

Annual Financial Report

2025-2026

Texas Christian University
Annual Financial Report
For the Year Ended May 31, 2026

FINANCIAL OVERVIEW	1
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	13
STATEMENTS OF FINANCIAL POSITION	17
STATEMENT OF ACTIVITIES	18
STATEMENTS OF CASH FLOWS	19
NOTES TO FINANCIAL STATEMENTS	20
BOARD OF TRUSTEES	48
FINANCIAL STAFF	Back Cover

OVERVIEW

Texas Christian University (TCU) continued to demonstrate strong financial performance in Fiscal Year 2026 (FY26), supported by sustained enrollment, generous donor contributions, and solid investment performance. These results reflect the University's financial strength and resilience amid an evolving economic and higher education environment.

TCU remains focused on prudent fiscal management, operational excellence, and the strategic allocation of resources to support its academic mission and enhance the student experience. The University continues to prioritize meaningful financial aid and comprehensive student support, reinforcing its commitment to access, affordability, and student success.

Through disciplined financial stewardship and thoughtful long-term planning, TCU is well positioned to navigate emerging challenges, invest in strategic priorities, and maintain the financial strength necessary to advance its mission for years to come.

SUMMARY OF FINANCIAL RESULTS

Fiscal Year 2026 financial results reflected a net surplus of $73.9 million due to favorable auxiliary services and increased donor support. Fiscal Year 2026 operating revenues were $862.5 million, reflecting an increase of $36.7 million from Fiscal Year 2025 (FY25). Total expenses increased $61.7 million, or 8.5%, to $788.7 million in FY26. The University ended FY26 with a $73.9 million increase in net assets from operating activities compared to a $98.9 million increase in net assets from operating activities in FY25. Total University assets increased by $465.8 million in FY26 to $5.7 billion. At year-end, the University's cash balance was $37.8 million, and cash and short-term investments of working capital outside the Endowment totaled $596.2 million.

UNIVERSITY HIGHLIGHTS

Enrollment trends. One consistent trend is demand for an education at TCU. The Fall 2025 enrollment for entering first-time college students was 2,754. This resulted in an undergraduate enrollment of 11,152 students for FY26, which continues to grow each year.

The Fall 2025 semester graduate enrollment was 1,828 students compared to 1,889 students for the Fall 2024 semester.

Generous donor support. FY26 marked the second-best fundraising year in TCU history. Total philanthropic support reached $170.9 million during the fiscal year, of which $131.8 million was received in cash and $145.0 million in new gifts and pledges. Alumni donors totaled 9,717 – notably, TCU alumni participation continues to compare favorably to both the national average and peer institutions, reflecting our alumni's significant financial support and engagement. The total number

of donors, including alumni, parents, friends, corporations, and foundations, was 13,660. Momentum remains strong at TCU with the ongoing implementation of the new campus master plan and the LEAD ON: Values in Action® strategic plan. The University has defined strategic priorities to guide it forward and help shape opportunities for philanthropic investment, which will form the foundation of the next comprehensive campaign beginning with a $300.0 million scholarship initiative. TCU's fundraising future is full of opportunities.

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 FY26. Total University assets increased by $811.9 million in FY26, primarily due to increases in the market value of investments, bringing total assets to $5.7 billion at year-end. Total University liabilities increased to $1.6 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 $37.8 million. The University's cash and short-term investments of its working capital outside of the Endowment totaled $596.2 million at year-end, of which a portion was encumbered to make final payments on completed major capital projects. During FY26, the University used cash to purchase and construct capitalized assets, totaling $226.4 million.

Contributions Receivable

Gross contributions receivable resulting from binding donor pledges relating to the renovation and construction of various projects on the University's campus represent $9.9 million as of May 31, 2026. The net value of those contribution receivables was $9.7 million as of May 31, 2026, as determined by discounting future cash flows.

Investments

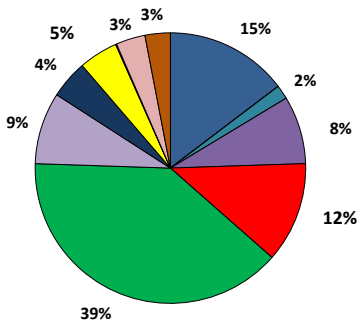
The investments line on the *Statement of Financial Position* primarily consists of Endowment funds, as well as short-term investments of working capital. Investments increased by a net $661.8 million after making the annual Endowment payout. In the same period, annual payout from the Endowment increased to $116.1 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 57.0% of total investments at year-end.

Asset Allocation

(in thousands)	May 31, 2026	2025
Short-term investments	$ 558,441	$ 424,833
Derivatives	$ 52	$ 659
Domestic Securities	$ 63,877	$ 151,213
International equity securities	$ 309,177	$ 228,004
Corporate bonds and asset-backed securities	$ 457,381	$ 267,959
Equity partnerships	$ 1,486,088	$ 1,239,245
Debt partnerships	$ 327,021	$ 319,003
Real estate partnerships	$ 174,456	$ 147,777
Hedge funds	$ 177,523	$ 142,391
Real estate	$ 4,613	$ 4,616
Mineral interests	$ 132,900	$ 114,900
Investments held in trust by others	$ 115,148	$ 104,322
Total Investments	$ 3,806,677	$ 3,144,922

Fiscal Year 2026



Endowment

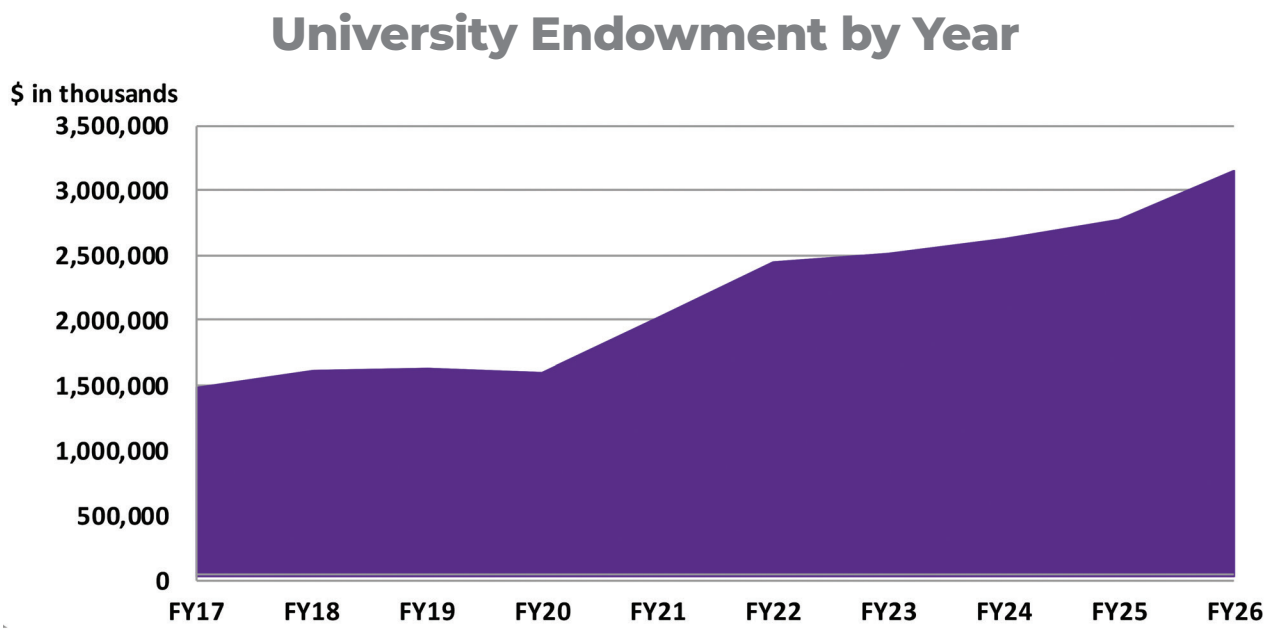
The University's Endowment funds provide enduring support for the mission of the University by infusing a substantial and reliable flow of funds into the operating budget. As of May 31, 2026, the Endowment totaled $3.1 billion in total investments and represented approximately 76.0% of the University's net assets. Contributions, total investment return, and other transfers increased the Endowment by $493.5 million, while Endowment payouts reduced it by $116.1 million, for a net increase of $377.4 million, or 13.7% from the prior year. Payout to operations from the Endowment

