

UNTS Board of Regents

FY 2025 Q1 YTD Financial Update

Susan Alanis, Deputy Chancellor for Finance & Operations
February 13, 2025

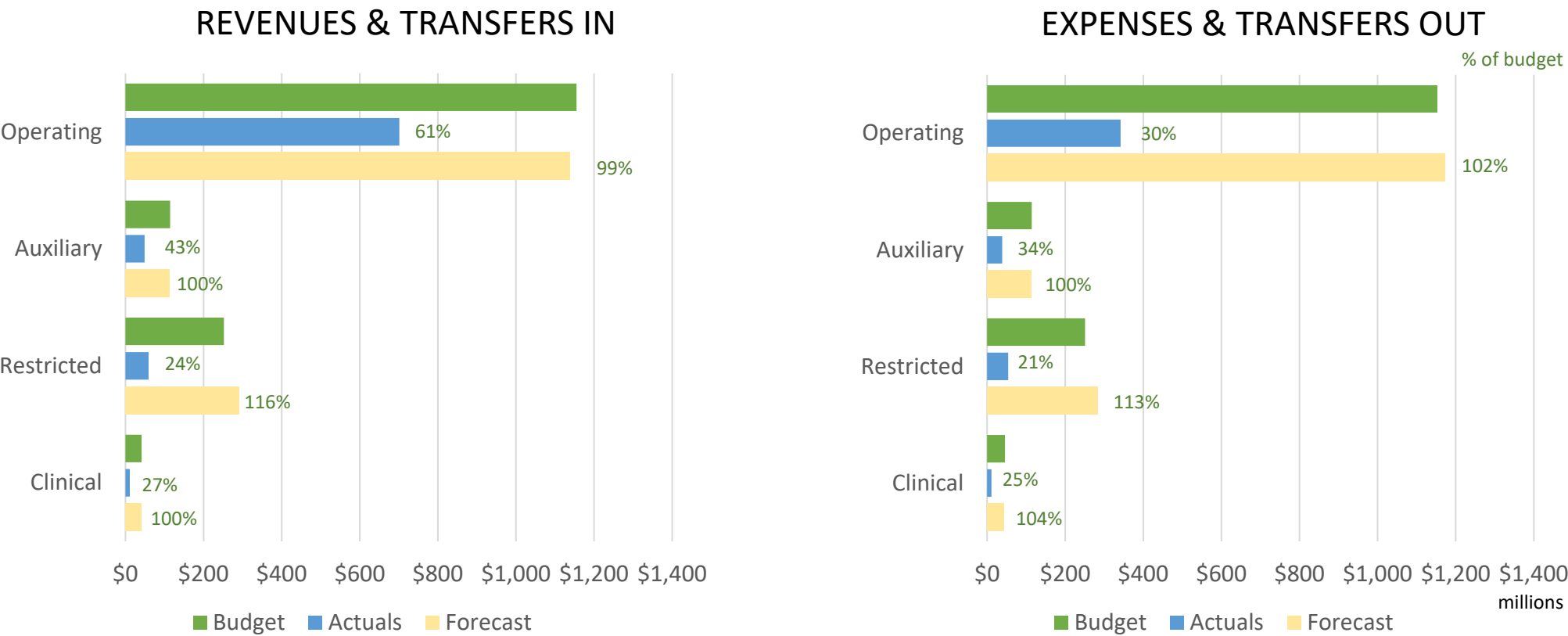
Key Financial Drivers

FY2025 Consolidated Year-End Forecast as of Q1

- Projected **revenue** performing above budget by \$23.6m
 - **Tuition and Fees** below budget due to UNT's decreased enrollment by \$28m
 - **Sale of Goods and Services** below budget by \$5m
 - **Grants and Contracts** above budget by \$55.2m, including pass-through Pell of \$15m and grant timing of \$39m
- Projected **expenses** above budget by \$52.4m
 - **Personnel** above budget by \$8m (excluding auxiliary)
 - **Maintenance & Operating/Other Expenses** above budget by \$27m primarily due to project and grant activity (excluding auxiliary)
 - **Scholarships/Financial Aid** above budget by costs of \$16m as offset by revenue
- Anticipated enterprise-wide **use of fund balance** of \$28.5m
 - Proactive measures to **close gap with discretionary spending** underway
 - Sufficient **reserves and liquidity** available

FY 2025 Q1 Consolidated Budget Forecast

UNTS Consolidated



Forecasted Impact to Fund Balance
Operating -\$33.0m + Auxiliary -\$0.1m + Restricted \$9.2m + Clinical -\$4.4m = -\$28.5m

FY 2025 Q1 Budget Forecast



Overall Comparison to Budget*

Revenue +\$2.9m and Expenses **-\$31.6m**

Forecasted impact to fund balance: **-\$27.0m**

*original planned contribution to fund balance of \$1.7m

Operating (**-\$35.1m** impact to fund balance)

- **Net Tuition and Fees revenue** below plan by \$28m/6% due to decrease in graduate enrollment
- **Net operating expenses** above plan by \$7m due to personnel and various maintenance/operating

