

NEW ISSUES - BOOK-ENTRY ONLY**RATINGS:** (See "RATINGS" herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025A Bonds (as defined below) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel observes that interest on the Series 2025A Bonds included in adjusted financial statement income of certain corporations is not excluded from federal corporate alternative minimum tax. Bond Counsel observes that interest on the Series 2025B Bonds (as defined below) is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Series 2025B Bonds. See "TAX MATTERS" herein.

UNIVERSITIES

Texas A&M University
Texas A&M University - Central Texas
East Texas A&M University
Texas A&M University - Corpus Christi
Texas A&M International University
Texas A&M University - Kingsville
Texas A&M University - San Antonio
Texas A&M University - Texarkana
Prairie View A&M University
Tarleton State University
West Texas A&M University
Texas A&M University - Victoria

**AGRICULTURAL AGENCIES**

Texas A&M AgriLife Research
Texas A&M AgriLife Extension Service
Texas A&M Forest Service
Texas A&M Veterinary Medical Diagnostic Laboratory

ENGINEERING AGENCIES

Texas A&M Engineering Experiment Station
Texas A&M Engineering Extension Service
Texas A&M Transportation Institute

OTHER AGENCY

Texas Division of Emergency Management

\$222,680,000

**BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BONDS,
SERIES 2025A**

\$55,140,000

**BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BONDS,
TAXABLE SERIES 2025B**

Dated: December 1, 2025 (Interest accrues from the Date of Delivery (defined below))**Due: May 15, as shown herein**

The Board of Regents of The Texas A&M University System Revenue Financing System Bonds, Series 2025A (the "Series 2025A Bonds") and the Board of Regents of The Texas A&M University System Revenue Financing System Bonds, Taxable Series 2025B (the "Series 2025B Bonds", and, together with the Series 2025A Bonds, the "Bonds") are special obligations of the Board of Regents (the "Board") of The Texas A&M University System (the "A&M System") issued pursuant to a Master Resolution, as amended, and a Thirty-Fifth Supplemental Resolution adopted by the Board (collectively, the "Resolution"). The Bonds are payable from and secured solely by the "Pledged Revenues" (as defined herein). THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE A&M SYSTEM OR ANY PART THEREOF, THE STATE OF TEXAS, OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER, AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE BONDS. See "SECURITY FOR THE BONDS."

The proceeds of the Series 2025A Bonds will be used for purposes of (i) providing funds for eligible projects for Participants (defined herein) within the A&M System, (ii) refunding a portion of the Board's outstanding Commercial Paper Notes (defined herein), and (iii) paying the cost of issuing the Series 2025A Bonds. The proceeds of the Series 2025B Bonds will be used for purposes of (i) providing funds for eligible projects for Participants within the A&M System, (ii) refunding a portion of the Board's outstanding Commercial Paper Notes, and (iii) paying the cost of issuing the Series 2025B Bonds. See "PLAN OF FINANCING."

Interest on each respective series of Bonds will accrue from their respective Date of Delivery (defined below) and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Bonds is payable on each May 15 and November 15, commencing May 15, 2026, and continuing thereafter until maturity or prior redemption. The Bonds are initially issuable only to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the book-entry only system described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the purchasers thereof. Interest on and principal of the Bonds will be payable by BOKF, NA, Dallas, Texas, the initial paying agent/registrant (the "Paying Agent/Registrar"), to Cede & Co., as nominee for DTC, which will make distribution of the amounts so paid to DTC Participants (as defined herein) who will make payments to the beneficial owners of the Bonds. See "DESCRIPTION OF THE BONDS – Clearing Systems."

The Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE BONDS – Redemption Provisions."

MATURITY SCHEDULES
See Schedules on inside front cover
CUSIP Prefix: 88213A

Each series of Bonds is offered for delivery when, as and if issued and received by the Underwriters therefor named below and each such series is subject to an approving opinion of the Attorney General of the State of Texas and of Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Bond Counsel. See "APPENDIX E – FORMS OF BOND COUNSEL OPINIONS". Certain legal matters will be passed upon for the Board by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Disclosure Counsel. Certain matters will be passed upon for the Underwriters by their counsel, McCall, Parkhurst & Horton L.L.P., San Antonio Texas. It is expected that the Bonds will be delivered through DTC on or about December 18, 2025 (the "Date of Delivery").

WELLS FARGO SECURITIES

**FHN FINANCIAL CAPITAL MARKETS
SAMCO CAPITAL**

**MORGAN STANLEY
SIEBERT WILLIAMS SHANK**

MATURITY SCHEDULE

CUSIP PREFIX: 88213A⁽¹⁾

**\$222,680,000
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BONDS, SERIES 2025A**

\$213,615,000 Serial Bonds

Stated Maturity (May 15)	Principal Amount (\$)	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix⁽¹⁾	Stated Maturity (May 15)	Principal Amount (\$)	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix⁽¹⁾
2026	12,750,000	5.000	2.500	UB9	2039	5,400,000	5.000	3.390 ⁽²⁾	UQ6
2027	9,580,000	5.000	2.520	UC7	2040	5,675,000	5.000	3.520 ⁽²⁾	UR4
2028	9,775,000	5.000	2.520	UD5	2041	5,960,000	5.000	3.640 ⁽²⁾	US2
2029	10,270,000	5.000	2.520	UE3	2042	6,260,000	5.000	3.770 ⁽²⁾	UT0
2030	10,790,000	5.000	2.570	UF0	2043	6,575,000	5.000	3.890 ⁽²⁾	UU7
2031	11,335,000	5.000	2.600	UG8	2044	6,900,000	5.000	4.000 ⁽²⁾	UV5
2032	11,905,000	5.000	2.670	UH6	2045	7,260,000	5.000	4.040 ⁽²⁾	UW3
2033	12,485,000	5.000	2.800	UJ2	2046	4,365,000	5.000	4.160 ⁽²⁾	UX1
2034	13,120,000	5.000	2.820	UK9	2047	4,585,000	5.000	4.250 ⁽²⁾	UY9
2035	12,095,000	5.000	2.920	UL7	2048	4,815,000	5.000	4.300 ⁽²⁾	UZ6
2036	12,455,000	5.000	3.010 ⁽²⁾	UM5	2049	5,055,000	5.000	4.340 ⁽²⁾	VA0
2037	9,220,000	5.000	3.140 ⁽²⁾	UN3	2050	5,310,000	5.000	4.360 ⁽²⁾	VB8
2038	9,675,000	5.000	3.270 ⁽²⁾	UP8					

\$9,065,000 Term Bonds

\$9,065,000 4.375% Term Bonds due May 15, 2055, Priced at 97.174% to Yield 4.550%, CUSIP Suffix VC6⁽¹⁾

(Interest accrues from the Date of Delivery)

**\$55,140,000
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BONDS, TAXABLE SERIES 2025B**

\$45,715,000 Serial Bonds

Stated Maturity (May 15)	Principal Amount (\$)	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix⁽¹⁾	Stated Maturity (May 15)	Principal Amount (\$)	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix⁽¹⁾
2026	2,080,000	3.761	3.761	VD4	2035	3,595,000	4.584	4.584	VN2
2027	3,075,000	3.661	3.661	VE2	2036	1,875,000	4.634	4.634	VP7
2028	3,050,000	3.703	3.703	VF9	2037	1,800,000	4.734	4.734	VQ5
2029	3,160,000	3.831	3.831	VG7	2038	1,880,000	4.884	4.884	VR3
2030	3,270,000	3.931	3.931	VH5	2039	1,975,000	4.984	4.984	VS1
2031	3,400,000	4.119	4.119	VJ1	2040	2,040,000	4.984	4.984	VT9
2032	3,480,000	4.269	4.269	VK8	2041	1,935,000	5.034	5.034	VU6
2033	3,625,000	4.434	4.434	VL6	2042	2,025,000	5.084	5.084	VV4
2034	3,450,000	4.534	4.534	VM4					

\$9,425,000 Term Bonds

\$5,820,000 5.260% Term Bonds due May 15, 2045, Priced at 100.000% to Yield 5.260%, CUSIP Suffix VW2⁽¹⁾

\$3,605,000 5.460% Term Bonds due May 15, 2055, Priced at 100.000% to Yield 5.460%, CUSIP Suffix VX0⁽¹⁾

(Interest accrues from the Date of Delivery)

REDEMPTION. . . The Bonds are subject to redemption prior to stated maturity as described herein. (See “DESCRIPTION OF THE BONDS – Redemption Provisions”).

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

⁽¹⁾ The CUSIP number is included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association. No assurance can be given that the CUSIP number for a particular maturity of the Bonds will remain the same after the date of delivery of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Board, the Financial Advisor, or the Underwriters is responsible for the selection or correctness of the CUSIP numbers set forth herein.

⁽²⁾ Yield calculated based on the assumption that the Series 2025A Bonds denoted and sold at premium will be redeemed on their first optional call date of May 15, 2035, at the price of par, plus accrued interest to the date of redemption.

SALE AND DISTRIBUTION OF THE BONDS

Use of Official Statement

No dealer, broker, salesman or other person has been authorized by the Board of Regents (the “Board”) of The Texas A&M University System (the “A&M System”) to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and in no instance may this Official Statement be reproduced or used for any other purpose.

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

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

Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

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

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

The statements contained in this Official Statement, and in other information provided by the Board, that are not purely historical are forward-looking statements, including statements regarding the Board’s expectations, hopes, intentions or strategies regarding the future. All forward-looking statements included in this Official Statement are

based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements.

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

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

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THE TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATION

Board of Regents of The Texas A&M University System

Name	Residence	Term Expiration
Mr. Robert L. Albritton, Chairman	Fort Worth	February 1, 2027
Mr. Jay C. Graham, Vice Chairman	Houston	February 1, 2031
Mr. David Baggett	Houston	February 1, 2029
Mr. John W. Bellinger	San Antonio	February 1, 2029
Mr. James R. Brooks	San Angelo	February 1, 2027
Ms. Kelley Sullivan Georgiades	Navasota	February 1, 2031
Mr. Michael A. Hernandez, III	Fort Worth	February 1, 2031
Mr. William Mahomes, Jr.	Dallas	February 1, 2027
Mr. Sam Torn	Houston	February 1, 2029

Ms. Vickie Burt Spillers, Executive Director to the Board

Officers and Staff of The Texas A&M University System

Mr. Glenn Hegar ⁽¹⁾	Chancellor
Ms. Susan Ballabina	Executive Vice Chancellor
Mr. Ryan Griffin	Vice Chancellor and Chief Financial Officer
Dr. James Hallmark	Vice Chancellor for Academic Affairs
Mr. Phillip Ray	Vice Chancellor for Business Affairs
Mr. Chris Bryan	Vice Chancellor of Marketing and Communications
Mr. W. Nim Kidd	Vice Chancellor for Disaster and Emergency Services
Mr. Korry Castillo	Chief Strategy Officer
Mr. R. Brooks Moore	General Counsel
Dr. Joe Elabd	Vice Chancellor for Research
Ms. Amanda Dotson	Chief Auditor
Ms. Maria L. Robinson	Chief Investment Officer and Treasurer

⁽¹⁾ Assumed the role of Chancellor on July 1, 2025, after previous service as Texas Comptroller of Public Accounts.

Chief Executive Officers of Universities and Agencies

Mr. Tommy Williams, Interim President ⁽¹⁾	Texas A&M University
Dr. Jeffrey W. Savell	Vice Chancellor of Agriculture and Life Sciences
Dr. Robert Bishop	Vice Chancellor for Engineering
Dr. Richard Rhodes, President	Texas A&M University - Central Texas
Dr. Mark J. Rudin, President	East Texas A&M University
Dr. Kelly M. Miller, President	Texas A&M University - Corpus Christi
Mr. Christopher Maynard, President	Texas A&M International University
Dr. Robert H. Vela, Jr., President	Texas A&M University – Kingsville
Dr. Salvador Hector Ochoa, President	Texas A&M University – San Antonio
Dr. Ross C. Alexander, President	Texas A&M University - Texarkana
Dr. Tomikia P. LeGrande, President	Prairie View A&M University
Dr. James L. Hurley, President	Tarleton State University
Dr. Walter Wendler, President	West Texas A&M University
Dr. Christian E. Hardigree, President	Texas A&M University - Victoria
Dr. Cliff Lamb, Director	Texas A&M AgriLife Research
Dr. Rick Avery, Director	Texas A&M AgriLife Extension Service
Dr. Robert Bishop, Director	Texas A&M Engineering Experiment Station
Mr. David E. Coatney, Director	Texas A&M Engineering Extension Service
Mr. Al Davis, Director	Texas A&M Forest Service
Mr. Gregory D. Winfree, Director	Texas A&M Transportation Institute
Dr. Amy K. Swinford, Director	Texas A&M Veterinary Medical Diagnostic Laboratory

⁽¹⁾ Mr. Williams assumed the duties of Interim President on October 3, 2025, after the resignation of former president, Mark A. Welsh III on September 19, 2025. On October 7, 2025, Chancellor Glenn Hegar announced a blue ribbon committee of distinguished leaders to guide the search for the next president of Texas A&M University.

Bond Counsel	Disclosure Counsel	Financial Advisor
Orrick, Herrington & Sutcliffe LLP	Orrick, Herrington & Sutcliffe LLP	Hilltop Securities Inc.
Austin, Texas	Austin, Texas	Dallas, Texas

For additional information regarding The Texas A&M University System, please contact:

Ms. Maria L. Robinson Chief Investment Officer and Treasurer The Texas A&M University System 301 Tarrow, 5th Floor College Station, Texas 77840-7896 (979) 458-6330	or	Ms. Mary M. Williams Managing Director Hilltop Securities Inc. 717 North Harwood, Suite 3400 Dallas, Texas 75201 (214) 953-4021
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OFFICIAL STATEMENT

relating to

\$222,680,000
BOARD OF REGENTS OF THE TEXAS A&M
UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM
BONDS, SERIES 2025A

\$55,140,000
BOARD OF REGENTS OF THE TEXAS A&M
UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM
BONDS, TAXABLE SERIES 2025B

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices hereto, provides certain information regarding the issuance by the Board of Regents of The Texas A&M University System (the “Board”) of its Revenue Financing System Bonds, Series 2025A (the “Series 2025A Bonds”) and Revenue Financing System Bonds, Taxable Series 2025B (the “Series 2025B Bonds”, and, together with the Series 2025A Bonds, the “Bonds”). Capitalized terms used in this Official Statement and not otherwise defined have the same meanings assigned to such terms in “APPENDIX C – DEFINED TERMS” and in the Resolution described below under “PLAN OF FINANCING – Authority for Issuance of the Bonds.”

The Texas A&M University System (the “A&M System”) was established pursuant to the provisions of the Constitution and the laws of the State of Texas (the “State” or “Texas”) as an agency of the State. The A&M System presently consists of twelve State-supported academic institutions and eight research and service agencies. For the 2025 Fall semester the general academic institutions had a total enrollment of approximately 175,635 students, of which approximately 72,256 attended Texas A&M University in College Station, Texas (including Texas A&M University School of Law and excluding Texas A&M Health Science Center). The service and research agencies are engaged in a wide variety of research and public service activities, as well as disaster response, in facilities located throughout the State. In addition, Texas A&M University’s Health Science Center combines the health components of the A&M System into a unit of Texas A&M University. The Fiscal Year 2026 budget of the A&M System is approximately \$8.1 billion, and the A&M System benefits from endowments, subject to certain restrictions, with a market value of approximately \$22.8 billion as of October 31, 2025. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Investment Policy and Procedures and Endowments.” The Board is the governing body of the A&M System and its members are officers of the State, appointed by the Governor with the advice and consent of the State Senate. For a general description of the A&M System and each of its member institutions see “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM.”

This Official Statement, including the appendices, contains summaries and descriptions of the plan of financing, the Resolution, the Bonds, the Revenue Financing System (defined herein), the Board, the A&M System, and other related matters. All references to and descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Ms. Maria L. Robinson, Chief Investment Officer and Treasurer, The Texas A&M University System, 301 Tarrow, 5th Floor, College Station, Texas 77840-7896, (979) 458-6330.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of this Official Statement will be filed with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”). See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the Board’s undertaking to provide certain information on a continuing basis.

PLAN OF FINANCING

Authority for Issuance of the Bonds

The Bonds are being issued in accordance with the general laws of the State, including particularly Chapter 55, Texas Education Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended. The Bonds are issued pursuant to a Master Resolution, adopted by the Board on November 19, 1990, as amended on September 17, 1993 and July 25, 1997 (collectively, the “Master Resolution”) and a Thirty-Fifth Supplemental Resolution to the Master Resolution, adopted by the Board on August 28, 2025 (the “Supplemental Resolution” and, together with the Master Resolution, the “Resolution”). As permitted by Chapter 1207 and Chapter 1371, Texas Government Code, as amended, in the Supplemental Resolution, the Board delegated to certain authorized officials of the A&M System the authority to establish the final terms of sale of the Bonds, which final terms are evidenced in an Award Certificate for each series of Bonds. The Award Certificate was executed by an authorized official of the A&M System on December 9, 2025.

As of the date of this Official Statement, and excluding the Bonds, the Board had long-term Parity Obligations (defined herein) outstanding in the aggregate principal amount of \$3,194,250,000. In addition, the Board has previously authorized a commercial paper program pursuant to which short-term Parity Obligations in the form of commercial paper notes are authorized to be outstanding in the maximum principal amount of \$500,000,000 (the “Commercial Paper Notes”). As of the date of this Official Statement, Commercial Paper Notes were outstanding in the principal amount of \$439,446,000, of which \$216,818,000 will be refunded (the “Refunded Notes”) with proceeds of the Bonds (see “PLAN OF FINANCING - Refunded Notes” below). Following the delivery of the Bonds, and related refunding as described below, \$222,628,000 in Commercial Paper Notes will remain outstanding. By virtue of the transfer of Texas A&M University – Victoria (“A&M-Victoria”) from the University of Houston System pursuant to SB 2361 enacted by the 89th Texas Legislature (Regular Session), Prior Encumbered Obligations of the Board are currently outstanding in the aggregate principal amount of \$136,219,000. See “DEBT SERVICE REQUIREMENTS,” “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Outstanding Indebtedness” and “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 6: Bonded Indebtedness.”

Purpose

The proceeds of the Series 2025A Bonds will be used for purposes of (i) providing funds for eligible projects for Participants (defined herein) within the A&M System, (ii) refunding certain of the Refunded Notes, and (iii) paying the cost of issuing the Series 2025A Bonds. The proceeds of the Series 2025B Bonds will be used for purposes of (i) providing funds for eligible projects for Participants within the A&M System, (ii) refunding certain of the Refunded Notes (being those Refunded Notes not refunded with the proceeds of the Series 2025A Bonds), and (iii) paying the cost of issuing the Series 2025B Bonds.

Refunded Notes

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

By the deposit of cash and/or lawful eligible securities with the Refunded Notes Paying Agent, the Board will have effected the defeasance of the Refunded Notes in accordance with applicable laws and pursuant to the terms of the resolution authorizing their issuance. As a result of such defeasance, the Refunded Notes will no longer be payable from Pledged Revenues (defined herein) but will be payable solely from the assets held for such purpose by the Refunded Notes Paying Agent and the Refunded Notes will not be considered indebtedness of the Board for any other purpose.

SOURCES AND APPLICATION OF FUNDS

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

Sources of Funds	Series 2025A Bonds	Series 2025B Bonds	Total
Par Amount of Bonds	\$222,680,000.00	\$55,140,000.00	\$277,820,000.00
Net Reoffering Premium	<u>21,997,106.20</u>	<u>-</u>	<u>21,997,106.20</u>
Total Sources of Funds	<u>\$244,677,106.20</u>	<u>\$55,140,000.00</u>	<u>\$299,817,106.20</u>
Application of Funds			
Project Fund Deposit	\$66,568,000.00	\$15,000,000.00	\$81,568,000.00
Deposit with Refunded Notes Paying Agent	176,969,000.00	39,849,000.00	216,818,000.00
Underwriters' Discount	665,515.56	166,168.16	831,683.72
Costs of Issuance	<u>474,590.64</u>	<u>124,831.84</u>	<u>599,422.48</u>
Total Application of Funds	<u>\$244,677,106.20</u>	<u>\$55,140,000.00</u>	<u>\$299,817,106.20</u>

DESCRIPTION OF THE BONDS

General

The Bonds will be issued as fully-registered bonds, without coupons, in any integral multiple of \$5,000 principal amount within a stated maturity, will be dated and will accrue interest from their respective initial delivery dates, anticipated to occur on or about December 18, 2025 (the "Date of Delivery"), and will bear interest at the per annum rates shown on page ii hereof.

Interest on the Bonds is payable semiannually on each May 15 and November 15, commencing May 15, 2026 and continuing thereafter to the maturity date or the date of redemption prior to maturity. Interest on the Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds mature on the dates and in the principal amounts set forth on page ii hereof and in the Debt Service Requirements table herein.

If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or day on which banking institutions in either the State of New York or the State of Texas are authorized by law or executive order to close, then the date for such payment will be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close, and payment on such later date shall have the same force and effect as if made on the original date payment was due.

Record Date for Interest Payment

The record date (the "Record Date") for determining the party to whom interest is payable on any interest payment date is the close of business on the last calendar day of the month preceding such interest payment date.

Limitation on Transfer of Bonds

Neither the Board nor the Paying Agent/Registrar shall be required to make any transfer or exchange of Bonds during a period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

Redemption Provisions

The Series 2025A Bonds

Optional Redemption. The Series 2025A Bonds scheduled to mature on and after May 15, 2036 are subject to redemption prior to maturity at the option of the Board on May 15, 2035 or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and, if in part, the particular Series 2025A Bonds or portion thereof to be redeemed shall be selected by the Board) at a price of par plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. In addition to the optional redemption provisions described above, the Series 2025A Bonds scheduled to mature on May 15 in the year 2055 (the “Series 2025A Term Bonds”) are subject to mandatory sinking fund redemption, in part, at a redemption price equal to par, plus accrued interest to the dates of redemption, on the dates and in the principal amounts, as set forth in the following schedule:

Series 2025A Term Bonds

Series 2025A Term Bonds Stated to Mature on May 15, 2055	
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
2051	1,660,000
2052	1,735,000
2053	1,810,000
2054	1,890,000
2055**	1,970,000

**Stated Maturity

The Series 2025A Term Bonds shall be redeemed in the manner described below under “DESCRIPTION OF THE BONDS – Selection of Bonds for Partial Redemption”. Any Series 2025A Term Bonds not selected for prior redemption shall be paid on the date of their stated maturity. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall cause a notice of redemption to be given in the manner provided in this Official Statement.

The principal amount of the Series 2025A Term Bonds required to be redeemed on such redemption date pursuant to the foregoing operation of the mandatory sinking fund shall be reduced, at the option of the Board, by the principal amount of any Series 2025A Term Bonds of the same maturity and bearing the same interest rate, which at least forty-five (45) days prior to the mandatory redemption date, (1) shall have been acquired by the Board and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Board, in either case of (1) or (2) at a price not exceeding the par or principal amount of such Series 2025A Bonds, or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory sinking fund redemption.

The Series 2025B Bonds

Optional Redemption at Par. The Series 2025B Bonds scheduled to mature on and after May 15, 2036 are subject to redemption prior to maturity at the option of the Board on May 15, 2035 (the “Par Call Date”) or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and, if in part, the particular Series 2025B Bonds or portion thereof to be redeemed shall be selected by the Board) at a price of par plus accrued interest to the redemption date.

Optional Redemption at Make-Whole Redemption Price. The Board has reserved the right, exercisable at its option, to redeem the Series 2025B Bonds, in whole or in part (and, if in part, in integral multiples of \$5,000), on any Business Day occurring prior to the Par Call Date at the Make-Whole Redemption Price. In the event such option is exercised, the Board shall retain an independent accounting firm or financial advisor to determine, to include performance of all actions and make all calculations required to determine, the Make-Whole Redemption Price. The Paying

Agent/Registrar and the Board may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Make-Whole Redemption Price, and neither the Paying Agent/Registrar nor the Board will have any liability for such reliance. The determination of the Make-Whole Redemption Price by such accounting firm or financial advisor shall be conclusive and binding on the Paying Agent/Registrar, the Board and the owners of the Series 2025B Bonds.

For purposes of the preceding paragraph, the following capitalized terms have the indicated meanings:

"Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of the Series 2025B Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the stated maturity of the Series 2025B Bonds to be redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2025B Bonds are to be redeemed), discounted to the date on which such Series 2025B Bonds are to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the Treasury Rate: plus five (5) basis points for those Series 2025B Bonds maturing on May 15, 2026 through May 15, 2035, plus accrued and unpaid interest on such Series 2025B Bonds to, but excluding, the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular bond, the yield to maturity of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Statistical Release H.15 (519) that has become publicly available on a day selected by the Board that is at least two Business Days, but no more than 45 calendar days, prior to such redemption date) (excluding inflation indexed securities) most nearly equal to the period from such redemption date to the maturity date of the bond to be redeemed (taking into account any sinking fund installments for such bonds); provided, however, that if the Federal Statistical Release H.15 (519) is no longer published, "Treasury Rate" means the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date; and provided, further, that if the period from the redemption date to the maturity date of the bond to be redeemed is less than one year, the yield to maturity of the United States Treasury securities with a constant maturity of one year will be used.

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

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

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

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

"Primary Treasury Dealer Quotations" means, with respect to each Primary Treasury Dealer and any redemption date for the Series 2025B Bonds, the average, as determined by the Designated Investment Banker, of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Primary Treasury Dealer at 3:30 p.m. New York time not later than on the third Business Day or earlier than on the forty-fifth (45th) calendar day preceding such redemption date.

"Business Day" means any day other than a Saturday, Sunday, or legal holiday, or a day on which banking institutions in either the State of New York or the State of Texas are authorized by law or executive order to close.

Mandatory Sinking Fund Redemption. In addition to the optional redemption (at par and at Make-Whole Redemption Price, respectively) provisions described above, the Series 2025B Bonds scheduled to mature on May 15 in the years 2045 and 2055, respectively (the "Series 2025B Term Bonds") are subject to mandatory sinking fund redemption, in part, at a redemption price equal to par, plus accrued interest to the dates of redemption, on the dates and in the principal amounts, as set forth in the following schedule:

Series 2025B Term Bonds

Series 2025B Term Bonds Stated to Mature on May 15, 2045		Series 2025B Term Bonds Stated to Mature on May 15, 2055	
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
2043	1,955,000	2046	285,000
2044	1,880,000	2047	295,000
2045**	1,985,000	2048	310,000
		2049	330,000
		2050	345,000
		2051	360,000
		2052	390,000
		2053	410,000
		2054	425,000
		2055**	455,000

**Stated Maturity

The Series 2025B Term Bonds shall be redeemed in the manner described below under “– Selection of Bonds for Partial Redemption”. Any Series 2025B Term Bonds not selected for prior redemption shall be paid on the date of their stated maturity. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall cause a notice of redemption to be given in the manner provided in this Official Statement.

The principal amount of the Series 2025B Term Bonds required to be redeemed on such redemption date pursuant to the foregoing operation of the mandatory sinking fund shall be reduced, at the option of the Board, by the principal amount of any Series 2025B Term Bonds of the same maturity and bearing the same interest rate, which at least forty-five (45) days prior to the mandatory redemption date, (1) shall have been acquired by the Board and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Board, in either case of (1) or (2) at a price not exceeding the par or principal amount of such Series 2025B Bonds, or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory sinking fund redemption.

Selection of Bonds for Partial Redemption

When the Paying Agent/Registrar is required or authorized to redeem the Bonds of a certain series at the option of the Board, the Board will determine the maturity or maturities and the amounts thereof to be redeemed. If less than all of the Bonds within a single maturity of a particular series are to be redeemed, the particular Bonds to be redeemed will be selected, (i) with respect to the Series 2025A Bonds, at random and by lot, and (ii) with respect to the Series 2025B Bonds, on a pro rata pass-through distribution of principal basis or by lot, as applicable, or other random method by the Paying Agent/Registrar in such a manner as the Paying Agent/Registrar may determine. If the Bonds are no longer registered to DTC or its nominee, any redemption of less than all of a maturity of a particular series of Bonds shall be effected by the Paying Agent/Registrar among owners by lot or on a pro rata pass-through distribution of principal basis, as applicable, subject to minimum authorized denominations. The particular Bonds or portions thereof to be redeemed shall be determined by the Paying Agent/Registrar, using such method as it shall deem fair and appropriate. If the Bonds are registered in book-entry only form and so long as DTC, or a successor securities depository, is the sole registered owner of such Bonds and if less than all of the Bonds of a maturity of a particular series are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis or by lot, as applicable, as hereinbefore described and in accordance with DTC procedures.

However, so long as the Bonds are registered in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect. It is the Board’s intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Board and the Beneficial Owners (defined herein), with respect to the Series 2025A Bonds, be made by lot and, with respect to the Series 2025B Bonds, be made on a pro rata pass-through distribution of principal basis, all as described above and as applicable. However, the Board can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on either of such bases. If the DTC operational arrangements do not allow for the redemption of the Series 2025B Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Series 2025B Bonds will be selected for redemption in accordance with DTC procedures by lot. The Board can provide no assurance that DTC, its participants or any other intermediaries,

will allocate redemptions of the Series 2025B Bonds of a particular maturity among the Beneficial Owners on such a pro rata pass-through distribution of principal basis.

A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar will treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

Notice of Redemption

Not less than 30 days prior to a redemption date, a notice of redemption will be sent by the Paying Agent/Registrar by United States mail, first-class, postage prepaid, to each registered owner of each Bond, or portion thereof to be redeemed in whole or in part at the address of each such owner appearing on the registration books of the Paying Agent/Registrar on the 45th day prior to such redemption date, and to major securities depositories, national bond rating agencies, and bond information services. Failure to send, mail, receive such notice will not affect the proceedings for redemption. In addition, in the event of a redemption caused by an advance refunding of either series of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the registered owners of Bonds subject to redemption at least 30 days but not more than 90 days prior to the actual redemption date. Any notice sent to registered securities depositories or national information services shall be sent so that they are received at least two days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the registered owner of any Bond who has not sent such Bonds in for redemption 60 days after the redemption date.

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

If at the time of mailing of notice of any optional redemption in connection with a refunding of the Bonds the Board has not deposited with the Paying Agent/Registrar or an eligible financial institution moneys sufficient to redeem all of the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the proceeds of refunding bonds with the Paying Agent/Registrar or an eligible financial institution not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Paying Agent/Registrar

The initial paying agent/registrar for each series of Bonds is BOKF, NA, Dallas, Texas (the “Paying Agent/Registrar”). In the Resolution, the Board reserves the right to replace the Paying Agent/Registrar for each series of Bonds. The Board covenants to maintain and provide a Paying Agent/Registrar for each series of Bonds at all times while such Bonds are outstanding, and any successor Paying Agent/Registrar shall be a competent and legally qualified bank, trust company, financial institution, or other qualified agency. In the event that the entity at any time acting as Paying Agent/Registrar should resign or otherwise cease to act as such, the Board has covenanted to promptly appoint a competent and legally qualified bank, trust company, financial institution or other qualified agency to act as Paying Agent/Registrar, as applicable. Upon any change in the Paying Agent/Registrar for either series of Bonds, the Board agrees promptly to cause a written notice thereof to be sent to each registered owner of the Bonds of such series by United States mail, first-class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar, as applicable.

Book-Entry-Only System

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

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

The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC. DTC will act initially as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds of each series in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for

their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed, unless other arrangements are made between DTC and the Board.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

The Board may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered in accordance with the Supplemental Resolution.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but none of the Board, the Financial Advisor, or the Underwriters take any responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

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

Effect of Termination of Book-Entry Only System

In the event that the Book-Entry Only System is discontinued by DTC or the Board, the following provisions will be applicable to the Bonds: the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar in Dallas, Texas (the "Designated Trust Office") and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the principal office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or the designee

thereof. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer.

Defeasance

The Resolution allows for the defeasance of any Bonds to their respective date of prior redemption or stated maturity. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Defeasance.”

SECURITY FOR THE BONDS

The Bonds are Parity Obligations under the Master Resolution and constitute special obligations of the Board payable from and secured by a lien on and pledge of Pledged Revenues of the Revenue Financing System, subject only to the provisions of the Prior Encumbered Obligations. See “THE REVENUE FINANCING SYSTEM - Pledged Revenues”. Other than the Prior Encumbered Obligations incurred in connection with the transfer of A&M–Victoria to the A&M System, there are no Prior Encumbered Obligations outstanding, and the Board does not currently anticipate adding Participants to the Revenue Financing System that would result in the assumption of additional Prior Encumbered Obligations. See “Appendix A - DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM - SELECTED FINANCIAL INFORMATION - Outstanding Indebtedness”. The Master Resolution provides that the obligation of the Board to pay or cause to be paid the amounts payable under the Master Resolution and any supplement thereto is absolute, irrevocable, complete and unconditional, and the amount, manner and time of payment shall not be modified in any way regardless of any contingency. See “Appendix C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION”.

Any owner of any of the Bonds or other Parity Obligations, in the event of default in connection with any covenant contained in the Master Resolution or in any supplement thereto, or default in the payment of Parity Obligations, or of any interest due thereon, or other costs and expenses related thereto, may require the Board, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Master Resolution or any Supplement, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, its officials and employees, or any appropriate official of the State. The Resolution does not establish other remedies or specifically enumerate the events of default with respect to the Bonds of each series. The Resolution does not provide for a trustee to enforce the covenants and obligations of the Board. In no event will the respective registered owners have the right to have the maturity of the Bonds of either such series accelerated as a remedy. The enforcement of the remedy of mandamus may be difficult and time consuming. Further, because there is no acceleration of maturity of the Bonds in the event of default the remedy of mandamus may have to be relied upon periodically. No assurance can be given that a mandamus or other legal action to enforce a default under the Resolution would be successful.

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

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

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE BOARD, THE A&M SYSTEM OR ANY PART THEREOF, THE STATE OF TEXAS, OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS NO TAXING POWER, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED AS

SECURITY FOR THE BONDS. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS FROM ANY SOURCE OTHER THAN PLEDGED REVENUES. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION.”

THE REVENUE FINANCING SYSTEM

Establishment

The Master Resolution created the Revenue Financing System (the “Revenue Financing System”) to provide a financing structure for revenue supported indebtedness of those institutions and agencies comprising the A&M System which are included, by Board action, as participants in the Revenue Financing System (“Participants”). With the addition of A&M–Victoria as a Participant in the Revenue Financing System pursuant to the Thirty-Fifth Supplemental Resolution, all member institutions and agencies of the A&M System are Participants. The Revenue Financing System is intended to facilitate the assembling of all of the A&M System’s revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to Participants and to maximize the financing options available to the Board. The Master Resolution provides that once an institution or agency becomes a Participant, the lawfully available revenues, income, receipts, rentals, rates, charges, fees, including interest or other income, and balances attributable to that entity and pledged by the Board become part of the Pledged Revenues; provided, however, that, if at the time an entity becomes a Participant it has outstanding obligations secured by such sources, such obligations will constitute Prior Encumbered Obligations under the Master Resolution and the pledge of such sources as Pledged Revenues will be subject and subordinate to such outstanding Prior Encumbered Obligations. Thereafter, the Board may issue bonds, notes, commercial paper, contracts, or other evidences of indebtedness, including credit agreements, on behalf of such institution, on a parity, as to payment and security, with the Outstanding Parity Obligations, subject only to the outstanding Prior Encumbered Obligations, if any, with respect to such Participant. Upon becoming a Participant, an entity may no longer issue obligations having a lien on Pledged Revenues prior to the lien on the Outstanding Parity Obligations. Generally, Prior Encumbered Obligations are those bonds or other obligations issued on behalf of a Participant which were outstanding on the date such entity became a Participant in the Revenue Financing System. Currently, with the exception of the Prior Encumbered Obligations arising in connection with the transfer of A&M–Victoria to the A&M System, there are no Prior Encumbered Obligations outstanding and the Board does not anticipate adding Participants to the Revenue Financing System which would result in the assumption of Prior Encumbered Obligations. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM” and “Appendix D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION”.

Pledged Revenues

Under the Master Resolution, the Board has, with certain exceptions, combined all of the revenues, funds, and balances attributable to Participants of the Revenue Financing System and lawfully available to secure revenue-supported indebtedness into a system-wide pledge to secure the payment of “Parity Obligations” from time to time issued and outstanding under the Master Resolution (referred to herein collectively as “Parity Obligations”). Parity Obligations are special obligations of the Board, equally and ratably secured solely by and payable solely from a pledge of and lien on the Pledged Revenues. The A&M System has calculated that Pledged Revenues for the fiscal year ended August 31, 2025 totaled approximately \$5.6 billion.

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	For Fiscal Year Ended August 31,				
	2025	2024	2023	2022	2021
Available Pledged Revenues, Not Including Pledged Unappropriated Fund and Reserve Balances ⁽¹⁾	\$3,690,554,415	\$3,382,179,322	\$3,119,289,746	\$2,833,827,575	\$2,784,850,759
Pledged Unappropriated Fund and Reserve Balances ⁽²⁾	1,899,351,145	1,544,220,177	1,377,465,110	1,432,360,851	841,575,293
Total Pledged Revenues ⁽³⁾	<u>\$5,589,905,560</u>	<u>\$4,926,399,499</u>	<u>\$4,496,754,856</u>	<u>\$4,266,188,426</u>	<u>\$3,626,426,052</u>

⁽¹⁾ Excludes State appropriations for the reimbursement of debt service on certain revenue bonds issued for Capital Construction Assistance Projects of the A&M System (formerly known as "Tuition Revenue Bonds"). See "APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – Selected Financial Information – Funding for the A&M System – State Government Appropriations – Capital Construction Assistance Projects."

⁽²⁾ The Pledged Unappropriated Fund and Reserve Balances are impacted by the A&M System's OPEB (as defined herein) and pension liabilities; these liabilities are calculated based on actuarial assumptions that are adjusted every year. For Fiscal Year 2021, the A&M System recognized pension related expenses of \$39.66 million and OPEB related expenses of \$121.27 million, which resulted in a \$160.93 reduction in Pledged Unappropriated Fund and Reserve Balances for Fiscal Year 2022. For Fiscal Year 2022, the A&M System recognized pension related negative expenses of \$41.93 million and OPEB related expenses of 168.43 million, which resulted in a \$126.50 million reduction in Pledged Unappropriated Fund and Reserve Balances for Fiscal Year 2023. For Fiscal Year 2023, the A&M System recognized pension related expenses of \$24.16 million and OPEB related expenses of \$118.28 million, which resulted in a \$142.44 million reduction in Pledged Unappropriated Fund and Reserve Balances for Fiscal Year 2024. For Fiscal Year 2024, the A&M System recognized pension related expenses of \$92.80 million and OPEB related expenses of \$11.95 million, which resulted in a \$104.75 million reduction in Pledged Unappropriated Fund and Reserve Balances for Fiscal Year 2025. For Fiscal Year 2025, the A&M System recognized pension related expenses of \$50.70 million and OPEB related expenses of \$20.42 million, which is expected to reduce Pledged Unappropriated Fund and Reserve Balances by approximately \$71.12 million, resulting in aggregate Pledged Unappropriated Fund and Reserve Balances of approximately \$1.97 billion for Fiscal Year 2026. See "SELECTED FINANCIAL INFORMATION – Retirement Plans" herein.

⁽³⁾ The Fiscal Year 2021 results reflect the operational and financial impact of the COVID-19 worldwide pandemic and measures implemented in response thereto.

Pledged Revenues do not include: (a) the interest of the A&M System in the Available University Fund under Article 7, Section 18 of the State Constitution; (b) amounts appropriated to any Participant from the Higher Education Fund under Article 7, Section 17 of the State Constitution; and (c) except to the extent so appropriated, general revenue funds appropriated to the A&M System by the State. See generally "APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – Selected Financial Information – Funding for the A&M System – *State Government Appropriations.*"

Pledged Revenues not utilized to pay debt service on Parity Obligations are available to pay other costs of operating the A&M System. Continued operation of the A&M System at current levels is dependent upon general revenue appropriations from the State. See "APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – Selected Financial Information – Funding for the A&M System – *State Government Appropriations.*"

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

In establishing the annual budget of each Participant of the Revenue Financing System, the Board includes as the Annual Obligation (defined herein) of the Participant the amount necessary to provide for the satisfaction by the Participant of its proportionate share of debt service due by the Board in such budget year on outstanding Parity Obligations, plus the amount budgeted by the Board for such fiscal year to allow the Participant to retire its obligation for any intra-system advances made to it to satisfy part or all of a previous Annual Direct Obligation (defined herein) payment.

Parity Obligations

The Board reserves the right to issue or incur additional Parity Obligations for any purpose authorized by law pursuant to the provisions of the Master Resolution and a supplemental resolution. See "APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Anticipated Issuance of Debt" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION." The issuance of the Bonds represents the Board's exercise of such right.

Anticipated Financings

The Board anticipates issuing approximately \$258.6 million in additional Revenue Financing System commercial paper notes or bonds to fund additional project costs during Fiscal Year 2026. In addition, the Board may issue Revenue Financing System bonds from time to time to refund outstanding Revenue Financing System debt to achieve debt service savings. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Anticipated Issuance of Debt”.

Outstanding Prior Encumbered Obligations (Texas A&M University – Victoria)

Following the delivery of the Bonds, the Board will have the following described indebtedness which constitutes Prior Encumbered Obligations of A&M–Victoria and are secured solely by a prior lien on the pledged revenues of A&M–Victoria.

	Outstanding Principal ⁽²⁾ ⁽³⁾
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2016A ⁽¹⁾	\$ 19,260,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2017A ⁽¹⁾	42,415,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2017C ⁽¹⁾	9,830,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2020A ⁽¹⁾	10,845,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Taxable Series 2020B	320,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2021A	1,033,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Taxable Series 2021B	266,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2022A ⁽¹⁾	37,760,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2024A	12,995,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Taxable Series 2024B	<u>1,495,000</u>
TOTAL	<u>\$136,219,000</u>

⁽¹⁾ A portion of these bonds constitute revenue bonds that qualify for reimbursement from State appropriations for debt service payments for Capital Construction Assistance Projects. Future reimbursement by the State for debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State biennium. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – Selected Financial Information – Funding for the A&M System – State Government Appropriations – Capital Construction Assistance Projects”.

⁽²⁾ A&M–Victoria’s outstanding Prior Encumbered Obligations will be recognized in the A&M System’s Fiscal Year 2026 Annual Comprehensive Financial Report in accordance with GASB guidelines but do not constitute Parity Obligations under the Master Resolution.

⁽³⁾ Only includes amount attributable to A&M–Victoria.

Nonrecourse Debt and Subordinated Debt

Nonrecourse Debt and Subordinated Debt may be incurred by the Board without limitation.

Other Financings

The A&M System engages in public/private partnerships that allow private partners to construct, maintain or improve facilities used to support the A&M System’s core mission. Any debt issued by private partners or third parties related to such projects is not an obligation of the Board, the A&M System or any of its components. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M SYSTEM – Selected Financial Information – Other Financings – Public/Private Partnerships.”

For a discussion regarding other financings of the A&M System, see “APPENDIX A – DESCRIPTION OF THE TEXAS A&M SYSTEM – Selected Financial Information – Other Financings – Other Obligations.”

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DEBT SERVICE REQUIREMENTS

The following table is a summary of the total long-term debt service requirements on all outstanding Parity Obligations, as of the date of this Official Statement.

Fiscal Year Ending August 31	Outstanding Parity Obligations Debt Service ⁽¹⁾	Prior Encumbered Obligations Debt Service ⁽²⁾	Series 2025A Bonds		Taxable Series 2025B Bonds		Total Annual Debt Service
			Principal	Interest	Principal	Interest	
2026	\$291,969,723	\$12,993,816	\$12,750,000	\$4,523,249	\$2,080,000	\$1,017,263	\$325,334,051
2027	351,267,765	12,995,136	9,580,000	10,439,844	3,075,000	2,413,028	389,770,773
2028	324,123,779	12,969,755	9,775,000	9,960,844	3,050,000	2,300,453	362,179,830
2029	318,612,976	12,432,343	10,270,000	9,472,094	3,160,000	2,187,511	356,134,924
2030	289,777,992	12,435,961	10,790,000	8,958,594	3,270,000	2,066,451	327,298,998
2031	277,669,396	11,991,547	11,335,000	8,419,094	3,400,000	1,937,908	314,752,945
2032	239,836,189	12,008,160	11,905,000	7,852,344	3,480,000	1,797,862	276,879,555
2033	210,651,858	12,009,829	12,485,000	7,257,094	3,625,000	1,649,301	247,678,081
2034	203,590,390	11,668,320	13,120,000	6,632,844	3,450,000	1,488,568	239,950,121
2035	200,105,743	11,665,505	12,095,000	5,976,844	3,595,000	1,332,145	234,770,237
2036	194,998,684	11,658,044	12,455,000	5,372,094	1,875,000	1,167,350	227,526,172
2037	191,974,143	11,679,647	9,220,000	4,749,344	1,800,000	1,080,463	220,503,596
2038	184,812,310	7,004,639	9,675,000	4,288,344	1,880,000	995,251	208,655,543
2039	173,658,206	5,893,939	5,400,000	3,804,594	1,975,000	903,432	191,635,170
2040	161,061,013	5,900,937	5,675,000	3,534,594	2,040,000	804,998	179,016,541
2041	134,595,689	5,890,142	5,960,000	3,250,844	1,935,000	703,324	152,334,999
2042	129,115,841	5,209,293	6,260,000	2,952,844	2,025,000	605,916	146,168,894
2043	89,963,064	2,090,316	6,575,000	2,639,844	1,955,000	502,965	103,726,189
2044	59,320,569	2,092,009	6,900,000	2,311,094	1,880,000	400,132	72,903,804
2045	53,539,918	2,095,942	7,260,000	1,966,094	1,985,000	301,244	67,148,197
2046	43,995,716	2,092,111	4,365,000	1,603,094	285,000	196,833	52,537,754
2047	34,403,659	2,095,416	4,585,000	1,384,844	295,000	181,272	42,945,191
2048	20,810,027	865,789	4,815,000	1,155,594	310,000	165,165	28,121,575
2049	15,400,074	869,130	5,055,000	914,844	330,000	148,239	22,717,287
2050	11,105,444	870,824	5,310,000	662,094	345,000	130,221	18,423,582
2051	11,106,881	865,985	1,660,000	396,594	360,000	111,384	14,500,844
2052	9,972,125	869,881	1,735,000	323,969	390,000	91,728	13,382,702
2053	6,037,519	867,378	1,810,000	248,063	410,000	70,434	9,443,393
2054	6,032,931	868,478	1,890,000	168,875	425,000	48,048	9,433,332
2055	2,924,800	868,076	1,970,000	86,188	455,000	24,843	6,328,907
2056	2,925,800	-	-	-	-	-	2,925,800
2057	2,927,600	-	-	-	-	-	2,927,600
	\$4,248,287,826	\$193,818,346	\$222,680,000	\$121,306,686	\$55,140,000	\$26,823,730	\$4,868,056,588

⁽¹⁾ As of December 18, 2025. Includes the debt service of the Outstanding Parity Obligations shown in the table under “APPENDIX A - DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM - SELECTED FINANCIAL INFORMATION - Outstanding Indebtedness”. Excludes outstanding Revenue Financing System Commercial Paper Notes.

⁽²⁾ As of December 18, 2025. The debt service of the Outstanding Prior Encumbered Obligations of the A&M System that are solely secured by a prior lien on the pledged revenues of A&M - Victoria. Effective September 1, 2025, A&M-Victoria became a member of the A&M System. See “THE REVENUE FINANCING SYSTEM – Establishment.”

In addition to debt service requirements in respect of the Outstanding Parity Obligations reflected in the foregoing table, the A&M System has incurred pecuniary obligations that are subject to annual appropriation by the Board in connection with certain public/private partnership financings described in Appendix A. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – Selected Financial Information – Other Financings.”

ABSENCE OF LITIGATION

Neither the Board nor the A&M System is a party to any litigation, investigation, inquiry or proceeding (whether or not purportedly on behalf of the Board) pending or threatened, in any court, governmental agency, public board or body or before any arbitrator or any governmental body which, if decided adversely to such parties, would have a material adverse effect on the Pledged Revenues or on the business, properties or assets or the condition, financial or otherwise, of the A&M System, and no litigation of any nature has been filed or threatened which seeks to restrain or enjoin the establishment of the Revenue Financing System, the issuance or delivery of the Bonds or the collection or application of Pledged Revenues to pay the principal of and interest on the Bonds, or in any manner questioning the validity of the Bonds.

LEGAL MATTERS

Legal matters relating to the Bonds are subject to approval of legality by the Attorney General of the State and of certain legal matters by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Bond Counsel to the Board (“Bond Counsel”), whose opinions will be delivered at the closing of the sale of the Bonds in substantially the forms attached hereto as APPENDIX E. Bond Counsel has not assumed any responsibility with respect thereto or undertaken to verify any of the information contained herein, except that, in their capacity as Bond Counsel, such firm has reviewed the information in this Official Statement under the captions “PLAN OF FINANCING,” “DESCRIPTION OF THE BONDS” (except for information under the subheading “Book-Entry-Only System”, as to which no opinion is expressed), “SECURITY FOR THE BONDS,” “THE REVENUE FINANCING SYSTEM” (except for the information under the subheadings “Anticipated Financings” and “Public/Private Partnerships”, as to which no opinion is expressed), “LEGAL MATTERS,” “TAX MATTERS,” “LEGAL INVESTMENTS IN TEXAS,” “CONTINUING DISCLOSURE OF INFORMATION”, “APPENDIX C – DEFINED TERMS” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” (except for financial or statistical information contained under any such caption, as to which no opinion is expressed) and such firm is of the opinion that the information relating to the Revenue Financing System, the Bonds, and the Resolution contained under such captions and in such appendices accurately describe the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Resolution. The payment of legal fees to Bond Counsel in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Board by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, McCall, Parkhurst & Horton L.L.P., San Antonio, Texas. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the Board.

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

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) Bond Counsel is of the further opinion that interest on the Series 2025A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2025A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel observes that interest on the Series 2025B Bonds is not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto. For the purposes of this “Tax Matters” heading, the term “Series 2025A Bonds” means the Series 2025A Bonds, and the term “Series 2025B Bonds” means the Series 2025B Bonds.

The Series 2025A Bonds

The following discussion summarizes certain United States federal income tax considerations generally applicable to U.S. Holders (as defined in the Series 2025B Bonds discussion, below) of the Bonds that acquire their Bonds in the initial offering and does not address tax considerations applicable to any investors in the Bonds other than investors that are U.S. Holders.

To the extent the issue price of any maturity of the Series 2025A Bonds is less than the amount to be paid at maturity of such Series 2025A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2025A Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2025A Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Series 2025A Bonds is the first price at which a substantial amount of such maturity of the Series 2025A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2025A Bonds accrues daily over the term to maturity of such Series 2025A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted U.S. federal income tax basis of such Series 2025A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2025A Bonds. Beneficial Owners of the Series 2025A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2025A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2025A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2025A Bonds is sold to the public.

Series 2025A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Series 2025A Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Series 2025A Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s U.S. federal income tax basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Series 2025A Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2025A Bonds. The Board has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2025A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2025A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2025A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2025A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2025A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2025A Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2025A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals

or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2025A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2025A Bonds ends with the issuance of the Series 2025A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Board or the Beneficial Owners regarding the tax-exempt status of the Series 2025A Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of Series 2025A Bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2025A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2025A Bonds, and may cause the Board or the Beneficial Owners to incur significant expense.

Payments on the Series 2025A Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2025A Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series 2025A Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2025A Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

The Series 2025B Bonds

Interest on the Series 2025B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Series 2025B Bonds.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Series 2025B Bonds that acquire their Series 2025B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2025B Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax

consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2025B Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series 2025B Bonds pursuant to this offering for the issue price that is applicable to such Series 2025B Bonds (i.e., the price at which a substantial amount of the Series 2025B Bonds are sold to the public) and who will hold their Series 2025B Bonds as “capital assets” within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Series 2025B Bonds other than investors that are U.S. Holders.

As used herein, “U.S. Holder” means a beneficial owner of a Series 2025B Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Series 2025B Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2025B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2025B Bonds (including their status as U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Series 2025B Bonds in light of their particular circumstances.

For U.S. Holders of Series 2025B Bonds

Interest. Interest on the Series 2025B Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Series 2025B Bonds is less than the amount to be paid at maturity of such Series 2025B Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2025B Bonds) by more than a de minimis amount, the difference may constitute original issue discount (“OID”). U.S. Holders of Series 2025B Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Series 2025B Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series 2025B Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2025B Bond.

Sale or Other Taxable Disposition of the Series 2025B Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Board) or other disposition of a Series 2025B Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2025B Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2025B Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder’s adjusted U.S. federal income tax basis in the Series 2025B Bond (generally, the purchase price paid by the U.S. Holder for the Series 2025B Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series 2025B Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series 2025B Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder’s holding period for the Series 2025B Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Series 2025B Bonds. If the Board defeases any Series 2025B Bond, the Series 2025B Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Series 2025B Bond.

