Rating: Moody's "Aa3"
(See "RATING")

OFFICIAL STATEMENT
Dated: July 9, 2019

NEW ISSUE – BOOK-ENTRY-ONLY

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statues, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein.

$7,885,000
BOARD OF REGENTS OF
TEXAS WOMAN'S UNIVERSITY
REVENUE FINANCING SYSTEM REFUNDING BONDS,
SERIES 2019

Dated: August 1, 2019 **Due: July 1, as shown on page ii**
(Interest accrues from the Delivery Date)

The $7,885,000 Revenue Financing System Refunding Bonds, Series 2019 (the "Bonds") are special obligations of the Board of Regents (the "Board") of Texas Woman's University (the "University") payable from and secured solely by the Pledged Revenues (as defined herein) of the University's Revenue Financing System (as defined herein). The Bonds are issued pursuant to a Master Resolution (the "Master Resolution") adopted by the Board on February 20, 2004, and a Twelfth Supplemental Resolution to the Master Resolution, adopted by the Board on May 17, 2019. The Bonds constitute Parity Obligations (as defined herein) under the Master Resolution. **THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE UNIVERSITY, THE STATE OF TEXAS (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS** (see "SECURITY FOR THE BONDS").

The proceeds from the sale of the Bonds will be used for the following purposes: (i) currently refund certain outstanding obligations of the Board to realize a net present value debt service savings (see "SCHEDULE I – SCHEDULE OF REFUNDED BONDS") and (ii) pay costs of issuance of the Bonds (see "PLAN OF FINANCING").

Interest on the Bonds will accrue from the date of initial delivery (the "Delivery Date") to the initial purchaser listed below (the "Underwriter") and is payable on January 1, 2020, and each July 1 and January 1 thereafter until maturity. Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months. 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 denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the purchasers thereof. Interest on and principal of the Bonds will be payable by BOKF, NA, Dallas, Texas, the initial Paying Agent/Registrar, to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds (see "DESCRIPTION OF THE BONDS – Book-Entry-Only System").

The Bonds are not subject to optional redemption as provided herein (see "DESCRIPTION OF THE BONDS – Redemption").

MATURITY SCHEDULE
See page ii
CUSIP Prefix: 882874

The Bonds are offered for delivery when, as and if issued and received by the Underwriter, and subject to the approving opinion of the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see APPENDIX C – "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas. The Bonds are expected to be available for delivery through DTC on or about August 6, 2019.

HILLTOPSECURITIES

CUSIP Prefix: 882874[1]

MATURITY SCHEDULE

$7,885,000
REVENUE FINANCING SYSTEM REFUNDING BONDS,
SERIES 2019

Maturity (July 1)	Principal Amount	Interest Rate	Initial Yield[2]	CUSIP Suffix [1]
2020	$680,000	4.00%	1.31%	JZ4
2021	675,000	4.00%	1.36%	KA7
2022	225,000	3.00%	1.40%	KB5
2022	480,000	4.00%	1.40%	KC3
2023	250,000	3.00%	1.44%	KD1
2023	480,000	4.00%	1.44%	KE9
2024	755,000	4.00%	1.51%	KF6
2025	785,000	5.00%	1.59%	KG4
2026	825,000	5.00%	1.68%	KH2
2027	865,000	5.00%	1.78%	KJ8
2028	910,000	5.00%	1.90%	KK5
2029	955,000	5.00%	2.02%	KL3

(Interest to accrue from Delivery Date)

Optional Redemption…The Bonds are not subject to optional redemption prior to maturity (see "THE BONDS – Redemption").

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[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed on behalf of the American Bankers Association by S&P Capital IQ. This data is included solely for the convenience of the registered owners of the Bonds, is not intended to create a database and does not serve in any way as a substitute for the services provided by CGS. The Board, the University, the Financial Advisor, and the Underwriter are not responsible for the selection or correctness of the CUSIP numbers set forth herein.

[2] The initial offering yields will be established by and are the sole responsibility of the Underwriter and may subsequently be changed.

TEXAS WOMAN'S UNIVERSITY

BOARD OF REGENTS

Name	Residence	Term Expires
Ms. Jill Jester, Chair	Denton	February 1, 2023
Ms. Kathleen Wu, Vice Chair	Dallas	February 1, 2023
Ms. Teresa H. Doggett	Austin	February 1, 2021
Mr. Carlos L. Gallardo	Frisco	February 1, 2021
Ms. Janelle Shepard	Weatherford	February 1, 2021
Ms. Bernadette Coleman	Denton	February 1, 2023
Ms. Stacie D. McDavid	Fort Worth	February 1, 2025
Mr. Bob Hyde	Dallas	February 1, 2025
Mrs. Mary Pincoffs Wilson	Austin	February 1, 2025
Ms. Lexi D'Abrosca(1)	Carrollton	May 31, 2020

(1) Student Regent. Current state law does not allow a Student Regent to vote on any matter before the Board.

PRINCIPAL ADMINISTRATORS

Name	Title	Years of Exp.	Years at TWU
Carine M. Feyten, Ph.D.	Chancellor and President	35 years	5 years
Mr. Jason Tomlinson	Vice President for Finance and Administration	27 years	1 year
Ms. Rana Askins	Associate Vice President – Budget and Finance	25 years	1 year

CONSULTANTS

Financial Advisor	Bond Counsel
RBC Capital Markets, LLC Dallas, Texas	McCall, Parkhurst & Horton L.L.P. Dallas, Texas

For additional information regarding the University, please contact:

Mr. Jason Tomlinson
Vice President for Finance and Administration
Texas Woman's University
P. O. Box 425588
Denton, Texas 76204
(940) 898-3505

Mr. Matthew Boles
Managing Director
RBC Capital Markets, LLC
200 Crescent Court, Suite 1500
Dallas, Texas 75201
(214) 989-1660

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized to give any information, or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board or the Underwriter.

This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University or other matters described herein since the date hereof.

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

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 WILL 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 UNIVERSITY, THE FINANCIAL ADVISOR AND THE UNDERWRITER MAKE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The University assumes no responsibility for the registration or qualification for sale or other disposition of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualifications provisions. NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibility to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

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

This Official Statement contains summaries and descriptions of the plan of financing, the Master Resolution, the Twelfth Supplemental Resolution, the Bonds, the Board, the University 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 the University's Financial Advisor, RBC Capital Markets, LLC, Dallas, Texas.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of this final Official Statement will be submitted to the Municipal Securities Rulemaking Board and will be available through its Electronic Municipal Market Access system. See "CONTINUING DISCLOSURE OF INFORMATION" for information regarding the Electronic Municipal Market Access system and for a description of the Board's undertaking to provide certain information on a continuing basis.

TABLE OF CONTENTS

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

OFFICIAL STATEMENT
RELATING TO

$7,885,000
BOARD OF REGENTS OF TEXAS WOMAN'S UNIVERSITY
REVENUE FINANCING SYSTEM REFUNDING BONDS,
SERIES 2019

INTRODUCTION

This Official Statement, which includes the cover pages, Schedule I and the appendices hereto, provides certain information regarding the issuance by the Board of Regents (the "Board") of Texas Woman's University (the "University"), of its $7,885,000 Revenue Financing System Refunding Bonds, Series 2019 (the "Bonds"). Capitalized terms used in this Official Statement and not otherwise defined have the same meanings assigned to such terms in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION."

The University was established in 1901, pursuant to the provisions of the Constitution and the laws of the State of Texas (the "State") as an institution of higher education primarily for women. The University currently operates its main campus in Denton, and two major science centers in Dallas and Houston. For the 2018 Fall Semester, the University had a total enrollment of approximately 15,520 students. For a full description of the University, see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY."

Pursuant to a Master Resolution adopted by the Board on February 20, 2004 (the "Master Resolution"), the Board created the Texas Woman's University Revenue Financing System (the "Revenue Financing System") for the purpose of providing a financing structure for revenue supported indebtedness to reduce costs, increase borrowing capacity, provide additional security to the credit markets and provide the Board with increased financial flexibility. Pursuant to the Master Resolution, the Board has, with certain exceptions, combined all of the revenues, funds and balances attributable to the University that may lawfully be pledged to secure the payment of revenue-supported debt obligations and has pledged those sources as Pledged Revenues to secure the payment of revenue-supported debt obligations of the Board incurred as Parity Obligations under the Master Resolution. The Board has covenanted that it will not incur any additional debt secured by Pledged Revenues unless such debt constitutes Parity Obligations or is junior and subordinate to Parity Obligations. For additional information regarding the Revenue Financing System, Parity Obligations and Prior Encumbered Obligations (as defined herein) (see "SECURITY FOR THE BONDS – The Revenue Financing System" and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION").

PLAN OF FINANCING

Authority for Issuance of the Bonds

The Bonds are being issued in accordance with the Constitution and general laws of the State, including particularly Chapter 55, Texas Education Code, and Chapter 1207, Texas Government Code, as amended. The Bonds are being issued pursuant to the Master Resolution and a Twelfth Supplemental Resolution to the Master Resolution, adopted by the Board on May 17, 2019 (the "Twelfth Supplemental Resolution"). The Twelfth Supplemental Resolution restricts the principal amount of bonds that may be issued to $8,955,000 in aggregate principal amount, and authorizes the Chancellor and the Vice President for Finance and Administration, individually, but not jointly, to effect the sale of the bonds authorized by the Twelfth Supplemental Resolution. The Bonds will be the twelfth series of debt obligations issued as Parity Obligations and payable from the Pledged Revenues. Certain of the Parity Obligations previously issued pursuant to the Master Resolution are no longer outstanding. The Master Resolution permits additional Parity Obligations to be issued in the future. For a description of the Outstanding Parity Obligations and the ability of the Board to issue additional Parity Obligations (see "SECURITY FOR THE BONDS – Additional Obligations" and "APPENDIX A – DESCRIPTION OF THE UNIVERSITY – Outstanding Indebtedness").

Purpose

Proceeds from the sale of the Bonds will be used to: (i) currently refund certain outstanding obligations of the Board (the "Refunded Bonds") to realize a net present value debt service savings (see "SCHEDULE I – SCHEDULE OF REFUNDED BONDS") and (ii) pay costs of issuance of the Bonds.

Refunded Bonds

The principal of and interest on the Refunded Bonds is to be paid on the scheduled redemption date, from funds to be deposited with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Bank") pursuant to an Escrow Deposit Agreement (the "Deposit Agreement") between the Board and the Bank.

The Twelfth Supplemental Resolution provides that from the proceeds of the sale of the Bonds received from the Underwriter, and other lawfully available funds, the Board will deposit with the Bank an amount which will be sufficient, without investment, to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Bank in a special account (the "Deposit Account"). Under the Deposit Agreement, the Deposit Account is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

By the deposit of the funds with the Bank pursuant to the Deposit Agreement in the manner described above, the Board will have effected the defeasance of all of the Refunded Bonds in accordance with State law. As a result of such defeasance, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Deposit Account, and such Refunded Bonds will not be payable from or secured by any portion of the Pledged Revenues.

SOURCES AND USES OF FUNDS

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

	The Bonds
Sources of Funds	
Par Amount of Bonds	$7,885,000.00
Original Issue Premium	1,261,763.75
Total Sources of Funds	**$9,146,763.75**
Uses of Funds	
Deposit to Deposit Account	$9,004,588.68
Costs of Issuance	86,149.60
Underwriter's Discount	56,025.47
Total Uses of Funds	**$9,146,763.75**

DESCRIPTION OF THE BONDS

General

The Bonds will be initially issued in book-entry-only form, but may subsequently be issued in certificated form, in either case only as fully registered bonds, without coupons, in any integral multiple of $5,000 principal amount within a stated maturity. The Bonds will be dated August 1, 2019 will accrue interest from their delivery date, and will bear interest at the per annum rates, mature on the dates and in the principal amounts shown on the inside front cover page of this Official Statement. Interest on the Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Bonds is payable on January 1, 2020, and each July 1 and January 1 thereafter until maturity to the person in whose name such Bond is registered on the Record Date (as hereinafter defined).

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

Redemption

Optional Redemption. The Bonds are **not** subject to optional redemption prior to their maturity date.

Legality

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

Paying Agent/Registrar

The Board covenants in the Twelfth Supplemental Resolution to maintain and provide a paying agent/registrar at all times until the Bonds are paid off. The initial Paying Agent/Registrar for the Bonds is BOKF, NA, and its Dallas, Texas office is the initial "Designated Trust Office" for the Bonds.

Successor Paying Agent/Registrar

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

Twelfth Supplemental Resolution

The issuance, sale and delivery of the Bonds are authorized by the Twelfth Supplemental Resolution. The Twelfth Supplemental Resolution also contains the written determination by the Board, as required by the Master Resolution as a condition to the issuance of Parity Obligations, that it will have sufficient funds to meet the financial obligations of the University, including sufficient Pledged Revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System.

The Twelfth Supplemental Resolution permits amendment, without the consent of the Bondholders, for the same purposes for which amendment may be made to the Master Resolution without the consent of the owners of outstanding Parity Obligations. The Twelfth Supplemental Resolution also permits amendment, with the consent of the owners of a majority in aggregate principal amount of the outstanding Bonds, other than amendments which change the maturity of the outstanding Bonds, reduce the rate of interest borne by the outstanding Bonds, reduce the amount of principal payable on the outstanding Bonds, modify the payment of principal of or interest on the outstanding Bonds, or impose any conditions with respect to such payment, affect the rights of the owners of less than all Bonds then outstanding, or change the minimum percentage of outstanding principal amount of Bonds necessary for consent to an amendment (see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION – Amendment of Resolution").

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in its nominee's 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 Underwriter 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 each DTC Participant, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the DTC 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 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 DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect 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 DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Redemption, principal, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Paying Agent/Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 redemption proceeds, principal, and interest 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 DTC Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, security certificates for each maturity of the Bonds are required to be printed and delivered. The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, security certificates for each maturity of the Bonds will be printed and delivered and the Bonds will be subject the transfer, exchange and registration provisions as set forth in the Twelfth Supplemental Resolution and summarized under "TRANSFER, EXCHANGE AND REGISTRATION" below.

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

Transfer, Exchange, and Registration

In the event the book-entry system is discontinued, the affected Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar at its Designated Trust Office 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 Designated Trust 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.

Limitation on Transfer of Bonds

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

Record Date for Interest Payment

The record date ("Record Date") for the interest payable on any interest payment date means the fifteenth day of the month next preceding such interest payment date.

Special Record Date

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

Mutilated, Destroyed, Lost or Stolen Bonds

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

SECURITY FOR THE BONDS

The Revenue Financing System

The Master Resolution created the Revenue Financing System to provide a financing structure for revenue supported indebtedness of the University and other entities which may be included in the future, by Board action, as Participants in the Revenue Financing System. The Revenue Financing System is intended to facilitate the assembling of all of the Participants' revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to Participants and to maximize the financing options available to the Board. The Master Resolution provides that once a university or agency becomes a Participant, the lawfully available revenues, income, receipts, rentals, rates, charges, fees, including interest or other income, and balances attributable to that entity and pledged by the Board become part of the Pledged Revenues; provided, however, that, if at the time an entity becomes a Participant it has outstanding obligations secured by such sources, such obligations will constitute Prior Encumbered Obligations under the Master Resolution and the pledge of such sources as Pledged Revenues will be subject and subordinate to such outstanding Prior Encumbered Obligations. Thereafter, the Board may issue bonds, notes, commercial paper, contracts, or other evidences of indebtedness, including Credit Agreements, on behalf of such institution, on a parity, as to payment and security, with the Outstanding Parity Obligations, subject only to the outstanding Prior Encumbered Obligations, if any, with respect to such Participant. Upon becoming a Participant, an entity may no longer issue obligations having a lien on Pledged Revenues prior to the lien on the Outstanding Parity Obligations. Generally, Prior Encumbered Obligations are those bonds or other obligations issued on behalf of a Participant which were outstanding on the date such entity became a Participant in the Revenue Financing System. Currently, there are **no** Prior Encumbered Obligations outstanding. The University is currently the only Participant, and the Board does not currently anticipate adding Participants to the Revenue Financing System which would result in the assumption of Prior Encumbered Obligations (see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY – Outstanding Indebtedness").

Pledge Under Master Resolution

All Parity Obligations constitute special obligations of the Board equally and ratably secured solely by and payable solely from a pledge of and lien on the Pledged Revenues as described below.

The Pledged Revenues consist of the Revenue Funds (hereinafter defined), including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Revenue Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a supplement to the Master Resolution: (a) amounts received on behalf of any Participant under Article VII, Section 17 of the State Constitution (generally, a provision of the State Constitution providing for an annual appropriation of $262.5 million to be allocated among eligible agencies and institutions of higher education for the purpose of providing funds for acquisition of capital assets and the construction of capital improvements), including the income therefrom and any fund balances relating thereto; and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State. The "Revenue Funds" are defined in the Master Resolution to include the "revenue funds" of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of the Participants, including specifically the pledged general tuition; provided, that 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 adoption of the Supplement relating to such Parity Obligations is exempt by law from paying such tuition, rentals, rates, fees, or other charges. All legally available funds of the Participants, including unrestricted fund and reserve balances, are pledged to the payment of the Parity Obligations. For a more detailed description of the types of revenues and expenditures of the University, see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY."

The following table sets forth the Pledged Revenues for the fiscal years ending August 31, 2014 through August 31, 2018, including pledged unappropriated fund balances available at the beginning of the year. The Pledged Revenues consist of Unrestricted Current Funds Revenues but do not include: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and, student service fees and private gifts in the Auxiliary Fund Group, as such terms are used in "APPENDIX B – EXCERPTS FROM THE UNAUDITED FINANCIAL REPORT OF THE UNIVERSITY FOR THE YEAR ENDED AUGUST 31, 2018" (see "SECURITY FOR THE BONDS" and "APPENDIX A – DESCRIPTION OF THE UNIVERSITY – Funding for the University").

TABLE 1
Pledged Revenues

	Fiscal Years Ending August 31,				
	2014	**2015**	**2016**	**2017**	**2018**
Available Pledged Revenues Not Including Fund Balances [1]	$124,884,019	$130,066,857	$146,006,724	$145,133,277	$151,159,770
Pledgeable Unappropriated Funds and Reserve Balances[1][2]	115,003,384	125,152,664	120,824,523	146,270,102	138,660,155
Total Pledged Revenues	**$239,877,403**	**$255,219,521**	**$266,831,248**	**$291,403,379**	**$289,819,925**

[1] The Available Pledged Revenues shown above consist of tuition, designated tuition, student center fees, application fees, publication fees, interest income, auxiliary enterprise revenue and other miscellaneous income. Excludes State appropriations for the reimbursement of debt service on certain Tuition Revenue Bonds ("TRBs") of the University. The amounts appropriated for the reimbursement of debt service were $4,177,819 in 2014, $4,172,244 in 2015, $4,175,994 in 2016, $7,118,149 in 2017, $7,113,581 in 2018 and $7,114,986 in 2019 on its TRBs (see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY – Funding for the University and – Outstanding Indebtedness").

[2] In addition to current year Pledged Revenues, any unappropriated or reserve fund balances remaining at year-end are available for payment of the subsequent year's debt service. For fiscal years 2013-2014, the Board set aside certain reserve fund balances for specified University purposes and although such balances may have been available for debt service had the need occurred, the University did not include such balances in the calculation of Pledged Revenues.

Maximum Annual Debt Service Over Remaining Life of Parity Obligations[1] – FY2020: **$15,543,908**

[1] Includes outstanding Parity Obligations and the Bonds. Excludes the Refunded Bonds.

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

THE OPERATIONS OF THE UNIVERSITY ARE DEPENDENT ON STATE APPROPRIATIONS. THE BOARD HAS NO ASSURANCE THAT STATE APPROPRIATIONS TO THE UNIVERSITY WILL CONTINUE AT THE SAME LEVEL AS IN PREVIOUS YEARS (see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY – Funding for the University").

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

Additional Obligations

The Board may issue additional Parity Obligations to provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping the property, buildings, structures, facilities, roads or related infrastructure for the Participants of the Revenue Financing System and to pay costs of issuance related to such additional Parity Obligations (see "FUTURE CAPITAL IMPROVEMENT PLANS"). The Board may also issue additional Parity Obligations to refund outstanding Prior Encumbered Obligations (if any) and Outstanding Parity Obligations (see "– The Revenue Financing System" herein). The Master Resolution provides that the Board may not issue or incur additional Parity Obligations unless (i) the Board shall determine the Participant (currently the University) for whom the Parity Obligations are being issued or incurred possesses the financial capability to satisfy its Direct Obligation after taking into account the then proposed Parity Obligations, and (ii) the Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in the Master Resolution and any supplemental resolution and is not in default in the performance and observance of any of the terms, provisions, conditions thereof. The Bonds are the twelfth issuance of debt secured by the Revenue Financing System (see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION – Issuance of Additional Parity Obligations"). The Board does not anticipate the issuance of Parity Obligations within the next twelve months.

The Board has engaged in a public/private partnership and is working with private partners to construct and maintain facilities used to support the University's core mission. Debt has been issued by third parties related to such projects. This debt is not an obligation of the Board, the University or any of its components (see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY – Public/Private Partnerships").

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The following table is a summary of the debt service requirements of all Parity Obligations outstanding following the issuance of the Bonds.

TABLE 2
Debt Service Requirements

Fiscal Year	Outstanding Debt Service[1] Principal	Outstanding Debt Service[1] Interest	Outstanding Debt Service[1] Total	Less: The Refunded Bonds	Plus: The Bonds Principal	Plus: The Bonds Interest	Total Debt Service Requirement
2020	$ 9,710,000.00	$ 5,948,604.85	$ 15,658,604.85	$ 1,114,325.00	$ 680,000.00	$ 319,628.47	$ 15,543,908.32
2021	10,030,000.00	5,620,005.85	15,650,005.85	1,113,075.00	675,000.00	326,850.00	15,538,780.85
2022	10,370,000.00	5,276,273.55	15,646,273.55	1,114,981.26	705,000.00	299,850.00	15,536,142.29
2023	9,335,000.00	4,915,349.20	14,250,349.20	1,113,787.50	730,000.00	273,900.00	14,140,461.70
2024	9,660,000.00	4,590,936.30	14,250,936.30	1,115,387.50	755,000.00	247,200.00	14,137,748.80
2025	9,675,000.00	4,216,091.70	13,891,091.70	1,115,587.50	785,000.00	217,000.00	13,777,504.20
2026	10,055,000.00	3,834,699.75	13,889,699.75	1,113,256.26	825,000.00	177,750.00	13,779,193.49
2027	10,445,000.00	3,440,502.25	13,885,502.25	1,113,306.26	865,000.00	136,500.00	13,773,695.99
2028	10,875,000.00	3,022,914.70	13,897,914.70	1,116,656.26	910,000.00	93,250.00	13,784,508.44
2029	8,380,000.00	2,584,510.25	10,964,510.25	1,116,812.50	955,000.00	47,750.00	10,850,447.75
2030	7,635,000.00	2,205,244.15	9,840,244.15				9,840,244.15
2031	7,990,000.00	1,857,048.25	9,847,048.25				9,847,048.25
2032	7,865,000.00	1,525,791.85	9,390,791.85				9,390,791.85
2033	5,700,000.00	1,206,583.05	6,906,583.05				6,906,583.05
2034	5,935,000.00	970,220.65	6,905,220.65				6,905,220.65
2035	6,180,000.00	731,716.75	6,911,716.75				6,911,716.75
2036	5,600,000.00	470,513.05	6,070,513.05				6,070,513.05
2037	4,455,000.00	235,709.55	4,690,709.55				4,690,709.55
2038	885,000.00	32,081.25	917,081.25				917,081.25
Total	**$ 150,780,000.00**	**$ 52,684,796.95**	**$ 203,464,796.95**	**$ 11,147,175.04**	**$ 7,885,000.00**	**$ 2,139,678.47**	**$ 202,342,300.38**
				Maximum Annual Debt Service - FY2020			**$ 15,543,908.32**

[1] A portion of the Outstanding Parity Obligations constitute TRBs, which qualify the University to be reimbursed from State appropriations for debt service. The amount appropriated for the reimbursement of debt service in fiscal year 2019 was $7,114,986. The amount budgeted for reimbursement of debt service for fiscal years 2020 and 2021 is $6,249,050 and $6,239,775, respectively (see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY – Funding for the University" and "– Outstanding Indebtedness").

CAPITAL IMPROVEMENT PLANS

During the years 2016 through 2018, the University sold three series of Revenue Financing System Bonds ("RFS") for significant capital improvements on the Denton campus. The projects included in these financings had a total budget of approximately $126 million and the RFS Bonds were the primary source of funding. The projects included: (1) the West Campus Parking Garage, (2) the Student Union at Hubbard Hall; and (3) the Science and Technology Building (the "STB").

The West Campus Parking Garage was built to provide approximately 600 parking spaces and to house the University's Department of Public Safety and Human Resources. The garage was funded by RFS Bonds, Series 2016 and was completed in 2019 and is currently operational.

The Student Union at Hubbard Hall project will renovate and expand one of the legacy buildings on the University's Denton campus. The new Student Union at Hubbard Hall will include 140,000 square feet and will house food service, conference/meeting rooms, retail, theatre/auditorium, recreation/lounge space, academic space, student organizations, administrative support services and other functions to operate as a full-service Student Union. An increased Student Center Fee, which was approved during the 2015 legislative session and first levied during the 2015/16 school year, is supporting the revenue bond debt service that is funding this project. The Student Center Fee increase, which was an increase of $112/semester, was also supported by a student body referendum before its implementation. The Student Union at Hubbard Hall was funded by RFS Bonds, Series 2017A and RFS Bonds, Taxable Series 2017B. The facility is expected to be completed by fall 2019.

