

UNTS Board of Regents

FY 2024 Q4 YTD Financial Update

Susan Alanis, Deputy Chancellor for Finance & Operations
November 14, 2024

Enterprise Guiding Principles

- Continue to develop/update **financial policies and practices** to:
 - Manage risk (reserve policy; fiscal health ratios) and maintain appropriate liquidity
 - Support operations (effective/efficient resource management and forecasting)
 - Invest in capital renewal (deferred maintenance strategy and master planning of built environment)
 - Preserve credit rating and flexibility to pursue strategic initiatives
- Establish **financial strategies and objectives** for:
 - Philanthropy
 - Research and Other Grants

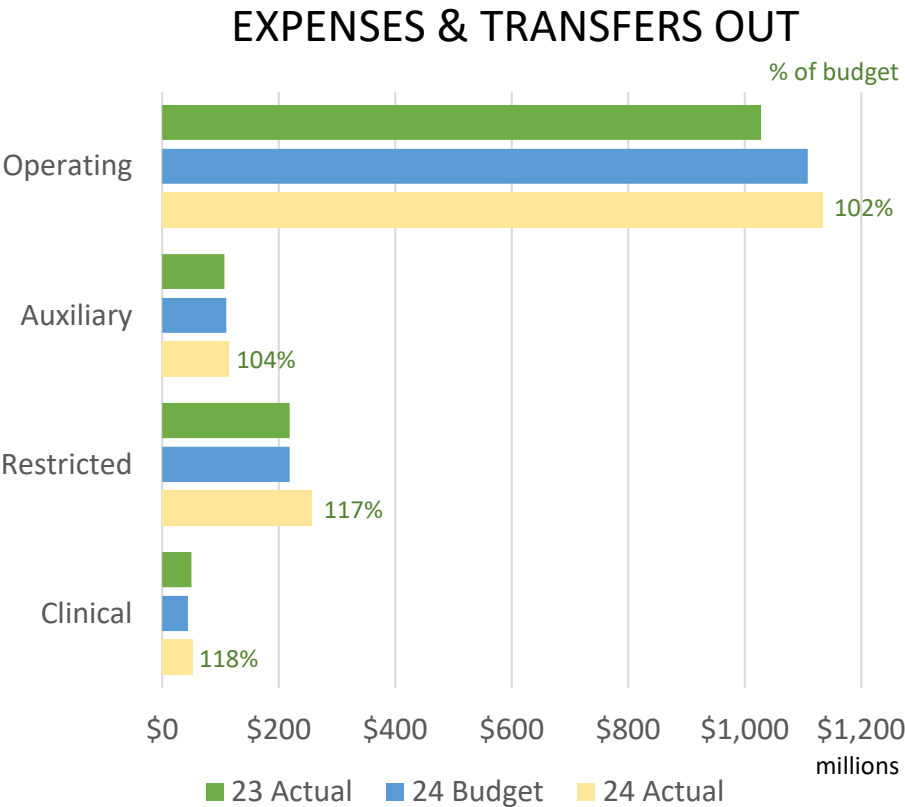
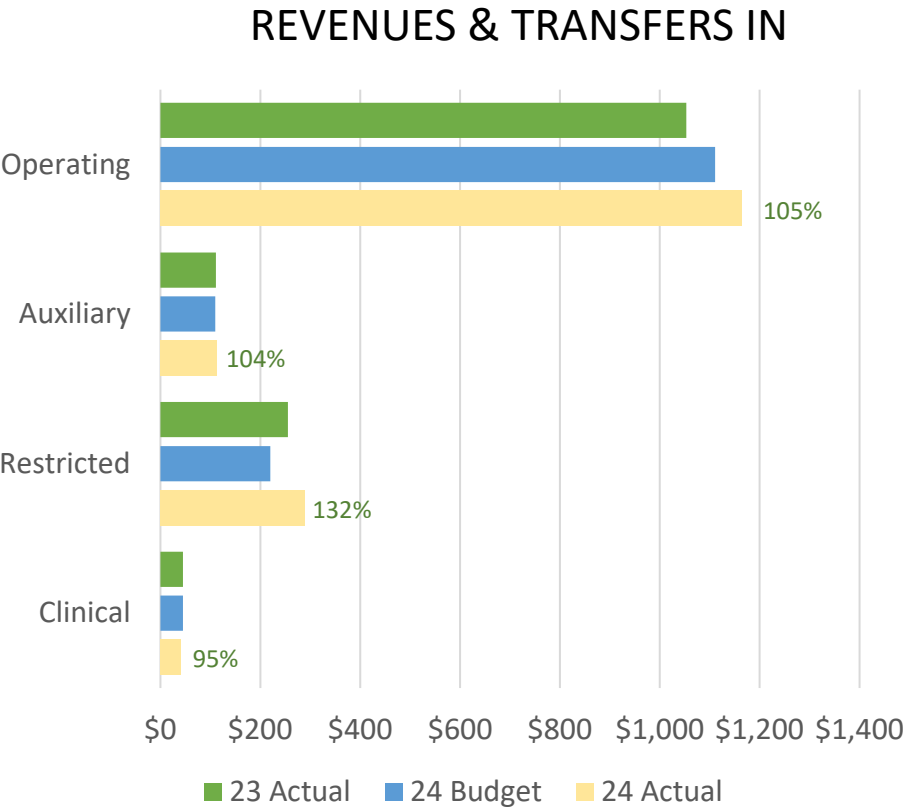
Key Financial Drivers

FY2024 Year-End

- Current revenue exceeded current expenditures with enterprise-wide **contributions to fund balance of \$54.2m**
 - **Sales of Goods & Services** increases driven by multiple streams of revenue including UNT's athletics and meal plans
 - Increased **Grants and Contracts** from Pell, Texas Grants and AIM-AHEAD
 - Texas University Fund (TUF) distribution (\$21m)

FY 2024 Q4 YTD Budget Performance

UNTS Consolidated



Net Impact to Fund Balance
Operating \$30.4m + Auxiliary \$0.1m + Restricted \$33.2m + Clinical -\$9.6m = **\$54.2m**

