by functional area. All expenses are classified as without donor restrictions because the assets were released from donor-imposed restrictions, if any, when the expenses satisfying the restricted purpose were incurred. The components of the University's operating expenses by function are shown in the table and chart at the top of the next page.



Current Operating Expenses

(in thousands)	May 31,	
	2025	2024
Instruction	\$ 270,862	\$ 255,313
Research	\$ 18,944	\$ 17,018
Academic support	\$ 66,976	\$ 63,726
Student services	\$ 185,902	\$ 176,229
Institutional support	\$ 72,804	\$ 70,712
Auxiliary activities	\$ 93,755	\$ 87,188
Fund-raising	\$ 17,722	\$ 19,555
Total Operating Expenses	\$ 726,965	\$ 689,741

Fiscal Year 2025



Instruction

Instruction represents 37.0% of the total operating expenses and increased to \$270.9 million in FY25. Faculty salaries, travel, services, and the School of Medicine in-kind expenses for preceptors are the primary drivers of the increase in this functional category.

Student Services

Student Services includes expenses for admissions, student activities, cultural events, intramural athletics, student organizations, and intercollegiate athletics. Student Services represent 25.6% of the total operating expenses and slightly increased to \$185.9 million.

Auxiliary Activities

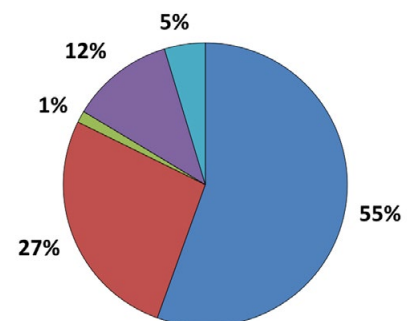
Auxiliary Activities represent 12.9% of the total operating expenses and increased slightly to \$93.8 million in FY25. Auxiliary expenses are primarily student residential housing and dining services.

Although the operating expenses are presented in the *Statement of Activities* by functional area, the following summarizes the composition of operating expenses by natural classification:

Current Operating Expenses by Natural Classification

(in thousands)	May 31,	
	2025	2024
Compensation and Benefits	\$ 403,425	\$ 374,085
Supplies and Services	\$ 194,745	\$ 193,813
Utilities	\$ 9,769	\$ 10,218
Depreciation	\$ 85,226	\$ 81,625
Interest	\$ 33,800	\$ 30,000
Total Operating Expenses	\$ 726,965	\$ 689,741

Fiscal Year 2025





FUTURE MOMENTUM

To build upon the momentum achieved through the years, the University adopted a campus-wide strategic plan, known as LEAD ON: Values in Action. This plan is built upon four foundational pillars and crafted through the active engagement of over 10,000 voices of students, faculty and staff, and community. TCU's next chapter will lead to our future as "The University of Fort Worth," a top private institution with a national reputation for best-in-class student experience, scholarly impact and the most competitive athletics. TCU will reach new heights in: 1) Student-centered Growth: Deliver an exceptional student experience to an expanded student body. 2) Research, Scholarship, and Creative Activities: Solidify our position as the premier research institution for Fort Worth and beyond. 3) Athletics: Elevate TCU athletics' winning legacy and student-athlete experience. 4) Community Engagement: Be the institution that writes the next chapter for Fort Worth and beyond, in partnership with the community.

Achieving these goals will require financial resources and, through careful financial stewardship, the University is well-positioned to continue the advancement of TCU's educational mission. The University's liquidity position is strong and continues to improve through positive operating cash flows. Total debt levels remain appropriately balanced against assets of the University, donor pledges, and a maturity schedule that calls for retirement of most of the outstanding balances over the next five to thirty years. The cash and investment balances remain strong and operating reserves are available to continue investing in the strategic initiatives.

With TCU's strong brand and reputation, the enduring support of campus stakeholders, alumni, and friends, and continued strong, thoughtful and prudent leadership, the University will continue to be an attractive destination for students and thought leaders who will shape and transform our world.



Financial Statements and Report of
Independent Certified Public
Accountants

Texas Christian University

May 31, 2025 and 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Texas Christian University

Opinion

We have audited the financial statements of Texas Christian University (a nonprofit organization) (the "University"), which comprise the statement of financial position as of May 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as of May 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always

detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Report on 2024 summarized comparative information

We have previously audited the University's 2024 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2024. In our opinion, the accompanying summarized comparative information as of and for the year ended May 31, 2024, is consistent, in all material aspects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

Dallas, Texas
September 22, 2025

Texas Christian University
STATEMENTS OF FINANCIAL POSITION
May 31, 2025 and 2024
(in thousands)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 45,241	\$ 30,844
Accounts receivable and accrued income, net	42,797	33,801
Contributions receivable, net	17,667	27,589
Investments	3,144,922	2,996,589
Property and equipment, net	1,613,358	1,564,800
Other assets, net	<u>17,812</u>	<u>13,987</u>
Total assets	<u>\$ 4,881,797</u>	<u>\$ 4,667,610</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and other accrued liabilities	\$ 94,640	\$ 94,904
Refundable government student loans	7,248	6,155
Funds held in fiduciary capacity, net	18,486	16,363
Deferred income	44,617	49,174
Accrued postretirement benefits	48,777	49,987
Interest rate swaps	—	7,513
Bonds and notes payable, net	985,522	982,982
Right of use liabilities	<u>13,414</u>	<u>15,962</u>
Total liabilities	1,212,704	1,223,040
Net assets		
Without donor restrictions	2,225,423	2,043,264
With donor restrictions		
Time or purpose	765,430	751,540
Perpetual	<u>678,240</u>	<u>649,766</u>
Total with donor restrictions	<u>1,443,670</u>	<u>1,401,306</u>
Total net assets	<u>3,669,093</u>	<u>3,444,570</u>
Total liabilities and net assets	<u>\$ 4,881,797</u>	<u>\$ 4,667,610</u>

The accompanying notes are an integral part of these financial statements.

Texas Christian University
STATEMENT OF ACTIVITIES
Year ended May 31, 2025
(with comparative totals for 2024)
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	2025	2024
Operating revenues				
Net tuition and fees	\$ 438,353	\$ —	\$ 438,353	\$ 390,039
Private gifts and grants	1,331	40,365	41,696	36,645
Contributions - nonfinancial	20,216	—	20,216	17,974
Government grants and contracts	17,522	—	17,522	17,290
Investment returns distributed for operations	87,647	48,798	136,445	124,990
Auxiliary activities	90,064	—	90,064	86,615
Other income	81,528	—	81,528	83,930
Net assets released from restrictions	121,784	(121,784)	—	—
	<u>858,445</u>	<u>(32,621)</u>	<u>825,824</u>	<u>757,483</u>
Total operating revenues				
	<u>858,445</u>	<u>(32,621)</u>	<u>825,824</u>	<u>757,483</u>
Operating Expenses				
Instruction	270,862	—	270,862	255,313
Research	18,944	—	18,944	17,018
Academic support	66,976	—	66,976	63,726
Student services	185,902	—	185,902	176,229
Institutional support	72,804	—	72,804	70,712
Auxiliary activities	93,755	—	93,755	87,188
Fund-raising	17,722	—	17,722	19,555
	<u>726,965</u>	<u>—</u>	<u>726,965</u>	<u>689,741</u>
Total operating expenses				
	<u>726,965</u>	<u>—</u>	<u>726,965</u>	<u>689,741</u>
Change in net assets from operating activities	<u>131,480</u>	<u>(32,621)</u>	<u>98,859</u>	<u>67,742</u>
Non-operating activities				
Capital and other contributions	—	30,979	30,979	50,922
Capital contributions released from restrictions	48	(48)	—	—
Postretirement benefit actuarial changes	1,201	—	1,201	1,629
Investment returns, net of operating distributions above	50,848	43,012	93,860	67,483
(Loss)/gain on interest rate swaps	(1,418)	—	(1,418)	3,832
Other	—	1,042	1,042	1,236
	<u>50,679</u>	<u>74,985</u>	<u>125,664</u>	<u>125,102</u>
Change in net assets from non-operating activities				
	<u>50,679</u>	<u>74,985</u>	<u>125,664</u>	<u>125,102</u>
CHANGE IN NET ASSETS	182,159	42,364	224,523	192,844
Net assets at beginning of year	2,043,264	1,401,306	3,444,570	3,251,726
Net assets at end of year	<u>\$ 2,225,423</u>	<u>\$ 1,443,670</u>	<u>\$ 3,669,093</u>	<u>\$ 3,444,570</u>

The accompanying notes are an integral part of this financial statement.