The STB has a total estimated project cost of $51 million and will provide much needed laboratory and academic space for the hard sciences on the Denton campus. A portion of the project costs for the STB, approximately $38 million, were funded by the University's RFS Bonds, Series 2017A Bonds with the remaining funding provided by the University's RFS Series 2018 Bonds. A portion of the RFS Bonds, Series 2017A were TRBs that were approved by the Texas Legislature during the 2015 Biennium (see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY – Funding for the University" for additional details on TRB appropriations). The STB is expected to be completed by fall of 2020

In addition to the three major capital projects listed above, the University has undertaken a Public Private Partnership (the "P3 Project") with the developer, BBCS Development, LLC, a wholly-owned subsidiary of Balfour Beatty Campus Solutions, LLC to develop and construct an 875 bed residential housing and dining facility complex on the Denton campus. In 2018, New Hope Cultural Education Facilities Finance Corporation (the "Issuer") on behalf of CHF-Collegiate Housing Denton, L.L.C. (the "Borrower") issued the following: Capital Improvement Revenue Bonds, Series 2018A-1 (the "CIR 2018A-1 Bonds") and Capital Improvement Revenue Bonds, Taxable Series 2018A-2 (the "CIR 2018A-2 Bonds") to finance the residential portion of the P3 Project and Capital Improvement Revenue Bonds, Series 2018B-1 (the "CIR 2018B-1 Bonds") and Capital Improvement Revenue Bonds, Taxable Series 2018B-2 (the "CIR 2018B-2 Bonds") to finance the dining facility portion of the P3 Project. The University is not obligated to pay debt service on the CIR 2018A-1 Bonds, the CIR 2018A-2 Bonds, the CIR 2018B-1 Bonds or the CIR 2018B-2 Bonds. However, the University is obligated to make lease payments on an annually renewable basis to the Borrower under the Lease Agreement associated with the CIR 2018B-1 Bonds and CIR 2018B-2 Bonds. The P3 Project is underway with the residential facilities expected to be operational by August 2019 and the dining facility expected to be operational in fall 2019 (see "APPENDIX A - DESCRIPTION OF THE UNIVERSITY – Public Private Partnerships").

The University has completed numerous other renovation and improvement projects on the Denton Campus, the Dallas Campus and the Houston Campus through other University resources and through charitable contributions.

ABSENCE OF LITIGATION

Neither the Board nor the University is a party to any litigation or other proceeding pending or, to the knowledge of such parties, threatened, in any court, governmental agency, public board or body or before any arbitrator or any governmental body or other administrative body (either state or federal) which, if decided adversely to such parties, would have a material adverse effect on the Pledged Revenues or on the business, properties or assets or the condition, financial or otherwise, of the University, and no litigation of any nature has been filed or, to their knowledge, threatened which seeks to restrain or enjoin the establishment of the Revenue Financing System, the issuance or delivery of the Bonds or the provisions made for the use of the Pledged Revenues to secure or pay the principal of or interest on the Bonds, or in any manner questioning the validity of the Bonds.

REGISTRATION AND QUALIFICATION OF THE BONDS FOR SALE

No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. The University assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred.

This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

CONTINUING DISCLOSURE OF INFORMATION

In the Twelfth Supplemental Resolution, the Board has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Board is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Board will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

Annual Reports

The Board will provide certain updated financial information and operating data to MSRB annually via EMMA in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the SEC. The information to be updated includes all quantitative financial information and operating data with respect to the University of the general type included in this Official Statement under Tables 1 – 2 and in APPENDIX A Tables A-1 – A-8 and in APPENDIX B. The Board will update and provide this information within 180 days after the end of each fiscal year.

The Board may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the Board commissions an audit and it is completed within twelve months after the end of the applicable fiscal year. If the Board commissions an audit and the audited financial statements are not available by the end of the twelve month period, the Board will provide notice that the audited financial statements are not available, will provide unaudited financial information of the type described in the numbered tables referenced in the first paragraph of this section by the required time, and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available. It is not expected that the Board will commission an audit annually. Hence, unaudited financial statements, as shown in APPENDIX B, are expected to be provided within twelve months after the end of the applicable fiscal year. However, the University is audited as part of the State of Texas audit, but separate financial statements are not available.

The State's current fiscal year end is August 31. Accordingly, the Board must provide updated information within six months after the end of each fiscal year ending in or after 2019, unless the State changes its fiscal year. If the State changes its fiscal year, the Board will notify the MSRB via EMMA.

Disclosure Event Notices

The Board will also provide timely notices of certain events to the MRSB via EMMA. The Board will notify the MSRB, of any of the following events with respect to the Bonds of each series, in a timely manner, not in excess of ten Business Days after the occurrence of the event: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Board; (13) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material; (15) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Obligated Person, and which reflect financial difficulties. (Neither the Bonds nor the Twelfth Supplemental Resolution make any provision for debt service reserves or liquidity enhancement.)

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board and official or officers of the Issuer 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 Issuer.

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

Limitations and Amendments

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

The Board may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Board (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Board may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of said rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds. If the Board so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Agreements

During the last five years, the Board has complied in all material respects with all continuing disclosure undertakings made by it in accordance with SEC Rule 15c2-12.

LEGAL MATTERS

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

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

TAX MATTERS

Opinion

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

In rendering its opinion, Bond Counsel will rely upon (a) the Board's federal tax certificate and (b) covenants of the Board with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the Board to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

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

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

A ruling was not sought from the Internal Revenue Service by the Board with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the Board that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Board as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

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

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

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

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

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

Collateral Federal Income Tax Consequences

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

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

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

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

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

Future and Proposed Legislation

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

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa3" to the Bonds.

An explanation of the significance of the rating may be obtained from Moody's. The rating reflects only the views of Moody's at the time such rating is given, and the Board makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

LEGAL INVESTMENTS IN TEXAS

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

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

UNDERWRITING

The Underwriter has agreed, subject to certain customary conditions to delivery, to purchase the Bonds from the Board at a price equal to $9,090,738.28, which is equal to the principal amount of the Bonds, plus an original issue premium of $1,261,763.75 and less an underwriting discount of $56,025.47. The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriter of the Bonds.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the University for which they received or will receive customary fees and expenses.

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

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

FINANCIAL ADVISOR

RBC Capital Markets, LLC is employed as Financial Advisor to the Board in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Board to determine the accuracy or completeness of this Official Statement.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the Board, that are not purely historical, are forward-looking statements, including statements regarding the Board's expectations, hopes, and intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements. The Board's actual results could differ materially from those discussed in such forward-looking statements (see "APPENDIX A – DESCRIPTION OF THE UNIVERSITY").

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

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

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

The Twelfth Supplemental Resolution authorizing the issuance of the Bonds also approved the form and content of this Official Statement, and authorized the undersigned to approve any addenda, supplement, or amendment thereto, and authorize its further use in the reoffering of the Bonds by the Underwriter.

/s/ Jill Jester
Chair and Presiding Officer
Board of Regents of Texas Woman's University

SCHEDULE I
SCHEDULE OF REFUNDED BONDS

Series	Maturity Date	Principal Amount Oustanding	Principal Amount Refunded	Call Date
Revenue Financing System Bonds,	07/01/2020	$750,000	$750,000	08/20/2019
Series 2009A	07/01/2021	775,000	775,000	08/20/2019
	07/01/2022	805,000	805,000	08/20/2019
	07/01/2023	835,000	835,000	08/20/2019
	07/01/2024	870,000	870,000	08/20/2019
	07/01/2025	905,000	905,000	08/20/2019
	07/01/2026	940,000	940,000	08/20/2019
	07/01/2027	980,000	980,000	08/20/2019
	07/01/2028	1,025,000	1,025,000	08/20/2019
	07/01/2029	1,070,000	1,070,000	08/20/2019
Total Refunded Bonds		**$8,955,000**	**$8,955,000**	

APPENDIX A

DESCRIPTION OF THE UNIVERSITY

DESCRIPTION OF THE UNIVERSITY

Background and History

In 1901, the Texas Legislature created the Texas State College for Women as a State-supported institution of higher learning. In May 1957, the name of the institution was changed from Texas State College for Women to Texas Woman's University. Texas Woman's University builds on its long tradition as a public institution primarily, but not exclusively (see Table A-2 below), serving women by educating a diverse community of students to lead personally and professionally fulfilling lives. TWU continues today as a public university that offers a comprehensive catalog of academic studies, including baccalaureate, masters and doctoral degrees. Since its inception, the University has grown from a small college to a major university.

With an enrollment of approximately 15,000 students, Texas Woman's University is the nation's largest university primarily serving women. TWU offers degree programs in the liberal arts, nursing, health sciences, the sciences, business and education. Its campuses in Denton, Dallas and Houston are joined by an e-learning campus offering innovative online degree programs in business, education and general studies. TWU serves the citizens of Texas in many ways, including: (1) graduating more new health care professionals than any other university in Texas; (2) easing the teacher shortage by placing highly qualified professionals in the classroom; (3) offering a liberal arts-based curriculum that prepares students for success in a global society: and (4) conducting research that impacts the prevention and treatment of childhood obesity, osteoporosis, stroke and diabetes.

The University is organized into five principal units of academic structure: the College of Health Sciences, the College of Nursing, the College of Arts and Sciences, the College of Business and the College of Professional Education. The Graduate School administers graduate programs in each of these colleges, and courses are also offered online through the University's Distance Education program. The rolling, wooded, 250-acre main campus of the University is located approximately 35 miles north of the Dallas-Fort Worth Metropolitan areas in the City of Denton, county seat of Denton County. The City of Denton has an estimated population of 136,000. The Denton campus physical plant includes over 30 instructional buildings, a modern library, approximately 2,000 beds in a variety of residence halls, and a 17-story Administration/Conference Center. Recreational facilities on the Denton campus include a new Fitness and Recreation Center opened in 2011, indoor swimming pool, hard-surfaced tennis courts, basketball courts, intramural fields, a walking path and a golf course.

In addition to its facilities in Denton, the University has major plant installations in Houston and Dallas. The TWU Institute of Health Sciences-Houston Center (the "Houston Center") opened its new campus in 2006 at the southern gateway to the Texas Medical Center. The Houston Center is a 10-story, 202,000 square-foot campus housed in a single building. Built as a "Green Building," the utility costs of the facility are approximately 40% less than the campus it replaced in Houston. Students in Houston also do clinical work at the Veteran's Administration Hospital, the City of Houston Health Department, the Methodist Hospital, the Texas Children's Hospital, the Texas Institute of Rehabilitation and Research, the Texas Institute for Mental Sciences and the University of Texas M.D. Anderson Cancer Center.

In Dallas, the TWU T. Boone Pickens Institute of Health Sciences-Dallas Center (the "Dallas Center") opened in February 2011, combining the University's Parkland and Presbyterian sites into an eight-story, 190,000-square-foot building in the heart of the Dallas Southwestern Medical District. Like the Houston Center, the single-building Dallas Center accommodates the specialized needs of nursing and other health-science majors. Students at the Dallas Center perform clinical work at Parkland Memorial Hospital, Veteran's Administration Hospital, Presbyterian Hospital, Children's Medical Center, St. Paul Hospital and Presbyterian Village. The Dallas Center is built to LEED (Leadership in Energy and Environmental Design) Gold Certification standards in keeping with the University's goal of reducing its carbon footprint. The facility includes a 600-space parking garage, which will support two additional levels that can be used either for additional parking or classroom expansion in the future.

Coordinating Board

The University is subject to the supervisory powers of the Texas Higher Education Coordinating Board (the "Coordinating Board"). The Coordinating Board is an agency of the State established to promote the efficient use of State resources by providing coordination and leadership for the State's higher education systems, institutions and governing boards. The Coordinating Board is the highest authority in the State in matters of public higher education and prescribes the scope and role of each institution of higher education. The Coordinating Board periodically reviews all degree and certificate programs offered by the State's institutions of higher education and annually reviews the academic courses offered by such institutions. The Coordinating Board also determines space utilization formulas designed to promote the efficient use of construction funds and the development of physical plants to meet projected growth estimates. These space utilization formulas directly impact the allocation of appropriated funds among the State's institutions of higher education.

Governance and Administration

The University is governed, managed, and controlled by a nine-member Board of Regents, each of whom is appointed by the Governor of the State subject to confirmation by the State Senate. A minimum of four of the nine members must be women. Each regent serves a six-year term, with three new appointments made to the Board every two years. Regents continue to serve after the expiration of their stated term until reappointed or a successor is appointed to replace the regent. The members of the

Board elect one of the regents to serve as Chair of the Board and may elect any other officers they deem necessary. The regents serve without pay except for reimbursement for travel expenses incurred in the performance of their duties, subject to the approval of the Chair of the Board. A non-voting student regent also serves on the Board.

The Board is legally responsible for the general control and management of the University and has authority to promulgate and enforce such rules, regulations, and orders as it deems necessary for the operation, control and management of the University. The Board appoints a Chancellor and President who directs the operations of the University and is responsible for carrying out policies determined by the Board.

A list of the current members of the Board and certain principal administrative officers of the University appears on page iii of this Official Statement.

Enrollment

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

TABLE A-1
Headcount Enrollment Information

Enrollment Type	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Undergraduate	9,679	10,080	10,407	10,309	10,390
Graduate	5,391	5,206	5,248	5,163	5,130
Total	**15,070**	**15,286**	**15,655**	**15,472**	**15,520**

Set forth below is the breakdown of headcount enrollment as to men and women at the University for each of the last five academic years:

TABLE A-2
Breakdown of Men and Women Enrollment

Gender Type	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Men	1,750	1,880	1,952	1,893	1,882
Women	13,320	13,406	13,703	13,579	13,638
Total	**15,070**	**15,286**	**15,655**	**15,472**	**15,520**

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

TABLE A-3
Full-Time Equivalent Enrollment Information

Enrollment Type	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Undergraduate	8,431	8,641	8,827	8,748	8,732
Graduate	3,886	3,739	3,793	3,804	3,798
Total	**12,317**	**12,380**	**12,620**	**12,552**	**12,530**

The following table sets forth, by percentage, a breakdown of the University's enrollment by residency classification for each of the last five academic years:

TABLE A-4
Percentage Enrollment by Residency

Resident Type	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Texas Residents	94.9%	95.0%	95.4%	95.4%	95.2%
Non-Texas Residents	3.2%	3.2%	3.0%	3.1%	3.2%
Foreign Students	1.9%	1.8%	1.6%	1.5%	1.6%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Admissions and Matriculation

Set forth below is information relating to admissions and matriculation for the University for each of the last five academic years:

TABLE A-5
Undergraduate Admissions and Matriculation Information

Undergraduate Admission	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Applications Submitted	10,325	10,949	11,356	11,754	11,972
Applications Accepted	7,223	7,069	7,686	7,850	8,003
Percentage Accepted	70.0%	64.6%	67.6%	66.8%	66.8%
Matriculation	2,793	2,521	2,675	2,710	2,593
Percentage Matriculated	38.7%	35.7%	34.8%	34.5%	32.4%

Graduate Admissions and Matriculation Information

Graduate Admission	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Applications Submitted	4,168	3,781	3,310	3,370	3,910
Applications Accepted	1,715	1,653	1,612	1,681	1,837
Percentage Accepted	41.1%	43.7%	48.7%	49.9%	47.0%
Matriculation	1,262	1,220	1,198	1,208	1,321
Percentage Matriculated	73.6%	73.8%	74.3%	71.9%	71.9%

Degrees

Set forth below is a listing of the degrees awarded by the University during each of the last six academic years:

TABLE A-6
Degrees Awarded

	Academic Years					
Degrees	2014	2015	2016	2017	2018	2019*
Baccalaureate	2,055	2,050	2,181	2,200	2,182	1,669
Master's	1,637	1,583	1,380	1,453	1,414	1,136
Doctoral	218	204	213	247	221	191
Total	**3,910**	**3,837**	**3,774**	**3,900**	**3,817**	**2,936**

*Includes Dec 2018 and May 2019 degrees only, excludes August 2019.

Faculty and Employees

As of June 1, 2019, the University employed 1,354 employees, comprised of 465 faculty and 889 administration and staff, based on full time equivalent enrollment, and excluding student employees. These numbers do not include part-time employees, adjuncts, graduate assistants, student workers or temporary staff.

Accreditation

The University is fully accredited by its regional accrediting body, the Southern Association of Colleges and Schools, and the Graduate School is a member of the council of Graduate Schools in the United States. Other colleges and departments of the University are accredited with their respective professional associations.

Financial Statements

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

Any material compliance exceptions related to bond covenants are addressed in the overall management letter for the State audit.

The fiscal year of the State and the University 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 University, must be delivered to the Governor and the State Comptroller of Public Accounts. Each year, the State Auditor must certify the financial statements of the State as a whole, inclusive of the University, and in so doing examines the financial records at each of the University's component institutions. No outside audit in support of this detailed review is required or obtained by the University.

Texas Woman's University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The University, as a component reporting unit of the State, must show that its financial records reflect compliance with applicable State statutes and regulations. The significant accounting policies followed by the University in maintaining accounts and in the preparation of the combined primary financial reports are in accordance with the 'Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements. Historically, these requirements follow, as near as practicable, the AICPA Industry Audit Guide *Audits of Colleges and Universities, 1996*, as amended by *AICPA Statement of Position (SOP) 74-8, Financial Accounting and Reporting by Colleges and Universities*, and as modified by applicable Financial Accounting Standards Board (FASB) pronouncements issued through November 30, 1989, and as modified by all applicable Governmental Accounting Standards Board (GASB) pronouncements cited in Codification Section CO5, Colleges and Universities. The requirements were also in substantial conformity with the Financial Accounting and Reporting Manual for Higher Education published by the National Association of College and University Business Officers (NACUBO).

Attached to this Official Statement as "APPENDIX B – EXCERPTS FROM THE UNAUDITED FINANCIAL REPORT OF THE UNIVERSITY FOR THE YEAR ENDED AUGUST 31, 2018," are the most recent primary statements of the unaudited annual financial reports of the University for Fiscal Year ended August 31, 2018. The University's unaudited primary financial statements consist of the Statement of Net Positions as of August 31, 2018, the Statement of Revenues, Expenses and Changes in Net Positions for the Year Ended August 31, 2018, and the Statement of Cash Flows for the Year Ended August 31, 2018. See "APPENDIX B - EXCERPTS FROM THE UNAUDITED FINANCIAL REPORT OF THE UNIVERSITY FOR THE YEAR ENDED AUGUST 31, 2018."

The following table reflects the unaudited Condensed Statement of Net Position for the University for the fiscal years ended August 31, 2014 through August 31, 2018.

Condensed Combined Statement of Net Position

	8/31/2014	8/31/2015		8/31/2016	8/31/2017	8/31/2018
Assets:						
Current Assets	$201,086,365	$214,985,407		$208,093,587	$318,725,966	$321,155,214
Noncurrent Assets	316,303,459	304,087,641		352,147,171	364,698,777	406,412,279
Total Assets	$517,389,824	$519,073,048		$560,240,757	$683,424,743	$727,567,493
Total Deferred Outflow of Resources:	$ 0	$ 1,632,735		$ 4,636,504	$ 7,904,284	$ 17,817,915
	$517,389,824	$520,705,783		$564,877,261	$691,329,027	$745,385,408
Liabilities:						
Current Liabilities	$ 60,940,434	$ 63,871,554		$ 66,501,612	$ 76,020,253	$ 92,475,981
Non-Current Liabilities	70,770,551	85,947,994		103,496,555	187,104,687	207,237,115
Total Liabilities	$131,710,985	$149,819,548		$170,175,634	$263,124,940	$299,716,096
Total Deferred Inflow of Resources:	$ 0	$ 6,203,495		$ 4,269,038	$ 3,712,697	$ 10,039,126
Net Position:						
Invested in Capital Assets	$143,934,678	$137,665,759		$117,917,726	$ 30,196,918	$ 50,191,133
Restricted						
Debt Retirement	5,367,145	5,019,974		4,869,907	0	12,251
Capital Projects	61,317,981	65,020,609		90,500,227	192,387,918	179,838,250
Other Restricted	26,721,266	25,333,688		27,448,311	31,662,002	20,936,633
Permanent Investments/Endowment	14,355,002	13,715,308		14,284,175	15,313,481	16,165,539
Unrestricted	133,982,767	117,897,402	(1)	135,589,411	154,930,801	159,489,381
Total Net Position	$385,678,839	$364,682,740		$390,609,757	$424,491,120	$435,633,186
Total Liabilities and Net Position	$517,389,824	$520,705,783		$564,877,261	$691,329,027	$745,385,408

(1) Changes in the Noncurrent Assets and Unrestricted Net Position for FY2015 are largely due to GASB 68 Pension.

For more detailed information, see "APPENDIX B - EXCERPTS FROM THE UNAUDITED FINANCIAL REPORT OF THE UNIVERSITY FOR THE YEAR ENDED AUGUST 31, 2018."

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The table below presents the unaudited Condensed Statement of Revenues, Expenses and Changes in Net Position of the University for the fiscal years ended August 31, 2014 through August 31, 2018.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	8/31/2014	8/31/2015	8/31/2016	8/31/2017	8/31/2018
Operating Revenues	$ 102,276,166	$ 107,991,035	$ 116,581,322	$ 116,806,836	$ 116,153,494
Operating Expenses	187,962,812	197,283,852	198,623,670	206,783,260	200,193,515
Operating Income (Loss)	$ (85,686,646)	$ (89,292,817)	$ (82,042,349)	$ (89,976,424)	$ (84,040,021)
Nonoperating Revenues (Expenses)	$ 89,770,342	$ 83,531,109	$ 97,514,505	$ 106,367,217	$ 104,959,882
Income (Loss) before Other Revenues, Expenses, Gains, Losses & Transfers	$ 4,083,696	$ (5,761,708)	$ 15,472,156	$ 16,390,793	$ 20,919,861
Other Revenues, Expenses, Gains, Losses & Transfers	$ 8,044,672	$ 7,714,618	$ 8,660,966	$ 17,443,281	$ 15,056,138
Change in Net Position	$ 12,335,978	$ 1,952,911	$ 24,133,123 [c]	$ 33,834,074	$ 35,975,999
Net Position, Beginning of Year	$ 373,491,388	$ 385,678,839	$ 366,598,784	$ 390,609,757	$ 424,491,120
Restatements[a]	347,660	(22,949,010)	(122,150)	47,289	(24,833,932)
Restated Net Position, Beginning of Year	$ 373,739,048	$ 362,729,829	$ 366,476,633	$ 390,657,046	$ 399,657,187
Net Position, End of Year	$ 385,678,839	$ 364,682,740	$ 390,609,757	$ 424,491,120	$ 435,633,186

For more detailed information, see "APPENDIX B - EXCERPTS FROM THE UNAUDITED FINANCIAL REPORT OF THE UNIVERSITY FOR THE YEAR ENDED AUGUST 31, 2018."

[a] Minor restatements have been made at the request of the State Comptroller's office. The restatement in FY2015 is due to GASB 68 Pension. The restatement in FY2018 is due to the implementation of GASB 75 OPEB.

[c] The University has contracted with the Texas A&M University System (the "TAMUS") to invest its long-term cash holdings as permitted by Texas Education Code 51.0031, as amended. The University's long-term cash holdings are invested by TAMUS under the prudent person standard described in Article 7, Section 11b of the State Constitution. At the time the funds were moved to TAMUS, the investments were sold and a realized gain resulted.

The table below presents the unaudited Condensed Statement of Cash Flows of the University for the fiscal years ended August 31, 2014 through 2018.

Condensed Statement of Cash Flows

	8/31/2014	8/31/2015	8/31/2016	8/31/2017	8/31/2018
Cash Provided (Used) by:					
Operating Activities	$ (69,194,584)	$ (61,736,702)	$ (58,911,673)	$ (59,788,938)	$ (46,632,993)
Noncapital Financing Activities	94,512,148	74,726,770	75,084,099	86,968,482	89,611,459
Capital & Related Financing Activities	(14,819,175)	(12,658,112)	2,899,432	67,081,534	(41,735,235)
Investing Activities	(11,848,084)	2,129,180	3,300,926	(93,914,328)	(1,340,742)
Net Change in Cash	$ (1,349,696)	$ 2,161,135	$ 22,372,783	$ 346,750	$ (97,512)
Cash, Beginning of Year	$ 15,158,477	$ 13,808,781	$ 15,969,917	$ 38,348,130	$ 38,694,880
Reclassified Beginning Cash	0	0	0	0	(21,220,277) [a]
Cash, End of Year	$ 13,808,781	$ 15,969,917	$ 38,342,699	$ 38,694,880	$ 17,377,091

For more detailed information, see "APPENDIX B - EXCERPTS FROM THE UNAUDITED FINANCIAL REPORT OF THE UNIVERSITY FOR THE YEAR ENDED AUGUST 31, 2018."

[a] The reclassification of cash in FY2018 is to do reclassifying restricted cash in the bank to short-term investments.

Funding for the University

Funding for the University for the Fiscal Year ended August 31, 2018 consisted of State appropriations; tuition and student fees; gifts, grants, and scholarships; sales, services, and other sources; designated funds; and auxiliary enterprises. As shown below, the amounts and the sources of such funding vary from year to year. There is no guarantee that the source or amounts of such funding will remain the same in future years.

State Appropriations. The operations of the University are heavily dependent upon the continued support of the State through biennial appropriations of general revenues. The University receives a significant portion of its operating funds from State appropriations. The Board has no assurance that the Texas Legislature will continue to appropriate to the University 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 Texas Legislature to make appropriations to the University taking into consideration the availability of financial resources and other potential uses of such resources.