remain a substantial source of operating revenue for the University, covering 14.7% and 14.9% of expenses in FY26 and FY25, 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 26.6% of the University's Endowment net assets, and an additional 24.1% of those net assets are for funds with perpetual donor restrictions. The remainder of the Endowment consists primarily of gifts and capital gains without donor restrictions, acting as Quasi-Endowment, which together provide a margin of excellence beyond what 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 manage the Endowment to generate a long-term total return, including both income and capital appreciation, that exceeds the combined impact of inflation and Endowment spending.

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 maintained a 5.0% spending rate for the fiscal year ended May 31, 2026.



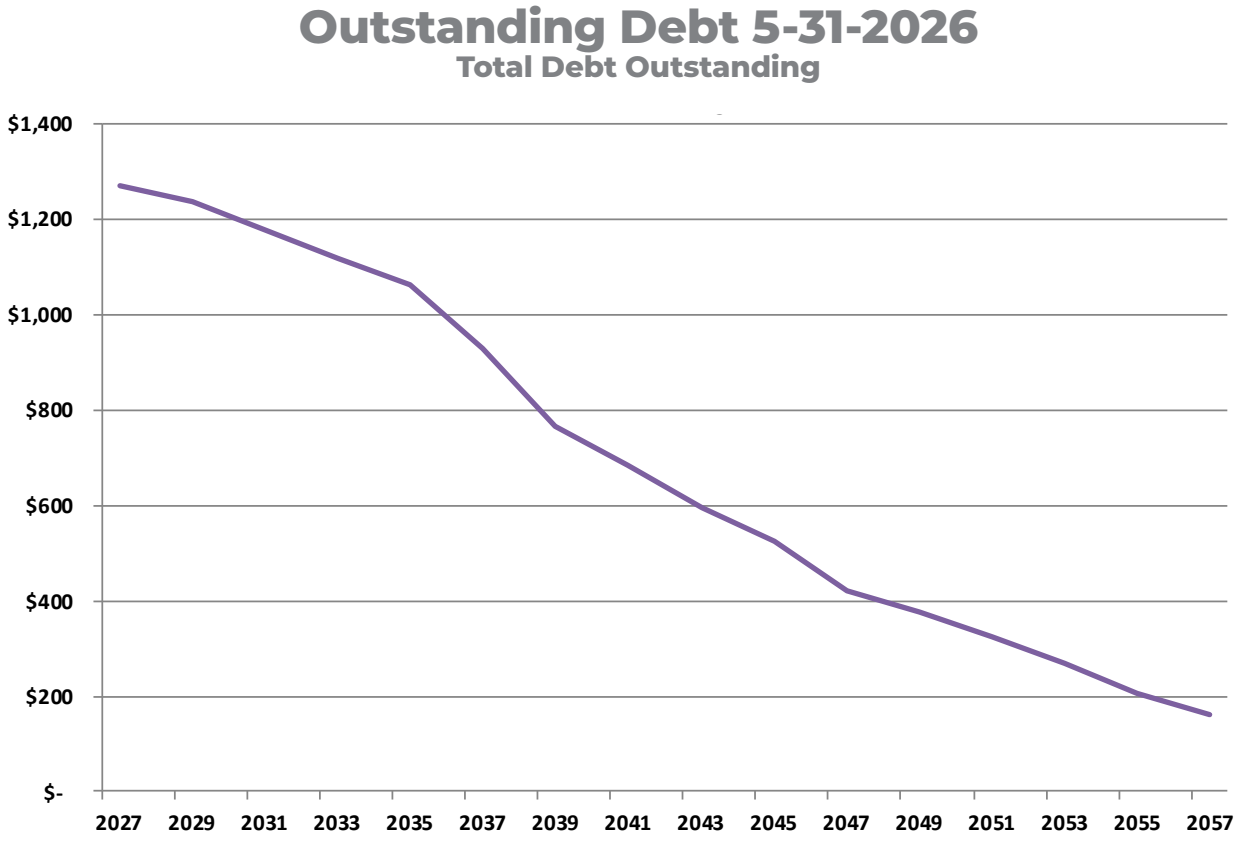
Property and Equipment

During FY26, the University invested $226.4 million in capital projects, bringing the total property and equipment before accumulated depreciation to $2.8 billion.

During FY26, the University completed construction of a new Athletics Human Performance Center. This building will pave the way for TCU student-athletes to perform at the highest level and focus on all aspects of their health and well-being. The brand-new, state-of-the-art center will focus on strength, nutrition, wellness, and restoration for all 22 of TCU sports programs. In addition, the University completed several projects associated with its strategic plan that support people and programmatic initiatives, as well as enhancements to the University's infrastructure and deferred maintenance needs. Several projects currently under construction and planned for completion in future fiscal years include significant growth of TCU's Student Housing inventory, 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 Theatre, classrooms, and other academic programming needs.