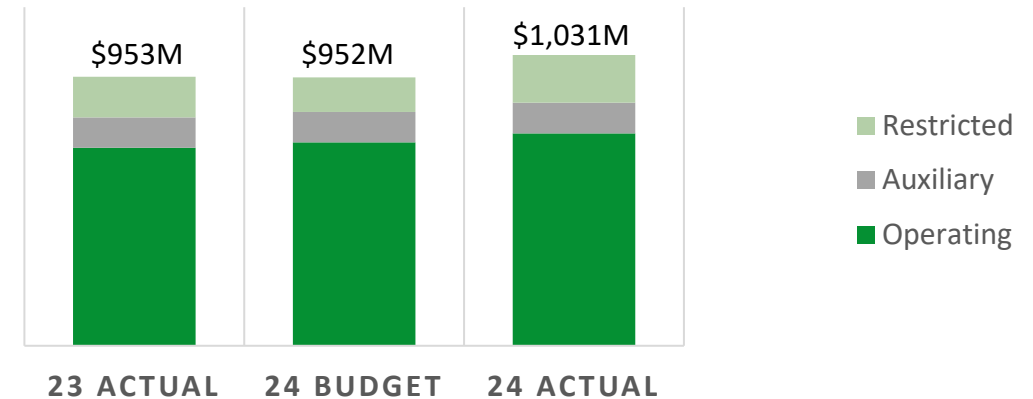
FY 2024 Q4 YTD Budget Performance



Revenues and Transfers-In Drivers (received 108% of budget):

- **Sales of Goods and Services** is 12% higher than planned due to increases in Health and Wellness Center revenue, athletics and meal plans (offset by increased expenses)
- **Grants and Contracts** higher than budget because increased Pell and Texas Grants received
- **Transfers In** increased over prior year and budget due to Texas University Fund (TUF)

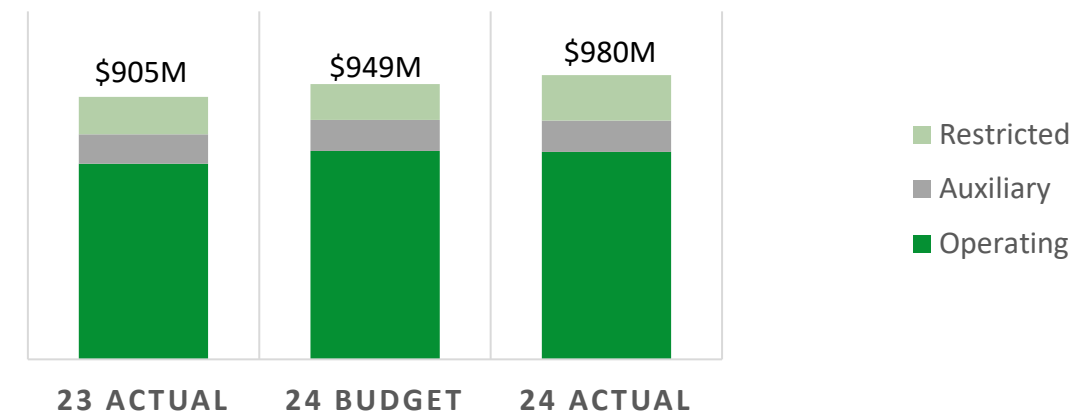
REVENUES & TRANSFERS IN



Expenses and Transfers-Out Drivers (spent 103% of budget):

- **Personnel Costs** expended 102% of budget
- **Scholarships and Financial Aid** is 10% over budget due to increase in Grants and Contracts revenue

EXPENSES & TRANSFERS OUT



Net impact to fund balance \$50.6M;
\$37.4M operating, \$0.8M auxiliary and 12.4M restricted.

FY 2024 Q4 YTD Budget Performance

Revenues and Transfers-In Drivers (received 110% of budget):

- **Grants and Contracts** higher than budget by \$24m/30% over budget driven mostly by AIM-Ahead carryover revenue from FY23 and Health & Aging Brain Study revenue
- **State Appropriations** slightly higher than budget due to increased benefit appropriation for faculty and staff hiring related to the College of Nursing

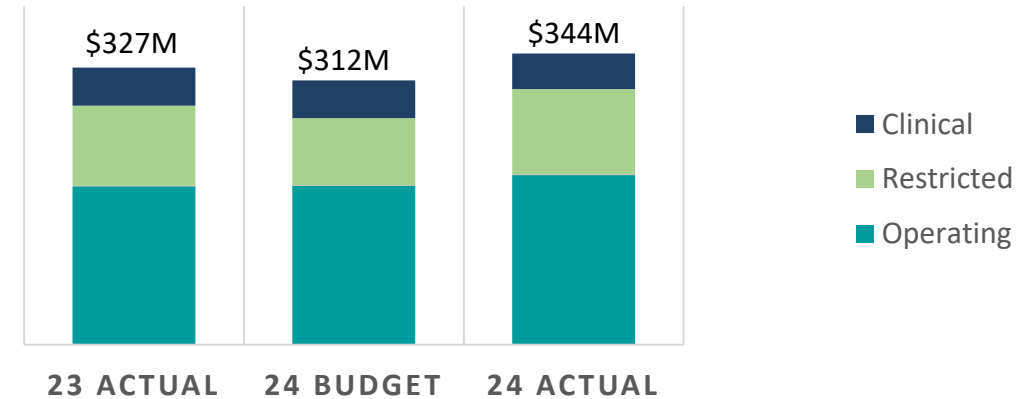
Expenses and Transfers-Out Drivers (spent 111% of budget):

- **Personnel Costs** expended 103% of budget
- **Maintenance & Operation Costs** expended more than plan due to higher than expected grant activity; reflected as operating loss but offset by indirect cost revenues from grants recorded in the restricted funds
- **Clinical operations** had an operating loss of \$3M; the additional 1115 Waiver recoupment of \$6.9M is recorded in this fiscal year consuming a portion of clinical reserves

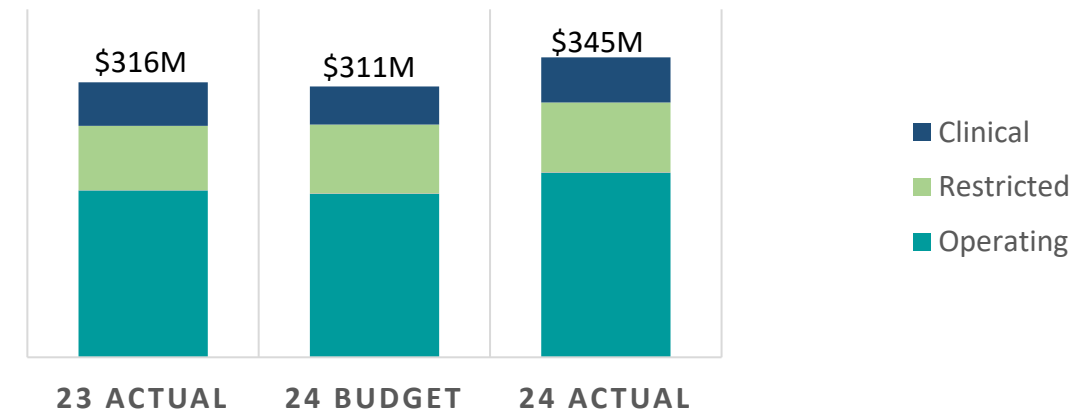
Net impact to fund balance **-\$0.6M**;
\$4.3M operating*, \$0.1M auxiliary, \$4.6M restricted*, and **-\$9.6M clinical**.