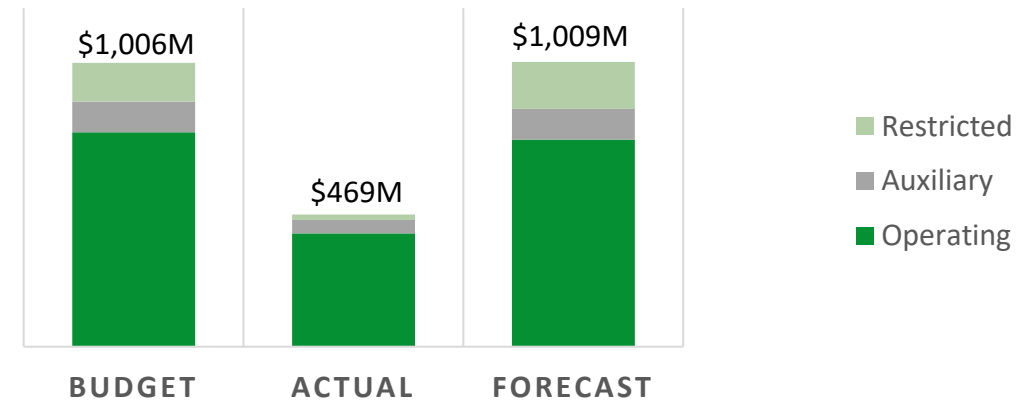
Auxiliary (+\$0.4m impact to fund balance)

On track

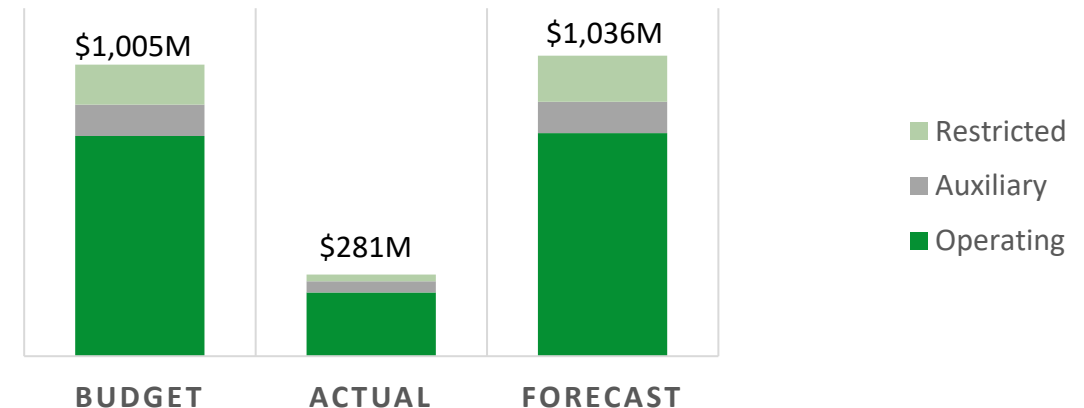
Restricted (+\$7.7m impact to fund balance)

- **Grants and Contracts revenue** above plan by \$29m due to timing of grant activity and one-time Be on Time grant
- **Scholarships and Financial Aid expenses** above plan by \$15m due to increase in awards
- **Personnel expenses** above plan by \$6m due to grant activities

REVENUES & TRANSFERS IN



EXPENSES & TRANSFERS OUT



FY 2025 Q1 Budget Forecast

Overall Comparison to Budget

Revenue +\$19m and Expenses **-\$20m**

Forecasted impact to fund balance: **-1.1m**

Operating (+\$2.7m impact to fund balance)

- **Tuition and Fees revenue** on track
- **Contract** revenue and expenditures above plan by \$10m due to timing
- Achieving **planned contribution to fund balance** to balance overall budget

Auxiliary

- On track

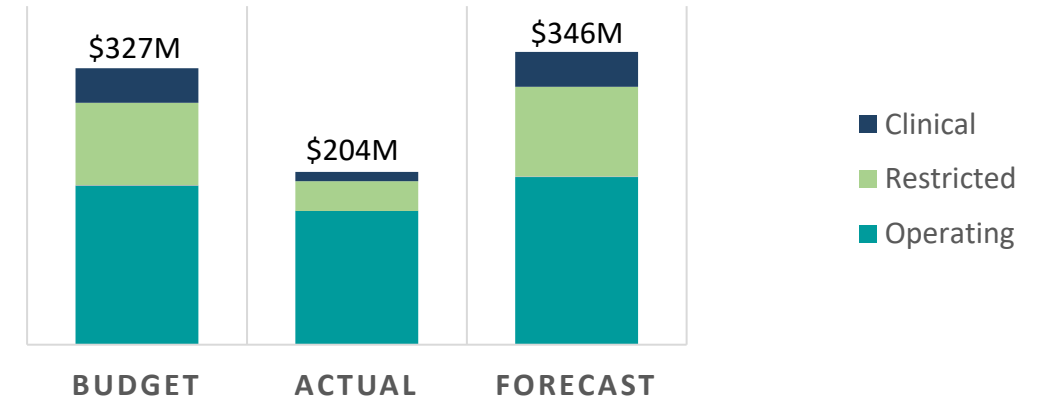
Restricted (+\$.9m impact to fund balance)

- **Grants and Contracts revenue and expenditures** above plan by \$10m due mostly by AIM-Ahead and Health & Aging Brain Study