Information Reporting and Backup Withholding. Payments on the Series 2025B Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Series 2025B Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series 2025B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2025B Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act ("FATCA")

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series 2025B Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series 2025B Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

LEGAL INVESTMENTS IN TEXAS

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

RATINGS

Moody's Ratings ("Moody's"), S&P Global Ratings, a Division of S&P Global Inc. ("S&P"), and Fitch Ratings, Inc. ("Fitch") have rated the Bonds "Aaa", "AAA", and "AAA", respectively. An explanation of the significance of each such rating, including any recalibration thereof, may be obtained from the company furnishing the rating. The ratings will reflect only the views of such organizations at the time such ratings are given, and the Board makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if circumstances so warrant. Any such downward revision or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Periodically, rating agencies will evaluate and, on occasion as a result of these evaluations, revise their rating methodologies and criteria for municipal issuers such as the Board. A revision in a rating agency's rating methodology could result in a positive or negative change in a rating assigned by that agency, even if the rated entity has experienced no material change in financial condition or operation. Any of the rating agencies at any time while the Bonds remain outstanding could undertake such an evaluation process.

CONTINUING DISCLOSURE OF INFORMATION

Continuing Disclosure Undertaking of the Board

Pursuant to the Supplemental Resolution and the Award Certificates, the Board has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Board has agreed that, so long as the Board is an "obligated person" under the Rule (hereinafter defined), it will provide certain updated financial information and operating data about the A&M System annually as set forth below, and timely notice of specified material events, to the MSRB. Such information will be available to the public at no charge using EMMA via the MSRB's internet website, www.emma.msrb.org.

Annual Reports

The Board is to provide certain updated financial information and operating data to the MSRB annually. The information to be updated by the Board includes all quantitative financial information and operating data with respect to the A&M System of the general type included herein under the caption "DEBT SERVICE REQUIREMENTS", in APPENDIX A under the captions "DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – GENERAL DESCRIPTION – Enrollment," "FINANCIAL MANAGEMENT" and "SELECTED FINANCIAL INFORMATION," and in "APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM" and the audited financial statements for the Permanent University Fund. The Board is to update and provide this information within six months after the end of each of its fiscal years.

The Board may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the SEC Rule 15c2-12 (the "Rule"). The updated information will also include audited financial statements of the A&M System, if the Board commissions an audit and it is completed by the time required. If the Board has commissioned such an audit and such audited financial statements of the A&M System are not available by the required time, the Board will provide such statements when and if they become available. Any such financial statements are to be prepared in accordance with generally accepted accounting principles. No outside audit of the A&M System's financial statements is currently required or obtained by the Board.

The Board's current fiscal year end is August 31. Annually, not later than each November 20th after the close of the fiscal year, the unaudited primary financial statements of the A&M System dated as of August 31, prepared from the books of the A&M System, must be delivered to the Governor and the State Comptroller of Public Accounts. If the Board changes its fiscal year, it has agreed to notify the MSRB of the change prior to the next date by which the Board otherwise would be required to provide financial information and operating data. If audited financial statements of the A&M System are not prepared for any fiscal year and audited financial statements are prepared with respect to the State for such fiscal year, the Board shall provide, or cause to be provided, the audited financial statements of the State for the applicable fiscal year to the MSRB within six months after the end of said fiscal year or as soon thereafter as such audited financial statements become available from the State Auditor. Any such audited financial statements of the State so provided shall be prepared in accordance with generally accepted accounting principles for state governments; as such principles may be changed from time to time to comply with state law.

Notice of Certain Events

The Board will also provide to the MSRB notices of certain events on a timely basis no later than 10 business days after the event. The Board will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the Board; (13) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of the trustee, if material; (15) incurrence of a financial obligation of the Board (as defined by the Rule, which includes certain debt, debt-like, and debt-related obligations), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the Board, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the Board, any of which reflect financial difficulties. Neither the Bonds nor the Resolution make any provision for a trustee, debt service reserves, credit enhancement, or liquidity enhancement. In addition, the Series 2025B Bonds are obligations the interest on which is not excluded from gross income for purposes of taxation under federal law.

For these purposes, (a) any event described in clause (12) in the preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Board in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board, and (b) the Board intends the words used in clauses (15) and (16) in the preceding paragraph and the definition of financial obligation in this section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

In addition, the Board will provide timely notice to the MSRB of any failure by the Board to provide financial information or operating data in accordance with its agreement described above under “Annual Reports” by the time required.

Availability of Information

The Board has agreed to provide the foregoing updated information only to the MSRB. All documents provided by the Board to the MSRB described above under the captions “Annual Reports” and “Notice of Certain Events” will be in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Limitations and Amendments

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

The Board may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status or type of

operations of the Board if (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment or (b) any person unaffiliated with the Board (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. If the Board so amends its agreement, it will provide notice of such amendment to the MSRB, in a timely manner, including an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the notices to be so provided. The Board may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds.

FINANCIAL ADVISOR

Hilltop Securities Inc. (the “Financial Advisor”) has acted as financial advisor to the Board in connection with the issuance of the Bonds.

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

UNDERWRITING

Wells Fargo Bank, National Association, as the senior and book running manager of the Underwriters, have agreed, subject to certain customary conditions, to purchase the Series 2025A Bonds at a price equal to the principal amount thereof, plus a net reoffering premium of \$21,997,106.20, less an underwriting discount of \$665,515.56, and no accrued interest. The Underwriters will be obligated to purchase all of the Series 2025A Bonds if any Series 2025A Bonds are purchased. The Series 2025A Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing the Series 2025A Bonds into investment trusts) at prices lower than public offering prices of such Series 2025A Bonds, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters have agreed, subject to certain customary conditions, to purchase the Series 2025B Bonds at a price equal to the principal amount thereof, less an underwriting discount of \$166,168.16, and no accrued interest. The Underwriters will be obligated to purchase all of the Series 2025B Bonds if any Series 2025B Bonds are purchased. The Series 2025B Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing the Series 2025B Bonds into investment trusts) at prices lower than public offering prices of such Series 2025B Bonds, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Board, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Board. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters have provided the following sentence for inclusion in the Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with their responsibilities to investors under the

federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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

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

SAMCO Capital Markets Inc., an Underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, SAMCO Capital Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, SAMCO Capital Markets Inc. will compensate Fidelity for its selling efforts.

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

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

It is the obligation of the Underwriters to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided to the reader by the Board, that are not purely historical, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the Board’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements. It is important to note that the Board’s actual results could differ materially from those in such forward looking statements.

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

OTHER MATTERS

The financial data and other information contained herein have been obtained from the Board's records, financial reports, and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. Summaries of the documents do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects. Copies may be obtained from the Board.

The Supplemental Resolution approved the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the reoffering of the Bonds by the Underwriters. This Official Statement has been approved by the Board for distribution in accordance with the provisions of the SEC's rule codified at 17 C.F.R. Section 240.15c2-12, as amended.

/s/ Maria L. Robinson

Maria L. Robinson
Chief Investment Officer and Treasurer
The Texas A&M University System
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APPENDIX A

DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM

GENERAL DESCRIPTION

The Texas A&M University System (the “A&M System”) is a land, sea, and space grant university organization devoted to teaching, research, and public service, consisting of institutions and agencies located throughout the State of Texas (the “State” or “Texas”).

System Administration

The A&M System is governed, managed, and controlled by a nine-member Board of Regents (the “Board”) each of whom is appointed by the Governor of the State subject to confirmation by the State Senate. Each regent serves a six-year term, with three new appointments every two years. The members of the Board elect one of the regents to serve as Chairman of the Board and may elect any other officers they deem necessary. The regents serve without pay except for reimbursement for actual expenses incurred in the performance of their duties, subject to the approval of the Chairman of the Board.

The Texas Education Code requires the Board to establish a central administration office of the A&M System (herein referred to as the “A&M System Administration”) to provide oversight and coordination of the activities of each member institution within the A&M System. The Board is required to appoint a chief executive officer (the “Chancellor”) and such other executive officers of the A&M System Administration as deemed necessary and is responsible for determining the term of appointment, salaries, and duties of each executive officer. The Chancellor is responsible for the administration of the A&M System. Among other powers and duties, the A&M System Administration is responsible for recommending necessary policies and rules to the Board to ensure conformity with all laws and rules and to provide uniformity in data collection and financial reporting procedures.

The Texas Education Code further requires the Board to appoint a president for each of the member institutions and a director for each agency, who is the executive officer thereof under the direction of the Board. Each president and director is required to recommend the plan of organization of his respective institution or agency and is responsible to the Board for the general management and success thereof.

A list of the current members of the Board, the principal officers of the A&M System Administration, and the presidents and directors of each of the institutions and agencies comprising the A&M System appears on page xi of this Official Statement.

The A&M System is headquartered at College Station, Texas (approximately 90 miles northwest of Houston) and provides services to all of the State’s 254 counties.

Los Alamos National Laboratory. The A&M System, together with Battelle Memorial Institute and The Regents of the University of California, is a founding member and co-owner of Triad National Security, LLC (“Triad”), a nonprofit, public service oriented, national security science organization. On November 1, 2018, Triad assumed operational responsibility for Los Alamos National Laboratory pursuant to a management and operating contract with the U.S. Department of Energy’s National Nuclear Security Administration, which includes a five-year base term with five one-year options, for a total of 10 years if all options are exercised. Effective November 1, 2023, the management and operating contract was extended by the first of the five one-year extensions. Los Alamos National Laboratory, which conducts multidisciplinary research in fields such as national security, space exploration, renewable energy, medicine, nanotechnology, and supercomputing, is a multidisciplinary research institution dedicated to enhancing national security by ensuring the safety and reliability of the U.S. nuclear stockpile, developing technologies to reduce threats from weapons of mass destruction, and solving problems related to energy, environment, infrastructure, health, and global security concerns. Through its affiliation with Triad, the A&M System provides workforce training services, recovers costs associated with its membership in Triad, and receives a portion of the management fees earned by Triad. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Notes to the Combined Financial Statements – Note 19 – The Financial Reporting Entity – Joint Venture.”

Member Institutions

Set forth below is a summary description of the A&M System's member institutions, which include twelve general academic institutions and eight research and service agencies, each of which is a Participant of the Revenue Financing System.

Universities

Texas A&M University. Texas A&M University in College Station ("Texas A&M"), the State's first public institution of higher education and among the nation's largest universities, offers more than 140 undergraduate degree programs and 270 master's and Ph.D. programs, as well as professional degrees in medicine, law, and veterinary medicine. For Fall 2025, Texas A&M enrolled approximately 72,256 students in College Station (including Texas A&M University School of Law and excluding Texas A&M Health Science Center) and 2,188 in Galveston. It is one of the few universities in the nation to hold land, sea, and space grant status. Texas A&M is a top tier public research university with annual research expenditures of over \$1.15 billion. Texas A&M's 5,200-acre campus is among the nation's largest. Texas A&M also has a health science center, a branch campus in Galveston, an engineering-oriented branch campus in the Middle Eastern country of Qatar, and operates centers in Italy, Costa Rica, and Mexico City. Texas A&M is also home to the George Bush Presidential Library and Museum.

Texas A&M's Health Science Center was formed in 1999. On July 12, 2013, the Texas A&M Health Science Center was merged into and realigned as a unit within Texas A&M. The Health Science Center combines the health components of the A&M System into a unit of Texas A&M. The Health Science Center consists of seven components and two geographic centers as follows: Baylor College of Dentistry; College of Medicine; Rangel College of Pharmacy; Graduate School of Biomedical Sciences; Institute of Biosciences and Technology; School of Rural Public Health; College of Nursing; Coastal Bend Health Education Center; and South Texas Center. Student enrollment at the Health Science Center in Fall 2025 was approximately 4,303.

On August 12, 2013, Texas A&M purchased the Texas Wesleyan University School of Law from Texas Wesleyan University and began operations at the location in downtown Fort Worth, Texas. Student enrollment at the Texas A&M University School of Law in Fall 2025 was approximately 396.

On February 14, 2024, Texas A&M issued a notice of termination of its agreement (the "Agreement") with the Qatar Foundation for Education, Science and Community Development ("QF") regarding operation of the A&M System campus in Doha, Qatar. Per the Agreement, the termination will occur on or about August 2028. Texas A&M intends to work closely with QF to develop an appropriate transition plan that will wind down its operations in an orderly manner. Texas A&M will seek to minimize any adverse impact on its faculty, staff and students.

Texas A&M University – Central Texas. Texas A&M University-Central Texas ("A&M-Central Texas") is located in Killeen and is one of the newest universities in the A&M System, achieving independent status effective September 1, 2009. It opened in 1999 as a public upper-level institution and currently offers 30 bachelor and 19 graduate degree programs within three colleges including Arts and Sciences; Business Administration; and Education and Human Development. The campus is located on 672 acres of land provided under an agreement with Fort Hood, the nation's largest active-duty military installation. In addition to classes on campus, classes are also offered at the East Williamson County Higher Education Center in Hutto, Texas. Student enrollment at A&M-Central Texas in Fall 2025 was approximately 2,524.

East Texas A&M University. Founded as East Texas Normal College, East Texas A&M University ("ETAMU") offers courses on its main campus in Commerce near Dallas, with additional locations in downtown Dallas, Corsicana, Mesquite, McKinney and Frisco. Student enrollment at ETAMU in Fall 2025 was approximately 13,316. ETAMU offers more than 130 undergraduate, master's and doctoral degrees within six academic colleges, including Business; Education and Human Services; Humanities, Social Sciences and Arts; Science and Engineering; Agriculture and Natural Resources; and Innovation and Design. Prior to November 2024, this university was known as Texas A&M University – Commerce.

Texas A&M University – Corpus Christi. Texas A&M University-Corpus Christi ("A&M-Corpus Christi") is a comprehensive four-year university with two campuses. The Island Campus is located on the university's own 240-acre island minutes from downtown Corpus Christi, while the nearby Momentum Campus is located on 156 acres across the Oso Bay. With approximately 11,366 students, A&M-Corpus Christi offers over 50 bachelor and over 30 graduate degree programs within six colleges, including Business; Education and Human Development; Nursing and Health Sciences; Liberal Arts; Science and Engineering.

Texas A&M International University. Located in Laredo, Texas A&M International University (“TAMIU”) is a major regional university of choice for the state’s fastest growing demographic area. The campus population mirrors the diverse communities it serves. Student enrollment at TAMIU in Fall 2025 was approximately 9,073. TAMIU offers over 50 bachelor and over 30 graduate degree programs within four colleges, including Arts and Sciences; Business; Education; and Nursing and Health Sciences.

Texas A&M University – Kingsville. Texas A&M University-Kingsville (“A&M-Kingsville”) is a regional university that strives to serve the educational needs of all South Texans. Student enrollment at A&M-Kingsville in Fall 2025 was approximately 6,880. A&M-Kingsville offers over 100 bachelor and over 50 graduate degree programs within five colleges, including Agriculture and Natural Resources; Arts and Sciences; Business Administration; Education and Human Performance; and Engineering.

Texas A&M University – San Antonio. Texas A&M University-San Antonio (“A&M-San Antonio”) is one of the newest universities in the A&M System, achieving independent status effective September 1, 2009. The university opened in 2000 as Texas A&M University-Kingsville System Center-San Antonio, and now offers 62 bachelor and 14 graduate degree programs within three colleges, including Arts & Sciences; Business; and Education and Human Development. A&M-San Antonio’s student enrollment in Fall 2025 was approximately 7,622.

Texas A&M University – Texarkana. Located on the Texas-Arkansas border and originally founded as East Texas State University at Texarkana, Texas A&M University-Texarkana (“TAMU-T”) offers a career-oriented curriculum with 21 bachelor and 17 graduate degree programs within two colleges, including the College of Arts, Sciences and Education and the College of Business, Engineering, and Technology. TAMU-T’s student enrollment in Fall 2025 was approximately 2,773 students.

Prairie View A&M University. Prairie View A&M University (“PVAMU”) is the second-oldest public institution of higher education in Texas. PVAMU’s main campus is located in Waller County, 45 miles northwest of Houston. With approximately 10,152 students enrolled in Fall 2025, PVAMU offers over 35 bachelor and over 35 graduate degree programs within eight colleges, including Agriculture and Human Sciences; Architecture; Arts and Sciences; Business; Education; Nursing; Juvenile Justice and Psychology; and Engineering.

Tarleton State University. Founded in 1899 and now the largest non-land-grant agricultural university in the country, Tarleton State University (“Tarleton”) serves as the educational and cultural center of the Cross Timbers and surrounding areas. With approximately 20,985 students enrolled in Fall 2025, Tarleton provides courses at its 150-acre main campus and 700-acre university farm in Stephenville, the 1,170-acre Hunewell Ranch in Erath County, a new campus being developed in Fort Worth, McLennan Community College in Waco, and at Navarro College in Midlothian. Tarleton offers over 75 bachelor and 30 graduate degree programs within seven colleges, including Agriculture and Natural Resources; Business; Education; Health Sciences; Liberal and Fine Arts; Science and Mathematics; and Engineering.

West Texas A&M University. Located in Canyon, West Texas A&M University (“WTAMU”) is the northernmost senior institution of higher education in Texas and the most accessible and affordable university for many residents in Texas, New Mexico, Louisiana, Arkansas and Oklahoma. With approximately 9,197 students enrolled in Fall 2025, WTAMU offers over 60 bachelor and 40 graduate degree programs within six colleges, including Agriculture and Natural Sciences; Engineering; Nursing and Health Sciences; Business; Education and Social Sciences; and Fine Arts and Humanities.

Texas A&M University – Victoria. Texas A&M University-Victoria (“A&M-Victoria”) joined the A&M System effective September 1, 2025. Founded in 1973 and previously part of the University of Houston System, the university was formerly known as the University of Houston-Victoria and has long served as a critical hub of higher education in South Texas. With approximately 3,000 students enrolled in Fall 2025, A&M-Victoria offers over 30 bachelor and 35 graduate degree programs within four colleges, including Business; Education and Health Professions; Liberal Arts and Social Sciences; and Natural and Applied Science.

Agricultural Agencies

Texas A&M AgriLife Research. Texas A&M AgriLife Research is the State’s premier research and technology development agency in agriculture, natural resources and the life sciences. While maintaining their traditional connection to farming and ranching, the agency’s researchers are also developing crops with enhanced nutrition, leading innovative research for renewable energy sources, working with the U.S. military to sustain training lands, and implementing new methods to improve air and water quality. Texas A&M AgriLife Research also places a high

priority on working with national and international organizations that support agricultural and life sciences research. Prior to January 2008, this agency was known as the Texas Agricultural Experiment Station.

Texas A&M AgriLife Extension Service. Texas A&M AgriLife Extension Service is a unique education agency with a statewide network of professional educators, trained volunteers, and county offices. With 250 offices serving all 254 counties in Texas, the agency offers educational programs, activities and resources under four broad program areas: agriculture and natural resources; family and community health; volunteer programs; and community economic development. Cooperative extension education is made possible in each state by a partnership among the U.S. Department of Agriculture, county governments, and the state land-grant university system. Prior to January 2008, this agency was known as the Texas Cooperative Extension.

Texas A&M Forest Service. The Texas A&M Forest Service (“TFS”) is known for its continuous efforts to develop, protect, and preserve the State’s forest resources. While TFS’ primary program focus is in the 52 forested counties of East Texas, the agency serves the entire State in efforts including rural fire protection and training, urban forestry, tree improvement, professional forest management assistance to landowners, wood use technology, reforestation, and forest insect and disease control. In addition, TFS is also one of the lead agencies for incident management in the State. From the initial response to ongoing recovery, the agency works to protect Texas from wildfires and other types of disasters.

Texas A&M Veterinary Medical Diagnostic Laboratory. The Texas A&M Veterinary Medical Diagnostic Laboratory (“TVMDL”) is composed of two full-service facilities located in College Station and Canyon, as well as two poultry laboratories located in Center and Gonzales. The College Station and Canyon facilities are each equipped with a Biosafety Level 3 (BSL-3) veterinary diagnostic laboratory capable of safely working with and containing high-consequence animal disease agents. With its strategic locations, TVMDL is uniquely positioned to serve the animal industries of Texas. TVMDL receives approximately 200,000 requests per year for assistance in diagnosing animal diseases, and is accredited by the American Association of Veterinary Laboratory Diagnosticians.

Engineering Agencies

Texas A&M Engineering Experiment Station. The Texas A&M Engineering Experiment Station (“TEES”) is the State’s agency for engineering and technology research. Its mission is to perform engineering and technology-oriented research and development for the enhancement of the educational systems and the economic development of the State and the nation. TEES is structured to maximize research and educational partnership opportunities through its 26 interdisciplinary research centers as well as through regional partnerships with public colleges and universities. TEES performs quality research in the six key areas: energy systems and services; healthcare; information system and sensors; infrastructure; materials and manufacturing; and national security and safety.

Texas A&M Engineering Extension Service. Internationally recognized for its hands-on, customized training, the Texas A&M Engineering Extension Service (“TEEX”) offers a wide range of technical training programs to enhance the skills of employed workers and to prepare workers entering the labor force. Major TEEX programs include fire and emergency services, infrastructure and safety, law enforcement, business and cyber solutions, and homeland security. Annually, TEEX trains more than 174,000 workers from every U.S. state and territory and 109 countries worldwide through on-site and online resources. TEEX also sponsors the State’s elite urban search and rescue teams, Texas A&M Task Force 1 and Texas Task Force 2.

Texas A&M Transportation Institute. For over 70 years, the Texas A&M Transportation Institute (“TTI”) has served the people of Texas and the nation by advancing transportation safety, efficiency, and economy. TTI is recognized as one of the premier higher education-affiliated transportation research agencies in the world and has made significant contributions to all modes of transportation. Established during the early years of the ambitious interstate highway program, TTI has played a major role in the successful development of the Texas federal and State road systems. TTI conducts over 700 research projects annually with more than 200 sponsors at all levels of government and the private sector.

Texas Division of Emergency Management

The Texas Division of Emergency Management (“TDEM”) became the eighth State agency of the A&M System effective September 1, 2019. TDEM coordinates the State emergency management program, and was previously an operating division of the Texas Department of Public Safety. TDEM works closely with local jurisdictions, state agencies, and federal partners in ensuring Texas becomes more resilient for future disasters. TDEM staff are stationed statewide and serve six different regions: North, Northwest, South, Southeast, West and Central Texas. The State

Legislature and the Governor approved the transfer of this agency to the A&M System, which has allowed for better coordination between TDEM and the A&M System's other disaster response operations such as Texas A&M Task Force 1, TFS and Texas A&M AgriLife Extension Service.

Accreditation

The institutions and agencies comprising the A&M System are members of the following professional associations and fully accredited by those which apply accreditation standards: Commission on Colleges of the Southern Association of Colleges and Schools; National Commission on Accrediting; Association of Texas Colleges and Universities; American Council on Education; Association of Public and Land Grant Universities; American Association of State Colleges and Universities; Association of American Universities; Association of American Colleges and Universities; and Association of Urban Universities.

Enrollment

The historic undergraduate and graduate headcount enrollment at each of the general academic institutions of the A&M System during the past five Fall semesters follows:

Total Headcount Enrollment Information

<u>Institutions</u>	Fall Semester⁽¹⁾				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Texas A&M University ⁽²⁾	72,256	70,666	69,524	67,166	66,057
Texas A&M University at Galveston ⁽³⁾	2,188	2,138	2,155	2,232	2,168
Texas A&M Health Science Center	4,303	3,726	3,456	3,391	3,304
Texas A&M University – Central Texas	2,524	2,401	2,253	2,194	2,218
East Texas A&M University ⁽⁴⁾	13,316	12,741	11,894	10,754	10,966
Texas A&M University – Corpus Christi	11,366	11,266	10,867	10,778	10,762
Texas A&M International University	9,073	8,718	8,489	8,193	8,145
Texas A&M University – Kingsville	6,880	6,862	6,575	6,070	6,375
Texas A&M University – San Antonio	7,622	7,912	7,534	7,223	6,858
Texas A&M University – Texarkana	2,773	2,361	2,112	2,073	2,078
Prairie View A&M University	10,152	9,821	9,508	8,998	9,353
Tarleton State University	20,985	17,256	14,519	14,093	13,995
West Texas A&M University	9,197	9,037	9,030	9,242	9,545
Texas A&M University – Victoria	<u>3,000</u>	<u>N/A⁽⁵⁾</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>175,635</u>	<u>164,905</u>	<u>157,916</u>	<u>152,407</u>	<u>151,824</u>

⁽¹⁾ The enrollment data has been certified by the Texas Higher Education Coordinating Board for 2021-2024. Fall 2025 numbers are based on preliminary 20th class day data.

⁽²⁾ Includes Texas A&M University School of Law.

⁽³⁾ A branch campus of Texas A&M University.

⁽⁴⁾ Texas A&M University – Commerce changed its name to East Texas A&M University in November 2024.

⁽⁵⁾ Effective September 1, 2025, A&M-Victoria became a member of the A&M System.

The historic graduate enrollment (included in the above headcount enrollment statistics) at each of the general academic institutions of the A&M System during the past five Fall semesters follows:

Graduate Enrollment Information

<u>Institutions</u>	Fall Semester – Graduate Enrollment⁽¹⁾				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Texas A&M University ⁽²⁾	13,707	12,948	12,451	12,535	12,143
Texas A&M University at Galveston ⁽³⁾	190	157	147	175	185
Texas A&M Health Science Center	2,701	2,544	2,479	2,461	2,353
Texas A&M University – Central Texas	665	647	550	484	445
East Texas A&M University ⁽⁴⁾	2,853	3,075	3,726	3,553	3,597
Texas A&M University – Corpus Christi	2,563	2,808	3,039	2,954	2,735
Texas A&M International University	1,858	1,530	1,460	1,291	1,281
Texas A&M University – Kingsville	1,339	1,476	1,387	1,225	1,290
Texas A&M University – San Antonio	836	855	821	621	468
Texas A&M University – Texarkana	436	408	350	331	333
Prairie View A&M University	1,035	919	933	846	865
Tarleton State University	2,117	2,128	2,114	2,081	2,182
West Texas A&M University	1,816	1,933	1,992	2,169	2,368
Texas A&M University – Victoria	<u>739</u>	<u>N/A⁽⁵⁾</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>32,855</u>	<u>31,428</u>	<u>31,449</u>	<u>30,726</u>	<u>30,245</u>

⁽¹⁾ The enrollment data has been certified by the Texas Higher Education Coordinating Board for 2021-2024. Fall 2025 numbers are based on preliminary 20th class day data.

⁽²⁾ Includes Texas A&M University School of Law.

⁽³⁾ A branch campus of Texas A&M University.

⁽⁴⁾ Texas A&M University – Commerce changed its name to East Texas A&M University in November 2024.

⁽⁵⁾ Effective September 1, 2025, A&M-Victoria became a member of the A&M System.

Admissions Information

The historic admission figures for the general academic institutions for the previous five Fall semesters follows:

	<u>2025</u>	<u>%⁽¹⁾</u>	<u>2024</u>	<u>%</u>	<u>2023</u>	<u>%</u>	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
Freshmen:										
Applicants	152,256	100.0	140,168	100.0	121,197	100.0	110,381	100.0	101,629	100.0
Acceptances	104,572	68.7	101,048	72.1	88,384	72.9	75,893	68.8	70,923	69.8
Matriculants*	27,071	25.9	26,695	26.4	26,762	30.3	24,454	32.2	23,642	33.3
Transfers:										
Applications	36,146	100.0	29,827	100.0	31,120	100.0	30,280	100.0	32,269	100.0
Acceptances	20,693	57.2	17,760	59.5	18,278	58.7	17,585	58.1	19,150	59.3
Matriculants*	13,201	63.6	12,065	67.9	12,530	68.6	12,122	68.9	13,113	68.5

* Calculated as a percentage of acceptances.

⁽¹⁾ Based on preliminary 20th class day data.

Investment Considerations

Weather and Environmental Events

The A&M System and its Participants (as defined in the Master Resolution) are located in a variety of geographic regions throughout the State and, as a result, the A&M System and its Participants may be exposed to differing climatic and environmental events, which may include potentially hazardous, natural disasters or catastrophic events (such as severe winds, heavy rains, flooding and freezing) and expose the A&M System and its Participants to operational disruptions and casualty losses.

Climatic and weather-related events have not materially impacted the A&M System or its Participants thus far; however, the A&M System cannot predict whether similar events will occur in the future and the impact they may have on the A&M System and its Participants.

Cybersecurity

The operations of the A&M System and its Participants are increasingly dependent on information technologies and services, which are exposed to cybersecurity risks and cyber incidents or attacks. The A&M System utilizes the cybersecurity framework prescribed by the Texas Department of Information Resources (“DIR”), which adopts the

National Institute of Standards and Technology security and privacy controls for Federal information systems and organizations. This framework is implemented by the A&M System members in a manner that aligns with their business and academic objectives. In implementing these controls, the A&M System provides shared cybersecurity services to all A&M System members, including a centralized security operations center, system-wide negotiated contracts for cybersecurity products and services, tools and venues to facilitate cyber information sharing among industry and government organizations, cyber incident response services, and consulting services delivered by cybersecurity professionals. To ensure compliance with the DIR-prescribed framework and A&M System policies and regulations, A&M System members undergo internal audits every five years, which include assessing the implementation of security and privacy controls. While the A&M System implements the above-described controls, the A&M System cannot guarantee that it will be able to successfully defend against cybersecurity attacks or predict the impact of any such attacks on the A&M System's operations or financial condition.

FINANCIAL MANAGEMENT

The Vice Chancellor and Chief Financial Officer of the A&M System has direct responsibility for oversight of the Office of Treasury Services and the Office of Budgets and Accounting. The Chief Investment Officer and Treasurer is responsible for the debt, cash and investment management of the A&M System's operating and endowment funds, and the Chief Administrative Officer is responsible for budgets, accounting, financial statements, and human resources.

State ACFR

The State issues an audited Annual Comprehensive Financial Report ("ACFR"), prepared in accordance with generally accepted accounting principles, for the State as a whole. The ACFR is normally available in April of each year. The ACFR is prepared by the State Comptroller of Public Accounts ("Comptroller") and is audited by the State Auditor's Office. The State Auditor expresses an opinion on the ACFR but does not express an opinion on the financial reports of individual member units, including those of the A&M System.

The Fiscal Year of the State and the A&M System begins on September 1 of each year. Annually, not later than November 20, an unaudited financial report dated as of August 31, prepared from the books of the A&M System, must be delivered to the Governor and the Comptroller. In certifying the financial reports included in the ACFR, the State Auditor examines the financial records at each of the A&M System's member institutions. No independent audit in support of this detailed review is required or obtained by the A&M System.

A&M System Financial Reports

The A&M System is an agency of the State and its financial records reflect compliance with applicable State statutes and regulations. The significant accounting policies followed by the A&M System in maintaining accounts and in the preparation of the combined primary financial statements are materially in accordance with "Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements." The requirements are also in substantial conformity with the *Financial Accounting and Reporting Manual for Higher Education* as revised by GASB No. 34 and No. 35, published by the National Association of College and University Business Officers (NACUBO).

The A&M System's combined primary financial reports cover all financial operations of the A&M System Administration and all member institutions of the A&M System. Amounts due between member institutions, amounts held for member institutions by the A&M System Administration and other duplications in reporting are eliminated in combining the individual financial reports.

Attached to this Official Statement as "APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM," are the most recent primary statements of the unaudited combined annual financial reports of the A&M System (with the relevant portion of the Notes to the unaudited combined annual financial reports), for the A&M System's Fiscal Year ended August 31, 2025, excerpted from the 2025 Combined Annual Financial Report of the A&M System. The A&M System's unaudited combined annual financial statements consist of the Combined Statement of Net Position for the Year Ended August 31, 2025, the Combined Statement of Revenues, Expenses and Changes in Net Position for the Year Ended August 31, 2025 and the Combined Statement of Cash Flows for the Year Ended August 31, 2025.

The following table reflects the unaudited condensed statement of net position of the A&M System as of August 31 for the years 2025, 2024, 2023, 2022, and 2021.

Condensed Statement of Net Position
as of August 31, 2025, 2024, 2023, 2022, and 2021
(In Thousands)

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
Assets and Deferred Outflows of Resources:					
Current Assets	\$4,920,911	\$4,773,951	\$4,083,627	\$3,192,631	\$3,311,963
Capital Assets, Net	8,759,745	7,930,020	7,593,351	7,370,850	7,161,422
Other Assets and Deferred Outflows	<u>10,095,262</u>	<u>9,973,460</u>	<u>9,081,189</u>	<u>8,395,797</u>	<u>8,846,324</u>
Total Assets and Deferred Outflows	<u>23,775,918</u>	<u>22,677,431</u>	<u>20,758,167</u>	<u>18,959,278</u>	<u>19,319,709</u>
Liabilities and Deferred Inflows of Resources:					
Current Liabilities	2,530,233	2,603,972	2,448,905	2,285,953	2,163,674
Non-Current Liabilities	8,178,188	8,200,101	8,152,378	7,987,656	8,107,908
Other Liabilities and Deferred Inflows	<u>1,429,222</u>	<u>1,727,470</u>	<u>1,217,279</u>	<u>968,902</u>	<u>558,504</u>
Total Liabilities and Deferred Inflows	12,137,643	12,531,543	11,818,562	11,242,511	10,830,086
Net Position:					
Net Investment In Capital Assets	3,238,879	2,368,526	2,358,671	2,133,354	2,514,273
Restricted					
Expendable	1,699,677	1,835,111	1,636,886	1,516,974	1,150,873
Non-Expendable	474,970	476,719	467,520	457,596	434,425
Unrestricted	<u>6,224,749</u>	<u>5,465,532</u>	<u>4,476,528</u>	<u>3,608,843</u>	<u>4,390,052</u>
Total Net Position	11,638,275	10,145,888	8,939,606	7,716,767	8,489,623
Liabilities, Deferred Inflows, and Net Position	<u>\$23,775,918</u>	<u>\$22,677,431</u>	<u>\$20,758,167</u>	<u>\$18,959,278</u>	<u>\$19,319,709</u>

For more detailed information, see “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM—Combined Statement of Net Position for the Year Ended August 31, 2025.” The Fiscal Year 2021 results reflect the operational and financial impact of the COVID-19 worldwide pandemic and measures implemented in response thereto.

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The table below presents the Combined Statement of Revenues, Expenses and Changes in Net Position of the A&M System (Unaudited) for Fiscal Years 2025, 2024, 2023, 2022, and 2021.

**Combined Statement of Revenues, Expenses and Changes in Net Position
for the Years Ended August 31, 2025, 2024, 2023, 2022, and 2021
(In Thousands)**

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
Operating Revenues:					
Net Tuition and Fees	\$1,331,609	\$1,381,869	\$1,354,279	\$1,351,773	\$1,272,746
Professional Fees	756	1,031	1,031	2,218	2,325
Net Auxiliary Enterprises	433,072	419,842	390,559	397,180	293,456
Net Other Sales of Goods and Services	481,165	403,204	372,519	318,708	290,961
Interest Revenue	716	752	677	736	690
Federal Revenue – Operating	759,031	766,104	702,554	635,131	633,066
Federal Pass Through Revenue	54,581	48,855	130,667	173,175	216,638
State Grant Revenue	7,653	6,686	6,869	5,296	5,100
State Pass Through Revenue	183,162	149,625	148,229	134,091	122,647
Other Grants and Contracts – Operating	280,550	321,874	335,876	286,058	293,653
Other Operating Revenue	<u>129,956</u>	<u>144,395</u>	<u>97,012</u>	<u>89,468</u>	<u>83,832</u>
Total Operating Revenue	3,662,251	3,644,237	3,540,272	3,393,834	3,215,114
Operating Expenses:					
Instruction	1,576,820	1,499,164	1,459,082	1,356,016	1,277,893
Research	1,313,296	1,291,326	1,172,589	1,075,818	1,131,888
Public Service	1,845,430	1,487,153	2,372,558	4,186,799	8,652,840
Academic Support	653,511	617,107	561,578	515,673	474,627
Student Services	306,078	282,430	267,115	248,857	224,917
Institutional Support	531,373	433,160	389,761	362,468	373,393
Operations and Maintenance of Plant	455,714	412,822	373,013	383,684	341,892
Scholarships and Fellowships	250,429	295,956	280,447	453,370	411,202
Auxiliary	598,763	576,938	502,246	450,801	384,360
Depreciation/Amortization	582,261	586,407	558,093	528,430	514,749
Total Operating Expenses	<u>8,113,675</u>	<u>7,482,463</u>	<u>7,936,483</u>	<u>9,561,916</u>	<u>13,787,761</u>
Operating Loss	(4,451,424)	(3,838,226)	(4,396,211)	(6,168,082)	(10,572,647)
Non-Operating Revenues (Expenses):					
Legislative Revenue	2,413,745	1,843,225	1,820,839	1,357,437	1,341,820
Federal Revenue Non-Operating	1,437,657	857,202	1,530,785	4,189,609	7,910,554
Federal Pass Through Non-Operating	161,027	25,830	656,163	(80,485)	810,044
State Pass Through Non-Operating	301,791	372,528	226,842	120,499	86,714
Gifts	345,762	283,197	389,708	220,809	199,166
Investment Income	693,614	1,068,461	558,834	(830,506)	1,010,059
Investing Activities Expense	(31,478)	(26,454)	(22,358)	(23,936)	(22,187)
Interest Expense	(209,911)	(197,250)	(188,746)	(179,825)	(172,696)
Borrower Rebates and Agent Fees	(2,514)	(2,263)	(2,454)	(285)	(2,598)
Gain (Loss) on Sale or Disposal of Capital Assets	696	(11,263)	2,715	14,282	(122)
Net Increase (Decrease) in Fair Value	0	0	0	0	0
Settlement of Claims	(1,529)	(4,238)	(812)	(78)	(233)
Other Non-Operating Revenues	43,844	62,407	115,586	33,285	74,035
Other Non-Operating (Expenses)	<u>(87,096)</u>	<u>(57,464)</u>	<u>(124,758)</u>	<u>(41,007)</u>	<u>(78,750)</u>
Total Non-Operating Revenues (Expenses)	5,065,608	4,213,918	4,962,345	4,779,799	11,155,806
Income (Loss) Before Other Revenues and Transfers	614,184	375,692	566,134	(1,388,283)	583,159
Capital Contributions	7,130	29,314	11,546	13,917	12,915
Capital Appropriations (Higher Education Fund)	49,881	49,881	48,420	48,420	48,420
Additions to Permanent and Term Endowments	4,785	6,190	12,110	12,586	80,771
Transfers to/from Other State Agencies	<u>816,407</u>	<u>745,205</u>	<u>584,629</u>	<u>540,972</u>	<u>422,719</u>
Change in Net Position	1,492,387	1,206,282	1,222,839	(772,388)	1,147,984
Net Position, Beginning of Year	10,145,888	8,939,606	7,716,767	8,489,623	7,341,639
Restatement	<u>0</u>	<u>0</u>	<u>0</u>	<u>(468)</u>	<u>0</u>
Net Position, Beginning of Year, Restated	10,145,888	8,939,606	7,716,767	8,489,155	7,341,639
Net Position – August 31, 2025-2021	<u>\$11,638,275</u>	<u>\$10,145,888</u>	<u>\$8,939,606</u>	<u>\$7,716,767</u>	<u>\$8,489,623</u>

For more detailed information, see “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Combined Statement of Revenues, Expenses and Changes in Net Position for the Year Ended August 31, 2025.” The Fiscal Year 2021 results reflect the operational and financial impact of the COVID-19 worldwide pandemic and measures implemented in response thereto.

SELECTED FINANCIAL INFORMATION

Funding for the A&M System

Funding for the A&M System is derived from operating and non-operating revenues. For a discussion of the funding sources for the Fiscal Year ended August 31, 2025 see “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – The Texas A&M University System Management’s Discussion and Analysis For the Year Ended 2025 – Statement of Revenues, Expenses and Changes in Net Position.” The amounts and the sources of such funding vary from year to year and there is no guarantee that the source or amounts of such funding will remain the same in future years.

Following are brief discussions of certain funding sources.

Tuition and Fees

Each member institution granting degrees charges tuition and fees as authorized by the State Legislature and the Board pursuant to Chapters 54 and 55 of the Texas Education Code. Tuition charges are composed of “State Mandated Tuition” and “Board Designated Tuition” as further described below. Unless otherwise stated, all references to statutes shall be to the Texas Education Code.

State Mandated Tuition. Section 54.051 of the Texas Education Code requires (i) undergraduate tuition applicable to State residents to be charged at \$50 per semester credit hour; and (ii) tuition of a nonresident student at a general academic teaching institution or medical and dental unit to be an amount per semester credit hour equal to the average of the nonresident undergraduate tuition charged to a resident of the State at a public state university in each of the five most populous states other than the State (the amount of which would be computed by the Texas Higher Education Coordinating Board (the “Coordinating Board”) for each academic year). For the 2025-2026 academic year, the Coordinating Board has computed \$455 per semester credit hour for nonresident undergraduate tuition.

Board Designated Tuition. In 2003, the Texas Legislature approved and the Governor signed into law House Bill 3015, which provided for the deregulation of a portion of tuition that a governing board of an institution of higher education, such as the Board, has the authority to charge under Section 54.0513 of the Texas Education Code. Prior to the amendment to Section 54.0513, Texas Education Code, the amount of tuition that a board of regents could independently charge students was capped at the levels described above with respect to State Mandated Tuition. Effective for tuition charged for the Fall 2003 semester, a governing board could charge any student the amount of Board Designated Tuition that it considers necessary for the effective operation of the institution. Such legislation also granted authority to the governing board to set a different tuition rate for each program and course level offered by the institution. This authority offers more opportunity for the Board to develop a tuition schedule that assists in meeting the strategic objectives of each Participant in terms of access, affordability, effective use of campus resources, and improvement of graduation rates. The Board must authorize any changes in Board Designated Tuition only after they have been thoroughly evaluated by the Chancellor of the A&M System and the administration of each Participant. No less than 15% of the Board Designated Tuition charged in excess of \$46 per semester credit hour shall be set aside to provide financial assistance to resident undergraduate students, consistent with the provisions of Subchapter B, Chapter 56, Texas Education Code. In connection with the authorization of Board Designated Tuition, building use fees, which were historically included in Pledged General Fees under (and as defined in) the Master Resolution, were rededicated as Board Designated Tuition. This rededication does not impact the pledge of Revenue Funds for the payment and security of Parity Obligations. Both the State Mandated Tuition and the Board Designated Tuition are included in Revenue Funds and are pledged for the benefit of Parity Obligations.

As required by Section 54.017 of the Texas Education Code, undergraduate students have the opportunity to participate in a fixed tuition price plan, giving students the choice between a variable one-year optional rate and a four-year guaranteed rate.

As part of the State of Texas’ Higher Education Affordability initiative, in which higher education institutions received additional state funding, the Board has made the commitment not to increase resident undergraduate academic costs, including tuition, mandatory academic fees, all academic-related general fees, and college course fees for both the 2023-24 and 2024-25 academic years.

On November 13, 2024, the Governor distributed a letter to the governing boards of institutions of higher education, including the Board, directing that no institution in the State should approve tuition increases for 2025-26 and 2026-27 academic school years.

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

Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition and mandatory fees, and total tuition and fees for each of the general academic institutions of the A&M System (including the branch campus in Galveston and excluding the Texas A&M Health Science Center) for a full-time resident student for the Fall 2025 semester based on 15 semester credit hours.

Fall 2025 Tuition Rates

	State Mandated Tuition	Board Designated Tuition and Mandatory Fees*	Total Tuition and Fees
Prairie View A&M University	\$750	\$4,900	\$5,650
Tarleton State University	750	4,357 - 5,366	5,107 - 6,116
Texas A&M International University	750	4,211	4,961
Texas A&M University	750	5,231 - 6,455	5,981 - 7,205
Texas A&M University at Galveston	750	5,937	6,687
Texas A&M University - Central Texas	750	2,931 - 3,387	3,681 - 4,137
East Texas A&M University ⁽¹⁾	750	4,514	5,264
Texas A&M University - Corpus Christi	750	4,516 - 4,838	5,266 - 5,588
Texas A&M University - Kingsville	750	4,196	4,946
Texas A&M University - San Antonio	750	4,024	4,774
Texas A&M University - Texarkana	750	3,594 - 3,884	4,344 - 4,634
West Texas A&M University	750	4,082 - 4,780	4,832 - 5,530
Texas A&M University - Victoria ⁽²⁾	750	3,634	4,384

* Tuition is based on guaranteed rates and varies by program of study. The table has been updated to reflect tuition ranges resulting from differential tuition rates based on college or program.

⁽¹⁾ Texas A&M University - Commerce changed its name to East Texas A&M University in November 2024.

⁽²⁾ Effective September 1, 2025, A&M-Victoria became a member of the A&M System.

The Board may set rates for graduate tuition at different levels for different institutions. State Mandated Tuition for a resident student enrolled in a program leading to an M.D. or D.O. degree is \$6,550 per academic year. State Mandated Tuition for a nonresident student enrolled in a program leading to an M.D. or D.O. degree is an amount per year equal to three times the rate that a resident student enrolled in a program leading to an M.D. or D.O. degree would pay during the corresponding academic year. In addition, various other programs, including programs leading to a D.V.M. degree, have specific annual rates for resident students and maximum rates that may be charged to nonresident students.

The Board is authorized by Chapter 55 of the Texas Education Code to set the Pledged General Tuition (as defined in the Master Resolution) and any other necessary fees, rentals, rates, or other revenue funds of the Board at the level necessary, without limit, to enable the Board to meet its obligations with respect to the payment of debt service on the Parity Obligations. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Pledged General Tuition."

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State Government Appropriations

General Revenue Appropriations. The A&M System receives support annually from the State through general revenue fund appropriations made by the State Legislature. Levels of continued State support to the A&M System are dependent on results of biennial legislative sessions. The State Legislature adopted a budget for the State for the 2026-2027 biennium that began on September 1, 2025, which appropriated approximately \$2.70 billion for the A&M System from the general revenue fund for Fiscal Year 2026 and approximately \$1.82 billion for Fiscal Year 2027. Based on the original operating budget for the A&M System for the Fiscal Year ending August 31, 2026, State appropriations comprise approximately 31% of A&M System revenues for Fiscal Year 2026. These amounts include legislative revenues and net transfers from other State agencies.

The 89th State Legislature authorized special general revenue appropriations in the amount of: (1) \$59.8 million to the A&M System for Bush Combat Development Center; (2) \$25 million to the A&M System for capital improvements at Easterwood Airport; (3) \$124.8 million to Texas A&M Forest Service (“TFS”) for responding to natural disasters; (4) \$44 million to TFS for administration and operation of the rural volunteer fire department assistance program; (5) \$257 million to TFS for purchase, maintenance, and operation of aircraft for wildfire suppression; (6) \$192.3 million to TFS to address the backlog of volunteer fire department assistance; (7) \$2.06 million to TFS for motor vehicle purchases; (8) \$4 million to West Texas A&M University to support a behavioral health workforce initiative; (9) \$135 million to Texas Division of Emergency Management (“TDEM”) for supporting and enhancing operation facilities and staging areas; (10) \$7.8 million to TDEM for motor vehicle purchases; and (11) \$2 million to Texas A&M University – Central Texas to establish a new military transition program for veterans.

The A&M System has no assurance that the State Legislature will continue to appropriate to it the general revenue funds of the State at the same levels as in previous years. Future levels of State support are dependent upon the ability and willingness of the State Legislature to make appropriations to the A&M System taking into consideration the availability of financial resources and other potential uses of such resources. For financial information concerning the State, reference is made to the bond disclosure appendix (referred to as APPENDIX A) prepared by the Comptroller and published quarterly, which may be obtained (i) using the MSRB’s website, www.emma.msrb.org, by using the quick search function and entering the term “State of Texas Comptroller” and (ii) from the Comptroller’s website at: <http://www.comptroller.texas.gov/treasops/bondapp.html>.

Capital Construction Assistance Projects. Pursuant to Chapter 55, Texas Education Code (“Chapter 55”), revenue bonds issued by a university system, such as the A&M System, may be equally secured by and payable from a pledge of all or a portion of certain revenue funds of the university system. All of the Parity Obligations of the A&M System are secured solely by and payable solely from a pledge of and lien on the Pledged Revenues.

Historically, the State Legislature has appropriated general revenue funds in the State’s budget each biennium to reimburse institutions of higher education for an amount equal to all or a portion of the debt service on certain revenue bonds (previously known as “Tuition Revenue Bonds”) issued pursuant to specific statutory authorizations for individual institutions and projects identified in Chapter 55. Senate Bill 52 (“SB 52”), enacted during the third special session of the 87th State Legislature in 2021, amended Chapter 55 to authorize the issuance of additional revenue bonds designated by SB 52 as “Capital Construction Assistance Projects”.

The reimbursement of the payment of debt service on such revenue bonds issued for Capital Construction Assistance Projects (“CCAPs”) does not constitute a debt of the State, and the State is not obligated to continue making any such appropriations in the future. Furthermore, the State Legislature is prohibited by the State Constitution from making any appropriations for a term longer than two years. Accordingly, the State Legislature’s appropriations for the reimbursement of debt service on such revenue bonds issued for CCAPs may be reduced or discontinued at any time after the current biennium, and the State Legislature is under no legal obligation to continue such appropriations in any future biennium.

Certain of the Parity Obligations of the A&M System constitute revenue bonds issued for CCAPs. See footnotes (1) and (2) in the table under “Outstanding Indebtedness” below for a description of which Parity Obligations of the A&M System constitute revenue bonds issued for CCAPs. Parity Obligations issued for CCAPs by the A&M System carry no additional pledge or security and constitute Parity Obligations of the A&M System which are equally and ratably secured by and payable from a pledge of and lien on Pledged Revenues on parity with all other Parity Obligations of the A&M System. Prior Encumbered Obligations issued for CCAPs by the University of Houston System carry no additional pledge or security and constitute Prior Encumbered Obligations of the A&M System which are secured by and payable from a prior lien on revenues funds derived from A&M-Victoria.

The State Legislature appropriated funds to reimburse the A&M System in prior years and in the budget for the 2026-27 biennium in amounts equal to all of the debt service on the A&M System's revenue bonds issued for CCAPs, including \$153,020,856 for Fiscal Year 2026 and \$153,019,218 for Fiscal Year 2027.

The State Legislature also appropriated funds to reimburse debt service on revenue bonds issued for CCAPs for the benefit of A&M-Victoria, including \$7,748,050 for Fiscal Year 2026 and \$7,748,050 for Fiscal Year 2027. These bonds were originally issued by the University of Houston System and will be refunded by the A&M System in the future.

In addition, the State Legislature appropriated general revenue funds totaling \$11,340,823 in Fiscal Year 2026 and \$11,342,658 in Fiscal Year 2027 to provide special debt service funding by reimbursing the payment of debt service on certain A&M System projects, including special debt service funding for the Texas A&M Health Science Center's purchase of land and a building in Round Rock, Texas, the TVMDL's new laboratories in College Station, Texas and Canyon, Texas, and the TEES's Center for Infrastructure Renewal.

The A&M System can provide no assurances with respect to any future appropriations by the State Legislature. Future levels of State appropriations are dependent upon the ability and willingness of the State Legislature to make appropriations to the A&M System taking into consideration the availability of financial resources and other potential uses of such resources.

Available University Fund Income Appropriations. The Available University Fund is defined by Article VII, Section 18 of the State Constitution (the "PUF Constitutional Provision") to consist of distributions from the "total return" on all investment assets of the Permanent University Fund ("PUF"), including the net income attributable to the surface of PUF land, in the amounts determined by the Board of Regents (the "UT Board") of The University of Texas System (the "UT System"). See "Investment Policy and Procedure and Endowments – Endowments – Permanent University Fund" below. One-third of the total amounts comprising the Available University Fund are constitutionally appropriated to the A&M System first, for the payment of annual debt service on PUF bonds and notes issued by the Board, and second, for the support and maintenance of the A&M System Administration, Texas A&M University, and Prairie View A&M University.

Private Financial Support

In Fiscal Year 2025, the A&M System received contributions (gifts, grants and contracts) exceeding \$638.2 million from the private sector, and during the five complete Fiscal Years preceding 2025, the A&M System received contributions averaging in excess of \$594.6 million annually from the private sector, making it one of the leading public educational systems in the nation receiving charitable contributions.

Financing Programs

The Board, pursuant to constitutional and statutory provisions, is authorized to issue debt in a number of distinct forms with which to finance capital improvements. The A&M System has two financing programs in addition to the Revenue Financing System.

Permanent University Fund Bonds

The PUF Constitutional Provision authorizes the Board to issue bonds and notes, payable from all or part of its interest in the Available University Fund in an aggregate amount not exceeding, at the time of issuance 10% of the cost value of PUF assets, excluding real estate. Proceeds may be used for the purpose of (i) acquiring land with or without permanent improvements; (ii) constructing and equipping buildings or other permanent improvements; (iii) making major repairs and rehabilitation and other permanent improvements; (iv) acquiring capital equipment, library books, and library materials; and (v) refunding bonds or notes issued under said section or prior law, at or for the A&M System Administration and the member institutions of the A&M System (except ETAMU, A&M – Corpus Christi, TAMIU, A&M – Kingsville, A&M – Texarkana, WTAMU, A&M – Victoria, TVMDL and TDEM). Proceeds may not be used to finance permanent improvements of auxiliary enterprises or athletic facilities.