For fiscal year 2019, State appropriations comprised approximately 37% of the current fund revenues of the University. During the 2017 legislative session, the State Legislature appropriated $55,390,753 and $55,465,180 from the general revenue fund for fiscal years 2018 and 2019, respectively, for the University. The University also received miscellaneous allocations for infrastructure support, special items, and research funds, including that for reimbursement of tuition collected by the University and used to pay debt service on outstanding revenue bonds (see " – Tuition Revenue Bonds" below).

The 86th Regular Legislative Session of the State Legislature convened on January 8, 2019 and concluded on May 27, 2019. The State Legislature approved a budget the 2020-2021 biennium beginning September 1, 2019, which is includes appropriations for the University from the general revenue for each year of the biennium. Based on the University's evaluation, its total appropriations for the next two years will be similar to its recent historical appropriations with decreases in some funding areas and increases in others.

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

In addition to the appropriation of general revenues of the State, the University receives a portion of an annual appropriation of funds made by the State Legislature pursuant to the provisions of Article VII, Section 17 of the State Constitution (the "Higher Education Assistance Funds" or the "HEF"). The allocation of HEF is made by the State in accordance with an equitable allocation formula. The Act, amended by the 85th Legislature in 2017, provided for a total annual constitutional appropriation to all eligible agencies and institutions of higher education in the State in the amount of $393.75 million for fiscal years 2017 – 2021. The University currently receives $14,846,558 each fiscal year in HEF allocation. Beginning in the State's fiscal year commencing September 1, 2020, the Legislature must review, or provide for a review, of the allocation formula used to determine the annual appropriations made under the Constitutional Provision, and, at that time, adjustments may be made in the allocation formula; provided, that no adjustment may be made if such adjustment will prevent the payment of principal and interest on outstanding bonds.

The University may use the HEF for capital improvements and renovations to the campus facilities, other than auxiliary enterprises. In addition, the University may issue bonds against the HEF and pledge up to 50% of the appropriation to secure the debt service payments due on such bonds. The University has no present intention of issuing bonds payable from the HEF.

Tuition Revenue Bonds. Pursuant to Chapter 55, Texas Education Code, revenue bonds issued by the University may be equally secured by and payable from a pledge of all or a portion of certain revenue funds of the University and all of the Prior Encumbered and Parity Obligations of the University, including the Bonds, are secured solely by and payable solely from a pledge of and levy on Pledged Revenues (see "SECURITY FOR THE BONDS").

Historically, the State Legislature has appropriated 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 ("Tuition Revenue Bonds" or "TRBs") issued pursuant to specific statutory authorizations for individual institutions and projects identified in Chapter 55 of the Texas Education Code.

The reimbursement of the University for the payment of debt service on such Tuition Revenue Bonds 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 Tuition Revenue Bonds 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. The University bears the risk of the State not appropriating funds to reimburse the University for its monies used to pay debt service on such revenue bonds.

A portion of the Parity Obligations of the University constitute Tuition Revenue Bonds. TRBs issued by the University carry no additional pledge or security and constitute Parity Obligations of the University, which are equally and ratably secured by and payable from a pledge of a lien on Pledged Revenues on parity with all other Parity Obligations of the University.

The State Legislature has appropriated funds to reimburse the University in prior years in an amount equal to all or a portion of the debt service on the University's Tuition Revenue Bonds. The University amounts appropriated for the reimbursement of debt service were $4,177,819 during fiscal year 2014, $4,172,244 during fiscal year 2015, $4,175,994 during fiscal year 2016, $7,114,899 during fiscal year 2017, $7,113,581 during fiscal year 2018, and $7,114,986 during fiscal year 2019 on its TRBs. For fiscal years 2020 and 2021, the University anticipates the receipt of $6,249,050 and $6,239,775, respectively on its TRBs.

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

Tuition and Fees. Each Texas public university granting degrees charges tuition and fees as set by the State Legislature and the Board under Chapters 54 and 55 of the Texas Education Code. Total tuition charges are comprised of "State Mandated Tuition," "Board Designated Tuition" and "Board Authorized Tuition," as further described below.

State Mandated Tuition. Section 54.0512, Texas Education Code, currently permits (i) undergraduate tuition applicable to state residents to be charged up to $50 per semester credit hour; and (ii) tuition of a nonresident student at a general academic teaching institution or medical and dental unit to be increased to an amount equal to the average of the nonresident undergraduate tuition charged to a resident of the State at a public state university in each of the five most populous states other than the State (the amount of which is computed by the Coordinating Board for each academic year). For the 2018-19 academic year, the Coordinating Board computed $465 per semester credit hour, respectively, for nonresident undergraduate tuition.

Board Designated Tuition. During the 78th Texas Legislature (2003 Regular Session), the Texas Legislature approved and the Governor signed into law House Bill 3015, which provided for the deregulation of a portion of tuition that a governing board of an institution of higher education, such as the Board, has the authority to charge under Section 54.0513 of the Texas Education Code. Prior to the amendment to Section 54.0513, Texas Education Code, the amount of tuition that a board of regents could independently charge students was capped at the levels described above with respect to State Mandated Tuition. Effective with the tuition that was charged for the fall 2003 semester, a governing board may charge any student an amount (referred to herein as "Board Designated Tuition") that it considers necessary for the effective operation of the institution. The new 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 new authority offers more opportunity for the Board to develop a tuition schedule that assists in meeting the strategic objectives of the University in terms of access, affordability, effective use of campus resources, and improvement of graduation rates. The Board will authorize any changes in Board Designated Tuition only after they have been thoroughly evaluated by the University administration. The Board authorized the Board Designated Tuition rate for the 2017 fall semester at $164.56 per semester credit hour for all students. No less than 15% of the Board Designated Tuition charged in excess of $46 per semester hour shall be set aside to provide financial assistance to resident undergraduate students, consistent with the provisions of Subchapter B, Chapter 56, Texas Education Code, which were contained in House Bill 3015.

The University 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.

Board Authorized Tuition. Section 54.008 of the Texas Education Code permits the governing board of each institution of higher education to set tuition for graduate programs for that institution at a rate that is at least equal to that of the State Mandated Tuition, but that is not more than twice that rate. Between the maximum and minimum rates, the Board may set the differential tuition among programs offered by an institution of higher education. For the 2018-19 and 2019-20 academic years, the Board has set $50 per semester credit hour, as the Board Authorized Tuition for graduate programs.

[Remainder of page left blank intentionally.]

Set forth below are is a table showing the State Mandated Tuition, Board Designated Tuition, Board Authorized Tuition, Mandatory Fees, and the amount set aside for financial assistance for students, as required by law, for the 2018 fall session and the 2019 fall session. The table assumes a full-time undergraduate is taking 15 semester credit hours and a full-time graduate or doctoral student is taking nine semester credit hours.

State Mandated Tuition, Board Designated Tuition,
Board Authorized Tuition, Mandatory Fees, and Financial Set-Aside
2018-19 Academic Year

2018-2019 Academic Year	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition and Fees	Financial Assistance Set-Aside[(1)]
Resident Undergraduate	$750.00	$2,542.50	--	$1,496.25	$4,788.75	$483.00
Non-Resident Undergraduate	6,975.00	2,542.50	--	1,496.25	11,013.75	209.25
Resident Masters	$450.00	$1,525.50	$450.00	$1,242.15	$3,667.65	$234.23
Non-Resident Masters	4,185.00	1,525.50	450.00	1,242.15	7,402.65	125.55
Resident Doctoral	$450.00	$1,525.50	$450.00	$1,242.15	$3,667.65	$234.23
Non-Resident Doctoral	4,185.00	1,525.50	450.00	1,242.15	7,402.65	125.55

State Mandated Tuition, Board Designated Tuition,
Board Authorized Tuition, Mandatory Fees, and Financial Set-Aside
2019-20 Academic Year

2019-2020 Academic Year	State Mandated Tuition	Board Designated Tuition	Board Authorized Tuition	Mandatory Fees	Total Tuition and Fees	Financial Assistance Set-Aside[(1)]
Resident Undergraduate	$750.00	$2,644.50	--	$1,528.25	$4,922.75	$503.40
Non-Resident Undergraduate	7080.00	2,644.50	--	1,528.25	11,252.75	212.40
Resident Masters	$450.00	$1,586.70	$450.00	$1,262.15	$3,748.85	$243.41
Non-Resident Masters	4,248.00	1,586.70	450.00	1,262.15	7,546.85	127.44
Resident Doctoral	$450.00	$1,586.70	$450.00	$1,262.15	$3,748.85	$243.41
Non-Resident Doctoral	4,248.00	1,586.70	450.00	1,262.15	7,546.85	127.44

[(1)] Total tuition and fees include amounts required to be set aside for financial assistance in accordance with Texas Education Code. The set-aside amounts are calculated as follows: from State Mandated Tuition not less than 15% of each resident student's tuition charge and 3% of each non-resident student's tuition charge is set aside for Texas Public Education Grants (Section 56.033); from Board Designated Tuition no less than 15% charged to resident undergraduate students in excess of $46 per semester hour (Section 56.011) and no less than 15% charged to resident graduate students in excess of $46 per semester hour is set aside for financial assistance (Section 56.012). Although the Legislature has reduced the required set-aside percentage, the University elected to continue funding the set-aside at a rate of 20% for fiscal year 2019 and fiscal year 2020. This set-aside calculation will be reviewed annually as part of the annual budget process.

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

Any future changes in tuition or fees will originate and be recommended by the Chancellor and President of the University and approved by the Board of Regents. Any changes in tuition will be implemented only after thorough consultation and review.

Gifts, Grants, and Contracts. The University receives federal, state, local and private grants and research contracts, which incorporate an overhead component for use in defraying operating expenses. This overhead component is treated as unrestricted current funds revenues while the balance of the grant or contract is treated as restricted currents funds revenues. Indirect cost recovery rates used in calculating the overhead component are negotiated periodically with the appropriate governmental agency.

Additionally, the TWU Foundation (the "Foundation"), a non-profit corporation chartered under the laws of Texas, was established in 1952. Its purpose is to receive and administer gifts to enhance educational excellence at the University. The Foundation Board of Directors seeks to identify potential sources of private gifts, to enable donors to make appropriate contributions that match their interests and needs, to provide an agency authorized to receive and administer donations of money or other gifts designated to increase the renown, extend the services, improve the facilities, or promote in any way the welfare of the University. The Foundation actively engages in advancement efforts for annual support, restricted support, endowment support and capital gifts to benefit the University.

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

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

Other Interest Income. The University generates interest from the investment of cash pursuant to investment policies adopted by the Board in accordance with State law. See "– Investment Policy and Procedures" below.

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

The Board is authorized by Chapter 55 of the Texas Education Code to set the Pledged Revenues 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 C – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION – Pledged Revenues."

Higher Education Funding (HEF)

The University receives a portion of an annual appropriation of funds made by the State Legislature to the Higher Education Fund (HEF) pursuant to the provisions of Article VII, Section 17 of the State Constitution. The annual allocation to the University for fiscal years 2014 through 2019 is set forth below:

Higher Education Fund Appropriations

Institution	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
The University	$10,169,695	$10,169,695	$9,897,706	$14,846,558	$14,846,558	$14,846,558

The University may use the appropriation for capital improvements and renovations to the campus facilities, other than auxiliary enterprises. In addition, the University may issue bonds against such appropriation and pledge up to 50% of the appropriation to secure the debt service payments due on HEF bonds. No bonds are outstanding under this program. The University also has the ability to use funds received pursuant to the HEF program to pay debt service on outstanding Parity Obligations. Beginning in the State's fiscal year commencing September 1, 2020, the Texas Legislature must review, or provide for a review, of the allocation formula used to determine the annual appropriations made under Article VII, Section 17 of the State Constitution, and, at that time, adjustments may be made in the allocation formula.

Investment Policy and Procedures

Management of Investments. The Board has developed written policies (the "Investment Policy" and the "Endowment Investment and Distribution Policy") regarding the investment of all University Funds and funds held by the University in trust for others. The Public Funds Investment Act of the State (Chapter 2256 of the Texas Government Code) requires the University to adopt a written Investment Policy and strategy, review the policy and strategy not less than annually, appoint an investment officer, and adopt internal controls to safeguard the University's funds. See "– Endowment" below for a further discussion of the investment of endowment funds of the University.

The Board delegates authority to the Vice President for Finance and Administration to manage the University's investment portfolio. The Vice President for Finance and Administration will appoint the investment officer for the University and may acquire the services of an investment management firm. Each member of the Board and the investment officer(s) must attend required formal training sessions within six months of appointment or assumption of duties.

The Board shall receive, not less than quarterly, reports that describe investment activity and changes in market value of all investments. The Board shall review the annual compliance audit of management's controls for investments and adherence to investment policy. The Board shall review, not less than annually, its Investment Policy and strategy. The investment officer in conjunction with the investment management firm must prepare and submit signed quarterly reports to the Board, the Chancellor and President, and the Vice President for Finance and Administration.

Investment Policy. It is the policy of the University to invest its funds primarily in instruments that emphasize the safety of the capital as well as the expected return on the investment. Investment decisions are based on the overall investment strategy of the University rather than the performance of any single investment instrument. The investment policy is governed by the following objectives:

> The investment instruments provide a measure of safety that protects the original principal contribution. The primary aim of the investment is the avoidance of the loss of original investment.
>
> The investment instruments provide the necessary liquidity to meet the University's daily operating and planned capital improvement needs, which might be reasonably anticipated.
>
> The investment portfolio will be designed to provide an average yield equal to or greater than the yield on U. S. Treasury securities of comparable maturity to its maximum weighted average maturity. The objective is to maintain a reasonable rate of return on investments through budgetary and economic cycles in line with the University's investment risk constraints and cash flow needs.

Strategy. The investment strategy includes a portfolio of funds designed to meet the short-term, intermediate-term and the long-term cash needs of the University yielding a reasonable market return. Adequate diversification of the high credit quality investment instruments is necessary to preserve principal from unnecessary risk of loss. The marketability of investment instruments and staggered maturity dates ensure the liquidity of funds needed to meet the cash needs of the University. This investment strategy applies to all fund groups. In order to meet these goals, the maximum weighted average maturity of the overall portfolio will not exceed five years.

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

The Board has further provided in its Investment Policy that funds may only be invested in (a) obligations of the U.S. Government or its agencies with stated maturities of not more than ten years; (b) direct obligations of the State of Texas or its agencies with stated maturities of not more than ten years; (c) U.S. Government agency or instrumentality directly issued collateralized mortgage obligations, the underlying security for which is guaranteed by an agency or instrumentality of the United States, subject to certain exceptions set out in the Investment Policy; (d) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities with stated maturities of not more than ten years; (e) obligations of states, agencies, counties, cities, or other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent with stated maturities of not more than ten years; (f) non-negotiable fully guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund certificates of deposits of banks, savings banks, or a state or federal credit union if such institutions have its main office or a branch in the State of Texas meeting certain conditions set out in the Investment Policy; (g) fully collateralized repurchase agreements and reverse repurchase agreements meeting certain conditions set out in the Investment Policy; (h) banker's acceptances meeting certain conditions set out in the Investment Policy; (i) commercial paper meeting certain conditions set out in the Investment Policy; (j) money market funds meeting certain conditions set out in the Investment Policy; (k) mutual funds meeting certain conditions set out in the Investment Policy; (l) guaranteed investment contracts meeting certain conditions set out in the Investment Policy; (m) investment pools including public funds investment pools if the Board has authorized the investment in that particular pool by rule, order, or resolution; (n) cash management and fixed income funds sponsored by organizations exempt from federal income taxation under section 501(1)(f), Internal Revenue Code; or (o) corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

Entities such as the University may enter into securities lending programs if (A) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (i) obligations that are described in clauses (a) through (e) above, (ii) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (iii) cash invested in obligations described in clauses (a) through (e) above, and clauses (i) through (k) above, or an authorized investment pool; (B) securities held as collateral under a loan are pledged to such investing entity, held in such investing entity's name and deposited at the time the investment is made with such investing entity or a third party designated such investing entity; (C) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (D) the agreement to lend securities has a term of one year or less.

The Board is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3)

collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Diversification of Investments. Investments shall be diversified to minimize the risk of loss resulting from unauthorized concentration of assets in a specific maturity, specific issuer, or specific class of securities. On a book-value basis, no more than five percent of the portfolio can be invested in any one company and no more than twenty percent of the portfolio can be invested in any one industry, as defined by Standard and Poor's broad categories.

Internal Controls. The investment officer is responsible for all investment transactions undertaken and shall control access to investments through a system of controls that regulate the activities of subordinates. The investment officer may not establish procedures that abrogate any portion of this policy or the authorizing statute. No person may engage in an investment transaction for the University except as provided under the terms of this policy and the procedures established by the investment officer.

Authorized Financial Dealers and Institutions. Information on each broker/dealer with which the University transacts business will be maintained by the University or the investment manager. The investment officer may not engage in an investment transaction with a business organization unless a qualified representative of the business organization submits a written instrument stating that: (i) a qualified representative has received and reviewed the University's investment policy and (ii) the business organization has implemented reasonable procedures and controls to preclude investment transactions conducted between the University and organization that are not authorized by the University's investment policy. The Board or the designated investment committee of the University shall at least annually, review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the University.

Security Procedures. All investment transactions must comply with the policies and procedures established in the Investment Policy. Cash is invested so that un-invested cash, which earns little or no interest, is minimized. A security purchased by the University shall be delivered to the custodial bank selected by the University. The delivery shall be made under normal and recognized practices in the securities and banking industries, including the book-entry procedure of the Federal Reserve Bank. Settlement of all investment transactions, except investment pools and mutual funds, must be on a delivery versus payment basis.

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

Set forth below is a description of the fair market value of the investments of the University as of April 30, 2019 (unaudited):

TABLE A-7
Current Investments [1]
(as of April 30, 2019)

Investment Instrument	Market Value
Texpool (combined)	$ 60,702,536
LOGIC (combined)	85,143,548
TexasTERM	5,177,995
Compass Bank Money Market	20,771,691
Compass Bank Money Market	10,167,424
Long-term Investment Pool [2]	163,520,545
TWU Endowments [2]	15,842,579
Total Investments	**$361,326,318**

[1] This investment information is for the University only and does not include information on the Foundation's investments. The Foundation's investments are managed by Luther King Capital Management. As of April 30, 2019, the market value of the Foundation's assets (unaudited) was $63,953,472.

[2] The University has contracted with Texas A&M University System (the "TAMUS") to invest its long-term cash holdings as permitted by Texas Education Code Section 51.0031, as amended. The University's long-term cash holdings are invested by TAMUS under the prudent person standard described in Article 7, Section 11b of the State Constitution.

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

Management of Funds Held in the State Treasury. The Texas Education Code requires that the University deposit into the State Treasury all funds except those derived from auxiliary enterprises and non-instructional services, agency funds, designated and restricted funds, endowment and other gift funds, and student loan funds. All such funds held in the State Treasury are administered by the Comptroller of Public Accounts of the State (the "Comptroller"). The Comptroller invests money in the State Treasury in authorized investments consistent with applicable law and the Texas State Treasury Investment Policy, dated August 1993. 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. Currently, most pooled funds are invested in the following instruments: repurchase agreements; reverse repurchase agreements; obligations of the United States and its agencies and instrumentalities; commercial paper having the highest credit rating; and fully-collateralized deposits in authorized State depositories. All State Treasury investments are marked to market daily using an external financial service. The Comptroller, acting primarily through a special purpose trust company, also holds approximately 20 separate accounts outside the State Treasury. The largest such account is a local government investment pool, known as TexPool, which was established in 1989 as an investment alternative for local governments in the State. TexPool operates on a $1 net asset value basis and allows same day or next day redemptions and deposits. Interest is allocated daily based on portfolio earnings and account balance. As of June 19, 2019, TexPool's portfolio had a weighted average maturity of 36 days and total assets of approximately $23.0 billion.

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

Endowments

Although not pledged to the payment of debt obligations, the University controls or is benefited by endowments consisting of securities and investments, land, and other real estate holdings and mineral rights. Such land, real estate, and mineral rights are valued at their book value as of the date of acquisition of such property. Each component of an endowment is subject to various restrictions as to application and use.

The University's long-term cash holdings and its endowment are invested by TAMUS. The Foundation's investments, including the endowed funds held by the foundation, are managed by Luther King Capital Management.

Set forth below is the value of the University's endowments and the Foundation's endowments as of the end of each fiscal year 2014 through 2018 as well as the latest monthly value:

TABLE A-8
Endowment Funds Summary[(1)(2)]

Endowment Funds	Aug 31, 2014	Aug 31, 2015	Aug 31, 2016	Aug 31, 2017	Aug 31, 2018	YTD FY2019[(4)]
TWU Endowments	$13,354,950	$14,361,294	$14,638,701	$15,313,480	$16,165,539	$15,842,579
TWU Foundation[(3)]	36,335,369	35,756,544	46,267,656	51,109,499	59,057,764	63,953,472
Total	**$49,690,319**	**$50,117,838**	**$60,906,357**	**$66,422,979**	**$75,223,303**	**$79,796,051**

(1) Endowment funds may be invested in a broader class of permitted investments than other University funds; and, therefore, such investments (which may include equities) may be subject to greater volatility than investments of other University funds.
(2) The global capital markets have experienced extreme volatility over the last few years. The Board cannot make any representation as to the future performance of the University's endowments, the Foundation's endowments or other invested funds.
(3) The University currently directs and coordinates all charitable gifts through the Foundation. The endowment funds held by the Foundation are managed separately from the endowment funds held by the University.
(4) The TWU Endowments figure and the TWU Foundation figure is as of April 30, 2019. Both are unaudited figures.

Outstanding Indebtedness

After the issuance of the Bonds, the Board will have the following described indebtedness:

University Parity Obligations	Outstanding Principal as of August 9, 2019
The Bonds	$ 7,885,000
RFS Bonds, Series 2018	12,025,000
RFS Refunding Bonds, Forward Delivery Series 2018(1)	23,385,000
RFS Bonds, Series 2017A(1)	63,840,000
RFS Bonds, Series 2017B	10,080,000
RFS Bonds, Series 2016	17,020,000
RFS Refunding Bonds, Series 2014(1)	9,955,000
RFS Refunding Bonds, Series 2012(1)	5,520,000
Total	**$149,710,000**

(1) All or a portion of such issue constitutes TRBs that qualify the University to be reimbursed from State Appropriations for debt service payments. The University received funds appropriated for the reimbursement of debt service of $7,114,986 during fiscal year 2019 on its TRBs.

Public Private Partnerships

The University has undertaken a Public Private Partnership (the "P3 Project") with the developer, BBCS Development, LLC, a wholly-owned subsidiary of Balfour Beatty Campus Solutions, LLC, to develop and construct an 875 bed residential housing and dining facility complex on the Denton campus. In 2018, New Hope Cultural Education Facilities Finance Corporation (the "Issuer") on behalf of CHF-Collegiate Housing Denton, L.L.C. (the "Borrower") issued the following: Capital Improvement Revenue Bonds, Series 2018A-1 (the "CIR 2018A-1 Bonds") and Capital Improvement Revenue Bonds, Taxable Series 2018A-2 (the "CIR 2018A-2 Bonds") to finance the residential portion of the P3 Project and Capital Improvement Revenue Bonds, Series 2018B-1 (the "CIR 2018B-1 Bonds") and Capital Improvement Revenue Bonds, Taxable Series 2018B-2 (the "CIR 2018B-2 Bonds") to finance the dining facility portion of the P3 Project. The University is not obligated to pay debt service on the CIR 2018A-1 Bonds, the CIR 2018A-2 Bonds, the CIR 2018B-1 Bonds or the CIR 2018B-2 Bonds. However, the University is obligated to make lease payments on an annually renewable basis to the Borrower under the Lease Agreement associated with the CIR 2018B-1 Bonds and CIR 2018B-2 Bonds. The P3 Project is underway and both the residential facilities and the dining facility are expected to be operational by the start of the fall 2019 semester.

The following are the bonds that have been issued by the New Hope Cultural Education Facilities Finance Corporation on behalf of CHF-Collegiate Housing Denton, L.L.C. – Texas Woman's University:

CHF-Collegiate Housing Denton | TWU Bonds	Outstanding Principal as of August 9, 2019
CIR 2018A-1 Bonds (Housing)	$70,425,000
CIR 2018A-2 Bonds (Housing)	1,105,000
CIR 2018B-1 Bonds (Dining)	18,815,000
CIR 2018B-2 Bonds (Dining)	370,000
Total	**$90,715,000**

The Board may enter into additional public/private partnerships in the future. The private partners in these transactions may issue or incur debt to finance the construction, maintenance or improvement of such facilities. Any debt issued by private partners does not constitute an obligation of the Board, the University or any of its components.

Retirement Plans

The State of Texas has joint contributory retirement plans for substantially all its employees. One of the primary plans in which the University participates is the Teacher Retirement System of Texas ("TRS Plan"). Teacher Retirement System is the administrator of the TRS Plan, a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation. The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by state law and may be amended by the Legislature. The pension benefit formulas are based on members' average annual compensation and years of service credit. The standard annuity is 2.3 percent of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered members who were hired on or before

August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic cost of living adjustments.

For fiscal year 2018, the State's contribution rate was 6.8% and the participant's contribution rate was 7.7%. At August 31, 2018, the University reported a liability of $25,145,838 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion at August 31, 2018 was 0.0786431343 percent which was an increase from the 0.0722843247 percent measured at the prior measurement date. The University proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the period September 1, 2016 through August 31, 2017. For the year ending August 31, 2018, Texas Woman's University recognized pension expense of $2,718,215.

The Teacher Retirement System does not separately account for each of its component government agencies, since the Retirement System itself bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. Further information regarding actuarial assumptions and conclusions, together with audited financial statements are included in the Retirement System's annual financial report (see hhttps://www.trs.texas.gov/Pages/about_archive_cafr.aspx).