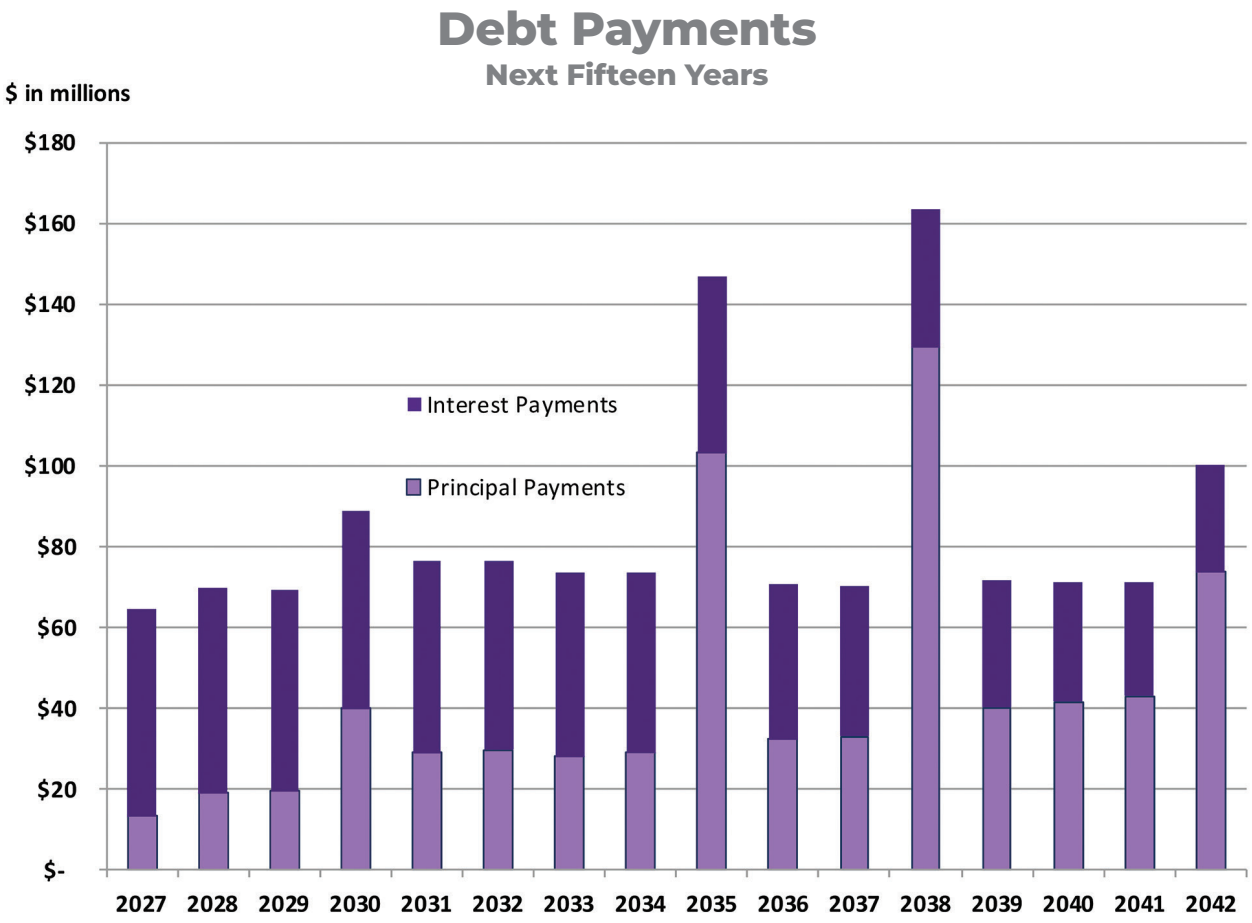
Bonds and Notes Payable

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 FY26, total debt increased from



$985.5 million to $1.3 billion. The increase is due to the issuance of new tax-exempt, fixed-rate bonds, Series 2026A, with a principal of $336.5 million and a premium of $25.5 million. Proceeds of Series 2026A are being used to construct residential housing. The Total Debt Outstanding graph below includes the outstanding debt as of May 31, 2026.

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, Series 2020A, that was issued in May 2020, which has been held in reserve to manage liquidity needs during the worldwide COVID-19 pandemic. The endowment has invested these reserve funds to maximize returns. The principal and interest payments for the next fifteen years are shown in the graph below.



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, 2026, 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, student housing apartments, dedicated ethernet, and various temporary spaces needed during a major renovation 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. Additionally, 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. The Right-of-Use liability decreased from $13.4 million to $11.5 million for FY25 and FY26, respectively.

Net Assets Without Donor Restrictions

University net assets without donor restrictions increased $261.3 million to end the year at over $2.5 billion. Net assets without donor restrictions from operating activities increased $67.8 million, and net assets without donor restrictions from non-operating activities increased $193.5 million. The net asset increases from non-operating activities included a $167.6 million gain from investment returns, net of operating distributions, and a $3.2 million loss from actuarial changes in postretirement benefits.

Net Assets With Donor Restrictions

Net assets with donor restrictions related to time or purpose increased $127.9 million to $893.3 million at year-end, and the net assets with perpetual donor restrictions increased $76.5 million to $754.8 million as of May 31, 2026. Therefore, total net assets with donor restrictions totaled $1.6 billion at year-end.

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 FY26 in support of University operations, as well as the results of non-operating activity primarily related to investment activity. The University ended FY26 with a $73.9 million increase in net assets from operating activities and with depreciation expense of $88.1 million. This compares to a $98.9 million increase in net assets from operating activities in FY25.

The FY26 operating revenues increased 4.4% along with an increase in expenses of 8.5% during the same period. The revenue increase is primarily due to higher housing and dining services recorded in Auxiliary activities.

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 $88.1 million, facility maintenance expense of $71.6 million, and interest expense of $27.9 million were allocated among the functional categories in proportion to each function’s use of the underlying assets.

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 University’s non-operating net assets of $391.9 million are 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 uses conservative revenue projections, and the University makes a provision to support certain strategic initiatives in the strategic plan. This conservative approach to budgeting allows 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.

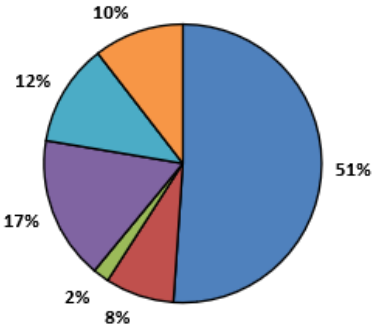
OPERATING REVENUES

FY26 operating revenues were $862.5 million, reflecting an increase of 4.0% over FY25. The components of the University's operating revenues are shown in the table and chart below.

Current Operating Revenues

(in thousands)	May 31, 2026	2025
Net tuition and fees	$ 440,625	$ 438,353
Private gifts and grants & contributions	$ 69,212	$ 61,912
Government grants and contracts	$ 16,304	$ 17,522
Investment returns distributed for operations	$ 143,413	$ 136,445
Auxiliary activities	$ 102,453	$ 90,064
Other income	$ 90,499	$ 81,528
Total Operating Revenues	$ 862,506	$ 825,824

Fiscal Year 2026



Net Tuition and Fees

The tuition and fees are shown net of financial aid and represent 51.0% of the University's operating revenues, which increased to $440.6 million in FY26. TCU charges a single tuition rate for full-time students taking between 12 and 18 credit hours, rather than charging on a per-credit-hour-basis. The annual tuition at TCU was $63,500 in FY26, an increase from the prior year rate of $61,650. As noted above, TCU supported the strategic goal of increasing the undergraduate population and undergraduate enrollment increased from 11,049 students for the Fall semester 2024 to 11,152 students as of the Fall semester 2025.

Private Gifts and Grants and Government Grants and Contracts

The FY26 private gifts and grants and contributions represent 8.0% of the total operating revenues and increased $7.3 million to $69.2 million during FY26. 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 $21.0 million primarily represent the School of Medicine preceptors. Preceptors provide specialized clinical training services to our medical students. In addition, TCU has received a non-cash contribution of technology equipment, software and services to support academic initiatives, which total $5.2 million. Government grants and contracts make up 2.0% of the University's operating revenues and remained constant at $16.3 million.

Investment Returns Distributed for Operations

The investment returns distributed for operations represent 16.6% of operating revenues and increased from the prior year to $143.4 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

Auxiliary income represents 12.0% of operating revenues and increased $12.4 million from the prior year, ending the year at $102.5 million. These revenues are composed primarily of student residential housing and dining. The increase reflects higher occupancy rates in residential housing and more dining plans purchased by students in FY26.

Other Income

Other income represents 10.5% of operating revenues and increased $9.0 million from the prior year, ending the year at $90.5 million. 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.

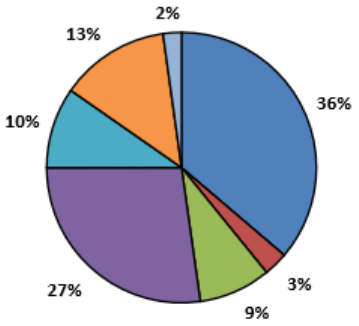
OPERATING EXPENSES

Total expenses increased $61.7 million, or 8.5%, to $788.7 million in FY26. 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 below.

