

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

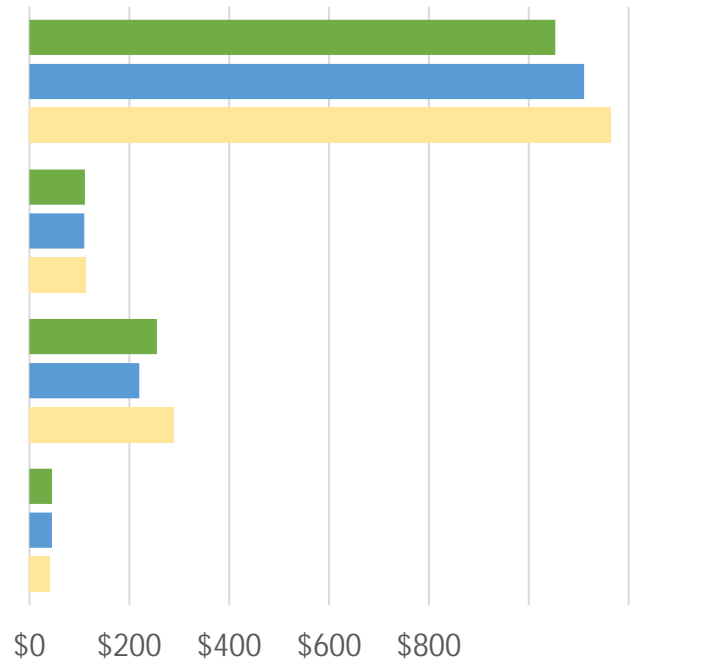
Key Financial Drivers

FY2024 Year-End

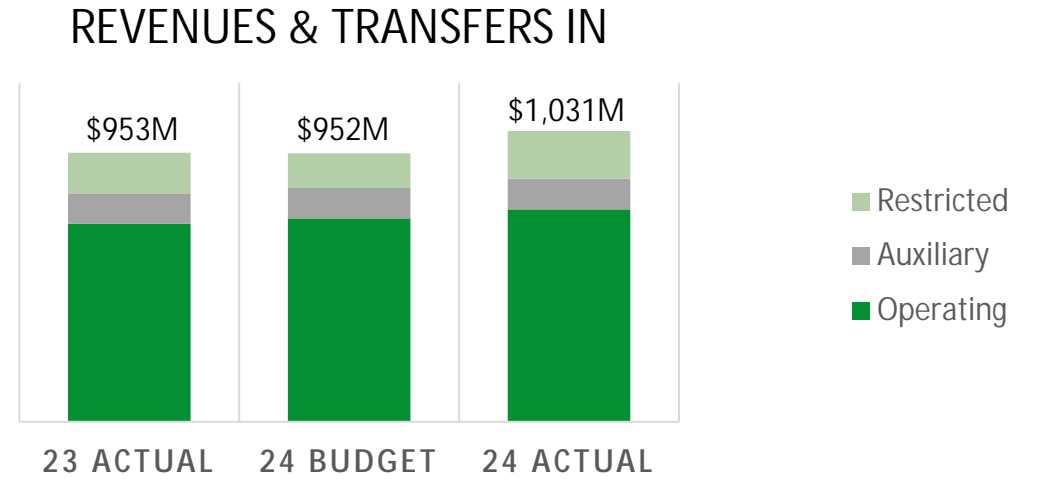
- Current revenue exceeded current expenditures with enterprise-wide **contributions to fund balance of \$54.2m**
 - **Sales of Goods & Services** increases driven by multiple streams of revenue including UNT's athletics and meal plans
 - Increased **Grants and Contracts** from Pell, Texas Grants and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