*Facility and Admin expenses associated with sponsored projects netted against restricted funds for reporting clarity

REVENUES & TRANSFERS IN



EXPENSES & TRANSFERS OUT

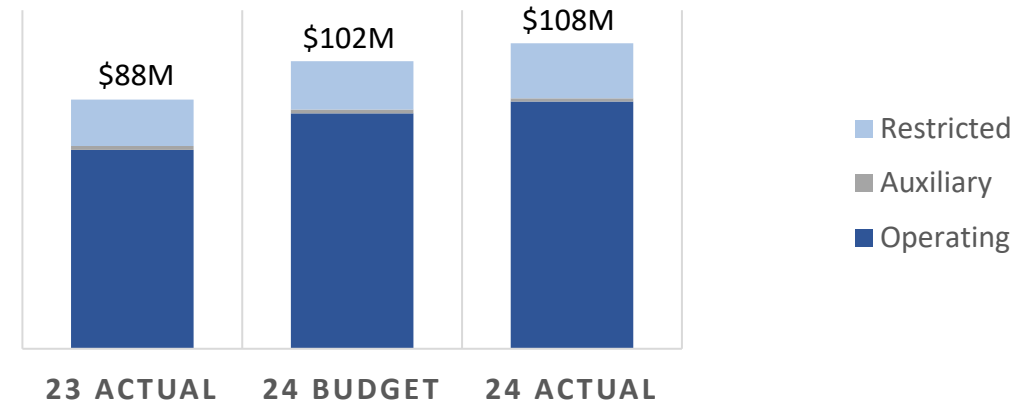


FY 2024 Q4 YTD Budget Performance

Revenues and Transfers In Drivers (received 106% of budget):

- **Sales of Goods and Services** higher than budget by 18% for additional training programs delivered by UNT Dallas to external groups
- **Grants and Contracts** ended 12% higher than budget due to Pell grant revenue exceeding budget by \$1.8M and Sponsor Project activity by \$1.0M

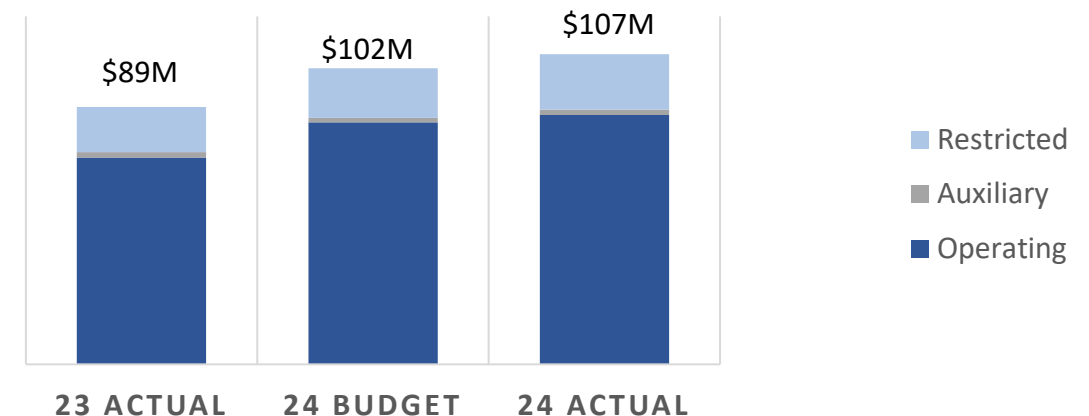
REVENUES & TRANSFERS IN



Expenses and Transfers Out Drivers (spent 105% of budget):

- **Personnel Costs** are 99% expended of budget
- **Scholarships and Financial Aid** higher than expected due to Pell grants and sponsored project scholarships increases

EXPENSES & TRANSFERS OUT



Net impact to fund balance \$1.4M;
\$1.5M operating, **-\$0.6M auxiliary** and \$0.5M restricted.

FY 2024 Q4 YTD Budget Performance

Revenues and Transfers-In Drivers (received 105% of budget):

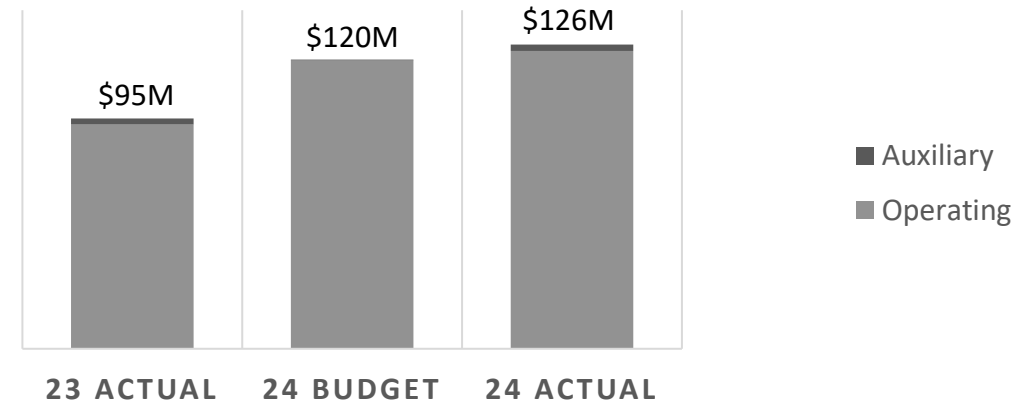
- **Sales of Good and Services** higher than budget due to building related revenue not included in the FY24 Budget
- **Other revenue** higher than budget by 700k due to unplanned IT revenue for DATCU Stadium and elevator expense reimbursement

Expenses and Transfers-Out Drivers (spent 104% of budget):