Current Operating Expenses

(in thousands)	May 31, 2026	2025
Instruction	$ 285,633	$ 270,862
Research	$ 22,953	$ 18,944
Academic support	$ 68,146	$ 66,976
Student services	$ 214,595	$ 185,902
Institutional support	$ 76,451	$ 72,804
Auxiliary activities	$ 103,524	$ 93,755
Fund-raising	$ 17,351	$ 17,722
Total Operating Expenses	$ 788,653	$ 726,965

Fiscal Year 2026



Instruction

Instruction represents 36.2% of the total operating expenses and increased to $285.6 million in FY26. 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 represents 27.2% of the total operating expenses and increased to $214.6 million from $185.9 million in FY25. This increase is primarily due to TCU's participation in athletic revenue share with student athletes.

Auxiliary Activities

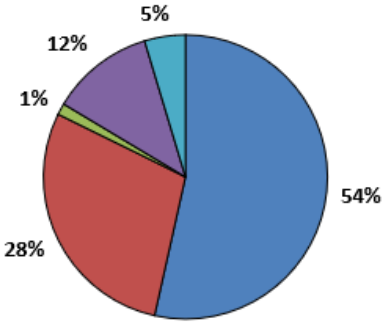
Auxiliary Activities represent 13.1% of the total operating expenses and increased to $103.5 million in FY26. Auxiliary expenses are primarily student residential housing and dining services.

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, 2026	2025
Compensation and Benefits	$ 421,905	$ 403,425
Supplies and Services	$ 226,944	$ 194,745
Utilities	$ 10,281	$ 9,769
Depreciation & Amortization	$ 92,823	$ 85,226
Interest	$ 36,700	$ 33,800
Total Operating Expenses	$ 788,653	$ 726,965

Fiscal Year 2026



FUTURE MOMENTUM

Building upon the momentum achieved in recent years, the University continued to advance its campus-wide strategic plan, LEAD ON: Values in Action, during this fiscal year. Developed through the active engagement of more than 10,000 students, faculty, staff, alumni, and community members, the plan is built upon four foundational pillars and provides a framework for TCU's continued growth and success. TCU's next chapter reflects its vision as "The University of Fort Worth"—a leading private institution with a national reputation for a best-in-class student experience, scholarly impact, competitive athletics, and meaningful community engagement.

TCU continues to pursue its strategic priorities in four key areas: 1) **Student-Centered Growth**: Deliver an exceptional student experience to an expanded student body; 2) **Research, Scholarship, and Creative Activities:** Solidify TCU's position as a premier research institution

for Fort Worth and beyond; 3) **Athletics**: Elevate TCU Athletics' winning legacy and enhance the student-athlete experience; and 4) **Community Engagement:** Strengthen TCU's role in shaping the next chapter for Fort Worth and beyond through meaningful partnerships with the community.

Achieving these strategic priorities requires continued financial investment. Through careful financial stewardship and disciplined resource management, the University remains well positioned to advance TCU's educational mission while investing in its long-term strategic objectives.

The University maintained a strong liquidity position in FY26, supported by positive operating cash flows and substantial cash and investment balances. Debt levels remain appropriately balanced with the University's assets and overall financial capacity, supported by a structured long-term maturity schedule. Strong operating reserves provide additional financial flexibility and position the University to continue investing in strategic initiatives while maintaining long-term financial strength and stability.

With TCU's strong brand and reputation, the enduring support of its campus community, alumni, and friends, and a continued commitment to thoughtful and prudent leadership, the University is well positioned for continued success. TCU will remain an attractive destination for talented students, faculty, and thought leaders who will make a meaningful future impact in Fort Worth, Texas, and beyond.



Financial Statements and Report of Independent Certified Public Accountants (With Independent Auditor's Report Thereon)

Texas Christian University

May 31, 2026 and 2025

Grant Thornton

Contents Page

Reports of Independent Certified Public Accountants **15**

Audited Financial Statements **17**

Statements of Financial Position **17**

Statement of Activities **18**

Statements of Cash Flows **19**

Notes to Financial Statements **20**

GRANT THORNTON LLP
500 N. Akard, Suite 1200
Dallas, TX 75201

D +1 214 561 2300
F +1 214 567 2370

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, 2026, 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, 2026, 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

Grant Thornton LLP is a U.S. member firm of Grant Thornton International Ltd (GTIL). GTIL and each of its member firms are separate legal entities and are not a worldwide partnership.

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 2025 summarized comparative information
We have previously audited the University's 2025 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 22, 2025. In our opinion, the accompanying summarized comparative information as of and for the year ended May 31, 2025 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

Dallas, Texas
September 23, 2026

Texas Christian University

STATEMENTS OF FINANCIAL POSITION

May 31, 2026 and 2025
(in thousands)

	2026	2025
ASSETS		
Cash	$ 37,785	$ 45,241
Accounts receivable and accrued income, net	46,071	42,797
Contributions receivable, net	9,681	17,667
Investments	3,806,677	3,144,922
Property and equipment, net	1,774,443	1,613,358
Other assets, net	19,014	17,812
Total assets	$ 5,693,671	$ 4,881,797
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and other accrued liabilities	$ 115,467	$ 94,640
Refundable government student loans	7,548	7,248
Funds held in fiduciary capacity, net	19,701	18,486
Deferred income	48,062	44,617
Accrued postretirement benefits	50,995	48,777
Bonds and notes payable, net	1,305,560	985,522
Right of use liabilities	11,474	13,414
Total liabilities	1,558,807	1,212,704
Net assets		
Without donor restrictions	2,486,772	2,225,423
With donor restrictions		
Time or purpose	893,340	765,430
Perpetual	754,752	678,240
Total with donor restrictions	1,648,092	1,443,670
Total net assets	4,134,864	3,669,093
Total liabilities and net assets	$ 5,693,671	$ 4,881,797

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

Texas Christian University

STATEMENT OF ACTIVITIES

Year ended May 31, 2026
(with comparative totals for 2025)
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	2026	2025
Operating revenues				
Net tuition and fees	$ 440,625	$ —	$ 440,625	$ 438,353
Private gifts and grants	1,333	46,856	48,189	41,696
Contributions - nonfinancial	21,023	—	21,023	20,216
Government grants and contracts	16,304	—	16,304	17,522
Investment returns distributed for operations	89,509	53,904	143,413	136,445
Auxiliary activities	102,453	—	102,453	90,064
Other income	90,499	—	90,499	81,528
Net assets released from restrictions	94,754	(94,754)	—	—
Total operating revenues	856,500	6,006	862,506	825,824
Operating Expenses				
Instruction	285,633	—	285,633	270,862
Research	22,953	—	22,953	18,944
Academic support	68,146	—	68,146	66,976
Student services	214,595	—	214,595	185,902
Institutional support	76,451	—	76,451	72,804
Auxiliary activities	103,524	—	103,524	93,755
Fund-raising	17,351	—	17,351	17,722
Total operating expenses	788,653	—	788,653	726,965
Change in net assets from operating activities	67,847	6,006	73,853	98,859
Non-operating activities				
Capital and other contributions	—	70,281	70,281	30,979
Capital contributions released from restrictions	29,098	(29,098)	—	—
Postretirement benefit actuarial changes	(3,224)	—	(3,224)	1,201
Investment returns, net of operating distributions above	167,628	156,045	323,673	93,860
Loss on interest rate swaps	—	—	—	(1,418)
Other	—	1,188	1,188	1,042
Change in net assets from non-operating activities	193,502	198,416	391,918	125,664
CHANGE IN NET ASSETS	261,349	204,422	465,771	224,523
Net assets at beginning of year	2,225,423	1,443,670	3,669,093	3,444,570
Net assets at end of year	$ 2,486,772	$ 1,648,092	$ 4,134,864	$ 3,669,093