The State has also established an optional retirement program (ORP) for institutions of higher education. For eligible individuals, participation in the ORP is elective in lieu of participation in the TRS. The ORP provides for the purchase of mutual fund and annuity contracts. The contributory percentages on salaries for participants entering the program prior to September 1995 are 8.5% and 6.65% by the State and each participant, respectively. The State's contribution is comprised of 6.6% from the ORP's appropriation and 1.9% from other funding sources. The 6.6% contribution is mandatory with the 1.9% State contribution being at the discretion of the board of each participating entity. TWU's Board of Regents has approved the additional contributions for employees of the University. The contributory percentages on salaries for participants entering the program after August 31, 1995 are 6.6% and 6.65% by the State and each participant, respectively. Since these are individual contracts, the State has no additional or unfunded liability for this program

The contributions made by plan members and employers for the fiscal year ended August 31, 2018 were:

Year-Ended August 31, 2018

Member Contributions:	$1,583,587.17
Employer Contributions:	1,709,905.89
Total:	**$3,293,493.06**

See Note 9: Retirement Plans in "APPENDIX B – EXCERPTS FROM THE UNAUDITED FINANCIAL REPORT OF THE UNIVERSITY FOR THE YEAR ENDED AUGUST 31, 2018."

Insurance

The University carries various insurance plans providing coverage in numerous areas. For details on each insurance plan, see Note 17: Risk Management in "APPENDIX B – EXCERPTS FROM THE UNAUDITED FINANCIAL REPORT OF THE UNIVERSITY FOR THE YEAR ENDED AUGUST 31, 2018."

APPENDIX B

EXCERPTS FROM THE
UNAUDITED FINANCIAL REPORT OF THE UNIVERSITY
FOR THE YEAR ENDED AUGUST 31, 2018

Office of the Chancellor and President
TEXAS WOMAN'S
UNIVERSITY
EST 1901 | CO-ED 1994

November 20, 2018

Honorable Greg Abbott, Governor
Honorable Glen Hegar, State Comptroller
Ursula M. Parks, Director, Legislative Budget Board
Lisa Collier, CPA, CFE, CIDA, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report from Texas Woman's University for the year ended August 31, 2018, in compliance with Texas Government Code Annotated, §2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Staff in the TWU Controller's Office have worked diligently to prepare this report of results for our component operating unit of the State Government for consolidation with information from other state agencies and institutions in the State's Comprehensive Annual Financial Report (CAFR).

The financial reports of TWU and other component units will be considered for audit by the State Auditor's Office as part of the audit of the State of Texas. Therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Melanie Ramirez, Assistant Vice President, Controller, at (940) 898-3534. Barbara Newton, Manager, Grant Accounting, may be contacted at (940) 898-3543 for questions related to the Schedule of Expenditures of Federal Awards.

Respectfully Submitted,

Carine M. Feyten, Ph.D.
Chancellor and President

ENCL: TWU Annual Financial Report for the year ended August 31, 2018

P.O. Box 425587 Denton, TX 76204 | 940 898 3201 | chancellor@twu.edu | @TWUpres

Texas Woman's University
Organizational Data
August 31, 2018

BOARD OF REGENTS

OFFICERS

		Term Expires
Nolan E. Perez, M.D.	Chair/Presiding Officer	2021
Mrs. Nancy Painter Paup	Vice Chair/Asst. Presiding	2019

MEMBERS

Mr. George R. Schrader	Dallas, TX	2019
Mrs. Mary Pincoffs Wilson	Austin, TX	2019
Ms. Teresa Doggett	Austin, TX	2021
Ms. Janelle Shepard	Weatherford, TX	2021
Ms. Kathleen Wu	Dallas, TX	2023
Ms. Bernadette Coleman	Denton, TX	2023
Ms. Jill Jester	Denton, TX	2023
Ms. Emily Roper (Student Regent)	Waxahachie, TX	2019

Terms for Regents Expire February 1st of stated year, except for the term of the Student Regent, which expires on May 31st

UNIVERSITY FISCAL OFFICERS

Dr. Carine M. Feyten	Chancellor and President
Mr. Jason Tomlison	Vice President for Finance and Administration and CFO
Ms. Melanie Ramirez	Assistant Vice President-Controller

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TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

Introduction

Founded in 1901 as the state's only public university dedicated to the education of women, Texas Woman's University ("TWU") has grown, prospered and advanced in bold ways. It pioneered distance education; expanded undergraduate and graduate programs; extended its reach by adding campuses in Dallas and Houston; admitting men; and broke new ground in areas ranging from pedagogy to research and creative arts.

Texas Woman's University developed a focus on health and well-being, on a learn-by-doing pedagogy and on diversity with an emphasis on women. This distinctive approach extends learning beyond the classroom to prepare students not just for jobs but for careers, leadership, service, health and happiness. TWU provided education for individuals who were marginalized because of their gender; it now extends that mission to diverse populations. Today, TWU is ranked among the nation's sixth most diverse universities, according to U.S. News & World Report.

Texas Woman's University is inclusive while maintaining a focus on the unique contributions that women bring to all facets of human endeavor, including the corporate boardroom, virtual classroom, intensive care unit, senate chamber, research laboratory, opera house, military installation and other settings. Texas Woman's aspires to address the needs of a changing world and a contemporary student body.

Texas Woman's University recently opened The Institute for Women's Leadership with non-formula funding from the state of Texas. TWU has leveraged the funding with over $2 million in private donations and plans to expend $9.5 million in institutional funds for The Institute to develop women leaders in business, politics and public policy. The Institute serves TWU student leaders and also serves as a resource for women leaders from the classroom to the boardroom in order to serve all Texans and help expand the Texas economy by developing Texas' greatest underutilized resource – Texas Women.

Over the past ten years, TWU has experienced significant growth in enrollment, nearly doubling its student population. Nearly half of our undergraduate students are first-generation, and 43 percent are Pell Grant eligible. Still, our prudent management has resulted in TWU being the fourth lowest in total cost among Texas public universities; the Dallas Business Journal even cited TWU as #1 in the DFW area for graduates' earnings vs. cost.

With a newly approved strategic plan designed to propel Texas Woman's University toward further excellence, the University's distinctive mission and operational focus will continue to underscore the historic purpose of advancing the quality of the human experience, honoring diverse people and perspectives, and pioneering discovery in areas vital to the well-being of Texans.

TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

The following tables summarizes the fall semester headcount and full-time equivalent enrollment at Texas Woman's University for the last five academic years:

Headcount Enrollment Information					
	Fall 2014	**Fall 2015**	**Fall 2016**	**Fall 2017**	**Fall 2018**
Undergraduate	9,679	10,080	10,407	10,309	10,390
Graduate	5,391	5,206	5,248	5,163	5,130
Total	**15,070**	**15,286**	**15,655**	**15,472**	**15,520**

Full-Time Equivalent Enrollment Information					
	Fall 2014	**Fall 2015**	**Fall 2016**	**Fall 2017**	**Fall 2018**
Undergraduate	8,431	8,641	8,827	8,749	8,732
Graduate	3,886	3,739	3,793	3,803	3,798
Total	**12,317**	**12,380**	**12,620**	**12,552**	**12,530**

As part of the preparation of this financial report, consideration was given to the requirements of Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. For Texas Woman's University no component units have been identified which should have been blended into an appropriated fund and no component units have been identified which should have been included in a discrete presentation in the financial report.

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TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

Financial Highlights and Overview of the Financial Statements

The objective of the Management's Discussion and Analysis ("MD&A") is to provide an overview of Texas Woman's University financial position and activities for fiscal year ended August 31, 2018, with comparative data to fiscal year 2017. The emphasis of discussion will be on the current year. The MD&A should be read in conjunction with the accompanying financial statements and notes. The primary financial statements presented are the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

The statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"), the requirements of the Texas Comptroller of Public Accounts ("CPA") and the guidelines from the National Association of College and University Business Officers ("NACUBO").

As a component operating unit of the State Government, Texas Woman's University financial information is consolidated with other state agencies and institutions in the State's Comprehensive Annual Financial Report ("CAFR"). The financial reports of TWU are considered for audit by the State Auditor's Office as part of the audit of the State's CAFR. Therefore, an opinion has not been expressed on the financial statements and related information in this report.

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* amended Statement Number 34, revising the net asset reporting requirements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The GASB asserts that the new requirements introduced with GASB 63 will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

In fiscal year 2015, Texas Woman's University implemented the GASB Statement No. 68, *Accounting and Reporting for Pensions* standard. The pension values are provided by the CPA and define TWU's proportional share of the Texas Teacher Retirement System ("TRS") unfunded pension liability. For more information, see Note 9-Pension Plans and Optional Retirement Program. The TRS actuary report that is being used is fiscal year 2017.

Beginning in fiscal year 2018, Texas Woman's University implemented the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* standard. The postemployment benefits other than pensions ("OPEB") are provided by the CPA and define TWU's proportional share of the Employees Retirement System of Texas ("ERS") unfunded pension liability. The ERS actuary report that is being used is fiscal year 2017.

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TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

Financial Highlights

- A $25,145,838 net pension liability is reported based upon the TRS actuary report. Deferred outflows of resources in the amount of $7,648,405 are related to the changes in pension assumptions, the difference between actual and expected experiences and current year TRS contributions. A $5,547,907 deferred inflow of resources is reported which reflects the difference between projected and actual investment returns.
- A $20,209,561 net postemployment benefits other than pension ("OPEB") non-current liability is reported along with a $103,065 net OPEB current liability based upon the contributions from employer plus ERS Actuary Report recorded in the Plan's Fiduciary Net Position due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Deferred outflows of resources in the amount of $10,009,510 are related to the net difference between projected and actual investment return. A $4,491,219 deferred inflow of resources is reported which reflects the difference between expected and actual experience and changes in assumptions.
- Revenue Financing System bonds were issued in the amount $12,375,000 for the purpose of constructing the new Science & Technology Learning Center.
- Revenue Financing System bonds were issued in the amount $25,625,000 for the purpose of refunding outstanding principal balances on Series 2008 and Series 2009.

Overview of the Financial Statements

Fund Structure

Texas Woman's University is an Enterprise Fund reported in the CAFR as a Proprietary Fund Type. Enterprise funds are used to account for any activity in which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria are met:

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.

2. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges.

3. The pricing policies of the activity establishes fees and charges designed to recover its costs, including capital costs.

Measurement Focus and Basis of Accounting

Texas Woman's University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These statements are prepared applying the following principles and standards:

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

Statement of Net Position

The Statement of Net Position presents a snapshot of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for Texas Woman's University at of the end of the fiscal year. The Statement of Net Position assets and liabilities are presented in the current and noncurrent format which is discussed further in the notes to the financial statements.

Readers of the Statement of Net Position are able to determine the assets available to continue the operations of Texas Woman's University. They are also able to determine the amount TWU owes to vendors, investors and lending institutions. Over time, increases or decreases in net position may be considered as one indicator of the improvement or decline of TWU's financial health when considered with nonfinancial factors such as enrollment, research, public service and the condition of facilities. The statement provides a picture of net position and the availability of funds for use by Texas Woman's University.

Net position is divided into three major categories. The first category, Net Investment in Capital Assets, provides the equity in property, plant and equipment owned by TWU less related debt.

The second category, Restricted, is divided into two categories, expendable and non-expendable. Expendable restricted resources are available for use by the Texas Woman's University, but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The corpus of the non-expendable restricted resources is available for investment purposes and the earnings are used to support the institution.

The third category, Unrestricted, is available for any lawful purpose. Although Unrestricted Net Position is not subject to externally imposed stipulations, it has been internally designated for various academic and research programs and initiatives.

TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

The final section of the statement reports the net position of Texas Woman's University, which increased by $11.1 million (2.62%) from the 2017 amount of $424.5 to $435.6 million in 2018.

The following table reflects the Condensed Comparative Statement of Net Position for Texas Woman's University as of August 31, 2018 and 2017:

Condensed Comparative Statement of Net Position

	2018	2017	$ Change	% Increase (Decrease)
Assets and Deferred Outflows of Resources				
Current Assets	$ 321,155,214	$ 318,725,966	$ 2,429,248	0.76%
Capital Assets, Net	230,786,946	199,157,371	31,629,576	15.88%
Other Assets	175,625,333	165,541,407	10,083,926	6.09%
Deferred Outflows of Resources	17,817,915	7,904,284	9,913,631	125.42%
Total Assets and Deferred Outflows of Resources	**$ 745,385,408**	**$ 691,329,027**	**$ 54,056,381**	**7.82%**
Liabilities and Deferred Inflows of Resources				
Current Liabilities	$ 92,475,981	$ 76,020,253	$ 16,455,728	21.65%
Non-Current Liabilities	207,237,115	187,104,687	20,132,428	10.76%
Deferred Inflows of Resources	10,039,126	3,712,967	6,326,159	170.38%
Total Liabilities and Deferred Inflows of Resources	**$ 309,752,222**	**$ 266,837,907**	**$ 42,914,315**	16.08%
Net Position				
Net Investment in Capital Assets	$ 59,191,133	$ 30,196,918	$ 28,994,215	96.02%
Restricted:				
Funds Held as Permanent Investments:				
Expendable	200,787,133	224,049,920	(23,262,787)	-10.38%
Non Expendable	16,165,539	15,313,480	852,058	5.56%
Total Restricted	216,952,672	239,363,401	(22,410,728)	
Unrestricted	159,489,381	154,930,801	4,558,580	2.94%
Total Net Position	**$ 435,633,186**	**$ 424,491,119**	**$ 11,142,067**	2.62%
Total Liabilities and Net Position	**$ 745,385,408**	**$ 691,329,027**	**$ 54,056,381**	7.82%

Unrestricted Net Position increased $4.6 million, or 2.94%, to $159.5 million. Five factors contributed to this change: (1) the implementation of an adjustment for postemployment benefits other than pensions required by the State in 2018, (2) an increase in Designated Tuition for both graduate and under-graduate beginning Fall 2017, (3) an increase in Library Fee that was charged beginning Fall 2017, (4) debt issuance for Series 2018 and (5) issued refunding forward delivery for Series 2018 to refund outstanding principal balances on Series 2008 and Series 2009.

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 GASB requires that state appropriations (Legislative Revenue) and Federal Pell Grants be reported as non-operating revenue, while the expenditure of these funds are reported as operating expense. This will generally result in an operating deficit for most public institutions. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation or amortization, which amortizes the cost of an asset over its expected useful life.

The purpose of this statement is to present the revenues earned and the expenses incurred by Texas Woman's University, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent. The change in total net position as presented on the Statement of Net Position is a result of these activities.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of Texas Woman's University. Operating expenses are those expenses incurred to acquire goods and services provided in return for the operating revenues. Non-operating revenues are derived from sources that are not considered primary operations for an institution of higher education or state agency. State capital appropriations, capital grants and gifts are considered neither operating nor non-operating revenues and are reported after "Income (Loss) Before Other Revenues, Expenses and Transfers."

UNAUDITED

TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

A Condensed Statement of Revenues, Expenses and Changes in Net Position for the years ended August 31, 2018 and 2017 is presented below.

Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position

	2018	2017	$ Change	% Increase (Decrease)
Operating Revenues and Expenses				
Operating Revenues	$ 116,153,494	$ 116,806,836	$ (653,342)	-0.56%
Operating Expenses	(200,193,515)	(206,783,260)	(6,589,745)	-3.19%
Operating (Loss)	**$ (84,040,021)**	**$ (89,976,424)**	**$ (5,936,402)**	**-6.60%**
Non-Operating Revenues and Expenses	104,959,882	106,367,217	(1,407,335)	-1.32%
Income (Loss) Before Other Revenues, Expenses and Transfers	**$ 20,919,861**	**$ 16,390,793**	**$ 4,529,068**	**27.63%**
Other Revenues, Expenses and Transfers	15,056,138	17,443,281	(2,387,143)	-13.69%
Change in Net Position	**$ 35,975,999**	**$ 33,834,074**	**$ 2,141,925**	**6.33%**
Net Position, Beginning of Year	$ 424,491,119	$ 390,609,757	$ 33,881,363	8.67%
Restatement	(24,833,932)	47,289	(24,881,221)	-52615.45%
Net Position as Restated	$ 399,657,187	$ 390,657,046	$ 9,000,141	2.30%
Net Position, End of Year	**$ 435,633,186**	**$ 424,491,119**	**$ 11,142,067**	**2.62%**

Operating revenues totaled $116.2 million in 2018, a decrease of $653 thousand, or 0.56%, over 2017. The primary sources of operating revenues are tuition and fees, federal, state, local and other operating. Net tuition and fees are reflected in the financial statements with associated discounts and allowances shown separately. The largest decrease is attributable to the increase of discounts and allowances.

Non-operating revenues and expenses totaled $105.0 million in 2018, a decrease of $1.4 million, or 1.32%, over 2017. Non-operating revenues primarily come from state appropriations, federal Pell grant revenue, gifts, investment income and net increase in fair market value of investments. Non-operating expenses primarily are interest expense and fiscal charges along with loss on retirement of capital assets. The largest decrease is attributable to an insurance settlement for hail damage which was recorded in fiscal year 2017 but no such activity occurred in fiscal year 2018.

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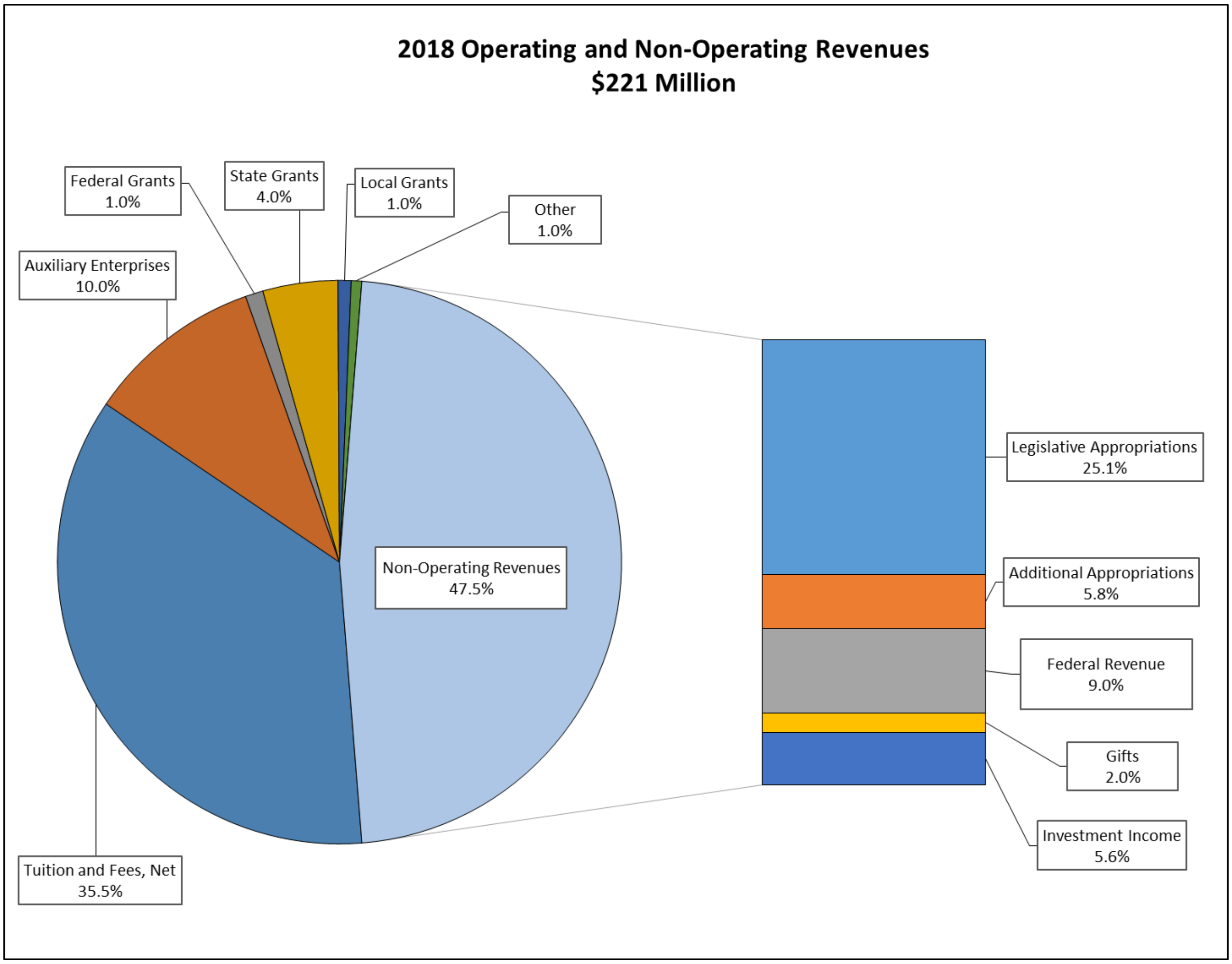
TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

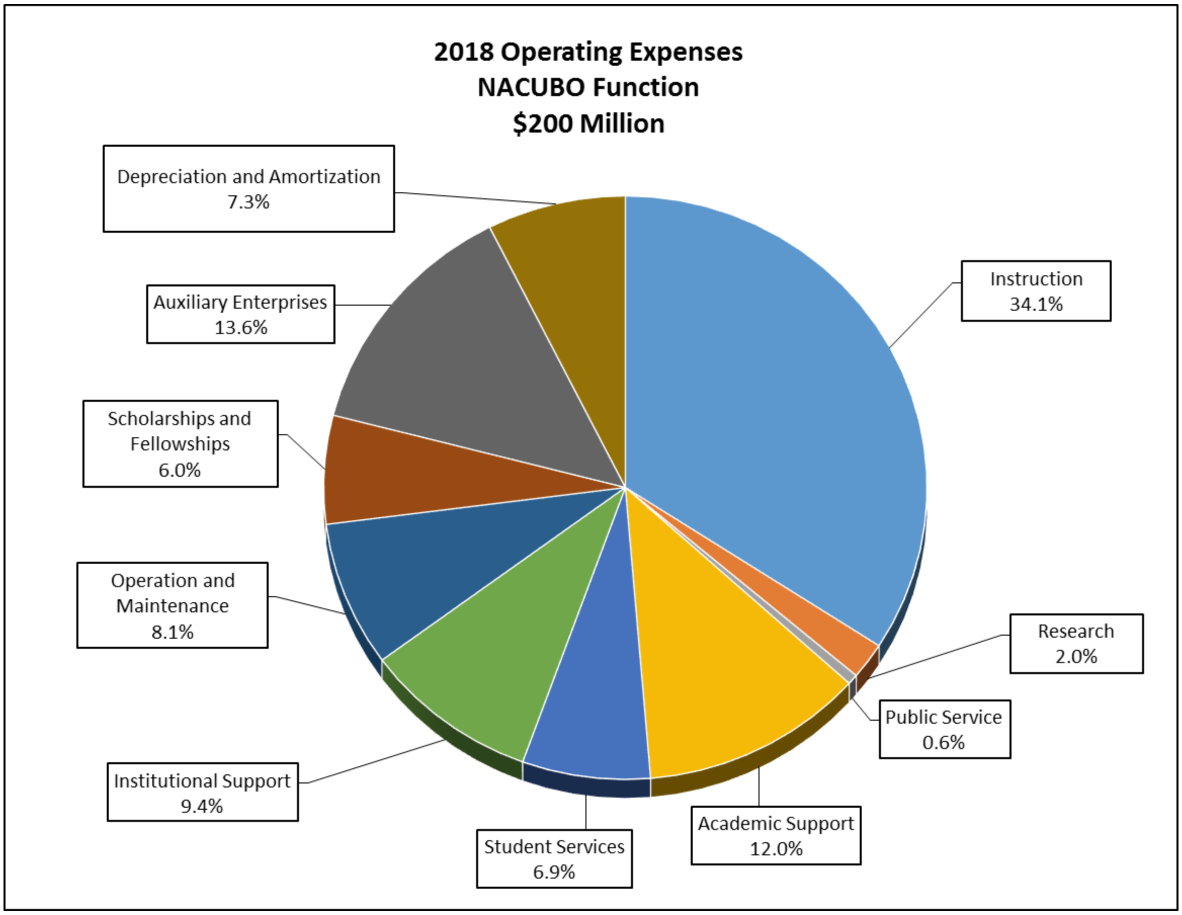
The following graph presents total operating and non-operating revenues for the fiscal year ended August 31, 2018



During the 2018 fiscal year, operating expenses totaled $200.2 million, a decrease of $6.6 million, or 3.19% over 2017. The most significant change is due to the implementation of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which decreased payroll related cost due to recording the contributions made after the measurement date of the ending net OPEB liability and before the end of the current fiscal year.