FY 2024 Q4 YTD Budget Performance

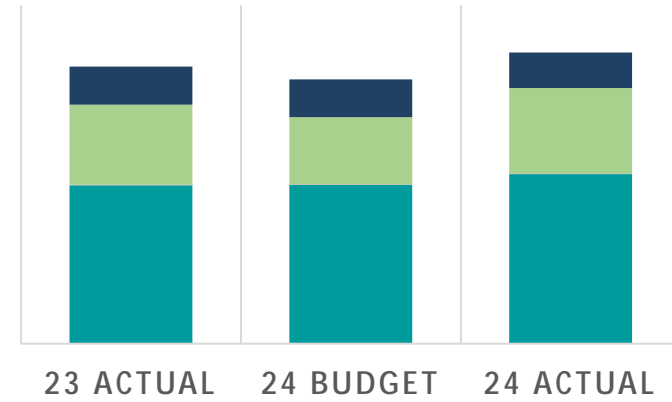
UNTS Consolidated



FY 2024 Q4 YTD Budget Performance



FY 2024 Q4 YTD Budget Performance

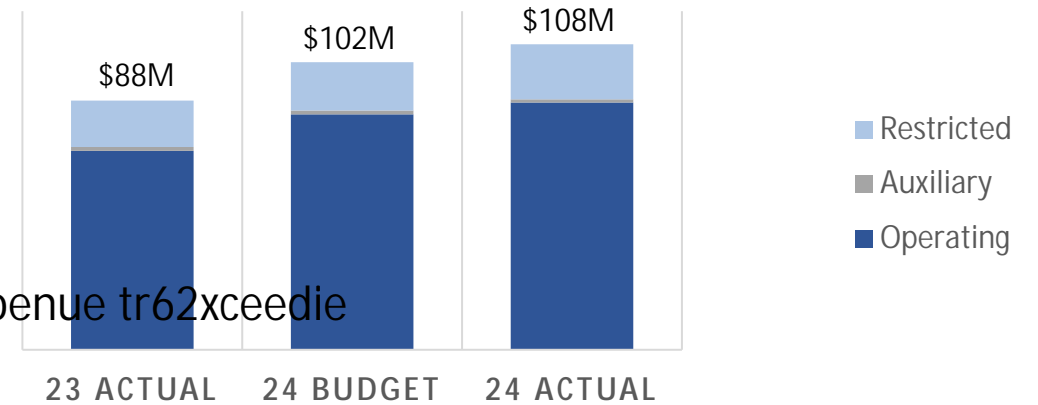


FY 2024 Q4 YTD Budget Performance

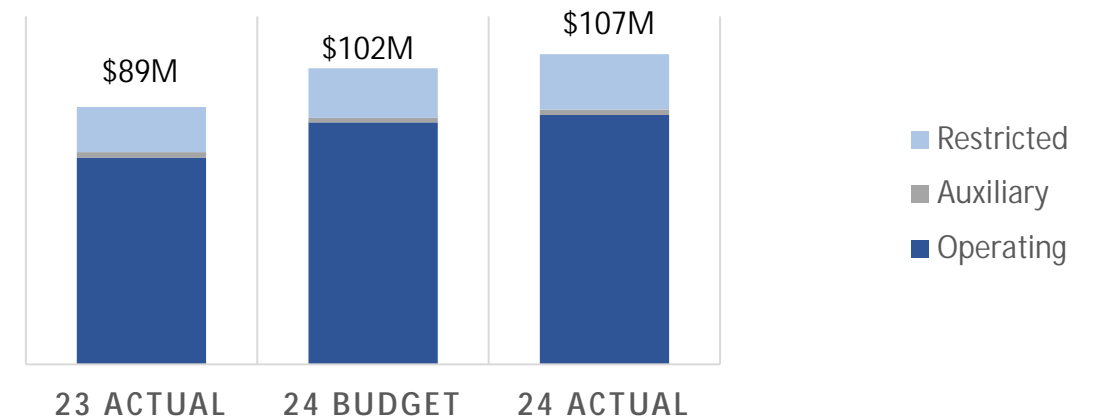
Revenues and Transfers In Drivers (received 106% of budget):

- **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 16.6% and other revenue exceeding budget by 2%