Texas Christian University
STATEMENTS OF CASH FLOWS
May 31, 2025 and 2024
(in thousands)

	2025	2024
Operating activities:		
Change in net assets	\$ 224,523	\$ 192,844
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	84,400	81,775
Provision for bad debts	2,153	61
Loss/(gain) on disposal or sale of property and equipment	(361)	489
Proceeds from capital and other contributions	(30,979)	(50,922)
Investment returns, net of operating distributions	(93,860)	(67,483)
Loss/(gain) on interest rate swaps	1,418	(3,832)
Proceeds from sale of contributed securities for operations	1,545	5,362
Net change in charitable gift annuities	(1,042)	(1,236)
Net change in contributions receivable restricted for long-term purposes	9,922	5,178
Changes in operating assets and liabilities:		
Accounts receivable and accrued income	(11,149)	(100)
Other assets	(3,825)	(3,620)
Accounts payable and other accrued liabilities	(15,564)	(30,172)
Refundable government student loans	1,093	1,207
Funds held in fiduciary capacity	2,123	183
Deferred income	(4,557)	7,663
Accrued postretirement benefits	(1,210)	(1,860)
Right of use liabilities - operating	787	(671)
Net cash provided by operating activities	165,417	134,866
Investing activities:		
Purchases of property and equipment	(118,226)	(160,060)
Proceeds from sale of property and equipment	103	273
Purchases of investments	(2,287,370)	(2,435,408)
Proceeds from sales and maturities of investments	2,225,961	2,481,094
Net cash used in investing activities	(179,532)	(114,101)
Financing activities:		
Proceeds from capital and other contributions:		
Endowment	24,805	31,575
Property and equipment	6,174	19,347
Payments on bonds payable	(86,454)	(6,272)
Termination of interest rate swap	(8,931)	—
Proceeds from issuance of bonds and notes	89,820	—
Payments of finance lease obligation	(3,739)	(5,796)
Proceeds from sale of contributed securities for long-term purposes	5,391	8,872
Net change in charitable gift annuities	1,042	1,236
Net change in right of use liabilities - finance	404	(47,147)
Net cash provided by financing activities	28,512	1,815
NET INCREASE IN CASH	14,397	22,580
Cash at beginning of year	\$ 30,844	\$ 8,264
Cash at end of year	\$ 45,241	\$ 30,844
Supplemental non-cash disclosure:		
Property and equipment included in accounts payable	\$ 15,300	\$ 20,014

The accompanying notes are an integral part of these financial statements.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Texas Christian University (the University or TCU) is a private, non-profit institution of higher education, which includes ten major academic units (AddRan College of Liberal Arts, the College of Science and Engineering, the Neeley School of Business, the College of Education, the College of Fine Arts, the Bob Schieffer College of Communication, the Harris College of Nursing and Health Sciences, the John V. Roach Honors College, the School of Interdisciplinary Studies, and the TCU School of Medicine).

Basis of Financial Reporting

The accompanying financial statements represent the financial position and financial activities of the University, as a whole, and present transactions according to the existence or absence of donor-imposed restrictions. Accordingly, transactions and balances are classified into two categories: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-imposed or legal restrictions that must be met either by actions of the University and/or the passage of time. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the University, including donor restrictions which stipulate that assets be held in perpetuity.

Cash

For the purpose of reporting cash flows in the statements of cash flows, cash is comprised of cash on hand and in banks. The University places its cash with high quality financial institutions and these cash balances, at times, may exceed federally insured limits. The University has not experienced any losses on such accounts.

Accounts Receivable and Accrued Income

Accounts receivable are shown net of an allowance for credit losses of approximately \$9.1 million and \$7.2 million at May 31, 2025 and 2024, respectively. The University estimates the allowance for credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectibility of the reported amount. Accounts receivable are written off against the allowance based on a review of specific accounts. Gross accounts receivable on the statements of financial position as of May 31 include:

	2025	2024
	(in thousands)	
Student accounts receivable	\$ 17,299	\$ 16,633
Student loans receivable	4,662	4,885
Accrued income	22,634	12,563
Other receivables	7,302	6,920
Total	<u>\$ 51,897</u>	<u>\$ 41,001</u>

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Contributions Receivable

Unconditional promises to give are recorded as contributions receivable and contribution revenue when the promise is made. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. These contributions are considered fully collectible due to the giving history of the majority of the donors, and as such the University has not recorded an allowance for credit losses related to contributions receivable.

As of May 31, 2025 and 2024, the University has received conditional intentions to give from donors aggregating approximately \$191.6 million and \$181.2 million, respectively. These conditional intentions to give consist of gifts restricted for specific purposes stipulated by the donors. These intentions to give are not reported as contributions until received because the donor statements of intent specify that they are not legally binding and the University allows donors to rescind their nonbinding intentions to give. Therefore, the intentions are not considered unconditional promises to give and are not reported in the accompanying statements of financial position. Should an intention to give become an unconditional promise to give at a later date, the amounts would be recognized in the financial statements at that time.

Statement of Activities

The University defines operating activities, as included in the accompanying statement of activities, as the revenue and expenses resulting from its educational programs and other core mission activities, along with endowment investment returns distributed for operations. Donor-restricted contributions to endowments, capital contributions, investment returns net of operating distributions, valuation changes in interest rate swaps, and actuarial changes/unrecognized prior service credits in postretirement benefit plans are excluded from operating activities and separately reported as non-operating activities in the accompanying statement of activities.

The University has adopted a total return concept for the management of all of its investments. Income generated from investments is used to meet the spending limit requirements defined by the Board of Trustees for current operating activities and may be from traditional yield plus a portion of net realized accumulated gains. If the yield is less than the defined spending limit, previously accumulated undistributed investment income and/or realized accumulated gains may be used to fund current operating activities. Any return in excess of, or deficiency from, the defined spending limit is classified as a non-operating activity. The Board-approved spending limit was 5% of the trailing 12-quarter average market value of the University's endowment assets for the years ended May 31, 2025 and 2024. Because the spending limit policy is integral to the management of the University's financial operations, spending limit amounts of approximately \$116.1 million and \$102.0 million have been included in operating activities as part of investment returns distributed for operations for the years ended May 31, 2025 and 2024, respectively.

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity or for a donor-specified period of time as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the total of the annual payout, inflation, and fees, while assuming a moderate level of investment risk. The University's target return is for its endowment funds, over time, to exceed a composite index of asset classes contained in the investment policy target mix. Actual returns in any year may vary from this amount.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Certain restricted gifts, grants, investment income, and other restricted resources are accounted for as revenue with donor restrictions. Upon the lapse of donor-imposed restrictions or expenditures for the intended purpose, these assets are reclassified to net assets without donor restrictions, with expenditures reported as operating expenses or non-operating capital contributions released from restrictions. Contributions received with donor restrictions which are satisfied in the same reporting period are accounted for as described above and are included in net assets released from restrictions and in capital contributions released from restrictions in the accompanying statement of activities.

Revenue from tuition and fees is recognized as earned over the related academic term within the fiscal year and is reported net of student financial aid (principally scholarships) of approximately \$344.9 million and \$316.9 million in 2025 and 2024, respectively, and provision for bad debts of approximately \$2.2 million and \$0.1 million in 2025 and 2024, respectively. Charges to students for campus housing and dining services represent separate performance obligations from the delivery of academic instruction and have been treated as separate contracts in the University's financial statements. Revenue from housing and dining contracts is recognized as earned over the related academic term within the fiscal year and is included in auxiliary activities.