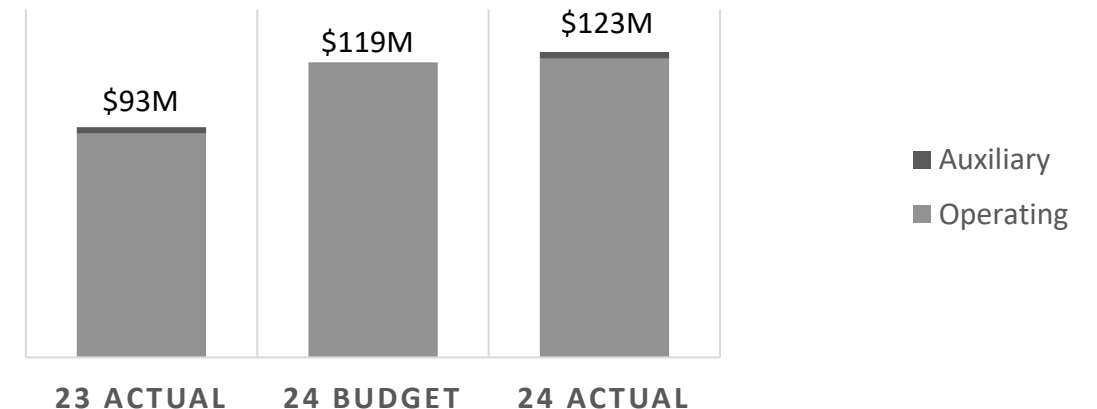
- **Personnel Costs** expended 101% of budget
- **Maintenance & Operation Costs** is 3% above budget related to the delay in the sale of the System Building

Net impact to fund balance \$2.9M;
\$3.0M operating and **-\$0.1M auxiliary**.

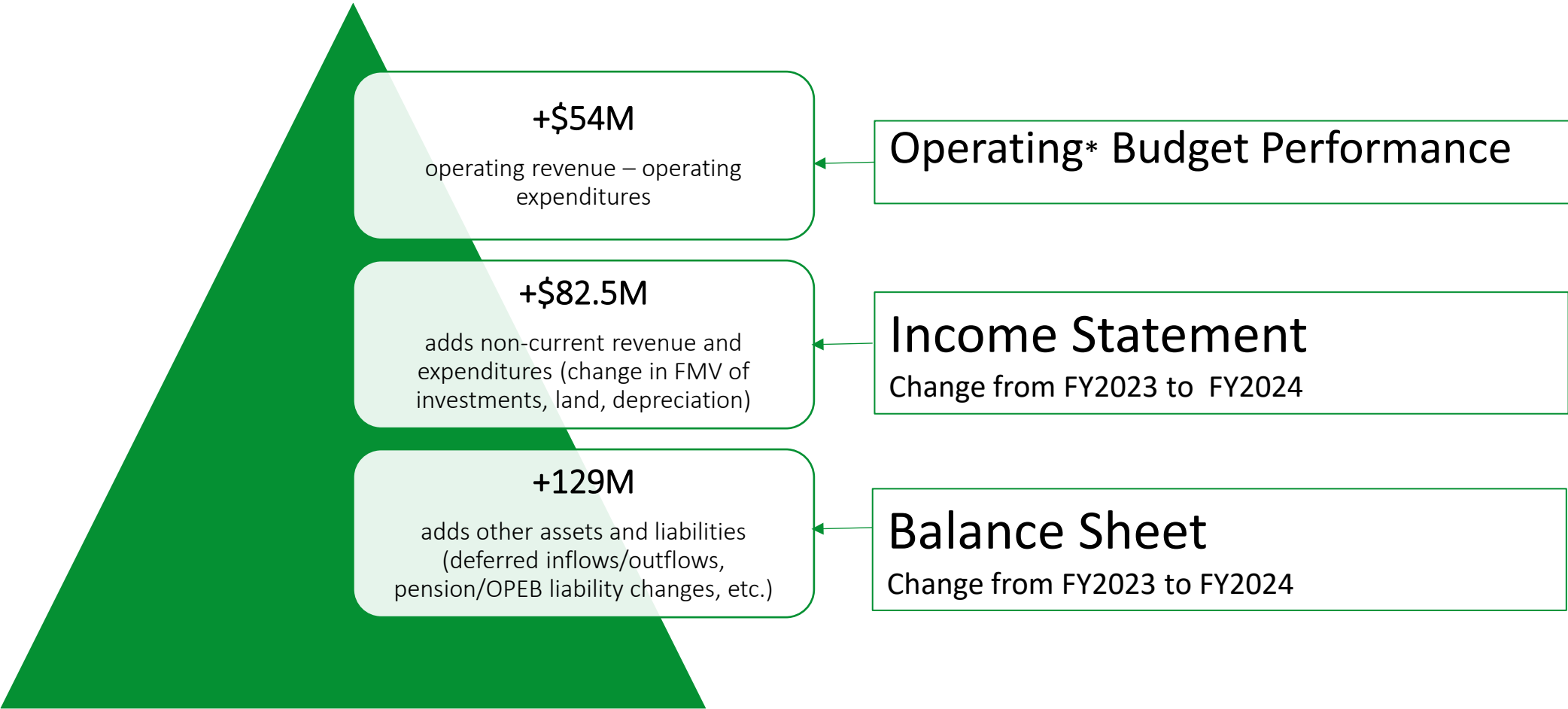
REVENUES & TRANSFERS IN



EXPENSES & TRANSFERS OUT



Year-End Financial Performance



* State Appropriations included in operating revenue for these purposes.

Key Income Statement Changes from FY2023 to FY2024

unaudited

Net Increase of \$82.5m

Revenue grew by \$169.5m

- Net legislative appropriations (\$39.2m)
- Increase in Fair Market Value of Assets (\$54m)
- Frisco Phase II Land (\$33m) and other capital assets (\$20m)
- Federal/State Transfers in (\$51m)
Pell, TUF Distribution, Grants & Contracts, Hazelwood, etc.

Expenses only grew by \$87m

- Research (\$24m)
- Operations and maintenance of plant (\$14m)
- Instruction, Academic Support and Student Services (\$23m)
- Scheduled depreciation (\$8m)

Other

Restatement of beginning net position (-\$12.9m) for HSC Foundation endowment reclassification and payroll reconciliation

Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended August 31, 2024 and 2023
(in thousands of dollars)

	2024	2023	% Increase (Decrease)
Operating Revenues	\$ 891,717	\$ 877,432	1.6%
Operating Expenses	1,454,995	1,368,977	6.3%
Operating Income (Loss)	\$ (563,278)	\$ (491,545)	14.6%
Nonoperating Revenues (Expenses)	573,226	474,305	20.9%
Income (Loss) Before Other Revenues, Expenses and Transfers	\$ 9,948	\$ (17,240)	(157.7%)
Other Revenues, Expenses and Transfers	131,921	76,467	72.5%
Change in Net Position	\$ 141,869	\$ 59,227	139.5%
Net Position, Beginning of Year	\$ 794,036	\$ 737,436	7.7%
Restatement	(12,943)	(2,627)	392.7%
Restated Net Position, Beginning of Year	781,093	734,809	6.3%
Net Position, End of Year	\$ 922,962	\$ 794,036	16.2%

