UNTS Board of Regents

FY 2022 Q2 Financial Highlights

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Synopsis

Highlights	Major accomplishments from Q2 (2022)
Quarterly Budget Update	Quarterly budget to actuals analysis
Quarterly Financials	Quarterly financial statement analysis
Liquidity Analysis	Liquidity continues to improve across system
Summary	Financial posture across UNTS

FY 2022 Q2 Highlights

- UNTS won the 2022 Syntellis MVP of Higher Education Award for innovative use of Syntellis solutions in budgeting, long-range planning, and business development

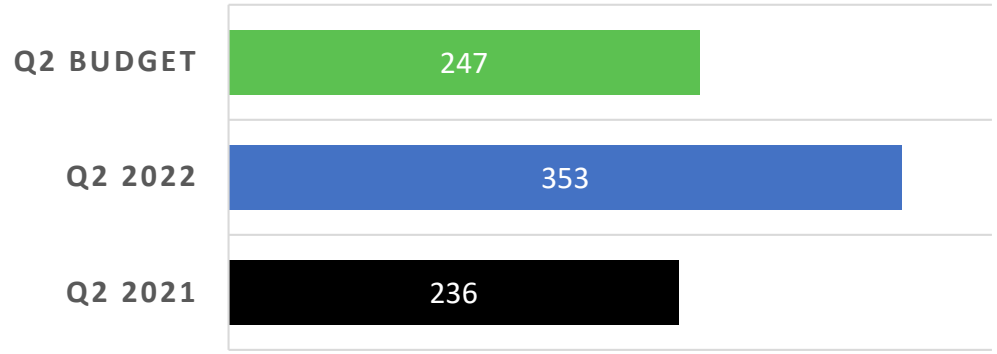
- Blackline reconciliation tool implementation is underway and anticipated to be fully functional before the end of year

- Treasury successfully closed a $101M revenue bond deal at the end of March. Paying off all $52M in outstanding ECP and $39.6M of CP as well as receiving $23M in new money for Frisco Branch Campus

- Implemented new accounting standard related leases (GASB 87 – Leases)

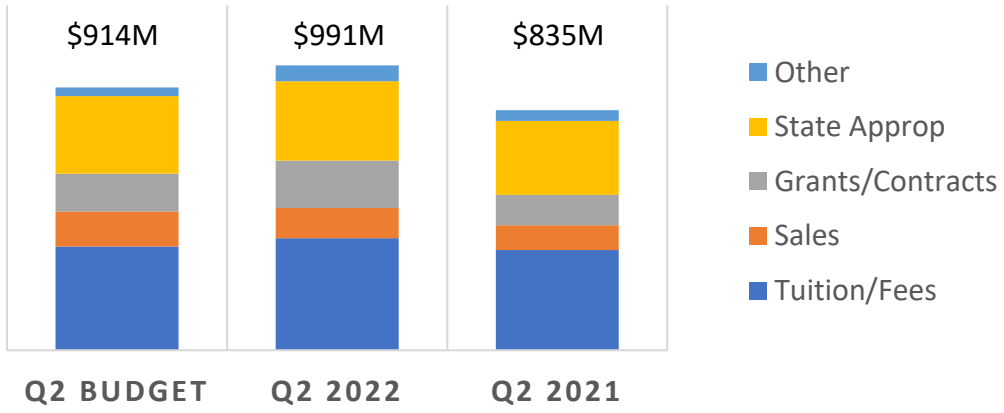
FY 2022 Q2 Performance: UNTS Consolidated

Net contribution to fund balances ($M)

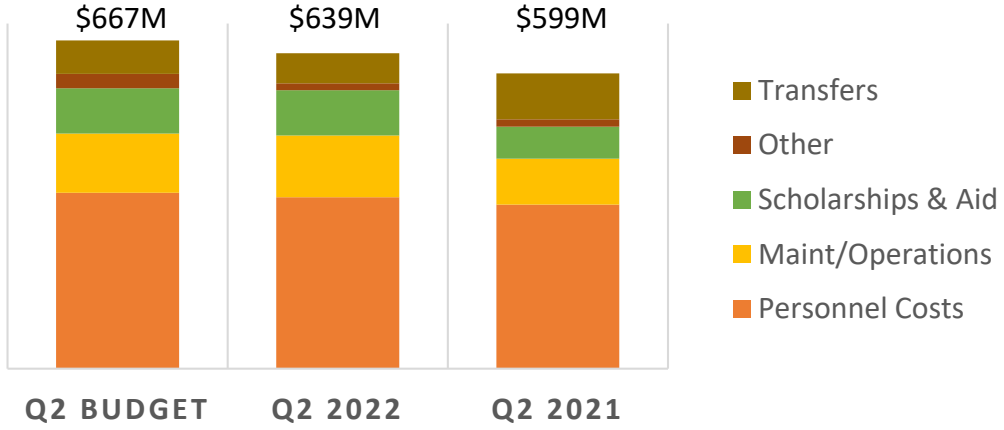


- Net contribution to fund balances higher than plan
  - Higher than planned by $106m; higher than 2021 by $116m
- Revenues higher than planned
  - Largely driven by enrollment growth and return to campus: compared to last year Tuition/Fees higher by $42m/12%; Sales higher by $19m/22%
  - Grants and Contracts higher than 2021 by $58m due to timing of COVID relief funding
- Expenses higher than planned
  - Above last year due to return to campus; mostly driven by personnel costs (+4.3%) and maintenance/ops (+35%)