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

Texas Christian University

STATEMENTS OF CASH FLOWS

May 31, 2026 and 2025
(in thousands)

	2026	2025
Operating activities:		
Change in net assets	$ 465,771	$ 224,523
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	88,142	84,400
Provision for bad debts	3,430	2,153
Loss/(gain) on disposal or sale of property and equipment	630	(361)
Proceeds from capital and other contributions	(70,281)	(30,979)
Investment returns, net of operating distributions	(380,935)	(156,524)
Loss on interest rate swaps	—	1,418
Receipt of contributed investments	(27,201)	(6,935)
Proceeds from sale of contributed securities for operations	3,673	1,545
Net change in charitable gift annuities	(1,188)	(1,042)
Net change in contributions receivable restricted for long-term purposes	7,986	9,922
Changes in operating assets and liabilities:		
Accounts receivable and accrued income	(6,704)	(11,149)
Other assets	(1,202)	(3,825)
Accounts payable and other accrued liabilities	(7,625)	(15,564)
Refundable government student loans	300	1,093
Funds held in fiduciary capacity	1,215	2,123
Deferred income	3,445	(4,557)
Accrued postretirement benefits	2,218	(1,210)
Right of use liabilities - operating	(53)	787
Net cash provided by operating activities	81,621	95,818
Investing activities:		
Purchases of property and equipment	(226,364)	(118,226)
Proceeds from sale of property and equipment	278	103
Purchases of investments	(3,090,651)	(2,188,861)
Proceeds from sales and maturities of investments	2,809,831	2,197,052
Net cash used in investing activities	(506,906)	(109,932)
Financing activities:		
Proceeds from capital and other contributions:		
Endowment	67,876	24,805
Property and equipment	2,405	6,174
Payments on bonds payable	(59,860)	(86,454)
Termination of interest rate swap	—	(8,931)
Proceeds from issuance of bonds and notes	384,579	89,820
Payments of finance lease obligation	(4,251)	(3,739)
Proceeds from sale of contributed securities for long-term purposes	23,528	5,390
Net change in charitable gift annuities	1,188	1,042
Net change in right of use liabilities - finance	2,364	404
Net cash provided by financing activities	417,829	28,511
NET (DECREASE)/INCREASE IN CASH	(7,456)	14,397
Cash at beginning of year	$ 45,241	$ 30,844
Cash at end of year	$ 37,785	$ 45,241
Supplemental non-cash disclosure:		
Property and equipment included in accounts payable	$ 28,452	$ 15,300

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

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 $12.1 million and $9.1 million at May 31, 2026 and 2025, 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:

	2026	2025
	(in thousands)	
Student accounts receivable	$ 22,125	$ 17,299
Student loans receivable	4,631	4,662
Accrued income	24,832	22,634
Other receivables	6,583	7,302
Total	$ 58,171	$ 51,897

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, 2026 and 2025, the University has received conditional intentions to give from donors aggregating approximately $212.8 million and $191.6 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, 2026 and 2025. Because the spending limit policy is integral to the management of the University's financial operations, spending limit amounts of approximately $125.3 million and $116.1 million have been included in operating activities as part of investment returns distributed for operations for the years ended May 31, 2026 and 2025, 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.

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 $370.4 million and $344.9 million in 2026 and 2025, respectively, and provision for bad debts of approximately $3.4 million and $2.2 million in 2026 and 2025, 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 $3.5 million and $2.9 million for the years ended May 31, 2026 and 2025, 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:

	2026	2025
	(in thousands)	
School of Medicine Preceptors	$ 14,636	$ 17,537
Horses	1,145	2,679
Technology equipment/services	5,242	—
Total	$ 21,023	$ 20,216

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.

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.

The University received a non-cash contribution of technology equipment, software and services to support academic initiatives. Fair value was determined on the date of donation by an authorized reseller of the equipment, using published list prices net of customary educational/non-profit discounts for comparable new items.

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.

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 (ROU) assets 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 $38.5 million and $15.0 million at May 31, 2026 and 2025, 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 $3.4 million and $3.6 million at May 31, 2026 and 2025, respectively, and are included as a reduction to bonds and notes payable, 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. 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. As of May 31, 2025, the University terminated its agreement and 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 uncertain tax positions. As of May 31, 2026, the University's tax years ended May 31, 2023 through 2026, generally remain subject to examination.

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.

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, 2025, 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 $19.7 million and $17.7 million at May 31, 2026 and 2025, 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 $0.2 million and $46,000 at May 31, 2026 and 2025, 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 $4.2 million and $3.9 million for the years ended May 31, 2026 and 2025, 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:

	2026	2025
	(in thousands)	
Cash	$ 37,785	$ 45,241
Accounts receivable and accrued income, net	39,992	36,687
Contributions receivable, net due within one year	9,811	17,397
Investments not subject to donor restrictions or board designations	388,190	362,433
Financial assets available at year end for current use	$ 475,778	$ 461,758

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, 2026 and 2025, 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.

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, 2027 of $123.9 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 $1.4 billion and $1.3 billion as of May 31, 2026 and 2025, 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:

	2026	2025
	(in thousands)	
Unconditional promises expected to be collected in:		
Less than one year	$ 9,811	$ 17,397
One to five years	131	692
Contributions receivable	9,942	18,089
Less discount	(261)	(422)
Contributions receivable, net	$ 9,681	$ 17,667

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 $9.9 million and $18.1 million as of May 31, 2026 and 2025, respectively. The net value of those contributions receivable was approximately $9.7 million and $17.7 million, as determined by discounting future cash flows, of which 43.3% is concentrated in one donor as of May 31, 2026 and 37.1% is concentrated in four donors as of May 31, 2025. The rates used for calculation of the discount ranged from 0.19% to 4.69% for 2026 and 2025.

NOTE E - INVESTMENTS

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

	2026	2025
	(in thousands)	
Short-term investments	$ 558,441	$ 424,833
Derivatives	52	659
Equities:		
Domestic securities	63,877	151,213
International securities	309,177	228,004
Fixed income:		
U.S. government securities	287,387	71,639
Corporate bonds and asset-backed securities	169,994	196,320
Alternatives:		
Equity partnerships	1,486,088	1,239,245
Debt partnerships	327,021	319,003
Real estate partnerships	174,456	147,777
Hedge funds	177,523	142,391
Real estate	4,613	4,616
Mineral interests	132,900	114,900
Investments held in trust by others	115,148	104,322
Total investments	$ 3,806,677	$ 3,144,922

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, 2026, the University held notional exposure of $11.2 million of fixed income index futures, $52,000 of exchange cleared swaps, long positions in equity index futures with a notional exposure of $48.2 million, and $1.1 million of cash collateral pledged. These contracts are marked to market daily, with realized and unrealized gains or losses recognized in investment returns on the accompanying statement of activities. During the year ended May 31, 2026, derivative instruments resulted in net realized gains of $4.5 million, including amounts related to positions closed or settled during the year.