Advertising costs are expensed as incurred. Advertising expense was approximately \$2.9 million and \$4.0 million for the years ended May 31, 2025 and 2024, respectively.

Contributions

Contributions received are recognized as revenue in the period received at their fair values. Unconditional promises to give are recognized at net realizable value when the promise is made. Contributed services are recognized as revenue if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that would typically need to be purchased if not provided by donation. Gifts of long-lived assets are recognized at fair value at the date of gift. The University does not imply a time restriction on such gifts.

Contributions of Nonfinancial Assets

For the years ended May 31, contributed nonfinancial assets recognized within the statement of activities included:

	2025	2024
	(in thousands)	
School of Medicine Preceptors	\$ 17,537	\$ 16,689
Horses	2,679	1,285
Total	<u>\$ 20,216</u>	<u>\$ 17,974</u>

The University's policy related to contributions of nonfinancial assets is to utilize the assets given in carrying out the mission of the University. The University does not accept contributions of nonfinancial assets that cannot be utilized or contributions in which the donor has placed restrictions.

The School of Medicine preceptor faculty provide specialized clinical training services to our medical students. These services require licensed and credentialed clinical faculty to train our medical students in a clinical setting in accordance with our Association of American Medical Colleges (AAMC) Uniform Clinical Training Affiliation Agreement (LCME) requirement. The value of the services is based on market rates of the preceptor faculty and the amount of time donated to provide the specialized clinical training. Market rates are determined by AAMC Benchmark Salary data using national median income by specialty and academic rank.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

The University periodically receives donations of horses to be utilized by students in the equestrian program. Independent appraisals from a credible source are used to value horses.

Investments

Investments, primarily debt and equity securities and assets held in trust, are carried at fair value. Fair values of securities are based on quoted market prices. Fair values of investments in private limited partnerships and hedge funds are based on net asset value (NAV) as a practical expedient in estimating fair value. Accounting principles generally accepted in the United States of America (U.S. GAAP) provide guidance for estimating the fair value of investments in investment funds that calculate NAV. NAVs are determined by the fund manager or general partner based on their best estimates using fair value estimation techniques, substantiated, in part, by their audited financial statements and supported by the due diligence of the University's investment management. Real estate held for investment by the University is carried at fair value based upon appraisals. Mineral interests are carried at fair value based upon a valuation approach using cash flows. Short-term investments are carried at cost, which approximates the fair value of such assets. Investments which are received by gift are recorded at fair value at the date of donation and adjusted for any unrealized gains/losses occurring thereafter.

Short-term investments consist principally of cash equivalents and money market funds and are not subject to significant market or credit risks. The remaining longer-term investments are subject to market and credit risks customarily associated with those investments.

Income and net realized and unrealized gains and losses on investments are classified as without donor restriction based on the absence of donor restrictions or when appropriated for expenditure. Income and net realized and unrealized gains and losses are only classified as with donor restriction based on the presence of donor restrictions or an implied time restriction on donor-restricted endowments. The restricted portion of the University's investments is subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity. Realized and unrealized gains and losses on funds held in trust in perpetuity are classified as with donor restrictions.

The University may use derivative financial instruments in the management of its treasury and investment portfolio. In addition, investment managers engaged by the University may use derivative instruments to implement their investment strategies. Investments in derivative financial instruments are not designated as hedges. All derivative financial instruments used for investment purposes are marked to market and recorded at fair value. Realized gains and losses on derivative financial instruments used for investment purposes are recorded in investment returns distributed for operations on the statement of activities.

Depreciation and Amortization

Depreciation and amortization of property and equipment are provided on the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives for purposes of depreciation and amortization are as follows:

Land improvements	10 years
Buildings	39 years
Building renovations	25 years
Building improvements	10 years
Furniture and equipment	3 to 15 years
Library books and film	5 years

The University's asset capitalization threshold is generally \$10,000 for individual asset acquisitions.

Texas Christian University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

May 31, 2025 and 2024

Leases

The University records leases in accordance with Accounting Standards Codification (ASC) 842, *Leases*. The University determines if an arrangement is a lease at inception. All leases are recorded on the statements of financial position, except for leases with an initial term less than 12 months for which the University made the short-term lease election.

Operating lease right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments using the University's incremental borrowing rate over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. The ROU assets are included in other assets, net of accumulated amortization and lease incentives and the related ROU liabilities are included in ROU liabilities in the statements of financial position. Operating lease expense is recognized on a straight-line basis over the lease term within the appropriate functional category in the statement of activities. Lease terms may include options to extend or terminate the lease when it is reasonably certain the University will exercise the option. Finance lease ROU assets are included in property, plant, and equipment, net of accumulated amortization and lease incentives, and the related ROU liabilities are included in ROU liabilities, in the statements of financial position.

Debt Premium and Issuance Amounts

Debt premium is amortized using the straight-line method, which approximates the effective interest method, over the period the related bonds are outstanding. Unamortized debt premium totaled approximately \$15.0 million and \$3.6 million at May 31, 2025 and 2024, respectively, and is included in bonds and notes payable, net, in the accompanying statements of financial position.

Debt issuance costs, net of amortization, totaled approximately \$3.6 million and \$4.1 million at May 31, 2025 and 2024, respectively, and are included as a reduction to bonds and other liabilities, net, in the accompanying statements of financial position.

Interest Rate Swaps

The University accounts for its interest rate swaps at their fair value at each fiscal year end. They are included as liabilities in the statements of financial position as interest rate swaps. Changes in the fair value of the interest rate swaps held by the University are included in the non-operating activities section in the accompanying statement of activities as gain or loss on interest rate swaps. During the fiscal year, the University terminated its interest rate swap agreement. As of May 31, 2025, the University no longer has any outstanding interest rate swaps.

Student Loans

The assets and liabilities of the Federal Perkins Loan Program, Nursing Student Loan Program, and Nurse Faculty Loan Program, which are financed primarily by the federal government and administered by the University, are included with those of the University. The total of the federal government portion of these net assets is shown as refundable government student loans in the accompanying statements of financial position. The University also has loan funds received by means of gifts or grants that are included in net assets with donor restrictions due to donor stipulations that the funds and the income earned must remain in perpetuity for loan purposes.

Income Tax Status

The University is a tax-exempt institution under Section 501(a) of the Internal Revenue Code of 1986, as amended (IRC), as an organization described in Section 501(c)(3) of the IRC. The University has concluded that it does not have any unrecognized tax benefits resulting from current or prior period tax positions. Accordingly, no additional disclosures have been made on the financial statements regarding

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Fair Value of Financial Instruments

The University has estimated the fair values of its financial instruments using available market information and other valuation methodologies. Accordingly, the estimates presented are not necessarily indicative of the amounts that the University could realize in a current market exchange. Determinations of fair value are based on subjective data and significant judgment relating to timing of payments and collections and the amounts to be realized, and may include audited financial statements and the due diligence of the University's investment management. Different market assumptions and/or estimation methodologies might have a material effect on the estimated fair value amounts. There have been no significant changes in the estimation methodologies used by the University to measure the fair value of its financial instruments. The University believes that the carrying amounts of the various categories of financial instruments approximate fair value.

The University records financial instruments in accordance with the fair value guidance as contained within ASC 820, *Fair Value Measurement*. In accordance with ASC 820, fair value is defined as the price the University would receive from the sale of an asset, or pay to transfer the liability, in a timely transaction with an independent buyer in a principal market. This guidance establishes a three-tier hierarchy to distinguish between various types of inputs used in determining the value of the University's assets and liabilities. The University's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument and is more fully described in Note F. The inputs are summarized in three levels as outlined below:

- Level 1 Inputs - Quoted prices (unadjusted) in active markets for identical assets and liabilities. Level 1 assets include publicly traded securities and mutual funds. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.
- Level 2 Inputs - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Assets in this category generally include non-exchange-traded equity mutual funds, fixed income funds, and interest rate caps. Liabilities in this category include interest rate swaps. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.
- Level 3 Inputs - Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. Assets in this category generally include real estate; investments held in trust by others; mineral interests; and other similar assets. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management.