As of October 31, 2025, the Board's constitutionally authorized PUF bond capacity was approximately \$3,494,300,481, and as of October 31, 2025, the aggregate amount of the Board's PUF bonds and notes issued and outstanding under this limit was \$1,718,020,000.

Higher Education Fund Bonds

The following member institutions are not eligible to receive proceeds from PUF bonds and notes under the PUF Constitutional Provision: ETAMU; A&M – Corpus Christi; TAMU; A&M – Kingsville; A&M – Texarkana; WTAMU; A&M – Victoria; TVMDL; and TDEM. Pursuant to the Higher Education Fund (“HEF”) program established by Article VII, Section 17 of the State Constitution (the “HEF Constitutional Provision”), such institutions, except TVMDL and TDEM, are qualified to receive an annual allocation from amounts constitutionally appropriated to fund permanent improvements (except those for auxiliary enterprises or athletic facilities). Under the HEF Constitutional Provision, the Board is authorized to issue bonds and notes to finance permanent improvements at such institutions and to pledge up to 50% of its allocation to secure the payment of principal and interest on the bonds and notes. The A&M System has no bonds or notes issued or outstanding under this program. In addition, the A&M System has the ability to use funds received pursuant to the HEF program to pay debt service on outstanding Parity Obligations. The 89th State Legislature appropriated HEF program funds for A&M System institutions in the amounts of \$73,408,079 for Fiscal Year 2026 and \$73,408,079 for Fiscal Year 2027. For more detailed information, see “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Combined Statement of Revenues, Expenses and Changes in Net Position for the Year Ended August 31, 2025 – Capital Appropriations (Higher Education Fund).”

Debt Management

Debt management for the A&M System is the responsibility of the Chief Investment Officer and Treasurer. Debt is issued pursuant to A&M System debt capacity calculations and annual funding requirements in accordance with the cash flow analyses. Issuance of debt requires approval of the Board and (except for PUF bonds and notes) approval by the Texas Bond Review Board or an exemption from such approval requirement in accordance with State law or the rules of the Texas Bond Review Board. As a general rule, the A&M System issues debt in large increments to finance system-wide capital improvement cash flow requirements in the aggregate as opposed to financing on a project-by-project basis. To minimize debt service costs during construction periods, the A&M System intends to initially finance capital improvements and required equipment with short-term debt. Such short-term debt is refinanced with long-term fixed rate debt when short-term facilities are fully utilized, during periods of low interest rates, or to match projected revenues.

Current Board Policy on Issuance of Debt

Under current policy, the Board must approve the issuance of debt for a Participant in order to ensure that each Participant is self-sufficient and the operation of each Participant is efficient. Prior to the issuance of debt, a Participant must furnish the Board, for its review and approval, information describing the proposed project including a complete description of the new facilities, and the need therefor, estimated costs of construction, financial analysis and feasibility, if expected to generate sources of revenues for operation and maintenance, and status of student-approved fee increases if required to pay debt service or operation and maintenance expenses.

Participants are required to make reports to the Chancellor during each Fiscal Year regarding revenue receipts, expenditures, status of construction projects, compliance with Board policies related to issuance of debt, and compliance with bond covenants and requirements. Such policies are subject to change by the Board without notice. The application of such policies may be waived at the discretion of the Board.

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Outstanding Indebtedness

As of the closing date of the Bonds, the A&M System had the following outstanding indebtedness:

Revenue Financing System

Revenue Financing System Bonds, Series 2013B	\$ 27,865,000
Revenue Financing System Bonds, Series 2015B	46,775,000
Revenue Financing System Bonds, Taxable Series 2015C	30,610,000
Revenue Financing System Bonds, Taxable Series 2015D	51,595,000
Revenue Financing System Bonds, Taxable Series 2016A ⁽²⁾	29,380,000
Revenue Financing System Bonds, Taxable Series 2016B	235,775,000
Revenue Financing System Bonds, Series 2016C ⁽²⁾	115,425,000
Revenue Financing System Bonds, Taxable Series 2016D ⁽²⁾	113,315,000
Revenue Financing System Bonds, Series 2016E ⁽²⁾	70,840,000
Revenue Financing System Bonds, Taxable Series 2017A ⁽¹⁾	184,050,000
Revenue Financing System Bonds, Taxable Series 2017B ⁽²⁾	182,800,000
Revenue Financing System Bonds, Series 2017C ⁽²⁾	68,210,000
Revenue Financing System Bonds, Taxable Series 2017D	127,345,000
Revenue Financing System Bonds, Series 2017E	275,415,000
Revenue Financing System Bonds, Taxable Series 2019A	170,570,000
Revenue Financing System Bonds, Taxable Series 2019B	381,960,000
Revenue Financing System Bonds, Taxable Series 2020A	132,520,000
Revenue Financing System Bonds, Series 2021A	169,900,000
Revenue Financing System Bonds, Taxable Series 2021B	194,500,000
Revenue Financing System Bonds, Series 2022	187,340,000
Revenue Financing System Bonds, Series 2024A ⁽²⁾	398,060,000
Series 2025A Bonds	222,680,000
Series 2025B Bonds	55,140,000
Revenue Financing System Tax-Exempt Commercial Paper Notes ⁽³⁾	90,000,000
Revenue Financing System Taxable Commercial Paper Notes ⁽³⁾	132,628,000
	<u>\$3,694,698,000</u>

Permanent University Fund

Permanent University Fund Bonds, Series 1998	\$ 10,305,000
Permanent University Fund Bonds, Taxable Series 2012B	50,025,000
Permanent University Fund Bonds, Series 2013	50,805,000
Permanent University Fund Bonds, Taxable Series 2015B	77,685,000
Permanent University Fund Bonds, Series 2017A	70,865,000
Permanent University Fund Bonds, Taxable Series 2017B	310,220,000
Permanent University Fund Bonds, Taxable Series 2019	333,190,000
Permanent University Fund Bonds, Series 2023	223,815,000
Permanent University Fund Bonds, Series 2025A	376,110,000
Permanent University Fund Commercial Paper Notes ⁽⁴⁾	215,000,000
	<u>\$ 1,718,020,000</u>
TOTAL	<u>\$5,412,718,000</u>

⁽¹⁾ Constitute bonds that qualify for reimbursement from State appropriations for debt service payments on the Board's outstanding revenue bonds issued for Capital Construction Assistance Projects (formerly known as "Tuition Revenue Bonds"). See "Selected Financial Information – Funding for the A&M System – State Government Appropriations – Capital Construction Assistance Projects." Future reimbursement by the State for debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State biennium.

⁽²⁾ A portion of these bonds constitute revenue bonds issued for Capital Construction Assistance Projects (formerly known as "Tuition Revenue Bonds"). See footnote (1).

⁽³⁾ Under current Board authorization, Revenue Financing System Commercial Paper Notes may be issued up to a total of \$500 million.

⁽⁴⁾ Under current Board authorization, Permanent University Fund Commercial Paper Notes may be issued up to a total of \$300 million.

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Anticipated Issuance of Debt

Responsibility for the management of the A&M System's obligations is centralized in the Office of Treasury Services. The A&M System maintains a \$500 million Revenue Financing System commercial paper program to facilitate interim financing of capital improvement projects. The liquidity support for the full authorization of \$500 million of such program is provided by the available assets of the Revenue Financing System. The Revenue Financing System commercial paper program will continue to be used to provide interim financing of the capital improvement needs of the A&M System.

Following the delivery of the Bonds and the related refunding, \$222,628,000 in Revenue Financing System Commercial Paper Notes will be outstanding. The Board anticipates issuing approximately \$258.6 million in Revenue Financing System commercial paper notes or bonds to fund project costs during Fiscal Year 2026. In addition, the Board may issue Revenue Financing System bonds from time to time to refund outstanding Revenue Financing System debt to achieve debt service savings.

Other Financings

Public/Private Partnerships

The A&M System has entered into public/private partnerships that allow private partners to acquire, construct, improve or maintain facilities used to support the A&M System's core mission. Housing projects have previously been financed through public/private partnerships at Texas A&M University in College Station ("Texas A&M"), A&M - Commerce, A&M - Corpus Christi, Texas A&M University - San Antonio, and Tarleton State University. Each of these projects, other than the Texas A&M project, have been purchased by the A&M System and are no longer financed under public/private partnership arrangements. Non-student housing facilities being financed through public/private partnerships include a parking facility, a laboratory, and a hotel and conference center at Texas A&M, as well as a student recreation center at A&M - Texarkana. The A&M System may enter into additional public/private partnerships in the future.

Under such arrangements, the A&M System generally enters into a ground lease with the private partner, and may enter into various service agreements as well, but the responsibility to acquire, construct, operate and maintain the facilities remains with the private partner. The private partners in these transactions may issue or incur debt to finance the acquisition, construction, maintenance or improvement of such facilities. The New Hope Cultural Education Facilities Finance Corporation, acting as a conduit issuer for various private partners in these transactions, has approximately \$252.6 million of outstanding debt issued related to public/private partnerships involving the A&M System. Any debt issued by or on behalf of private partners does not constitute an obligation of the Board, the A&M System or any of its components; however, in connection with approximately \$165.4 million of such outstanding debt issued by or on behalf of private partners, the A&M System may be required to provide amounts sufficient to cover debt service (to the extent appropriated by the Board) if revenues of a financed facility are insufficient to pay debt service when due.

In addition to public/private partnerships that support the A&M System's core mission, the A&M System has entered into ground leases and related agreements in connection with the development of facilities constructed, maintained and operated by private parties on underutilized property owned by the A&M System. Any debt issued by or on behalf of private partners in connection with such facilities does not constitute an obligation of the Board, the A&M System or any of its components. Notices of voluntary disclosures posted by the A&M System, which describe recent developments concerning such public/private partnerships, are available on the MSRB's internet website, www.emma.msrb.org and can be located by searching the base 6-digit CUSIP number for the bonds.

Other Obligations

The TMC³ Development Corporation, a Texas nonprofit corporation, wholly controlled by Texas Medical Center, issued its \$35,640,000 Taxable Lease Revenue Bonds (TAMUS), Series 2020 (the "A&M System TMC³ Bonds") secured by lease payments from the A&M System to fund the A&M System's share of certain collaborative facilities and related infrastructure located in the biomedical research hub (known as "TMC³"). For fiscal years 2023 through 2050, the A&M System's average annual lease payments are approximately \$1.7 million. The A&M System's lease payments in respect of the A&M System TMC³ Bonds are subject to annual appropriation and subordinate to the Parity Obligations.

Investment Policy and Procedures and Endowments

Endowments

General. Although not pledged to the payment of debt obligations, the A&M System controls or is benefited by endowments with a market value at October 31, 2025, of approximately \$22.8 billion (including the A&M System's foundations and one-third share of the PUF).

As of October 31, 2025, endowment funds under the direct control of the A&M System had a value of approximately \$1.60 billion and consisted of marketable securities and investments. Of this amount, \$18.5 million is attributable to funds held for investment on behalf of Texas Woman's University System. Distributions are calculated at 5% of the 20-quarter rolling average market value of the endowment. Since distributions are based on 20 quarters, market fluctuations are smoothed and distributions are expected to remain fairly consistent from year to year.

The A&M System is also a beneficiary of the PUF. As of October 31, 2025, the market value of the PUF was approximately \$41.7 billion (excluding land), one-third of which is designated for the support of the eligible institutions of the A&M System. The audited annual financial statements for the PUF for Fiscal Years ended August 31, 2024 and 2023 have been filed by the A&M System with the MSRB and are incorporated by reference into this Official Statement. Copies of each of such documents are available from the A&M System's Office of Treasury Services.

Each endowment is subject to various restrictions as to application and use.

Permanent University Fund. The PUF is a state endowment contributing to the support of eligible institutions of the A&M System and the UT System. The State Constitution of 1876 established the PUF through the appropriation of land grants previously given to The University of Texas plus one million acres. Additional land grants to the PUF were completed in 1883 with the contribution of another one million acres. Currently, the PUF contains 2.1 million acres located in 24 counties primarily in West Texas.

The PUF Constitutional Provision provides for distributions to the Available University Fund from the "total return" on all investment assets of the PUF, including the net income attributable to the surface of PUF land, in the amounts determined by the UT Board. Distributions to the Available University Fund are then allocated one-third to the A&M System and two-thirds to the UT System. The PUF Constitutional Provision requires an appropriation from the first money distributed to each system of an annual sum sufficient to pay debt service due on bonds and notes issued by each board and payable from each system's interest in the Available University Fund. The remainder of each system's annual distributions is to be appropriated to each board for prescribed university purposes.

Management of Investments

The Board is responsible for investment of A&M System funds held outside the State Treasury. As provided in the Texas Education Code, each member of the Board has the legal responsibilities of a fiduciary in the management of funds under the control of the A&M System. The Board has provided for centralized investment management within the Office of Treasury Services under the direction of the Chief Investment Officer and Treasurer. Investments are managed externally, by unaffiliated investment managers. The Board receives quarterly reports regarding asset allocation, investment returns, and market indices.

Authorized Investments

All available funds held by the A&M System and its Participants are authorized to be invested in accordance with State law and with the written investment policy of the Board. Investments are to be made with the judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to permanent disposition of their funds, considering the probable income therefrom as well as the probable increase in value and the safety of their capital. In the management of A&M System investments, consideration is given to the requirements of liquidity, diversification, safety of principal, yield, maturity, quality and capability of investment management, with primary emphasis on safety of principal.

Investment Programs

The A&M System operates two investment funds, the System Endowment Fund (the "Endowment Fund") and the Cash Concentration Pool (the "Pool"). The purpose of the Endowment Fund is to provide for the collective investment of all endowment and trust funds held by the A&M System. The purpose of the Pool is to provide for the collective

investment of all operating funds. In the management of A&M System investments, consideration is given to the requirements for liquidity, diversification, safety of principal, yield, maturity, quality and capability of investment management, with primary emphasis on safety of principal. All securities which use long-term credit ratings must be rated the equivalent of “B” or better. The fixed income portfolio must have an overall credit rating of “A” or better, and securities using short-term credit ratings must be rated at least “A-2,” “P-2,” “F-2” or the equivalent.

The Board’s investment policy provides for a target asset allocation for the Endowment Fund of approximately 30% of the total fund’s market value in equities, approximately 15% of the total fund’s market value in fixed income securities, and approximately 55% of the total fund’s market value in alternative assets.

The market value of the Pool as of October 31, 2025 was approximately \$6.6 billion, which does not include the proceeds of any Revenue Financing System or PUF debt. Of this amount, approximately \$249.1 million is attributable to funds held for investment on behalf of Texas Woman’s University System. The Pool is invested with 38.8% in fixed income securities, 40.1% in equities and 21.1% in alternative assets. The Revenue Financing System debt proceeds are invested solely in the short-term portfolio.

The Board’s current target asset allocations for the Pool are as follows:

Short-Term Portfolio	8%
Fixed Income	32%
Global Public Equity	40%
Absolute Return	20%

The A&M System is reporting net returns of 9.0% and 11.3% for the twelve months ended October 31, 2025 for the Endowment Fund and the Pool, respectively. The Board cannot make any representation as to the future performance of the A&M System’s endowment or other invested funds.

Set forth below is the market value for the Pool, the Endowment Fund, and the A&M System’s one-third interest in the PUF as of the end of the most recent five fiscal years.

**Market Value of Investment Funds
(In Thousands)***

<u>August 31</u>	<u>Pool**</u>	<u>Endowment Fund***</u>	<u>A&M System’s Interest in PUF</u>
2025	\$6,789,772	\$1,604,264	\$16,974,406
2024	6,255,751	1,571,858	15,620,097
2023	5,538,500	1,438,691	14,707,106
2022	5,092,424	1,393,867	14,000,868
2021	5,619,439	1,621,524	13,588,095

*The Fiscal Year 2021 results reflect the operational and financial impact of the COVID-19 worldwide pandemic and measures implemented in response thereto.

**Includes funds held for investment on behalf of Texas Woman’s University System, which totaled \$242.4 million, \$222.6 million and \$193.7 million as of August 31, 2025, 2024 and 2023, respectively. Includes funds held for investment on behalf of Stephen F. Austin State University and Texas Woman’s University System, which totaled \$243.9 million as of August 31, 2022. Includes funds held for investment on behalf of Stephen F. Austin State University, Midwestern State University and Texas Woman’s University System, which totaled \$328.7 million as of August 31, 2021.

***Includes funds held for investment on behalf of Texas Woman’s University System, which totaled \$18.2 million, \$18.1 million and \$16.8 million as of August 31, 2025, 2024 and 2023 respectively. Includes funds held for investment on behalf of Stephen F. Austin State University and Texas Woman’s University System, which totaled \$31.6 million as of August 31, 2022. Includes funds held for investment on behalf of Stephen F. Austin State University, Midwestern State University and Texas Woman’s University System, which totaled \$57.1 million as of August 31, 2021.

For a discussion of investments for Fiscal Year 2025, see “EXHIBIT B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 3: Deposits, Investments and Repurchase Agreements.”

In addition to the Endowment Fund and the PUF, the A&M System is benefited by the Permanent Health Fund and the endowments of nine separate foundations. The Permanent Health Fund is managed by the UT Board acting through The University of Texas/Texas A&M Investment Management Company (“UTIMCO”) and the foundations are governed by boards separate from the Board. Investment decisions and asset allocations are managed by UTIMCO and the respective foundation boards. Asset allocations are revised from time to time and are not necessarily the same

as those used by the A&M System. The market value of the foundations' endowments is reported annually to the A&M System as of June 30th with the most recent market value as of June 30, 2025 at \$3.7 billion, 82% of which benefits Texas A&M University in College Station.

Management of Funds Held in the State Treasury

The Texas Education Code requires that the A&M System deposit into the State Treasury all funds except those derived from auxiliary enterprises and non-instructional services, agency, designated, restricted funds, endowment and other gift funds, student loan funds, and funds for the payment of overhead expenses of conducting research. All such funds held in the State Treasury, including Higher Education Funds, the Available University Fund and certain cash balances of the PUF, are administered by the Comptroller. The Comptroller invests money in the State Treasury in authorized investments consistent with applicable law. The Comptroller pools funds within the State Treasury for investment purposes and allocates investment earnings on pooled funds proportionately among the various State agencies whose funds are so pooled. The Board utilizes the State Treasury primarily as a depository and anticipates that all funds deposited in the State Treasury will be available upon request and will earn interest equal to an allocated share of investment earnings on pooled funds in the State Treasury. As of October 31, 2025, the amount of A&M System funds held by the State Treasury was \$1.40 billion.

Insurance

The A&M System is exposed to various risks of loss related to property – fire, windstorm, or other loss of capital assets; general and employer liability – resulting from alleged wrongdoings by employees and others; net income – due to fraud, theft, administrative errors or omissions, and business interruptions; personnel – unexpected expense associated with employee health, termination, or death; and cybersecurity risks from cyber incidents or attacks. As an agency of the State, the A&M System and its employees are covered by various immunities and defenses which limit some of these risks of loss. Remaining exposures are managed by self-insurance arrangements, contractual risk transfers, the purchase of commercial insurance, or a combination of these risk financing techniques. For details, see “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 17: Risk Management.”

Retirement Plans

A&M System employees participate in various retirement plans and programs, which are summarized below. Such summary is qualified in its entirety by the complete description of such plans and programs within Notes 9-11 included in “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM.”

The State has joint contributory retirement plans for substantially all of its employees, including employees of the A&M System. The primary plan that the A&M System participates in is administered by the Teacher Retirement System of Texas (“TRS”) and is a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation (the “TRS Plan”). All employees of the A&M System who are employed for one-half or more of the standard work load and are not exempted from membership by State law (including, particularly, Section 822.002, Texas Government Code) are covered by the TRS Plan. The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by State law and may be amended by the State Legislature at any time. No assurances can be made by the A&M System as to whether any such amendments will occur or, if such amendments do occur, whether such amendments would materially affect the A&M System's liability under the TRS Plan.

During the 2024 measurement period for Fiscal Year 2025 reporting, the amount of the A&M System contributions recognized by the TRS Plan totaled \$92,335,042. At August 31, 2025, the A&M System reported a liability of \$898,361,344 for its proportionate share of the collective net pension liability under the TRS Plan, which was equal to 1.4706940569% of the collective net pension liability under the TRS Plan. Pension values are provided by the Texas Comptroller's Office and define the A&M System's proportional share of the collective net pension liability under the TRS Plan.

The State has also established an Optional Retirement Program (“ORP”) for institutions of higher education. Participation in the ORP is in lieu of participation in the TRS Plan. For the plan year ended August 31, 2025, the A&M System contributed \$51,405,229.17 to the ORP. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 9: Pension Plans and Optional Retirement Program – Optional Retirement Program (ORP)” for more information.

State employees, including A&M System employees, may elect to defer a portion of their earnings for income tax and investment purposes pursuant to State law. All payroll deductions relative to deferred compensation were invested in approved plans during the Fiscal Year ended August 31, 2025. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 10: Deferred Compensation” for more information.

The A&M System also provides certain other postemployment benefits (“OPEBs”), which are benefits provided to the A&M System’s current and inactive employees (or their beneficiaries) receiving benefits (collectively, the “OPEB Participants”) under the A&M System group healthcare and life insurance programs. The authority under which the obligations of the plan members and the A&M System are established is Chapter 1601, Texas Insurance Code. Chapter 1601, Texas Insurance Code may be amended by the State Legislature at any time, and no assurances can be made by the A&M System as to whether any such amendments will occur or, if such amendments do occur, whether such amendments would materially affect the A&M System’s OPEB liability.

The A&M System faces the challenge of funding a portion of the healthcare and life insurance benefits costs for OPEB Participants. As of August 31, 2025, the A&M System is responsible for 64.64% of the OPEB liability related to the OPEB Participants, and the State is responsible for the remaining 35.36% of the OPEB liability related to the OPEB Participants. As of September 1, 2023¹, there were approximately 37,002 OPEB Participants and 3,629 additional inactive employees entitled to participate but not yet receiving benefits. The A&M System’s costs of providing OPEBs, particularly healthcare benefits, to the OPEB Participants continue to escalate. The A&M System cannot predict whether, or at what rate, healthcare benefit costs will escalate in future years.

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“GASB 75”). GASB 75 replaces prior requirements contained in GASB Statement Nos. 45, 57, and 74 (collectively, the “Prior GASB Statements”). The A&M System was required to implement GASB 75 beginning in the Fiscal Year ended August 31, 2018. Among other things, GASB 75 provides new requirements for calculating an entity’s total OPEB liability (formerly “actuarial accrued liability” under the Prior GASB Statements) and requires entities to include the total OPEB liability in the Statement of Net Position. In accordance with the Prior GASB Statements, only a portion of the A&M System’s total OPEB liability (the “Net OPEB Obligation” under the Prior GASB Statements) was reported within its Statement of Net Position and the total OPEB liability was reported only within the Notes to the A&M System’s financial statements.

GASB 75 requires that the A&M System perform an actuarial valuation of its OPEB liability no less frequently than biennially. For the Fiscal Year ending August 31, 2025, the A&M System reported, measured as of September 1, 2023 and determined by an actuarial valuation as of September 1, 2023, that its proportional share of the total OPEB liability was \$1,921,961,080 (with a current portion of \$58,788,438 and a long-term portion of \$1,863,172,642). The information summarized herein was determined as part of an actuarial valuation process using actuarial methods and assumptions, as described in the notes to the A&M System’s financial statements. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 11: Postemployment Health Care and Life Insurance Benefits.”

Actuarial valuations necessarily involve estimates and assumptions, including those regarding the cost of health care, discount rate, salary increases, inflation, and mortality. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 11: Postemployment Health Care and Life Insurance Benefits – Actuarial Assumptions and Other Inputs” for additional discussion on the estimates and assumptions used in calculating the A&M System’s proportional share of the total OPEB liability. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates and assumptions are made about the future.

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¹ As permitted by Paragraph No. 146 and 147 of GASB 75, in the Unaudited Financial Reports of the A&M System for Fiscal Year ending August 31, 2025, the A&M System elected to use a measurement date for its OPEB liability that is twelve months in advance of such Fiscal Year end or September 1, 2023 based on an actuarial valuation as of September 1, 2023 roll forward twelve months.

APPENDIX B

UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM

The attached unaudited financial statements for the fiscal year ended August 31, 2025 (“2025 Financial Statements”) were (i) prepared in accordance with Governmental Accounting Standards Board pronouncements, the requirements of the Texas Comptroller of Public Accounts, and guidelines from the National Association of College and University Business Officers and (ii) submitted to the Comptroller of Public Accounts (“Comptroller”) and the State Auditor, in accordance with Section 2101.011, Texas Government Code, for incorporation into the consolidated financial statements of the State prepared by the Comptroller and audited by the State Auditor.

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UNAUDITED

ANNUAL FINANCIAL REPORT

of

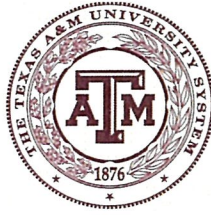
The Texas A&M University System

For the Year Ended August 31, 2025

With Comparative Totals for the Year Ended August 31, 2024



Texas A&M University ■ Texas A&M University at Galveston ■ Texas A&M University Health Science Center ■ Prairie View A&M University ■ Tarleton State University ■ Texas A&M International University ■ Texas A&M University-Central Texas ■ East Texas A&M University ■ Texas A&M University-Corpus Christi ■ Texas A&M University-Kingsville ■ Texas A&M University-San Antonio ■ Texas A&M University-Texarkana ■ West Texas A&M University ■ Texas A&M AgriLife Research ■ Texas A&M AgriLife Extension Service ■ Texas A&M Forest Service ■ Texas A&M Veterinary Medical Diagnostic Laboratory ■ Texas A&M Engineering Experiment Station ■ Texas A&M Engineering Extension Service ■ Texas A&M Transportation Institute ■ Texas Division of Emergency Management ■ Texas A&M University System Offices ■ Texas A&M System Shared Services Center ■ Texas A&M Research Foundation ■



System Office of Budgets and Accounting

THE TEXAS A&M UNIVERSITY SYSTEM

November 20, 2025

Glenn Hegar
Chancellor
The Texas A&M University System
301 Tarrow
College Station, Texas 77845

Dear Mr. Hegar,

We are submitting herewith the Annual Financial Report of The Texas A&M University System for the fiscal year ended August 31, 2025.

This report has been prepared in conformity with *Texas Government Code* §2101.011, and in accordance with the Annual Financial Reporting Requirements of the Texas Comptroller of Public Accounts.

The accompanying Annual Financial Report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Respectfully submitted,

Teresa Edwards, CPA
Controller

Joseph Duron, CPA
Chief Administrative Officer

The Texas A&M University System

Board of Regents

Robert L. Albritton	Term Expires February 1, 2027
Randy Brooks	Term Expires February 1, 2027
Bill Mahomes	Term Expires February 1, 2027
David Baggett	Term Expires February 1, 2029
John Bellinger	Term Expires February 1, 2029
Sam Torn	Term Expires February 1, 2029
Jay Graham	Term Expires February 1, 2031
Mike Hernandez	Term Expires February 1, 2031
Kelley Sullivan Georgiades	Term Expires February 1, 2031
Jaquavous Doucette (Student Regent)	Term Expires May 31, 2026

Officers of the Board

Robert L. Albritton	Chairman
Jay Graham	Vice Chairman

Administrative Officers

Glenn Hegar	Chancellor
Ryan Griffin	Vice Chancellor and Chief Financial Officer
Joseph Duron	Chief Administrative Officer
Teresa L. Edwards	Controller

The Texas A&M University System

Chief Executive Officers

Texas A&M University	Tommy Williams, Interim President
Texas A&M University at Galveston	Col. Michael Fossum (Retired)
Texas A&M Health Science Center	Dr. Indra K. Reddy
Prairie View A&M University	Dr. Tomikia P. LeGrande, President
Tarleton State University	Dr. James L. Hurley, President
Texas A&M International University	Dr. Christopher Maynard, President
Texas A&M University - Central Texas	Dr. Richard M. Rhodes, President
East Texas A&M University	Dr. Mark Rudin, President
Texas A&M University - Corpus Christi	Dr. Kelly M. Miller, President
Texas A&M University - Kingsville	Dr. Robert H. Vela Jr., President
Texas A&M University - San Antonio	Dr. Salvador H. Ochoa, President
Texas A&M University - Texarkana	Dr. Ross C. Alexander, President
West Texas A&M University	Dr. Walter V. Wendler, President

The Texas A&M University System

Chief Executive Officers

Texas A&M AgriLife	Dr. Jeffrey W. Savell, Vice Chancellor and Dean of Agriculture and Life Sciences
Texas A&M AgriLife Research	Cliff Lamb, Director
Texas A&M AgriLife Extension Service	Dr. Rick Avery, Director
Texas A&M Forest Service	Al Davis, Director
Texas A&M Veterinary Medical Diagnostic Laboratory	Amy K. Swinford, DVM, Director
Texas A&M Engineering Experiment Station	Robert H. Bishop, Vice Chancellor and Dean of Engineering
Texas A&M Engineering Extension Service	David Coatney, Director
Texas A&M Transportation Institute	Gregory D. Winfree, Director
Texas Division of Emergency Management	W. Nim Kidd, Chief and Vice Chancellor for Disaster and Emergency Services
Texas A&M University System Offices	Glenn Hegar, Chancellor
Texas A&M System Shared Services Center	Ryan Griffin, Vice Chancellor and Chief Financial Officer
Texas A&M Research Foundation	Dr. Costas N. Georghiades, President for Research

The Texas A&M University System

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UNAUDITED

The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

Introduction

The Texas Legislature created the Texas A&M University System (A&M System) in 1948 to manage the evolution of a statewide educational, research and service system. Its roots lie in the founding of what are now Texas A&M University and Prairie View A&M University as land-grant colleges in 1876. The A&M System provides oversight and leadership for eleven universities, eight state agencies, a comprehensive health science center, a service unit for shared services and the System administrative offices. In June 2025 legislation was passed for University of Houston at Victoria to join the A&M System in fiscal year 2026, their annual financial report will be included in the fiscal year 2026. The A&M System includes the Texas A&M Research Foundation as a blended component unit.

The agencies of the A&M System include both engineering and agricultural research and extension agencies plus the Texas A&M Forest Service and the Texas Division of Emergency Management. The agencies provide research, public service, and instruction to benefit the state.

The A&M System educates over 172,000 students and reaches 21 million additional educational contacts through service and outreach programs each year. With more than 26,000 faculty and staff, the A&M System has a physical presence in 250 of the state's 254 counties and a programmatic presence in every county in Texas. The A&M System has real property holdings totaling more than 70,000 surface acres and 65,000 mineral acres.

A nine-member Board of Regents governs the A&M System with a total operating budget of \$7.3 billion. There is also a non-voting student member. The regents appoint the chancellor, who is the chief executive officer, who oversees the direction and operation of the system.

The A&M institutions of higher education offer a broad range of undergraduate and graduate degrees. The A&M System has many locations across Texas including Amarillo, Bryan, Canyon, College Station, Commerce, Corpus Christi, Corsicana, Dallas, Fort Worth, Frisco, Galveston, Houston, Killeen, Kingsville, Laredo, McAllen, McKinney, Mesquite, Prairie View, Round Rock, San Antonio, Stephenville, Temple, Texarkana, and Waco. In addition, A&M institutions have several international locations including Costa Rica, Mexico, and Qatar.

Overview of the Financial Statements and Financial Analysis

The objective of the Management's Discussion and Analysis (MD&A) is to provide an overview of the A&M System's financial position and activities for the fiscal year ended August 31, 2025, with comparative data to fiscal year 2024 and some data for fiscal year 2023. The emphasis of discussion will be on the current year. The MD&A should be reviewed in conjunction with the accompanying financial statements and notes. The financial section of this report includes:

- MD&A (this section)
- Basic Proprietary Financial Statements
 - Statement of Net Position,
 - Statement of Revenues, Expenses and Changes in Net Position, and

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

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- Statement of Cash Flows
 - Basic Fiduciary Financial Statements
 - Statement of Fiduciary Net Position, and
 - Statement of Changes in Fiduciary Net Position
 - Note disclosures related to the financial statements
 - Required Supplementary Information

The A&M University System's operational activity is included in the Texas Annual Comprehensive Financial Report (ACFR) in both the Proprietary or Business-Type Activity and the Fiduciary Activity financial statements. A&M System reports fiduciary activity for custodial funds. These fiduciary activities are reported separately from other financial activities since the A&M System member's cannot access these assets.

The accompanying financial statements for the A&M System are prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) pronouncements, the financial reporting requirements of the Texas Comptroller of Public Accounts, and the guidelines from the National Association of College and University Business Officers (NACUBO).

Brief Summary

Below is a summary for fiscal year 2025 proprietary funds.

- Legislative Appropriations reported a \$1.4 billion ending asset balance which increased by \$547 million related to unspent state funding for construction, for more details see the Statement of Net Position section.
- Noncurrent investment balances reported on the Proprietary Statement of Net Position are \$7.089 billion, which was an increase of \$401 million from 2024's \$6.688 billion balance.
 - Equity markets produced a strong-performance for the twelve months ending August 2025. (See the *Economic Outlook* section for more details).
- There are two material, long-term liabilities which are not funded by state funds related to employees' retirement benefits, the A&M System is required to report on the financial statements. The first is the Other Post Employment Benefits (OPEB) which includes several health insurance plans and the second is the Teacher's Retirement System (TRS) Pension liability, see details below.
 - OPEB current and non-current liability balances totaled \$1.92 billion, which reported a minimal increase of \$40 million from the prior year. (See *Note 11 Postemployment Health Care and Life Insurance Benefits*)
 - Pension liability decreased by \$67 million totaling \$898 million compared to \$965 million reported in 2024. (See *Note 9 Pension and ORP*.)

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

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- The A&M System's net position totaled \$11.6 billion, which is a \$1.5 billion increase from 2024, which was \$10.1 billion, due to the factors below.
 - An increase in Current and Noncurrent Assets including Deferred Outflows of Resources of \$1 billion
 - A decrease in Current and Noncurrent Liabilities including Deferred Inflows of Resources of \$393 million.
 - The net tuition and fee revenue increased by 3.6% totaling \$1.3 billion which was a \$50.3 million increase due to an increase in enrollment from 165,000 in 2024 to over 172,000 for 2025. The Texas A&M Regents continue to keep tuition and fees constant to assist with student success and affordability.
 - Federal, state, and other grant revenues increased over \$678 million totaling \$2.9 billion due to an increase in sponsor-funded research, disaster assistance, and student funding for Federal Pell Grants for student aid and Hazlewood Act.
 - Investment Income was \$694 million, which was a \$375 million decrease from 2024. The investment income components include the items below.
 - \$297 million in realized gains on investments,
 - \$294 million in interest, dividend, and royalty income, plus
 - \$103 million in unrealized gain on investments.
 - Operating expenses increased by 8.4% or \$631 million, primarily related to the increase in disaster funding needs by cities, counties, and local governments; although, there were also decreases related to rentals, materials, and supplies expenses.

Statement of Net Position

The Statement of Net Position presents a snapshot of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for the A&M System as of the end of the fiscal year. The assets and liabilities are classified in the current and non-current format.

Increases or decreases in net position are one indicator of the overall condition of the A&M System's financial health when considered with nonfinancial factors such as enrollment, research, public service, patient levels, and the condition of facilities. The statement provides a picture of net position and the availability of funds for use by the A&M System.

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

Below is the condensed Statement of Net Position.

Statement of Net Position (in millions)			
Assets and Deferred Outflows of Resources	2025	2024	2023
Current Assets	\$4,921	\$4,774	\$4,084
Capital Assets, Net	8,760	7,930	7,593
Non-Current Investments	7,089	6,688	5,928
Other Assets	2,109	1,992	2,022
Deferred Outflows	897	1,293	1,131
Total Assets and Deferred Outflows of Resources	\$23,776	\$20,677	\$20,758
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$2,531	\$2,604	\$2,449
Non-Current Liabilities	8,178	8,200	8,152
Deferred Inflows	1,429	1,727	1,217
Total Liabilities and Deferred Inflows of Resources	\$12,138	\$12,531	\$11,818
Net Position			
Net Investment in Capital Assets	\$3,239	\$2,368	\$2,359
Restricted			
Expendable	1,699	1,835	1,637
NonExpendable	475	477	467
Unrestricted	6,225	5,466	4,477
Total Net Position	\$11,638	\$10,146	\$8,940

The **Statement of Net Position** financial highlights are listed below.

- There was an increase in total assets and deferred outflows of 4.8%. This was a \$1 billion increase, primarily attributable to a \$401 million increase in non-current, restricted, and unrestricted investments; and an increase of \$830 million in net capital assets.
- Legislative Appropriations reported a \$1.4 billion ending asset balance which increased by \$547 million related to unspent state funding for construction projects and initiatives including the list below.
 - Texas A&M Forest Service increased \$511 million to fund firefighting aircraft plus fund the wildfire estimates and assistance for the Texas volunteer fire departments,

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

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- Texas A&M University System increased by \$83 million for the Bush Combat Development Complex which is a federal initiative to create autonomous wildland firefighting aircraft,
 - Several members reported reductions
 - Texas A&M University reduction of \$68 million was for the building of the Space Institute Facility adjacent to the Johnson Space Center in Houston and
 - Texas A&M University Health Science Center reduction of \$14 million was for building the education and research facility in McAllen, Texas.
 - There was a \$58 million increase in current payables \$22 million was related to the timing of payments due to vendors and \$27 million was related payroll payable.
 - Total bonds payable and notes payable decreased by \$58 million in 2025 totaling \$5.27 billion. See *Note 5 Long-term Liabilities* for more information.
 - There was a \$144 million increase in commercial paper.
 - Bonds payable decreased by \$202 million.
 - Highlights on the employee long-term liabilities. The A&M System OPEB plan is operated on a pay-as-you-go basis for various health plans, these plans are required to use the municipal bond market discount rate, which was 3.87% whereas TRS is allowed to use a discount rate equal to their investment rate which was 7%. The discount rates are used to measure these liabilities.
 - Other Post-Employment Benefits (OPEB)
 - Current and non-current liability balance is \$1.92 billion, which reported a minimal increase of \$40 million from the prior year.
 - OPEB expenses were \$20 million; an increase of \$8.5 million.
 - Deferred Outflows and Inflows decreased by \$510 million due to assumptions regarding the market and health care costs.
 - TRS Pension
 - The liability decreased by \$67 million totaling \$898 million for 2025 compared to \$965 million.
 - Pension expenses were \$51 million, a decrease of \$42 million.
 - Pension Deferred Outflows and Inflows decreased by \$176 million due to assumptions regarding investment returns and the employee population.

The net position reports three major categories. The **first** category, Net Investment in Capital Assets, provides equity in property, plant and equipment owned by the A&M System less the related debt.

The **second** category, Restricted, is divided into two categories, expendable and non-expendable. Expendable restricted resources are available for use by the A&M System but must be spent for purposes determined by donors. The corpus of the non-expendable restricted resources is available for investment purposes, and the earnings are used to support the institutions or agencies.

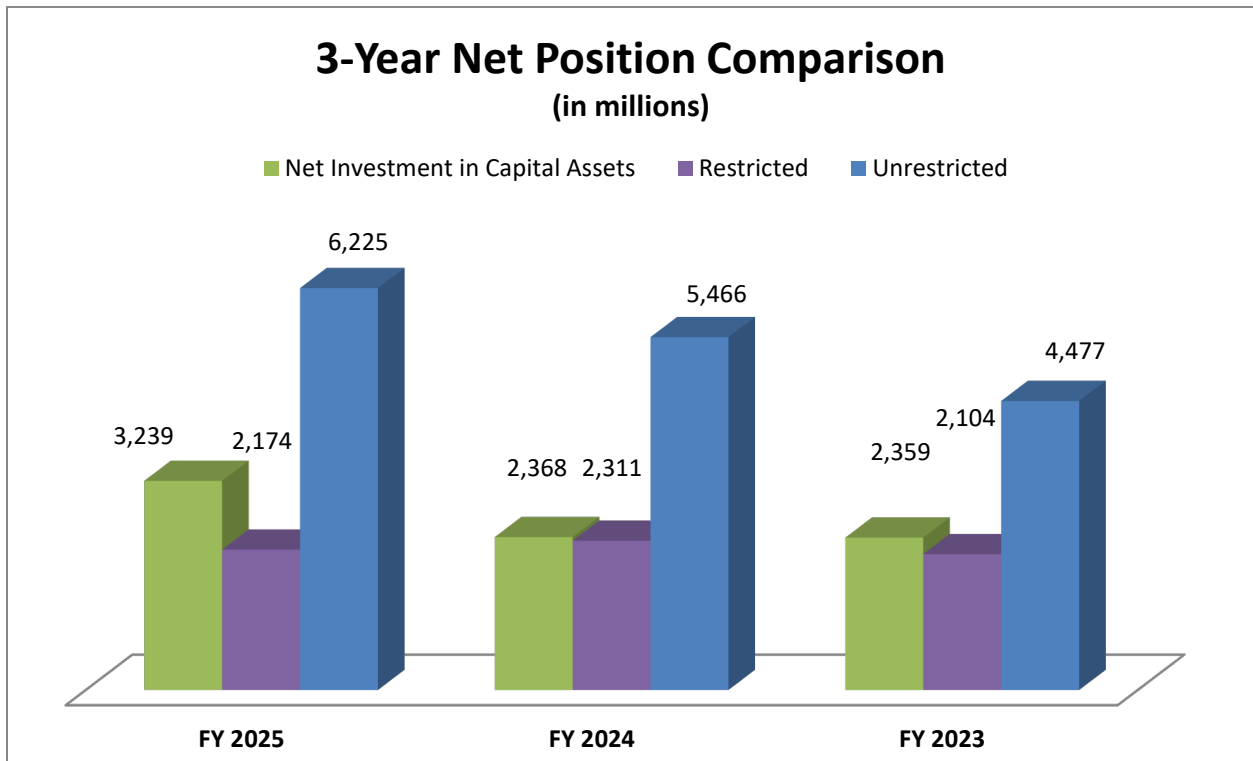
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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

The **third** category, Unrestricted, is available for any lawful purpose. Although Unrestricted Net Position is not subject to externally imposed stipulations, it has internal designations for various academic, research, repair and maintenance future projects.

The net position of the A&M System totaled \$11.6 billion. Total net position reported an increase of \$1.5 billion or 14.9% from the 2024 balance.

Below is a graph with a 3-year net position comparison.



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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

The balances defined as unrestricted net position contain reserves and internal restrictions or allocations, as defined in the table below.

Reserves and Allocations for Unrestricted Net Position (in millions)	
Reserves For	
Unrealized Gain on Investments	\$1,288
Encumbrances	914
Portion of Annual Debt Service Payment	246
Inventories	30
Higher Education Fund	42
Self-Insured Plans	97
Tuition Set Asides, Deposits and Other Reserves	70
Other State Funds	679
Allocations For	
Capital Projects	953
Funds Functioning as Endowments	454
Scholarships and Faculty Initiatives	748
Operations	704
Total Unrestricted Reserves	\$6,225

The overall *unrestricted* net position was \$6.225 billion for fiscal year 2025 compared to \$5.466 billion in 2024.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and the expenses incurred during the year. Activities are reported as operating or non-operating. The Governmental Accounting Standards Board (GASB) requires state appropriations (Legislative Revenue), Federal Pell Grants and stimulus funding be reported as non-operating revenue. This will generally result in an operating loss for most public institutions. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements which are reported net of depreciation or amortization, which amortize the cost of an asset over its expected useful life.

The purpose of this statement is to present the revenues of the A&M System, and the expenses incurred by the A&M System, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent. The change in total net position as presented in the Statement of Net Position is a result of these activities.

Generally, operating revenues are received for providing goods and services to the various students, customers and constituencies of the A&M System. Operating expenses include

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

instruction costs, research expertise plus costs for goods and services provided in return for operating revenues. Non-operating revenues are derived from sources not considered primary operations for an institution of higher education or state agency. State capital appropriations and capital grants and gifts are considered neither operating nor non-operating revenues and are reported after "Income Before Other Revenues and Transfers".

Statement of Revenues, Expenses and Changes in Net Position (in millions)			
	2025	2024	2023
Operating Revenues and Expenses			
Operating Revenues	\$3,662	\$3,644	\$3,540
Operating Expenses	(8,113)	(7,482)	(7,936)
Operating (Loss)	(4,451)	(3,838)	(4,396)
Non-Operating Revenues and Expenses	5,065	4,214	4,962
Income Before Other Revenues and Transfers	614	376	566
Other Revenues and Transfers	878	830	657
Change in Net Position	1,492	1,206	1,223
Net Position, Beginning of Year	\$10,146	\$8,940	\$7,717
Net Position, End of Year	\$11,638	\$10,146	\$8,940

The condensed Statement of Revenues, Expenses and Changes in Net Position reflects a \$1.492 billion increase in net position which is similar to the prior year.

The **Statement of Revenues, Expenses and Changes in Net Position** financial highlights are listed below.

- Tuition and fee revenue increased by 3.6% totaling \$1.3 billion which was a \$50.3 million increase due to an increase in enrollment from 165,000 in 2024 to over 172,000 for the Fall semesters.
- Federal, state, and other grant revenues increased over \$678 million totaling \$2.9 billion due to an increase in sponsor-funded research, disaster assistance, and student funding for Federal Pell Grants for student aid and Hazlewood Act.
- Investment Income was \$694 million on the Proprietary funds, which was a \$375 million decrease from 2024. The investment income components include the items below.

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

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- \$297 million in realized gains on investments,
 - \$294 million in interest, dividend, and royalty income, plus
 - \$103 million in unrealized gain on investments.
-
- Operating expenses reported an increase of 8.4% or \$631 million, totaling \$8.113 billion compared to \$7.482 billion from the prior year.
 - Other Operating Expenses increased by \$407 million, primarily attributable to several disaster payments including \$111 million for Hurricane Beryl, \$108 million to Greater Houston (Derecho) storm plus the close out of COVID-19 for \$133 million to cities, counties and local governments. Offset with \$7.2 million reductions from Texas Engineering Experiment Station.
 - Salaries & Wages increased by 8.4% or \$278 million due to employees hired to ensure institutions and agencies were able to assist students on campus and assist the public plus the impact for the 5% state mandated salary increases for A&M agencies.
 - Operating federal pass-through expenses increased by \$107 million due to an increase in disaster funding needed by other state agencies.
 - Rentals and Leases decreased by \$105 million primarily due to the demobilization of Operation Lone Star by Texas Division of Emergency Management.
 - Non-state funded TRS pension expenses reported a decrease of \$42 million based upon the Teacher's Retirement System's actuary report.
 - Depreciation and amortization expense reported a slight decrease of \$4 million totaling \$582 million. The primary reason for the decrease is related to the phase of construction projects, in 2024 more projects were completed where assets were placed into operations and depreciation was reported.
 - Capital Contributions, Endowments and Transfers increased by \$48 million from \$830 million to \$878 million in 2025. The main factor for the increase was related to the transfer from the University of Texas System, which increased by \$57 million.

Service Center or Internal Activities

Certain service center or internal activities are embedded in the Statement of Revenues, Expenses and Changes in Net Position. These centers provide goods and services to internal customers and to other A&M System members. These activities include self-insured programs (health, dental, auto, worker's compensation, property, etc.), repairs & maintenance, utilities, computer services, and other interdepartmental activities. The net operating revenues for these internal activities were eliminated to the extent of operating expenses. In 2025, there was a change in methodology for the elimination to improve the natural classification of expenses.

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

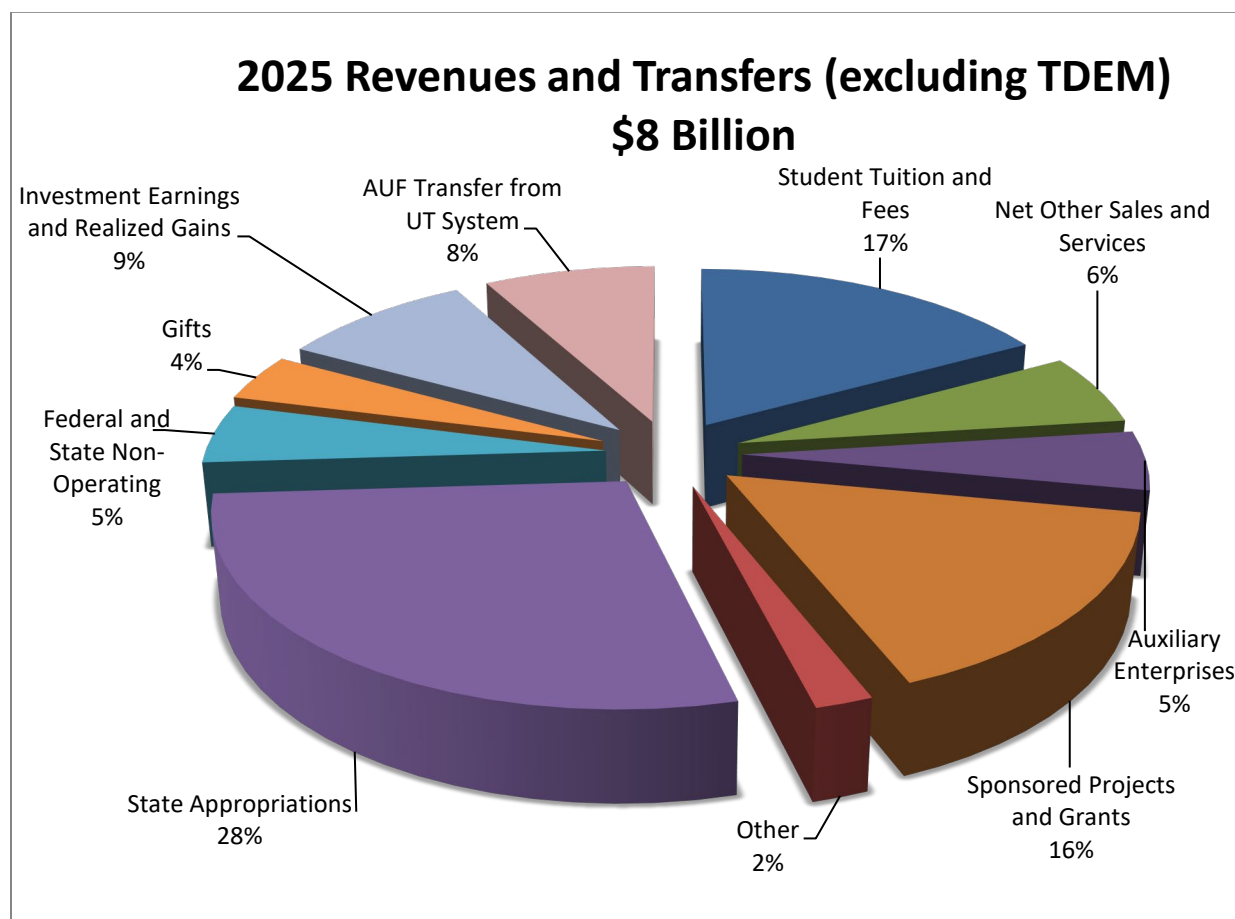
The elimination of expenses against revenues was approximately \$1 billion. An elimination entry was recorded for \$570 million related to self-insured health, dental, property and worker's compensation claims and losses. Of the remaining \$472 million in expenses eliminated, \$163 million was for salaries, wages and benefits and \$92 million in repairs and maintenance expenses.

Revenues and Transfers

To analyze the A&M System institutions and agencies, the graph below excludes the Texas Division of Emergency Management (TDEM) who receives various funding to assist the public with disasters; therefore, TDEM experiences unpredictable fluctuations.

There was a \$200 million increase in revenue totaling \$8 billion compared to \$7.8 billion in the prior year. The increases are related to the increase in investment income and legislative revenue.

TDEM's total revenues were \$1.7 billion for 2025 compared to \$1 billion for 2024.