As of May 31, 2025, the University held notional exposure of $50.3 million of fixed income index futures, $0.6 million of equity options, short positions in equity index futures with a notional exposure of $7.4 million, and $1.4 million of cash collateral pledged. These contracts are marked to market daily, with realized and unrealized gains or losses recognized in investment returns on the accompanying statement of activities. During the year ended May 31, 2025, derivative instruments resulted in net realized losses of $61,000, including amounts related to positions closed or settled during the year.

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 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, 2026:

		Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
		(in millions)			
Investments in:					
Hedge funds	(a)	$ 177.5	$ —	(c)	(d)
Limited partnerships	(b)	1,987.6	572.7	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 $83.1 million, can be redeemed every three years from the date of issuance.
- One investment, valued at $25.4 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 $6.8 million, is gated.
- One investment, valued at $34.1 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 and other similar data necessary to the valuation process. Pending capital commitments by the University to these partnerships total approximately $572.7 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:

	2026	2025
	(in thousands)	
Milton E. Daniel Trust	$ 78,542	$ 71,110
Charles H. Harris Foundation	10,962	10,181
Charitable remainder trusts, net, at estimated net present value	20,040	18,006
Other estates and trusts	5,604	5,025
Total investments held in trust by others	$ 115,148	$ 104,322

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, 2026 and May 31, 2025. Split-interest contributions were $0.2 million for the year ended May 31, 2026 and $0.3 million for the year ended May 31, 2025.

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.

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:

	2026	2025
	(in thousands)	
Dividends and interest	$ 69,116	$ 59,939
Mineral income	17,035	13,842
Net realized and unrealized gain	380,935	156,524
Net investment return	$ 467,086	$ 230,305

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, 2026 (in thousands):

		Fair Value Measurements at May 31, 2026 Using			
Description	2026	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	$ 558,441	$ 558,441	$ —	$ —	$ —
Derivatives	52	—	52	—	—
Equities	373,054	286,977	86,077	—	—
Fixed income	457,381	—	457,381	—	—
Hedge funds	177,523	—	—	—	177,523
Limited partnerships	1,987,565	—	—	—	1,987,565
Real estate	4,613	—	—	4,613	—
Mineral interests	132,900	—	—	132,900	—
Investments held in trust by others	115,148	—	—	115,148	—
Total investments	$ 3,806,677	$ 845,418	$ 543,510	$ 252,661	$ 2,165,088

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	$ 3,144,922	$ 632,716	$ 439,952	$ 223,838	$ 1,848,416

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

	Real Estate	Mineral Interests	Investments Held in Trust
		(in thousands)	
Ending balance at May 31, 2024	$ 4,616	$ 104,650	$ 99,343
Net gains	—	10,250	4,979
Ending balance at May 31, 2025	4,616	114,900	104,322
Net gains/(losses)	(3)	18,000	10,826
Ending balance at May 31, 2026	$ 4,613	$ 132,900	$ 115,148

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, 2026, net unrealized gains of approximately $28.8 million relate to Level 3 assets still held at May 31, 2026. For the year ended May 31, 2025, net unrealized gains of approximately $15.2 million related to Level 3 assets still held at May 31, 2025.

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:

	2026	2025
	(in thousands)	
Land improvements	$ 82,847	$ 80,779
Buildings, renovations, and improvements	2,064,684	2,002,642
Furniture and equipment	264,137	239,387
Library books and film	38,375	37,175
Finance lease	18,532	16,684
Property and equipment	2,468,575	2,376,667
Less accumulated depreciation	(1,029,349)	(945,563)
	1,439,226	1,431,104
Land	117,244	117,244
Construction-in-progress	217,973	65,010
Property and equipment, net	$ 1,774,443	$ 1,613,358

Depreciation expense was approximately $92.8 million and $85.2 million for the years ended May 31, 2026 and 2025, respectively.

The University had outstanding commitments for construction and renovation of approximately $307.4 million and $29.0 million at May 31, 2026 and 2025, respectively.

NOTE H - LEASES

The University leases retail/office space, equestrian facilities, athletic equipment, student housing apartments, dedicated ethernet, and various temporary spaces needed during a major renovation 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 finance ROU asset under ASC 842 expiring at various dates through 2033.

	2026	2025
	(in thousands)	
Lease cost for the year ended May 31:		
Operating lease cost	$ 2,427	$ 2,050
Finance lease cost:		
Amortization of right of use assets	3,880	3,499
Interest on lease liabilities	401	448
Total finance lease cost	4,281	3,947
Total lease cost	$ 6,708	$ 5,997

	2026	2025
	(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	$ 2,260	$ 1,950
Operating cash flows from finance leases	$ 57	$ 44
Financing cash flows from finance leases	$ 4,251	$ 3,739

	Operating	
	2026	2025
Supplemental information related to leases:		
Right of use assets	$ 7,082	$ 6,886
Accumulated amortization	(2,317)	(1,902)
Right of use assets, net	$ 4,765	$ 4,984
Right of use liabilities, current	$ 1,377	$ 2,092
Right of use liabilities, non-current	1,854	1,192
Right of use liabilities	$ 3,231	$ 3,284
Weighted-average remaining lease term	2.68	1.17
Weighted-average discount rate	4.20%	2.03%

	Finance	
	2026	2025
Supplemental information related to leases:		
Right of use assets	$ 18,532	$ 16,684
Accumulated amortization	(10,316)	(6,609)
Right of use assets, net	$ 8,216	$ 10,075
Right of use liabilities, current	$ 4,394	$ 3,848
Right of use liabilities, non-current	3,849	6,282
Right of use liabilities	$ 8,243	$ 10,130
Weighted-average remaining lease term	3.08	3.97
Weighted-average discount rate	4.44%	4.18%

Lease maturity table:	
Years ending May 31,	
2027	$ 5,925
2028	3,892
2029	1,001
2030	540
2031	358
Thereafter	354
	12,070
Less effects of discounting	(596)
Total	$ 11,474

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.

	2026	2025
	(in thousands)	
Lease income from operating leases:		
Lease income from fixed payments	$ 283	$ 348

Lease maturity table:	
Years ending May 31,	
2027	$ 264
2028	275
2029	251
2030	156
2031	141
Thereafter	385
Total	$ 1,472

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:

	2026	2025
	(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 (1.45% at May 31, 2026 and 1.85% at May 31, 2025)	$ 30,000	$ 30,000
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%	5,185	10,245
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 at May 31, 2025	—	26,232
2017 Red River Higher Education Revenue Refunding Notes, due in annual payments through March 15, 2026, bearing interest at 2.44%	—	29,540
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%	307,485	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 $10.5 million at May 31, 2025	87,539	88,729
2026A New Hope Education Finance Corporation Revenue Bonds due March 15, 2055, bearing interest at 5%, net of unamortized premium of $25.5 million at May 31, 2026	362,042	—
2026B New Hope Education Finance Corporation Revenue Refunding Bonds due in annual payments through March 15, 2038, bearing interest at 5%, net of unamortized premium of $2.4 million at May 31, 2026	21,748	—

	2026	2025
	(in thousands)	
Bonds and notes payable	$ 1,308,999	$ 989,131
Unamortized debt issuance costs	(3,439)	(3,609)
Bonds and notes payable, net	$ 1,305,560	$ 985,522

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 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. As of May 31, 2026, $25 million has been spent on the construction of a parking garage. Remaining proceeds are invested alongside the endowment.

The University issued new tax-exempt, fixed rate bonds, at 5%, Series 2026A due 2055 with a principal amount of $336.5 million and a premium of $25.5 million on February 12, 2026 to construct residential housing.