REVENUES

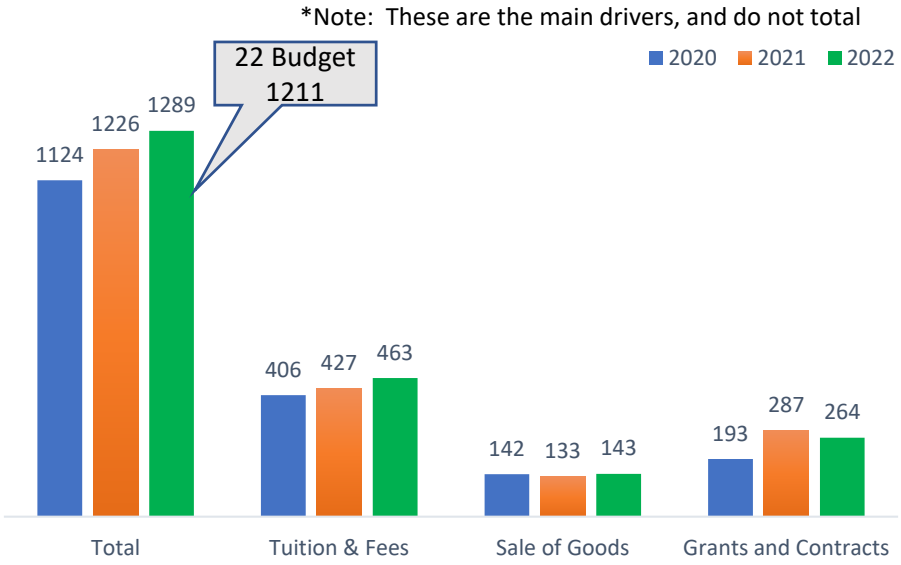


EXPENSES & TRANSFERS

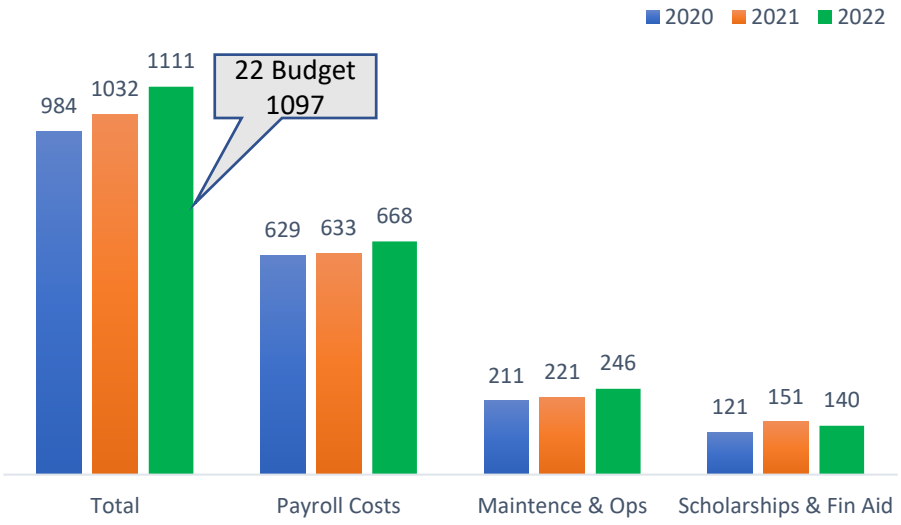


FY 2022 UNTS End of year financial estimates ($m)

- Projected Revenue:
  - FY22 Revenue projecting higher than FY21 by $63m; higher than budget plan by $78m;
  - Tuition & Fees projecting higher by $36m due to increased student enrollment;
  - Sales of goods projecting $10m higher than FY21 due to reopening of campuses;
  - Grants and Contracts lower than prior year by $23m because a majority of COVID relief funding was recognized in FY21.



- Projected Expenses:
  - FY22 Expenses projecting higher than FY21 by $79m; higher than budget plan by $14m;
  - Payroll costs higher than prior year by $35m due to increased enrollment support, faculty & auxiliary enterprises;
  - Maintenance & Operations higher than FY21 by $25m due to planned reopening costs;
  - Scholarships & Aid projecting $11m lower compared to prior year due to less COVID relief funding.



FY 2022 Statement of Net Position (Assets, Liabilities & Net Position)

Net Position increased by $204m (14.6%)

Assets & Deferred Outflows: increased $222m (8.8%)

- Cash – $95m
- Accounts Receivable – $27m
- Investments – $69m
- Capital Assets (GASB 87) – $12m

Liabilities & Deferred Inflows: increased $18m (1.6%)

- Notes & Loans – $46m
- Bonded Debt (decrease) – ($51m)
- Lease Obligations – $7m
- Deferred Inflows (GASB 87) – $13m

Condensed Comparative Statement of Net Position
As of February 28, 2022 and 2021
(in thousands of dollars)

	February 28, 2022	February 28, 2021	% Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	$ 788,992	$ 658,159	19.9%
Non-Current Assets:			
Capital Assets, Net	1,420,855	1,398,459	1.6%
Other Non-Current Assets	516,642	447,685	15.4%
Deferred Outflows of Resources	6,421	6,959	-7.7%
Total Assets and Deferred	**$ 2,732,910**	**$ 2,511,262**	**8.8%**
Liabilities and Deferred Inflows of Resources			
Current Liabilities	$ 378,572	$ 299,967	26.2%
Non-Current Liabilities:			
Bonded Indebtedness	703,243	782,718	-10.2%
Other Non-Current Liabilities	40,891	34,873	17.3%
Deferred Inflows of Resources	14,086	1,109	1169.8%
Total Liabilities and Deferred	**$ 1,136,792**	**$ 1,118,667**	**1.6%**
Net Position			
Net Investment in Capital Assets	$ 528,764	$ 534,761	-1.1%
Restricted:			
Funds Held as Permanent Investments:			
Non-Expendable	64,611	58,450	10.5%
Expendable	50,577	26,954	87.6%
Other Restricted	62,596	61,689	1.5%
Total Restricted	177,784	147,093	20.9%
Unrestricted	889,570	710,741	25.2%
Total Net Position	**$ 1,596,118**	**$ 1,392,595**	**14.6%**
Total Liabilities and Net Position	**$ 2,732,910**	**$ 2,511,262**	**8.8%**