REVENUES & TRANSFERS IN



EXPENSES & TRANSFERS OUT

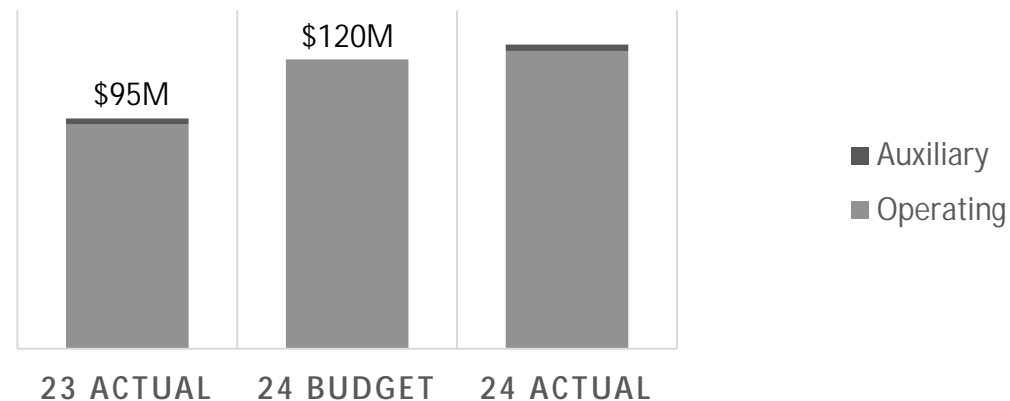


FY 2024 Q4 YTD Budget Performance

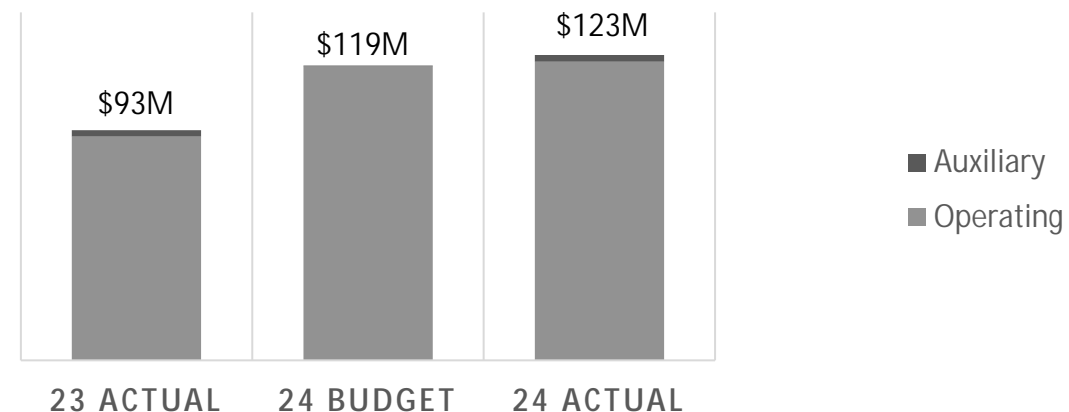
Revenues and Transfers-In Drivers (received 105% of budget):