The University issued new tax-exempt, fixed rate bonds at 5%, Series 2026B, which refunded Series 2016A and maintained the original amortization schedule of the refunded bonds which mature in 2038. The old debt was derecognized and the new debt recorded at fair value which approximated cost. This extinguished the Series 2016A Fixed Rate Bonds due 2038 with a principal amount of $22.9M 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.

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

Year Ended May 31	
2027	$ 13,330
2028	19,000
2029	19,405
2030	39,815
2031	28,900
Thereafter	1,150,090
Total bonds and notes payable	1,270,540
Unamortized premium	38,459
Unamortized bond issuance costs	(3,439)
Bonds and notes payable, net	$ 1,305,560

As of May 31, 2026, 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, 2026. Borrowings under the revolving lines of credit would be unsecured and bear interest at rates which fluctuate with Secured Overnight Financing Rate (SOFR) (3.6% at year end).

On August 19, 2025, the University issued a $3.2 million Letter of Credit to the City of Fort Worth which will expire on November 30, 2027. The Letter of Credit which guarantees utility work for construction improvements near campus, has not been called. On September 8, 2025, the University issued a $0.8 million Letter of Credit to the City of Fort Worth which will expire on September 8, 2027. The Letter of Credit which guarantees utility work for construction improvements near campus, has not been called.

Cash payments of interest totaled approximately $36.7 million and $33.8 million for the years ended May 31, 2026 and 2025, respectively. Interest capitalized totaled approximately $7.5 million and $7.6 million for the years ended May 31, 2026 and 2025, respectively. Interest expense was approximately $27.9 million and $26.2 million for the years ended May 31, 2026 and 2025, respectively.

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 $20.0 million and $17.3 million for the years ended May 31, 2026 and 2025, 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:

	2026	2025
	(in thousands)	
Accumulated postretirement benefit obligation at beginning of year	$ 48,777	$ 49,987
Service cost	916	1,028
Interest cost	2,675	2,649
Actuarial (gain)/loss	3,224	(1,201)
Plan participants' contributions	620	595
Benefit payments	(5,217)	(4,281)
Accumulated postretirement benefit obligation at end of year	$ 50,995	$ 48,777

Reconciliation of funded status:

	2026	2025
	(in thousands)	
Accumulated postretirement benefit obligation (unfunded)	$ 50,995	$ 48,777
Unrecognized actuarial loss	(13,721)	(11,078)
Accrued postretirement benefit cost	$ 37,274	$ 37,699

Reconciliation of accrued postretirement benefit cost:

	2026	2025
	(in thousands)	
Accrued postretirement benefit cost at beginning of year	$ 37,699	$ 36,980
Net periodic postretirement benefit cost	4,172	4,405
University contributions	(4,597)	(3,686)
Accrued postretirement benefit cost at end of year	$ 37,274	$ 37,699

Components of net periodic postretirement benefit cost:

	2026	2025
	(in thousands)	
Service cost	$ 916	$ 1,028
Interest cost	2,675	2,649
Recognized actuarial loss	581	728
Net periodic postretirement benefit cost	$ 4,172	$ 4,405

Change in plan assets:

	2026	2025
	(in thousands)	
Fair value of plan assets at beginning of year	$ —	$ —
University contributions	4,597	3,686
Plan participants' contributions	620	595
Benefit payments	(5,217)	(4,281)
Fair value of plan assets at end of year	$ —	$ —

Postretirement benefit changes reported as non-operating activities:

	Projected 2027	2026	2025
	(unaudited)	(in thousands)	
Recognized actuarial loss included in net periodic benefit cost	$ 825	$ 581	$ 727
Unrecognized actuarial loss/(gain) adjustment	—	2,643	(1,928)
Actuarial loss/(gain)	$ 825	$ 3,224	$ (1,201)

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

	2026	2025
Discount rate used	5.50%	5.70%
Health care cost trend rates:		
Initial pre-65 trend rate	7.50%	6.75%
Ultimate pre-65 trend rate	5.00%	5.00%
Initial dental trend rate	4.00%	4.00%
Ultimate dental trend rate	4.00%	4.00%

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

2027	$ 3,899
2028	3,979
2029	3,972
2030	3,954
2031	4,006
Years 2032 - 2036	20,511

The University expects to contribute $3.9 million to the plan during the year ended May 31, 2027.

NOTE K - NET ASSETS

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

	2026			
	Without Donor Restrictions	With Donor Restrictions	Total	2025
	(in thousands)			
Internally designated for specific programs and net investment in plant	$ 943,759	$ —	$ 943,759	$ 832,950
Restricted by donor for plant	—	6,393	6,393	33,087
Restricted by donor for scholarships and programs	—	53,598	53,598	49,322
Endowment funds	1,543,013	1,587,097	3,130,110	2,752,749
Student loan funds	—	1,004	1,004	985
Total net assets	$ 2,486,772	$ 1,648,092	$ 4,134,864	$ 3,669,093

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.

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. There were no deficiencies of this nature as of May 31, 2026. Deficiencies of this nature existed in various unrestricted and donor-restricted endowment funds, which together had 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. 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, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
		(in thousands)	
Donor-restricted endowment funds	$ —	$ 1,587,097	$ 1,587,097
Board-designated endowment funds	1,543,013	—	1,543,013
Total endowment net assets	$ 1,543,013	$ 1,587,097	$ 3,130,110

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

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

Changes in endowment net assets for the years ended May 31, 2026 and 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
		(in thousands)	
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	1,392,473	1,360,276	2,752,749
Contributions	—	68,062	68,062
Total investment return	239,688	210,527	450,215
Endowment spending	(64,358)	(51,768)	(116,126)
Transfers to create designated funds	(24,790)	—	(24,790)
Endowment net assets at May 31, 2026	$ 1,543,013	$ 1,587,097	$ 3,130,110

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, 2026:

	Compensation							
	Faculty	Exempt Staff	Non Exempt and Other Wages	Benefits	Utilities	Supplies Services and Other	Depreciation	Total
				(in thousands)				
Instruction	$ 114,452	$ 14,346	$ 17,613	$ 47,898	$ 2,751	$ 65,006	$ 23,567	$ 285,633
Research	107	6,138	3,209	3,068	41	9,792	598	22,953
Academic support	487	22,147	6,403	9,715	434	19,889	9,071	68,146
Student services	1,047	57,895	11,729	23,480	1,787	93,998	24,659	214,595
Institutional support	143	29,374	6,356	8,731	372	24,932	6,543	76,451
Auxiliary activities	585	5,691	11,029	5,334	4,305	49,344	27,236	103,524
Fund-raising	—	9,308	1,661	3,959	591	683	1,149	17,351
Total operating expenses	$ 116,821	$ 144,899	$ 58,000	$ 102,185	$ 10,281	$ 263,644	$ 92,823	$ 788,653

Operating expenses by natural classification at May 31, 2025:

	Compensation							
	Faculty	Exempt Staff	Non Exempt and Other Wages	Benefits	Utilities	Supplies Services and Other	Depreciation	Total
	(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	$ 112,711	$ 134,983	$ 58,135	$ 97,596	$ 9,769	$ 228,545	$ 85,226	$ 726,965

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, 2026 and 2025.

NOTE P - SUBSEQUENT EVENTS

The University has evaluated events through September 23, 2026, the date these financial statements were issued and concluded there were no material subsequent events requiring adjustment or disclosure.