Fair values of investments in private limited partnerships and hedge funds may be based on NAV as a practical expedient in estimating fair value in accordance with ASC 820. Under this standard, investments for which fair value is measured at NAV per share (or its equivalent using the practical expedient) are removed from the fair value hierarchy. The requirements of this standard are reflected in the tables in Note F.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from these estimates and assumptions.

Texas Christian University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

May 31, 2025 and 2024

Prior Year Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended May 31, 2024, from which the summarized information was derived.

NOTE B - BRITE DIVINITY SCHOOL

Brite Divinity School (Brite) is a separately incorporated 501(c)(3) organization with its own Board of Trustees. The assets, liabilities, and activities of Brite are not included in the accompanying financial statements except for investments at fair value totaling approximately \$17.7 million and \$17.1 million at May 31, 2025 and 2024, respectively, which are included in investments, at fair value, and also as an offsetting liability in funds held in fiduciary capacity, net, in the accompanying statements of financial position. Funds held in fiduciary capacity, net, include a receivable from Brite of approximately \$46,000 and \$1.1 million at May 31, 2025 and 2024, respectively.

Brite pays annual maintenance and administrative fees to the University to cover a portion of these expenses, as a majority of these functions are performed by University personnel. Brite also reimburses the University for expenses directly attributable to its operations. The fees and reimbursements totaled approximately \$3.9 million and \$2.2 million for the years ended May 31, 2025 and 2024, respectively. The fees are included in other income and the expense reimbursements are included as offsets to operating expenses in the accompanying statement of activities.

NOTE C - LIQUIDITY AND AVAILABILITY

The University's financial assets available for general expenditure within one year as of May 31 are as follows:

	2025	2024
	(in thousands)	
Cash	\$ 45,241	\$ 30,844
Accounts receivable and accrued income, net	36,687	27,467
Contributions receivable, net due within one year	17,397	20,183
Investments not subject to donor restrictions or board designations	362,433	353,231
Financial assets available at year end for current use	<u>\$ 461,758</u>	<u>\$ 431,725</u>

The University has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the University invests cash in excess of daily requirements in short-term investments. As of May 31, 2025 and 2024, the University had available revolving lines of credit totaling \$90.0 million, which it could draw upon in the event of an anticipated liquidity need.

Student loan balances and certain other long-term amounts recorded in accounts receivable are not available to meet general expenditures.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

In addition to financial assets available to meet general expenditures within one year, the Board of Trustees-approved spending limit for the subsequent year ending May 31, 2026 of \$117.4 million is expected to be released from donor-restricted and board-designated financial assets over the next 12 months.

The University has board-designated endowment investments of \$1.3 billion and \$1.2 billion as of May 31, 2025 and 2024, respectively. Although the University does not intend to spend from its board-designated endowment funds other than spending limit amounts appropriated for general expenditure, amounts from its board-designated endowment could be made available at the discretion of the Board of Trustees.

NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following unconditional promises to give with donor restrictions at May 31:

	2025	2024
	(in thousands)	
Unconditional promises expected to be collected in:		
Less than one year	\$ 17,397	\$ 20,183
One to five years	692	4,119
More than five years	—	5,000
Contributions receivable	18,089	29,302
Less discount	(422)	(1,713)
Contributions receivable, net	<u>\$ 17,667</u>	<u>\$ 27,589</u>

Gross contributions receivable resulting from unconditional promises to give relating to the renovation and construction of various projects on the University's campus represent approximately \$18.1 million and \$29.3 million as of May 31, 2025 and 2024, respectively. The net value of those contributions receivable was approximately \$17.7 million and \$27.6 million, as determined by discounting future cash flows, of which 37.1% is concentrated in four donors as of May 31, 2025 and 45.2% is concentrated in five donors as of May 31, 2024. The rates used for calculation of the discount ranged from 0.19% to 4.69% for 2025 and 2024.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

NOTE E - INVESTMENTS

The fair values of investments at May 31 are as follows:

	2025	2024
	(in thousands)	
Short-term investments	\$ 424,833	\$ 460,610
Derivatives	659	361
Equities:		
Domestic securities	151,213	166,947
International securities	228,004	292,377
Fixed income:		
U.S. government securities	71,639	60,248
Corporate bonds and asset-backed securities	196,320	97,265
Alternatives:		
Equity partnerships	1,239,245	1,092,913
Debt partnerships	319,003	334,717
Real estate partnerships	147,777	138,205
Hedge funds	142,391	144,337
Real estate	4,616	4,616
Mineral interests	114,900	104,650
Investments held in trust by others	104,322	99,343
Total investments	<u>\$ 3,144,922</u>	<u>\$ 2,996,589</u>

Short-term investments consist of cash and cash equivalents, such as investments in money market funds, Treasury Bills, and mutual funds.

Investment strategies utilized by the University may incorporate futures, options, swaps, and other derivative instruments to adjust investment exposure to securities, markets, and currencies without taking a position in the underlying assets. The derivatives expose the University to risk of movements in the fair value of the underlying security and a counterparty's failing to meet its obligations.

As of May 31, 2025, the University held a notional exposure of \$50.3 million of fixed income index futures, \$0.6 million of equity options, and a notional exposure of \$7.4 million of short positions in equity index futures. These contracts are marked to market daily, with realized and unrealized gains or losses recognized in the statement of activities. These instruments resulted in realized losses of \$61,000 during the year ended May 31, 2025 and had \$1.4 million of cash collateral pledged as of May 31, 2025.

As of May 31, 2024, the University held a notional exposure of \$55.8 million of equity index futures, \$0.4 million of equity options, and a notional exposure of \$12.0 million of fixed income index futures. These contracts were marked to market daily, with realized and unrealized gains or losses recognized in the statement of activities. These instruments resulted in realized gains of \$3.2 million during the year ended May 31, 2024 and had \$14.0 million of cash collateral pledged as of May 31, 2024.

The amounts reported for the University's investments in hedge funds and limited partnerships are the estimates of the University's alternative investment managers, based on their best estimates using fair value estimation techniques, substantiated, in part, by the investments' audited financial statements and supported by the due diligence of the University's investment management. However, given the inherent limitations in any estimation technique, the values presented herein are not necessarily indicative of the

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

amount that the University could realize in a current transaction. Future events could affect the estimates of fair value and could be material to the financial statements.

Direct investments in real estate and mineral interests are carried at fair value. The University believes that fair value accurately reflects the value of these investments, and records the change in fair value in investment returns, net of operating distributions in the statement of activities.

Mineral interests consist primarily of royalty interests in oil, natural gas, and natural gas liquids, which are developed and produced by oil and gas companies independent of the University. The mineral interests are primarily located in Texas, Oklahoma, New Mexico, Louisiana, Arkansas, and Mississippi. The University's valuation process for determining the fair value of producing mineral interests is based upon cash flows. Under the cash flows valuation method, the fair value of mineral interests is determined using a multiple of the average monthly net cash flows from producing royalties for the fiscal year. The resulting fair value determination is reviewed by an independent petroleum engineer in conjunction with management's due diligence process. In addition, non-producing mineral and non-participating royalty interests are valued by an independent petroleum engineer annually based on bonus potential and net mineral acreage retained by the University.