FY 2022 Statement of Revenues, Expenses & Changes in Net Position

Change in Net Position increased $50m (16.6%)

Operating Revenues increased by $65m (12.7%)
- Tuition – $42m
- Auxiliary Revenue – $17m

Operating Expenses increased by $69m (7.3%)
- Salary & Benefits – $14m
- Scholarships – $26m
- Repairs & Maintenance – $9m
- Professional Fee Expense – $9m
- Auxiliary Expenses – $7m

Non-operating Revenues increased by $44m (15.3%)
- Appropriations – $19m
- Federal Revenue (HEERF) – $54m
- Investment Income – $16m
- FMV of Investments (decrease) – ($48m)

Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Six Months Ended February 28, 2022 and 2021
(in thousands of dollars)

	February 28, 2022	February 28, 2021	% Increase (Decrease)
Operating Revenues	$ 574,754	$ 509,938	12.7%
Operating Expenses	616,349	547,374	12.6%
Operating Income (Loss)	**$ (41,595)**	**$ (37,436)**	**11.1%**
Nonoperating Revenues (Expenses)	330,926	287,072	15.3%
Income (Loss) Before Other	**$ 289,331**	**$ 249,636**	**15.9%**
Other Revenues, Expenses and Transfers	59,532	49,601	20.0%
Change in Net Position	**$ 348,863**	**$ 299,237**	**16.6%**
Net Position, Beginning of Year	$ 1,247,854	$ 1,093,358	14.1%
Restatement	(599)	-	0.0%
Restated Net Position, Beginning of Year	1,247,255	1,093,358	14.1%
Net Position, End of Year	**$ 1,596,118**	**$ 1,392,595**	**14.6%**

FY 2022 Q2 Cash Highlights

Highlights:

- Higher enrollment numbers lead to higher than anticipated tuition and fees
- Overall, cash flow resulted in an improvement to operating liquidity over FY21
- Increase in payment expenses this quarter due to catch up of A/P payments

	Receipts YOY	Payments YOY		Net YOY
UNT	$38M/9%	$21M/5%		$17M/4%
HSC	$21M/15%	$20M/14%		$1M/1%
UNTD	$6M/13%	$115K/0%		$5.9M/13%
System	$900K/-2%	$2M/-6%		$1.4M/4%

FY 2022 Q2 UNTS Cash Flow Projections

Q2 FY 22 financials sustained a positive liquidity position for start of the fiscal year

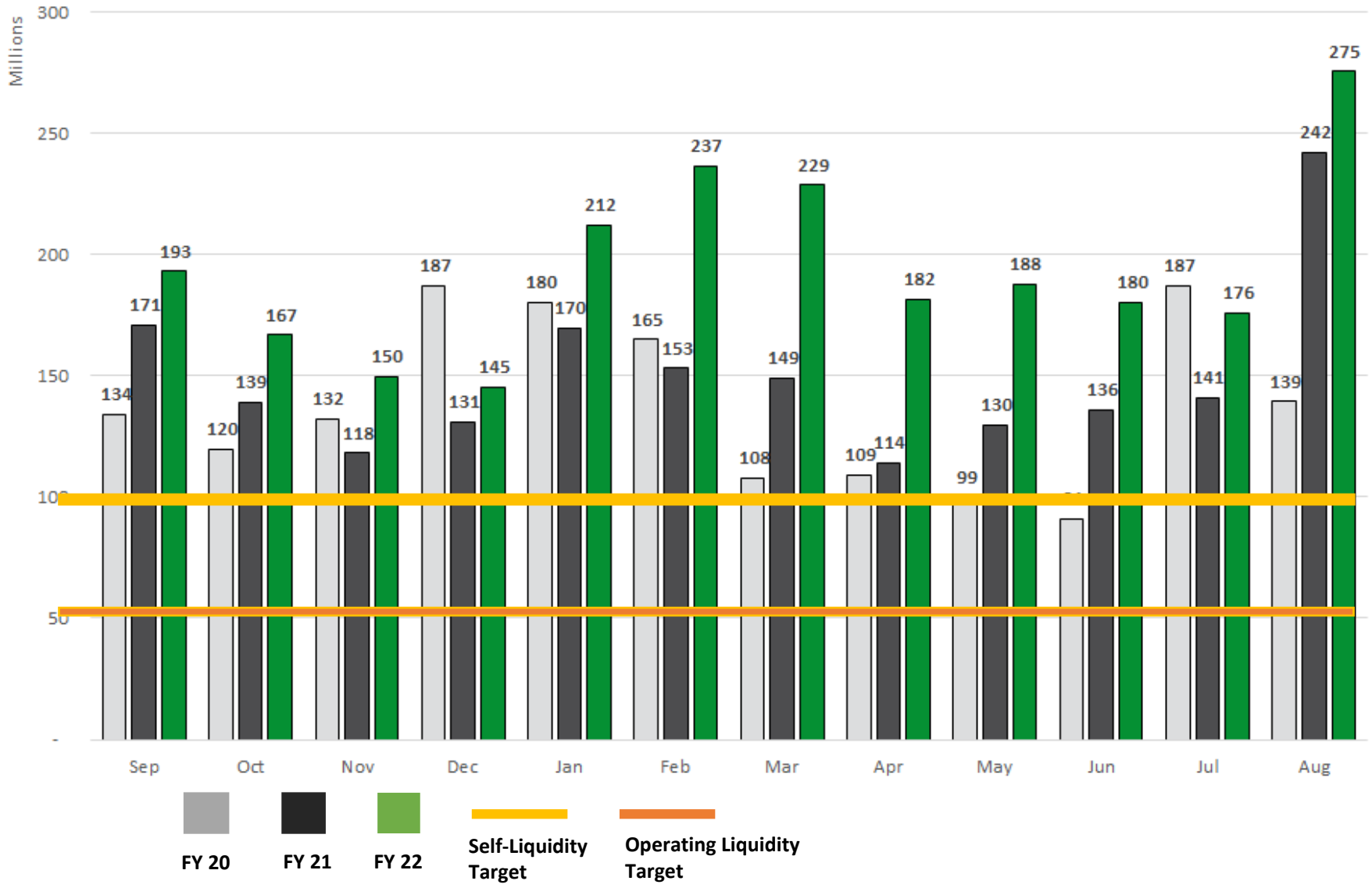
- Self-liquidity target of $100m = 2x CP
- Operating liquidity target $53m coverage of monthly PR and 5 days of AP