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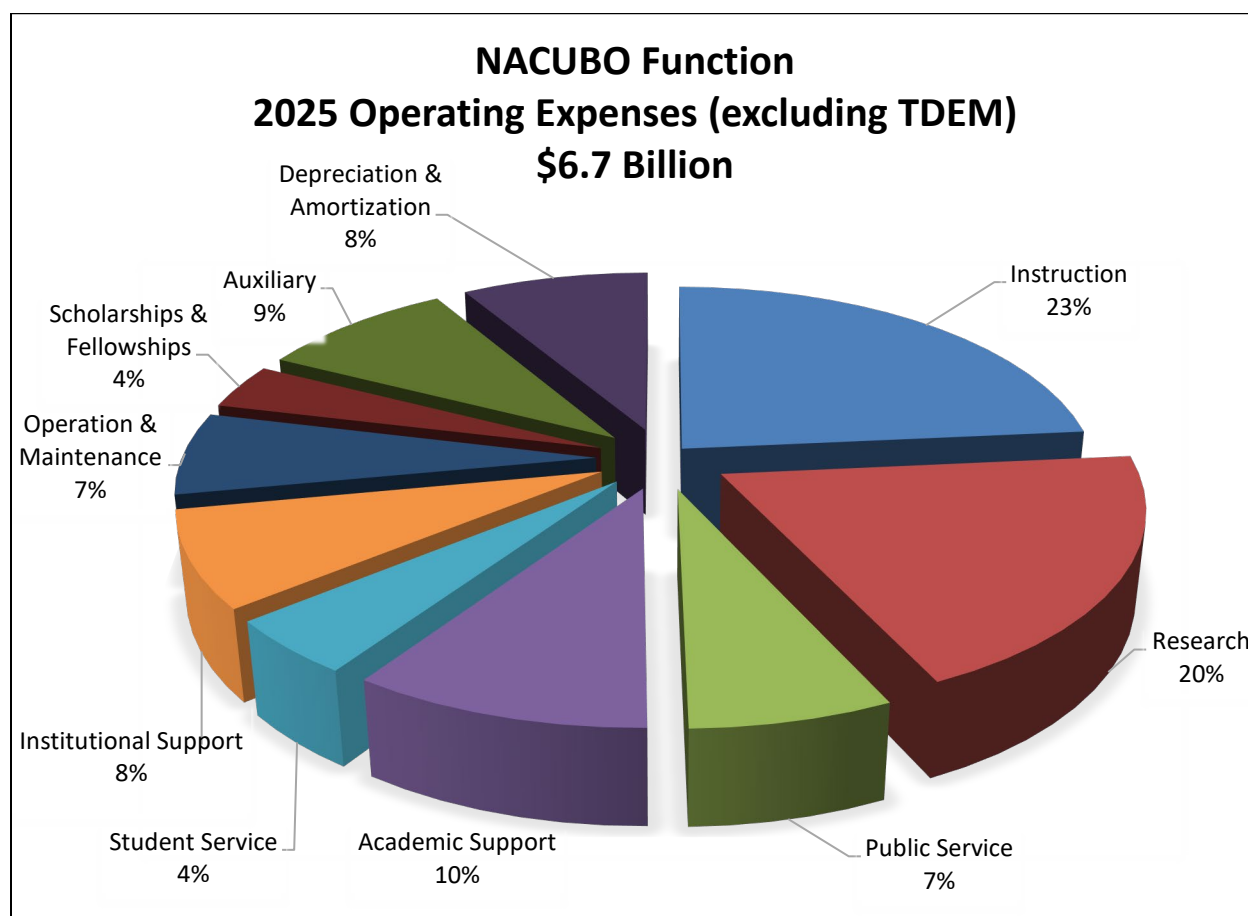
The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

Operating Expenses

To analyze the A&M System institutions and agencies, the graph below excludes the Texas Division of Emergency Management (TDEM).

The first graph presents the operating expenses in the National Association of College and University Business Officers (NACUBO) functional classification, and the second graph presents operating expenses in the natural classification. As presented below, instruction, research, academic support, auxiliary, depreciation/amortization of capital assets and institutional support are the primary expenses for the A&M System. For fiscal year 2025, total operating expenses were \$6.7 billion; instruction and research are the primary functions for A&M members.

TDEM reported \$1.4 billion Public Service operating expenses, \$1.1 billion was sent to other Texas state agencies and governmental entities; \$40 million was used for rental and lease expenses and \$133 million was spent on professional fees and services.

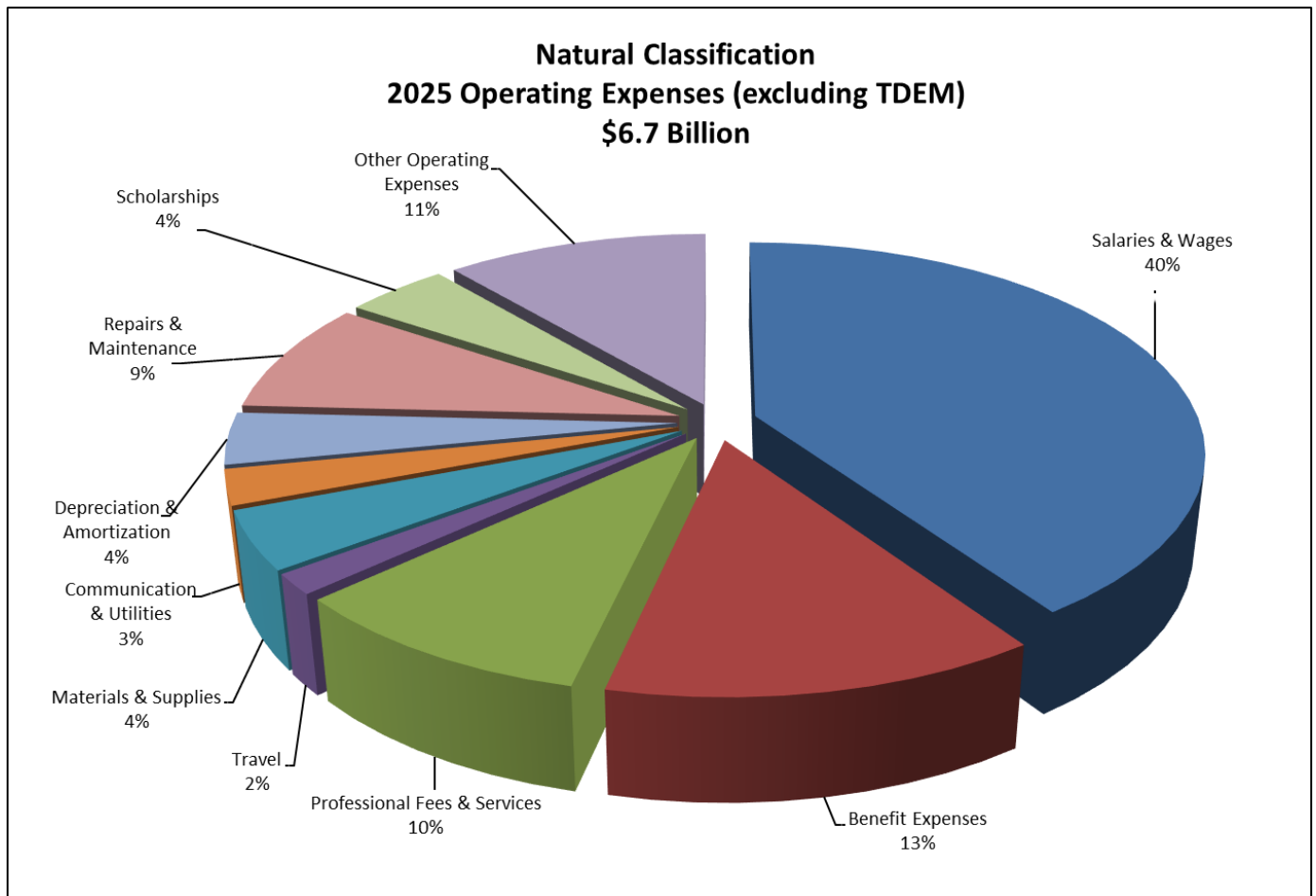


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**The Texas A&M University System
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To analyze the A&M System institutions and agencies, the graph below excludes the Texas Division of Emergency Management (TDEM) who receives various funding to assist the public with disasters; therefore, TDEM experiences unpredictable fluctuations.

For 2025, total operating expenses were \$6.7 billion. The A&M System salaries, wages and benefits are a critical part of the success of our students and the services provided. Each A&M member continues to analyze operating costs and ensure these expenses are appropriate.



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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

Statement of Cash Flows

The final statement presented is the Statement of Cash Flows. This statement presents detailed information on the cash activity during the year.

- The first section presents operating cash flows, and the net cash used for operating activities.
- The second section presents the results of non-capital financing activities. This section includes the cash flows from state appropriations and other non-operating activities.
- The capital and related financing activities section includes cash used for acquisition and construction of capital assets.
- The investing activities section reports purchases, proceeds, and earnings from investments.

Statement of Cash Flows			
(in millions)			
	2025	2024	2023
Cash Flows From			
Operating Activities	\$(3,897)	\$(3,091)	\$(3,519)
Non-Capital Financing Activities	4,857	3,997	4,770
Capital and Related Financing Activities	(1,633)	(720)	(985)
Investing Activities	262	277	64
Net Change in Cash & Cash Equivalents	(411)	463	330
Cash & Cash Equivalents, Beginning of Year	2,835	2,372	2,042
Cash & Cash Equivalents, End of Year	\$2,424	\$2,835	\$2,372

Capital Assets

The A&M System is committed to continuous improvements in the quality of its academic, research, and service programs through the development and renewal of its capital assets and infrastructure. The A&M System continues to implement its long-range plan to modernize existing teaching and research facilities along with plans for new construction.

Construction in progress for 2025 was \$2.5 billion, which is a \$896 million increase from the prior year. Completed projects totaled \$244.5 million.

The construction projects are in various stages of completion including major projects mostly managed by the System Offices and minor projects managed by the members.

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Below and on the following pages are a list of major construction projects by member; where the project exceeds \$4 million in total budgeted costs, some of these projects are debt financed. The projects are in progress and scheduled to be completed over the next two to three years. This list includes over \$3.4 billion in construction projects in various stages of completion subtotaled by each member.

Texas A&M Member and Project Name	Projected Fiscal Year Completion	Projected Budget (in Dollars)
Texas A&M University System		
Ft. Worth Law & Education Building	2026	\$ 227,500,000
STEM Education Center at RELLIS	2026	43,425,406
RELLIS Water Tower and Water Well	2026	27,555,000
Texas A&M Semiconductor Institute/Infrastructure/Equipment	2028	161,445,000
		\$ 459,925,406
Texas A&M University		
HVAC System Hart Hall	2026	\$ 9,450,470
Wastewater Treatment Plant (WWTP) Improvements	2026	6,500,000
Penberthy Road Expansion and Multiple-Use Path	2026	5,783,339
Penberthy Turf Replacement	2026	5,300,000
CUP Structural Repairs	2026	6,700,000
Interior Finishes Renovation Dunn Hall Phase II	2026	6,947,609
Railroad Quiet Zone	2026	5,500,000
Outdoor Competition Throws and Warmup Track	2026	9,559,456
Moses Hall HVAC Renovations	2026	9,218,500
Davis-Gary Hall HVAC Renovations	2026	9,218,500
Academic Building Renovations	2026	9,800,000
Space Collaboration Facility	2026	200,000,000
Clinical Veterinary Teaching and Research Complex	2027	181,000,000
CUP Generator Replacement Project	2026	26,408,348
Heldenfels 4th Floor Instructional Lab Renovation	2026	12,000,000
Aplin Center	2028	250,000,000
Satellite Utility Plant 1 (SUP1) Expansion	2028	30,000,000
Player Development Center at Blue Bell Park	2026	28,300,000
		\$ 811,686,222

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**The Texas A&M University System
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Texas A&M Member and Project Name	Projected Fiscal Year Completion	Projected Budget (in Dollars)
Tarleton State University		
Dick Smith Library Renovation & Expansion	2026	\$ 9,500,000
Lillian Street Dorm	2028	120,000,000
Convocation Center	2026	110,000,000
Health Sciences & Human Services Building	2026	80,000,000
		\$ 319,500,000
Prairie View A&M University		
Teaching and Academic Student Support Services Facility	2027	\$ 45,117,833
Campus Wide Fire Alarm System Replacement	2026	12,102,000
		\$ 57,219,833
Texas A&M AgriLife Research		
Meat Sciences & Technology Center	2026	\$ 114,604,906
CEA Research Greenhouse	2026	7,500,000
AgriTech Innovation Farm Hub	2026	5,000,000
AgriLife Vernon Campus Storm Repairs	2026	15,570,330
Amarillo Research & Extension Center at Canyon	2026	30,580,000
		\$ 173,255,236
Texas A&M Engineering Extension Service		
Corpus Christi Workforce Development	2026	\$ 12,500,000
RELLIS Training Props	2028	25,300,000
South Texas Workforce Development	2026	30,000,000
		\$ 67,800,000
Texas A&M University-Galveston		
Campus Facility Improvements	2026	\$ 8,586,491
Infrastructure, Dock Improvements, and Ship FF&E - Phase II	2027	77,500,000
TAMMA Hall Building Envelope Repair	2027	35,000,000
Engineering Classroom & Research Building	2026	51,966,429
		\$ 173,052,920
Texas A&M University-Corpus Christi		
Chaparral Renovation - Phase I	2026	\$ 8,795,738
Arts & Media Building	2026	83,891,966
		\$ 92,687,704

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**The Texas A&M University System
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Texas A&M Member and Project Name	Projected Fiscal Year Completion	Projected Budget (in Dollars)
Texas A&M University-Kingsville		
Deferred Maintenance	2026	\$ 45,172,833
Texas A&M International University		
Health Sciences Education & Research Center & Western Hemispheric Trade Center	2026	\$ 71,200,000
East Texas A&M University		
Renovate One-Stop - University Police Dept. Building	2026	\$ 9,500,000
Ag Multipurpose Education & Training Center	2026	48,494,868
New Event Center/Arena	2027	76,519,000
Morris Recreation Center Expansion	2026	17,500,000
Renovate and Re-Purpose Binnion Hall	2028	24,800,000
Student Dining Facility	2026	7,400,000
		\$ 184,213,868
West Texas A&M University		
Public Safety Facility	2026	\$ 9,975,070
Renovation of an Education Bldg. and Health/Safety Upgrade	2025	44,922,833
		\$ 54,897,903
Texas A&M University-Texarkana		
Athletics Complex	2026	\$ 23,000,000
Business, Engineering, & Technology Building	2026	44,922,833
		\$ 67,922,833
Texas A&M University Health Science Center		
Alkek IBT Building Lab Expansion/Renovation & EnMed Build-out	2029	\$ 100,000,000
Nursing Education & Research Building-McAllen	2026	47,248,556
School of Dentistry Main Building Reno	2026	22,400,000
Alkek Building Roof & Exhaust Fan Replacement (Houston)	2026	6,865,000
		\$ 176,513,556
Texas A&M University-Central Texas		
Central Operational Reliability & Efficiency Facility	2026	\$ 49,900,000

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**The Texas A&M University System
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Texas A&M Member and Project Name	Projected Fiscal Year Completion	Projected Budget (in Dollars)
Texas A&M University-San Antonio		
Educare Building	2026	\$ 21,690,000
Multipurpose Field, Competition Track & Softball Field Upgrades	2026	10,000,000
Student Housing Phase III and Dining	2026	80,000,000
Public Health & Education Building	2026	54,922,833
		\$ 166,612,833
Texas A&M University System Shared Services		
RELLIS Avenue D South Extension and Utility Upgrades	2026	\$ 13,500,000
Texas A&M Engineering Experiment Station		
Propulsion Test Facility at TEES Turbomachinery Lab	2026	\$ 6,400,000
Hypersonic Wind Tunnel	2026	10,000,000
		\$ 16,400,000
Texas Division of Emergency Management		
Fort Worth Warehouse Modifications	2026	\$ 6,073,000
TDEM Headquarters and State Emergency Operations Center	2026	423,241,464
		\$ 429,314,464
	TOTAL	\$ 3,430,775,611

Debt Administration

The A&M System understands its role of financial stewardship and works to manage its resources effectively, including the prudent use of debt to finance capital projects.

During fiscal year 2025, the A&M System issued tax-exempt bonds under the Permanent University Fund debt program to refund a portion of previously outstanding bonds and commercial paper and to pay the costs of issuing the bonds. The Permanent University Fund Bonds, Series 2025A had a par amount of approximately \$379.08 million with a true interest cost of 4.16%. Refundings associated with this bond issue resulted in approximately \$23.76 million in total savings or approximately \$20.16 million of net present value savings equating to a net present value benefit of 7.30%.

In fiscal year 2025, there was a total of \$375 million in commercial paper issued. Revenue Financing System Commercial Paper Notes in the amount of \$85 million, Revenue Financing

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

System Taxable Commercial Paper Notes in the amount of \$35 million and Permanent University Fund Commercial Paper Notes in the amount of \$255 million were issued to fund eligible projects.

The A&M System has sufficient debt capacity to finance planned facilities and other capital improvements. In addition, the State appropriated amounts are sufficient for the reimbursement of debt service on all outstanding and planned Capital Construction Assistance Program debt for the 2026-2027 biennium. For additional information concerning Capital Assets and Debt Administration, *see the Notes to the Financial Statements*.

Economic Outlook

Equity markets produced strong performance for the twelve months ended August 2025; however, performance was not linear. Periods of market declines occurred during the year as investors reacted to uncertainty around Federal policy and U.S. tariff announcements sparked sharp sell-offs across both equities and bonds. Positive performance was driven by a pause in tariff policies and advancement in trade discussions, better-than-expected corporate earnings, continued anticipation of interest rate cuts by the Federal Government, and high growth from mega-cap stocks.

The US economy began to show signs of slowing growth which is expected to remain modest for 2025. The geopolitical environment continues to be uncertain, driven by on-going conflicts in Ukraine and the Middle East.

The A&M System has invested in diversified portfolios that have the potential to grow over the long term. During shorter time periods, the portfolios may be impacted by market conditions and volatility driven by uncertainties around administrative policies and geopolitical events. The A&M System will continue to position the portfolios to take advantage of market volatility by acquiring assets at discounted valuations, which will help to enhance the long-term returns of the portfolios.

Fiduciary Funds

Statement of Net Fiduciary Net Position

The Statement of Fiduciary Net Position presents a snapshot of assets, liabilities, and net fiduciary position for the A&M System as of the end of the fiscal year. The Statement of Fiduciary Net Position assets and liabilities are presented in the liquidity format.

Statement of Changes in Fiduciary Net Position

The Statement of Changes in Fiduciary Net Position presents the additions and deductions incurred during the year. This statement reports on the contributions, investment earnings, additions and deductions which occurred in the custodial funds for the fiscal year.

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

Financial Highlights for Fiduciary Funds

Below are financial highlights for fiduciary funds for fiscal year 2025. The A&M System Fiduciary statements include balances from several types of entities including Investments Held for Non-A&M Entities, Student Organizations, Foundation/Alumni Associations, Public Private Partnership entities and Other Entities.

- Investments in the Fiduciary Statement of Net Position are \$479 million, which was an increase of \$54 million from the prior year's total of \$425 million.
- Fiduciary funds reported an ending *Restricted for Other Individuals, Organizations and Other Entities* net position of \$568 million which was an increase of \$70 million from the prior year's net position of \$510 million.
- Gift contributions from various entities accounted for \$22 million.
- Investment Income was \$43.5 million with investment expenses of \$2.9 million.
- Other Additions totaled \$52 million, primarily from sales revenue from Public Private Partnerships and Miscellaneous Additions where West Texas A&M University worked with donors and general counsel to move true endowments to their Foundation.
- Other Deductions totaled \$57 million from various entities primarily related to the operational and event costs for Student Organizations and Foundation and Alumni Associations.

Leadership Changes in Fiscal Year 2025

Several leadership changes occurred in the A&M System during fiscal year 2025; these changes are included below.

- On March 28, 2025, Texas Comptroller Glenn Hegar '93 was confirmed as the next chancellor of the Texas A&M University System Board of Regents.
- On April 3, 2025, Kelley Sullivan Georgiades, a native Galvestonian rancher, was confirmed by the Senate to join the Texas A&M University System Board of Regents.
- On April 22, 2025, the Board of Regents elected Robert L. (Bob) Albritton of Fort Worth as the chairman and Jay Graham of Houston as the vice chairman.
- On June 2, 2025, the Governor Greg Abbott appointed Jaquavous Doucette of Fort Worth, a student at Prairie View A&M University, as the next student regent for the Texas A&M University System. His one-year term is effective June 1, 2025, and will expire May 31, 2026.
- On June 18, 2025, Chancellor Hegar recommended 3 leaders who were approved by the System Board of Regents.

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

-
- Susan Ballabina, Ph.D., who is the Executive Vice Chancellor of the Texas A&M System, serving as Hegar's chief lieutenant.
 - Chris Bryan, who is the System's Vice Chancellor of Marketing and Communications. He most recently led the Communications and Information Services Department at the Office of the Comptroller of Public Accounts; and
 - Ryan Griffin, who is the Vice Chancellor and Chief Financial Officer at the System. Griffin joined the System from Cheniere Energy, Inc.

Leadership Changes in Fiscal Year 2026

- On September 2, 2025, Brooks Moore was named General Counsel, completing Chancellor Hegar's Leadership Team.
- On September 10, 2025, John A. Barton returned to Lead Operations at Texas A&M-RELLIS, the A&M System's premier applied research campus.
- On September 18, 2025, the Regents appointed Dr. Christopher Maynard as the President of Texas A&M International University.

Fiscal Year 2025 Announcements

During **October 2024**, new educational opportunities were announced for students across the Texas A&M University System through a partnership with the U.S. Army Test and Evaluation Command (ATEC). ATEC serves in a direct support role to Army Futures Command in its ongoing efforts to arm U.S. soldiers with the world's most advanced and reliable battlefield equipment. The agreement is focused on enhancing science, technology, engineering and mathematics (STEM) education and sharing federal career avenues with students at all System universities to ignite an interest in federal service.

"The Texas A&M System is honored to be selected for this partnership," Chancellor John Sharp said. "The Army recognizes the System's leadership and commitment to national security innovation and technology. Service to the nation is in our DNA."

During **February 2025**, it was announced the Texas A&M University System will be home to what is expected to be one of the highest-performance AI supercomputers at any North American university, an NVIDIA DGX SuperPOD that will triple the university's supercomputing capacity.

Under the agreement with World Wide Technology Inc., an NVIDIA channel partner, the A&M System will acquire the NVIDIA DGX SuperPOD with DGX H200 systems for \$45 million. This investment will make Texas A&M one of the world's premier destinations for students and faculty looking to develop state-of-the-art AI skills and conduct cutting-edge research.

"This investment will triple our computing capacity, which will support the A&M System's growing research initiatives, particularly in areas such as machine learning, generative AI applications, graphics rendering and scientific simulations," said Chancellor John Sharp.

During **February 2025**, the Texas A&M University targeted a long-term commitment to in-space research on the International Space Station. The Board authorized President Mark A. Welsh III to

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

negotiate a contract with AEGIS Aerospace, which would allow Aggie engineering students to conduct in-space experiments.

The AEGIS agreement would create the Texas A&M/AEGIS Aerospace Multi-Use Space Platform Integrating Research & Innovative Technology facility, or TAMU-SPIRIT.

The research platform would be dedicated to activities such as in-space research, testing, advanced materials manufacturing, robotics testing, space surveillance and tracking methodologies. Researchers from the Texas A&M University System will have exclusive priority rights to send samples and experiments to be installed on the research platform.

During **February 2025**, the A&M University System provided the missing element needed to bring more nuclear power to the state's electric grid. Chancellor John Sharp announced he has offered land near the A&M University campus to four nuclear reactor companies so they can build the latest small modular reactors, or SMRs. Until now, reactor manufacturers – along with the most powerful names in Big Tech – have not been able to find a suitable place to build clusters of nuclear reactors that can supply the power needed for artificial intelligence endeavors, data centers and other projects.

“Plain and simple: the United States needs more power,” Sharp said. “And nowhere in the country, other than Texas, is anyone willing to step up and build the power plants we need. Thanks to the leadership of Governor Greg Abbott and others in Texas state government, Texas A&M System stands ready to step up and do what is necessary for the country to thrive.”

In **March 2025**, the Texas Comptroller Glenn Hegar '93 was confirmed as the next chancellor of The A&M University System by a unanimous vote of the Board of Regents.

“I am grateful and honored that the Board of Regents have entrusted me with the responsibility of leading one of the greatest university systems in the nation,” Hegar said. “Our core values unite us and set the Texas A&M System apart from the others, and I remain steadfastly committed to upholding and preserving those values.”

Hegar will begin leading the System upon retirement of Chancellor John Sharp, the longest serving chancellor in A&M System history. Sharp has announced he is stepping down as chancellor on June 30th after almost 14 years.

During **April 2025**, the A&M University System announced the establishment of the Center for Advanced Aviation Technologies (CAAT), a groundbreaking initiative aimed at advancing research and development in emerging aviation technologies. Texas A&M University-Corpus Christi (TAMU-CC) will lead the initiative, leveraging the Autonomy Research Institute's (ARI) extensive experience as an FAA-designated UAS System Test Site. The laboratory component of the Center will be located at Texas A&M-Fort Worth.

The CAAT will leverage the region's robust aviation sector and strong university network. The announcement comes because of a provision authored by U.S. Sen. Ted Cruz in the bipartisan FAA Reauthorization Act of 2024, which authorized the creation of a federal research center

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

focused on innovative aviation technologies, including drones, air taxis, and supersonic and hypersonic aircraft.

“I’m grateful to see the Texas A&M System leading this initiative and cultivating the next generation of aviation leaders,” Cruz said. “When I authored the bipartisan FAA Reauthorization Act of 2024, I wrote the language creating the Center for Advanced Aviation Technologies with the express intention of bringing that Center to the Dallas-Fort Worth area because of the groundbreaking innovation occurring there. I’m confident this new research and testing center will help the private sector create thousands of high-paying jobs and grow the Texas economy through billions in new investments.”

During **May 2025**, Texas A&M inventor Dr. Simrit Parmar, an associate professor in the College of Medicine at Texas A&M University and founder of the clinical-stage biotech company Cellenkos Inc. in Houston, has invented a new cell therapy that shows strong promise for the treatment of Amyotrophic lateral sclerosis (ALS), aplastic anemia and other devastating diseases.

Dr. Parmar was in the lymphoma and myeloma department at MD Anderson Cancer Center in Houston until last fall and prior to that in the department of stem cell transplantation. She was attracted to the Texas A&M College of Medicine as part of a broader effort by the A&M University System to strengthen health sciences innovation among researchers.

“Dr. Parmar is working on absolutely transformational technology,” said John Sharp, chancellor of the A&M System. “We’re proud that she has brought her innovative skills and dedication to improving patients’ lives to the Texas A&M faculty.”

During **May 2025**, Texas A&M System was recognized for National Security Leadership with 2024 Jack Donnelly Excellence in Counterintelligence Award. The Defense Counterintelligence and Security Agency (DCSA) and the Office of Counterintelligence have named the Texas A&M University System’s Research Security Office (RSO) as a recipient of the prestigious 2024 Jack Donnelly Excellence in Counterintelligence Award.

The A&M System has been honored with this award a record four times (2017, 2019, 2023 & 2024), a feat no other academic institution has accomplished. The award recognizes cleared contractor companies and academic institutions that have demonstrated exceptional commitment to protecting U.S. proprietary, sensitive, and classified information and technology from foreign intelligence threats. The award highlights the A&M System RSO’s proactive measures in identifying and mitigating threats, fostering a culture of security and collaborating closely with U.S. government agencies to deter, detect and disrupt foreign intelligence activities.

“The Texas A&M University System has been on the forefront of defending our national security for a long time now,” said John Sharp, chancellor of the Texas A&M University System. “And when it comes to protecting sensitive research, we at the Texas A&M System take our mission very seriously, and we are grateful for the recognition.”

During **June 2025**, the Texas A&M–Victoria officially joined the Texas A&M University System. The University of Houston–Victoria became Texas A&M University–Victoria, the 12th university

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

in the Texas A&M University System. As part of this milestone, Texas A&M University System Chancellor John Sharp also announced that Texas A&M University-Victoria received \$25 million in the new state budget for the effort and commended the work of Victoria-area State Senator Lois W. Kolkhorst in the Senate Finance Committee for securing the funds needed to grow the university and its services to the region.

During **June 2025**, the U.S. Army awarded Chancellor Sharp the Meritorious Public Service Medal as he wrapped up his 14-year tenure as chancellor of The Texas A&M University System, this is one of the nation's highest military honors for civilians. The award was given to Sharp by General James E. Rainey, Commanding General of Army Futures Command (AFC), during a retirement reception. Sharp's last day as chancellor was June 30.

The Medal recognizes Sharp for his leadership in creating Texas A&M-RELLIS and devoting much of its innovative research capabilities to developing next-generation technologies for national defense.

During **July 2025**, it was announced the Texas A&M System will lead the Autonomous Helicopter Wildfire Response Initiative. The Texas Legislature recently appropriated \$59.8 million for the Texas A&M University System's George H.W. Bush Combat Development Complex to develop a way to use pilotless Blackhawk helicopters to combat wildfires.

The project is intended to revolutionize how Texas responds to wildfires that ravage the state every year. The Defense Advanced Research Projects Agency, or DARPA, selected the Texas A&M System to collaborate on the agency's Aircrew Labor In-Cockpit Automation System, better known as ALIAS.

"The Texas A&M System always steps up," Robert Albritton, chairman of the Texas A&M System's Board of Regents, said. "We have the know-how. We have the drive. And we are ready to do our part for the state."

During **August 2025**, the Texas A&M Regents approved keeping tuition and fees frozen for the next two years. The Regents approved next year's operating budget of \$8.1 billion and announced a two-year freeze on what Texas resident undergraduates pay for academics. Tuition and all academic fees will stay at current levels for the 2025–26 and 2026–27 academic years across all the universities of the Texas A&M University System.

"Groceries, gas and insurance may be up, but not what our Texas undergraduates pay to learn," said Board Chairman Robert Albritton. "Freezing academic costs for two full years takes discipline and long-term planning. Thanks to prudent, far-sighted management across the System and strong support from state leaders, we can keep college affordable without lowering our standards."

Upcoming Accounting Pronouncements

GASB is continuing their research on modifying the financial reporting model and the A&M institutions are analyzing the impact of changing the tuition discounting methodology. The A&M

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2025

System accounting staff is involved with GASB and NACUBO to ensure we understand the impacts of these future pronouncements.

Contact Information for the A&M University System Office of Budgets and Accounting Team

This annual financial report is designed to provide citizens, taxpayers, students, customers, investors and creditors with a general overview of the A&M System's finances and to demonstrate the A&M System's accountability for the funding it receives.

If you have questions about this report or need additional financial information, contact the A&M University System Office, Budgets and Accounting Office, located at 301 Tarrow Street, College Station, Texas 77840-7896.

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Exhibit III
The Texas A&M University System
Combined Proprietary Statement of Net Position
For the Year Ended August 31, 2025

	Current Year	Prior Year
Assets and Deferred Outflows		
Current Assets		
Cash and Cash Equivalents (Schedule Three)	\$2,232,561,520.00	\$2,256,474,582.32
Restricted		
Cash and Cash Equivalents (Schedule Three)	191,404,812.78	578,484,840.52
Legislative Appropriations	1,447,986,182.90	900,901,134.09
Receivables, Net (Note 24)		
Federal	243,408,697.90	263,021,707.35
Other Intergovernmental	10,262,258.47	10,898,389.82
Interest and Dividends	22,829,806.35	19,268,385.08
Gifts	27,393,691.21	31,817,386.15
Self-Insured Health and Dental	52,273,456.65	46,730,689.15
Student	57,945,053.84	62,244,061.50
Investment Trades	3,598,955.40	11,069,968.13
Accounts	207,462,776.47	187,884,590.46
Other	3,952,636.23	11,396,517.69
Lease Receivable (Note 8)	4,020,863.88	4,649,989.53
Due from Other Agencies	84,356,008.21	67,432,977.91
Consumable Inventories	22,807,043.03	21,599,599.42
Merchandise Inventories	7,285,409.43	8,106,233.78
Loans and Contracts	15,206,437.90	19,291,742.30
Interfund Receivables (Note 12)	69,742,152.79	67,028,256.87
Other Current Assets	216,412,961.88	205,650,262.51
Total Current Assets	\$4,920,910,725.32	\$4,773,951,314.58
Non-Current Assets		
Restricted		
Investments (Note 3)	\$1,346,800,245.89	\$1,292,970,981.98
Loans, Contracts and Other	5,730,489.78	5,419,806.35
Gifts Receivable	238,480,442.87	251,998,343.65
Public Private Partnership Asset Receivable	26,091,695.25	26,091,695.25
Loans and Contracts	6,275,451.63	12,844,473.57
Investments (Note 3)	5,742,645,800.61	5,394,590,970.96
Lease Receivable (Note 8)	199,867,053.95	199,528,781.09
Interfund Receivables (Note 12)	1,611,247,537.49	1,495,390,326.30
Capital Assets, Net (Note 2)	8,759,745,223.71	7,930,019,778.05
Assets Held in Trust	19,551,600.00	367,100.00
Other Non-Current Assets	1,137,225.88	1,051,316.83
Total Non-Current Assets	\$17,957,572,767.06	\$16,610,273,574.03

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Exhibit III
The Texas A&M University System
Combined Proprietary Statement of Net Position
For the Year Ended August 31, 2025

	Current Year	Prior Year
Deferred Outflows of Resources (Note 28)		
Unamortized Loss on Refunding Debt	\$49,753,717.55	\$53,299,741.39
Pension	278,396,606.00	425,256,135.00
Other Post Employment Benefits	569,283,842.00	814,650,175.00
Total Deferred Outflows of Resources (Note 28)	\$897,434,165.55	\$1,293,206,051.39
Total Assets and Deferred Outflows	\$23,775,917,657.93	\$22,677,430,940.00
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$521,893,850.37	\$500,319,168.58
Payroll	245,879,728.51	219,050,634.93
Investment Trade	8,528,205.54	12,163,122.82
Self-Insured Health and Dental	28,622,000.00	21,804,000.00
Student	10,830,026.69	6,572,995.96
Other	9,442,680.31	7,669,501.05
Interfund Payable (Note 12)	1,178,919.44	1,178,919.44
Due to Other Agencies	120,742,481.57	278,880,086.90
Unearned Revenue	1,042,007,603.77	1,005,163,176.82
Employees Compensable Leave	15,895,635.10	16,894,365.89
Other Post Employment Benefits (Note 11)	58,788,438.00	61,207,877.00
Claims and Judgments	1,290,498.00	3,394,786.00
Notes and Loans Payable (Note 5)	13,180,000.00	9,895,000.00
Notes From Direct Borrowings (Note 5)	3,850,207.07	3,504,316.33
Bonds Payable (Note 6)	317,753,149.58	322,615,109.72
Lease Liability (Note 8)	21,293,565.82	18,700,018.57
Right to Use Software Subscription Liability (Note 8)	13,756,908.79	18,413,835.19
Liabilities Payable from Restricted Assets	49,002,006.09	45,050,456.00
Other Current Liabilities	46,297,065.04	51,494,476.33
Total Current Liabilities	\$2,530,232,969.69	\$2,603,971,847.53

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Exhibit III
The Texas A&M University System
Combined Proprietary Statement of Net Position
For the Year Ended August 31, 2025

	Current Year	Prior Year
Non-Current Liabilities		
Interfund Payable (Note 12)	\$10,952,587.60	\$12,103,599.27
Employees Compensable Leave	130,828,031.04	120,719,740.21
Other Post Employment Benefits (Note 11)	1,863,172,642.00	1,821,247,256.00
Pension Liability (Note 9)	898,361,344.00	965,213,562.00
Claims and Judgments	13,596,938.00	11,411,799.00
Notes and Loans Payable (Note 5)	411,307,000.00	270,529,000.00
Notes From Direct Borrowings (Note 5)	44,889,262.91	47,751,918.63
Bonds Payable (Note 6)	4,527,065,358.55	4,724,219,144.15
Assets Held in Trust	362,100.00	362,100.00
Liabilities Payable from Restricted Assets	24,053,793.77	10,137,393.28
Lease Liability (Note 8)	180,670,087.05	170,640,337.48
Right to Use Software Subscription Liability (Note 8)	36,721,714.28	9,320,179.13
Asset Retirement Obligations (Note 5)	13,326,635.27	13,326,635.27
Other Non-Current Liabilities	22,880,218.58	23,118,482.76
Total Non-Current Liabilities	\$8,178,187,713.05	\$8,200,101,147.18
Deferred Inflows of Resources (Note 28)		
Pension	\$44,135,652.00	\$73,445,773.00
Other Post Employment Benefits	1,166,907,119.00	1,431,360,344.00
Split-Interest Agreement	1,118,165.13	1,032,256.08
Lease Income	194,436,913.59	197,851,974.43
Public Private Partnership Asset	22,623,985.76	23,779,888.93
Total Deferred Inflows of Resources (Note 28)	\$1,429,221,835.48	\$1,727,470,236.44
Total Liabilities and Deferred Inflows	\$12,137,642,518.22	\$12,531,543,231.15
Net Position		
Net Investment in Capital Assets	\$3,238,878,581.34	\$2,368,525,633.36
Restricted for		
Capital Projects	687,835,214.93	841,838,129.05
Education	546,750,153.34	528,034,127.18
Endowment and Permanent Funds		
Nonexpendable	474,970,258.94	476,718,961.77
Expendable	465,092,381.46	465,238,531.78
Unrestricted	6,224,748,549.70	5,465,532,325.71
Total Proprietary Net Position (Exhibit IV)	\$11,638,275,139.71	\$10,145,887,708.85

The Accompanying Summary of Significant Accounting Policies and Notes to
Financial Statements are an integral part of this statement.

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Exhibit IV
The Texas A&M University System
Combined Proprietary Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year	Prior Year
Operating Revenues		
Tuition and Fees	\$1,992,736,600.55	\$1,924,048,753.49
Discounts and Allowances	(661,127,286.27)	(542,179,993.84)
Professional Fees	755,754.29	1,030,588.04
Auxiliary Enterprises	512,313,742.46	486,071,690.31
Discounts and Allowances	(79,242,206.98)	(66,229,537.38)
Other Sales of Goods and Services	490,880,009.32	414,356,604.87
Discounts and Allowances	(9,715,269.95)	(11,152,826.36)
Interest Revenue - Loans	716,142.76	752,130.96
Federal Revenue	759,031,426.31	766,104,484.89
Federal Pass Through Revenue	54,581,187.27	48,854,824.49
State Grant Revenue	7,652,504.17	6,685,716.76
State Pass Through Revenue	183,162,249.04	149,624,960.10
Other Grants and Contracts	280,549,999.88	321,874,184.18
Other Operating Revenue	129,955,673.52	144,395,816.18
Total Operating Revenues	\$3,662,250,526.37	\$3,644,237,396.69
Operating Expenses		
Instruction	\$1,576,819,782.48	\$1,499,163,753.40
Research	1,313,295,589.83	1,291,325,626.67
Public Service	1,845,429,844.96	1,487,152,988.96
Academic Support	653,510,977.99	617,106,911.49
Student Service	306,077,709.98	282,430,498.38
Institutional Support	531,372,971.43	433,159,867.87
Operation & Maintenance of Plant	455,714,323.53	412,821,783.12
Scholarships & Fellowships	250,429,566.61	295,956,651.76
Auxiliary	598,763,366.26	576,937,882.67
Depreciation / Amortization	582,260,767.29	586,407,632.07
Total Operating Expenses (Schedule IV-1)	\$8,113,674,900.36	\$7,482,463,596.39
Total Operating Loss	(\$4,451,424,373.99)	(\$3,838,226,199.70)
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$2,413,744,520.06	\$1,843,224,694.22
Federal Revenue	1,437,657,414.87	857,202,242.42
Federal Pass Through Revenue	161,026,477.46	25,829,734.81
State Pass Through Revenue	301,790,840.02	372,527,728.29
Gifts	345,762,124.26	283,196,995.99
Investment Income	693,613,959.44	1,068,460,789.30
Investing Activities Expense	(31,478,498.48)	(26,453,977.40)

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Exhibit IV
The Texas A&M University System
Combined Proprietary Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2025

	Current Year	Prior Year
Interest Expense	(\$209,910,800.59)	(\$197,250,330.38)
Borrower Rebates and Agent Fees	(2,513,843.41)	(2,262,903.51)
Gain (Loss) on Sale or Disposal of Capital Assets	696,867.87	(11,262,747.91)
Settlement of Claims	(1,529,358.10)	(4,238,071.32)
Other Nonoperating Revenues	43,844,230.50	62,407,448.41
Other Nonoperating Expenses	(87,095,790.17)	(57,464,044.96)
Total Nonoperating Revenues (Expenses)	\$5,065,608,143.73	\$4,213,917,557.96
Income Before Other Revenues and Transfers	\$614,183,769.74	\$375,691,358.26
Capital Contributions, Endowments and Transfers		
Capital Contributions	\$7,130,497.87	\$29,314,020.48
Capital Appropriation - Higher Education Fund	49,880,728.00	49,880,728.00
Additions to Permanent and Term Endowments	4,785,418.62	6,189,746.07
Transfers In		
Transfers From State Agencies	770,665,427.51	714,179,447.80
Transfers From State Agencies - Capital Assets	194,364.71	769,553.74
Transfers Out		
Transfers To State Agencies	(3,617,324.56)	(8,939,143.55)
Transfers To State Agencies - Capital Assets	(217,658.78)	(150,477.58)
Legislative Transfers - In	49,935,207.51	38,263,643.00
Legislative Appropriations Lapsed	(552,999.76)	1,083,229.72
Total Capital Contributions, Endowments and Transfers	\$878,203,661.12	\$830,590,747.68
Change in Net Position	\$1,492,387,430.86	\$1,206,282,105.94
Net Position, Beginning of Year	\$10,145,887,708.85	\$8,939,605,602.91
Net Position, End of Year (Exhibit III)	\$11,638,275,139.71	\$10,145,887,708.85

The Accompanying Summary of Significant Accounting Policies and Notes to
Financial Statements are an integral part of this statement.

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Schedule IV-1

The Texas A University System

Combined Proprietary Statement of NACUBO Function to Natural Classification Matrix
For the Year Ended August 31, 2025

	Instruction	Research	Public Service	Academic Support
Natural Classification				
Salaries and Wages	\$1,000,196,141.97	\$598,021,793.90	\$255,250,272.45	\$330,798,976.04
Payroll Related Costs	322,089,045.72	169,478,562.90	99,737,566.86	102,498,603.84
Cost of Goods Sold	1,396,652.35	531,004.08	278,554.99	588,356.45
Professional Fees and Services	94,063,811.03	126,350,181.08	159,816,201.11	66,348,098.36
Travel	22,332,513.71	28,685,319.05	11,383,912.23	9,853,735.71
Materials and Supplies	38,994,488.22	93,198,360.04	38,471,235.40	54,740,547.44
Communications and Utilities	5,040,821.79	14,975,500.32	10,399,081.61	12,342,179.71
Repairs and Maintenance	10,270,250.30	34,864,485.20	9,017,839.09	11,866,698.81
Rentals and Leases	27,513,069.88	24,427,679.08	52,892,148.13	20,047,112.81
Printing and Reproduction	2,412,005.56	4,374,642.16	2,551,862.61	1,997,050.29
Federal Pass Through	2,913,525.55	23,013,032.81	243,266,555.57	19,247.96
State Pass Through		630,471.66	7,247,132.51	
Depreciation and Amortization		0.00		
Bad Debt Expense			3,000,000.00	
Interest	16,455.24	41,431.35	32,083.77	18,131.92
Scholarships	3,364,960.90	44,950,398.97	1,225,548.39	2,584,173.53
Claims and Losses				
Other Operating Expenses	46,216,040.26	149,752,727.23	950,859,850.24	39,808,065.12
Total Proprietary Operating Expenses	\$1,576,819,782.48	\$1,313,295,589.83	\$1,845,429,844.96	\$653,510,977.99

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Schedule IV-1

The Texas A University System

Combined Proprietary Statement of NACUBO Function to Natural Classification Matrix
For the Year Ended August 31, 2025

	Student Service	Institutional Support	Operation & Maintenance of Plant	Scholarships & Fellowships
Natural Classification				
Salaries and Wages	\$131,779,223.87	\$219,699,419.47	\$45,800,212.26	\$26,480,681.53
Payroll Related Costs	49,749,221.66	92,209,108.82	18,586,046.02	3,198,774.92
Cost of Goods Sold	16,344.80	30,533.59	3,399.56	950.00
Professional Fees and Services	33,874,485.25	70,198,659.59	96,744,373.48	6,819,046.92
Travel	6,273,064.75	3,720,899.76	341,843.33	1,792,228.02
Materials and Supplies	21,574,084.01	14,808,545.76	18,728,860.46	1,735,667.87
Communications and Utilities	2,375,334.96	5,274,085.92	91,705,448.23	946,462.48
Repairs and Maintenance	4,506,630.11	13,958,383.09	140,088,242.91	432,613.45
Rentals and Leases	15,005,883.21	12,619,682.66	9,940,553.26	965,370.08
Printing and Reproduction	2,162,161.07	916,189.92	44,684.63	74,752.18
Federal Pass Through				
State Pass Through		525,522.59		512,577.91
Depreciation and Amortization				
Bad Debt Expense	727,551.62			
Interest	18,395.65	35,029.45	24,251.05	184.22
Scholarships	7,027,131.60	17,713,096.54	132,454.21	200,534,869.27
Claims and Losses	0.00	43,792,822.89		
Other Operating Expenses	30,988,197.42	35,870,991.38	33,573,954.13	6,935,387.76
Total Proprietary Operating Expenses	\$306,077,709.98	\$531,372,971.43	\$455,714,323.53	\$250,429,566.61

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Schedule IV-1

The Texas A University System

Combined Proprietary Statement of NACUBO Function to Natural Classification Matrix
For the Year Ended August 31, 2025

	Auxiliary	Depreciation / Amortization	Current Year	Prior Year
Natural Classification				
Salaries and Wages	\$160,201,193.14	\$0.00	\$2,768,227,914.63	\$2,575,405,999.43
Payroll Related Costs	37,502,098.82		895,049,029.56	843,063,178.14
Cost of Goods Sold	3,339,306.72		6,185,102.54	5,259,733.97
Professional Fees and Services	123,770,854.48		777,985,711.30	781,216,333.05
Travel	22,923,858.73		107,307,375.29	107,308,370.28
Materials and Supplies	30,318,195.97		312,569,985.17	367,785,760.19
Communications and Utilities	41,358,798.52		184,417,713.54	176,609,267.57
Repairs and Maintenance	42,497,033.81		267,502,176.77	248,624,400.79
Rentals and Leases	32,183,191.06		195,594,690.17	300,525,998.72
Printing and Reproduction	926,722.72		15,460,071.14	12,657,536.13
Federal Pass Through			269,212,361.89	162,021,942.83
State Pass Through			8,915,704.67	3,317,185.84
Depreciation and Amortization		582,260,767.29	582,260,767.29	586,407,632.07
Bad Debt Expense	0.00		3,727,551.62	537,330.15
Interest	41,858.69		227,821.34	232,100.69
Scholarships	17,856,243.93		295,388,877.34	338,667,715.27
Claims and Losses			43,792,822.89	41,999.83
Other Operating Expenses	85,844,009.67		1,379,849,223.21	972,781,111.44
Total Proprietary Operating Expenses	\$598,763,366.26	\$582,260,767.29	\$8,113,674,900.36	\$7,482,463,596.39

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Exhibit V
The Texas A&M University System
Combined Proprietary Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year	Prior Year
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$1,322,478,057.62	\$1,454,079,341.45
Proceeds Received From Customers	465,462,832.22	364,147,370.12
Proceeds From Grants and Contracts	1,282,082,880.11	1,326,332,047.30
Proceeds From Auxiliary Enterprises	442,294,837.99	426,373,483.39
Proceeds From Loan Programs	623,502,942.73	637,069,704.49
Proceeds From Other Operating Revenues	205,743,960.98	144,789,683.64
Payments to Suppliers for Goods and Services	(3,262,695,761.68)	(2,935,336,329.89)
Payments to Employees	(3,548,108,967.73)	(3,269,797,041.50)
Payments for Loans Provided	(623,128,794.94)	(641,522,756.93)
Payments for Other Operating Expenses	(804,907,068.88)	(597,561,828.97)
Net Cash Used By Operating Activities	(\$3,897,275,081.58)	(\$3,091,426,326.90)
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$1,955,285,834.92	\$1,757,742,642.73
Proceeds From Gifts	361,289,063.60	305,255,739.75
Proceeds From Endowments	4,785,418.62	6,189,746.07
Proceeds From Transfers From Other Funds	662,495,279.04	740,037,864.70
Proceeds From Other Grant Receipts	1,924,730,395.27	1,205,946,777.87
Proceeds From Other Noncapital Financing Activities	56,874,037.05	48,830,239.12
Payments for Transfers to Other Funds	(3,567,129.56)	(18,743,105.26)
Payments for Other Noncapital Financing Uses	(104,948,157.55)	(47,961,891.75)
Net Cash Provided By Noncapital Financing Activities	\$4,856,944,741.39	\$3,997,298,013.23
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$4,436,485.53	\$1,597,780.72
Proceeds From Debt Issuance	779,106,386.11	956,820,491.06
Proceeds From Interfund Payables	-	10,007,803.99
Proceeds From Other Financing Activities	935,713.19	28,282,147.69
Payments for Additions to Capital Assets	(1,358,999,035.05)	(920,150,736.05)
Payments of Principal On Debt	(837,059,131.85)	(613,865,951.75)
Payments for Leases/SBITA	(10,742,935.36)	(8,781,129.00)
Payments of Interest on Capital Debt and Other Obligations	(207,077,931.87)	(168,471,512.49)
Payments for Interfund Receivables	(1,151,011.67)	(1,551,196.61)
Payments of Other Costs On Debt Issuance	(2,513,843.41)	(3,592,937.89)
Net Cash Used By Capital & Related Financing Activities	(\$1,633,065,304.38)	(\$719,705,240.33)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$3,031,313,005.23	\$2,769,437,574.47
Proceeds From Interest and Investment Income	262,850,739.48	270,810,874.80
Payments to Acquire Investments	(3,031,761,190.20)	(2,762,961,893.23)
Net Cash Provided By Investing Activities	\$262,402,554.51	\$277,286,556.04
Net Increase (Decrease) In Cash and Cash Equivalents	(\$410,993,090.06)	\$463,453,002.04
Proprietary Cash and Cash Equivalents, Beginning of Year	\$ 2,834,959,422.84	\$2,371,506,420.80
Proprietary Cash and Cash Equivalents, End of Year (Schedule Three)	\$2,423,966,332.78	\$2,834,959,422.84

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Exhibit V
The Texas A&M University System
Combined Proprietary Statement of Cash Flows
For the Year Ended August 31, 2025

	Current Year	Prior Year
Reconciliation of Operating Loss to Net Cash Used By Operating Activities		
Operating Loss	(\$4,451,424,373.99)	(\$3,838,226,199.70)
Adjustments to Reconcile Operating Loss to Net Cash Used By Operating Activities		
Amortization and Depreciation	\$582,260,767.29	\$586,407,632.07
Bad Debt Expense	13,691,689.20	9,611,806.97
Pension Expense	142,570,843.00	176,508,587.00
OPEB Expense	69,023,035.00	68,337,135.00
Changes In Assets and Liabilities		
(Increase) Decrease In Receivables	(12,823,544.95)	20,859,048.02
(Increase) Decrease In Due From Agencies/Funds	(16,721,663.29)	(737,783.52)
(Increase) Decrease In Inventories	(386,619.26)	(4,442,457.43)
(Increase) Decrease In Prepaid Expenses	(13,818,061.96)	(4,579,261.93)
(Increase) Decrease In Loans and Contracts	9,637,588.95	(2,999,965.60)
(Increase) Decrease In Other Assets	1,447,803.43	(2,734,855.81)
(Increase) Decrease In Deferred Outflows - Pensions	146,859,529.00	(68,468,637.00)
(Increase) Decrease In Deferred Outflows - OPEB	245,366,333.00	(97,070,126.00)
Increase (Decrease) In Payables	50,678,973.05	(6,707,704.87)
Increase (Decrease) In Due to Other Agencies/Funds	(158,296,681.85)	(61,506,050.54)
Increase (Decrease) In Unearned Revenue	18,087,798.94	105,043,900.48
Increase (Decrease) In Deposits	(1,226,947.72)	518,645.39
Increase (Decrease) In Employees Compensable Leave	9,109,560.04	10,414,866.04
Increase (Decrease) In OPEB Liability	(29,517,088.00)	(453,158,515.00)
Increase (Decrease) In Pension Liability	(209,423,061.00)	101,090,162.00
Increase (Decrease) In Self Insured Accrued Liability	6,898,851.00	(1,875,107.00)
Increase (Decrease) In Other Liabilities	49,335.79	2,266,329.48
Increase (Decrease) In Deferred Inflows - Pensions	(29,310,121.00)	(116,334,373.00)
Increase (Decrease) In Deferred Inflows - OPEB	(264,453,225.00)	493,844,040.00
Increase (Decrease) in Deferred Inflows of Resources – Leases	(5,555,801.25)	(7,487,441.95)
Total Adjustments	\$554,149,292.41	\$746,799,872.80
Net Cash Used By Operating Activities	(\$3,897,275,081.58)	(\$3,091,426,326.90)
Non-Cash Transactions		
Donation of Capital Assets	\$7,130,497.87	\$29,314,020.48
Net Change In Fair Value of Investments	102,465,231.26	649,630,815.00
Amortization of Bond Premiums and Discounts	31,277,877.59	22,206,412.44
Borrowing Under Lease Purchase	84,254,942.28	21,980,860.81
Other	59,106,814.55	(1,754,485.00)

The Accompanying Summary of Significant Accounting Policies and Notes to
Financial Statements are an integral part of this statement.