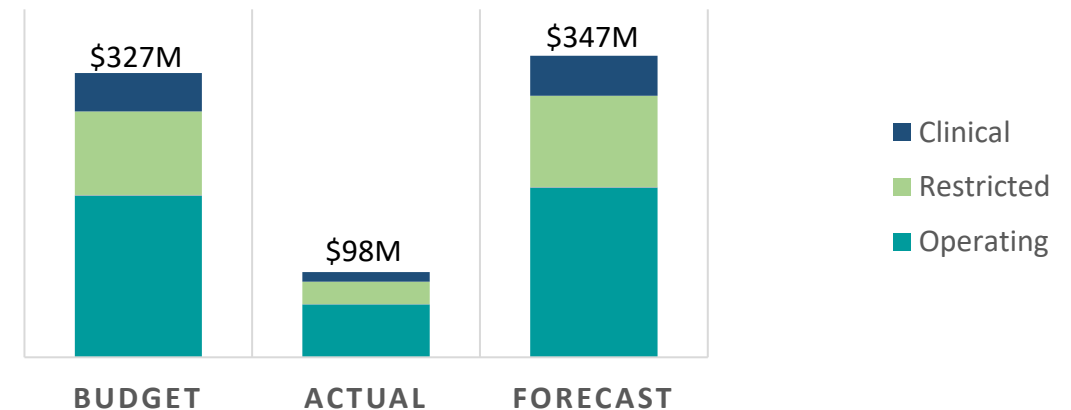
Clinical (-\$4.4m impact to fund balance)

- **Planned use of fund balance** of \$2.6m slightly better than plan
- Additional use of fund balance for final **\$2m recoupment** for Medicaid services

REVENUES & TRANSFERS IN



EXPENSES & TRANSFERS OUT



FY 2025 Q1 Budget Forecast

Overall Comparison to Budget*

Revenue +\$1.5m and Expenses **-\$1.2m**

Forecasted impact to fund balance: \$0.6m

*original planned contribution to fund balance of \$150k

Operating (+\$0.4m impact to fund balance)

- **Tuition and Fees revenue** above plan by \$300k, however Fall enrollment was down 0.3% in semester credit hours
- **Personnel expenses** projected to be 99% of budget

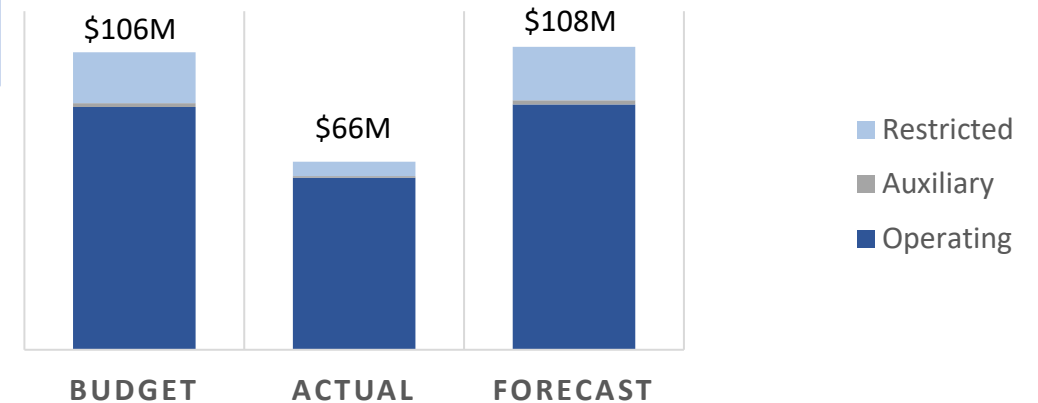
Auxiliary (-0.3m impact to fund balance)

- Planned **use of fund balance**

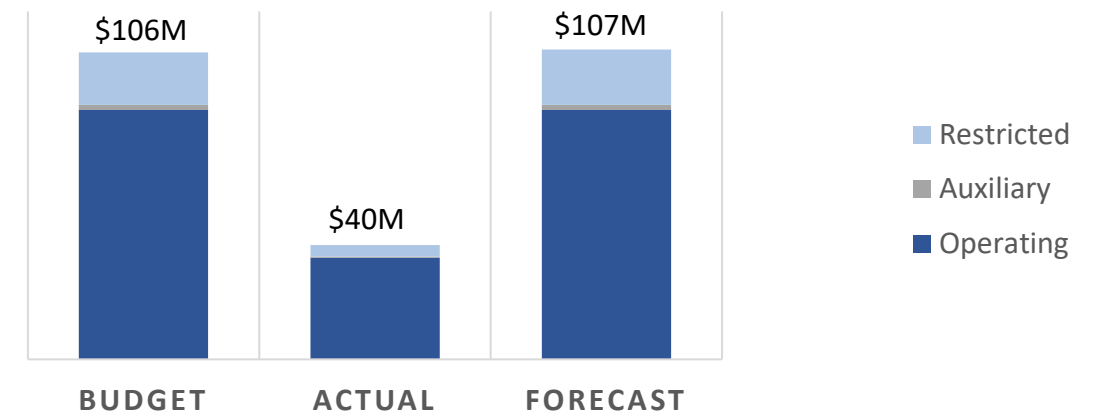
Restricted (+\$0.6m impact to fund balance)

- **Grants and Contracts** revenue forecast \$1.8m higher than budget due to Pell and Sponsored Project activity, mostly offset by expenses