Davs Cash on Hand

8/31/2021	11/30/2021	2/28/2022
226	183	223

5/31/2022	8/31/2022
202	240

Benchmark – 169 days



Questions

Backup Materials

FY 2022 Q2 Performance: UNTS Consolidated

Q2 Revenue

18.7% increase

- Total revenue increased by $156m/18.7%.
  - Tuition and Fee revenue increased by $41.5m/11.9% due to higher enrollment;
  - Sales of Goods and Services increased by $19.2m/22.3% due to campuses fully reopening;
  - Grants and Contracts increased by $58.2m/54.6% due to COVID relief funding;
  - State Appropriations increased by $19.1m/7.4% due to new appropriations in the FY22-23 biennium.

Q2 Expenses

14.1% increase

- Total expenses increased by $71.5m/14.1%.
  - Personnel costs increased $14.3m/4.3% due to higher enrollment support;
  - Maintenance & Operations increased by $32.4m/35.0% due to reopening campuses;
  - Scholarships and Financial Aid increased by $26.2m/40.1% due to COVID relief funding.

All $ presented as thousands

	FY21 Q2 Actuals	FY22 Q2 Budget	FY22 Q2 Actuals	Actuals vs. Actuals Variance ($000's)	Actuals vs. Actuals Variance (%)
REVENUES					
Net Tuition and Fees	348,780	360,598	390,316	41,536	11.9%
Sales of Goods and Services	85,923	121,641	105,102	19,179	22.3%
Grants and Contracts	106,499	130,831	164,664	58,165	54.6%
State Appropriations	257,274	270,452	276,353	19,079	7.4%
All Other Revenue	36,831	30,224	54,853	18,022	48.9%
Total Revenues	**835,307**	**913,746**	**991,288**	**155,981**	**18.7%**
EXPENSES					
Personnel Costs	333,201	357,369	347,532	14,331	4.3%
Maintenance & Operation Co	92,524	120,080	124,887	32,362	35.0%
Scholarships, Exemptions and Financial Aid	65,339	92,170	91,542	26,202	40.1%
All Other Expenses	15,144	28,581	13,708	(1,436)	-9.5%
Total Expenses	**506,208**	**598,201**	**577,668**	**71,460**	**14.1%**
TRANSFERS					
Total Net Transfers	**(92,635)**	**(68,400)**	**(61,042)**	**31,594**	**-34.1%**
Estimated Budgeted Impact on Fund Balances	**236,464**	**247,145**	**352,578**	**116,114**	**49.1%**

FY 2022 Q2 Performance: UNT

Q2 Revenue

21.9% increase

- Total revenue increased by $134.6m/21.9%.
  - Tuition and Fees increased by $40.8m/13.3% due to increased graduate enrollment;
  - Sale of Goods and Services increased by $19.9m/33.9% due to campus reopening;
  - Grants and Contracts increased by $51.1m/70.2% due to COVID relief funding.
  - State Appropriations increased by $11.4m/6.8% due to new appropriations in the FY22-23 biennium.

Q2 Expenses

13.2% increase

- Total expenses increased by $44.5m/13.2%.
  - Personnel Costs increased by $7.4m/3.4% due to campus reopening and higher graduate enrollment;
  - Maintenance & Operation Costs increased by $19.4m/37.0% due to campus reopening support;
  - Scholarships and Financial Aid increased by $18.7m/32.4% due to awards via COVID relief funding.