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Exhibit VI
The Texas A&M University System
Combined Statement of Fiduciary Net Position - Custodial Funds
For the Year Ended August 31, 2025

	Current Year	Prior Year
Assets		
Cash and Cash Equivalents (Schedule Three-F)	\$947,185.59	\$1,295,364.92
Investments (Note 3)	0.00	1,970,940.91
Restricted Cash and Cash Equivalents		
Cash and Cash Equivalents (Schedule Three-F)	48,357,575.40	40,995,403.17
Investments (Note 3)	479,028,342.33	422,700,456.75
Receivables, Net (Note 24)		
Interest and Dividends	1,267,713.41	1,024,403.32
Gifts	47,084,394.71	46,934,516.40
Student	1,444,534.45	1,416,669.02
Accounts	1,467,294.92	590,710.43
Investment Trades	236,529.15	691,125.50
Other		411,739.08
Other Assets		12,452.05
Total Assets	\$579,833,569.96	\$518,043,781.55
Liabilities		
Payables (Note 24)		
Accounts	\$1,710,667.81	\$1,280,682.05
Investment Trades	573,858.23	767,610.47
Other	3,602,871.71	345,422.20
Other Liabilities	5,715,823.75	5,511,537.94
Total Liabilities	\$11,603,221.50	\$7,905,252.66
Net Position		
Restricted for		
Individuals, Organizations, & Other Entities	\$568,230,348.46	\$510,138,528.89
Total Fiduciary Net Position (Exhibit VII)	\$568,230,348.46	\$510,138,528.89

The Accompanying Summary of Significant Accounting Policies and Notes to
Financial Statements are an integral part of this statement.

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Exhibit VII
The Texas A&M University System
Combined Statement of Changes in Fiduciary Net Position - Custodial Funds
For the Year Ended August 31, 2025

	Current Year	Prior Year
Additions		
Contributions		
Contributions from Foundations/Alumni Associations	\$17,372,665.73	\$18,824,205.67
Contributions from External Entities to Student Organizations	4,418,688.35	4,184,142.11
Contributions from Other Organizations	383,261.67	374,486.36
Total Contributions	\$22,174,615.75	\$23,382,834.14
Investment Income		
Interest/Dividends/Other Income	\$9,318,209.17	\$8,289,571.73
Realized Gain Sale of Investments	16,765,608.27	3,243,453.72
Net Increase (Decrease) in Fair Value of Investments	17,423,348.40	38,389,228.76
Total Investment Income	\$43,507,165.84	\$49,922,254.21
Less: Investment Activity Costs	(2,944,120.29)	(2,180,528.42)
Total Net Investment Income	\$40,563,045.55	\$47,741,725.79
Other Additions		
Receipts for Sales Revenue from Public Private Partnerships	\$13,821,127.29	\$13,126,528.95
Receipts for Dues and Event Revenues from Student Organizations	17,811,381.39	16,907,920.84
Receipts from Other Organizations	18,198,378.01	1,980,193.26
Miscellaneous Additions	2,363,764.17	2,657,317.99
Total Other Additions	\$52,194,650.86	\$34,671,961.04
Total Additions	\$114,932,312.16	\$105,796,520.97
Deductions		
Payments of Operational Costs for Public Private Partnerships	\$12,393,928.76	\$8,753,879.72
Payments of Operational and Event Costs for Student Organizations	22,246,136.31	18,461,555.74
Payments of Operational Costs for Foundations/Alumni Associations	18,125,368.40	17,421,159.95
Miscellaneous Deductions	4,075,059.12	4,229,453.75
Total Deductions	\$56,840,492.59	\$48,866,049.16
Net Increase in Fiduciary Net Position	\$58,091,819.57	\$56,930,471.81
Net Position, Beginning of Year	\$510,138,528.89	\$453,208,057.08
Fiduciary Net Position, End of Year (Exhibit VI)	\$568,230,348.46	\$510,138,528.89

The Accompanying Summary of Significant Accounting Policies and Notes to
Financial Statements are an integral part of this statement.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Notes to the Combined Financial Statements

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the A&M System are prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) pronouncements, the requirements of the Texas Comptroller of Public Accounts, and the guidelines from the National Association of College and University Business Officers.

Financial Reporting Structure, Basis of Accounting and Measurement Focus

Proprietary Funds

For financial reporting purposes, the A&M System is considered a special-purpose government engaged in business-type activities for the State of Texas Annual Comprehensive Financial Report (ACFR). Accordingly, the A&M System's proprietary financial statements are presented using the economic resources measurement focus and the full accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation is incurred. Operating items are distinguished from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with ongoing operations.

Fiduciary Funds

The A&M System is a fiduciary entity for several different types of custodial funds. These fiduciary activities are reported separately from other financial activities since the A&M System cannot access the assets to finance its operations. The A&M System's fiduciary responsibilities include ensuring assets reported in these funds are secure and outflows occur based upon the custodial entity's intended purposes. Fiduciary funds also use the economic resources measurement focus and the full accrual basis of accounting; additions are recognized in the reporting period they are earned, and deductions are recognized in the reporting period they are incurred.

The A&M System reports on several types of fiduciary custodial funds: investments held for other non-A&M institutions, student organizations, foundation/alumni associations, public private partnerships and other.

Assets

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash and cash equivalents. With the exception of residual cash which results from the management of investment portfolios, the A&M System maintains cash and cash equivalents for the purpose of meeting short-term disbursement requirements.

Investments

Current and non-current investments are reported at fair value. Fair value is defined as the price received if an investment were sold in an orderly transaction between market participants at the measurement date. Measuring fair value requires gathering information, or inputs, about the asset or liability being measured. The fair value hierarchy categorizes the inputs used to measure fair value into three levels. Level 1 inputs

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

are quoted prices in active markets for assets or liabilities identical to the ones being measured, Level 2 inputs are observable for similar assets or liabilities, and Level 3 inputs are unobservable inputs.

The notes to the financial statements disclose the input levels used to determine fair value, and also display the deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Current Assets

On the proprietary Statement of Net Position, items classified as current are defined as resources expected to be realized or consumed within one year.

Receivables

Receivable balances are grouped into several receivable categories. Accounts receivable reflect amounts owed for goods and services provided, or the value of a Public Private Partnership (P3) Asset to be transferred. Refer to Note 27 - Public-Private and Public-Public Partnerships for additional details.

Self-insured health and dental receivable represents August premiums for the A&M System's self-insured arrangement for group health and dental plan insurance coverage. The investment trades category reports pending security sales which have been traded and not settled as of the end of the reporting period. Other receivables include items such as travel advances, returned checks, and various items accrued.

Receivable balances are presented net of an allowance for uncollectible accounts. The allowance is based on management's judgment of potential uncollectible amounts, which includes such factors as historical experience and type of receivable. Refer to Note 24 - Disaggregation of Receivable and Payable Balances, for additional details.

Lease Receivables

Lease receivables are recorded by the A&M System as the present value of lease payments expected to be received under leases meeting the \$100,000 threshold per contract excluding short-term. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short-term leases, those with a maximum period of 12 months, are recognized as collected. Additional details are provided in Note 8 – Leases.

Other Assets

Balances reported as Other Assets consist mostly of prepaid expenses along with other miscellaneous deposit balances. The Other Assets reported in the Non-Current section include the A&M System's share of a split interest agreement.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Livestock held for educational purposes is recorded at estimated fair value. The capitalization threshold for personal property is \$5,000; this threshold will change to match the federal threshold for several members in fiscal year 2026. The capitalization threshold is \$100,000 for buildings and building improvements, facilities and other improvements, purchased software, land use rights with terms, and leasehold improvements. Infrastructure has a capitalization threshold of \$500,000. Internally developed software has a capitalization threshold of \$1,000,000. All land, land improvements, permanent land use rights, library books/materials, museums/collections, and works of art/historical treasures are capitalized.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets; generally, 10 to 30 years for buildings and building improvements, 10 to 45 years for infrastructure, 4 to 15 years for equipment, and 15 years for library books.

Right-to-Use-Assets

Right-to-Use (RTU) assets represent the right to use another entity's nonfinancial asset (building, land, equipment, subscription software, etc.) for a specified period of time as defined in the lease contract. RTU assets and the related lease liability are recognized at the lease commencement date and measured based on the present value of future lease payments. The minimum threshold for capitalizing RTU assets is based on the net present value of future payments, \$100,000 per unit for leases (building, land, equipment) and \$500,000 per contract for software-based information technology arrangements (SBITA).

Liabilities

Payables

Payable balances are grouped into various payable categories on the Statement of Net Position. Accounts payable represents the liability for the value of assets or services received, as of the date of the financial statements, for which payment is pending. Payroll payable includes accrued salary, wages, and benefits. The investment trades category reports pending security purchases traded and not settled as of the end of the reporting period. Self-insured health and dental payable represents a liability for self-insured group health and dental insurance plan coverage. Other payables include a variety of items, including payables for investment manager fees, sales taxes, and student liabilities.

Lease Liabilities

Lease liabilities represent the A&M System's obligation to make lease payments arising from leases meeting the \$100,000 threshold per RTU asset, excluding short-term leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments is discounted based on a borrowing rate determined by the A&M System. Short-term leases, those with a maximum period of 12 months, are expensed as incurred. Additional details are provided in Note 8 - Leases and Software Subscriptions.

Software Subscriptions

Subscription-Based Information Technology Arrangements (SBITA) are contracts that involve control over the right to use another party's IT software or IT software combined with tangible capital assets for a specified period. Software subscription liabilities represent the A&M System's obligation to make software payments arising from contracts meeting the \$500,000 threshold per contract, excluding short-term contracts with a term of less than 12 months

Software subscription liabilities are recognized at the commencement date based on the present value of future payments over the remaining term of the contract. The present value of future payments is discounted based on a borrowing rate determined by the A&M System. Short-term leases, those with a maximum period of 12 months, are expensed as incurred. See Note 8 - Leases and Software Subscriptions for additional details.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Asset Retirement Obligations (AROs)

An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. AROs result from the normal operations of tangible capital assets and include legally enforceable liabilities associated with the asset's retirement, disposal, and any associated environmental remediation. The A&M System is reporting AROs related to radioactive material licenses and nuclear research facilities, as detailed in Note 5 - Long-Term Liabilities.

Notes from Direct Borrowings

Notes from Direct Borrowings are reported in the liabilities section of the proprietary Statement of Net Position and represent debt from contractual obligations to make one or more payments over time to settle a contractual obligation. For the A&M System, this is for financed purchases for capital assets. See Note 5 - Long-Term Liabilities for additional details.

Pension Liability, and related Deferred Outflows and Deferred Inflows of Resources

The pension values provided by the Texas Comptroller's Office define the Texas A&M System's proportional share of the Teacher Retirement System of Texas (TRS) unfunded pension liability. TRS is a public employee retirement system (PERS) which is a multiple-employer, cost sharing, defined benefit pension plan. The plan is administered through a trust. For more information, see Note 9 - Pension Plans and Optional Retirement Program.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS plan and additions to/deductions from TRS' fiduciary net position have been determined on the full accrual basis. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other Post-Employment Benefits (OPEB), and related Deferred Outflows and Deferred Inflows of Resources

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees in accordance with State statutes. These benefits are provided to the A&M System's retirees under the A&M System group insurance program, which is a single-employer defined benefit Other Post-Employment (OPEB) plan. The State contributes to the cost of each participant's insurance coverage.

The total current and non-current OPEB liability, deferred outflows of resources and deferred inflows of resources is measured based on a calculation prepared by the A&M System's actuary. For more information, see Note 11 – Postemployment Health Care and Life Insurance Benefits.

Unearned Revenue

The A&M System members record receivables when revenue is earned but not collected. Unearned revenue is recognized when cash is received prior to revenue recognition and is considered a liability.

Deferred Outflows of Resources and Deferred Inflows of Resources

The proprietary Statement of Net Position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period, and have a positive effect on net position, similar to assets. Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period, and have a negative effect on net position, similar to liabilities.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Revenues and Expenses

Operating revenues include activities such as student tuition and fees, net sales and services of auxiliary enterprises, and most federal, state and local grants and contracts. Operating expenses include salaries and wages, payroll related costs, professional fees and services, materials and supplies, and scholarships.

Nonoperating revenues include activities such as State appropriations, gifts and contributions, investment income and other revenue sources which are defined as nonoperating revenues by the GASB (Governmental Accounting Standards Board). Nonoperating expenses include activities such as interest expense on capital asset financing, and other expenses.

Net Position

Net Position is the difference between assets plus deferred outflows of resources, less liabilities plus deferred inflows of resources.

Net Investment in Capital Assets

Net investment in capital assets, consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bond, notes and other debt attributed to the acquisition, construction or improvement of those assets.

Restricted Net Position

Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted assets are available for use, restricted resources are used first, then unrestricted resources are used as needed.

Unrestricted Net Position

Unrestricted net position consists of net resources not meeting the definition of the two preceding categories. Unrestricted net position balances often have constraints on resources imposed by legislation or management.

Other Significant Accounting Policies

The combined financial statements for the A&M System include the proprietary and fiduciary financial statements of each member of the A&M System, including the A&M System Offices, as well as the Texas A&M Research Foundation (Research Foundation). Due to/from, transfers, federal and state pass throughs between A&M System members have been eliminated.

Certain operations provide goods and services to internal customers. These operations include activities such as self-insured programs, repairs & maintenance, utilities, computer services, and other services with interdepartmental activities. The revenues were eliminated to the extent of expenses for these internal transactions in the proprietary Statement of Revenues, Expenses, and Changes in Net Position to avoid inflating revenues and expenses. Receivables and payables between A&M System members were eliminated except those arising from service department operations and auxiliary enterprises, which are considered to be exchange in nature.

An endowment appreciation reserve was created in the fiscal year 1997 for the purpose of providing a consistent and predictable income stream for the System Endowment Fund. The appreciation reserve is administered by the A&M System Offices. All realized gains and losses are deposited to or funded from

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

the appreciation reserve, and distributions from the reserve are used to supplement current income when the income received is insufficient to meet the required distribution in accordance with the System Endowment Fund spending policy.

GASB Statement Implementations in Fiscal Year 2025

GASB Statement 101, *Compensated Absences*, is effective for fiscal year 2025. This statement updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

A liability should be recognized when the leave is attributable to services already rendered, the leave accumulates and is carried forward to a future reporting period, **and** the leave is “*more likely than not*” (MLTN) to be used for time off or otherwise paid in cash or settled through noncash means.

For the A&M System, full-time State employees earn eight to twenty-one hours per month annual leave depending on years of State employment. Under the State's policy, an employee with 35 or more years of State service may carry up to 532 hours accrued leave forward from one fiscal year to another. All unused annual leave is paid upon termination, the amounts of these liabilities and the related benefits are reported as a liability on the statement of net position. There is no change with GASB 101 implementation.

The A&M sick leave benefit was analyzed for GASB 101 impacts. Sick leave policy states leave is earned each month and carries forward without limits; any unused sick leave is **not** paid upon termination. To determine the liability, an estimate is required on how much leave is “more likely than not” to be used. GASB defines MLTN as a likelihood of more than 50 percent. For financial accounting and reporting purposes, leave taken comes first out of hours earned in the current reporting period, also known as the last in first out (**LIFO**) **flows assumption**, with calculations made at the end of the reporting period. Under LIFO the employee uses the current reporting period hours earned before using the accumulated balance from prior fiscal years.

If the total sick leave hours used do not exceed hours earned in the current reporting period, **no** liability is recognized. However, if the sick leave liability decreases because employees use more leave than is accrued for the current reporting period, a liability is calculated and recognized.

Based on the A&M System’s sick leave data for fiscal year 2025, the sick leave hours used **do not** exceed the sick leave hours earned. Based on this review, **no sick leave liability** accrual is reported for fiscal year 2025. An annual review will be performed to determine if a liability accrual is required.

Upcoming Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*, effective fiscal year 2026, improves key components of the financial reporting model to enhance its effectiveness in providing information essential for decision making. New or modified information requirements relate to MD&A, unusual or infrequent items, and changes to the presentation of proprietary fund statement including a new section for “Noncapital Subsidies” which will include State Appropriations and Federal Revenue.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective fiscal year 2026, provides essential information about certain types of capital assets by requiring separate disclosure and additional disclosures for capital assets held for sale.

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Federal Government Impact

During 2025, U.S. colleges and universities were subjected to numerous federal policy and regulatory changes affecting federally funded research and other programs. While management continues to closely monitor these actions, the A&M System is not aware of any significant loss of funding or pending investigations which would have a material financial statement impact.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 2 - Capital Assets

The proprietary fund summary of changes in Capital Assets for the year ended August 31, 2025 is presented below.

Capital Asset Activity							
	Beginning Balance	Adjustments	Completed CIP	Interagency Transactions	Additions	Deletions	Ending Balance
Non-Depreciable/Amortizable Assets							
Land and Land Improvements	\$ 271,832,830.72	\$ -		\$ -	\$ 48,956,242.01	\$ (94,413.03)	\$ 320,694,659.70
Construction in Progress	1,639,498,562.66	144,429.00	(244,507,640.06)	-	1,140,206,737.03	(253,758.31)	2,535,088,330.32
Other Tangible Capital Assets	73,880,466.90	-		-	940,600.94	(19,199,466.00)	55,621,601.84
Land Use Rights	119,070.00	-	-	-	-	-	119,070.00
Non-Depreciable/Amortizable Assets	1,985,330,930.28	144,429.00	(244,507,640.06)	-	1,190,103,579.98	(19,547,637.34)	2,911,523,661.86
Depreciable Assets							
Buildings	8,640,717,441.68		157,843,797.72		27,860,526.63	(21,030,674.34)	8,805,391,091.69
Infrastructure	1,157,868,471.48	-	31,815,324.15	-	525,167.55	(6,859.58)	1,190,202,103.60
Facilities and Other Improvements	1,164,047,811.75	-	42,253,463.65	-	4,855,311.50	(558,773.33)	1,210,597,813.57
Furniture and Equipment	1,334,381,230.27	14,469.43	12,022,297.42	76,724.86	109,607,225.49	(43,306,276.50)	1,412,795,670.97
Vehicles, Boats and Aircraft	204,818,589.26	(144,429.00)	572,757.12		24,201,235.82	(6,821,936.46)	222,626,216.74
Other Capital Assets	218,963,097.61			-	7,142,023.82	(5,093,007.06)	221,012,114.37
Total Depreciable Assets	12,720,796,642.05	(129,959.57)	244,507,640.06	76,724.86	174,191,490.81	(76,817,527.27)	13,062,625,010.94
Less Accumulated Depreciation							
Buildings	(4,524,098,190.95)		-		(329,006,813.97)	15,954,333.37	(4,837,150,671.55)
Infrastructure	(636,176,889.44)	-	-	-	(43,900,254.83)	-	(680,077,144.27)
Facilities and Other Improvements	(540,488,534.67)	-	-	-	(43,646,826.40)	283,902.41	(583,851,458.66)
Furniture and Equipment	(985,224,096.23)	(14,469.43)	-	(100,018.93)	(93,109,399.34)	35,956,121.61	(1,042,491,862.32)
Vehicles, Boats and Aircraft	(143,219,020.94)		-		(15,513,389.53)	5,643,801.36	(153,088,609.11)
Other Capital Assets	(172,836,098.18)		-	-	(7,061,796.48)	4,196,771.28	(175,701,123.38)
Total Accumulated Depreciation	(7,002,042,830.41)	(14,469.43)	-	(100,018.93)	(532,238,480.55)	62,034,930.03	(7,472,360,869.29)
Depreciable Assets, Net	5,718,753,811.64	(144,429.00)	244,507,640.06	(23,294.07)	(358,046,989.74)	(14,782,597.24)	5,590,264,141.65
Amortizable Assets - Intangible							
Land Use Rights	255,457.00	-	-	-	-	-	255,457.00
Computer Software	134,488,581.65	-		-	538,682.00	(600,533.83)	134,426,729.82
Total Intangible Assets- Amortizable	134,744,038.65	-	-	-	538,682.00	(600,533.83)	134,682,186.82
Less Accumulated Amortization							
Land Use Rights	(255,457.00)	-	-	-	-	-	(255,457.00)
Computer Software	(123,544,295.25)	-	-	-	(3,948,623.95)	600,533.83	(126,892,385.37)
Total Accumulated Amortization	(123,799,752.25)	-	-	-	(3,948,623.95)	600,533.83	(127,147,842.37)
Amortizable Intangible Assets, Net	10,944,286.40	-	-	-	(3,409,941.95)	-	7,534,344.45
Total Capital Assets, Net	\$7,715,029,028.32	\$ -	\$ -	\$ (23,294.07)	\$ 828,646,648.29	\$ (34,330,234.58)	\$ 8,509,322,147.96

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**The Texas A&M University System
Notes to the Combined Financial Statements
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Capital Asset Activity-Continued								
	Beginning Balance	Adjustments	Completed CIP	Interagency Transactions	Additions	Deletions	Ending Balance	
Right-to-Use Assets								
RTU-Land and Land Improvements	\$ 5,154,781.35	\$ -	\$ -	\$ -		\$ -	\$	5,154,781.35
RTU-Building and Building Improvements	227,357,536.58	418,385.14	-	-	34,442,426.96	(2,714,950.40)		259,503,398.28
RTU-Equipment	2,090,180.98	-	-	-				2,090,180.98
RTU-Software Subscription	70,131,581.11				47,303,626.28	(4,963,604.42)		112,471,602.97
Total Right-to-Use Assets	304,734,080.02	418,385.14	-	-	81,746,053.24	(7,678,554.82)		379,219,963.58
Less Accumulated Amortization for RTU Assets								
RTU-Land and Land Improvements	(176,329.50)	-	-	-	(268,442.40)	-		(444,771.90)
RTU-Building and Building Improvements	(53,146,784.66)	(418,385.14)	-	-	(24,509,806.69)	2,474,885.97		(75,600,090.52)
RTU-Equipment	(803,987.88)		-	-	(412,237.56)			(1,216,225.44)
RTU-Software Subscription	(35,616,228.25)	-	-	-	(20,883,176.14)	4,963,604.42		(51,535,799.97)
Total Accumulated Amortization- RTU Assets	(89,743,330.29)	(418,385.14)	-	-	(46,073,662.79)	7,438,490.39		(128,796,887.83)
Right-to-Use Assets, Net	\$ 214,990,749.73	\$ -	\$ -	\$ -	\$ 35,672,390.45	\$ (240,064.43)	\$	250,423,075.75
Total Capital and Right-to-Use Assets, Net	\$7,930,019,778.05	\$ -	\$ -	\$ (23,294.07)	\$ 864,319,038.74	\$ (34,570,299.01)	\$	8,759,745,223.71

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Note 3 - Deposits, Investments and Repurchase Agreements

The *Texas Education Code*, Title III, Chapter 51.0031 grants authority for a governing board to invest funds under prudent person standards “if a governing board has under its control at least \$25 million in book value of endowment funds.”

The A&M System’s investment policy authorizes the following types of investments: U.S. Government obligations, U.S. Government Agency obligations, other government obligations, corporate obligations, equity, international obligations, international equity, certificates of deposit, banker’s acceptances, negotiable certificates of deposit, money market mutual funds, mutual funds, repurchase agreements, venture capital, private equity, hedge funds, Real Estate Investment Trusts (REITs), securities lending, derivatives, timber, bank loans, energy and real estate.

Deposits of Cash in Bank

Cash in bank consists of all cash in local and foreign banks. These amounts are reported on the Proprietary and Fiduciary Combined Statements of Net Position as part of the “Cash and Cash Equivalents” line items. The table below summarizes cash balances as of August 31, 2025.

Cash in Bank		
Balance	Proprietary Funds	Fiduciary Funds
Bank Balance	\$9,893,388.61	\$348,027.67
Carrying Amount	\$9,131,447.29	\$348,027.67

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The A&M System’s policy requires collateral of 102% pledged against all deposits and limits the amounts of funds which may be deposited with any bank to the lesser of \$100,000,000 or 10% of total deposits. The A&M System regulation applicable to working fund bank accounts requires the Chancellor, or designee, to approve a working fund in any bank with which the A&M System does not have a depository agreement. As permitted by the Texas Education Code, Title III, Chapter 51.003, the A&M System maintained foreign bank accounts to accommodate operational needs for educational programs in Qatar. During fiscal year 2025, the A&M System held bank accounts in Doha, Qatar for the operation of Texas A&M University at Qatar and Texas A&M Engineering Experiment Station research centers that have locations in Qatar. The daily average exposure during fiscal year 2025 was \$832,798.22. No appropriated or tuition funds other than those collected from students enrolled in the affected programs are deposited with the foreign bank. The funds held in Qatar were not insured or collateralized. As of August 31, 2025, the balance was \$522,438.64 all of which is proprietary and included in the Bank Balances Exposed to Custodial Credit Risk table on the following page.

Incidental amounts of various foreign currencies are temporarily held through Bank of New York (BNY), its foreign branches, and/or foreign subcustodian banks. These amounts represent funds related to trade settlement, interest, and/or dividend payments received in foreign currencies that are not yet converted to U.S. dollars. Such deposits of foreign currency are not insured or collateralized and are subject to custodial risk and the risk of fluctuations in exchange rates. As of August 31, 2025, uncollateralized foreign currency

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held by or through BNY included proprietary funds of \$227,766.83 and fiduciary funds of \$15,261.91. These amounts are included in the Bank Balances Exposed to Custodial Credit Risk table below.

Funds received by the A&M System's investment custodian after the cut-off time for investment in the money market fund (due to late wire deposits and/or failed transactions) remain as cash and are not invested until the following business day. For each occurrence during fiscal year 2025, the first \$250,000.00 of uninvested cash was insured by the FDIC. All balances in excess of the FDIC coverage, were fully collateralized by pledged securities held in a separate pool by the pledging financial institution, BNY. As of August 31, 2025, the uninvested cash balance included \$3,490,280.22 of proprietary funds and \$174,029.79 of fiduciary funds, of which \$250,000.00 was covered by FDIC insurance and the remaining was collateralized as described above.

The bank balances (including foreign currency balances), exposed to custodial credit risk as of August 31, 2025, are presented in the table below.

Bank Balances Exposed to Custodial Credit Risk	
	Uninsured and Uncollateralized
Proprietary Funds	\$750,205.47
Fiduciary Funds	\$15,261.91

Foreign currency risk for deposits is the risk that changes in exchange rates will adversely affect the deposits. The A&M System does not have a deposit policy for foreign currency risk. The exposure to foreign currency risk for deposits as of August 31, 2025, is presented in the following table.

Bank Balances Exposed to Foreign Currency Risk		
Currency	Proprietary Funds	Fiduciary Funds
Brazilian Real	\$ 116,563.63	\$ 7,802.12
Qatar Riyal	522,438.64	-
South Koren Won	111,203.20	7,459.79
Total	<u>\$ 750,205.47</u>	<u>\$ 15,261.91</u>

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Investments

Investments are presented according to the hierarchy of inputs used to measure fair value.

- Level 1 has been assigned to investments for which quoted prices (unadjusted) are available for identical assets in active markets on the measurement date. These assets include equities (common stock, listed ADRs and listed preferred stock), exchange-traded mutual funds, exchange-traded options, money market funds and U.S. Treasury securities.
- Level 2 has been assigned to investments for which there are inputs, other than quoted prices, that are observable for an asset or liability, either directly or indirectly. These assets include cash equivalents, collateralized mortgage obligations, corporate bonds, mortgage-backed securities, municipal bonds, non-exchange traded options, short-term obligations, U.S. agency securities.
- Level 3 has been assigned to assets to which there are unobservable inputs. Examples of these assets are certain commingled funds and private equity partnerships (discussed below).

The net asset value per share (NAV), or its equivalent, may be used for an investment that does not have a readily determined fair value, provided the NAV is calculated consistent with the Financial Accounting Standards Board's (FASB) measurement principles for investment companies. The NAV is commonly used for certain alternative investments (such as private equity funds, hedge funds and certain commingled funds). The A&M System invests in private investments and limited partnerships including hedge funds, private equity, commingled funds, venture capital, natural resources, energy, and real estate. The fair value of these investments is based on the investment manager determined NAV as allowed by the standard. The valuations at the date provided by the investment managers have been adjusted by rolling forward to August 31, 2025, to include the following events: capital contributions or distributions since the most recent investment manager valuation date reported to the A&M System, changes in the composition of assets or liabilities reported by the investment manager since the valuation date of the NAV, and fair value changes of assets or liabilities reported since the investment manager valuation date. In the case of certain hedge funds, the A&M System has adjusted the reported July 31, 2025, NAV by the estimated performance as of August 31, 2025, as reported by the investment manager and by any cash inflows and outflows since the investment manager valuation date.

The repurchase agreements held by Texas Treasury Safekeeping Trust Company (TTSTC) are reported at amortized cost.

Mineral rights held for the purpose of generating income are reported at fair value based on three times the previous twelve months of income. The fair value reported as of August 31, 2025, is \$98,573,279.58 (\$98,547,399.54 Proprietary and \$25,880.04 Fiduciary).

The A&M System invests in private equity technology partnerships through A&M System Technology Commercialization. The fair value of these investments is estimated based on the cost (pro-rata share of contributed capital based on percentage ownership in the company) or 3rd party pricing of stock (based on fund raising). Adjustments are made for impairments, such as the termination of a license agreement or inactivity of the company. The fair value reported as of August 31, 2025, is \$4,693,660.12, all of which is proprietary.

Texas Woman's University (TWU) invests in the A&M System investment pools as authorized by Chapter 51.0031 of the Texas Education Code. As of August 31, 2025, the A&M System Cash Concentration Pool

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and System Endowment Fund included investments valued at \$259,961,907.76 for TWU. These amounts are categorized as fiduciary funds.

The following tables display the fair value of investments as of August 31, 2025, as reported in the financial statements and detailed by investment type. The investment type table includes categories to show the level of inputs used in determining the fair value of investments.

Proprietary Investments per Financial Statements

Schedule of Cash & Cash Equivalents

Cash Equivalents	\$ 742,127,117.16
Restricted Cash Equivalents	187,217,125.35

Statement of Net Position

Non-Current Investments	5,742,645,800.61
Non-Current Restricted Investments	1,346,800,245.89
Total Investments	<u>\$ 8,018,790,289.01</u>

Fiduciary Investments per Financial Statements

Schedule of Cash & Cash Equivalents

Cash Equivalents	\$ 944,671.95
Restricted Cash Equivalents	48,002,061.37

Statement of Net Position

Investments	
Restricted Investments	479,028,342.33
Total Investments	<u>\$ 527,975,075.65</u>

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Proprietary Funds - Investment Fair Value						
Investment Type	Fair Value Hierarchy					Total Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	
U.S. Treasury Securities	\$ 356,150,170.70	\$ -	\$ -	\$ -	\$ -	\$ 356,150,170.70
U.S. Treasury Stripes	6,183,066.64					6,183,066.64
U.S. Treasury TIPS	3,736,612.17		-	-	-	3,736,612.17
U.S. Government Agency Obligations	-	384,526,519.53	-	-	-	384,526,519.53
Corporate Obligations	-	566,347,443.66	98,077,005.13	-	-	664,424,448.79
Corporate Asset and Mortgage Backed Securities	-	240,173,228.11	-	-	-	240,173,228.11
U.S. Equity	1,230,277,305.26	-	-	-	-	1,230,277,305.26
International Obligations	-	241,316,461.76	4,211,947.90	-	-	245,528,409.66
International Equity	652,174,018.33	-	-	-	-	652,174,018.33
Repurchase Agreements - TTSTC	-	-	-	404,560.70	-	404,560.70
Fixed Income Money Market & Bond Mutual Fund	1,035,514,760.96	-	-	-	-	1,035,514,760.96
Mutual Funds - U.S. Equity	61,271.38	-	-	-	-	61,271.38
Mutual Funds - International Equity	19,801.49	-	-	-	-	19,801.49
Other Commingled Funds - Fixed Income	57,300,374.79	-		-	-	57,300,374.79
International Other Commingled Funds - Equity	728,217,403.04	-	322,197,111.37	-		1,050,414,514.41
Real Estate - Mineral Rights	-	-	98,547,399.54	-	-	98,547,399.54
Alternative Investments - Hedge Funds						
Domestic	-	-	-	-	1,004,030,862.89	1,004,030,862.89
International	-	-	-	-	580,546,363.15	580,546,363.15
Alternative Investments - Limited Partnerships						
Private Equity	-	-	4,693,660.12	-	114,930,332.95	119,623,993.07
International Private Equity	-	-	-	-	91,895,105.41	91,895,105.41
Real Estate	-	-	-	-	47,061,768.61	47,061,768.61
International Real Estate	-	-	-	-	24,110,425.35	24,110,425.35
Natural Resources	-	-	-	-	74,537,571.57	74,537,571.57
International Natural Resources	-	-	-	-	36,801,328.01	36,801,328.01
Other Investments						
Political Subdivisions	-	14,746,408.49	-	-	-	14,746,408.49
Total Investments	\$ 4,069,634,784.76	\$ 1,447,110,061.55	\$ 527,727,124.06	\$ 404,560.70	\$ 1,973,913,757.94	\$ 8,018,790,289.01

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**The Texas A&M University System
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Fiduciary Funds - Investment Fair Value						
Investment Type	Fair Value Hierarchy				Total Fair Value	
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Net Asset Value		
U.S. Treasury Securities	\$ 19,928,092.03	\$ -	\$ -	\$ -	\$ 19,928,092.03	
U.S. Treasury Strips	380,204.41				380,204.41	
U.S. Treasury - TIPS	227,730.55	-	-	-	227,730.55	
U.S. Government Agency Obligations	-	23,064,457.55	-	-	23,064,457.55	
Corporate Obligations	-	33,400,171.65	6,276,908.99	-	39,677,080.64	
Corporate Asset and Mortgage Backed Securities	-	13,352,085.14	-	-	13,352,085.14	
U.S. Equity	81,217,456.54	-	-	-	81,217,456.54	
International Obligations	-	14,477,219.52	272,735.00	-	14,749,954.52	
International Equity	43,605,784.47	-	-	-	43,605,784.47	
Fixed Income Money Market & Bond Mutual Fund	56,840,368.75	-	-	-	56,840,368.75	
Mutual Funds - U.S. Equity	2,142,290.59	-	-	-	2,142,290.59	
Mutual Funds - International Equity	59,971.98	-	-	-	59,971.98	
Other Commingled Funds - Fixed Income	3,591,832.89	-	-	-	3,591,832.89	
International Other Commingled Funds - Equity	48,372,612.96	-	21,517,090.85	-	69,889,703.81	
Real Estate -Mineral Rights	-	-	25,880.04	-	25,880.04	
Alternative Investments - Hedge Funds						
Domestic	-	-	-	65,258,799.12	65,258,799.12	
International	-	-	-	37,827,389.03	37,827,389.03	
Alternative Investments - Limited Partnerships						
Private Equity	-	-	-	16,273,456.90	16,273,456.90	
International Private Equity	-	-	-	13,011,804.62	13,011,804.62	
Real Estate	-	-	-	6,663,668.71	6,663,668.71	
International Real Estate	-	-	-	3,413,893.95	3,413,893.95	
Natural Resources	-	-	-	10,554,080.26	10,554,080.26	
International Natural Resources	-	-	-	5,210,850.87	5,210,850.87	
Other Investments						
Political Subdivisions	-	822,623.16	-	-	822,623.16	
Annuity	185,615.12	-	-	-	185,615.12	
Total Investments	\$ 256,551,960.29	\$ 85,116,557.02	\$ 28,092,614.88	\$ 158,213,943.46	\$ 527,975,075.65	

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

The investments measured at Net Asset Value (NAV) as of August 31, 2025, including unfunded commitments, are presented in the following tables.

Proprietary Funds - Investments Reported at Net Asset Value (NAV)						
		Redemption				
Investment Strategy	Fair Value	Frequency Range Low	Frequency Range High	Notice Period Range Low	Notice Period Range High	Unfunded Commitment
Hedge Funds*						
Domestic	\$ 1,004,030,862.89	Quarterly	Semi-Annually	65 days	1.75 years	
International	580,546,363.15	Quarterly	Semi-Annually	65 days	1.75 years	
Limited Partnerships						
Private Equity	114,930,332.95	N/A	N/A	N/A	N/A	\$ 75,889,357.46
International Private Equity	91,895,105.41	N/A	N/A	N/A	N/A	76,152,442.71
Real Estate	47,061,768.61	N/A	N/A	N/A	N/A	21,279,074.43
International Real Estate	24,110,425.35	N/A	N/A	N/A	N/A	5,065,374.12
Natural Resources	74,537,571.57	N/A	N/A	N/A	N/A	66,171,832.49
International Natural Resources	36,801,328.01	N/A	N/A	N/A	N/A	12,970,646.53
Total	<u>\$1,973,913,757.94</u>					<u>\$257,528,727.74</u>

*Of the total Hedge Fund Fair Value, \$37,626,185.24 is invested in funds that are considered illiquid and not immediately eligible for redemption. The Frequency Range and Notice Period ranges for this portion of Hedge Funds are not applicable. The illiquid portion of Hedge Funds is fully funded.

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Fiduciary Funds - Investments Reported at Net Asset Value (NAV)						
		Redemption				
Investment Strategy	Fair Value	Frequency Range Low	Frequency Range High	Notice Period Range Low	Notice Period Range High	Unfunded Commitment
Hedge Funds*						
Domestic	\$ 65,258,799.12	Quarterly	Semi-Annually	65 days	1.75 years	
International	37,827,389.03	Quarterly	Semi-Annually	65 days	1.75 years	
Limited Partnerships						
Private Equity	16,273,456.90	N/A	N/A	N/A	N/A	\$ 10,745,485.18
International Private Equity	13,011,804.62	N/A	N/A	N/A	N/A	10,782,733.65
Real Estate	6,663,668.71	N/A	N/A	N/A	N/A	3,012,991.37
International Real Estate	3,413,893.95	N/A	N/A	N/A	N/A	717,227.08
Natural Resources	10,554,080.26	N/A	N/A	N/A	N/A	9,369,540.98
International Natural Resources	5,210,850.87	N/A	N/A	N/A	N/A	1,836,567.00
Total	\$ 158,213,943.46					\$ 36,464,545.26

*Of the total Hedge Fund Fair Value, \$4,212,348.76 is invested in funds that are considered illiquid and not immediately eligible for redemption. The Frequency Range and Notice Period ranges for this portion of Hedge Funds are not applicable. The illiquid portion of Hedge Funds is fully funded.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The A&M System's investment policy requires that direct repurchase agreements and security lending transactions be fully collateralized by obligations authorized under the A&M System investment policy and such collateral be held by a third party. There was no custodial credit risk related to securities lending or repurchase agreements as of August 31, 2025. The A&M System did not participate in a securities lending program during fiscal year 2025 and the only direct repurchase agreement investments were held through Texas Treasury Safekeeping Trust Company.

Foreign investments are administered in book entry form by the A&M System's custodian, Bank of New York (BNY) Asset Servicing, through a network of international securities depositories and subcustodians. Non-U.S. securities held at international securities depositories are processed through those entities (Euroclear Bank and Clearstream). Securities held at local non-U.S. market depositories are processed through BNY's subcustodian network. Subcustodians settle transactions based on instructions from BNY Asset Servicing. BNY Asset Servicing settles transactions directly in the U.K., the U.S., Germany, France, the Netherlands, Ireland, Italy, Belgium, the Cayman Islands and the Channel Islands. Funds are received upon the delivery of securities in connection with sale transactions and funds are paid in connection with purchase transactions upon receipt of securities, unless contrary to market practice or client instruction. In the event that funds are not received or delivered on the settlement date, the settlement "fails." Failed trades are monitored daily, weekly, or monthly (as appropriate) via the applicable custody system to help facilitate resolution in a timely manner. On a daily basis, the subcustodians send confirmations of settlement to the custodian which are reconciled to the custody system. Subcustodians are evaluated by the custodian prior to selection and reviewed throughout the year to ensure overall service performance is maintained and verify

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

compliance with various regulatory requirements. Subcustodians must meet high standards and have stringent controls. BNY identifies subcustodians who are leaders in the securities processing industry in their respective countries. Subcustodians are initially selected and annually monitored on operational risk, financial risk, legal/regulatory risk and reputational risk. A full credit review is performed prior to selection and annually thereafter.

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investments. The A&M System's policy authorizes the utilization of derivatives for the purpose of hedging currency risk but does not otherwise address foreign currency risk. The exposure to foreign currency risk as of August 31, 2025, is presented in the following tables.

Proprietary Funds - Investments Exposed to Foreign Currency Risk					
Currency	International Obligations	International Equity	International Equity Mutual Funds	International Equity Commingled Funds	International Alternative Investments
U.S. Dollar Foreign Securities	\$ 245,528,409.66	\$ 270,795,822.54	\$ 19,801.49	\$ 1,050,414,514.41	\$ 721,841,378.29
Brazil Real		7,504,883.90			
British Pound		51,763,801.92			9,126,212.10
Euro		186,332,343.84			2,385,631.53
Indonesian Rupiah		3,732,742.12			
Japanese Yen		61,795,314.96			
Mexican Peso		12,877,963.10			
Norwegian Krone		3,642,564.20			
South African Comm Rand		2,484,792.04			
South Korean Won		15,027,558.61			
Swedish Krona		7,669,131.96			
Swiss Franc		28,547,099.14			
Total	<u>\$ 245,528,409.66</u>	<u>\$ 652,174,018.33</u>	<u>\$ 19,801.49</u>	<u>\$ 1,050,414,514.41</u>	<u>\$ 733,353,221.92</u>

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**The Texas A&M University System
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For the Year Ended August 31, 2025**

Fiduciary Funds - Investments Exposed to Foreign Currency Risk					
Currency	International Obligations	International Equity	International Equity Mutual Funds	International Equity Commingled Funds	International Alternative Investments
U.S. Dollar Foreign Securities	\$14,749,954.52	\$18,102,668.33	\$ 59,971.98	\$69,889,703.81	\$ 57,833,929.34
Brazil Real		503,412.96			
British Pound		3,460,050.29			1,292,217.78
Euro		12,441,453.35			337,791.35
Indonesian Rupiah		250,398.81			
Japanese Yen		4,145,118.75			
Mexican Peso		863,826.03			
Norwegian Krone		244,349.73			
South African Comm Rand		166,686.01			
South Korean Won		1,008,086.63			
Swedish Krona		514,446.65			
Swiss Franc		1,905,286.93			
Total	<u>\$14,749,954.52</u>	<u>\$43,605,784.47</u>	<u>\$ 59,971.98</u>	<u>\$69,889,703.81</u>	<u>\$ 59,463,938.47</u>

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The A&M System's investment policy requires that traditional fixed income securities have a long-term rating of B or better at the time of purchase and traditional fixed income portfolios maintain an overall credit rating of A or better. Securities using short-term credit ratings must be rated at least A-2, P-2, F-2 or equivalent. As of August 31, 2025, the A&M System's credit quality distribution for securities with credit risk exposure is presented in the following tables.

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Proprietary Funds								
Investments Exposed to Credit Risk - Standard & Poor's (in thousands)								
Investment Type	AAA	AA	A	BBB	BB	B	CCC	Not Rated by S&P
U.S. Government Agency Obligations		375,611		7,052				1,864
Corporate Obligations	2,237	2,783	98,098	327,888	144,125	84,666	1,038	3,591
Corporate Asset and Mortgage Backed Securities	117,826	30,247	17,306	20,922	2,815			51,057
International Obligations	4,117	1,847	31,718	153,579	33,944	7,353		12,971
Repurchase Agreements (TTSTC)		405						
Fixed Income Money Market and Bond Mutual Fund	1,035,515							
Other Commingled Funds - Fixed Income								57,300
Other Investments (Municipals)	2,964	4,123	5,338					2,321

Fiduciary Funds								
Investments Exposed to Credit Risk - Standard & Poor's (in thousands)								
Investment Type	AAA	AA	A	BBB	BB	B	CCC	Not Rated by S&P
U.S. Government Agency Obligations		22,621		350				93
Corporate Obligations	125	156	5,757	18,981	8,849	5,420	69	321
Corporate Asset and Mortgage Backed Securities	6,754	1,798	922	1,200	140			2,538
International Obligations	249	110	1,776	9,257	2,035	456		867
Fixed Income Money Market and Bond Mutual Fund	56,840							
Other Commingled Funds - Fixed Income								3,592
Other Investments (Municipals)	147	252	308					115

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2025, no single issuer represented more than 4.9% of the A&M System's total investments.

The A&M System's investment policy states that no more than 4.9% of the voting stock of any one corporation be owned by the A&M System at any given time. The A&M System maintained compliance with this policy throughout fiscal year 2025.

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Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the A&M System manages its exposure to fair value losses arising from changing interest rates by requiring traditional fixed income managers to maintain duration of +/- 30% of the effective duration of the appropriate index. In addition, the A&M System's policy limits the duration of its short-term investment portfolio to a maximum of one year. The A&M System's exposure to interest rate risk is presented on the following page using the effective duration method.

Investments Exposed to Interest Rate Risk				
Investment Type	Proprietary Funds		Fiduciary Funds	
	Effective Duration	Fair Value	Effective Duration	Fair Value
U.S. Treasury Securities	8.786	\$ 356,150,170.70	9.191	\$ 19,928,092.03
U.S. Treasury Strips	27.757	6,183,066.64	27.722	380,204.41
U.S. Treasury TIPS	20.571	3,736,612.17	20.563	227,730.55
U.S. Government Agency Obligations	5.426	384,526,519.53	5.459	23,064,457.55
Corporate Obligations	3.442	664,424,448.79	3.474	39,677,080.64
Corporate Asset and Mortgage Backed Securities	2.574	240,173,228.11	2.562	13,352,085.14
International Obligations	4.114	245,528,409.66	4.187	14,749,954.52
Repurchase Agreements (TTSTC)	0.005	404,560.70	-	-
Other Commingled Funds - Fixed Income	6.038	57,300,374.79	5.940	3,591,832.89
Other Investments - Municipals	5.316	14,746,408.49	5.415	822,623.16
Total		<u>\$ 1,973,173,799.58</u>		<u>\$ 115,794,060.89</u>

Securities Lending

The A&M System did not participate in any securities lending programs during fiscal year 2025.

Derivative Investing

The A&M System Investment Policy allows investment in certain derivative securities to modify risk/return characteristics or to cost-effectively implement a change in asset allocation. A derivative security is a financial instrument which derives its value from another security, currency, commodity or index.

The A&M System entered into forward currency contracts for the purpose of hedging international currency risk on certain non-U.S. dollar denominated investment securities. When entering into a forward currency contract, the A&M System agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on a certain future date. These contracts are valued daily and the A&M System's net equity in the contracts, representing unrealized gain or loss on the contracts, as measured by the differences between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date is recognized on the Statement of Revenues, Expenses, and Changes in Net Position as investment income or loss. The unrealized gain on open foreign currency exchange contracts is reported as

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

an investment derivative and the unrealized loss is included with trade payables. The foreign currency forwards are traded over-the-counter and categorized as Level 2 of the fair value hierarchy.

These investments involve market and/or credit risk in excess of the amount recognized in the consolidated Statement of Net Position. Risks arise from the possibility that counterparties will be unable to meet the terms of their contracts and from movement in currency, securities values and interest rates. There were no open forward currency exchange derivative contracts as of August 31, 2025.

Several investment strategies in which the A&M System invests may employ the use of forward currency exchange contracts as a hedge in connection with portfolio purchases and sales of securities denominated in foreign currencies. Risks are consistent with those described in the above paragraph regarding direct currency hedging. The contracts are valued at the prevailing forward exchange rate of the underlying currencies and the unrealized gain (loss) is recorded daily. Unrealized gains and losses that represent the difference between the value of the forward contract to buy and the forward contract to sell are included in the net unrealized gain (loss) from the forward contracts.

During the fiscal year the A&M System has also invested in Treasury futures. The instruments are used only for the purpose of managing interest rate risk in the fixed income portfolios. As of August 31, 2025, there were no open Treasury futures in the portfolios.

The A&M System has invested in hedge funds with external managers who invest in equity and fixed income securities of both domestic and international entities. These investment managers may invest in both long-term and short-term securities and may utilize leverage in their portfolios. They may also utilize credit default swaps and total return swaps as part of their investment strategies. The investments may be subject to a lock-up restriction of one or more years before the investment may be withdrawn from the manager without penalty, which in some cases may be significant. There are certain risks associated with these private funds, some of which include investment manager risk, market risk and liquidity risk, as well as the risk of utilizing leverage in the portfolios. When credit default swaps or total return swaps are used, there is additional risk of counterparty non-performance and unanticipated movements in the fair value of the underlying securities.

The A&M System's investment in hedge funds as of August 31, 2025, is presented in the table below:

Hedge Fund Investments		
Net Asset Value	Proprietary Funds	Fiduciary Funds
Hedge Funds	\$ 1,584,577,226.04	\$103,086,188.15

Private Investments

Private investments in limited partnerships are managed by external investment managers or general partners who invest primarily in private companies. These investments, both domestic and international, are illiquid and may not be realized for a period of several years after the investments are made. There are certain risks associated with these investments, some of which are liquidity risk, market risk, event risk and investment manager risk. As of August 31, 2025, the A&M System has committed to various private investments as shown in the table below. The valuations for the limited partnerships are based on the most recent investment

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

manager determined Net Asset Value (NAV) rolled forward to August 31, 2025, to include the following events: capital contributions or distributions, changes in the composition of assets or liabilities, and fair value changes reported since the last valuation date of the NAV.

The A&M System has also invested directly in companies and partnerships to promote research commercialization. The fair value of the investments in research commercialization is estimated based on the cost (pro-rata share of contributed capital based on percentage ownership in the company) or third-party pricing of stock (based on fund raising). Adjustments are made for impairments, such as the termination of a license agreement or inactivity of the company. Associated risks include those applicable to other private investments as well as the risk of enterprise failure.

Private Investments		
Description	Proprietary Funds	Fiduciary Funds
Commitments to Limited Partnerships	\$ 839,947,236.16	\$118,931,571.84
Funded Amount to Limited Partnerships	626,123,240.15	88,655,355.85
Net Asset Value (NAV) of Limited Partnerships	389,336,531.90	55,127,755.31
Research Technology Investments	4,693,660.12	

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

- Non-regulation risk – The A&M System’s general partners and investment managers are registered as required with the Securities and Exchange Commission (SEC). Seven investment managers are exempt reporting advisers. One investment manager, not registered with the SEC, is a United Kingdom LLP and registered with the Financial Conduct Authority of the United Kingdom.
- Key personnel risk – The success of certain funds is substantially dependent upon key investment professionals and the loss of those individuals may adversely impact the fund’s performance.
- Liquidity risk – The A&M System’s investment funds may impose lock-up periods, which may cause the A&M System to incur penalties to redeem its investment prior to a certain period of time elapsing.
- Limited transparency – As private investment vehicles, these funds may not fully disclose the holdings of their portfolios.
- Investment strategy risk – These funds often employ sophisticated investment strategies and the use of leverage, which could result in the loss of invested capital.

Permanent University Fund

The Permanent University Fund (PUF) is administered by the University of Texas System and is not reflected in the financial statements of the A&M System. Prior to changes in the arbitrage laws, bond proceeds were appropriated only after the bonds had been sold and cash was on hand. Currently, receipt of cash may or may not precede appropriations of bond or note proceeds.

The total carrying value of the PUF assets at August 31, 2025, was \$33,966,038,839.82, excluding PUF land grants. By acts of the Legislature and provisions of the State Constitution, the net income of the PUF is divided one-third to the A&M System and two-thirds to the University of Texas System. The A&M System's

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one-third share of the net distributions and other revenues was \$555,356,597.76 for the fiscal year ended August 31, 2025, and was credited to the A&M System Available University Fund.

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Note 4 - Short-Term Debt

There was no reportable activity for short-term debt during the year ended August 31, 2025.

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Note 5 - Long-Term Liabilities

The proprietary funds' long-term liabilities are defined as liabilities whose average maturity is greater than one year. The table below presents a summary of changes in these liabilities.