Key Balance Sheet Changes from FY2023 to FY2024

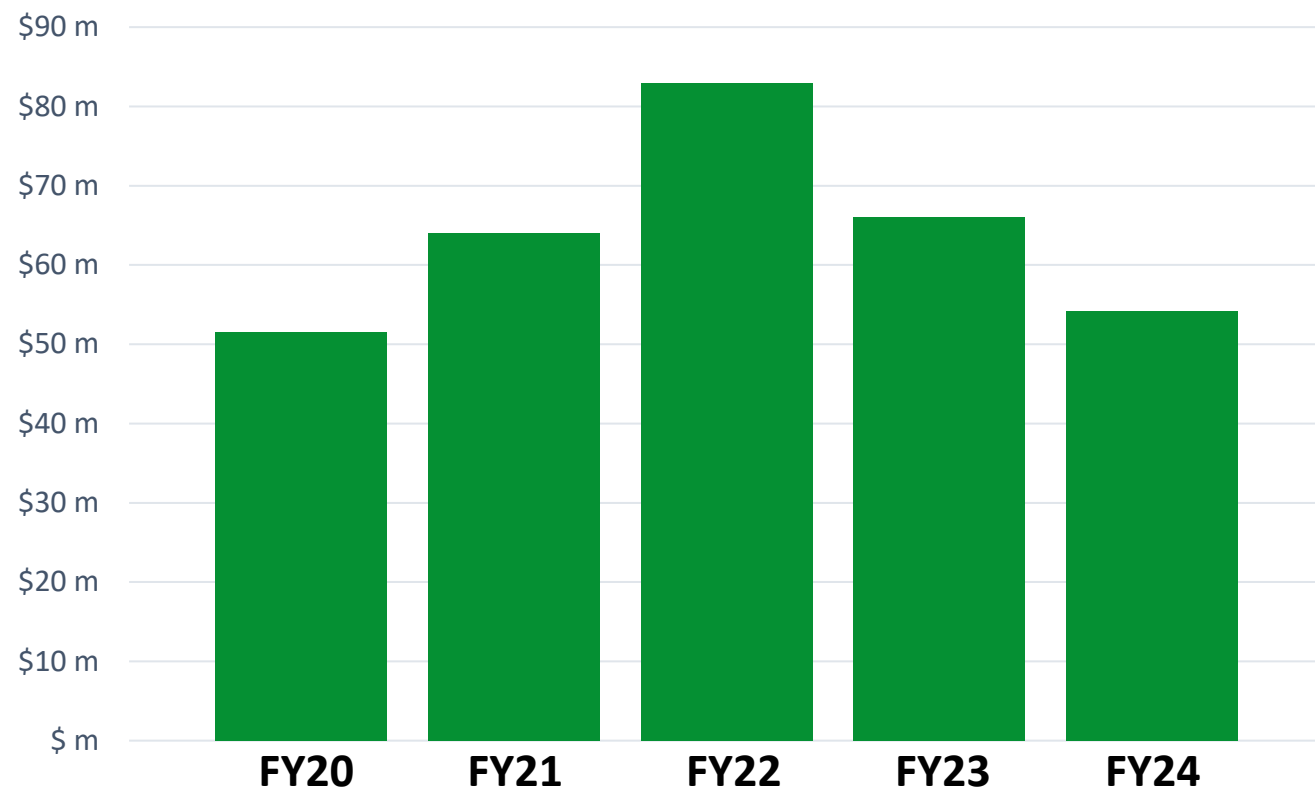
Unaudited

Increased \$129m

- Non-current investments increased by \$88.5m with additions to LTP
- Decrease in Bonds (\$51m) offset by increase in Commercial Paper (\$24m)
- Net increase of Pension/OPEB liabilities (\$24m)

Condensed Comparative Statement of Net Position As of August 31, 2024 and 2023 (in thousands of dollars)			
	2024	2023	% Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	\$ 740,858	\$ 741,692	(0.1%)
Non-Current Assets:			
Capital Assets, Net	1,493,591	1,437,935	3.9%
Other Non-Current Assets	718,887	622,616	15.5%
Deferred Outflows of Resources	161,395	223,549	(27.8%)
Total Assets and Deferred Outflows of Resources	\$ 3,114,731	\$ 3,025,792	2.9%
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 621,644	\$ 610,912	1.8%
Non-Current Liabilities:			
Bonded Indebtedness	689,397	740,919	(7.0%)
Other Non-Current Liabilities	689,560	663,692	3.9%
Deferred Inflows of Resources	191,167	216,232	(11.6%)
Total Liabilities and Deferred Inflows of Resources	\$ 2,191,768	\$ 2,231,755	(1.8%)
Net Position			
Net Investment in Capital Assets	\$ 674,631	\$ 590,710	14.2%
Restricted:			
Funds Held as Permanent Investments:			
Non-Expendable	65,957	67,504	(2.3%)
Expendable	56,758	44,147	28.6%
Other Restricted	92,125	82,146	12.1%
Total Restricted	214,840	193,797	10.9%
Unrestricted	33,492	9,529	251.5%
Total Net Position	\$ 922,963	\$ 794,036	16.2%
Total Liabilities and Net Position	\$ 3,114,731	\$ 3,025,791	2.9%