- **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

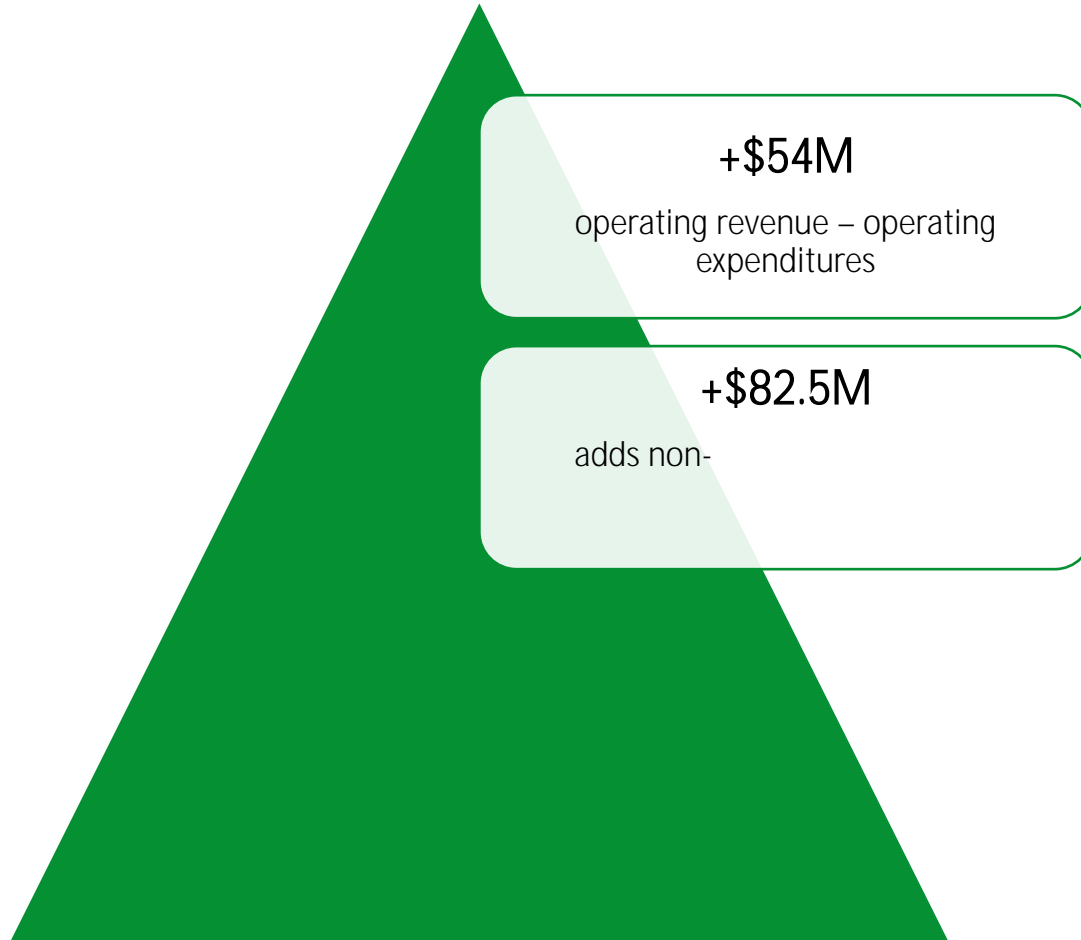
REVENUES & TRANSFERS IN



EXPENSES & TRANSFERS OUT



Year-End Financial Performance



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.

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)

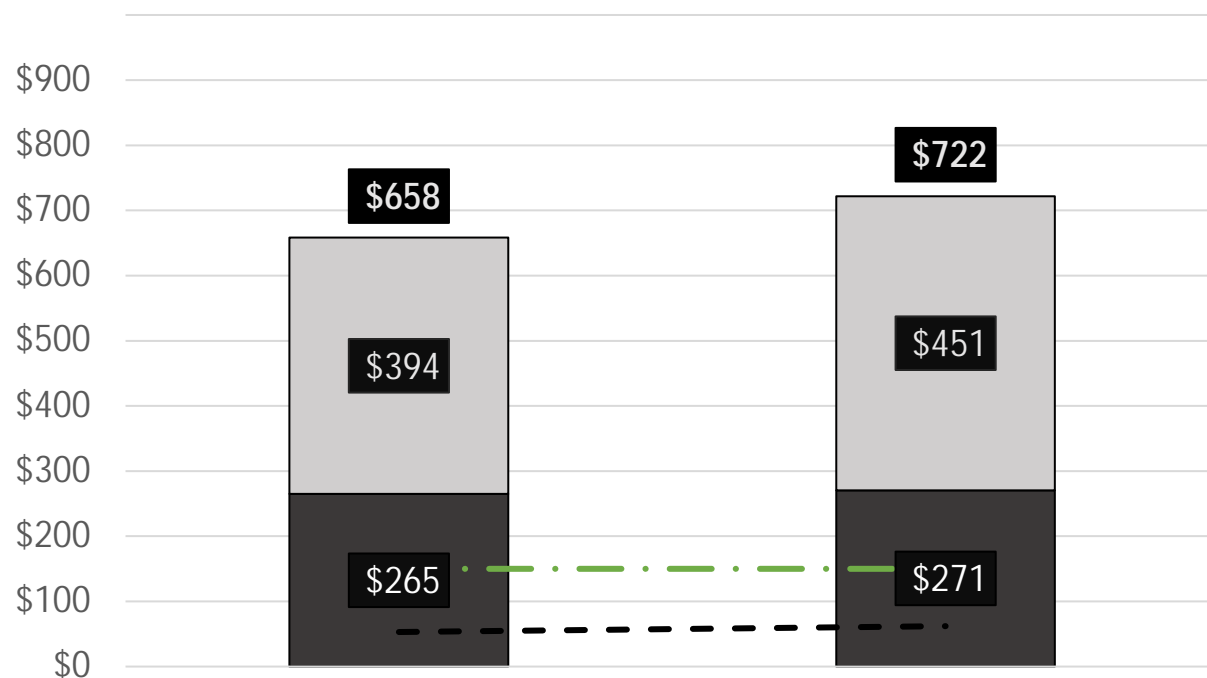
| | 2024 | 2023 | |
|--|---------------------|---------------------|-------------|
| Assets and Deferred Outflows of Resources | | | |
| Current Assets | \$ 740,858 | \$ 741,692 | (0.1%) |
| Non-Current Assets: | | | |
| Capital Assets, Net | 1,493,591 | 1,437,935 | 3.9% |
| Other Non-Current Assets | 718,887 | 622,616 | 15.5% |
| Deferred Outflows of Resources | 161,395 | 223,549 | (27.8%) |
| | \$ 3,114,731 | \$ 3,025,792 | 2.9% |
| Liabilities and Deferred Inflows of Resources | | | |
| Current Liabilities | \$ 621,644 | \$ 610,912 | 1.8% |