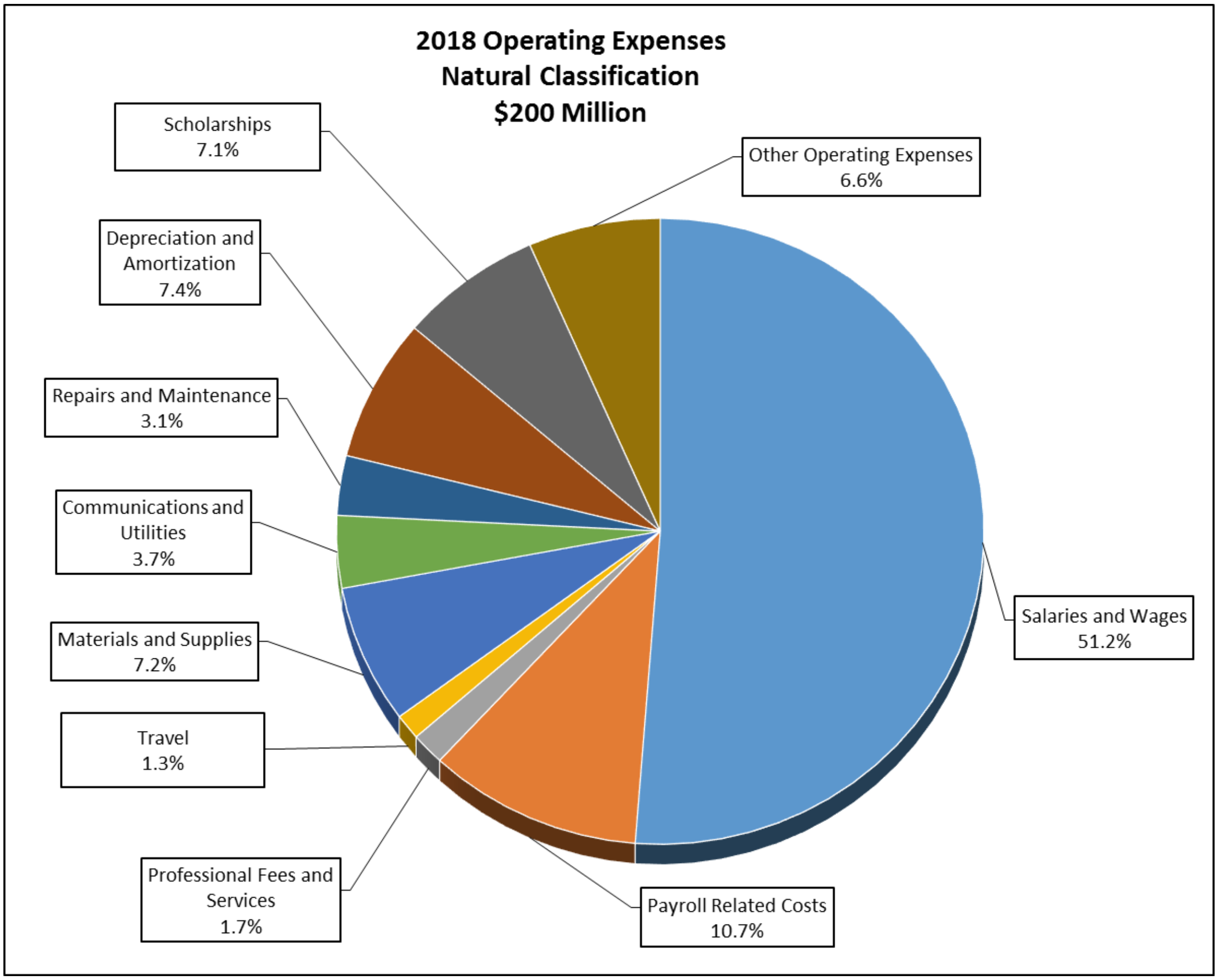
TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

The following graph presents the operating expenses in the National Association of College and University Business Officers ("NACUBO") functional classification for the year ended August 31, 2018.



TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

The following graph presents the operating expenses in the natural classification for the year ended August 31, 2018.



Other revenues, expenses and transfers are comprised of capital and endowment related additions and transfers, which totaled $15.1 million, a decrease of $2.4 million, or 13.69%, in 2018. The majority of the balance is related to annual Higher Education Fund ("HEF") revenue which totaled $14.8 million in 2018. HEF is reported as capital appropriations rather than operating or non-operating revenue. The decrease is attributable to Tuition Revenue Bonds ("TRB") were allocated differently between 2018 and 2017. In 2018, TRB funds were reported as Legislative Appropriations compared to 2017, where TRB funds were reported as a Legislative Transfer.

Restatements totaled $24.8 million in 2018. The change is due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* along with a $498 thousand restatement related to an accounting adjustment for 2017 bad debt expense corrected in 2018.

Net Position totaled $435.6 million and reflects a positive change of $11.1 million, or 2.62%, in 2018. This increase was due to Board approved increase in tuition and fees, as well as a $6.6 million decrease in operating expenses.

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 by operating activities. The next 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 investment activities section reports purchases, proceeds and earnings from investments. The final section is a reconciliation of net cash from operations to operating income.

TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

The Comparative Condensed Statement of Cash Flows is presented below.

Comparative Condensed Statement of Cash Flows		
Cash Flows From	**2018**	**2017**
Operating Activities	$ (46,632,993)	$ (59,788,938)
Non-Capital Financial Activities	89,611,459	86,968,482
Capital and Related Financing Activities	(41,735,235)	67,081,534
Investing Activities	(1,340,742)	(93,914,328)
Net Change in Cash & Cash Equivalents	**$ (97,512)**	**$ 346,751**
Cash & Cash Equivalents, Beginning of Year	$ 38,694,880	$ 38,348,130
Reclassified Beginning Cash	(21,220,277)	
Cash & Cash Equivalents, End of Year	$ 17,377,091	$ 38,694,880

Capital Asset and Debt Administration

Texas Woman's University capital asset additions from acquisitions, donations and construction during the 2018 fiscal year total $46.4 million. More detailed information regarding Texas Woman's University's capital asset activity is provided in Note 2 - Capital Assets, in the notes to the financial statements.

Texas Woman's University embraces its role of financial stewardship and works to manage its resources effectively, including the prudent use of debt to finance capital projects. Texas Woman's University issued $12.4 million in Revenue Financing System bonds in 2018 for the primary purpose of constructing the new Science & Technology Learning Center, and $25.6 million in Revenue Financing System refunding bonds to refund outstanding principal balances on Series 2008 and 2009 bonds. Additional bond information is presented on Schedules 2A- 2F.

Texas Woman's University 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 Tuition Revenue Bond debt for the FY 2018-2019 biennium.

Standard & Poor's ("S&P") bond rating raised the long-term and underlying rating to A+ from A in 2016. The outlook is stable. Moody's bond rating remained Aa3 stable.

TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

Economic Outlook

Texas Woman's University remains confident that we will continue to see strong growth in enrollment as the Texas economy continues to attract business, jobs and people to Texas. TWU remains a national leader in training professionals in the health related fields and continues to produce graduates in high demand fields. TWU continues to assess the economic needs of the state and develop academic programming to meet those needs.

Significant Events

Several leadership changes at Texas Woman's University occurred during fiscal year 2018. These changes are included below.

- Mr. Jason Tomlinson was named Vice President – Finance and Administration in March 2018.
- Ms. Raechelle Clemmons was named Associate Vice President for Technology and Chief Information Officer in June 2018.
- Mr. James R Lumpkin was named Founding Dean of the College of Business in July 2018.
- Ms. Emily Galbraith of Waxahachie was appointed the next student representative on the Texas Woman's University Board of Regents by Governor Greg Abbott.

In fiscal year 2019, there was an additional change in leadership, included below.

- In October 2018, Dr. Kimberly Russell was named as Vice President for University Advancement with a goal to implement a comprehensive capital campaign.
- The Chancellor's cabinet is fully staffed with all leadership positions.

On August 23, 2018, Texas Woman's University announced the selection of Balfour Beatty Campus Solutions to develop a new student housing community for the university as part of a public-private partnership. Opening in Fall 2019, the sophomore village will house 875 students and contain classroom, fitness, exploratory learning and recreation space. Texas-based Hill & Wilkinson will lead the project's design/build team, in collaboration with project architect Stantec.

On November 5, 2018, Texas Woman's University opened a new parking garage with spots for almost 600 vehicles. The structure includes a four-story parking garage with rooftop parking and an adjacent two-story office building that will house TWU's Office of Human Resources, Department of Public Safety, a Student Testing Center and a Student Lounge with dining options and outdoor patio space facing Oakland Street.

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TEXAS WOMAN'S UNIVERSITY
Management's Discussion and Analysis
For the Year Ended August 31, 2018

In October 2018, Texas Woman's University began the search for competitive responses for a campaign planning and feasibility study. The goal is a resulting contract that will provide TWU – including Advancement, Marketing, and academic and volunteer leaders – with strategic direction and practical support for an unprecedented multi-year comprehensive campaign. The campaign will be aligned with priority initiatives TWU's newly developed strategic plan.

In January 2019, Texas Woman's University will begin construction on a new Science & Technology Learning Center primarily for graduate research which will consolidate instructional and other clinical/laboratory experiential learning into modern technologically-advances settings that will enhance TWU's competitive edge. The total project budget is estimated at $51.3 million and will include approximately 73,000 gross square feet in the new Science & Technology Learning Center. The estimated completion date of this project is expected to be early 2020.

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TEXAS WOMAN'S UNIVERSITY (731)

Statement of Net Position

As of August 31, 2018

	2018	2017
ASSETS		
Current Assets:		
Cash and Cash Equivalents		
Cash on Hand	$ 10,435.00	$ 18,455.00
Cash in Bank	3,805,162.79	5,566,875.03
Cash in State Treasury	4,811,858.28	8,228,198.31
Short Term Investments	102,973,985.03	91,928,141.26
Restricted Cash and Cash Equivalents		
Cash in Bank	8,749,635.39	24,881,351.88
Short Term Investments	107,404,225.87	100,972,440.49
Legislative Appropriations	58,893,490.53	50,663,246.28
Total Cash and Cash Equivalents	$ 286,648,792.89	$ 282,258,708.25
Receivables From:		
Student Receivable	$ 26,405,723.59	$ 23,946,991.36
Federal Receivable	1,285,502.84	1,981,062.66
Allowance for Doubtful Accounts	(3,853,290.00)	(2,842,400.69)
Interest and Dividends Receivable	171,762.40	666,858.33
Other Receivables	3,036,595.39	5,231,639.09
Due from Other Agencies	147,833.46	84,157.46
Consumable Inventories	1,370,752.84	1,384,913.04
Prepaid/Deferred Charges	381,601.05	348,772.85
Loans and Contracts	7,980,207.96	7,670,802.99
Allowance for Loans and Contracts	(2,420,268.36)	(2,005,539.61)
Total Current Assets	**$ 321,155,214.06**	**$ 318,725,965.73**
Non-Current Assets:		
Unrestricted Investments	$ 159,258,071.24	$ 150,183,617.17
Restricted Investments	16,367,261.68	15,357,789.40
Capital Assets, non-depreciable		
Land and Land Improvements	4,988,038.30	4,988,038.30
Construction in Progress	44,543,829.64	6,466,307.36
Capital Assets, depreciable		
Buildings and Building Improvements	351,129,758.39	345,366,561.79
Less Accumulated Depreciation	(182,440,429.49)	(170,753,121.99)
Infrastructure	12,111,897.82	12,111,897.82
Less Accumulated Depreciation	(11,063,370.87)	(10,985,449.37)
Facilities and Other Improvements	7,279,237.88	6,782,720.38
Less Accumulated Depreciation	(6,537,923.35)	(6,351,600.13)
Furniture and Equipment	26,447,709.18	26,094,117.08
Less Accumulated Depreciation	(18,228,613.74)	(17,581,159.55)
Vehicles, Boats, and Aircraft	2,378,612.82	2,419,931.33
Less Accumulated Depreciation	(1,938,445.98)	(1,883,060.33)
Other Capital Assets		
Library Books	20,007,127.66	20,019,435.87
Less Accumulated Depreciation	(18,231,938.03)	(18,105,108.82)
Museum and Art	46,000.00	46,000.00
Less Accumulated Depreciation	(46,000.00)	(46,000.00)
Software	3,750,618.52	3,758,328.52
Less Accumulated Amortization	(3,409,162.52)	(3,190,467.71)
Total Non-Current Assets	**$ 406,412,279.15**	**$ 364,698,777.12**
Total Assets	**$ 727,567,493.21**	**$ 683,424,742.85**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	$ 17,817,915.00	$ 7,904,284.00
Total Deferred Outflows of Resources	**$ 17,817,915.00**	**$ 7,904,284.00**
Total Assets and Deferred Outflows of Resources	**$ 745,385,408.21**	**$ 691,329,026.85**

TEXAS WOMAN'S UNIVERSITY (731)

Statement of Net Position

As of August 31, 2018

LIABILITIES		
Current Liabilities:		
Payables From		
Accounts Payable	$ 12,348,439.89	$ 4,133,318.34
Payroll Payable	11,576,196.29	11,405,714.28
Due to Other Agencies	515,411.00	764,295.70
Deferred Revenues	52,821,759.13	45,417,092.40
Employees' Compensable Leave	2,386,798.39	2,340,032.36
Capital Lease Obligations		144,081.02
Revenue Bonds Payable	9,905,000.00	8,950,000.00
Premium on Bonds Payable	1,399,071.46	1,472,486.61
Net OPEB Obligation	103,068.00	
Other Payables	885,321.82	1,025,704.16
Funds Held for Others	534,915.09	367,528.12
Total Current Liabilities	**$ 92,475,981.07**	**$ 76,020,252.99**
Non-Current Liabilities		
Capital Lease Obligations	$ -	$ -
Employees' Compensable Leave	1,429,974.26	1,395,631.45
Revenue Financing System Bonds	150,780,000.00	148,150,000.00
Premium on Bonds Payable	9,671,741.76	10,243,884.92
Net OPEB Obligation	20,209,561.00	
Net Pension Liability	25,145,838.00	27,315,171.00
Total Non-Current Liabilities	**$ 207,237,115.02**	**$ 187,104,687.37**
Total Liabilities	**$ 299,713,096.09**	**$ 263,124,940.36**
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	$ 10,039,126.00	$ 3,712,967.00
Total Deferred Inflows of Resources	**$ 10,039,126.00**	**$ 3,712,967.00**
Total Liabilities and Deferred Inflows of Resources	**$ 309,752,222.09**	**$ 266,837,907.36**
NET POSITION		
Net Investment in Capital Assets	$ 59,191,133.01	$ 30,196,918.00
Restricted for:		
Debt Retirement	12,250.75	
Capital Projects	179,838,249.75	192,387,918.34
Other Restricted	20,936,632.96	31,662,001.84
Funds Held as Permanent Investments		
Non-Expendable		
Endowment Funds	16,165,538.90	15,313,480.47
Unrestricted	159,489,380.75	154,930,800.84
Total Net Position	**$ 435,633,186.12**	**$ 424,491,119.49**
Total Liabilities and Net Position	**$ 745,385,408.21**	**$ 691,329,026.85**

TEXAS WOMAN'S UNIVERSITY (731)
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended August 31, 2018

	2018	2017
OPERATING REVENUES		
Tuition and Fees	$ 113,444,422.75	$ 112,311,300.38
Discounts and Allowances	(34,395,691.95)	(32,347,789.01)
Auxiliary Enterprises	29,210,961.11	27,487,582.33
Discounts and Allowances	(6,846,511.55)	(6,139,440.29)
Federal Grant Revenue	2,100,872.51	1,856,345.46
Federal Pass-Through Revenue	154,345.82	19,958.46
State Grant Revenue	692,199.42	
State Grant Pass-Through Revenue	8,810,608.24	8,511,904.81
Other Contracts and Grants	1,655,765.42	3,419,668.79
Other Operating Revenues	1,326,522.66	1,687,305.43
Total Operating Revenues	**$ 116,153,494.43**	**$ 116,806,836.36**
OPERATING EXPENSES		
Cost of Goods Sold	$ 18,532.66	$ 16,393.04
Salaries and Wages	102,444,749.87	100,849,576.04
Payroll Related Costs	21,370,913.60	30,168,375.97
Professional Fees and Services	3,323,406.71	4,103,178.24
Travel	2,643,502.83	3,150,287.09
Materials and Supplies	14,320,713.43	15,278,558.90
Communication and Utilities	7,472,331.84	7,501,915.75
Repairs and Maintenance	6,161,229.11	7,474,068.69
Rentals and Leases	3,257,210.41	3,048,027.52
Printing and Reproduction	605,479.76	558,969.61
Depreciation and Amortization	14,739,718.10	14,608,339.05
Bad Debt Expense	1,460,478.02	357,141.20
Scholarships	14,262,037.00	12,702,198.15
Other Operating Expenses	8,113,212.32	6,966,230.77
Total Operating Expenses	**200,193,515.66**	**206,783,260.02**
Operating Loss	**$ (84,040,021.23)**	**$ (89,976,423.66)**
NON-OPERATING REVENUES (EXPENSES)		
Legislative Appropriations (GR)	$ 55,390,753.00	$ 48,675,751.00
Additional Appropriations (GR)	12,809,741.79	13,739,712.38
Federal Revenue	19,882,911.23	19,461,159.02
Gifts	4,556,706.04	4,310,352.11
Investment Income	9,501,326.29	5,674,668.35
Interest Expense and Fiscal Charges	(2,506,856.24)	(2,617,874.98)
Loss on Retirement of Capital Assets	(34,007.00)	(144,692.56)
Net Increase in Fair Value of Investments	5,225,795.51	11,257,590.50
Other Non-Operating Revenues	133,511.38	6,010,550.77
Total Non-Operating Revenues (Expenses)	**$ 104,959,882.00**	**$ 106,367,216.59**
Income Before Other Revenues, Expenses and Transfers	**$ 20,919,860.77**	**$ 16,390,792.93**

TEXAS WOMAN'S UNIVERSITY (731)
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended August 31, 2018

OTHER REVENUES, EXPENSES AND TRANSFERS		
Capital Appropriation (HEF)	$ 14,846,558.00	$ 14,846,558.00
Transfers From Other State Agencies	103,105.00	99,443.00
Transfers To Other State Agencies	(70,001.92)	(598,074.84)
Legislative Transfers In	178,882.00	3,111,141.00
Legislative Appropriations Lapses	(2,404.74)	(15,786.19)
Total Other Revenues, Expenses and Transfers	**$ 15,056,138.34**	**$ 17,443,280.97**
CHANGE IN NET POSITION	**$ 35,975,999.11**	**$ 33,834,073.90**
Net Position, Beginning	$ 424,491,119.49	$ 390,609,756.78
Restatements	(24,833,932.48)	47,288.81
Beginning Net Position, as Restated	**$ 399,657,187.01**	**$ 390,657,045.59**
ENDING NET POSITION	**$ 435,633,186.12**	**$ 424,491,119.49**

TEXAS WOMAN'S UNIVERSITY (731)
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2018

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	$ -	$ -	$ -	$ -	$ -
Salaries and Wages	54,685,761.88	2,177,810.57	508,826.99	12,589,682.34	7,103,804.64
Payroll Related Costs	11,308,489.38	291,198.68	74,678.35	1,996,919.00	1,510,327.97
Professional Fees and Services	192,206.85	85,639.25	89,516.72	727,078.16	39,082.21
Travel	610,961.37	171,691.35	19,010.45	857,371.43	191,885.16
Materials and Supplies	1,216,117.70	306,754.21	124,374.83	2,701,109.46	859,421.77
Communications and Utilities	11,178.85	6,399.40	9,035.88	2,405,437.27	73,114.39
Repairs and Maintenance	132,503.43	3,712.18	3,529.06	786,881.03	289,865.59
Rentals and Leases	52,564.23	3,652.29	5,057.02	153,803.65	75,562.59
Printing and Reproduction	53,150.75	1,678.37	3,410.14	73,076.57	127,066.83
Depreciation and Amortization	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-
Scholarships	445,021.39	380,339.41	400.00	252,471.94	2,483,217.25
Other Operating Expenses	917,148.67	580,192.80	277,311.98	1,159,509.93	851,142.51
Total Operating Expenses	**$ 69,625,104.50**	**$ 4,009,068.51**	**$ 1,115,151.42**	**$ 23,703,340.78**	**$ 13,604,490.91**

Institutional Support	Operation and Maintenance	Scholarships & Fellowships	Auxiliary Enterprises	Depreciation & Amortization	Total Expenditures
$ -	$ -	$ -	$ 18,532.66	$ -	$ 18,532.66
10,400,635.28	4,659,700.73	462,826.46	9,855,700.98	-	102,444,749.87
2,362,415.01	1,605,089.87	15,623.83	2,206,171.51	-	21,370,913.60
1,175,418.94	346,934.47	-	667,530.11	-	3,323,406.71
221,672.89	27,215.14	-	543,695.04	-	2,643,502.83
1,039,994.71	2,464,702.80	-	5,608,237.95	-	14,320,713.43
221,594.57	2,875,558.35	-	1,870,013.13	-	7,472,331.84
917,076.31	3,180,939.31	-	846,722.20	-	6,161,229.11
153,862.79	3,002.40	-	2,809,705.44	-	3,257,210.41
183,506.38	2,363.72	-	161,227.00	-	605,479.76
-	-	-	-	14,739,718.10	14,739,718.10
80,680.68	-	1,379,797.34	-	-	1,460,478.02
31,978.00	-	9,980,582.52	688,026.49	-	14,262,037.00
1,841,290.86	793,887.16	60,213.15	1,632,515.26	-	8,113,212.32
$ 18,630,126.42	**$ 15,959,393.95**	**$ 11,899,043.30**	**$ 26,908,077.77**	**$ 14,739,718.10**	**$ 200,193,515.66**

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TEXAS WOMAN'S UNIVERSITY (731)

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2018

		2018		2017
Cash Flows from Operating Activities				
Proceeds Received from Tuition and Fees	$	77,102,528.57	$	76,428,302.34
Proceeds from Research Grants and Contracts		14,109,351.23		13,989,617.54
Proceeds from Auxiliary		22,364,449.56		21,348,142.04
Proceeds from Other Revenues		10,895,554.51		5,257,526.82
Proceeds from Loans and Contracts		105,323.78		145,361.74
Payments to Employees		(111,271,579.91)		(117,153,735.50)
Payments to Vendors and Suppliers		(45,676,583.76)		(47,101,955.25)
Payments for Loans and Contracts				-
Payments for Scholarships		(14,262,037.00)		(12,702,198.15)
Net Cash Used by Operating Activities	$	(46,632,993.02)	$	(59,788,938.42)
Cash Flows from Noncapital Financing Activities				
Proceeds from State Appropriations	$	83,047,052.79	$	74,700,286.38
Transfers in from Other Funds		281,987.00		
Transfers out to Other Funds		(70,001.92)		
Proceeds from Gifts		4,556,706.04		4,310,352.11
Proceeds from Loan Programs PELL		19,882,911.23		19,461,159.02
Proceeds from Other Financing Activities		133,511.38		6,736,014.76
Payments for Interest		(3,988.28)		(24,205.33)
Payments for Grant Disbursements PELL		(18,216,719.73)		(18,215,124.45)
Net Cash Provided by Noncapital Financing Activities	$	89,611,458.51	$	86,968,482.49
Cash Flows from Capital and Related Financing Activities				
Proceeds from Sale of Capital Assets	$	-	$	81,143.21
Proceeds from Debt Issuance		38,826,928.30		93,466,964.90
Payments for Refunding Bonds		(25,465,000.00)		
Payments for Additions to Capital Assets		(38,835,714.61)		(13,221,419.29)
Payments of Principal on Debt Issuance		(8,950,000.00)		(8,460,000.00)
Payments of Principal on Capital Lease Obligations		(144,081.02)		(276,797.30)
Payments of Interest on Debt Issuance		(6,827,968.02)		(3,777,860.89)
Payments of Other Costs on Debt Issuance		(339,400.10)		(730,496.43)
Net Cash Provided (Used) Capital and Related Financing Activities	$	(41,735,235.45)	$	67,081,534.20
Cash Flows from Investing Activities				
Proceeds from Sales of Investments	$	2,171,569.04	$	1,383,444.55
Proceeds from Interest and Investment Income		9,501,326.29		5,674,668.35
Payments to Acquire Investments		(13,013,637.45)		(100,972,440.49)
Net Cash Used by Investing Activities	$	(1,340,742.12)	$	(93,914,327.59)
Increase (Decrease) in Cash and Cash Equivalents	$	(97,512.08)	$	346,750.68
Cash and Cash Equivalents, September 1, 2017		38,694,880.22		38,348,129.54
Reclassified Beginning Cash		(21,220,276.68)		
Cash and Cash Equivalents, August 31, 2018	$	17,377,091.46	$	38,694,880.22

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TEXAS WOMAN'S UNIVERSITY (731)

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2018

		2018		2017
Cash and Cash Equivalents, August 31, 2018	$	17,377,091.46	$	38,694,880.22
Displayed as:				
Total Cash and Cash Equivalents	$	17,377,091.46	$	38,694,880.22

Reconciliation of Operating Income (Loss) to

Net Cash Used by Operating Activities

		2018		2017
Operating Income/(Loss) on AFR	$	(84,040,021.23)	$	(89,976,423.66)
Classification Difference USAS to AFR		8,487,224.71		9,669,916.66
Operating Income for CAFR	$	(75,552,796.52)	$	(80,306,507.00)
Depreciation expense	$	14,739,718.10	$	14,608,339.05
Bad Debt expense		1,460,478.02		357,141.20
Pension Expense		2,718,215.00		3,181,118.00
OPEB expense		1,087,053.00		
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables		910,243.52		(3,537,414.97)
(Increase) Decrease in Inventories		14,160.20		221,883.63
(Increase) Decrease in Due from Other Agencies		(63,676.00)		327,648.25
(Increase) Decrease in Prepaid Expenses		(32,828.20)		161,201.53
(Increase) Decrease in Loans and Contracts		105,323.78		145,361.74
Increase (Decrease) in Payables		546,738.57		651,687.57
Increase (Decrease) in Payroll Payable		170,482.01		1,122,555.86
Increase (Decrease) in Compensable Absences		81,108.84		(109,374.01)
Increase (Decrease) in Due to Other Agencies		(248,884.70)		19,452.52
Increase (Decrease) in Deferred Income		7,404,666.73		3,585,871.00
Increase (Decrease) in Other Liabilities		(140,382.34)		(408,263.37)
Increase (Decrease) in Funds Held for Others		167,386.97		190,360.58
Total adjustments	$	28,919,803.50	$	20,517,568.58
Net Cash Provided (Used) by Operating Activities	$	(46,632,993.02)	$	(59,788,938.42)

Non Cash Transactions

		2018		2017
Net Increase (Decrease) in Fair Value of Investments	$	5,225,795.51	$	11,257,590.50
Premium Amortization FY 2018		(1,472,486.61)		(539,781.93)
Capitalized Interest FY 2018		(3,032,013.55)		(644,409.33)
Asset disposal Gain/(Loss)		(34,007.00)		(199,313.72)
Other		1,130,814.56		

TEXAS WOMAN'S UNIVERSITY (731)
Note 1: Summary of Significant Accounting Policies

Introduction

Texas Woman's University (TWU) was created in 1901 by an Act of the 27th Legislature of the State of Texas, and the enacting statute laid a strong foundation for a multi-purpose institution of higher education. As a publicly funded institution, TWU's financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies and Universities and with Generally Accepted Accounting Principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

Because TWU is a component operating unit of the State Government, the University's financial information is consolidated with other state agencies and institutions in the State's Comprehensive Annual Financial Report (CAFR). The Comptroller of Public Accounts is responsible for preparation of the CAFR, which meets all requirements delineated in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Comptroller does not require the annual financial report of TWU or other component units to be in compliance with all requirements of these statements. The financial reports of TWU and other component units will be considered for audit by the State Auditor's Office as part of the audit of the State's CAFR. Therefore, an opinion has not been expressed on the financial statements and related information in this report.