Operating* Budget Contributions to Fund Balance

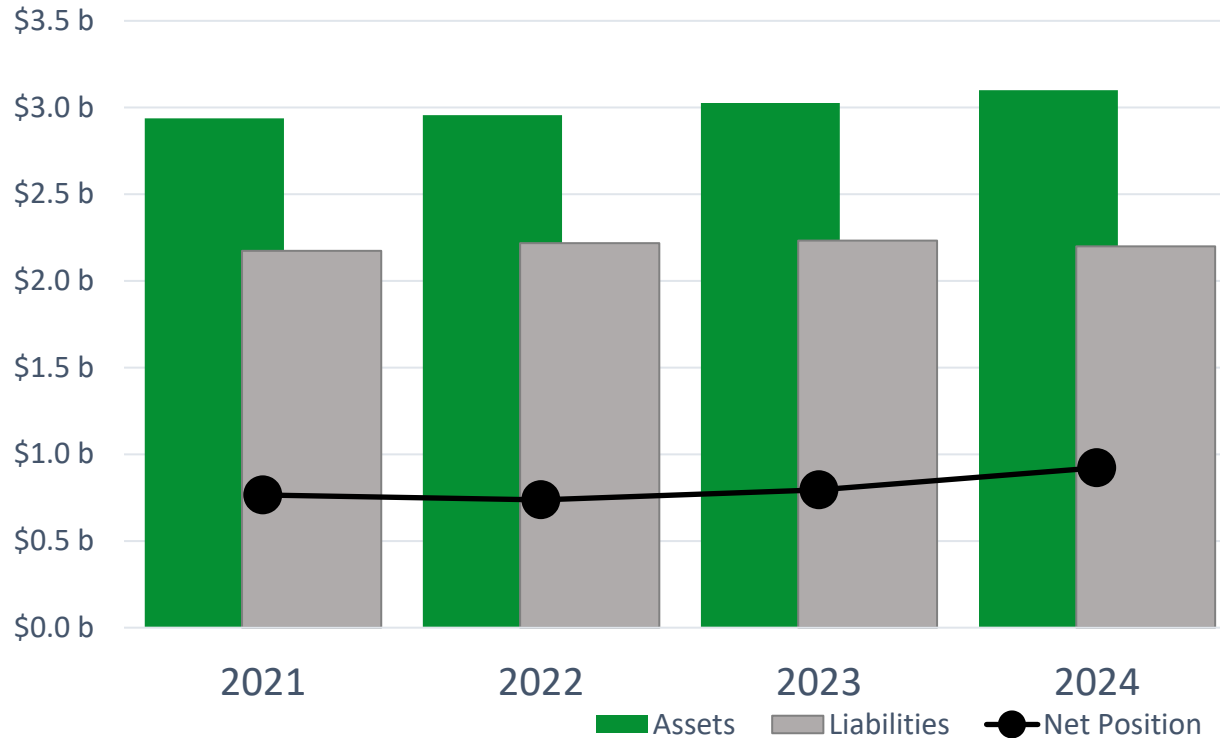


- Q4 reflects \$54M contribution to fund balance (unaudited)
- Note FY22 peak reflected HERF funding and

(in millions)
Sources: FY20-FY24 actuals

* State Appropriations included in operating revenue for these purposes.

Balance Sheet Trends (FY21 – FY24)

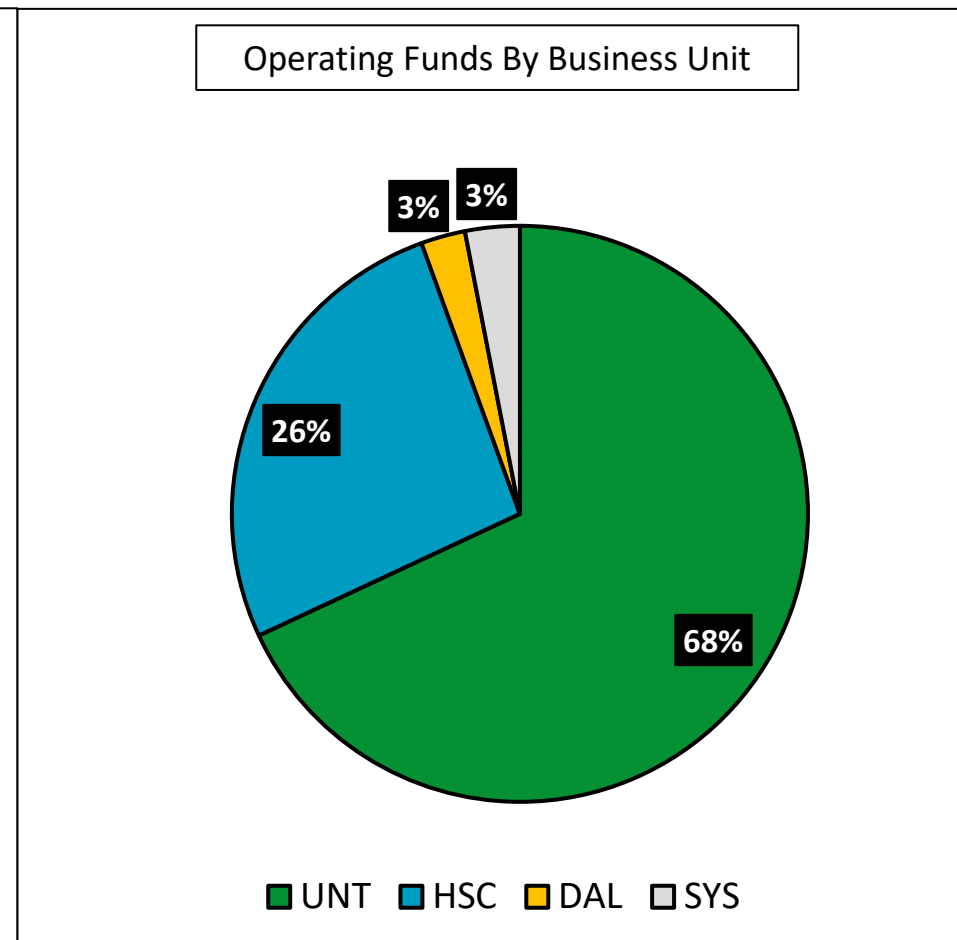
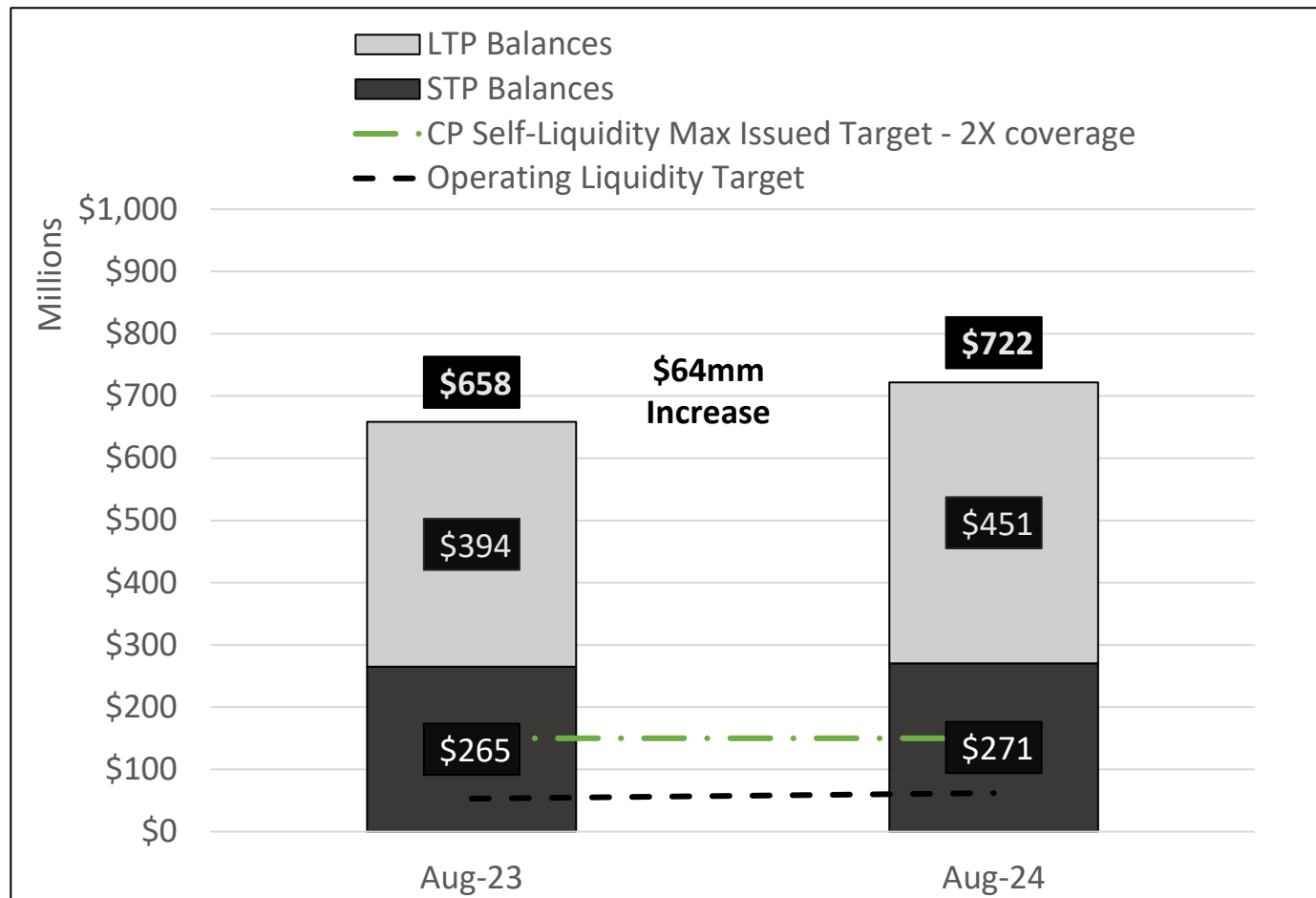