The following table summarizes the fair value measurement of the University's investments in certain entities that calculate NAV per share as of May 31, 2025:

		<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
		(in millions)			
Investments in:					
Hedge funds	(a)	\$ 142	\$ —	(c)	(d)
Limited partnerships	(b)	1,706	502	n/a	n/a

(a) This category includes five hedge funds with multiple strategies such as long/short equity, absolute return, multi-strategy, event-driven and global macro. The fair values of the investments in this category have been estimated using NAV per share of the investments, substantiated in part by the investments' audited financial statements. Two investments have gates which may potentially impose limitations on redemption amounts. Some hedge fund managers have withdrawal provisions established upon entering their funds which limit an investor's ability to withdraw amounts without a variable charge of up to 5%.

- One investment, valued at \$60.6 million, can be redeemed every three years from the date of issuance.
- One investment, valued at \$25.3 million, can be redeemed every two years from the date of issuance.
- One investment, valued at \$28.1 million, is gated, and can be redeemed over three years.
- One investment, valued at \$5.1 million, is gated.
- One investment, valued at \$23.2 million, has a three-year soft lock.

(b) This category includes private equity limited partnerships that invest primarily in diversified leveraged buyout and venture capital companies, opportunistic distressed debt/equity securities, senior secured mortgages, and secondary investments. This category also includes real asset limited partnerships invested primarily in commercial mortgages and properties located almost exclusively in North America. The fair values of the investments in this category have been estimated using the NAV of the University's ownership interest in the partners' capital. NAVs are determined by the fund manager or general partner based upon the latest investee information available, including financial statements

Texas Christian University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

May 31, 2025 and 2024

and other similar data necessary to the valuation process. Pending capital commitments by the University to these partnerships total approximately \$501.7 million. Generally, partnership investments cannot be redeemed because the investments are structured as closed-end funds with maturity dates 10 or more years from initial acquisition. All funds in this category can be redeemed in the secondary market at a discount or premium to current fair value depending on the market for each particular fund subject to, in some cases, certain approval rights of the general partners.

(c) Hedge fund redemption frequency varies by fund and may occur quarterly, annually, every two years or every three years.

(d) Hedge fund redemption notice varies by fund and may be from 60 to 180 days depending on the fund.

Investments held in trust by others consist primarily of investments in securities and mineral-producing interests. The fair values are presented as follows from information provided by independent trustees as of May 31:

	2025	2024
	(in thousands)	
Milton E. Daniel Trust	\$ 71,110	\$ 67,665
Charles H. Harris Foundation	10,181	9,713
Charitable remainder trusts, net, at estimated net present value	18,006	17,208
Other estates and trusts	5,025	4,757
	<u>104,322</u>	<u>99,343</u>
Total investments held in trust by others	<u>\$ 104,322</u>	<u>\$ 99,343</u>

The University has received as contributions various types of split-interest agreements and investments held in trust by others, including charitable gift annuities, pooled income funds, charitable remainder trusts, and perpetual trusts. The assets for charitable remainder trusts and perpetual trusts are neither in the possession nor under the control of the University, but are held and administered by fiscal agents independent of the University. These assets are included in the accompanying financial statements because the University has legally enforceable, irrevocable rights or claims, including those as to income or eventual distribution of the assets. The associated net assets included in pooled income funds and perpetual trusts are recorded in investments and are revalued to fair value at each year end based upon valuations provided by trustees. The associated net assets under charitable remainder trusts and charitable gift annuities are recorded in investments and are revalued to fair value at each year end using standard IRS-required valuation methodologies. The assumed rate of return used was 7.00% at May 31, 2025 and 7.19% at May, 31 2024. Split-interest contributions were \$0.3 million for the year ended May 31, 2025 and \$0.4 million for the year ended May 31, 2024.

Under the charitable gift annuity arrangements, the University has recorded the assets at fair value and the liabilities to the donors or the donors' beneficiaries at the present value of the estimated future payments to be distributed by the University to such individuals. The amount of the contribution is the difference between the assets and the liability and is recorded as contribution revenue with donor restrictions.

Under the pooled income fund and charitable remainder trust agreements, the University has recorded the contribution with donor restrictions at the present value of the estimated future benefits to be received based on the ultimate disposition of the assets dependent on the donor's intent. Subsequent changes in fair value for charitable remainder trusts are recorded as changes in value in net assets with donor restrictions and are reflected in the statement of activities as investment returns, net of operating distributions.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Under the perpetual trust agreements, the assets are held in perpetuity and recorded in investments in the accompanying statements of financial position. The University has recorded the assets and has recognized contribution revenue with donor restrictions at the fair value of the University's beneficial interest in the trust assets. Income earned on the trust assets is included in investment returns distributed for operations in the accompanying statement of activities. Subsequent changes in the fair value of the beneficial interest in the trust assets are recorded in the statement of activities as investment returns with donor restrictions, net of operating distributions.

The net investment return for the years ended May 31 consists of the following:

	2025	2024
	(in thousands)	
Dividends and interest	\$ 59,939	\$ 59,038
Mineral income	13,842	12,034
Net realized and unrealized gain	156,524	121,401
Net investment return	<u>\$ 230,305</u>	<u>\$ 192,473</u>

NOTE F - FAIR VALUE MEASUREMENT

The schedule below classifies certain of the University's assets and liabilities carried at fair value based upon the three-tier hierarchy required by ASC 820 as of May 31, 2025 (in thousands):

Fair Value Measurements at May 31, 2025 Using					
Description	2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued at NAV
Short-term investments	\$ 424,833	\$ 418,658	\$ 6,175	\$ —	\$ —
Derivatives	659	—	659	—	—
Equities	379,217	214,058	165,159	—	—
Fixed income	267,959	—	267,959	—	—
Hedge funds	142,391	—	—	—	142,391
Limited partnerships	1,706,025	—	—	—	1,706,025
Real estate	4,616	—	—	4,616	—
Mineral interests	114,900	—	—	114,900	—
Investments held in trust by others	104,322	—	—	104,322	—
Total investments	<u>\$ 3,144,922</u>	<u>\$ 632,716</u>	<u>\$ 439,952</u>	<u>\$ 223,838</u>	<u>\$ 1,848,416</u>

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

The schedule below classifies certain of the University's assets and liabilities carried at fair value based upon the three-tier hierarchy required by ASC 820 as of May 31, 2024 (in thousands):

Description	2024	Fair Value Measurements at May 31, 2024 Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued at NAV
Short-term investments	\$ 460,610	\$ 422,123	\$ 38,487	\$ —	\$ —
Derivatives	361	—	361	—	—
Equities	459,324	296,053	163,271	—	—
Fixed income	157,513	—	157,513	—	—
Hedge funds	144,337	—	—	—	144,337
Limited partnerships	1,565,835	—	—	—	1,565,835
Real estate	4,616	—	—	4,616	—
Mineral interests	104,650	—	—	104,650	—
Investments held in trust by others	99,343	—	—	99,343	—
Total investments	2,996,589	718,176	359,632	208,609	1,710,172
Interest rate swaps	(7,513)	—	(7,513)	—	—
Total	<u>\$ 2,989,076</u>	<u>\$ 718,176</u>	<u>\$ 352,119</u>	<u>\$ 208,609</u>	<u>\$ 1,710,172</u>

The schedule below summarizes the activity for the items above, which have been classified as Level 3 investments:

	Real Estate	Mineral Interests (in thousands)	Investments Held in Trust
Ending balance at May 31, 2023	\$ 3,481	\$ 159,416	\$ 90,653
Net gains/(losses)	1,135	(54,766)	8,690
Ending balance at May 31, 2024	4,616	104,650	99,343
Net gains	—	10,250	4,979
Ending balance at May 31, 2025	<u>\$ 4,616</u>	<u>\$ 114,900</u>	<u>\$ 104,322</u>

Unrealized and realized gains and losses on the investments valued using significant unobservable inputs are included, net of investment management fees and related expenses, in investment returns distributed for operations and investment returns, net of operating distributions, in the accompanying statement of activities. Specific valuation techniques are not disclosed because all valuation information is provided by third parties. For the year ended May 31, 2025, net unrealized gains of approximately \$15.2 million relate to Level 3 assets still held at May 31, 2025. For the year ended May 31, 2024, net unrealized losses of approximately \$44.9 million related to Level 3 assets still held at May 31, 2024.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment, at cost or fair market value at the date of receipt by gift, are as follows at May 31:

	2025	2024
	(in thousands)	
Land improvements	\$ 80,779	\$ 71,340
Buildings, renovations, and improvements	2,002,642	1,805,370
Furniture and equipment	239,387	208,029
Library books and film	37,175	36,223
Finance lease	16,684	16,685
Property and equipment	2,376,667	2,137,647
Less accumulated depreciation	(945,563)	(867,821)
	1,431,104	1,269,826
Land	117,244	110,881
Construction-in-progress	65,010	184,093
Property and equipment, net	<u>\$ 1,613,358</u>	<u>\$ 1,564,800</u>

Depreciation expense was approximately \$85.2 million and \$81.6 million for the years ended May 31, 2025 and 2024, respectively.