REVENUES & TRANSFERS IN



EXPENSES & TRANSFERS OUT



FY 2025 Q1 Budget Forecast

Overall Comparison to Budget*

Revenue +\$80k and Expenses \$400k

Forecasted impact to fund balance: **-\$1.1m**

*original planned use of fund balance of \$1.6m

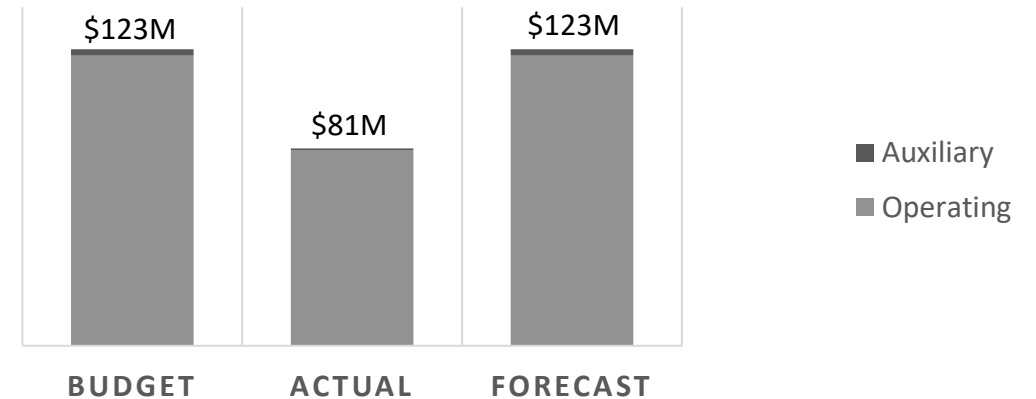
Operating (-\$0.9m impact to fund balance)

- **Personnel expenses** below plan by \$700k due to vacancies
- **Planned use of fund balance** of \$1.6m for one-time IT expenses now slightly offset by salary savings

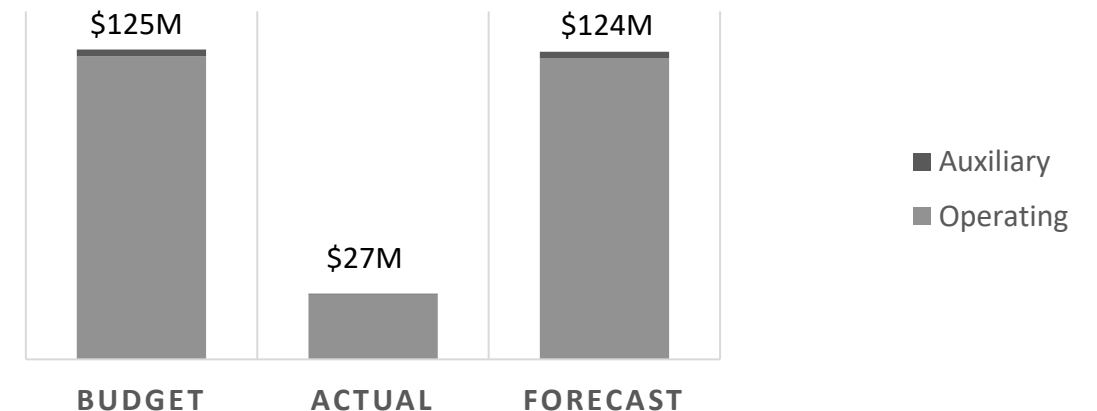
Auxiliary (-\$0.2m impact to fund balance)

- **Negative performance** of loft apartments

REVENUES & TRANSFERS IN



EXPENSES & TRANSFERS OUT



Net Position Q1 2025 over Q1 2024

Increased \$218m

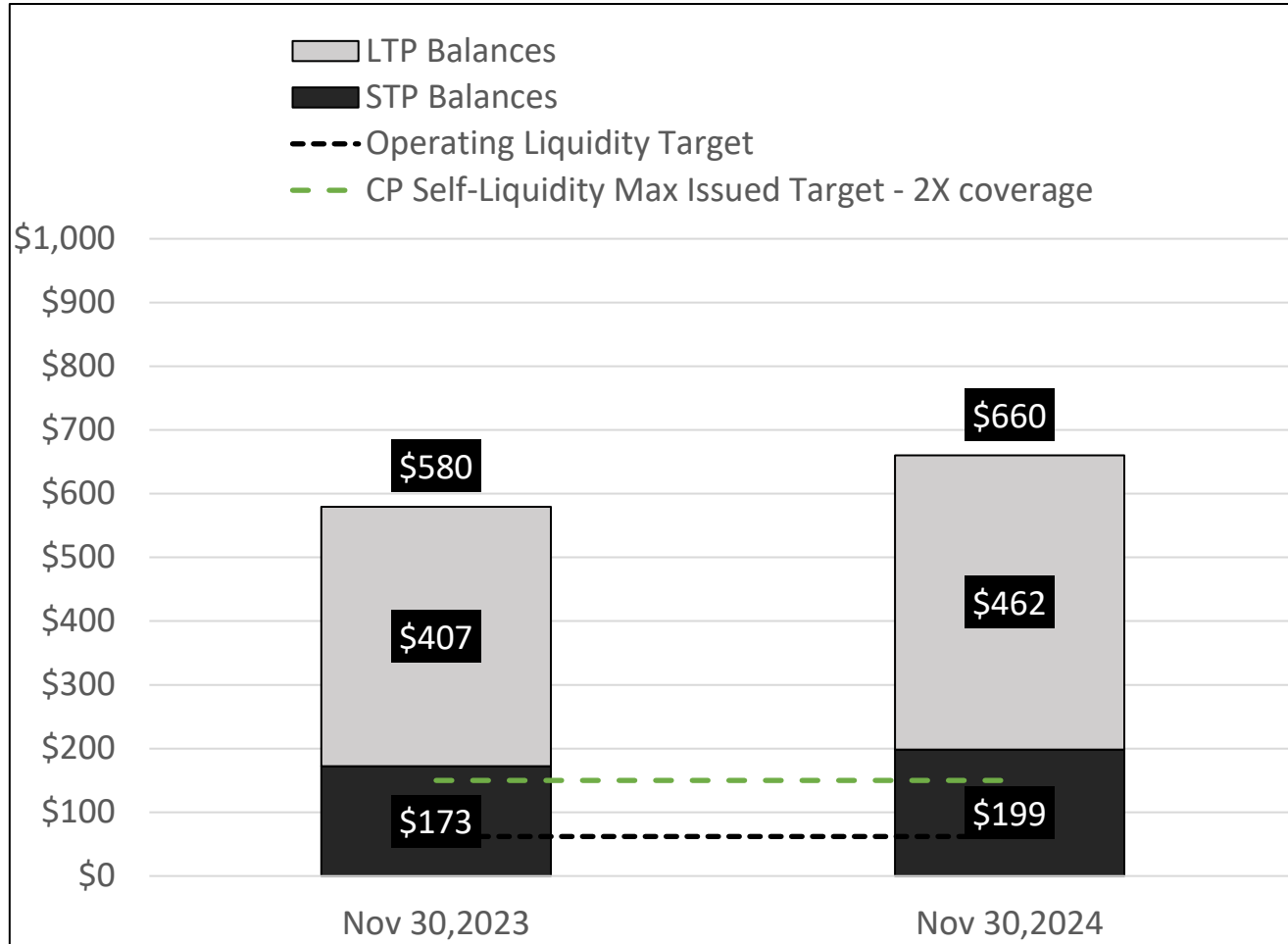
- FMV of non-current investments increased by \$95m in LTP & Endowments*
- Decrease of \$54m in outstanding bonds, offset by increase in commercial paper of \$24m
- Decrease in unearned revenue of \$80m due to timing of tuition
- Net increase of Pension/ OPEB liabilities \$25m