Long-Term Liabilities Activity						
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Thereafter
Employees' Compensable Leave	\$ 137,614,106.10	\$ 10,202,177.30	\$ (1,092,617.26)	\$ 146,723,666.14	\$ 15,895,635.10	\$ 130,828,031.04
Claims & Judgments	14,806,585.00	2,185,139.00	(2,104,288.00)	14,887,436.00	1,290,498.00	13,596,938.00
Notes and Loans Payable	280,424,000.00	375,000,000.00	(230,937,000.00)	424,487,000.00	13,180,000.00	411,307,000.00
Direct Borrowings - Notes	51,256,234.96	1,859,357.93	(4,376,122.91)	48,739,469.98	3,850,207.07	44,889,262.91
Bonds Payable	5,046,834,253.87	379,080,000.00	(581,095,745.74)	4,844,818,508.13	317,753,149.58	4,527,065,358.55
Lease Liability	189,340,356.05	35,296,164.08	(22,672,867.26)	201,963,652.87	21,293,565.82	180,670,087.05
Subscription Liability	27,734,014.32	47,099,420.27	(24,354,811.52)	50,478,623.07	13,756,908.79	36,721,714.28
Liabilities Payable from Restricted Assets	55,187,849.28	17,867,950.58	-	73,055,799.86	49,002,006.09	24,053,793.77
Asset Retirement Obligations	13,326,635.27		-	13,326,635.27	-	13,326,635.27
Pollution Remediation Obligations (Other Liabilities)	16,842.00		(16,842.00)	-	-	-
Total	<u>\$ 5,816,540,876.85</u>	<u>\$868,590,209.16</u>	<u>\$(866,650,294.69)</u>	<u>\$5,818,480,791.32</u>	<u>\$ 436,021,970.45</u>	<u>\$ 5,382,458,820.87</u>

Notes and Loans Payable

The proprietary funds' notes payable consists of amounts used to make permanent improvements at various institutions in the A&M System, to refund and retire the Board's Permanent University Fund Commercial Paper Notes, to provide interim financing for capital improvements and acquisition of equipment and land, to pay interest on the notes, to refund outstanding notes as they mature and to pay the costs of issuing the notes. In the event of default or failure to make required note payments, the A&M System will be required to perform any conditions or obligations described in the note agreement. The A&M System is responsible for all reasonable expenses related to the enforcement.

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Notes and Loans Payable-Debt Service Requirements				
Description	Balances		Increases	Balances
	September 1, 2024			August 31, 2025
Permanent University Fund Commercial Paper Notes	\$ 60,000,000.00	\$ 255,000,000.00	\$ 190,000,000.00	\$ 125,000,000.00
Revenue Financing System Commercial Paper Notes, Series B	114,774,000.00	85,000,000.00	18,550,000.00	181,224,000.00
Revenue Financing System Commercial Paper Taxable Notes, Series B	105,650,000.00	35,000,000.00	22,387,000.00	118,263,000.00
Total	<u>\$ 280,424,000.00</u>	<u>\$ 375,000,000.00</u>	<u>\$ 230,937,000.00</u>	<u>\$ 424,487,000.00</u>

Fiscal Year	Principal	Interest*	Total
2026	\$ 13,180,000.00	\$ 20,163,132.50	\$ 33,343,132.50
2027	13,807,000.00	19,537,082.50	33,344,082.50
2028	14,462,000.00	18,881,250.00	33,343,250.00
2029	15,150,000.00	18,194,305.00	33,344,305.00
2030	15,869,000.00	17,474,680.00	33,343,680.00
2031-2035	91,393,000.00	75,324,692.50	166,717,692.50
2036-2040	115,262,000.00	51,456,417.50	166,718,417.50
2041-2045	<u>145,364,000.00</u>	<u>21,354,622.50</u>	<u>166,718,622.50</u>
Total	<u>\$ 424,487,000.00</u>	<u>\$ 242,386,182.50</u>	<u>\$ 666,873,182.50</u>

** For this schedule, assumption is that Permanent University Fund Commercial Paper Notes, Revenue Financing System Commercial Paper Notes and Revenue Financing System Commercial Paper Taxable Notes in the amount of \$424.487 million will be refunded into long-term bonds. For estimated debt service on this exhibit, the rate of 4.75% corresponds to the municipal market data published on August 29, 2025. Notes are remarketed in commercial paper mode at current market rates with maturities between 1 and 270 days.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Direct Borrowings – Notes

The A&M System has various leases for the purchase of capital assets where the A&M System takes ownership at the end of the lease. These direct financing arrangements are reported as Direct Borrowings - Notes. The related assets are capitalized at the present value of future minimum payments. The future payment requirements and the cost of the leased assets are presented in the following tables below.

Future Minimum Payments			
Fiscal Year	Principal	Interest	Total
2026	\$ 3,850,207.07	\$ 2,057,283.23	\$ 5,907,490.30
2027	4,030,724.96	1,905,260.27	5,935,985.23
2028	4,264,608.31	1,744,510.92	6,009,119.23
2029	4,272,656.78	1,573,720.33	5,846,377.11
2030	4,443,688.10	1,392,562.21	5,836,250.31
2031-2035	22,579,832.75	3,883,855.48	26,463,688.23
3034-2040	3,997,635.66	829,721.23	4,827,356.89
2041-2045	1,300,116.35	139,717.22	1,439,833.57
Total	<u>\$ 48,739,469.98</u>	<u>\$ 13,526,630.89</u>	<u>\$ 62,266,100.87</u>

Cost of Assets Financed with Direct Borrowings			
Asset Description	Cost	Accumulated Depreciation/ Amortization	Total
Buildings	\$ 74,161,534.42	\$ 30,269,345.74	\$ 43,892,188.68
Infrastructure	730,759.97	216,182.93	514,577.04
Facilities & Other Improvements	259,196.66	102,238.58	156,958.08
Equipment	3,968,328.87	1,906,611.82	2,061,717.05
Total	<u>\$ 79,119,819.92</u>	<u>\$ 32,494,379.07</u>	<u>\$ 46,625,440.85</u>

The outstanding notes from direct borrowings for equipment and facilities contain provisions where, in the event of default, all remaining payments may be declared immediately due or the lessor may repossess the assets or, in the case of software, render the asset unusable, or the lessor may proceed with court action to enforce performance.

The financing arrangements for capital improvements contain provisions that, in the event of default, the lessor has the right to take one or any combination of several options. These options include demand immediate payment for all remaining payments, retake possession of the leased asset, or require the A&M System to return the leased asset at the A&M System's expense. The A&M System has no unused lines of credit.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Compensated Absences

Vacation or Annual Leave

Full-time State employees earn eight to twenty-one hours per month annual leave depending on years of State employment. Under the State's policy, an employee with 35 or more years of State service may carry up to 532 hours accrued leave forward from one fiscal year to another.

Employees with at least six months of State service who terminate employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The A&M System accrues the dollar value of annual leave benefits which are payable upon retirement, termination, or death of its employees. The amounts of these liabilities and their related benefits are reported in the statement of net position. The estimated liability, \$146,723,666.14 as of August 31, 2025, is based on calculations from the A&M System centralized leave tracking system and employer estimates. The A&M System made lump sum payments of \$17,070,571.09 for accrued vacation to employees who separated from State service during the fiscal year ended August 31, 2025.

Sick Leave

This is the first year to implement GASB 101 Compensated Absences which required analysis of the sick leave accruals. Sick leave is earned at the rate of eight hours per month and is used only when an employee is absent due to illness. Sick leave accumulation is not limited. There is only one situation where sick leave is paid, and this is when an employee has passed away then sick leave is paid to the employee's estate. The maximum sick leave payment to an employee's estate is the lesser of one-half of the employee's accumulated entitlement or 336 hours.

The A&M System sick leave policy requires data to be analyzed from the A&M System centralized leave tracking system multiplied by the salary data as of the end of the fiscal year. If the total sick leave hours used do not exceed hours earned in the current reporting period, then no liability is recognized. However, if the sick leave liability decreases because employees use more leave than is accrued for the current reporting period, a liability is calculated and recognized.

Based on the A&M System's sick leave data for fiscal year 2025, the sick leave hours used do not exceed the sick leave hours earned. Based on this analysis, no sick leave liability accrual is reported for fiscal year 2025. Data will be analyzed annually to determine if a sick leave liability accrual is required.

Claims and Judgments

Claims and judgments related to the A&M System self-insured worker's compensation plan include a current portion of \$1,290,498.00 and a non-current portion of \$13,596,938.00 for a total worker's compensation liability of \$14,887,436.00. This liability represents the current and non-current portion of the incurred but not reported (IBNR) liability based on actuarial analysis of the plan. The IBNR represents claims that will be paid out over future fiscal years. This current portion was estimated based on actual claims paid out over the last five fiscal years.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Asset Retirement Obligations

An Asset Retirement Obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. The A&M System's non-current liabilities include AROs related to radioactive material licenses and nuclear research facilities.

The A&M System has two nuclear reactors which were placed in service in 1957 and 1965, respectively. The U.S. Nuclear Regulatory Commission (NRC) requires a decommissioning plan for the retirement of these assets. The estimated liability for the decommissioning plan is \$9,724,884.50. The estimate was calculated using NRC publications NUREG/CR-1756 and NUREG-1307 Rev. 15, adjusted using the consumer price index inflation calculator. A 25% contingency is also included in the estimate.

The A&M System has four radioactive material licenses authorizing the possession and use of radioactive materials. The A&M System is financially accountable for any decommissioning or decontamination costs as required by the Texas Department of State Health Services (Texas Administrative Code, Title 25, Part 1, Chapter 289, Subchapter F, Rule 289.252), and the U.S. Nuclear Regulatory Commission (10 CFR 30.35). The estimated liability related to these licenses is \$3,601,750.77.

Pollution Remediation Obligations (Other Liabilities)

The A&M System has reviewed activities for potential pollution remediation obligations and determined no reportable obligations exist as of August 31, 2025.

Liabilities Payable from Restricted Assets

Liabilities payable from restricted assets reported on the proprietary Statement of Net Position represent payables at year-end from assets with external restrictions. The balance reported represents payables from bond proceeds.

Pledged Future Revenues

Sources of proprietary fund pledged revenues include tuition and fees, auxiliary enterprises, sales of goods and services, and other non-operating activities. The table below provides the pledged future revenue information for the Texas A&M University System Permanent University Fund and Revenue Financing System bonds.

Pledged Future Revenue Information	
Pledged revenue required for future principal and interest on existing revenue bonds	\$6,589,188,169.46
Term of commitment year ending 8/31	2057
Percentage of revenue pledged	100%
Current year pledged revenue	\$4,408,906,732.46
Current year principal and interest paid	\$484,981,251.85

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 6 – Bonded Indebtedness

A. Financial Reporting

The A&M System has established a financing program known as the Revenue Financing System. Members of the A&M System may use the Revenue Financing System as a long-term debt program to finance capital assets or as a short-term debt program to finance equipment or to interim finance construction projects. Members' financing requests are evaluated for adequate revenue streams and bonding capacity.

Assets created as a result of the expenses of Permanent University Fund and Revenue Financing System Bonds and Notes (see Note 5) proceeds, which are subsequently capitalized, are reported on the applicable members' Statement of Net Position in the Capital Assets category. The associated bond liability is reported in total on the A&M System Offices financial statements.

As of August 31, 2025, \$586,299,585.33 of Revenue Financing System debt proceeds had been appropriated prior to the receipt of the proceeds. As of August 31, 2025, \$514,632,033.46 of Permanent University Fund debt proceeds had been appropriated prior to the receipt of the proceeds.

B. General Information

At August 31, 2025, the A&M System had outstanding bonds payable of \$4,697,270,000.00 as detailed below, which does not include unamortized premium of \$147,548,508.13.

Bonds payable are due in annual installments varying from \$60,000.00 to \$55,740,000.00 with interest rates ranging from 1.023% to 5.50%, with the final installment due in 2057. The debt service requirements table summarizes the principal and interest expense for the next five years and beyond for bonds issued and outstanding.

Revenue for debt service on the Permanent University Fund Bonds and Notes is derived from liens on and pledges of payout distributions from the Permanent University Fund allocable to the A&M System.

Sources of revenue for debt service on the Revenue Financing System Bonds and Notes are pledged revenues from any and all of the revenues, funds, and balances now or hereafter lawfully available to the Board and derived from or attributable to any participant of the Revenue Financing System which are lawfully available to the Board for the payment of Parity Obligations, including unrestricted funds and reserve balances.

All bonds are for the benefit of business-type activities. General information related to bonds payable is summarized in the following tables.

Bonds Payable			
	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Outstanding Principal</u>
Permanent University Fund Bonds	2.06-5.50%	2026-2054	\$ 1,503,020,000.00
Revenue Financing System Bonds	1.023-5.25%	2026-2057	3,194,250,000.00
			<u>\$ 4,697,270,000.00</u>

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Debt Service Requirements			
Fiscal Year	Principal	Interest	Total
2026	\$ 294,270,000.00	\$ 180,609,511.12	\$ 474,879,511.12
2027	306,095,000.00	169,134,074.80	475,229,074.80
2028	290,175,000.00	157,440,793.44	447,615,793.44
2029	295,800,000.00	146,410,447.44	442,210,447.44
2030	274,430,000.00	135,400,120.24	409,830,120.24
2031-2035	1,102,285,000.00	532,048,867.72	1,634,333,867.72
2036-2040	989,570,000.00	331,258,158.36	1,320,828,158.36
2041-2045	666,245,000.00	155,676,043.62	821,921,043.62
2046-2050	338,325,000.00	64,491,246.44	402,816,246.44
2051-2055	134,555,000.00	19,115,506.28	153,670,506.28
2056-2057	5,520,000.00	333,400.00	5,853,400.00
Total	<u>\$ 4,697,270,000.00</u>	<u>\$ 1,891,918,169.46</u>	<u>\$ 6,589,188,169.46</u>

Permanent University Fund Bonds, Series 1998

- Issued September 9, 1998, to refund \$65,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Variable Rate Notes, Series B, and \$27,860,000.00 of Permanent University Fund Bonds, Series 1992B then outstanding in the aggregate principal amount of \$36,360,000.00; and to pay the costs of issuing the bonds.
- \$92,520,000.00 authorized; all authorized bonds have been issued. \$12,335,000.00 was refunded by Permanent University Fund Bonds, Series 2006. \$9,735,000.00 was refunded by Permanent University Fund Bonds, Series 2009AB. \$1,015,000.00 was refunded by Permanent University Fund Bonds, Series 2011. Outstanding balance at August 31, 2025 was \$10,305,000.00.

Permanent University Fund Bonds, Series 2009AB

- Issued April 7, 2009, to refund \$100,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes; to currently refund \$9,735,000.00 of Permanent University Fund Bonds, Series 1998; to provide funding for project costs of approximately \$113,700,000.00; and to pay the costs of issuing the bonds.
- \$218,895,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$0.00.

Permanent University Fund Bonds, Taxable Series 2012B

- Issued July 18, 2012, to refund \$125,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes; and to pay the cost of issuing the bonds.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

- \$125,750,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$50,025,000.00.

Permanent University Fund Bonds, Series 2013

- Issued December 11, 2013, to currently refund \$76,965,000.00 of Permanent University Fund Bonds, Series 2003; to provide funding for eligible projects; and to pay the costs of issuing the bonds.
- \$208,465,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$50,805,000.00.

Permanent University Fund Bonds, Series 2015A

- Issued April 23, 2015, to advance refund \$103,880,000.00 of Permanent University Fund Bonds, Series 2006; to provide funding for eligible projects; and to pay the costs of issuing the bonds.
- \$143,555,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$0.00.

Permanent University Fund Bonds, Taxable Series 2015B

- Issued April 23, 2015, to advance refund \$8,175,000.00 of Permanent University Fund Bonds, Series 2006; to provide funding for eligible projects; and to pay the costs of issuing the bonds.
- \$145,445,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$77,685,000.00.

Permanent University Fund Bonds, Series 2017A

- Issued October 31, 2017, to refund \$30,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes; to advance refund \$61,760,000.00 of Permanent University Fund Bonds, Series 2011; and to pay the costs of issuing the bonds.
- \$90,365,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$70,865,000.00.

Permanent University Fund Bonds, Taxable Series 2017B

- Issued October 31, 2017, to refund \$69,350,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes; to advance refund \$675,000.00 of Permanent University Fund Bonds, Series 2011; to provide funding for eligible projects and to pay the costs of issuing the bonds.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

- \$310,515,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$310,220,000.00.

Permanent University Fund Bonds, Taxable Series 2019

- Issued December 17, 2019, to refund \$125,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes; to provide funding for eligible projects; and to pay the costs of issuing the bonds.
- \$351,890,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$333,190,000.00.

Permanent University Fund Bonds, Series 2023

- Issued March 9, 2023, to refund \$125,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes, Series A; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$245,595,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$223,815,000.00.

Permanent University Fund Bonds, Series 2025A

- Issued April 16, 2025, to refund \$125,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes; to advance refund \$116,245,000 of Permanent University Fund Bonds, Series 2009A; to advance refund \$42,480,000 of Permanent University Fund Bonds, Series 2009B; to advance refund \$117,430,000 of Permanent University Fund Bonds, Series 2015A; and to pay the cost of issuing the bonds.
- \$379,080,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$376,110,000.00.

Revenue Financing System Bonds, Series 2013B

- Issued July 3, 2013, to refund \$267,675,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes; to refund \$3,989,119.00 of Revenue Financing System Bonds, Series 2002; to refund \$26,775,000.00 of Revenue Financing System Bonds, Series 2003B; to pay capitalized interest; and to pay the costs of issuing the bonds.
- \$265,405,000.00 authorized; all authorized bonds have been issued. \$135,010,000.00 was refunded by Revenue Financing System Bonds, Series 2017E. Outstanding balance at August 31, 2025 was \$27,865,000.00.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Revenue Financing System Bonds, Series 2015A

- Issued February 18, 2015, to currently refund \$71,240,000.00 of Revenue Financing System Bonds, Series 2005A and to pay the cost of issuing the bonds.
- \$64,670,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$0.00.

Revenue Financing System Bonds, Series 2015B

- Issued February 18, 2015, to currently refund \$155,972,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes and to pay the cost of issuing the bonds.
- \$142,155,000.00 authorized; all authorized bonds have been issued. \$65,290,000.00 was refunded by Revenue Financing System Bonds, Series 2017E. Outstanding balance at August 31, 2025 was \$46,775,000.00.

Revenue Financing System Bonds, Taxable Series 2015C

- Issued January 27, 2015, to currently refund \$149,395,000.00 of Revenue Financing System Bonds, Series 2005B; to refund \$24,115,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes; and to pay the cost of issuing the bonds.
- \$176,925,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$30,610,000.00.

Revenue Financing System Bonds, Taxable Series 2015D

- Issued July 23, 2015, to provide funding for eligible projects and to pay the cost of issuing the bonds.
- \$67,250,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$51,595,000.00.

Revenue Financing System Bonds, Taxable Series 2016A

- Issued April 12, 2016, to advance refund \$82,670,000.00 of Revenue Financing System Bonds, Series 2008 and to pay the cost of issuing bonds.
- \$91,520,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$29,380,000.00.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Revenue Financing System Bonds, Taxable Series 2016B

- Issued April 12, 2016, to refund \$139,405,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$325,575,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$235,775,000.00.

Revenue Financing System Bonds, Series 2016C

- Issued July 20, 2016, to advance refund \$132,540,000.00 of Revenue Financing System Bonds, Series 2009A; to advance refund \$49,420,000.00 of Revenue Financing System Bonds, Series 2009B; to advance refund \$43,225,000.00 of Revenue Financing System Bonds, Series 2009D; and to pay the cost of issuing the bonds.
- \$207,445,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$115,425,000.00.

Revenue Financing System Bonds, Taxable Series 2016D

- Issued July 20, 2016, to advance refund \$13,885,000.00 of Revenue Financing System Bonds, Series 2009A; to advance refund \$2,925,000.00 of Revenue Financing System Bonds, Series 2009B; to advance refund \$5,995,000.00 of Revenue Financing System Bonds, Series 2009C; to advance refund \$60,495,000.00 of Revenue Financing System Bonds, Series 2009D; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$176,860,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$113,315,000.00.

Revenue Financing System Bonds, Series 2016E

- Issued July 20, 2016, to advance refund \$21,300,000.00 of Revenue Financing System Bonds, Series 2009C; to advance refund \$122,735,000.00 of Revenue Financing System Bonds, Series 2009D; and to pay the cost of issuing the bonds.
- \$139,350,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$70,840,000.00.

Revenue Financing System Bonds, Taxable Series 2017A

- Issued January 31, 2017, to refund approximately \$5,000,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes, Series B; to provide funding for eligible projects; and to pay the cost of issuing the bonds.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

- \$388,705,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$184,050,000.00.

Revenue Financing System Bonds, Taxable Series 2017B

- Issued June 21, 2017, to advance refund \$4,580,000.00 of Revenue Financing System Bonds, Series 2010A; to advance refund \$10,890,000.00 of Revenue Financing System Bonds, Series 2010B; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$398,670,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$182,800,000.00.

Revenue Financing System Bonds, Series 2017C

- Issued June 21, 2017, to advance refund \$35,915,000.00 of Revenue Financing System Bonds, Series 2010A; to advance refund \$69,965,000.00 of Revenue Financing System Bonds, Series 2010B; to pay the cost of issuing the bonds.
- \$97,425,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$68,210,000.00.

Revenue Financing System Bonds, Taxable Series 2017D

- Issued December 20, 2017, to refund \$157,885,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes; and to pay the cost of issuing the bonds.
- \$158,680,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$127,345,000.00.

Revenue Financing System Bonds, Series 2017E

- Issued December 20, 2017, to advance refund \$83,850,000.00 of Revenue Financing System Bonds, Series 2011B; to advance refund \$135,010,000.00 of Revenue Financing System Bonds, Series 2013B; to advance refund \$46,470,000.00 of Revenue Financing System Bonds, Series 2013D; to advance refund \$65,290,000.00 of Revenue Financing System Bonds, Series 2015B; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$341,995,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$275,415,000.00.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Revenue Financing System Bonds, Taxable Series 2019A

- Issued January 29, 2019 to refund \$175,215,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$223,730,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$170,570,000.00.

Revenue Financing System Bonds, Taxable Series 2019B

- Issued August 14, 2019, to advance refund \$230,525,000.00 of Revenue Financing System Bonds, Taxable Series 2013C; to refund \$159,118,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$429,645,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$381,960,000.00.

Revenue Financing System Bonds, Taxable Series 2020A

- Issued July 30, 2020, to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$157,780,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$132,520,000.00.

Revenue Financing System Bonds, Taxable Series 2021A

- Issued April 6, 2021, to refund \$141,090,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes, Series B; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$189,425,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$169,900,000.00.

Revenue Financing System Bonds, Taxable Series 2021B

- Issued April 7, 2021, to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$226,375,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$194,500,000.00.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Revenue Financing System Bonds, Series 2022

- Issued October 18, 2022, to refund \$167,784,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes, Series B; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$208,520,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$187,340,000.00.

Revenue Financing System Bonds, Series 2024A

- Issued May 30, 2024, to refund \$84,552,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes, Series B; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$427,395,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2025 was \$398,060,000.00.

C. Advance Refunding Bonds

The A&M System has defeased certain revenue bond issues by placing the proceeds of new bond issues in irrevocable trusts to provide for all future debt service payments on the issues. Accordingly, the liability for the bonds is not included in the financial statements. At August 31, 2025, the principal balance outstanding for the defeased bonds is \$0.00.

Permanent University Fund Bonds, Series 2025A

- Advance refunding of \$116,245,000 of Permanent University Fund Bonds, Series 2009A, \$42,480,000 of Permanent University Fund Bonds, 2009B and \$117,430,000 of Permanent University Fund Bonds, Series 2015A to allow the Board of Regents of the Texas A&M University System to reduce its debt service requirements and realize a present value debt service savings.
- Refunded by Permanent University Fund Bonds Series, 2025A issued April 16, 2025.
- Average interest rate of bonds refunded was 4.76%.
- Net proceeds from refunding bonds of \$0.00 after payment of \$1,869,883.35 which represents issuance costs and underwriter's discount.
- Advance refunding of the bonds reduced The Texas A&M University System's debt service payments over the next twelve years by approximately \$23,759,718.94.
- Economic gain was \$20,155,032.68, the difference between the net present value of the old and new debt service payments.

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**The Texas A&M University System
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For the Year Ended August 31, 2025**

- Advance refunding resulted in the removal of \$276,155,000.00 of bond liability from the balance sheet and the addition of \$258,555,000.00 of bond liability, the net of which is an accounting loss of \$17,600,000.00.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 7 - Derivatives

The A&M System Investment Policy allows investment in certain derivative securities. A derivative security is a financial instrument which derives its value from another security, currency, commodity or index. Investment derivatives are used to manage transaction, interest rate, or currency exchange risk in purchasing, selling or holding investments.

At the fiscal year-end the A&M System did not have any exchange traded futures contracts or any derivative forward currency contracts.

Hedging Derivatives

The A&M System did not enter into hedging derivatives in fiscal year 2025.

Investment Derivatives

Investment derivatives expose the A&M System to certain investment-related risks. More detail about investment derivatives is disclosed in Note 3.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 8 – Leases and Software Subscriptions

GASB Statement No. 87, Leases, effective 2022, and GASB Statement No. 96, Subscription-Based Information Technology Arrangements, effective 2023, both establish a unified model for financial reporting based on the common principle that leases and subscription-based IT arrangements (SBITAs) represent financings of the right to use underlying assets. Under GASB 87, lessees must recognize a lease liability and an intangible right-to-use lease asset, while lessors recognize a lease receivable and a deferred inflow of resources. Similarly, GASB 96 requires governments to recognize a liability and an intangible right-to-use subscription asset for SBITAs. Limited exceptions are provided for both standards for short-term arrangements, lasting a maximum of twelve months at inception (including extension options) and financed purchases. The recognition and measurement of these arrangements are based on the circumstances existing at the beginning of the reporting period. The State of Texas Comptroller's Office has established materiality thresholds for these standards (\$100,000 per asset for GASB 87-Leases and \$500,000 per contract for GASB 96-SBITAs), which the A&M System has adopted.

The A&M System has executed various lease contracts for land, buildings, equipment, vehicles, software subscriptions, and other assets, all of which have been assessed in accordance with GASB 87 and 96, along with the State Comptroller Office's requirements. As of August 31, 2025, the net right-to-use (RTU) assets and corresponding lease/SBITA liabilities associated with future lease payments reported on the statement of net position totaled \$250 million and \$252 million, respectively.

Detailed information regarding these identified lease and subscription agreements are provided in their respective sections.

Lessee Leases

A comprehensive summary of changes for these RTU assets is presented in the table in Note 2 - Capital Assets.

For fiscal year 2025, the total lease payment for RTU assets was \$25,902,017.53. The principal and interest expense payments for the next 5 years and beyond are projected on the Future Lease Payment table.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Future Lease Payments			
Fiscal Year	Principal	Interest	Total
2026	\$ 21,293,565.82	\$ 4,816,720.45	\$ 26,110,286.27
2027	17,397,202.08	4,971,621.66	22,368,823.74
2028	16,507,247.30	3,881,470.85	20,388,718.15
2029	15,021,746.39	3,378,325.51	18,400,071.90
2030	13,926,469.62	3,050,318.89	16,976,788.51
2031-2035	55,901,416.57	10,954,458.18	66,855,874.75
2036-2040	44,505,742.89	4,368,425.63	48,874,168.52
2041-2045	14,631,033.78	765,663.72	15,396,697.50
2046-2050	2,779,228.42	34,771.58	2,814,000.00
Total	<u>\$ 201,963,652.87</u>	<u>\$ 36,221,776.47</u>	<u>\$ 238,185,429.34</u>

For the year ended August 31, 2025, the A&M System has no reportable activities for leases with variable payments.

Subleases

For the year ended August 31, 2025, the A&M System has no reportable activities for subleases.

Future Leases

For the year ended August 31, 2025, the A&M System has no reportable activities for future leases.

Lessor Leases

The A&M System has various leases for land and buildings where the A&M System is the lessor. As of August 31, 2025, the lease receivables and the corresponding deferred inflow of resources included on the statement of net position were \$204 million and \$194 million, respectively.

For the year ended August 31, 2025, the A&M System received lease payments of \$9,041,309.40 related to lessor leases. The total expected payments for the next five years and beyond are presented below.

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**The Texas A&M University System
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Future Lease Income			
Fiscal Year	Principal	Interest	Total
2026	\$ 4,020,863.88	\$ 5,714,261.95	\$ 9,735,125.83
2027	4,087,497.17	5,824,643.48	9,912,140.65
2028	4,291,362.86	5,634,692.44	9,926,055.30
2029	4,447,314.56	5,536,591.03	9,983,905.59
2030	3,120,939.08	5,449,962.61	8,570,901.69
2031-2035	14,107,208.00	26,226,954.31	40,334,162.31
2036-2040	14,547,236.36	24,343,305.28	38,890,541.64
2041-2045	17,669,348.82	22,186,296.87	39,855,645.69
2046-2050	20,899,639.34	19,619,025.95	40,518,665.29
2051-2055	25,717,298.17	16,535,280.11	42,252,578.28
2056 and beyond	90,979,209.59	35,141,009.03	126,120,218.62
Total	<u>\$ 203,887,917.83</u>	<u>\$ 172,212,023.06</u>	<u>\$ 376,099,940.89</u>

The Future Lease Income details above include a total of 39 leases. There is one lease related to medical and engineering technology which accounts for 41% of the totals above. This income is generated from the new EnMed program, which was founded in 2019 as a collaboration between Texas A&M's School of Engineering Medicine and the state's top-ranked Houston Methodist Hospital established to transform health care through the development and training of physicians, the creation of medical technologies, and translational research. This lease extends until the year 2080, with noteworthy payments concentrated in the latter part of the term.

The A&M System has a total of 4 leases with payments which are completely or partially variable and were not included in lease receivables or deferred inflows of resources. These variable payments were derived from a percentage of sales, facility or classroom usage, or the amount of net cash flow. Total revenue recognized as a result of these variable payments was \$6,085,926.18 for the year ended August 31, 2025.

Residual Value Guarantees, Termination Penalties, Sales-Leaseback and Lease-Leaseback

For the year ended August 31, 2025, the A&M System has no reportable activities for residual value guarantees, termination penalties, sale-lease back, or lease-leaseback related to leases where the A&M System is the lessee or the lessor.

Regulated Leases

For certain lease agreements related to airport gates and aprons, specific terms are regulated by the Federal Aviation Administration (FAA). The A&M System entered into various lease agreements to grant the right to use these airport gates and aprons to third parties in accordance with the provisions set by the FAA.

Specified regulated terms include limits on lease rates, consistency of lease rates for all lessees, and leasing opportunities made available to any potential lessees if the facilities are vacant. The lease revenue related to these regulated agreements amounted to \$322,427.40 for the year ended August 31, 2025, this amount includes exclusive and joint use of terminal building space.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Currently there is a holdover provision in place which allows a tenancy to continue month-to-month until a new contract is established, or the tenant may terminate with 30 days' written notice.

Subscription Based Information Technology Arrangements

The A&M System has entered into subscription arrangements for various software. As of August 31, 2025, the net RTU Subscription Asset and the corresponding Subscription liability included on the statement of net position were \$60.9 million and \$50.5 million, respectively.

For fiscal year 2025, the total lease payment for RTU subscription assets was \$24,744,909.06. The future principal and interest expense payments are shown in the table below.

Future Subscription Payments			
Fiscal Year	Principal	Interest	Total
2026	\$ 13,756,908.79	\$ 1,674,099.81	\$ 15,431,008.60
2027	7,720,369.93	1,276,463.04	8,996,832.97
2028	5,309,344.85	1,033,576.13	6,342,920.98
2029	3,300,143.02	847,054.98	4,147,198.00
2030	3,542,547.33	729,065.67	4,271,613.00
2031-2035	16,849,309.15	1,557,660.85	18,406,970.00
Total	<u>\$ 50,478,623.07</u>	<u>\$ 7,117,920.48</u>	<u>\$ 57,596,543.55</u>

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 9 - Pension Plans and Optional Retirement Program

Teacher Retirement System (TRS)

Teacher Retirement System is the administrator of the TRS plan, a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation. All employees of the A&M System who are employed for one-half or more of the standard workload and not exempted from membership under the Texas Government Code, Title 8, Section 822.002 are covered by the plan.

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

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

During the measurement period of 2024 for the fiscal year 2025 reporting, the amount of the A&M System contributions recognized by the plan was \$92,335,042. The contribution rates are based on a percentage of the monthly gross compensation for each member. The contribution requirements for the state and the A&M System in the measurement period are presented in the table below.

Contribution Rates for	TRS Plan
Employer	8.25%
Employees	8.25%

The total pension liability is determined by the annual actuarial valuation. The table on the following page presents the actuarial methods and assumptions used to measure the total pension liability as of the August 31, 2024 measurement date for the fiscal year 2025.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Summary of Actuarial Methods and Assumptions*-TRS Plan	
Actuarial Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Asset Valuation Method	Fair Market
Actuarial Assumptions:	
Discount Rate	7.00%
Long-term Expected Rate of Return	7.00%
Municipal Bond Rate	3.87%*
Inflation	2.30%
Salary Increase	2.95% to 8.95% including inflation
Mortality	
Active	PUB (2010) Mortality Tables for Teachers, below median, with full generational mortality.
Post-Retirement	2021 TRS Healthy Pensioner Mortality Tables with full generation projection using Scale U-MP
Ad Hoc Post-Employment Benefit Changes	None

* Source for the rate is the Bond Buyers 20 Index, which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders. The rate used is as of August 30, 2024 the rate closest to but not later than the Measurement Date.

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024.

The actuarial assumptions used in the determination of the total pension liability were primarily based on the result of an actuarial experience study for the four-year period ending August 31, 2021 and adopted in July 2022.

Due to the timing of the previously mentioned one-time stipend and ad hoc COLA, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

The discount rate of 7% was applied to measure the total pension liability. The discount rate was based on the expected rate of return on pension plan investments of 7%. The projected cash flows into and out of the pension plan assumed that active members, employers, and non-employer contributing entity make their contributions at the statutorily required rates. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2025 and thereafter. This includes a factor for all employer and state contributions for active and rehired retirees. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

TRS Asset Class*	TRS Target Allocation**	TRS Long-term Expected Geometric Real Rate of Return***
Global Equity		
USA	18%	4.4%
Non-US Developed	13%	4.2%
Emerging Markets	9%	5.2%
Private Equity	14%	6.7%
Stable Value		
Government Bonds	16%	1.9%
Absolute Return	0%	4.0%
Stable Value Hedge Funds	5%	3.0%
Real Return		
Real Assets	15%	6.6%
Energy, Natural Resources and Infrastructure	6%	5.6%
Commodities	0%	2.5%
Risk Parity		
Risk Parity	8%	4.0%
Asset Allocation Leverage		
Cash	2%	1%
Asset Allocation Leverage	(6)%	1.3%
Total	100%	
Notes: * Absolute Return includes Credit Sensitive Investments. ** Target allocations are based on fiscal year 2024 policy model. *** Capital Market assumptions come from 2024 SAA Study CAM Survey (as of 12/31/2023)		

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

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

Sensitivity of A&M System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
\$1,434,910,699	\$898,361,344	\$ 453,792,059

The pension plan's fiduciary net position is determined using economic resources measurement focus and the accrual basis of accounting, which is the same basis used by TRS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Fair value is a market-based measurement, not an entity-specific measurement. TRS utilizes one or more of the following valuation techniques in order to measure fair value: the market approach, the cost approach, and the income approach. More detailed information on the plan's investment policy, assets, and fiduciary net position may be obtained from TRS' fiscal 2024 ACFR.

On August 31, 2025, the A&M System reported a liability of \$898,361,344 for its proportionate share of the collective net pension liability in the proprietary fund statements. The collective net pension liability was measured as of August 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The A&M System's proportion on August 31, 2025 was 1.4706940569% which was an increase from the 1.4051661528% measured at the prior measurement date. The A&M System's proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and non-employer contributing entities to the plan for the period September 1, 2023 through August 31, 2024.

For the year ending August 31, 2025, the A&M System recognized pension expense of \$142,570,843 in the proprietary fund statements. On August 31, 2025, the A&M System reported on the proprietary fund statement deferred outflows of resources and deferred inflows of resources related to pensions from the sources listed on the table.

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**The Texas A&M University System
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Elements of Deferred Outflows and Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 49,516,453	\$ 7,013,966
Changes of assumptions or other inputs	46,384,320	6,218,550
Net difference between projected and actual investment return	5,460,826	-
Effect of change in proportion and contribution difference	84,699,965	30,903,136
Contributions Subsequent to the measurement date	92,335,042	-
Total	\$ 278,396,606	\$ 44,135,652

The \$892,335,042 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending August 31, 2026.

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

Deferred Outflows and Inflows Recognized in Pension Expense	
Future Years	Amounts
2026	\$17,016,062
2027	107,785,828
2028	21,470,218
2029	(11,279,117)
2030	6,932,921
Thereafter	-

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Optional Retirement Program (ORP)

The State has also established an Optional Retirement Program (ORP) for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The Optional Retirement Program provides for the purchase of annuity contracts and mutual funds. The contributory percentages of participant salaries during the fiscal year provided by the State and by each participant who was enrolled in the plan on or before August 31, 1995 were 8.5% and 6.65%, respectively. The 8.5% is composed of 6.6% contributed by the State and an additional 1.90% contributed by the A&M System. For participants who enrolled on or after September 1, 1995, the State and participant contributions were 6.6% and 6.65%, respectively.

The contributions for the A&M System ORP retirement program are presented below.

ORP Contributions for the Plan Year Ended August 31, 2025	
Employer	\$ 51,405,229.17
Employee	\$ 49,589,399.07
Total	\$ 100,994,628.24

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

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 10 - Deferred Compensation

State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in *Texas Government Code*, Section 609.001. All payroll deductions have been invested in approved plans during the fiscal year. Two deferred compensation plans are available for A&M System employees.

The State's 457 Plan complies with *Internal Revenue Code* Section 457. This plan is referred to as the TexaSaver Deferred Compensation Plan (DCP) and is available to all employees. The DCP is an employer-sponsored plan administered by the Employees Retirement System of Texas (ERS). A&M System employees are permitted to participate in the plan as an agency of the State. The deductions purchased investments and earnings attributed to the 457 Plan are held in trust and belong to the participants. The State has no liability under the 457 Plan beyond the administrative requirements outlined in the corresponding provisions of the IRC.

The A&M System also administers a Tax-Deferred Account (TDA) Program, created in accordance with IRC Section 403(b). All employees are eligible to participate. The TDA is an employer-sponsored plan. The deductions, purchased investments, and earnings attributed to each employee's 403(b) plan are held by vendors chosen by the employee from an approved vendor list provided by the A&M System. The funds held in the accounts belong to the individual participants. The vendors can include insurance companies, banks, or approved non-bank trustees such as mutual fund companies. The assets of this plan do not belong to the A&M System or the State and thus do not have a liability related to this plan beyond the administrative requirements outlined in the corresponding provisions of the IRC.

The 457(f) Deferred Compensation Plan allows the A&M System to defer income for eligible participants without regard to the amount deferred or an adverse impact on other retirement plans in which the participant is enrolled. The plan is structured under Section 457(f) of the *Internal Revenue Code* of 1986, as amended. It is authorized for use by Texas institutions of higher education in Title 109, Article 6228a-5, Section 3 of Vernon's Texas Civil Statutes. All employees of the A&M System are eligible to participate in this plan subject to the approval of the Board of Regents, the Chancellor, or any Chancellor-designated A&M System member Chief Executive Officer.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 11 - Postemployment Health Care and Life Insurance Benefits

Plan Description and Funding Policy

In addition to providing pension benefits, state employees have certain health care and life insurance benefits for retired employees in accordance with State statutes. These benefits are provided by the A&M System and reported in the proprietary fund statements. The A&M System is a single-employer with a defined benefit Other Post Employment (OPEB) plan.

OPEB is provided to the A&M System's retirees under the A&M System group insurance program. The authority under which the obligations of the plan members and the A&M System are established, and may be amended, is Chapter 1601, *Texas Insurance Code*. Retiree eligibility for insurance continuation is determined by the Legislature and is subject to change. The plan does not provide automatic cost of living adjustments (COLAs).

Substantially all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through the group insurance program, and premiums are based on benefits and administrative costs expected to be incurred. The rates are determined annually by the System in consultation with actuary.

Proportionate Share

The A&M System and the State of Texas calculate a proportional share of all elements of the OPEB liability and record their proportional share. Per Chapter 1551 of the *Texas Insurance Code*, Sections 310 and 311, it requires the State to contribute to the cost of each participant's insurance coverage. The funds are appropriated under the General Appropriations Act under the Higher Education Employees Group Insurance (HEGI) Contributions.

The A&M System's proportional share as of August 31, 2025 was 64.64 percent and it was 65.76 percent in fiscal year 2024. The State of Texas' proportional share was 35.36 percent for fiscal year 2025 and 34.24 for fiscal year 2024. Below is a table with the total current and noncurrent OPEB liability. This percentage was applied to all elements of OPEB accounting event including the OPEB liability, deferred outflows and inflows and OPEB expense.

	A&M System Proportional Share	State of Texas Proportional Share*	Total OPEB Liability*
Current OPEB Liability	\$ 58,788,438	\$ 32,152,963	\$ 90,941,401
NonCurrent OPEB Liability	1,863,172,642	1,019,018,745	2,882,191,387
Total per the AFR	\$ 1,921,961,080	\$ 1,051,171,708	\$2,973,132,788

*Total column matches the current actuary report. Adjustments will be needed for the State of Texas Proportional Share to adjust for the funding percentage which is adjusted annually, based upon the prior year funding.

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Employees Covered by Benefit Terms

At the measurement dates below, the following employees were covered by the benefit terms.

Employee Type	Valuation Date
	09/01/2023
a. Inactive employees or beneficiaries currently receiving benefit payments	11,496
b. Inactive employees entitled to but not yet receiving benefit payments	3,629
c. Active employees	25,506
Total	40,631

The employer and retiree contribution rates are presented below. The rates increased from the prior fiscal year for employer but remained the same for retiree

Required Contribution Rates Retiree Health and Basic Life Premium		
Level of Coverage	Employer	Retiree (Health Premium only)
Retiree Only	\$890.04	\$0.00
Retiree/Spouse	\$1,452.12	\$281.04
Retiree/Children	\$1,280.56	\$195.26
Retiree/Family	\$1,681.04	\$395.50

The A&M System and member contribution rates are determined annually by the A&M System based on the recommendations of the A&M System Office of Risk Management and Benefits Administration staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs expected to be incurred, the funds appropriated for the plans, and the funding policy established by the Texas Legislature in connection with benefits provided through the plan. The A&M System revises benefits when necessary to match expected benefit and administrative costs with available revenue.

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Actuarial Assumptions and Other Inputs

The collective OPEB liability for Fiscal Year was determined by an actuarial valuation as of September 1, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Summary of Actuarial Assumptions and Other Inputs	
Actuarial Valuation Date (Biennial Valuation)	September 1, 2023
Inflation	2.30%
Salary Increases	2.95% to 8.95% (includes inflation)
Discount Rate	3.87%
Healthcare Cost Trend Rates	
Medical	<p>A&M Care/A&M Care 65+: 5.60% for FY25, 5.50% for FY26, 5.25% for FY27, 5.00% for FY28, 4.75% for FY29, 4.60% for FY30, 4.50% for FY31, 4.40% for FY32 and 4.30% for FY33 and later years</p> <p>65 Plus Medicare Advantage: 0.00% for FY25, 0.00% for FY26, 5.25% for FY27, 5.00% for FY28, 4.75% for FY29, 4.60% for FY30, 4.50% for FY31, 4.40% for FY32 and 4.30% for FY33 and later</p>
Pharmacy	11.00% for FY25, 10.00% for FY26, 9.50% for FY27, 9.00% for FY28, 8.00% for FY29, 7.00% for FY30, 6.00% for FY31, 5.00% for FY32 and 4.30% for FY33 and later years
Mortality	<p>a. <u>Service Retirees, Survivors and other Inactive Members:</u> Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021.</p> <p>b. <u>Disability Retirees:</u> Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.</p> <p>c. <u>Active Members:</u> Sex Distinct RP-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010.</p>

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

* Discount Rate

- a. The discount rate used to measure the OPEB liability as of September 1, 2024 was 3.87%
- b. Municipal Bond Rate: 3.87% as of September 1, 2024; the source of the municipal bond rate is the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. In describing their index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Other Information

As of the measurement date of September 1, 2024, no changes in benefit terms have occurred. Accordingly, the benefit terms used in this valuation have not been changed since the prior valuation.

Medicare Part D

In fiscal year 2025 the plan received payments from the federal government pursuant to the retiree drug subsidy provisions of Medicare Part D. These on-behalf payments were recorded as revenues and expenses of each plan.

In fiscal year 2025 the A&M System received \$29,297,393.40 of Medicare Part D payments from the federal government.

Sensitivity of the A&M System's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the A&M System's proportionate share of the OPEB liability reported as of August 31, 2025 and measured as of September 1, 2024, as well as what the A&M System's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage point higher (4.87%) than the fiscal year 2025 discount rate.

	1% Decrease (2.87%)	FY2025 Discount Rate (3.87%)	1% Increase (4.87%)
A&M System's Proportionate Share of OPEB Liability	\$2,247,156,308	\$1,921,961,080	\$1,661,293,517

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**The Texas A&M University System
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Sensitivity of the A&M System's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the A&M System's proportionate share of the OPEB liability reported as of August 31, 2025 and measured as of September 1, 2024, as well as what the A&M System's proportionate share of the OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the fiscal year 2025 healthcare cost trend rate.

	1% Decrease	FY2025 Healthcare Cost Trend Rates*	1% Increase
A&M System's Proportionate Share of OPEB Liability	\$1,623,814,199	\$1,921,961,080	\$2,308,678,136

*Healthcare Cost Trend Rates used and -1%/+1% sensitivities are shown below.

Fiscal Year	Medical (A&M Care/A&M Care 65+) Healthcare			Medical (65 Plus Medicare Advantage) Healthcare			Pharmacy Healthcare		
	1% Decrease	Cost Trend Rates	1% Increase	1% Decrease	Cost Trend Rates	1% Increase	1% Decrease	Cost Trend Rates	1% Increase
2025	4.60%	5.60%	6.60%	-1.00%	0.00%	1.00%	10.00%	11.00%	12.00%
2026	4.50%	5.50%	6.50%	-1.00%	0.00%	1.00%	9.00%	10.00%	11.00%
2027	4.25%	5.25%	6.25%	4.25%	5.25%	6.25%	8.50%	9.50%	10.50%
2028	4.00%	5.00%	6.00%	4.00%	5.00%	6.00%	8.00%	9.00%	10.00%
2029	3.75%	4.75%	5.75%	3.75%	4.75%	5.75%	7.00%	8.00%	9.00%
2030	3.60%	4.60%	5.60%	3.60%	4.60%	5.60%	6.00%	7.00%	8.00%
2031	3.50%	4.50%	5.50%	3.50%	4.50%	5.50%	5.00%	6.00%	7.00%
2032	3.40%	4.40%	5.40%	3.40%	4.40%	5.40%	4.00%	5.00%	6.00%
2033 and beyond	3.30%	4.30%	5.30%	3.30%	4.30%	5.30%	3.30%	4.30%	5.30%

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Changes in the A&M System's Proportionate Share of the OPEB Liability

	Increase (Decrease) in A&M System's Proportionate Share of OPEB Liability from 09/01/2023 to 09/01/2024
Beginning Balance of Measurement Year*	\$1,882,455,133
Changes for the Year:	
Service Cost	76,982,265
Interest	72,382,226
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes of assumptions or other inputs	(22,662,546)
Benefit payments (employer)	(55,109,111)
Other Changes	(32,086,887)
Net Changes	71,592,833
Ending Balance of Measurement Year**	\$1,921,961,080

* Information for the fiscal year ending August 31, 2024 was taken as of the measurement date of September 1, 2023 based on an actuarial valuation as of that same date as permitted by Paragraph Nos. 146 and 147 of GASB No. 75

** Information for the fiscal year ending August 31, 2025 was taken as of the measurement date of September 1, 2024 based on an actuarial valuation as of September 1, 2023 rolled forward twelve months as permitted by Paragraph Nos. 146 and 147 of GASB No. 75.

The A&M System recognized its proportionate share of OPEB expense of \$69,023,035 for the fiscal year ended August 31, 2025.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 91,958,614
Changes of assumptions or other inputs	193,153,991	1,030,398,775
Effect of change in proportion and contribution difference	327,525,871	44,549,730
Contributions subsequent to the measurement date	48,603,980	-
Total	\$ 569,283,842	\$ 1,166,907,119

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

Fiscal Year	Amount
2026	\$ (87,663,767)
2027	(122,007,416)
2028	(169,073,482)
2029	(172,019,470)
2030	(78,500,831)
Thereafter	(16,962,291)

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 12 - Interfund Activity and Transactions

As of August 31, 2025, amounts to be received or paid between funds and agencies are to be reported as Interfund Receivable or Interfund Payable.

Individual balances as of August 31, 2025 are presented below.

Proprietary Funds

Interfund Receivable/Payables - Current			
Current Portion	Interfund Receivable	Interfund Payable	Purpose
Agency 710, Appd Fund 0047, D23 Fund 0047 From Agency 720, D23 Fund 0011	\$ 69,742,152.79	\$ -	Permanent University Fund
Agency 711, Appd Fund 0001, D23 Fund 0001 From Agency 907, D23 Fund 0515	-	1,178,919.44	SECO LoanSTAR
Total Current Interfund Receivable/Payable	\$ 69,742,152.79	\$ 1,178,919.44	

Interfund Receivable/Payables – Non-Current			
Non-Current Portion	Interfund Receivable	Interfund Payable	Purpose
Agency 710, Appd Fund 0047, D23 Fund 0047 From Agency 720, D23 Fund 0011	\$ 1,611,247,537.49	\$ -	Permanent University Fund
Agency 711, Appd Fund 0001, D23 Fund 0001 From Agency 907, D23 Fund 0515	-	952,587.60	SECO LoanSTAR
Agency 575, Fund 0001, D23 Fund 0001 From Agency 902, D23 Fund 0001	-	10,000,000.00	Cash Flow Contingency, 89th Leg, Article III, Rider 8, Pg 283
Total Non-Current Interfund Receivable/Payable	\$ 1,611,247,537.49	\$ 10,952,587.60	

Fiduciary Funds

Not Applicable.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 13 - Continuance Subject to Review

This note does not apply to the A&M System.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 14 - Restatement of Net Position

There were no restatements to the beginning net position.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 15 - Commitments and Contingencies

At August 31, 2025, various lawsuits and claims involving the A&M System and its members had arisen in the course of conducting A&M System business. While the ultimate liability with respect to litigation and other claims cannot be reasonably estimated at this time, management is of the opinion that the liability not provided for by insurance or otherwise, if any, for these legal actions will not have a material adverse effect on the A&M System's financial position.

Private investments in limited partnerships are managed by external investment managers or general partners who invest primarily in private companies. These investments, both domestic and international, are illiquid and may not be realized for a period of several years after the investments are made. There are certain risks associated with these investments, some of which are liquidity risk, market risk, event risk and investment manager risk. The commitments to various private investments are summarized in the table below:

Unfunded Commitments as of August 31, 2025		
	Proprietary	Fiduciary
Committed Amount	\$839,947,236.16	\$118,931,571.84
Unfunded Amount	\$257,528,707.74	\$36,464,545.26

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 16 - Subsequent Events

The A&M System is authorized to issue up to \$780 million of Revenue Financing System Bonds during fiscal year 2026 to provide funding for project costs, refund previously issued bonds, refund commercial paper and pay the costs of issuing the bonds.

The A&M System is authorized to issue up to \$615 million of Permanent University Fund Bonds during fiscal year 2026 to provide funding for eligible projects, refund previously issued bonds, refund commercial paper and pay the costs of issuing the bonds.

The table below lists debt issued after the balance sheet date, August 31, 2025.

Debt Issuance	Amount	Date of Issuance	Purpose
Permanent University Fund Commercial Paper Notes	\$90,000,000	9/16/25	Provide interim financing for construction projects.
Revenue Financing System Commercial Paper Notes	\$90,000,000	9/25/25	Provide interim financing for construction projects.
Revenue Financing System Taxable Commercial Paper Notes	\$60,000,000	9/25/25	Provide interim financing for construction projects.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 17 - Risk Management

The A&M System is exposed to various risks of loss related to property – fire, windstorm or other loss of capital assets; general and employer liability – resulting from alleged wrongdoings by employees and others; net income – due to fraud, theft, administrative errors or omissions, and business interruptions; and personnel – unexpected expense associated with employee health, termination or death. As an agency of the State of Texas, the A&M System and its employees are covered by various immunities and defenses which limit some of these risks of loss, particularly in liability actions brought against the A&M System or its employees. Remaining exposures are managed by self-insurance arrangements, contractual risk transfers, the purchase of commercial insurance, or a combination of these risk financing techniques.

All commercial insurance policies include retention amounts (deductibles) for which the A&M System is responsible and for which A&M System members maintain funding reserve pools. On-going analysis of the risks facing the A&M System results in the continual evaluation of insurance policies purchased.

The A&M System has self-insured arrangements for coverage in the areas of workers compensation, group health and dental and certain areas of medical malpractice. Liabilities for claims have been reported where information prior to issuance of the financial statements indicated that it was probable that a liability had been incurred and the amount of the loss could be reasonably estimated.