GASB Statement Number 63 amended Statement Number 34, revising the net asset reporting requirements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Board asserts that the new requirements introduced with GASB 63 will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

As part of the preparation of this financial report, consideration was given to the requirements of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. For Texas Woman's University, the results of this consideration show:

> <u>Blended Component Units</u>
>
> No component units have been identified which should have been blended into an appropriated fund.
>
> <u>Discrete Component Units</u>
>
> No component units have been identified which should have been included in a discrete presentation in the financial report.

Fund Structure

Texas Woman's University is an Enterprise Fund reported in the state of Texas' Comprehensive Annual Financial Report as a Proprietary Fund Type. Enterprise funds are used to account for any activity in which a fee is charged to external users for goods or services.

TEXAS WOMAN'S UNIVERSITY (731)
Note 1: Summary of Significant Accounting Policies

Activities must be reported as enterprise funds if any one of the following criteria are met:

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services including capital costs (such as depreciation or debt service), be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Measurement Focus and Basis of Accounting

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

Texas Woman's University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The University has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected to not apply FASB pronouncements issued after the applicable date.

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

Assets

Cash and Cash Equivalents

For purposes of the statements of cash flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted Assets

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

Inventories

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

TEXAS WOMAN'S UNIVERSITY (731)
Note 1: Summary of Significant Accounting Policies

Capital Assets

Assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date. Depreciation is charged to operations over the estimated useful life of the asset using the straight-line method.

Other Receivables

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

Liabilities

Accounts Payable

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

Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net assets.

Revenue Bonds Payable

Revenue bonds are reported at par. Payables are reported separately as either current or non-current in the statement of net assets.

Net Pension Liability

The net pension values are provided by the State of Texas Comptroller's Office and defines Texas Woman's University proportional share of the Teacher Retirement System of Texas ("TRS") unfunded pension liability.

The fiduciary net position of the TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TEXAS WOMAN'S UNIVERSITY (731)
Note 1: Summary of Significant Accounting Policies

Net Other Post-Employment Benefits Liability

The net other post-employment benefits ("OPEB") values are provided by the State of Texas Comptroller's Office and defines Texas Woman's University proportional share of the Employees Retirement System of Texas ("ERS") unfunded OPEB liability.

The fiduciary net position of the ERS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes changes in OPEB liability resulting in deferred outflows or inflows of resources, the differences between expected and actual actuarial experience, changes in actuarial assumptions, the difference between projected and actual earnings on plan investments, changes in proportion of collective OPEB amounts differences between actual contributions and proportionate share.

Deferred Outflows of Resources

Deferred outflows of resources relate to unamortized losses on refunding of debt, pensions and postemployment benefits other than pensions.

Deferred Outflows of Resources Related to Debt Refunding

For debt refunding, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows or deferred inflows. The gain or loss is amortized using the straight-line method over the remaining life of the old debt or the life of the new debt, whichever is shorter, in the Statement of Revenues, Expenses and Changes in Net Position as a component of interest expense.

Deferred Outflows of Resources Related to Pensions

Certain changes in the collective net pension liability of the Teacher Retirement System of Texas ("TRS") are reported as deferred outflows of resources related to pensions or as deferred inflows of resources related to pensions, depending on the type of change.

Deferred Outflows of Resources Related to Postemployment Benefits Other than Pensions

Certain changes in the collective net postemployment benefits other than pensions ("OPEB") liability include retiree health care associated with Employee Retirement System of Texas ("ERS") are reported as deferred outflows of resources related to other non-pensions or as deferred inflows of resources related to other non-pensions, depending on the type of change.

Deferred Inflows of Resources

Deferred inflows of resources relate to unamortized gains on refunding of debt, pensions and postemployment benefits other than pensions.

TEXAS WOMAN'S UNIVERSITY (731)
Note 1: Summary of Significant Accounting Policies

Deferred Inflows of Resources Related to Debt Refunding

For debt refunding, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows or deferred inflows. The gain or loss is amortized using the straight-line method over the remaining life of the old debt or the life of the new debt, whichever is shorter, in the Statement of Revenues, Expenses and Changes in Net Position as a component of interest expense.

Deferred Inflows of Resources Related to Pensions

Certain changes in the collective net pension liability of the Teacher Retirement System of Texas ("TRS") are reported as deferred outflows of resources related to pensions or as deferred inflows of resources related to pensions, depending on the type of change.

Deferred Inflows of Resources Related to Postemployment Benefits Other than Pensions

Certain changes in the collective net postemployment benefits other than pensions ("OPEB") liability include retiree health care associated with Employee Retirement System of Texas ("ERS") are reported as deferred outflows of resources related to other non-pensions or as deferred inflows of resources related to other non-pensions, depending on the type of change.

Net Position

As defined in GASB Statement Number 63, "Net Position" is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net assets are divided into three components—invested in capital assets, restricted and unrestricted.

Invested in Capital Assets, Net of Related Debt

This represents the total amount of capital assets, net of accumulated depreciation and net of outstanding balances for bonds and other debt that is attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Restricted net position represents resources which are constrained to a particular purpose, and are presented according to the purposes to which they are limited. Grants, Student Loan Funds and Endowment assets are included in this category. Restricted net position results when constraints placed on net position are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Generally, when an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards the restricted resources and then towards the unrestricted resources.

TEXAS WOMAN'S UNIVERSITY (731)
Note 1: Summary of Significant Accounting Policies

Unrestricted Net Position

Unrestricted net position represents all resources not included in the other components. These resources can be considered usable for any purpose, though they may not be in a spendable form, like cash. Unrestricted net position often has constraints on resources which are imposed by management but can be removed or modified.

Revenues and Expenses

Operating Revenues and Expenses

Operating revenues include activities which have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) most federal, state and local grants and contracts. Operating expenses include salaries and wages, payroll related costs, professional fees and services, materials and supplies, depreciation and amortization, and scholarships and fellowships.

Non-operating Revenues and Expenses

Non-operating revenues include activities which have the characteristics of non-exchange transactions such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9 and GASB No. 34, such as state appropriations and investment income. Non-operating expenses include activities such as interest expense on capital asset financings and other expenses that are defined as non-operating expenses by GASB.

Investments

Texas Woman's University entered into a contract with The Texas A&M University System in March 2016 to manage the university's long-term investments in The Texas A&M Cash Concentration Pool. A second contract with The Texas A&M University System was executed in March 2016 to allow investment of endowment assets in the Texas System Endowment Fund managed by The Texas A&M University System.

Texas Woman's University implemented GASB Statement No. 72, *Fair Value Measurement and Application,* in fiscal year 2016. The Standard defines an investment as a security or other asset that a government holds primarily for the purpose of income or profit. The present service capacity is based solely on the ability of the security or other asset to generate cash or to be sold to generate cash. Fair value is defined as the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date.

The Standard requires fair value to be measured in a manner consistent with one of three approaches, the market approach, the cost approach, or the income approach. The market approach uses prices and relevant market information to measure fair value. The cost approach reflects the amount that would be required to replace the asset and its service capacity. The income approach converts future amounts,

TEXAS WOMAN'S UNIVERSITY (731)
Note 1: Summary of Significant Accounting Policies

such as cash flows, into a single current amount. Texas Woman's University primarily uses the market approach to value investments.

Measuring fair value requires gathering information, or inputs, related to the asset or liability being measured. The fair value hierarchy categorizes the inputs used to measure fair value into three levels. Level 1 inputs 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.

Note 3 - Deposits, Investments and Repurchase Agreements

Texas Woman's University implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for fiscal year 2016. Investments have been 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 ADR's 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 commingled funds and private equity technology partnerships and are discussed below.
- Net Asset Value ("NAV") – Texas Woman's University invests in certain private investments and limited partnerships including hedge funds, private equity, 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 manager has been adjusted by rolling forward to August 31, 2018 to include the following events: capital contributions or distributions since the investment manager valuation date reported to Texas Woman's University, 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 hedge funds, Texas Woman's University has adjusted the reported July 31, 2018 NAV by the estimated performance as of August 31, 2018 as reported by the investment manager.

TEXAS WOMAN'S UNIVERSITY (731)
Note 1: Summary of Significant Accounting Policies

Upcoming Accounting Pronouncements

GASB Statement No. 83, *Certain Asset Retirement Obligations*, determines the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (ARO) and requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. This statement will be implemented in fiscal year 2019. TWU continues to evaluate the impact to the financial statements.

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. This statement will be implemented in fiscal year 2020. TWU has not yet evaluated the impact this will have to the financial statements.

GASB Statement No. 87, *Leases*, creates a single model for lease accounting. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement will be implemented in fiscal year 2021. TWU has not yet evaluated the impact this will have to the financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including *Direct Borrowings and Direct Placements*, defines debt as a liability that arises from a contractual obligation to pay cash (or other assets in lieu of cash) in one or more payments to settle a fixed amount. It requires additional disclosures including unused lines of credit, assets pledged as collateral and terms related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. This statement will be implemented in fiscal year 2019. TWU continues to evaluate the impact to the financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. It requires interest cost incurred before the end of a construction period to be recognized as an expense in the fiscal year in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement will be implemented in fiscal year 2019. TWU continues to evaluate the impact to the financial statements.

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TEXAS WOMAN'S UNIVERSITY (731)
Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2018 is presented below.

	PRIMARY GOVERNMENT		
	Balance September 1, 2017	Adjustments	Reclassifications of Completed Construction in Progress
BUSINESS-TYPE ACTIVITIES			
Non-depreciable or Non-amortizable Assets			
Land and Land Improvements	$ 4,988,038.30	$ -	$ -
Construction in Progress	6,466,307.36	-	(6,259,714.10)
Total Non-depreciable or Non-amortizable Assets:	**$ 11,454,345.66**	**$ -**	**$ (6,259,714.10)**
Depreciable Assets			
Buildings and Building Improvements	$ 345,366,561.79	$ -	$ 5,763,196.60
Infrastructure	12,111,897.82	-	-
Facilities and Other Improvements	6,782,720.38	-	496,517.50
Furniture and Equipment	26,094,117.08	-	-
Vehicles, Boats and Aircraft	2,419,931.33	-	-
Other Capital Assets	20,065,435.87	-	-
Total Depreciable Assets at Historical Cost	**412,840,664.27**	**-**	**6,259,714.10**
Less Accumulated Depreciation for:			
Buildings and Building Improvements	(170,753,121.99)	-	-
Infrastructure	(10,985,449.37)	-	-
Facilities and Other Improvements	(6,351,600.13)	-	-
Furniture and Equipment	(17,581,159.55)	-	-
Vehicles, Boats and Aircraft	(1,883,060.33)	-	-
Other Capital Assets	(18,151,108.82)	-	-
Total Accumulated Depreciation	(225,705,500.19)	-	-
Total Depreciable Assets, Net	**$ 187,135,164.08**	**$ -**	**$ 6,259,714.10**
Intangible Capital Assets – Amortizable			
Computer Software – Intangible	3,758,328.52	-	-
Total Intangible Assets at Historical Cost	**3,758,328.52**	**-**	**-**
Less Accumulated Amortization for:			
Computer Software – Intangible	(3,190,467.71)	-	-
Total Accumulated Amortization	(3,190,467.71)	-	-
Amortizable Assets, Net	**$ 567,860.81**	**$ -**	**$ -**
Business-Type Activities Capital Assets, Net	**$ 199,157,370.55**	**$ -**	**$ -**

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TEXAS WOMAN'S UNIVERSITY (731)
Note 2: Capital Assets

Reclassifications Increase Interagency Transfers	Reclassifications Decrease Interagency Transfers	Additions	Deletions	Balance August 31, 2018
$ -	$ -	$ -	$ -	$ 4,988,038.30
-	-	44,337,236.38	-	44,543,829.64
$ -	**$ -**	**$ 44,337,236.38**	**$ -**	**$ 49,531,867.94**
$ -	$ -	$ -	$ -	$ 351,129,758.39
-	-	-	-	12,111,897.82
-	-	-	-	7,279,237.88
-	-	1,814,265.66	(1,460,673.56)	26,447,709.18
-	-	52,321.87	(93,640.38)	2,378,612.82
-	-	199,476.87	(211,785.08)	20,053,127.66
-	**-**	**2,066,064.40**	**(1,766,099.02)**	**419,400,343.75**
-	-	(11,687,307.50)	-	(182,440,429.49)
-	-	(77,921.50)	-	(11,063,370.87)
-	-	(186,323.22)	-	(6,537,923.35)
-	-	(2,074,164.05)	1,426,709.86	(18,228,613.74)
-	-	(149,026.03)	93,640.38	(1,938,445.98)
-	-	(338,614.29)	211,785.08	(18,277,938.03)
-	-	(14,513,356.59)	1,732,135.32	(238,486,721.46)
$ -	**$ -**	**$ (12,447,292.19)**	**$ (33,963.70)**	**$ 180,913,622.29**
-	-	-	(7,710.00)	3,750,618.52
-	**-**	**-**	**(7,710.00)**	**3,750,618.52**
-	-	(226,404.81)	7,710.00	(3,409,162.52)
-	-	(226,404.81)	7,710.00	(3,409,162.52)
$ -	**$ -**	**$ (226,404.81)**	**$ -**	**$ 341,456.00**
$ -	**$ -**	**$ 31,663,539.38**	**$ (33,963.70)**	**$ 230,786,946.23**

TEXAS WOMAN'S UNIVERSITY (731)
Note 3: Deposits, Investments, & Repurchase Agreements

Deposits of Cash in Bank

As of August 31, 2018, the carrying amount of deposits was $12,554,798.18 as presented below:

Governmental and Business-Type Activities	
CASH IN BANK – CARRYING VALUE	$ 12,554,798.18
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash In Bank per AFR	$ 12,554,798.18
Governmental Funds Current Assets Cash in Bank	
Governmental Funds Current Assets Restricted Cash in Bank	
Governmental Funds Non-Current Assets Restricted Cash in Bank	
Proprietary Funds Current Assets Cash in Bank	3,805,162.79
Proprietary Funds Current Assets Restricted Cash in Bank	8,749,635.39
Proprietary Funds Non-Current Restricted Cash in Bank	
Cash in Bank per AFR	$ 12,554,798.18

As of August 31, 2018, the total bank balance was as follows:

Governmental and Business-Type Activities	$ 12,449,712.50

The bank balances that were exposed to custodial credit risks are:

Fund Type	GAAP Fund	Uninsured and uncollateralized	Uninsured and collateralized with securities held by the pledging financial institution	Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the state's name
05	9999	0.00	0.00	0.00

Texas Woman's University ("TWU") has a depository contract with BBVA Compass Bank of Birmingham, Alabama. BBVA Compass holds letters of credit with the Federal Home Loan Bank of Atlanta providing collateral for university deposits. At August 31, 2018, there were letters of credit totaling $67,500,000.

TEXAS WOMAN'S UNIVERSITY (731)
Note 3: Deposits, Investments, & Repurchase Agreements

Investments

As of August 31, 2018, the fair value of the Texas Woman's University investments was $390,714,605.29 as presented below:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Fair Value as of August 31, 2018
U.S. Treasury Securities	$10,855,221.01	$	$	$	$	$10,855,221.01
U.S. Treasury TIPS	583,834.14					583,834.14
U.S. Government Agency Obligations		6,382,283.65				6,382,283.65
Corporate Obligations		15,819,171.26				15,819,171.26
Corporate Asset and Mortgage Backed Securities		7,920,053.46				7,920,053.46
Equity (Domestic)	34,432,692.33					34,432,692.33
International Obligations (Govt and Corp)		9,652,039.21				9,652,039.21
International Equity	23,265,219.58					23,265,219.58
Fixed Income Money Market and Bond Mutual Funds				2,693,964.85	30,730,403.73	33,424,368.58
Mutual Funds - International Equity (Registered with SEC)	13,347,792.81		5,858,178.07			19,205,970.88
Other Commingled Funds - Fixed Income	1,017,759.31		1,084,831.88		110,605,511.43	112,708,102.62
Other Commingled Funds (TexPool)				69,042,295.74		69,042,295.74
Derivatives		(587.64)				(587.64)
Miscellaneous		20,539.40			42,692,339.60	42,712,879.00
Cash in State Treasury					4,811,858.28	4,811,858.28
Total Investments	**$83,502,519.18**	**$39,793,499.34**	**$6,943,009.95**	**$71,736,260.59**	**$188,840,113.04**	**$390,815,402.10**

TEXAS WOMAN'S UNIVERSITY (731)
Note 3: Deposits, Investments, & Repurchase Agreements

Investments

As of August 31, 2018, the fair value of investments managed by Texas A&M University System were:

**Table provided by Texas A&M University System.*

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Total
U.S. Treasury Securities	$10,855,221.01	$	$	$	$	$10,855,221.01
U.S. Treasury TIPS	583,834.14					583,834.14
U.S. Government Agency Obligations		6,382,283.65				6,382,283.65
Corporate Obligations		15,819,171.26				15,819,171.26
Corporate Asset and Mortgage Backed Securities		7,920,053.46				7,920,053.46
Equity (Domestic)	34,432,692.33					34,432,692.33
International Obligations (Govt and Corp)		9,652,039.21				9,652,039.21
International Equity	23,265,219.58					23,265,219.58
Fixed Income Money Market and Bond Mutual Funds				2,693,964.85		2,693,964.85
Mutual Funds - International Equity (Registered with SEC)	13,347,792.81		5,858,178.07			19,205,970.88
Other Commingled Funds - Fixed Income	1,017,759.31		1,084,831.88			2,102,591.19
Derivatives		(587.64)				(587.64)
Alternative Investments						
Hedge Funds - Domestic					17,331,417.08	17,331,417.08
Hedge Funds - International					20,323,502.71	20,323,502.71
Limited Partnerships - Private Equity					1,907,727.23	1,907,727.23
Limited Partnerships - International Private Equity					1,311,024.37	1,311,024.37
Limited Partnerships - Real Estate					366,792.22	366,792.22
Limited Partnerships - International Real Estate					15,014.54	15,014.54
Limited Partnerships - Natural Resources					1,334,499.86	1,334,499.86
Limited Partnerships - International Natural Resources					102,361.59	102,361.59
Political Subdivisions		20,539.40				20,539.40
Total Investments	**$83,502,519.18**	**$39,793,499.34**	**$6,943,009.95**	**$2,693,964.85**	**$42,692,339.60**	**$175,625,332.92**

TEXAS WOMAN'S UNIVERSITY (731)
Note 3: Deposits, Investments, & Repurchase Agreements

Investments

As of August 31, 2018, the investment type and valuation for the investments managed by Texas A&M University System were:

Foreign Currency Presented as Cash	$ 22,765.09
Cash	268.87
Cash Due From Broker	-
Receivables	-
Interest/Dividends Receivable	473,592.52
Foreign Currency Fluctuations - Receivable	(903.37)
FFX Contract Receivable	204,901.14
Pending Sale	112,094.63
Other Receivables	-
Payables	-
Payable for Manager Fees	(75,039.09)
Payable for 4th quarter SEF distribution	(177,880.53)
Foreign Currency Fluctuations - Payable	38.56
FFX Contract Payable	(204,901.14)
Pending Purchase	(454,967.58)
Other Payables	(753.17)
Rounding Due to Allocation	(12.74)
Total Cash and Accruals	**$ (100,796.81)**
Investments (detailed above by Investment Type)	$175,625,332.92
Net Asset Value	**$175,524,536.11**

**Table provided by Texas A&M University System.*

TEXAS WOMAN'S UNIVERSITY (731)
Note 3: Deposits, Investments, & Repurchase Agreements

Investments Reported at Net Asset Value

The table below reflects the notification and liquidity parameters applicable to the Texas A&M University System Cash Concentration Pool ("CCP") and System Endowment Fund ("SEF"). Texas Woman's University has elected to invest in both the CCP and the SEF. By agreement, TWU may withdraw funds from the Cash Concentration Pool on the first day of each month with notice of at least one day. In the event of full liquidation, TWU may withdraw 33% with 30 day notice, 50% of remaining assets with 60 day notice and 100% of the remaining assets with 90 day notice. All withdrawals are effective on the first day of the following month. Investments in the System Endowment Fund are not subject to withdrawal except in the event of termination of the agreement and full liquidation. The liquidation schedule for the System Endowment Fund is 33% of the assets with notice of 90 days from the end of the current fiscal quarter, 50% of the remaining assets at the end of the second quarter after notice and 100% of the remaining asset at the end of the third quarter after notice.

**Table provided by Texas A&M University System.*

Investments Reported at Net Asset Value	Fair Value	Frequency Range - Low	Frequency Range - High	Notice Period Range - Low	Notice Period Range - High	Unfunded Commitment
Hedge Funds (Domestic)	$17,331,417.08	Quarterly	Semi-Annual	65 Days	2 Years	$515,868.31
Hedge Funds (International)	20,323,502.71	Quarterly	Semi-Annual	65 Days	2 Years	599,763.85
Limited Partnerships - Private Equity	1,907,727.23	N/A	N/A	N/A	N/A	815,452.00
Limited Partnerships - International Private Equity	1,311,024.37	N/A	N/A	N/A	N/A	1,120,099.00
Limited Partnerships - Real Estate	366,792.22	N/A	N/A	N/A	N/A	1,133,989.00
Limited Partnerships - International Real Estate	15,014.54	N/A	N/A	N/A	N/A	470,070.00
Limited Partnerships - Natural Resources	1,334,499.86	N/A	N/A	N/A	N/A	1,317,599.00
Limited Partnerships - International Natural Resources	102,361.59	N/A	N/A	N/A	N/A	23,124.00
Total	**$42,692,339.60**					**$5,995,965.16**

TEXAS WOMAN'S UNIVERSITY (731)
Note 3: Deposits, Investments, & Repurchase Agreements

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2018, Texas Woman's University's credit quality distribution for securities with credit risk exposure was as follows:

			Standard & Poor's						
Fund Type	**GAAP Fund**	**Investment Type**	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**Unrated**
05	9999	U.S. Government Agency Obligations	$	$6,062,049.06	$	$92,577.95	$	$	$227,656.64
05	9999	Corporate Obligations	331,115.90	952,030.68	2,746,936.14	8,945,042.46	1,965,689.99	603,373.70	274,982.39
05	9999	Corporate Asset and Mortgage Backed Securities	1,094,621.61	1,022,777.24	877,490.32	20,490.59	502,594.49		4,402,079.21
05	9999	International Obligations	1,021,343.18	815,903.10	1,581,093.79	3,559,678.41	458,660.40	116,601.82	2,098,758.51
05	9999	Fixed Income Money Market and Bond Mutual Fund	2,693,964.85						
05	9999	Other Commingled Funds-Fix Income							2,102,591.19
05	9999	Miscellaneous (Municipals and CDs)							20,539.40
05	9999	**Total**	**$5,141,045.54**	**$8,852,760.08**	**$5,205,520.25**	**$12,617,789.41**	**$2,926,944.88**	**$719,975.52**	**$9,126,607.34**

**Table provided by Texas A&M University System.*

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, Texas Woman's University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. TWU's investment policy limits holding of securities by counterparties to those involved with securities lending. As of August 31, 2018, TWU's investments were exposed to custodial credit risks as follows:

Fund Type	Type	Uninsured and unregistered with securities held by the counterparty	Uninsured and unregistered with securities held by the counterparty's trust department or agent but not in the State's name
05	Repurchase Agreement		
05	Equity		

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TEXAS WOMAN'S UNIVERSITY (731)
Note 3: Deposits, Investments, & Repurchase Agreements

Foreign Currency Risk

Foreign currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. As of August 31, 2018, Texas Woman's University investments were exposed to foreign currency risks as follows:

**Tables provided by Texas A&M University System*

Investments Exposed to Foreign Currency Risk								
Fund Type	**GAAP Fund**	**Foreign Currency**	**International Obligation (Govt & Corp & MF)**	**International Equity**	**International Equity Mutual Funds**	**International Hedge Funds**	**International Other Private Equity & Energy**	**International Other Real Estate Funds**
05	9999	U. S. Dollar Denominated Foreign Securities	$9,040,236.64	$8,649,388.52	$19,205,970.88	$20,323,502.71	$1,225,395.54	$15,014.54
05	9999	Australian Dollar		335,503.80				
05	9999	Brazil Real		293,803.42				
05	9999	British Pound Sterling	31,719.09	1,806,616.46				
05	9999	Canadian Dollar		964,751.27				
05	9999	Danish Krone		128,091.03				
05	9999	Euro Currency Unit	4,252.12	4,566,754.22			187,990.42	
05	9999	Hong Kong Dollar		506,387.17				
05	9999	Japanese Yen		2,599,200.66				
05	9999	Mexican Peso	134,502.35					
05	9999	Taiwan Dollar		209,115.68				
05	9999	New Zealand	441,329.01					
05	9999	Singapore Dollar		176,944.95				
05	9999	South Korean Won		302,346.40				
05	9999	Swedish Krona		370,367.64				
05	9999	Swiss Franc		2,044,424.94				
05	9999	Thailand Baht		234,097.54				
05	9999	Turkish Lira		77,425.88				
		Total	**$9,652,039.21**	**$23,265,219.58**	**$19,205,970.88**	**$20,323,502.71**	**$1,413,385.96**	**$15,014.54**

Interest Rate Risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. As of August 31, 2018, TWU's investments were exposed to interest rate risks as follows:

Investments Exposed to Interest Rate Risk		
Investment Types	**Effective Duration**	**Unaccrued Market Value System Total**
U. S. Treasury Securities	5.605	$10,855,221.01
U. S. Treasury TIPS	6.952	583,834.14
U. S. Government Agency Obligations	3.746	6,382,283.65
Corporate Obligations	5.108	15,819,171.26
Corporate Asset and Mortgage Backed Securities	3.917	7,920,053.46
International Obligations	3.029	9,652,039.21
Other Commingled Funds – Fixed Income	2.196	2,102,591.19
Miscellaneous		
Political Subdivision	0.816	20,539.40
Total Fair Value		**$53,335,733.32**

TEXAS WOMAN'S UNIVERSITY (731)
Note 3: Deposits, Investments, & Repurchase Agreements

Derivative Investing

Texas Woman's University invests funds in the Texas A&M University System's investment pool, which includes investment derivatives in the form of forward currency exchange contracts used for the purchase or sale of a specific foreign currency at a fixed quantity and price on a future date as a hedge against either specific transactions or portfolio positions. Additional information on these contracts can be found in the Texas A&M University System's financial statement note disclosures.