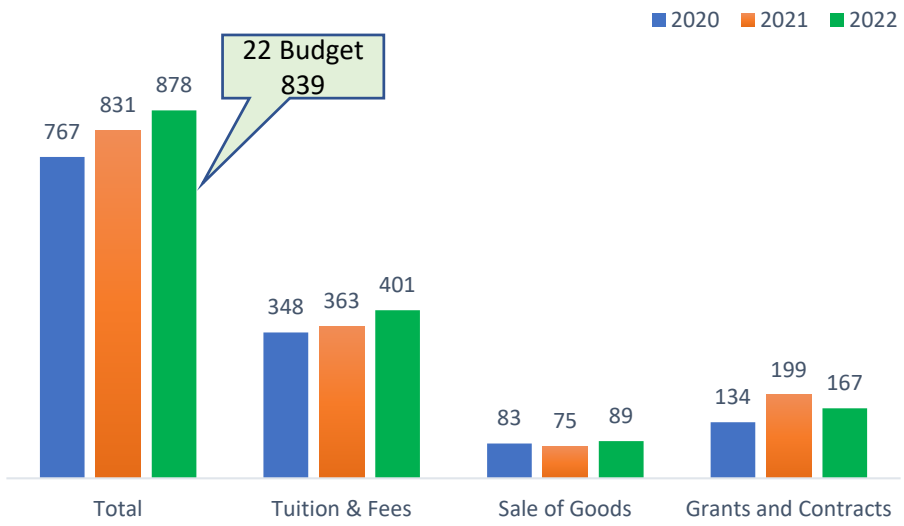
All $ presented as thousands

	FY21 Q2 Actuals	FY22 Q2 Budget	FY22 Q2 Actuals	Actuals vs. Actuals Variance ($000's)	Actuals vs. Actuals Variance (%)
REVENUES					
Net Tuition and Fees	306,807	318,027	347,557	40,750	13.3%
Sales of Goods and Services	58,761	82,678	78,661	19,900	33.9%
Grants and Contracts	72,863	85,791	124,037	51,174	70.2%
State Appropriations	166,512	177,687	177,893	11,381	6.8%
All Other Revenue	8,792	10,172	20,176	11,384	129.5%
Total Revenues	**613,734**	**674,356**	**748,323**	**134,589**	**21.9%**
EXPENSES					
Personnel Costs	219,287	231,234	226,718	7,431	3.4%
Maintenance & Operation Costs	52,361	66,672	71,736	19,375	37.0%
Scholarships, Exemptions and Financial Aid	57,862	76,844	76,600	18,738	32.4%
All Other Expenses	8,233	18,232	7,235	(998)	-12.1%
Total Expenses	**337,742**	**392,982**	**382,289**	**44,547**	**13.2%**
TRANSFERS					
Total Net Transfers	**(84,342)**	**(79,224)**	**(89,858)**	**(5,517)**	**-6.5%**
Estimated Budgeted Impact on Fund Balances	**191,650**	**202,149**	**276,176**	**84,526**	**44.1%**

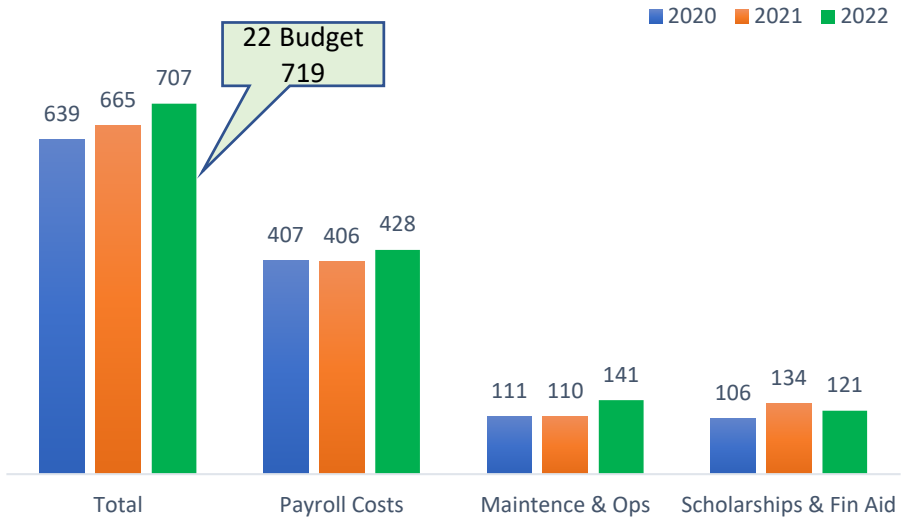
FY 2022 UNT End of year financial estimates ($m)

- Projected Revenue:
  - FY22 Revenue projecting above prior year by $47m;
  - Tuition and Fees above FY21 by $38m due to increased enrollment;
  - Sale of Goods $14m more than prior year due to full reopening of campus;
  - Contracts & grants less than prior year by $32m due to COVID relief funding that mostly received in FY21.

*Note: These are the main drivers, and do not total



- Projected Expenses:
  - FY22 Expenses projecting above prior year by $42m;
  - Payroll costs above FY21 by $22m due to increased enrollment support;
  - Maintenance & Operations above prior year due by $31m to increased campus reopening support;
  - Scholarships & Aid projected behind prior year by $13m due to COVID relief funding in FY21.



FY 2022 Q2 Performance: UNTHSC

Q2 Revenue

9.6% increase

- Total revenue increased by $14.0m/9.6%.
  - Tuition and Fees increased by $1.0m/5.8%;
  - Sales of Goods and Services decreased by $1.0m/4.2% due to timing;
  - Grants and Contracts increased by $0.8m/3.4% due to increased grant activity;
  - State Appropriations increased by $6.9m/12.6% due to increased appropriations and Rape Kit funding.

Q2 Expenses

12.6% increase

- Total expenses increased by $13.3m/12.6%.
  - Personnel Costs increased by $4.4m/6.1% due to new hires and performance payment plan;
  - Maintenance & Operations increased by $8.2m/28.9% due to new incentives and programs;
  - Scholarships increased $1.1m.