TEXAS CHRISTIAN UNIVERSITY
Board of Trustees 2025-2026 (Fiscal Year 2026)

Ms. Leanne S. Acuff
Civic Leader
Colorado Springs, CO

Mr. V. "Neils" Agather, Jr.
Retired
Burnett Companies
Fort Worth, TX

Mrs. Darla D. "DD" Alexander
President
Global Gas, Inc.
Castle Rock/Englewood, CO

Mrs. Allie Beth McMurtry Allman
Founder and Chief Executive Officer
Allie Beth Allman & Associates
Dallas, TX

Mr. Greg A. Arnold
Chairman and Chief Executive Officer
The Arnold Companies
Dallas, TX

Mrs. Amy Roach Bailey
Partner
Roach Enterprises
Fort Worth, TX

Mrs. Sasha C. Bass
President and Chief Executive Officer
Fine Line Group
Fort Worth, TX

Mr. Michael K. "Mike" Berry
President
Hillwood Properties
Fort Worth, TX

Mrs. Katherine G. "Katie" Boehly
Co-Founder
The Boehly Center for Excellence in Finance
Miami, FL

Mr. Joe D. Briggs
Principal and Global Head of External Affairs
Amazon
Washington, DC

Mr. Edward A. "Eddie" Clark
President and Chief Executive Officer
Professional Turf Products
Euless/Fort Worth, TX

Mrs. Brenda Almes Cline
Chief Financial Officer
Kimbell Art Foundation
Fort Worth, TX

Mrs. Anita L. Cox
Director
John & Maurine Cox Foundation
Midland, TX

Mr. Bradford L. "Brad" Cunningham
Partner
Four Sevens Oil Company, Ltd.
Fort Worth/Hudson Oaks, TX

Ms. Marilyn E. Davies
Founder and Chief Executive Officer
Bailey Banks Seismic, LP
Katy, TX

Mr. Barry E. Davis
Managing Partner
Ventana Partners
Dallas, TX

Mrs. Annmarie I. De La Vega
Executive Vice President & Chief Brand Officer
De La Vega Capital and Development
Dallas, TX

Mr. G. Hunter Enis
Partner and President
Four Sevens Oil Company, Ltd.
Fort Worth, TX

Mrs. Kathryn T. "Katie" Farmer
President and Chief Executive Officer
BNSF Railway Company
Fort Worth, TX

Mrs. Charlotte Scharbauer French
Civic Leader
Fort Worth, TX

Mr. Alan D. Friedman
President
Trisept, Inc.
Dallas, TX

Mr. Rafael G. "Rafa" Garza
Executive Vice Chairman
VBT Financial Corporation
Founder and Managing Director
Bravo Equity Partners
Fort Worth, TX

The Honorable Charles L. Geren
Texas State Representative District 99
President, Railhead Smokehouse
Fort Worth, TX

Mr. Nick A. Giachino
Retired
PepsiCo
Wilmington, NC

Mr. Joe M. Gutierrez, Jr.
Founder and Chief Executive Officer
Novi Midstream, LLC
Houston, TX

Mr. Elliott J. Hill
President and Chief Executive Officer
Nike, Inc.
Austin, TX/Portland, OR

The Honorable Macy L. Hill
Fort Worth City Councilmember, District 7
President, Macy Hill & Company
Fort Worth, TX

Mr. Mark L. Johnson
Principal/Portfolio Manager
Luther King Capital Management
Fort Worth, TX

Mr. Dee J. Kelly, Jr.
Partner
Kelly Hart & Hallman, LLC
Fort Worth, TX

Mr. J. Bryan King
Principal
Luther King Capital Management
Fort Worth, TX

Ms. Mary Ralph Lowe
Chief Executive Officer
Maralo, LLC
Fort Worth/Austin, TX

Mr. Steven J. Mafrige
Chief Executive Officer
Y Bar Ranch
Tilden/San Antonio, TX

Mr. Ross B. Matthews
Director
HF Sinclair
Salt Lake City, Utah/Dayton, WY

Mr. Thomas F "Tom" Meagher, Jr.
Managing Director and Partner
GCM Grosvenor
Chicago, IL

Mrs. Kit Tennison Moncrief
Civic Leader
Fort Worth, TX

Dr. Frank H. Moore III
Urologist
Urology Partners of North Texas
Fort Worth, TX

Mr. John H. Pinkerton
Chairman of the Board
Encino Energy, LLC
Fort Worth, TX

Mr. David P. Purcell
Co-Founder, Jupiter Management
Managing Partner, Continental Advisors, LLC
Salt Lake City, UT/Park City, UT

Mr. Rusty Reid
Chairman and Chief Executive Officer
Higginbotham
Fort Worth, TX

Mr. Michael "Stewart" Richards
Owner
Castle Peak Homes
Dallas, TX

Mrs. Adelaide Moncrief Royer
Soul Care Communications Coordinator
Christ Chapel Bible Church
Fort Worth, TX

Mrs. Jan Tucker Scully
Civic Leader
Fort Worth, TX

Mr. Richard Lee "Ricky" Stuart II
Franchise Owners
Chicken Express
Weatherford, TX

Mr. Kenneth D. Thompson, Jr.
Senior VP/Chief Public Affairs Officer
Vail Resorts
Broomfield, CO/Washington, DC

Mr. LaDainian T. Tomlinson
Tomlinson's Touching Lives Foundation
Southlake/Westlake, TX

Mr. F. Howard Walsh III
President and Chairman
Walsh Companies
Aledo/Houston, TX

The Honorable Roger Williams
U.S. House of Representatives,
U.S. District 25
Fort Worth, TX/Washington, DC

Mr. Rick L Wittenbraker
Retired
Waste Management, Inc.
Fort Worth, TX

Mr. Michael G. "Mike" Wright
Managing Partner, Business Jet Center
President, Medical Cities, Inc.
Dallas, TX

Ex Officio Trustee

Mrs. Maria S. Mason
Founder
Camino Real Estate
Fort Worth, TX

Mr. Scott A. Moore
Director
Polaris I/O
Hinsdale, IL

Mr. Clayton R. Thomas
Senior Manager Category Management & Systems
HF Sinclair Corporation
Dallas, TX

TEXAS CHRISTIAN UNIVERSITY
Board of Trustees 2025-2026 (Fiscal Year 2026)

Officers of the University

Mr. Daniel W. Pullin
Chancellor

Dr. Kathryn Cavins-Tull
Vice Chancellor for Student Affairs

Mrs. Yohna J. Chambers-Hastings
Vice Chancellor and Chief Human Resources Officer

Dr. William J. Nunez
Vice Chancellor for Finance and Administration

Mrs. Merianne Kimmel Roth
Vice Chancellor for Marketing and Communication

Mr. Donald J. Whelan, Jr.
Vice Chancellor for University Advancement

Dr. Floyd L. Wormley, Jr.
Provost and Vice Chancellor for Academic Affairs

Officers of the Board of Trustees

Mrs. Kit Tennison Moncrief
Chair

Mr. Edward A. "Eddie" Clark
Vice Chair

Dr. William J. Nunez
Treasurer

Dr. Jeremy Vickers
Secretary

Financial Staff

Fiscal Year 2026

William J. Nunez
Vice Chancellor for Finance and Administration

Cheryl Kennon
Associate Vice Chancellor and Controller

Chris Lawler
Director of Endowment and Gift Accounting

Caron Patton
Director of Research Accounting and Reporting

Keia Wilson
Director of Financial Reporting

Office of the Vice Chancellor for Finance and Administration

TCU Box 297041

Fort Worth, Texas 76129

817.257.7815 phone

817.257.7750 fax