The University had outstanding commitments for construction and renovation of approximately \$29.0 million and \$81.0 million at May 31, 2025 and 2024, respectively.

NOTE H - LEASES

The University leases retail/office space, equestrian facilities, athletic equipment, student housing apartments and dedicated ethernet under operating leases expiring at various dates through 2043, which are primarily considered operating ROU assets under ASC 842. Included in operating leases is one ground lease arrangement in which the University is building a Golf Learning Center to be utilized by student golf teams. In addition, two lease arrangements for student housing apartments for which the University collects fees from students for use and one lease arrangement for student laundry facility equipment are classified as a finance ROU asset under ASC 842 expiring at various dates through 2033.

	2025	2024
	(in thousands)	
Lease cost for the year ended May 31:		
Operating lease cost	\$ 2,050	\$ 1,757
Finance lease cost:		
Amortization of right of use assets	3,499	6,173
Interest on lease liabilities	448	1,465
Total finance lease cost	3,947	7,638
Total lease cost	<u>\$ 5,997</u>	<u>\$ 9,395</u>

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

	2025	2024
	(in thousands)	
Supplemental cash flow related to leases:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 1,950	\$ 1,712
Operating cash flows from finance leases	\$ 44	\$ 259
Financing cash flows from finance leases	\$ 3,739	\$ 5,796
	Operating	
	2025	2024
Supplemental information related to leases:		
Right of use assets	\$ 6,886	\$ 3,773
Accumulated amortization	(1,902)	(1,651)
Right of use assets, net	<u>\$ 4,984</u>	<u>\$ 2,122</u>
Right of use liabilities, current	\$ 2,092	\$ 468
Right of use liabilities, non-current	<u>1,192</u>	<u>2,029</u>
Right of use liabilities	<u>\$ 3,284</u>	<u>\$ 2,497</u>
Weighted-average remaining lease term	1.17	8.64
Weighted-average discount rate	2.03%	3.65%
	Finance	
	2025	2024
Supplemental information related to leases:		
Right of use assets	\$ 16,684	\$ 16,685
Accumulated amortization	(6,609)	(3,111)
Right of use assets, net	<u>\$ 10,075</u>	<u>\$ 13,574</u>
Right of use liabilities, current	\$ 3,848	\$ 3,739
Right of use liabilities, non-current	<u>6,282</u>	<u>9,726</u>
Right of use liabilities	<u>\$ 10,130</u>	<u>\$ 13,465</u>
Weighted-average remaining lease term	3.97	4.70
Weighted-average discount rate	4.18%	4.04%

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Lease maturity table:

<u>Years ending May 31,</u>	
2026	\$ 4,260
2027	4,279
2028	3,132
2029	3,122
2030	571
Thereafter	<u>2,008</u>
	17,372
Less effects of discounting	<u>(1,635)</u>
Total	<u><u>\$ 15,737</u></u>

Leasing arrangements, as Lessor

The University has one ground lease arrangement with a private developer of mixed-use student housing communities expiring in 2100 with the option to renew for two additional consecutive terms of ten years. In addition, the University provides space to various retail businesses which are considered operating leases expiring at various dates through 2032.

	<u>2025</u>	<u>2024</u>
Lease Income from Operating Leases:		
Lease income from fixed payments	\$ 348	\$ —
Lease maturity table:		
<u>Years ending May 31,</u>		
2026		\$ 226
2027		224
2028		258
2029		252
2030		156
Thereafter		<u>526</u>
Total		<u><u>\$ 1,642</u></u>

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

NOTE I - BONDS AND NOTES PAYABLE AND REVOLVING LINE OF CREDIT

The carrying value of bonds and notes payable, net, consisted of the following at May 31:

	2025	2024
	(in thousands)	
2000 Red River Higher Education Variable Rate Demand Revenue Bonds, partially refunded in 2020, due March 1, 2030, bearing interest at variable rates (1.85% at May 31, 2025 and 3.62% at May 31, 2024)	\$ 30,000	\$ 30,000
2006 Red River Higher Education Variable Rate Demand Revenue Bonds, due March 15, 2035, bearing interest at variable rates (3.45% at May 31, 2024)	—	80,000
2015A Taxable Senior Notes, due March 15, 2045, bearing interest at 3.97%	50,000	50,000
2016 Red River Higher Education Loan, due in annual payments through March 15, 2027, bearing interest at 2.30%	10,245	15,200
2016A Red River Higher Education Revenue Refunding Bonds, due in annual payments through March 15, 2038, bearing interest at rates between 4% and 5%, net of unamortized premium of \$3.3 million and \$3.6 million at May 31, 2025 and 2024, respectively	26,232	27,718
2017 Red River Higher Education Revenue Refunding Notes, due in annual payments through March 15, 2026, bearing interest at 2.44%	29,540	29,809
2017A Taxable Senior Notes, due August 11, 2037, bearing interest at 3.61%	100,000	100,000
2019 Taxable Senior Notes, due April 9, 2043, bearing interest at 3.82%	75,000	75,000
2020 Red River Higher Education Revenue and Improvement Refunding Taxable Bonds, due in annual payments March 15, 2026 through March 15, 2045, bearing interest at rates between 2.164% and 3.397%	309,385	309,385
2020A Taxable Senior Notes, due May 14, 2060, bearing interest at 3.6%	150,000	150,000
2022 Taxable Senior Notes, due in annual payments beginning in 2046 through March 15, 2057, bearing interest at 3.86%	120,000	120,000
2024 Red River Higher Education Revenue Bonds due March 15, 2035 bearing interest at 5%, net of unamortized premium of \$11.7 million at May 31, 2025.	88,729	—

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

	2025	2024
	(in thousands)	
Bonds and notes payable	\$ 989,131	\$ 987,112
Unamortized debt issuance costs	(3,609)	(4,130)
	<u>\$ 985,522</u>	<u>\$ 982,982</u>
Bonds and notes payable, net		

The 2000 bonds are variable rate bonds in a weekly mode and can be tendered by holders upon demand. The remarketing agent selected by the University determines the interest rates and markets the bonds at rates that will price the bonds at a market value of approximately 100% of the principal balance outstanding, plus accrued interest. The University has a \$30.0 million bank-supported standby bond purchase agreement (SBPA). In the event that the remarketing agent is unable to market the bonds at any given time, the bonds could become callable and the SBPA bank would be required to pay the balance at that time. The SBPA matures in March 2030.

On March 3, 2005, the University entered into, at no cost, a 29.1-year \$80.0 million notional amount interest rate swap, in which the University agrees to pay an annual fixed rate of 4.34%. The University entered into this rate swap to minimize the interest rate risk related to the 2006 bonds. The University terminated this interest rate swap on June 10, 2024, as the University refunded the 2006 bonds with proceeds from the bond Series 2024.

On August 11, 2017, the University entered into an agreement with a private lender to issue \$100.0 million of Taxable Senior Notes at a fixed rate of 3.61% and due on August 11, 2037. Identified functionally as Series 2017A, the proceeds from the Notes were used to renovate and expand the Neeley School of Business facilities and construct a new School of Music Performance Hall.