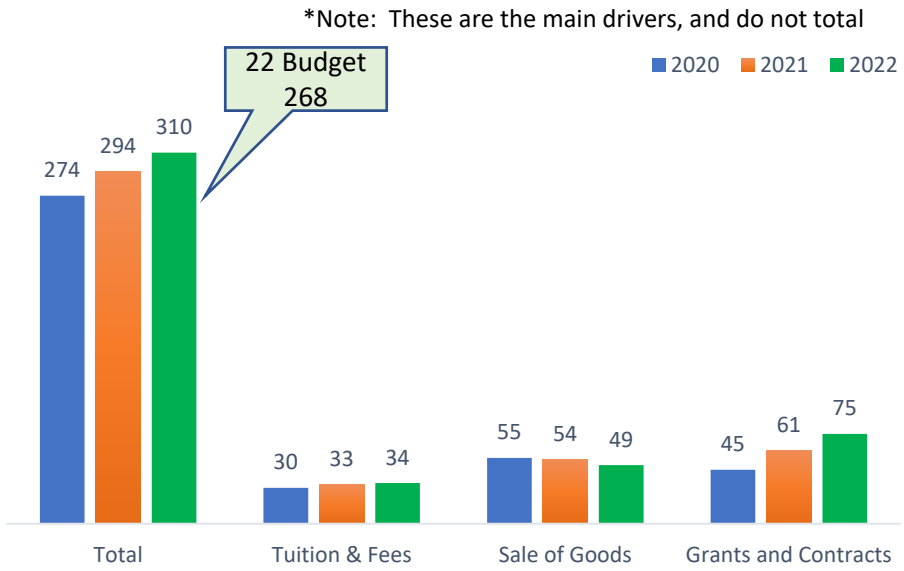
All $ presented as thousands

THE UNIVERSITY of NORTH TEXAS HEALTH SCIENCE CENTER at FORT WORTH

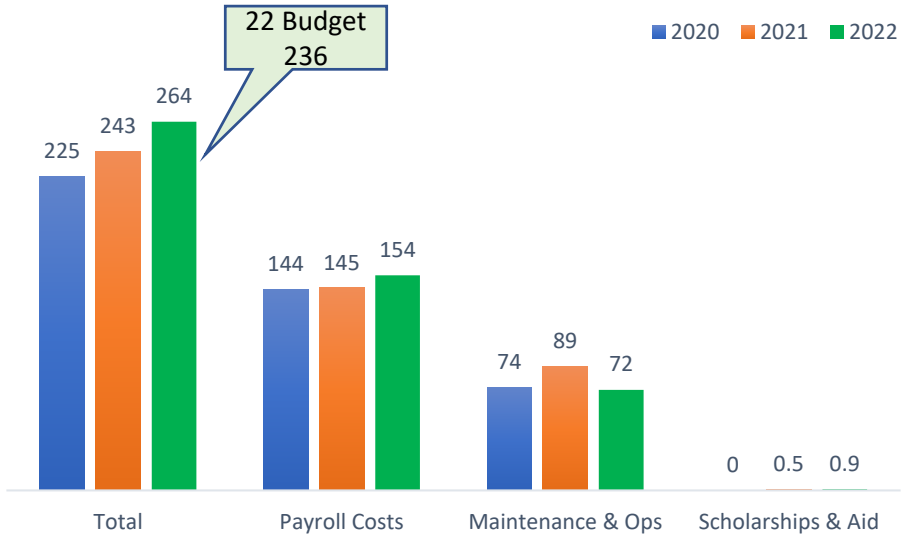
	FY21 Q2 Actuals	FY22 Q2 Budget	FY22 Q2 Actuals	Actuals vs. Actuals Variance ($000's)	Actuals vs. Actuals Variance (%)
REVENUES					
Net Tuition and Fees	17,262	16,818	18,256	994	5.8%
Sales of Goods and Services	24,573	36,238	23,532	(1,041)	-4.2%
Grants and Contracts	24,875	26,425	25,729	854	3.4%
State Appropriations	55,345	55,684	62,294	6,949	12.6%
All Other Revenue	23,938	16,209	30,261	6,323	26.4%
Total Revenues	**145,994**	**151,375**	**160,073**	**14,079**	**9.6%**
EXPENSES					
Personnel Costs	72,071	77,933	76,456	4,385	6.1%
Maintenance & Operation Costs	28,499	37,208	36,733	8,234	28.9%
Scholarships, Exemptions and Financial Aid	0	439	1,083	1,083	0.0%
All Other Expenses	5,268	6,883	4,865	(403)	-7.6%
Total Expenses	**105,838**	**122,463**	**119,137**	**13,299**	**12.6%**
TRANSFERS					
Total Net Transfers	**(23,570)**	**(20,696)**	**(18,780)**	**4,790**	**-20.3%**
Estimated Budgeted Impact on Fund Balances	**16,586**	**8,217**	**22,156**	**5,570**	**33.6%**

FY 2022 UNTHSC End of year financial estimates ($m)

- Projected Revenue:
  - FY22 Revenue projecting $16m above prior year;
  - Tuition & Fees projecting above prior year by $1m;
  - Sale of Goods and Services projecting $5m below, but $4m over budget;
  - Grants and Contracts projecting $14 above prior year due to higher grant activity.



- Projected Expenses:
  - FY22 Expenses projecting $21m above prior year;
  - Payroll Costs higher than FY21 by $9m, but $2m below FY22 budget;
  - Maintenance & Operations projecting lower by $17m due to the Tarrant County vaccine contract in FY21;
  - Scholarships higher by $0.4m due to increased grant activity.



FY 2022 Q2 Performance: UNTD

Q2 Revenue

10.6% increase

- Total revenue increased by $7.1m/10.6%.
  - Tuition and Fees are flat to prior fiscal year;
  - Sales of Goods increased by $0.3m/29.9% due to campus reopening;
  - Grants and Contracts increased $6.1m/70.0% due to COVID relief funding;
  - State Appropriations increased by $0.8m/3.0% due the new Center for Socioeconomic Mobility through Education funding.