Worker's Compensation Insurance

The worker's compensation insurance (WCI) plan is considered a funded employer liability pool. The workers' compensation incurred but not reported (IBNR) liability is based on actuarial analysis of all historical claims data. The plan provides claims servicing and claims payments by charging an assessment to each A&M System member based on a percentage of payroll.

Group Health and Dental Insurance

The A&M System's self-insured health and dental plan is also considered a funded employer liability pool. The IBNR liability is based on actuarial analysis of all historical claims data. Premiums are determined through an actuarial pricing process that takes place each spring. Dental benefits under the plan are limited to \$1,500 per individual per year.

Automobile Plan

The Texas A&M University System's Auto Plan provides auto claim payments up to the statutory limits of \$250,000 per person/\$500,000 per accident Bodily Injury/\$100,000 property damage liability as outlined in the Texas Civil Practice and Remedies Code; Title 5 Governmental Liability; Chapter 101 Tort Claims for third-party property damage and bodily injury proximately caused by the negligence of an employee acting within the course and scope of his/her employment. The Plan also provides claim payments for physical damage to covered vehicles if purchased by the member. Annual premium rates are determined through actuarial analysis and applied to the total number of covered vehicles, per member.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Property Shared Retention Plan

The System Property Loss Investment Program (SPLIP) provides an interim debt-finance option to members affected by a covered property loss. The Program extends to all scheduled, insured properties submitted for coverage under the overlying commercial insurance policy by participating Members. It is subject to the provisions of the program agreement and the overlying commercial insurance policy.

Other Self-Insured Plans

The Texas A&M University Health Science Center College of Medicine established and maintains a medical student liability self-insurance plan (the Plan) to provide eligible medical students of the Texas A&M Health Science Center College of Medicine with medical malpractice liability indemnity from and against medical malpractice claims. Coverage limits are \$25,000 per claim, \$75,000 aggregate per student, and \$100,000 annual aggregate. The Plan originated in 1977, and until April 2018, was funded by an annual medical student participation fee. Effective April 2018, annual student participation fees were no longer credited to the existing fund balance, and instead, assigned to a commercial claims-made medical malpractice policy with coverage limits of \$1 million per claim and \$3 million per policy period with a \$25,000 deductible. The Plan was maintained without additional medical student participation funding and served as the deductible for the commercial policy. Effective September 1, 2025, annual student participation fees will be credited to the collective HSC Self Insured Medical Liability Plan that provides medical liability indemnity coverage to all eligible licensed health care providers pursuant to limits governed by the Texas Tort Claims Act, and eligible medical students with coverage limits of \$1 million per occurrence and \$3 million aggregate and no deductible. The plan will be maintained as a reserve fund to support the collective HSC Self Insured Medical Liability Plan. As of August 31, 2025, the Plan had a balance of \$803,198.37 with no accrued liabilities.

The Texas A&M Forest Service has established a self-insured liability plan for prescribed burn liability as required by Natural Resources Code § 153.082 and 4 TAC 227.1. This plan provides loss payment on behalf of Texas A&M Forest Service and its employees for a claim resulting from the professional activities of a Texas A&M Forest Service prescribed burn manager employee in the course and scope of employment. The plan will provide \$1 million of liability coverage for each single occurrence of bodily injury to or destruction of property, and a policy period minimum aggregate limit of at least \$2 million. Funding for the plan is provided by the creation and maintenance of a reserve fund by Texas A&M Forest Service. As of August 31, 2025, the plan had no accrued liabilities.

The Texas A&M Forest Service provides low-cost vehicle liability insurance at a greatly reduced cost to qualified volunteer fire departments through the Volunteer Fire Department Motor Vehicle Self Insurance Program, as described in Texas Insurance Code, Chapter 2154. The vehicle insurance coverage is offered at coverage levels of \$100,000 per person for bodily injury (with a maximum of \$300,000 per occurrence), and \$100,000 for property damage (with a maximum of \$100,000 per occurrence). As of August 31, 2025, the plan had no accrued liabilities.

Changes in the A&M System's claims liabilities for the last two years are presented in the following tables.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Current Year Changes in Claims and IBNR				
Plan Type	Liability Balance 09/01/24	Claims and Changes in Estimates	Claims Payments	Liability Balance 08/31/25
WCI	\$14,806,585.00	\$ 2,185,139.00	\$ (2,104,288.00)	\$ 14,887,436.00
Group Health and Dental Insurance	21,804,000.00	585,259,756.73	(578,441,756.73)	28,622,000.00
Total	<u>\$36,610,585.00</u>	<u>\$587,444,895.73</u>	<u>\$(580,546,044.73)</u>	<u>\$ 43,509,436.00</u>

Prior Year Changes in Claims and IBNR				
Plan Type	Liability Balance 09/01/23	Claims and Changes in Estimates	Claims Payments	Liability Balance 08/31/24
WCI	\$13,563,692.00	\$ 3,394,786.00	\$ (2,151,893.00)	\$ 14,806,585.00
Group Health and Dental Insurance	24,922,000.00	501,597,993.38	(504,715,993.38)	21,804,000.00
Total	<u>\$38,485,692.00</u>	<u>\$504,992,779.38</u>	<u>\$(506,867,886.38)</u>	<u>\$ 36,610,585.00</u>

The WCI liability is reported on the proprietary Statement of Net Position as Current and Non-Current Claims and Judgments. The liability for group health and dental insurance claims is included in the Current Liabilities section of the proprietary Statement of Net Position as Self-Insured Health and Dental Payable.

The claims and losses reported in the financial statements include various settlements. These claims and losses for the fiscal year ended August 31, 2025 are summarized in the table below. There are no outstanding claim liabilities as of August 31, 2025.

Claim and Loss Expenses		
	Current Year	Prior Year
Beginning Liability Balance	\$ -	\$ -
Other Settlement Claims-Operating	43,792,822.89	41,999.83
Other Settlement Claims-NonOperating	1,529,358.10	4,238,071.32
Total Additions	<u>45,322,180.99</u>	<u>4,280,071.15</u>
Payments for Claims	(45,322,180.99)	(4,280,071.15)
Ending Liability Balance	<u>\$ -</u>	<u>\$ -</u>

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 18 - Management's Discussion and Analysis (MD&A)

This note is not used by the Texas A&M University System. The A&M System's Management Discussion and Analysis is included as a separate section of the report.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 19 - The Financial Reporting Entity

The A&M System is composed of a series of distinct members, each of which was created to render a specific service for the State within the limits of the A&M System's objectives, and all of which are under the control and direction of the Board of Regents of the A&M System. The combined financial statements include the Texas A&M University System Office and all members of the A&M System.

Blended Component Unit

The Texas A&M Research Foundation (Research Foundation) is included as a blended component unit in the combined financial statements of the A&M System. This determination is based on the close relationship and joint agreements in effect between the Research Foundation and the A&M System in regard to research grant/contract administration. The Research Foundation has a fiscal year end of August 31st and is included in the proprietary financial statements. Complete financial statements of the Research Foundation may be obtained from their administrative offices at 400 Harvey Mitchell Parkway South, Suite 100, College Station, Texas, 77845.

Joint Venture

Triad National Security, LLC (Triad LLC) is a limited liability company which was formed on the effective date of October 4, 2017, and meets the GASB definition of a joint venture. Triad LLC's Operating Agreement names Battelle Memorial Institute, an Ohio 501(c)(3) nonprofit corporation; The Regents of the University of California, a California public corporation; and The Texas A&M University System (the A&M System), an agency of the State of Texas as the members of Triad LLC. Triad LLC has been awarded the management and operation contract (M&O contract) with the National Nuclear Security Administration (NNSA), a semi-autonomous agency within the U.S. Department of Energy (DOE) to manage and operate the Los Alamos National Laboratory (LANL). Triad LLC's current earnings or losses are dependent on the reimbursement of allowable costs and on the percentage of base and incentive fees earned under the terms of the M&O Contract, offset by any unallowable or disallowed costs. For fiscal year 2025, A&M System recognized contract revenue in the amount of \$1,328,850.48.

While the A&M System has a 33.33 percent membership (equity) interest in Triad LLC, the A&M System's income from this activity is determined by the current earnings or losses of Triad LLC which are subject to certain limitations and special allocations of both the fees and costs. As a result, the A&M System's distributable interest in the current earnings or losses of Triad LLC may range from 5.43 to 15.43 percent of fees earned by Triad LLC. Separate financial statements for Triad LLC may be obtained from the Triad LLC principal corporate office, Triad National Security, LLC, 505 King Avenue, Columbus, Ohio 43201.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 20 - Stewardship, Compliance and Accountability

The A&M System has no material violations of finance related legal and contract provisions.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 21 - Tobacco Settlement

This note is reserved for the State Comptroller of Public Accounts' use.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 22 - Donor Restricted Endowments

The purpose of The Texas A&M University System Endowment Fund (the Fund) is to provide for the collective investment of all endowment and trust funds held by the A&M System or by the Board of Regents of the A&M System in a fiduciary capacity. The Fund is used to provide funding for scholarships, fellowships, professorships, academic chairs and other uses as specified by donors.

Distribution is made quarterly after the last calendar day of November, February, May, and August of each fiscal year to the endowment and trust funds participating in the Fund during the respective quarter. Income consists of interest earnings, dividends and realized capital gains. The income distribution per unit for each fiscal year will be to distribute, excluding fees, 5% of the 20-quarter average market value per unit as of the end of the previous February.

The amount of net appreciation for donor restricted true endowments presented in the table below is available for authorization and expense by the A&M System.

Net Appreciation - Donor-Restricted Endowments		
Donor-Restricted Endowments	Amount of Net Appreciation¹	Reported in Net Position
True Endowments	\$220,852,697.20	Restricted for Expendable
Term Endowments	340,657.12	Restricted for Expendable
Total	\$221,193,354.32	

¹The total fiscal year 2025 fair value adjustment to the Fund was (\$7,358,720.83).

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 23 - Extraordinary and Special Items

The A&M System does not have any special or extraordinary items to report for the year ended August 31, 2025.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 24 - Disaggregation of Receivable and Payable Balances

Receivables

A summary of proprietary and fiduciary receivables and the associated allowance for doubtful accounts balances for the year ended August 31, 2025, is presented in the table below.

Proprietary Fund Receivables			
Description	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable
Current Receivables			
Federal	\$243,408,697.90	\$ -	\$243,408,697.90
Other Intergovernmental	10,262,258.47	-	10,262,258.47
Interest and Dividends	22,829,806.35		22,829,806.35
Gifts	27,393,691.21	-	27,393,691.21
Self Insured Plans	52,273,456.65	-	52,273,456.65
Student	84,531,266.55	(26,586,212.71)	57,945,053.84
Investment Trades	3,598,955.40	-	3,598,955.40
Accounts	212,079,203.93	(4,616,427.46)	207,462,776.47
Other	3,981,363.55	(28,727.32)	3,952,636.23
Total Current Receivables	<u>\$660,358,700.01</u>	<u>\$ (31,231,367.49)</u>	<u>\$629,127,332.52</u>
Non-Current Receivables			
Gifts	\$238,480,442.87	\$ -	\$238,480,442.87
Public Private Partnership Asset	26,091,695.25		26,091,695.25
Total Non-Current Receivables	<u>\$264,572,138.12</u>	<u>\$ -</u>	<u>\$264,572,138.12</u>
Fiduciary Fund Receivables			
Description	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable
Interest and Dividends	\$ 1,267,713.41	\$ -	\$ 1,267,713.41
Gifts	47,242,225.92	(157,831.21)	47,084,394.71
Student	1,626,740.48	(182,206.03)	1,444,534.45
Investment Trades	236,529.15	-	236,529.15
Accounts	1,467,294.92	-	1,467,294.92
Total Receivables	<u>\$ 51,840,503.88</u>	<u>\$ (340,037.24)</u>	<u>\$ 51,500,466.64</u>

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Other Payables

A summary of the proprietary and fiduciary Other Payables is detailed by type of activity in the table below.

Proprietary Other Payables	
Description	Amount
Sales Tax Payable	\$ 3,421,895.12
External Investment Manager Fee Payable	2,852,210.18
External Investments - Other Payable	2,084,304.61
Miscellaneous Payables	1,084,270.40
Total Other Payables	<u>\$ 9,442,680.31</u>
 Fiduciary Other Payables	
Description	Amount
Sales Tax Payable	\$ 15,778.03
Income Distribution Payable	212,629.91
External Investment Manager Fee Payable	172,905.20
External Investments - Other Payable	654,892.64
System Endowment Fund Year-End Accruals	2,521,610.04
Miscellaneous Payables	25,055.89
Total Other Payables	<u>\$ 3,602,871.71</u>

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 25 - Termination Benefits

Health Care Related Termination Benefits

Healthcare continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA) is provided for both voluntary and involuntary terminations. COBRA participants are eligible to continue group coverage for 18 to 36 months, depending on the circumstances leading to the loss of coverage.

For the fully-insured dental plan and vision plan, the carrier and/or third party vendor is responsible for the billing and collection from all COBRA participants. The carrier retains all premiums and is liable for all claims and expenses. For the fiscal year ended August 31, 2025, the fully-insured plan had 6 enrolled participants for the dental plan, and 70 participants for the vision plan.

For the self-insured health and dental plans offered by the A&M System, the carrier and/or third party vendor performs the billing and collections process for COBRA participants. The premiums are then forwarded to the A&M System, net of the 2% administrative fee. Since the plan is self-insured, the A&M System is responsible for any claims or administrative costs associated with COBRA participants. The table below summarizes the self-insured plan COBRA benefits for the fiscal year ended August 31, 2025.

Self-Insured Health and Dental Plan - COBRA	
Number of Participants	148
Claims Paid	\$ 3,332,952.64
Administrative Expenses	162,123.97
Total COBRA Expenses	3,495,076.61
Premium Revenue	879,944.57
2% Administrative Fee Revenue	17,958.05
Total COBRA Premium	897,902.62
Net Cost to State	\$ 2,597,173.99

Non-Health Care Related Termination Benefits

No reportable activity on non-health care related termination benefits for the fiscal year ended August 31, 2025.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 26 - Segment Information

The A&M System does not have any reportable segments.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Note 27 – Public-Private and Public-Public Partnerships

The A&M System has seven arrangements that fit the criteria of a Public-Private or Public-Public Partnership (PPP). These PPP initiatives cover various sectors, including student housing, academic and office buildings. At the end of these arrangements, the A&M System retains ownership rights and title to assets associated with the PPP contract. For these assets, a receivable and deferred inflow was established based on the estimated carrying value of the assets when ownership is transferred. A general description of each arrangement, including status, term, and duration, is presented in the following table.

Public-Private and Public-Public Partnerships				
Arrangement Name	Construction Status	PPP Term	Contract Begin	Contract End
Higher Education Center City of McAllen	Complete	20 years	2017	2037
Park West NHCCD-College Station Properties LLC	Complete	32 years	2015	2047
White Creek CHF-Collegiate Housing College Station I, LLC	Complete	32 years	2014	2046
U Center at Northgate ACC OP	Complete	40 years	2013	2053
Engineering Research Lab ERB A&M Partners I, LLC	Complete	20 years	2014	2034
Clayton W. Williams Jr. Alumni Center The Association of Former Students of Texas A&M University	Complete	50 years	1983	2033
Student Housing Phase IX CHF-Collegiate Housing Prairie View IX, LLC	Complete	32 years	2019	2051

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

PPP amounts reported as of August 31, 2025 are presented in the following table.

Public-Private and Public-Public Partnerships		
Amounts Recognized in Financial Statements		
August 31, 2025		
Arrangement Name	Receivables for PPP Asset	Deferred Inflows of Resources
Higher Education Center	\$ 500,000.00	\$ 395,778.86
Park West	14,745,569.45	12,970,183.16
White Creek	4,628,537.85	4,024,815.52
U Center at Northgate	1,783,150.00	1,610,587.10
Engineering Research Lab	1,638,236.20	1,248,866.68
Clayton W. Williams Jr. Alumni Center	1,357,554.85	1,086,043.88
Student Housing Phase IX	1,438,646.90	1,287,710.56
Total	<u>\$ 26,091,695.25</u>	<u>\$ 22,623,985.76</u>

These contracts exhibit various rent structures, including no fixed rent payment, a nominal \$1.00 per year, minimal rent charge, or variable payments. The variable payments are due to underlying payments being derived from a revenue and/or profit-sharing arrangement, usage of the underlying PPP asset, or changes in an index or rate. A total of \$2,139,253.64 was recognized as revenue from these variable payments for the year ended August 31, 2025. There are no receivables for installment payments in these contracts due to the variable revenue structures.

However, receivables related to the Underlying PPP Assets purchased or constructed and placed into service by the operator totaled \$26,091,695.25. The ownership of the underlying assets of the PPP has not yet been transferred to the A&M System. Deferred Inflow of Resources corresponding to the Receivable for PPP Installment Payments and Receivable for Transfer of Underlying PPP Asset were \$22,623,985.76 for the year ended August 31, 2025.

The A&M System has no Availability Payment Arrangements to report as of August 31, 2025.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 28 - Deferred Outflows of Resources and Deferred Inflows of Resources

In fiscal year 2025, the A&M System reported Deferred Inflows of Resources and Deferred Outflows of Resources on the proprietary fund statement of net position in connection with a loss on refunding debt, changes related to the pension and OPEB liabilities, split interest agreements, lease income and public private partnership agreements. The amounts are summarized in the table below.

Deferred Outflows of Resources and Deferred Inflows of Resources		
Activity	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Unamortized Loss on Refunding Debt	\$ 49,753,717.55	\$ -
Pensions (Note 9)	278,396,606.00	44,135,652.00
Other Post-Employment Benefits (Note 11)	569,283,842.00	1,166,907,119.00
Split Interest Agreements	-	1,118,165.13
Lease Income	-	194,436,913.59
Public Private Partnership Asset	-	22,623,985.76
Total	\$ 897,434,165.55	\$ 1,429,221,835.48

Unamortized Loss on Refunding Debt

Deferred Outflows of Resources of \$49.8 million represents unamortized losses on refunding bonds.

For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows of resources. The loss is amortized, using the straight-line method, over the remaining life of the old debt or the life of the new debt, whichever is shorter, and reported in the Statement of Revenues, Expenses and Changes in Net Position as a component of Interest Expense. Unamortized losses on refunding debt are reported as Deferred Outflows of Resources. The unamortized amounts are detailed in the table below.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Unamortized Loss on Refunding Debt			
Fiscal Year Refunded	Bonds Refunded	Amortization	Amount Remaining
		Period (FY)	to be Amortized
2015	Permanent University Fund Bonds, Series 2006	2015-2036	4,004,196.47
2016	Revenue Financing System Bonds, Series 2009A and Series 2009B	2016-2039	7,569,422.63
2016	Revenue Financing System Bonds, Series 2009C and Series 2009D	2016-2040	11,773,889.92
2018	Revenue Financing System Bonds, Series 2011B	2018-2041	3,985,124.06
2018	Revenue Financing System Bonds, Series 2013D	2018-2028	848,711.75
2019	Revenue Financing System Bonds, Taxable Series 2013C	2019-2043	21,572,372.72
	Total		\$49,753,717.55

Deferred Inflows and Deferred Outflows Related to Pensions

The pension values provided by the Texas Comptroller's Office define the Texas A&M System's proportional share of the Teacher Retirement System of Texas (TRS) unfunded pension liability. The related deferred inflows and deferred outflows include changes in assumptions, contributions subsequent to the measurement date, and differences between projected and actual investment return. The A&M System has reported its proportional share of these deferred inflows and deferred outflows. Additional details are provided in Note 9, Pension Plans and Optional Retirement Program.

Deferred Inflows and Deferred Outflows Related to OPEB

The State provides certain health care and life insurance benefits for retired employees in accordance with State statutes. These benefits are provided to the A&M System's retirees under the A&M System group insurance program, which is a single-employer defined benefit Other Post-Employment (OPEB) plan.

The A&M System has reported its proportional share of the OPEB liability and related deferred inflows and outflows, as determined by an actuarial valuation of the plan. The deferred inflows and deferred outflows include changes in assumptions, contributions subsequent to the measurement date, and differences between projected and actual investment return. Additional details are included in Note 11, Post-Employment Health Care and Life Insurance Benefits.

Deferred Inflows for Split-Interest Agreements

Deferred inflows of resources related to irrevocable split-interest agreements represent the estimated value of future distributions from split-interest agreements where the A&M System is named as a beneficiary.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2025

Deferred Inflows for Leases Income

Deferred inflows of resources for leases represents the net present value of future lease payments for contracts where the A&M System is the lessor. The lease receivable and the related deferred inflow are recognized as of the lease commencement date. The deferred inflow is recognized evenly over the lease term.

Deferred Inflows for Public Private Partnership Asset

Deferred inflows of resources for Public Private Partnership Asset represents the residual book value of an asset to be transferred for Public-Public or Public-Private Partnership contracts. See Note 27 for more details.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 29 - Troubled Debt Restructuring

The A&M System does not have any reportable troubled debt restructuring.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 30 - Non-Exchange Financial Guarantees

The A&M System does not have any reportable non-exchange financial guarantees.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 31 - Tax Abatements

The A&M System does not have any reportable tax abatements.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2025**

Note 32 - Fund Balances

This note is not applicable to the A&M System.

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The Texas A&M University System Required Supplementary Information (RSI) to the Combined Financial Statements For the Year Ended August 31, 2025

Required Supplementary Information (RSI) Other Than MD&A

Required Supplementary Information (RSI) includes the MD&A which is included in the front portion of this publication. RSI is required additional information required to be reported based upon GASB pronouncements. This data is not considered Basic Financial Statements nor is it considered Note Disclosures. For the A&M System the reportable RSI is related to *GASB 68 Accounting and Financial Reporting of Pensions*.

Schedule of Proportionate Share of Net Pension Liability

The schedules of proportionate share of the net pension liability for the state's Teacher Retirement System of Texas Plan (TRS Plan) for the A&M System as an employer and as a non-employer contributing entity are presented below.

Schedule of the A&M System's Proportionate Share of the Net Pension Liability ¹										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A&M System's percentage proportionate share of the net pension liability	1.4706940569%	1.4051661528%	1.299243846%	1.356215639%	1.3292220283%	1.3193401398%	1.29429458%	1.2265395%	1.2107484%	1.1294397%
A&M System's proportionate share of the net pension liability	\$898,361,344	\$965,213,562	\$771,327,658	\$345,380,129	\$711,904,200	\$685,834,250	\$712,411,150	\$392,181,254	\$457,523,817	\$399,241,901
A&M System's covered payroll-non General Revenue ²	\$1,095,075,199	\$980,790,133	\$876,266,423	\$786,173,293	\$771,839,560	\$728,675,753	\$690,738,796	\$635,888,799	\$594,339,736	\$434,248,377
A&M System's proportionate share of the net pension liability as a percentage of covered payroll	82.04%	98.41%	88.02%	43.93%	92.23%	94.12%	103.14%	61.67%	76.98%	91.94%
Plan fiduciary net position as a percentage of the total pension liability	77.51%	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

¹This schedule presents 10 years of information.

²Source of Covered Payroll-non General Revenue varied for Fiscal Year 2017. TRS values were unavailable; these numbers are provided by the A&M System payroll reports.

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The Texas A&M University System Required Supplementary Information (RSI) to the Combined Financial Statements For the Year Ended August 31, 2025

Schedule of Employer Contributions

The information on the schedule of employer contributions was determined as of the end of the fiscal years presented. The schedules of employer contributions comparing the actuarially determined contributions and the contributions recognized by the pension plan in relation to the actuarially determined contributions for the state's Teacher Retirement System of Texas Plan (TRS Plan) are presented below.

Schedule of the A&M System's Employer Contributions ¹										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	\$92,335,042	\$83,340,203	\$71,856,250	\$62,135,589	\$59,569,124	\$55,668,520	\$47,806,811	\$42,838,933	\$38,633,263	\$38,024,480
Contributions in relation to the statutorily	\$92,335,042	\$83,340,203	\$71,856,250	\$62,135,589	\$59,569,124	\$55,668,520	\$47,806,811	\$42,838,933	\$38,633,263	\$38,024,480
Contribution deficiency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
A&M System's covered payroll-non General Revenue ²	\$1,095,075,199	\$980,790,133	\$876,266,423	\$786,173,293	\$771,839,560	\$728,675,753	\$690,738,796	\$635,888,799	\$594,339,736	\$434,248,377
Contributions as a percentage of covered payroll	8.43%	8.50%	8.20%	7.90%	7.72%	7.64%	6.92%	6.74%	6.80%	8.76%

¹This schedule presents 10 years of information.

²Source of Covered Payroll-non-General Revenue varied for Fiscal Year 2017. TRS values were unavailable; these numbers are provided by the A&M System payroll reports.

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The Texas A&M University System Required Supplementary Information (RSI) to the Combined Financial Statements For the Year Ended August 31, 2025

Schedule of Proportionate Share of OPEB Liability- Fiscal Years 2018-2025

The information on the schedules of proportionate share of the OPEB liability was determined as of the measurement date of the OPEB liability. The schedules of proportionate share of the OPEB liability, this is the eighth year the data will be collected for the next 2 years, eventually this table will include 10 years.

Elements of the OPEB Liability ¹⁻³	2025	2024	2023	2022	2021	2020	2019	2018
1 OPEB Liability Beginning Balance	\$1,882,455,133	\$2,323,661,114	\$2,700,223,937	\$2,390,290,786	\$2,023,060,661	\$1,852,526,441	\$2,313,866,921	\$2,768,919,058
Changes for the Year:								
Service Cost	76,982,265	101,071,166	138,894,229	107,963,732	80,329,472	68,219,053	95,228,755	127,342,039
Interest	72,382,226	96,439,107	63,818,211	56,421,527	62,130,988	73,736,653	89,731,375	81,716,351
Changes of benefit terms ⁴	-	-	-	-	-	-	(576,118,675)	-
Differences between expected and actual experience	-	(10,400,517)	-	(208,258,181)	-	(59,775,841)	-	(48,754,146)
Changes of assumptions or other inputs ⁵	(22,662,546)	(823,906,163)	(698,069,570)	308,610,354	254,804,901	165,853,936	(198,049,045)	(577,506,807)
Benefit payments (employer)	(55,109,111)	(58,206,641)	(48,493,853)	(42,329,210)	(37,195,158)	(37,581,587)	(38,973,287)	(37,849,574)
Other Changes	(32,086,887)	253,797,067	167,288,160	87,524,929	7,159,921	(39,917,994)	166,840,397	-
Net Changes	39,505,947	(441,205,981)	(376,562,823)	309,933,151	367,230,124	170,534,220	(461,340,480)	(455,052,137)
OPEB Liability Ending Balance	\$1,921,961,080	\$1,882,455,133	\$2,323,661,114	\$2,700,223,937	\$2,390,290,786	\$2,023,060,661	\$1,852,526,441	\$2,313,866,921
2 Covered Employee Payroll	\$1,348,266,497	\$1,331,043,253	\$1,061,785,265	\$970,693,640	\$987,409,550	\$950,446,721	\$888,380,104	\$822,477,489
3 Total OPEB Liability as a Percentage of Covered Employee Payroll	142.55%	141.43%	218.84%	278.17%	242.08%	212.85%	208.53%	281.33%

Notes to the Schedule

¹ This schedule is presented using the optional format of combining the required schedules in Paragraph Nos. 170.a. and 170.b. of GASB No. 75. Until a full 10-year trend is compiled, governments should present information for those years for which information is available.

² Information is presented using measurement date which precedes the fiscal year end by twelve months.

³ No assets are accumulated in a trust that meets the criteria in Paragraph No. 4 of GASB No. 75 to pay related benefits.

⁴ Changes in benefit terms: Adopted in January 2018 and effective January 1, 2019, prescription drug coverage for all Medicare-primary participants is provided through a self-funded Employer Group Waiver Plan with Commercial Wrap (EGWP plus Wrap).

⁵ Changes in assumptions or other inputs: Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate for 2025 is 3.87%.

In fiscal year 2025, amounts reflect updated assumed rates of retirement, disability, termination and mortality, assumed salary increases, assumed expenses, assumed per capita health benefit costs and assumed trend for health benefit costs and retiree contributions.

Bond Schedules

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Schedule 2A
The Texas A&M University System
Schedule of Miscellaneous Bond Information
For the Year Ended August 31, 2025

Description	Bonds Issued to Date	Range of Interest Rates	Maturities			
			First Year	First Call Date		Last Year
Revenue Bonds - Self Supporting						
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$ 92,520,000.00	3.55 - 5.5%	7/1/1999	7/1/2008	(1) (2)	7/1/2028
Permanent University Fund Bonds, Series 2009AB Revenue Bonds	218,895,000.00	2.5 - 5.5%	7/1/2010	7/1/2025	(1) (2)	7/1/2034
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds	125,750,000.00	0.579 - 3.575%	7/1/2013	Make Whole	(2) (3)	7/1/2032
Permanent University Fund Bonds, Series 2013 Revenue Bonds	208,465,000.00	3.0 - 5.0%	7/1/2014	7/1/2023	(1)	7/1/2033
Permanent University Fund Bonds, Series 2015A Revenue Bonds	143,555,000.00	3.5 - 5.75%	7/1/2015	7/1/2025	(1)	7/1/2036
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds	145,445,000.00	1.0 - 3.60%	7/1/2015	7/1/2025	(1) (2)	7/1/2036
Permanent University Fund Bonds, Series 2017A Revenue Bonds	90,365,000.00	3.0 - 5.0%	7/1/2018	7/1/2027	(1)	7/1/2047
Permanent University Fund Bonds, Taxable Series 2017B Revenue Bonds	310,515,000.00	1.52 - 3.66%	7/1/2018	7/1/2027	(1) (2)	7/1/2047
Permanent University Fund Bonds, Taxable Series 2019 Revenue Bonds	351,890,000.00	1.6 - 3.1%	7/1/2020	7/1/2029	(1) (2)	7/1/2049
Permanent University Fund Bonds, Series 2023 Revenue Bonds	245,595,000.00	5.0% - 5.0%	7/1/2023	7/1/2032	(1)	7/1/2042
Permanent University Fund Bonds, Series 2025A Revenue Bonds	379,080,000.00	5.0% - 5.0%	7/1/2025	7/1/2035	(1) (2)	7/1/2054
Revenue Financing System Bonds, Series 2013B Revenue Bonds	265,405,000.00	3.0 - 5.0%	5/15/2014	5/15/2023	(1) (2)	5/15/2043
Revenue Financing System Bonds, Series 2015A Tuition Revenue Bonds	64,670,000.00	2.0 - 5.0%	5/15/2015	5/15/2023	(1)	5/15/2025
Revenue Financing System Bonds, Series 2015B Revenue Bonds	142,155,000.00	2.0 - 5.0%	5/15/2015	5/15/2023	(1) (2)	5/15/2044
Revenue Financing System Bonds, Taxable Series 2015C Revenue Bonds	176,925,000.00	0.12 - 3.451%	5/15/2015	Make Whole	(2) (3)	5/15/2034
Revenue Financing System Bonds, Taxable Series 2015D Revenue Bonds	67,250,000.00	4.0 - 5.0%	5/15/2016	5/15/2025	(1) (2)	5/15/2045
Revenue Financing System Bonds, Taxable Series 2016A Revenue Bonds	88,565,000.00	0.510 - 3.993%	5/15/2016	5/15/2026	(1) (2)	5/15/2037
Tuition Revenue Bonds	2,955,000.00					5/15/2027
Revenue Financing System Bonds, Taxable Series 2016B Revenue Bonds	325,575,000.00	0.850 - 4.113%	5/15/2017	5/15/2026	(1) (2)	5/15/2045
Revenue Financing System Bonds, Series 2016C Revenue Bonds	85,740,000.00	3.0 - 5.0%	5/15/2017	5/15/2026	(1)	5/15/2040
Tuition Revenue Bonds	121,705,000.00					5/15/2029
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds	154,265,000.00	0.535 - 3.579%	5/15/2017	5/15/2026	(1) (2) (3)	5/15/2040
Tuition Revenue Bonds	22,595,000.00			Make Whole		5/15/2029
Revenue Financing System Bonds, Series 2016E Revenue Bonds	118,950,000.00	2.0 - 5.0%	5/15/2017	5/15/2026	(1)	5/15/2035
Tuition Revenue Bonds	20,400,000.00					5/15/2029
Revenue Financing System Bonds, Taxable Series 2017A Tuition Revenue Bonds	388,705,000.00	0.700 - 3.531%	5/15/2017	Make Whole	(3)	5/15/2032

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Schedule 2A
The Texas A&M University System
Schedule of Miscellaneous Bond Information
For the Year Ended August 31, 2025

Description	Bonds Issued to Date	Range of Interest Rates	Maturities			
			First Year	First Call Date	Last Year	
Revenue Bonds - Self Supporting						
Revenue Financing System Bonds, Taxable Series 2017B Tuition Revenue Bonds	\$ 386,597,008.00	1.455 - 3.386%	5/15/2018	5/15/2027	(1)	5/15/2032
Revenue Financing System Bonds, Series 2017C Revenue Bonds	64,980,000.00	3.0 - 5.0%	5/15/2018	5/15/2027	(1) (2)	5/15/2039
Tuition Revenue Bonds	32,445,000.00					5/15/2028
Revenue Financing System Bonds, Taxable Series 2017D Revenue Bonds	158,680,000.00	1.797 - 3.822%	5/15/2018	5/15/2027	(1) (2) (3)	5/15/2047
Revenue Financing System Bonds, Series 2017E Revenue Bonds	341,995,000.00	2.0 - 5.0%	5/15/2018	5/15/2022	(1) (2)	5/15/2057
Revenue Financing System Bonds, Taxable Series 2019A Revenue Bonds	223,730,000.00	2.709 - 4.197%	5/15/2019	5/15/2029	(1) (2) (3)	5/15/2048
Revenue Financing System Bonds, Taxable Series 2019B Revenue Bonds	429,645,000.00	1.934 - 3.480%	5/15/2020	5/15/2029	(1) (2) (3)	5/15/2049
Revenue Financing System Bonds, Taxable Series 2020A Revenue Bonds	157,780,000.00	0.209 - 2.647%	5/15/2021	5/15/2029	(1) (2) (3)	5/15/2047
Revenue Financing System Bonds, Series 2021A Revenue Bonds	189,425,000.00	2.3 - 5.0%	5/15/2022	5/15/2031	(1) (2)	5/15/2051
Revenue Financing System Bonds, Taxable Series 2021B Revenue Bonds	226,375,000.00	0.155 - 2.906%	5/15/2022	5/15/2031	(1) (2) (3)	5/15/2048
Revenue Financing System Bonds, Series 2022 Revenue Bonds	208,520,000.00	4.375% - 5.0%	5/15/2023	5/15/2032	(1) (2)	5/15/2052
Revenue Financing System Bonds, Series 2024A Revenue Bonds	80,413,444.00	4.0 - 5.0%	5/15/2025	5/15/2034	(1) (2)	5/15/2054
Tuition Revenue Bonds	346,981,556.00					5/15/2042
	\$ 7,205,502,008.00					

(1) Option for Partial Redemption

(2) Mandatory Redemption Required

(3) Subject to redemption prior to maturity on any business day at the "Make Whole Redemption Price"

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Schedule 2B
The Texas A&M University System
Schedule of Changes in Bonded Indebtedness
For the Year Ended August 31, 2025

Description	Bonds Outstanding September 1, 2024	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2025
Revenue Bonds - Self Supporting					
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$ 13,390,000.00	\$ -	\$ 3,085,000.00	\$ -	\$ 10,305,000.00
Permanent University Fund Bonds, Series 2009AB Revenue Bonds	173,525,000.00		14,800,000.00	158,725,000.00	-
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds	56,610,000.00		6,585,000.00		50,025,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	56,160,000.00		5,355,000.00		50,805,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds	132,005,000.00		14,575,000.00	117,430,000.00	-
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds	78,230,000.00		545,000.00		77,685,000.00
Permanent University Fund Bonds, Series 2017A Revenue Bonds	75,685,000.00		4,820,000.00		70,865,000.00
Permanent University Fund Bonds, Taxable Series 2017B Revenue Bonds	310,280,000.00		60,000.00		310,220,000.00
Permanent University Fund Bonds, Taxable Series 2019 Revenue Bonds	336,585,000.00		3,395,000.00		333,190,000.00
Permanent University Fund Bonds, Series 2023 Revenue Bonds	232,065,000.00		8,250,000.00		223,815,000.00
Permanent University Fund Bonds, Series 2025A Revenue Bonds	-	379,080,000.00	2,970,000.00		376,110,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	27,865,000.00		-		27,865,000.00
Revenue Financing System Bonds, Series 2015A Tuition Revenue Bonds	5,840,000.00		5,840,000.00		-
Revenue Financing System Bonds, Series 2015B Revenue Bonds	46,775,000.00		-		46,775,000.00
Revenue Financing System Bonds, Taxable Series 2015C Revenue Bonds	42,070,000.00		11,460,000.00		30,610,000.00
Revenue Financing System Bonds, Taxable Series 2015D Revenue Bonds	53,395,000.00		1,800,000.00		51,595,000.00
Revenue Financing System Bonds, Taxable Series 2016A Revenue Bonds	36,060,000.00	-	7,345,000.00	-	28,715,000.00
Tuition Revenue Bonds	990,000.00		325,000.00		665,000.00
Revenue Financing System Bonds, Taxable Series 2016B Revenue Bonds	247,220,000.00		11,445,000.00		235,775,000.00
Revenue Financing System Bonds, Series 2016C Revenue Bonds	65,280,000.00		4,620,000.00		60,660,000.00
Tuition Revenue Bonds	66,955,000.00		12,190,000.00		54,765,000.00
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds	110,945,000.00		6,635,000.00		104,310,000.00
Tuition Revenue Bonds	11,135,000.00		2,130,000.00		9,005,000.00
Revenue Financing System Bonds, Series 2016E Revenue Bonds	72,285,000.00		10,610,000.00		61,675,000.00
Tuition Revenue Bonds	11,210,000.00		2,045,000.00		9,165,000.00

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Schedule 2B
The Texas A&M University System
Schedule of Changes in Bonded Indebtedness
For the Year Ended August 31, 2025

Description	Unamortized Premium	Net Bonds Outstanding August 31, 2025	Principal Due Within One Year	Premium Amortization Due Within One Year	Amounts Due Within One Year	Bonds Outstanding August 31, 2025
Revenue Bonds - Self Supporting						
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$ -	\$ 10,305,000.00	\$ 3,255,000.00	\$ -	\$ 3,255,000.00	\$ 10,305,000.00
Permanent University Fund Bonds, Series 2009AB Revenue Bonds		-			-	-
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds		50,025,000.00	6,775,000.00		6,775,000.00	50,025,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	231,297.58	51,036,297.58	5,515,000.00	89,616.48	5,604,616.48	50,805,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds		-			-	-
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds		77,685,000.00	2,965,000.00		2,965,000.00	77,685,000.00
Permanent University Fund Bonds, Series 2017A Revenue Bonds	1,628,994.16	72,493,994.16	5,005,000.00	662,849.47	5,667,849.47	70,865,000.00
Permanent University Fund Bonds, Taxable Series 2017B Revenue Bonds		310,220,000.00	60,000.00		60,000.00	310,220,000.00
Permanent University Fund Bonds, Taxable Series 2019 Revenue Bonds		333,190,000.00	3,460,000.00		3,460,000.00	333,190,000.00
Permanent University Fund Bonds, Series 2023 Revenue Bonds	23,841,561.93	247,656,561.93	8,660,000.00	2,671,292.13	11,331,292.13	223,815,000.00
Permanent University Fund Bonds, Series 2025A Revenue Bonds	27,267,836.61	403,377,836.61	26,385,000.00	4,238,394.71	30,623,394.71	376,110,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	(133,407.28)	27,731,592.72	-	(6,507.45)	(6,507.45)	27,865,000.00
Revenue Financing System Bonds, Series 2015A Tuition Revenue Bonds	-	-	-	-	-	-
Revenue Financing System Bonds, Series 2015B Revenue Bonds	1,158,733.40	47,933,733.40	-	112,624.13	112,624.13	46,775,000.00
Revenue Financing System Bonds, Taxable Series 2015C Revenue Bonds		30,610,000.00	5,600,000.00		5,600,000.00	30,610,000.00
Revenue Financing System Bonds, Taxable Series 2015D Revenue Bonds		51,595,000.00	1,870,000.00		1,870,000.00	51,595,000.00
Revenue Financing System Bonds, Taxable Series 2016A Revenue Bonds	-	28,715,000.00	7,545,000.00	-	7,545,000.00	28,715,000.00
Tuition Revenue Bonds		665,000.00	330,000.00		330,000.00	665,000.00
Revenue Financing System Bonds, Taxable Series 2016B Revenue Bonds		235,775,000.00	11,190,000.00		11,190,000.00	235,775,000.00
Revenue Financing System Bonds, Series 2016C Revenue Bonds	6,659,234.84	67,319,234.84	4,850,000.00	937,097.96	5,787,097.96	60,660,000.00
Tuition Revenue Bonds	2,772,293.76	57,537,293.76	12,800,000.00	1,220,504.65	14,020,504.65	54,765,000.00
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds		104,310,000.00	6,780,000.00		6,780,000.00	104,310,000.00
Tuition Revenue Bonds		9,005,000.00	2,180,000.00		2,180,000.00	9,005,000.00
Revenue Financing System Bonds, Series 2016E Revenue Bonds	2,135,594.02	63,810,594.02	10,040,000.00	819,292.54	10,859,292.54	61,675,000.00
Tuition Revenue Bonds	283,158.61	9,448,158.61	2,140,000.00	151,178.60	2,291,178.60	9,165,000.00

UNAUDITED

Schedule 2B
The Texas A&M University System
Schedule of Changes in Bonded Indebtedness
For the Year Ended August 31, 2024

Description	Bonds Outstanding September 1, 2024	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2025
Revenue Bonds - Self Supporting					
Revenue Financing System Bonds, Taxable Series 2017A Tuition Revenue Bonds	\$ 208,180,000.00	\$ -	\$ 24,130,000.00	\$ -	\$ 184,050,000.00
Revenue Financing System Bonds, Taxable Series 2017B Tuition Revenue Bonds	209,710,000.00		26,910,000.00		182,800,000.00
Revenue Financing System Bonds, Series 2017C Revenue Bonds	58,690,000.00		3,465,000.00		55,225,000.00
Tuition Revenue Bonds	17,135,000.00		4,150,000.00		12,985,000.00
Revenue Financing System Bonds, Taxable Series 2017D Revenue Bonds	131,970,000.00		4,625,000.00		127,345,000.00
Revenue Financing System Bonds, Series 2017E Revenue Bonds	301,130,000.00		25,715,000.00		275,415,000.00
Revenue Financing System Bonds, Taxable Series 2019A Revenue Bonds	179,220,000.00		8,650,000.00		170,570,000.00
Revenue Financing System Bonds, Taxable Series 2019B Revenue Bonds	389,820,000.00		7,860,000.00		381,960,000.00
Revenue Financing System Bonds, Taxable Series 2020A Revenue Bonds	137,595,000.00		5,075,000.00		132,520,000.00
Revenue Financing System Bonds, Series 2021A Revenue Bonds	175,340,000.00		5,440,000.00		169,900,000.00
Revenue Financing System Bonds, Taxable Series 2021B Revenue Bonds	202,635,000.00		8,135,000.00		194,500,000.00
Revenue Financing System Bonds, Series 2022 Revenue Bonds	194,780,000.00		7,440,000.00		187,340,000.00
Revenue Financing System Bonds, Series 2024A Revenue Bonds	80,413,444.00		1,364,039.00		79,049,405.00
Tuition Revenue Bonds	346,981,556.00		27,970,961.00		319,010,595.00
		[a]			
	<u>\$ 4,896,160,000.00</u>	<u>\$379,080,000.00</u>	<u>\$301,815,000.00</u>	<u>\$276,155,000.00</u>	<u>\$ 4,697,270,000.00</u>
			(Schedule 2D)		(Schedule 2C)
[a] Bonds Issued or Converted					
Permanent University Fund Bonds, Series 2025A		<u>\$379,080,000.00</u>			
Total, Bonds Issued or Converted		<u>\$379,080,000.00</u>			

UNAUDITED

Schedule 2B

The Texas A&M University System

Schedule of Changes in Bonded Indebtedness

For the Year Ended August 31, 2024

Description	Unamortized Premium	Net Bonds Outstanding August 31, 2025	Principal Due Within One Year	Premium Amortization Due Within One Year	Amounts Due Within One Year	Bonds Outstanding August 31, 2025
Revenue Bonds - Self Supporting						
Revenue Financing System Bonds, Taxable Series 2017A Tuition Revenue Bonds	\$ -	\$ 184,050,000.00	\$ 24,855,000.00	\$ -	\$ 24,855,000.00	\$ 184,050,000.00
Revenue Financing System Bonds, Taxable Series 2017B Tuition Revenue Bonds		182,800,000.00	27,635,000.00		27,635,000.00	182,800,000.00
Revenue Financing System Bonds, Series 2017C Revenue Bonds	4,821,190.92	60,046,190.92	3,640,000.00	804,469.12	4,444,469.12	55,225,000.00
Tuition Revenue Bonds	719,668.18	13,704,668.18	4,360,000.00	370,524.99	4,730,524.99	12,985,000.00
Revenue Financing System Bonds, Taxable Series 2017D Revenue Bonds		127,345,000.00	4,755,000.00		4,755,000.00	127,345,000.00
Revenue Financing System Bonds, Series 2017E Revenue Bonds	14,477,492.49	289,892,492.49	27,020,000.00	3,174,651.05	30,194,651.05	275,415,000.00
Revenue Financing System Bonds, Taxable Series 2019A Revenue Bonds		170,570,000.00	8,925,000.00		8,925,000.00	170,570,000.00
Revenue Financing System Bonds, Taxable Series 2019B Revenue Bonds		381,960,000.00	8,020,000.00		8,020,000.00	381,960,000.00
Revenue Financing System Bonds, Taxable Series 2020A Revenue Bonds		132,520,000.00	5,130,000.00		5,130,000.00	132,520,000.00
Revenue Financing System Bonds, Series 2021A Revenue Bonds	17,002,320.26	186,902,320.26	5,705,000.00	2,568,072.31	8,273,072.31	169,900,000.00
Revenue Financing System Bonds, Taxable Series 2021B Revenue Bonds		194,500,000.00	8,195,000.00		8,195,000.00	194,500,000.00
Revenue Financing System Bonds, Series 2022 Revenue Bonds	8,382,558.51	195,722,558.51	7,820,000.00	1,261,128.27	9,081,128.27	187,340,000.00
Revenue Financing System Bonds, Series 2024A Revenue Bonds	3,988,620.68	83,038,025.68	2,158,370.00	552,993.01	2,711,363.01	79,049,405.00
Tuition Revenue Bonds	32,311,359.46	351,321,954.46	28,646,630.00	3,854,967.61	32,501,597.61	319,010,595.00
		[b]				
	<u>\$ 147,548,508.13</u>	<u>\$ 4,844,818,508.13</u>	<u>\$ 294,270,000.00</u>	<u>\$ 23,483,149.58</u>	<u>\$ 317,753,149.58</u>	<u>\$ 4,697,270,000.00</u>
		(Exhibit III)	(Schedule 2C)			(Schedule 2C)

[b] Bonds Payable per Exhibit III

Current Bonds Payable

\$ 317,753,149.58

NonCurrent Bonds Payable

4,527,065,358.55

Total Bonds Payable

\$ 4,844,818,508.13

Schedule 2C
The Texas A&M University System
Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

Description		2026	2027	2028	2029	2030
Revenue Bonds - Self Supporting						
Permanent University Fund Bonds, Series 1998						
Revenue Bonds	Principal	\$ 3,255,000.00	\$ 3,430,000.00	\$ 3,620,000.00	\$ -	\$ -
	Interest	566,775.00	387,750.00	199,100.00		
Permanent University Fund Bonds, Taxable Series 2012B						
Revenue Bonds	Principal	6,775,000.00	6,965,000.00	6,760,000.00	7,000,000.00	7,245,000.00
	Interest	1,703,712.96	1,506,695.96	1,297,188.76	1,055,518.76	805,268.76
Permanent University Fund Bonds, Series 2013						
Revenue Bonds	Principal	5,515,000.00	5,735,000.00	5,960,000.00	6,205,000.00	6,450,000.00
	Interest	2,032,200.00	1,811,600.00	1,582,200.00	1,343,800.00	1,095,600.00
Permanent University Fund Bonds, Taxable Series 2015B						
Revenue Bonds	Principal	2,965,000.00	10,630,000.00	10,810,000.00	11,395,000.00	11,745,000.00
	Interest	2,527,285.06	2,445,747.56	2,137,477.56	1,813,177.56	1,459,932.56
Permanent University Fund Bonds, Series 2017A						
Revenue Bonds	Principal	5,005,000.00	6,275,000.00	6,565,000.00	7,235,000.00	7,450,000.00
	Interest	2,691,600.00	2,441,350.00	2,127,600.00	1,799,350.00	1,509,950.00
Permanent University Fund Bonds, Taxable Series 2017B						
Revenue Bonds	Principal	60,000.00	75,000.00	80,000.00	80,000.00	85,000.00
	Interest	11,338,767.00	11,336,967.00	11,334,604.50	11,332,004.50	11,329,364.50
Permanent University Fund Bonds, Taxable Series 2019						
Revenue Bonds	Principal	3,460,000.00	3,535,000.00	3,605,000.00	3,690,000.00	250,000.00
	Interest	10,193,475.00	10,122,199.00	10,045,843.00	9,964,370.00	9,878,762.00
Permanent University Fund Bonds, Series 2023						
Revenue Bonds	Principal	8,660,000.00	9,100,000.00	9,555,000.00	10,025,000.00	10,520,000.00
	Interest	11,190,750.00	10,757,750.00	10,302,750.00	9,825,000.00	9,323,750.00
Permanent University Fund Bonds, Series 2025A						
Revenue Bonds	Principal	26,385,000.00	19,920,000.00	21,020,000.00	25,395,000.00	26,735,000.00
	Interest	18,805,500.00	17,486,250.00	16,490,250.00	15,439,250.00	14,169,500.00
Revenue Financing System Bonds, Series 2013B						
Revenue Bonds	Principal	0.00	0.00	0.00	0.00	0.00
	Interest	1,114,600.00	1,114,600.00	1,114,600.00	1,114,600.00	1,114,600.00
Revenue Financing System Bonds, Series 2015B						
Revenue Bonds	Principal	0.00	0.00	0.00	0.00	3,325,000.00
	Interest	1,787,500.00	1,787,500.00	1,787,500.00	1,787,500.00	1,787,500.00
Revenue Financing System Bonds, Taxable Series 2015C						
Revenue Bonds	Principal	5,600,000.00	5,760,000.00	5,920,000.00	6,105,000.00	1,345,000.00
	Interest	971,131.82	806,883.82	632,183.02	446,709.42	249,334.76
Revenue Financing System Bonds, Taxable Series 2015D						
Revenue Bonds	Principal	1,870,000.00	1,945,000.00	2,025,000.00	2,105,000.00	2,190,000.00
	Interest	2,134,966.26	2,060,166.26	1,982,366.26	1,901,366.26	1,817,166.26
Revenue Financing System Bonds, Taxable Series 2016A						
Revenue Bonds	Principal	7,545,000.00	7,750,000.00	1,415,000.00	1,145,000.00	1,190,000.00
	Interest	937,217.06	728,522.36	502,532.36	458,582.46	421,301.26
Tuition Revenue Bonds						
	Principal	330,000.00	335,000.00			
	Interest	18,896.40	9,768.60			
Revenue Financing System Bonds, Taxable Series 2016B						
Revenue Bonds	Principal	11,190,000.00	11,505,000.00	11,840,000.00	12,200,000.00	12,610,000.00
	Interest	8,917,040.56	8,607,525.22	8,272,039.42	7,904,289.02	7,507,057.02
Revenue Financing System Bonds, Series 2016C						
Revenue Bonds	Principal	4,850,000.00	5,095,000.00	5,290,000.00	5,510,000.00	3,035,000.00
	Interest	2,745,250.00	2,502,750.00	2,298,950.00	2,087,350.00	1,866,950.00
Tuition Revenue Bonds						
	Principal	12,800,000.00	13,445,000.00	13,975,000.00	14,545,000.00	
	Interest	2,318,600.00	1,678,600.00	1,140,800.00	581,800.00	
Revenue Financing System Bonds, Taxable Series 2016D						
Revenue Bonds	Principal	6,780,000.00	6,930,000.00	7,100,000.00	7,285,000.00	7,305,000.00
	Interest	3,274,553.42	3,124,851.04	2,951,046.64	2,762,328.64	2,557,765.84
Tuition Revenue Bonds						
	Principal	2,180,000.00	2,220,000.00	2,275,000.00	2,330,000.00	
	Interest	229,707.90	181,573.50	125,895.90	65,426.40	

UNAUDITED

Schedule 2C
The Texas A&M University System
Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