- Assets increased by 19% while liabilities increase by 4%
- Net position increased by \$128m

(in billions)
Based on Audited Financial Statements (including pension & OPEB)

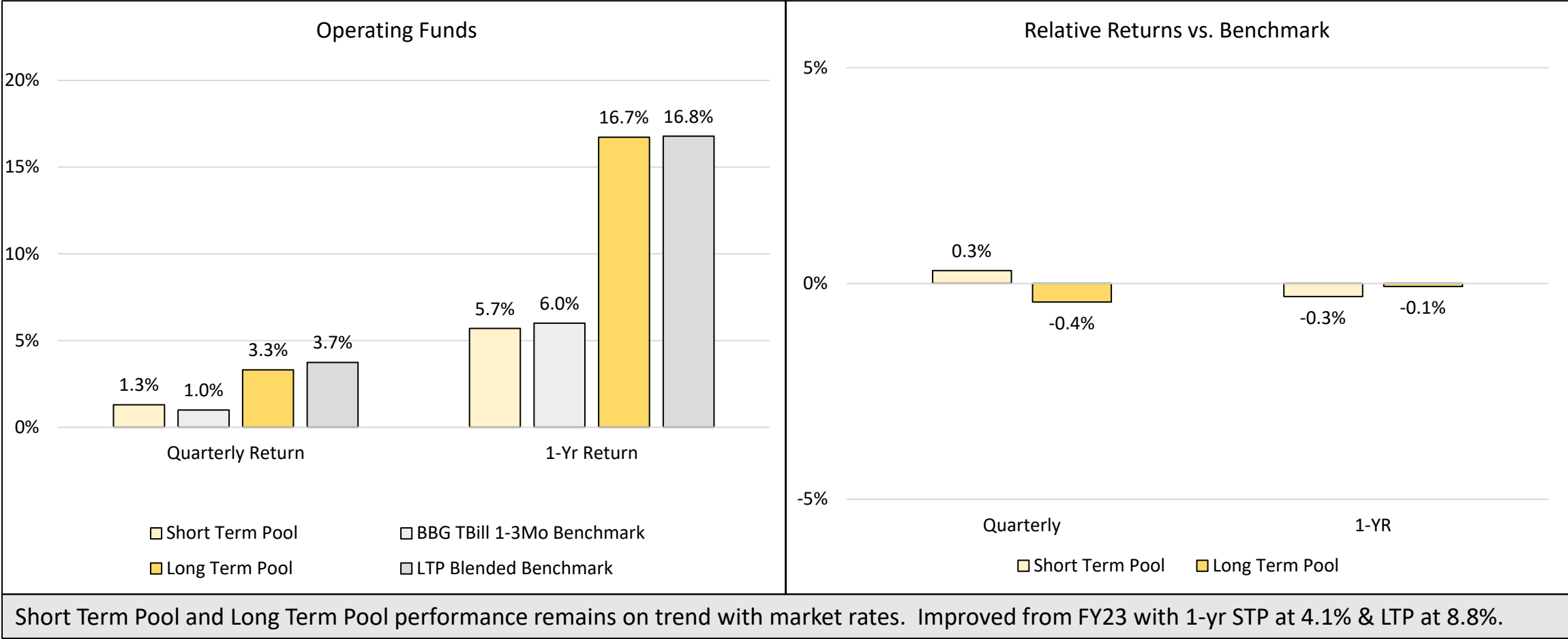
FY 2024 Q4 Operating Cash and Investments

Short-Term Pool (STP) and the Long-Term Pool (LTP)