Q2 Expenses

29.8% increase

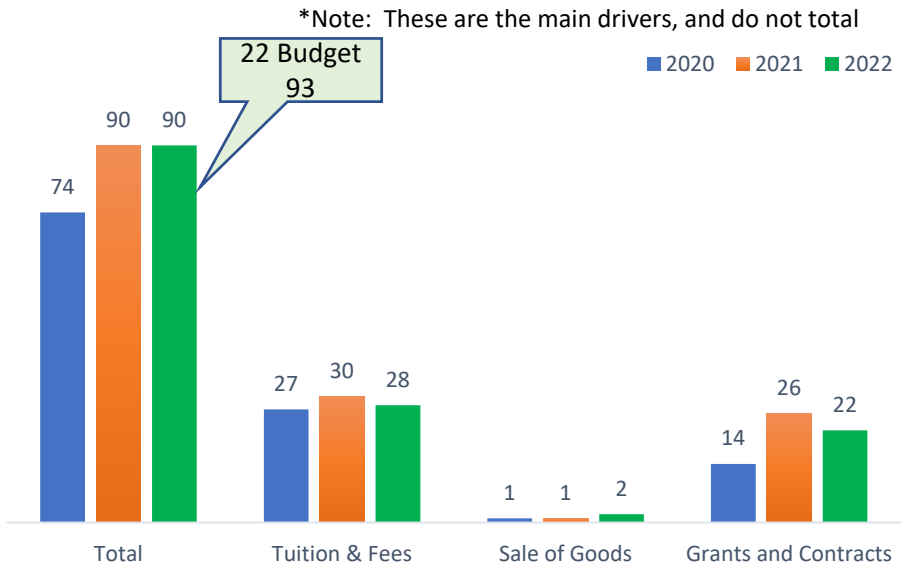
- Total expenses increased by $9.7m/29.8%.
  - Personnel Costs increased by $1.7m/8.5% in order to support enrollment growth;
  - Maintenance & Operations increased $1.6m/32.8% due to COVID relief funding;
  - Scholarships and Financial Aid increased by $6.4m/85.3% due to COVID relief funding.

All $ presented as thousands

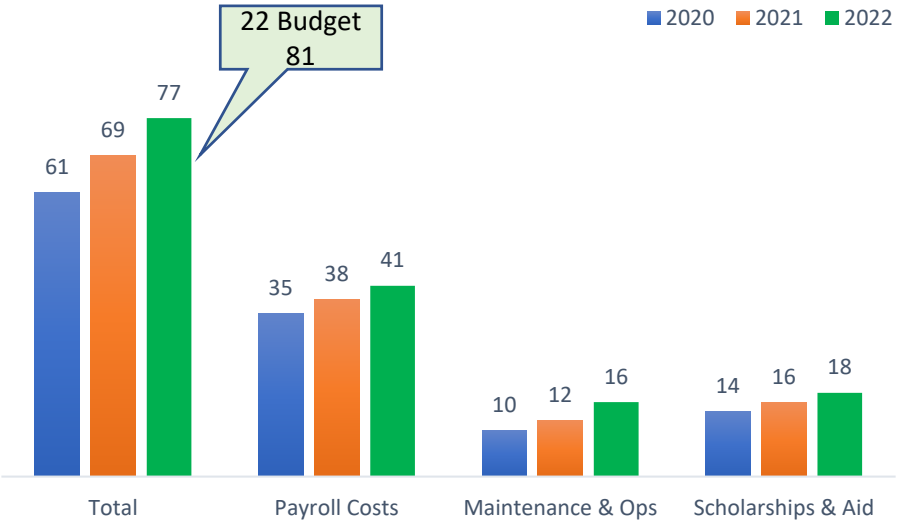
	FY21 Q2 Actuals	FY22 Q2 Budget	FY22 Q2 Actuals	Actuals vs. Actuals Variance ($000's)	Actuals vs. Actuals Variance (%)
REVENUES					
Net Tuition and Fees	24,711	25,753	24,503	(208)	-0.8%
Sales of Goods and Services	1,114	1,268	1,448	334	29.9%
Grants and Contracts	8,761	18,615	14,899	6,137	70.0%
State Appropriations	28,315	30,687	29,153	839	3.0%
All Other Revenue	3,989	3,743	3,960	(30)	-0.8%
Total Revenues	**66,890**	**80,065**	**73,962**	**7,071**	**10.6%**
EXPENSES					
Personnel Costs	20,204	25,982	21,930	1,726	8.5%
Maintenance & Operation Costs	4,885	8,535	6,485	1,601	32.8%
Scholarships, Exemptions and Financial Aid	7,478	14,888	13,859	6,381	85.3%
All Other Expenses	28	1,466	33	4	14.4%
Total Expenses	**32,595**	**50,871**	**42,306**	**9,712**	**29.8%**
TRANSFERS					
Total Net Transfers	**(12,204)**	**(10,853)**	**(10,937)**	**1,267**	**10.4%**
Estimated Budgeted Impact on Fund Balances	**22,092**	**18,342**	**20,718**	**(1,374)**	**6.2%**

FY 2022 UNTD End of year financial estimates ($m)

- Projected Revenue:
  - Total Revenue flat to prior year;
  - Tuition & Fees revenue projecting below prior year by $2m due to lower than expected enrollment;
  - Sales of Goods & Services $1m above prior year due to campus reopening;
  - Grants & Contracts $4m below prior year due to COVID relief funding inflating FY21.



- Projected Expenses:
  - Total Expenses above prior year by $8m;
  - Payroll Costs higher than prior year by $3m, but will come in $1m under budget;
  - Maintenance & Operations projecting higher than prior year by $4m, but $1m under budget;
  - Scholarships & Aid above prior year by $2m due to delayed COVID relief funding being expensed.