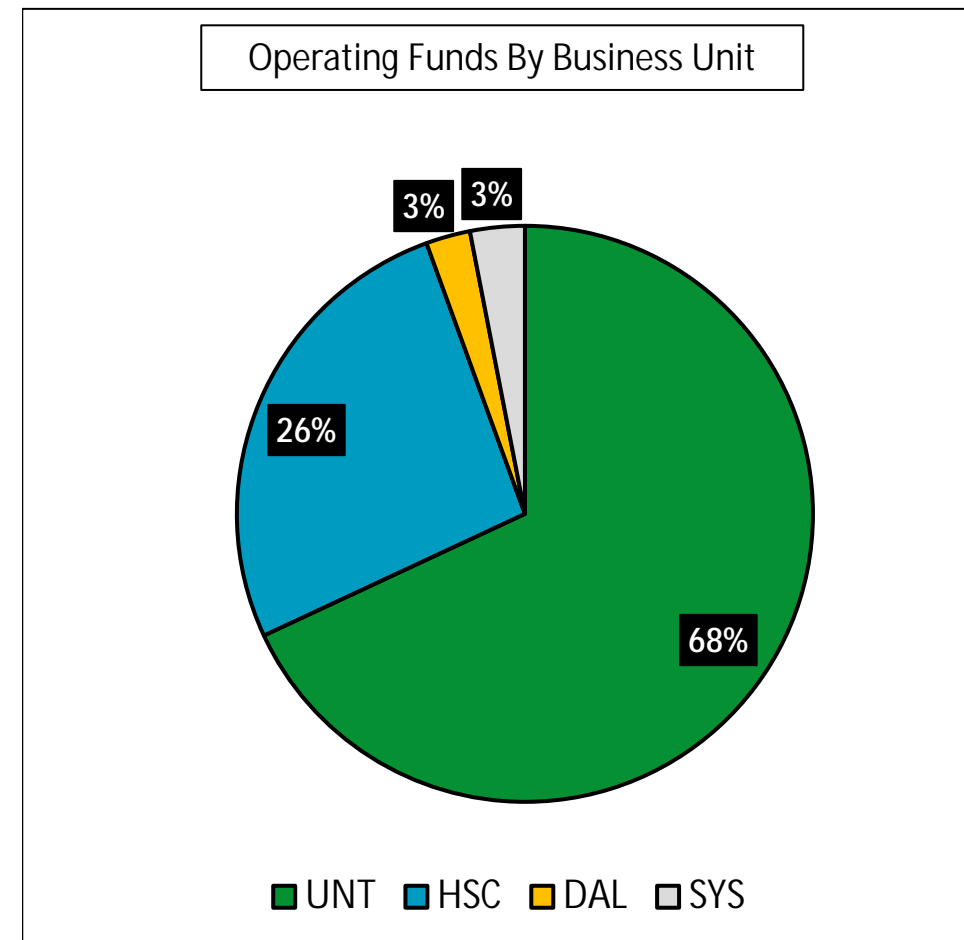
- Q4 reflects \$54M contribution to fund balance (unaudited)
- Note FY22 peak reflected