The table below summarized TWU's share of the pending foreign exchange contracts as of August 31, 2018.

**Tables provided by Texas A&M University System.*

Currency	Sell	Buy	Unrealized Gain on Foreign Exchange Contract	Unrealized Loss on Foreign Exchange Contract
Australian Dollar	$	$3,407.60	2.27	
British Pound Sterling	91,404.66	9,949.22	2.14	543.65
Canadian Dollar		15,842.68	7.88	15.78
Danish Krone		1,466.26		1.87
Euro	19,108.39	29,170.25	63.59	41.01
Hong Kong Dollar		6,398.33	0.24	
Japanese Yen		6,798.43		8.34
Singapore Dollar		1,997.21	0.68	
Swedish Krona		2,983.51		3.42
Swiss Franc		7,965.04	4.94	
Turkish Lira		8,409.55		55.31
Total	**$110,513.05**	**$94,388.08**	**81.74**	**669.38**

The foreign exchange contract exposure to counterparty risk as of August 31, 2018, is presented below:

	Assets	**Liabilities**	
Notional Amount	**Fair Value as of August 31, 2018**	**Fair Value as of August 31, 2018**	**S&P Counterparty Rating**
$69,622.94		209.17	AA-
4,846.63	6.98	3.42	A
28,773.39		42.87	A+
49,313.24	41.82	400.16	BBB+
7,310.48		13.76	A+
32,539.18	24.38		A+
10,498.06	7.88		AA-
1,997.21	0.68		A
$204,901.13	**81.74**	**669.38**	

TEXAS WOMAN'S UNIVERSITY (731)
Note 4: Short-Term Debt

Texas Woman's University has no short-term debt.

TEXAS WOMAN'S UNIVERSITY (731)
Note 5: Summary of Long-Term Liabilities

Changes in Long Term Liabilities

During the year ended August 31, 2018, the following changes occurred in liabilities.

	Balance 9/1/2017	Additions	Reductions	Adjustments	Balance 8/31/2018	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds Payable	$168,816,371.53	$38,000,000.00	$34,415,000.00	$645,558.31	$171,755,813.22	$11,304,071.46	$160,451,741.76
Capital Lease Obligations	144,081.02	-	144,081.02	-	-	-	-
Compensable Leave	3,735,663.81	3,270,056.98	3,188,948.14	-	3,816,772.65	2,386,798.39	1,429,974.26
Net Pension Liability	27,315,171.00	408,130.00	2,577,463.00	-	25,145,838.00	-	25,145,838.00
OPEB Obligation Liability	-	26,476,942.00	6,164,313.00	-	20,312,629.00	103,068.00	20,209,561.00
Totals	**$200,011,287.36**	**$68,155,128.98**	**$46,489,805.16**	**$645,558.31**	**$221,031,052.87**	**$13,793,937.85**	**$207,237,115.02**

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months.

Full-time state employees earn annual leave from eight to twenty-one hours per month depending on the respective employees' years of state employment. The State's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 532 for those employees with 35 or more years of state service. Employees with at least six months of state service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The University recognizes the accrued liability for the unpaid annual leave. For the year ended August 31, 2018, the accrued liability totaled $3,816,772.65.

The University made lump sum payments totaling $336,686.01 for accrued vacation (and/or compensatory time) to employees who separated from state service during fiscal year ending August 31, 2018.

Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid only when an employee is off due to illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement or 336 hours, whichever is less. The University's policy is to recognize the cost of sick leave when paid and the liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

TEXAS WOMAN'S UNIVERSITY (731)
Note 6: Bonded Indebtedness

Bonds Payable

Detailed supplemental bond information is disclosed in Schedule 2-A Miscellaneous Bond Information, Schedule 2-B Changes in Bonded Indebtedness, Schedule 2-C Summary of Debt Service Requirements, Schedule 2-D Analysis of Funds Available for Debt Service and Schedule 2F Early Extinguishment and Refunding. Texas Woman's University Revenue Financing System issued bonds in FY 2018.

General information related to revenue bonds outstanding as of August 31, 2018, is summarized below:

Revenue Financing System Bonds, Series 2008

- To provide funds for the purposes of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for the University and paying certain costs of issuing the bonds.
- Issued 7/15/08
- $21,670,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues including a General Revenue Appropriation.

Revenue Financing System Bonds, Series 2009

- To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for the University, specifically, without limitations, to pay costs of constructing and equipping a new Institute for Health Sciences – Dallas Center on land leased by the University in the City of Dallas, Texas, and paying certain costs of issuing the bonds.
- Issued 1/15/09
- $20,400,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

Revenue Financing System Bonds, Series 2009A

- To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for the University, specifically, without limitation, to pay costs of constructing and equipping a new fitness and recreation center on the Denton campus, and paying certain costs of issuing the bonds.
- Issued 12/01/09
- $14,980,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

TEXAS WOMAN'S UNIVERSITY (731)
Note 6: Bonded Indebtedness

Revenue Financing System Refunding Bonds, Series 2012

- To provide funds for the purpose of refunding certain outstanding obligations of the Board to realize a net present value debt service savings and to pay costs of issuance of the bonds.
- Issued 06/05/12
- $17,915,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues including a General Revenue Appropriation.

Revenue Financing System Refunding Bonds, Series 2014

- To provide funds for the purpose of refunding certain outstanding obligations of the Board (Series 2004) to realize a net present value debt service savings and to pay costs of issuance of the bonds.
- Issued 04/15/14
- $12,370,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues including a General Revenue Appropriation.

Revenue Financing System Bonds, Series 2016

- To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for the University, specifically, without limitation, to pay costs of constructing and equipping a parking garage on the Denton campus, and (ii) paying certain costs of issuing the bonds.
- Issued 08/23/16
- $19,160,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

Revenue Financing System Bonds, Series 2017 A&B

- To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for the University, specifically, without limitation, to pay costs of constructing and equipping a new student union and science/technology building on the Denton campus, and (ii) paying certain costs of issuing the bonds.
- Issued 05/25/17
- $92,731,982; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues including a General Revenue Appropriation.

TEXAS WOMAN'S UNIVERSITY (731)
Note 6: Bonded Indebtedness

Revenue Financing System Bonds, Series 2018

- To provide funds for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for the University, specifically, without limitation, to pay costs of constructing and equipping a new science/technology building on the Denton campus, and (ii) paying certain costs of issuing the bonds.
- Issued 04/15/18
- $12,375,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues.

Revenue Financing System Refunding Bonds, Forward Delivery Series 2018

- To provide funds for the purpose of refunding certain outstanding obligations of the Board (Series 2004 and Series 2009) to realize a net present value debt service savings and to pay costs of issuance of the bonds.
- Issued 06/01/18
- $25,625,000; all bonds have been issued.
- Source of revenue for debt service – Pledged revenues including a General Revenue Appropriation.

Revenue Pledged for Debt Service

Pledged Future Revenues		
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	$	219,797,953.36
Term of Commitment Year Ending 08/31		2038
Percentage of Revenue Pledged		100%
Current Year Pledged Revenue	$	289,819,925.80
Current Year Principal and Interest Paid	$	15,777,968.02

TEXAS WOMAN'S UNIVERSITY (731)
Note 7: Derivative Instruments

A derivative security is a financial instrument which derives its value from another security, currency, commodity or index. Investment derivatives are entered into with the intention of managing transaction or currency exchange risk in purchasing, selling or holding investments. These include futures contracts and forward contracts. The following disclosure summarizes Texas Woman's University's activity as reported in the financial statements.

Derivative Investing

Texas Woman's University invests funds in The Texas A&M University System's (A&M System) investment pool, which includes investment derivatives in the form of forward currency exchange contracts used for the purchase or sale of a specific foreign currency at a fixed quantity and price on a future date as a hedge against either specific transactions or portfolio positions. Additional information on these contracts can be found in the A&M System's financial statement note disclosures.

The table below summarizes Texas Woman's University's share of the pending foreign exchange contracts as of August 31, 2018.

Currency	Sell	Buy	Unrealized Gain on Foreign Exchange Contract	Unrealized Loss on Foreign Exchange Contract
Australian Dollar	$	$3,407.60	2.27	
British Pound Sterling	91,404.66	9,949.22	2.14	543.65
Canadian Dollar		15,842.68	7.88	15.78
Danish Krone		1,466.26		1.87
Euro	19,108.39	29,170.25	63.59	41.01
Hong Kong Dollar		6,398.33	0.24	
Japanese Yen		6,798.43		8.34
Singapore Dollar		1,997.21	0.68	
Swedish Krona		2,983.51		3.42
Swiss Franc		7,965.04	4.94	
Turkish Lira		8,409.55		55.31
Total	**$110,513.05**	**$94,388.08**	**81.74**	**669.38**

TEXAS WOMAN'S UNIVERSITY (731)
Note 7: Derivative Instruments

Foreign Exchange Contract Exposure to Counterparty Risk

	Assets	Liabilities	
Notional Amount	**Fair Value as of August 31, 2018**	**Fair Value as of August 31, 2018**	**S&P Counterparty Rating**
$69,622.94	-	209.17	AA-
4,846.63	6.98	3.42	A
28,773.39	-	42.87	A+
49,313.24	41.82	400.16	BBB+
7,310.48	-	13.76	A+
32,539.18	24.38	-	A+
10,498.06	7.88	-	AA-
1,997.21	0.68	-	A
$204,901.13	**81.74**	**669.38**	

**Tables provided by Texas A&M University System*.

Summary of Investment Derivative Activity:

	Changes in Fair Value		Fair Value as of 8/31/2018		
	Classification	Amount	Classification	Amount	Notional Amount
Investment Derivatives					
FX Contracts	Investment Income	(587.64)	Investment	(587.64)	$204,901.13

TEXAS WOMAN'S UNIVERSITY (731)
Note 8: Capital Leases

Capital Leases
Texas Woman's University has no outstanding long-term lease obligations for financing the purchase of capital assets.

Operating Leases
Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2018 are as follows:

Fiscal Year	Lease Payments
2019	$ 286,482.63
2020	271,874.97
2021	271,874.97
2022	143,796.26
2023	12,145.44
2024-2028	9,232.00
Total Minimum Future Lease Rental Payments	**$ 995,406.27**

FY 18 Lease Cost by Fund Type	
Education and General	$ 2,572.12
Designated	254,212.59
Auxiliaries	57,478.12
Current Restricted	6,832.00
Total Lease Payment FY 18	**$ 321,094.83**

TEXAS WOMAN'S UNIVERSITY (731)
Note 9: Pension Plans and Optional Retirement Program

The state of Texas has three retirement systems in its financial reporting entity – Employees Retirement System ("ERS"), Teacher Retirement System ("TRS"), and Texas Emergency Services Retirement System ("TESRS"). These three retirement systems administer the following six defined benefit pension plans:

- ERS – the Employees Retirement System of Texas Plan ("ERS"), the Law Enforcement and Custodial Officer Supplemental Retirement Plan ("LECOS"), the Judicial Retirement System of Texas Plan One ("JRS 1") and Judicial Retirement System of Texas Plan Two ("JRS2").
- TRS – the Teacher Retirement System of Texas ("TRS") plan.
- TESRS – the Texas Emergency Services Retirement System ("TESRS") plan.

ERS, LECOS, JRS2, TRS, and TESRS plans are administered through several trusts; JRS1 plan is on a pay-as-you-go basis.

TRS plan

Teacher Retirement System is the administrator of the TRS plan, a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation.

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

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

Audited Comprehensive Annual Financial Report ("CAFR") for Teacher Retirement System may be obtained by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698.

TEXAS WOMAN'S UNIVERSITY (731)
Note 9: Pension Plans and Optional Retirement Program

During the measurement period of 2017 for fiscal 2018 reporting, the amount of Texas Woman's University contributions recognized by the plan was $2,572,488. The contribution rates are based on a percentage of the monthly gross compensation for each member. The contribution requirements for the state and the members in the measurement period are presented in the table below:

Required Contribution Rates

	TRS Plan
Contribution Rates	
Employer	6.8%
Employees	7.7%

The total pension liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total pension liability as of the August 31, 2017 measurement date.

Actuarial Methods and Assumptions

	TRS Plan
Actuarial Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Actuarial Assumptions:	
Discount Rate	8.0%
Investment Rate of Return	8.0%
Inflation	2.50%
Salary Increase	3.50% to 9.50% including inflation
Mortality	
Active	90% of the RP 2014 Employee Mortality Tables for males and females.
Post-Retirement	2015 TRS Healthy Pensioner Mortality Tables
Ad Hoc Post-Employment Benefit Changes	None

TEXAS WOMAN'S UNIVERSITY (731)
Note 9: Pension Plans and Optional Retirement Program

The actuarial assumptions used in the valuation were primarily based on the result of an actuarial experience study for the four-year period ending August 31, 2014 and adopted in September 2015. The mortality rates were based on 90% of the RP 2014 employee Mortality Tables for the active members. The Post-retirement mortality rates were based on 2015 TRS Healthy Pensioner Mortality Tables.

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

The discount rate of 8% was applied to measure the total pension liability. There has been no change in the discount rate since the prior measurement period. The projected cash flows into and out of the pension plan assumed that members, employers, and non-employer contributing entity make their contributions at the statutorily required rates. Under this assumption, the pension plan's fiduciary net position is projected to be sufficient to make all future pension benefit payments of current plan members. Therefore, the 8% long-term expected rate of return on pension plan investments was used as the discount rate without incorporating the municipal bond rate.

The long-term expected rate of return on plan investments was developed using a building-block method with assumptions including asset class of investment portfolio, target allocation, real rate of return on investments, and inflation factor. Under this method, best estimate ranges of expected future real rates of return (net of 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.

TEXAS WOMAN'S UNIVERSITY (731)
Note 9: Pension Plans and Optional Retirement Program

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Global Equity		
U.S.	18%	4.6%
Non-U.S. Developed	13%	5.1%
Emerging Markets	9%	5.9%
Directional Hedge Funds	4%	3.2%
Private Equity	13%	7.0%
Stable Value		
U.S. Treasury	11%	0.7%
Absolute Return	0%	1.8%
Stable Value Hedge Funds	4%	3.0%
Cash	1%	-0.2%
Real Return		
Global Inflation Linked Bonds	3%	0.9%
Real Assets	16%	5.1%
Energy and Natural Resources	3%	6.6%
Commodities	0%	1.2%
Risk Parity		
Risk Parity	5%	6.7%
Total	100%	

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

Sensitivity of Texas Woman's University Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
$ 42,390,914	$ 25,145,838	$ 10,786,513

The pension plan's fiduciary net position is determined using economic resources measurement focus and accrual basis of accounting, which is the same basis used by TRS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan.

TEXAS WOMAN'S UNIVERSITY (731)
Note 9: Pension Plans and Optional Retirement Program

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 2017 CAFR.

At August 31, 2018, Texas Woman's University reported a liability of $25,145,838 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Texas Woman's University proportion at August 31, 2018 was 0.0786431343 percent which was an increase from the 0.0722843247 percent measured at the prior measurement date. Texas Woman's University proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the period September 1, 2016 through August 31, 2017.

For the year ending August 31, 2018, Texas Woman's University recognized pension expense of $2,718,215. At August 31, 2018, Texas Woman's University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	367,895	1,356,082
Changes of assumptions	1,145,433	655,734
Net difference between projected and actual investment return	0	1,832,574
Change in proportion and contribution difference	3,349,101	1,703,517
Contributions subsequent to the measurement date	0	0
Total	$4,862,429	$5,547,907

The $7,648,405 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, 2018.

TEXAS WOMAN'S UNIVERSITY (731)
Note 9: Pension Plans and Optional Retirement Program

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

Year ended August 31:

2019	(623,725)
2020	981,399
2021	(747,039)
2022	(1,085,615)
2023	567,009
Thereafter	222,493

Optional Retirement Program

The State has also established an optional retirement program ("ORP") for institutions of higher education. For eligible individuals, participation in the ORP is elective in lieu of participation in the TRS. The ORP provides for the purchase of mutual fund and annuity contracts. The contributory percentages on salaries for participants entering the program prior to September 1995 are 8.5% and 6.65% by the state and each participant, respectively. The state's contribution is comprised of 6.6% from the ORP's appropriation and 1.9% from other funding sources. The 6.6% contribution is mandatory with the 1.9% state contribution being at the discretion of the board. Texas Woman's University Board of Regents has approved the additional contributions for employees of TWU. The contributory percentages on salaries for participants entering the program after August 31, 1995 are 6.6% and 6.65% by the state and each participant, respectively. Since these are individual contracts, the State has no additional or unfunded liability for this program.

The contributions made by plan members and employers for the fiscal year ended August 31, 2018 are:

	Year ended August 31, 2018
Member Contributions	$ 1,1583,587.17
Employer Contributions	$ 1,709,905.89
Total	$ 3,293,493.06

TEXAS WOMAN'S UNIVERSITY (731)
Note 10: Deferred Compensation

The state of Texas offers a deferred compensation plan to all benefits eligible state employees. This plan is in accordance with Internal Revenue Code Section 457 and permits employees to defer a portion of their salary until future years. The deferred compensation funds are not available to employees until distribution due to termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are held in trust by the Employees Retirement System (ERS) Board of Trustees for the exclusive benefit of participants and their beneficiaries and may not be used for, or diverted to, any other expense, except to defray the reasonable expenses of administering the plan.

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

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TEXAS WOMAN'S UNIVERSITY (731)
Note 12: Interfund Activity and Transactions

Texas Woman's University experienced routine transfers with other state agencies that were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activity at August 31, 2018, follows:

Interfund Receivables and Payables - Current			
Current Portion	**Interfund Receivable**	**Interfund Payable**	**Purpose**
Not Applicable			

Interfund Receivables and Payables - Non-Current			
Non-Current Portion	**Interfund Receivable**	**Interfund Payable**	**Purpose**
Not Applicable			

	Legislative Transfer In	**Legislative Transfer Out**
GENERAL (01)		
Appd Fund 0001, D23 Fund 0001		
(Agency 902, D23 Fund 0001)	$178,882.00	
Total Legislative Transfers	**$178,882.00**	

	Due From Other Agencies	**Due To Other Agencies**	**Source**
PROPRIETARY (02)			
Appd Fund 0001, D23 Fund 0001			
(Agency 781, D23 Fund 0001)		$310,483.93	State P-T
Appd Fund 9999, D23 Fund 7999			
(Agency 300, D23 Fund 6661)	$9,132.39		Federal P-T
(Agency 744, D23 Fund 7999)	1,337.02		Federal P-T
(Agency 739, D23 Fund 7999)	53,366.88		Federal P-T
(Agency 781, D23 Fund 0001)		204,927.07	State P-T
(Agency 781, D23 Fund 0825)	83,997.17		State P-T
Total Due From/To Other Agencies	**$147,833.46**	**$515,411.00**	

TEXAS WOMAN'S UNIVERSITY (731)
Note 12: Interfund Activity and Transactions

	Transfer In	Transfer Out	Purpose (Disclosure Required)
PROPRIETARY (02)			
Appd Fund 0210, D23 Fund 0210			
(Agency 902, D23 Fund 0210)	$103,105.00		(Intrafund Transfer)
Appd Fund 0253, D23 Fund 0253			
(Agency 781, D23 Fund 0001)		$17,138.82	(Intrafund Transfer)
Appd Fund 9999, D23 Fund 7999			
(Agency 347, D23 Fund 0507)		52,470.29	(Intrafund Transfer)
(Agency 347, D23 Fund 0735)		392.81	(Intrafund Transfer)
Total Transfers	**$103,105.00**	**$70,001.92**	

The detailed State Grant Pass Through information is listed on Schedule 1B – Schedule of State Grant Pass Through From/To State Agencies.

TEXAS WOMAN'S UNIVERSITY (731)
Note 14: Adjustments to Fund Balances and Net Position

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, was effective for TWU in 2018. The implementation of Statement No. 75 resulted in a restatement of beginning net position for fiscal year 2018, as follows:

	Total
Net Position at August 31, 2017 as Previously Reported	$ 424,491,119.49
Adjustments due to Implementation of GASB 75 [(1)]	(23,710,781.00)
Adjustments to Other Restricted Balances	(126,230.19)
Adjustments to Unrestricted Balances	(996,921.29)
Total Restatements	**(24,833,932.48)**
Net Position at August 31, 2017 as Restated	**$ 399,657,187.01**

(1) Includes the recognition of deferred outflows and inflows of resources related to postemployment benefits other than pensions of $3,398,152 and recognition of net OPEB liability of $20,312,629 as of August 31, 2018.

TEXAS WOMAN'S UNIVERSITY (731)
Note 15: Contingencies and Commitments

At August 31, 2018, there were no material pending lawsuits or claims involving Texas Woman's University. Any claims incurred but not asserted against TWU cannot be reasonably estimated at this time, and any such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on TWU.

Texas Woman's University has received several grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances if any, will be immaterial.

Texas Woman's University has no investment commitments.

TEXAS WOMAN'S UNIVERSITY (731)
Note 16: Subsequent Events

No material events occurred subsequent to August 31, 2018.

TEXAS WOMAN'S UNIVERSITY (731)
Note 17: Risk Management

The state of Texas utilizes an allocation program that funds both workers' compensation benefits and risk management costs through annual assessments which participating agencies pay to the State Office of Risk Management ("SORM").

Texas Woman's University is required by certain bond covenants to carry fire and extended coverage along with boiler insurance on buildings financed through the issuance of bonds using pledged Auxiliary Enterprise or other non-Educational and General Funds. The insurance protects the bondholders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments. This coverage is also purchased for buildings that are not financed with bonds. TWU participates in the State Property Insurance Program through SORM. The total limit of liability for property insurances is $1,000,000,000 and was brokered through Arthur J. Gallagher.

Texas Woman's University carries a Commercial General Liability Policy through Travelers Insurance Company which provides insurance protection to pay for third-party bodily injury or property damages. The policy provides coverage for liabilities arising from personal injury and advertising injury. The general total limit of coverage is $1,000,000 for each occurrence and $2,000,000 general aggregate which provides coverage for which TWU is liable under the Texas Tort Claims Act.

Texas Woman's University has chosen to carry liability insurance on its licensed vehicles and collision and comprehensive coverage for some of its higher value and higher risk vehicles in the amount of $1,000,000 combined single limit with $250,000 per person/$500,000 per accident in bodily injury coverage and $100,000 for property coverage. This coverage is provided by Liberty Mutual Fire Insurance Company. TWU carries the same coverage for non-owned vehicles.

A Medical Professional Liability Policy is carried to cover medical professionals of Texas Woman's University, specifically employees of the Student Health Services Clinic, the Counseling & Family Therapy Clinic, the Dental Hygiene Clinic, the Speech, Language, and Hearing Clinic, the Counseling & Psychological Services Center, the Stroke Center and the Exercise & Sports Nutrition Clinic. The policy is insured by Darwin Select Insurance Company and has a $1,000,000 limit for each occurrence and a $3,000,000 aggregate limit. TWU also has a separate policy covering Student Medical Professional Liability Policy with the same limits from Interstate Fire & Casualty Company (Allianz).

Texas Woman's University purchased Directors and Officers Legal Liability and Employment Practices Liability insurance from Westchester Fire Insurance Company (Chubb), with an aggregate limit of liability of $5,000,000. In addition, TWU carries crime coverage through Travelers Insurance as follows:

$1,000,000	Employee Theft
$1,000,000	Forgery and Alteration
$1,000,000	Computer Fraud
$1,000,000	Funds Transfer Fraud

TEXAS WOMAN'S UNIVERSITY (731)
Note 18: Management's Discussion and Analysis

This note is not used by Texas Woman's University. Texas Woman's University Management's Discussion and Analysis is included as a separate section of the report.