FY 2022 Q2 Performance: UNT System Administration

Q2 Revenue

2.8% increase

- Total revenue increased by $0.2m/2.8%.
  - Sales of Goods and Services slightly decreased;
  - State Appropriations also slightly decreased;
  - All Other Revenue increased by $0.3m due to higher investment income.

Q2 Expenses

13.0% increase

- Total expenses increased by $3.9m/13.0%.
  - Personnel Costs increased by $0.8m/3.6% due to strategic initiatives;
  - Maintenance & Operations increased by $3.2m/46.5% due to FY22 strategic initiatives and delayed expense off-set fees;
  - Other Expenses slightly decreased.

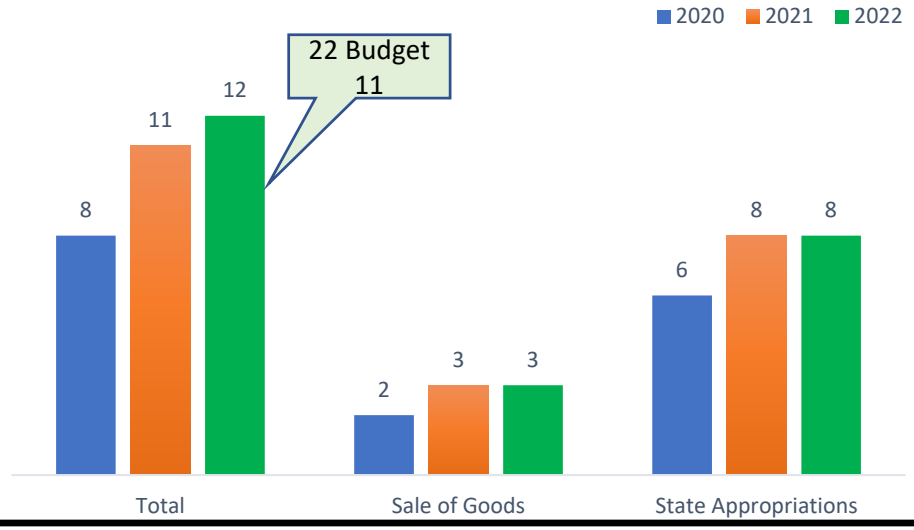
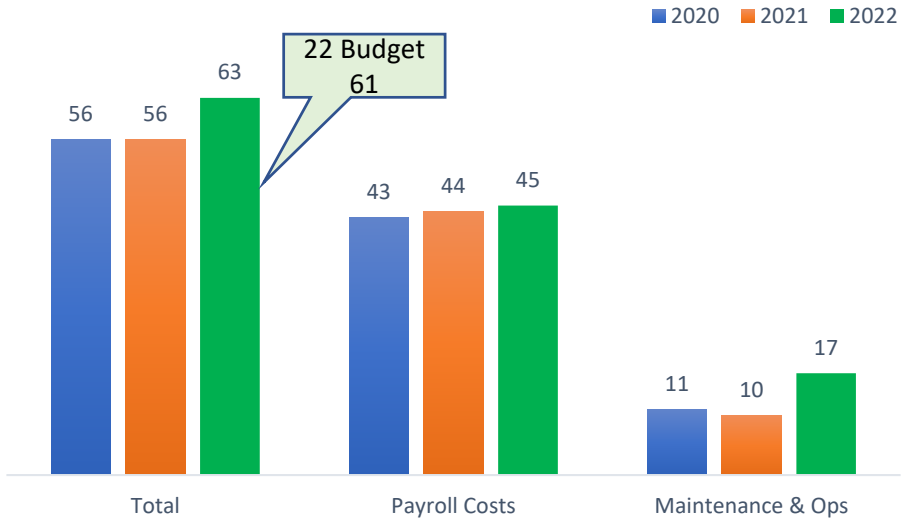
All $ presented as thousands

	FY21 Q2 Actuals	FY22 Q2 Budget	FY22 Q2 Actuals	Actuals vs. Actuals Variance ($000's)	Actuals vs. Actuals Variance (%)
REVENUES					
Net Tuition and Fees	0	0	0	0	0.0%
Sales of Goods and Services	1,475	1,456	1,462	(13)	-0.9%
Grants and Contracts	0	0	0	0	0.0%
State Appropriations	7,103	6,393	7,012	(90)	-1.3%
All Other Revenue	111	100	456	345	309.5%
Total Revenues	**8,689**	**7,950**	**8,930**	**241**	**2.8%**
EXPENSES					
Personnel Costs	21,639	22,220	22,428	789	3.6%
Maintenance & Operation Costs	6,780	7,665	9,932	3,152	46.5%
Scholarships, Exemptions and Financial Aid	0	0	0	0	0.0%
All Other Expenses	1,615	2,000	1,575	(40)	-2.4%
Total Expenses	**30,033**	**31,885**	**33,935**	**3,902**	**13.0%**
TRANSFERS					
Total Net Transfers	**27,480**	**42,373**	**58,533**	**31,053**	**113.0%**
Estimated Budgeted Impact on Fund Balances	**6,136**	**18,438**	**33,528**	**27,392**	**446.4%**

FY 2022 UNTSA End of year financial estimates ($m)

- Projected Revenue:
  - Total Revenue above prior year by $1m due to higher than expected investment income;
  - Sale of Goods & Services are projecting flat to prior year, as well as budget;
  - State Appropriations are also projecting flat to prior year and annual budget.

*Note: These are the main drivers, and do not total



- Projected Expenses:
  - Total expenses above prior year by $7m, which is $2m over budget;
  - Payroll Costs are projecting over prior year by $1m due to FY22 strategic initiatives;
  - Maintenance & Operations above prior year by $7m, or $2m over budget due to FY22 strategic initiatives.