On April 9, 2019, the University entered into an agreement with a private lender to issue \$75.0 million of Taxable Senior Notes at a fixed rate of 3.82% and due on April 9, 2043. Identified functionally as Series 2019, the proceeds of the Notes were used to fund the construction of The Harrison administration building and to expand the east side of Amon G. Carter Stadium.

On May 15, 2020, the University entered into an agreement with a private lender to issue \$150.0 million of Taxable Senior Notes at a fixed rate of 3.60% and due on May 14, 2060. Identified functionally as Series 2020A, the proceeds from the Notes were held in reserve to manage liquidity given the uncertainty of the worldwide COVID-19 pandemic. Currently, the proceeds are invested alongside the endowment until otherwise needed. As of May 31, 2025, no proceeds have been spent.

On July 8, 2024, the University extinguished its outstanding Series 2006 variable rate demand bonds due 2035 with a principal amount of \$80.0 million through a refinancing transaction. The extinguishment was accounted for under ASC 470-50 as the terms of the new debt were substantially different from the old debt.

The University issued new tax-exempt, fixed rate bonds, at 5%, Series 2024 due 2035, with a principal amount of \$77.0 million on June 27, 2024. The old debt was derecognized, and the new debt was recorded at its fair value which approximates cost.

ASC 815, *Derivatives and Hedging*, states that not-for-profit organizations are not permitted special hedge accounting for derivatives used to hedge forecasted transactions. Accordingly, the interest rate swaps have not been accounted for by the University as a hedge. Changes in the fair value of the swaps are included as non-operating activities in the statement of activities as gain on interest rate swaps. On June 10, 2024, the University terminated its remaining swap.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Aggregate scheduled maturities of bonds and notes payable are as follows (in thousands):

<u>Year Ended May 31</u>	
2026	\$ 37,790
2027	13,475
2028	13,395
2029	13,515
2030	33,630
Thereafter	<u>862,325</u>
Total bonds and notes payable	974,130
Unamortized premium	15,001
Unamortized bond issuance costs	<u>(3,609)</u>
Bonds and notes payable, net	<u><u>\$ 985,522</u></u>

As of May 31, 2025, the University had available revolving lines of credit totaling \$90.0 million, supporting operations, with staggered maturities through October 2026. No borrowings were outstanding under any line of credit at May 31, 2025. Borrowings under the revolving lines of credit would be unsecured and bear interest at rates which fluctuate with Secured Overnight Financing Rate (SOFR) (4.4% at year end).

On March 22, 2024, the University issued a \$3.0 million Letter of Credit to the City of Fort Worth which will expire on May 31, 2026. The Letter of Credit which guarantees utility work for construction improvements near campus, has not been called.

Cash payments of interest totaled approximately \$33.8 million and \$35.5 million for the years ended May 31, 2025 and 2024, respectively. Interest capitalized totaled approximately \$7.6 million and \$5.5 million for the years ended May 31, 2025 and 2024, respectively. Interest expense was approximately \$26.2 million and \$30.0 million for the years ended May 31, 2025 and 2024, respectively.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

NOTE J - RETIREMENT BENEFITS

All full-time University faculty and staff hired on or after June 1, 2020 may participate in retirement plans administered by the Teachers Insurance and Annuity Association/College Retirement Equities Fund or Pension Fund of the Christian Church the first month after hire date with a five-year full vesting period. Full-time University faculty and staff hired before June 1, 2020 with less than two years of service were able to begin participating as of June 1, 2020 with immediate vesting. The University's contributions to the plans were 8% of the participant's salary base. Contributions to the plans by the University were approximately \$17.3 million and \$18.3 million for the years ended May 31, 2025 and 2024, respectively.

In addition to retirement contributions, the University provides certain health care benefits for retired employees. Normal retirement age is 65. For employees hired prior to January 1, 2005, early retirement is possible, beginning at age 55, with a minimum of five years of service, provided that a retiree's years of service plus age equal or exceed 75 at the date of retirement. For employees hired after December 31, 2004, early retirement is possible, beginning at age 55, with a minimum of 10 years of service, provided that a retiree's years of service plus age equal or exceed 75 at the date of retirement.

The University provides Medicare eligible retirees with a monthly benefit amount toward the purchase of individual medical and prescription drug coverage through a private Medicare exchange. Insured dental benefits are offered to all eligible retirees. Self-insured medical and prescription drug benefits are provided by the plan for pre-Medicare eligible retirees and the University partially subsidizes the premium on a current basis. The cost for the plan for participants who are not Medicare eligible is projected to increase in the future at the health care cost trend rates disclosed below.

Effective January 1, 2021, the University modified its plan so that only employees who attain age 45 on or before December 31, 2020, are eligible for the health care benefits currently available to retired employees. Current employees under the age of 45 on January 1, 2021, and any new hires after January 1, 2021, will be eligible for the defined contribution retiree health savings program (RHSP). All eligible employees will be automatically enrolled in the RHSP the month following their 40th birthday. Employees in the RHSP will vest after 10 years of service.

The following tables set forth information regarding postretirement benefits attributable to employees of the University at May 31 (determined using a measurement date of May 31):

Change in benefit obligation:

	2025	2024
	(in thousands)	
Accumulated postretirement benefit obligation at beginning of year	\$ 49,987	\$ 51,847
Service cost	1,028	1,007
Interest cost	2,649	2,628
Actuarial (gain)/loss	(1,201)	(1,629)
Plan participants' contributions	595	627
Benefit payments	(4,281)	(4,493)
Accumulated postretirement benefit obligation at end of year	<u>\$ 48,777</u>	<u>\$ 49,987</u>

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Reconciliation of funded status:

	2025	2024
	(in thousands)	
Accumulated postretirement benefit obligation (unfunded)	\$ 48,777	\$ 49,987
Unrecognized actuarial loss	(11,078)	(13,007)
Accrued postretirement benefit cost	<u>\$ 37,699</u>	<u>\$ 36,980</u>

Reconciliation of accrued postretirement benefit cost:

	2025	2024
	(in thousands)	
Accrued postretirement benefit cost at beginning of year	\$ 36,980	\$ 39,207
Net periodic postretirement benefit cost	4,405	1,639
University contributions	(3,686)	(3,866)
Accrued postretirement benefit cost at end of year	<u>\$ 37,699</u>	<u>\$ 36,980</u>

Components of net periodic postretirement benefit cost:

	2025	2024
	(in thousands)	
Service cost	\$ 1,028	\$ 1,007
Interest cost	2,649	2,628
Recognized actuarial loss	728	931
Amortization of prior service credit	—	(2,925)
Net periodic postretirement benefit cost	<u>\$ 4,405</u>	<u>\$ 1,641</u>

Change in plan assets:

	2025	2024
	(in thousands)	
Fair value of plan assets at beginning of year	\$ —	\$ —
University contributions	3,686	3,866
Plan participants' contributions	595	627
Benefit payments	(4,281)	(4,493)
Fair value of plan assets at end of year	<u>\$ —</u>	<u>\$ —</u>

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Postretirement benefit changes reported as non-operating activities:

	Projected 2026 (unaudited)	2025 (in thousands)	2024 (in thousands)
Recognized actuarial loss included in net periodic benefit cost	\$ 581	\$ 727	\$ 931
Unrecognized actuarial (gain) adjustment	—	(1,928)	(2,560)
Actuarial loss/(gain)	<u>\$ 581</u>	<u>\$ (1,201)</u>	<u>\$ (1,629)</u>

Weighted-average assumptions used in calculating amounts relating to postretirement benefit obligations:

	2025	2024
Discount rate used	5.70%	5.50%
Health care cost trend rates:		
Initial pre-65 trend rate	6.75%	7.00%
Ultimate pre-65 trend rate	5.00%	5.00%
Years to decrease to ultimate trend rate	0	0
Initial dental trend rate	4.00%	4.00%
Ultimate dental trend rate	4.00%	4.00%
Years to decrease to ultimate trend rate	-	-