TEXAS WOMAN'S UNIVERSITY (731)
Note 19: The Financial Reporting Entity

Texas Woman's University is an Enterprise Fund reported in the state of Texas' Comprehensive Annual Financial Report as a Proprietary Fund Type. TWU does not have any component units or related parties to include in its financial statements. Because Texas Woman's University is considered a component unit of the state of Texas, and because its financial information is included in the audited Annual Financial Report of the state of Texas, TWU's financial statements are not independently audited.

TEXAS WOMAN'S UNIVERSITY (731)
Note 22: Donor – Restricted Endowments

Texas Woman's University is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Property Code Chapter 163. UPMIFA allows TWU to distribute net appreciation on donor restricted endowment investments to the extent prudent. This includes cumulative realized and unrealized appreciation in the fair market value of the endowment assets in excess of historical dollar value of the gifts.

Texas Woman's University has contracted with the Texas A&M University System to manage TWU's endowment funds. Per the per Section 51.0031 of the Texas Education Code, universities can chose to invest endowment funds with a qualifying institution to be invested and distributed in accordance with the qualifying institution's investment policy.

The net appreciation (cumulative and unexpended) on donor-restricted endowments available for authorization of expenditure by Texas Woman's University for the fiscal year ended August 31, 2018, is as follows:

Donor - Restricted Endowments	Amounts of Net Appreciation*	Reported in Net Assets
True Endowments	$ 3,646,269.12	Restricted for Other
Term Endowments	$	None

*There was a positive fair value adjustment totaling $824,224.94 for fiscal year 2018.

Changes from Prior Year Balances		
Endowment Funds	**Increase/ (Decrease)**	**Reason for Change**
Expendable Balances		
True Endowments	$ 824,224.94	Fair value increase in portfolio
Term Endowments	$	None
Non-Expendable Balances		
True Endowments	$ 27,833.49	Donor gifts and bequests
Term Endowments	$	None

TEXAS WOMAN'S UNIVERSITY (731)
Note 24: Disaggregation of Receivable and Payable Balances

Net other receivables at August 31, 2018, are detailed by type as follows:

Net Other Receivables	Amount
Receivables related to gifts, grants and sponsored programs	$ 1,875,034.93
Receivable from state for items paid locally	1,161,560.46
Total Net Other Receivables	**$ 3,036,595.39**

Net other payables at August 31, 2018, are detailed by type as follows:

Net Other Payables	Amount
Payables related to students	$ 885,321.82
Total Net Other Payables	**$ 885,321.82**

TEXAS WOMAN'S UNIVERSITY (731)
Note 27: Service Concession Arrangements

Not Applicable.

TEXAS WOMAN'S UNIVERSITY (731)
Note 28: Deferred Outflows and Deferred Inflows of Resources

A summary of Texas Woman's University deferred outflows of resources and deferred inflows of resources as of August 31, 2018 is as follows:

	Total
Deferred Outflows of Resources	
Unamortized Losses of Refunding of Debt	$ 160,000
Deferred Outflows of Resources Related to Pensions	7,648,405
Deferred Outflows of Resources Related to OPEB	10,009,510
Total Deferred Outflows of Resources	**$ 17,817,915**
Deferred Inflows of Resources	
Unamortized Gains of Refunding of Debt	$
Deferred Inflows of Resources Related to Pensions	5,547,907
Deferred Inflows of Resources Related to OPEB	4,491,219
Total Deferred Inflows of Resources	**$ 10,039,126**

TEXAS WOMAN'S UNIVERSITY (731)
Note 31: Tax Abatements

Not Applicable.

TEXAS WOMAN'S UNIVERSITY (731)
Note 32: Governmental Fund Balances

Not Applicable.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

SUMMARY OF CERTAIN PROVISIONS
OF THE MASTER RESOLUTION

Definitions. As used in the Master Resolution the following terms and expressions have the meanings set forth below, unless the text of the Master Resolution specifically indicates otherwise:

"*Annual Debt Service Requirements*" means, for any Fiscal Year with respect to all Parity Obligations (a) the amount of principal and interest paid or payable with respect to such Parity Obligations in the annual period; plus (b) any obligations of the Board to repay any amounts drawn under a Credit Agreement securing any Parity Obligations, and to pay interest on such drawn amounts pursuant to such Credit Agreement paid or payable by the Board in such Fiscal Year (but only to the extent not duplicative of principal and interest paid or payable under (a) above); and minus (c) all amounts that are deposited to the credit of a debt service fund for the payment of interest on Parity Obligations from original proceeds from the sale of such Parity Obligations or from any other lawfully available source (other than Revenue Funds), and that are used or scheduled to be used to pay interest on such Parity Obligations during any Fiscal Year. The following assumptions shall be used to determine the Annual Debt Service Requirements becoming due in any Fiscal Year:

(1) in determining the principal amount paid or payable with respect to Parity Obligations in each annual period, payment shall be assumed to be made in accordance with any amortization schedule established for such Parity Obligations, including amounts paid or payable pursuant to any mandatory redemption schedule for such Parity Obligations;

(2) if any of the Parity Obligations or proposed Parity Obligations constitute Balloon Debt or mature or are repayable in less than 365 days ("Short-Term Debt"), then such amounts thereof as constitute Balloon Debt or Short-Term Debt shall be treated as if such Parity Obligations are to be amortized in substantially equal annual installments of principal and interest over the useful life of the improvements financed with the proceeds of such Balloon Debt as calculated by, and set forth in an Officer's Certificate delivered to the Board. Anything to the contrary herein notwithstanding, during the annual period preceding the final maturity date of Balloon Debt and, in the case of Short-Term Debt in each annual period, all of the principal thereof shall be considered to be due on the maturity or due date of such Balloon Debt or Short-Term Debt unless the Board provides to the Trustee, prior to the beginning of such annual period, a certificate of a Designated Financial Officer certifying that, in such officer's judgment, the Board will be able to refund such Balloon Debt or Short-Term Debt through the issuance of long-term debt, in which event the Balloon Debt or Short-Term Debt shall be amortized over the term of such proposed refunding Parity Obligations and shall be deemed to bear the interest rate specified in the certificate of the Designated Financial Officer;

(3) as to any annual period prior to the date of any calculation, such requirements shall be calculated solely on the basis of Parity Obligations that were Outstanding as of the first day of such period; and as to any future annual period such requirements shall be calculated solely on the basis of Parity Obligations Outstanding as of the date of calculation plus any Parity Obligations then proposed to be issued; and

(4) if any of the Parity Obligations or proposed Parity Obligations shall bear interest that fluctuates from time to time subsequent to the time of the issuance or incurrence thereof (a "Variable Rate"), then, subject to the following proviso, interest in future periods shall be based on either (1) the average interest rate on such Debt for the most recently completed sixty (60) month period or the period such Parity Obligations has been Outstanding if it is less than sixty (60) months, or (2) assuming the Outstanding Parity Obligations were being issued at a Variable Rate on the date of calculation, the greater of the (i) the average of the Bond Market Association Swap Index ("BMA Index") for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) the average of the Bond Market Association Swap Index ("BMA Index") for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points, shall be presumed to apply for all future dates; provided that if the BMA Index shall cease to be published, the index to be used in its place shall be that index which the Board, in consultation with its financial advisor, determines most closely replicates such index, as set forth in an Officer's Certificate delivered to the Board. Notwithstanding the foregoing, in no event shall the Variable Rate be in excess of the maximum interest rate allowed by law on obligations of the Board. If two Series of Parity Obligations which bear interest at variable interest rates, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

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

"*Annual Obligation*" means, with respect to each Participant in the Financing System (currently the University) and for each Fiscal Year, said Participant's Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow said Participant to retire its obligation for advances made to it by the Board in the management of the Financing System to satisfy part or all of a previous Annual Direct Obligation payment.

"*Board*" and "*Issuer*" mean the Board of Regents of Texas Woman's University, acting as the governing body of the University, or any successor thereto.

"*Bond Counsel*" means McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board.

"*Credit Agreement*" means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

"*Credit Provider*" means any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

"*Debt*" means all:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

"*Defeasance Securities*" means, at the time a Supplement is adopted, those securities authorized by law as eligible investments for establishing an escrow under Chapter 1207, Texas Government Code. As of the date this Master Resolution was adopted by the Board, "Defeasance Securities" are defined to mean (i) Federal Securities, (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, if such defeasance is not in connection with the issuance of refunding bonds, on the date the Board provides for the funding of an escrow to effect the defeasance of Parity Obligations, are rated as to investment quality by a nationally-recognized investment rating firm not less than "AAA" or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or, if such defeasance is not in connection with the issuance of refunding bonds, on the date the Board provides for the funding of an escrow to effect the defeasance of Parity Obligations, are rated as to investment quality by a nationally- recognized investment rating firm not less than "AAA" or its equivalent.

"*Designated Financial Officer*" shall mean the Chancellor of the University, the Vice President Finance and Administration of the University, or such other official of the University so designated by the Board.

"*Direct Obligation*" means the proportionate share of Outstanding Parity Obligations attributable to and the responsibility of each Participant in the Financing System (currently the University).

"*Federal Securities*" means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America.

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

"*Funded Debt*" means all Parity Obligations that mature by their terms (in the absence of the exercise of any earlier right of demand), or are renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the Board.

"*Holder*" or "*Bondholder*" or "*Owner*" means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer.

"*Maturity*" when used with respect to any Debt means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"*Non-Recourse Debt*" means any Debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Financing System; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a Participant.

"*Officer's Certificate*" means a certificate executed by a Designated Financial Officer.

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

"*Outstanding*" when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under the Master Resolution and any Supplement, except:

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

(2) Parity Obligations deemed paid pursuant to the provisions of the Master Resolution or any comparable section of any Supplement;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to the Master Resolution and any Supplement; and

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

provided, however, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the Board shall be deemed to be Outstanding as though it was owned by any other owner.

"*Outstanding Principal Amount*" means, with respect to all Parity Obligations or to a series of Parity Obligations, the outstanding and unpaid principal amount of such Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Obligations paying accrued, accreted, or compounded interest only at maturity as of any Record Date established by a Registrar in connection with a proposed amendment of this Master Resolution or any Supplement.

"*Outstanding Revenue Bonds*" means those bonds listed below which are outstanding as of the date this Master Resolution was adopted by the Board and which are secured by a lien on and pledge of the Prior Encumbered Revenues charged and collected at the University in support thereof:

Board of Regents of Texas Woman's University Housing System Revenue Bonds, Series E of 1967, and currently outstanding in the aggregate principal amount of $220,000; and

Combined Fee Revenue Bonds, Series 1995, dated September 1, 1995, and currently outstanding in the aggregate principal amount of $3,940,000; and

Combined Fee Revenue Bonds, Series 1999, dated February 1, 1999, and currently outstanding in the aggregate principal amount of $7,445,000; and

Combined Fee Revenue Bonds, Series 2000, dated March 1, 2000, and currently outstanding in the aggregate principal amount of $6,775,000; and

Combined Fee Revenue Bonds, Series 2002, dated May 1, 2002, and currently outstanding in the aggregate principal amount of $17,080,000.

There are no Outstanding Revenue Bonds as of the date of this Official Statement.

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

"*Participant in the Financing System*" and "*Participant*" means each of the agencies, institutions and branches of the University, and such agencies, institutions and branches hereafter designated by the Board to be a participant in the Financing System. Currently, the University is the only Participant in the Financing System.

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

"*Pledged Revenues*" means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a Supplement: (a) amounts received by the University under Article 7, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas.

"*Prior Encumbered Obligations*" means (i) the Outstanding Revenue Bonds and (ii) those bonds or other obligations of an institution which becomes a Participant of the Financing System after the date of adoption of the Master Resolution, which are secured by a lien on and pledge of the Prior Encumbered Revenues charged and collected at such institution or agency, and any other bonds or other obligations secured by revenues which are hereafter designated by the Board as a Pledged Revenue.

"*Prior Encumbered Revenues*" means the revenues pledged to the payment of Prior Encumbered Obligations and the revenues of any revenue producing system or facility of an institution or agency which hereafter becomes a Participant of the Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant of the Financing System.

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

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

"*Revenue Financing System*" or "*Financing System*" means the "Texas Woman's University Revenue Financing System", currently for the benefit of the University, and such other institutions and agencies now or hereafter under the control or governance of the Board, and made a participant of the Revenue Financing System by specific action of the Board.

"Revenue Funds" means the "revenue funds" of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants. The term "Revenue Funds" does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption of a Supplement relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition, rentals, rates, fees, or other charges.

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

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

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

"*Term of Issue*" means with respect to any Balloon Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

"*University*" means Texas Woman's University, together with every other agency or general academic institution or branch thereof now or hereafter operated by or under the jurisdiction of the Board acting for and on behalf of Texas Woman's University pursuant to law.

Establishment of Revenue Financing System. The Board does hereby establish the Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads or related infrastructure at the University, and any other institution, branch or entity hereafter placed under the control and governance of the Board, under authority of the pertinent provisions of the Texas Education Code. The University is the only current Participant in the Revenue Financing System.

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

Payment and Funds. The Board has covenanted in the Twelfth Supplemental Resolution to make available to the Paying Agent/Registrar for the Bonds, on or before each payment date, money sufficient to pay any and all amounts due on the Bonds on such payment date.

The Master Resolution allows the Board to supplement the security for Parity Obligations. This could take the form of establishing one or more reserve funds or accounts to further secure any Parity Obligation. A reserve fund has not been established to secure the payment of the Bonds.

<u>Covenants Relating to Pledged Revenues</u>. ***Rate Covenant***. In each Fiscal Year, the Board shall establish, charge, and use its reasonable efforts to collect at each Participant (currently the University) the Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board relating to the Financing System including all deposits or payments due on or with respect to Outstanding Parity Obligations for such Fiscal Year.

Tuition. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations and to the other provisions of the Master Resolution and any Supplement, the Board covenants and agrees to fix, levy, charge and collect at each Participant (currently the University) student tuition charges required or authorized by law to be imposed on students enrolled thereat (excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of adoption of the Supplement relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition charges). Each student (excluding those exempt from payment as provided above), enrolled at each Participant at each regular fall and spring semester and at each term of each summer session, shall pay tuition charges in such amounts, without any limitation whatsoever, as will be sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to Outstanding Parity Obligations when and as required. All changes in the tuition charged students at each Participant shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of the Master Resolution or any Supplement, but merely the carrying out of the provisions and requirements hereof.

Anticipated Deficit. If the Board determines, for any reason whatsoever, that there are not anticipated to be legally available funds, including Pledged Revenues, sufficient to meet all financial obligations of the Board relating to the Financing System including the deposits and payments due on or with respect to Outstanding Parity Obligations as the same mature or come due, or that any Participant in the Financing System will be unable to pay its Annual Direct Obligation in full, then, in exercising the powers granted by Section 55.16, Texas Education Code, the Board shall fix, levy, charge, and collect such rentals, rates, fees, tuition, or other charges at each Participant in the Financing System (currently the University) with enrolled students, effective at the next succeeding regular semester or semesters or summer term or terms, in such amounts, without any limitation whatsoever (other than as provided in subsection (d) of this Section), as will be at least sufficient to provide, together with other legally available funds, including Pledged Revenues, the money for making when due all financial obligations of the Board relating to the Financing System including all payments and deposits due on or with respect to Outstanding Parity Obligations when and as required by the Master Resolution or any Supplement.

Economic Effect of Adjustments. Any adjustments in the rate or manner of charging for any rentals, rates, fees, tuition, or other charges included in Pledged Revenues at any Participant in the Financing System resulting from an event described in subsection (c) of this Section above will be based upon a certificate and recommendation of a Designated Financial Officer, delivered to the Board, as to the rates and anticipated collection of the Pledged Revenues at each Participant in the Financing System (after taking into account the anticipated effect the proposed adjustments in such rentals, rates, fees, tuition, or other charges would have on enrollment and the receipt of Pledged Revenues and other funds at each Participant in the Financing System, which currently is the University) 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 Financing System including all deposits and payments due on or in connection with Outstanding Parity Obligations when and as required by the Master Resolution and any Supplement.

Annual Obligation. If, in the judgment of the Board, any Participant in the Financing System has been or will be unable to satisfy its Annual Obligation, the Board shall fix, levy, charge, and collect rentals, rates, fees, and charges for goods and services furnished by such Participant and, with respect to Participants with enrolled students, tuition, effective at the next succeeding regular semester or semesters or summer term or terms, in amounts sufficient, without limit (subject to the provisions of subsection (d) of this Section), together with other legally available funds, including other Pledged Revenues attributable thereto, to enable it to make its Annual Obligation payments.

Additional Participants. The Board hereby agrees to apply the covenants hereinabove made to any institution, branch or entity hereinafter placed under the control and governance of the Board and added as a Participant in the Financing System.

<u>General Covenants</u>. ***Lawful Title***. It lawfully owns, has title to, or is lawfully possessed of the lands, buildings, and facilities now constituting the University, and it will defend said title and title to any lands, buildings, and facilities which may hereafter become part of the Financing System, whether by the addition to the Financing System of a new branch, campus or institution, or otherwise, for the benefit of the owners of Parity Obligations against the claims and demands of all persons whomsoever.

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

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

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

Investments and Security. It will invest and secure money in all accounts and funds established pursuant to the Master Resolution and any Supplement in the manner prescribed by law for such funds, including, but not by way of limitation, the Public Funds Investment Act of 1987, Chapter 2256, Texas Government Code, and Section 51.0031, Texas Education Code, and in accordance with written policies adopted by the Board.

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

Inspection of Books. It will permit any owner or owners of twenty-five percent (25%) or more of the then Outstanding Principal Amount at all reasonable times to inspect all records, accounts, and data of the Board relating to each Participant (currently the University).

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

Determination of Outstanding Parity Obligations. For all purposes of the Master Resolution, the judgment of the Designated Financial Officer shall be deemed final in the determination of which obligations of the Board constitute Parity Obligations; provided, however, such judgment is subject to confirmation by the Auditor of the State of Texas in connection with the annual audit of the records of any Participant.

Issuance of Additional Parity Obligations. ***Parity Obligations***. The Board reserves and shall have the right and power to issue or incur Parity Obligations for any purpose authorized by law pursuant to the provisions of the Master Resolution and a Supplement to be hereafter authorized. The Board may incur, assume, guarantee, or otherwise become liable in respect of any Parity Obligations if the Board shall have determined that it will have sufficient funds to meet the financial obligations of each Participant in the Financing System (currently the University), including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System. In addition, the Board shall not issue or incur Parity Obligations unless (i) the Board shall determine that the Participant for whom the Parity Obligations are being issued or incurred possesses the financial capability to satisfy its Direct Obligation after taking into account the then proposed Parity Obligations, and (ii) the Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of her or his knowledge, the Board is in compliance with all covenants contained in the Master Resolution and any Supplement and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

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

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

(1) the Board approves an Officers' Certificate to the effect that, to the knowledge thereof, after the release of such 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 Board hereunder, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System; and

(2) the Board receives an Opinion of Counsel which shall state that such release will not affect the status for federal income tax purposes of interest on any Outstanding Parity Obligations and that all conditions precedent provided in the Master Resolution or any Supplement relating to such release have been complied with; and

(3) (A) if the Participant or portion thereof to be released from the 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 Obligation; or (ii) pledge to the payment of Parity Obligation, additional resources not then pledged in an amount sufficient to satisfy such withdrawing participant's Direct Obligation; or

(B) if the Participant or portion thereof to be released from the Financing System is to no longer be under the governance and control of the Board and remains in operation independent of the Board, the Board must enter into a binding obligation with 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 Obligation or to pay or discharge said Participant's Direct Obligation, 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.

Additional Participants. If, after the date of the adoption of the Master Resolution, the Board desires for an institution or agency governed by the Board to become a Participant of the Financing System, or if the Board is required by law to assume the governance of an institution or agency, it may include said institution or agency in the Financing System with the effect set forth in the Master Resolution by the adoption of a Supplement to the Master Resolution.

Remedies. Any owner of Parity Obligations in the event of default in connection with any covenant contained in the Master Resolution or in any Supplement, or default in the payment of said obligations, or of any interest due thereon, or other costs and expenses related thereto, may require the Board, its officials and employees, and any appropriate official of the State of Texas, to carry out, respect, or enforce the covenants and obligations of 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 of Texas.

Amendment of Resolution. ***Amendment Without Consent***. The Master Resolution and the rights and obligations of the Board and of the owners of the Outstanding Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Outstanding Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in the Master 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 Master Resolution;

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

(iii) To supplement the security for the Parity Obligations, including, but not by way of limitation, to provide for the addition of new institutions and agencies to the Financing System or to clarify the provisions regarding the University as a Participant in the Financing System; provided, however, if the definition of Pledged Revenues is amended in any manner which results in the pledge of additional resources, the terms of such amendment may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vi) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the Board in the manner described below; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

Amendments With Consent. Subject to the other provisions of the Master Resolution, the owners of Outstanding Parity Obligations aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described above, to the Master Resolution which may be deemed necessary or desirable by the Board; provided, however, that nothing contained in the Master Resolution shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Parity Obligations, the amendment of the terms and conditions in the Master 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; or

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

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

Notice. If at any time the Board shall desire to amend the Master Resolution pursuant to the provisions of described under ***Amendments With Consent*** above, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Registrar for the Parity Obligations for inspection by all owners of Parity Obligations. Such publication is not required, however, if the Board gives or causes to be given such notice in writing, by certified mail, to each owner of Parity Obligations. Such publication is not required with respect to amendments to the Master Resolution effected pursuant to the provisions described under ***Amendments Without Consent*** above.

Amendments to Twelfth Supplemental Resolution. In addition to the foregoing, the Twelfth Supplemental Resolution provides that no provisions shall be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in the Twelfth Supplemental Resolution or in the Bonds so as to:

(1) Make any change in the maturity of the Outstanding Bonds;
(2) Reduce the rate of interest borne by Outstanding Bonds;
(3) Reduce the amount of the principal payable on 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. ***Deemed Paid***. Any Parity Obligations and the interest thereon shall be deemed to be paid, retired, and no longer Outstanding (a "Defeased Debt") within the meaning of the Master Resolution, except to the extent hereinafter provided below, when payment of the principal of such Parity Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent in accordance with an escrow agreement or other similar instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Board with the Paying Agent for the payment of its services until all Defeased Debt shall have become due and payable. At such time as a Parity Obligation shall be deemed to be a Defeased Debt hereunder, as aforesaid, such Parity Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of the Master Resolution to the contrary, any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in clauses (i) or (ii) above shall not be irrevocable; *provided, that* in the proceedings providing for such payment arrangements, the Board expressly (1) reserves the right to call the Defeased Debt for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Debt immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

Investments. Any moneys so deposited with the Paying Agent may at the written direction of the Board be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent that is not required for the payment of the Parity Obligations and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Board, or deposited as directed in writing by the Board. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Debt may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in clauses (i) or (ii) described above under ***Deemed Paid***. All income from such Defeasance Securities received by the Paying Agent which is not required for the payment of the Defeased Debt, with respect to which such money has been so deposited, shall be remitted to the Board or deposited as directed in writing by the Board.

Selection of Parity Obligations. In the event that the Board elects to defease less than all of the principal amount of Parity Obligations of a maturity, the Paying Agent shall select, or cause to be selected, such amount of Parity Obligations by such random method as it deems fair and appropriate.

Continuing Duty of Paying Agent and Registrar. Until all Defeased Debt shall have become due and payable, the Paying Agent and Registrar for such Defeased Debt shall perform the services of Paying Agent and Registrar for such Defeased Debt the same as if they had not been defeased, and the Board shall make proper arrangements to provide and pay for such services.

APPENDIX D

FORM OF BOND COUNSEL OPINION

Proposed Form of Opinion of Bond Counsel

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

BOARD OF REGENTS OF TEXAS WOMAN'S UNIVERSITY
REVENUE FINANCING SYSTEM REFUNDING BONDS,
SERIES 2019, $7,885,000

WE HAVE EXAMINED into the validity of the referenced issue of bonds (the "Bonds"), being issued by the Board of Regents (the "Board") of Texas Woman's University (the "Issuer"), which bear interest from the date and mature on the dates specified on the face of the Bonds, all in accordance with the resolutions of the Board authorizing the issuance of the Bonds (collectively, the "Bond Resolution"). Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Board relating to the authorization, issuance, sale, and delivery of the Bonds, including the Bond Resolution, certificates and opinions of officials of the Board, and other pertinent instruments relating to the issuance of the Bonds. We have also examined one of the executed Bonds which we found to be in due form and properly executed. We express no opinion with respect to any statement of insurance that may appear on the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, issued, and delivered in accordance with law; that, except as may be limited by laws applicable to the Board relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights, the covenants and provisions in the Bond Resolution constitute valid and legally binding special obligations of the Board; and that the Bonds constitute valid and legally binding special obligations of the Board secured by and payable from, a lien on and pledge of the Pledged Revenues, such lien on and pledge of the Pledged Revenues being subordinate only to the lien on and pledge of the Pledged Revenues securing the Outstanding Revenue Bonds.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation.

THE BOARD has reserved the right, subject to the restrictions stated in the resolution authorizing the Bonds, to issue additional parity revenue bonds which also may be secured by and made payable from a lien on and pledge of the Pledged Revenues.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed or refinanced therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds, including the amount, accrual or receipt of interest on the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not investigated or verified, any records, data or other material relating to the financial condition or capabilities of the Board or the University, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds, and we have relied solely on representations by officials of the Board or the Issuer as to the availability and sufficiency of the Pledged Revenues. Our role in connection with the Board's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Respectfully,