*marked to market for Q1 so reflects unrealized gains/losses

Condensed Comparative Statement of Net Position			
As of November 30, 2024 and 2023			
(in thousands of dollars)			
	2025	2024	% Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	\$ 1,065,498	\$ 1,046,321	1.8%
Non-Current Assets:			
Capital Assets, Net	1,490,255	1,435,750	3.8%
Other Non-Current Assets	714,315	622,001	14.8%
Deferred Outflows of Resources	161,311	223,446	(27.8%)
Total Assets and Deferred Outflows of Resources	\$ 3,431,379	\$ 3,327,518	3.1%
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 556,206	\$ 616,986	(9.9%)
Non-Current Liabilities:			
Bonded Indebtedness	688,120	739,529	(7.0%)
Other Non-Current Liabilities	688,665	665,418	3.5%
Deferred Inflows of Resources	190,343	215,248	(11.6%)
Total Liabilities and Deferred Inflows of Resources	\$ 2,123,334	\$ 2,237,181	(5.1%)
Net Position			
Net Investment in Capital Assets	\$ 674,857	\$ 595,548	13.3%
Restricted:			
Funds Held as Permanent Investments:			
Non-Expendable	66,473	68,172	(2.5%)
Expendable	52,167	32,261	61.7%
Other Restricted	92,125	82,146	12.1%
Total Restricted	210,765	182,579	15.4%
Unrestricted	422,423	312,210	35.3%
Total Net Position	\$ 1,308,045	\$ 1,090,337	20.0%
Total Liabilities and Net Position	\$ 3,431,379	\$ 3,327,518	3.1%

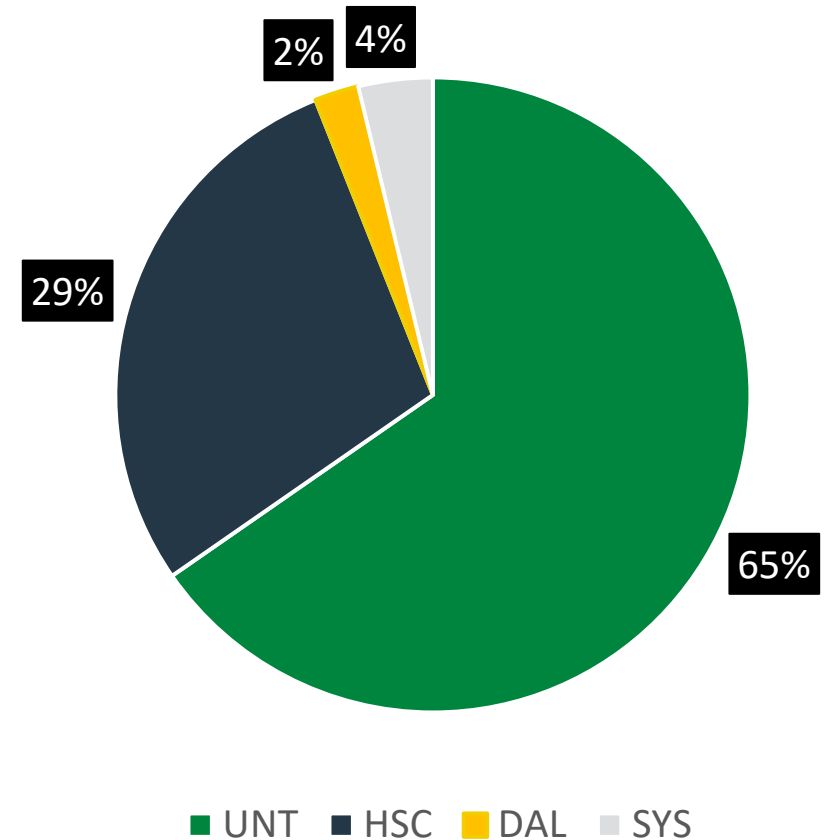
FY 2025 Q1 Operating Cash and Investments

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

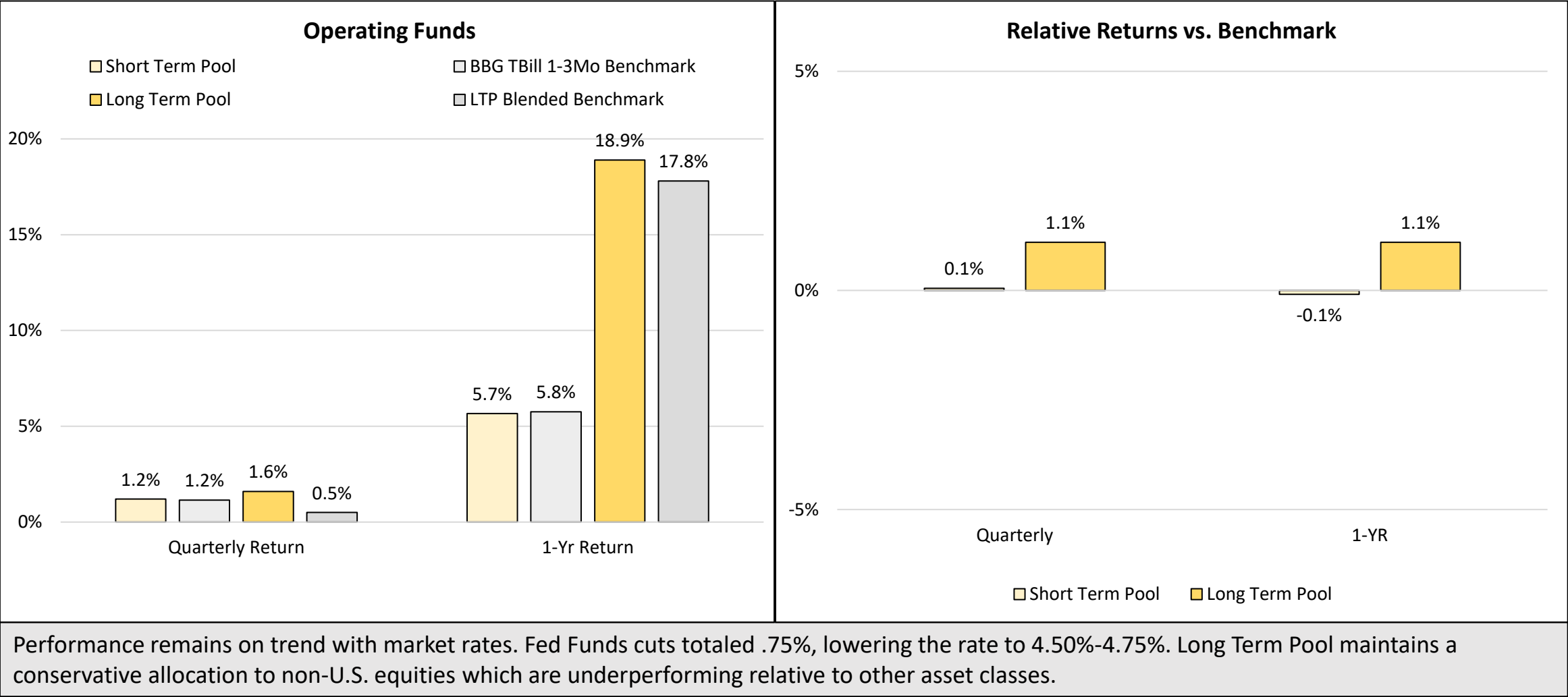


The \$80mm increase is attributable to LTP: \$71mm Net Unreal/Real Gains/Losses

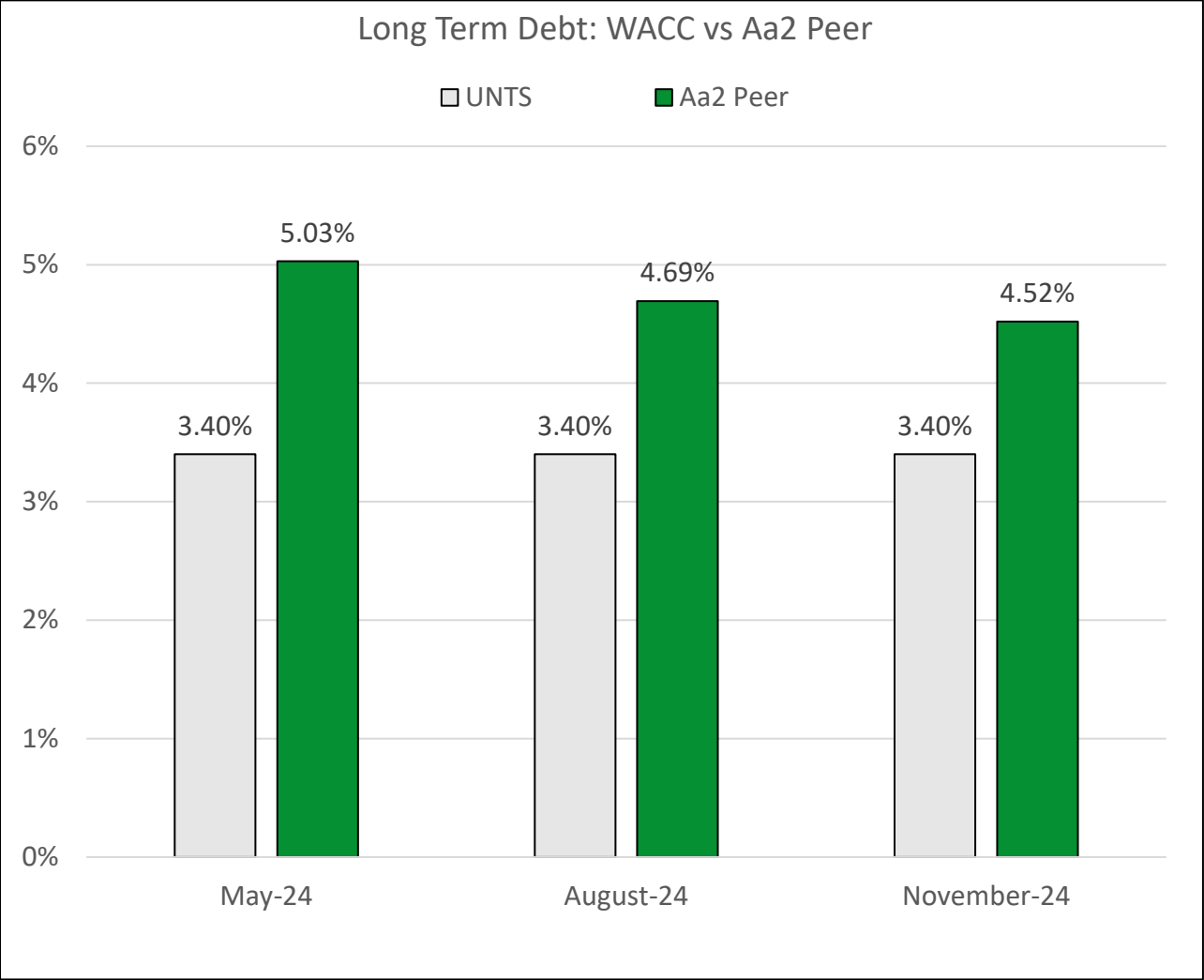
Operating Funds by Business Unit



FY 2025 Q1 Operating Funds Investment Performance