Expected postretirement benefit payments, net of expected plan participants' contributions (in thousands):

2026	\$ 3,692
2027	3,802
2028	3,814
2029	3,853
2030	3,795
Years 2031 - 2035	19,835

The University expects to contribute \$3.7 million to the plan during the year ended May 31, 2026.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

NOTE K - NET ASSETS

At May 31, net assets are categorized by purpose as follows:

	Without Donor Restrictions	With Donor Restrictions	2025	2024
	(in thousands)			
Internally designated for specific programs and net investment in plant	\$ 832,950	\$ —	\$ 832,950	\$ 716,330
Restricted by donor for plant	—	33,087	33,087	26,959
Restricted by donor for scholarships and programs	—	49,322	49,322	84,766
Endowment funds	1,392,473	1,360,276	2,752,749	2,615,547
Student loan funds	—	985	985	968
Total net assets	<u>\$ 2,225,423</u>	<u>\$ 1,443,670</u>	<u>\$ 3,669,093</u>	<u>\$ 3,444,570</u>

Net assets with donor restrictions includes balances restricted by donors and the income from such assets which is either restricted until appropriated for expenditure or unrestricted based on donor stipulations. This category also includes balances restricted by donors subject to certain time or purpose limitations.

NOTE L - ENDOWMENT

The University's endowment consists of individual endowment funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The University interprets the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) enacted in the State of Texas as allowing the University, absent explicit donor stipulations to the contrary as stated in the gift instrument, to appropriate as much of a donor-restricted endowment fund as the University determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. As a result of this interpretation, the University classifies as perpetual endowments (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as donor-restricted net assets only until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the University and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the University; and (7) the investment policies of the University.

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the University to retain as a fund of perpetual duration. These deficiencies typically result from unfavorable market fluctuations that occur shortly after the investment of donor-restricted contributions and continued appropriation for certain programs that were deemed prudent by the University. Deficiencies of this nature exist in various unrestricted and donor-restricted endowment funds, which together have an original value of \$13.0 million and a fair value of \$12.9 million with a deficiency of approximately \$51,000 as of May 31, 2025. There were no deficiencies of this nature as of May 31, 2024. Deficiencies of this nature would be included in investment returns, net of operating distributions in the statement of activities and reported in net assets with donor restrictions in the statements of financial position.

Endowment Net Assets

Endowment net assets consist of the following at May 31, 2025:

	Without Donor Restrictions	With Donor Restrictions (in thousands)	Total
Donor-restricted endowment funds	\$ —	\$ 1,360,276	\$ 1,360,276
Board-designated endowment funds	1,392,473	—	1,392,473
Total endowment net assets	<u>\$ 1,392,473</u>	<u>\$ 1,360,276</u>	<u>\$ 2,752,749</u>

Endowment net assets consist of the following at May 31, 2024:

	Without Donor Restrictions	With Donor Restrictions (in thousands)	Total
Donor-restricted endowment funds	\$ —	\$ 1,288,613	\$ 1,288,613
Board-designated endowment funds	1,326,934	—	1,326,934
Total endowment net assets	<u>\$ 1,326,934</u>	<u>\$ 1,288,613</u>	<u>\$ 2,615,547</u>

Texas Christian University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

May 31, 2025 and 2024

Changes in endowment net assets for the years ended May 31, 2025 and 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions (in thousands)	Total
Endowment net assets at May 31, 2023	\$ 1,315,841	\$ 1,187,728	\$ 2,503,569
Contributions	—	31,809	31,809
Total investment return	59,667	110,028	169,695
Endowment spending	(54,862)	(40,952)	(95,814)
Transfers to create designated funds	6,288	—	6,288
Endowment net assets at May 31, 2024	1,326,934	1,288,613	2,615,547
Contributions	—	25,820	25,820
Total investment return	118,884	92,147	211,031
Endowment spending	(61,890)	(46,304)	(108,194)
Transfers to create designated funds	8,545	—	8,545
Endowment net assets at May 31, 2025	<u>\$ 1,392,473</u>	<u>\$ 1,360,276</u>	<u>\$ 2,752,749</u>

NOTE M - EXPENSES BY NATURAL CLASSIFICATION

The University categorizes operating expenses according to functional classifications in its statement of activities. The natural classifications of University operating expenses according to major budget categories are presented below. Interest expense on external debt is allocated to the functional categories, which have benefited from the proceeds of the external debt. Directly attributable depreciation expense is reported in each functional category based on usage of assets. All expenses associated with utilities and operation and maintenance of facilities are allocated to the functional classifications based on square footage occupancy.

Operating expenses by natural classification at May 31, 2025:

	Compensation					Supplies Services and Other	Depreciation	Total
	Faculty	Exempt Staff	Non Exempt and Other Wages	Benefits	Utilities			
	(in thousands)							
Instruction	\$ 110,151	\$ 13,061	\$ 16,264	\$ 45,606	\$ 2,569	\$ 61,514	\$ 21,697	\$ 270,862
Research	—	5,369	4,410	3,085	27	5,604	449	18,944
Academic support	711	21,533	6,083	9,703	431	20,853	7,662	66,976
Student services	1,151	54,486	12,264	23,322	2,317	68,211	24,151	185,902
Institutional support	130	26,399	7,721	7,117	365	25,002	6,070	72,804
Auxiliary activities	568	5,290	10,488	5,101	4,048	43,829	24,431	93,755
Fund-raising	—	8,845	905	3,662	12	3,532	766	17,722
Total operating expenses	<u>\$ 112,711</u>	<u>\$ 134,983</u>	<u>\$ 58,135</u>	<u>\$ 97,596</u>	<u>\$ 9,769</u>	<u>\$ 228,545</u>	<u>\$ 85,226</u>	<u>\$ 726,965</u>

Texas Christian University
NOTES TO FINANCIAL STATEMENTS - CONTINUED
May 31, 2025 and 2024

Operating expenses by natural classification at May 31, 2024:

	Compensation					Supplies Services and Other	Depreciation	Total
	Faculty	Exempt Staff	Non Exempt and Other Wages	Benefits	Utilities			
	(in thousands)							
Instruction	\$ 105,362	\$ 11,289	\$ 15,810	\$ 40,478	\$ 2,806	\$ 59,967	\$ 19,601	\$ 255,313
Research	50	5,059	3,223	2,457	24	5,915	290	17,018
Academic support	559	19,675	5,884	8,381	499	21,277	7,451	63,726
Student services	568	50,190	10,728	20,299	2,619	68,035	23,790	176,229
Institutional support	280	25,169	7,476	10,534	509	20,612	6,132	70,712
Auxiliary activities	418	4,557	9,025	4,107	3,747	41,737	23,597	87,188
Fund-raising	—	8,130	1,181	3,196	14	6,270	764	19,555
Total operating expenses	<u>\$ 107,237</u>	<u>\$ 124,069</u>	<u>\$ 53,327</u>	<u>\$ 89,452</u>	<u>\$ 10,218</u>	<u>\$ 223,813</u>	<u>\$ 81,625</u>	<u>\$ 689,741</u>

NOTE N - CONTINGENCIES

During the normal course of business, the University is involved in various litigation and disputes. The University does not believe that the ultimate resolution of any of these matters will have a material impact on the financial position, results of operations or cash flows of the University.

NOTE O - RELATED PARTY TRANSACTIONS

Members of the Board of Trustees and executive administration may be associated, either directly or indirectly, with entities doing business with the University. The University has conflict of interest policies that require any such association, including those of immediate family members, to be disclosed on an annual basis. If such associations exist, efforts are taken to mitigate any actual or perceived conflict. There were no related party transactions that were not effectively mitigated for the fiscal years ended May 31, 2025 and 2024.

NOTE P - SUBSEQUENT EVENTS

The University has evaluated events through September 22, 2025, the date these financial statements were issued and concluded there were no material subsequent events requiring adjustment or disclosure.

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