Description		2031-2035	2036-2040	2041-2045	2046-2050	2051-2055
Revenue Bonds - Self Supporting						
Permanent University Fund Bonds, Series 1998						
Revenue Bonds	Principal	\$ -	\$ -	\$ -	\$ -	\$ -
	Interest					
Permanent University Fund Bonds, Taxable Series 2012B						
Revenue Bonds	Principal	15,280,000.00				
	Interest	824,395.00				
Permanent University Fund Bonds, Series 2013						
Revenue Bonds	Principal	20,940,000.00				
	Interest	1,697,400.00				
Permanent University Fund Bonds, Taxable Series 2015B						
Revenue Bonds	Principal	29,475,000.00	665,000.00			
	Interest	3,734,104.00	23,940.00			
Permanent University Fund Bonds, Series 2017A						
Revenue Bonds	Principal	12,675,000.00	9,520,000.00	11,145,000.00	4,995,000.00	
	Interest	4,998,050.00	3,595,200.00	1,967,625.00	254,306.26	
Permanent University Fund Bonds, Taxable Series 2017B						
Revenue Bonds	Principal	17,940,000.00	100,190,000.00	131,820,000.00	59,890,000.00	
	Interest	56,242,387.50	47,022,216.00	25,788,177.00	3,309,189.00	
Permanent University Fund Bonds, Taxable Series 2019						
Revenue Bonds	Principal	14,345,000.00	73,115,000.00	84,065,000.00	147,125,000.00	
	Interest	49,296,703.50	42,775,195.00	30,778,660.00	13,676,580.00	
Permanent University Fund Bonds, Series 2023						
Revenue Bonds	Principal	61,090,000.00	77,965,000.00	36,900,000.00		
	Interest	38,177,250.00	21,299,000.00	2,790,250.00		
Permanent University Fund Bonds, Series 2025A						
Revenue Bonds	Principal	128,490,000.00	7,640,000.00	0.00	17,720,000.00	102,805,000.00
	Interest	47,275,000.00	30,513,250.00	30,131,250.00	30,131,250.00	14,791,250.00
Revenue Financing System Bonds, Series 2013B						
Revenue Bonds	Principal	0.00	16,275,000.00	11,590,000.00		
	Interest	5,573,000.00	4,694,000.00	939,200.00		
Revenue Financing System Bonds, Series 2015B						
Revenue Bonds	Principal	14,705,000.00	18,920,000.00	9,825,000.00		
	Interest	6,831,300.00	3,895,275.00	1,001,600.00		
Revenue Financing System Bonds, Taxable Series 2015C						
Revenue Bonds	Principal	5,880,000.00				
	Interest	515,924.56				
Revenue Financing System Bonds, Taxable Series 2015D						
Revenue Bonds	Principal	12,330,000.00	15,100,000.00	14,030,000.00		
	Interest	7,697,671.30	4,936,055.00	1,838,337.50		
Revenue Financing System Bonds, Taxable Series 2016A						
Revenue Bonds	Principal	6,635,000.00	3,035,000.00			
	Interest	1,416,154.78	182,879.42			
Tuition Revenue Bonds						
	Principal					
	Interest					
Revenue Financing System Bonds, Taxable Series 2016B						
Revenue Bonds	Principal	70,215,000.00	83,845,000.00	22,370,000.00		
	Interest	30,221,360.20	15,162,777.24	2,833,857.10		
Revenue Financing System Bonds, Series 2016C						
Revenue Bonds	Principal	17,115,000.00	19,765,000.00			
	Interest	7,379,500.00	2,884,250.00			
Tuition Revenue Bonds						
	Principal					
	Interest					
Revenue Financing System Bonds, Taxable Series 2016D						
Revenue Bonds	Principal	40,020,000.00	28,890,000.00			
	Interest	9,253,014.02	3,158,949.64			
Tuition Revenue Bonds						
	Principal					
	Interest					

Schedule 2C
The Texas A&M University System

Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

Description		2056-2057	Total Requirements
Revenue Bonds - Self Supporting			
Permanent University Fund Bonds, Series 1998			
Revenue Bonds	Principal	\$ -	\$ 10,305,000.00
	Interest		1,153,625.00
Permanent University Fund Bonds, Taxable Series 2012B			
Revenue Bonds	Principal		50,025,000.00
	Interest		7,192,780.20
Permanent University Fund Bonds, Series 2013			
Revenue Bonds	Principal		50,805,000.00
	Interest		9,562,800.00
Permanent University Fund Bonds, Taxable Series 2015B			
Revenue Bonds	Principal		77,685,000.00
	Interest		14,141,664.30
Permanent University Fund Bonds, Series 2017A			
Revenue Bonds	Principal		70,865,000.00
	Interest		21,385,031.26
Permanent University Fund Bonds, Taxable Series 2017B			
Revenue Bonds	Principal		310,220,000.00
	Interest		189,033,677.00
Permanent University Fund Bonds, Taxable Series 2019			
Revenue Bonds	Principal		333,190,000.00
	Interest		186,731,787.50
Permanent University Fund Bonds, Series 2023			
Revenue Bonds	Principal		223,815,000.00
	Interest		113,666,500.00
Permanent University Fund Bonds, Series 2025A			
Revenue Bonds	Principal		376,110,000.00
	Interest		235,232,750.00
Revenue Financing System Bonds, Series 2013B			
Revenue Bonds	Principal		27,865,000.00
	Interest		16,779,200.00
Revenue Financing System Bonds, Series 2015B			
Revenue Bonds	Principal		46,775,000.00
	Interest		20,665,675.00
Revenue Financing System Bonds, Taxable Series 2015C			
Revenue Bonds	Principal		30,610,000.00
	Interest		3,622,167.40
Revenue Financing System Bonds, Taxable Series 2015D			
Revenue Bonds	Principal		51,595,000.00
	Interest		24,368,095.10
Revenue Financing System Bonds, Taxable Series 2016A			
Revenue Bonds	Principal		28,715,000.00
	Interest		4,647,189.70
Tuition Revenue Bonds			
	Principal		665,000.00
	Interest		28,665.00
Revenue Financing System Bonds, Taxable Series 2016B			
Revenue Bonds	Principal		235,775,000.00
	Interest		89,425,945.78
Revenue Financing System Bonds, Series 2016C			
Revenue Bonds	Principal		60,660,000.00
	Interest		21,765,000.00
Tuition Revenue Bonds			
	Principal		54,765,000.00
	Interest		5,719,800.00
Revenue Financing System Bonds, Taxable Series 2016D			
Revenue Bonds	Principal		104,310,000.00
	Interest		27,082,509.24
Tuition Revenue Bonds			
	Principal		9,005,000.00
	Interest		602,603.70

UNAUDITED

Schedule 2C
The Texas A&M University System
Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

Description		2026	2027	2028	2029	2030
Revenue Financing System Bonds, Series 2016E						
Revenue Bonds	Principal	\$ 10,040,000.00	\$ 10,545,000.00	\$ 10,955,000.00	\$ 11,305,000.00	\$ 11,625,000.00
	Interest	2,215,150.00	1,713,150.00	1,291,350.00	962,700.00	623,550.00
Tuition Revenue Bonds	Principal	2,140,000.00	2,260,000.00	2,345,000.00	2,420,000.00	
	Interest	340,350.00	233,350.00	142,950.00	72,600.00	
Revenue Financing System Bonds, Taxable Series 2017A						
Tuition Revenue Bonds	Principal	24,855,000.00	25,635,000.00	26,455,000.00	27,325,000.00	28,255,000.00
	Interest	6,185,715.56	5,407,505.50	4,579,238.66	3,698,022.62	2,774,164.36
Revenue Financing System Bonds, Taxable Series 2017B						
Tuition Revenue Bonds	Principal	27,635,000.00	28,390,000.00	29,200,000.00	30,080,000.00	31,000,000.00
	Interest	5,558,332.50	4,796,711.90	3,991,571.50	3,119,659.50	2,191,390.70
Revenue Financing System Bonds, Series 2017C						
Revenue Bonds	Principal	3,640,000.00	3,810,000.00	4,005,000.00	4,210,000.00	4,425,000.00
	Interest	2,605,256.26	2,423,256.26	2,232,756.26	2,032,506.26	1,822,006.26
Tuition Revenue Bonds	Principal	4,360,000.00	4,575,000.00	4,050,000.00		
	Interest	649,250.00	431,250.00	202,500.00		
Revenue Financing System Bonds, Taxable Series 2017D						
Revenue Bonds	Principal	4,755,000.00	4,895,000.00	5,040,000.00	5,205,000.00	5,375,000.00
	Interest	4,602,420.70	4,460,864.30	4,312,692.70	4,155,091.88	3,984,524.02
Revenue Financing System Bonds, Series 2017E						
Revenue Bonds	Principal	27,020,000.00	27,870,000.00	29,345,000.00	19,485,000.00	16,545,000.00
	Interest	12,178,800.00	10,827,800.00	9,434,300.00	7,967,050.00	6,992,800.00
Revenue Financing System Bonds, Taxable Series 2019A						
Revenue Bonds	Principal	8,925,000.00	9,225,000.00	9,535,000.00	9,390,000.00	9,720,000.00
	Interest	6,565,838.86	6,275,508.78	5,966,194.48	5,639,811.42	5,313,696.70
Revenue Financing System Bonds, Taxable Series 2019B						
Revenue Bonds	Principal	8,020,000.00	8,220,000.00	8,430,000.00	19,430,000.00	19,495,000.00
	Interest	12,076,043.64	11,887,092.40	11,683,976.22	11,468,083.92	10,958,823.60
Revenue Financing System Bonds, Taxable Series 2020A						
Revenue Bonds	Principal	5,130,000.00	5,195,000.00	5,270,000.00	5,360,000.00	5,455,000.00
	Interest	2,887,982.94	2,835,503.02	2,774,565.66	2,701,997.78	2,622,830.58
Revenue Financing System Bonds, Series 2021A						
Revenue Bonds	Principal	5,705,000.00	5,980,000.00	6,285,000.00	6,600,000.00	6,935,000.00
	Interest	5,909,010.00	5,623,760.00	5,324,760.00	5,010,510.00	4,680,510.00
Revenue Financing System Bonds, Taxable Series 2021B						
Revenue Bonds	Principal	8,195,000.00	8,285,000.00	8,390,000.00	8,520,000.00	8,670,000.00
	Interest	4,526,757.20	4,441,447.24	4,329,185.46	4,202,915.96	4,055,945.98
Revenue Financing System Bonds, Series 2022						
Revenue Bonds	Principal	7,820,000.00	8,210,000.00	8,605,000.00	9,055,000.00	9,510,000.00
	Interest	9,206,075.02	8,815,075.08	8,404,575.08	7,974,325.08	7,521,575.08
Revenue Financing System Bonds, Series 2024A						
Revenue Bonds	Principal	2,158,370.00	2,271,035.00	2,390,000.00	2,500,000.00	2,630,000.00
	Interest	3,652,470.18	3,544,551.70	3,431,000.00	3,311,500.00	3,186,500.00
Tuition Revenue Bonds	Principal	28,646,630.00	30,078,965.00	12,060,000.00	12,665,000.00	13,310,000.00
	Interest	15,950,529.82	14,518,198.30	13,014,250.00	12,411,250.00	11,778,000.00
Total		474,879,511.12	475,229,074.80	447,615,793.44	442,210,447.44	409,830,120.24
Less Interest		(180,609,511.12)	(169,134,074.80)	(157,440,793.44)	(146,410,447.44)	(135,400,120.24)
Total Principal		\$ 294,270,000.00	\$ 306,095,000.00	\$ 290,175,000.00	\$ 295,800,000.00	\$ 274,430,000.00

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Schedule 2C
The Texas A&M University System
Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

Description		2031-2035	2036-2040	2041-2045	2046-2050	2051-2055
Revenue Financing System Bonds, Series 2016E						
Revenue Bonds	Principal	\$ 7,205,000.00	\$ -	\$ -	\$ -	\$ -
	Interest	873,000.00				
Tuition Revenue Bonds						
	Principal					
	Interest					
Revenue Financing System Bonds, Taxable Series 2017A						
Tuition Revenue Bonds	Principal	51,525,000.00				
	Interest	2,592,148.32				
Revenue Financing System Bonds, Taxable Series 2017B						
Tuition Revenue Bonds	Principal	36,495,000.00				
	Interest	1,356,270.00				
Revenue Financing System Bonds, Series 2017C						
Revenue Bonds	Principal	17,835,000.00	17,300,000.00			
	Interest	6,341,731.30	2,048,562.52			
Tuition Revenue Bonds						
	Principal					
	Interest					
Revenue Financing System Bonds, Taxable Series 2017D						
Revenue Bonds	Principal	29,800,000.00	33,990,000.00	28,455,000.00	9,830,000.00	
	Interest	16,974,403.26	11,210,804.70	4,812,853.50	566,993.70	
Revenue Financing System Bonds, Series 2017E						
Revenue Bonds	Principal	80,880,000.00	36,565,000.00	10,290,000.00	9,850,000.00	12,045,000.00
	Interest	25,586,950.00	11,903,800.00	6,996,000.00	4,785,050.00	2,586,800.00
Revenue Financing System Bonds, Taxable Series 2019A						
Revenue Bonds	Principal	49,825,000.00	43,250,000.00	24,550,000.00	6,150,000.00	
	Interest	21,007,949.82	11,323,396.02	3,765,128.98	523,156.12	
Revenue Financing System Bonds, Taxable Series 2019B						
Revenue Bonds	Principal	105,185,000.00	116,215,000.00	81,115,000.00	15,850,000.00	
	Interest	46,222,686.02	28,717,251.00	9,195,552.00	1,402,092.00	
Revenue Financing System Bonds, Taxable Series 2020A						
Revenue Bonds	Principal	28,580,000.00	31,770,000.00	32,795,000.00	12,965,000.00	
	Interest	11,691,887.60	8,475,179.96	4,365,300.12	534,694.04	
Revenue Financing System Bonds, Series 2021A						
Revenue Bonds	Principal	39,730,000.00	47,455,000.00	38,285,000.00	11,815,000.00	1,110,000.00
	Interest	18,328,600.00	10,595,550.00	4,129,070.00	658,450.02	26,362.50
Revenue Financing System Bonds, Taxable Series 2021B						
Revenue Bonds	Principal	45,910,000.00	51,360,000.00	42,175,000.00	12,995,000.00	
	Interest	17,678,651.14	12,176,782.72	5,156,619.80	643,097.80	
Revenue Financing System Bonds, Series 2022						
Revenue Bonds	Principal	50,475,000.00	43,455,000.00	25,500,000.00	17,370,000.00	7,340,000.00
	Interest	30,212,125.40	17,585,844.14	9,170,162.62	4,219,937.50	527,012.50
Revenue Financing System Bonds, Series 2024A						
Revenue Bonds	Principal	14,545,000.00	14,810,000.00	14,720,000.00	11,770,000.00	11,255,000.00
	Interest	13,825,750.00	10,173,250.00	6,491,900.00	3,786,450.00	1,184,081.28
Tuition Revenue Bonds						
	Principal	77,160,000.00	98,475,000.00	46,615,000.00		
	Interest	48,223,500.00	26,904,750.00	3,524,500.00		
Total		1,634,333,867.72	1,320,828,158.36	821,921,043.62	402,816,246.44	153,670,506.28
Less Interest		(532,048,867.72)	(331,258,158.36)	(155,676,043.62)	(64,491,246.44)	(19,115,506.28)
Total Principal		\$1,102,285,000.00	\$ 989,570,000.00	\$ 666,245,000.00	\$ 338,325,000.00	\$ 134,555,000.00

Schedule 2C
The Texas A&M University System

Schedule of Debt Service Requirements
For the Year Ended August 31, 2025

Description		2056-2057	Total Requirements
Revenue Financing System Bonds, Series 2016E			
Revenue Bonds	Principal	\$ -	\$ 61,675,000.00
	Interest		7,678,900.00
Tuition Revenue Bonds			
	Principal		9,165,000.00
	Interest		789,250.00
Revenue Financing System Bonds, Taxable Series 2017A			
Tuition Revenue Bonds	Principal		184,050,000.00
	Interest		25,236,795.02
Revenue Financing System Bonds, Taxable Series 2017B			
Tuition Revenue Bonds	Principal		182,800,000.00
	Interest		21,013,936.10
Revenue Financing System Bonds, Series 2017C			
Revenue Bonds	Principal		55,225,000.00
	Interest		19,506,075.12
Tuition Revenue Bonds			
	Principal		12,985,000.00
	Interest		1,283,000.00
Revenue Financing System Bonds, Taxable Series 2017D			
Revenue Bonds	Principal		127,345,000.00
	Interest		55,080,648.76
Revenue Financing System Bonds, Series 2017E			
Revenue Bonds	Principal	5,520,000.00	275,415,000.00
	Interest	333,400.00	99,592,750.00
Revenue Financing System Bonds, Taxable Series 2019A			
Revenue Bonds	Principal		170,570,000.00
	Interest		66,380,681.18
Revenue Financing System Bonds, Taxable Series 2019B			
Revenue Bonds	Principal		381,960,000.00
	Interest		143,611,600.80
Revenue Financing System Bonds, Taxable Series 2020A			
Revenue Bonds	Principal		132,520,000.00
	Interest		38,889,941.70
Revenue Financing System Bonds, Series 2021A			
Revenue Bonds	Principal		169,900,000.00
	Interest		60,286,582.52
Revenue Financing System Bonds, Taxable Series 2021B			
Revenue Bonds	Principal		194,500,000.00
	Interest		57,211,403.30
Revenue Financing System Bonds, Series 2022			
Revenue Bonds	Principal		187,340,000.00
	Interest		103,636,707.50
Revenue Financing System Bonds, Series 2024A			
Revenue Bonds	Principal		79,049,405.00
	Interest		52,587,453.16
Tuition Revenue Bonds			
	Principal		319,010,595.00
	Interest		146,324,978.12
Total		5,853,400.00	6,589,188,169.46
Less Interest		(333,400.00)	(1,891,918,169.46)
Total Principal		\$ 5,520,000.00	\$ 4,697,270,000.00
			(Schedule 2B)

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Schedule 2D

The Texas A&M University System

Schedule of Analysis of Funds Available for Debt Service

For the Year Ended August 31, 2025

Description	Pledged Revenues	Operating Expenses From Pledged Revenues	Debt Service	
			Principal	Interest
Permanent University Fund Bonds	\$ 718,352,317.66	\$ 424,838,355.23	\$ 64,440,000.00	\$ 55,695,406.76
Revenue Financing System Bonds	3,690,554,414.80	2,182,618,513.12	237,375,000.00	127,470,845.09
	<u>\$ 4,408,906,732.46</u>	<u>\$ 2,607,456,868.35</u>	<u>\$ 301,815,000.00</u>	<u>\$ 183,166,251.85</u>
			(Schedule 2B)	
[a] Debt Service-Interest Expense (Exhibit IV)		\$ 209,910,800.59		
Less:				
Interest on Permanent University Fund Commercial Paper	\$ 3,213,863.47			
Interest on Revenue Financing System Commercial Paper/Not	9,400,581.22			
Interest on Notes from Direct Borrowings	1,750,158.28			
Interest on Right-to-Use Asset Leases	5,302,035.47			
Interest on Defeased Bonds	7,753,272.34			
Interest Accrual	(811,194.09)			
Other Interest Expense (non-bonds)	135,832.05	(26,744,548.74)		
Subtotal				
Total, Debt Service-Interest		<u>\$ 183,166,251.85</u>		
				[a]

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Schedule 2E
The Texas A&M University System
Schedule of Defeased Bonds Outstanding
For the Year Ended August 31, 2025

Description of Issues	Calendar Year Refunded	Par Value Outstanding September 1, 2024	Newly Defeased	Principal Paid	Par Value Outstanding August 31, 2025
The Texas A&M University System					
Permanent University Fund Bonds,					
Series 2009A	2025	\$ -	\$ 116,245,000.00	\$ 116,245,000.00	\$ -
Series 2009B	2025	-	42,480,000.00	42,480,000.00	-
Seriesl 2015A	2025	-	117,430,000.00	117,430,000.00	-
Total		<u>\$ -</u>	<u>\$ 276,155,000.00</u>	<u>\$ 276,155,000.00</u>	<u>\$ -</u>

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Schedule 2F

The Texas A&M University System
Schedule of Early Extinguishment and Refunding
For the Year Ended August 31, 2025

Description	Category	Amount Extinguished or Refunded	Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
Revenue Bonds - Self Supporting					
Permanent University Fund Bonds, Series 2009A Revenue Bonds	Advance Refunding	\$ 116,245,000.00	\$ 109,270,000.00	\$ 11,630,083.33	\$ 9,947,472.69
Permanent University Fund Bonds, Series 2009B Revenue Bonds	Advance Refunding	42,480,000.00	39,910,000.00	4,029,520.84	3,445,589.36
Permanent University Fund Bonds, Series 2015A Revenue Bonds	Advance Refunding	<u>117,430,000.00</u>	<u>109,375,000.00</u>	<u>8,100,114.77</u>	<u>6,761,970.63</u>
Total, Early Extinguishment and Refunding		<u>\$ 276,155,000.00</u>	<u>\$ 258,555,000.00</u>	<u>\$ 23,759,718.94</u>	<u>\$ 20,155,032.68</u>

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Schedule Three
The Texas A&M University System
Combined Schedule of Proprietary Cash & Cash Equivalents
For the Year Ended August 31, 2025

	Current Year
Proprietary Cash & Cash Equivalents	
Unrestricted	
Cash on Hand	\$603,199.00
Cash In Bank	5,197,919.86
Cash In State Treasury	1,439,710,832.66
Reimbursements Due From State Treasury	44,922,451.32
Cash Equivalents	742,127,117.16
Total Unrestricted Cash & Cash Equivalents (Exhibit III)	\$2,232,561,520.00
Restricted	
Cash on Hand	\$254,160.00
Cash in Bank	3,933,527.43
Cash Equivalents	187,217,125.35
Total Restricted Cash & Cash Equivalents (Exhibit III)	\$191,404,812.78
Total Proprietary Cash & Cash Equivalents (Exhibit V)	\$2,423,966,332.78

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Schedule Three-F
The Texas A&M University System
Combined Schedule of Fiduciary Cash & Cash Equivalents
For the Year Ended August 31, 2025

		Current Year
Fiduciary Cash & Cash Equivalents		
Cash In Bank		\$2,513.64
Cash Equivalents		944,671.95
Total Unrestricted Cash & Cash Equivalents (Exhibit VI)		\$947,185.59
Restricted Cash & Cash Equivalents		
Cash On Hand		\$10,000.00
Cash In Bank		345,514.03
Cash Equivalents		48,002,061.37
Total Restricted Cash & Cash Equivalents (Exhibit VI)		\$48,357,575.40
Total Fiduciary Cash & Cash Equivalents		\$49,304,760.99

APPENDIX C

DEFINED TERMS

The following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“*A&M System*” means and includes A&M System Administration and each of the following existing and operating institutions and agencies, respectively:

- (1) Texas A&M University located at College Station (including the Texas A&M University School of Law, Health Science Center, Texas A&M University at Galveston, and Texas A&M University at Qatar);
- (2) Texas A&M University – Central Texas;
- (3) East Texas A&M University;
- (4) Texas A&M University – Corpus Christi;
- (5) Texas A&M International University;
- (6) Texas A&M University – Kingsville;
- (7) Texas A&M University – San Antonio;
- (8) Texas A&M University – Texarkana;
- (9) Prairie View A&M University, including its nursing school in Houston;
- (10) Tarleton State University;
- (11) West Texas A&M University;
- (12) Texas A&M University – Victoria;
- (13) Texas A&M AgriLife Research;
- (14) Texas A&M AgriLife Extension Service;
- (15) Texas A&M Forest Service;
- (16) Texas A&M Veterinary Medical Diagnostic Laboratory;
- (17) Texas A&M Engineering Experiment Station;
- (18) Texas A&M Engineering Extension Service;
- (19) Texas A&M Transportation Institute; and
- (20) Texas Division of Emergency Management.

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

“*Annual Direct Obligation*” means the amount budgeted each Fiscal Year by the Board with respect to each Participant to satisfy the Participant’s proportion of debt service (calculated based on the Participant’s Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Bonds.

“*Annual Obligation*” means, with respect to each Participant and for each Fiscal Year, the Participant’s Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow the Participant to retire its obligation for intra-Revenue Financing System advances made to it to satisfy part of all of a previous Annual Direct Obligation payment.

“*Board Designated Tuition*” has the meaning given in “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“*Business Day*” means any day other than a Saturday, Sunday, or legal holiday, or a day on which banking institutions in either the State of New York or the State of Texas are authorized by law or executive order to close.

“*Credit Agreement*” means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security or payment of Parity Obligations and on a parity therewith.

“Designated Financial Officer” means the Chancellor, the Deputy Chancellor and Chief Financial Officer, the Chief Investment Officer and Treasurer, or an officer who has assumed the duties of any of the foregoing named officers, or such other officer or employee of the A&M System designated by the Board.

“Direct Obligation” means the proportionate share of outstanding Parity Obligations attributable to and the responsibility of each respective Participant.

“Non-Recourse Debt” means any debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Revenue Financing System, provided that such debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a Participant.

“Outstanding Principal Amount” means the outstanding and unpaid principal amount of Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on Parity Bonds paying accrued, accredited, or compounded interest only at maturity.

“Parity Obligations” means all debt of the Board which may be issued or assumed in accordance with the terms of the Resolution and a supplemental resolution, secured by a pledge of the Pledged Revenues subject only to the liens securing Prior Encumbered Obligations.

“Participant” means each of the institutions and agencies constituting components of the A&M System, including the A&M System Administration, and such other members as designated by the Board to be Participants.

“Pledged General Fee” means the gross collections of a student use fee to be fixed, charged, and collected pursuant to Section 55.16, Texas Education Code as it existed prior to the effective date of S.B. 1907, from the students (excepting, with respect to each series or issue of Parity Obligations issued prior to such date, any student in a category which, at the time of the adoption of a supplemental resolution relating to such Parity Obligations, was exempt by law from paying fees) regularly enrolled at the institutions and branches thereof now or hereafter constituting a Participant of the Revenue Financing System, respectively, for the general use and availability of such institutions or branches thereof, respectively, in the manner and amounts, at the times, and to the extent provided in the Resolution, and including, subject to the provisions of the Prior Encumbered Obligations, the Prior Encumbered General Fee. This fee is now generally charged as Board Designated Tuition. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“Pledged General Tuition” means all of the aggregate amount of student tuition charges now or hereafter required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school, now or hereafter operated by or under the jurisdiction of the Board, but specifically excluding and excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of the adoption of a supplemental resolution relating to such Parity Obligations (1) was exempt by law from paying such tuition, (2) the amount of tuition scholarships provided for by law at the time of the adoption of each Supplement, and (3) the Prior Encumbered Tuition Fees; and it is provided by law and hereby represented and covenanted that the aggregate amount of student tuition charges which are now required or authorized by law to be imposed, and which are pledged to the payment of the Parity Obligations, shall never be reduced or abrogated while such obligations are outstanding; it being further covenanted that the aggregate amount of student tuition charges now required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school operated by or under the jurisdiction of the Board are set forth in the Texas Education Code, as amended, to which Code reference is hereby made for all purposes. This fee is now charged as State Mandated Tuition. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“Pledged Revenues” means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Revenue Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a Supplement; (a) the interest of the A&M System in the Available University Fund under Article VII, Section 18 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; (b) amounts received on behalf of any Participant under Article VII, Section 17 of the Constitution of the

State of Texas, including the income therefrom and any fund balances relating thereto; and (c) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas.

“*Pledged Tuition Fee*” means, as authorized by Section 55.17, Texas Education Code as it existed prior to the effective date of S.B. 1907, the following specified amounts out of the tuition charges now or hereafter required or permitted by law to be imposed on each tuition paying student enrolled at each and every institution or branch thereof now or hereafter constituting a Participant, and including, subject to the provisions or the Prior Encumbered Obligations, the Prior Encumbered Tuition Fees, respectively:

\$5.00 from each enrolled student for each regular semester, and
\$2.50 from each enrolled student for each summer term of each summer session.

This portion of tuition charged is now included in State Mandated Tuition. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“*Prior Encumbered General Fee*” means the Pledged General Fee securing Prior Encumbered Obligations and that portion of the student use fee charged and collected at an institution which becomes a Participant after the date of adoption of the Resolution and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant.

“*Prior Encumbered General Tuition*” means the Pledged General Tuition securing Prior Encumbered Obligations and the tuition charges in the maximum amount permitted in the definition of Pledged General Tuition charged and collected at an institution which becomes a Participant of the Revenue Financing System after the date of adoption of this Resolution and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant of the Revenue Financing System.

“*Prior Encumbered Obligations*” means the bonds, notes, and other obligations of a Participant outstanding on the date it becomes a Participant of the Revenue Financing System and which are secured by a lien on and pledge of the Prior Encumbered General Fee, the Prior Encumbered Revenues, the Prior Encumbered Tuition Fee, and/or the Prior Encumbered General Tuition charged and collected at such Participant and all existing obligations of the Board secured by a lien on a portion of the Pledged Revenues which is superior to the lien established by the Resolution on behalf of Parity Obligations.

“*Prior Encumbered Revenues*” means the revenues pledged to the payment of Prior Encumbered Bonds and the revenues of any revenue producing system or facility of a university, agency or health science center which hereafter becomes a Participant of the Revenue Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant of the Revenue Financing System.

“*Prior Encumbered Tuition Fee*” means the Pledged Tuition Fee securing Prior Encumbered Obligations and that portion of the tuition charges in the maximum amount permitted in the definition of Pledged Tuition Fee charged and collected at a university or health science center which becomes a Participant after the date of adoption of the Resolution and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant.

“*Revenue Financing System*” means “The Texas A&M University System Revenue Financing System” composed of the institutions and agencies constituting parts of the A&M System including the A&M System Administration, and such other universities and agencies now or hereafter under the control or governance of the Board, and made a Participant of the Revenue Financing System by specific action of the Board.

“*Revenue Funds*” means the ‘revenue funds’ of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants, including specifically the Pledged General Tuition and, to the extent and subject to the provisions of the Resolution, the Pledged General Fee and the Pledged Tuition Fee. Revenue Funds does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption of a

supplemental resolution relating to such Parity Obligations, is exempt by law from paying such tuition, rentals, rates, fees, or other charges.

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

“*State Mandated Tuition*” has the meaning given in “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“*Subordinated Debt*” means any debt of the Board which may be issued or assumed in accordance with the terms of the Resolution and a supplemental resolution, secured by a pledge of the Pledged Revenues, junior and subordinate to the pledge thereof securing the Parity Obligations.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The information contained in this section is a summary of certain provisions of the Master Resolution and the Supplemental Resolution and is in addition to other information in such documents which is summarized elsewhere in this Official Statement under the captions “PLAN OF FINANCING,” “DESCRIPTION OF THE BONDS,” and “SECURITY FOR THE BONDS.” This information is intended as a summary only and is qualified in its entirety by reference to the complete Master Resolution and the Supplemental Resolution, copies of which may be obtained from the office of the Chief Investment Officer and Treasurer of the A&M System.

Establishment of Revenue Financing System

Pursuant to the Master Resolution, as amended, the Board has established the Revenue Financing System to provide a consolidated financing structure for revenue-supported debt obligations of the Board, including the Bonds, which are to be issued for the benefit of Participants which are or will be included as part of the Revenue Financing System. Each issue or series of Parity Obligations is to be provided for under a supplemental resolution consistent with the provisions of the Master Resolution.

Security and Pledge; Membership in the Revenue Financing System

Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations, Parity Obligations issued under the Master Resolution are payable from and secured by a lien on all Pledged Revenues. The Board has assigned and pledged the Pledged Revenues to the payment of the principal of and interest on Parity Obligations and to the establishment and maintenance of any funds that may be created under the Master Resolution or a supplemental resolution to secure the repayment of Parity Obligations. The Board may additionally secure Parity Obligations with one or more Credit Agreements.

All of the institutions and agencies currently constituting members of the A&M System have been included under the Master Resolution as Participants of the Revenue Financing System. If an additional institution or agency hereafter becomes a member of the A&M System, the Board may include the new member as a Participant of the Revenue Financing System. In that event, the lien on and pledge of Pledged Revenues established pursuant to the Master Resolution and effective when such institution becomes a Participant of the Revenue Financing System will apply to the revenues, funds, and balances of such Participant that constitute Pledged Revenues; provided, however, that if at the time a new Participant is admitted, it has outstanding debt obligations secured by any of such sources, such obligations will constitute Prior Encumbered Obligations of the Board secured by a lien on the portion of the Pledged Revenues providing such security which is superior to the lien established by the Master Resolution on behalf of Parity Obligations. The Board has reserved the right to refund Prior Encumbered Obligations with the proceeds of refunding bonds issued as Prior Encumbered Obligations secured by the same sources as the sources securing the refunded Prior Encumbered Obligations. Otherwise, while any Parity Obligations are outstanding, the Board has agreed not to issue additional obligations on parity with any Prior Encumbered Obligations.

Annual and Direct Obligation of Participants

The Master Resolution provides that each Participant of the Revenue Financing System is responsible for its Direct Obligation. The Board covenants in the Master Resolution that in establishing the annual budget for each Participant of the Revenue Financing System it will provide for the satisfaction by each Participant of its Annual Obligation.

Pledged General Tuition

In the Master Resolution, the Board has covenanted and agreed at all times to maintain and collect at each institution which has students the Pledged General Tuition and the other Pledged Revenues in such amounts, without limitation, as will be at least sufficient at all times, together with other legally available funds, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to outstanding Parity Obligations when and as required. The Board has agreed that the Pledged General Tuition and the other Pledged Revenues will be adjusted to provide Pledged Revenues sufficient to make when due all payments and deposits in connection with outstanding Parity Obligations. The Board may fix and collect the Pledged Revenues in any manner it may determine within its discretion and in different amounts from students enrolled in different Participants. In addition, if and for any period during which total Pledged Revenues, together with other legally available funds, are sufficient to meet all

of the Board's financial obligations of the Revenue Financing System, the Board may suspend the collection of any item included in the Pledged Revenues from the students enrolled in any Participant.

The Board further covenants in the Resolution that if it determines that Pledged Revenues and other legally available funds are not anticipated to be sufficient to meet all of its financial obligations relating to the Revenue Financing System, including all deposits and payments coming due on outstanding Parity Obligations, or that any Participant will be unable to pay its Annual Direct Obligation in full, the Pledged General Tuition will be adjusted, effective at the next regular semester or semesters or summer term or terms, to an amount, without any limitations (other than as provided in the next to the last sentence of this paragraph), at least sufficient to provide, together with other Pledged Revenues and legally available funds, the money for paying when due all financial obligations of the Board relating to the Revenue Financing System, including all payments and deposits with respect to outstanding Parity Obligations. Any adjustment in the rate of the Pledged General Tuition of any of the Participants will be based upon the certificate and recommendation of a Designated Financial Officer delivered to the Board, as to the rates and anticipated collection of the Pledged General Tuition at the various Participants (after taking into account the anticipated effect the proposed adjustment would have on enrollment and the receipt of Pledged Revenues and other funds of such Participant) which will be anticipated to result in (i) Pledged Revenues attributable to each participant being sufficient (to the extent possible) to satisfy the Annual Obligation of such Participant and (ii) Pledged Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Revenue Financing System, including all deposits and payments due on or in connection with outstanding Parity Obligations when and as required. Notwithstanding the foregoing, it is recognized that certain Participants do not and will not enroll students, and, therefore, the Board will not levy or collect the Pledged General Tuition at such Participants.

Payment and Funds

The Board has covenanted in the Resolution to make available to the Paying Agent/Registrar for Parity Obligations, on or before each payment date, money sufficient to pay any and all amounts due on such Parity Obligations on such payment date.

The Board may establish one or more reserve funds or accounts to further secure any Parity Obligations. Currently, the Board has not established a reserve fund to secure the payment of the Parity Obligations.

Additional Parity Obligations; Non-Recourse Debt and Subordinated Debt

In the Resolution, the Board reserves the right to issue or incur additional Parity Obligations for any purpose authorized by law. The Board may incur, assume, guarantee, or otherwise become liable in respect of additional Parity Obligations if the Board determines that it will have sufficient funds to meet the financial obligations of the A&M System, including sufficient Pledged Revenue to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System.

In addition, the Board covenants not to issue or incur Parity Obligations unless (i) it determines that the Participant or Participants for whom Parity Obligations are being issued or incurred possesses the financial capacity to satisfy their respective Direct Obligations, after taking into account the then proposed additional Parity Obligations, and (ii) a Designated Financial Officer delivers to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in the Resolution and any supplemental resolution authorizing outstanding Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions and conditions thereof.

The Board has reserved the right to issue without limit debt secured by a lien other than a lien on Pledged Revenues and debt which expressly provides that all payments thereon will be subordinated to the timely payment of all Parity Obligations.

Participants

Combination or Release of Participants

The Master Resolution recognizes that the State may combine or divide Participant institutions and provides that so long as the combined or divided institutions continue to be governed by the Board such action must not violate the Master Resolution or require any amendment thereof. The Master Resolution also provides that subject to the conditions set forth below, any Participant or portion thereof may be closed and abandoned by law or may be removed

from the Revenue Financing System (thus deleting the revenues, income, funds, and balances attributable to said Participant or portion thereof from the Pledged Revenues) without violating the terms of the Resolution provided:

- (1) the Board specifically finds that (based upon a certificate of a Designated Financial Official to such effect) after the release of the Participant or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Obligations shall thereafter be outstanding to meet the financial obligations of the Revenue Financing System, including sufficient Pledged Revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System; and
- (2) the Board has received an opinion of counsel which states that such release will not affect the status for federal income tax purposes of interest on any Parity Obligations and that all conditions precedent provided in the Resolution or any supplement relating to such release have been complied with; and
- (3) (A) if the Participant or portion thereof to be released from the Revenue Financing System is to remain under the governance and control of the Board, the Board must either (i) provide, from lawfully available funds, including Pledged Revenues attributable to said withdrawing Participant, for the payment or discharge of said Participant's Direct Obligations or (ii) pledge to the payment of Parity Obligations, additional resources not then pledged in an amount sufficient to satisfy such withdrawing Participant's Direct Obligations as they come due; or

(B) if the Participant or portion thereof to be released from the Revenue Financing System is to no longer be under the governance and control of the Board, the Board must receive a binding obligation of the new governing body of the withdrawing institution or the portion thereof being withdrawn, obligating said governing body to make payments to the Board at the times and in the amounts equal to said Participant's Annual Obligations or to pay or discharge said Participant's Direct Obligations, or, in the case of a portion of a Participant being withdrawn, the proportion of the Participant's Annual Obligation or Direct Obligation, as the case may be, attributable to the withdrawing portion of the Participant.

Disposition of Participants' Assets

In the Master Resolution, the Board has reserved the right to convey, sell, or otherwise dispose of any properties of the Board attributable to a Participant of the Revenue Financing System, provided that:

- (1) such disposition must occur in the ordinary course of business of the Participants of the Revenue Financing System responsible for such properties; or
- (2) the Board determines that after the disposition, the Board has sufficient funds during each Fiscal Year to meet the financial obligations of the A&M System, including sufficient Pledged Revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all other financial obligations of the Board relating to the Revenue Financing System.

Admission of Participants

If, after the date of the adoption of the Supplemental Resolution, the Board desires for a university or agency governed by the Board to become a Participant of the Revenue Financing System, it may include said university or agency in the Revenue Financing System with the effect set forth in the Resolution by the adoption of a supplemental resolution to the Resolution.

Certain Covenants

Rate Covenant

The Resolution requires the Board to establish, charge, and use its reasonable efforts to collect at each Participant the Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board relating to the Revenue Financing System, including all deposits or payments due on or with respect to Parity Obligations. The Board has covenanted in the Resolution to fix, levy, charge, and collect at each Participant which has students the Pledged General Tuition and, with respect to the currently outstanding Parity Obligations and to the extent necessary, the Pledged General Fee from each student (unless exempted therefrom by law) enrolled at each Participant, at each regular fall and spring semester and at each term of each summer session, in such amounts, without any limitation whatsoever, as will be at least sufficient at all times, together with other legally available funds, including other Pledged Revenues, to make payments with respect to Parity Obligations when due.

General Covenants

The Board has additionally covenanted in the Resolution (i) to faithfully perform all covenants and provisions contained in the Resolution, any supplement thereto, and in each Parity Obligation; (ii) to call for redemption all Parity Obligations, in accordance with their terms, which are subject to mandatory redemption; (iii) that it lawfully owns, has title to, or is lawfully possessed of the land, buildings, and facilities which comprise the A&M System and to defend such title for the benefit of the owners of the Parity Obligations; (iv) that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Parity Obligations; (v) to maintain and preserve the property of the Revenue Financing System; (vi) not to incur any debt secured by the Pledged Revenues except as permitted in the Resolution; (vii) to invest and secure money held in funds and accounts established under the Resolution in accordance with law and written policies of the Board; (viii) to keep proper books and records and account for the Revenue Financing System and to cause to be prepared annual financial reports of the A&M System and to furnish such report, to appropriate municipal bond rating agencies and, upon request, owners of Parity Obligations; and (ix) to permit any owner or owners of 25% or more of outstanding principal amount of Parity Obligations at all reasonable time to inspect all records, accounts, and data of the Board relating to the Revenue Financing System.

Special Obligations; Absolute Obligation to Pay Parity Obligations

The Master Resolution provides that all Parity Obligations and the interest thereon constitute special obligations of the Board payable from the Pledged Revenues, and the owners thereof never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than specified in the Master Resolution or any supplemental resolution. The obligation of the Board to pay or cause to be paid the amounts payable under the Master Resolution and each supplemental resolution out of the Pledged Revenues is absolute, irrevocable, complete, and unconditional, and the amount, manner and time of payment of such amounts may not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever.

Remedies

Any owner of Parity Obligations in the event of default in connection with any covenant contained in the Resolution or default in the payment of said obligations, or of any interest due thereof, or other costs and expenses related thereto, may require the Board, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Resolution by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, its officials and employees, or any appropriate official of the State. The principal of the Bonds cannot be accelerated in the event of default, and the Board has not granted a lien on any physical property which may be levied or foreclosed against.

Amendment of Resolution

Amendment Without Consent

The Master Resolution and any supplemental resolution and the rights and obligations of the Board and of the owners of the Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Parity Obligations, solely for any one or more of the following purposes:

- (1) To add to the covenants and agreements of the Board contained in the Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in the Resolution;
- (2) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Resolution, upon receipt by the Board of any approving opinion of co-bond counsel, that the same is needed for such purpose, and will more clearly express the intent of the Resolution;
- (3) To supplement the security for the Parity Obligations; provided, however, that any amendment to the definition of Pledged Revenues which results in the pledge of additional resources may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;
- (4) To make such other changes in the provisions of the Resolution as the Board may deem necessary or desirable and which does not, in the judgment of the Board, materially adversely affect the interests of the owners of Parity Obligations; or

- (5) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Parity Obligations.

Amendments With Consent

Subject to the other provisions of the Resolution, the owners of Parity Obligations aggregating 51% in Outstanding Principal Amount have the right from time to time to approve any amendment, other than amendments described in the foregoing paragraph, to the Master Resolution, or with respect to an amendment affecting a particular supplemental resolution only, 51% in aggregate principal amount of the Parity Obligations issued under such supplemental resolution, which may be deemed necessary or desirable by the Board; provided, however, that no provision may permit or be construed to permit, without the approval of the owners of all of the Parity Obligations, the amendment of the terms and conditions in the Resolution so as to:

- (1) Grant to the owners of any outstanding Parity Obligations a priority over the owners of any other outstanding Parity Obligations;
- (2) Materially adversely affect the rights of the owners of less than all outstanding Parity Obligations then outstanding; or
- (3) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment.

In addition to the foregoing limitations, the Supplemental Resolution provides that for all bonds issued pursuant to the Supplemental Resolution, including the Bonds, no provisions may be construed to permit, without the approval of the owners of all of such bonds outstanding, the amendment of the Supplemental Resolution or such bonds so as to:

- (1) Make any change in the maturity of the outstanding bonds;
- (2) Reduce the rate of interest borne by the outstanding bonds;
- (3) Reduce the amount of principal payable on the outstanding bonds;
- (4) Modify the terms of payment of principal of or interest on the outstanding bonds, or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all bonds then outstanding; or
- (6) Change the minimum percentage of the Outstanding Principal Amount of bonds necessary for consent to such amendment.

Defeasance

Any Parity Obligations and the interest thereon will be deemed to be paid, retired, and no longer outstanding (a "Defeased Debt") within the meaning of the Resolution, except to the extent required for payment thereof, when the payment of all principal and interest payable with respect to such Parity Obligations to the due date or date thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) has been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or provision for the giving of same having been made) or (ii) has been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such Parity Obligations or an eligible financial institution for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) noncallable Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the Board with each such Paying Agent or an eligible financial institution for the payment of its services until after all Defeased Debt has become due and payable. At such time as Parity Obligations are deemed to be Defeased Debt hereunder, as aforesaid, such Parity Obligations and the interest thereof will no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues, and such principal and interest will be payable solely from such money or Government Obligations, and will not be regarded as outstanding for any purposes other than payment, transfer, and exchange. The Board has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute

other Government Obligations for the Government Obligations originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the Board moneys in excess of the amount required for such defeasance.

Additional Defeasance Provisions

In addition to the defeasance provisions set forth in the Master Resolution, the Resolution provides that, to the extent that the Bonds are treated as Defeased Debt for purposes of the Master Resolution, any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements described above shall not be irrevocable, provided that: in the proceedings providing for such defeasance, the Board (1) expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at or prior to the time of the redemption, satisfies the conditions of subsection (a) of Section 12 of the Master Resolution with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

The Resolution also provides that, with respect to a defeasance of the Bonds, the term Government Obligations shall mean (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation) and (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm no less than “AAA” or its equivalent.

The Designated Financial Officer is authorized to limit these Government Obligations in the Award Certificate, as deemed necessary, in connection with the sale of the Bonds.

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APPENDIX E
FORMS OF BOND COUNSEL OPINIONS



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December 18, 2025

WE HAVE ACTED as Bond Counsel for the Board of Regents of The Texas A&M University System (the “Board”) in connection with an issue of bonds (the “Bonds”) described as follows:

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BONDS, SERIES 2025A, dated December 1, 2025, in the aggregate principal amount of \$222,680,000 maturing on May 15 in each year from 2026 through 2050, inclusive, and in 2055. The Bonds are issuable in fully registered form only, in denominations of \$5,000 or integral multiples thereof, bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Bonds and in the Thirty-Fifth Supplemental Resolution to the Master Resolution authorizing the issuance of such Bonds adopted by the Board on August 28, 2025 and an award certificate executed by an authorized officer on December 9, 2025 (collectively, the “Bond Resolution”). Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Bond Resolution and the Master Resolution establishing The Texas A&M University System Revenue Financing System, as amended (collectively, with the Bond Resolution, the “Resolution”).

WE HAVE ACTED as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income under federal income tax law. In such capacity we have examined the Constitution and laws of the State of Texas; federal income tax law; and a transcript of certain certified proceedings pertaining to the issuance of the Bonds and the notes that are being refunded (the “Refunded Notes”) with the proceeds of the Bonds. The transcript contains the certificate of the issuing and paying agent for the Refunded Notes (the “Certificate of Paying Agent for the Refunded Notes”) which verifies the sufficiency of the deposit made for the defeasance of the Refunded Notes; certain certifications and representations and other material facts within the knowledge and control of the Board, upon which we rely; the tax certificate of the Board (the “Tax Certificate”); and certain other customary documents and instruments authorizing and relating to the issuance of the Bonds. We have also examined executed Bond No. T-1 of this issue.

WE HAVE NOT BEEN REQUESTED to examine, and have not investigated or verified, any original proceedings, records, data or other material, but have relied upon the transcript of certified proceedings. We have not assumed any responsibility with respect to the financial condition or capabilities of the Board or the disclosure thereof in connection with the sale of the Bonds. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Board as to the current outstanding indebtedness of the Board and the sufficiency of the Pledged Revenues of the Board. Our role in connection with the Board's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

BASED ON SUCH EXAMINATION, it is our opinion as follows:

- (1) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently in effect; the Bonds constitute valid and legally binding special obligations of the Board enforceable in accordance with the terms and conditions thereof, except to the extent that the rights and remedies of the owners of the Bonds may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases; and the Bonds have been authorized and delivered in accordance with law;
- (2) The Bonds constitute valid and legally binding special obligations of the Board secured by and payable, together with the Board's other outstanding Parity Obligations, from a lien on and pledge of the Pledged Revenues, subject only to the provisions of Prior Encumbered Obligations;
- (3) The deposit with U.S. Bank Trust Company, National Association, the issuing and paying agent for the Refunded Notes (the "Paying Agent for the Refunded Notes"), constitutes the discharge and final payment of the Refunded Notes; in reliance upon the representations contained in the Certificate of Paying Agent for the Refunded Notes, the Refunded Notes, having been discharged and paid, are no longer outstanding and the lien on and pledge of revenues as set forth in the resolution authorizing the Refunded Notes will be appropriately and legally defeased; the holders of the Refunded Notes may obtain payment of the principal of, redemption premium, if any, and interest on the Refunded Notes only out of the funds provided therefor now held by the Paying Agent for the Refunded Notes; and therefore the Refunded Notes are deemed to be fully paid and no longer outstanding, except for the purpose of being paid from the funds provided therefor; and
- (4) Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after

December 31, 2025, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

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

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

THE OPINIONS EXPRESSED HEREIN are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Board. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

Respectfully,

ORRICK, HERRINGTON & SUTCLIFFE LLP



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December 18, 2025

WE HAVE ACTED as Bond Counsel for the Board of Regents of The Texas A&M University System (the “Board”) in connection with an issue of bonds (the “Bonds”) described as follows:

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, TAXABLE SERIES 2025B, dated December 1, 2025, in the aggregate principal amount of \$55,140,000 maturing on May 15 in each year from 2026 through 2042, inclusive, and in the years 2045 and 2055. The Bonds are issuable in fully registered form only, in denominations of \$5,000 or integral multiples thereof, bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Bonds and in the Thirty-Fifth Supplemental Resolution to the Master Resolution authorizing the issuance of such Bonds adopted by the Board on August 28, 2025 and an award certificate executed by an authorized officer on December 9, 2025 (collectively, the “Bond Resolution”). Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Bond Resolution and the Master Resolution establishing The Texas A&M University System Revenue Financing System, as amended (collectively, with the Bond Resolution, the “Resolution”).

WE HAVE ACTED as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas. In such capacity we have examined the Constitution and laws of the State of Texas; and a transcript of certain certified proceedings pertaining to the issuance of the Bonds and the notes that are being refunded (the “Refunded Notes”) with the proceeds of the Bonds. The transcript contains the certificate of the issuing and paying agent for the Refunded Notes (the “Certificate of Paying Agent for the Refunded Notes”) which verifies the sufficiency of the deposit made for the defeasance of the Refunded Notes; certain certifications and representations and other material facts within the knowledge and control of the Board, upon which we rely; and certain other customary documents and instruments authorizing and relating to the issuance of the Bonds. We have also examined executed Bond No. T-1 of this issue.

WE HAVE NOT BEEN REQUESTED to examine, and have not investigated or verified, any original proceedings, records, data or other material, but have relied upon the transcript of certified proceedings. We have not assumed any responsibility with respect to the financial

condition or capabilities of the Board or the disclosure thereof in connection with the sale of the Bonds. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Board as to the current outstanding indebtedness of the Board and the sufficiency of the Pledged Revenues of the Board. Our role in connection with the Board's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

BASED ON SUCH EXAMINATION, it is our opinion as follows:

- (1) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently in effect; the Bonds constitute valid and legally binding special obligations of the Board enforceable in accordance with the terms and conditions thereof, except to the extent that the rights and remedies of the owners of the Bonds may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases; and the Bonds have been authorized and delivered in accordance with law;
- (2) The Bonds constitute valid and legally binding special obligations of the Board secured by and payable, together with the Board's other outstanding Parity Obligations, from a lien on and pledge of the Pledged Revenues, subject only to the provisions of Prior Encumbered Obligations;
- (3) The deposit with U.S. Bank Trust Company, National Association, the issuing and paying agent for the Refunded Notes (the "Paying Agent for the Refunded Notes"), constitutes the discharge and final payment of the Refunded Notes; in reliance upon the representations contained in the Certificate of Paying Agent for the Refunded Notes, the Refunded Notes, having been discharged and paid, are no longer outstanding and the lien on and pledge of revenues as set forth in the resolution authorizing the Refunded Notes will be appropriately and legally defeased; the holders of the Refunded Notes may obtain payment of the principal of, redemption premium, if any, and interest on the Refunded Notes only out of the funds provided therefor now held by the Paying Agent for the Refunded Notes; and therefore the Refunded Notes are deemed to be fully paid and no longer outstanding, except for the purpose of being paid from the funds provided therefor; and

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

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

WE EXPRESS NO OPINION as to the treatment of the interest on the Bonds for federal income tax purposes or any other tax matter.

THE OPINIONS EXPRESSED HEREIN are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Board. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution.

Respectfully,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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