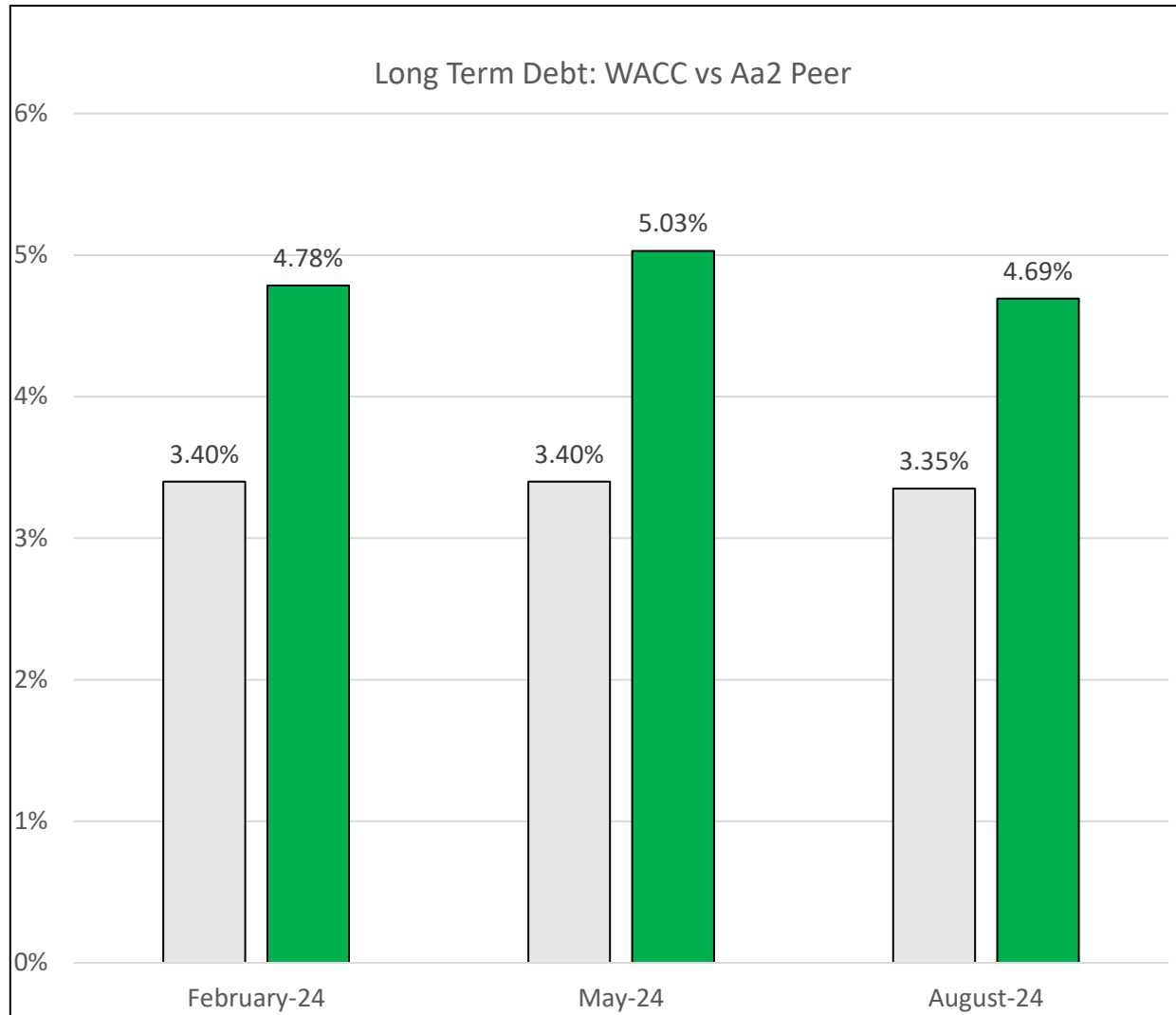


The \$64mm increase is attributable to LTP: \$63mm Net Unreal/Real Gains/Losses

FY 2024 Q4 Investment Performance – Operating Funds

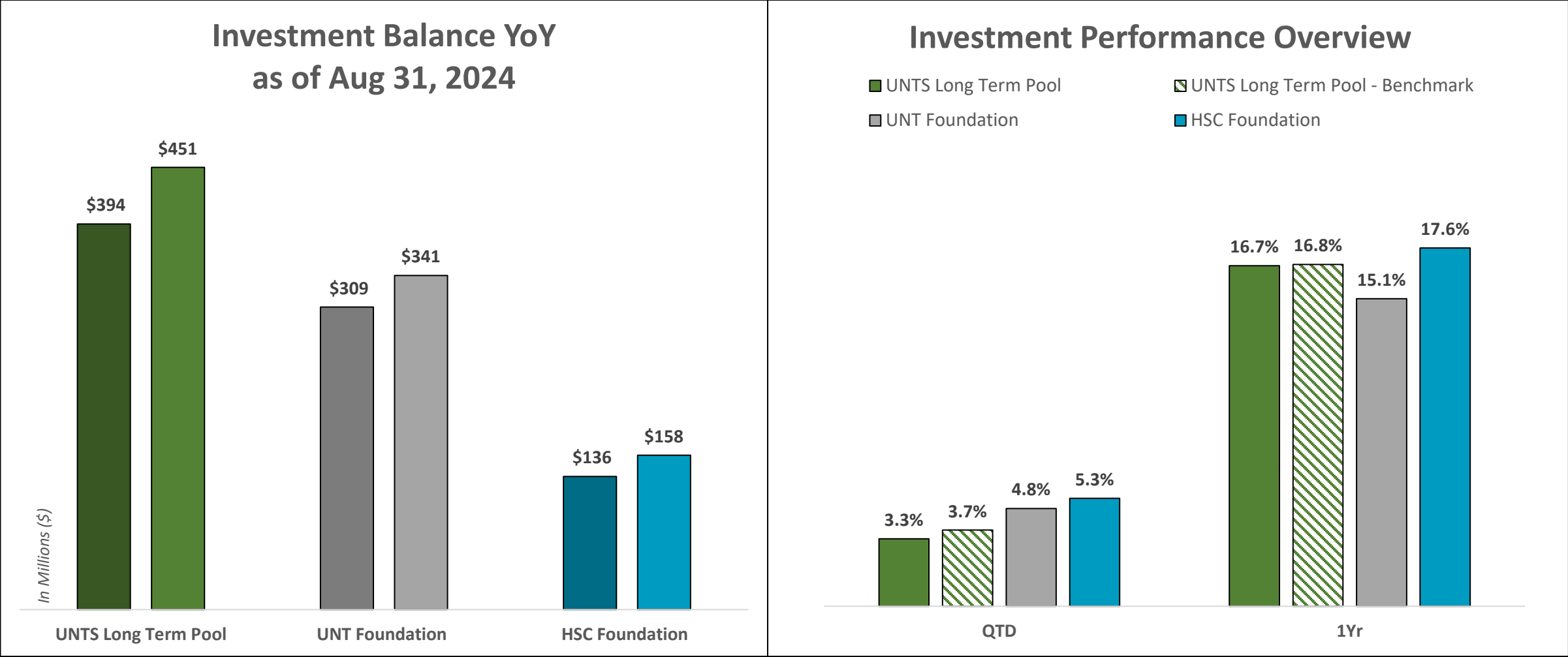


Debt Program Cost



- **Next debt sale** planned in March 2025
- 3.59% Commercial Paper Rate as short-term financing
- \$83.968mm Commercial Paper Outstanding as of August 31, 2024

FY 2024 Q4 Investments - Long Term Pool and Foundations



Note: LTP excludes Private Equities and Credit Performance

Questions