FY 2024 Q4 Operating Cash and Investments

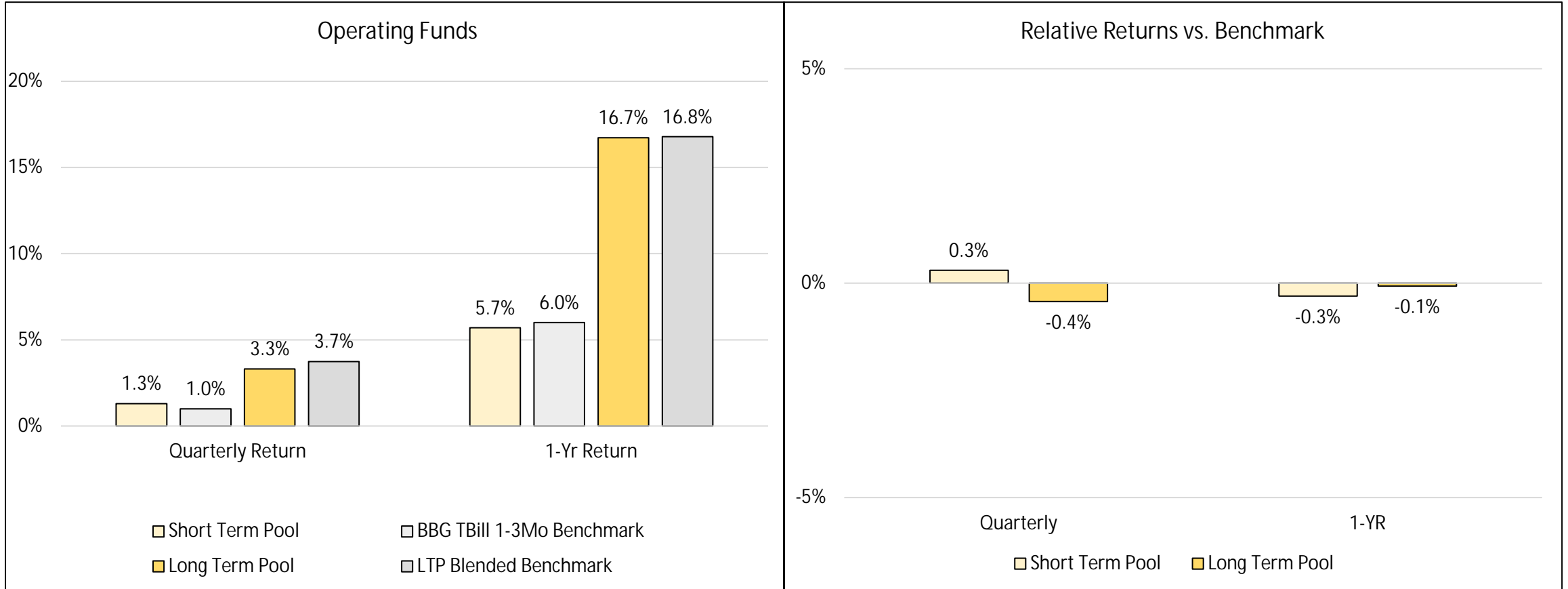
Short-Term Pool (STP) and the Long-Term Pool (LTP)