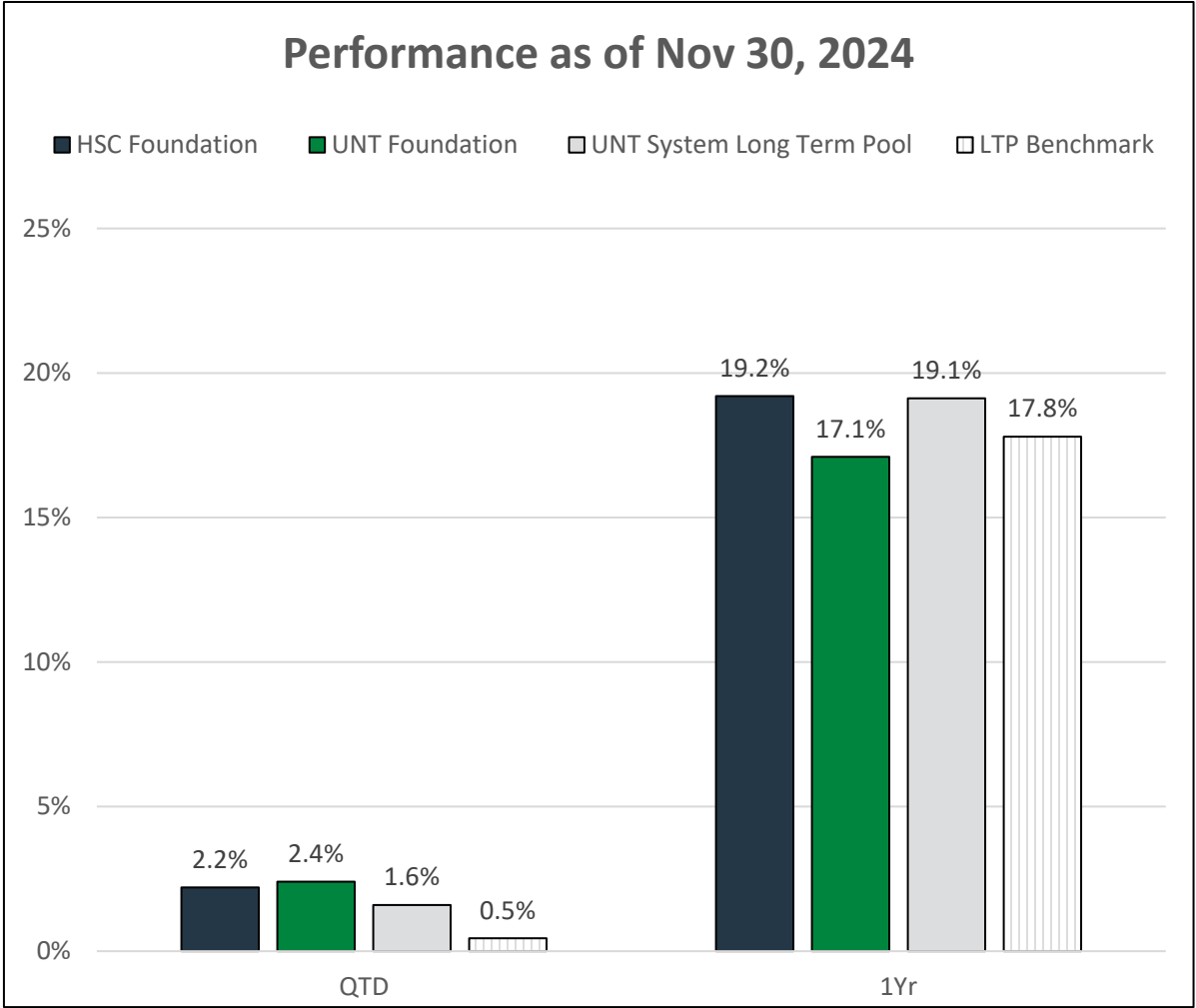
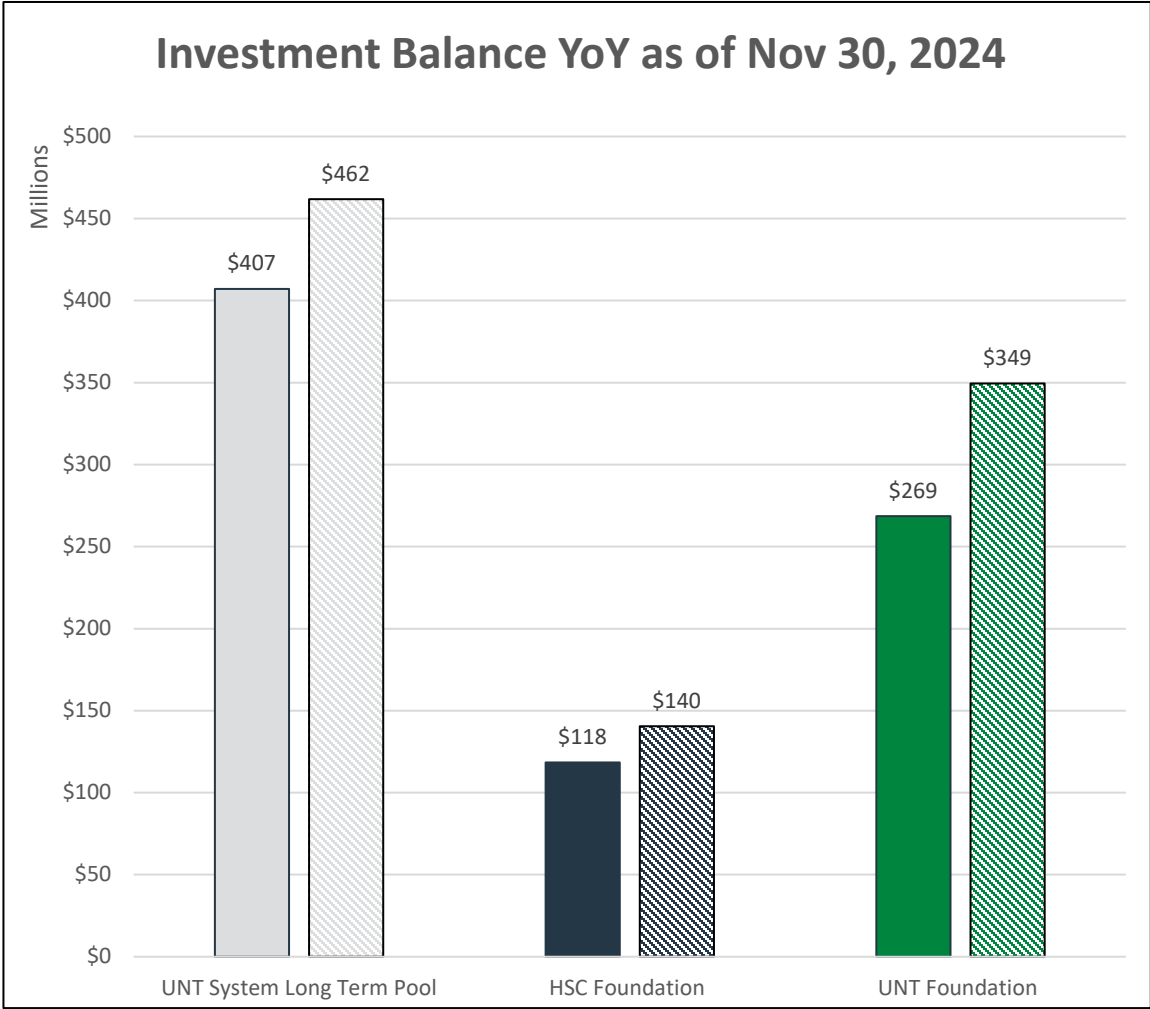
Debt Program Cost



Commentary

- Since August, Municipal Aa2-rated 30-year bond yields have dropped .17% but are still 1% above UNTS' weighted average cost of capital of 3.4%
- \$84 million total Commercial Paper outstanding of \$150 million in Maximum Authority as of 11/30/2024. Q1 CP rate 3.39%
- **Next Bond sale** planned for Spring 2025 for prior legislative session authorized CCAPs consisting of \$251 million proceeds

FY 2025 Q1 Investments - Long Term Pool and Foundations



Note: Includes private investments except LTP QTD

Questions