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

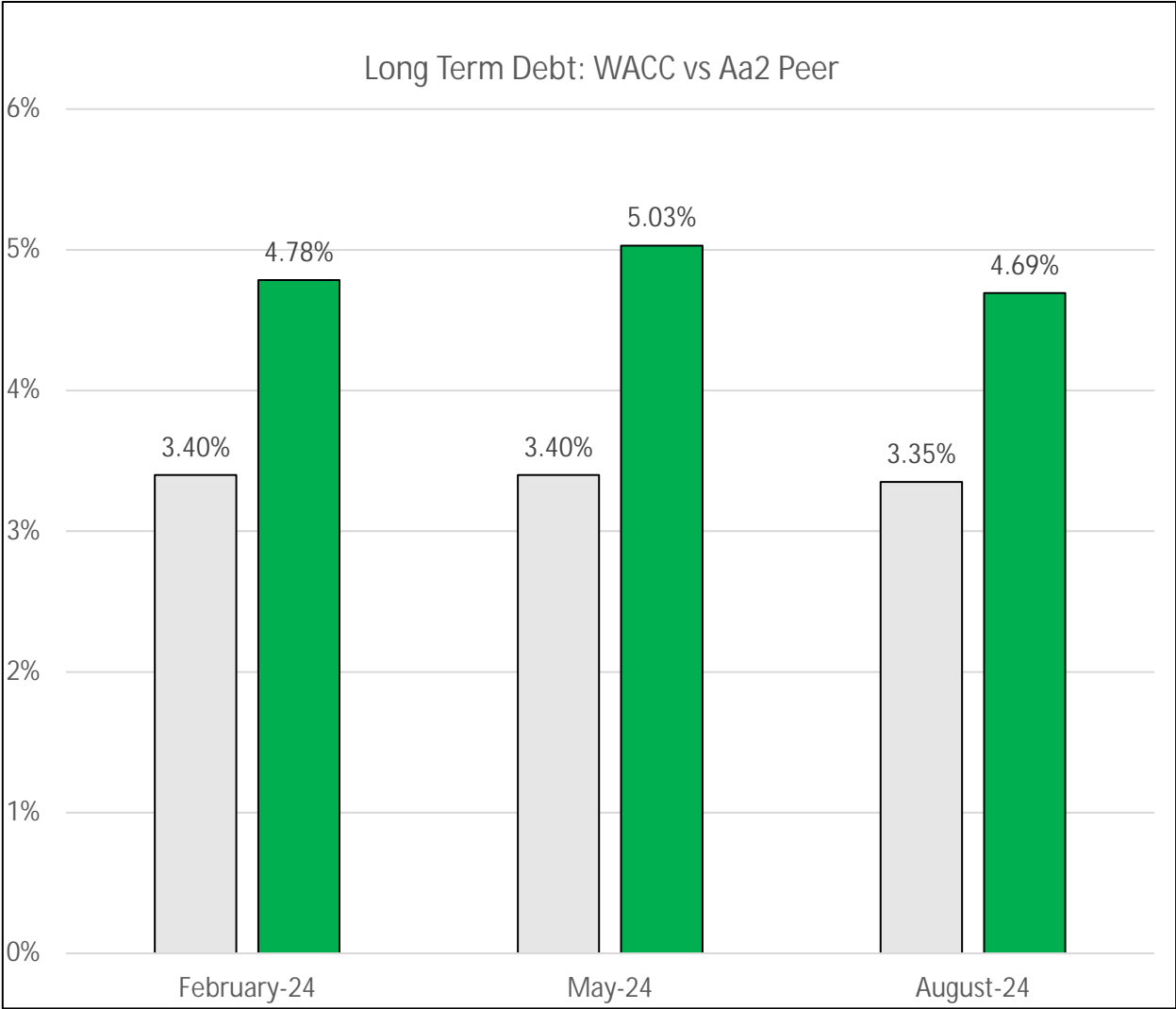


FY 2024 Q4 Investment Performance – Operating Funds



Short Term Pool and Long Term Pool performance remains on trend with market rates. Improved from FY23 with 1-yr STP at 4.1% & LTP at 8.8%.

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



Questions

: Laura Wright, Chair, UNT System Board of Regents
Melisa Denis, Chair, Audit Committee

: Renaldo Stowers, Deputy General Counsel & Chief Compliance Officer
Steve Hill, Director of Compliance

: UNT System Administration Compliance & Ethics Program

This serves as the FY25 First Quarter compliance report on the on-going maturation and effectiveness of the System Administration Compliance & Ethics Program (Program).

Inform the Board of progress made in achieving a desired level of maturity for the System Administration compliance program, including implementing recommendations from the 2022 external compliance program assessment and findings from the FY 2024 internal assessment.

The table below summarizes compliance framework categories where a defined initiative is ongoing and those where notable progress toward maturity was made this quarter:

| 1 | Risk Assessment | | |
|---|----------------------------|--|--|
| 2 | Policies & Procedures | | |
| 3 | Training & Communications | | |
| 4 | Reporting & Accountability | | |
| 5 | Third-Party Management | | |

The following summarizes the actions taken

| | |
|--|--|
| | |
| | <i>Does the Institution have a comprehensive risk assessment process?</i> |
| | <i>Has the Institution established standards and procedures to prevent and detect misconduct, including criminal conduct?</i> |
| | <i>Do Institution employees receive training regarding ethical conduct and compliance with regulations and policies, and procedures?</i> |
| | <i>Does the Institution take reasonable steps to communicate aspects of the compliance and ethics program to the appropriate individuals?</i> |
| | <i>Does the Institution have a process to identify and proactively monitor high-risk vendor relationships (e.g., business associates, etc.)?</i> |

Executive Report

To

From

Dept:

SUMMARY:

PURPOSE

| Ongoing Process: Maturity Progress: | | |
|--|-----------------|-------------------|
| Category | Ongoing Process | Maturity Progress |
| Risk Assessment | X | X |
| | X | X |
| Training/Communication | X | X |
| Reporting and Accountability | X | X |
| | | |
| | | |

Risk Assessment

Reporting and Accountability

Executive Report

To

From

Dept.:

SUMMARY:

PURPOSE

Risk Assessment

DOJ Guidance Question 2: